

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF SALT RIVER)	
ELECTRIC COOPERATIVE CORP. TO REVISE)	CASE NO.
ITS OUTDOOR LIGHTING AND COMMERCIAL)	2025-00069
LIGHTING RATE SCHEDULES)	

ORDER

On February 28, 2025, Salt River Electric Cooperative Corp. (Salt River Electric) filed, through the Commission's electronic Tariff Filing System, a tariff to revise its Outdoor Lighting Rate Schedule (Schedule OL) and Commercial Lighting Service Rate Schedules (Schedule CL). Salt River Electric proposed an effective date of March 31, 2025. On March 27, 2025, the Commission established this proceeding to investigate the reasonableness of Salt River Electric's proposed tariff.¹

PROCEDURAL HISTORY

By Order entered March 27, 2025, the Commission suspended Salt River Electric's proposed tariff revisions up to and including August 30, 2025.² Salt River Electric responded to two requests for information from Commission Staff.³ On June 17, 2025,

¹ Order (Ky. PSC Mar. 27, 2025).

² Order (Ky. PSC Mar. 27, 2025).

³ Salt River Electric's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Apr. 24, 2025); Salt River Electric's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed May 8, 2025).

Salt River Electric filed a request to submit this matter for decision on the record and without a hearing.⁴

LEGAL STANDARD

The Commission has broad plenary authority to regulate rates and services of utilities pursuant to KRS 278.040.⁵ KRS 278.190 empowers the Commission to investigate any schedule of new rates for reasonability and places the burden on the utility to “show that the increased rate or charge is just and reasonable.”⁶ In addition, KRS 278.030 requires the Commission to ensure:

- (1) Every utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.
- (2) Every utility shall furnish adequate, efficient, and reasonable service, and may establish reasonable rules governing the conduct of its business and the conditions under which it shall be required to render service.
- (3) Every utility may employ in the conduct of its business suitable and reasonable classification of its service, patrons and rates. The classifications may, in proper case, take into account the nature of the use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration.

⁴ Salt River Electric’s Request to Submit on the Record (filed June 17, 2025).

⁵ *Kentucky Public Service Com’n v. Com ex. Rel Conway*, 324 S.W. 3d 373 (Ky. 2010) at 377–378.

⁶ KRS 278.190.

In applying KRS 278.160,⁷ the Commission has stated, “[t]he filed rate doctrine is the bedrock of utility rate regulation” and “the basic bulwark against rate discrimination and arbitrary utility action.”⁸

PROPOSED TARIFF

Salt River Electric proposed to transition Schedule OL customers to LED lights once replacement of their old fixtures/lights was necessary, to close Schedule OL to new customers effective January 1, 2025, and to remove the Schedule CL from the tariff completely.

Initially, Salt River Electric indicated it was proposing the changes due to supplies no longer being available for the existing fixtures/lights.⁹ In April 2025, Salt River Electric stated that, during a warehouse inspection at its Nelson County warehouse, Salt River Electric discovered a small quantity of HPS 250W Cobra Head and Metal Halide 100W Open Bottom lights.¹⁰ Salt River did provide correspondence from its suppliers indicating the general unavailability of non-LED lighting options going forward.¹¹

⁷ KRS 278.160 states, “(1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes. (2) No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules. (3) The provisions of this section do not require disclosure or publication of a provision of a special contract that contains rates and conditions of service not filed in a utility’s general schedule if such provision would otherwise be entitled to be excluded from the application of KRS 61.870 to 61.884 under the provisions of KRS 61.878(1)(c)1.”

⁸ Case No. 1995-00107, *In the Matter of North Marshall Water District Alleged Violation of KRS 278.160 and KRS 278.170* (Ky. PSC Oct. 13, 1995), Order at 3.

⁹ February 28, 2025 Tariff Filing.

¹⁰ Salt River Electric’s Response to Staff’s Second Request (filed May 8, 2025), Item 1b.

¹¹ Salt River Electric’s Response to Staff’s First Request (filed Apr. 24, 2024), Item 4, Appendix A.

Salt River Electric indicated that, when an outdoor light fails and requires replacement, the member will first be offered the opportunity to convert their light to an LED light.¹² If the member declines the LED option, the member would receive, if requested, a non-LED light, while supplies last.¹³ Once the inventory of the non-LED lights is exhausted, Salt River Electric will offer the member the opportunity to convert their light to LED, and if a member does not wish to convert, Salt River Electric will work with the member to uninstall the light fixture from the member's property.¹⁴ All new members who request outdoor lighting will be required to take service under Salt River Electric's LED rate schedule.¹⁵

Regarding the proposal to remove the Schedule CL from the tariff, Salt River Electric indicated that no members are currently taking service under that rate schedule.¹⁶

FINDINGS

The Commission finds that Salt River Electric's proposed tariff revisions are reasonable and should be approved with the modifications discussed below. As evidenced by the correspondence provided by Salt River Electric with its suppliers, it is highly unlikely that Salt River Electric would be able to obtain non-LED lighting options from its suppliers. Therefore, closing the Schedule OL to new customers as of the date of this Order is reasonable and should be approved. However, as Salt River Electric has discovered a small inventory of non-LED lights in its warehouse, thus the proposed tariff

¹² Salt River Electric's Response to Staff's First Request, Item 2(a).

¹³ Salt River Electric's Response to Staff's First Request, Item 2(a).

¹⁴ Salt River Electric's Response to Staff's First Request, Item 2(a).

¹⁵ Salt River Electric's Response to Staff's First Request, Item 2(a).

¹⁶ Salt River Electric's Response to Staff's First Request, Item 2(a).

should be revised to indicate that members requiring replacement of non-LED lighting options will be offered a non-LED option, while supplies last, unless the member conveys their willingness to convert to LED lighting. The tariff should also state that once supplies of non-LED lighting options are exhausted, members requiring replacement will be offered the option of LED lighting or of having their light fixture uninstalled and removed from their property.

Finally, the Commission finds that Salt River Electric's request to remove Schedule CL from the tariff is reasonable and should be approved as no customers currently receive service under this tariff.

IT IS THEREFORE ORDERED that:


1. Salt River Electric's proposed tariff revisions are approved as of the date of this Order as modified herein.
2. Schedule OL shall be closed to new customers as of the date of this Order.
3. Salt River Electric's proposed tariff shall be revised to indicate that members requiring replacement of non-LED lighting options will be offered a non-LED option, while supplies last, unless the member conveys their willingness to convert to LED lighting and that once supplies of non-LED lighting options are exhausted, members requiring replacement will be offered the option of LED lighting or having their light fixture uninstalled and removed from their property.
4. Salt River Electric's proposal to remove the Schedule CL from the tariff is approved.
5. Within 20 days of the date of service of this Order, Salt River Electric shall file with the Commission, using the Commission's electronic Tariff Filing System, new

tariff sheets setting forth the provisions approved by this Order and their effective date, and also stating that the provisions were authorized by this Order.

6. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



Case No. 2025-00069

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