

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF LICKING)	
VALLEY RURAL ELECTRIC)	CASE NO. 2004-00477
COOPERATIVE CORPORATION FROM)	
NOVEMBER 1, 2002 TO OCTOBER 31,)	
2004)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") for the 2 years ended October 31, 2004.

As part of this review, the Commission ordered Licking Valley to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Licking Valley has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

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

1. Licking Valley has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Licking Valley, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.¹

3. Licking Valley should be authorized to transfer (roll-in) a 4.97 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 mills per kWh increase in EKPC's base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Licking Valley through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Licking Valley is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Licking Valley on and after June 1, 2005, the effective date of EKPC's change in rates.

4. Within 30 days of the date of this Order, Licking Valley shall file with the Commission revised tariff sheets setting out the approved rates.

¹ Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24th day of May, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a horizontal line.

Executive Director

Case No. 2004-00477

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00477 DATED MAY 24, 2005

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 in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE A
RESIDENTIAL, FARM, SMALL COMMUNITY HALL AND CHURCH SERVICE

Energy Charge per kWh \$.065438

SCHEDULE B
COMMERCIAL AND SMALL POWER

Energy Charge per kWh \$.065373

SCHEDULE LP
LARGE POWER SERVICE

Energy Charge per kWh \$.050758

SCHEDULE LPR
LARGE POWER RATE

Energy Charge per kWh \$.043295

SCHEDULE SL
SECURITY LIGHTS AND RURAL LIGHTING

Monthly Rate:

175 Watt Mercury Vapor \$ 6.94