



Allen Anderson, President & CEO

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November 11, 2011

Mr. Jeff R. Derouen, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RE: Case No. 2011-00096 – Application of South Kentucky RECC for Adjustment of Rates

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the responses to the Commission's Order dated November 7, 2011.

South Kentucky RECC has not published the revised notice that was filed with the Commission on July 6, 2011. This notice was not published then as it should have been because of a breakdown in Communications between South Kentucky personnel and SKRECC's rate consultant on this project.

South Kentucky is now in the process of publishing this notice in all counties in which South Kentucky provides electric service. This notice will also include information about the hearing. A copy of this notice is attached.

If you have any questions, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads 'Stephen Johnson'.

Stephen Johnson  
Vice President of Finance

Enclosure

RECEIVED

NOV 14 2011

PUBLIC SERVICE  
COMMISSION

## Official Notice

South Kentucky Rural Electric Cooperative Corporation, with its principal office at Somerset, Kentucky, and with its address as 925-929 N. Main St., Somerset, Kentucky 42503, has filed with the Kentucky Public Service Commission in Case No. 2011-00096 an application to adjust its retail rates and charges. This Adjustment will result in a general rate increase to the member-consumers of South Kentucky Rural Electric Cooperative Corporation.

The rates proposed in this application are the rates proposed by South Kentucky Rural Electric Cooperative Corporation. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic, or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Mr. Stephen Johnson, South Kentucky Rural Electric Cooperative Corporation, 925-929 N. Main St., Somerset, KY 42503, phone 606-678-4121.

Any person may examine the rate application and any other filings made by the utility at the office of South Kentucky Rural Electric Cooperative Corporation or at the Commission's office.

South Kentucky RECC  
925-929 N. Main St  
Somerset, Kentucky 42503  
606-678-4121

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-394

The amount and percent of increase are listed below

Rate Class	<u>Increase Amount</u>	<u>Percent</u>
<b>Schedule A</b>		
Residential, Farm and Home	\$ 6,676,990	8.4%
<b>Schedule B</b>		
Small Commercial	\$ 833,321	10.2%
<b>Schedule LP</b>		
Large Power	\$ 814,306	4.9%
<b>Schedule OPS</b>		
Optional Power Service	\$ 248,043	16.3%
<b>Schedule A</b>		
Residential Marketing Rate - ETS		
Consumers with no contract		
Year 1	\$ 41,350	7.7%
Year 2	\$ 41,350	7.7%
Year 3	\$ 41,350	7.7%
<b>Schedule B</b>		
Small Commercial Marketing Rate - ETS	\$ 364	20.1%
<b>Schedule LP1</b>		
Large Power 1	\$ -	0%
<b>Schedule LP-2</b>		
Large Power 2	\$ -	0%
<b>Schedule LP-3</b>		
Large Power 3	\$ 106,286	2.3%
<b>Schedule AES</b>		
All Electric School	\$ 80,592	10.7%
<b>Schedule OL</b>		
Outdoor Lighting	\$ -	0%
<b>Schedule STL</b>		
Street Lighting	\$ 20,170	15.0%
<b>Schedule DSTL</b>		
Decorative Street Lighting	\$ -	0%

The effect of the proposed rates on the average monthly bill by rate class is listed below

<b>Rate Class</b>	<b><u>Increase Amount</u></b>	<b><u>Percent</u></b>
<b>Schedule A</b>		
Residential, Farm and Home	\$ 9.03	8.4%
<b>Schedule B</b>		
Small Commercial	\$ 16.35	10.2%
<b>Schedule LP</b>		
Large Power	\$ 195.04	4.9%
<b>Schedule OPS</b>		
Optional Power Service	\$ 121.89	16.3%
<b>Schedule A</b>		
Residential Marketing Rate - ETS		
Consumers with no contract		
Year 1	\$ 1.79	7.7%
Year 2	\$ 1.79	7.7%
Year 3	\$ 1.79	7.7%
Consumers with contract	\$ 0.64	3.2%
<b>Schedule B</b>		
Small Commercial Marketing Rate - ETS	\$ 3.79	20.11%
<b>Schedule LP1</b>		
Large Power 1	\$ -	0%
<b>Schedule LP-2</b>		
Large Power 2	\$ -	0%
<b>Schedule LP-3</b>		
Large Power 3	\$ 984.13	2.3%
<b>Schedule AES</b>		
All Electric School	\$ 548.24	10.7%
<b>Schedule OL</b>		
Outdoor Lighting	\$ -	0%
<b>Schedule STL</b>		
Street Lighting	\$ 1.28	15.0%
<b>Schedule DSTL</b>		
Decorative Street Lighting	\$ -	0%

The present and proposed rate structures of South Kentucky Rural Electric Cooperative Corporations are listed below.

	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<b>Schedule A</b>		
Customer Charge per month	\$ 9.14	\$15.00
Energy Rate per kWh	\$ 0.08543	\$ 0.08819
<b>Schedule B</b>		
Customer Charge per month	\$ 17.14	\$ 25.00
Energy Rate per kWh	\$ 0.09718	\$ 0.10294
<b>Schedule LP</b>		
Customer Charge per month	\$ 34.28	\$ 50.00
Energy Rate per kWh	\$ 0.05925	\$ 0.06243
Demand Charge per kW	\$ 6.85	\$7.00
<b>Schedule OPS</b>		
Customer Charge per month	\$34.28	\$ 50.00
Energy Rate per kWh	\$ 0.09954	\$ 0.11434
<b>Schedule A - Residential Marketing Rate - ETS</b>		
Consumers with contract	\$ 0.05126	\$ 0.05292
Consumers with no contract		
Year 1	\$ 0.05126	\$ 0.05519
Year 2		\$ 0.05911
Year 3		\$ 0.06304
<b>Schedule B - Small Commercial Marketing Rate - ETS</b>		
Energy Rate per kWh	\$ 0.05831	\$ 0.07004
<b>Schedule LP-1</b>		
Metering Charge	\$ 142.85	\$ 142.85
Substation Charge - 500-999 kW	\$ 359.99	\$ 359.99
Substation Charge 1,000-2,999 kW	\$ 1,078.84	\$ 1,078.84
Substation Charge 3,000-7,499 kW	\$ 2,711.96	\$ 2,711.96
Demand Charge per kW	\$ 6.16	\$ 6.16
Energy Rate per kWh	\$ 0.05420	\$ 0.05420
<b>Schedule LP-2</b>		
Metering Charge	\$ 142.85	\$ 142.85
Substation Charge 3,000-7,499 kW	\$ 2,711.96	\$ 2,711.96
Substation Charge - 7,500 - 14,999 kW	\$ 3,262.80	\$ 3,262.80
Demand Charge per kW	\$6.16	\$6.16
Energy Charge for the first 400 kWh	\$ 0.05420	\$ 0.05420
Energy Charge for all kWh over 400 kWh	\$ 0.04733	\$ 0.04733
<b>Schedule LP-3</b>		
Metering Charge	\$ 142.85	\$ 145.86
Substation Charge - 500-999 kW	\$ 359.99	\$ 367.59
Substation Charge 1,000-2,999 kW	\$ 1,078.84	\$ 1,101.60
Contract Demand Charge per kW	\$ 6.16	\$ 6.29
Excess Demand Charge per kW	\$ 8.94	\$ 9.13
Energy Rate per kWh	\$ 0.05122	\$ 0.05244

	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<b>Schedule AES</b>		
Customer Charge per month	\$ 79.28	\$ 83.02
Energy Rate per kWh	\$ 0.07629	\$ 0.08456
<b>Schedule OL</b>		
Metal Halide 250W Dir	\$ 17.63	\$ 17.63
M/Halide 260W Metered Dir	\$ 10.22	\$ 10.22
M/Vapor Sec Light 74 KWH	\$ 10.17	\$ 10.17
M/Vapor Metered Sec Light	\$ 7.23	\$ 7.23
Sodium Security Light	\$ 10.17	\$ 10.17
Sodium Metered Sec Light	\$ 7.23	\$ 7.23
Sodium Directional Light	\$ 16.28	\$ 16.28
Sodium Metered Directional	\$ 9.18	\$ 9.18
M/Halide 400W Directional	\$ 22.02	\$ 22.02
M/Halide 400W Metered Dir	\$ 22.02	\$ 22.02
M/Halide 1000W Directional	\$ 39.05	\$ 39.05
M/Halide 1000W Metered Dir	\$ 11.41	\$ 11.41
M/Halide 250W Directional	\$ 17.63	\$ 17.63
M/Halide 250W Metered Dir	\$ 10.22	\$ 10.22
<b>Schedule STL</b>		
M/Vapor Sec Light 74 KWH	\$ 8.02	\$ 9.22
400W Flood 21000 Lum-M Mv	\$ 13.12	\$ 15.09
Sodium Streetlgt 380 Watts	\$ 8.02	\$ 9.22
250 W Flood 12100 Lum-M Mv	\$ 13.12	\$ 15.09
400 Watt 19100 Lum-M Mv	\$ 8.02	\$ 9.22
Sodium Streetlgt 160 Watts	\$ 8.02	\$ 9.22
Sodium Streetlgt 360 Watts	\$ 13.12	\$ 15.09
Sodium Cobra-HD 100W StLgt	\$ 8.02	\$ 9.22

**Schedule DSTL**

	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
250W Cobra Existing Pole	\$ 15.89	\$ 15.89
250W Cobra 30' Aluminum Pol	\$ 22.21	\$ 22.21
250W Cobra 30'Aluminum Pol	\$ 22.21	\$ 22.21
1000W M/Halide Galleria	\$ 37.23	\$ 37.23
400W M/Halide Galleria	\$ 22.09	\$ 22.09
100W Metal Halide Acorn	\$ 7.81	\$ 7.81
14' Smooth Pole	\$ 11.62	\$ 11.62
14' Fluted Pole	\$ 15.04	\$ 15.04
30' Square Steel Pole	\$ 17.24	\$ 17.24
100W Metal Halide Acorn	\$ 10.51	\$ 10.51
100W Metal Halide Lexington	\$ 8.34	\$ 8.34
400W Metal Halide Galleria	\$ 22.09	\$ 22.09
Metered 100W M/Hal Acorn	\$ 7.81	\$ 7.81
250W Cobra Existing Pole	\$ 15.89	\$ 15.89
250W Cobra 30' Aluminum Pol	\$ 22.21	\$ 22.21
400W Mercury Cobra 12' Arm	\$ 21.74	\$ 21.74
100W M/Halide Lexington	\$ 8.34	\$ 8.34

**PUBLIC NOTICE  
PUBLIC SERVICE COMMISSION  
CASE NO. 2011-00096**

Pursuant to KRS 424.300 and 807 KAR 5:011, Section 8(5), notice is hereby given of a Public Hearing to be held on December 15, 2011 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's Offices at 211 Sower Boulevard, Frankfort, KY 40601 for the purpose of cross examination of witnesses of South Kentucky RECC and Intervenors.

South Kentucky RECC  
925-929 N. Main Street  
Somerset, KY 42503  
(606) 678-4121