

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF SALT)
RIVER ELECTRIC COOPERATIVE) CASE NO. 2004-00480
CORPORATION FROM NOVEMBER 1,)
2002 TO OCTOBER 31, 2004)

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Salt River Electric Cooperative Corporation ("Salt River") for the 2 years ended October 31, 2004.

As part of this review, the Commission ordered Salt River to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Salt River has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Salt River has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Salt River, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.¹

3. Salt River should be authorized to transfer (roll-in) a 4.89 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 mills per kWh increase in EKPC's base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Salt River through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Salt River is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Salt River on and after June 1, 2005, the effective date of EKPC's change in rates.

4. Within 30 days of the date of this Order, Salt River shall file with the Commission revised tariff sheets setting out the approved rates.

¹ Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24th day of May, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00480 DATED MAY 24, 2005

The following rates and charges are prescribed for the customers in the area served by Salt River Electric Cooperative Corporation. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE A-5
FARM AND HOME

Energy Charge per kWh \$.059151

SCHEDULE A-5T
FARM AND HOME SERVICE TAXABLE

Energy Charge per kWh \$.059151

SCHEDULE A-5 -TOD
FARM AND HOME SERVICE-TIME OF DAY

On Peak Energy Charge per kWh \$.077990
Off-Peak Energy Charge per kWh \$.038950
Summer Season \$.059151

SCHEDULE A-5T -TOD
FARM AND HOME SERVICE TAXABLE-TIME OF DAY

On Peak Energy Charge per kWh \$.077990
Off-Peak Energy Charge per kWh \$.038950
Summer Season \$.059151

SCHEDULE R-1
RESIDENTIAL MARKETING RATE

Energy Charge per kWh \$.035491

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE

Energy Charge per kWh \$.064891

SCHEDULE LLP-1
LARGE POWER SERVICE

Energy Charge per kWh \$.046861

SCHEDULE LLP-2
LARGE POWER 500 KW UNDER 3,000 KW (Secondary Voltage)

Energy Charge per kWh \$.043551

SCHEDULE CL
COMMERCIAL LIGHTING SERVICE

Sodium Vapor (HPS) 400 Watt per month \$ 25.80

SCHEDULE OL
OUTDOOR LIGHTING

Flat rate per light per month as follows:

Mercury Vapor 175 Watt	\$ 8.06
Sodium Vapor 100 Watt	\$ 8.01
Sodium Vapor 250 Watt	\$ 10.10
Sodium Vapor 400 Watt	\$ 13.11
Decorative Underground (HPS) 100 Watt	\$ 8.96
Underground MV w/o pole 175 Watt	\$ 14.53
Underground MV w/pole 175 Watt	\$ 18.23
Overhead Durastar MV 175Watt	\$ 8.68

SCHEDULE OL-1
STREET LIGHTING SERVICE

Energy Charge per kWh \$.063191

SCHEDULE LLP-3-B1
LARGE POWER 500 KW – 999 KW

Energy Charge per kWh \$.037257

SCHEDULE LLP-3-C1
LARGE POWER 500 KW – 999 KW

Energy Charge per kWh \$.037257

SCHEDULE LLP-3
LARGE POWER 500 KW – 3,000 KW

Energy Charge per kWh \$.043481

SCHEDULE LLP-4-B1
LARGE POWER 1,000 KW – 2,999 KW

Energy Charge per kWh \$.034337

SCHEDULE LLP-4-C1
LARGE POWER 1,000 KW – 2,999 KW

Energy Charge per kWh \$.034337

SCHEDULE LPR-1
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.031981

SCHEDULE LPR-2
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.031981

SCHEDULE LPR-3
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.031981

SCHEDULE LPR-1-B1
LARGE POWER 3,000 KW – 4,999 KW

Energy Charge per kWh \$.029371

SCHEDULE LPR-1-C1
LARGE POWER 3,000 KW – 4,999 KW

Energy Charge per kWh \$.029371

SCHEDULE LPR-1-B2
LARGE POWER 5,000 KW – 9,999 KW

Energy Charge per kWh \$.029187

SCHEDULE LPR-1-C2
LARGE POWER 5,000 KW – 9,999 KW

Energy Charge per kWh \$.029187

SCHEDULE LPR-1-B3
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$.028887

SCHEDULE LPR-1-C3
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$.028887