

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF LICKING)
VALLEY RURAL ELECTRIC) CASE NO. 98-321
COOPERATIVE CORPORATION)

O R D E R

Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") has petitioned the Commission for two deviations from the regulation which specifies the timing and content of the public notice required for a general adjustment in rates. Although Licking Valley's petition requests deviations from 807 KAR 5:011, Section 8(2)(b) and Section 8(1), the Commission notes that for a general adjustment in rates, the cited regulation has been superseded by 807 KAR 5:001, Section 10(4)(c)2 and Section 10(3)(i).

Licking Valley intends to publish notice of its rate application in a trade publication as authorized by 807 KAR 5:001, Section 10(4)(c)2. However, it seeks to deviate from the requirement that the trade publication be mailed to customers no later than the date on which the rate application is filed. Licking Valley states that the publication will be mailed four days after its application is filed, but the publication will be received by every customer and is more efficient and economical than the alternative forms of notice specified in the regulation. In addition, Licking Valley seeks a deviation under 807 KAR 5:001, Section 10(3)(i) to use an abbreviated form of published notice of its proposed rates.

Based on the petition and being otherwise sufficiently advised, the Commission finds that Licking Valley's customers will not be prejudiced if the notice of the rate

application is included in a trade publication mailed four days after the application is filed. Since the trade publication is mailed to every customer, this method of publication ensures that the notice is received by virtually every customer.

The Commission further finds that Licking Valley has not shown good cause to use its proposed abbreviated form of notice. Commission regulation 807 KAR 5:001, Section 10(3)(a)(b) and (c) requires the notice to disclose: 1) the amount of rate change requested in both dollars and percentage for each customer class; 2) the present and proposed rates for each customer class; and 3) the effect on the average bill for each customer class. The notice as proposed by Licking Valley would omit all this information and require a customer to fill out a coupon and mail it to Licking Valley to obtain a schedule of the proposed rate changes.


Licking Valley's proposed notice discloses absolutely no information on the level of its proposed rates or the effect on customer classes. This information is essential for customers to be able to make informed decisions on whether to intervene or object to the proposed rates. Licking Valley has made no showing that including the above-cited information in its notice would be unduly burdensome or result in excessive costs. Nor has there been any showing that Licking Valley's customers have little use or concern for this information.

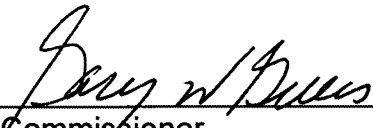
IT IS THEREFORE ORDERED that Licking Valley's petition to publish notice in its trade publication is granted and its petition to use an abbreviated form of notice is denied.

Done at Frankfort, Kentucky, this 13th day of July, 1998.

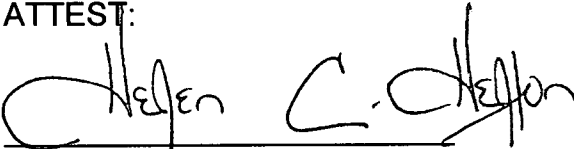
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director