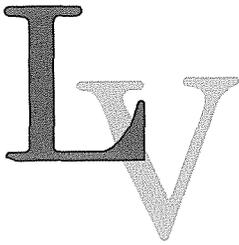


LICKING VALLEY RURAL ELECTRIC
COOPERATIVE CORPORATION

PSC CASE 2006-00483
FILING FOR PASS-THROUGH OF EAST
KENTUCKY POWER COOPERATIVE, INC.
WHOLESALE RATE ADJUSTMENT
IN PSC CASE NO. 2006-00472

FILED 1/29/07



LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



January 29, 2007

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

JAN 29 2007

PUBLIC SERVICE
COMMISSION

Re: Licking Valley RECC Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2006-00483

Dear Ms. O'Donnell:

Licking Valley Rural Electric Cooperative Corporation, ("Licking Valley") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:

1. Licking Valley's Proposed Tariffs are attached as Exhibit I.
2. The name and filing address of the filing cooperative is:
Licking Valley Rural Electric Cooperative Corporation
271 Main Street
P.O. Box 605
West Liberty, KY 41472
3. In accordance with the provisions of KRS 278.455(2), Licking Valley hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is 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.
4. A comparison of the current and proposed rates of Licking Valley is attached as Exhibit II.
5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Licking Valley was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C"



industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E" customer class. Licking Valley, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C" rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

6. A certification that a copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Licking Valley. A copy of this notice is attached as Exhibit V.

Licking Valley 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



General Manager and Chief Executive Officer

Licking Valley Rural Electric
Cooperative Corporation

For All Territory Served
P.S.C. KY NO.
Thirteenth Revised Sheet No. 1
Canceling P.S.C. KY No.
Twelfth 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	\$7.00
Energy charge per KWH	\$0.069598 (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 (10th) 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: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric
Cooperative Corporation

For All Territory Served
P.S.C. KY NO.
Thirteenth Revised Sheet No. 2
Canceling P.S.C. KY No.
Twelfth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

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	\$14.50
Energy charge per KWH	\$0.069533 (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.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric
Cooperative Corporation

For All Territory Served
P.S.C. KY NO.
Thirteenth Revised Sheet No. 3
Canceling P.S.C. KY No.
Twelfth Revised Sheet No. 3

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER SERVICE – LP RATE
PER UNIT

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	\$45.00
Energy charge per KWH	\$0.054918 (I)
 A demand charge of \$ per KW	 \$6.51

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.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric
Cooperative Corporation

For All Territory Served
P.S.C. KY NO.
Thirteenth Revised Sheet No. 4
Canceling P.S.C. KY No.
Twelfth Revised Sheet No. 4

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE – LPR

RATE
PER UNIT

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	\$90.00
Energy charge per KWH	\$0.047455 (I)
Demand charge of \$ per KW	\$6.10

DETERMINATION OF BILLING DEMAND:

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

DATE OF ISSUE: January 27, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____, GENERAL MANAGER/CEO West Liberty Ky

EXHIBIT II
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	\$7.00	\$7.00
	Energy Charge per kwh	\$0.065438	\$0.069598
B	Commercial & Small Power Service		
	Customer Charge per month	\$14.50	\$14.50
	Energy Charge per kwh	\$0.065373	\$0.069533
LPS	Large Power Service		
	Demand Charge per KW	\$6.51	\$6.51
	Customer Charge per month	\$45.00	\$45.00
	Energy Charge per kwh	\$0.050758	\$0.054918
LPR	Large Power Rate		
	Demand Charge per KW	\$6.10	\$6.10
	Customer Charge per month	\$90.00	\$90.00
	Energy Charge per kwh	\$0.043295	\$0.047455
SL	Security Lights and/or Rural Lighting		
	175 Watt Mercury Vapor per lamp	\$6.94	\$7.25

Licking Valley RECC

Billing Analysis

for the 12 months ending September 30, 2006

	Total Present Annualized Revenues	Total Proposed Revenues	\$ Increase	% Increase
Sch A - Rate 1 - Res, Farm, Sm Comm Church	\$15,888,281	\$16,657,306	\$769,025	4.84%
Sch B - Rate 4 Comm & Sm Pwr Service	\$1,130,156	\$1,181,498	\$51,342	4.54%
Sch LP - Rate 5 Large Power	\$2,435,101	\$2,544,363	\$109,262	4.49%
Sch LPR Rate 0,2,3,7,8 & 9 Large Power Rate	\$1,325,595	\$1,402,846	\$77,252	5.83%
Sch SL - Security Lights Rate 6	\$675,706	\$705,941	\$30,235	4.47%
Total - All Rate Classes	\$21,454,838	\$22,491,954	\$1,037,116	4.83%

Licking Valley RECC
Billing Analysis
for the 12 months ended September 30, 2006

Schedule A
Residential, Farm, Small Community Hall & Church Service
Rate 1

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	188,725	\$7.00	\$1,321,075	188,725	\$7.00	\$1,321,075	\$0	
Energy charge per kWh	184,848,318	\$0.065438	12,096,104	184,848,318	\$0.069598	12,865,129	769,025	
Total from base rates			13,417,179			14,186,204		
Fuel adjustment			1,476,377			1,476,377		
Environmental surcharge			994,725			994,725		
Total revenues			\$15,888,281			\$16,657,306	\$769,025	4.84%
Average Bill			\$84.19			\$88.26	\$4.07	4.84%

Schedule B
Commercial and Small Power Service
Rate 4

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	11,335	\$14.50	\$164,358	11,335	\$14.50	\$164,358	\$0	
Energy charge per kWh	12,341,015	\$0.065373	806,769	12,341,015	\$0.069533	858,112	0	
Total from base rates			971,127			1,022,469	51,342	
Fuel adjustment			91,251			91,251		
Environmental surcharge			67,778			67,778		
Total revenues			\$1,130,156			\$1,181,498	\$51,342	4.54%
Average Bill			\$99.70			\$104.23	\$4.53	4.54%

Schedule LP
Large Power
Rate 5

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	1,964	\$ 45.00	88,380	1,964	\$45.00	88,380	-	
kW Demand	103,350	\$ 6.51	672,809	103,350	\$6.51	672,809	-	
Energy charge per kWh	26,262,936	0.050758	1,333,054	26,262,936	\$0.054918	1,442,316	109,262	
Total from base rates			2,094,243			2,203,504	109,262	
Fuel adjustment			195,514			195,514		
Environmental surcharge			145,344			145,344		
Total revenues			\$2,435,101			\$2,544,363	\$109,262	4.49%
Average Bill			\$ 1,239.87			\$ 1,295.50	\$ 55.63	4.49%

Licking Valley RECC
Billing Analysis
for the 12 months ended September 30, 2006

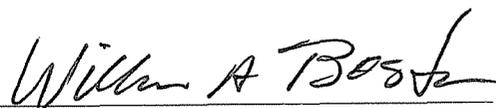
Schedule OL
Outdoor Lighting

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Mercury Vapor (MV) 175W - 75 kWh	96,900	6.94	672,486	96,900	\$7.25	702,721	30,235	4.50%
Sodium Vapor (HPS) 100W - 48 kWh	0	-	0	0		0	0	
Sodium Vapor (HPS) 250W - 104 kWh	0	-	0	0		0	0	
Sodium Vapor (HPS) 400W - 165 kWh	0	-	0	0		0	0	
Decorative Undergr (HPS) 100 W - 48 kWh	0	-	0	0		0	0	
Underground MV w/o pole 175W - 75 kWh	0	-	0	0		0	0	
Underground MV w pole 175W - 75 kWh	0	-	0	0		0	0	
Overhead Durastar (MV) 175W - 75 kWh	0	-	0	0		0	0	
			672,486			702,721	30,235	4.50%
Env Surcharge & Fuel Adjustment			3,220			3,220		
			675,706			705,941		4.47%
Average Invoice								
Mercury Vapor (MV) 175W - 75 kWh		6.94			\$7.25		\$0.31	4.50%
Sodium Vapor (HPS) 100W - 48 kWh		-			\$0.00		\$0.00	
Sodium Vapor (HPS) 250W - 104 kWh		-			\$0.00		\$0.00	
Sodium Vapor (HPS) 400W - 165 kWh		-			\$0.00		\$0.00	
Decorative Undergr (HPS) 100 W - 48 kWh		-			\$0.00		\$0.00	
Underground MV w/o pole 175W - 75 kWh		-			\$0.00		\$0.00	
Underground MV w pole 175W - 75 kWh		-			\$0.00		\$0.00	
Overhead Durastar (MV) 175W - 75 kWh		-			\$0.00		\$0.00	
							\$0.00	

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

CASE NO. 2006-00483

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



William A. Bosta
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.



Notary Public

My Commission expires



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 January 29, 2007, Case No. 2006-00483. 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	\$769,025	4.84%
B	Commercial & Small Power Service	\$51,342	4.54%
LPS	Large Power Service	\$109,262	4.49%
LPR	Large Power Rate	\$77,252	5.83%
SL	Security Lights and/or Rural Lighting	\$30,235	4.47%

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	\$4.07	4.84%
B	Commercial & Small Power Service	\$4.53	4.54%
LPS	Large Power Service	\$55.63	4.49%
LPR	Large Power Rate	\$589.71	5.83%
SL	Security Lights and/or Rural Lighting	\$0.31	4.47%

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	\$7.00	\$7.00
	Energy Charge per kWh	\$0.065438	\$0.069598
B	Commercial & Small Power Service		
	Customer Charge per month	\$14.50	\$14.50
	Energy Charge per kWh	\$0.065373	\$0.069533
LPS	Large Power Service		
	Demand Charge per KW	\$6.51	\$6.51
	Customer Charge per month	\$45.00	\$45.00
	Energy Charge per kWh	\$0.050758	\$0.054918
LPR	Large Power Rate		
	Demand Charge per KW	\$6.10	\$6.10
	Customer Charge per month	\$90.00	\$90.00
	Energy Charge per kWh	\$0.043295	\$0.047455
SL	Security Lights and/or Rural Lighting		
	175 Watt Mercury Vapor per lamp	\$6.94	\$7.25

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.