

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LICKING)	
VALLEY RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR A GENERAL)	CASE NO.
ADJUSTMENT OF RATES PURSUANT TO)	2020-00338
STREAMLINED PROCEDURE PILOT)	
PROGRAM ESTABLISHED IN CASE NO.)	
2018-00407)	

ORDER

On December 18, 2020, Licking Valley Rural Electric Cooperative Corporation (Licking Valley RECC), pursuant to the “streamlined procedure” established in Case No. 2018-00407,¹ filed an application seeking a general adjustment in its rates. Under the procedure established in Case No. 2018-00407,² the Commission finds that the application meets the standards for the streamlined procedure and should be accepted for filing and processed according to the procedure established in Case No. 2018-00407. Accordingly, Licking Valley RECC should be granted deviation from the filing requirements of 807 KAR 5:001, Section 12(1)(a), and 807 KAR 5:001, Sections 16(1)(b)(2), (4)(j)-(s), 4(v), and 5(b)-(d). The Commission, however, notes that the rates that Licking Valley RECC proposes in its application, or even the maximum rate increase allowed under the streamlined procedure, barely provide sufficient revenue to allow

¹ Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Mar. 26, 2019).

² Case No. 2018-00407, *A Review of the Rate Case Procedure* (Ky. PSC Dec. 20, 2019) Appendix A at 1–2.

Licking Valley RECC to meet its Times Interest Earned Ratio (TIER) and operating TIER. While the Commission is accepting this application under the streamlined procedure, it does so with some trepidation, and the expectation that Licking Valley RECC's rates may need additional study in subsequent proceedings.

All requests for intervention should be filed by January 21, 2021. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceedings which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction.

The Commission further finds that any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not adequately presented, or the issues and facts the person will present that will assist the commission in fully considering the matter. A mere recitation of the quantity of electricity consumed by the movant or a general statement regarding a potential impact of a possible modification of rates will not be deemed sufficient to establish a special interest.

Licking Valley RECC has proposed that its rates go into effect on January 18, 2021. Under the procedure outlined in Case No. 2018-00407, the Commission is to issue a final Order addressing the application no later than 75 days after Licking Valley RECC filed its application. The date for issuing a final Order falls after the proposed effective date in the

tariffs, and the Commission will not be able to complete its investigation by January 18, 2021. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed rates for five months, up to and including June 18, 2021.

The Commission notes that pursuant to Executive Order 2020-215, there exists a State of Emergency in the Commonwealth of Kentucky caused by COVID-19. One consequence of the state of emergency is that the majority of the Commissioners and Commission Staff are working remotely and not in the Commission's offices, which could affect the ability of the Commission to process this application within the 75 days established in the streamlined procedure. The Commission cautions, therefore, that it may find it necessary to extend the 75-days deadline as the situation warrants.

The Commission reminds the parties that pursuant to the Commission's Orders in Case No. 2020-00085,³ issued March 16, 2020, and March 24, 2020, the parties SHALL NOT FILE the original paper copy of any documents filed in this proceeding, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency.

IT IS THEREFORE ORDERED that:

1. Licking Valley RECC's rates are suspended for five months from January 18, 2021, until June 18, 2021.
2. Licking Valley RECC is granted a deviation from the requirements of 807 KAR 5:001, Section 12(1)(a), and 807 KAR 5:001, Sections 16(1)(b)(2), (4)(j)-(s), 4(v), and 5(b)-(d).

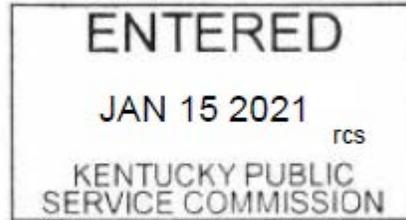
³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

3. Licking Valley RECC's 2018⁴ and 2019⁵ annual reports are incorporated by reference into the record of this proceeding.
4. Requests for intervention shall be filed no later than January 21, 2021.
5. All requests for information to Licking Valley RECC shall be filed no later than January 28, 2021.
6. Licking Valley RECC shall file responses to requests for information no later than February 11, 2021.
7. Any written comments regarding Licking Valley RECC's application shall be filed no later than February 18, 2021.
8. The case shall be submitted for a decision on February 19, 2021.

⁴ *Annual Report of Licking Valley Rural Electric Cooperative Corporation to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2018.*

⁵ *Annual Report of Licking Valley Rural Electric Cooperative Corporation to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2019.*

By the Commission



ATTEST:

A handwritten signature in blue ink, appearing to read "Linda C. Bidwell". The signature is written in a cursive style and is positioned above a horizontal line.

Executive Director

Case No. 2020-00338

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