




SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

RECEIVED

DEC 17 2018

PUBLIC SERVICE
COMMISSION

December 13, 2018

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort KY 40602

Re: Case No 2018-00251
Tariff Filing of Salt River Electric Cooperative Corporation
to Discontinue Its Residential Marketing Rate

Dear Ms. Pinson:

Pursuant to the Commission's order dated November 20, 2018, in Case No. 2018-00251, enclosed are copies of two letters Salt River Electric is mailing to its current ETS customers based on the type of ETS service they have. One is known as "Low Side" or "Subtractive Metering". The other is referred to as "High Side Metering", which requires a separate service.

Also enclosed is a copy of the spreadsheet used to calculate the average ETS usages on the differing rates referenced in the letters.

If you have any questions or concerns about this, please call this office.

Sincerely,



Tim Sharp
President and CEO

TS/kb

Enclosures



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December 17, 2018

Dear Member,

Our records indicate that you have an Electric Thermal Storage (ETS) heater at your location.

Two years ago we sent you a letter informing you our ETS heater program was ending January 2019. That date has changed. The Kentucky Public Service Commission (PSC) has recently given their approval for us to end the program and this letter serves as official notice to you that Salt River Electric's ETS heater program will end on May 1, 2019.

With the program ending, that means as of May 1, 2019, we will no longer provide repair services for the heater, nor will we offer the 40% discount on the electricity the heater uses after that date.

Even though the ETS heater program is ending, we do have options. Between now and May 1, 2019, you will need to decide if you want to keep your ETS heater, or have it disconnected.

For ETS heaters hooked up on a separate service. Here are the options:

Option 1) If the member knows they no longer want to keep the ETS heater, they should contact our office to request a disconnect on the ETS meter. When the disconnect request is made, Salt River will come out and remove the ETS meter and install a blank cover to seal off the meter base at no cost to the member. All ETS heaters are the property of the member and the member is responsible for the disposal of the heater.

To keep the heater:

Option 2) The member can keep the heater as is, and can move to our Schedule A-5 billing rate. This rate is the same as the farm and home rate you're paying now. Based on average usage of an ETS heater, the monthly rate would be approximately \$42.02 per month.

Option 3) The member can keep the heater as is, but the member can change to our Schedule A-5 TOD (Time of Day) billing rate. This rate is highly dependent upon the time the energy is used. On-peak hours (October – April), from 7:00 am – 12:00 pm EST, and from 5:00 pm – 10:00 pm EST, the cost is \$0.09869 per kwh. Off-peak hours (October – April), from 12:00 pm – 5:00 pm EST, from 10:00 pm – 7:00 am EST, the cost is \$0.05386 per kwh. An estimated monthly cost for average ETS usage with all energy used during the off-peak time would be \$35.19 per month. However, if half of the energy is used during on-peak time and half used during off-peak time, the monthly average will increase to \$44.86, and subsequently, if all energy is used during on-peak time, the average monthly bill is increased to \$54.53. Please note: The figures quoted here are based on a residence with one ETS heater, used in a basement application, used as a supplemental heat source.

Option 4) The member can have the ETS heater rewired by a licensed electrician so the electricity registers through the house meter. Before rewiring, the member must contact Salt River to disconnect the ETS service and remove the ETS meter. The rewiring of the heater is done at the member's expense.

Option 5) The member can install a new heat pump to replace the ETS heater. Before the new heat pump is installed, the member must contact Salt River to disconnect the service and remove the ETS meter. The member could be eligible for a rebate if the heat pump meets our rebate requirements. The requirements are: the new heat pump must have a SEER rating of 15 or higher, must have a HSPF rating of 8.5 or higher, and the member must provide Salt River with a copy of the AHRI certificate.

Ending our long-time ETS heater program was not an easy decision. Our goal is to keep the most cost-effective programs that allow us to continue to bring our members safe, reliable, and affordable electricity. We're hoping the options we've given will help make the transition as easy as possible for members who want to keep their ETS heater.

Please be sure to contact our office and let us know which option you have chosen. If you have not contacted us by May 1, 2019, the ETS meter at your location will be disconnected and removed by Salt River Electric.

If you have any questions, please contact our office.

Thank you,

Salt River Electric



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December 17, 2018

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With the program ending, that means as of May 1, 2019, we will no longer provide repair services for the heater, nor will we offer the 40% discount on the electricity the heater uses after that date.

Even though the program is ending, we do have options. Between now and May 1, 2019, you will need to decide if you want to keep your ETS heater, or have it disconnected.

For ETS heaters hooked up in the original breaker/panel box. Here are the options:

Option 1) If the member knows they no longer want to keep the ETS heater, they should contact our office to request a disconnect on the ETS meter. When the disconnect request is made, Salt River will come out and remove the ETS meter and install a blank cover to seal off the meter base at no cost to the member. All ETS heaters are the property of the member and the member is responsible for the disposal of the heater.

To keep the heater:

Option 2) The member can have Salt River install a device that will allow kilowatt usage to be billed through the main house meter. Salt River will then remove the ETS meter and seal off the meter base. There will be no cost to the member for this option.

Option 3) The member can install a new heat pump to replace the ETS heater. Before the new heat pump is installed, the member must contact Salt River to disconnect and remove the ETS meter. The member could be eligible for a rebate if the heat pump meets our rebate requirements. The requirements are: the new heat pump must have a SEER rating of 15 or higher, must have a HSPF rating of 8.5 or higher, and the member must provide Salt River with a copy of the AHRI certificate.

Ending our long-time ETS heater program was not an easy decision. Our goal is to keep the most cost-effective programs that allow us to continue to bring our members safe, reliable, and affordable electricity. We're hoping the options we've given will help make the transition as easy as possible for members who want to keep their ETS heater.

Please be sure to contact our office and let us know which option you have chosen. If you have not contacted us by May 1, 2019, the ETS meter at your location will be disconnected and removed by Salt River Electric.

If you have any questions, please contact our office.

Thank you,

Salt River Electric

**ETS Rate
Comparison**

SCH A-5	<u>KWH</u>	<u>Fuel Adjustment</u>	<u>Env. Surcharge</u>	<u>Cust Chg</u>	<u>\$0.077040 WH Expense</u>	<u>Sub-Total</u>	<u>W/Fuel Cost</u>	<u>N/Env. Chg.</u>	<u>W/Sch Tax</u>
November 2017	252	-\$0.008910	0.133100	\$8.84	\$19.41	\$28.25	\$26.01	\$29.47	\$30.35
December 2017	365	-\$0.004020	0.160600	\$8.84	\$28.12	\$36.96	\$35.49	\$41.19	\$42.43
January 2018	494	-\$0.002820	0.140200	\$8.84	\$38.06	\$46.90	\$45.50	\$51.88	\$53.44
February 2018	506	-\$0.001230	0.125600	\$8.84	\$38.98	\$47.82	\$47.20	\$53.13	\$54.72
March 2018	444	-\$0.000230	0.084300	\$8.84	\$34.21	\$43.05	\$42.94	\$46.56	\$47.96
April 2018	460	-\$0.005120	0.056100	\$8.84	\$35.44	\$44.28	\$41.92	\$44.28	\$45.60
May 2018	112	-\$0.001860	0.104500	\$8.84	\$8.63	\$17.47	\$17.26	\$19.06	\$19.64

									\$294.15 42.02

SCH A-5 TOD all on off peak	<u>KWH</u>	<u>Fuel Adjustment</u>	<u>Env. Surcharge</u>	<u>Cust Chg</u>	<u>\$0.053860 WH Expense</u>	<u>Sub-Total</u>	<u>W/Fuel Cost</u>	<u>N/Env. Chg.</u>	<u>W/Sch Tax</u>
November 2017	252	-\$0.008910	0.133100	\$11.60	\$13.57	\$25.17	\$22.93	\$25.98	\$26.76
December 2017	365	-\$0.004020	0.160600	\$11.60	\$19.66	\$31.26	\$29.79	\$34.58	\$35.61
January 2018	494	-\$0.002820	0.140200	\$11.60	\$26.61	\$38.21	\$36.81	\$41.98	\$43.23
February 2018	506	-\$0.001230	0.125600	\$11.60	\$27.25	\$38.85	\$38.23	\$43.03	\$44.32
March 2018	444	-\$0.000230	0.084300	\$11.60	\$23.91	\$35.51	\$35.41	\$38.40	\$39.55
April 2018	460	-\$0.005120	0.056100	\$11.60	\$24.78	\$36.38	\$34.02	\$35.93	\$37.01
May 2018	112	-\$0.001860	0.104500	\$11.60	\$6.03	\$17.63	\$17.42	\$19.24	\$19.82
									\$246.31 35.19

SCH A-5 TOD		Fuel	Env.	Cust	\$0.098690				
1/2 on peak-1/2 off peak		<u>Adjustment</u>	<u>Surcharge</u>	<u>Chg</u>	<u>WH Expense</u>	<u>Sub-Total</u>	<u>W/Fuel Cost</u>	<u>N/Env. Chg.</u>	<u>W/Sch Tax</u>
November 2017	252	-\$0.008910	0.133100	\$11.60	\$19.22	\$30.82	\$28.58	\$32.38	\$33.35
December 2017	365	-\$0.004020	0.160600	\$11.60	\$27.84	\$39.44	\$37.97	\$44.07	\$45.39
January 2018	494	-\$0.002820	0.140200	\$11.60	\$37.68	\$49.28	\$47.89	\$54.60	\$56.24
February 2018	506	-\$0.001230	0.125600	\$11.60	\$38.60	\$50.20	\$49.57	\$55.80	\$57.47
March 2018	444	-\$0.000230	0.084300	\$11.60	\$33.87	\$45.47	\$45.36	\$49.19	\$50.66
April 2018	460	-\$0.005120	0.056100	\$11.60	\$35.09	\$46.69	\$44.33	\$46.82	\$48.22
May 2018	112	-\$0.001860	0.104500	\$11.60	\$8.54	\$20.14	\$19.93	\$22.02	\$22.68
									\$314.02 44.86

SCH A-5 TOD		Fuel	Env.	Cust	\$0.098690				
all on off peak	<u>KWH</u>	<u>Adjustment</u>	<u>Surcharge</u>	<u>Chg</u>	<u>WH Expense</u>	<u>Sub-Total</u>	<u>W/Fuel Cost</u>	<u>N/Env. Chg.</u>	<u>W/Sch Tax</u>
November 2017	252	-\$0.008910	0.133100	\$11.60	\$24.87	\$36.47	\$34.22	\$38.78	\$39.94
December 2017	365	-\$0.004020	0.160600	\$11.60	\$36.02	\$47.62	\$46.15	\$53.57	\$55.17
January 2018	494	-\$0.002820	0.140200	\$11.60	\$48.75	\$60.35	\$58.96	\$67.23	\$69.24
February 2018	506	-\$0.001230	0.125600	\$11.60	\$49.94	\$61.54	\$60.91	\$68.57	\$70.62
March 2018	444	-\$0.000230	0.084300	\$11.60	\$43.82	\$55.42	\$55.32	\$59.98	\$61.78
April 2018	460	-\$0.005120	0.056100	\$11.60	\$45.40	\$57.00	\$54.64	\$57.71	\$59.44
May 2018	112	-\$0.001860	0.104500	\$11.60	\$11.05	\$22.65	\$22.44	\$24.79	\$25.53
									\$381.73 54.53