

**RECEIVED**

**JUL 27 2007**

**PUBLIC SERVICE  
COMMISSION**

COMMONWEALTH OF KENTUCKY  
BEFORE THE  
PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

PETITION TO CHANGE TARIFF ON )  
NON-RECURRING CHARGES OUTSIDE OF ) CASE NO. 2007-00297  
GENERAL RATE PROCEEDING )

Pursuant to the Commission's letter of July 12, 2007, Salt River Electric Cooperative Corporation files the following information:

- 1) The Articles of Incorporation for Salt River Electric Cooperative Corporation was previously filed in Case No. 92-560 with the Public Service Commission.
- 2) A. Cost Justification.
  - i) Residential deposits – current charge of \$100.00 to be increased to \$200.00  
This increase would help Salt River to recover some of the funds lost when a member fails to pay for services. It takes a minimum of two months before a member is disconnected for non-payment. Increasing the deposit allows Salt River to recover some of the funds lost due to non-payment, but does not penalize those members that pay for services used.
  - ii) Low Usage Deposit – current charge of \$50 to be increased to \$100. This increase would help offset funds lost due to non payment.
  - iii) Implement a deposit requirement on small commercial accounts to either \$200.00 or 2/12 of the estimated annual use. This increase is also to help offset losses from non-payment. Small commercial accounts can vary greatly on the amount of energy used each month. By setting the deposit based upon the expected use for two months, Salt River can adjust the deposit to match the expected use and be in a better position if the member fails to pay for the electricity it uses.
  - iv) Cease the practice of accepting credit references from other utilities to waive the deposit. This will provide for a more uniform system of deposits and will help Salt River offset the losses for members that fail to pay.

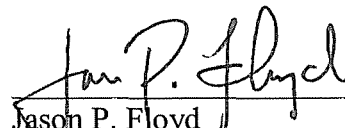
v) Return check fee – increase the fee of \$10 to a \$20 fee. This will allow Salt River to recover the time spent by employees in administration due to checks being returned.

B. Public Notice

Salt River has previously provided notice to its members in the July edition of Kentucky Living. A copy of that notice was filed with the petition. To satisfy the requirements of 807 KAR 5:011, Salt River proposes to file the attached notice in the September edition of Kentucky Living. (Exhibit 1)

C. Salt River proposes an effective date of November 1, 2007 as stated in the revised notice attached as Exhibit 1. Pursuant to KRS 278.180(1), this would give more than thirty days notice to the Commission.

FULTON, HUBBARD & HUBBARD



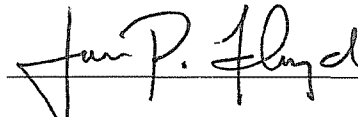
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Jason P. Floyd  
Regina Rapier Beckman  
Attorneys for Applicant  
117 East Stephen Foster Avenue  
Bardstown, Kentucky 40004  
(502) 348-6457

This is to certify that the foregoing was served by mailing a true copy of same to the following this 26 day of JULY, 2007:

Hon. Beth A. O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40602-0615

Office of the Attorney General  
Consumer Protection Division  
118 State Capitol  
700 Capital Ave.  
Frankfort, KY 40601



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REGINA:SALT RIVER-PSC072507.NON RECURRING CHARGES INCREASE

NOTICE

Salt River Electric Cooperative Corporation, 111 W. Brashear, Bardstown, KY 40004, hereby provides notice to all of its customers of a change in billing procedures effective November 1, 2007. Salt River will increase residential deposits from \$100 to \$200 and low usage deposits from \$50 to \$100. Salt River will implement a deposit requirement on small commercial accounts of \$200 or 2/12 of the annual bill. Salt River will increase the return check fee from \$10 to \$20. Salt River will no longer accept a credit reference from other utilities to waive a deposit. These new fees are only a proposal to the Public Service Commission. The Public Service Commission may order rates to be charged that differ from the proposed rates by Salt River. Any corporation, association or person with a substantial interest may, by written request, within thirty (30) days after publication of this notice, request to intervene; intervention may be granted beyond the 30 day period for good cause shown. The Petition and any other filings made by the utility by contacting the utility at the address and phone number listed below. Any person may examine the Petition and other filings made by the utility in regard to this fee increase at either Salt River or at the PSC, 211 Sower Blvd., PO Box 615, Frankfort, KY 40602-0615.