

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LICKING VALLEY)
RURAL ELECTRIC COOPERATIVE CORPORATION)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE) CASE NO.
AND NECESSITY TO CONSTRUCT A FOUR (4)) 96-153
YEAR WORK PLAN)

O R D E R

Licking Valley Electric Cooperative Corporation ("Licking Valley") filed its application on April 16, 1996 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant. In support of its application, Licking Valley filed its 1996-1999 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 4 years to serve its load.

The Commission, in its Interim Order dated December 6, 1996, granted Licking Valley a Certificate of Public Convenience and Necessity to construct the facilities described in the 1996-1999 Work Plan excluding Projects 312-3 and 317-6. The Commission deferred ruling on Projects 312-3 and 317-6 until Licking Valley had analyzed the feasibility of constructing a new substation now instead of Projects 312-3 and 317-6.

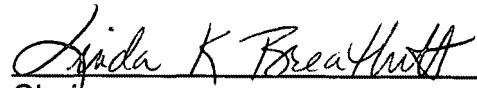
On June 13, 1997, Licking Valley filed its feasibility study which analyzed different alternatives. The study shows that constructing Project 312-3 in 1997 and a new substation in 2007 have a lower present worth value than constructing a new substation now. Licking Valley indicated that Project 317-6 has been removed from this Work Plan.

Having considered Licking Valley's feasibility study, and being otherwise sufficiently advised, the Commission finds that Project 312-3 is needed to correct voltage problems, will provide for improved service reliability, and has the lowest present worth value.

IT IS THEREFORE ORDERED that Licking Valley is granted a certificate of Public Convenience and Necessity to construct Project 312-3 as described in its 1996-1999 Work Plan.

Done at Frankfort, Kentucky, this 29th day of July, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director