

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE APPLICA-)
TION OF THE FUEL ADJUSTMENT CLAUSE)
OF LICKING VALLEY RURAL ELECTRIC) CASE NO. 90-381
COOPERATIVE CORPORATION FROM)
NOVEMBER 1, 1988 TO OCTOBER 31, 1990)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 30, 1990 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") from November 1, 1988 to October 31, 1990.

As a part of this review, the Commission ordered Licking Valley to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission 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 Commission 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 0.54 mills per Kwh increase in its base fuel cost to its base rates.¹

3. Licking Valley should be authorized to transfer (roll-in) a 0.59 mills per Kwh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.54 mills per Kwh increase in EKPC's base rates and this can best be accomplished by an energy adder to each Kwh sold.

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

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Licking Valley through the FAC for the period from November 1, 1988 to October 31, 1990 be and they hereby are approved.

2. Licking Valley be and it hereby 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.

¹ Case No. 90-361, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. From November 1, 1988 to October 31, 1990.

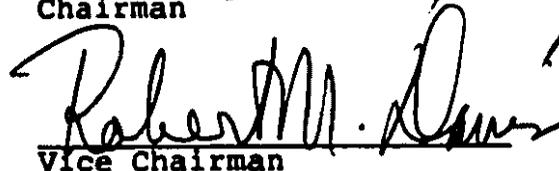
3. The rates in Appendix A are approved for service rendered by Licking Valley on and after May 1, 1991.

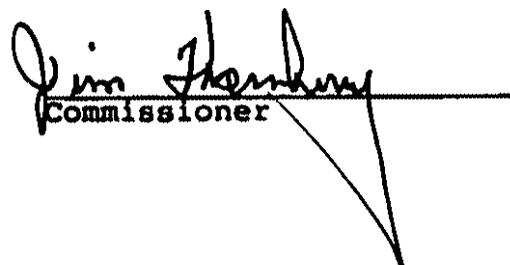
4. Within 30 days of the date of this Order, Licking Valley shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 3rd day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-381 DATED 4/03/91

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 this Commission prior to the date of this Order.

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

Monthly Rate:

Energy charge per KWH \$.06116 Per KWH

SCHEDULE B
COMMERCIAL AND SMALL POWER SERVICE

Monthly Rate:

Energy charge per KWH \$.04586 Per KWH

SCHEDULE LP
LARGE POWER SERVICE

Monthly Rate:

Energy charge per KWH \$.04594 Per KWH

SCHEDULE FOR LARGE POWER RATE (LPR)

Monthly Rate:

Energy charge per KWH \$.04113 Per KWH

**SCHEDULE SL
(SECURITY LIGHTS AND/OR RURAL LIGHTING)**

Monthly Rate:

Service for the unit will be unmetered and will be a 175 Watt Mercury Vapor type at \$6.33 each, per month.