

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. 2008-00535 |
| CORP. FROM NOVEMBER 1, 2006 |) | |
| THROUGH OCTOBER 31, 2008 |) | |

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 23, 2009, 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 two-year period ended October 31, 2008.

As part of this review, the Commission ordered Salt River to submit certain information and an affidavit attesting to its adherence to 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 person advised the Commission of his or her intention to attend.

In Case No. 2008-00409,¹ the Commission authorized a \$59.5 million rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Salt River's power supplier. On April 17, 2009, Salt River filed its revised tariffs reflecting the rate

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC Mar. 31, 2009).

increase authorized by the Commission's March 31, 2009 Order in Case No. 2008-00422.² Salt River subsequently filed a revised tariff, at Commission Staff's request, which reflected the effect of the proposed FAC roll-in upon its approved base rates.

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 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Salt River, has been authorized to transfer (roll-in) a 10.15 mills per kWh increase in the base fuel cost to its base rates.³

3. Salt River should be authorized to transfer (roll-in) a 10.66 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 10.15 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 the Appendix to this Order are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Salt River through the FAC for the period from November 1, 2006 to October 31, 2008 are approved.

² Case No. 2008-00422, Application of Salt River Electric Cooperative Corporation to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2) (Ky. PSC Mar. 31, 2009).

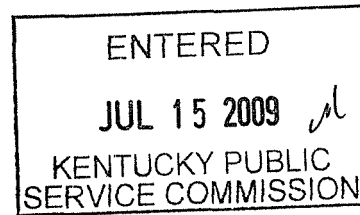
³ Case No. 2008-00519, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2006 to October 31, 2008 (Ky PSC July 15, 2009).

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 current base rates.

3. The rates in the Appendix to this Order are approved for service rendered by Salt River on and after August 1, 2009, 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.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00535 DATED JUL 15 2009

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 \$.08279

SCHEDULE A-5T
FARM AND HOME SERVICE TAXABLE

Energy Charge per kWh \$.08279

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

On-Peak Energy Charge per kWh \$.10358
Off-Peak Energy Charge per kWh \$.06052

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

Winter Season:
On-Peak Energy Charge per kWh \$.10358
Off-Peak Energy Charge per kWh \$.06052
Summer Season:
All Energy per kWh \$.08279

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

On-Peak Energy Charge per kWh \$.10358
Off-Peak Energy Charge per kWh \$.06052

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

| | | |
|--------------------------------|----|--------|
| Winter Season: | | |
| On-Peak Energy Charge per kWh | \$ | .10358 |
| Off-Peak Energy Charge per kWh | \$ | .06052 |
| Summer Season: | | |
| All Energy per kWh | \$ | .08279 |

SCHEDULE R-1
RESIDENTIAL MARKETING RATE

| | | |
|-----------------------|----|--------|
| Energy Charge per kWh | \$ | .04967 |
|-----------------------|----|--------|

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE

| | | |
|-----------------------|----|--------|
| Energy Charge per kWh | \$ | .08913 |
|-----------------------|----|--------|

SCHEDULE LLP-1
LARGE POWER SERVICE

| | | |
|-----------------------|----|--------|
| Energy Charge per kWh | \$ | .06924 |
|-----------------------|----|--------|

SCHEDULE LLP-2
LARGE POWER 500 kW UNDER 3,000 kW (Secondary Voltage)

| | | |
|-----------------------|----|--------|
| Energy Charge per kWh | \$ | .06559 |
|-----------------------|----|--------|

SCHEDULE CL
COMMERCIAL LIGHTING SERVICE

| | | |
|---------------------------------------|----|-------|
| Sodium Vapor (HPS) 400 Watt per month | \$ | 31.35 |
|---------------------------------------|----|-------|

SCHEDULE OL
OUTDOOR LIGHTING

| | | |
|---|----------|----------|
| Flat rate per light per month as follows: | | |
| Mercury Vapor | 175 Watt | \$ 10.20 |
| Sodium Vapor | 100 Watt | \$ 9.68 |
| Sodium Vapor | 250 Watt | \$ 12.97 |
| Sodium Vapor | 400 Watt | \$ 17.36 |
| Decorative Underground (HPS) | 100 Watt | \$ 10.73 |
| Underground MV w/o pole | 175 Watt | \$ 17.34 |
| Underground MV w/pole | 175 Watt | \$ 21.42 |
| Overhead Durastar MV | 175Watt | \$ 10.89 |
| Metal Halide | 100 Watt | \$ 9.91 |

| | | | |
|-------------------------|----------|----|-------|
| Underground MH w/o pole | 100 Watt | \$ | 17.05 |
| Underground MH w/pole | 100 Watt | \$ | 21.13 |

SCHEDULE OL-1
STREET LIGHTING SERVICE

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .08725 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05864 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05864 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .06551 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05542 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05542 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05283 |
|-----------------------|--|----|--------|

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

| | | | |
|-----------------------|--|----|--------|
| Energy Charge per kWh | | \$ | .05283 |
|-----------------------|--|----|--------|

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

Energy Charge per kWh \$.05283

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

Energy Charge per kWh \$.04995

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

Energy Charge per kWh \$.04995

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

Energy Charge per kWh \$.04974

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

Energy Charge per kWh \$.04974

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

Energy Charge per kWh \$.04941

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

Energy Charge per kWh \$.04941

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