SALT RIVER ELECTRIC

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April 13, 2005

Via Federal Express

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort KY 40602

Re: **Salt River Electric Cooperative Corporation**
PSC Administrative Case No. 2005-00090

Dear Ms. O'Donnell:

Salt River Electric Cooperative Corporation respectfully submits the enclosed original and ten copies of its response to the data requests contained in the March 10, 2005 order of the Public Service Commission in the above-styled matter.

Sincerely yours,

Larry Hicks
President and CEO

cc: Service List

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
OF KENTUCKY

In the Matter of:

AN ASSESSMENT OF KENTUCKY'S ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION NEEDS	))))	ADMINISTRATIVE CASE NO. 2005-00090

SALT RIVER ELECTRIC COOPERATIVE CORPORATION RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN COMMISSION'S ORDER OF MARCH 10, 2005

April 13, 2005

1. Provide a summary description of your utility's resource planning process. This should include a discussion of generation, transmission, demand-side, and distribution resource planning.

Salt River ECC prepares a three-year work plan evaluating the future needs of its distribution facilities using an engineering model. Every year we review this work plan to ascertain if we are on track, make changes or adjustments as deemed appropriate, etc. The loads applied to this work plan are derived from a bi-annual load forecast prepared in conjunction with East Kentucky Power. A system-wide coordination study is in place and is reviewed annually and updated as necessary.

Long-range planning is accomplished through a 20-year plan that is kept on file and updated periodically.

2. Are new technologies for improving reliability, efficiency and safety investigated and considered for implementation in your power generation, transmission and distribution system?

a. If yes, discuss the new technologies that were considered in the last 5 years and indicate which, if any, were implemented.

b. If no, explain in detail why new technologies are not considered.

Yes. In the last five years automated meter reading has been implemented which provides better load profiling, outage information, customer-specific data, etc. Salt River implemented a SCADA system to provide for faster response to outages and faster restoration of power. In conjunction with the SCADA system, Salt River is currently investigating automated switching for its functionality to improve restoration of power.

Salt River has evaluated several load control devices and deemed that they were not feasible at this time. Automated mapping is running at present. Salt River has evaluated both work order management systems and automated staking systems, but has not made a decision to implement either at the present time. Salt River is consistently trying to improve the system using technology to make processes more efficient.

3. Is your utility researching any renewable fuels for generating electricity?

a. If so, what fuels are being researched?

b. What obstacles need to be overcome to implement the new fuels?

Not applicable.

4. Provide actual and weather-normalized annual native load energy sales for calendar years 2000 through 2004. Provide actual annual off-system energy sales for this same period disaggregated into full requirements sales, firm capacity sales, and non-firm or economy energy sales. Off-system sales should be further disaggregated to show separately those sales in which your utility acts as a reseller, or transporter, in a power transaction between two or more other parties.

Not applicable.

5. Provide actual and weather-normalized annual coincident peak demands for calendar years 2000 through 2004 disaggregated into (a) native load demand, firm and non-firm; and (b) off-system demand, firm and non-firm.

Salt River, a distribution company, serves only native load.

All KWH

	Coincident Peak Load	Firm	Non-Firm
2004	**205,447**	**204,137**	**1,310**
2003	**199,906**	**198,218**	**1,688**
2002	**181,987**	**180,373**	**1,614**
2001	**168,126**	**167,004**	**1,122**
2000	**173,655**	**173,291**	**364**

6. Provide a summary of monthly power purchases for calendar years 2000 through 2004 disaggregated into firm capacity purchases required to serve native load, economy energy purchases, and purchases in which your utility acts as a reseller, or

transporter, in a power transaction between two or more other parties. Include the average cost per megawatt-hour for each purchase category.

Not applicable.

7. Provide the most current base case and high case demand and energy forecasts for the period 2005 through 2025, if available. If the current forecast does not extend to 2025, provide forecast data for the longest forecast period available. The information should be disaggregated into (a) native load, firm and non-firm demand; and (b) off-system load, both firm and non-firm demand.

Not applicable.

8. Provide the target reserve margin currently used for planning purposes, stated as a percentage of demand, and a summary of your utility's most recent reserve margin study. If this target reserve margin has changed since 2002, provide the prior target reserve margin and explain the reasons for the change. If the target reserve margin is expected to be reevaluated in the next 3 years, explain the reasons for the reevaluation.

Not applicable.

9. For the period 2005 through 2025, provide projected reserve margins stated in megawatts ("MW") and as a percentage of demand. Identify projected deficits and current plans for addressing these deficits.

Not applicable.

10. Provide the following information for every generation station operated in Kentucky.

a. Name.

b. Location (including county).

c. Number of units.

d. Date in service for each unit.

e. Type of fuel for each unit.

f. Net rating (MW) for each unit.

g. Emission control equipment in service (list by type).

h. Date emission control equipment in service.

Not applicable.

11. Provide a summary of any planned base load or peaking capacity additions to meet native load requirements in the years 2005 through 2025. Include capacity additions by the utility, and those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky.

Not applicable.

12. What is the estimated capital cost per KW and energy cost per kWh for new generation by technology?

Not applicable.

13. If current plans for addressing projected capacity deficits include the addition of gas-fired generation, describe the extent to which fluctuations in natural gas prices have been incorporated into these plans. Explain how fluctuations in natural gas prices may have altered the results of previous plans.

Not applicable.

14. Provide a summary of any permanent reductions in utilization of generation capacity due to Clean Air Act compliance from 2000 through 2004. Identify and describe any forecasted reductions during the 2005 through 2025 period.

Not applicable.

15. Provide a summary of all forced outages and generating capacity retirements occurring during the years 2000 through 2004.

Not applicable.

16. Provide a summary of the utility's plans for the retirement of existing generating capacity during the 2005 through 2025 period.

Not applicable.

17. Provide a summary description of your utility's existing demand-side management ("DSM") programs, which includes:

a. Annual DSM budget,

Salt River has no direct control demand-side management programs. Salt River does have energy conservation programs such as "Button Up" where Salt River pays an incentive to customers for upgrading existing insulation; and the sale of Electric Thermal Storage heaters that use energy during off-peak hours; and through the promotion of Touchstone Energy homes, where the cooperative pays incentives to customers who construct energy-efficient homes.

b. Demand and energy impacts.

Not applicable.

c. The currently scheduled termination dates for the programs.

Not applicable.

18. Provide your utility's definition of "transmission" and "distribution."

Salt River Electric defines transmission and distribution as the following:

Transmission – any lines operating above 25kv
Distribution – any lines operating at 25kv or less

19. Identify all utilities with which your utility is interconnected and the transmission capacity at all points of interconnection.

Not applicable.

20. Provide the peak hourly MW transfers into and out of each interconnection for each month of the last 5 years. Provide the date and time of each peak.

Not applicable.

21. Identify any areas on your utility's system where capacity constraints, bottlenecks, or other transmission problems have been experienced from January 1, 2003 until the present date. Identify all incidents of transmission problems by date and hour, with a brief narrative description of the nature of the problem. Provide the MW transfers for each of your utility's interconnections for these times.

Not applicable.

22. Provide details of any planned transmission capacity additions for the 2005 through 2025 period. If the transmission capacity additions are for existing or expected constraints, bottlenecks, or other transmission problems, identify the problem the addition is intended to address.

Not applicable.

23. Is your utility researching or considering methods of increasing transmission capacity of existing transmission routes? If yes, discuss those methods.

Not applicable.

24. Provide copies of any reports prepared by your utility or for your utility that analyze the capabilities of the transmission system to meet present and future needs for import and export of capacity.

Not applicable.

25. Provide the following transmission energy data forecast for the years 2005 through 2025.

a. Total energy received from all interconnections and generation sources connected to your transmission system.

b. Total energy delivered to all interconnections on your transmission system.

c. Peak demand for summer and winter seasons on your transmission system.

Not applicable.

26. Provide the yearly System Average Interruption Duration Index ("SAIDI") and the System Average Interruption Frequency Index ("SAIFI"), excluding major outages, by feeder for each distribution substation on your system for the last 5 years.

Salt River does not maintain outage records down to the feeder level. The following tables are SAIDI and SAIFI, excluding major outages, by substation on the system for the last five years.

SAIDI	2000	2001	2002	2003	2004
Balltown	0.6321	2.5161	3.0296	1.3710	4.1714
Bardstown Shopping Ctr	0.2976	0.5660	0.2709	0.4178	0.8467
Beams	0.5732	1.0399	1.7220	1.4331	1.1387
Bloomfield	6.5291	3.9555	1.5999	8.8810	10.8321
Blue Lick	0.3402	0.3725	3.5571	1.4115	1.5793
Brooks	6.4815	1.9890	7.6224	2.3709	2.1285
East Bardstown	1.0757	0.6521	0.9923	0.2681	0.8069
Gospel Hill	5.6527	1.4223	2.4020	3.3400	4.5470
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	1.4044	1.8417	0.8264	1.7210	2.3340
Mt. Washington	0.2398	0.7268	0.1252	3.8611	0.3733
North Springfield	18.3352	3.2407	6.5046	1.8915	3.2393
Pleasant Grove	1.2606	1.0535	1.2419	0.4016	0.8559
Shepherdsville	0.2918	0.7769	2.5855	0.6041	0.7678
South Springfield	4.6907	4.1695	6.6504	2.1490	4.1231
Taylorsville	5.3330	2.2575	1.0185	1.4517	0.7255
West Bardstown	1.5892	2.0577	1.6991	1.9245	2.7954
Woosley	3.5405	3.9899	11.4933	3.8905	18.0362
West Mt. Washington	0.2997	0.9840	0.2483	2.5186	0.4507
Beulah Beam	0.2489	0.3962	0.1585	0.2160	1.0240
Cox's Creek	2.8054	0.1103	0.8486	2.1019	2.8561
Darwin Thomas	1.1868	0.2010	0.5338	2.7982	2.9019
Knob Creek	4.6704	3.6527	0.6178	3.4480	1.4196
Lebanon Jct.	1.1440	1.6994	2.5807	0.7344	3.1979
Fredricksburg	5.2156	0.4428	6.5055	0.7458	3.1295

SAIFI	2000	2001	2002	2003	2004
Balltown	0.4806	1.6117	1.4474	1.1333	3.3191
Bardstown Shopping Ctr	0.2341	0.8406	0.1557	0.2881	1.3706
Beams	0.6017	0.7606	1.5098	1.7741	0.5819
Bloomfield	2.6217	2.9264	0.7196	3.4143	3.9734
Blue Lick	0.2908	0.4710	1.5517	0.6498	1.2801
Brooks	2.2236	0.6661	4.1190	1.3777	1.5852
East Bardstown	0.9678	0.8283	0.7177	0.2477	0.5814
Gospel Hill	5.0294	1.0495	1.8167	3.0991	2.9210
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	0.8799	0.7987	0.7904	5.3441	2.0925
Mt. Washington	0.1736	1.4005	0.1887	2.2313	0.6497
North Springfield	3.5262	1.3739	2.7051	0.5658	1.4022
Pleasant Grove	0.8878	0.8887	0.6453	0.3341	0.5790

Shepherdsville	0.2903	0.5698	3.0454	0.4717	0.7328
South Springfield	1.4525	1.4442	1.9483	1.6382	2.5447
Taylorsville	1.7144	1.6086	0.6670	1.0959	1.2953
West Bardstown	1.2331	1.8930	0.9418	0.9659	1.7491
Woosley	2.7175	3.4982	7.0151	1.8326	2.4873
West Mt. Washington	0.1184	3.1490	0.3215	1.4671	0.4291
Beulah Beam	0.2822	0.3195	0.1970	0.2189	1.0655
Cox's Creek	0.4358	0.0936	0.5305	1.2710	1.9119
Darwin Thomas	0.8049	0.1187	0.4435	0.9332	1.8976
Knob Creek	2.4696	1.3848	0.3679	3.1709	0.7551
Lebanon Jct.	0.8181	1.1772	1.7822	0.5765	1.5174
Fredricksburg	1.6781	0.4952	2.5750	0.3883	1.9261

Total System SAIDI and SAIFI, excluding major outages:

	SAIDI	SAIFI
2000	**2.669**	**1.099**
2001	**1.476**	**1.245**
2002	**2.159**	**1.283**
2003	**2.092**	**1.443**
2004	**2.775**	**1.863**
5-yr avg	**2.15**	**1.392**

The following tables are SAIDI and SAIFI, excluding major outages and excluding outages from our power supplier, by substation for the last five years.

SAIDI	2000	2001	2002	2003	2004
Balltown	0.6321	2.5161	3.0296	1.3710	3.6664
Bardstown Shopping Ctr	0.2976	0.5660	0.2709	0.4178	0.3522
Beams	0.5732	1.0399	1.7220	1.4331	1.1387
Bloomfield	6.5291	3.9555	1.5974	8.2299	10.4305
Blue Lick	0.3402	0.3725	0.4458	1.4115	1.0324
Brooks	6.4815	1.9890	4.3220	2.3709	2.1285
East Bardstown	1.0757	0.6521	0.9923	0.2681	0.8069
Gospel Hill	2.6646	1.4223	2.4020	0.5884	1.3781
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	1.4044	1.8417	0.8264	1.1377	2.3340
Mt. Washington	0.2398	0.7096	0.1252	1.7387	0.3733
North Springfield	18.3352	3.2407	6.5046	1.8915	3.2393
Pleasant Grove	1.2606	1.0535	1.2419	0.4016	0.8559
Shepherdsville	0.2918	0.7769	1.9086	0.6041	0.7678
South Springfield	4.6907	4.1695	6.6504	2.1490	4.1231
Taylorsville	5.3330	2.2575	1.0185	1.4517	0.6769
West Bardstown	1.5892	2.0577	1.6991	1.9245	1.6508
Woosley	3.5405	3.9899	7.8130	3.8905	18.0362

West Mt. Washington	0.2945	0.7042	0.2483	0.7130	0.4507
Beulah Beam	0.2489	0.3962	0.1585	0.2160	1.0240
Cox's Creek	2.8054	0.1103	0.8486	2.1019	1.3407
Darwin Thomas	1.1868	0.2010	0.5338	2.7982	2.9019
Knob Creek	3.8653	3.6527	0.6156	2.0863	1.4196
Lebanon Jct.	1.1440	1.6994	1.0865	0.7344	3.1979
Fredricksburg	5.2156	0.4428	6.5055	0.7458	3.1295

SAIFI	2000	2001	2002	2003	2004
Balltown	0.4806	1.6117	1.4474	1.1333	2.2743
Bardstown Shopping Ctr	0.2341	0.8406	0.1557	0.2881	0.3474
Beams	0.6017	0.7606	1.5098	1.7741	0.5819
Bloomfield	2.6217	2.9264	0.7189	2.1933	3.5100
Blue Lick	0.2908	0.4710	0.4471	0.6498	0.7143
Brooks	2.2236	0.6661	2.0562	1.3777	1.5852
East Bardstown	0.9678	0.8283	0.7177	0.2477	0.5814
Gospel Hill	2.9864	1.0495	1.8167	0.7296	1.0144
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	0.8799	0.7987	0.7904	0.6753	2.0925
Mt. Washington	0.1736	0.3690	0.1887	1.3938	0.6497
North Springfield	3.5262	1.3739	2.7051	0.5658	1.4022
Pleasant Grove	0.8878	0.8887	0.6453	0.3341	0.5790
Shepherdsville	0.2903	0.5698	1.8849	0.4717	0.7328
South Springfield	1.4525	1.4442	1.9483	1.6382	2.5447
Taylorsville	1.7144	1.6086	0.6670	1.0959	0.3246
West Bardstown	1.2331	1.8930	0.9418	0.9659	1.1038
Woosley	2.7175	3.4982	4.1547	1.8326	2.4873
West Mt. Washington	0.1072	0.3509	0.3215	0.5134	0.4291
Beulah Beam	0.2822	0.3195	0.1970	0.2189	1.0655
Cox's Creek	0.4358	0.0936	0.5305	1.2710	0.9668
Darwin Thomas	0.8049	0.1187	0.4435	0.9332	1.8976
Knob Creek	1.3961	1.3848	0.3657	1.2709	0.7551
Lebanon Junction	0.8181	1.1772	0.7274	0.5765	1.5174
Fredricksburg	1.6781	0.4952	2.5750	0.3883	1.9261

Total System SAIDI and SAIFI, excluding major outages and power supplier outages:

	SAIDI	SAIFI
2000	**2.071**	**0.979**
2001	**1.457**	**0.993**
2002	**1.775**	**1.007**
2003	**1.651**	**0.915**
2004	**2.408**	**1.270**
5-yr avg	**1.878**	**1.037**

27. Provide the yearly SAIDI and SAIFI, including major outages, by feeder for each distribution substation on your system for the last 5 years. Explain how you define major outages.

Salt River does not maintain outage records down to the feeder level. The following tables are SAIDI and SAIFI, including major outages, by substation on the system for the last five years.

Major outages are defined as outages that require more than 24 hours to restore service to customers.

SAIDI	2000	2001	2002	2003	2004
Balltown	0.6321	2.5161	3.0296	5.9183	27.6768
Bardstown Shopping Center	0.2976	0.5660	0.2709	1.1399	2.6730
Beams	0.5732	1.0399	1.7220	2.3736	2.2495
Bloomfield	6.5291	3.9555	1.5999	50.6063	25.2754
Blue Lick	0.3402	0.3725	3.5571	1.4115	6.3044
Brooks	6.4815	1.9890	7.6224	2.4599	9.7733
East Bardstown	1.0757	0.6521	0.9923	3.8752	7.9272
Gospel Hill	5.6527	1.4223	2.4020	3.3400	12.6708
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	1.4044	1.8417	0.8264	15.8799	5.3826
Mt. Washington	0.2398	0.7268	0.1252	4.4953	0.8140
North Springfield	18.3352	3.2407	6.5046	13.1169	9.5798
Pleasant Grove	1.2606	1.0535	1.2419	1.3057	4.5917
Shepherdsville	0.2918	0.7769	2.5855	0.6316	3.4595
South Springfield	4.6907	4.1695	6.6504	6.3048	13.6414
Taylorsville	5.3330	2.2575	1.0185	6.7721	8.5071
West Bardstown	1.5892	2.0577	1.6991	5.8874	52.7414
Woosley	3.5405	3.9899	11.4933	6.5621	28.7796
West Mt. Washington	0.2997	0.9840	0.2483	3.0569	0.7617
Beulah Beam	0.2489	0.3962	0.1585	0.2341	2.8024
Cox's Creek	2.8054	0.1103	0.8486	7.4745	6.7509
Darwin Thomas	1.1868	0.2010	0.5338	2.9617	5.3146
Knob Creek	4.6704	3.6527	0.6178	3.4480	12.7701
Lebanon Jct.	1.1440	1.6994	2.5807	0.7344	12.1036
Fredricksburg	5.2156	0.4428	6.5055	6.7829	17.6775

SAIFI	2000	2001	2002	2003	2004
Balltown	0.4806	1.6117	1.4474	1.2523	3.8550
Bardstown Shopping Center	0.2341	0.8406	0.1557	0.3333	1.4550
Beams	0.6017	0.7606	1.5098	1.8397	0.7197

Bloomfield	2.6217	2.9264	0.7196	7.9769	5.0109
Blue Lick	0.2908	0.4710	1.5517	0.6498	2.4991
Brooks	2.2236	0.6661	4.1190	1.4133	1.9253
East Bardstown	0.9678	0.8283	0.7177	0.4004	1.4407
Gospel Hill	5.0294	1.0495	1.8167	3.0991	3.1161
Ashland Oil	0.0000	0.0000	0.0000	0.0000	0.0000
Owens Illinois	0.0000	0.0000	0.0000	0.0000	0.0000
Cedar Grove	0.8799	0.7987	0.7904	5.7634	2.6168
Mt. Washington	0.1736	1.4005	0.1887	2.2749	0.6873
North Springfield	3.5262	1.3739	2.7051	1.4250	2.1467
Pleasant Grove	0.8878	0.8887	0.6453	0.3706	0.7196
Shepherdsville	0.2903	0.5698	3.0454	0.4796	1.2298
South Springfield	1.4525	1.4442	1.9483	2.3924	3.0609
Taylorsville	1.7144	1.6086	0.6670	1.2378	1.9598
West Bardstown	1.2331	1.8930	0.9418	1.2116	4.3541
Woosley	2.7175	3.4982	7.0151	1.9658	4.2305
West Mt. Washington	0.1184	3.1490	0.3215	1.5918	0.4651
Beulah Beam	0.2822	0.3195	0.1970	0.2262	1.1631
Cox's Creek	0.4358	0.0936	0.5305	1.4204	2.2496
Darwin Thomas	0.8049	0.1187	0.4435	0.9449	1.9923
Knob Creek	2.4696	1.3848	0.3679	3.1709	1.9488
Lebanon Jct.	0.8181	1.1772	1.7822	0.5765	2.3954
Fredricksburg	1.6781	0.4952	2.5750	0.9900	3.0991

Total System SAIDI and SAIFI, including major outages:

	SAIDI	**SAIFI**
2000	**2.669**	**1.099**
2001	**1.476**	**1.325**
2002	**2.159**	**1.283**
2003	**6.473**	**1.766**
2004	**13.266**	**2.702**
5-yr avg	**5.407**	**1.647**

28. What is an acceptable value for SAIDI and SAIFI? Explain how it was derived.

Salt River Electric does not define an acceptable value for SAIDI and SAIFI on a substation basis due to the wide swing in numbers that can be attributed to individual situations and occurrences that affect these numbers drastically. It is our belief that this year's numbers should be compared to previous years' numbers seeking for constant improvement. However, on a system-wide basis, our goal is less than 1.5 for SAIDI and less than 1.0 for SAIFI when excluding major storms, power supplier problems, customer facility problems, and scheduled outages.

These numbers were derived using industry acceptable urban area standards.

29. Provide the yearly Customer Average Interruption Duration Index ("CAIDI") and the Customer Average Interruption Frequency Index ("CAIFI"), including and excluding major outages, on your system for the last five years. What is an acceptable value for CAIDI and CAIFI? Explain how it was derived.

The following is CAIDI, excluding major storm outages:

	CAIDI
2000	2.429
2001	1.186
2002	1.683
2003	1.450
2004	1.490
5-yr avg	1.545

The following is CAIDI, excluding major storms and power supplier outages:

	CAIDI
2000	2.115
2001	1.467
2002	1.763
2003	1.804
2004	1.896
5-yr avg	1.811

The following is CAIDI, including major storm outages:

	CAIDI
2000	2.489
2001	1.114
2002	1.683
2003	3.665
2004	4.910
5-yr avg	3.283

Salt River does not maintain records to the detail necessary to accurately calculate a CAIFI index. Salt River Electric does not define acceptable values for CAIDI or CAIFI since they are not used as the primary factor for system improvements.

30. Identify and describe all reportable distribution outages from January 1, 2003 until the present date. Categorize the causes and provide the frequency of occurrence for each cause category.

Reportable Distribution Outages January 1, 2003 - Present

Date	Cause	Frequency of Occurrence
February 15 – February 16, 2003	Ice	0-1x per year
August 22, 2003	Torrential rain; high wind	1-2x per year
January 25, 2004	Ice	0-1x per year
May 26 – May 27, 2004	Torrential rain; high wind	1-2x per year
July 13, 2004	80-mph winds	0-1x per year
December 22 – December 26, 2004	Ice	0-1x per year

31. Does your utility have a distribution and/or transmission reliability improvement program?

All distribution reliability improvements are part of the three-year work plan and the ongoing annual review of the system coordination study.

a. How does your utility measure reliability?

Salt River ECC uses SAIDI primarily and SAIFI secondarily to measure the reliability of the utility system.

b. How is the program monitored?

Salt River ECC does an annual review of the reliability of our system and makes corresponding recommendations to improvements that need to be implemented.

c. What are the results of the system?

The system identifies problem areas and recommends possible corrective action that can be taken to improve reliability in these areas.

d. How are proposed improvements for reliability approved and implemented?

Options for improvement are evaluated by the engineering and operational staff and recommendations are made after this evaluation. Improvements are approved by the Vice President of Operations and implementation is begun as soon as possible based on our current construction schedule.

32. Provide a summary description of your utility's:

a. Right-of-way management program. Provide the budget for the last 5 years.

Salt River ECC uses a four-year cycle for trimming its entire system using contract crews. Salt River also does intermittent spot trimming to mitigate any problem areas that may arise prior to completion of the four-year cycle.

Budget:	
2000	**$549,000**
2001	**$595,000**
2002	**$653,000**
2003	**$810,000**
2004	**$780,000**

b. Vegetation management program. Provide the budget for the last 5 years.

Salt River ECC uses a spraying program for vegetation management. All areas cut the prior year are sprayed during the current year.

Budget:	
2000	**$90,000**
2001	**$94,000**
2002	**$96,000**
2003	**$100,000**
2004	**$95,000**

c. Transmission and distribution inspection program. Provide the budget for the last 5 years.

Salt River ECC inspects all facilities every two years for hazards using a combination of flying, pole inspection, line inspection and underground inspection. Each pole on the system is inspected thoroughly using the ground line evaluation on a 10-year cycle. Underground facilities are opened and maintained at a minimum of a five-year cycle. Additionally, all facilities involved in an outage are visually inspected for hazards prior to re-energization.

Budget:	
1999	**$309,000**
2000	**$305,000**
2001	**$335,000**
2002	**$353,000**
2003	**$245,000**
2004	**$229,500**

33. Explain the criteria your utility uses to determine if pole or conductor replacement is necessary. Provide costs/budgets for transmission and distribution facilities replacement for the years 2000 through 2025.

Poles and conductors are examined on a case-by-case basis by qualified personnel to determine if their useful life has been exhausted. A decision is made at that time to replace if necessary.

YEAR	**CONDUCTOR & POLE REPLACEMENT**
2000	**$373,391**
2001	**$330,494**
2002	**$513,401**
2003	**$423,673**
2004	**$461,549**
2005	**$615,121**
2006	**$615,121**
2007	**$615,121**

The years 2008 – 2025 are beyond the limits of current 3-year work plan. Therefore, numbers have not been budgeted for pole and conductor replacement. It is anticipated that we will spend approximately the same amount as we are currently spending on future pole and conductor replacement for those years.

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