

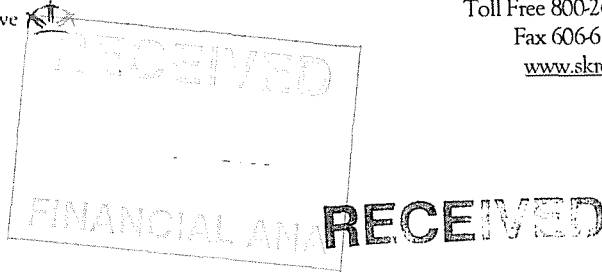


Allen Anderson, Head Coach & CEO

Case No. 2007-00374

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March 19, 2008



MAR 24 2008

PUBLIC SERVICE
COMMISSION

Chris Whelan
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

RE: TVA Fuel Cost Adjustment for 2nd Quarter of 2008

Dear Chris:

Enclosed is a copy of TVA's Retail Fuel Cost adjusted for the 2nd quarter of 2008.

Should you require further information, please let us know.

Sincerely,

SOUTH KENTUCKY RECC

A handwritten signature in cursive script, appearing to read 'Jeffrey Greer'.

Jeffrey Greer
VP of Finances

JG:cgw

F: TVA Fuel Cost

PROPOSED RETAIL RATES

MONTICELLO, KENTUCKY

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		Proposed Retail Rates					
		Retail Base	Retail April '08 TVA Revenue Adjustment	Retail Base Plus April '08 TVA Revenue Adjustment	Retail Environmental Adjustment	Retail Fuel Cost Adjustment	April '08 Retail Effective
		[1]	[2]	[3]	[4]	[5]	[6]
				[1] + [2]			(3)+(4)+(5)
RS	Customer #1 (Net)	\$5 20		\$5 20			\$5 20
RS	Customer #2 (Net)	\$0 00		\$0 00			\$0 00
RS	All kWh	\$0 05852	\$0 01105	\$0 06957	\$0 00302	\$0 00581	\$0 07840
RS	Block1 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
RS	Block2 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
RS	Block3 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSA1	Customer #1	\$8 33		\$8 33			\$8 33
GSA1	Customer #2	\$0 00		\$0 00			\$0 00
GSA1	Customer #3	\$0 00		\$0 00			\$0 00
GSA1	Customer #4	\$0 00		\$0 00			\$0 00
GSA1	All kWh	\$0 06506	\$0 01253	\$0 07759	\$0 00351	\$0 00574	\$0 08684
GSA1	Block1 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSA1	Block2 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSA1	Block3 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSA2	Customer #1	\$8 33		\$8 33			\$8 33
GSA2	Customer #2	\$0 00		\$0 00			\$0 00
GSA2	Customer #3	\$0 00		\$0 00			\$0 00
GSA2	Customer #4	\$0 00		\$0 00			\$0 00
GSA2	kW, 51-1,000	\$9 22	\$1 71	\$10 93	\$0 45		\$11 38
GSA2	1st 15,000 kWh	\$0 06576	\$0 01253	\$0 07829	\$0 00351	\$0 00574	\$0 08754
GSA2	Additional kWh	\$0 03409	\$0 00706	\$0 04115	\$0 00197	\$0 00566	\$0 04878
GSA3	Customer #1	\$8 33		\$8 33			\$8 33
GSA3	Customer #2	\$0 00		\$0 00			\$0 00
GSA3	kW, 0-1,000	\$8 74	\$1 79	\$10 53	\$0 49		\$11 02
GSA3	kW,1,001 - 5,000	\$10 17	\$2 13	\$12 30	\$0 60		\$12 90
GSA3	Block 2 kW	\$0 00	\$0 00	\$0 00	\$0 00		\$0 00
GSA3	Block 3 kW	\$0 00	\$0 00	\$0 00	\$0 00		\$0 00
GSA3	All kWh	\$0 03481	\$0 00706	\$0 04187	\$0 00197	\$0 00566	\$0 04950
GSA3	Block 1 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSA3	Block 2 kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
GSB	Customer	\$1,500 00		\$1,500 00			\$1,500 00
GSB	All kW	\$10 97	\$2 20	\$13 17	\$0 61		\$13 78
GSB	First 620 HUD	\$0 02860	\$0 00632	\$0 03492	\$0 00175	\$0 00567	\$0 04234
GSB	Additional HUD	\$0 02334	\$0 00515	\$0 02849	\$0 00143	\$0 00567	\$0 03559
GSC	Customer	\$1,500 00		\$1,500 00			\$1,500 00
GSC	All kW	\$10 46	\$2 20	\$12 66	\$0 61		\$13 27
GSC	First 620 HUD	\$0 02860	\$0 00632	\$0 03492	\$0 00175	\$0 00567	\$0 04234
GSC	Additional HUD	\$0 02334	\$0 00515	\$0 02849	\$0 00143	\$0 00567	\$0 03559
GSD	Customer	\$1,500 00		\$1,500 00			\$1,500 00
GSD	All kW	\$12 75	\$2 73	\$15 48	\$0 75		\$16 23
GSD	All kWh	\$0 02293	\$0 00507	\$0 02800	\$0 00140	\$0 00567	\$0 03507
MSB Part 1	Customer	\$1,500 00		\$1,500 00			\$1,500 00
MSB Part 1	All kW	\$9 49	\$1 88	\$11 37	\$0 52		\$11 89
MSB Part 1	First 620 HUD	\$0 02435	\$0 00538	\$0 02973	\$0 00149	\$0 00567	\$0 03689
MSB Part 1	Additional HUD	\$0 01987	\$0 00438	\$0 02425	\$0 00122	\$0 00567	\$0 03114
MSB Part 2	Customer	\$1,500 00		\$1,500 00			\$1,500 00
MSB Part 2	All kW	\$9 02	\$1 77	\$10 79	\$0 49		\$11 28
MSB Part 2	First 620 HUD	\$0 02312	\$0 00510	\$0 02822	\$0 00142	\$0 00567	\$0 03531
MSB Part 2	Additional HUD	\$0 01888	\$0 00418	\$0 02306	\$0 00115	\$0 00567	\$0 02988
MSC	Customer	\$1,500 00		\$1,500 00			\$1,500 00
MSC	All kW	\$8 51	\$1 77	\$10 28	\$0 49		\$10 77
MSC	First 620 HUD	\$0 02312	\$0 00510	\$0 02822	\$0 00142	\$0 00567	\$0 03531
MSC	Additional HUD	\$0 01888	\$0 00418	\$0 02306	\$0 00115	\$0 00567	\$0 02988
MSD	Customer	\$1,500 00		\$1,500 00			\$1,500 00
MSD	All kW	\$10 36	\$2 20	\$12 56	\$0 61		\$13 17
MSD	All kWh	\$0 01854	\$0 00409	\$0 02263	\$0 00113	\$0 00567	\$0 02943
OL	All kWh	\$0 04416	\$0 00724	\$0 05140	\$0 00204	\$0 00581	\$0 05925
DPS	Customer	\$0 00		\$0 00			\$0 00

PROPOSED RETAIL RATES

MONTICELLO, KENTUCKY

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		Proposed Retail Rates					April '08
		Retail Base [1]	Retail April '08 TVA Revenue Adjustment [2]	Retail Base Plus April '08 TVA Revenue Adjustment [3]	Retail Environmental Adjustment [4]	Retail Fuel Cost Adjustment [5]	Retail Effective [6]
				[1] + [2]			(3)+(4)+(5)
DPS	All kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TRS	Customer (Net)	\$0 00		\$0 00			\$0 00
TRS	Onpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TRS	Offpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA1	Customer #1	\$0 00		\$0 00			\$0 00
TGSA1	Customer #2	\$0 00		\$0 00			\$0 00
TGSA1	Onpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA1	Offpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA2	Customer #1	\$0 00		\$0 00			\$0 00
TGSA2	Customer #2	\$0 00		\$0 00			\$0 00
TGSA2	Onpeak kW	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
TGSA2	Offpeak Excess kW	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
TGSA2	DCC	\$0 00		\$0 00			\$0 00
TGSA2	Onpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA2	Offpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA3	Customer #1	\$0 00		\$0 00			\$0 00
TGSA3	Customer #2	\$0 00		\$0 00			\$0 00
TGSA3	Onpeak kW	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
TGSA3	Offpeak Excess kW	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00
TGSA3	DCC	\$0 00		\$0 00			\$0 00
TGSA3	Onpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSA3	Offpeak kWh	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000	\$0 00000
TGSB	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TGSB	Onpeak kW	\$10 97	\$2 20	\$13 17	\$0 61		\$13 78
TGSB	Offpeak Excess kW	\$1 89	\$0 20	\$2 09	\$0 05		\$2 14
TGSB	Onpeak kWh	\$0 03851	\$0 00852	\$0 04703	\$0 00236	\$0 00567	\$0 05506
TGSB	Offpeak kWh	\$0 02274	\$0 00502	\$0 02776	\$0 00139	\$0 00567	\$0 03482
TGSC	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TGSC	Onpeak kW	\$10 46	\$2 20	\$12 66	\$0 61		\$13 27
TGSC	Offpeak Excess kW	\$1 38	\$0 20	\$1 58	\$0 05		\$1 63
TGSC	Onpeak kWh	\$0 03851	\$0 00852	\$0 04703	\$0 00236	\$0 00567	\$0 05506
TGSC	Offpeak kWh	\$0 02274	\$0 00502	\$0 02776	\$0 00139	\$0 00567	\$0 03482
TGSD	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TGSD	Onpeak kW	\$12 85	\$2 74	\$15 59	\$0 76		\$16 35
TGSD	Offpeak Excess kW	\$1 89	\$0 35	\$2 24	\$0 09		\$2 33
TGSD	Onpeak kWh	\$0 02396	\$0 00529	\$0 02925	\$0 00147	\$0 00567	\$0 03639
TGSD	Offpeak kWh	\$0 02237	\$0 00494	\$0 02731	\$0 00137	\$0 00567	\$0 03435
TMSB Part 1	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TMSB Part 1	Onpeak kW	\$9 49	\$1 88	\$11 37	\$0 52		\$11 89
TMSB Part 1	Offpeak Excess kW	\$1 76	\$0 17	\$1 93	\$0 04		\$1 97
TMSB Part 1	Onpeak kWh	\$0 03280	\$0 00722	\$0 04002	\$0 00201	\$0 00567	\$0 04770
TMSB Part 1	Offpeak kWh	\$0 01935	\$0 00428	\$0 02363	\$0 00118	\$0 00567	\$0 03048
TMSB Part 2	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TMSB Part 2	Onpeak kW	\$9 02	\$1 77	\$10 79	\$0 49		\$11 28
TMSB Part 2	Offpeak Excess kW	\$1 67	\$0 14	\$1 81	\$0 04		\$1 85
TMSB Part 2	Onpeak kWh	\$0 03115	\$0 00687	\$0 03802	\$0 00191	\$0 00567	\$0 04560
TMSB Part 2	Offpeak kWh	\$0 01838	\$0 00407	\$0 02245	\$0 00112	\$0 00567	\$0 02924
TMSC	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TMSC	Onpeak kW	\$8 53	\$1 77	\$10 30	\$0 49		\$10 79
TMSC	Offpeak Excess kW	\$1 19	\$0 17	\$1 36	\$0 04		\$1 40
TMSC	Onpeak kWh	\$0 03115	\$0 00687	\$0 03802	\$0 00191	\$0 00567	\$0 04560
TMSC	Offpeak kWh	\$0 01838	\$0 00407	\$0 02245	\$0 00112	\$0 00567	\$0 02924
TMSD	Customer	\$1,500 00		\$1,500 00			\$1,500 00
TMSD	Onpeak kW	\$10 77	\$2 28	\$13 05	\$0 64		\$13 69
TMSD	Offpeak Excess kW	\$1 62	\$0 27	\$1 89	\$0 07		\$1 96
TMSD	Onpeak kWh	\$0 02000	\$0 00441	\$0 02441	\$0 00123	\$0 00567	\$0 03131
TMSD	Offpeak kWh	\$0 01867	\$0 00414	\$0 02281	\$0 00114	\$0 00567	\$0 02962