

FORM FOR FILING RATE SCHEDULES

FOR ENTIRE TERRITORY SERVED
Community, Town or City

SALT RIVER ELECTRIC
Name of Issuing Corporation

P.S.C. No. 12

1st Original Sheet No. 82

Canceling P.S.C. No. 11

Original Sheet No. 115

CLASSIFICATION OF SERVICE

RATES SCHEDULE ES - ENVIRONMENTAL SURCHARGE

AVAILABILITY

In all of the Company's service territory

APPLICABILITY

This rate schedule shall apply to all electric rate schedules and special contracts.

RATE

CES (m) = ES (m)

Where CES (m) = Current Month Environmental Surcharge Factor
ES (m) = Current Month Environmental Surcharge Calculation

ES (m) = [((WESF) x Average of 12 months' ended revenues from sales to Member System, excluding environmental surcharge) + (Over)/Under Recovery] divided by [Average of 12 months' ending Retail Revenue (excluding environmental surcharge)] = _____ %.

Where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

(Over)/Under Recovery =

C11/510

(over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries result from the amortization of amounts determined by the Commission during six-month and two-year reviews and the two-month "true-up" adjustment.

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| KENTUCKY PUBLIC SERVICE COMMISSION |
| JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| TARIFF BRANCH |
| <i>Brent Kirtley</i> |
| TITLE: President & CEO |
| 11/1/2010 |
| CHRS/ANT/STP/902/KR/ST/1 SECTION 9 (1) |

DATE OF ISSUE: October 11, 2010

DATE EFFECTIVE: November

ISSUED BY

Larry Hicks
Larry Hicks

TITLE: President & CEO

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 2010- Dated: