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MAR 21 2007

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March 21, 2007

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

Re: KY PSC Case No. 2006-00486

Dear Ms. O'Donnell:

Please find enclosed for filing with the Kentucky Public Service Commission in the above-referenced case, an original and five (5) copies of the Responses of Salt River Electric Cooperative Corporation to the Commission Staff's First Data Requests dated March 12, 2007.

Sincerely,

FULTON, HUBBARD & HUBBARD



John Douglas Hubbard
Counsel for Salt River Electric Cooperative
Corporation

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SALT RIVER ELECTRIC)	
COOPERATIVE CORP. TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2006-00486
SUPPLIER PURSUANT TO KRS 278.455(2))	

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST
TO SALT RIVER ELECTRIC COOPERATIVE CORPORATION
DATED MARCH 12, 2007**

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00486

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

Salt River Electric Cooperative Corporation ("Salt River") hereby submits responses to the Commission Staff's First Data Request dated March 12, 2007. Each response with its associated supportive reference materials is individually tabbed.

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00486

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

REQUEST 1

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Salt River Electric Cooperative Corporation

Request 1. Refer to the Application, Exhibits II and III.

Request 1a. Provide all workpapers, calculations, assumptions, and other documentation used to determine the proposed rates and the billing analysis.

Response 1a. Attached is information from EKPC's Exhibit I, Pages 3-5, which shows the present and proposed rates and revenues by wholesale customer class for service to Salt River.

As indicated in Mr. Bosta's testimony, the demand charges for retail industrial rates mirror EKPC's proposed rates for Schedules B and C, as applicable.

The increase applicable to all other classes was based on taking the total increase to the member system, subtracting the retail industrial class increase and then dividing that amount by the kWh for all other classes. This resulted in a per unit (cents/kWh) energy cost increase that was applied to all other classes. The only exception is Electric Thermal Storage (ETS) Rate R-1, which was designed based on a charge of 60 percent of the energy rate of the related rate class.

See the response to Request 1b for the calculations to determine the proposed rates.

Request 1b. Provide in electronic format the Excel spreadsheets used to determine the proposed rates and billing analysis, with all formulas intact.

Response 1b. Based on discussion with the Commission Staff on March 19, 2007, attached are two (2) copies of the requested information on CD-ROM.

Rate C

#	COOP	R_GROUP	BILL-KW	BILL-KWH	Demand	Energy	Total	Present	Revenue	Adjustments
71	C	7.29	31,800	20,897,840	231,822	573,493	805,315	744,895	80,420	0
1 25	C	0.027325	36,328	18,611,349	264,831	535,890	800,711	731,689	69,023	0
2 27	C		85,224	42,595,301	621,263	1,163,643	1,784,526	1,623,001	161,525	0
3 3	C		107,818	63,360,482	785,993	1,731,325	2,517,318	2,312,464	204,854	0
4 34	C		8,000	2,889,215	43,740	73,483	117,223	105,823	11,400	0
5 49	C		321,396	181,235,637	2,342,977	4,862,261	7,295,238	6,864,585	610,652	0
6 51	C		165,155	83,822,026	1,203,860	2,290,437	3,494,417	3,180,622	313,795	0
8 54	C									0
56										0
57										0
58										0
59										0
9 61	C		28,973	16,407,017	211,213	448,322	659,535	604,486	55,049	0
64										0
Total C			782,694	450,696,767	5,705,839	11,768,944	17,474,693	15,997,564	1,487,119	0

Inland Container

#	COOP	NAME	R/C	BILL-KW	BILL-KWH	Demand	Energy	Total	Present	Revenue	Adjustments
1 52	C	Inland Conta CM		325,738	220,486,205	2,254,107	5,635,627	7,889,734	7,391,365	498,379	0

AGC

#	COOP	NAME	R/C	BILL-KW	BILL-KWH	Demand	Energy	Total	Present	Revenue	Adjustments
1 51	C	AGC Autbmk BD		64,282	44,113,666	1,119,310	2,614,104	3,733,414	1,473,864	96,306	0
2 51	C	AGC Autbmk CM		161,750	102,273,245	1,414,624	3,741,949	5,305,653	3,485,937	247,478	0
Total AGC				226,002	146,386,911	1,563,934	3,741,949	5,305,653	4,959,801	345,783	0

Gallatin

#	COOP	R_GROUP	KWH-1	KWH-2	Demand	Energy	Total	Present	Revenue	Adjustments
1 37	G	319,667,604	714,686,148	714,686,148	7,388,667	8,838,808	17,617,069	30,870,772	2,971,785	0
		Firm	180,000	1,942,343						
		10 mth Interr	1,440,000	1,942,343						
		50 mth Interr	322,343	1,942,343						
		Interr Chg =			7,388,667	8,838,808	17,617,069	30,870,772	2,971,785	0

IGP

#	COOP	R_GROUP	KWH-1	KWH-2	Demand	Energy	Total	Present	Revenue	Adjustments
1 23	H	30733734	36421688	36421688	281,531	3,779,534	4,061,065	4,061,065	0	0
2 52	H	40681542	47739328	47739328	590,292	5,077,592	5,667,887	5,667,887	0	0
		71565276	84160968	84160968	525,000	5,077,592	5,602,592	5,602,592	0	0
		15572672	460875	460875	906,531	8,697,116	9,663,647	9,663,647	0	0

Inland Steam

equiv	Demand	5,000,7923
equiv	Energy	0,02450059

Demand Efficiency 0.957689
 Meter Rate 9516.9
 Meter Demand 39074 \$ /Mbu
 Meter Energy 49994 \$ /Mbu
 converted
 BILL-NEW 508,849
 BILL-AMI 277,080,529
 Mbu-Demand 4984.11
 Mbu-Energy 2392881.7

Load Center - Normalized

Meter #	LC =	2373	2855	4805	Revenue
21	12	48	228	24	886,652
23	12	144	144	24	439,596
27	12	108	108	24	447,336
3	36	36	240	48	991,668
30	12	96	96	24	413,076
34	12	120	120	12	426,336
37	12	180	180	96	955,980
49	12	144	144	12	613,860
51	24	24	144	48	689,112
52	54	108	36	474,120	474,120
54	36	36	312	48	1,187,228
56	84	84	84	12	325,248
57	38	132	132	84	517,548
58	84	84	84	0	268,296
59	84	84	84	0	410,676
61	12	48	228	84	1,187,228
64	36	540	2384	488	10,219,764
					426,000
					7,500
					10,653,264

Present Total Revenue	Total LC Revenue	Energy Revenue	Total Revenue
886,652	886,652	6,788,784	9,332,934
439,596	439,596		
447,336	447,336		
991,668	991,668		
413,076	413,076		
426,336	426,336		
955,980	955,980		
613,860	613,860		
689,112	689,112		
474,120	474,120		
1,187,228	1,187,228		
325,248	325,248		
517,548	517,548		
268,296	268,296		
0	0		
410,676	410,676		
1,187,228	1,187,228		
10,219,764	10,219,764		
426,000	426,000		
7,500	7,500		
510,669,030	510,669,030		
43,364,220	43,364,220		

COOP	E	B	C	Inland Containter	Inland Steam	Galvadin	TGP	AGC	Load Center	Metering Only	Metering	Present	Proposed Total	Rate Adj
21	41,570,429	3,349,394	0	0	0	0	0	0	886,652	38,000	38,000	42,526,334	46,242,915	3,716,181
23	20,177,960	232,807	805,315	0	0	0	0	0	439,596	19,500	19,500	24,028,185	25,735,642	1,707,457
27	19,437,170	1,242,292	800,711	0	0	0	0	0	447,336	18,000	18,000	20,221,967	21,945,969	1,723,542
3	42,012,159	1,191,002	1,794,828	0	0	0	4,061,065	0	991,668	40,500	40,500	42,364,688	46,020,253	3,655,565
30	13,598,969	8,629,293	0	0	0	0	0	0	413,076	19,500	19,500	18,871,430	20,459,344	1,587,914
34	20,735,790	0	2,517,318	0	0	0	0	0	426,336	18,000	18,000	21,777,590	23,687,444	1,919,854
37	44,354,295	6,953,858	0	0	0	33,842,557	0	0	955,980	34,500	34,500	78,952,694	86,141,187	7,189,493
49	20,561,234	117,223	0	0	0	0	0	0	613,860	30,000	30,000	19,645,505	21,325,317	1,679,812
51	26,629,149	1,961,558	0	0	0	0	5,305,583	0	689,112	27,000	27,000	31,536,390	34,611,402	2,675,012
52	20,429,873	0	7,295,238	0	0	0	0	0	474,120	19,000	19,000	47,484,260	51,043,371	3,559,111
54	49,462,581	2,072,018	3,494,417	0	0	0	0	0	1,197,228	18,000	18,000	56,297,242	61,043,371	4,457,060
56	12,131,750	0	0	0	0	0	0	0	325,248	15,000	15,000	13,071,668	14,344,248	1,272,580
57	24,105,073	0	0	0	0	0	0	0	517,548	15,000	15,000	24,645,121	26,822,569	2,177,448
58	12,446,242	0	0	0	0	0	0	0	268,296	12,000	12,000	12,728,538	13,916,834	1,188,296
59	344,503	0	659,535	0	0	0	0	0	0	0	0	344,503	344,503	30,005
61	11,813,118	8,998,579	0	0	0	0	0	0	410,676	19,500	19,500	12,902,829	14,142,941	1,240,112
64	49,624,862	32,517,502	17,474,683	7,889,734	9,332,364	33,842,557	9,663,647	5,305,583	1,187,228	46,500	46,500	554,033,251	582,399,640	28,366,389
													510,669,030	43,364,220

Grand Total Revenue by Member System

COOP	E	B	C	Inland Containter	Inland Steam	Galvadin	TGP	AGC	Load Center	Metering Only	Metering	Present	Proposed Total	Rate Adj
21	41,570,429	3,349,394	0	0	0	0	0	0	886,652	38,000	38,000	42,526,334	46,242,915	3,716,181
23	20,177,960	232,807	805,315	0	0	0	0	0	439,596	19,500	19,500	24,028,185	25,735,642	1,707,457
27	19,437,170	1,242,292	800,711	0	0	0	0	0	447,336	18,000	18,000	20,221,967	21,945,969	1,723,542
3	42,012,159	1,191,002	1,794,828	0	0	0	4,061,065	0	991,668	40,500	40,500	42,364,688	46,020,253	3,655,565
30	13,598,969	8,629,293	0	0	0	0	0	0	413,076	19,500	19,500	18,871,430	20,459,344	1,587,914
34	20,735,790	0	2,517,318	0	0	0	0	0	426,336	18,000	18,000	21,777,590	23,687,444	1,919,854
37	44,354,295	6,953,858	0	0	0	33,842,557	0	0	955,980	34,500	34,500	78,952,694	86,141,187	7,189,493
49	20,561,234	117,223	0	0	0	0	0	0	613,860	30,000	30,000	19,645,505	21,325,317	1,679,812
51	26,629,149	1,961,558	0	0	0	0	5,305,583	0	689,112	27,000	27,000	31,536,390	34,611,402	2,675,012
52	20,429,873	0	7,295,238	0	0	0	0	0	474,120	19,000	19,000	47,484,260	51,043,371	3,559,111
54	49,462,581	2,072,018	3,494,417	0	0	0	0	0	1,197,228	18,000	18,000	56,297,242	61,043,371	4,457,060
56	12,131,750	0	0	0	0	0	0	0	325,248	15,000	15,000	13,071,668	14,344,248	1,272,580
57	24,105,073	0	0	0	0	0	0	0	517,548	15,000	15,000	24,645,121	26,822,569	2,177,448
58	12,446,242	0	0	0	0	0	0	0	268,296	12,000	12,000	12,728,538	13,916,834	1,188,296
59	344,503	0	659,535	0	0	0	0	0	0	0	0	344,503	344,503	30,005
61	11,813,118	8,998,579	0	0	0	0	0	0	410,676	19,500	19,500	12,902,829	14,142,941	1,240,112
64	49,624,862	32,517,502	17,474,683	7,889,734	9,332,364	33,842,557	9,663,647	5,305,583	1,187,228	46,500	46,500	554,033,251	582,399,640	28,366,389
													510,669,030	43,364,220

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

	Total \$ Existing Rate	Total \$ Proposed Rate	\$ Increase	% Increase
Schedule A-5 Farm & Home	45,915,769	48,244,928	2,329,159	5.07%
Schedule A-5T F & H Taxable	3,784,679	3,955,784	171,105	4.52%
Schedule A - Off-Peak Marketing Rate R1	195,952	205,763	9,812	5.01%
Sch LLP-2 Lg Power 500 Under 3000 kWh	1,825,505	1,924,320	98,815	5.41%
Sch B-2 Comm & Small Power Svce	5,036,410	5,275,479	239,069	4.75%
Sch LLP-1 Large Power Rate 9	4,985,910	5,248,936	263,026	5.28%
Sch OL-1 Street Lighting Svce Rate 3	23,618	24,616	998	4.22%
Sch LLP-3 Lg Power 500-3000 kW	3,448,686	3,649,278	200,592	5.82%
Sch LLP-4-B1 Lg Power 1000-2999 kW	2,590,202	2,748,749	158,547	6.12%
Sch LPR-2 Lg Power 3000 kW & Over	180,158	190,866	10,708	5.94%
Sch LPR-3 3000 & Over Rate 36	948,110	1,008,697	60,587	6.39%
Sch LPR-1-B2 5000-9999 kW Rate 25	2,041,726	2,181,902	140,176	6.87%
Lighting Schedule OL	1,028,102	1,061,688	33,586	3.27%
	<hr/>	<hr/>		
	72,004,827	75,721,007	3,716,180	5.16%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule A-5
Farm and Home Service
Rate 1

E-Based kWh	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	424,395	\$7.70	\$3,267,842	424,395	\$7.70	\$3,267,842	\$0	0.00%		
Energy charge per kWh	586,487,296	586,487,296	\$0.059150	34,680,724	586,487,296	0.06312	37,019,893	2,329,159	6.71%	2,329,159
Total from base rates			<u>37,958,665</u>			<u>40,287,724</u>	<u>2,329,159</u>	<u>6.14%</u>		
Fuel adjustment			4,855,151			4,855,151	0	0.00%		
Environmental surcharge			<u>3,102,053</u>			<u>3,102,053</u>	<u>0</u>	<u>0.00%</u>		
Total revenues			<u>\$ 45,915,769</u>			<u>\$ 48,244,928</u>	<u>\$ 2,329,159</u>	<u>5.07%</u>		
Average Bill			\$108.19			\$113.68	\$5.49	5.07%		

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	77,358	\$7.70	\$595,657	77,358	\$7.70	\$595,657	\$0			
Energy charge per kWh	43,084,693	43,084,693	\$0.059150	2,548,460	43,084,693	0.06312	2,719,585	171,105		171,105
Total from base rates			<u>3,144,118</u>			<u>3,315,222</u>	<u>171,105</u>			
Fuel adjustment			383,620			383,620	0			
Environmental surcharge			<u>256,943</u>			<u>256,943</u>	<u>0</u>			
Total revenues			<u>\$ 3,784,679</u>			<u>\$ 3,955,784</u>	<u>\$ 171,105</u>	<u>4.52%</u>		
Average Bill			\$48.92			\$51.14	\$2.21	4.52%		

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	723		\$0	723	\$0.00	\$0				
Energy charge per ETS kWh	4,117,772	4,117,772	\$0.035490	146,140	4,117,772	\$0.03787	155,952	9,812	6.71%	9,812
Fuel adjustment			37,869			37,869	0	0.00%		
Environmental surcharge			<u>11,943</u>			<u>11,943</u>	<u>0</u>	<u>0.00%</u>		
Total revenues			<u>\$ 195,952</u>			<u>\$ 205,763</u>	<u>\$ 9,812</u>	<u>5.01%</u>		
Average Bill			\$ 271.03			\$ 284.60	\$ 13.57	5.01%		

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule LLP-2
Large Power 500 KW under 30,000 KW
Rate 7

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	273	-	-	273	-	-				
kW Demand	73,251	5.83	427,053	73,251	5.83	427,053		0.00%		
Energy charge per kWh	24,946,606	24,946,606	0.043550	1,086,425	24,946,606	0.04751	1,185,239	98,815	9.10%	98,815
Total from base rates			<u>1,513,477</u>				<u>1,612,292</u>	<u>98,815</u>	<u>6.53%</u>	
Fuel adjustment			188,343			188,343	0	0	0.00%	
Environmental surcharge			123,685			123,685	0	0	0.00%	
Total revenues			<u>\$ 1,825,505</u>			<u>\$ 1,924,320</u>	<u>\$ 98,815</u>		<u>5.41%</u>	
Average Bill			\$ 6,686.83			\$ 7,048.79	\$ 361.96		5.41%	

Schedule B-2
Commercial & Small Power Service
Rate 8

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	27,060	\$10.36	\$280,342	27,060	\$10.36	\$280,342	-	0.00%		
Energy charge per kWh	60,354,902	60,354,902	\$0.064890	3,916,430	60,354,902	\$0.06885	4,155,498	239,069	6.10%	239,069
Total from base rates			<u>4,196,771</u>			<u>4,435,840</u>	<u>239,069</u>	<u>5.70%</u>		
Fuel adjustment			496,670			496,670	-	-	0.00%	
Environmental surcharge			342,969			342,969	-	-	0.00%	
Total revenues			<u>\$ 5,036,410</u>			<u>\$ 5,275,479</u>	<u>\$ 239,069</u>		<u>4.75%</u>	
Average Bill			\$ 186.12			\$ 104.95	\$ 8.83		4.75%	

Schedule LLP-1
Large Power Rate
Rate 9

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	1,796	\$0	\$0	1,796	\$0.00	\$0				
Demand Charge	170,823	\$5.83	\$995,900	170,823	\$5.83	\$995,900		0.00%		
Energy charge per kWh	66,402,986	66,402,986	\$0.040860	3,111,644	66,402,986	\$0.050921	3,374,669	263,026	8.45%	263,026
Total from base rates			<u>4,107,544</u>			<u>4,370,669</u>	<u>263,026</u>	<u>6.40%</u>		
Fuel adjustment			542,689			542,689			0.00%	
Environmental surcharge			335,677			335,677			0.00%	
Total revenues			<u>\$ 4,985,910</u>			<u>\$ 5,248,936</u>	<u>\$ 263,026</u>		<u>5.28%</u>	
Average Bill			\$ 2,776.12			\$ 2,922.57	\$ 146.45		5.28%	

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule CL-1
Street Lighting Service
Rate 3

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	290	\$10.30	\$2,987	290	\$10.30	\$2,987	-	0.00%
Energy charge per kWh	251,857	251,857	\$0.063190	251,857	\$0.06715	16,912	998	6.27%
Total from base rates			18,902			19,899	998	5.28%
Fuel adjustment			3,172			3,172	-	0.00%
Environmental surcharge			1,545			1,545	-	0.00%
Total revenues			\$ 23,618			\$ 24,616	\$ 998	4.22%
Average Bill			\$ 81.44			\$ 84.88	\$ 3.44	4.22%

Schedule LLP-3
Large Power Rate (500 KW to 3,000 KW)
Rate 11

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Metering Charge	127		\$0	127	\$0.00	\$0	-	0.00%
Demand Charge	105,076	\$5.82	611,543	105,076	\$5.82	611,543	-	0.00%
Energy charge per kWh	50,641,005	50,641,005	\$0.043480	50,641,005	\$0.047441	2,402,462	200,592	9.11%
Total from base rates			2,813,413			3,014,005	200,592	7.13%
Fuel adjustment			405,354			405,354	-	0.00%
Environmental surcharge			229,919			229,919	-	0.00%
Total revenues			\$ 3,448,886			\$ 3,649,278	\$ 200,592	5.82%
Average Bill			\$ 27,155			\$ 28,734	\$ 1,579	5.82%

Schedule LLP-4-B1
Large Power Rate (1,000 KW to 2,999 KW)
Rate 14

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	48	\$1,652.50	\$74,520	48	\$1,652.50	\$74,520	\$0	0.00%
Demand Charge:								
Contract demand	79,300	\$5.39	427,427	79,300	7.29	578,097	150,670	35.25%
Excess demand	4,146	\$7.82	32,422	4,146	9.72	40,299	7,877	24.30%
Energy charge per kWh	44,532,340	\$0.034330	1,528,795	44,532,340	\$0.034330	1,528,795	0	0.00%
Total from base rates			2,063,164			2,221,711	158,547	7.68%
Fuel adjustment			358,409			358,409	-	0.00%
Environmental surcharge			168,629			168,629	-	0.00%
Total revenues			\$ 2,590,202			\$ 2,748,749	\$ 158,547	6.12%
Average Bill			\$ 59,963			\$ 57,266	\$ 3,303	6.12%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule LPR-2
Large Power 3,000 kW and Over
Rate 13

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues				
Consumer Charge	12		\$0	12	\$0.00	\$0		0.00%		
Demand Charge	7,384	\$8.23	\$60,770	7,384	\$8.23	\$60,770	\$0	0.00%		
Energy Charge	2,703,391	2,703,391	\$0.031980	86,454	2,703,391	\$0.035941	97,163	10,708	12.39%	10,708
Total from base rates			147,225			157,933	10,708	7.27%		
Fuel adjustment			20,902			20,902	-	0.00%		
Environmental surcharge			12,032			12,032	-	0.00%		
Total revenues			\$ 180,158			\$ 190,866	\$ 10,708	5.94%		
Average Bill			\$ 15,013			\$ 15,906	\$ 892	5.94%		

Schedule LPR-3
Large Power 3000 kW and Over
Rate 36

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues				
Customer Charge	12	\$838.75	10,065	12	\$838.75	10,065	-	0.00%		
Demand Charge	32,133	\$8.23	264,458	32,133	\$8.23	264,458	-	0.00%		
Energy charge per kWh	15,295,714	15,295,714	\$0.031980	489,157	15,295,714	\$0.035941	549,744	60,587	12.39%	60,587
Total from base rates			763,680			824,267	60,587	7.93%		
Fuel adjustment			122,019			122,019	-	0.00%		
Environmental surcharge			62,410			62,410	-	0.00%		
Total revenues			\$ 948,110			\$ 1,008,697	\$ 60,587	6.39%		
Average Bill			\$ 79,009			\$ 84,058	\$ 5,049	6.39%		

Schedule LPR-1-B2
Large Power 5,000 kW - 9,999 kW
Rate 25

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues			
Customer Charge	12	\$2,980.00	\$35,760	12	\$2,980.00	\$35,760	-	0.00%	
Demand Charge	69,000	\$5.39	371,910	69,000	\$7.29	503,010	131,100	35.25%	131,100
Excess Demand Charge	4,777	\$7.82	37,356	4,777	\$9.72	46,432	9,076	24.30%	9,076
Energy charge per kWh	39,415,399	\$0.029180	1,150,141	39,415,399	\$0.029180	1,150,141	-	0.00%	
Total from base rates			1,595,167			1,735,344	140,176	8.79%	
Fuel adjustment			318,356			318,356	-	0.00%	
Environmental surcharge			128,203			128,203	-	0.00%	
Total revenues			\$2,041,726			\$2,181,902	140,176	6.87%	
Average Bill			\$ 170,144			\$ 181,825	\$ 11,681	6.87%	
Lighting kWh Schedule OL	8479176	0.112090137	\$ 950,432	8479176	0.1160512	\$ 984,018	\$ 33,586	3.53%	33,586
Total kWh	862,765,398								

									3,716,180	Total Revenue Req
									3,417,456	Less Dmd \$
									0.0039610	per kWh
									3,417,456	
									3,716,180	Total All Rates
									0.00	Difference in Rev Req

Tot 298,724

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule OL
Outdoor Lighting

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Mercury Vapor (MV) 175W - 75 kWh	68,287	8.06	550,393	68,287	\$8.36	570,680	20,287	3.69%
Sodium Vapor (HPS) 100W - 48 kWh	9,942	8.01	79,635	9,942	\$8.20	81,526	1,890	2.37%
Sodium Vapor (HPS) 250W - 104 kWh	6,261	10.10	63,236	6,261	\$10.51	65,815	2,579	4.08%
Sodium Vapor (HPS) 400W - 165 kWh	9,601	13.11	125,869	9,601	\$13.76	132,144	6,275	4.99%
Decorative Undergr (HPS) 100 W - 48 kWh	3,912	8.96	35,052	3,912	\$9.15	35,795	744	2.12%
Underground MV w/o pole 175W - 75 kWh	1,854	14.53	26,939	1,854	\$14.83	27,489	551	2.04%
Underground MV w pole 175W - 75 kWh	3,400	18.23	61,982	3,400	\$18.53	62,992	1,010	1.63%
Overhead Durastar (MV) 175W - 75 kWh	844	8.68	7,326	844	\$8.98	7,577	251	3.42%
			950,432			984,018	33,586	3.53%
Env Surcharge			77,670			77,670		
			1,028,102			1,061,688	33,586	3.27%
Average Invoice								
Mercury Vapor (MV) 175W - 75 kWh		8.06			\$8.36		\$0.30	3.69%
Sodium Vapor (HPS) 100W - 48 kWh		8.01			\$8.20		\$0.19	2.37%
Sodium Vapor (HPS) 250W - 104 kWh		10.10			\$10.51		\$0.41	4.08%
Sodium Vapor (HPS) 400W - 165 kWh		13.11			\$13.76		\$0.65	4.99%
Decorative Undergr (HPS) 100 W - 48 kWh		8.96			\$9.15		\$0.19	2.12%
Underground MV w/o pole 175W - 75 kWh		14.53			\$14.83		\$0.30	2.04%
Underground MV w pole 175W - 75 kWh		18.23			\$18.53		\$0.30	1.63%
Overhead Durastar (MV) 175W - 75 kWh		8.68			\$8.98		\$0.30	3.42%

Allocate Environmental Surcharge

Revenues from base rates		Env Surcharge
A-5	37,959,152	3,102,052.92
A-5T	3,144,159	256,943.24
R-1	146,144	11,943.01
LLP2	1,513,502	123,684.62
B-2	4,196,832	342,968.54
LLP-1	4,107,610	335,677.25
OL-1	18,902	1,544.69
LLP-3	2,813,464	229,918.58
LLP-4-B1	2,063,476	168,628.94
LPR2	147,227	12,031.51
LPR3	763,696	62,409.86
LPR-1-B2	1,568,788	128,202.64
OL	950,432	77,670.08
	59,393,384	4,853,675.87

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00486

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

REQUEST 2

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Salt River Electric Cooperative Corporation

Request 2. KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not change the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis. In the cover letter to its Application, Salt River states:

In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

Request 2a. For each retail Rate Schedule listed in Exhibit II of the Application, identify the corresponding wholesale Rate Schedule of East Kentucky Power Cooperative, Inc.

Response 2a. Please see the attached information.

Request 2b. Would Salt River agree that KRS 278.455(2) and 807 KAR5:007, Section 2(2), require that increases or decreases in rates from the wholesale supplier must be allocated to each retail class and within each retail tariff on a proportional basis? Explain the response.

Response 2b. Yes. EKPC and each Member System understands these requirements and have developed proposed rates that meet the intent of KRS 278.455(2) and 807 KAR5:007. As explained in Mr. Bosta's testimony, EKPC began the rate design process at wholesale by allocating the proposed rate increase to each rate class on a proportional basis. The proportional increase to each rate class was then applied to the most appropriate rate mechanism for each rate class.

The proposed increase at retail is strictly a pass-through of EKPC's increased wholesale costs and each Member System must recover the dollar increase from new wholesale rates. As a result, EKPC and each Member System recognized that it was important to implement retail rates that mirror the change at wholesale, while meeting the proportionality and rate design requirements.

EKPC and its Member Systems understand that a "pure" proportional increase at retail, as discussed in Item 3 herein, would result in increases at retail to customer, demand and energy charges. However, EKPC and its Member Systems came to the conclusion that, for example, an increase in the customer charge at retail made no sense because the wholesale increase had no relationship to customer cost. EKPC has not proposed an increase in its substation charges or metering point charges in this proceeding. Consequently, EKPC and its Member Systems could not justify increasing the retail customer charge when the wholesale increase has no relationship to that cost.

Therefore, EKPC believes that its proposed wholesale increase using a proportional basis, coupled with the use of the wholesale rate design methodology at retail, is a reasonable approach to meeting the intent of the requirements.

Request 2c. Would Salt River agree that KRS 278.455(2) and 807 KAR 5:007, Section 2(2), require that the retail rate change does not change the retail rate design currently in effect? Explain the response.

Response 2c. Yes. EKPC and its Member Systems understand the requirements set forth in KRS 278.455(2) and 807 KAR 5:007 and believe that the proposed rates do not alter the existing rate design structure at retail.

As indicated in the response to Item 2b, the rate design used for the pass-through increase at retail was intended to meet these requirements, while also maintaining the existing wholesale/retail rate design relationship and recognizing cost causation principles.

Industrial customers at retail, for example, will pay the same demand charge as the Member System pays to EKPC. This maintains the rate design relationship from wholesale to retail that has existed for a number of years. Likewise, the proposed increase in the "E" wholesale rate, which is only applied to the energy charge, is being passed through only to the energy charge at retail. This process allows the rate design relationship from wholesale to retail to remain in place.

Fundamentally, for every retail rate class, there has been no change in the rate design structure. The demand, energy, and customer components for industrial rates remains intact and the residential and commercial rate design structure remains as is through a continuation of the customer and energy charge structure. This adherence to the rate

design structure, coupled with a retention of the wholesale to retail rate design relationship, is a reasonable approach and meets the legal requirements.

The present and proposed rates structures of Salt River Electric Cooperative Corporation are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>EKPC Rate</u>	<u>Present</u>	<u>Proposed</u>
A-5	Farm & Home Service	E2		
	Customer Charge / Mo		\$7.70	\$7.70
	Energy Charge / kWh		\$0.05915	\$0.06312
A-5 T	Farm & Home Taxable	E2		
	Customer Charge / Mo		\$7.70	\$7.70
	Energy Charge / kWh		\$0.05915	\$0.06312
A-5	Farm & Home TOD A	E2		
	Customer Charge / Mo		\$10.10	\$10.10
	On-Peak Energy Charge / kWh		\$0.07799	\$0.08195
	Off-Peak Energy Charge / kWh		\$0.03895	\$0.04291
A-5	Farm & Home TOD B	E2		
	Customer Charge / Mo		\$10.10	\$10.10
	Energy Charge – Winter On-Peak / kWh		\$0.07799	\$0.08195
	Energy Charge – Winter Off-Peak / kWh		\$0.03895	\$0.04291
	Energy Charge Summer Season / kWh		\$0.05915	\$0.06311
A-5	Farm & Home Taxable TOD A	E2		
	Customer Charge / Mo		\$10.10	\$10.10
	On-Peak Energy Charge / kWh		\$0.07799	\$0.08195
	Off-Peak Energy Charge / kWh		\$0.03895	\$0.04291
A-5	Farm & Home Taxable TOD B	E2		
	Customer Charge / Mo		\$10.10	\$10.10
	Energy Charge – Winter On-Peak / kWh		\$0.07799	\$0.08195
	Energy Charge – Winter Off-Peak / kWh		\$0.03895	\$0.04291
	Energy Charge Summer Season / kWh		\$0.05915	\$0.06311
R-1	Residential Marketing Rate – Off-Peak	E2		
	Energy Charge / kWh		\$0.03549	\$0.03787
OL	Outdoor Lighting	E2		
	Mercury Vapor 175 Watt		\$8.06	\$8.36
	Sodium Vapor (HPS) 100 Watt		\$8.01	\$8.20
	Sodium Vapor (HPS) 250 Watt		\$10.10	\$10.51
	Sodium Vapor (HPS) 400 Watt		\$13.11	\$13.76
	Decorative Underground (HPS) 100 Watt		\$8.96	\$9.15
	Underground Mercury Vapor w/o pole 175 Watt		\$14.53	\$14.83
	Underground Mercury Vapor w/ Pole 175 Watt		\$18.23	\$18.53
	Overhead Durastar (MV) 175 Watt		\$8.68	\$8.98
OL-1	Street Lighting Service	E2		
	Customer Charge / Mo		\$10.30	\$10.30
	Energy Charge / kWh		\$0.06319	\$0.06715
CL	Commercial Lighting Service	E2		
	High Pressure Sodium 400 Watt		\$25.80	\$26.45
B-2	Commercial & Small Power Svce	E2		
	Customer Charge / Mo		\$10.36	\$10.36
	Energy Charge / kWh		\$0.06489	\$0.06885
LLP-1	Large Power Service – 37.5 – 499 kW	E2		
	Demand / kW		\$5.83	\$5.83
	Energy Charge / kWh		\$0.04686	\$0.05082
LLP-2	Large Power – 500 kW – 2999 kW Secondary Voltage	E2		
	Demand / kW		\$5.83	\$5.83
	Energy Charge / kWh		\$0.04355	\$0.04751

LLP-3-B1	Large Power 500-999 kW	E2		
	Customer Charge / Mo		\$838.75	\$838.75
	Demand Charge – Contract Demand		\$5.39	\$7.29
	Demand Charge – Excess Demand		\$7.82	\$9.72
	Energy Charge / kWh		\$0.03725	\$0.03725
LLP-3-C1	Large Power 500-999 kW	E2		
	Customer Charge / Mo		\$838.75	\$838.75
	Demand / kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.03725	\$0.03725
LLP-3	Large Power 500-3000 kW Primary Voltage	E2		
	Demand / kW		\$5.82	\$5.82
	Energy Charge / kWh		\$0.04348	\$0.04744
LLP-4-B1	Large Power 1000-2999 kW	B		
	Customer Charge / Mo		\$1,552.50	\$1,552.50
	Contract Demand Charge		\$5.39	\$7.29
	Excess Demand Charge		\$7.82	\$9.72
	Energy Charge / kWh		\$0.03433	\$0.03433
LLP-4-C1	Large Power 1000-2999 kW	C		
	Customer Charge / Mo		\$1,552.50	\$1,552.50
	Demand / kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.03433	0.03433
LPR-1	Large Power – 3000 kW and Over – Dedicated Substation	E2		
	Demand / kW		\$8.23	\$8.23
	Energy Charge / kWh		\$0.03198	\$0.03594
LPR-2	Large Power – 3000 kW and Over – Dedicated Substation	E2		
	Demand / kW		\$8.23	\$8.23
	Energy Charge / kWh		\$0.03198	\$0.03594
LPR-3	Large Power – 3000 kW and Over – Dedicated Substation	E2		
	Consumer Charge 500 kW – 999 kW		\$838.75	\$838.75
	Consumer Charge 1,000 kW – 2,999 kW		\$1,552.50	\$1,552.50
	Consumer Charge 3,000 kW – 9,999 kW		\$2,980.00	\$2,980.00
	Consumer Charge 10,000 kW and Over		\$4,730.00	\$4,730.00
	Demand /kW		\$8.23	\$8.23
	Energy Charge / kWh		\$0.03198	\$0.03594
LPR-1-B1	Large Power – 3000-4999 kW	B		
	Customer Charge / Mo		\$2,980.00	\$2,980.00
	Contract Demand Charge		\$5.39	\$7.29
	Excess Demand Charge		\$7.82	\$9.72
	Energy Charge / kWh		\$0.02937	\$0.02937
LPR-1-C1	Large Power – 3000-4999 kW	C		
	Customer Charge / Mo		\$2,980.00	\$2,980.00
	Demand /kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.02937	\$0.02937
LPR-1-B2	Large Power 5000 – 9999 kW	B		
	Customer Charge / Mo		\$2,980.00	\$2,980.00
	Contract Demand Charge		\$5.39	\$7.29
	Excess Demand Charge		\$7.82	\$9.72
	Energy Charge / kWh		\$0.02918	\$0.02918
LPR-1-C2	Large Power 5000 – 9999 kW	C		
	Customer Charge / Mo		\$2,980.00	\$2,980.00
	Demand / kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.02918	\$0.02918

LPR-1-B3	Large Power – 10,000 kW and Over	B		
	Customer Charge / Mo		\$4,730.00	\$4,730.00/
	Contract Demand /kW		\$5.39	\$7.29
	Excess Demand / kW		\$7.82	\$9.72
	Energy Charge / kWh		\$0.02888	\$0.02888
LPR-1-C3	Large Power – 10,000 kW and Over	C		
	Customer Charge / Mo		\$4,730.00	\$4,730.00
	Demand / kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.02888	\$0.02888

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00486

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

REQUEST 3

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Salt River Electric Cooperative Corporation

Request 3. Refer to Exhibit III of the Application.

Request 3a. Prepare the following comparative analyses of Salt River's present and proposed revenues:

(1) Calculate the percentage that each rate schedule or class represents of the total revenues for both the present revenues and proposed revenues. Percentages should be expressed to 2 decimal places.

(2) Calculate the percentage that each component of the base rates within each rate schedule or class represents of the total base rate revenues for both the present revenues and proposed revenues. Do not include fuel adjustment revenues, environmental surcharge revenues, or green power revenues. Percentages should be expressed to 2 decimal places.

Response 3a. (1) Please see the attached information.

(2) Please see the attached information.

Request 3b. Based upon the results of the analyses prepared in part (a) above, explain in detail how Salt River's proposed pass-through rates are in compliance with the retail rate requirements of KRS 278.455(2) and 807 KAR 5:007, Section 2(2).

Response 3b. Maintaining the existing revenue proportion as shown in part (a) above assumes that the proportionality requirement would follow strict adherence to the existing proportion of revenues at retail, by rate mechanism component (i.e. customer, energy and demand). EKPC and the Member Systems believe that the proportionality requirement is not so narrow and that the pass-through at retail has followed the proposed wholesale rate design process in a proportional manner. At retail, for example, there is no increase in the customer charge because EKPC did not increase the metering point charge or substation charge at wholesale. Moreover, the "B" and "C" type retail industrial classes will have the same demand rate as the proposed demand rate for industrial customers at wholesale. It follows the matching concept upon which these rates were originally created.

See also the response to Item 2(b) and 2(c) herein. KRS 278.455(2) explicitly recognizes "proportional" allocation without recognizing a specific method, whether KWh, revenue, or other means of proportionality. EKPC has chosen the proportional method of applying wholesale to retail, with the *intended matching concept of costs vs. revenue*. The retail rates reflect this top-down approach to proportionality. Please see the attached analysis which illustrates this approach.

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

	Total \$ Existing		Total \$ Proposed		\$ Increase	% Increase
	Rate	% of Total	Rate	% of Total		
Schedule A-5 Farm & Home	45,915,769	63.77%	48,244,928	63.71%	2,329,159	5.07%
Schedule A-5T F & H Taxable	3,784,679	5.26%	3,955,784	5.22%	171,105	4.52%
Schedule A - Off-Peak Marketing Rate R1	195,952	0.27%	205,763	0.27%	9,812	5.01%
Sch LLP-2 Lg Power 500 Under 3000 kWh	1,825,505	2.54%	1,924,320	2.54%	98,815	5.41%
Sch B-2 Comm & Small Power Svce	5,036,410	6.99%	5,275,479	6.97%	239,069	4.75%
Sch LLP-1 Large Power Rate 9	4,985,910	6.92%	5,248,936	6.93%	263,026	5.28%
Sch OL-1 Street Lighting Svce Rate 3	23,618	0.03%	24,616	0.03%	998	4.22%
Sch LLP-3 Lg Power 500-3000 kW	3,448,686	4.79%	3,649,278	4.82%	200,592	5.82%
Sch LLP-4-B1 Lg Power 1000-2999 kW	2,590,202	3.60%	2,748,749	3.63%	158,547	6.12%
Sch LPR-2 Lg Power 3000 kW & Over	180,158	0.25%	190,866	0.25%	10,708	5.94%
Sch LPR-3 3000 & Over Rate 36	948,110	1.32%	1,008,697	1.33%	60,587	6.39%
Sch LPR-1-B2 5000-9999 kW Rate 25	2,041,726	2.84%	2,181,902	2.88%	140,176	6.87%
Lighting Schedule OL	1,028,102	1.43%	1,061,688	1.40%	33,586	3.27%
	<u>72,004,827</u>	<u>100.00%</u>	<u>75,721,007</u>	<u>100.00%</u>	<u>3,716,180</u>	<u>5.16%</u>

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule A-5
Farm and Home Service
Rate 1

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	424,395	\$7.70	\$3,267,842	8.61%	424,395	\$7.70	\$3,267,842	8.11%	\$0	0.00%
Energy charge per kWh	586,487,296	\$0.059150	34,690,724	91.39%	586,487,296	0.06312	37,019,883	91.89%	2,329,159	6.71%
Total from base rates			<u>37,958,565</u>	100.00%			<u>40,287,724</u>	100.00%	<u>2,329,159</u>	<u>6.14%</u>
Fuel adjustment			4,855,151				4,855,151		0	0.00%
Environmental surcharge			<u>3,102,053</u>				<u>3,102,053</u>		<u>0</u>	<u>0.00%</u>
Total revenues			<u>\$ 45,915,769</u>				<u>\$ 48,244,928</u>		<u>\$ 2,329,159</u>	<u>5.07%</u>
Average Bill			\$108.19				\$113.68		\$5.49	5.07%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	77,358	\$7.70	\$595,657	18.95%	77,358	\$7.70	\$595,657	17.97%	\$0	
Energy charge per kWh	43,084,693	\$0.059150	2,548,460	81.05%	43,084,693	0.06312	2,719,565	82.03%	171,105	
Total from base rates			<u>3,144,116</u>	100.00%			<u>3,315,222</u>	100.00%	<u>171,105</u>	
Fuel adjustment			383,620				383,620		0	
Environmental surcharge			<u>256,943</u>				<u>256,943</u>		<u>0</u>	
Total revenues			<u>\$ 3,784,679</u>				<u>\$ 3,955,784</u>		<u>\$ 171,105</u>	<u>4.52%</u>
Average Bill			\$48.92				\$51.14		\$2.21	4.52%

Schedule R-1
Residential Off-Peak Marketing Rate
Rate 5

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	723		\$0	0.00%	723	\$0.00	\$0	0.00%		
Energy charge per ETS kWh	4,117,772	\$0.035490	146,140	100.00%	4,117,772	\$0.03787	155,952	100.00%	9,812	6.71%
Total From Base Rates			<u>\$146,140</u>	100.00%			<u>\$155,952</u>	100.00%		
Fuel adjustment			37,869				37,869		0	0.00%
Environmental surcharge			<u>11,943</u>				<u>11,943</u>		<u>0</u>	<u>0.00%</u>
Total revenues			<u>\$ 195,952</u>				<u>\$ 205,763</u>		<u>\$ 9,812</u>	<u>5.01%</u>
Average Bill			\$ 271.03				\$ 284.60		\$ 13.57	5.01%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule LLP-2
Large Power 500 kW under 30,000 kW
Rate 7

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	273		-		273		-			
kW Demand	73,251	5.83	427,053	28.22%	73,251	5.83	427,053	26.49%	-	0.00%
Energy charge per kWh	24,946,606	0.043550	1,086,425	71.78%	24,946,606	0.04751	1,185,239	73.51%	98,815	9.10%
Total from base rates			<u>1,513,477</u>	100.00%			<u>1,612,292</u>	100.00%	<u>98,815</u>	<u>6.53%</u>
Fuel adjustment			188,343				188,343		0	0.00%
Environmental surcharge			<u>123,685</u>				<u>123,685</u>		<u>0</u>	<u>0.00%</u>
Total revenues			<u>\$ 1,825,505</u>				<u>\$ 1,924,320</u>		<u>\$ 98,815</u>	<u>5.41%</u>
Average Bill			\$ 6,686.83				\$ 7,048.79		\$ 361.96	5.41%

Schedule B-2
Commercial & Small Power Service
Rate 8

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	27,060	\$10.36	\$280,342	6.68%	27,060	\$10.36	\$280,342	6.32%	-	0.00%
Energy charge per kWh	60,354,902	\$0.064890	3,916,430	93.32%	60,354,902	\$0.06885	4,155,498	93.68%	239,069	6.10%
Total from base rates			<u>4,196,771</u>	100.00%			<u>4,435,840</u>	100.00%	<u>239,069</u>	<u>5.70%</u>
Fuel adjustment			496,670				496,670		-	0.00%
Environmental surcharge			<u>342,969</u>				<u>342,969</u>		<u>-</u>	<u>0.00%</u>
Total revenues			<u>\$ 5,036,410</u>				<u>\$ 5,275,479</u>		<u>\$ 239,069</u>	<u>4.75%</u>
Average Bill			\$ 186.12				\$ 194.95		\$ 8.83	4.75%

Schedule LLP-1
Large Power Rate
Rate 9

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	1,796		\$0	0.00%	1,796	\$0.00	\$0	0.00%		
Demand Charge	170,823	\$5.83	\$995,900	24.25%	170,823	\$5.83	\$995,900	22.79%	-	0.00%
Energy charge per kWh	66,402,986	\$0.046860	3,111,644	75.75%	66,402,986	\$0.050821	3,374,669	77.21%	263,026	8.45%
Total from base rates			<u>4,107,544</u>	100.00%			<u>4,370,569</u>	100.00%	<u>263,026</u>	<u>6.40%</u>
Fuel adjustment			542,689				542,689			0.00%
Environmental surcharge			<u>335,677</u>				<u>335,677</u>		<u></u>	<u>0.00%</u>
Total revenues			<u>\$ 4,985,910</u>				<u>\$ 5,248,936</u>		<u>\$ 263,026</u>	<u>5.28%</u>
Average Bill			\$ 2,776.12				\$ 2,922.57		\$ 146.45	5.28%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule OL-1
Street Lighting Service
Rate 3

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	290	\$10.30	\$2,987	15.80%	290	\$10.30	\$2,987	15.01%	-	0.00%
Energy charge per kWh	251,857	\$0.063190	15,915	84.20%	251,857	\$0.06715	16,912	84.99%	998	6.27%
Total from base rates			<u>18,902</u>	100.00%			<u>19,899</u>	100.00%	<u>998</u>	<u>5.28%</u>
Fuel adjustment			3,172				3,172		-	0.00%
Environmental surcharge			1,545				1,545		-	0.00%
Total revenues			<u>\$ 23,618</u>				<u>\$ 24,616</u>		<u>\$ 998</u>	<u>4.22%</u>
Average Bill			\$ 81.44				\$ 84.88		\$ 3.44	4.22%

Schedule LLP-3
Large Power Rate (500 KW to 3,000 KW)
Rate 11

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Metering Charge	127		\$0	0.00%	127	\$0.00	\$0	0.00%	-	0.00%
Demand Charge	105,076	\$5.82	611,543	21.74%	105,076	\$5.82	611,543	20.29%	-	0.00%
Energy charge per kWh	50,641,005	\$0.043480	2,201,871	78.26%	50,641,005	\$0.047441	2,402,462	79.71%	200,592	9.11%
Total from base rates			<u>2,813,413</u>	100.00%			<u>3,014,005</u>	100.00%	<u>200,592</u>	<u>7.13%</u>
Fuel adjustment			405,354				405,354		-	0.00%
Environmental surcharge			229,919				229,919		-	0.00%
Total revenues			<u>\$ 3,448,686</u>				<u>\$ 3,649,278</u>		<u>\$ 200,592</u>	<u>5.82%</u>
Average Bill			\$ 27,155				\$ 28,734		\$ 1,579	5.82%

Schedule LLP-4-B1
Large Power Rate (1,000 KW to 2,999 KW)
Rate 14

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	48	\$1,552.50	\$74,520	3.61%	48	\$1,552.50	\$74,520	3.35%	\$0	0.00%
Demand Charge:										
Contract demand	79,300	\$5.39	427,427	20.72%	79,300	\$7.29	578,097	26.02%	150,670	35.25%
Excess demand	4,146	\$7.82	32,422	1.57%	4,146	\$9.72	40,299	1.81%	7,877	24.30%
Energy charge per kWh	44,532,340	\$0.034330	1,528,795	74.10%	44,532,340	\$0.034330	1,528,795	68.81%	0	0.00%
Total from base rates			<u>2,063,164</u>	100.00%			<u>2,221,711</u>	100.00%	<u>158,547</u>	<u>7.68%</u>
Fuel adjustment			358,409				358,409			0.00%
Environmental surcharge			168,629				168,629			0.00%
Total revenues			<u>\$ 2,590,202</u>				<u>\$ 2,748,749</u>		<u>\$ 158,547</u>	<u>6.12%</u>
Average Bill			\$ 53,963				\$ 57,266		\$ 3,303	6.12%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule LPR-2
Large Power 3,000 kW and Over
Rate 13

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Consumer Charge	12		\$0	0.00%	12	\$0.00	\$0	0.00%		
Demand Charge	7,384	\$8.23	\$60,770	41.28%	7,384	\$8.23	\$60,770	38.46%	\$0	0.00%
Energy Charge	2,703,391	\$0.031980	86,454	58.72%	2,703,391	\$0.035941	97,163	61.52%	10,708	12.39%
Total from base rates			<u>147,225</u>	100.00%			<u>157,933</u>	100.00%	<u>10,708</u>	<u>7.27%</u>
Fuel adjustment			20,902				20,902		-	0.00%
Environmental surcharge			<u>12,032</u>				<u>12,032</u>		-	0.00%
Total revenues			<u>\$ 180,158</u>				<u>\$ 190,866</u>		<u>\$ 10,708</u>	<u>5.94%</u>
Average Bill			\$ 15,013				\$ 15,906		\$ 892	5.94%

Schedule LPR-3
Large Power 3000 kW and Over
Rate 36

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	12	\$838.75	10,065	1.32%	12	\$838.75	10,065	1.22%	-	0.00%
Demand Charge	32,133	\$8.23	264,458	34.63%	32,133	\$8.23	264,458	32.08%	-	0.00%
Energy charge per kWh	15,295,714	\$0.031980	489,157	64.05%	15,295,714	\$0.035941	549,744	66.69%	60,587	12.39%
Total from base rates			<u>763,680</u>	100.00%			<u>824,267</u>	100.00%	<u>60,587</u>	<u>7.93%</u>
Fuel adjustment			122,019				122,019		-	0.00%
Environmental surcharge			<u>62,410</u>				<u>62,410</u>		-	0.00%
Total revenues			<u>\$ 948,110</u>				<u>\$ 1,008,697</u>		<u>\$ 60,587</u>	<u>6.39%</u>
Average Bill			\$ 79,009				\$ 84,058		\$ 5,049	6.39%

Schedule LPR-1-B2
Large Power 5,000 kW - 9,999 kW
Rate 25

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	12	\$2,980.00	\$35,760	2.24%	12	\$2,980.00	\$35,760	2.06%	-	0.00%
Demand Charge	69,000	\$5.39	371,910	23.31%	69,000	\$7.29	503,010	28.99%	131,100	35.25%
Excess Demand Charge	4,777	\$7.82	37,356	2.34%	4,777	\$9.72	46,432	2.68%	9,076	24.30%
Energy charge per kWh	39,415,399	\$0.029180	1,150,141	72.10%	39,415,399	\$0.029180	1,150,141	66.28%	-	0.00%
Total from base rates			<u>1,595,167</u>	100.00%			<u>1,735,344</u>	100.00%	<u>140,176</u>	<u>8.79%</u>
Fuel adjustment			318,356				318,356		-	0.00%
Environmental surcharge			<u>126,203</u>				<u>126,203</u>		-	0.00%
Total revenues			<u>\$2,041,726</u>				<u>\$2,181,902</u>		<u>140,176</u>	<u>6.87%</u>
Average Bill			\$ 170,144				\$ 181,825		\$ 11,681	6.87%
Lighting kWh Schedule OL		0.112090137	\$ 950,432		8479176	0.1160512	\$ 984,018		\$ 33,586	3.53%

Salt River Electric
Billing Analysis
for the 12 months ended September 30, 2006

Schedule OL
Outdoor Lighting

	Existing				Proposed				\$ Increase	% Increase
	Billing Units	Current Rate	Annualized Revenues	% of Total	Billing Units	Proposed Rate	Annualized Revenues	% of Total		
Mercury Vapor (MV) 175W - 75 kWh	68,287	8.06	550,393	57.91%	68,287	\$8.36	570,680	57.99%	20,287	3.69%
Sodium Vapor (HPS) 100W - 48 kWh	9,942	8.01	79,635	8.38%	9,942	\$8.20	81,526	8.28%	1,890	2.37%
Sodium Vapor (HPS) 250W - 104 kWh	6,261	10.10	63,236	6.65%	6,261	\$10.51	65,815	6.69%	2,579	4.08%
Sodium Vapor (HPS) 400W - 165 kWh	9,601	13.11	125,869	13.24%	9,601	\$13.76	132,144	13.43%	6,275	4.99%
Decorative Undergr (HPS) 100 W - 48 kWh	3,912	8.96	35,052	3.69%	3,912	\$9.15	35,795	3.64%	744	2.12%
Underground MV w/o pole 175W - 75 kWh	1,854	14.53	26,939	2.83%	1,854	\$14.83	27,489	2.79%	551	2.04%
Underground MV w pole 175W - 75 kWh	3,400	18.23	61,982	6.52%	3,400	\$18.53	62,992	6.40%	1,010	1.63%
Overhead Durastar (MV) 175W - 75 kWh	844	8.68	7,326	0.77%	844	\$8.98	7,577	0.77%	251	3.42%
			<u>950,432</u>	100.00%			<u>\$84,018</u>	100.00%	33,586	3.53%
Env Surcharge			<u>77,670</u>				<u>77,670</u>			
			1,028,102				1,061,688		33,586	3.27%
Average Invoice										
Mercury Vapor (MV) 175W - 75 kWh		8.06				\$8.36			\$0.30	3.69%
Sodium Vapor (HPS) 100W - 48 kWh		8.01				\$8.20			\$0.19	2.37%
Sodium Vapor (HPS) 250W - 104 kWh		10.10				\$10.51			\$0.41	4.08%
Sodium Vapor (HPS) 400W - 165 kWh		13.11				\$13.76			\$0.65	4.99%
Decorative Undergr (HPS) 100 W - 48 kWh		8.96				\$9.15			\$0.19	2.12%
Underground MV w/o pole 175W - 75 kWh		14.53				\$14.83			\$0.30	2.04%
Underground MV w pole 175W - 75 kWh		18.23				\$18.53			\$0.30	1.63%
Overhead Durastar (MV) 175W - 75 kWh		8.68				\$8.98			\$0.30	3.42%

Analysis of Wholesale to Retail Proportionality

	Wholesale			Retail		
	Existing	Proposed	Change	Existing	Proposed	Change
I Customer Charge						
Metering Point Charge	\$125/Mo.	\$125/Mo.	\$ -	\$7.70/Mo	\$7.70/Mo	\$ -
Substation at less than 3 MVA	\$944/Mo.	\$944/Mo.	\$ -	\$7.70/Mo	\$7.70/Mo	\$ -
II Demand Charge						
B&C Demand Charge (\$/kW)	\$5.39	\$7.29	\$1.90	\$5.39	\$7.29	\$1.90

III Energy Charge

The non-industrial wholesale increase was based on the dollar amount remaining to be recovered at wholesale, divided by kWh.

The non-industrial retail increase was based on the dollar amount remaining to be recovered at retail, divided by kWh.

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00486

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

REQUEST 4

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Salt River Electric Cooperative Corporation

Request 4. Refer to Exhibit III of the Application. For each type of street light and/or outdoor light included in the billing analysis, provide the following information:

Request 4a. The assigned or estimated kWh usage per light for each light that is not separately metered.

Request 4b. The number of lights.

Response 4a-b.

<u>Light Description</u>	<u>4(a) KWH</u>	<u>4(b) Number of Lights Billed</u>
Mercury Vapor (MV) 175W - 75 kWh	75	68,287
Sodium Vapor (HPS) 100W - 48 kWh	48	9,942
Sodium Vapor (HPS) 250W - 104 kWh	104	6,261
Sodium Vapor (HPS) 400W - 165 kWh	165	9,601
Decorative Undergr (HPS) 100 W - 48 kWh	48	3,912
Underground MV w/o pole 175W - 75 kWh	75	1,854
Underground MV w pole 175W - 75 kWh	75	3,400
Overhead Durastar (MV) 175W - 75 kWh	75	844
Total		<u><u>104,101</u></u>