



Allen Anderson, Head Coach & CEO

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September 14, 2006

Beth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 15 2006

PUBLIC SERVICE
COMMISSION

RE: Case No. 2005-00450

Dear Ms. O'Donnell:

In response to the Commission order dated August 31, 2006, we enclose original copies of our approved rate changes on the enclosed tariffs, executed by our General Manager and CEO, Allen Anderson, for final approval by the Commission.

If more information is needed, feel free to contact me.

Sincerely,

SOUTH KENTUCKY RECC

A handwritten signature in black ink, appearing to read 'Jeffery C. Greer', is written over the typed name.

Jeffery C. Greer
Chief Financial Officer

JCG:jb

Enclosures

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE

RESIDENTIAL, FARM AND NON-FARM SERVICE SCHEDULE A

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to consumers of the Cooperative for all uses in the home and on the farm and for other consumers using single-phase service including schools, churches, and community buildings all subject to the established rules and regulations of the seller. The capacity of individual motors served under this schedule may not exceed 10 horsepower.

TYPE OF SERVICE: Single-phase 60 cycle at available secondary voltage.

RATES PER MONTH:

Consumer Charge - No KWH Usage.....	\$8.00	(1)
Energy Charge:		
All KWH per month @.....	\$0.06445	(1)

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B following these tariffs.

MINIMUM CHARGE: The minimum monthly charge shall be the "Consumer Charge - No KWH Usage" as stated in Rates per month above.

(Continued - Next Page)

DATE OF ISSUE: SEPTEMBER 1, 2006

DATE EFFECTIVE: SEPTEMBER 1, 2006

ISSUED BY: Allen Anderson GENERAL MANAGER & C.E.O. SOUTH KENTUCKY R.E.C.C.

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 2005-00450 dated August 31, 2006.

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE
RESIDENTIAL, FARM AND NON-FARM SERVICE
SCHEDULE A

MARKETING RATE: A special marketing rate equal to 60% of the last step rate stated is available for specific marketing program as approved by South Kentucky's Board of Directors. The marketing rate requires separate metering and an executed contract between the Member and the Cooperative. A sample contract is shown following these tariffs as APPENDIX D. This marketing rate is for energy purchased from the wholesale power supplier under their marketing rate and is for the below listed off-peak hours:

<u>-MONTHS-</u>	<u>OFF-PEAK HOURS - EST</u>
October through April	12:00 Noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

MARKETING RATE PER MONTH:

ETS USAGE, all KWH per month @..... \$0.03867 (1)

TERMS OF PAYMENT: The rates stated are net. If payment is not made by the due date, the current month charges shall be increased by 5%.

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SOMERSET, KENTUCKY 42501

SMALL COMMERCIAL RATE	CLASSIFICATION OF SERVICE	SCHEDULE B
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APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available for commercial, small power and three-phase farm and/or residential service where available. (Also temporary services to construction jobs, fairs, carnivals, etc.). Includes lightning, heating and power subject to the established rules and regulations of the seller. Service under this schedule shall be limited to 50 KVA installed transformer capacity.

TYPE OF SERVICE: Single-phase and three-phase, 60 cycle at available secondary voltage. Motors having a rated capacity in excess of 10 horsepower must be three-phase. Where residential and commercial usage are metered as a single meter, all usage shall be billed under this schedule.

RATES PER MONTH:

Consumer Charge - No KWH Usage.....	\$15.00	(1)
Energy Charge:		
All KWH per month @.....	\$0.07474	(1)

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B following these tariffs.

MINIMUM CHARGE:

- (a) Single Phase Service shall be the "Consumer Charge - No KWH Usage" as stated in the rates per month.
- (b) Three Phase Service shall be determined by applying \$0.80 per KVA of transformer capacity installed. The Seller may, if it so desires, install transformer(s) of capacity larger than required but in such case the consumers minimum bill shall be based on the standard transformer size which would have been adequate for consumer's load.

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Form for Filing Rate Schedules

FOR: ENTIRE TERRITORY SERVED
P.S.C. KY NO. 7
9th REVISED SHEET NO. T-4
CANCELLING P.S.C. KY NO.7
8TH REVISED SHEET NO.T-4

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE
SMALL COMMERCIAL RATE SCHEDULE B

MARKETING RATE: A special marketing rate equal to 60% of the last step rate stated is available for specific marketing programs as approved by South Kentucky's Board of Directors. The marketing rate requires separate metering and an executed contract between the Member and the Cooperative. A sample contract is shown following these tariffs as APPENDIX D. This marketing rate is for energy purchased from the wholesale power supplier under their marketing rate and is for the below listed off-peak hours:

<u>-MONTHS-</u>	<u>OFF PEAK HOURS - EST</u>
October through April	12:00 Noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

MARKETING RATE PER MONTH:

ETS USAGE, all KWH per Month @..... \$0.04484 (I)

TERMS OF PAYMENT: The rates stated are net. If payment is not made by the due date, the current month charges shall be increased by 5%.

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SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE

LARGE POWER RATE

SCHEDULE LP

APPLICABLE: In all territory served by the Seller.

AVAILABILITY: Available to all commercial and industrial consumers who require excess of 50 KVA transformer capacity for lighting and/or heating and/or power. Consumers served under this schedule may request service under the OPS SCHEDULE if they so desire provided the request is made in advance and not more than once every 12 months and provided KVA requirement is not in excess of 300 KVA.

TYPE OF SERVICE: The electric service furnished under this schedule will be of 60 cycle, alternating current and at available standard voltage, single or three phase at Seller's option.

RATES PER MONTH:

Consumer Charge - No KWH Usage	\$30.00	
Demand Charge:		
Billing Demand per KW per Month	\$ 6.00	
Energy Charge:		
All KWH per Month @.....	\$0.04156	(R)

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B following these tariffs.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90%, and divided this product by the actual power factor at the time of the monthly maximum demand.

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SOUTH KENTUCKY R.E.C.C.
 SOMERSET, KENTUCKY 42501

*** CLASSIFICATION OF SERVICE ***

LARGE POWER RATE 3 (500 KW TO 2,999 KW)

SCHEDULE LP - 3

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 500 to 2,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special Contract for Service.

RATES PER MONTH:

Consumer Charge:

The consumer charge is equal to the metering charge plus the substation charge:

- 1. Metering Charge \$ 125.00

- 2. Substation Charge Based on Contract kW
 - a. 500 - 999 kW \$ 315.00
 - b. 1,000 - 2,999 kW \$ 944.00

If retail consumer has provided for the investment in the substation facilities from which it is served, the substation charge does not apply and the only applicable rate is the metering charge.

Demand Charge per KW

Contract demand.....	\$5.39
Excess demand.....	\$7.82

Energy charge per kWh @..... \$0.03451 (I)

DETERMINATION OF BILLING DEMAND: The billing demand (kilowatt demand) shall be the greater of (a) or (b) listed below:

- (a) The contract demand

- (b) The ultimate consumer's highest demand during the current month coincident with wholesale power suppliers system peak demand. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein).

<u>-Months-</u>	<u>Hours Applicable For Demand Billing - E.S.T.</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

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SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

OPTIONAL POWER SERVICE	CLASSIFICATION OF SERVICE	SCHEDULE OPS
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APPLICABLE: In all territory served by the Seller.

AVAILABILITY: Available to all commercial and industrial consumers who require excess of 50 KVA but limited to no more than 300 KVA transformer capacity for lighting and/or heating and/or power. Consumers served under this schedule may request service under the LP SCHEDULE if they so desire provided the request is made in advance and not more often than once every 12 months.

TYPE OF SERVICE: The electric service furnished under this schedule will be of 60 cycle, alternating current and at available standard voltage, single or three phase at Seller's option.

RATES PER MONTH:

Consumer Charge - No KWH Usage	\$30.00	(I)
Energy Charge:		
All KWH per Month @	\$0.07680	(I)

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B following these tariffs.

MINIMUM CHARGE: The minimum monthly charge shall be the highest of the following charges:

- (a) The Consumer Charge - No KWH Usage as stated in Rates Per Month or
- (b) The minimum monthly charge as specified in the contract for service, or

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SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

STREET LIGHTING SERVICE	CLASSIFICATION OF SERVICE	SCHEDULE STL
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APPLICABLE: In all territory served by the Seller.

AVAILABILITY: Available to cities or townships for dusk to dawn lighting.

TYPE OF SERVICE: Rental of automatic dusk to dawn outdoor lighting fixtures compatible with single-phase, 60 cycle alternating current at 120 or 240 volts.

RATES PER LIGHT PER MONTH:

Mercury Vapor or Sodium - 7,000 - 10,000 Lumens	\$ 6.30	(I)
(M.V. @ 74 KWH Mo. - S. @ 63 KWH Mo.)		
Mercury Vapor or Sodium - 15,000 - 28,000 Lumens	\$ 9.95	(I)
(M.V. @ 162 KWH Mo. - S. @ 135 KWH Mo.)		

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B, following these tariffs.

CONDITIONS OF SERVICE

1. Street lighting circuits including transformers, fixtures, lamps, additional guys or fittings will be furnished by the Cooperative.
2. The Cooperative shall install street lights on existing poles where secondary voltage is available, or if necessary, extend secondary voltage a maximum of 150 feet including one service pole at its own expense. The cost of line extensions beyond 150 feet, must be borne by the applicant.
3. All lamp replacement shall be made by the Cooperative. Lamp replacements may be charged to the applicant at cost as a separate item on the monthly bill for service.
4. Since the seller intends to eventually provide only sodium lighting fixtures, mercury vapor will be used only until present supply is exhausted. Mercury vapor presently in service will be maintained until such time as it is necessary to retire and replace with sodium.

TERMS OF PAYMENT: The rates stated are net. If payment is not made by the due date, the current month charges shall be increased by 5%.

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SOUTH KENTUCKY R.E.C.C.
 SOMERSET, KENTUCKY 42503

CLASSIFICATION OF SERVICE

DECORATIVE STREET LIGHTING SCHEDULE DSTL

APPLICABLE: In all territory served by the Seller

AVAILABILITY: To associations, industrial foundations and large industrial consumers.

TYPE OF SERVICE: Rental of automatic dusk to dawn outdoor lighting fixtures compatible with single phase, 60 cycle alternating current at 120 or 240 volts.

RATES PER LIGHT PER MONTH:

High Pressure Sodium Lamp	<u>Unmetered</u>	<u>Metered</u>	
Cobra Head Light Installed on existing Pole			
7,000-10,000 Lumens @ 39 Kwh Mo.	\$9.92	\$8.45	(I)
15,000-28,000 Lumens @ 100 Kwh Mo.	\$12.87	\$9.11	(I)
Cobra Head Light Installed on 30' Aluminum Pole & Arm			
7,000-10,000 Lumens @ 39 Kwh Mo.	\$16.12	\$14.64	(I)
15,000-28,000 Lumens @ 100 Kwh Mo.	\$18.40	\$14.64	(I)
Lexington Light Installed on 16' Aluminum Pole			
Sodium 7,000 - 10,000 Lumens @ 39 Kwh Mo.	\$10.53	\$ 9.05	(I)
Acorn Light Installed on 16' Fluted Pole			
Sodium 7,000 - 10,000 Lumens @ 39 Kwh Mo.	\$21.78	\$20.31	(I)
Metal Halide Lamp	<u>Pole Rate</u>		
100 Watt Metal Halide - Acorn @ 44 Kwh Mo.		\$8.75	\$7.01 (I)
14' Smooth Black Pole	\$10.42		(I)
14' Fluted Pole	\$13.49		(I)
100 Watt Metal Halide - Lexington @ 44 Kwh Mo.		\$6.85	\$5.12 (I)
14' Smooth Black Pole	\$10.42		(I)
14' Fluted Pole	\$13.49		
400 Watt Metal Halide - Galleria @ 167 Kwh Mo.		\$17.61	\$11.03 (I)
1000 Watt Metal Halide - Galleria @ 395 Kwh Mo.		\$28.49	\$12.89 (I)
30' Square Steel Pole	\$15.46		(I)
250 Watt Cobra Head w/30' Aluminum Pole		\$20.35	(I)

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SOUTH KENTUCKY R.E.C.C.
 SOMERSET, KENTUCKY 42503

DECORATIVE STREET LIGHTING	CLASSIFICATION OF SERVICE	SCHEDULE DSTL	
400 Watt Cobra Head Mercury Vapor With:			
8' Arm		\$14.56	\$7.99 (I)
12' Arm		\$17.30	\$10.73 (I)
16' Arm		\$18.15	\$11.57 (I)
30' Aluminium Pole	\$23.56		(I)

FUEL ADJUSTMENT: As shown in APPENDIX B following these tariffs.

CONDITIONS OF SERVICE:

1. Street lighting circuits including transformers, fixtures, lamps, additional guys or fittings will be furnished by the cooperative.
2. The Cooperative shall install lights only on existing service where an additional pole is not required. If consumer requires additional line (not to exceed 150 feet from existing line) including pole to be constructed, there will be a charge of \$100.00 for installing the additional facilities.
3. In the event aluminum or decorative poles are requested, it will be the responsibility of the customer to install all concrete pedestals.
4. The Cooperative will also provide conventional overhead service to the lighting fixture when they are reasonably accessible. There may be an additional footage charge(s) in such case as accessibility is deemed to be unreasonable. If the customer requests underground service to the fixtures, it will be their responsibility to perform any ditching, back filling, seeding, or repaving as necessary, and provide and maintain all conduit.
5. The lighting equipment shall remain the property of the Cooperative. The customer shall protect the lighting equipment from deliberate damage.
6. The Cooperative shall maintain the lighting equipment including the lamp replacement at no additional cost to the customer within a reasonable time after the customer notifies the Cooperative for the need of maintenance, except in case of lamp or fixture damage because of vandalism, replacement may be made only once at no cost to the customer. After that, the customer may be required to pay for the cost of replacement.
7. All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Cooperative.
8. The customer shall be responsible under written contract for all lease and energy payments on installed equipment for a period of 10 years. Cancellation by the customer prior to the initial 10 year period will require the customer to pay the Cooperative its cost of labor to install and remove the facilities plus the cost of obsolete or unserviceable equipment, prorated on the remaining portion of the 10 year period.

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SOUTH KENTUCKY R.E.C.C.
 SOMERSET, KENTUCKY 42503

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE-SECURITY LIGHTS SCHEDULE OL

APPLICABLE: In all territory served by the Seller.

AVAILABILITY: Available to all consumers of the Cooperative for dusk to dawn lighting in close proximity to the existing overhead secondary circuits.

TYPE OF SERVICE: Rental of automatic dusk to dawn outdoor lighting fixture of a standard size and type as stated in the rate.

RATES PER LIGHT PER MONTH:

	<u>Unmetered</u>	<u>Metered</u>	
Mercury Vapor or Sodium - 7,000 - 10,000 Lumens	\$8.29	\$6.48	(I)
(M.V. @74 KWH per Mo.-S. @45 KWH per Mo.)			
Directional Flood Light, with bracket			
250 Watt Sodium @ 106 KWH per Mo.	\$13.15	\$8.23	(I)
250 Watt Metal Halide @ 106 KWH per Mo.	\$14.34	\$9.17	(I)
400 Watt Metal Halide @ 167 KWH per Mo.	\$17.54	\$9.17	(I)
1000 Watt Metal Halide @ 395 KWH per Mo.	\$30.09	\$10.23	(I)

FUEL ADJUSTMENT CLAUSE: As shown in APPENDIX B, following these tariffs.

CONDITIONS OF SERVICE:

1. The Cooperative shall furnish, install, operate and maintain security light(s) at a location mutually agreeable to both the Cooperative and the Consumer. The Cooperative will determine if the 7,000 - 10,000 Lumens is to be metered or unmetered.

2. The Cooperative shall install security lights only on existing service where an additional pole is not required. If Consumer requires additional line (not to exceed 150 feet from existing line) including pole to be constructed, there will be a charge of \$100.00 for installing the additional facilities.

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