

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE APPLICATION OF THE )  
FUEL ADJUSTMENT CLAUSE OF LICKING ) CASE NO. 96-540  
VALLEY RURAL ELECTRIC COOPERATIVE )  
CORPORATION FROM NOVEMBER 1, 1994 )  
TO OCTOBER 31, 1996 )

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 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 two years ended October 31, 1996.

As part of this review, the Commission ordered Licking Valley to submit certain information 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 0.23 mills per Kwh decrease in its base fuel cost to its base rates.<sup>1</sup>

3. Licking Valley should be authorized to transfer (roll-in) a 0.25 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative 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 November 1, 1994 to October 31, 1996 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 September 1, 1997.

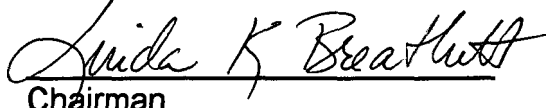
4. Within 30 days of the date of this Order, Licking Valley shall file with the Commission revised tariff sheets setting out the rates approved herein.

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<sup>1</sup> Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

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. 96-540 DATED AUGUST 20, 1997

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 effective date of this Order.

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

Monthly Rate:

Energy Charge \$0.055025 Per KWH

SCHEDULE B  
COMMERCIAL AND SMALL POWER SERVICE

Monthly Rate:

Energy Charge \$0.039725 Per KWH

SCHEDULE LP  
LARGE POWER SERVICE

Monthly Rate:

Energy Charge \$0.039805 Per KWH

SCHEDULE LPR  
LARGE POWER RATE

Monthly Rate:

Energy Charge \$0.034995 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 \$5.93 each, per month.