

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

**ELECTRONIC APPLICATION OF )  
LICKING VALLEY RURAL ELECTRIC )  
COOPERATIVE CORPORATION ) Case No. 2024-00211  
FOR A GENERAL ADJUSTMENT )  
OF RATES AND OTHER GENERAL RELIEF )**

**ATTORNEY GENERAL'S POST-HEARING BRIEF**

The Attorney General submits this Post-Hearing Brief pursuant to the Commission’s Order of February 6, 2024.

Licking Valley Rural Electric Cooperative Corporation (“Licking Valley” or the “Company”) filed its Application on August 8, 2024. In its Application, Licking Valley sought an increase of annual revenues of \$2,836,901 (7.5%) and sought to increase the customer charge from \$16.50 to \$30.00 per month. The proposed revenue adjustment would increase the average monthly bill of the typical residential customer by \$14.16 (11.4%).<sup>1</sup>

On October 30, 2024, the Attorney General filed expert testimony, which was offered by Expert Witness Randy Futral. Futral’s testimony suggested that, as opposed to the \$2,836,901 increase in revenue suggested by the Company, Licking Valley was actually entitled to a revenue increase of only \$2,603,530.<sup>2</sup> The Company declined to offer any rebuttal testimony, and at hearing, witnesses for Licking Valley agreed that

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<sup>1</sup> Direct Testimony of Wolfram at 25.

<sup>2</sup> Direct Testimony of Futral at 5.

Expert Witness Futral's adjustments were appropriate. Therefore, the Commission should approve a revenue requirement adjustment consistent with the calculations specified in the Testimony of Expert Witness Futral.

With regard to setting rates based on that revenue requirement, Licking Valley proposes to increase its fixed customer charge by more than 47%, from \$16.50 per month to \$30.00, an increase of 81.8%.<sup>3</sup> The Attorney General has concerns regarding this sudden and severe increase in the fixed customer charge. An increase of this magnitude to the residential customer charge could hinder the ability of residential customers to control their monthly electric bills, and pose a further financial hardship on those customers struggling to make ends meet. The Commission has always relied upon the principle of gradualism in ratemaking, which mitigates the financial impact of rate increases on customers.<sup>4</sup> The Attorney General respectfully requests the Commission to continue to rely upon the principle of gradualism when awarding any increase to the residential monthly customer charge.

The Attorney General appreciates the Commission's consideration of the Attorney General's arguments as stated above and requests that an Order be issued consistent with those arguments.

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<sup>3</sup> Direct Testimony of Wolfram at 24.

<sup>4</sup> Case No. 2014-00396, *In the Matter of Application of Kentucky Power Company for: (1) A General Adjustment of its Rates for Electric Service; (2) An Order Approving its 2014 Environmental Compliance Plan; (2) An Order Approving its Tariffs and Riders; and (4) An Order Granting All Other Required Approvals and Relief*, (Ky. PSC June 22, 2014) ("the Commission has long employed the principle of gradualism"); See also Case No. 2000-00080, *In the Matter of: The Application of Louisville Gas & Electric Company to Adjust its Gas Rates and to Increase its Charges for Disconnecting Service, Reconnecting Service and Returned Checks* (Ky. PSC Sept. 27, 2000) ("the Commission is adhering to the rate-making concepts of continuity and gradualism in order to lessen the impact of these increases on the customers that incur these charges.")

Respectfully submitted,

RUSSELL COLEMAN  
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*Certificate of Service and Filing*

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on March 14, 2025, a copy of the forgoing was served via the Commission's electronic filing system.

this 14th day of March, 2025.



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Assistant Attorney General