

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT ADDITIONAL LINES)	2010-00055
AND FACILITIES)	

ORDER

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky RECC") filed its application on February 12, 2010 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant at an estimated cost of \$43,597,745. In support of its application, South Kentucky RECC filed its 2010-2013 Work Plan, which describes in detail the improvements and additions to its plant that are required over the next four years to serve its load.

South Kentucky RECC seeks authorization to construct extensions and additions to its plant as follows:

New member (services) construction	\$21,344,500
System improvement projects (line change and conversion)	3,495,300
Transformers and meters	8,310,300
Service upgrades	936,810
Sectionalizing equipment and activities	68,700
Line (voltage) regulators	180,000
Capacitors/Controls	8,200

Pole replacements	6,568,800
Miscellaneous replacement (guys, anchors, insulators, etc.)	511,385
Gap arrestor replacement	496,600
Step-transformers	60,000
Security lights	1,609,650
SCADA equipment	<u>7,500</u>
TOTAL	\$43,597,745

South Kentucky RECC states that the proposed construction will enable it to continue to provide adequate and dependable electric service to its customers and that the system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide service reliability.

In Case No. 2009-00489,¹ South Kentucky RECC was authorized to install an Advanced Metering Infrastructure (“AMI”) System, which will include the installation of 67,500 single-phase residential meters. The total estimated cost of the AMI is \$19.5 million, and it will be funded partially through a grant of \$9.5 million from the United States Department of Energy (“DOE”). As part of this AMI program, South Kentucky RECC indicated that it will be replacing all of its meters.

South Kentucky RECC’s Work Plan includes the installation of 12,000 new meters at a cost of \$798,000. In a data response filed on June 2, 2010 South Kentucky RECC stated that its Work Plan was developed and finalized before receiving final

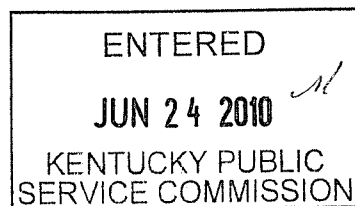
¹ Case No. 2009-00489, Application of South Kentucky Rural Electric Cooperative Corporation for a Certificate Of Convenience And Necessity To Install an Advanced Metering Infrastructure System (AMI) (Ky. PSC Jan. 19, 2010).

approval of the AMI grant from the DOE on March 14, 2010. As a result of the DOE's approval of that grant, South Kentucky RECC now states that it will not be installing 12,000 meters as part of this Work Plan. Consequently, the Commission will delete from the Work Plan the 12,000 meters at a cost of \$798,000.

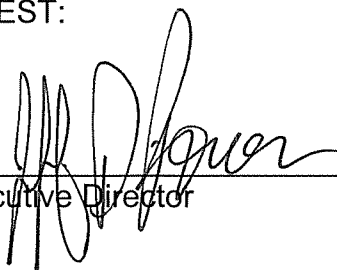
Based on the application, responses to Commission inquiries, and the supporting 2010-2013 Work Plan, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by South Kentucky RECC, excluding the 12,000 meters funded through the DOE grant, are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that South Kentucky RECC is granted a Certificate of Public Convenience and Necessity to construct all of the facilities, except the 12,000 meters, described in its 2010-2013 Work Plan.

By the Commission



ATTEST:



Executive Director

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