COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SALT RIVER ELECTRIC COOPERATIVE CORPORATION TO PASS-THROUGH AN INCREASE OF ITS WHOLESALE POWER SUPPLIER PURSUANT TO KRS 278.455(2)

CASE NO. 2008-00422

<u>ORDER</u>

On October 31, 2008, Salt River Electric Cooperative Corporation ("Salt River RECC") submitted an application to pass-through any wholesale rate adjustment granted to its wholesale supplier, East Kentucky Power Cooperative, Inc. ("EKPC"), in Case No. 2008-00409.¹ Salt River RECC submitted its application pursuant to the authority of KRS 278.455(2) and proposed that its new rates become effective December 1, 2008.

KRS 278.455(2) provides that the rates of a distribution cooperative shall become effective on the same date as those of its wholesale supplier. On November 26, 2008, the Commission suspended EKPC's proposed rates up to and including May 31, 2009. Consequently, Salt River RECC's proposed rates may not become effective until the Commission renders a decision on EKPC's proposed rates or until EKPC's proposed rates become effective as a matter of law.

IT IS THEREFORE ORDERED that Salt River RECC's proposed rates shall be suspended up to and including May 31, 2009.

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.

Done at Frankfort, Kentucky, this 26th day of November, 2008.

By the Commission

ATTES Stumbo MI Executive Director /

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