



SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

Case No. 2018-00251

May 7, 2018

Gwen. R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort KY 40602-0615

RE: IN THE MATTER OF THE APPLICATION OF SALT RIVER ELECTRIC
COOPERATIVE CORPORATION TO DISCONTINUE ITS EXISTING
RESIDENTIAL MARKETING RATE

Dear Ms. Pinson:

Salt River Electric Cooperative Corporation (Salt River Electric) is filing a revision to its tariff to discontinue its Residential Marketing Rate effective January 1, 2019.

This is the rate under which our Electric Thermal Storage (ETS) heaters have been sold and operated. Since East Kentucky Power Cooperative (EKPC) changed its rate structure, this rate has not been effective for our Cooperative. Salt River Electric has offered the ETS rate for the last 30 years, but has not sold an ETS heater in ten years. We feel we have honored our commitment to our members who purchased the heaters over the years.

Salt River Electric currently has a total of 557 of these units on its system. Of those, 462 are served on the “low side” (subtractive metering), and 96 are served on the “high side” (separate service entrance). A letter was mailed last year informing our members that Salt River Electric intends to file a request to discontinue this rate with the Kentucky Public Service Commission.

Seventy-five of those members responded, and we have resolved the issues/concerns with 74 of those members. As for the member with whom the issue has not been completely resolved, Salt River Electric is proposing that the customer keep the (separate service) meter and service. This member’s rate will be changed to our standard residential rate.

If any of our members do not want to keep the ETS heater, we are suggesting that we will remove the meter, install a blank cover, and seal off the meter base.

We will work with the 462 “low side” members to install an insulated jumper device in their meter base that will allow them to continue to use the heater. There will be no inspection or electrician required for this; therefore, there will be no cost to the member.

For those members who choose to keep the ETS heater, Salt River Electric is offering to remove the time clock so it will operate like a regular electric heater.

Included with this filing is a copy of our tariff page indicating that since the rate is being withdrawn, the pages just now say that they are reserved for future use.

The 2017 letter mentioned above, that Salt River Electric mailed to its members using ETS units, along with the notice that appeared in this month’s (May 2018) edition of *Kentucky Living* received by all Salt River Electric members, are also included.

Salt River Electric respectfully asks the Kentucky Public Service Commission to allow us to discontinue our RESIDENTIAL MARKETING RATE effective January 1, 2019.

Please let me know if you require any further information, or if there is any other procedure that we need to follow.

Sincerely,



Nicky Rapier

Chief Information Officer

January 1, 2017

Dear Member,

Our records indicate that you have an Electric Thermal Storage (ETS) heater at your location.

This letter is to notify you that as of January 1, 2019, we will no longer offer our ETS heater program. We will no longer offer any repair services for the ETS heater, and will no longer offer the 40% discounted rate on the electricity the heater uses.

The ETS heater was a popular product here at Salt River Electric for over 25 years. In 2008, we stopped selling the heaters, but continued to offer the repair service, along with the 40% discount on the electricity the heater uses. Unfortunately, we have decided to discontinue the program on January 1, 2019. This is being done in an effort to keep costs down and continue to be able to provide our members with the most cost-effective programs available.

We would like to offer a rebate of \$1,000 to you if you install a high efficiency heat pump to replace your ETS heater. A heat pump option that you might consider is called the Mini-Split heat pump. This system does not require any ductwork. You can also install a regular heat pump to replace the ETS heater if you'd like. The SEER rating on the heat pump you install must be 15 or higher to qualify for the rebate. You would need to contact your HVAC contractor to assist you with choosing the model that will work best for you. After the ETS heater and meter are disconnected and the new heat pump is installed, you will need to contact our office to apply for the rebate.

If you decide to keep the ETS heater after January 1, 2019, you will be required to have an electrician wire the heater so that the electricity it uses goes through your house meter. The separate meter currently installed for the ETS heater at your location will be removed by Salt River Electric sometime in the spring of 2019.

We understand that January 1, 2019 is still two years away, but we wanted to give you plenty of time to prepare for the end of the ETS heater program.

If you have any questions, please contact our office.

Sincerely,

Salt River Electric

NOTICE OF FILING

Pursuant to the Kentucky Public Service Commission's (Commission) regulation 807 KAR 5:011, Section 8, Salt River Electric Cooperative Corporation (Salt River Electric) gives notice requesting approval to discontinue service to their RESIDENTIAL MARKETING RATE, which includes the rate under which their Electric Thermal Storage (ETS) heater program has been sold and operated. This filing will be submitted as a tariff to the Commission on May 1, 2018.

If Salt River Electric's request is approved the tariff will become effective January 1, 2019, at which time contracted end-use members of Salt River Electric who continue to use the ETS heater program will no longer receive any repair services for the ETS heater and will no longer receive the 40% discounted rate on the electricity the heater uses. Currently, members on the Residential Marketing (ETS) Rate pay \$.04622 per kWh.

These members will be moved to the Farm and Home Service (Residential) Rate where they will pay \$.07704 per kWh. On the proposed rate change, a member will now pay \$.03082 more per kWh, which is a 67% increase on the kWh that is charged. The average monthly usage for members on the Residential Marketing (ETS) Rate is 266.55 kWh. Therefore, there will be a monthly increase of \$8.22 on the average bill for each customer classification to which the proposed rates will apply.

A person may examine this tariff filing at Salt River Electric's office located at 111 West Brashear Avenue, Bardstown, KY 40004, or through the utility's website at www.srelectric.com. A person may also examine this tariff filing at the Commission's office located at 211 Sower Boulevard, Frankfort, KY 40602, Monday through Friday, 8:00 a.m. to 4:30 p.m., Eastern Daylight Saving Time, or through

the Commission's website at <https://psc.ky.gov>.

Comments regarding the tariff filing may be submitted to the Commission through its website at <https://psc.ky.gov>, or by mail to the Kentucky Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The service contained in this tariff filing is the service proposed by Salt River Electric, but the Commission may order a service that differs from the proposed service contained in this tariff filing. A person may submit a timely written request for intervention in this tariff filing to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, establishing the grounds for the request and including the status and interest of the person requesting intervention. If the Commission does not receive a written request for intervention within thirty (30) days of this notice, the Commission may take final action on the tariff filing.

Salt River Electric will return \$2.4 million to members

Salt River Electric is returning \$2.4 million to co-op customers this year.

The payments, which come in the form of capital credit refunds, are a type of dividend left over after all costs of doing business have been met.

The return of money to members began in late April and will continue into May.

In an era of higher energy costs, co-op officials are working

to keep costs down while operating the local utility as efficiently and effectively as possible.

"Our board is very pleased to make this announcement," says Tim Sharp, president and CEO.

With this year's refund Salt River has now returned over \$33.5 million since 1995.

That money has been returned even though the co-op has not had

"We work hard to keep costs down."

a rate increase at the local level since 1993.

"Our board and all of our employees feel good about this because Salt River Electric is a customer owned utility," Sharp says. "We work hard to keep costs down."

FORM FOR FILING RATE SCHEDULES

FOR ENTIRE TERRITORY SERVED
Community, Town or City

SALT RIVER ELECTRIC

Name of Issuing Corporation

P.S.C. No. 12

5th Original Sheet No 11

Canceling P.S.C. No. 12

4th Original Sheet 11

CLASSIFICATION OF SERVICE

RESIDENTIAL MARKETING RATE

SCHEDULE R-1

Reserved for future use

DATE OF ISSUE: March 27, 2017

DATE EFFECTIVE: Service rendered on and after January 1, 2019

ISSUED BY /s/ Tim Sharp

TITLE: President & CEO

Issued by authority of an order of the Public Service Commission
of Kentucky in Case No. 2018-00

FORM FOR FILING RATE SCHEDULES

FOR ENTIRE TERRITORY SERVED
Community, Town or City

SALT RIVER ELECTRIC

Name of Issuing Corporation

P.S.C. No.

12

2nd Original Sheet No

11

Canceling P.S.C. No.

12

1st Original Sheet

11

CLASSIFICATION OF SERVICE

RESIDENTIAL MARKETING RATE

SCHEDULE R-1 (Cont.)

Reserved for future use.

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TITLE: President & CEO

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