

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF SALT )  
RIVER ELECTRIC COOPERATIVE ) CASE NO. 2006-00523  
CORPORATION FROM NOVEMBER 1, )  
2004 TO OCTOBER 31, 2006 )

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 18, 2006, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Salt River Electric Cooperative Corporation ("Salt River") for the 2-year period ended October 31, 2006.

As part of this review, the Commission ordered Salt River to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Salt River has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

In its April 1, 2007 Order in Case No. 2006-00472,<sup>1</sup> the Commission authorized a \$19.0 million interim rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Salt River's power supplier. On April 11, 2007, Salt River filed its revised

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<sup>1</sup> Case No. 2006-00472, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.

tariffs reflecting the interim rate increase authorized by the Commission's April 1, 2007 Order in Case No. 2006-00486.<sup>2</sup> In its June 13, 2007 data request, Commission Staff requested that Salt River provide revised tariffs which reflect the effect of its proposed FAC roll-in upon the interim rates filed on April 11, 2007. Salt River has complied with that request.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Salt River has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Salt River, has been authorized to transfer (roll-in) a 6.13 mills per kWh increase in the base fuel cost to its base rates.<sup>3</sup>

3. Salt River should be authorized to transfer (roll-in) a 6.43 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 6.13 mills per kWh increase in East Kentucky's current base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

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<sup>2</sup> Case No. 2006-00486, Application of Salt River Electric Cooperative Corporation to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2).

<sup>3</sup> Case No. 2006-00508, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2004 to October 31, 2006.


IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Salt River through the FAC for the period November 1, 2004 to October 31, 2006 are approved.
2. Salt River is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by East Kentucky from its FAC to its base rates.
3. The rates in Appendix A are approved for service rendered by Salt River on and after August 1, 2007, the effective date of East Kentucky's change in rates.
4. Within 20 days of the date of this Order, Salt River shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25<sup>th</sup> day of July, 2007.

By the Commission

ATTEST.



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00523 DATED JULY 25, 2007

The following rates and charges are prescribed for the customers in the area served by Salt River Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE A-5  
FARM AND HOME

Energy Charge per kWh \$ .06720

SCHEDULE A-5T  
FARM AND HOME SERVICE TAXABLE

Energy Charge per kWh \$ .06720

SCHEDULE A-5 - TOD  
FARM AND HOME SERVICE-TIME OF DAY OPTION A

On Peak Energy Charge per kWh \$ .08656

Off-Peak Energy Charge per kWh \$ .04645

SCHEDULE A-5 - TOD  
FARM AND HOME SERVICE-TIME OF DAY OPTION B

Winter Season:

On Peak Energy Charge per kWh \$ .08656

Off-Peak Energy Charge per kWh \$ .04645

Summer Season:

All Energy per kWh \$ .06720

SCHEDULE A-5T - TOD  
FARM AND HOME SERVICE TAXABLE-TIME OF DAY OPTION A

On Peak Energy Charge per kWh \$ .08656

Off-Peak Energy Charge per kWh \$ .04645

SCHEDULE A-5T - TOD  
FARM AND HOME SERVICE TAXABLE-TIME OF DAY OPTION B

Winter Season:		
On Peak Energy Charge per kWh	\$	.08656
Off-Peak Energy Charge per kWh	\$	.04645
Summer Season:		
All Energy per kWh	\$	.06720

SCHEDULE R-1  
RESIDENTIAL MARKETING RATE

Energy Charge per kWh	\$	.04032
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SCHEDULE B-2  
COMMERCIAL AND SMALL POWER SERVICE

Energy Charge per kWh	\$	.07310
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SCHEDULE LLP-1  
LARGE POWER SERVICE

Energy Charge per kWh	\$	.05457
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SCHEDULE LLP-2  
LARGE POWER 500 KW UNDER 3,000 KW (Secondary Voltage)

Energy Charge per kWh	\$	.05117
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SCHEDULE CL  
COMMERCIAL LIGHTING SERVICE

Sodium Vapor (HPS) 400 Watt per month	\$	27.57
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SCHEDULE OL  
OUTDOOR LIGHTING

Flat rate per light per month as follows:		
Mercury Vapor	175 Watt	\$ 8.76
Sodium Vapor	100 Watt	\$ 8.54
Sodium Vapor	250 Watt	\$ 11.05
Sodium Vapor	400 Watt	\$ 14.53
Decorative Underground (HPS)	100 Watt	\$ 9.52
Underground MV w/o pole	175 Watt	\$ 15.41
Underground MV w/pole	175 Watt	\$ 19.21
Overhead Durastar MV	175Watt	\$ 9.40

SCHEDULE OL-1  
STREET LIGHTING SERVICE

Energy Charge per kWh \$ .07135

SCHEDULE LLP-3-B1  
LARGE POWER 500 KW – 999 KW

Energy Charge per kWh \$ .04470

SCHEDULE LLP-3-C1  
LARGE POWER 500 KW – 999 KW

Energy Charge per kWh \$ .04470

SCHEDULE LLP-3  
LARGE POWER 500 KW – 3,000 KW

Energy Charge per kWh \$ .05110

SCHEDULE LLP-4-B1  
LARGE POWER 1,000 KW – 2,999 KW

Energy Charge per kWh \$ .04170

SCHEDULE LLP-4-C1  
LARGE POWER 1,000 KW – 2,999 KW

Energy Charge per kWh \$ .04170

SCHEDULE LPR-1  
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$ .03929

SCHEDULE LPR-2  
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$ .03929

SCHEDULE LPR-3  
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$ .03929

SCHEDULE LPR-1-B1  
LARGE POWER 3,000 KW – 4,999 KW

Energy Charge per kWh \$ .03660

SCHEDULE LPR-1-C1  
LARGE POWER 3,000 KW – 4,999 KW

Energy Charge per kWh \$ .03660

SCHEDULE LPR-1-B2  
LARGE POWER 5,000 KW – 9,999 KW

Energy Charge per kWh \$ .03641

SCHEDULE LPR-1-C2  
LARGE POWER 5,000 KW – 9,999 KW

Energy Charge per kWh \$ .03641

SCHEDULE LPR-1-B3  
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$ .03610

SCHEDULE LPR-1-C3  
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$ .03610