

Licking Valley Rural Electric Cooperative  
Case No. 2016-00174  
Commission Staff's Third Request for Data

13. Warren County is a Tennessee Valley Authority rural cooperative utility that is not under the Commission's jurisdiction. Explain why the allocated costs of a sales tax audit conducted on a non-jurisdictional electric cooperative should be recovered from Licking Valley's ratepayers.

Witness: James Adkins

Sales taxes are a state jurisdictional issue, not a Commission jurisdiction issue. Should there be a circumstance in the future where this would be an ongoing legal cost, then Licking Valley would include the allocated cost. However, in this instance, Licking Valley should have removed the costs from this application.