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May 27, 2010

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

**RECEIVED**  
MAY 27 2010  
PUBLIC SERVICE  
COMMISSION

Re: *Licking Valley Rural Electric Cooperative Corporation* Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment- PSC Case No.2010-00177.

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and 5 copies of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley RECC") Filing for Pass-Through of East Kentucky Power Cooperative, Inc. ("EKPC") Wholesale Rate Adjustment in Case No. 2010-00167. This filing includes the following information as required by 807 KAR 5:007:

1. The full name and filing address of the filing cooperative is: [807 KAR 5:007, Sections 1(2) and 2(2)]

Licking Valley Rural Electric  
Cooperative Corporation  
Post Office Box 605  
West Liberty Kentucky 41472

2. Licking Valley RECC Proposed Tariffs reflecting the new rates specifying an effective date of July 1, 2010, the effective date of EKPC's wholesale rate change are attached as Exhibit 1. [807 KAR 5:007, Section 2(1)]
3. This filing is pursuant to the provisions of KRS 278.455(2). [807 KAR 5:007, Sections 1(3) and 2(2)]
4. A comparison of the current and proposed rates of Licking Valley RECC is attached as Exhibit 2. [807 KAR 5:007, Sections 1(4) and 2(2)]

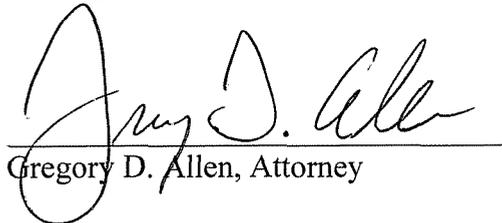
Mr. Jeff Derouen  
May 27, 2010  
Page 2

5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class. Licking Valley RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect. [807 KAR 5:007, Sections 1(5)(a), 1(5)(b), and 2(2)]
6. A certification that one complete copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4. [807 KAR 5:007, Sections 1(6) and 2(2)]
7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to May 27, 2010, by publication in a newspaper of general circulation in the affected area of Licking Valley RECC. A copy of this notice is attached as Exhibit 5. [807 KAR 5:007, Sections 1(7)(b), 1(8), and 2(2)]
8. The notice attached as Exhibit 5 contains the required information pursuant to 807 KAR 5:007, Section 3.

Licking Valley RECC hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

Licking Valley Rural Electric  
Cooperative Corporation



Gregory D. Allen, Attorney



Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Nineteenth Revised Sheet No. 1  
Canceling P.S.C. KY No.  
Eighteenth Revised Sheet No. 1

CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall & Church Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations. Available to members of the Cooperative for all community halls and churches with a transformer size of 25 KVA or less.

TYPE OF SERVICE:

Single-phase, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$9.37	(I)
Energy charge per KWH	\$0.100980	(I)

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

Limited to individual motors up to ten horsepower (10 H.P.)

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: May 27, 2010

DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO, West Liberty, KY

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00177, dated \_\_\_\_\_.

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Nineteenth Revised Sheet No. 2  
Canceling P.S.C. KY No.  
Eighteenth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

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SCHEDULE B – Commercial and Small Power Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to commercial consumer, small schools, small industrial consumer, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less, all subject to established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE:

Single-phase and three-phase where available, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$20.83	(I)
Energy charge per KWH	\$ 0.09019	(I)

MINIMUM MONTHLY ENERGY CHARGES:

For consumers requiring more than 10 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the Tenth (10th) of the following month from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: May 27, 2010                      DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO, West Liberty, KY

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00177, dated \_\_\_\_\_.

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Nineteenth Revised Sheet No. 3  
Canceling P.S.C. KY No.  
Eighteenth Revised Sheet No. 3

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER SERVICE – LP RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase  
lines for all types of usage including churches and community halls in  
excess of 25 KVA subject to the established rules and regulation of seller.

MONTHLY RATE:

Customer charge per delivery point	\$51.23	(I)
Energy charge per KWH	\$ 0.076178	(I)
A demand charge of \$7.41 per KW		(I)

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established  
by the consumer for any period of fifteen (15) consecutive minutes  
during the month for which the bill is rendered, as indicated or recorded  
by a demand meter and adjusted for power factor as following:

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as  
practicable. Power factor may be measured at any time. Should  
such measurements indicate that the power factor at the time of the  
maximum demand is less than 90%, the demand for billing purposes  
shall be the demand as indicated or recorded by the demand meter  
multiplied by 90%, and then divided by the actual power factor percent.

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DATE OF ISSUE: May 27, 2010                      DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO, West Liberty, KY

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00177,  
dated \_\_\_\_\_.

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Nineteenth Revised Sheet No. 4  
Canceling P.S.C. KY No.  
Eighteenth Revised Sheet No. 4

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER RATE – LPR	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to all industrial users on or near the Cooperative's lines whose kilowatt demand shall exceed 300 KW for lighting, heating, and/or power. With the following exceptions: rock quarries, sawmills, mines and any other service of a fluctuating nature due to their poor load factor and temporary nature. This schedule and all of its conditions must be agreed and entered into before the initial connection.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 cycle, alternating current at available nominal voltage.

MONTHLY RATE:

Customer charge per delivery point	\$102.48	(I)
Energy charge per KWH	\$ 0.067680	(I)
Demand charge of \$6.95 per KW		(I)

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of (15) consecutive

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DATE OF ISSUE: May 27, 2010

DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO, West Liberty, KY

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00177, dated \_\_\_\_\_.

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Nineteenth Revised Sheet No. 5  
Canceling P.S.C. KY No.  
Eighteenth Revised Sheet No. 5

CLASSIFICATION OF SERVICE

SCHEDULE SL (Security Lights and/or Rural Lighting)

RATE  
PER UNIT

APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

The Cooperative will furnish and install a metal halide type light on a  
twenty-five (25) foot pole or an existing Cooperative owned pole at a  
location suitable to both parties. Location, however, shall be up to  
150 feet from an existing Cooperative owned secondary line.

When a pole is nonexistent it will be furnished by the cooperative at the  
following rate for overhead service:

25 ft Wood Pole	2.91 per pole per month
30 ft Wood Pole	3.37 per pole per month

MONTHLY RATE:

Services will be unmetered and will be per light per month as follows:

175 Watt MV	@ \$10.29	(I)
100 Watt Halide	@ \$10.29	(I)
250 Watt Halide	@ \$16.05	(I)
400 Watt Hailde	@ \$22.26	(I)

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be  
increased or decreased by an amount per KWH as billed by the  
Wholesale Power Supplier, plus an allowance for line losses.  
The allowance for the line losses will not exceed ten percent (10%)  
and is based on a twelve month moving average of such losses.  
This Fuel Adjustment Clause is subject to all other applicable  
provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: May 27, 2010

DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO, West Liberty, KY

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00177,  
dated \_\_\_\_\_.



**EXHIBIT 2**  
**Page 1 of 1**

The present and proposed rates structures of Licking Valley RECC are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
A	Residential, Farm, Small Community Hall and Church Service		
	Customer Charge per month	\$9.00	\$9.37
	Energy Charge per kwh	\$0.096951	\$0.100980
B	Commercial & Small Power Service		
	Customer Charge per month	\$20.00	\$20.83
	Energy Charge per kwh	\$0.08659	\$0.09019
LP	Large Power Service		
	Demand Charge per KW	\$7.11	\$7.41
	Customer Charge per month	\$49.19	\$51.23
	Energy Charge per kwh	\$0.073137	\$0.076178
LPR	Large Power Rate		
	Demand Charge per KW	\$6.67	\$6.95
	Customer Charge per month	\$98.39	\$102.48
	Energy Charge per kwh	\$0.064979	\$0.067680
SL	Security Lights and/or Rural Lighting		
	100 Watt	\$9.88	\$10.29
	175 Watt	\$9.88	\$10.29
	250 Watt	\$15.41	\$16.05
	400 Watt	\$21.37	\$22.26



Licking Valley  
Billing Analysis  
for the 12 months ended December 31, 2009

	<u>Existing</u>	<u>% of Total</u>	<u>Proposed</u>	<u>% of Total</u>	<u>\$ Increase</u>	<u>% Increase</u>
Schedule A	\$ 21,792,596	75.89%	\$ 22,697,443	75.89%	\$ 904,847	4.15%
Schedule B	1,160,003	4.04%	1,208,213	4.04%	48,209	4.16%
Schedule LP	2,821,789	9.83%	2,939,549	9.83%	117,760	4.17%
Schedule LPR	1,939,658	6.76%	2,020,469	6.76%	80,811	4.17%
Schedule SL	1,000,251	3.48%	1,041,760	3.48%	41,508	4.15%
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FAC & ES	28,714,298	100.00%	29,907,433	100.00%	1,193,136	4.16%
<hr/>						
Total	<u>\$ 30,405,968</u>		<u>\$ 31,599,103</u>		<u>\$ 1,193,136</u>	3.92%

Licking Valley's Portion of EKPC's Wholesale Rate Increase 1,193,732

Over (Under) Recovery Due to Rounding \$ (596)

Note: In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was applied to each member system's 2009 actual billing determinants. The escalation factors used in this proceeding were an outcome of preliminary load forecast projections.

Licking Valley RECC												
Billing Analysis												
for the 12 months ended December 31, 2009												
Schedule A												
Residential, Farm, Small Community Hall & Church Service												
Rate 1												
Actual Billing Data	Escalation %	Existing			Proposed			\$ Increase	% Increase			
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total	
Customer Charge	193,447	1.64%	196,620	\$9.00	\$1,769,576	8.12%	196,620	\$9.37	\$1,842,325	8.12%	\$72,749	4.11%
Energy charge per kWh	201,450,659	2.52%	206,527,216	\$ 0.096951	20,023,020	91.88%	206,527,216	\$0.100980	20,855,118	91.88%	\$832,098	4.16%
Total from base rates					21,792,596	100.00%			22,697,443	100.00%	\$904,847	4.15%
Fuel adjustment					76,409				76,409		\$0	0.00%
Environmental surcharge					1,259,084				1,259,084		\$0	0.00%
Total revenues					\$23,128,089				\$24,032,936		\$904,847	3.91%
Average Bill					\$117.63				\$122.23		\$4.60	3.91%
Schedule B												
Commercial and Small Power Service												
Rate 4												
Actual Billing Data	Escalation %	Existing			Proposed			\$ Increase	% Increase			
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total	
Customer Charge	11,759	2.28%	12,027	\$20.00	\$240,542	20.74%	12,027	\$20.83	\$250,525	20.74%	\$38,227	4.16%
Energy charge per kWh	10,346,449	2.63%	10,618,561	\$ 0.08659	919,461	79.26%	10,618,561	\$0.09019	957,688	79.26%	\$38,227	4.16%
Total from base rates					1,160,003	100.00%			1,208,213	100.00%	\$48,209	4.16%
Fuel adjustment					10,724				10,724		\$0	
Environmental surcharge					72,329				72,329		\$0	
Total revenues					\$1,243,056				\$1,291,266		\$48,209	3.88%
Average Bill					\$103.35				\$107.36		\$4.01	3.88%

Licking Valley RECC												
Billing Analysis												
for the 12 months ended December 31, 2009												
Schedule LP												
Large Power												
Rate 5												
	Actual Billing Data	Escalation %	Existing			Proposed			\$ Increase	% Increase		
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total
Customer Charge	2,345		2,345	\$49.19	\$ 115,351	4.09%	2,345	\$51.23	\$ 120,134	4.09%	\$4,784	4.15%
Demand Charge	99,509	2.05%	101,548.93	\$7.11	\$ 722,013	25.59%	101,549	\$7.41	752,478	25.60%	\$30,465	4.22%
Energy charge per kWh	26,466,045	2.52%	27,132,989	\$0.073137	1,984,425	70.33%	27,132,989	\$0.076178	2,066,937	70.31%	\$82,511	4.16%
Total from base rates					2,821,789	100.00%			2,939,549	100.00%	\$117,760	4.17%
Fuel adjustment					25,831				25,831		\$0	0.00%
Environmental surcharge					179,032				179,032		\$0	0.00%
Total revenues					3,026,652				3,144,412		\$117,760	3.89%
Average Bill					\$ 1,290.68				\$ 1,340.90		\$ 50.22	3.89%
Schedule LPR												
Large Power Rate												
Rate 2 and 8												
	Actual Billing Data	Escalation %	Existing			Proposed			\$ Increase	% Increase		
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total
Customer Charge	156	0.00%	156	\$98.39	\$ 15,349	0.79%	156	\$102.48	\$ 15,987	0.79%	\$638	4.16%
Demand Charge	65,767	2.05%	67,115	\$6.67	\$ 447,659	23.08%	67,115	\$6.95	466,451	23.09%	\$18,792	4.20%
Energy charge per kWh	22,166,456	2.52%	22,725,051	\$0.064979	1,476,651	76.13%	22,725,051	\$0.067680	1,538,031	76.12%	\$61,380	4.16%
Total from base rates					1,939,658	100.00%			2,020,469	100.00%	\$80,811	4.17%
Fuel adjustment					27,336				27,336		\$0	0.00%
Environmental surcharge					111,131				111,131		\$0	0.00%
Total revenues					2,078,125				2,158,936		\$80,811	3.89%
Average Bill					\$ 13,321.32				\$ 13,839.33		\$ 518.02	3.89%

Licking Valley RECC Billing Analysis for the 12 months ended December 31, 2009												
Schedule SL Security Light Rate 6												
	Actual Billing Data	Escalation %	Existing			Proposed			\$ Increase	% Increase		
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total
Customer Charge	101,240		101,240	\$9.88	\$1,000,251	100.00%	101,240	\$10.29	\$1,041,760	100.00%	\$41,508	4.15%
Total from base rates					1,000,251				1,041,760		\$41,508	4.15%
Fuel adjustment					103				103			
Environmental surcharge					2,020				2,020			
Total revenues					\$1,002,374	100.00%			\$1,043,883	100.00%	\$41,508	4.14%
Average Bill					\$9.90				\$10.31		\$0.41	4.14%



LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

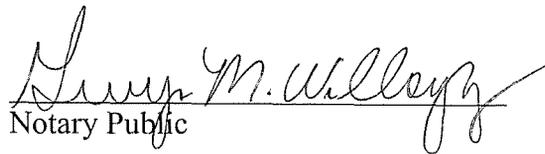
CASE NO. 2010-00177

I, Ann F. Wood, hereby certify that one complete copy of the materials filed with the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



Ann F. Wood  
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 27th day of May, 2010.

  
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
NOTARY ID #409352



**NOTICE OF PROPOSED RATE CHANGE**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Licking Valley RECC of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on May 27, 2010, Case No. 2010-00177. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Licking Valley RECC. The amount and percent of increase by rate class are listed below.

<u>Schedule</u>	<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
A	Residential, Farm, Small Community Hall and Church Service	\$904,847	3.91%
B	Commercial & Small Power Service	\$48,209	3.88%
LP	Large Power	\$117,760	3.89%
LPR	Large Power Rate	\$80,811	3.89%
SL	Security Lights and/or Rural Lighting	\$41,508	4.14%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
A	Residential, Farm, Small Community Hall and Church Service	\$4.60	3.91%
B	Commercial & Small Power Service	\$4.01	3.88%
LP	Large Power	\$50.22	3.89%
LPR	Large Power Rate	\$518.02	3.89%
SL	Security Lights and/or Rural Lighting	\$0.41	4.14%

The present and proposed rates structures of Licking Valley RECC are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
A	Residential, Farm, Small Community Hall and Church Service		
	Customer Charge per month	\$9.00	\$9.37
	Energy Charge per kWh	\$0.096951	\$0.100980
B	Commercial & Small Power Service		
	Customer Charge per month	\$20.00	\$20.83
	Energy Charge per kWh	\$0.08659	\$0.09019
LP	Large Power		
	Demand Charge per KW	\$7.11	\$7.41
	Customer Charge per month	\$49.19	\$51.23
	Energy Charge per kWh	\$0.073137	\$0.076178
LPR	Large Power Rate		
	Demand Charge per KW	\$6.67	\$6.95
	Customer Charge per month	\$98.39	\$102.48
	Energy Charge per kWh	\$0.064979	\$0.067680
SL	Security Lights and/or Rural Lighting		
	100 Watt	\$9.88	\$10.29
	175 Watt	\$9.88	\$10.29
	250 Watt	\$15.41	\$16.05
	400 Watt	\$21.37	\$22.26

The rates contained in this notice are the rates proposed by Licking Valley RECC. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Licking Valley RECC at the following address:

Licking Valley RECC  
271 Main Street  
West Liberty, Kentucky 41472  
(606) 743-3179

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.