

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



July 19, 2010

Mr. Jeff Derouen, Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602-0615

RECEIVED

JUL 19 2010

**PUBLIC SERVICE
COMMISSION**

RE: December 2009 Snowstorm Outage
Case No. 2010-00226

Dear Mr. Derouen:

As in our letter dated February 19, 2010, we recognize that we failed to notify the Public Service Commission as required in 807 KAR 5:006, Section 26 (1) (c) and do understand that we are subject to the penalties as prescribed in KRS 278.990 (1) for the violation. Licking Valley Rural Electric Cooperative Corporation puts the greatest effort possible to provide reliable and continuous electric service to its members, which is our first priority.

Licking Valley Rural Electric Cooperative Corporation has since changed our policy, with Board approval, to meet 807 KAR 5:006, Section 26 (1) (c). Also, released a memorandum to each employee stating whom is delegated to make the official contact with the Public Service Commission Outage Reporting System. The Emergency Restoration Plan has been revised to reflect 807 KAR 5:006, Section 26 (1) (c).

At this time, Licking Valley Rural Electric Cooperative Corporation would like to request an informal conference with the Kentucky Public Service Commission Staff at their earliest convenience.

Find enclosed copy of new revised policy along with a copy of stated memorandum.

If additional information is needed please advise.

Sincerely,

Kerry K. Howard
General Manager, CEO

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Procedure Number 016

Effective Date: 07/15/2010

**SUBJECT: REPORTING OF ACCIDENTS, PROPERTY DAMAGE OR
LOSS OF SERVICE TO THE PUBLIC SERVICE COMMISSION**

Page 01 of 02

PURPOSE: To establish a statement of procedure and practice relating to Licking Valley Rural Electric Cooperative Corporation (LVRECC) reporting of accidents, property damage or loss of service if/when they occur within LVRECC duly maintained legal system of ownership to the Public Service Commission.

POLICY: LVRECC has adopted the procedure to show their sincere intent to operate and comply to 807 KAR 5:006, Section 26 as set forth by the Public Service Commission.

RESPONSIBILITIES: The General Manager/CEO of LVRECC shall be responsible for, or cause to have performed by his/her staff the execution of the provisions and functions as set forth in this procedure and assuring effective compliance thereof.

PRACTICES: It shall be recognized until such time that amendments to 807 KAR 5:006, Section 26 have been duly promulgated by the Public Service Commission for the purpose of notifying the Public Service Commission of accidents, property damage or loss of service as required in said regulation as stated:

807 KAR 5:006, Section 26

Reporting of Accidents, Property Damage or Loss of Service.

- (1) Within two (2) hours following discovery each utility, other than a natural gas utility, shall notify the commission by telephone or electronic mail of any utility related accident which results in:
 - (a) Death; or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;
 - (b) Actual or potential property damage of \$25,000 or more; or
 - (c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less.
- (2) A summary written report shall be submitted by the utility to the commission within seven (7) calendar days of the utility related accident.
- (3) Natural gas utilities shall report utility related accidents in accordance with the provisions of 807 KAR 5:027.

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Page 02 of 02

When/if the General Manager/CEO or General Superintendent can not notify the Commission in the amount of time as specified, then the standby dispatcher designee or his/her alternate shall notify the Commission of the accident, property damage or loss of service.

The Public Service Commission can be contacted as below stated:

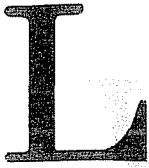
Telephone numbers: 1-502-564-3940
1-800-772-4636

If the situation is relative to 807 KAR 5:006, Section 26(1)(c), loss of service, the designee or alternate designee can either call the Commission or record "Outage Record" information on the Commission Website at <http://www.psc.state.ky.us/>.

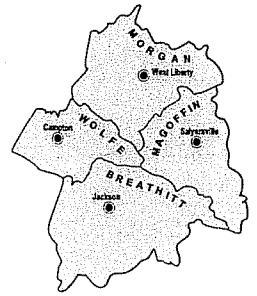
This Procedure supersedes all prior procedures with number 016.

Board Approved July 15, 2010

Secretary _____



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KERRY K. HOWARD
General Manager/CEO

July 14, 2010

MEMORANDUM

TO: All Employees

FROM: Kerry K. Howard 

SUBJECT: 807 KAR 5:006 Section 26
Reporting of Accidents, Property Damage or Loss of Service

Every gas and electric utility shall have an employee designated to notify the Public Service Commission of accidents, property damage or loss of service if/when they occur within LVRECC as required in the stated regulation and keep the designated employee informed of the Commission's regulations.

807 KAR 5:006, Section 26

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 - (a) Death; or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;
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Memorandum

July 14, 2010

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If the situation is relative to 807 KAR 5:006, Section 26(1)(c), loss of service, the designee or alternate designee can either call the Commission or record "Outage Record" information on the Commission Website at <http://www.psc.state.ky.us/>.

This memorandum is in compliance with the above stated law and is meant to inform each employee of LVRECC of our standby dispatcher designee and alternate Designees as follows:

Designee: Oneida Haney
Alternate Designee: Mindy Shaver
Alternate Designee: Kendra Bell
Alternate Designee: Greg Chaney

slv