

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF LICKING	)	CASE NO.
VALLEY RURAL ELECTRIC	)	2010-00505
COOPERATIVE CORPORATION FROM	)	
NOVEMBER 1, 2008 THROUGH	)	
OCTOBER 31, 2010	)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Licking Valley to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. 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 intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Licking Valley has complied in all material respects with the provisions of 807 KAR 5:056.
2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Licking Valley, has been authorized to transfer (roll-in) to its base energy

rates a negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.<sup>1</sup>

3. Licking Valley should be authorized to transfer (roll-in) to its base energy rates a negative 6.85 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Licking Valley through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

2. Licking Valley shall deduct 6.85 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

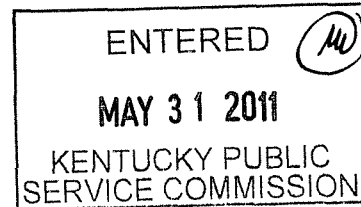
3. The rates in the Appendix to this Order are approved for service rendered by Licking Valley on and after June 1, 2011, the effective date of East Kentucky's change in rates.

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<sup>1</sup> Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Licking Valley shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00505 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Licking Valley Rural 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 RESIDENTIAL, FARM, SMALL COMMUNITY HALL AND CHURCH SERVICE

Energy Charge per kWh	\$ .09355
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#### SCHEDULE B COMMERCIAL AND SMALL POWER

Energy Charge per kWh	\$ .08282
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#### SCHEDULE LP LARGE POWER SERVICE

Energy Charge per kWh	\$ .068887
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#### SCHEDULE LPR LARGE POWER RATE

Energy Charge per kWh	\$ .060439
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#### SCHEDULE SL SECURITY LIGHTS AND RURAL LIGHTING

Monthly Rate:

175 Watt Mercury Vapor	\$ 10.02
100 Watt Metal Halide	\$ 10.02
250 Watt Metal Halide	\$ 15.45
400 Watt Metal Halide	\$ 21.31

Kerry K Howard  
CEO  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472