

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
LICKING VALLEY RURAL ELECTRIC	)	
COOPERATIVE CORPORTION FOR PASS-	)	Case No. 2025-00213
THROUGH OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC.'S WHOLESALE RATE	)	
ADJUSTMENT	)	

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LICKING VALLEY RURAL ELECTRIC COOPERATIVE  
CORPORATION'S APPLICATION

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Comes now Licking Valley Rural Electric Cooperative Corporation ("Licking Valley"), by counsel, pursuant to KRS 278.455(2), 807 KAR 5:007 and other applicable law, and does hereby request the Kentucky Public Service Commission ("Commission") to grant it a pass-through of East Kentucky Power Cooperative Inc.'s ("EKPC") wholesale rate adjustment, respectfully stating as follows:

1. Licking Valley is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Licking Valley is engaged in the business of distributing retail electric power to approximately 12,193 members in the Kentucky counties of Breathitt, Elliott, Lee, Magoffin, Menifee, Morgan, Rowan and Wolfe.

2. Pursuant to 807 KAR 5:001, Section 14(1) and 807 KAR 5:007, Sections 1(2) and Section 2(2), Licking Valley's mailing address is 271 Main Street, P.O. Box 605, West Liberty, Kentucky 41472 and its electronic mail address is psc@lvrecc.com.

3. Pursuant to 807 KAR 5:001, Section 14(2), Licking Valley is a Kentucky corporation that was incorporated on June 22, 1940 and is currently in good standing to conduct

business within the Commonwealth of Kentucky. A copy of the Certificate of Good Standing is attached as **Exhibit 1**.

4. Pursuant to 807 KAR 5:007, Sections 1(3) and Section 2(2), Licking Valley is one of the sixteen owner-member cooperatives of EKPC. EKPC has filed an Application for a general adjustment of its existing wholesale rates to its owner-members, including Licking Valley.<sup>1</sup> In accordance with KRS 278.455, Licking Valley seeks to pass-through the increase in EKPC's wholesale rates to Licking Valley's retail members.

5. Pursuant to 807 KAR 5:007 Section 2(1), attached as **Exhibit 2** to this Application are the proposed tariffs of Licking Valley incorporating the new rates and proposing an effective date of September 1, 2025, which is the same effective date proposed by EKPC in its rate case.

6. Pursuant to 807 KAR 5:007 Sections 1(4) and Section 2(2), attached as **Exhibit 3** to this Application is a comparison of the current and the proposed rates of Licking Valley.

7. Pursuant to 807 KAR 5:007 Sections 1(5)(a)-(b) and Section 2(2), attached as **Exhibit 4** to this Application is a billing analysis which shows the existing and proposed rates for each of Licking Valley's rate classes. Licking Valley further states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail members through 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.

8. Pursuant to 807 KAR 5:007 Sections 1(6) and Section 2(2), a certification that a complete copy of this filing has been electronically mailed to the Kentucky Attorney General's

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<sup>1</sup> See *In the Matter of the Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets and Other General Relief*, Application, Case No. 2025-00208 (filed August 1, 2025).

Office of Rate Intervention and an electronic copy was also sent to rateintervention@ag.ky.gov is attached as **Exhibit 5**.

9. Pursuant to 807 KAR 5:007 Sections 1(7)(b) and (8) and Section 2(2), notice of the proposed rate changes has been given, not more than thirty (30) days prior to August 1, 2025, by publication in Kentucky Living and distributed to Licking Valley's members. A copy of the notice is attached as **Exhibit 6** and contains all of the required information pursuant to 807 KAR 5:007, Section 3.

10. This application is supported by the Testimony of Mr. John Wolfram, which is attached as **Exhibit 7**.

WHEREFORE, on the basis of the foregoing, Licking Valley respectfully requests that the Commission accept this Application for filing and allow Licking Valley to pass-through to its retail members the increase in the wholesale rates granted to EKPC and for the effective date of Licking Valley's pass-through rates to be the same as the effective date of EKPC's rate increase.

This the 1<sup>st</sup> day of August 2025.

Respectfully submitted,

  
\_\_\_\_\_  
L. Allyson Honaker  
Heather S. Temple  
Meredith L. Cave  
**HONAKER LAW OFFICE, PLLC**  
1795 Alysheba Way, Suite 1203  
Lexington, KY 40509  
(859) 368-8803  
allyson@hloky.com  
heather@hloky.com  
meredith@hloky.com  
*Counsel for Licking Valley Rural Electric  
Cooperative Corporation*

**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing was transmitted to the Commission on August 1, 2025, and that there are no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to prior Commission Orders, no paper copies of this filing will be made.

*Heather S. Temple*

\_\_\_\_\_  
*Counsel for Licking Valley Rural Electric  
Cooperative Corporation*

**Exhibit List**

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Proposed Tariffs Incorporating the New Rates Proposed	2
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## **Exhibit 1**

### **Certificate of Good Standing**

**Commonwealth of Kentucky**  
**Michael G. Adams, Secretary of State**

Michael G. Adams  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 315561

Visit <https://web.sos.ky.gov/fts/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is June 22, 1940 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 15<sup>th</sup> day of July, 2024, in the 233<sup>rd</sup> year of the Commonwealth.



*Michael G. Adams*

Michael G. Adams  
Secretary of State  
Commonwealth of Kentucky  
315561/0031185

## **Exhibit 2**

### **Present and Proposed Tariffs**



## **Proposed Tariffs**

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

OF

271 Main Street

(N)

WEST LIBERTY. KENTUCKY 41472

lvrecc.com

(N)

RATES, RULES AND REGULATION FOR FURNISHING ELECTRICITY

AT

BREATIDTT, LEE, MAGOFFIN, MENIFEE, MORGAN  
AND WOLFE COUNTIES KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED August 1, 2025

EFFECTIVE September 1, 2025

ISSUED BY: LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

KERRY K.HOWARD  
GENERAL MANAGER/CEO

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-Eighth Revised Sheet No. 1  
Canceling P.S.C. KY NO.  
Twenty-Seventh Revised Sheet No. 1

### CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall  
& Church Service

RATE  
PER UNIT

#### 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	\$28.72	(I)
Energy charge per KWH	.114537	(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 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: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-Six Revised Sheet No. 2  
Canceling P.S.C. KY NO.  
Twenty-Fifth 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	\$33.42	(I)
Energy charge per KWH	.097555	(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 (75¢) 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 (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

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Date of Issue: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-Fifth Revised Sheet No. 3  
Canceling P.S.C. KY NO.  
Twenty-Fourth 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 regulations of seller.

MONTHLY RATE:

Customer charge per delivery point	\$77.08	(I)
Energy charge per KWH	.082286	(I)
A demand charge of \$7.93 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.

Date of Issue: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-Fifth Revised Sheet No. 4  
Canceling P.S.C. KY NO.  
Twenty-Fourth 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	\$118.50	(I)
Energy charge per KWH	0.073185	(I)
Demand charge of \$7.45 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 days.

Date of Issue: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-Fifth Revised Sheet No. 5  
Canceling P.S.C. KY NO.  
Twenty-Fifth 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 mercury vapor type 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 one hundred fifty (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	\$3.30 per pole - per month	(I)
30 ft Wood Pole	\$3.81 per pole – per month	(I)

#### MONTHLY RATE:

Service for the unit will be unmetered and will be per light per month as follows:

175 Watt MV	@ \$11.04	(I)
100 Watt Metal Halide	@ \$11.19 (see note)	(I)
250 Watt Metal Halide	@ \$17.09 (see note)	(I)
400 Watt Metal Halide	@ \$23.48 (see note)	(I)
68 Watt LED	@ \$10.02	(I)
108 Watt LED	@ \$11.99	(I)
202 Watt LED	@ \$18.86	(I)

*Note: Licking Valley Rural Electric Cooperative Corporation no longer installs new Metal Halide lights.*

#### 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 (12) 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: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO. 034  
Sixth Revised Sheet No. 32  
Canceling P.S.C. KY NO.  
Fifth Revised Sheet No. 32

**PREPAY SERVICE**

**STANDARD RIDER:**

Licking Valley Rural Electric's Prepay Service ("Prepay") is an optional rider to Rate Schedule A – Residential, Farm, Small Community Hall and Church Service as defined by the Cooperative.

**AVAILABILITY:**

All Rate Schedule A – Residential, Farm, Small Community Hall and Church Services, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service within the territory served by Licking Valley Rural Electric Cooperative Corporation.

All Rate Schedule B – Commercial and Small Power Service, excluding account on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service.

**Monthly Rate:**

**Rate Schedule A:**

Consumer Facility Charge	\$28.72	(I)
Energy Charge per kWh:	\$ .114537	(I)
Prepay Service Fee:	\$ 3.00	

**Rate Schedule B:**

Consumer Facility Chare	\$33.42	(I)
Energy Charge per kWh:	\$ .097555	(I)
Prepay Service Fee:	\$ 3.00	

**TERMS & CONDITIONS:**

Members who qualify as defined above in "Availability may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff or Commercial and Small Power Service, without the Prepay rider.

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Date of Issue: August 1, 2025

Date Effective: September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO.  
DATED



**Licking Valley Rural Electric  
Cooperative Corporation**

**For All Territory Served  
P.S.C. KY NO. 1  
Second Revised Sheet No. 6  
Canceling P.S.C. KY NO.  
First Sheet No. 6**

**CLASSIFICATION OF SERVICE**

**SCHEDULE LP-C--Large Power---2500KW - 9,999KW**

**RATE  
PER UNIT**

**APPLICABLE:**

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

**AVAILABILITY:**

Available to all commercial and industrial consumers willing to contract for a kilowatt demand of 2,500 KW to 9,999 KW and a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

**CONDITIONS:**

The consumer shall execute an "Industrial Power Agreement" with the Seller under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

**TYPE OF SERVICE**

Three-phase 60 Hertz alternating current as specified in the Industrial Power Agreement for purchased power.

**MONTHLY RATE:**

<u>Consumer Charge:</u>	\$	3159.42	(I)
<u>Demand Charge:</u>	\$	7.82 per KW of Billing Demand	(I)
<u>Energy Charge:</u>	\$	.057332 per KWH	(I)

Date of Issue: August 1, 2025

Date Effective: September 1, 2025

Issued By:

Title: \_\_\_\_\_ GENERAL MANAGER/CEO

Issued by authority of an order of the Public Service Commission in Case No.  
issued on

**For All Territory Served**  
**P.S.C. KY NO. 1**  
**Second Revised No. 9**  
Cancelling P.S.C. KY NO  
First Sheet No. 9

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC  
SERVICE COMMISSION OF KENTUCKY IN CASE  
NO.                      DATED

## **Strike Through Tariffs**

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
OF

271 Main Street

(N)

WEST LIBERTY. KENTUCKY 41472

lvrecc.com

(N)

RATES, RULES AND REGULATION FOR FURNISHING ELECTRICITY  
AT

BREATIDTT, LEE, MAGOFFIN, MENIFEE, MORGAN  
AND WOLFE COUNTIES KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED ~~SEPTEMBER 30, 2021~~ August 1, 2025

EFFECTIVE ~~OCTOBER 1, 2021~~ September 1, 2025

ISSUED BY: LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

KERRY K.HOWARD  
GENERAL MANAGER/CEO

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Eighth~~ ~~Twenty-Seventh~~ Revised Sheet No. 1  
Canceling P.S.C. KY NO.  
~~Twenty-Seventh~~ ~~Twenty-Sixth~~ Revised Sheet No. 1

### CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall  
& Church Service

RATE  
PER UNIT

#### 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	<del>\$27.50</del>	28.72	(I)
Energy charge per KWH	<del>.109666</del>	.114537	(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 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: ~~July 18, 2025~~ August 1, 2025

Date Effective: ~~July 10, 2025~~ September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2024-00211~~  
DATED ~~July 10, 2025~~

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Six~~ ~~Twenty-Fifth~~ Revised Sheet No. 2  
Canceling P.S.C. KY NO.  
~~Twenty-Fifth~~ ~~Twenty-Fourth~~ Revised Sheet No. 2

CLASSIFICATION OF SERVICE

SCHEDULE B – Commercial and Small Power Service

RATE  
PER UNIT

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	<del>\$32.00</del> 33.42	(I)
Energy charge per KWH	<del>—.093406</del> .097555	(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 (75¢) 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 (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

Date of Issue: ~~July 18, 2025~~ August 1, 2025

Date Effective: ~~February 01, 2020~~ September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: \_\_\_\_\_  
GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2024-00211~~  
DATED ~~July 10, 2025~~

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Fifth~~ ~~Twenty-Fourth~~ Revised Sheet No. 3  
Canceling P.S.C. KY NO.  
~~Twenty-Fourth~~ ~~Twenty-Third~~ 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 regulations of seller.

MONTHLY RATE:

Customer charge per delivery point	<del>\$73.80</del>	77.08	(I)
Energy charge per KWH	<del>0.078786</del>	.082286	(I)
A demand charge of <del>\$7.59</del> \$7.93 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.

Date of Issue: ~~September 18, 2024~~ August 1, 2025

Date Effective: ~~September 12, 2024~~ September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: \_\_\_\_\_  
GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2023-00014~~  
DATED ~~August 30, 2024~~

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Fifth~~ ~~Twenty-Fourth~~ Revised Sheet No. 4  
Canceling P.S.C. KY NO.  
~~Twenty-Fourth~~ ~~Twenty-Third~~ 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	<del>\$113.46</del> —118.50	(I)
Energy charge per KWH	<del>0.070072</del> 0.073185	(I)
Demand charge of <del>\$7.13</del> \$7.45 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 days.

Date of Issue: ~~September 18, 2024~~ August 1, 2025

Date Effective: ~~September 12, 2024~~ September 1, 2025

Issued By: \_\_\_\_\_

SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2023-00014~~  
DATED ~~August 30, 2024~~



Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Sixth~~ ~~Twenty-Fifth~~ Revised Sheet No. 5  
Canceling P.S.C. KY NO.  
~~Twenty-Fifth~~ ~~Twenty-Fourth~~ 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 mercury vapor type 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 one hundred fifty (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	<del>\$3.16</del> 3.30 per pole - per month	(I)
30 ft Wood Pole	<del>\$3.65</del> 3.81 per pole – per month	(I)

#### MONTHLY RATE:

Service for the unit will be unmetered and will be per light per month as follows:

175 Watt MV	@ <del>\$10.57</del> \$11.04	(I)
100 Watt Metal Halide	@ <del>\$10.71</del> \$11.19 (see note)	(I)
250 Watt Metal Halide	@ <del>\$16.36</del> \$17.09 (see note)	(I)
400 Watt Metal Halide	@ <del>\$22.48</del> \$23.48 (see note)	(I)
68 Watt LED	@ <del>\$9.59</del> \$10.02	(I)
108 Watt LED	@ <del>\$11.48</del> \$11.99	(I)
202 Watt LED	@ <del>\$18.06</del> \$18.86	(I)

*Note: Licking Valley Rural Electric Cooperative Corporation no longer installs new Metal Halide lights.*

#### 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 (12) 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: ~~September 18, 2024~~ August 1, 2025

Date Effective: ~~September 12, 2024~~ September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: \_\_\_\_\_  
GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2023-00014~~  
DATED ~~August 30, 2024~~

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO. 034  
~~Sixth Fifth~~ Revised Sheet No. 32  
Canceling P.S.C. KY NO.  
~~Fifth Fourth~~ Revised Sheet No. 32

### PREPAY SERVICE

#### STANDARD RIDER:

Licking Valley Rural Electric's Prepay Service ("Prepay") is an optional rider to Rate Schedule A – Residential, Farm, Small Community Hall and Church Service as defined by the Cooperative.

#### AVAILABILITY:

All Rate Schedule A – Residential, Farm, Small Community Hall and Church Services, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service within the territory served by Licking Valley Rural Electric Cooperative Corporation.

All Rate Schedule B – Commercial and Small Power Service, excluding account on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service.

#### Monthly Rate:

##### Rate Schedule A:

Consumer Facility Charge	<del>\$27.50</del> 28.72	(I)
Energy Charge per kWh:	\$ <del>.109666</del> .114537	(I)
Prepay Service Fee:	\$ 3.00	

##### Rate Schedule B:

Consumer Facility Chare	<del>\$32.00</del> 33.42	(I)
Energy Charge per kWh:	\$ <del>.093406</del> .097555	(I)
Prepay Service Fee:	\$ 3.00	

#### TERMS & CONDITIONS:

Members who qualify as defined above in "Availability may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff or Commercial and Small Power Service, without the Prepay rider.

=====

Date of Issue: ~~September 18, 2024~~ August 1, 2025

Date Effective: ~~September 12, 2024~~ September 1, 2025

Issued By: \_\_\_\_\_  
SIGNATURE OF OFFICER

Title: \_\_\_\_\_  
GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2023-00014~~  
DATED ~~August 30, 2024~~

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO. 1  
~~second First~~ Revised Sheet No.  
6 Canceling P.S.C. KY NO.  
~~First Original~~ Sheet No. 6

CLASSIFICATION OF SERVICE

SCHEDULE LP-C--Large Power---2500KW - 9,999KW

RATE  
PER UNIT

APPLICABLE:

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

AVAILABILITY:

Available to all commercial and industrial consumers willing to contract for a kilowatt demand of 2,500 KW to 9,999 KW and a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

CONDITIONS:

The consumer shall execute an "Industrial Power Agreement" with the Seller under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

TYPE OF SERVICE

Three-phase 60 Hertz alternating current as specified in the Industrial Power Agreement for purchased power.

MONTHLY RATE:

<u>Consumer Charge:</u>	\$	<del>3,025.05</del> 3159.42	(I)
<u>Demand Charge:</u>	\$	<del>7.49</del> 7.82 per KW of Billing Demand	(I)
<u>Energy Charge:</u>	\$	<del>0.054894</del> .057332 per KWH	(I)

Date of Issue: ~~September 25, 2024~~ August 1, 2025

Date Effective: ~~August 30, 2024~~ September 1, 2025

Issued By:

Title: \_\_\_\_\_ GENERAL MANAGER/CEO

Issued by authority of an order of the Public Service Commission in Case No. 2023-0014  
issued on ~~August 30, 2024~~

**Licking Valley Rural Electric  
Cooperative Corporation**

**For All Territory Served  
P.S.C. KY NO. 1  
~~Second First~~ Revised No. 9  
Cancelling P.S.C. KY NO  
~~First Original~~ Sheet No. 9**

**CLASSIFICATION OF SERVICE**

**SCHEDULE LP-G—Large Power—10,000KW or greater**

**RATE  
PER UNIT**

**APPLICABLE:**

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

**AVAILABILITY:**

Available to all commercial and industrial consumers willing to contract for a kilowatt demand of 10,000 KW or greater and a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

**CONDITIONS:**

The consumer shall execute an "Industrial Power Agreement" with the Seller under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

**TYPE OF SERVICE:**

Three-phase 60 Hertz alternating current as specified in the Industrial Power Agreement for purchased power.

**MONTHLY RATE:**

<u>Consumer Charge:</u>	\$	<del>5,726.70</del> 6,127.60	(I)
<u>Demand Charge:</u>	\$	<del>7.30-9.14</del> per KW of Billing Demand	(I)
<u>Energy Charge:</u>	\$	<del>0.051790</del> .054958 per KWH	[I]

Date of Issue: ~~September 18, 2024~~ August 1, 2025

Date Effective: ~~September 1, 2024~~ September 1, 2025

Issued By:



Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC  
SERVICE COMMISSION OF KENTUCKY IN CASE  
NO. ~~2023-00014~~ DATED ~~AUGUST 30, 2024~~

## **Exhibit 3**

### **Comparison of the Current and Proposed Rates**

LICKING VALLEY RECC  
Present & Proposed Rates

Rate	Item		Present	Proposed
A	<u>Schedule A - Residential, Farm, Hall &amp; Church Service</u>			
	Customer Charge	\$	27.50	\$ 28.72
	Energy Charge per kWh	\$	0.109666	\$ 0.114537
B	<u>Schedule B - Commercial and Small Power Service</u>			
	Customer Charge	\$	32.00	\$ 33.42
	Energy Charge per kWh	\$	0.093406	\$ 0.097555
LP	<u>Large Power Service</u>			
	Customer Charge	\$	73.80	\$ 77.08
	Energy Charge per kWh	\$	0.078786	\$ 0.082286
	Demand Charge per kW	\$	7.59	\$ 7.93
LPR	<u>Large Power Rate</u>			
	Customer Charge	\$	113.46	\$ 118.50
	Energy Charge per kWh	\$	0.070072	\$ 0.073185
	Demand Charge per kW	\$	7.13	\$ 7.45
LPG	<u>Large Power Rate</u>			
	Customer Charge	\$	5,726.70	\$ 6,127.60
	Energy Charge per kWh	\$	0.051790	\$ 0.054958
	Demand Charge per kW	\$	7.30	\$ 9.14
SL	<u>Lighting</u>			
	25ft Wood Pole	\$	3.16	\$ 3.30
	30ft Wood Pole	\$	3.65	\$ 3.81
	175 Watt MV	\$	10.57	\$ 11.04
	100 Watt Metal Halide	\$	10.71	\$ 11.19
	250 Watt Metal Halide	\$	16.36	\$ 17.09
	400 Watt Metal Halide	\$	22.48	\$ 23.48
	68 Watt LED	\$	9.59	\$ 10.02
	108 Watt LED	\$	11.48	\$ 11.99
	202 Watt LED	\$	18.06	\$ 18.86
LPC	<u>Large Power Rate 2500-9999 KW</u>			
	Customer Charge	\$	3,025.05	\$ 3,159.42
	Energy Charge per kWh	\$	0.054894	\$ 0.057332
	Demand Charge per kW	\$	7.49	\$ 7.82

## **Exhibit 4**

### **Billing Analysis for Each Rate Class**

LICKING VALLEY RECC  
Billing Analysis for Pass-Through Rate Increase

Total Revenue Increase Allocated by East Kentucky Power Cooperative:	\$1,594,860
Total Rate G Revenue Increase Allocated by East Kentucky Power Cooperative:	\$192,874
Remaining Revenue Increase Allocated by East Kentucky Power Cooperative:	\$1,401,986

#	Item	Code	Present Revenue	Present Share	Allocation Revenue	Allocation Share	Allocated Increase	Proposed Revenue	Proposed Share	Base Rate Increase	Base %	Total %	Rounding
1	<u>Base Rates</u>												
2	Schedule A - Residential, Farm, Hall & Church Service	A	\$ 24,866,380	78.79%	\$ 24,866,380	78.79%	\$ 1,104,555	\$ 25,970,572	78.78%	\$ 1,104,192	4.44%	4.05%	\$ (363)
3	Schedule B - Commercial and Small Power Service	B	\$ 1,216,670	3.85%	\$ 1,216,670	3.85%	\$ 54,044	\$ 1,270,698	3.85%	\$ 54,029	4.44%	4.03%	\$ (15)
4	Large Power Service	LP	\$ 3,580,586	11.34%	\$ 3,580,586	11.34%	\$ 159,048	\$ 3,739,992	11.35%	\$ 159,406	4.45%	4.04%	\$ 357
5	Large Power Rate	LPR	\$ 875,915	2.78%	\$ 875,915	2.78%	\$ 38,908	\$ 914,892	2.78%	\$ 38,977	4.45%	4.19%	\$ 69
6	Lighting	SL	\$ 1,022,761	3.24%	\$ 1,022,761	3.24%	\$ 45,431	\$ 1,068,481	3.24%	\$ 45,720	4.47%	4.46%	\$ 289
7	SubTotal Base Rates		\$ 31,562,312	100.00%	\$ 31,562,312	100.00%	\$ 1,401,986	\$ 32,964,635	100.00%	\$ 1,402,323	4.44%		\$ 337
8													
9	Large Power Rate	LPG	\$ 1,755,342	100.00%	\$ 192,874	100.00%	\$ 192,874	\$ 1,948,216	5.91%	\$ 192,874	10.99%	11.64%	\$ -
10													
11	TOTAL Base Rates		\$ 33,317,654		\$ 31,755,186		\$ 1,594,860	\$ 34,912,851		\$ 1,595,197	4.79%		\$ 337
12													
13	<u>Riders</u>												
14	FAC		\$ (122,852)				\$ (122,852)						
15	ES		\$ 3,233,287				\$ 3,233,287						
16	Misc Adj		\$ (284,875)				\$ (284,875)						
17	Other		\$ -				\$ -						
18	Total Riders		\$ 2,825,561				\$ 2,825,561						
19													
20	Total Revenue		\$ 36,143,215				\$ 37,738,412			\$ 1,595,197		4.41%	
21	Target Revenue									\$ 1,594,860			
22	Rate Rounding Variance									\$ 337			
23	Rate Rounding Variance									0.02%			



#	Classification	Code	Billing Component	Billing Units	Present Rate	Present Revenue	Target Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase \$	%	Proposed Share	Share Variance	Rate Variance
1	Schedule A - Residential, Farm, Hall & Church Service	A	Customer Charge	198,590	27.50	\$ 5,461,225	21.96%		28.72	\$ 5,703,505	\$ 242,280	4.44%	21.96%	0.00%	
2			Energy Charge per kWh	176,947,778	0.109666	\$ 19,405,155	78.04%		0.114537	\$ 20,267,068	\$ 861,913	4.44%	78.04%	0.00%	
3			Total Base Rates			\$ 24,866,380	100.00%	\$ 25,970,935		\$ 25,970,572	\$ 1,104,192	4.44%	100.00%	0.00%	\$ (362.88)
4			FAC			\$ (13,427)				\$ (13,427)	\$ -	-			
5			ES			\$ 2,387,262				\$ 2,387,262	\$ -	-			
6			Misc Adj			\$ -				\$ -	\$ -	-			
7			Other			\$ -				\$ -	\$ -	-			
8			Total Riders			\$ 2,373,835				\$ 2,373,835	\$ -	-			
9			TOTAL REVENUE			\$ 27,240,215				\$ 28,344,407	\$ 1,104,192	4.05%			
10			Average			891.02		\$ 137.17			\$ 142.73	\$ 5.56	4.05%		
11	Schedule B - Commercial and Small Power Service	B	Customer Charge	10,427	32.00	\$ 333,664	27.42%		33.42	\$ 348,470	\$ 14,806	4.44%	27.42%	0.00%	
12			Energy Charge per kWh	9,453,416	0.093406	\$ 883,006	72.58%		0.097555	\$ 922,228	\$ 39,222	4.44%	72.58%	0.00%	
13			Total Base Rates			\$ 1,216,670	100.00%	\$ 1,270,714		\$ 1,270,698	\$ 54,029	4.44%	100.00%	0.00%	\$ (15.46)
14			FAC			\$ (1,508)				\$ (1,508)	\$ -	-			
15			ES			\$ 126,710				\$ 126,710	\$ -	-			
16			Misc Adj			\$ -				\$ -	\$ -	-			
17			Other			\$ -				\$ -	\$ -	-			
18			Total Riders			\$ 125,202				\$ 125,202	\$ -	-			
19			TOTAL REVENUE			\$ 1,341,872				\$ 1,395,900	\$ 54,029	4.03%			
20			Average			906.63		\$ 128.69			\$ 133.87	\$ 5.18	4.03%		
21	Large Power Service	LP	Customer Charge	2,602	73.80	\$ 192,028	5.36%		77.08	\$ 200,562	\$ 8,535	4.44%	5.36%	0.00%	
22			Energy Charge per kWh	31,491,833	0.078786	\$ 2,481,116	69.29%		0.082286	\$ 2,591,337	\$ 110,221	4.44%	69.29%	-0.01%	
23			Demand Charge per kW	119,558	7.59	\$ 907,443	25.34%		7.93	\$ 948,093	\$ 40,650	4.48%	25.35%	0.01%	
24			Total Base Rates			\$ 3,580,586	100.00%	\$ 3,739,634		\$ 3,739,992	\$ 159,406	4.45%	100.00%	0.00%	\$ 357.30
25			FAC			\$ (6,105)				\$ (6,105)	\$ -	-			
26			ES			\$ 374,346				\$ 374,346	\$ -	-			
27			Misc Adj			\$ (598)				\$ (598)	\$ -	-			
28			Other			\$ -				\$ -	\$ -	-			
29			Total Riders			\$ 367,643				\$ 367,643	\$ -	-			
30			TOTAL REVENUE			\$ 3,948,229				\$ 4,107,634	\$ 159,406	4.04%			
31	Average			12,148.88		\$ 1,517.38			\$ 1,578.65	\$ 61.26	4.04%				
32	Large Power Rate	LPR	Customer Charge	48	113.46	\$ 5,446	0.62%		118.50	\$ 5,688	\$ 242	4.44%	0.62%	0.00%	
33			Energy Charge per kWh	10,433,028	0.070072	\$ 731,063	83.46%		0.073185	\$ 763,541	\$ 32,478	4.44%	83.46%	-0.01%	
34			Demand Charge per kW	19,552	7.13	\$ 139,406	15.92%		7.45	\$ 145,662	\$ 6,257	4.49%	15.92%	0.01%	
35			Total Base Rates			\$ 875,915	100.00%	\$ 914,823		\$ 914,892	\$ 38,977	4.45%	100.00%	0.00%	\$ 68.76
36			FAC			\$ (4,333)				\$ (4,333)	\$ -	-			
37			ES			\$ 89,265				\$ 89,265	\$ -	-			
38			Misc Adj			\$ (30,870)				\$ (30,870)	\$ -	-			
39			Other			\$ -				\$ -	\$ -	-			
40			Total Riders			\$ 54,062				\$ 54,062	\$ -	-			
41			TOTAL REVENUE			\$ 929,977				\$ 968,953	\$ 38,977	4.19%			
42	Average			407.33		\$ 19,374.51			\$ 20,186.53	\$ 812.01	4.19%				

LICKING VALLEY RECC  
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	Present Rate	Present Revenue	Target Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase \$	%	Proposed Share	Share Variance	Rate Variance
51	Large Power Rate	LPG													
52			Customer Charge	4	5,726.70	\$ 22,907	1.30%		6,127.60	\$ 24,510	\$ 1,604	7.00%	1.26%	-0.05%	
53			Energy Charge per kWh	31,284,000	0.051790	\$ 1,620,198	92.30%		0.054958	\$ 1,719,307	\$ 99,108	6.12%	88.25%	-4.05%	
54			Demand Charge per kW	50,088	7.30	\$ 365,642	20.83%		9.14	\$ 457,804	\$ 92,162	25.21%	23.50%	2.67%	
			Demand Interruptible per kI	45,251	(5.60)	\$ (253,406)	-14.44%		(5.60)	\$ (253,406)	\$ -	0.00%	-13.01%	1.43%	
55			Total Base Rates			\$ 1,755,342	100.00%	\$ 1,948,216		\$ 1,948,216	\$ 192,874	10.99%	100.00%	0.00%	\$ -
56			FAC			\$ (97,487)				\$ (97,487)	\$ -	-			
57			ES			\$ 252,819				\$ 252,819	\$ -	-			
58			Misc Adj			\$ (253,406)				\$ (253,406)	\$ -	-			
59			Other			\$ -				\$ -	\$ -	-			
60			Total Riders			\$ (98,074)				\$ (98,074)	\$ -	-			
61			TOTAL REVENUE			\$ 1,657,268				\$ 1,850,142	\$ 192,874	11.64%			
62			Average	12,522.00		\$ 414,317.07				\$ 462,535.58	\$ 48,218.50	11.64%			
63															
51	Lighting	SL													
52			25ft Wood Pole	581	3.16	\$ 1,836	0.18%		3.30	\$ 1,917	\$ 81	4.43%	0.18%	0.00%	
53			30ft Wood Pole	219	3.65	\$ 799	0.08%		3.81	\$ 834	\$ 35	4.38%	0.08%	0.00%	
54			175 Watt MV	33,307	10.57	\$ 352,055	34.42%		11.04	\$ 367,709	\$ 15,654	4.45%	34.41%	-0.01%	
55			100 Watt Metal Halide	4,679	10.71	\$ 50,112	4.90%		11.19	\$ 52,358	\$ 2,246	4.48%	4.90%	0.00%	
56			250 Watt Metal Halide	382	16.36	\$ 6,250	0.61%		17.09	\$ 6,528	\$ 279	4.46%	0.61%	0.00%	
57			400 Watt Metal Halide	338	22.48	\$ 7,607	0.74%		23.48	\$ 7,946	\$ 338	4.45%	0.74%	0.00%	
58			68 Watt LED	62,778	9.59	\$ 602,041	58.86%		10.02	\$ 629,036	\$ 26,995	4.48%	58.87%	0.01%	
59			108 Watt LED	71	11.48	\$ 815	0.08%		11.99	\$ 851	\$ 36	4.44%	0.08%	0.00%	
60			202 Watt LED	69	18.06	\$ 1,246	0.12%		18.86	\$ 1,301	\$ 55	4.43%	0.12%	0.00%	
61			Total Base Rates	128730		\$ 1,022,761	100.00%	\$ 1,068,192		\$ 1,068,481	\$ 45,720	4.47%	100.00%	0.00%	\$ 289.12
62			FAC			\$ 9				\$ 9	\$ -	-			
63			ES			\$ 2,885				\$ 2,885	\$ -	-			
64			Misc Adj			\$ -				\$ -	\$ -	-			
65			Other			\$ -				\$ -	\$ -	-			
66			Total Riders			\$ 2,894				\$ 2,894	\$ -	-			
67			TOTAL REVENUE			\$ 1,025,655				\$ 1,071,375	\$ 45,720	4.46%			
68															
69															
70															
71	TOTALS		Total Base Rates			\$ 33,317,654				\$ 34,912,851	\$ 1,595,197	4.79%			
72			FAC			\$ (122,852)				\$ (122,852)	\$ -	-			
73			ES			\$ 3,233,287				\$ 3,233,287	\$ -	-			
74			Misc Adj			\$ (284,875)				\$ (284,875)	\$ -	-			
75			Other			\$ -				\$ -	\$ -	-			
76			Total Riders			\$ 2,825,561				\$ 2,825,561	\$ -	-			
77			TOTAL REVENUE			\$ 36,143,215				\$ 37,738,412	\$ 1,595,197	4.41%			
78															
	VACANT RATE CLASSES														
79	Large Power Rate 2500-9999 KW	LPC													
80			Customer Charge			3,025.05				3,159.42					
81			Energy Charge per kWh			0.054894				0.057332					
82			Demand Charge per kW			7.49				7.82					
83															
84						0.01201	FAC Roll In								

## **Exhibit 5**

### **Certificate of Service to Attorney General**

**Exhibit 5**  
**Statement of Service to the Attorney General**

Pursuant to 807 KAR 5:007, Sections 1(6) and Section 2(2), the undersigned does hereby certify that a complete copy of this filing has been sent electronically to the Kentucky Attorney General's Office of Rate Intervention at [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov) on this the 1<sup>st</sup> day of August 2025.

*Heather S. Temple*

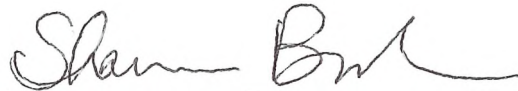
\_\_\_\_\_  
Heather S. Temple  
Attorney, Honaker Law Office

## **Exhibit 6**

### **Customer Notice**

## AFFIDAVIT OF MAILING

Notice is hereby given that the August 2025 issue of *KENTUCKY LIVING*, bearing official notice of PSC Case No. 2025-00213 for the purpose of proposing a general adjustment of the existing rates of **LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION** to reflect the wholesale rate adjustment of wholesale supplier, East Kentucky Power Cooperative, Inc., was entered as direct mail on July 30, 2025, in accordance to the requirements of the cooperative's bylaws.

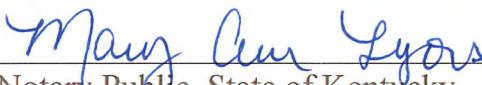


Shannon Brock  
Editor  
*Kentucky Living*

County of Jefferson  
State of Kentucky

Sworn to and subscribed before me, a Notary Public,  
This 30<sup>th</sup> day of July, 2025.  
My commission expires 6-9-2029



 #KYNP100716  
Notary Public, State of Kentucky

# East Kentucky Power Cooperative seeks rate increase

East Kentucky Power Cooperative, which generates and transmits wholesale electricity to Licking Valley RECC, is seeking to raise the base rates it charges Licking Valley RECC and 15 other electric co-ops.

**The proposed rate increase is from EKPC, not Licking Valley RECC, and any additional revenue from this rate increase will go to EKPC, not Licking Valley RECC.**

EKPC filed the rate-adjustment request with the Kentucky Public Service Commission August 1, 2025. Licking Valley RECC also filed an application with the PSC detailing

how the adjustment would be passed through its monthly bills to the membership.

If approved by the PSC, the proposal by EKPC will increase Licking Valley RECC's rates and add about \$5.57 or 4.06% to the monthly bill of the average residential member.

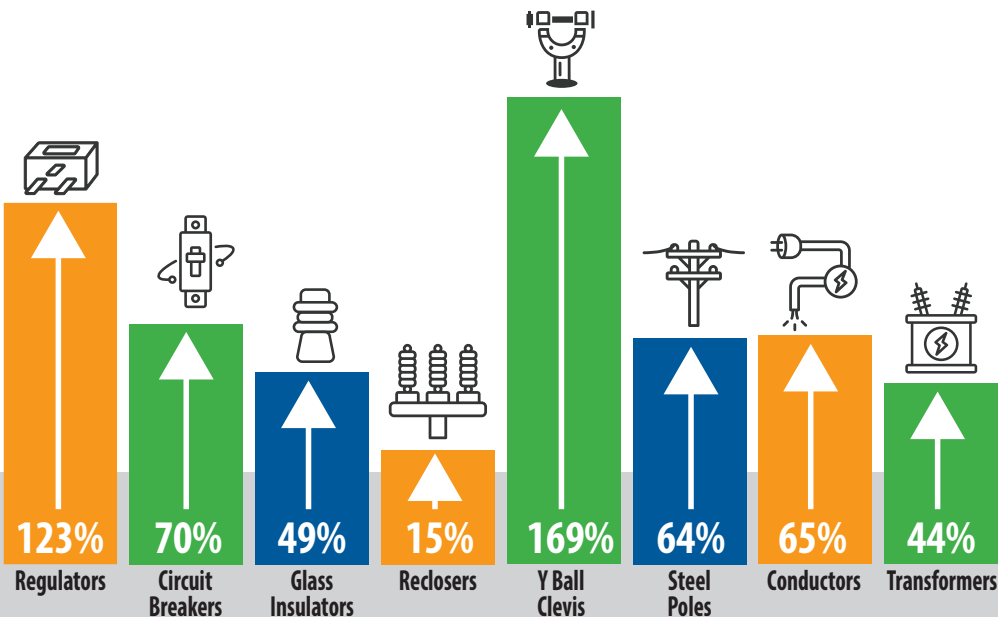
**EKPC needs a base rate increase** to ensure there are sufficient margins to maintain financial strength and reliable service. Inflationary costs of the materials needed to operate and maintain the system along with increased interest expense from higher interest rates are driving the need for an increase.

Please bear in mind that the

wholesale power (EKPC) component of your electric bill is about 70%. The remaining funds are used by Licking Valley RECC to maintain and operate its system and to cover other costs.

As a not-for-profit, member-owned organization, EKPC strives to keep rates steady by containing and reducing operating costs. One of the most effective ways EKPC has done that is by obtaining low-cost energy through PJM, a major regional energy marketplace. As a result of the effort by our co-op and EKPC to keep energy economical, Licking Valley RECC's rates are competitive with neighboring utilities.

## Equipment Price Increase Since 2020



# Value of electricity

People living in the late 19th century would hardly know what to do if they could see the world in 2025. The entirety of the way we live has changed so drastically in the last 150 years it would be unrecognizable to anyone living before December 1879. That was the time period when Thomas Edison produced his first “incandescent” lamps.

A precursor to today’s modern LED lightbulb, Edison’s first successful electric lamp, and later his first electric generation station, Pearl Street Generation Station (1882), would usher in a lifestyle that was truly unimaginable as recently as the 1870s.

Today, almost all of us wake up in a home that is at a comfortable temperature, connected to a nationwide power grid. Most of us have the entirety of the world’s information available at our fingertips via devices that also play music, serve as alarm clocks, and allow us to talk to anyone in the world at any time. It’s all powered by electricity.

According to the U.S. Energy Information Administration, total U.S. electricity consumption was 4.07 trillion kilowatt hours in 2022. That’s 14 times more electric than was used in 1950. We not only depend on electricity for everything; it would be hard to imagine a life without it.

Think about what your kitchen or living room would look like without electricity. No oven, refrigerator, freezer, icemaker, toaster oven, microwave, lights or air conditioning. No television or modern arts like film and TV shows. No recorded music. No ceiling fans. No LED lighting. Entertainment might be reading a book via candlelight and a fire for warmth.

Electricity remains an undeniable bargain. It is one of life’s great conveniences, and in modern times, is a necessity. It has made our lives easier



and more enjoyable, too.

Like everything else, the cost for electricity has gone up over time due to a number of factors.

But consider the cost of a gallon of gas 30 years ago compared to today’s price. How about a pound of coffee or a loaf of bread? The cost of electricity is somewhat higher than it was 30 years ago. While this doesn’t take the sting out of rising costs, electricity has typically increased at a rate lower than that of normal inflation.

Whenever you plug in an electrical device, flip on the TV or get a cold drink from the fridge, electricity remains a good value for the lifestyle we all enjoy.

Here are some common household electronics and how much it typically costs to operate them:

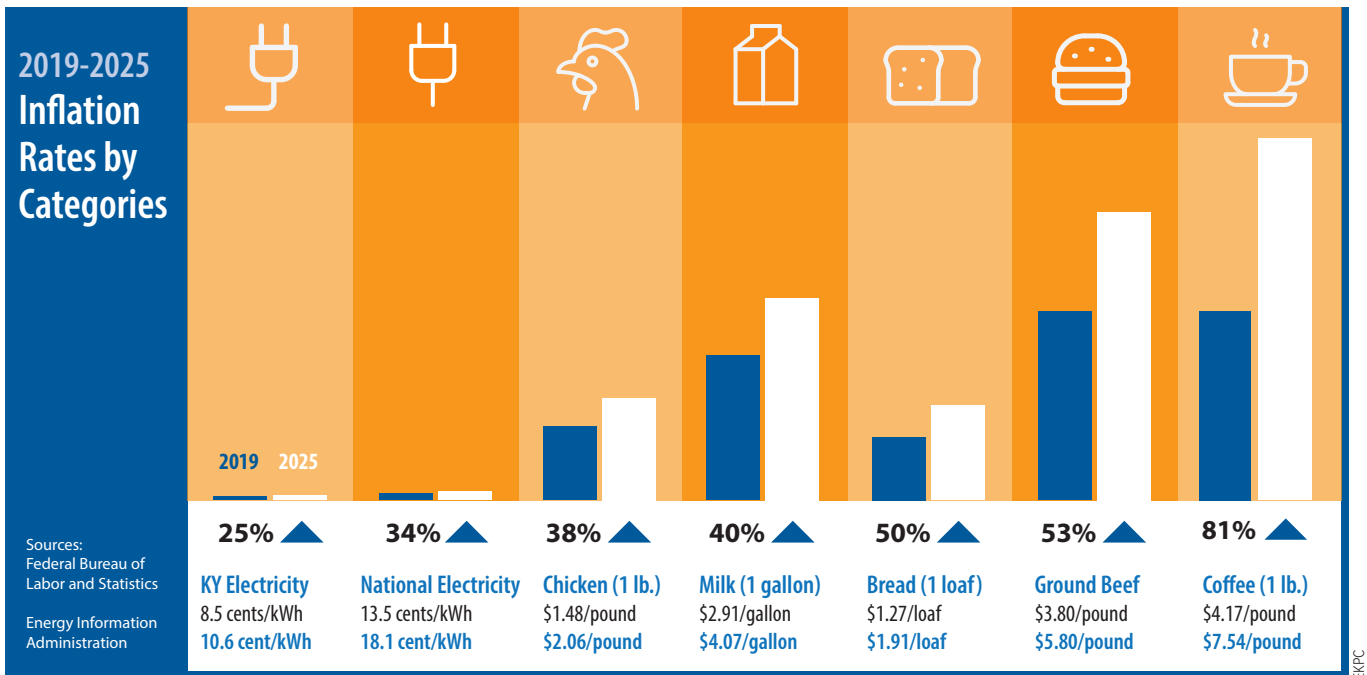
■ Refrigerator: 22¢ for 24 hours



- Ceiling fan: 10¢ for 24 hours
- Microwave: 2¢ for 5 minutes
- Phone charger: 50¢ for 1 year
- Dishwasher: 4¢ for 1 hour
- 40-inch HD TV: 4¢ for 2 hours

Sources: *U.S. Department of Energy, U.S. Energy Information Administration*





## NOTICE

In accordance with the requirements of the Public Service Commission ("Commission") as set forth in 807 KAR 5:001, Section 17 and 807 KAR 5:007, Section 3, of the Rules and Regulations of the Commission, notice is hereby given to the member consumers of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") of a proposed rate adjustment. Licking Valley intends to propose an adjustment of its existing rates to reflect the wholesale rate adjustment of its wholesale supplier, East Kentucky Power Cooperative, Inc., pursuant to KRS 278.455(2), by filing an application with the Commission on or after August 1, 2025, in Case No. 2025-00213. The application will request that the proposed rates become effective on or after September 1, 2025.

The present and proposed rates for each customer classification to which the proposed rates will apply are set forth below:

RATE	ITEM	PRESENT	PROPOSED
<b>A</b>	<b>Schedule A - Residential, Farm, Hall &amp; Church Service</b>		
	Customer Charge	\$ 27.50	\$ 28.72
	Energy Charge per kWh	\$ 0.109666	\$ 0.114537
<b>B</b>	<b>Schedule B - Commercial and Small Power Service</b>		
	Customer Charge	\$ 32.00	\$ 33.42
	Energy Charge per kWh	\$ 0.093406	\$ 0.097555
<b>LP</b>	<b>Large Power Service</b>		
	Customer Charge	\$ 73.80	\$ 77.08
	Energy Charge per kWh	\$ 0.078786	\$ 0.082286
	Demand Charge per kW	\$ 7.59	\$ 7.93
<b>LPR</b>	<b>Large Power Rate</b>		
	Customer Charge	\$ 113.46	\$ 118.50
	Energy Charge per kWh	\$ 0.070072	\$ 0.073185
	Demand Charge per kW	\$ 7.13	\$ 7.45

RATE	ITEM	PRESENT	PROPOSED
LPG	Large Power Rate		
	Customer Charge	\$ 5,726.70	\$ 6,127.60
	Energy Charge per kWh	\$ 0.051790	\$ 0.054958
	Demand Charge per kW	\$ 7.30	\$ 9.14
SL	Lighting		
	25ft Wood Pole	\$ 3.16	\$ 3.30
	30ft Wood Pole	\$ 3.65	\$ 3.81
	175 Watt MV	\$ 10.57	\$ 11.04
	100 Watt Metal Halide	\$ 10.71	\$ 11.19
	250 Watt Metal Halide	\$ 16.36	\$ 17.09
	400 Watt Metal Halide	\$ 22.48	\$ 23.48
	68 Watt LED	\$ 9.59	\$ 10.02
	108 Watt LED	\$ 11.48	\$ 11.99
	202 Watt LED	\$ 18.06	\$ 18.86
LPC	Large Power Rate 2500-9999 KW		
	Customer Charge	\$ 3,025.05	\$ 3,159.42
	Energy Charge per kWh	\$ 0.054894	\$ 0.057332
	Demand Charge per kW	\$ 7.49	\$ 7.82

The effect of the change requested, in both dollar amounts and as a percentage, for each customer classification to which the proposed rates will apply is set forth below:

RATE		INCREASE	
		DOLLARS	PERCENT
A	Schedule A - Residential, Farm, Hall & Church Service	\$ 1,104,192	4.05%
B	Schedule B - Commercial and Small Power Service	\$ 54,029	4.03%
LP	Large Power Service	\$ 159,406	4.04%
LPR	Large Power Rate	\$ 38,977	4.19%
LPG	Large Power Rate	\$ 192,874	11.64%
SL	Lighting	\$ 45,720	4.46%
Total		\$ 1,595,197	4.41%

The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply is set forth below:

RATE		AVERAGE USAGE (KWH)	INCREASE	
			DOLLARS	PERCENT
A	Schedule A - Residential, Farm, Hall & Church Service	891	\$ 5.56	4.05%
B	Schedule B - Commercial and Small Power Service	907	\$ 5.18	4.03%
LP	Large Power Service	12,149	\$ 61.26	4.04%
LPR	Large Power Rate	407	\$ 812.01	4.19%
LPG	Large Power Rate	12,522	\$ 192,874.02	11.64%
SL	Lighting	NA	NA	4.46%

A person may examine the application and any related documents Licking Valley has filed with the PSC at the utility's principal office, located at 271 Main Street, West Liberty, Kentucky 41472, (606) 743-3179.

A person may also examine the application: (i) at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or (ii) through the Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Licking Valley, but the Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Commission at Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application.

## **Exhibit 7**

### **Direct Testimony of John Wolfram**

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**JOHN WOLFRAM  
PRINCIPAL OF CATALYST CONSULTING LLC**

**ON BEHALF OF**

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
BLUE GRASS ENERGY COOPERATIVE CORPORATION  
CLARK ENERGY COOPERATIVE, INC.  
CUMBERLAND VALLEY ELECTRIC INC.  
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
FLEMING-MASON ENERGY COOPERATIVE, INC.  
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
JACKSON ENERGY COOPERATIVE CORPORATION  
LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION  
OWEN ELECTRIC COOPERATIVE INC.  
SALT RIVER ELECTRIC COOPERATIVE CORPORATION  
SHELBY ENERGY COOPERATIVE INC.  
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION  
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**FILED: August 1, 2025**

# VERIFICATION OF JOHN WOLFRAM

Commission expiration: April 9, 2029

**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

**I. INTRODUCTION**

**Q. Please state your name, business address and occupation.**

A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My business address is 3308 Haddon Road, Louisville, Kentucky 40241.

**Q. On whose behalf are you testifying?**

A. I am testifying on behalf of each of the sixteen Owner-Members of East Kentucky Power Cooperative, Inc. ("EKPC").

**Q. Please summarize your education and professional experience.**

A. I received a Bachelor of Science degree in Electrical Engineering from the University of Notre Dame in 1990 and a Master of Science degree in Electrical Engineering from Drexel University in 1997. I founded Catalyst Consulting LLC in June 2012. I have developed cost of service studies and rates for numerous electric utilities, including electric distribution cooperatives, generation and transmission cooperatives, municipal utilities, and investor-owned utilities. I have performed economic analyses, rate mechanism reviews, special rate designs, and wholesale formula rate reviews. From March 2010 through May 2012, I was a Senior Consultant with The Prime Group, LLC. I have also been employed by the parent companies of Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), by the PJM Interconnection, and by the Cincinnati Gas & Electric Company.

**Q. Have you previously testified before the Kentucky Public Service Commission ("Commission")?**

1 A. Yes. To date I have testified or otherwise participated in nearly eighty different regulatory  
2 proceedings before this Commission, most recently in Case No. 2025-00107.<sup>1</sup>

3 **Q. What is the purpose of your testimony in this proceeding?**

4 A. The purpose of my testimony is to support the proposed rates of the Owner-Members of  
5 EKPC, reflecting the flow through of the effects of the increase in wholesale rates proposed  
6 by EKPC in Case No. 2025-00208,<sup>2</sup> pursuant to KRS 278.455.

7 **Q. Are you sponsoring any Exhibits?**

8 A. Yes. I have prepared the following exhibits to the Application in this docket:

- 9       • Exhibit 3: Comparison of Current and Proposed Rates  
10       • Exhibit 4: Billing Analysis

11

12 **II. PASS THROUGH OF WHOLESALE RATE INCREASE: OVERVIEW**

13 **Q. What does KRS 278.455 permit for the pass-through of wholesale rate increases?**

14 A. KRS 278.455(2) specifies that

15               “Notwithstanding any other statute, **any revenue increase authorized by**  
16               **the Public Service Commission** or any revenue decrease authorized in  
17               subsection (1) of this section **that is to flow through the effects of an**  
18               **increase or decrease in wholesale rates may, at the distribution**  
19               **cooperative's discretion, be allocated to each class and within each tariff**  
20               **on a proportional basis that will result in no change in the rate design**  
21               **currently in effect....”** (emphasis added)

22

23 KRS 278.455(3) specifies that

24               “Any rate increase or decrease as provided for in subsections (1) and (2) of  
25               this section **shall not apply to special contracts** under which the rates are

---

<sup>1</sup> See *In the Matter of: The Electronic Application of Farmers Rural Electric Cooperative Corporation for a General Adjustment of Rates*, Case No. 2025-00107 (Ky. P.S.C. May 5, 2025).

<sup>2</sup> See *In The Matter Of: Electronic Application Of East Kentucky Power Cooperative, Inc. For A General Adjustment Of Rates, Approval Of Depreciation Study, Amortization Of Certain Regulatory Assets, And Other General Relief*, Case No. 2025-00208 (filed August 1, 2025).

1 subject to change or adjustment only as stipulated in the contract.”  
2 (emphasis added)  
3

4 **Q. What is the historical test period for the pass-through rate modeling?**

5 A. The historical test period for the filing is the 12 months ended December 31, 2023.

6 **Q. Why is this period used?**

7 A. The historical test period for the pass-through cases was chosen to match that used by  
8 EKPC in its wholesale rate case. The pass-through of wholesale rate increases to retail is  
9 best achieved when the wholesale and retail billing determinants align.

10 **Q. Please generally describe the approach you used to determine the proposed rates for**  
11 **each distribution cooperative.**

12 A. The approach can be divided into two steps. First, for each distribution cooperative, I  
13 collected 2023 billing information for each rate class in the cooperative’s Commission-  
14 approved tariffs, to correspond with the 2023 test period used by EKPC in Case No. 2025-  
15 00208. I calculated the billings for each rate class and for each base rate billing component  
16 within the respective classes (*e.g.*, customer charge, energy charge, demand charge). I also  
17 compiled annual amounts for rate riders, billing adjustments, and other non-base-rate  
18 billing items by class. I then determined “present” rates and revenues by accounting for a  
19 limited number of adjustments that I describe below. All of this is necessary for the  
20 proportional allocation of the EKPC revenue increase to the retail classes under the statute.

21 Second, I allocated the EKPC wholesale rate increase to the classes in a  
22 proportional manner, as described in more detail below.

23 **Q. Did EKPC provide you with the relevant data regarding its proposed wholesale**  
24 **increase?**



1 A. Yes. EKPC provided me with a summary of the proposed increase in dollars and percent,  
2 by distribution cooperative and by wholesale rate class, along with the proposed per-unit  
3 charges for each wholesale rate class.

4 **Q. Please describe how you allocated the EKPC increases to the retail rate classes for**  
5 **each cooperative.**

6 A. For each cooperative, I calculated the current share of (a) each rate class revenue to total  
7 cooperative revenue, and (b) each rate class rate component revenue (e.g., customer charge,  
8 energy charge, demand charge) to total rate class revenue. This is the “to and within the  
9 classes” information (in that order). Then I allocated the EKPC wholesale rate revenue  
10 increases proportionately, first to the relevant retail rate classes, and then to the individual  
11 base rate billing components of each class, such that the shares of (a) and (b) did not  
12 change.<sup>3</sup> This means I determined the proposed per-unit charges such that the rate class  
13 revenue allocation shares and the billing component allocation shares were maintained. In  
14 other words, I allocated the increase first to the rate classes and then to the billing  
15 components on a proportionate basis – “to and within the rate classes” -- ensuring to the  
16 fullest extent possible that the result would not change the rate design currently in effect,  
17 consistent with the statute.

18

19 **III. PASS THROUGH OF WHOLESALE RATE INCREASE: DETAIL**

20 **Q. Please describe the relationship between the EKPC wholesale rate schedules, and the**  
21 **retail rate schedules for most of the Owner-Members.**

---

<sup>3</sup> The data does include *de minimis* variations due to rate rounding.

1 A. EKPC provides service to its 16 Owner-Members on four standard rate schedules – Rates  
2 B, C, G, and E – plus various rate riders – along with contracts for one large customer, gas  
3 pumping stations, and steam service. Most Owner-Members meet the needs of most of  
4 their retail rate classes pursuant to EKPC Rate E. Some Owner-Members have a few  
5 members taking service under EKPC Rates B or C, and a handful have special contracts  
6 that correspond to EKPC Rate G. The vast majority of retail members are served under  
7 these EKPC standard rate schedules. Finally, as EKPC demonstrated in the rate increase  
8 data provided to me, EKPC provides certain service outside of these standard rate  
9 schedules; Owen Electric provides service to an exceptionally large customer under a  
10 special contract, Fleming-Mason Energy and Taylor County RECC provide service to gas  
11 pumping stations and Fleming-Mason Energy provides steam service.

12 **Q. Did you identify which retail rate classes directly correspond to service on EKPC Rate**  
13 **B, C and G?**

14 A. Yes. The Owner-Members identified these classes for me. Most of them actually refer to  
15 the EKPC schedule (e.g., B, C, or G) in the name of the retail rate schedule. Here the word  
16 “correspond” means that every member on the retail schedule takes wholesale service  
17 exclusively on the given wholesale rate schedule.

18 **Q. Please list the retail rate classes which directly correspond to EKPC Rate B.**

19 A. Owner-Members with retail rate classes that correspond to Rate B include the following:

20	Big Sandy	Industrial Rate 1B
21	Blue Grass	Large Industrial Rates B-1 and B-2
22	Fleming-Mason	Large Industrial Rate LIS-6B
23	Grayson	Large Industrial Service - MLF
24	Inter-County	Schedule B1 – Large Industrial Rate
25	Jackson	Large Power Rate 47
26	Nolin	Large Power Rates LLP-4-B1 and LPR-1-B2
27	Owen	Schedule 9 Industrial

1                   Salt River                   Large Power Rates LLP-4-B1 and LPR-1-B2  
2                   Shelby                   Large Industrial Rates B1 and B2  
3                   South Kentucky           Large Power Rate LP-3  
4

5 **Q.     Please list the retail rate classes which directly correspond to EKPC Rate C.**

6 A.     Owner-Members with retail rate classes that correspond to EKPC Rate C include the  
7     following:

8                   Cumberland Valley   Schedule V-C  
9                   Fleming-Mason   Large Industrial Service LIS-7  
10                  Jackson           Large Power Rate 46  
11                  South Kentucky   Large Power Rates LP-1, LP-2  
12

13 **Q.     Please list the retail rate classes which directly correspond to EKPC Rate G.**

14 A.     Owner-Members with retail rate classes or special contracts that correspond to EKPC Rate  
15     G include the following:

16                  Blue Grass           Special Contract  
17                  Cumberland Valley   Schedule V-B  
18                  Fleming-Mason   Special Contract  
19                  Inter-County       Schedule G – Large Industrial Rate  
20                  Licking Valley     Large Power Rate LPG  
21                  Nolin               Special Contract  
22

23 **Q.     For the listings above did you only include retail rate classes under which the Owner-**  
24 **Members provided service during 2023?**

25 A.     Yes. The lists do not include any retail rate classes that may correspond to EKPC Rates B,  
26     C, or G but which had no retail members taking service in 2023.

27 **Q.     Did you allocate EKPC Rate G increases to specific retail classes for the special**  
28 **contracts?**

29 A.     Yes. I separately calculated proposed rates for retail members served under the EKPC Rate  
30     G - Special Electric Contract Rate, as well as for those served under EKPC's other large

1 special contracts. These are listed separately in Exhibit 3. These classes are given specific  
2 consideration by EKPC, so I determined the retail rate increases associated with these  
3 classes using the specific data provided to me for these classes by EKPC.

4 **Q. Why?**

5 A. The statute in KRS 278.455(3) states that

6 “Any increase or decrease as provided for in subsections (1) and (2) of this  
7 section shall not apply to special contracts under which the rates are subject  
8 to change or adjustment only as stipulated in the contract.”  
9

10 This treatment is also consistent with that approved by the Commission for the special  
11 contracts in at least EKPC’s last two rate cases, in 2021 and in Case No. 2010-00167.<sup>4</sup>

12 **Q. Did you allocate EKPC Rate B and C increases to specific retail classes?**

13 A. For the Owner-Members listed above, yes. For EKPC Rate B, for the Owner-Members  
14 listed above with retail rate classes that directly correspond to EKPC Rate B, I allocated  
15 the EKPC Rate B increase to those classes. Then I allocated the remaining EKPC increases  
16 to the remaining retail rate classes. All of the allocations were applied proportionately to  
17 and within the relevant rate classes, consistent with the statute. I did the same for EKPC  
18 Rate C.

19 **Q. Why?**

20 A. Because the proposed rate increases by EKPC vary so much by wholesale rate class, and  
21 because certain Owner Member retail rate schedules correspond to particular wholesale  
22 classes, this approach complies with the statute.

23 **Q. How did you allocate the remainder of the EKPC rate increases to the retail classes?**

---

<sup>4</sup> *In The Matter Of Application Of East Kentucky Power Cooperative, Inc. For General Adjustment Of Electric Rates*, Order, Case No. 2010-00167 (Ky. P.S.C. Jan. 14, 2011).

1 A. For the Owner-Members not listed above, that do not have retail rate classes that  
2 correspond to EKPC Rates B, C, or G, I allocated all of the combined/remaining EKPC  
3 increases to all of the retail rate classes, proportionately to and within those classes,  
4 consistent with the statute.

5 **Q. Overall, is this the same approach used in the last set of pass-through cases associated**  
6 **with EKPC's wholesale rate cases in 2021 and in 2010?**

7 A. For the Owner-Members with no retail rate classes that correspond to EKPC Rates B or C,  
8 yes it is exactly the same. For the Owner-Members listed above with retail rate classes that  
9 correspond to EKPC Rates B or C, it is not exactly the same.

10 **Q. Why is it appropriate to use this method of allocation?**

11 A. Because the approach can be shown to allocate the wholesale rate increase to the retail  
12 distribution cooperatives, to each class and within each tariff on a proportional basis, in a  
13 manner that will result in no change in the rate design currently in effect, while also  
14 avoiding an inappropriate subsidy to large industrial customers from residential and other  
15 customer classes.

16 This allocation maintains the rate design currently in effect. The current rate  
17 design for certain Owner-Members makes a distinction in retail rates between EKPC Rate  
18 B or C and EKPC Rate E. For these Owner-Members, the current rate design considers  
19 the fact that certain retail rates correspond to EKPC Rate B and/or C, and others do not. If  
20 EKPC changed all of its wholesale rates by the same percentage, then this approach would  
21 be moot, but at this time, EKPC is changing its Rate B and C quite differently than it is the  
22 Rate E. See the table below:

23

1

**Table 1. EKPC Proposed Revenue Increases**

<b>EKPC Wholesale Rate Class</b>	<b>Present Revenue \$</b>	<b>Proposed Revenue \$</b>	<b>Increase \$</b>	<b>Percent Change</b>
Rate E	802,194,158	857,865,743	55,671,585	6.94%
Rate B	76,651,633	83,549,772	6,898,140	9.00%
Rate C	30,261,662	32,985,063	2,723,402	9.00%
Rate G	45,700,643	50,727,650	5,027,007	11.00%
Large Special Contract	82,398,571	91,461,856	9,063,284	11.00%
Special Contract Pumping Stations	13,169,151	13,169,151	0	0.00%
Steam Service	13,946,275	14,294,772	348,497	2.50%
Total	1,064,322,093	1,144,054,008	79,731,915	7.49%

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13 **Q.**14 **A.**

15

Here the EKPC Rate E increases are less than 7 percent, while the Rates B and C increases are both 9 percent. The special contract increases are even larger at 11 percent. Pumping Stations are zero percent and steam service is 2.5 percent. The overall range is relatively wide.

This matters because certain retail rates correspond to the EKPC Rate B and C rates. If all of the wholesale rates were increasing by the same percentage then the allocation approach used would not matter as much. But since the majority of EKPC's revenues are increasing by just under 7% under Rate E, and the larger customers taking service on Rates B and C are increasing by 9 percent, the allocation used in this proceeding maintains the current rate design better than other allocation methods that could be used.

**Why is the allocation method used in this proceeding the best method?**

If this approach is not used, it will create incremental subsidization of large industrial customers by residential customers at the retail level for some of the Owner-Members. For

1 example, Big Sandy has only one retail rate class (Industrial Rate IND-1B) that  
2 corresponds to EKPC's Rate B and actually Big Sandy only has one member on this rate  
3 schedule. All other Big Sandy members take service under EKPC's Rate E. By using the  
4 method proposed in this proceeding, Big Sandy's IND-1B rate bears all of the EKPC Rate  
5 B increase, and the remaining Big Sandy rate classes bear the EKPC Rate E increase. This  
6 prevents an incremental and inappropriate subsidization of the industrial member by all  
7 other Big Sandy members, including residential, as a result of the pass-through.

8 The proposed allocation method maintains the current rate design since the current  
9 rate design recognizes differences in the wholesale rate schedules and translates those  
10 differences to retail customers via the retail rate schedules. If this translation is lost by  
11 virtue of the pass-through, the value of having separate wholesale rate cases diminishes,  
12 and the current retail rate designs – which recognize that value – are no longer maintained.  
13 If the differences in the retail rate schedules are lost then why would they have more than  
14 one wholesale rate schedule?

15 **Q. How does the allocation work for the Owner-Members that do not have retail rate**  
16 **classes linked to EKPC Rates B or C?**

17 A. For Owner-Members with no retail rate classes linked to EKPC Rates B or C, all of the  
18 wholesale increase amounts are allocated proportionately to and within all of the retail rate  
19 classes in such a way that it will result in no change to the rate design currently in effect.

20

21 **IV. ADJUSTMENTS**

22 **Q. Did you make any adjustments to the actual 2023 amounts to determine the “present”**  
23 **amounts for the pass-through?**

1 A. Yes. I made two types of adjustments to actual 2023 data. The first was to account for  
2 base rate changes related to the Fuel Adjustment Clause (“FAC”), and the second was to  
3 account for any retail rate changes stemming from other Commission rate proceedings.

4 **Q. Please describe the adjustments made to account for the FAC.**

5 A. Because the Commission approved a FAC roll-in for service rendered on or after  
6 September 1, 2023,<sup>5</sup> it was necessary to adjust 2023 amounts to reflect the revised base  
7 energy charges and FAC charges. I adjusted 2023 amounts to account for the FAC roll-in  
8 for all Owner-Members. These adjustments are reflected where applicable in the “Present  
9 Rates” and “Present Revenues” in Exhibit 4 and are needed to ensure that the full effects  
10 of the wholesale rate increase are flowed through proportionately.

11 **Q. Please describe the adjustments made to account for other rate proceedings before**  
12 **the Commission.**

13 A. Some of the Owner-Members had active rate case proceedings at the Commission when  
14 the pass-through models were developed. In these instances, for the purpose of developing  
15 the public notices of present and proposed rates, the “present” rates in the pass-through  
16 models reflected the effective rates at that time, not the rates that the Owner-Members had  
17 proposed in their respective rate filings. The reason for this is that those proposed rates  
18 had not been approved, were not “effective” under the Commission-approved tariffs and  
19 thus did not qualify as “present” rates for the purpose of applying the pass-through. For  
20 some of these dockets, the Commission has not yet issued its findings on the proposed  
21 rates. The cooperatives to which this applies are:

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<sup>5</sup> See *In The Matter Of Electronic Examination Of The Application Of The Fuel Adjustment Clause Of East Kentucky Power Cooperative, Inc. From November 1, 2020 Through October 31, 2022*, Order, Case No. 2023-00014 (Ky. P.S.C. Aug. 30, 2024).



- 1           1) Farmers RECC <sup>6</sup>  
2           2) South Kentucky RECC <sup>7</sup>

3           For these cooperatives, the pass-through models filed herein are based on the currently  
4           effective retail rates. I expect the Commission to issue orders in these dockets during the  
5           pendency of this case. When that occurs, the respective cooperatives will update their pass-  
6           through models to revise the “present” rates to reflect any rate revisions ordered by the  
7           Commission.

8           On July 11, 2025, Clark Energy filed a Notice of Intent to submit a rate filing and  
9           expects to file its Application for an alternative rate adjustment pursuant to 807 KAR 5:078  
10          in the next few weeks.<sup>8</sup> For Clark Energy, like the cooperatives listed above, the pass-  
11          through model filed herein is based on the currently effective retail rates. Under the  
12          streamlined regulation, the Commission should issue a final order in the Clark Energy  
13          docket during the pendency of the instant case. When that occurs, Clark Energy expects  
14          to update the pass-through models to revise the “present” rates to reflect any rate revisions  
15          ordered by the Commission.

16          Blue Grass Energy had an active rate case before the Commission earlier this year.  
17          The Commission issued an order revising Blue Grass Energy’s base rates before this  
18          Application was filed but after the public notice for this case had to be submitted for

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<sup>6</sup> *In the Matter of: The Electronic Application Of Farmers Rural Electric Cooperative Corporation For A General Adjustment Of Rates*, Case No. 2025-00107.

<sup>7</sup> *In the Matter of: The Electronic Application Of South Kentucky Rural Electric Cooperative Corporation For A General Adjustment Of Rates And Other General Relief*, Case No. 2024-00402.

<sup>8</sup> *In the Matter of: Electronic Application Of Clark Energy Cooperative, Inc. For An Alternative Rate Adjustment Pursuant To 807 KAR 5:078*, Case No. 2025-00230.

1 publication. The present rates in this Application reflect the rates that the Commission  
2 approved in its Order dated July 21, 2025.<sup>9</sup>

3 Shelby Energy also had an active rate case before the Commission earlier this year.  
4 The Commission issued an order revising Shelby Energy's base rates before this  
5 Application was filed but after the public notice for this case had to be submitted for  
6 publication. The present rates in this Application reflect the rates that the Commission  
7 approved in its Order dated July 23, 2025.<sup>10</sup>

8 The net effect of each of these qualified conditions will be the same – that is, in  
9 each case the dollar amount allocated to each Owner-Member from EKPC will be passed  
10 through to the Owner-Member to and within its retail rate classes on a proportional basis.  
11 It is only the “starting point” of that allocation which will be revised to ensure that when  
12 the instant case is resolved, the pass-throughs reflect the retail rates most recently approved  
13 by the Commission for each Owner-Member.

14 **Q. Did you make any other adjustments to the 2023 data for the Owner-Members for**  
15 **period-end normalizations, rate switching, or other changes?**

16 **A.** No. EKPC did not propose adjustments of that kind, so neither did I, in order to preserve  
17 consistency for the wholesale and retail billing determinants.

18

19 **V. VACANT RATE CLASSES**

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<sup>9</sup> *In the Matter of: Electronic Application Of An Alternative Rate Adjustment For Blue Grass Energy Cooperative Corporation Pursuant To 807 KAR 5:078*, Case No. 2025-00103 (Ky. P.S.C. July 21, 2025).

<sup>10</sup> *In the Matter of: Electronic Application Of Shelby Energy Cooperative, Inc. For A General Adjustment Of Rates*, Case No. 2024-00351 (Ky. P.S.C. July 23, 2025).

1 **Q. How did you determine proposed rates for any rate classes under which no retail**  
2 **members took service in 2023 (“vacant rate classes”)?**

3 A. For vacant rate classes, I first checked to see if the per-unit charges were identical to any  
4 per-unit charges of other, non-vacant rate classes; if so, I set the proposed vacant rate class  
5 per-unit charge equivalently, in order to avoid creating an inappropriate future incentive  
6 for rate switching. Otherwise, I increased the vacant rate class per-unit charges by the same  
7 percentage as the overall base rate increase for the utility. There is no revenue impact  
8 associated with these changes, but the changes are necessary for the flow through of the  
9 effects of the proposed EKPC rate increase to result in no change to the retail rate design  
10 currently in effect, particularly on an inter-class basis. (For example, increasing other per-  
11 unit rates without also increasing the vacant rate class rates will skew the current retail rates  
12 relative to one another and could inappropriately provide incentives for rate switching at  
13 the retail level.)

14

15 **VI. CONCLUSION**

16 **Q. What is your recommendation to the Commission in this case?**

17 A. In this docket, the proposed rates are based on pass-through models in which the wholesale  
18 EKPC increase is allocated to each retail class and within each retail tariff on a proportional  
19 basis and results in no change in the retail rate design currently in effect. This is consistent  
20 with KRS 278.455. The approach yields rates that are fair, just, and reasonable, and are  
21 also consistent with prior Commission precedent. The Commission should find that the  
22 pass-through models comply with the statute and are a reasonable basis for retail rate  
23 design.

1           The Commission should accept the pass-through models as filed and should accept  
2           any updates to certain Owner Member pass-through models to capture any revisions to  
3           “present” rates noted in any Commission orders in other Owner Member rate case dockets  
4           as appropriate. The Commission should approve the “proposed” rates determined in the  
5           pass-through models, either as filed or as revised to reflect the EKPC increase ultimately  
6           approved by the Commission, with an effective date identical to the effective date of the  
7           EKPC rate revisions.

8 **Q.     Does this conclude your testimony?**

9 **A.     Yes, it does.**