



Rural Electric Cooperative Corporation

A Touchstone Energy<sup>®</sup> Cooperative 

**RECEIVED**

JUN 28 2007

**PUBLIC SERVICE  
COMMISSION**

June 27, 2007

BETH O'DONNELL  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC SERVICE COMMISSION  
211 SOWER BOULEVARD  
PO BOX 615  
FRANKFORT KY 40602

Re: Case No. 2006-00466

Dear Ms. O'Donnell:

Please find enclosed the original and seven (7) copies of the responses to the Commission's Order "Third Data Request of Commission Staff to Nolin Rural Electric Cooperative Corporation" dated June 5, 2007.

If you have any questions, please do not hesitate to call.

Sincerely,

*O.V. Sparks*

O. V. Sparks  
Vice President Administration & Finance

Copy to: Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive  
Frankfort, KY 40601

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JUN 28 2007

**PUBLIC SERVICE  
COMMISSION**

Nolin RECC  
Case No. 2006-00466  
Third Data Request of Commission Staff

1. Refer to the response to the Commission Staff's Second Request dated April 27, 2007 ("Staff's Second Request"), Item 2(b). Nolin states that it has received an inquiry in regard to the proposed increase in Schedule 6 - Street Lighting from the city of Radcliff.
  - Q. a. Explain how the city of Radcliff communicated the inquiry. If the inquiry was written, or by e-mail, provide a copy of the inquiry.
    - A. Chance Fox with the City of Radcliff called Nolin's office and spoke with Cheryl G. Thomas, V. P. Office Services regarding the proposed increase.
  - Q. b. Explain whether Nolin has responded to the inquiry. If the response was written, or by e-mail, provide a copy of the response. If the response was verbal, briefly summarize the response.
    - A. Cheryl G. Thomas shared the proposed increases, Nolin's and EKP's, with Mr. Fox over the telephone. When Mr. Fox asked why the street lighting increased as much as it did, Cheryl explained that Nolin's proposed increase was based on the calculations of a consultant who determined the cost of service for the devices. Mr. Fox asked what part of the street light caused the increase and she told him that she did not have that information, but would be glad to put him in touch with someone else who could better answer his questions. He asked if it would be O. V. Sparks, and she told him yes. He said that he would give O. V. a call.
  - Q. c. Provide copies of any subsequent communication between Nolin and the city of Radcliff following Nolin's response. If the communication was verbal, provide a summary of any and all communications.
    - A. O. V. Sparks, V. P. Administration & Finance contacted Harold Brown with the City of Radcliff and explained the proposed rates were a result of a cost of service study that was completed by our consultant. He then asked what the effect would be on the City of Radcliff. Mr. Sparks offered to do a comparison and send it to Mr. Brown. (comparison attached). There has been no other action or conversations since.

TYPE OF LIGHT	DESCRIPTION OF LIGHT	NUMBER	CURRENT		PROPOSED*	
			RATE	COST	RATE	COST
STREET LIGHTS TYPE 02, RADCLIFF,	KY 40159	382	\$3.26	\$1,245.32	\$5.19	\$1,982.58
STREET LIGHTS TYPE 03, RADCLIFF,	KY 40159	41	\$9.81	\$402.21	\$15.39	\$630.99
STREET LIGHTS TYPE 04, RADCLIFF,	KY 40159	285	\$5.58	\$1,590.30	\$8.57	\$2,442.45
STREET LIGHTS TYPE 05, RADCLIFF,	KY 40159	1	\$8.20	\$8.20	\$12.71	\$12.71
STREET LIGHTS TYPE 08, RADCLIFF,	KY 40159	7	\$20.30	\$142.10	\$31.02	\$217.14
TOTAL				\$3,388.13		\$5,285.87
	ANNUAL			\$40,657.56		\$63,430.44

\* This does not include the fuel adjustment or environmental surcharge  
This is an estimate of East Kentucky Power plus Nolin RECC's proposed rate at 100% if approved as requested



Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

2. Refer to the response to the Staff's Second Data Request, Item 3.

a. In the response to Item 3(b), Nolin states that it considers the Fort Knox privatization project to be part of its utility operations. Provide an expanded discussion of why Nolin believes this project should be considered part of its utility operations. This discussion should address the fact that the majority of the Fort Knox installation is not part of Nolin's defined service territory.

**Response**

Nolin considers the privatization portion of the Fort Knox contract to be utility operations since it performs routine construction and maintenance type activities. These activities use the same employees, material, supplies and contractors that Nolin uses for all of its utility operations.

The privatization of Fort Knox utility system has not changed the integrity of defined service territories. Fort Knox is served by four (4) different utilities with primary meter points ranging from 7.2 KV to 34.5 KV (Nolin RECC, Meade County RECC, Salt River Electric and EON-LG&E). All power suppliers remained the same after privatization.

Nolin is a Distribution Cooperative, as such, Nolin owns, operates and maintains a medium voltage distribution system that provides electric service to its 30,000 members. Fort Knox is one of Nolin's members. Nolin provides electric service to Fort Knox as it owns, operates and maintains the electrical distribution system located on the base. This service is provided through a no risk cost of service Federal Government Privatization Contract that guarantees a profit. This profit is a direct benefit to all of Nolin's members.

Nolin concludes that as a distribution cooperative, its core business includes providing, operating and maintaining, distribution services on the Fort Knox Military Base.

b. Refer to the response to Item 3(d)(1). Provide the test-year actual depreciation expense and property tax expense associated with the assets related to the Fort Knox privatization project. In addition, indicate the portion of the proposed adjustments to depreciation expense and property tax expense associated with the Fort Knox privatization project.

**Response**

There is no depreciation calculated on the Fort Knox distribution plant, since there is a zero net plant invested. The amount of depreciation calculated on the general plant, e.g., furniture, tools, communications equipment, is \$4,995. This is for items that are physically located on the Fort Knox property. This is reflected as Exhibit W, page 6 of 9, Account No. 9.403.7, of the Application. There are adjustments proposed for depreciation of Fort Knox property.

There are no property taxes paid on the Fort Knox property, as a result, there are no property tax expenses associated with Fort Knox.

c. Refer to the response to Item 3(f). would Nolin agree that, regardless of the balance in the contingency fund, all other provisions of Nolin's Rural Utilities Service (RUS) mortgage agreement would have to be met before an actual payment of capital credits could occur? Explain the response.

**Response**

Yes. The payment of capital credits would only be made when all provisions of the RUS mortgage agreement are met. As noted in the response to Item 3(f), there is no actual contingency fund money in an account, but a specified amount of money set aside to be designated as an amount equal to one of margins from the privatization contract plus one year's worth of capital credit payments.



Nolin Rural Electric Cooperative  
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Third Data Request of Commission Staff

3. Refer to the response to the Staff's Second Request, Item 4(c). If Nolin failed to achieve the minimum Operating Times Interest Earned Ratio (OTIER), would this trigger a default under the provisions of the RUS mortgage agreement? Explain the response.

**Response**

Yes.

*Failure to achieve the minimum OTIER would result in Noncompliance with the Loan Contract and would constitute an Event of Default under the Agreement.*



Nolin Rural Electric Cooperative  
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4. Refer to the response to the Staff's Second Request, Item 6. Nolin was requested to provide an updated version of Exhibit K of the Application, pages 6 and 7 of 7. Nolin was also requested to provide the calculation of the OTIER in a manner similar to the information presented on page 6 of 7. Nolin submitted an updated version of pages 3 and 4 of 7 from Exhibit K and did not provide the calculation of the OTIER. Provide all the originally requested information.

**Response**

Nolin regrets that it omitted the requested information. This was an oversight only.

Operating TIER, or OTIER, is calculated as:

$$\text{OTIER} = \frac{A + B}{A}$$

A = Interest expense on long term debt  
B = Patronage capital & operating margins

Operating DSC or ODSC is calculated as:

$$\text{ODSC} = \frac{A + B + C}{D}$$

A = Depreciation  
B = Interest on long term debt  
C = Patronage capital & operating margins  
D = Debt service (principal and interest)

**Nolin Rural Electric Cooperative**  
**Case No. 2006-00466**  
**OTIER and ODSC Calculations**

Test Year	Calendar Year			
	1st 2005	2nd 2004	3rd 2003	4th 2002

<b>OTIER calculations:</b>					
Operating margins	(\$2,862,622)	(\$579,705)	(\$865,671)	\$1,241,915	\$569,738
Patronage capital credits	33,941	193,931	90,285	46,020	165,361
Interest on long term debt	3,967,170	3,186,667	1,208,965	1,146,046	1,728,901
<b>OTIER</b>	<b>0.29</b>	<b>0.88</b>	<b>0.36</b>	<b>2.12</b>	<b>1.43</b>

<b>ODSC calculations:</b>					
Operating margins	(\$2,862,622)	(\$579,705)	(\$865,671)	\$1,241,915	\$569,738
Patronage capital credits	33,941	193,931	90,285	46,020	165,361
Depreciation expense	2,852,427	2,789,433	2,442,621	2,292,813	2,188,820
Interest on long term debt	3,967,170	3,186,667	1,208,965	1,146,046	1,728,901
Principal payment on long term debt	2,345,114	3,909,428	1,864,845	1,541,273	1,319,721
<b>Modified DSC</b>	<b>0.63</b>	<b>0.79</b>	<b>0.94</b>	<b>1.76</b>	<b>1.53</b>

**Nolin Rural Electric Cooperative**  
**Case No. 2006-00466**  
**Equity Capitalization**

Proposed	Test Year 2006	Calendar Year			
		2005	2004	2003	2002

**Equity Capitalization:**  
**without G&T patronage capital**

Total margins and equities	\$54,315,685	\$34,195,026	\$34,881,473	\$32,502,774	\$30,408,465	\$28,569,785	\$23,511,221
Less G&T Patronage capital	10,682,475	10,682,475	10,682,475	10,682,475	8,822,339	6,534,275	4,713,546
Long-term debt	43,633,210	23,512,551	24,198,998	21,820,299	21,586,126	22,035,510	18,797,675
Total	\$115,669,239	\$95,548,580	\$98,427,893	\$87,891,621	\$79,147,190	\$53,458,728	\$51,762,166

**Equity capitalization ratio**

	<u>38%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>27%</u>	<u>41%</u>	<u>36%</u>
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**Equity Capitalization:**  
**with G&T patronage capital**

Total margins and equities	\$54,315,685	\$34,195,026	\$34,881,473	\$32,502,774	\$30,408,465	\$28,569,785	\$23,511,221
Long-term debt	72,036,029	72,036,029	74,228,895	66,071,322	57,561,064	31,423,218	32,964,491
Total	\$126,351,714	\$106,231,055	\$109,110,368	\$98,574,096	\$87,969,529	\$59,993,003	\$56,475,712

**Equity capitalization ratio**

	<u>43%</u>	<u>32%</u>	<u>32%</u>	<u>33%</u>	<u>35%</u>	<u>48%</u>	<u>42%</u>
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**Equity to Total Assets:**  
**with G&T patronage capital**

Total margins and debt	\$126,351,714	\$106,231,055	\$109,110,368	\$98,574,096	\$87,969,529	\$59,993,003	\$56,475,712
Total assets	153,127,862	124,122,311	120,017,973	108,288,306	94,361,534	85,979,890	70,348,516
Total	\$279,479,576	\$230,353,366	\$229,128,341	\$206,862,402	\$182,331,063	\$145,972,893	\$126,824,228

**Equity to total asset ratio**

	<u>45%</u>	<u>46%</u>	<u>48%</u>	<u>48%</u>	<u>48%</u>	<u>41%</u>	<u>45%</u>
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Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

5. Refer to the response to the Staff's Second Request, Item 7.

Q. a. Item 7(d) requested a description of how KVN, Inc. ("KVN") prices the services it provides to Nolin. In addition, Nolin was requested to explain how it determined that the services from KVN were being provided at the best available cost. The response only addressed the provision of one service from KVN, a six mega-byte connection for Nolin's headquarters. Provide all of the originally requested information.

A. KVN is member of the Kentucky Internet Service Providers Association (KYISPA). KVN prices their services to large users such as Nolin by calling the members of KYISPA and comparing their prices for like users. There are no companies in the area that offer all the services that are being used. Such as the wireless services. Nolin pays the same rates that KVN charges any business user with the same requirements.

The services offered:

Internet service for all office facilities (Elizabethtown, Radcliff and Fort Knox)  
A T-1 telephone line to the Radcliff office for data and internal telephone service.  
Wireless internet service to all the substations.  
E-mail accounts for employee with filtering and spam protection  
On-site help with internet related problems.  
6-mega-byte burstable connection.

**RESPONSE TO COMMISSION STAFF'S THIRD DATA REQUEST**

**LEASE OF HEADQUARTERS PROPERTY**

- Q Refer to page 14 of the 2006 independent auditor's report and the response to the Attorney General's Initial Data Request dated April 20, 2007, Item 3. Explain in detail the lease of Nolin-owned land to a member of the board of directors. At a minimum include:
- [1] A description of the property.
- R This property is twelve acres of land on St. John Road adjacent to Nolin's headquarters property.
- [2] A description of how Nolin had previously used the property.
- R This property had been leased to the same board member in 2001.
- [3] A discussion of why Nolin decided to lease the property to others.
- R Nolin decided to lease this property for a couple of reasons. One reason is that Nolin no longer incurred the expense to maintain the property including mowing, maintaining the right of way, etc. Another reason is that Nolin could recognize some income from a lessee.
- [4] A discussion of how Nolin determined who would be "interested parties."
- R Nolin's President and CEO determined that five (5) neighboring farmers may have an interest in leasing this property.
- [5] Copies of the request for bids and copies of the bid tabulation
- R A copy of the request for bids is attached. A copy of the bid tabulation is not available as only one person responded to the request for bids.
- [6] The date the lease was executed.
- R The date the lease was executed since NRECC does not have a copy of the lease. See attached except from Board minutes for 2/9/2006.

**RESPONSE TO COMMISSION STAFF'S THIRD DATA REQUEST**

[7] Copies of the lease.

R Copies of this lease are not in the possession of Nolin nor the lessee.  
Attached is a copy of the previous lease with this lessee.

[8] A discussion of the involvement of the director in the entire process, from the date Nolin considered leasing the land to the finalization of the lease.

R The director/lessee was not involved in these discussions since he was the previous lessee and no one else responded to the request for bids.

January 24, 2006

Aubin Mattingly  
2844 Thomas Road  
Rineyville, KY 40162:

Dear Aubin:

Nolin RECC has 12 ± acres of cropland for lease on St. John Road that joins our office property. For the last several years this land has been in alfalfa. We are accepting proposals for the lease of this property for a six year period. Lease terms and specifications are enclosed.

When you bid please show the annual amount you will pay each year to lease the entire 12 acres.

If you have any questions, please call me at (270) 765-6153.

Sincerely,

Michael L. Miller  
President & CEO

## Proposal For Lease Bids

Nolin Rural Electric Cooperative Corporation has approximately twelve (12) acres of land located on St. John Road that is available for lease.

Nolin offers this property for lease bids with the stipulations applicable to these bids to be as follows:

1. **Term:** The term of the lease will be for six (6) years, with the first two (2) years of the lease allowing the tenant to use the property for row crops planted by the no-till method, and the last four (4) years of the lease to be for the use of the property to be planted in alfalfa or other grasses. The crop to be planted shall be subject to Nolin's approval.
2. **Expenses and income:** The tenant shall pay all expenses of cropping the property and shall receive all income derived from the property.
3. **Waterways:** The tenant shall not disturb the two waterways on the property, other than to mow them, and shall maintain the buffer strip of land between St. John Road and the utility poles.
4. **Right to sell property:** Nolin reserves the right to sell this property during the term of this lease, and in the event the property is sold, the tenant shall be given six (6) months notice that Nolin intends to terminate the lease. Upon such early termination, Nolin agrees to reimburse the tenant for the fertilizer, seed and lime expenses that have been placed onto the property prorated to the year that the lease is being terminated.
5. **Insurance:** The tenant shall provide liability insurance in an amount of at least one million dollars to insure against injuries or death to persons or damage to property arising out of the tenant's leasing of the property, and the policy shall show Nolin as an additional insured.
6. **Hold harmless and indemnification:** The tenant shall hold harmless and indemnify Nolin from any claims for death or injury to persons or damages to property arising out of the tenant's use of the property.
7. **Bid deadline:** All bids for the use of the property pursuant to the conditions above shall be submitted in writing to Nolin at the following address no later than February 7, 2006:

**Nolin Rural Electric Cooperative Corporation  
Attn: Mickey Miller  
411 Ring Road  
Elizabethtown, KY 42701**

**Please mark the envelope: Land Lease Bid**

Title	First Name	Last Name	Comp	Address Line 1	Add	City	State	ZIP Code
	Kevin	Clark						
	Bob	Shipp		443 Western Circle		Radcliff	KY	40160
	Kevin	Mobley		3466 Saint John Road		Elizabethtown	KY	42701
	Rick	Thomas		6770 Saint John Road		Elizabethtown	KY	42701
	Aubin	Mattingly		2844 Thomas Road		Rineyville	KY	40162
	Kenneth	Hayden		2138 Hayden School Road		Cecilia	KY	42724



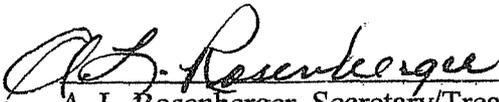
## Rural Electric Cooperative Corporation

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### Excerpt of Minutes

Mickey Miller reported that five requests for bids were mailed regarding lease of Nolin's 12-acre property next to Ring Road. Gene Straney moved that Rick Thomas be selected as the successful bidder at the price of \$420 per year for the six-year lease. Motion carried.

I, A. L. Rosenberger, Secretary/Treasurer of Nolin Rural Electric Cooperative Corporation do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of Nolin Rural Electric Cooperative Corporation held on the 9th day of February, 2006, at which meeting a quorum was present.

  
A. L. Rosenberger, Secretary/Treasurer

## AGREEMENT

This Agreement is made and entered into this 20 day of August, 2001, by and between **NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**, hereinafter referred to as “Nolin”, and **RICK THOMAS** of Thomas Academy Farm, hereinafter referred to as “Mr. Thomas”, WITNESSETH:

THAT WHEREAS, Nolin owns approximately twelve (12) acres of property on St. John Road adjacent to its headquarters property, and

WHEREAS, Mr. Thomas has proposed to Nolin to utilize that property for farming purposes,

NOW THEREFORE, for the consideration hereinafter set out, both parties agree as follows:

1. Mr. Thomas shall be permitted to farm the twelve (12) acres of Nolin located along the St. John Road for the following purposes and upon the following terms and conditions:

Year 2001 – for summer, plant no-till soybeans; for fall, apply two (2) tons of lime per acre.

Year 2002 -- for spring, disc lightly and sew alfalfa with spring oats and timothy.

Years 2002/2005 – maintain the alfalfa with regular fertilize treatment per soil test.

2. As consideration for the use of this property by Mr. Thomas, Mr. Thomas shall pay to Nolin the sum of \$400.00 per year annually,

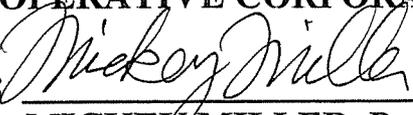
with the payment due on or before December 31 of each year for the previous year's use.

3. In addition to the monetary consideration being paid to Nolin, Mr. Thomas shall be responsible for keeping the right of way, including set-backs to the power lines along St. John Road, bushhogged and will spray roundup around the guide wires.
4. Mr. Thomas will not disturb the two waterways at each end of the field.
5. Mr. Thomas shall utilize good farming practices to insure that erosion does not occur on the property.
6. In the event Nolin chooses to terminate this Agreement at any time prior to the 2005 farming season, Nolin agrees to reimburse Mr. Thomas the sum of \$ <sup>Ret</sup> ~~Cost~~ See Attachment as an early termination fee, to reimburse him for the lime and fertilizer cost that he has invested in the property.
7. This Agreement is binding on the successors and assigns of both parties hereto.
8. This Agreement is to be construed by the laws of the Commonwealth of Kentucky, and any actions involving this Agreement shall take place in Hardin County, Kentucky.
9. This is the entire agreement between the parties hereto and any other agreements concerning this property between these parties must be put in writing and signed by both parties in order to be binding.

WITNESS the signatures of the respective parties to this Agreement the date and year first above written.

**NOLIN:**

**NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION**

BY:   
\_\_\_\_\_  
**MICKEY MILLER, President**

**MR. THOMAS:**

  
\_\_\_\_\_  
**RICK THOMAS**

Nolin RECC  
Case No. 2006-00466  
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Refer to the Application, Exhibit P, the 2005 Annual Report, and the response to the Staff's Second Request, Item 8.

Q. a. Was the 2005 Annual Report, as shown in Exhibit P, provided to members before the June 9, 2006 meeting or as members arrived and registered for that meeting?

A. The 2005 Annual Report was included in the Kentucky Living magazine that was mailed to the members prior to the Annual meeting.

Q. b. The last page of the 2005 Annual Report presents financial results for 2005. Would Nolin agree that there is no specific disclosure in those financial results that KVN experienced a net loss of \$106,723 in 2005.

A. Nolin agrees.

Q. c. Indicate when pages 1 and 2 of 4 in the response to Item 8 were provided to the members.

A. The information was included in the packet of materials given to registered members at the meeting.

Q. d. Would Nolin agree that the minutes of the June 9, 2006 annual meeting, while noting the relationship with Fort Knox, did not mention the situation with KVN?

A. There is a limited amount of time for discussion during the meeting and Fort Knox was only briefly mentioned, due to the military presence in Nolin's area.



Item No. 7  
All Items  
Witness: Michael L. Miller

Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

7.  
Q.

All Items and attachments have been redacted

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

7. Refer to the response to the Staff's Second Request, Item 13.

a. In Item 13(a), Nolin was requested to explain how the amount of a grade adjustment, a market adjustment, and a merit adjustment were determined for 2006. Nolin was requested to provide all workpapers, calculations, assumptions, analyses, studies, and other documentation that supported each adjustment. The response to Item 13(a) presents the analysis utilized to determine the grade adjustment and market adjustment of the wage and salary increase. However, it is not readily apparent from the analysis that the grade adjustment market adjustment should be 4.12 percent for 2006. The analysis also does not show how Nolin determined the merit adjustment of 2.00 percent. Provide the originally requested information concerning the adjustment values.

**Response**

The Grade adjustment was specifically for the VP, System Operations.

The Market adjustment is shown on the attached summary of the Wage and Salary Plan. This is not part of the Plan itself, but is an analysis developed by Nolin to summarize the results. The overall increase is the 4.12%.

The Merit adjustment is an amount the board approves for all employees. It is not based on the Grade and Market adjustments in the Wage and Salary Plan. This ensures that substantially all employees receive a wage increase.

Nolin files this summary report separately from the Wage and Salary Plan, and it was an oversight only that it was not included with the response to Staff's Second Request, Item 13(a). A copy of that summary is attached.



## MARKET INCREASE BY GRADE

GRADE	MARKET WAGE		AMOUNT
	2005	2006	
1	\$ 24,476.00	\$ 26,492.00	\$ 2,016.00
2	\$ 26,268.00	\$ 28,188.00	\$ 1,920.00
3	\$ 28,287.00	\$ 30,132.00	\$ 1,845.00
4	\$ 30,553.00	\$ 32,345.00	\$ 1,792.00
5	\$ 33,067.00	\$ 34,826.00	\$ 1,759.00
6	\$ 35,827.00	\$ 37,576.00	\$ 1,749.00
7	\$ 38,834.00	\$ 40,593.00	\$ 1,759.00
8	\$ 42,088.00	\$ 43,879.00	\$ 1,791.00
9	\$ 45,590.00	\$ 47,432.00	\$ 1,842.00
10	\$ 49,338.00	\$ 51,254.00	\$ 1,916.00
11	\$ 53,334.00	\$ 55,344.00	\$ 2,010.00
12	\$ 57,576.00	\$ 59,703.00	\$ 2,127.00
13	\$ 62,066.00	\$ 64,329.00	\$ 2,263.00
14	\$ 66,803.00	\$ 69,224.00	\$ 2,421.00
15	\$ 71,786.00	\$ 74,387.00	\$ 2,601.00
16	\$ 77,017.00	\$ 79,818.00	\$ 2,801.00
17	\$ 82,495.00	\$ 85,517.00	\$ 3,022.00
18	\$ 88,220.00	\$ 91,485.00	\$ 3,265.00
19	\$ 94,192.00	\$ 97,720.00	\$ 3,528.00
20	\$100,411.00	\$104,224.00	\$ 3,813.00

Nolin RECC  
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7.b. In the response to Item 13(a), page 1 of 11. Nolin states that approximately every 5 years an outside consultant reviews the wage and salary plan. Provide the following information concerning the most recent review by an outside consultant:

Q. 1. The date the outside consultant review was performed and the name of the outside consultant.

A. The Consultant was Winston L. Tan, Principal, Human Capital & Rewards Practice, Cooperative Benefits & Financial Services, LLC, 963 Tope Road, Sharpsburg, GA.

Q. 2. Copies of the outside consultant's written reports or evaluations presented to management or the board of directors concerning his review.

Mr. Tan started his review in the fall of 2003 and provided the attached reports.  
Letter dated December 15, 2003  
Compensation Program dated January 27, 2004

Q. 3. If written reports or evaluations were not submitted, summarize any oral presentations the outside consultant made to management or the board of directors concerning his review.

A. N/A

Q. 4. Identify any changes made in the wage and salary plan as a result of the outside consultant's review.

A. There were a few grade changes but other than that no major change in the plan itself.

December 15, 2003

Hi OV:

This is a brief explanation of the attached Excel spreadsheet. The spreadsheet contains my draft calculation of the salary structure based on the job evaluations that we completed earlier this month.

I based the overall modeling on the same basis as your previous model: a combination of average and third quartile survey positioning of the 2003 NRECA National Compensation Survey (both national and region III reports). If you look at the tab "Model03" you will see the source of each of the benchmark positions that I have used.

I have also added a correlation factor or "Degree of Match" (DOM) which I have applied to each position where market data from the NCS was available. I utilized a scale of 1 through 3 to denote the following:

- 1= Related but some clear differences in scope or focus**
- 2= Good fit but there are minor differences in scope**
- 3= Excellent fit/comparable in scope and focus**

A rating of less than "3" denotes my opinion of a "less than optimal" fit between NCS data and the position as it functions at Nolin.

For the draft plan I utilized positions which rated a minimum of "2" (but optimally "3") to create the compensation model (see selected positions of tab "Model03"). These values were regressed along with the internal point value to create the coefficients for the salary range ("Ranges"). Note that the new ranges are on average 2.79% as compared to the current midpoints for grades.

The new ranges are incorporated with the new evaluations of positions in the tab "Schedule" and the individual impact is shown in the "Incumbents 2003 plan" tab. Please review that I have actually placed people into the correct salary grade. Please find at the end of the spreadsheet those positions which I could not place into the new plan. (What do we need to do with these?)

Of great importance will be the "Variance Report" tab. Here I present the positions for which I could find salary data in the NCS and provide a flagging of the jobs, which I believe, fall outside of the boundaries of market value. This is the report from which management can choose to consider or disregard, based on the level of confidence in the committee's job evaluation sessions.

In the report I have shaded a reference point (amber) in the national average for comparison to the proposed salary range (remember that in the modeling I tried to utilize average values for positions up to the senior management level.) The "Lwr Thrd" and "Upr Thrd" represent the new market value range for that particular position. For each position I have flagged it as "Low", or "High." This is a pure comparison with the draft plan ranges and NCS salary survey data. In this situation you should consider the Correlation Factor. Some are high (3) and others are lower but relevant for the decision.

Also, bear in mind that not all positions have salary data available. If management agrees to adjust some positions, it may be necessary to review other related positions and move them as well.

Also realize that I did not index the salary plan values to account for data lag. As you know the 2003 NCS is comprised of salary data collected November, 2002. Historically, we have not indexed the data; however, that is certainly an option to ensure that the ranges are competitive. Your thoughts on the matter would be appreciated.

OV, I trust that this helps to explain the spreadsheet a bit. Everything else should be fairly self-explanatory. After you have had an opportunity to review the spreadsheet and this note, please give me a call with any questions or comments you might have.

Thanks!

Winston

Job Evaluations

Grade	Title	Knowledge		Org Leadersh		Org. Impact		Complexity		Communicatio		Total Points	Point Range	
		Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts			
2	General Clerk	A	58	A	54	A	58	A	58	B	112	340	283	364
3	Warehouse Clerk	B	112	A	54	A	58	A	58	B-	94	376	365	446
3	Switchboard Operator	B	112	A	54	A	58	A	58	B	112	394	365	446
3	Consumer Records Clerk	B	112	A	54	A+	76	A	58	B	112	412	365	446
4	Tree Trimmer	B	112	A	54	B	112	B	112	A	58	448	447	528
4	Meter Reader	B	112	A	54	B	112	A	58	B+	130	466	447	528
4	Cashier Associate	B	112	A	54	B-	94	B	112	B	112	484	447	528
4	Maintenance Technician	B+	130	A	54	B	112	B	112	B	112	520	447	528
4	Line Tech III													
5	Billing Associate	B+	130	A	54	B	112	B+	130	B	112	538	529	610
5	Material Specialist	C	166	A	54	B	112	B	112	B	112	556	529	610
6	Purchasing Coordinator	C-	148	A+	68	C	166	B+	130	B	112	624	611	692
6	Consumer Accounting Assoc	B+	130	A	54	B+	130	C-	148	C	166	628	611	692
6	GIS Technician	C	166	A	54	C-	148	C-	148	B	112	628	611	692
6	Lead Tree Trimmer	B+	130	B	96	B+	130	C-	148	B+	130	634	611	692
6	Administrative Assistant/Mbr	C	166	A	54	B	112	C	166	C	166	664	611	692
6	Administrative Assistant/O&E	C	166	A	54	B	112	C	166	C	166	664	611	692
7	Collections Coordinator	C	166	A	54	C	166	C	166	C+	184	736	693	774
7	Membership Records Coord.	C	166	B-	82	C	166	C	166	C	166	746	693	774
7	Consumer Accntng/DP Coord	C	166	B	96	C	166	C	166	C	166	760	693	774
7	Line Tech II													
8	Meter Records Coordinator	C	166	B	96	C	166	C	166	C+	184	778	775	856
8	Energy Management Coord.	C+	184	A	54	C+	184	C	166	D	220	808	775	856
8	Meter Reader Supervisor	C	166	C+	152	C	166	C	166	C	166	816	775	856
8	Communications Coordinator	D	220	A	54	D	220	C	166	C	166	826	775	856
8	Accountant	D+	238	A	54	D-	202	C	166	C	166	826	775	856
8	Executive Secretary	C	166	B	96	C	166	C+	184	D	220	832	775	856
9	Meter Technician	C+	184	A+	68	D	220	D	220	C	166	858	857	938
9	Staking Technician	C	166	A	54	D-	202	D	220	D	220	862	857	938
9	Line Technician I	C+	184	B+	110	D-	202	D	220	C-	148	864	857	938
9	Dispatcher	C+	184	B+	110	D-	202	D	220	C-	148	864	857	938
9	Data System Technician	D+	238	A	54	D-	202	D	220	D-	202	916	857	938
9	GPS/GIS Administrator	D	220	B	96	D	220	D	220	C	166	922	857	938
10	Electrical Advisor	D	220	A	54	D	220	D	220	D+	238	952	939	1020
10	Senior Line Technician	D	220	C	138	D	220	D	220	C+	184	982	939	1020
10	Cashier Supervisor	C	166	D-	166	D+	238	D	220	D-	202	992	939	1020
10	Marketing Director	D	220	B	96	D	220	D	220	E-	256	1012	939	1020
11	Contracts Coordinator	D	220	C+	152	D	220	D	220	D	220	1032	1021	1102
11	Materials Supervisor	D+	238	C+	152	D	220	D	220	D	220	1050	1021	1102
11	Consumer Billing Supervisor	D	220	D+	194	D+	238	C+	184	D	220	1056	1021	1102
11	Consumer Accounting Super	D	220	D+	194	E-	256	C+	184	D	220	1074	1021	1102
12	Employment & Benefits Spec	E	274	B	96	E-	256	D+	238	E-	256	1120	1103	1184
12	Fort Knox Accountant	E	274	B	96	E	274	E	274	D-	202	1120	1103	1184
12	Engineering Technician	E	274	B	96	E	274	E	274	D	220	1138	1103	1184
12	KVN System Operator	E	274	C	138	E	274	E	274	D	220	1180	1103	1184
12	Accounting Supervisor	E	274	C	138	E	274	E	274	D	220	1180	1103	1184
13	Field Engineering Supt.	E	274	D	180	E	274	E	274	D+	238	1240	1185	1266
14	Construction Supt.	E	274	E	222	E	274	E	274	D+	238	1282	1267	1348
14	Maintenance Supt.	E	274	E	222	E	274	E	274	D+	238	1282	1267	1348
15	System Engineer	E+	292	E	222	E	274	E+	292	E	274	1354	1349	1430
17	VP Marketing & Member Svc	F-	310	F	264	F-	310	F	328	F	328	1540	1513	1594
18	VP Office Services	F	328	F+	278	F	328	F	328	F+	346	1608	1595	1676
19	VP Admin. & Finance	F+	346	F+	278	F+	346	F+	346	G-	364	1680	1677	1758
20	VP System Operations	G-	364	G	306	G-	364	G-	364	G-	364	1762	1759	1840

Benchmark Positions

Grade	Title	Total Points	Code	DOM	Title	Nat'l Avg	Nat'l Thrd Qtl	Region III Avg	Region III Thrd Qtl	KY Avg	KY Thrd Qtl	Select
2	General Clerk	340	17x	2	General Clerk	26,707	30,722	28,188	33,259	31,467	35,495	26,707
3	Warehouse Clerk	376	20n	2	Utility Person/Custodian 2	28,267	31,990	27,103	30,695	28,337	33,862	28,267
4	Tree Trimmer	448	15t	2	Tree Trimmer/Right-Of-Way Worker	29,224	33,842	28,748	32,469	30,676	36,332	29,224
5	Billing Associate	538	17e	3	Billing Clerk	29,515	35,464	30,229	33,582	30,044	34,112	29,515
6	Consumer Accounting Assoc	628	17t	2	Consumer Service Representative	29,786	33,654	29,439	33,514	32,055	36,551	29,786
6	Administrative Assistant/Mbr	664	17b	3	Secretary/Department Secretar	33,093	36,774	35,106	40,112	37,126	42,141	33,093
7	Consumer Accounting/DP Coord	760	18i	2	Computer Operator	36,629	41,912	34,584	41,205	38,802	48,521	36,629
8	Meter Reader Supervisor	816	20g	3	Meter Reader Supervisor	42,994	49,899	42,703	52,247	36,338	...	42,994
9	Staking Technician	862	16m	3	Staking/Field Engineering Tech	43,788	48,818	42,432	46,570	41,568	44,377	43,788
9	Line Technician I	864	15n	3	Lineman First Class/Journeym	46,010	50,253	44,115	47,892	45,211	48,173	46,010
9	Data System Technician	916	18f	2	PC Support Analyst/PC Special	45,025	52,857	48,721	55,827	45,396	53,029	45,396
10	Senior Line Technician	982	15k	3	Lead Lineman/Crew Chief/Wor	49,816	53,726	48,676	51,334	49,429	52,291	49,816
11	Materials Supervisor	1050	19a	2	Purchasing Agent	48,744	55,487	51,712	56,310	46,805	53,071	48,744
12	KVN System Operator	1180	18k	3	Information Technology (IT) Su	55,729	62,500	59,580	65,985	55,538	...	55,729
14	Construction Supt.	1282	15a	3	Line Superintendent	61,577	67,283	61,019	65,978	60,681	63,574	61,577
15	System Engineer	1354	16w	2	System Engineer*	64,921	73,803	62,744	71,973	64,364	72,761	64,921
17	VP Marketing & Member Svc	1540	7a	2	Vice President/Manager/Direct	68,188	78,512	72,249	80,754	75,574	88,400	80,754
19	VP Admin. & Finance	1680	12a	2	Vice President/Manager/Direct	74,019	84,916	75,076	84,269	75,374	86,507	84,916
20	VP System Operations	1762	16a	3	Vice President/Manager/Direct	81,537	90,467	80,136	84,032	77,728	83,276	90,467



Nolin RECC Draft Salary Schedule

GR.	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref.	16806.63799		Market Value Range			
2	General Clerk	\$20,074 \$9.65	\$22,807 \$10.96	\$24,173 \$11.62	\$25,540 \$12.28	\$28,273 \$13.59
3	Warehouse Clerk	\$21,934	\$24,969	\$26,487	\$28,004	\$31,040
3	Switchboard Operator	\$10.55	\$12.00	\$12.73	\$13.46	\$14.92
3	Consumer Records Clerk					
4	Tree Trimmer	\$23,933	\$27,298	\$28,981	\$30,664	\$34,030
4	Meter Reader	\$11.51	\$13.12	\$13.93	\$14.74	\$16.36
4	Cashier Associate					
4	Maintenance Technician					
4	Line Tech III					
5	Billing Associate	\$26,069	\$29,794	\$31,657	\$33,519	\$37,244
5	Material Specialist	\$12.53	\$14.32	\$15.22	\$16.12	\$17.91
6	Purchasing Coordinator	\$28,343	\$32,457	\$34,514	\$36,571	\$40,685
6	Consumer Accounting Associate	\$13.63	\$15.60	\$16.59	\$17.58	\$19.56
6	GIS Technician					
6	Lead Tree Trimmer					
6	Administrative Assistant/Mbr Svcs.					
6	Administrative Assistant/O&E					
7	Collections Coordinator	\$30,752	\$35,285	\$37,552	\$39,819	\$44,353
7	Membership Records Coord.	\$14.78	\$16.96	\$18.05	\$19.14	\$21.32
7	Consumer Acctng/DP Coord.					
7	Line Tech II					
8	Meter Records Coordinator	\$33,294	\$38,279	\$40,772	\$43,264	\$48,249
8	Energy Management Coord.	\$16.01	\$18.40	\$19.60	\$20.80	\$23.20
8	Meter Reader Supervisor					
8	Communications Coordinator					
8	Accountant					
8	Executive Secretary					
9	Meter Technician	\$35,970	\$41,438	\$44,173	\$46,907	\$52,376
9	Staking Technician	\$17.29	\$19.92	\$21.24	\$22.55	\$25.18
9	Line Technician I					
9	Dispatcher					
9	Data System Technician					
9	GPS/GIS Administrator					
10	Electrical Advisor	\$38,777	\$44,762	\$47,755	\$50,747	\$56,733
10	Senior Line Technician	\$18.64	\$21.52	\$22.96	\$24.40	\$27.28
10	Cashier Supervisor					
10	Marketing Director					

Nolin RECC Draft Salary Schedule

GR.	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref.	16806.63799		Market Value Range			
11	Contracts Coordinator	\$41,714	\$48,250	\$51,518	\$54,786	\$61,322
11	Materials Supervisor	\$20.05	\$23.20	\$24.77	\$26.34	\$29.48
11	Consumer Billing Supervisor (New)					
11	Consumer Accounting Supervisor					
12	Employment & Benefits Spec.	\$44,781	\$51,902	\$55,463	\$59,024	\$66,145
12	Fort Knox Accountant	\$21.53	\$24.95	\$26.66	\$28.38	\$31.80
12	Engineering Technician					
12	KVN System Operator					
12	Accounting Supervisor					
13	Field Engineering Supt.	\$47,975	\$55,717	\$59,589	\$63,460	\$71,203
		\$23.06	\$26.79	\$28.65	\$30.51	\$34.23
14	Construction Supt.	\$51,296	\$59,696	\$63,896	\$68,096	\$76,496
14	Maintenance Supt.	\$24.66	\$28.70	\$30.72	\$32.74	\$36.78
15	System Engineer	\$54,742	\$63,837	\$68,384	\$72,932	\$82,027
		\$26.32	\$30.69	\$32.88	\$35.06	\$39.44
16		\$58,312	\$68,140	\$73,054	\$77,968	\$87,797
		\$28.03	\$32.76	\$35.12	\$37.48	\$42.21
17	VP Marketing & Member Svcs.	\$62,005	\$72,605	\$77,905	\$83,205	\$93,806
		\$29.81	\$34.91	\$37.45	\$40.00	\$45.10
18	VP Office Services	\$65,819	\$77,231	\$82,938	\$88,644	\$100,056
		\$31.64	\$37.13	\$39.87	\$42.62	\$48.10
19	VP Admin. & Finance	\$69,754	\$82,019	\$88,151	\$94,283	\$106,548
		\$33.54	\$39.43	\$42.38	\$45.33	\$51.23
20	VP System Operations	\$73,808	\$86,967	\$93,546	\$100,125	\$113,284
		\$35.48	\$41.81	\$44.97	\$48.14	\$54.46

Exception/Variance Report

Change	Grade	Title	Points	Code	DOM	Survey Title	Natl Avg	Natl Thrd	Region III A	Region III B	Region III C	Region III D	KY Avg	KY Thrd Qtl	Lwr Thrd (p)	Upr Thrd (p)	Flag
1	6	Lead Tree Trimmer	634	15t	1	Tree Trimmer/Right-Of-Way Wr	29,224	33,842	28,748	32,469	30,676	36,332	32,457	36,571			High
1	8	Meter Records Coordinator	778	17d	2	Senior Billing Clerk	35,027	38,085	36,228	20,800	36,228	40,066	38,279	43,264			High
-1	10	Marketing Director	1012	7k		Key Account Executive	57,112	63,000	53,056	60,046	47,539	...	44,762	50,747			Low
	12	Accounting Supervisor	1180	12h		Supervisor Of General Accounti	48,614	54,600	53,716	62,858	52,176	61,893	51,902	59,024			High

Incumbent Impact

JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS										
				MIN	\$<MIN	LWR	\$<LWR	MP	\$<MP	UPR	\$<UPR	MAX	\$<MAX	
16806.63799						THD	THD			THD	THD			
Consumer Records Clerk	2	22,880	0.95	20,074	0	22,807	0	24,173	1,293	25,540	2,660	28,273	5,393	
Consumer Records Clerk	2	24,669	1.02	20,074	0	22,807	0	24,173	0	25,540	871	28,273	3,605	
General Clerk	2	8,100	0.34	20,074	11,974	22,807	14,707	24,173	16,073	25,540	17,440	28,273	20,173	
Billing Associate	3	26,333	0.99	21,934	0	24,969	0	26,487	154	28,004	1,672	31,040	4,707	
Maintenance Technician	3	26,146	0.99	21,934	0	24,969	0	26,487	341	28,004	1,859	31,040	4,894	
Switchboard Operator	3	22,880	0.86	21,934	0	24,969	2,089	26,487	3,607	28,004	5,124	31,040	8,160	
Cashier Associate	4	25,750	0.89	23,933	0	27,298	1,548	28,981	3,231	30,664	4,914	34,030	8,279	
Cashier Associate	4	24,190	0.83	23,933	0	27,298	3,108	28,981	4,791	30,664	6,474	34,030	9,839	
Cashier Associate	4	13,500	0.47	23,933	10,433	27,298	13,798	28,981	15,481	30,664	17,164	34,030	20,530	
Cashier Associate	4	23,754	0.82	23,933	179	27,298	3,545	28,981	5,228	30,664	6,910	34,030	10,276	
Consumer Accounting Associate	4	28,496	0.98	23,933	0	27,298	0	28,981	485	30,664	2,168	34,030	5,534	
Line Technician III	4	32,760	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,270	
Line Technician III	4	32,864	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,166	
Line Technician III	4	32,760	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,270	
Meter Reader	4	27,934	0.96	23,933	0	27,298	0	28,981	1,047	30,664	2,730	34,030	6,095	
Meter Reader	4	25,834	0.89	23,933	0	27,298	1,465	28,981	3,148	30,664	4,830	34,030	8,196	
Meter Reader	4	24,960	0.86	23,933	0	27,298	2,338	28,981	4,021	30,664	5,704	34,030	9,070	
Warehouse Clerk	4	27,040	0.93	23,933	0	27,298	258	28,981	1,941	30,664	3,624	34,030	6,990	
Collections Coordinator	5	32,011	1.01	26,069	0	29,794	0	31,657	0	33,519	1,508	37,244	5,233	
Consumer Accounting Associate	5	31,845	1.01	26,069	0	29,794	0	31,657	0	33,519	1,675	37,244	5,400	
Consumer Accounting Associate	5	29,557	0.93	26,069	0	29,794	238	31,657	2,100	33,519	3,963	37,244	7,688	
Consumer Accounting Associate	5	26,707	0.84	26,069	0	29,794	3,087	31,657	4,950	33,519	6,812	37,244	10,537	
Consumer Accounting Associate	5	25,085	0.79	26,069	985	29,794	4,710	31,657	6,572	33,519	8,435	37,244	12,160	
Consumer Accounting/DP Coordinator	5	33,530	1.06	26,069	0	29,794	0	31,657	0	33,519	0	37,244	3,715	
Lead Tree Trimmer	5	28,704	0.91	26,069	0	29,794	1,090	31,657	2,953	33,519	4,815	37,244	8,540	
Materials Specialist (W.O. Clerk)	5	32,011	1.01	26,069	0	29,794	0	31,657	0	33,519	1,508	37,244	5,233	
Administrative Assistant/Mem Svcs	6	36,525	1.06	28,343	0	32,457	0	34,514	0	36,571	46	40,685	4,160	
GIS Technician	6	29,640	0.86	28,343	0	32,457	2,817	34,514	4,874	36,571	6,931	40,685	11,045	
Membership Records Coordinator	6	32,094	0.93	28,343	0	32,457	363	34,514	2,420	36,571	4,477	40,685	8,591	
Purchasing Coordinator	6	35,506	1.03	28,343	0	32,457	0	34,514	0	36,571	1,065	40,685	5,179	
Line Technician II	7	37,398	1.00	30,752	0	35,285	0	37,552	154	39,819	2,421	44,353	6,955	
Line Technician II	7	37,898	1.01	30,752	0	35,285	0	37,552	0	39,819	1,922	44,353	6,455	
Meter Records Coordinator	7	36,962	0.98	30,752	0	35,285	0	37,552	591	39,819	2,858	44,353	7,391	
O & E Administrative Assistant	7	36,379	0.97	30,752	0	35,285	0	37,552	1,173	39,819	3,440	44,353	7,974	
Administrative Assistant	8	17,940	0.44	33,294	15,354	38,279	20,339	40,772	22,832	43,264	25,324	48,249	30,309	
Communications Coordinator	8	38,938	0.96	33,294	0	38,279	0	40,772	1,834	43,264	4,327	48,249	9,312	
Energy Management Coordinator	8	35,797	0.88	33,294	0	38,279	2,483	40,772	4,975	43,264	7,468	48,249	12,453	
Meter Reader Supervisor	8	37,877	0.93	33,294	0	38,279	403	40,772	2,895	43,264	5,388	48,249	10,373	
Cashier Supervisor	9	41,288	0.93	35,970	0	41,438	150	44,173	2,885	46,907	5,619	52,376	11,088	

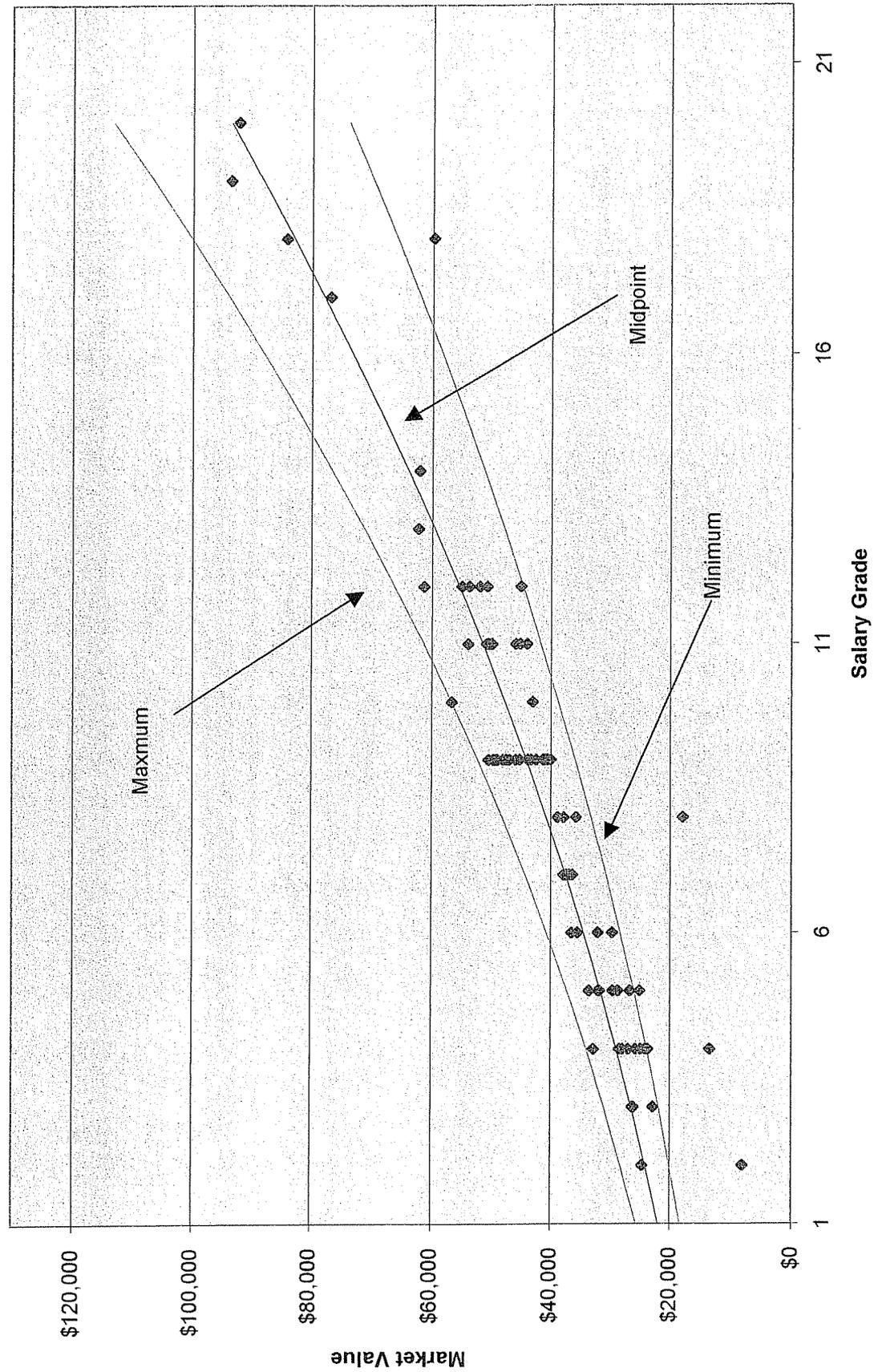
Incumbent Impact

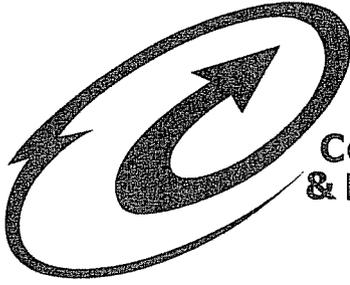
JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS										
				MIN	\$<MIN	LWR THD	\$<LWR THD	MP	\$<MP	UPR THD	\$<UPR THD	MAX	\$<MAX	
16806.63799														
Dispatcher	9	49,088	1.11	35,970	0	41,438	0	44,173	0	46,907	0	52,376	3,288	
Dispatcher	9	47,507	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,868	
Dispatcher	9	47,570	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,806	
Dispatcher	9	47,570	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,806	
Employment & Benefits Specialist	9	49,171	1.11	35,970	0	41,438	0	44,173	0	46,907	0	52,376	3,204	
GPS/GIS Administrator	9	47,611	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,764	
Line Technician I	9	47,653	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,723	
Line Technician I	9	46,987	1.06	35,970	0	41,438	0	44,173	0	46,907	0	52,376	5,388	
Line Technician I	9	49,608	1.12	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,768	
Line Technician I	9	48,152	1.09	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,224	
Line Technician I	9	45,261	1.02	35,970	0	41,438	0	44,173	0	46,907	1,646	52,376	7,115	
Line Technician I	9	45,261	1.02	35,970	0	41,438	0	44,173	0	46,907	1,646	52,376	7,115	
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387	
Line Technician I	9	43,368	0.98	35,970	0	41,438	0	44,173	805	46,907	3,539	52,376	9,008	
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387	
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387	
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387	
Meter Technician	9	40,893	0.93	35,970	0	41,438	546	44,173	3,280	46,907	6,014	52,376	11,483	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	50,565	1.14	35,970	0	41,438	0	44,173	0	46,907	0	52,376	1,811	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Staking Technician	9	42,515	0.96	35,970	0	41,438	0	44,173	1,657	46,907	4,392	52,376	9,860	
Staking Technician	9	43,888	0.99	35,970	0	41,438	0	44,173	285	46,907	3,019	52,376	8,488	
Staking Technician	9	40,539	0.92	35,970	0	41,438	899	44,173	3,633	46,907	6,368	52,376	11,836	
Staking Technician	9	40,019	0.91	35,970	0	41,438	1,419	44,173	4,153	46,907	6,888	52,376	12,356	
Contracts Coordinator	10	56,680	1.19	38,777	0	44,762	0	47,755	0	50,747	0	56,733	53	
Electrical Advisor	10	43,160	0.90	38,777	0	44,762	1,602	47,755	4,595	50,747	7,587	56,733	13,573	
Engineering Technician	11	50,627	0.98	41,714	0	48,250	0	51,518	891	54,786	4,159	61,322	10,695	
KVN System Operator	11	46,010	0.89	41,714	0	48,250	2,241	51,518	5,509	54,786	8,777	61,322	15,312	
Line Technician I	11	49,982	0.97	41,714	0	48,250	0	51,518	1,536	54,786	4,804	61,322	11,340	
Line Technician I	11	44,054	0.86	41,714	0	48,250	4,196	51,518	7,464	54,786	10,732	61,322	17,268	
MARKETING DIRECTOR	11	45,190	0.88	41,714	0	48,250	3,060	51,518	6,328	54,786	9,596	61,322	16,132	
Materials Supervisor	11	50,128	0.97	41,714	0	48,250	0	51,518	1,390	54,786	4,658	61,322	11,194	
Senior Accountant	11	54,018	1.05	41,714	0	48,250	0	51,518	0	54,786	769	61,322	7,304	
Senior Line Technician	11	50,440	0.98	41,714	0	48,250	0	51,518	1,078	54,786	4,346	61,322	10,882	

Incumbent Impact

JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS											
				MIN	\$<MIN	LWR THD	\$<LWR THD	MP	\$<MP	UPR THD	\$<UPR THD	MAX	\$<MAX		
16806.63799															
Senior Line Technician	11	50,898	0.99	41,714	0	48,250	0	51,518	621	54,786	3,889	61,322	10,424		
Accounting Supervisor	12	55,016	0.99	44,781	0	51,902	0	55,463	447	59,024	4,008	66,145	11,129		
Accounting Supervisor	12	52,042	0.94	44,781	0	51,902	0	55,463	3,421	59,024	6,982	66,145	14,103		
Consumer Accounting Supervisor	12	50,794	0.92	44,781	0	51,902	1,109	55,463	4,669	59,024	8,230	66,145	15,351		
Consumer Accounting Supervisor	12	45,074	0.81	44,781	0	51,902	6,829	55,463	10,389	59,024	13,950	66,145	21,071		
FIELD ENGINEERING SUPT	12	53,863	0.97	44,781	0	51,902	0	55,463	1,600	59,024	5,160	66,145	12,282		
MAINTENANCE SUPERINTENDENT	12	61,344	1.11	44,781	0	51,902	0	55,463	0	59,024	0	66,145	4,801		
CONSTRUCTION SUPERINTENDENT	13	62,248	1.04	47,975	0	55,717	0	59,589	0	63,460	1,212	71,203	8,955		
SYSTEM ENGINEER	14	62,126	0.97	51,296	0	59,696	0	63,896	1,770	68,096	5,970	76,496	14,370		
V.P. MARKETING & MEMBER SVCS	17	76,897	0.99	62,005	0	72,605	0	77,905	1,008	83,205	6,308	93,806	16,909		
VICE PRESIDENT OFFICE SERVICES	18	84,220	1.02	65,819	0	77,231	0	82,938	0	88,644	4,424	100,056	15,836		
VICE PRESIDENT OFFICE SERVICES	18	59,900	0.72	65,819	5,919	77,231	17,331	82,938	23,037	88,644	28,743	100,056	40,156		
V. P. ADMINISTRATION & FINANCE	19	93,518	1.06	69,754	0	82,019	0	88,151	0	94,283	765	106,548	13,030		
V.P. SYSTEM OPERATIONS	20	92,213	0.99	73,808	0	86,967	0	93,546	1,333	100,125	7,913	113,284	21,072		
Totals		3,867,679	0.97			44,843									

# Incumbents vs. Salary Ranges





**Cooperative Benefits  
& Financial Services, LLC**  
*An affiliate of Cobb Energy*

January 27, 2004

Mr. OV Sparks  
Nolin RECC  
P.O. Box 351  
Elizabethtown, KY

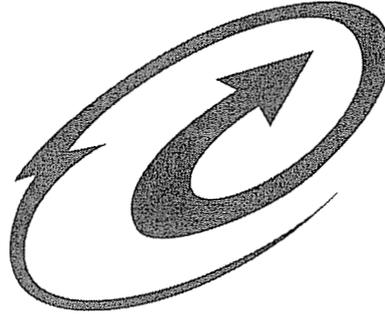
Dear OV:

Pursuant to our previous discussion, please find enclosed a narrative report for the compensation plan. Although you understand all of the spreadsheets the text might be helpful for those who don't!

I trust that you will find this information complete and appropriate. Please contact me if I can be of any further assistance

Yours truly,

Winston L. Tan  
Principal, Human Capital & Rewards Practice



# Compensation Program

For

Nolin RECC

January, 2004

Cooperative Benefits & Financial Services, LLC

963 Tope Road  
Sharpsburg, GA 30277  
(678) 355-3610  
Fax (770) 304-9186



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## The Compensation Program

### **Objective**

The objective of this study at Nolin RECC is the design and development of a current compensation program that will help to answer the question of "Why do we pay what we do?" This program will provide management with a modernized information system that will meet the compensation objectives of the organization and have the following goals:

1. Internal Equity. The fair and impartial ranking of positions based on work done within the organization ("equal pay for equal work"). Individuals performing similar work with equal proficiency should be provided with similar wage and salary opportunities. This component of the wage and salary program addresses employee expectations as well as legal requirements.
2. External Competitiveness. A program that can assure management that positions within the company are priced at a rate which is competitive with comparable work being done under similar conditions in related industry (market sensitivity).

### **Methodology**

In order to construct an effective wage and salary program, it is essential to follow a consistent and well-defined methodology. CBFS utilized a computerized compensation system to set up the wage and salary program at Nolin RECC. This system allowed the integration of external compensation values with internal job relationships to develop equitable and competitive pay scales.

The system uses a point factor system to evaluate all positions within the organization in order to define the internal relationships between jobs. These factors consider the level of Job Knowledge, Organizational Leadership, Organizational Impact, Complexity, and Communication in each position to define value to the organization (see exhibits). Internal values are merged with external salary-survey information by building a compensation model unique to the organization. The model is used to calculate salary range midpoints, which are both internally equitable and externally competitive.



### ***Establishing Internal Equity at Nolin RECC***

A job evaluation committee comprised of a cross-section of employees was utilized to evaluate each position in the plan. Each position was allocated points based on the level of each factor described in the job description. The sum of the points for all five factors determined a total point value for each position and provided a systematic and equitable method of ranking positions according to their relative value to the company. The evaluation of positions was not intended to reflect personalities.

#### Nolin RECC Job Evaluations

Grade	Title	Knowledge		Org Leadership		Org. Impact		Complexity		Communication		Total Points
		Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	
2	General Clerk	A	58	A	54	A	58	A	58	B	112	340
3	Warehouse Clerk	B	112	A	54	A	58	A	58	B-	94	376
3	Switchboard Operator	B	112	A	54	A	58	A	58	B	112	394
3	Consumer Records Clerk	B	112	A	54	A+	76	A	58	B	112	412
4	Tree Trimmer	B	112	A	54	B	112	B	112	A	58	448
4	Meter Reader	B	112	A	54	B	112	A	58	B+	130	466
4	Cashier Associate	B	112	A	54	B-	94	B	112	B	112	484
4	Maintenance Technician	B+	130	A	54	B	112	B	112	B	112	520
4	Line Tech III											
5	Billing Associate	B+	130	A	54	B	112	B+	130	B	112	538
5	Material Specialist	C	166	A	54	B	112	B	112	B	112	556
6	Purchasing Coordinator	C-	148	A+	68	C	166	B+	130	B	112	624
6	Consumer Accounting Associate	B+	130	A	54	B+	130	C-	148	C	166	628
6	GIS Technician	C	166	A	54	C-	148	C-	148	B	112	628
6	Lead Tree Trimmer	B+	130	B	96	B+	130	C-	148	B+	130	634
6	Administrative Assistant/Mbr Svcs.	C	166	A	54	B	112	C	166	C	166	664
6	Administrative Assistant/O&E	C	166	A	54	B	112	C	166	C	166	664
7	Collections Coordinator	C	166	A	54	C	166	C	166	C+	184	736
7	Membership Records Coord.	C	166	B-	82	C	166	C	166	C	166	746
7	Consumer Acctng/DP Coord.	C	166	B	96	C	166	C	166	C	166	760
7	Line Tech II											
8	Meter Records Coordinator	C	166	B	96	C	166	C	166	C+	184	778
8	Energy Management Coord.	C+	184	A	54	C+	184	C	166	D	220	808
8	Meter Reader Supervisor	C	166	C+	152	C	166	C	166	C	166	816
8	Communications Coordinator	D	220	A	54	D	220	C	166	C	166	826
8	Accountant	D+	238	A	54	D-	202	C	166	C	166	826
8	Executive Secretary	C	166	B	96	C	166	C+	184	D	220	832
9	Meter Technician	C+	184	A+	68	D	220	D	220	C	166	858
9	Staking Technician	C	166	A	54	D-	202	D	220	D	220	862
9	Line Technician I	C+	184	B+	110	D-	202	D	220	C-	148	864
9	Dispatcher	C+	184	B+	110	D-	202	D	220	C-	148	864
9	Data System Technician	D+	238	A	54	D-	202	D	220	D-	202	916



Grade	Title	Knowledge		Org Leadership		Org. Impact		Complexity		Communication		Total Points
		Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	
9	GPS/GIS Administrator	D	220	B	96	D	220	D	220	C	166	922
10	Electrical Advisor	D	220	A	54	D	220	D	220	D+	238	952
10	Senior Line Technician	D	220	C	138	D	220	D	220	C+	184	982
10	Cashier Supervisor	C	166	D-	166	D+	238	D	220	D-	202	992
10	Marketing Director	D	220	B	96	D	220	D	220	E-	256	1012
11	Contracts Coordinator	D	220	C+	152	D	220	D	220	D	220	1032
11	Materials Supervisor	D+	238	C+	152	D	220	D	220	D	220	1050
11	Consumer Billing Supervisor (New)	D	220	D+	194	D+	238	C+	184	D	220	1056
11	Consumer Accounting Supervisor	D	220	D+	194	E-	256	C+	184	D	220	1074
12	Employment & Benefits Spec.	E	274	B	96	E-	256	D+	238	E-	256	1120
12	Fort Knox Accountant	E	274	B	96	E	274	E	274	D-	202	1120
12	Engineering Technician	E	274	B	96	E	274	E	274	D	220	1138
12	KVN System Operator	E	274	C	138	E	274	E	274	D	220	1180
12	Accounting Supervisor	E	274	C	138	E	274	E	274	D	220	1180
13	Field Engineering Supt.	E	274	D	180	E	274	E	274	D+	238	1240
14	Construction Supt.	E	274	E	222	E	274	E	274	D+	238	1282
14	Maintenance Supt.	E	274	E	222	E	274	E	274	D+	238	1282
15	System Engineer	E+	292	E	222	E	274	E+	292	E	274	1354
17	VP Marketing & Member Svcs.	F-	310	F	264	F-	310	F	328	F	328	1540
18	VP Office Services	F	328	F+	278	F	328	F	328	F+	346	1608
19	VP Admin. & Finance	F+	346	F+	278	F+	346	F+	346	G-	364	1680
20	VP System Operations	G-	364	G	306	G-	364	G-	364	G-	364	1762

***Developing the Compensation Model***

A polynomial regression model was used to merge point values of selected positions with external salary survey data, thereby establishing compensation model "benchmarks." Benchmark positions were selected by comparing job responsibilities performed at Nolin RECC with those described in the salary survey data. When there was a reasonable "match" in duties, the position was selected as a potential benchmark position.

For each data point a Degree of Match (DOM) was applied (our assessment of the strength of fit between the survey data and job design at Nolin RECC). A rating of "1" indicates that there is a similarity in many aspects and functions of the position as compared with the surveyed job. A rating of "2" indicates a very good match with while a rating of "3" suggests an excellent match between the benchmark job and the surveyed position. Only the data, which comprised of the highest levels of confidence (a "2" or "3" DOM rating) were utilized in the compensation modeling.



Potential Salary Data Sources

Survey	Description
2003 National Compensation Survey (NCS)	<p>Produced annually by NRECA, this survey provides information for approximately 80 positions from cooperative distribution systems located throughout the United States. Over 700 systems contribute to this non-voluntary survey (values are used for calculating group benefit premiums), which reports actual salaries. Salary data is available on a national, regional and statewide basis.</p> <p>A combination of the average and third quartile values of the NCS national and regional report was utilized to position the Nolin RECC plan at a competitive and equitable level. The use of national and regional data provides a high degree of stability and consistency from year to year. This posture is consistent with previous plans at Nolin RECC.</p>

The following table illustrates all of the relevant data available from the aforementioned survey sources.

Compensation Model Benchmark Positions

Grade	Title	Total Points	Code	DOM	Nat'l Avg	Nat'l Thrd Qtl	Region III Thrd Qtl	Select
2	General Clerk	340	17x	2	26,707	30,722	33,259	26,707
3	Warehouse Clerk	376	20n	2	28,267	31,990	30,695	28,267
4	Tree Trimmer	448	15t	2	29,224	33,842	32,469	29,224
5	Billing Associate	538	17e	3	29,515	35,464	33,582	29,515
6	Consumer Accounting Associate	628	17t	2	29,786	33,654	33,514	29,786
6	Administrative Assistant/Mbr Svcs.	664	17b	3	33,093	36,774	40,112	33,093
7	Consumer Acctng/DP Coord.	760	18i	2	36,629	41,912	41,205	36,629
8	Meter Reader Supervisor	816	20g	3	42,994	49,899	52,247	42,994
9	Staking Technician	862	16m	3	43,788	48,818	46,570	43,788
9	Line Technician I	864	15n	3	46,010	50,253	47,892	46,010
9	Data System Technician	916	18f	2	45,025	52,857	55,827	45,396
10	Senior Line Technician	982	15k	3	49,816	53,726	51,334	49,816
11	Materials Supervisor	1050	19a	2	48,744	55,487	56,310	48,744



Grade	Title	Total Points	Code	DOM	Nat'l Avg	Nat'l Thrd Qtl	Region III Thrd Qtl	Select
12	KVN System Operator	1180	18k	3	55,729	62,500	65,985	55,729
14	Construction Supt.	1282	15a	3	61,577	67,283	65,978	61,577
15	System Engineer	1354	16w	2	64,921	73,803	71,973	64,921
17	VP Marketing & Member Svcs.	1540	7a	2	68,188	78,512	80,754	80,754
19	VP Admin. & Finance	1680	12a	2	74,019	84,916	84,269	84,916
20	VP System Operations	1762	16a	3	81,537	90,467	84,032	90,467

A regression analysis was performed between the job evaluation points and the target market values for each benchmark position. This resulted in a "line of best fit" which became the midpoint curve for Nolin RECC's compensation plan.

Regression Analysis of Salary Model Benchmark Positions

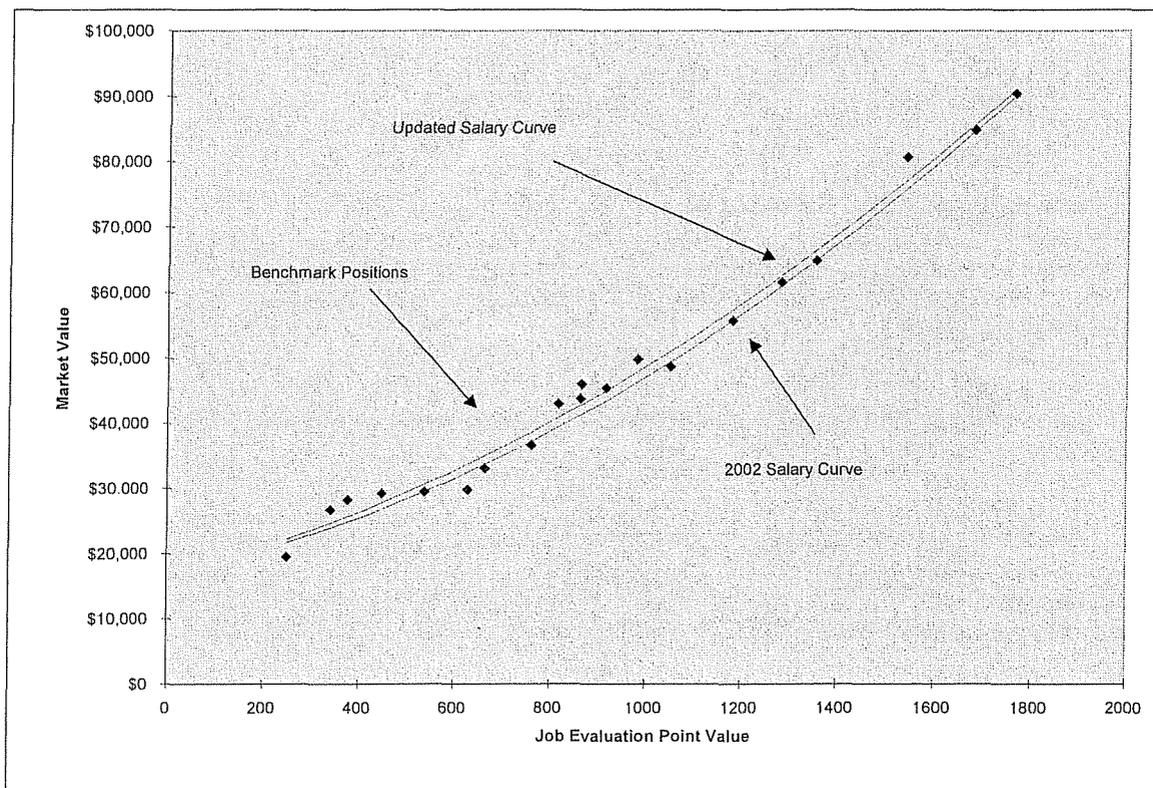
Determination Coeff: 0.98850956	<b>Degree 2</b>		<b>Chart Values</b>	
Coeff. of Correlation: 0.99423818	<b>Known Points</b>		<b>X</b>	<b>Y</b>
Std. Error of Est: 2303.73595	<b>X</b>	<b>Y</b>	250	22241.56
Constant: 16806.638	250	\$19,500	418	26840.42
1st Degree Coeff: 18.369818	340	\$26,707	586	32200.16
2nd Degree Coeff: 0.01347952	376	\$28,267	754	38320.8
	448	\$29,224	922	45202.33
	538	\$29,515	1090	52844.76
	628	\$29,786	1258	61248.07
	664	\$33,093	1426	70412.28
	760	\$36,629	1594	80337.38
	816	\$42,994	1762	91023.37
	862	\$43,788		
	864	\$46,010		
	916	\$45,396		
	982	\$49,816		
	1050	\$48,744		
	1180	\$55,729		
	1282	\$61,577		
	1354	\$64,921		
	1540	\$80,754		
	1680	\$84,916		
	1762	\$90,467		



This line of best fit has the following characteristics, which will be used to calculate salary grade midpoints:

Constant:	16806.638
1st Degree Coeff:	18.369818
2nd Degree Coeff:	0.01347952

Benchmark Positions vs. Salary Line



### ***Developing the Salary Structure***

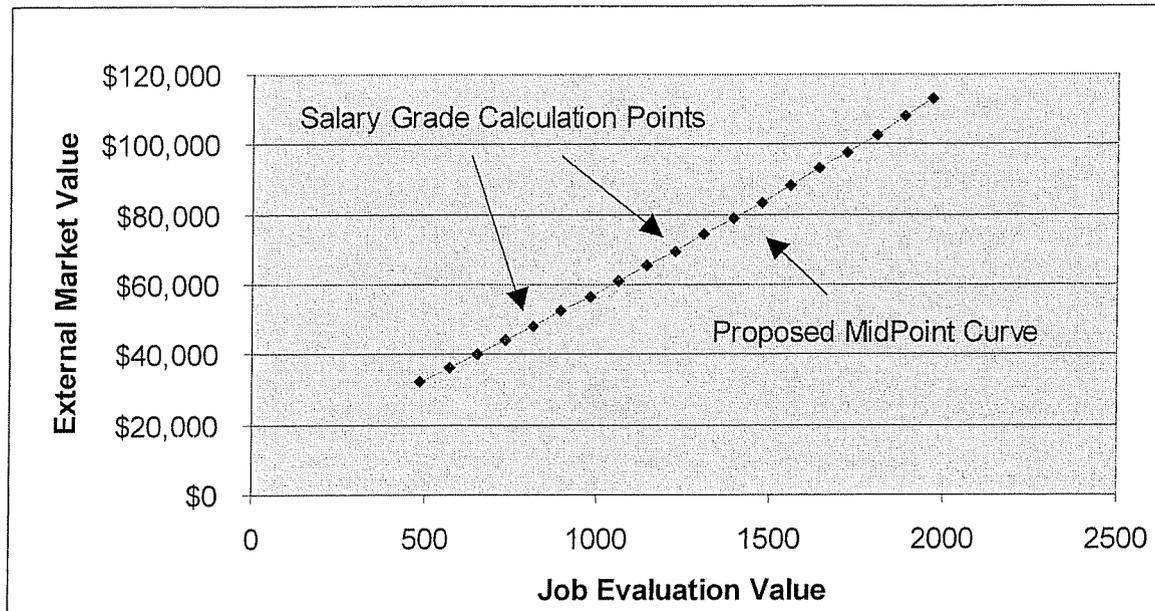
Salary grade midpoints were calculated by determining the midpoint point value of each grade and solving for "Y" at each midpoint, according to the following equation:

$Y = a + bx + cx^2$ . In this equation "a" is the constant, "b" is the 1st degree coefficient, and "c" is the 2nd degree coefficient.



The midpoint “x” values were established by setting salary grades at 82 point intervals starting with 200 points up to a maximum of 2,000 points. All evaluated positions would then be placed into one of 22 potential salary-grades.

### Salary Grade Calculation Points



Each calculated point is the middle market value (midpoint) of a respective salary grade. Based on the midpoint value a salary range can be determined by utilizing percentage calculations both above and below the midpoint. A targeted range spread of between 40-55% (stepping gradually from grades 1-22), calculated from the minimum is the normal design to allow for incumbent tenure, experience and competencies within a particular position.

Based on the coefficients for the salary curve generated from the benchmark positions, the salary structure in the following chart can be calculated.



Nolin RECC Proposed Salary Structure

GRADE	POINT RANGE			SALARY RANGE					SPREAD	Current MP	Change
	MIN	MID	MAX	MIN	LWR THD	MP	UPR THD	MAX			
1	200	241	282	\$18,333	\$20,789	\$22,017	\$23,244	\$25,700	40.18%	\$21,511	2.35%
2	283	324	364	\$20,074	\$22,807	\$24,173	\$25,540	\$28,273	40.85%	\$23,465	3.02%
3	365	406	446	\$21,934	\$24,969	\$26,487	\$28,004	\$31,040	41.52%	\$25,598	3.47%
4	447	488	528	\$23,933	\$27,298	\$28,981	\$30,664	\$34,030	42.19%	\$27,932	3.76%
5	529	570	610	\$26,069	\$29,794	\$31,657	\$33,519	\$37,244	42.87%	\$30,468	3.90%
6	611	652	692	\$28,343	\$32,457	\$34,514	\$36,571	\$40,685	43.55%	\$33,206	3.94%
7	693	734	774	\$30,752	\$35,285	\$37,552	\$39,819	\$44,353	44.23%	\$36,145	3.89%
8	775	816	856	\$33,294	\$38,279	\$40,772	\$43,264	\$48,249	44.92%	\$39,286	3.78%
9	857	898	938	\$35,970	\$41,438	\$44,173	\$46,907	\$52,376	45.61%	\$42,628	3.62%
10	939	980	1020	\$38,777	\$44,762	\$47,755	\$50,747	\$56,733	46.31%	\$46,172	3.43%
11	1021	1062	1102	\$41,714	\$48,250	\$51,518	\$54,786	\$61,322	47.01%	\$49,918	3.21%
12	1103	1144	1184	\$44,781	\$51,902	\$55,463	\$59,024	\$66,145	47.71%	\$53,865	2.97%
13	1185	1226	1266	\$47,975	\$55,717	\$59,589	\$63,460	\$71,203	48.42%	\$58,014	2.71%
14	1267	1308	1348	\$51,296	\$59,696	\$63,896	\$68,096	\$76,496	49.13%	\$62,364	2.46%
15	1349	1390	1430	\$54,742	\$63,837	\$68,384	\$72,932	\$82,027	49.84%	\$66,915	2.20%
16	1431	1472	1512	\$58,312	\$68,140	\$73,054	\$77,968	\$87,797	50.56%	\$71,669	1.93%
17	1513	1554	1594	\$62,005	\$72,605	\$77,905	\$83,205	\$93,806	51.29%	\$76,623	1.67%
18	1595	1636	1676	\$65,819	\$77,231	\$82,938	\$88,644	\$100,056	52.02%	\$81,780	1.42%
19	1677	1718	1758	\$69,754	\$82,019	\$88,151	\$94,283	\$106,548	52.75%	\$87,138	1.16%
20	1759	1800	1840	\$73,808	\$86,967	\$93,546	\$100,125	\$113,284	53.49%	\$92,697	0.92%
										Overall Average	2.79%

**Salary Range Criteria**

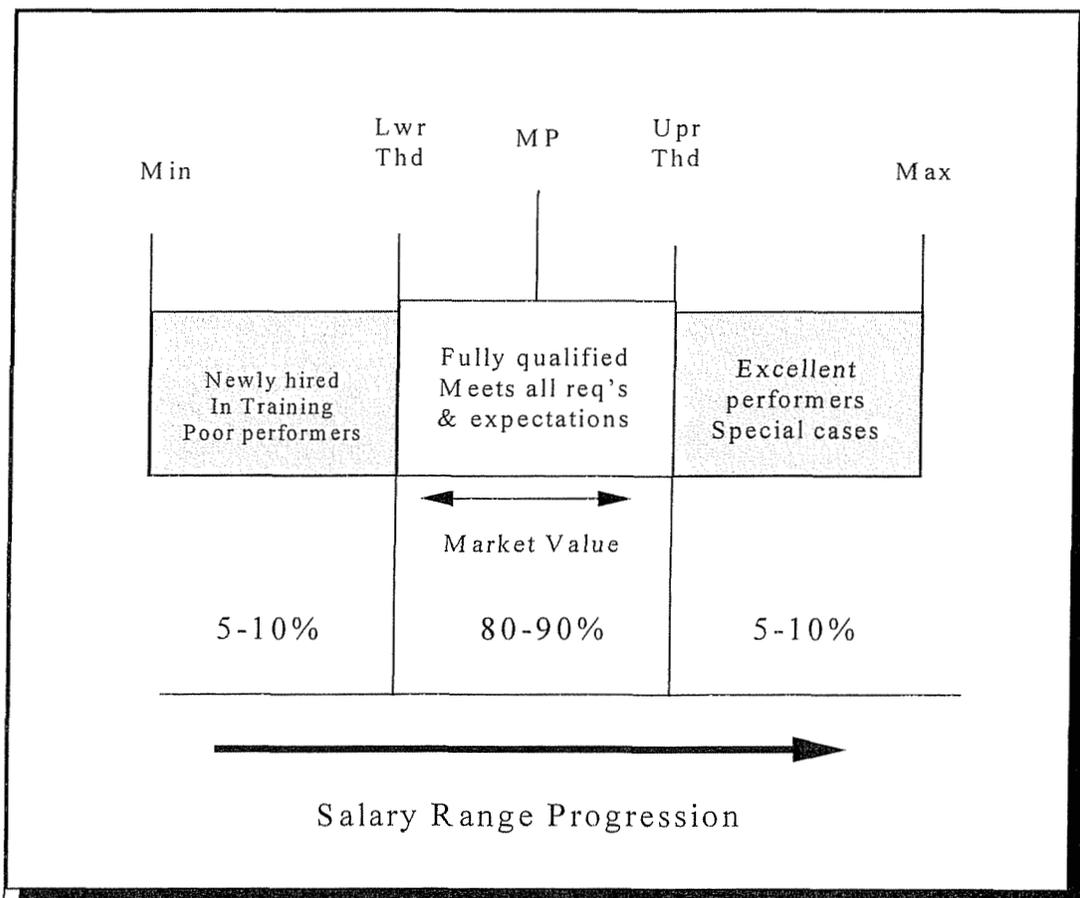
For each salary grade, five control points were calculated to define a salary progression for incumbents: minimum, lower third, midpoint, upper third and maximum. Typically, incumbents would be brought into the salary range at the minimum (or at an appropriate position commensurate with experience and abilities) and moved toward the middle third of the salary range (the region between the lower third and the upper third), which represents fair market value.

In a properly administered salary plan (assuming minimal employee turnover) about 80-90% of all employees will fall into the market value range, while only 5-10% would occupy the region between the minimum-lower third as well as the upper third-maximum region. In all cases, incumbent positioning within the salary range should reflect the individual's experience and performance on the job.



Note that there can be some situations regarding specific individuals (recruiting, retention, salary compression with bargaining unit, etc.) which may necessitate movement of individuals outside of the parameters of defined market value (both high and low). This should be treated as an exception rather than the rule and should be based on solid competitive data as well as a close monitoring of individual competency and proficiency.

### Salary Range Criteria



Using the point values assigned during job evaluation, each position can be assigned to an appropriate salary grade as indicated in the projected "Salary Schedule." The "Salary Schedule" merges the job evaluations with the proposed salary structure and provides a listing of the salary range for each evaluated position.



Nolin RECC Salary Schedule

GR.	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref.	16806.63799	Market Value Range				
2	General Clerk	\$20,074 \$9.65	\$22,807 \$10.96	\$24,173 \$11.62	\$25,540 \$12.28	\$28,273 \$13.59
3	Warehouse Clerk	\$21,934	\$24,969	\$26,487	\$28,004	\$31,040
3	Switchboard Operator	\$10.55	\$12.00	\$12.73	\$13.46	\$14.92
3	Consumer Records Clerk					
4	Tree Trimmer	\$23,933	\$27,298	\$28,981	\$30,664	\$34,030
4	Meter Reader	\$11.51	\$13.12	\$13.93	\$14.74	\$16.36
4	Cashier Associate					
4	Maintenance Technician					
4	Line Tech III					
5	Billing Associate	\$26,069	\$29,794	\$31,657	\$33,519	\$37,244
5	Material Specialist	\$12.53	\$14.32	\$15.22	\$16.12	\$17.91
6	Purchasing Coordinator	\$28,343	\$32,457	\$34,514	\$36,571	\$40,685
6	Consumer Accounting Associate	\$13.63	\$15.60	\$16.59	\$17.58	\$19.56
6	GIS Technician					
6	Lead Tree Trimmer					
6	Administrative Assistant/Mbr Svcs.					
6	Administrative Assistant/O&E					
7	Collections Coordinator	\$30,752	\$35,285	\$37,552	\$39,819	\$44,353
7	Membership Records Coord.	\$14.78	\$16.96	\$18.05	\$19.14	\$21.32
7	Consumer Acctng/DP Coord.					
7	Line Tech II					
8	Meter Records Coordinator	\$33,294	\$38,279	\$40,772	\$43,264	\$48,249
8	Energy Management Coord.	\$16.01	\$18.40	\$19.60	\$20.80	\$23.20
8	Meter Reader Supervisor					
8	Communications Coordinator					
8	Accountant					
8	Executive Secretary					
9	Meter Technician	\$35,970	\$41,438	\$44,173	\$46,907	\$52,376
9	Staking Technician	\$17.29	\$19.92	\$21.24	\$22.55	\$25.18
9	Line Technician I					
9	Dispatcher					
9	Data System Technician					
9	GPS/GIS Administrator					



GR.	TITLE	MIN	LWR THD	MP	UPR THD	MAX	
Ref.	16806.63799	Market Value Range					
10	Electrical Advisor	\$38,777	\$44,762	\$47,755	\$50,747	\$56,733	
10	Senior Line Technician	\$18.64	\$21.52	\$22.96	\$24.40	\$27.28	
10	Cashier Supervisor						
10	Marketing Director						
11	Contracts Coordinator	\$41,714	\$48,250	\$51,518	\$54,786	\$61,322	
11	Materials Supervisor	\$20.05	\$23.20	\$24.77	\$26.34	\$29.48	
11	Consumer Billing Supervisor (New)						
11	Consumer Accounting Supervisor						
12	Employment & Benefits Spec.	\$44,781	\$51,902	\$55,463	\$59,024	\$66,145	
12	Fort Knox Accountant	\$21.53	\$24.95	\$26.66	\$28.38	\$31.80	
12	Engineering Technician						
12	KVN System Operator						
12	Accounting Supervisor						
13	Field Engineering Supt.	\$47,975	\$55,717	\$59,589	\$63,460	\$71,203	
		\$23.06	\$26.79	\$28.65	\$30.51	\$34.23	
14	Construction Supt.	\$51,296	\$59,696	\$63,896	\$68,096	\$76,496	
14	Maintenance Supt.	\$24.66	\$28.70	\$30.72	\$32.74	\$36.78	
15	System Engineer	\$54,742	\$63,837	\$68,384	\$72,932	\$82,027	
		\$26.32	\$30.69	\$32.88	\$35.06	\$39.44	
16		\$58,312	\$68,140	\$73,054	\$77,968	\$87,797	
		\$28.03	\$32.76	\$35.12	\$37.48	\$42.21	
17	VP Marketing & Member Svcs.	\$62,005	\$72,605	\$77,905	\$83,205	\$93,806	
		\$29.81	\$34.91	\$37.45	\$40.00	\$45.10	
18	VP Office Services	\$65,819	\$77,231	\$82,938	\$88,644	\$100,056	
		\$31.64	\$37.13	\$39.87	\$42.62	\$48.10	
19	VP Admin. & Finance	\$69,754	\$82,019	\$88,151	\$94,283	\$106,548	
		\$33.54	\$39.43	\$42.38	\$45.33	\$51.23	
20	VP System Operations	\$73,808	\$86,967	\$93,546	\$100,125	\$113,284	
		\$35.48	\$41.81	\$44.97	\$48.14	\$54.46	



### Variance Report

The following chart illustrates positions in which their internal job placement and resultant target market value (lower third to upper third points) is significantly different from salary survey values. In many cases this can be due to differences between the distribution of duties and responsibilities at Nolin RECC as compared with those reporting to the survey. Due diligence, however, should be taken in reviewing the following positions to ensure that they are functioning differently from the survey benchmark. If not, adjustment should be done accordingly.

Recognize that not all positions have salary data available. If management agrees to adjust some positions based on the variance model it may be necessary to review other related positions to determine their relative relationship. The reference for the "Flag" is the national average up.

Grade	Title	Points	Code	DOM	Survey Title	Nat'l		Region III		KY	KY	Lwr		Upr		Flag
						Avg.	Thrd Qtl	Avg.	Thrd Qtl			Thrd (p)	Thrd (p)	Thrd (p)	Thrd (p)	
6	Lead Tree Trimmer	634	15t	1	Tree Trimmer/Right-Of-Way Worker	29,224	33,842	28,748	32,469	30,676	36,332	32,457	36,571			High
8	Meter Records Coordinator	778	17d	2	Senior Billing Clerk	35,027	38,085	36,228	20,800	36,228	40,066	38,279	43,264			High
10	Marketing Director	1012	7k	2	Key Account Executive	57,112	63,000	53,056	60,046	47,539	...	44,762	50,747			Low
12	Accounting Supervisor	1180	12h	2	Supervisor Of General Accounting 1	48,614	54,600	53,716	62,858	52,176	61,893	51,902	59,024			High



## Implementation Impact

The “Incumbent Impact” provides specific details of individual employees and was developed as a guideline for management. It shows current incumbent salaries vis-à-vis recommended salary control points to provide a costing scenario. The C/R (Compa Ratio) is calculated by dividing the incumbent's current salary by the midpoint of the position's salary range. A 1.00 compa ratio indicates that the incumbent is at the midpoint position of their respective grade.

The overall average compa-ratio of all of the incumbents in the salary plan is 0.97... indicating that on average; most incumbents are appropriately placed within the proposed salary plan with only a few which are significantly high or low. Normal and reasonable funding is adequate to maintain the program. Costing scenarios for different places within the salary structure were targeted to provide a budgeting tool for implementation purposes (see exhibits).

In general, employees who are above the appropriate region of their respective salary range are “frozen” until the salary ranges “catch up” with their current pay to allow a further salary increase. Extenuating recruiting or retention needs may require discretion on the part of management (consideration for compression from bargaining unit employees is a key issue) and deviation from ranges can be allowed for those reasons.

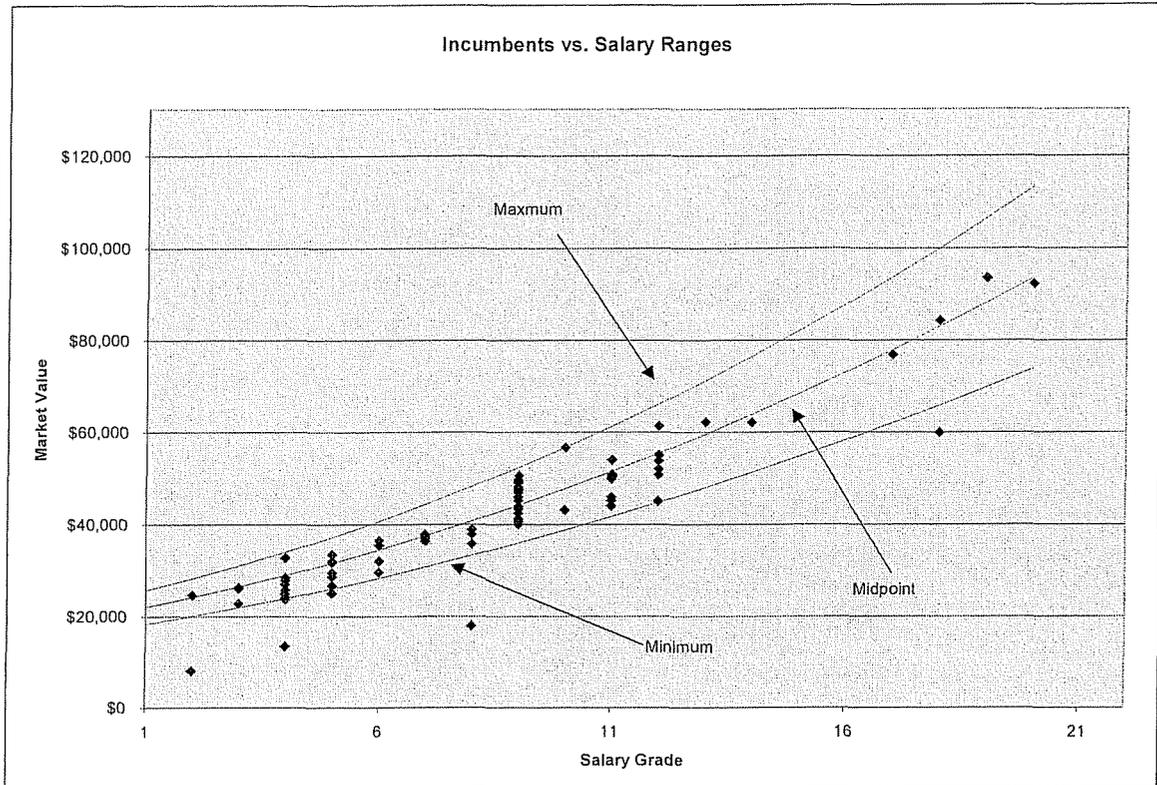
Management should determine an appropriate strategy to address employees who are either above or below their salary ranges. Employees who are within their ranges can be managed within the framework of their normal salary increases.

Although the lower third of the salary range represents the “lower market value range,” this action is not necessarily recommended for every employee. Employees that are not performing at full proficiency due to newness on the job or lack of performance should not be compensated at the market rate. The analysis merely provides management with an overview of where individuals are in respect to the plan. Actual salary movements should be done based on individual performance, proficiency, budget allowances, and the general parameters of employee behavior with respect to salary range.

The following chart illustrates where incumbents are positioned in regard to salary range curves of the proposed plan.



Incumbent Impact  
(Average Compa ratio = 0.97)



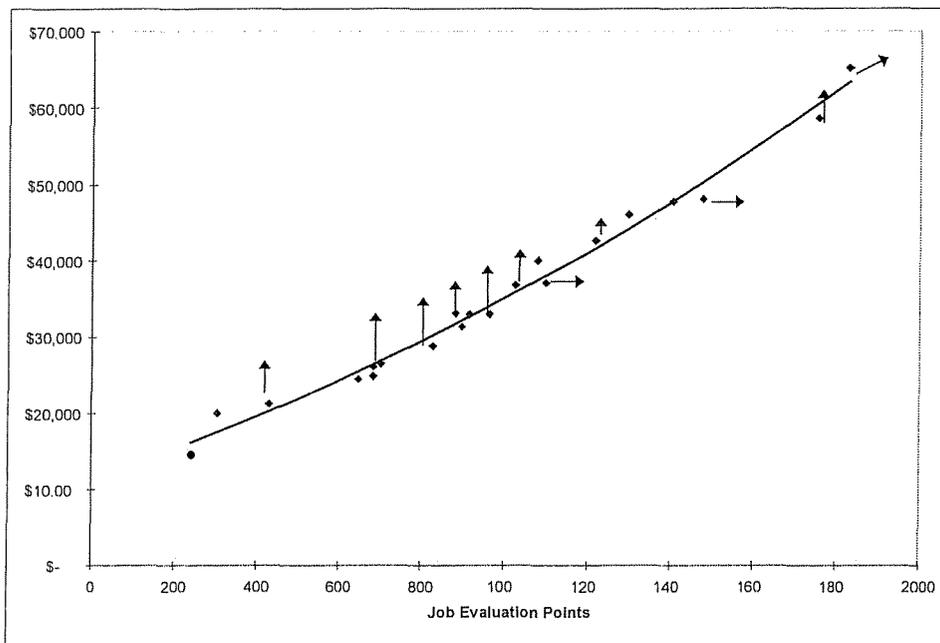
### Updating the Plan

The proposed plan is a salary information program, which outlines the limitations of fair market value for each position. Organizational and/or job content changes would require an updated evaluation to ensure that the internal equity of the organization is maintained.

On an annual basis, the compensation model should be updated. Benchmark positions should be evaluated for appropriateness as market indicators for the current organization. As necessary, internal point-values should be updated and external salary data should be gathered, trying to maintain a consistency to the original compensation model. Each benchmark value will move a varying percentage based on actual market movements for that particular benchmark position.



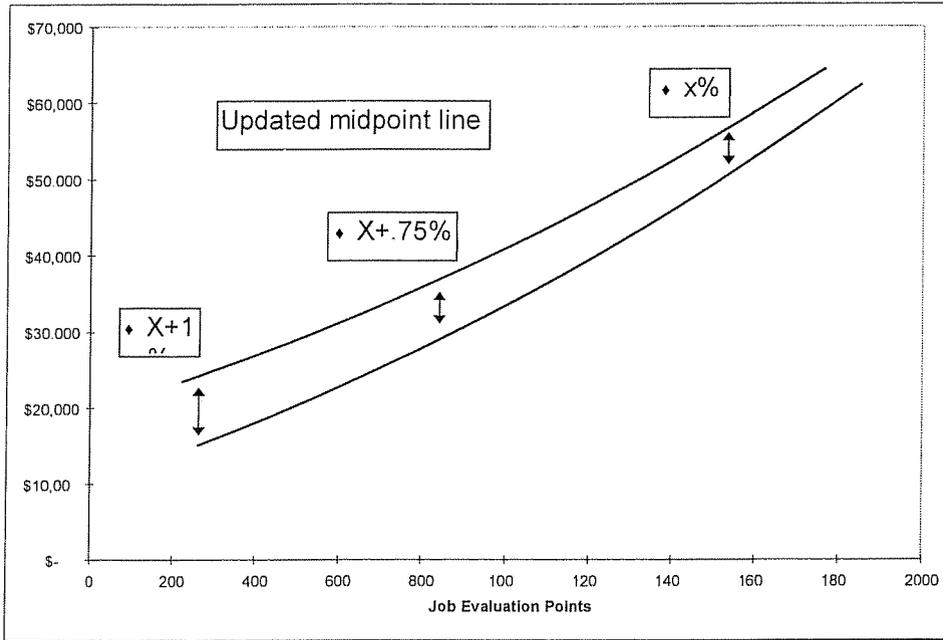
Sample Market Movements of Benchmark Positions



A new regression analysis of benchmark positions and current salary data should be generated. The resultant equation will define the new salary structure midpoints with varying adjustments according to the actual movements by the benchmark positions.



### Sample Salary Line Movement With Varying Change



“Across the board” indices are sometimes applied to salary ranges to account for market changes. Although this practice may stabilize the cost of living impact on employees, it can also understate or overstate market values for positions. The annual update of the compensation model and the subsequent varying increases based on market movement of benchmark positions will ensure that salary grades remain competitive, reflect fair market value and continue to meet the organization's compensation objectives.



## Exhibits

### *Job Evaluation Factors*

Incumbent Impact



### Total Job Knowledge

This factor considers the total knowledge (the combination of education, training and experience) necessary for a typical incumbent to be fully proficient in accomplishing all the duties and responsibilities prescribed in the job description. Equivalence to formal education can be substituted by a factor of two year's experience for one year of formal education.

Level	Education/Training	Plus Related Experience
- A +	Basic skills necessary to read, write and perform basic calculations.	6 months
- B +	High School Diploma	1 year
- C +	High School Diploma or AA/two-year college program	5 years or 1 year
- D +	High School Diploma or AA/two-year college program or BA/BS Degree	10 years or 5 years or 1 year
- E +	High School Diploma or AA/two-year college program or BA/BS Degree or Advanced Degree	15 years or 10 years or 5 years or 1 year
- F +	BA/BS Degree or Advanced Degree	10 years or 5 years
- G +	BA/BS Degree or Advanced Degree	15 years or 10 years



## Organizational Leadership

This factor considers the level of the position's responsibility for the work of others. Also consider the difficulty of achieving results through others and the diversity and complexity of assigned functional responsibilities. If responsibilities are intermittent, consider frequency of occurrence.

Level	Definition
- A +	Position has no line (formal supervisory) responsibility or work unit leadership requirements. No responsibility for the work of others other than normal cooperation and assistance.
- B +	Position has no line responsibility but directs the activities of others within a work unit or task force in a lead or senior capacity. Position may be responsible for scheduling, assigning or coordination of work of others.
- C +	Position has line/leadership responsibility over a small work group or unit which is routine involving same or similar activities (i.e., working supervisor). Responsible for assigning tasks and checking/reviewing completed work.
- D +	Position has line/leadership responsibility which may be complex, but involves the same or similar activities.
- E +	Position has line/leadership responsibility which is complex and diversified, involving different but related activities which may include one or more aspects of a major function.
- F +	Position has line responsibility which is complex and diversified, involving several related aspects of a major function or at more than one location.
- G +	Position has line responsibility which is very complex and diversified involving several different and important aspects of a major function.
- H +	Position has line responsibility over a primary organizational unit made up of one or two major functions.
- I +	Position has line responsibility over a primary organizational unit made up of several major functions.



## Organizational Impact

Consider the impact of decisions and duties upon the overall operation of the organization and the degree to which these are controlled. When evaluating impact, consider the position's degree of responsibility for budgets, policies, major programs, contracts, legislation, etc.

Level	Definition
- A +	Decisions and duties are highly structured and require the use of common sense to be effective. Activities have a minimal impact on the company. Tasks are often repetitive and well defined with specific guidelines for completion. The result of errors usually involves the loss of incumbent's time to make corrections.
- B +	Decisions and duties are regularly reviewed and have a limited impact on the company. The impact of errors is limited and usually results in minor expense and/or the loss of others' time to make corrections.
- C +	Decisions and duties are periodically reviewed and have a limited impact on the organization. The result of errors is usually a notable loss of materials and/or others' time. Work requires a moderate degree of responsibility for information.
- D +	Decisions and duties have a moderate impact on corporate operations and are based on established policies and procedures. Working knowledge of regulations, etc., as they apply to specific function and/or work group may be required to exercise independent action in area of specialty.
- E +	Decisions and duties have a significant impact on corporate operations. Incumbent may be required to develop and make recommendations concerning established policies and procedures. May interpret regulations and legislation as they apply to the specific function and/or work group.
- F +	Decisions and duties have a significant impact and effect on other departments or functional areas of the company. Required to develop and make recommendations concerning new policies and procedures. Often interprets regulations and legislation as they apply to other functions and/or work groups.
- G +	Position requires a high degree of authority and responsibility for corporate resources. Makes decisions that have a significant impact on policy or programs. Approves or makes final recommendations for approval of major non-budgeted expenditures, procedures, programs and/or the company's position concerning obligations under legislation and regulations.



## Complexity

This factor measures the degree of job structure and evaluates freedom to act, degree of control as well as the variety of tasks. In this factor consider the complexity, uniqueness and diversity of the work and associated problems, and the degree to which established methods and procedures cover the situations encountered.

Level	Definition
- A +	Problems are relatively simple. Methods and procedures are well defined and are often repetitive. Work is routine and tasks are directly related. Tasks require the use of common sense to accomplish results.
- B +	Problems encountered have straightforward solutions. Methods and procedures are defined but tasks may require some discretion and judgment to apply them to the work. Supervision focuses on monitoring accuracy or adherence to instructions.
- C +	Problems are moderately difficult. Methods and procedures are defined. Judgment is required to apply them to the work. Work may be varied but tasks are directly related.
- D +	Problems are moderately complex. Methods and procedures require latitude of discretion and judgment to make decisions, interpret directions or apply them to the work. Work involves a variety of tasks that may be unrelated. Employees receive nominal direction in the completion of tasks.
- E +	Problems are complex and occasionally unique with limited opportunity for standardized solutions. Methods and procedures may be loosely defined. Employees must use a high degree of discretion and judgment to make decisions and translate organizational goals into specific objectives and solutions.
- F +	Problems are complex and unique. Methods and procedures are loosely defined or unrelated to the work and/or problem. Situations are diverse and there is a high amount of task variety.
- G +	Problems are highly complex. The situations encountered require significant judgment and ingenuity to develop strategies, goals, plans or solutions. Work requires independent and original thinking.



## Communication

Consider the purpose of the contacts and the degree of difficulty inherent in accomplishing the goal. Consider whether contacts are a regular and significant part of the position's overall responsibility.

Level	Definition
- A +	Requires contacts for the purpose of exchanging routine information which may require clarification but not interpretation. Communication is typically brief, with fellow workers and requires limited interpersonal skills.
- B +	Requires contacts for the purpose of exchanging information which requires interpretation as well as clarification. Position requires basic communication skills and common courtesy to be effective.
- C +	Requires contacts for the purpose of exchanging information which may be of a moderate technical or sensitive nature. Contacts may be for the purpose of communicating plans or coordinating activities and require tact and diplomacy. Interactions deal with moderately complicated problem situations or stressful encounters.
- D +	Requires contacts for the purpose of developing or communicating plans, coordinating activities or advising others. Gaining acceptance and influencing others is necessary. Contacts are complex and require a high degree of interpersonal skills to deal with a range of situations.
- E +	Requires contacts for the purpose of negotiating agreements within defined limits, influencing others, resolving problems or gaining acceptance of information, programs, and decisions which normally are of a non-controversial nature.
- F +	Requires contacts for the purpose of negotiating agreements within defined limits, influencing others, resolving problems or gaining acceptance of information, programs, decisions, normally dealing with issues that are of a controversial nature.
- G +	Requires contacts for the purpose of negotiating agreements, reaching settlements, justifying programs or decisions concerning issues that are controversial and/or critical to the operation of the organization. Position requires extremely well developed interpersonal skills in order to be effective.



### Point Allocation Schedule

Level	Total Job Knowledge	Organizational Leadership	Organizational Impact/	Complexity	Communication
A-	40	40	40	40	40
A	58	54	58	58	58
A+	76	68	76	76	76
B-	94	82	94	94	94
B	112	96	112	112	112
B+	130	110	130	130	130
C-	148	124	148	148	148
C	166	138	166	166	166
C+	184	152	184	184	184
D-	202	166	202	202	202
D	220	180	220	220	220
D+	238	194	238	238	238
E-	256	208	256	256	256
E	274	222	274	274	274
E+	292	236	292	292	292
F-	310	250	310	310	310
F	328	264	328	328	328
F+	346	278	346	346	346
G-	364	292	364	364	364
G	382	306	382	382	382
G+	400	320	400	400	400
H-		334			
H		348			
H+		362			
I-		376			
I		390			
I+		400			



# Incumbent Impact



Incumbent Impact

JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS										
				MIN	\$<MIN	LWR	\$<LWR	MP	\$<MP	UPR	\$<UPR	MAX	\$<MAX	
16806.63799						THD	THD				THD	THD		
Consumer Records Clerk	2	22,880	0.95	20,074	0	22,807	0	24,173	1,293	25,540	2,660	28,273	5,393	
Consumer Records Clerk	2	24,669	1.02	20,074	0	22,807	0	24,173	0	25,540	871	28,273	3,605	
General Clerk	2	8,100	0.34	20,074	11,974	22,807	14,707	24,173	16,073	25,540	17,440	28,273	20,173	
Billing Associate	3	26,333	0.99	21,934	0	24,969	0	26,487	154	28,004	1,672	31,040	4,707	
Maintenance Technician	3	26,146	0.99	21,934	0	24,969	0	26,487	341	28,004	1,859	31,040	4,894	
Switchboard Operator	3	22,880	0.86	21,934	0	24,969	2,089	26,487	3,607	28,004	5,124	31,040	8,160	
Cashier Associate	4	25,750	0.89	23,933	0	27,298	1,548	28,981	3,231	30,664	4,914	34,030	8,279	
Cashier Associate	4	24,190	0.83	23,933	0	27,298	3,108	28,981	4,791	30,664	6,474	34,030	9,839	
Cashier Associate	4	13,500	0.47	23,933	10,433	27,298	13,798	28,981	15,481	30,664	17,164	34,030	20,530	
Consumer Accounting Associate	4	23,754	0.82	23,933	179	27,298	3,545	28,981	5,228	30,664	6,910	34,030	10,276	
Line Technician III	4	28,496	0.98	23,933	0	27,298	0	28,981	485	30,664	2,168	34,030	5,534	
Line Technician III	4	32,760	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,270	
Line Technician III	4	32,864	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,166	
Meter Reader	4	32,760	1.13	23,933	0	27,298	0	28,981	0	30,664	0	34,030	1,270	
Meter Reader	4	27,934	0.96	23,933	0	27,298	0	28,981	0	30,664	0	34,030	6,095	
Meter Reader	4	25,834	0.89	23,933	0	27,298	0	28,981	1,047	30,664	2,730	34,030	8,196	
Warehouse Clerk	4	24,960	0.86	23,933	0	27,298	1,465	28,981	3,148	30,664	4,830	34,030	9,070	
Collections Coordinator	4	27,040	0.93	23,933	0	27,298	2,338	28,981	4,021	30,664	5,704	34,030	6,990	
	5	32,011	1.01	26,069	0	29,794	0	31,657	0	33,519	1,508	37,244	5,233	



JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS												
				MIN	\$<MIN	LWR THD	\$<LWR THD	MP	\$<MP	UPR THD	\$<UPR THD	MAX	\$<MAX			
16806.63799																
Consumer Accounting Associate																
Consumer Accounting Associate	5	31,845	1.01	26,069	0	29,794	0	31,657	0	33,519	1,675	37,244	5,400			
Consumer Accounting Associate	5	29,557	0.93	26,069	0	29,794	238	31,657	2,100	33,519	3,963	37,244	7,688			
Consumer Accounting Associate	5	26,707	0.84	26,069	0	29,794	3,087	31,657	4,950	33,519	6,812	37,244	10,537			
Consumer Accounting/DP Coordinator	5	25,085	0.79	26,069	985	29,794	4,710	31,657	6,572	33,519	8,435	37,244	12,160			
Lead Tree Trimmer	5	33,530	1.06	26,069	0	29,794	0	31,657	0	33,519	0	37,244	3,715			
Materials Specialist (W.O. Clerk)	5	28,704	0.91	26,069	0	29,794	1,090	31,657	2,953	33,519	4,815	37,244	8,540			
Administrative Assistant/Mem Svcs	5	32,011	1.01	26,069	0	29,794	0	31,657	0	33,519	1,508	37,244	5,233			
GIS Technician	6	36,525	1.06	28,343	0	32,457	0	34,514	0	36,571	46	40,685	4,160			
Membership Records Coordinator	6	29,640	0.86	28,343	0	32,457	2,817	34,514	4,874	36,571	6,931	40,685	11,045			
Purchasing Coordinator	6	32,094	0.93	28,343	0	32,457	363	34,514	2,420	36,571	4,477	40,685	8,591			
Line Technician II	6	35,506	1.03	28,343	0	32,457	0	34,514	0	36,571	1,065	40,685	5,179			
Line Technician II	7	37,398	1.00	30,752	0	35,285	0	37,552	154	39,819	2,421	44,353	6,955			
Meter Records Coordinator	7	37,898	1.01	30,752	0	35,285	0	37,552	0	39,819	1,922	44,353	6,455			
O & E Administrative Assistant	7	36,962	0.98	30,752	0	35,285	0	37,552	591	39,819	2,858	44,353	7,391			
Administrative Assistant	7	36,379	0.97	30,752	0	35,285	0	37,552	1,173	39,819	3,440	44,353	7,974			
Communications Coordinator	8	17,940	0.44	33,294	15,354	38,279	20,339	40,772	22,832	43,264	25,324	48,249	30,309			
Energy Management	8	38,938	0.96	33,294	0	38,279	0	40,772	1,834	43,264	4,327	48,249	9,312			
	8	35,797	0.88	33,294	0	38,279	2,483	40,772	4,975	43,264	7,468	48,249	12,453			



JOB TITLE	New GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS											
				MIN	\$<MIN	LWR THD	\$<LWR THD	MP	\$<MP	UPR THD	\$<UPR THD	MAX	\$<MAX		
16806.63799															
Coordinator															
Meter Reader Supervisor															
Cashier Supervisor	8	37,877	0.93	33,294	0	38,279	403	40,772	2,895	43,264	5,388	48,249	10,373		
Dispatcher	9	41,288	0.93	35,970	0	41,438	150	44,173	2,885	46,907	5,619	52,376	11,088		
Dispatcher	9	49,088	1.11	35,970	0	41,438	0	44,173	0	46,907	0	52,376	3,288		
Dispatcher	9	47,507	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,868		
Dispatcher	9	47,570	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,806		
Employment & Benefits Specialist	9	47,570	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,806		
GPS/GIS Administrator	9	49,171	1.11	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,806		
Line Technician I	9	47,611	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	3,204		
Line Technician I	9	47,653	1.08	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,764		
Line Technician I	9	46,987	1.06	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,723		
Line Technician I	9	49,608	1.12	35,970	0	41,438	0	44,173	0	46,907	0	52,376	5,388		
Line Technician I	9	48,152	1.09	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,768		
Line Technician I	9	45,261	1.02	35,970	0	41,438	0	44,173	0	46,907	0	52,376	4,224		
Line Technician I	9	45,261	1.02	35,970	0	41,438	0	44,173	0	46,907	1,646	52,376	7,115		
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	1,646	52,376	7,115		
Line Technician I	9	43,368	0.98	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387		
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	805	46,907	3,539	52,376	9,008		
Line Technician I	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387		
Meter Technician	9	45,989	1.04	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387		
Senior Line Technician	9	40,893	0.93	35,970	0	41,438	0	44,173	0	46,907	918	52,376	6,387		
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	546	44,173	3,280	46,907	6,014	52,376	11,483		
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643		
Senior Line Technician	9	50,565	1.14	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643		
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	1,811		



JOB TITLE	New	CURRENT	C/R	SALARY STRUCTURE CONTROL POINTS										
				GR	SALARY	MIN	\$<MIN	LWR	\$<LWR	MP	\$<MP	UPR	\$<UPR	MAX
16806.63799								THD	THD			THD	THD	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Senior Line Technician	9	49,733	1.13	35,970	0	41,438	0	44,173	0	46,907	0	52,376	2,643	
Staking Technician	9	42,515	0.96	35,970	0	41,438	0	44,173	1,657	46,907	4,392	52,376	9,860	
Staking Technician	9	43,888	0.99	35,970	0	41,438	0	44,173	285	46,907	3,019	52,376	8,488	
Staking Technician	9	40,539	0.92	35,970	0	41,438	899	44,173	3,633	46,907	6,368	52,376	11,836	
Staking Technician	9	40,019	0.91	35,970	0	41,438	1,419	44,173	4,153	46,907	6,888	52,376	12,356	
Contracts Coordinator	10	56,680	1.19	38,777	0	44,762	0	47,755	0	50,747	0	56,733	53	
Electrical Advisor	10	43,160	0.90	38,777	0	44,762	1,602	47,755	4,595	50,747	7,587	56,733	13,573	
Engineering Technician	11	50,627	0.98	41,714	0	48,250	0	51,518	891	54,786	4,159	61,322	10,695	
KVN System Operator	11	46,010	0.89	41,714	0	48,250	2,241	51,518	5,509	54,786	8,777	61,322	15,312	
Line Technician I	11	49,982	0.97	41,714	0	48,250	0	51,518	1,536	54,786	4,804	61,322	11,340	
Line Technician I	11	44,054	0.86	41,714	0	48,250	4,196	51,518	7,464	54,786	10,732	61,322	17,268	
MARKETING DIRECTOR	11	45,190	0.88	41,714	0	48,250	3,060	51,518	6,328	54,786	9,596	61,322	16,132	
Materials Supervisor	11	50,128	0.97	41,714	0	48,250	0	51,518	1,390	54,786	4,658	61,322	11,194	
Senior Accountant	11	54,018	1.05	41,714	0	48,250	0	51,518	0	54,786	769	61,322	7,304	
Senior Line Technician	11	50,440	0.98	41,714	0	48,250	0	51,518	1,078	54,786	4,346	61,322	10,882	
Senior Line Technician	11	50,898	0.99	41,714	0	48,250	0	51,518	621	54,786	3,889	61,322	10,424	
Accounting Supervisor	12	55,016	0.99	44,781	0	51,902	0	55,463	447	59,024	4,008	66,145	11,129	
Accounting Supervisor	12	52,042	0.94	44,781	0	51,902	0	55,463	3,421	59,024	6,982	66,145	14,103	
Consumer Accounting Supervisor	12	50,794	0.92	44,781	0	51,902	1,109	55,463	4,669	59,024	8,230	66,145	15,351	
Consumer Accounting Supervisor	12	45,074	0.81	44,781	0	51,902	6,829	55,463	10,389	59,024	13,950	66,145	21,071	
FIELD ENGINEERING SUPT	12	53,863	0.97	44,781	0	51,902	0	55,463	1,600	59,024	5,160	66,145	12,282	
MAINTENANCE	12	61,344	1.11	44,781	0	51,902	0	55,463	0	59,024	0	66,145	4,801	



JOB TITLE	New	CURRENT	C/R	SALARY STRUCTURE CONTROL POINTS											
				GR	SALARY	MIN	\$<MIN	LWR	\$<LWR	MP	\$<MP	UPR	\$<UPR	MAX	\$<MAX
16806.63799								THD	THD			THD	THD		
SUPERINTENDENT															
CONSTRUCTION SUPERINTENDENT	13	62,248	1.04	47,975	0	55,717	0	59,589	0	63,460	1,212	71,203	8,955		
SYSTEM ENGINEER	14	62,126	0.97	51,296	0	59,696	0	63,896	1,770	68,096	5,970	76,496	14,370		
V.P. MARKETING & MEMBER SVCS	17	76,897	0.99	62,005	0	72,605	0	77,905	1,008	83,205	6,308	93,806	16,909		
VICE PRESIDENT OFFICE SERVICES	18	84,220	1.02	65,819	0	77,231	0	82,938	0	88,644	4,424	100,056	15,836		
VICE PRESIDENT OFFICE SERVICES	18	59,900	0.72	65,819	5,919	77,231	17,331	82,938	23,037	88,644	28,743	100,056	40,156		
V. P. ADMINISTRATION & FINANCE	19	93,518	1.06	69,754	0	82,019	0	88,151	0	94,283	765	106,548	13,030		
V.P. SYSTEM OPERATIONS	20	92,213	0.99	73,808	0	86,967	0	93,546	1,333	100,125	7,913	113,284	21,072		
Totals		3,867,679	0.97			44,843									



## Position Comparisons

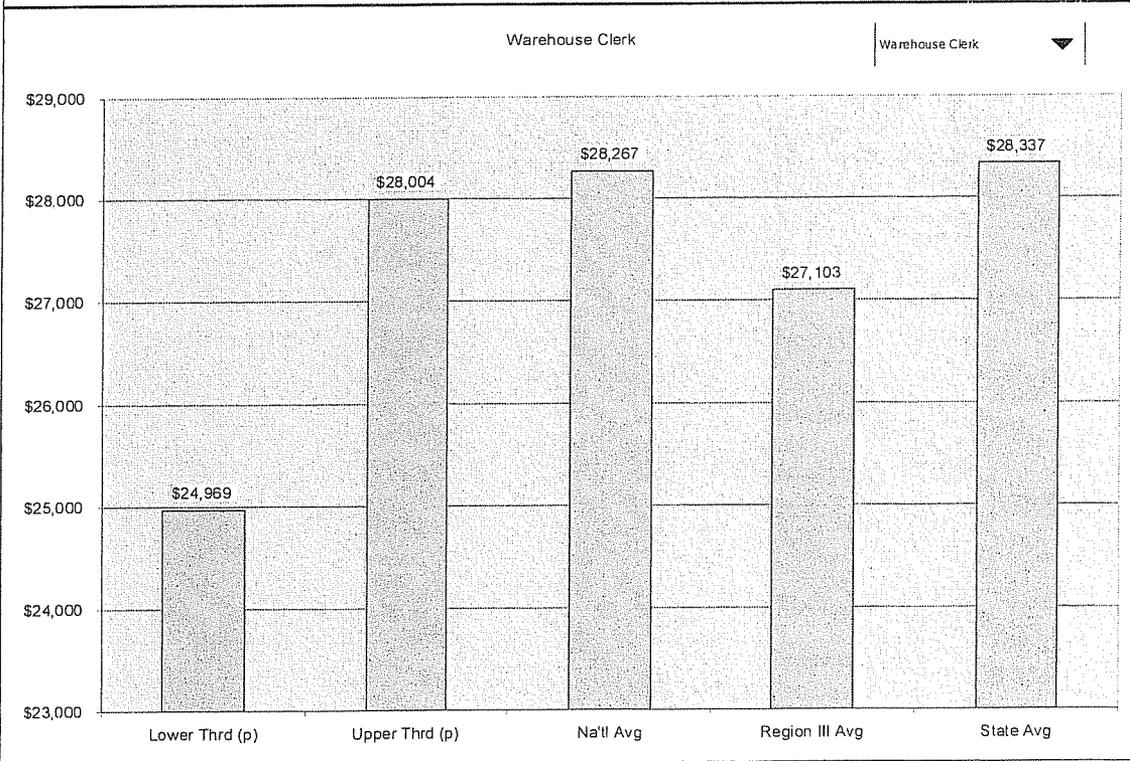
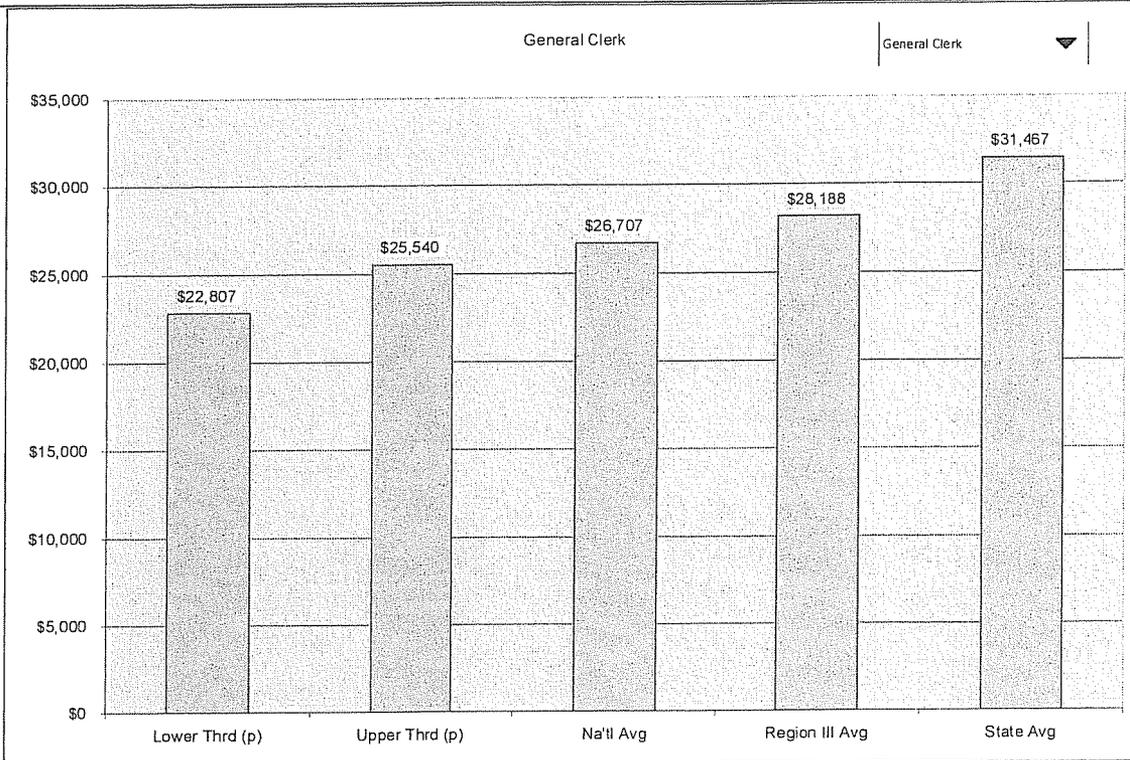
The following charts represent a comparison between the proposed market value range of the plan and other relevant salary survey information. The charts provide a view of the competitiveness of the updated ranges.

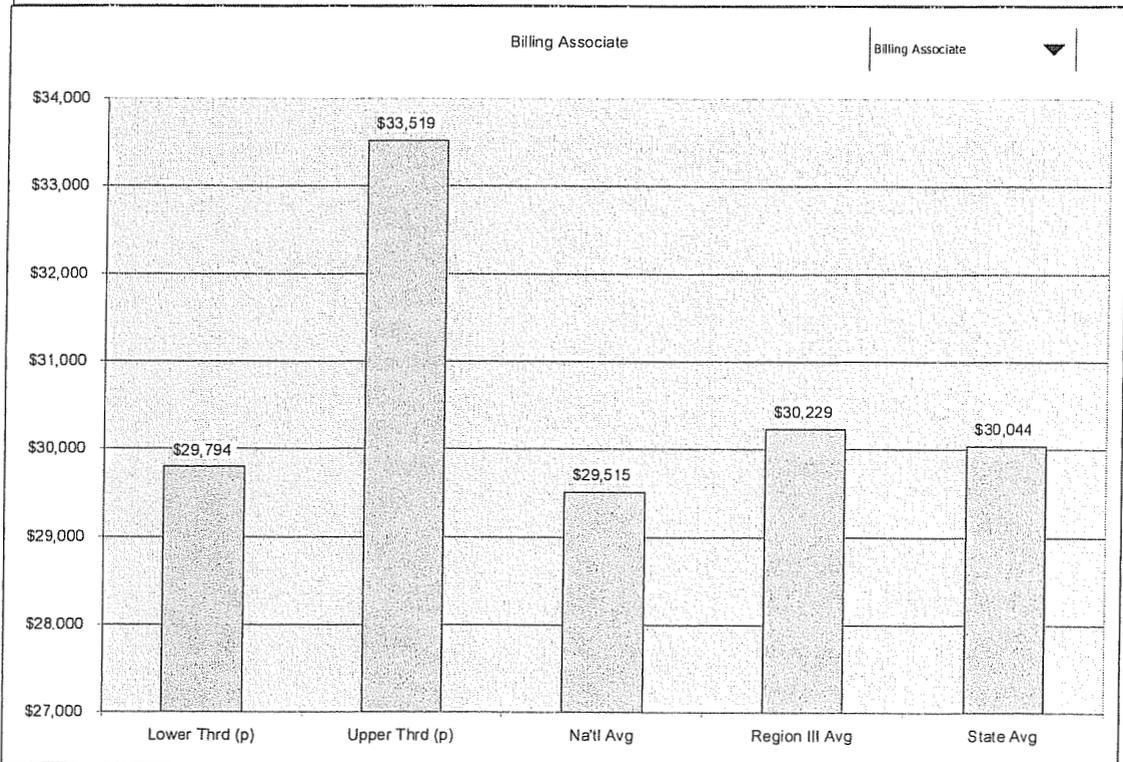
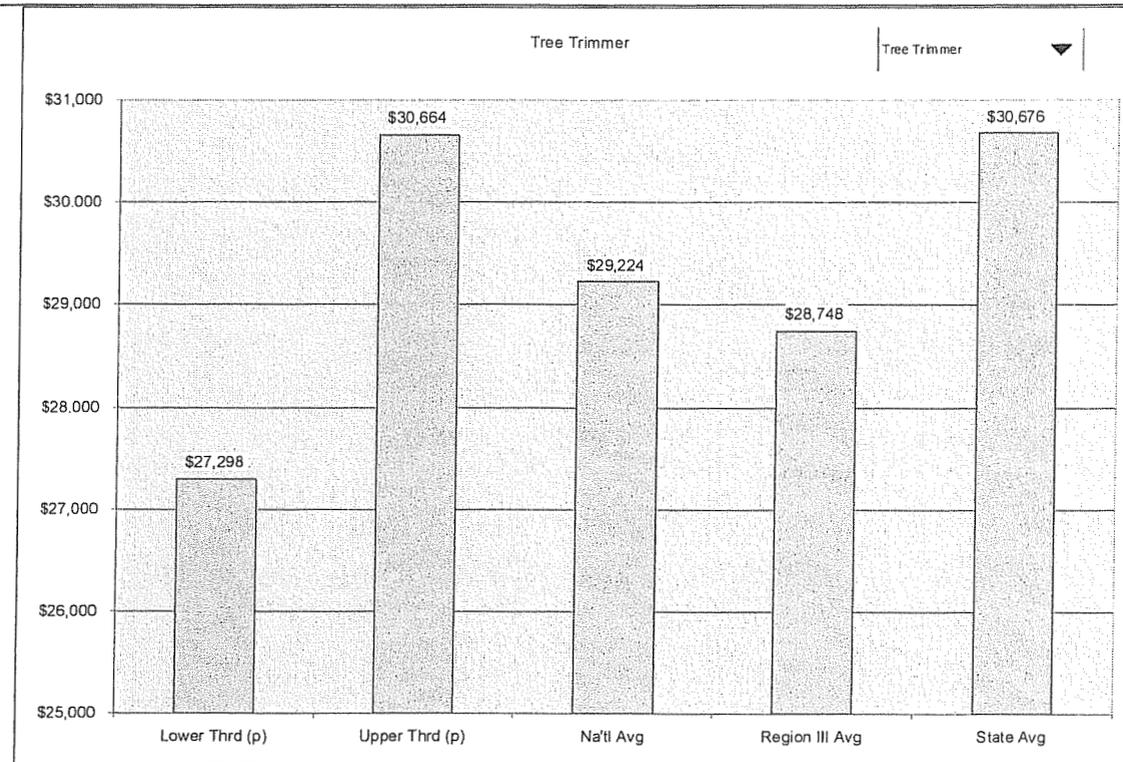
Note that the salary plan was designed to be competitive with the national third quartile. When targeted salary information fits reasonably between the limits of the lower third and the upper third control points the salary structures can be considered reasonable and competitive with those data points.

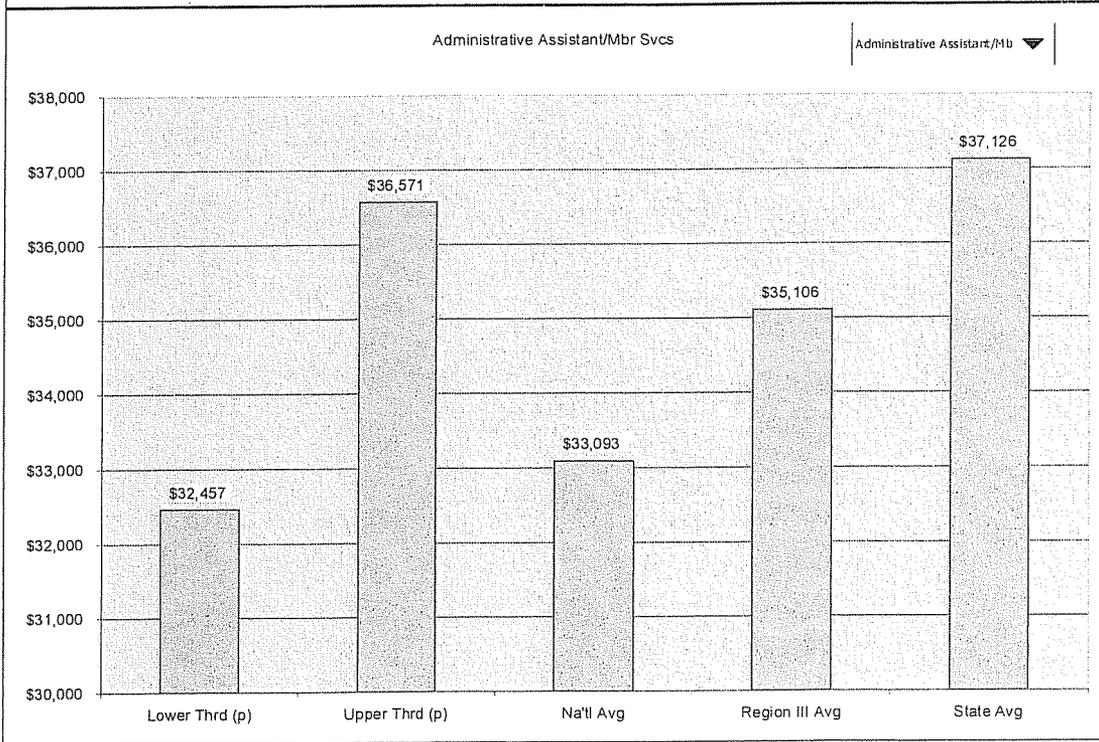
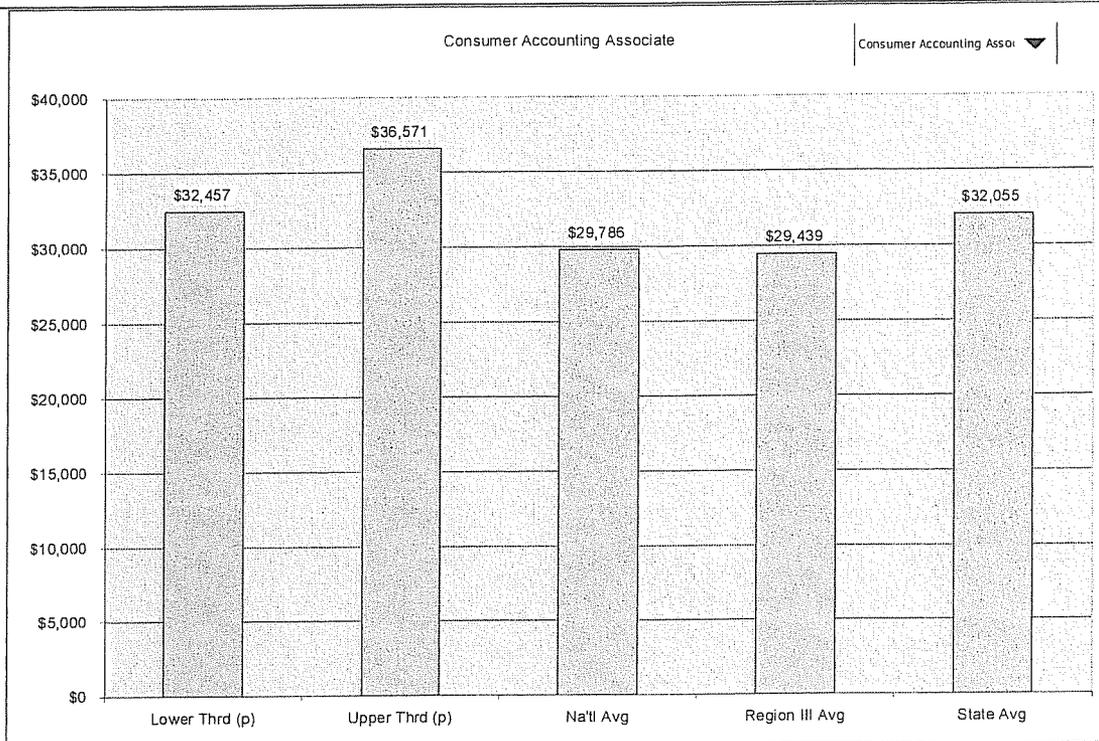
Competitive salary information was not available for all positions. However, the internal point factor rating of each position ensures that they are in correct relationship with other positions within the organization.

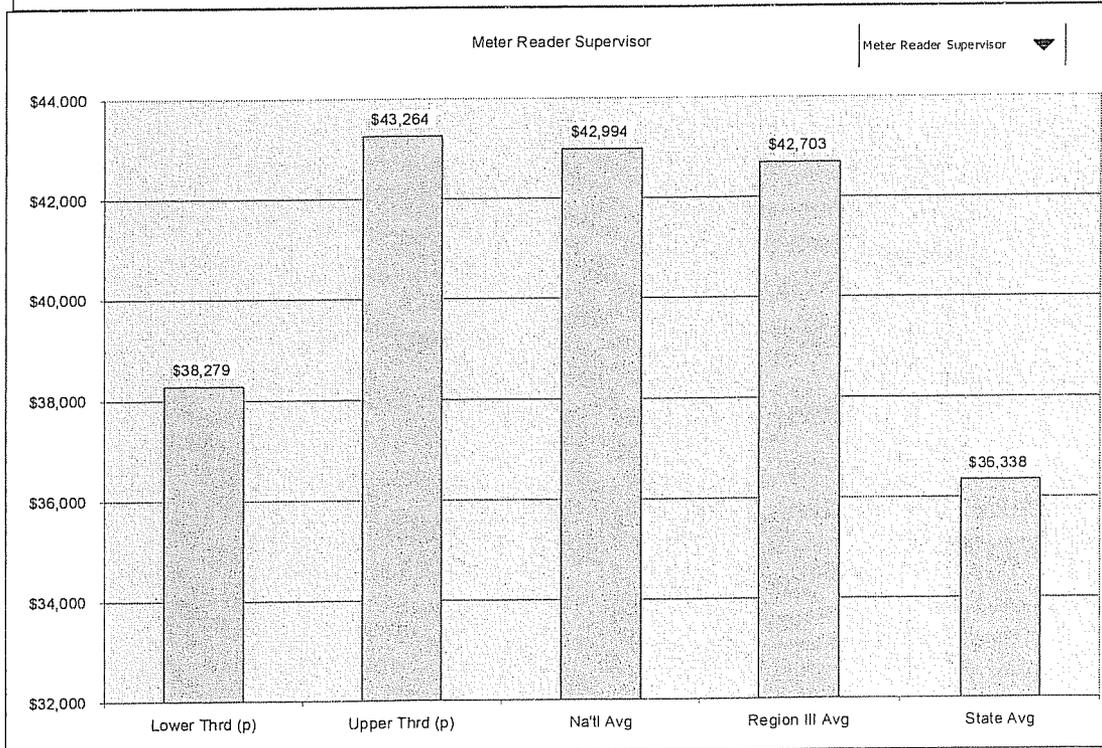
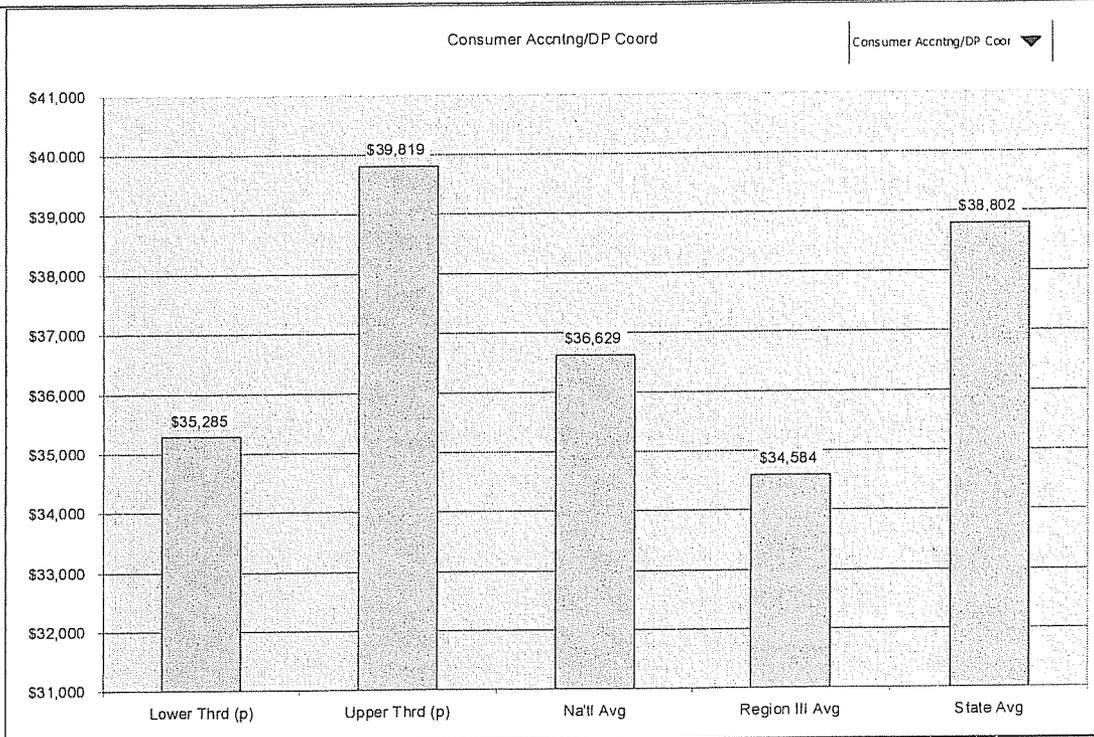
All salary data is from the reports of the 2003 National Compensation Survey.

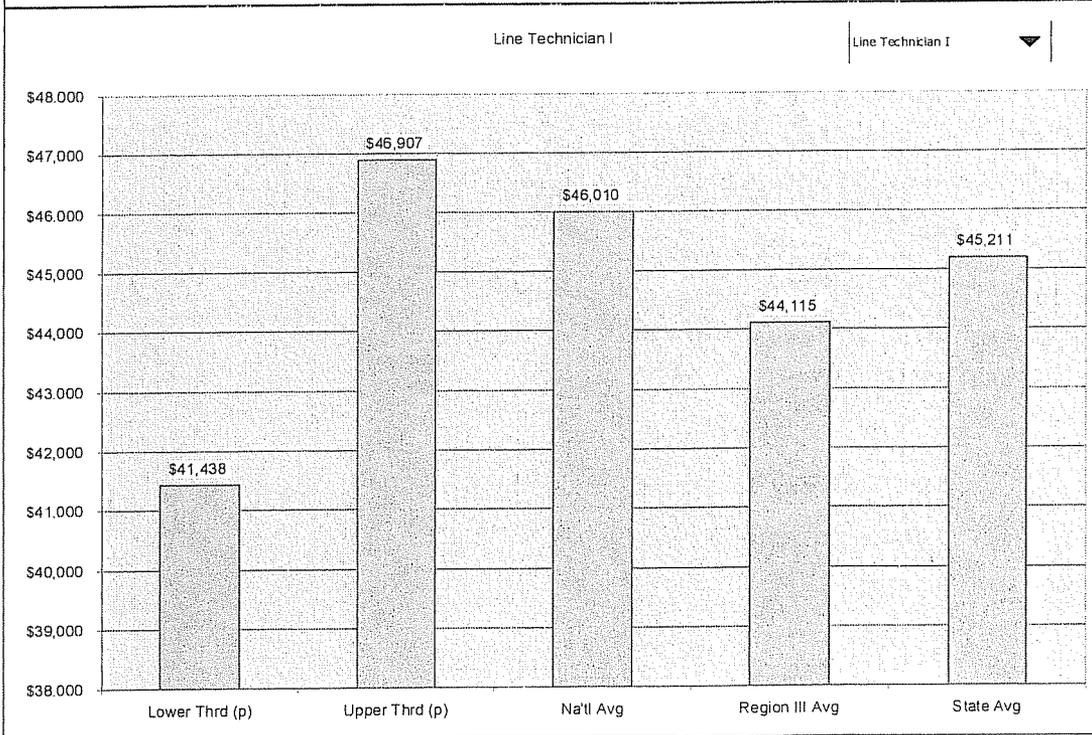
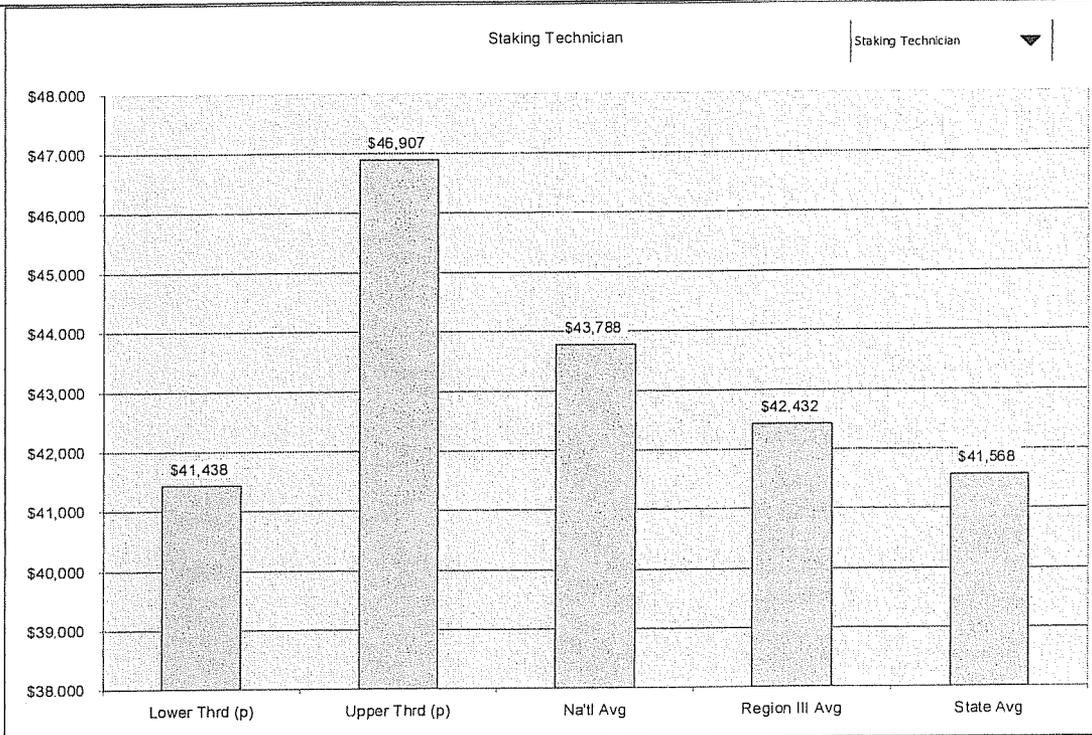
(p) = Proposed "lower third" and "upper third" salary range values

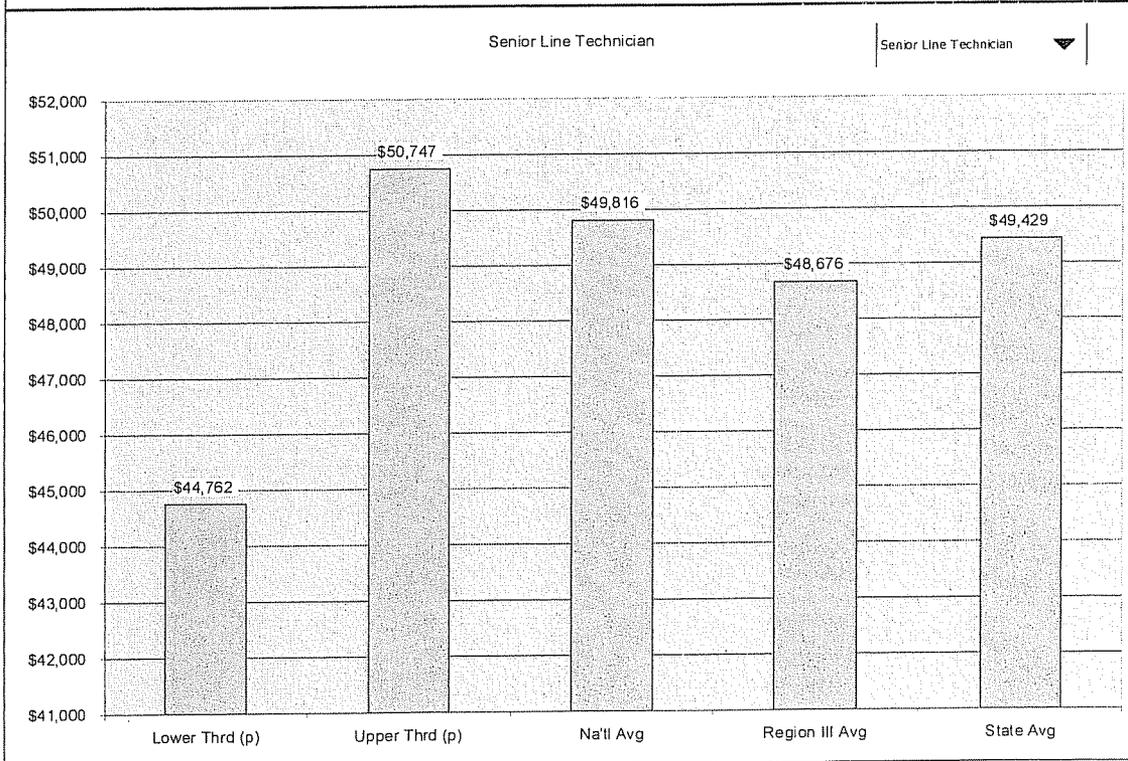
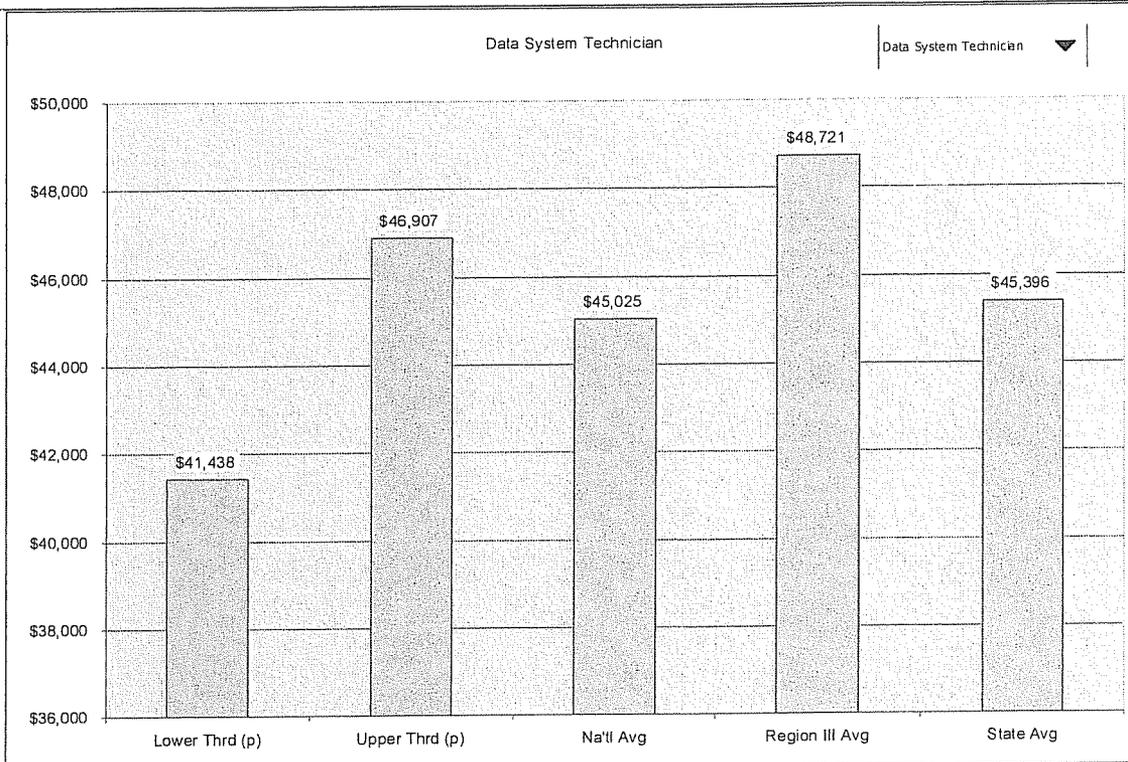


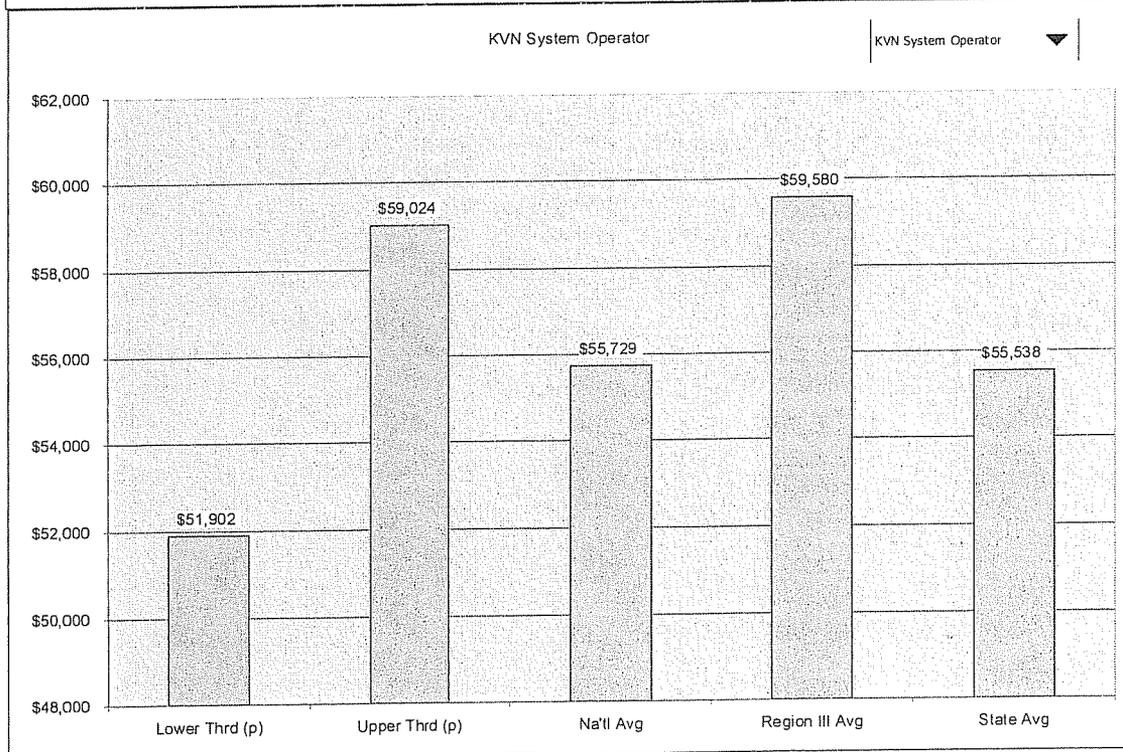
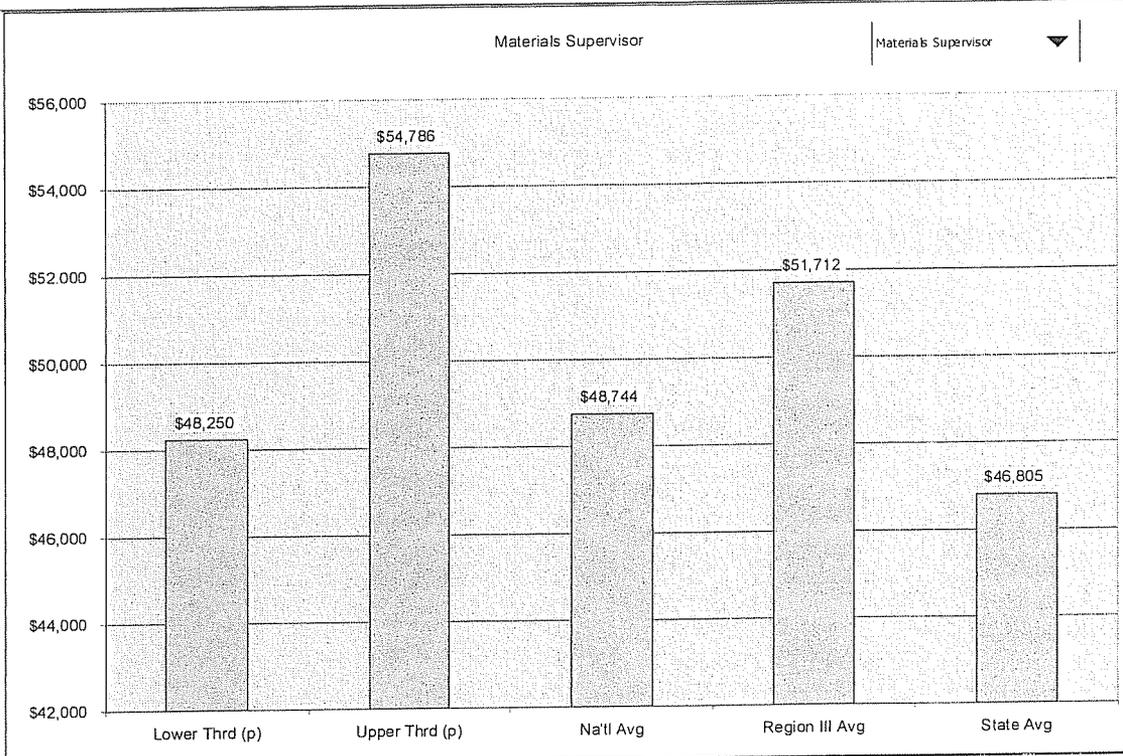


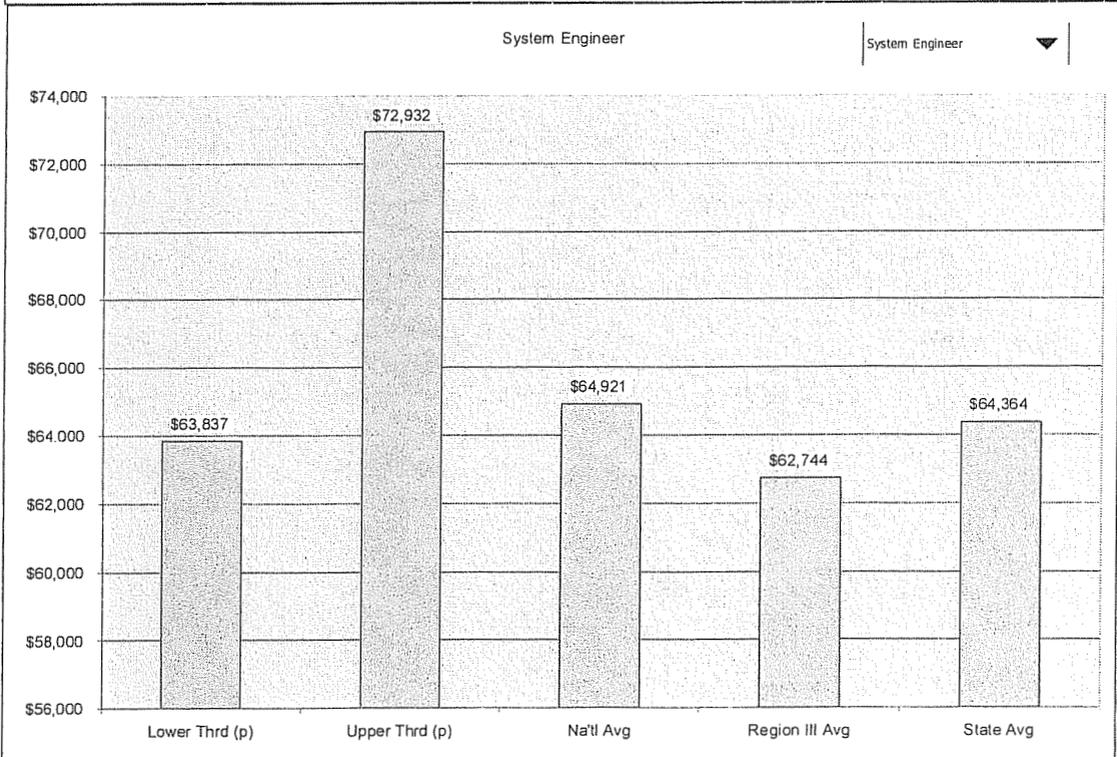
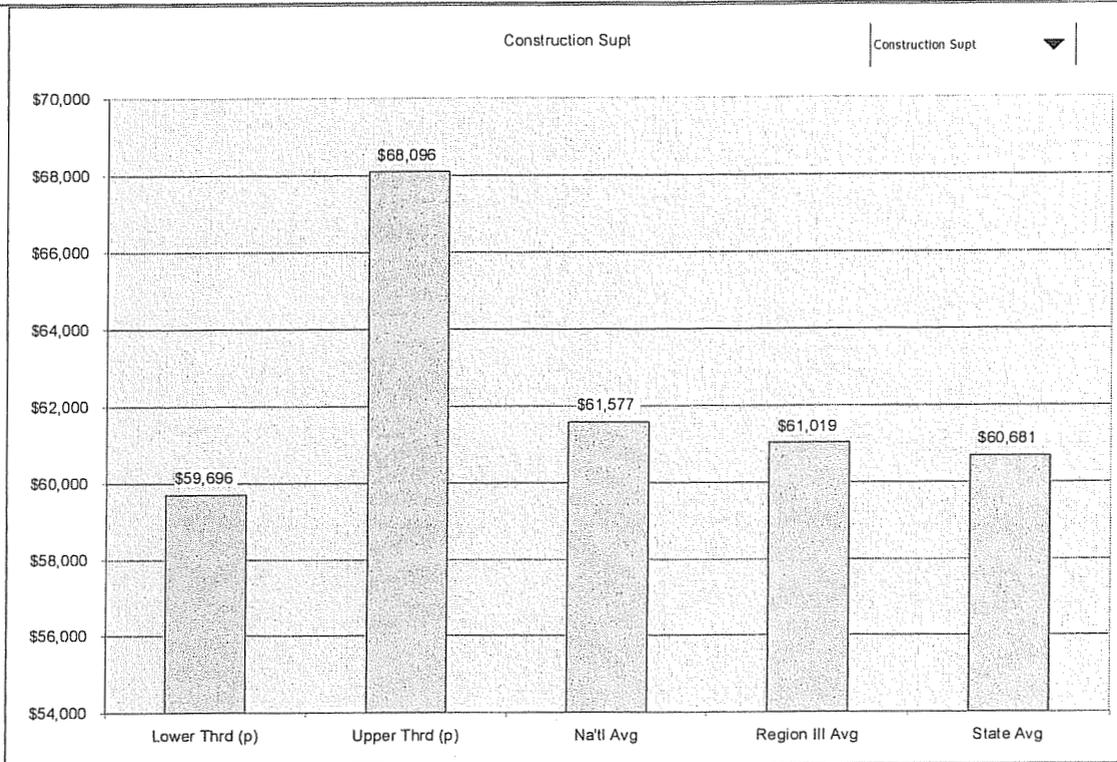


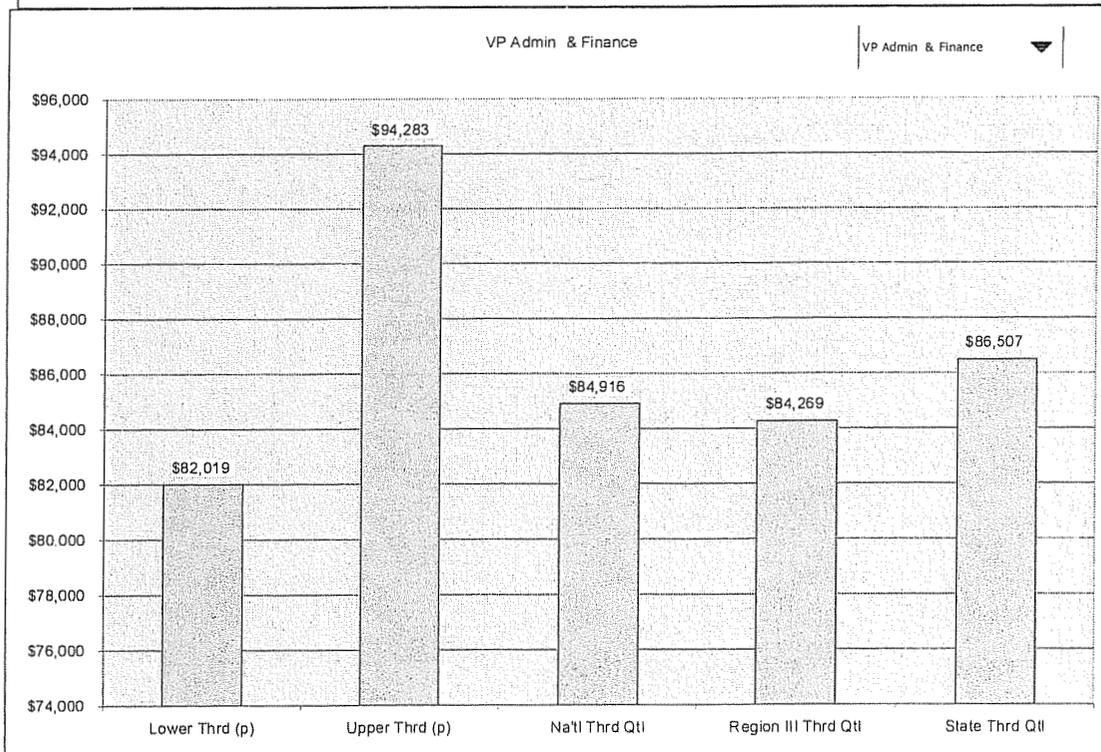
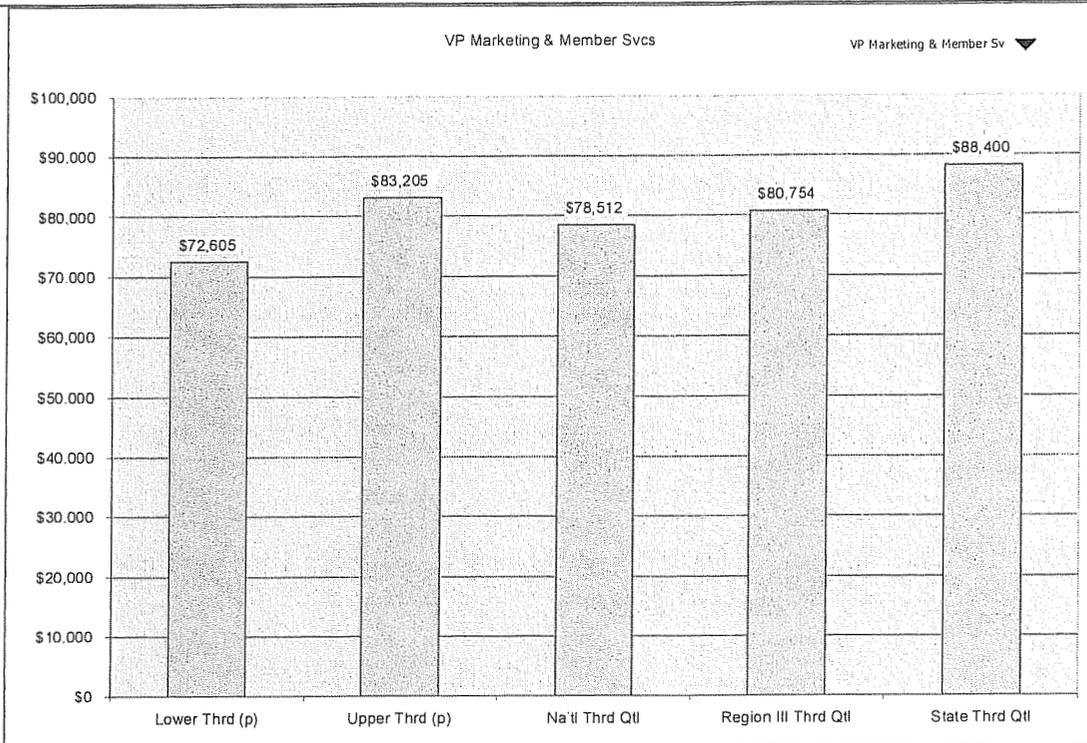


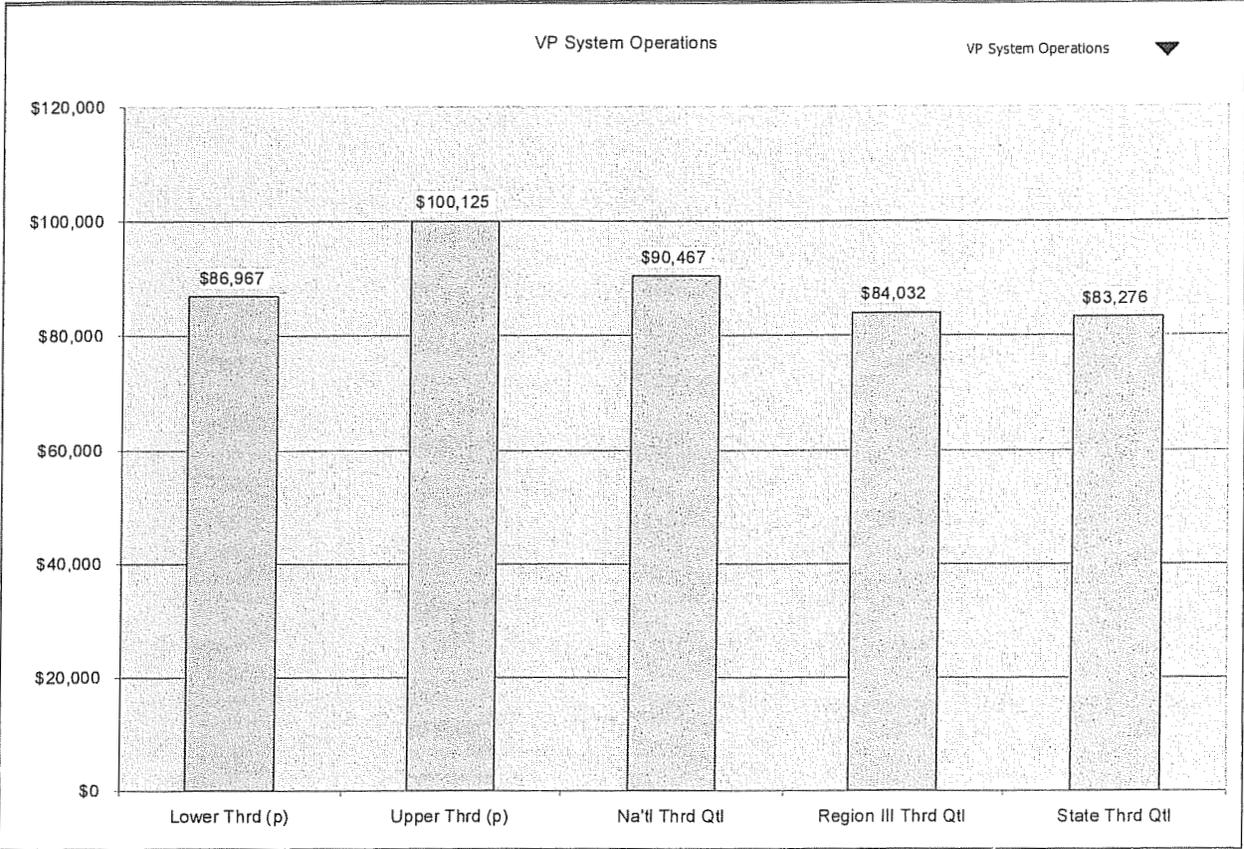












Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

c. Refer to the response to Item 13(c)(2). Nolin states that it is not reasonable to use 2,080 hours for employee numbers 229 and 141, but did not explain why this approach was not reasonable. Provide the omitted explanation.

**Response**

Employees number 229 and 141 are both permanent part-time employees. Neither employee will work 2,080 hours during a year. They have been normalized at the hours worked for the test year, which will be the same number of hours each will work in future years.

Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

- 7.d. In Item 13(d)(4), the request was to provide the number of years of employment at Nolin as of test-year-end for all employees, other than new hires during the test year, shown in Exhibit 1 of the Application, pages 7 through 9 of 9. Nolin did not provide this information. Provide the original requested information.
- A. This information was inadvertently left out. Attached is the information.

Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

Years of Employment at Nolin RECC

EE#	YRS SVC	EE#	YRS SVC	EE#	YRS SVC
229	4	166	10	84	14
22	34	170	10	197	8
119	16	203	4	11	43
103	19	24	34	123	15
155	12	71	28	44	38
18	36	90	26	152	9
17	36	238	3	95	22
149	13	122	15	189	8
150	13	171	10	235	4
198	8	236	3	104	19
118	17	31	33	219	5
159	11	124	15	109	18
213	5	248	1	230	4
225	5	190	8	138	13
184	9	130	14	162	11
21	23	137	13	232	4
167	10	115	17	234	2
141	4	108	18	169	10
223	5	209	7	180	9
70	28	183	9	217	5
231	4	226	5	218	5
136	13	19	36	107	19
13	37	128	15	110	18
165	10	239	3	89	26
72	28	56	22	87	26
28	33	140	13	59	31
101	20	45	3	76	28
100	21	62	30	246	2
224	5	146	13		
237	3	131	14		

Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

- 7.e. In Item 13(d)(7), Nolin was requested to describe the approval process for the wage rates effective January 1, 2007. Nolin was to include copies of any analyses or studies submitted to management or the board of directors in support of the proposed increases. The requested information does not appear to have been submitted with the response. Provide the originally requested information.
- A. Attached is the document provided to the board for approval of January 1, 2007 wage and salary plan.



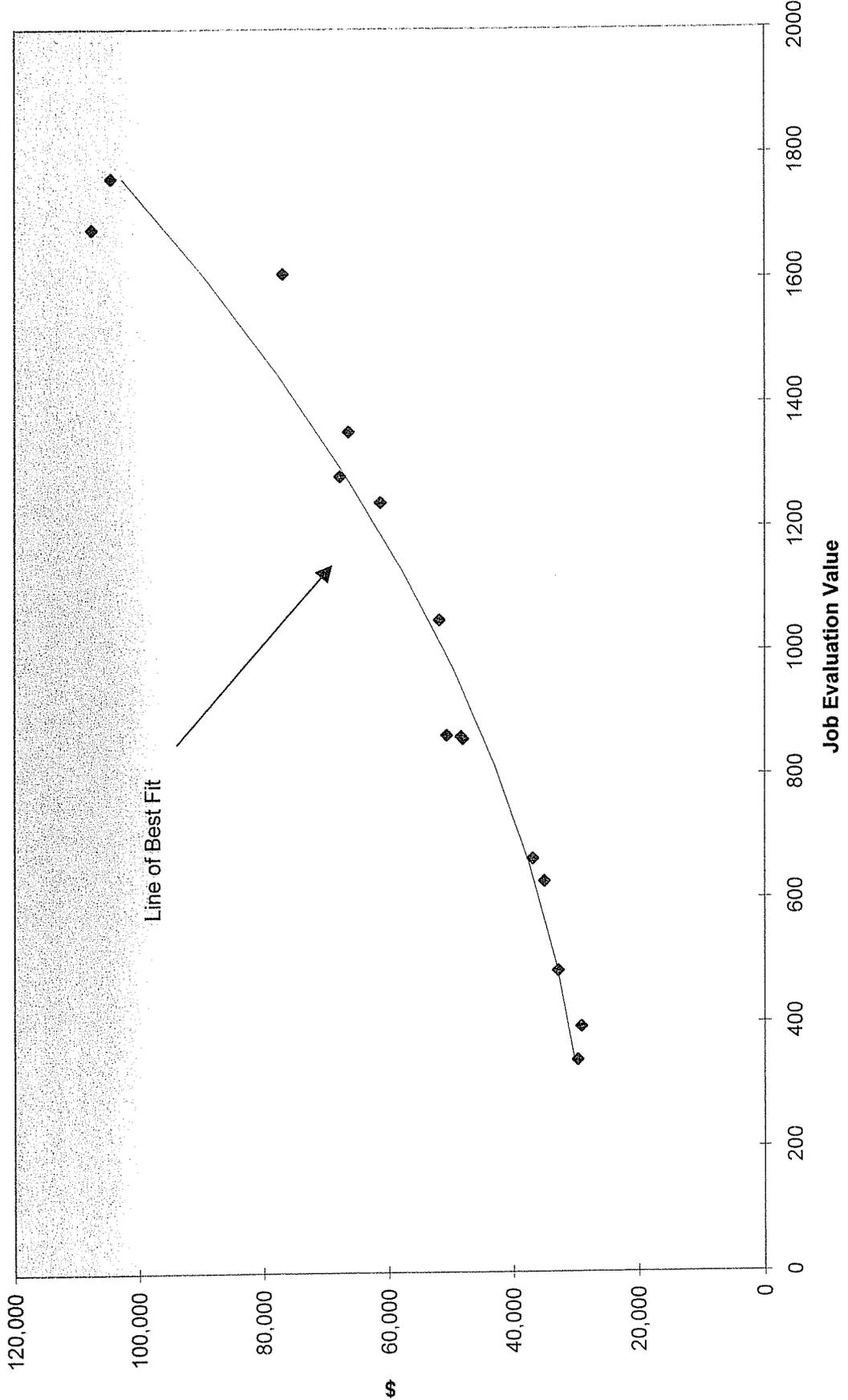
2007 Benchmark Positions

CODE	TITLE	AVG	AVG	QTL	AVG	QTL	SELECT	POINTS
	Nolin RECC	STATE	REGION	THIRD	NATIONAL	THIRD		
17X	General Clerk	32,490	30,202	36,005	29,702	34,424	\$ 29,702	340
19E	Warehouse Clerk	40,082	37,315	42,037	37,024	42,806	\$ 37,024	376
17H	Switchboard Operator	32,573	30,181	33,550	29,141	33,010	\$ 29,141	394
17T	Consumer Records Clerk	34,590	32,739	36,587	33,259	37,565	\$ 33,259	412
17E	Cashier Associate	33,197	33,446	35,818	32,843	36,941	\$ 32,843	484
20N	Maintenance Technician	30,202	30,160	34,674	31,179	34,570	\$ 31,179	520
17W	Billing Associate	26,125	32,261	34,424	31,283	35,173	\$ 31,283	538
07G	Con. Acctng. Assoc.	43,368	36,608	39,541	35,090	39,312	\$ 35,090	628
17B	Administrative Assistant	39,312	38,002	41,662	36,941	40,685	\$ 36,941	664
17A	Executive Secretary	44,470	45,011	48,610	44,574	49,774	\$ 44,574	664
11F	Compliance Coordinator	54,911	56,579	62,416	59,816	67,199	\$ 59,816	664
14A	Communications Coordinator	50,073	49,661	55,056	51,545	58,864	\$ 51,545	826
20C	Meter Technician	48,381	47,362	50,544	48,298	55,411	\$ 48,298	858
16M	Staking Technician	45,947	48,714	52,915	48,568	54,704	\$ 48,568	862
15N	Line Technician I	49,130	48,610	52,603	50,877	55,661	\$ 50,877	864
15K	Sr. Line Technician	54,496	53,893	57,949	55,453	59,467	\$ 55,453	982
19A	Materials Supervisor	51,153	54,666	60,237	52,114	59,883	\$ 52,114	1050
16G	Field Engineering Supt.	65,234	59,459	61,880	61,434	67,206	\$ 61,434	1240
15A	Construction Supt.	67,819	66,053	71,344	67,904	74,547	\$ 67,904	1282
16I	System Engineer	67,478	64,708	73,445	66,554	74,298	\$ 66,554	1354
7A	V.P. Member Services	92,614	93,452	105,260	99,456	110,798	\$ 99,456	1540
11C	V.P. Office Servies	81,419	75,818	86,197	77,051	86,237	\$ 77,051	1608
12A	V.P. Admin. & Finance	100,290	106,530	115,733	107,675	119,061	\$ 107,675	1680
16C	V.P. System Operations	99,197	95,118	97,346	104,567	115,157	\$ 104,567	1762

2007 Regression of Benchmark Positions

Determination Coeff: 0.95226119 Coeff. of Correlation: 0.97583871 Std. Error of Est: 5867.9553	Degree	2	Chart	Values
	Known	Points	X	Y
Constant: 27915.7342	X	Y	340	30203.56
1st Degree Coeff: -1.81846337 2nd Degree Coeff: 0.02513927	340	29,702	498	33244.78
	394	29,141	656	37541.16
	484	32,843	814	43092.69
	628	35,090	972	49899.37
	664	36,941	1130	57961.21
	858	48,298	1288	67278.2
	862	48,568	1446	77850.34
	864	50,877	1604	89677.64
	1,050	52,114	1762	102760.1
	1,240	61,434		
	1,282	67,904		
	1,354	66,554		
	1,608	77,051		
	1,680	107,675		
	1,762	104,567		

# 2007 Regression of Benchmark Positions





Dept Code	NRECA CODE	TOTAL P.T.S.	2006 MP	2007 MP	Employee No.	Market Increase %	Market Increase \$	Year - End Salary	Actual Compra	Market Adj	Adj Compra	Grade Change MIN	Grade Change Adj	Merit Adj	New Title	Promotion Adj.	Total Adj	2007 Salary	New Compra
11	17H	394	30,132	31,321	225	3.80%	1,188.97	29,432.00	0.9397	30,620.97	0.9776			441.48			1,630.45	31,062.45	0.9917
11	17G	484	32,345	33,015	223	2.03%	669.87	28,724.80	0.8701	29,994.67	0.8903			1,105.37			1,775.24	30,500.04	0.9236
11	17T	628	37,576	37,417	166	-0.42%	-	34,236.80	0.9150	34,236.80	0.9150			1,168.59			1,156.59	35,395.39	0.9460
11	39	736	40,593	40,125	122	-1.17%	-	39,168.40	0.9761	39,168.40	0.9761			1,174.99			1,174.99	40,341.39	1.0054
11	17T	628	37,576	37,417	236	-0.42%	-	32,427.20	0.8668	32,427.20	0.8668			1,053.88			1,053.88	33,481.08	0.8948
11	17G	484	32,345	33,015	248	2.03%	669.87	26,888.40	0.8083	27,556.27	0.8286			800.59			1,470.46	28,156.86	0.8528
11	20G	816	43,879	43,171	190	-1.64%	-	37,889.60	0.8730	37,889.60	0.8730			1,607.65			1,607.65	39,297.25	0.9103
11	39	520	32,345	33,015	137	2.03%	669.87	31,968.40	0.9501	32,036.27	0.9704			1,140.36			669.87	32,036.27	0.9704
11	17T	628	37,576	37,417	239	-0.42%	-	32,011.20	0.8555	32,011.20	0.8555			1,122.58			1,140.36	33,151.58	0.8660
11	17V	748	40,593	40,125	56	-1.17%	-	37,419.20	0.9326	37,419.20	0.9326			1,092.62			1,122.58	38,541.78	0.9605
11	17T	628	37,576	37,417	140	-0.42%	-	29,265.60	0.9344	30,454.57	0.9734			877.97			2,086.94	31,332.54	1.0026
11	17X	412	30,132	31,321	45	3.80%	1,188.97	29,265.60	0.7827	29,265.60	0.7827			1,546.04			878.59	30,164.99	0.8062
11	17T	628	37,576	37,417	253	-0.42%	-	51,521.60	0.9462	51,521.60	0.9462			1,475.71			1,546.04	53,067.64	0.8766
11	12I	1074	55,344	54,338	123	-1.85%	-	45,406.40	1.0518	45,406.40	1.0518			1,475.71			1,475.71	48,882.11	1.0860
11	39	778	43,879	43,171	44	-1.64%	-	29,794.80	0.9018	30,434.67	0.9218			595.30			1,265.17	31,023.97	0.9399
11	17G	484	32,345	33,015	230	2.03%	669.87	29,473.60	0.9229	30,143.47	0.9130			589.47			1,269.34	30,732.94	0.9309
11	17W	484	34,826	35,047	180	0.63%	220.67	32,344.00	0.9229	32,564.67	0.9292			970.32			1,190.99	33,534.99	0.9569
11	18I	1056	55,344	54,338	110	-1.85%	-	51,547.44	0.9486	51,547.44	0.9486			2,161.80			2,161.80	53,709.34	0.9884
11	17F	992	51,254	50,277	89	-1.94%	-	53,101.68	1.0562	53,101.68	1.0562			1,725.80			1,725.80	54,827.48	1.0905
11	17T	628	37,576	37,417	76	-0.42%	-	37,814.40	1.0109	37,814.40	1.0109			1,134.43			1,134.43	38,948.83	1.0409
			813,157	812,811	21		5,947.95	755,106.72	0.9290	761,054.67	0.9363	0.00	0.00	22,653.64			28,601.59	783,708.31	0.9642

Administration Finance

Dept Code	NRECA CODE	Nolin RECC TITLE	TOTAL PTS.	2006		2007		Employee No.	Market Increase		Year - End Salary	Actual		Market Adj	Grade Change		Merit Adj	New Title	Promotion Adj.	Total Adj	2007 Salary	New Compra	
				MP	MP	MP	MP		%	\$		Compra	Compra		MIN	Adj							Adj
12	17N	Spclst, Materials	556	34,826	35,047	0.63%	220.67	150	1.033	38,887.87	1,033	1,033	38,887.87	1,096		1,484.60	1,700.00			1,685.27	40,352.47	1,1514	
12	39	Data Systems Tech	765	40,583	40,125	-1.17%	-	251	0.8035	32,240.00	0.8035	0.8035	32,240.00	0.8035		1,700.00	1,700.00			1,700.00	33,940.00	0.8459	
12	11J	Spclst, Emp/Bene	1120	59,703	58,736	-1.65%	-	213	0.9940	57,796.48	0.9940	0.9940	57,796.48	0.9940		1,650.00	1,650.00			1,650.00	59,448.48	1,0121	
12	19C	Spvsr, Materials	1050	55,344	54,338	-1.85%	-	28	1.0588	57,593.28	1.0588	1.0588	57,593.28	1.0588		1,650.00	1,650.00			1,650.00	59,183.28	1.0892	
12	19A	Purchasing Coordinator	624	37,576	37,417	-0.42%	-	124	1.1235	42,036.80	1.1235	1.1235	42,036.80	1.1235		1,250.00	1,250.00			1,250.00	43,286.80	1.1569	
12	12L	Fort Knox Accounting	1120	59,703	58,736	-1.65%	-	130	1.0431	61,266.72	1.0431	1.0431	61,266.72	1.0431		1,650.00	1,650.00			1,650.00	62,916.72	1.0712	
12	12L	Spvsr, Accounting	1180	59,703	58,736	-1.65%	-	235	0.9317	54,724.80	0.9317	0.9317	54,724.80	0.9317		1,450.00	1,450.00			1,450.00	56,174.80	0.9564	
12	39	KVN System Operator	1180	59,703	58,736	-1.65%	-	169	1.0758	34,664.97	1.0758	1.0758	34,664.97	1.1138		150.00	150.00			1,336.97	35,034.97	1.1166	
12	19E	Clerk, Warehouse	376	30,132	31,321	3.80%	1,188.97	217	1.0139	439,230.00	1.0758	1.0758	34,664.97	1.1138		0.00	0.00			14,024.23	453,254.23	1.0463	
				437,283	433,192	-0.62%	1,409.63	9	1.0139	439,230.00	1.0139	1.0139	440,639.63	1.0172		0.00	0.00			13,176.90			
								229		18,720.00											3,193%		
								250		14,560.00											561.60	19,281.60	
																					436.80	14,996.80	

System Operations

Dept Code	NRECA CODE	Nolin RECC TITLE	TOTAL PTS	2006 MP	2007 MP	Employee No.	Market Increase		Year - End Salary	Actual Compra	Market Adj	Adj Compra	Grade Change		Ment Adj	New Title	Promotion Adj.	Total Adj	2007 Salary	New Compra
							%	\$					MIN	Adj						
21	20V	Dispatcher	884	47,432	46,555	22	-1.88%	-	55,432.00	1,1907	55,432.00	1,1907		1,215.00			1,215.00	56,647.00	1,2188	
21	15N	Senior Line Technician	982	51,254	50,277	119	-1.94%	-	55,660.80	1,1071	55,660.80	1,1071		1,215.00			1,215.00	56,875.80	1,1312	
21	20V	Dispatcher	884	47,432	46,555	103	-1.88%	-	54,121.60	1,1625	54,121.60	1,1625		1,215.00			1,215.00	55,336.60	1,1985	
22	16M	Tech, Staking	862	47,432	46,555	155	-1.88%	-	48,256.00	1,0365	48,256.00	1,0365		1,215.00			1,215.00	49,471.00	1,0626	
21	15C	Coord, Contracts	1032	55,344	54,338	18	-1.85%	-	63,478.56	1,1682	63,478.56	1,1682		1,215.00			1,215.00	64,693.56	1,1906	
21	15N	Senior Line Technician	982	51,254	50,277	17	-1.94%	-	55,660.80	1,1071	55,660.80	1,1071		1,215.00			1,215.00	56,875.80	1,1312	
21	15Q	Senior Line Technician	982	51,254	50,277	149	-1.94%	669.87	55,036.80	1,0947	55,036.80	1,0947		2,080.00			2,080.00	56,251.80	1,1188	
21	15N	Senior Line Technician	982	32,345	33,015	198	2.03%	-	33,446.60	1,0314	34,116.47	1,0934		2,749.87			2,749.87	36,196.47	0,7189	
21	15N	Senior Line Technician	982	51,254	50,277	118	-1.94%	-	55,536.00	1,1046	55,536.00	1,1046		1,215.00			1,215.00	56,761.00	1,1288	
22	18E	Tech, Eng	1138	59,703	58,736	169	-1.65%	-	63,336.00	1,0783	63,336.00	1,0783		2,600.00			2,600.00	65,936.00	1,1226	
21	15Q	Line Tech III	488	32,345	33,015	254	2.03%	669.87	33,280.00	1,0080	33,948.87	1,0283		2,080.00			2,080.00	35,029.87	1,0913	
21	15N	Senior Line Technician	982	47,432	46,555	252	-1.88%	-	40,560.00	0,8712	40,560.00	0,8712		2,080.00			2,080.00	42,640.00	0,9159	
21	15N	Senior Line Technician	982	37,576	37,417	21	-0.42%	-	56,492.80	1,1236	56,492.80	1,1236		1,215.00			1,215.00	57,707.80	1,1478	
21	16S	GIS Technician	628	47,432	46,555	167	-0.42%	-	39,540.80	1,0588	39,540.80	1,0588		1,215.00			1,215.00	40,765.80	1,0892	
21	16W	System Engineer/Supt	1364	74,387	73,980	70	-0.58%	-	54,663.20	1,1746	54,663.20	1,1746		3,000.00			3,000.00	55,663.20	1,2007	
21	15N	Senior Line Technician	982	51,254	50,277	231	-1.94%	-	55,036.80	1,0947	55,036.80	1,0947		1,215.00			1,215.00	56,251.80	1,1312	
21	15N	Senior Line Technician	982	51,254	50,277	136	-1.94%	-	80,000.16	1,0817	80,000.16	1,0817		3,000.00			3,000.00	83,000.16	1,1222	
21	15N	Senior Line Technician	982	51,254	50,277	13	-1.94%	-	56,368.00	1,1211	56,368.00	1,1211		1,215.00			1,215.00	57,583.00	1,1463	
21	15N	Senior Line Technician	982	51,254	50,277	165	-1.94%	-	55,036.80	1,0947	55,036.80	1,0947		1,215.00			1,215.00	56,251.80	1,1312	
21	15N	Senior Line Technician	982	51,254	50,277	101	-1.94%	-	54,620.80	1,1732	54,620.80	1,1732		1,215.00			1,215.00	55,835.80	1,1993	
21	15Q	Line Tech I	664	47,432	46,555	100	-1.88%	-	43,887.20	1,0933	43,887.20	1,0933		2,080.00			2,080.00	45,947.20	0,9669	
21	15Q	Line Tech II	765	40,593	40,125	224	-1.17%	-	33,446.40	1,0131	34,116.27	1,0934		2,749.87			2,749.87	36,196.27	1,0884	
21	15Q	Line Tech III	488	32,345	33,015	297	2.03%	669.87	33,446.40	1,0131	34,116.27	1,0934		2,080.00			2,080.00	35,136.27	1,1188	
21	15N	Senior Line Technician	982	51,254	50,277	170	-1.94%	-	55,036.80	1,0947	55,036.80	1,0947		1,215.00			1,215.00	56,251.80	1,1312	
21	20C	Tech, Meter	856	47,432	46,555	24	-1.88%	-	47,236.80	1,0146	47,236.80	1,0146		1,215.00			1,215.00	48,451.80	1,0407	
21	16M	Tech, Staking	862	47,432	46,555	71	-1.88%	-	50,689.60	1,0888	50,689.60	1,0888		1,215.00			1,215.00	51,904.60	1,1149	
21	15N	Senior Line Technician	982	47,432	46,555	90	-1.88%	-	54,246.40	1,1652	54,246.40	1,1652		1,215.00			1,215.00	55,461.40	1,1913	
21	15N	Senior Line Technician	982	47,432	46,555	171	-1.88%	-	46,425.60	0,9972	46,425.60	0,9972		2,080.00			2,080.00	48,505.60	1,2964	
21	15Q	Line Tech I	664	47,432	46,555	209	-1.88%	-	55,660.80	1,1071	55,660.80	1,1071		1,215.00			1,215.00	56,875.80	1,1312	
21	15N	Senior Line Technician	982	47,432	46,555	209	-1.88%	-	43,825.60	0,9414	43,825.60	0,9414		2,080.00			2,080.00	45,905.60	0,8660	
23	15T	Lead Tree Trimmer	634	37,576	37,417	163	-0.42%	-	48,630.40	1,0446	48,630.40	1,0446		2,080.00			2,080.00	50,710.40	1,3553	
21	15A	Super, Maintenance	1282	69,224	68,547	19	-0.99%	-	35,921.60	0,9600	35,921.60	0,9600		3,000.00			3,000.00	37,136.60	0,9825	
21	13N	Senior Line Technician	982	51,254	50,277	128	-1.94%	-	74,592.48	1,0882	74,592.48	1,0882		1,215.00			1,215.00	77,592.48	1,1320	
22	16M	Tech, Staking	862	47,432	46,555	62	-1.88%	-	49,504.00	1,0633	49,504.00	1,0633		1,215.00			1,215.00	50,719.00	1,1959	
21	39	Tech, Turtle Meter	868	47,432	46,555	131	-1.88%	-	44,241.60	0,9503	44,241.60	0,9503		1,215.00			1,215.00	45,466.60	1,0894	
21	15Q	Line Tech I	664	47,432	46,555	197	-1.88%	-	43,660.00	0,9882	43,660.00	0,9882		2,080.00			2,080.00	45,740.00	0,8629	
22	17A	Super, Construct	1282	69,224	68,547	11	-0.99%	-	73,995.76	1,0780	73,995.76	1,0780		2,500.00			2,500.00	76,395.76	1,1145	
21	15A	Admin Assn/O&E	664	37,576	37,417	152	-0.42%	-	42,494.40	1,1357	42,494.40	1,1357		1,215.00			1,215.00	43,709.40	1,1882	
23	15K	Senior Line Technician	982	51,254	50,277	189	-1.94%	-	57,512.00	1,1439	57,512.00	1,1439		1,215.00			1,215.00	58,727.00	1,1682	
21	15N	Senior Line Technician	982	51,254	50,277	104	-1.94%	-	55,660.80	1,1071	55,660.80	1,1071		1,215.00			1,215.00	56,875.80	1,1312	
21	15N	Senior Line Technician	982	51,254	50,277	219	-1.94%	-	55,348.80	1,1009	55,348.80	1,1009		1,215.00			1,215.00	56,563.80	1,1250	
22	15T	Tree Trimmer	466	47,432	46,555	138	-1.88%	-	54,662.40	1,1741	54,662.40	1,1741		1,215.00			1,215.00	55,877.40	1,2002	
22	39	Compliance Coord.	664	32,345	33,015	234	-0.42%	669.87	33,446.40	1,0131	34,116.27	1,0934		1,215.00			1,215.00	35,331.27	1,0702	
21	20F	Meter Reader	466	32,345	33,015	218	2.03%	-	41,553.60	1,1212	41,553.60	1,1212		1,215.00			1,215.00	42,768.60	1,1537	
21	16M	Tech, Staking	862	47,432	46,555	87	-1.88%	669.87	30,700.80	0,9299	31,370.67	0,9502		1,215.00			1,215.00	32,585.67	0,9870	
21	15N	Senior Line Technician	982	51,254	50,277	59	-1.94%	-	48,980.80	1,0992	48,980.80	1,0992		1,215.00			1,215.00	49,595.80	1,0653	
22	20R	Substation/SCADA Tech	882	47,432	46,555	246	-1.88%	-	55,660.80	1,1071	55,660.80	1,1071		1,215.00			1,215.00	56,875.80	1,1312	
				2,354,355	2,274,872	49		3,349,35	2,492,656.46	1,0958	2,498,205.61	1,0973		0.00			0.00	75,694.35	2,528,281.51	1,1114
						141		43,160.00										1,215.00	44,375.00	
								2,538,016.46										74,775.00		

Member Service

Dept Code	NRECA CODE	Nolin RECC TITLE	TOTAL PIS.	2006 IMP	2007 IMP	Employee No.	Market Increase %	Market Increase \$	Year - End Salary	Actual Compra	Market Adj	Adj Compra	Grade Change MIN	Merit Adj	New Title	Promotion Adj	Total Adj	2007 Salary	New Compra
30	071	Coord, Enrgy Mgmt	808	43,879	43,171	184	-1.64%	-	42,846.00	0.9925	42,846.00	0.9925		856.96			856.96	43,704.96	1.0124
30	071	Electrical Advisor	952	51,254	50,277	238	-1.94%	-	51,854.40	1.0314	51,854.40	1.0314		2,074.17			2,074.17	53,928.57	1.0726
30	07C	Director, Mktng	1012	51,254	50,277	115	-1.94%	-	52,915.44	1.0525	52,915.44	1.0525		1,058.31			1,058.31	53,973.75	1.0735
30	17B	Admin Asst	664	37,576	37,417	146	-0.42%	-	42,390.40	1.1329	42,390.40	1.1329		1,695.01			1,695.01	44,085.41	1.1782
30	14A	Coord, Communicat	828	43,879	43,171	107	-1.64%	-	46,176.00	1.0698	46,176.00	1.0698		1,400.00			1,400.00	47,576.00	1.1020
				227,841	224,314	5		-	236,184.24	1.0529	236,184.24	1.0529	0.00	7,084.45			7,084.45	243,268.69	1.0845

Dept Code	NRECA CODE	Nolin RECC TITLE	TOTAL PTS.	2006		2007		Employee No.	Market Increase %	Market Increase \$	Year - End Salary	Actual Compra	Market Adj	Adj Compra	Special MN	Special Adj	Merit Adj	New Title	Promotion Adj.	Total Adj.	2007		
				MP	MP	MP	MP														Salary	Compra	Salary
100	16A	VP, System Operations	1762	104,224	106,094	72	1.76%	1,869.89	114,747.12	1,0816	1,0816	116,617.01	1,0892				2,946.62				4,816.51	119,563.63	1,1270
100	07A	VP, Member Svcs	1540	85,617	85,799	84	0.33%	281.95	91,223.04	1,0632	1,0632	91,504.99	1,0665				2,500.00				2,781.95	94,004.99	1,0856
100	12A	VP Admin & Fin	1680	97,720	98,991	95	1.28%	1,270.68	110,780.88	1,1191	1,1191	112,051.56	1,1319				2,400.00				3,670.68	114,451.56	1,1562
100	11C	VP, Office Svcs	1608	91,465	82,226	109	0.80%	741.37	77,856.72	0,8442	0,8442	78,598.09	0,8522				3,000.00				3,741.37	81,598.09	0,8848
100	17B	Executive Secretary	664	37,576	37,417	203	-0.42%	-	33,612.80	0,6963	0,6963	33,612.80	0,6963				12,846.620				2,000.00	35,612.80	0,9518
				416,521	420,526	5		4,163.90	428,220.56	1,0183	1,0183	432,384.46	1,0282		0.00		12,846.620				15,010.52	409,618.28	0,9741

President CEO

Dept Code	NRECA CODE	Nolin RECC TITLE	TOTAL PTS.	2005 MP	2006 MP	Employee No.	Market Increase %	Market Increase \$	Year - End Salary	Actual Compra	Market Adj	Adj Compra	Grade Change MIN	Grade Change Adj	Merit Adj	Total Adj	2007 Salary	New Compra
999	05	President & CEO		115,000	125,000	31			140,000.40		140,000.40				7,000.00	7,000.00	147,000.40	



**NOLIN RECC  
CASE NO. 2006-00466**

**RESPONSE TO COMMISSION STAFF'S THIRD DATA REQUEST**

**CORRECT WAGES AND SALARIES**

Q. Refer to the response to the Staff's Second Request, item 13, the six page revision to Exhibit 1 of the Application. When compared to the total originally filed Exhibit 1, the revised Exhibit 1 pages reflect changes in the wage rate effective January 1, 2007 for nine salaried employees and 17 hourly employees.

a. Explain in detail the reason(s) why the January 1, 2007 wage rates for 26 employees shown in Exhibit 1 have been revised.

R The salary for those employees were calculated based on 26 pay periods for each year. Nolin actually pays its employees twice each month. The salaries should have been calculated on 24 pay periods to obtain the hourly rate. The hourly rate was mistakenly calculated using 26 pay periods. This fact would cause the hourly rate for those employees to be less on the Revised Exhibit than on Exhibit 1 of the Application

b. Provide copies of any board resolutions or other documentation that establishes which set of wage rates accurately reflects the rates in effect on January 1, 2007

R The wage rates reflected in the Revised worksheet are the rates in effect on January 1, 2007.

The response to Item 7 of this request provides the details on the establishment of wage rates.

c. In Exhibit 1 of the Application, page 1 of 9, Nolin provided a breakdown of the total wage increase for 2006 between grade, market, and merit adjustments. The last three pages of the revised Exhibit 1 include the percentage increases in wages between January 1, 2006 and January 1, 2007. A review of this data reveals that the majority of the wage increase percentages differ from all the possible combinations of the grade, market, and merit adjustments. Explain why the percentage increases for employees do not more closely match the 2006 wage increase information provided on the original Exhibit 1, page 1 of 9.

### **Response**

The Grade adjustments are the cumulative effect of promotions, job reclassifications and normal step increases that were granted during the test year.

The Market adjustment percentages were an approximate average that was granted for an increase. Depending on where employees wage rates were in relation to the market rates, increases were either larger or smaller than the Market adjustment percent reflected in Exhibit 1, page 1 of 9 of the Application. Therefore, the individual increases will not necessarily match the total increase granted to include any combination of Grade, Market, or Merit increase.

Substantially all employees were granted a Merit increase in wages.

Item No. 9  
All Items  
Witness: Jim Adkins

Nolin RECC  
Case No. 2006-00466  
Second Data Request of Commission Staff

Q. 9.

All Items and attachments have been redacted

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

9. Refer to the response to the Staff's Second Request, Item 13. Utilizing the normalized wages and salaries presented in the revised Exhibit 1, provide revisions to the following proposed adjustments and previous data responses. Include all workpapers, calculations, and other documentation that support the revised items.

- a. Exhibit 1 of the Application, pages 1 and 2 of 9.

**Response**

Response is attached.

- b. Exhibit 2 of the Application, all pages.

**Response**

Response is attached.

- c. Exhibit 7 of the Application.

**Response**

Response is attached.

- d. Response to the Commission Staff's First Data Request dated December 4, 2006 (Staff's First Request), Item 29.

**Response**

The information submitted with the original response to Staff's First Request, Item 29 is correct. No changes are required for the original response.

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
August 31, 2006

**Payroll Adjustment**

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Increases are granted each January 1 based on Board Policy No. 708.0, Wage and Salary Plan. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Nolin Rural Electric has always hired summer and part time employees, and anticipates this to continue into future years. These employees were normalized at the same rate and hours during the test year.

There are no union employees.

Wage and salary increases are as follows:

	<u>Grade</u>	<u>Market</u>	<u>Merit</u>	<u>Total</u>
	<u>Adjustment</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>
2006	0.23%	4.12%	2.00%	6.35%
2005	2.31%	2.97%	2.00%	7.28%
2004	0.00%	1.86%	2.00%	3.86%
2003	0.00%	3.29%	2.00%	5.29%
2002	0.00%	4.60%	2.00%	6.60%

The amount of increase was allocated based on the actual test year.

Projected wages	\$5,219,095
Actual wages for test year	<u>5,132,591</u>
Adjustment	<u><u>\$86,504</u></u>

The allocation is on the following page:

Nolin Rural Electric Cooperative  
Case No. 2006-00466

Allocation of increase in payroll:

		Labor <u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>	
10	107.20	Construction work in progress	835,071	16.3%	14,074
11	108.80	Retirement work in progress	125,261	2.4%	2,111
12	146.00	Due from KVNet	83,092	1.6%	1,400
13	163.00	Stores	118,318	2.3%	1,994
14	184.00	Transportation	10,021	0.2%	169
15	186.10	Employee sick leave	16,631	0.3%	280
16	416.00	Non operating accounts	14,394	0.3%	243
17	580.00	Operations	84,746		
18	582.00	Station	2,408		
19	583.00	Overhead line	367,060		
20	584.00	Underground	24,846		
21	586.00	Meter	307,361		
22	587.00	Consumer installation	44,034		
23	588.00	Miscellaneous distribution	340,555	22.8%	19,736
24	590.00	Maintenance	92,825		
25	592.00	Station	28,889		
26	593.00	Overhead line	690,341		
27	594.00	Underground	28,144		
28	595.00	Transformers	14		
29	596.00	Street lights	51,558		
30	597.00	Meters	27,622		
31	598.00	Miscellaneous maintenance	42,115	18.7%	16,205
32	901.00	Supervision, customer accounts	90,394		
33	902.00	Meter reading	107,197		
34	903.00	Consumer records	646,654	16.4%	14,229
35	907.00	Customer service & information	21,810		
36	908.00	Consumer assistance	127,969		
37	910.00	Consumer information	117,851	5.2%	4,511
38	920.00	Administrative	640,849		
39	930.00	Miscellaneous	13,073		
40	935.00	Maintenance general plant	31,488	13.4%	11,552
41					
42		Total	<u>5,132,591</u>	<u>100.0%</u>	<u>86,504</u>

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2007 as they were for 2006. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$94,200 in 2006 to \$97,500 in 2007 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.40% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	318,097	
Medicare	<u>75,677</u>	
	393,774	
Proposed FUTA	5,234	
Proposed SUTA	<u>10,448</u>	<u>409,457</u>

Test year amount

FICA and Medicare	379,466	
Test year FUTA	5,466	
Test year SUTA	<u>10,761</u>	<u>395,693</u>

Increase		<u><u>13,764</u></u>
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**Adjustment:**

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	18.70%	2,574
163 - 416	Clearing and others	4.80%	661
580	Operations	22.80%	3,138
590	Mainteneance	18.70%	2,574
901	Consumer accounts	16.40%	2,257
908	Customer service	5.20%	716
912	Sales	0.00%	0
920	Administrative and general	<u>13.40%</u>	<u>1,844</u>
		<u>100.00%</u>	<u>\$13,764</u>

State umemployment (SUTA) wage rates are as follows:

2006	1.40%
2004	1.00%
2003	1.20%
2002	0.70%
2001	0.70%
2000	0.70%

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Employee Earnings and Hours  
August 31, 2006

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	1.400%
<b>Salaried Employees:</b>								
31	146,994	97,500	146,994	2,131	7,000	56	8,000	112
72	119,558	97,500	119,558	1,734	7,000	56	8,000	112
84	93,995	93,995	93,995	1,363	7,000	56	8,000	112
95	114,442	97,500	114,442	1,659	7,000	56	8,000	112
109	81,598	81,598	81,598	1,183	7,000	56	8,000	112
231	82,992	82,992	82,992	1,203	7,000	56	8,000	112
115	53,976	53,976	53,976	783	7,000	56	8,000	112
19	77,584	77,584	77,584	1,125	7,000	56	8,000	112
11	76,398	76,398	76,398	1,108	7,000	56	8,000	112
Subtotal Salary	847,538	759,044	847,538	12,289	63,000	504	72,000	1,008
<b>Hourly Employees:</b>								
22	77,157	77,157	77,157	1,119	7,000	56	8,000	112
229	19,282	19,282	19,282	280	7,000	56	8,000	112
119	60,744	60,744	60,744	881	7,000	56	8,000	112
103	75,985	75,985	75,985	1,102	7,000	56	8,000	112
155	56,263	56,263	56,263	816	7,000	56	8,000	112
18	68,560	68,560	68,560	994	7,000	56	8,000	112
17	61,975	61,975	61,975	899	7,000	56	8,000	112
149	73,765	73,765	73,765	1,070	7,000	56	8,000	112
150	40,722	40,722	40,722	590	7,000	56	8,000	112
198	42,846	42,846	42,846	621	7,000	56	8,000	112
251	36,156	36,156	36,156	524	7,000	56	8,000	112
118	66,383	66,383	66,383	963	7,000	56	8,000	112
159	79,298	79,298	79,298	1,150	7,000	56	8,000	112
213	59,446	59,446	59,446	862	7,000	56	8,000	112
254	36,046	36,046	36,046	523	7,000	56	8,000	112
225	31,400	31,400	31,400	455	7,000	56	8,000	112
184	46,417	46,417	46,417	673	7,000	56	8,000	112
252	43,639	43,639	43,639	633	7,000	56	8,000	112
21	64,880	64,880	64,880	941	7,000	56	8,000	112
141	44,387	44,387	44,387	644	7,000	56	8,000	112
167	45,002	45,002	45,002	653	7,000	56	8,000	112
223	30,959	30,959	30,959	449	7,000	56	8,000	112
70	57,301	57,301	57,301	831	7,000	56	8,000	112
136	62,127	62,127	62,127	901	7,000	56	8,000	112
13	61,583	61,583	61,583	893	7,000	56	8,000	112
165	76,267	76,267	76,267	1,106	7,000	56	8,000	112
28	62,590	62,590	62,590	908	7,000	56	8,000	112

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Employee Earnings and Hours  
August 31, 2006

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	1.400%
101	84,149	5,217	84,149	1,220	7,000	56	8,000	112
100	60,399	3,745	60,399	876	7,000	56	8,000	112
224	64,602	4,005	64,602	937	7,000	56	8,000	112
237	39,227	2,432	39,227	569	7,000	56	8,000	112
166	36,059	2,236	36,059	523	7,000	56	8,000	112
170	69,836	4,330	69,836	1,013	7,000	56	8,000	112
203	35,630	2,209	35,630	517	7,000	56	8,000	112
24	51,872	3,216	51,872	752	7,000	56	8,000	112
71	52,254	3,240	52,254	758	7,000	56	8,000	112
90	78,183	4,847	78,183	1,134	7,000	56	8,000	112
238	56,638	3,512	56,638	821	7,000	56	8,000	112
122	45,321	2,810	45,321	657	7,000	56	8,000	112
171	63,687	3,949	63,687	923	7,000	56	8,000	112
236	34,086	2,113	34,086	494	7,000	56	8,000	112
124	44,352	2,750	44,352	643	7,000	56	8,000	112
248	28,265	1,752	28,265	410	7,000	56	8,000	112
190	40,184	2,491	40,184	583	7,000	56	8,000	112
130	63,283	3,924	63,283	918	7,000	56	8,000	112
137	32,527	2,017	32,527	472	7,000	56	8,000	112
108	79,021	4,899	79,021	1,146	7,000	56	8,000	112
209	64,792	4,017	64,792	939	7,000	56	8,000	112
183	82,855	5,137	82,855	1,201	7,000	56	8,000	112
226	41,850	2,595	41,850	607	7,000	56	8,000	112
128	62,611	3,882	62,611	908	7,000	56	8,000	112
239	33,795	2,095	33,795	490	7,000	56	8,000	112
56	39,057	2,422	39,057	566	7,000	56	8,000	112
140	38,436	2,383	38,436	557	7,000	56	8,000	112
45	31,707	1,966	31,707	460	7,000	56	8,000	112
62	58,268	3,613	58,268	845	7,000	56	8,000	112
146	44,684	2,770	44,684	648	7,000	56	8,000	112
131	46,387	2,876	46,387	673	7,000	56	8,000	112
197	59,043	3,661	59,043	856	7,000	56	8,000	112
253	30,301	1,879	30,301	439	7,000	56	8,000	112
123	55,771	3,458	55,771	809	7,000	56	8,000	112
44	50,061	3,104	50,061	726	7,000	56	8,000	112
152	46,496	2,883	46,496	674	7,000	56	8,000	112
189	61,387	3,806	61,387	890	7,000	56	8,000	112
235	63,170	3,917	63,170	916	7,000	56	8,000	112
104	76,559	4,747	76,559	1,110	7,000	56	8,000	112
219	68,510	4,248	68,510	993	7,000	56	8,000	112

Nolin Rural Electric Cooperative  
 Case No. 2006-00466  
 Employee Earnings and Hours  
 August 31, 2006

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment		
	Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	1.400%	
230	31,392	1,946	31,392	455	7,000	56	8,000	112	
138	88,436	5,483	88,436	1,282	7,000	56	8,000	112	
162	37,416	2,320	37,416	543	7,000	56	8,000	112	
232	32,028	1,986	32,028	464	7,000	56	8,000	112	
234	47,478	2,944	47,478	688	7,000	56	8,000	112	
169	57,477	3,564	57,477	833	7,000	56	8,000	112	
180	33,992	2,108	33,992	493	7,000	56	8,000	112	
217	35,174	2,181	35,174	510	7,000	56	8,000	112	
107	49,221	3,052	49,221	714	7,000	56	8,000	112	
218	32,688	2,027	32,688	474	7,000	56	8,000	112	
110	56,920	3,529	56,920	825	7,000	56	8,000	112	
89	57,458	3,562	57,458	833	7,000	56	8,000	112	
87	61,396	3,807	61,396	890	7,000	56	8,000	112	
59	57,421	3,560	57,421	833	7,000	56	8,000	112	
76	40,307	2,499	40,307	584	7,000	56	8,000	112	
246	45,948	2,849	45,948	666	7,000	56	8,000	112	
Subtotal hourly	4,361,248	270,397	4,361,248	63,238	581,000	4,648	664,000	9,296	
<b>Summer and Part Time Employees:</b>									
250	4,825	299	4,825	70	4,825	39	4,825	68	
243	5,484	340	5,484	80	5,484	44	5,484	77	
Subtotal summ	10,309	639	10,309	149	10,309	82	10,309	144	
<b>Retirees:</b>									
111	0	0	0	0	0	0	0	0	
247	0	0	0	0	0	0	0	0	
249	0	0	0	0	0	0	0	0	
245	0	0	0	0	0	0	0	0	
177	0	0	0	0	0	0	0	0	
182	0	0	0	0	0	0	0	0	
242	0	0	0	0	0	0	0	0	
15	0	0	0	0	0	0	0	0	
16	0	0	0	0	0	0	0	0	
Subtotal retirees	0	0	0	0	0	0	0	0	
<b>Total</b>	5,219,095	318,097	5,219,095	75,677	654,309	5,234	746,309	10,448	

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
**Retirement and Security**

Nolin Rural Electric provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program. It is the policy of Nolin Rural Electric to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA. Nolin Rural Electric's plan discontinues coverage when an employee has accumulated 30 years of service. At that time contributions to the plan discontinue.

The rate for 2006 was 18.17% of base wages. For the 2007, the rate is 19.43%. The adjustment is to normalize the R & S contributions using the rate for 2007 and normalized base wages for full-time salary and hourly employees.

Normalized base wages	
Salary employees	847,538
Hourly employees	3,862,206
	<u>4,709,744</u>
Employees Quasi retired: Nos. 11, 13, 17, 18, 19, 22, 24, 28, 31, 44, 59, 95	<u>831,348</u>
Adjusted eligible wages	3,878,396
Contribution rate for 2007	<u>19.43%</u>
Proposed contribution cost	753,572
Test year R & S contributions	<u>611,141</u>
Proposed adjustment	<u><u>142,431</u></u>

The adjustment is allocated as follows:

<b>Adjustment:</b>	<u>Percent</u>	<u>Amount</u>
107 Capitalized	18.70%	26,635
163 - 416 Clearing and others	4.80%	6,837
580 Operations	22.80%	32,474
590 Maintenance	18.70%	26,635
901 Consumer accounts	16.40%	23,359
908 Customer service	5.20%	7,406
912 Sales	0.00%	0
920 Administrative and general	13.40%	19,086
	<u>100.00%</u>	<u>\$142,431</u>

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

10. Refer to the response to the Staff's Second Request, Item 16.(c).

a. Based on its responses to Items 16(c)(3) and 16(c)(4), would Nolin agree that \$3,892 should be excluded for rate-making purposes, since the expenses were of a non-recurring nature? Explain the reason.

**Response**

Nolin agrees these should be removed for rate making purposes.

b. For all other responses to Item 16(c), provide the originally requested explanation of why the expense should be included for rate-making purposes.

**Response**

Line 12 - The attorney reviews all contracts signed by Nolin. As long as contractors are utilized, there will be contracts to sign and review.

Lines 13 and 43 - Meter tampering and other legal matters will always be a part of the electric industry. Operation roundup will have issues as long as there is a need in the community for this service.

Line 22 - The attorney is always a part of reviewing filings with the PSC, CFC and other agencies. Nolin will continue to have filings with various government and regulatory agencies with the attorney reviewing these filings.

Line 31 - Nolin strives to remain compliant with laws and regulations. As a result, the attorney is consulted on various matters and legal issues. This is expected to continue into the future.

Nolin has used its attorney for these and similar items in previous years. This is evidenced by the professional services total for the test year and previous four (4) calendar years as listed below:

Test year	\$80,748
2005	\$75,842
2004	\$72,425
2003	\$77,477
2002	\$70,779

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

11. Refer to the response to the Staff's Second Request, Item 17.
- a. The program agenda provided for the National Rural Electric Cooperative Association Regional meeting was for the fall 2006 meetings. The expense in the test year was for the meetings in the fall of 2005. Provide copies of the applicable agenda.

**Response**

Nolin regrets that it supplied the incorrect year's meeting agenda. Attached is the agenda for the fall of 2005 meeting.

- b. Explain why Nolin did not provide agendas or meeting materials associated with the Strategic Issues Conference and the Kentucky Association of Electric Cooperatives Annual Meeting.

**Response**

This was an oversight only. Attached are the agendas for each of the meetings requested.

- c. The response to Item 17(b)(5) states that the Employee Assistance Program is a benefit to the directors. However, the materials Nolin provided for this program clearly state the program is paid for by employers.

- (1) Does Nolin contend that its directors are employees?

**Response**

No

- (2) Explain in detail the benefit to the directors of their involvement with a program that specializes in personal counseling.

**Response**

The benefit is more to Nolin than to the director. If the director is having personal issues that adversely effect decisions made at the monthly board meeting, then Nolin truly benefits by having the personal issues resolved, and the director making better decisions on issues that effect Nolin.

NRECA 2005

# Regional Meeting Program

**REGION II & III**

OCTOBER 4 – 6, 2005  
SHERATON CIVIC CENTER  
BIRMINGHAM, ALABAMA



# Investing in the Future



## Tuesday, October 4

### Investing in the Future

- 8:00 AM**    **New Director Orientation**  
(Half-day program - Co-sponsored by NRECA, CFC, NRTC)  
East Meeting Room L, 3rd Floor
- 8:30 AM**    **Region II Resolutions Committee Meeting**  
East Meeting Rooms F/G, 3rd Floor
- Region III Resolutions Committee Meeting**  
East Meeting Room D, 3rd Floor
- 10:30 AM**   **Registration opens (until 4:30 p.m.)**  
Lobby, 3rd Floor
- Noon**        **NRECA Programs and Services Center**  
East Meeting Room A, 1st Floor
- Executive Search
  - Insurance and Financial Services Field Representatives
  - National Consulting Group
- RUS Consulting Room**  
East Meeting Room B, 1st Floor
- 12:45 PM**   **Sergeants-at-Arms Briefing**
- 1:30 PM**    **FIRST GENERAL SESSION**  
East Ballroom A/B, 1st Floor
- Call to Order**  
MAX I. DAVIS, Region III Executive  
Committeeperson, *presiding*
- Welcome**  
SETH HAMMETT, Speaker of the House, Alabama  
House of Representatives, Andalusia, Alabama
- Pledge of Allegiance**
- Invocation**  
TERRY MITCHELL, Director, Central Alabama  
Electric Cooperative, Prattville, Alabama
- Introduction of Directors and Officers**
- Introduction of the Sergeants-at-Arms**
- Announcements**

**Tuesday, October 4**

**Report of the Chief Executive Officer**

GLENN ENGLISH, NRECA, Chief Executive Officer

**The Challenges in Power Supply and Price**

JIM BAUSELL, NRECA, Vice President of Business Development and Chief Operating Officer of Touchstone Energy

JIM COLLINS, NRECA, Vice President of Education and Training

**Refreshment Break**

East Ballroom Lobby, 1st Floor  
(Sponsored by Federated Rural Electric Insurance Exchange)

**Regional Voices: Power Supply Decisions**

MODERATOR: WALLACE TILLMAN, NRECA, Vice President of Energy Policy

PANELISTS:

TIMOTHY PONSETI, General Manager, Transmission and Power Supply, Tennessee Valley Authority, Chattanooga, Tennessee

GARY SMITH, President and Chief Executive Officer, Alabama Electric Cooperative, Andalusia, Alabama

TIM WOODBURY, Vice President of Strategic Services, Seminole Electric Co-op, Seminole, Florida

**Resolutions Overview and Briefing**

**Announcements**

**Adjourn**

**4:30 PM NISC Districts 2 & 3 Membership Meeting**  
(Immediately following the General Session)  
East Meeting Room O, 3rd Floor

- 7:00 AM Action Committee for Rural Electrification (ACRE®) Breakfast**  
 East Meeting Rooms G/H/I/M, 3rd Floor  
 MR. FRED BRASWELL, ACRE Alabama Chair, Montgomery  
 (Tickets, \$15, available at NRECA Registration Desk)
- 8:00 AM Registration re-opens (until 4:00 p.m.)**  
 Lobby, 3rd Floor
- 8:30 AM Region II Nominating Committee Meeting**  
 East Meeting Room F, 3rd Floor
- Region III Nominating Committee Meeting**  
 East Meeting Room D, 3rd Floor
- NRECA Programs and Services Center**  
 East Meeting Room A, 1st Floor
- Executive Search
  - Insurance and Financial Services Field Representatives
  - National Consulting Group
- RUS Consulting Room**  
 East Meeting Room B, 1st Floor
- 9:00 AM SECOND GENERAL SESSION**  
 East Ballroom A/B, 1st Floor  
 MICHAEL L. MILLER, NRECA Kentucky Director, *presiding*
- RUS/Rural Development Update**  
 TOM DORR, Under Secretary, Rural Development, USDA, Washington, DC
- NRECA Financial Report**  
 F.E. WALLY WOLSKI, NRECA Secretary-Treasurer and NRECA Wyoming Director
- Report of the NRECA President**  
 RONALD R. BERGH, NRECA President and NRECA Alaska Director
- Presentation of Training Certificates**  
 RONALD R. BERGH, NRECA President and NRECA Alaska Director

- Refreshment Break**  
 East Ballroom Lobby, 1st Floor  
 (Sponsored by Federated Rural Electric Insurance Exchange)
- Investing in International Solutions and Video**  
 INGRID HUNSICKER, NRECA, Communications and Public Relations Manager, International Programs  
 CALEB LUCIEN, Cooperative Electricite' de Pignon, Pignon, Haiti
- Transportation and Transmission: The New Rules of Engagement**  
 MARY McLAURY, NRECA, Senior Director, Education Program Development  
 DAVE MOHRE, NRECA, Executive Director, Energy and Environment
- Announcements**
- Adjourn**
- Noon GENERAL MEMBERSHIP LUNCHEON**  
 East Meeting Rooms G/H/I/M, 3rd Floor  
 MORGAN MURPHY, Travel Editor, *Southern Living Magazine*, Birmingham, Alabama  
*"Secrets of Southern Living"*  
 (Tickets, \$30, available at NRECA Registration Desk)
- 1:30 PM THIRD GENERAL SESSION**  
 East Ballroom A/B, 1st Floor  
 LARRY E. ELKINS, NRECA Tennessee Director, *presiding*
- Investing in Youth: The Leadership Council Video Report**
- The New Reality: Rising Environmental Costs, Renewable Energy**  
 KIRK JOHNSON, NRECA, Executive Director, Environmental Issues

**Regional Voices**

JASON BENTLEY, Executive Director, Kentucky Office of Energy Policy, Frankfort

MICHAEL WHITESIDE, Chief Executive Officer, Coweta-Fayette, Newnan, Georgia

**Commentary**

GLENN ENGLISH, NRECA, Chief Executive Officer

**Report of the National Rural Telecommunications Cooperative**

BOB PHILLIPS, President and Chief Executive Officer

**Adjourn**

**3:30 PM National Rural Utilities Cooperative Finance Corporation (CFC) Districts 2&3 Meeting**

East Ballroom A/B, 1st Floor

JIM DUNCAN (Florida), Overall Chairman

ROGER BALL (Tennessee), Overall Secretary-Treasurer

SHELDON C. PETERSEN, Governor and CEO

Join Sheldon and the Districts 2&3 Board Members for a review of CFC's operations and an industry update.

An election will be held for the District 2 Manager-Director position and District 3 Director-Director and Manager-Director positions on the CFC Board.

**4:30 PM International Programs Workshop**

East Meeting Room F, 3rd Floor

**5:00 PM Legislative Briefing**

East Ballroom A/B, 1st Floor

**5:30 PM Regional Reception**

*Sheraton Hotel, Birmingham Ballroom*

(Hosted by NRTC and the Alabama Rural Electric Association of Cooperatives)

**7:00 AM CEO Breakfast**

(Co-sponsored by CFC; by invitation only)  
East Meeting Room N, 3rd Floor

**9:00 AM FOURTH GENERAL SESSION**

East Ballroom A/B, 1st Floor

ROBERT "BOB" J. OCCHI, NRECA Mississippi Director, *presiding*

**Regional Awards Presentation**

RONALD R. BERGH, NRECA President and NRECA Alaska Director

**Resolving Disputes to Sustain Cooperative Strength**

MODERATOR: MARTIN LOWERY, NRECA, Executive Vice President, External Affairs

**PANELISTS:**

SUSAN KOZACIK RODGERS, Executive Director, The Center for Conflict Resolution, Chicago, Illinois

MONICA SCHMIDT, NRECA, Executive Director, National Consulting Group

**Dialogue with the Membership**

RONALD R. BERGH, NRECA President and NRECA Alaska Director

GLENN ENGLISH, NRECA Chief Executive Officer

**BUSINESS MEETING (Region II)**

East Ballroom A/B, 1st Floor

GALEN MILLS, Region II Executive Committeeperson, *presiding*

**BUSINESS MEETING (Region III)**

East Meeting Rooms G/H/I/M, 3rd Floor

MAX I. DAVIS, Region III Executive Committeeperson, *presiding*

Call to Order

Adoption of Agenda

**Business Meeting continued**

Adoption of Standing Rules  
Approval of Minutes of 2004 Region Meeting  
Introduction and Report of Nominating  
Committee  
Election of Region Members to 2006 NRECA  
Standing Committees  
Consideration of Proposed Resolutions  
New Business

**Adjourn**

**MARK YOUR CALENDAR**

**Region II & III Meeting  
October 9-11, 2006  
Atlanta, Georgia**

# 2005 STRATEGIC ISSUES CONFERENCE

## Navigating the New Energy Landscape

Communicating the Challenges to Your Members

### DAY ONE

East - Monday, December 12  
West - Thursday, December 15

7:00 - 8:00 a.m.

#### REGISTRATION AND CONTINENTAL BREAKFAST

8:00 - 8:15 a.m.

#### WELCOME, PROGRAM OVERVIEW

• Tom Hall, *Director of Educational Programs, NRECA*

8:15 - 9:15 a.m.

#### DEFINING THE NEW ENERGY LANDSCAPE

• Llewellyn King, *Publisher, Energy Daily*

The domestic energy environment that electric co-ops have known is rapidly changing. Join Llewellyn King as he analyzes how global consumption and the subsequent demand for natural resources will alter the domestic energy landscape for the foreseeable future.

9:15 - 10:15 a.m.

#### NAVIGATING THE FUTURE OF POWER SUPPLY

Rising fuel costs, new capacity needs and volatile competitive markets are making for choppy waters for the nation's electric utilities. A panel of G&T CEOs will comment on the industry forecast from Llewellyn King, discuss their system's future power supply challenges and how they're affected by the cost of fuels, the markets and transmission challenges. They'll also discuss the role of the local cooperative boards in future power supply decisions.

10:15 - 10:30 a.m.

#### BREAK

10:30 - 11:15 a.m.

#### UNDERSTANDING RENEWABLE ENERGY

• Floyd Barwig, *Director of the Iowa Energy Center*

Cooperatives and their members are continuing to weigh the benefits and costs of renewable energy. The passing of the Energy Policy Act could make renewable energy options even more attractive for cooperatives. This session will define renewables, spotlight the policy issues involved, and explore the opportunities and obstacles to making renewable energy a bigger part of the mix.

11:15 a.m. - Noon

#### ROUNDTABLE Q&A - ASK THE EXPERTS!

Here's your chance to pose pressing questions to our panel of energy experts.

Noon - 1:15 p.m.

#### LUNCHEON PRESENTATION - BUSINESS CONTINUITY MANAGEMENT AND THE UTILITY SECTOR

In times of crisis, cooperatives are faced not with just getting the power back on, but keeping the business operation running smoothly - everything from insuring that your financial and personnel records are maintained to communicating effectively with employees. Listen as international experts on business continuity management and crisis communications talk about the heightened expectations of utilities in the post 911 environment and how cooperatives can develop organizational resilience.

1:30 - 2:45 p.m.

#### CONCURRENT SESSIONS

##### LOAD MANAGEMENT AND ENERGY EFFICIENCY

Almost all electric utilities are being forced to raise rates. In this environment, load management and energy efficiency programs can play an important role in helping to manage rate increases and as a way to communicate the cooperative advantage to consumers. This session will explore how both co-ops and investor owned utilities are implementing load management and energy efficiency programs, and will address the related policy questions that boards should consider.

##### CONTINUITY MANAGEMENT - KEY STEPS TO GETTING IT RIGHT

Rapid and effective response to natural, human, and cyber crises and disasters has been the trademark of America's electric cooperatives. Whether it's a hurricane, tornado, or employee sabotage, cooperatives must play an increasingly active and ongoing role in knowing how to best manage and recover from these types of situations. This session will focus on the fundamentals of continuity management, and how those fundamentals are evolving in the new energy environment. Attendees will hear from cooperative and continuity management experts, showing how the rural electric program continues to fulfill the responsibility of ensuring the continuity of electrical and business operations.

Item 1. 1. 1

# ACCOMMODATIONS

Please contact hotels directly to make your reservations.

## EAST

Gaylord Opryland Resort and Convention Center  
2800 Opryland Drive  
Nashville, TN 37214  
TEL: 615.889.1000  
Room rate: \$149 + \$10 Resort Fee  
Room Cutoff Date: November 11, 2005

## WEST

Grand Hyatt Denver  
1750 Welton Street  
Denver, CO 80202  
TEL: 303.295.1234  
FAX: 303.295.2472  
Room rate: \$125 Single/double  
Room Cutoff Date: November 10, 2005

5:00 – 6:00 p.m.

### RECEPTION FOR CONFERENCE ATTENDEES AND GUESTS

## DAY TWO

East – Tuesday, December 13  
West – Friday, December 16

8:30 – 9:15 a.m.

### THE ENERGY POLICY ACT OF 2005

Jay Morrison, Senior Regulatory Council, NRECA

9:15 – 10:15 a.m.

### COMMUNICATING EFFECTIVELY

Steve Allen, Sheehan and Associates

Steve Allen will explore the fundamentals of effective communications plans and how cooperative leaders may need to be more proactive in addressing the impacts of these changes when communicating with consumers. This general session will focus on how to develop strategic communication messages around the key themes cooperatives are using to address the new energy environment (rates, load management and energy efficiency, emergency response planning, renewables, etc).

10:15 – 11:15 a.m.

### COOPERATIVES RISE TO THE COMMUNICATIONS CHALLENGE

A panel comprised of a co-op director, CEO, distribution system communicator and G&T communicator, moderated by Steve Allen will share their communication strategies and experiences.

11:15 a.m.

### FUTURE FOCUS AND ADJOURNMENT

### TRENDS IN RENEWABLES AND COOPERATIVE POLICY IMPLICATIONS

Observers agree that renewables will play a larger role in the nation's energy resource mix. But the pros and cons regarding specific renewable technologies are still debated, and boards must still address the policy issues raised by renewables in their particular power supply and geographical situation. This interactive session will highlight the major areas that boards must consider.

### BUILDING ADVOCACY AND FOSTERING EFFECTIVE COMMUNICATIONS

In this changing environment, relationships and communications with public officials are increasingly important to the success of the cooperative. This session will explore the need for a formal plan to build and maintain relationships with public officials as an important part of the execution of the business strategy of cooperatives.

### TRENDS IN RATES AND COOPERATIVE APPROACHES

The cooperative utility industry is entering a state of rapid change resulting from substantial increases in underlying costs. This session considers the trends in utility costs and the underlying causes. It also identifies new and traditional remedies for maintaining a cooperative's financial strength in today's rapidly changing cost environment.

2:45 – 3:00 p.m.

### BREAK

3:00 – 4:15 p.m.

### CONCURRENT SESSIONS II REPEAT

4:15 p.m.

### ADJOURN

## **Kentucky Association of Electric Cooperatives**

### **59<sup>th</sup> Annual Meeting**

November 14-15, 2005

Hyatt Regency

Louisville, Kentucky

### **Registration and Ticket Sales**

November 14, 2005

7:45 a.m. – 4:00 p.m.

Second Floor, Atrium Area

### **Related Meetings**

November 13, 2005

#### **Cooperative Attorneys**

1:30 – 6:15 p.m.

Kentucky Suite, Second Floor

November 14, 2005

#### **Cooperative Attorneys**

8:00 – 11:30 a.m.

Kentucky Suite, Second Floor

November 14, 2005

### **Kentucky Women in Rural Electrification (W.I.R.E.)**

8:30 – 9:30 a.m. – Business Meeting

Gulfstream/Hialeah Room, First Floor

November 14, 2005

### **W.I.R.E. Silent Auction**

8:00 a.m. – 4:30 p.m.

Keeneland Room, Second Floor

### **Hospitality**

November 14, 2005

4:30 p.m. – 6:00 p.m.

9:30 p.m. – 11:00 p.m.

Pimlico Room, First Floor

*Courtesy of United Utility Supply*

### **General Reception**

November 14, 2005

6:00 p.m. – 7:00 p.m.

Ballroom Prefunction Area and

Kentucky/Park Suites, Second Floor

*Courtesy of Federated Rural Electric Insurance*

**PROGRAM**  
**KENTUCKY ASSOCIATION OF ELECTRIC COOPERATIVES**  
**Fifty-Ninth Annual Meeting Program**  
**Annual Meeting Theme: "Patience Without Complacency"**

**Monday, November 14, 2005**

**MEMBERSHIP AND BOARD MEETING**

9:00 a.m. – 11:00 a.m.  
 Regency Ballroom South  
 Second Floor

**PRESIDING: Stanley Gosney**  
 Chairman, KAEC Board, and  
 Secretary-Treasurer, Owen Electric Board  
 Owenton, KY

**LUNCHEON**

11:30 a.m. – 1:30 p.m.  
 Regency Ballroom Center  
 Second Floor

**PRESIDING: Stanley Gosney**

Invocation

**Gerald Groseclose**, Chairman, UUS Board of  
 Directors, and Manager Craig Botetourt EC,  
 New Castle, VA

Luncheon Served

Introduction

**Dennis Cannon**, Vice President – Member  
 and Public Relations, KAEC

Comments

**On'Draya Green**  
 Washington Youth Tour  
 Youth Leadership Council Representative  
 Hebron, KY

Presentation of Gift

**Dennis Cannon**

Introduction

**Ron Sheets/Gerald Groseclose**

Address: *"Your Reward For Patience"*

**Judge Hullahen Moore**  
 Richmond, Virginia

Door Prize Drawing

**Stanley Gosney**

**GENERAL SESSION**

2:00 p.m. – 4:00 p.m.  
 Regency Ballroom South  
 Second Floor

**PRESIDING: Gerald Hayes**,  
 Vice Chairman, KAEC, and  
 President and CEO, Warren RECC  
 Bowling Green, KY

Introduction of Speaker

**Dan Yates**, Vice President, Governmental  
 Affairs, and Member Counsel, KAEC

Address: *"Letting the Game Come to You"*

**Cameron Mills**, Motivational Speaker and Team Member of UK's National Basketball Champions 1997-98, Lexington, KY

Introduction of Speaker

**Hayden Timmons**, Special Environmental Advisor, KAEC

Address: *"The Price Tag of Complacency"*

**Julian Carroll**, Senator & Former Governor Frankfort, Kentucky

Door Prize Drawing

**Gerald Hayes**

**RECEPTION**

6:00 p.m. – 7:00 p.m.

*Courtesy, Federated Rural Electric Insurance*

Ballroom Prefunction Area and Kentucky/Park Suites

Second Floor

**BANQUET**

7:00 p.m. – 9:30 p.m.

Regency Ballroom

Second Floor

Emcee's Welcome

**Al Cross**, Director of the Institute for Rural Journalism and Telecommunications, University of Kentucky, Lexington, KY

Invocation

**Paul Wesslund**, Vice President, Communications/Editor, *Kentucky Living*, KAEC

Dinner Served

Dinner Music by **Linda Sparrow**

Introduction of Head Tables

**Ron Sheets**, President  
Kentucky Association of Electric Cooperatives

"Distinguished Rural Kentuckian" Award  
Video Presentation

Produced and Directed by  
**Tammy Simmons**  
Communications Manager, KAEC

Introduction of Speaker

**Ron Sheets**

Address: *"The Passion Behind A Pulitzer"*

**Robert Caro**, Author

Closing Comments

**Al Cross**

Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

12. Refer to the response to the Staff's Second Request, Item 18.

a. Explain in detail why Nolin classified newspaper advertisements explaining the fuel adjustment and environmental clauses and an electrical safety advertisement as institutional advertising.

**Response**

These were missclassified. The advertisements for the fuel adjustment and environmental surcharge should have been informational advertisements and the electrical safety advertisement should have been safety advertisement.

b. The response to Item 18 failed to include the information requested in Item 18(b). Provide the originally requested information.

**Response**

The institutional advertising should have been removed for rate-making purposes. This was an oversight only. However, the advertising in Item 12(a) of this Request for informational and safety should not be removed, in the amount of \$421.35.

c. The text of the advertisement with Transwestern Publishing was not provided in the response. Provide the originally requested information.

**Response**

We apologize for this misunderstanding. This is the listing in the local telephone directory. Attached is the listing. The listing incorrectly stated the name and telephone number for KVN instead of Nolin. Nolin immediately contacted TransWestern Publishing at the time the telephone directory was published. TransWestern Publishing gave Nolin a discount on the next year's directory listing.

**Drug Abuse & Addiction Information & Treatment - Cont'd**

Stepworks Addiction Research  
790 N Dixie Av Elizabethtown ..... 982-1244

**TEN BROECK HEALTHCARE**  
8521 La Grange Road KMI ..... 502-426-6380  
Toll Free KMI ..... 1-800-866-8876  
1405 Browns Ln Dupont ..... 502-896-0495  
Toll Free Dupont ..... 1-866-373-6085  
Ten Broeck Outreach Center  
1311 N Dixie ETown ..... 270-668-2032  
*Please See Ad on Opposite Page*

**Druggists**

See Pharmacies

**Druggists: Sundries-Retail**

See Pharmacies

**Dry Cleaners**

See Cleaners; Cleaners-Self Service

**Ice**

**OTT-GROSS COMPANY INC**  
7 South Mulberry Elizabethtown KY 42701 ..... 270-769-0472

**Wall Contractors**

**Home Improvement & Roofing Inc**  
Free Estimate Call ..... 447-5672  
Toll Free ..... 1-877-896-2686

**IS COATES DRYWALL INC**  
Estimates ..... 270-222-1045  
*Please See Advertisement This Page*

**Drywall Service**  
Bud Wilson Rd Brandenburg ..... 422-3185

**HOME DOCTOR**

Kingsmore Dr Louisville KY ..... 502-797-0640

**Interior** 4065 Knob Creek Rd West Point ..... 502-922-9023

**Dry Wall** 1421 Red Hill Rd Vine Grove ..... 877-1312

**erson Dry Wall Inc** Elizabethtown ..... 737-2827

**ns Home Maintenance & High Pressure Wash**

Elizabethtown ..... 737-8768

**on's Paul Drywall**

ones School House Rd Magnolia ..... 324-3468

**al Drywall & Interior Inc**

Leitchfield Rd Elizabethtown ..... 234-1445

**Wall Contractors' Equipment & Supplies**

**upply Co** 238 Globe Radcliff ..... 351-9633

**Materials** 10300 Bunsen Way ..... 502-491-8880

**N Kentucky St** ..... 502-589-5287

**thtown** ..... 270-234-0558  
*Please See Advertisement This Page*

**Cleaning**

See Cleaning

**Rubbish**

Sanitary

**uggies**

See Vehicles-Dealers

**CHRIS COATES DRYWALL, INC**  
THIRD GENERATION FAMILY OWNED & OPERATED

• RESIDENTIAL • **FREE ESTIMATES** • COMMERCIAL • GOVERNMENT

~ SPEEDY FOLLOW UP ON TOUCH-UPS OR REPAIRS ~  
~ CLEAN UP & REMOVABLE AVAILABLE ~

**Fully Insured**  
~ SERVING CENTRAL KENTUCKY ~

**270-222-1045**

**Duplicating Service**

See Copying & Duplicating Service; Secretarial Services

**Educational Associations**

**Elizabethtown Head Start**  
725 New Glendale Rd Elizabethtown ..... 765-4765

**Educational Consultants**

**Hardin County Lync**

476-A W Lincoln Trail Blvd Radcliff ..... 352-5970

476-A W Lincoln Trail Blvd Radcliff ..... 352-5971

**Jack & Jill Child Care & Preschool Inc**

670 S Dixie Blvd Radcliff ..... 351-3454

**Meade County Education & Career Center**

High Rivertown Plaza Brandenburg ..... 422-5884

**Eggs-Retail**

**Sun Gold Poultry & Egg Co**

1545 Cecilia Smith Mill Rd Cecilia ..... 862-4851

**Electric Appliances**

See Appliances-Household-Major-Dealers; Appliances-Household-Major-Renting & Leasing; Appliances-Household-Major-Service & Repair; Appliances-Household-Major-Supplies & Parts; Appliances-Household-Major-Used; Appliances-Household-Painting & Refinishing; Appliances-Household-Small-Service & Repair

**Electric Appliances-Major**

See Appliances-Household-Major-Dealers

Yellow Pages Advertising Works!

**METRO MATERIALS**  
The New Name In Drywall

Sto® E.I.F.S Products Celotex®  
Drywall & Plaster Tile & Grid  
Owen Corning® Insulation Sonny® Scaffolds

FRP Panels

East End Downtown Elizabethtown  
10300 Bunsen Way 1000 W. Kentucky St. 1-270-234-0558  
(502) 491-8880 589-5287

Retail And Wholesale  
Boom & Flat Truck Deliveries

**Electric Appliances-Major-Supplies & Parts**

See Appliances-Household-Major-Supplies & Parts

**Electric Companies**

**KVN INTERNET SERVICES**



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Partner

411 Ring Road  
765-6153

101 W Lincoln Trail  
351-2199

Toll Free Non-Emergency 888-637-4247

Emergency Calls Only 769-6396

Toll-Free Emergency 800-572-1147

www.nolinrecc.com

Call ..... 270-763-9101

**Kentucky Utilities Co**

24 Hr Customer Service & Emergencies ..... 800-981-0600

Business Customer Service ..... 800-383-5582

**Meade County RECC General Office & Service**

1351 Hwy 79 Brandenburg ..... 422-2162

General Office & Service ..... 422-2162

Hardinsburg ..... 756-5172

Fordsville ..... 276-5353

**Nolin Rural Electric Co-op**

101 W Lincoln Trail Blvd Radcliff ..... 351-2199

**Nolin Rural Electric Co-Op Corp**

101 W Lincoln Trail Radcliff ..... 351-2199

411 Ring Rd Elizabethtown ..... 765-6153

Emergency Call Only ..... 769-6396

Or Call ..... 800/572-1147

**Nolin Rural Electric Cooperative**

411 Ring Rd Elizbhtwn ..... 765-6153

409 W Lincoln Tr Rdcliff ..... 351-2199

Emergency Call Only ..... 769-6396

Or Call ..... 888-637-4247

**Shelby Energy Cooperative**

Call This No

Shelbyville Toll Free-Dial '1' & Then ..... 800 292-6585

Sprowls Douglas 4093 S L & N Tpk Magnolia ..... 324-3656

**Electric Contractors**

**A & B ELECTRIC**

572 E Julius Mills Rd Horse Cave ..... 270-404-0202

..... 270-786-3242

**Benham Electrical** 445 Berryman Rd Brandenburg ..... 422-3235

**Best Electric** 400 Bruner Rd Brandenburg ..... 422-2846

**BUD'S ELECTRIC LLC**

Serving Arden County And Surrounding Area

E'Town -Vaine Grove-Radcliff -Cecilia ..... 270-268-1615

*Please See Ad on Next Page*

**Burnett's Electric** 425 Cedar Glenn Ln Radcliff ..... 877-2108

**Chandler Electric Co** 905 Spyglass Cir Vine Grove ..... 877-2185

**CRUME ELECTRIC SERVICE** Call ..... 502-507-7008

*Please See Ad on Next Page*

**D & R Electrical Services LLC**

1291 Long Hollow Rd Rineyville ..... 828-8095

**Double L Electric** Elizabethtown ..... 737-5034

**Dozier B J Co** 1487 W Elm Rd Radcliff ..... 351-1118

**Driftwood Inc** 612 Dixie Hwy S Elizabethtown ..... 735-9778

**ELMORE ELECTRIC**

36 Years of Experience  
Residential • Commercial  
24 Hour Emergency Service  
Bucket Truck Service Available  
Licensed • Insured

9133 Leitchfield Rd Cecilia ..... 862-3730

Or ..... 268-2452

**E'town Garage Door & Electric Co**

314-Methodist Cecilia ..... 862-4407

(Continued Next Page)



Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

13. Refer to the response to the Staff's Second Request, Item 19.

a. Based on its responses to Items 19(c) and 19(q), would Nolin agree that \$2,176 should be excluded for rate-making purposes, since the expenses were of a non-recurring nature? Explain the response.

**Response**

Yes. Since the items are of a non-recurring nature, they should be removed for rate-making purposes.

b. For all other responses to Item 19, provide the originally requested explanation of why the expense should be included for rate-making purposes.

**Response**

- a. CEO conference for training and education. These should be included as part of the education of employees.
- b. The Member Advisory Council is a voluntary group that meets twice a year. This group is designed to include members from all portions of the service territory and be able to ask questions that are common to the areas that members are from. Included in the meetings is a discussion of current events and activities of Nolin. Also included in the spring meeting is a discussion of who should, and is able, to run for the board of directors. These expenses should be included as part of the education of members relating to Nolin.
- d. The Management Quarterly magazine is a method of education employees on items specific to the electric industries. These should be included as part of the education of employees.
- e. The NRECA Annual meeting is a conference for training and education. These should be included as part of the education of employees.

- f. The NRECA committee meeting includes employee training and education. These should be included as part of the education of employees.
- g. The NRECA Benefits conference is for training and education purposes. These should be included as part of the education of employees.
- h. Nolin staff expenses for the KAEC annual meeting should have been removed for rate-making purposes.
- i. The NRECA conference is for training and education purposes. These should be included as part of the education of employees.
- j. The Electric Co-op Today magazine is a method of education employees on items specific to the electric industries. These should be included as part of the education of employees.
- k. The Rural Electric magazine is a method of education employees on items specific to the electric industries. These should be included as part of the education of employees.
- l. The National Economic Development dues assist in the facilitation of informing current and potential members about issues effecting commercial and industrial electric issues. This is part of the information process for these members and should be included for rate-making purposes.
- m. The NRECA Tech Advantage conference is for training and education purposes. These should be included as part of the education of employees.
- n. The NRECA New and Emerging Technologies (NET) conference is for training and education purposes relating to energy conservation for homes. These should be included as part of the education of employees.
- o. The NRECA conference is for training and education purposes. These should be included as part of the education of employees.

- p. The NRECA Connect conference is for training and education purposes for member services. This meeting is for energy management and conservation programs and member communications. These should be included as part of the education of employees.
- r. Mickey Miller is on the NRECA board, and as such, sets the policies and agendas for conferences and meetings. These should be included as part of the education of employees.
- s. The NRECA Finance conference is for training and education purposes. These should be included as part of the education of employees.



Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

14. Refer to the Application, Exhibit 11, and the response to the Staff's Second Request, Item 20(a). Pages 3 and 11 of 11 in Exhibit 11 state that the test year annual meeting expenses were \$94,911.05. However, on page 10 of 11 it is stated that the test-year annual meeting expenses were \$109,908.68. Nolin was requested in Item 20(a) to explain the difference in the amounts and indicate which reflected the correct level of expenses for the annual meeting. Nolin's response stated that the \$109,908.68 was the amount of expenses that were allocated during the year. The response does not adequately explain a \$14,997.63 difference in the reported test-year annual meeting expenses. Provide the originally requested information.

**Response**

Annual meeting costs are accumulated in Account 186.10, Miscellaneous Accrued Expenses, then expensed on a monthly basis to Account 930.20, Miscellaneous expenses. This represents the timing difference between the amounts paid and expensed for the time periods. When a calendar year test period is selected the amounts paid and accrued for annual meeting costs are the same. The following is a detail of the accrual:

Balance 09/01/05	68,071.10
Payments made	94,911.05
Expense	<u>109,908.68</u>
Balance 08/31/06	<u><u>53,073.47</u></u>



Nolin Rural Electric Cooperative  
Case No. 2006-00466  
Third Data Request of Commission Staff

15. Refer to the response to the Staff's Second request, Item 22. The requested information for Item 22(b) was not provided. Provide the originally requested information.

**Response**

	<u>Environmental Surcharge</u>	
	<u>Per Nolin Billing</u>	<u>Per PSC Filing</u>
September, 2005	339,758	309,980
October	314,185	289,381
November	339,244	277,854
December	434,262	320,133
January, 2006	202,080	170,863
February	235,125	241,258
March	275,438	268,975
April	208,855	281,297
May	253,263	277,567
June	319,521	305,525
July	384,883	326,134
August	436,104	412,214
	<u>3,742,718</u>	<u>3,481,181</u>



**RESPONSE TO COMMISSION STAFF'S THIRD DATA REQUEST**

**EFFECT OF RATE ADJUSTMENT UPON CERTAIN RATE CLASSES**

- Q. Refer to the response to the Staff's Second Request, Item 23. Nolin provided a version of Schedule J which includes an end of test-year customer adjustment, but failed to carry through the resultant effects of the adjustment upon the proposed individual rates for Rate Classes 1, 2, 3, and 4. Provide a revised Schedule J that shows the impact of the end of test-year customer adjustment upon the rates of the affected classes.
- R. Please see the attached CD which contains the requested information.



**RESPONSE TO COMMISSIONS STAFF'S THIRD DATA REQUEST**

**EQUITY MANAGEMENT POLICY**

- Q. Refer to the response to the Staff's Second Request, Item 26.
- a. Has Nolin reviewed and evaluated the adequacy of its equity management plan since its adoption in June 2000? Explain the response
  - b. Nolin Board Policy 307.0 appears to only address the allocation and retirement of patronage capital. Explain why Nolin believes such a policy adequately constitutes an equity management plan.
  - c. Would Nolin agree that a comprehensive equity management plan would include the components listed below? Explain the responses.
    - (1) Establishes certain financial goals.
    - (2) Requires the development of a long-range financial plan, which would be updated periodically.
    - (3) Requires the development of a capital credit rotation program.
    - (4) Requires an annual financial study and review of the equity and capital management performance.
- R a. Nolin has reviewed and evaluated the adequacy of its equity management plan since its adoption in June 2000 and has found that it has several significant deficiencies. Nolin developed a new equity management plan in 2001 that included the parameters delineated in this request. This equity management policy was never submitted to Nolin's Board of Directors for formal approval. Attached is a copy of that equity management plan. As a matter of fact, the attached equity management plan is the exact duplicate of the one filed in Case No. 2000-00482 with the Commission.
- b. Nolin agrees the response provided in Item 26 of the Second Data Request from the Commission Staff does not adequately constitute an equity management plan. It fully believes that one attached and explained in the response to part a above more adequately constitutes an equity management plan.

**RESPONSE TO COMMISSIONS STAFF'S THIRD DATA REQUEST**

- c. Nolin fully agrees that comprehensive equity management plan would include:

- Specific financial goals;
- The development of a long-range financial plan with periodic updates;
- A capital credit rotation program
- Annual updates and reviews.

Nolin feels that the attached equity management plan encompasses these elements. It is Nolin's full intent to formally adopt the attached equity management plan at a Board of Directors in the near future.

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**  
**“EQUITY MANAGEMENT PLAN”**

**Policy No. 307**

**I. OBJECTIVE**

In accordance with Article VII, Section 2, of the bylaws of Nolin Rural Electric Cooperative, which read in part as follows:

“In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons’ accounts may be retired in full or in part.”

**II. The Cooperative will make annual payments of capital credits on capital of the Cooperative, provided the following conditions are met:**

A. The Board of Directors shall determine that the financial condition of the Cooperative will not be impaired, and that satisfactory progress is being made toward the Cooperative’s Equity Management goals as set forth below.

B. The Cooperative’s Equity Management goals shall be to operate the Cooperative’s business with annual revenue and expense levels so as to:

1. Maintain a Times Interest Earned Ratio (TIER) of 1.5 to 2.0

2. Achieve in due time and maintain an Equity Ratio (equity as a percent of total capitalization) at or near an optimum level that is determined each year from calculations using the following variables:

a. the average compound rate of growth for the Cooperative’s total capitalization structure;

- b. the blended cost of interest on the Cooperative's outstanding long term debt;
  - c. the repayment of capital credits to the Cooperative's members within a five (5) to fifteen (15) year revolvment cycle;
  - d. the TIER as stated in paragraph "1" above.
3. Expend all efforts to achieve and maintain a rate of return upon the total capitalization structure of the Cooperative equal to, or greater than, that necessary to attain the stated TIER goal and progress toward the optimum equity goal;
  4. Achieve an equity capitalization target range of thirty percent (30%) to forty percent (40%), not including Generation and Transmission Capital Credits.
- C. All payments of general and special capital credit refunds will be authorized at least annually by the Board of Directors, and:
1. will be in total amounts not exceeding those amounts permitted by the mortgage requirements of Nolin's lenders;
  2. will be in such larger amounts as approved by RUS and CFC pursuant to a request made by the Cooperative's Board of Directors, and supported by an equity management plan which indicates satisfactory progress toward the Cooperative's equity management goals;
  3. capital credit refunds to the estates of deceased members will continue to be paid in full or discounted, at the discretion of the Board of Directors, if all loan requirements of Nolin's lenders are being met.
- D. The discretionary powers of such capital credits repayment shall remain with the Board of Directors of Nolin Rural Electric Cooperative as stated within the bylaws, and this policy shall not diminish that right.



Nolin RECC  
Case No. 2006-00466  
Third Data Request of Commission Staff

18. Refer to the response to the Staff's Second Request, Item 27. Provide the invoices associated with the rate case expenses, as were previously requested in the Staff's First Request, Item 36(a) and the Staff's Second Request, Item 27.
  - A. The invoices are attached.

0034

Server: DAVID S (4148)

Rec: 28

10/12/06 12:42, Swiped T: 37 Term: 2

Rufferty's of E-Town  
3000 N. Dixie Ave.  
Elizabethtown, KY 42701  
(270)360-0871  
MERCHANT #: 154102178000

CARD TYPE ACCOUNT NUMBER  
VISA XXXXXX7XXXXX0507

Name: MOLIN RECC  
UD TRANSACTION APPROVED  
AUTHORIZATION #: 002541  
Reference: 1012010000034  
TRANS TYPE: Credit Card SALE

CHECK: 52.16

TIP: 8.84

TOTAL: 61.00

*D. V. [Signature]*

PHONE: ( )  
CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
PLEASE SIGN AND TOTAL BOTH COPIES

REG 01.39 PM  
000035  
DEPT01 IT2 \$4.99  
DEPT01 ME2 \$1.95  
DEPT01 TLT2 \$1.70  
TL \$13.40  
TAX-AMT 1 \$12.64  
TAX 1 \$0.76  
TAX \$0.76  
CASH \$13.40

3<sup>rd</sup> No  
TIP 2.00  
15.40

Rare Case  
M Cox  
Allen Z.

# 89  
ELIZABETHTOWN  
1807 N.Dixie Hwy.  
Elizabethtown K.Y. 42701  
270-360-0377  
www.pennsubs.com

\*\*\*\*\*  
\* Customer Copy \*  
\*\*\*\*\*

deSha's Lexington  
101 N Broadway  
Lexington, Ky. 40507  
(859) 259 3771

SALE  
Card Swipe  
Auth No: CAPTURED  
Ref No:  
TroutD: 9920VISA  
Date: 11/14/2006 12:24:04 PM  
Acc No: XXXXXXXXXXXX0507  
Card Type: VISA 12/07  
Amount: 18.13

Date: 11/09/06  
Time: 7:48 PM  
Server: 9. duncan  
Order: 144149  
Description: Table 152

Card Type: Visa/MC  
Card No: \*\*\*\*\*0507  
Expires: 1207  
Appr Code: 005538

I Agree to Pay Above Total Amount  
According to Card Issuer Agreement  
Merchant Agreement if Credit Voucher

Purchases: \$ 54.49  
Tip: \$ 9.81  
Subtotal: \$ 64.30

Retain this Copy for Your Records

CUSTOMER COPY

Add'l Tip: \$ \_\_\_\_\_  
Total: \$ 64.30  
RECC/NOLIN

I agree to pay the above total amount  
according to the card issuer agreement.

# Transaction Detail

Cardholder: NOLIN RECC  
Credit Card #: xxxx-xxxx-xxxx-2671

## Transaction Detail

[Return to Transaction List](#)

[Dispute this Transaction](#) | [Print](#)

**RAFFERTY'S #75      ELIZABETHTOWNKY**

Post Date	Trans. Date	Reference Number	MCC Code	Expense Category	Amount
11/15/2006	11/13/2006	24761976318511025010300	5812	Dining Out	\$56.89

### Memo:

Change Expense Category:

Add/Change Memo:

0034  
 Servers: LARA F (#305)      Rec: 23  
 10/26/06 12:50, Swiped      T: 26 Term: 2

Rafferty's of E-town  
 2500 N. Dixie Ave.  
 Elizabethtown, KY 42701  
 (270)360-0071  
 MERCHANT #: 154102178000

CARD TYPE      ACCOUNT NUMBER  
 VISA      XXXXXXXXXXXXX2671

Name: NOLIN RECC  
 00 TRANSACTION APPROVED  
 AUTHORIZATION #: 003453  
 Reference: 1026010000034  
 TRANS TYPE: Credit Card SALE

CHECK:      33.13  
 TIP:      7.00  
 TOTAL:      \$ 40.13

*Mickey Miller*

PHONE: (      )  
 CARDHOLDER WILL PAY CARD ISSUER ABOVE  
 AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
 PLEASE SIGN AND TOTAL BOTH COPIES

011015

Servers: SARAH H (31247)

Rec: 62

12/07/06 18:36, Seiped T: 19 Term: 2

Kafferty's of E-town  
2000 N. Dixie Ave.  
Elizabethtown, KY 42701  
(270)366-0071  
MERCHANT #: 154102178000

CARD TYPE ACCOUNT NUMBER  
VISA XXXXXXXXXXXX0507

Name: HULIN REED

DU TRANSACTION APPROVED

AUTHORIZATION #: 009988

Reference: 1207010000105

TRANS TYPE: Credit Card SALE

CHECK # 33.55

TIP: 6.45

TOTAL: 40.00

*[Signature]*

PHONE: ( )  
CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
PLEASE SIGN AND TOTAL BOTH COPIES

Thank You For Choosing  
Chick-fil-A  
270-982-1350  
11/21/2006 12:06:40 PM  
EAT IN

Order Number: 383751

1	CFA Sand	2.55
1	Promo Free	-2.55
1	Med Fry	1.29
2	Dt Dr.Pep MD	2.18
1	CFA Sand	2.55
2	Diet MD	2.18
1	CG Com	4.36
1	CG Salad	4.39
	+ Ranch	
1	Water MD	0.00
1	CFA Com w/slaw	4.50
	+ Pls Wheat	0.20

Sub. Total:	21.65
Tax:	1.30
Total:	22.95
Discount Total:	-2.55

Change	0.00
Visa:	-22.95
Register:4	Tran Seq No: 383751
Store No:	Teresa W

Please Visit Again

Visa  
Card Num : xxxxxxxxxxxx2671

APPROVED  
Result : 00  
Approval : 007440

lunch  
RATE CASE  
ALLEN ZUMSTEIN  
O.V. SPARKS  
SARA STULL  
MARSHALL COX  
M. Miller

OFFICE DEPOT  
1705 DIXIE HIGHWAY  
ELIZABETHTOWN, KY 42701  
270-763-6888

SALE STR0529 REG001 TRN6043  
01/10/07 13:05 EMP 242284 POS 5.03

072782114374 INDEX MRKR,8TB,5ST  
2 @ 26.99 53.98  
050505271023 CVR,RPT,LTBLUE,5PK  
2 @ 9.99 19.98  
735854381301 BNDR,DR,VIEW,1" 5.99  
MEMBER # 1131926220

Today's purchase will add to your  
Worklife Reward credit balance for  
the Reward Period ending on 02/28  
Check your Reward Status at  
[www.worklifereward.com](http://www.worklifereward.com)

SUBTOTAL	79.95
KY 6% SALES TAX	4.80
TOTAL	84.75
OD CHG (CCS) 0576	84.75

REMIT PAYMENT TO:  
Office Depot Card Plan  
P.O. Box 689020  
Des Moines, IA 50368-9020

\*\*\*\*\*

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One of 40-\$100 or 1-\$1000  
Quarterly Shopping Spree,  
visit [www.od.bizrate.com](http://www.od.bizrate.com)  
En Espanol

ID: JNTP9 VMLX9 HKZN1  
SCHOOL ID# 70040168

*01.928*

Proud to be contributing 5% of your  
qualified purchase to your school.



L2VT7QPP53354CX8W

**Commonwealth of Kentucky**  
**Trey Grayson**  
**Secretary of State**

**Certificate of Existence**

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records of the Office of the Secretary of State,

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is July 19, 1938 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of state have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 26th day of February, 2007.

Certificate Number: 44166

Jurisdiction: Nolin Rural Electric Cooperative Corporation

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to validate the authenticity of this certificate.



  
\_\_\_\_\_  
Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
44166/0037954



COMPUTER  
2414 RING RD  
ELIZABETHTOWN KY 42701  
270 582-3333

Merchant ID: 000002205600  
Term ID: 0016675 Ref N: 0029

Sale

XXXXXXXXXXXX0507

VISA Entry Method. Swiped

Amount: \$ 24.96

Tip: 5.04

Total: 30.00

01/23/07 13:19:14

Inv #: 000015 Appr Code: 004182

Approved: Online Batch#: 000295

Customer Copy

THANK YOU!

GREEN BAMBOO CHINESE RES  
902 NORTH DIXIE AVE  
ELIZABETHTOWN, KY 42701  
210-765-3457

Sale

Server: 5  
ID: 7848738 Ref #: 0007  
02/12/07 17:52:13  
Batch#: 934

VISA

\*\*\*\*\*2671

ApprCode: 005615

Inv#: 000007

Amount: \$ 23.01

Tip: \$ 5.00

Total: \$ 28.01

Customer Copy  
THANK YOU!

Lunch

JIM ADKINS  
D.V. SPARKS  
M. Miller

*Lunch w/John Scott*

STONELINE RESTAURANT

1001 N. MAIN BLVD  
ELIZABETHTOWN, KY 42701

(270) 765-4000

PAID BY: 787  
SALES D EP787  
0007  
0000070007

SERVE: X

REF: 0007  
CD TYPE: VISA  
TR TYPE: PURCHASE  
DATE: FEB 09 AT 12:56 PM

SIGNATURE \$ 23.01

TIP \$ 5.00

TOTAL \$ 28.01

AC 12 7871 EPV 54/04  
01 6879  
NAME IN LW DATE

CONSUMER ACKNOWLEDGES RECEIPT OF GOODS  
AND/OR SERVICES TO THE AMOUNT OF THE  
TOTAL SHOWN THEREON AND AGREES TO FULFILL  
THE OBLIGATIONS SET FORTH IN THE  
CARDHOLDER'S AGREEMENT WITH THE ISSUER.

THANK YOU! (TOP SIGN)

*M. Miller*

AS CARDHOLDER, I AUTHORIZE MY CUSTOMER

RED LOBSTER  
2020 NORTH DIXIE HIGHWAY  
ELIZABETHTOWN, KY 42701  
270-765-3339

FEB 9, 2007

6297

NAME : RECC/NOLIN  
VS : \*\*\*\*\*2671  
AUTH CODE : 004654  
SERVER : PAUL G  
CHECK : 6330

AMOUNT \$36.79

TIP \$ 8.00

TOTAL \$ 44.79

*Lunch:*

JIM ADKINS  
D.V., MARSHALL & Mickey

X

I Agree to above total amount  
as per card issuer agreement

FEB 9 L1 T5 12:56 PM

Please leave a signed copy  
for your server.



that was easy.

Low prices. Every item. Every day.  
110% Price-Match. Guaranteed.  
1807 N. Dixie Blvd.  
Elizabethtown, KY 42701  
(502) 737-9929

SALE 400294 5 005 53989  
0757 03/02/07 01:04  
QTY SKU OUR PRICE

REWARDS NUMBER 0401309570  
6 STAPLES 8.5X11 3HQ 221.94  
122457 36.990ea  
SUBTOTAL 221.94  
Standard Tax 6.00% 13.32  
TOTAL \$235.26  
Staples Charge 235.26  
Card No.: XXXXXXXXXXXX3111 <S>  
Auth No.: 0401309570

TOTAL ITEMS 6

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Windows Vista Home Premium, Business  
and Ultimate now through 3/31/07.  
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or call 866-4EZ-TECS



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\$156.83 → Rate Case  
that was easy...  
\$78.48 →  
Allison  
3/2/07



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We offer pickup for delivery purchases - just call 1-800-333-3330 or email support@orders.staples.com. For delivery items, we'll refund your shipping charges if the item is defective.

only for an in-store credit. Any return without a receipt is subject to verification and we may ask you for identification.

store. If you don't have your receipt, your return is eligible receipt or packing slip. Just bring your return to any Staples packaging, including UPC code, manuals, parts, and your Just return your purchase in saleable condition with the original account if you paid by credit card - with no restocking fee.

We'll refund cash if you paid cash or check, or credit your returnable if it's defective when you receive it.

**Furniture:** Furniture is subject to natural wear and tear, so we can only accept it for return within 14 days of the date of receipt. Custom-ordered and custom-assembled furniture is returnable if it's defective when you receive it.

**Technology:** Because technology changes so quickly, we can only accept it for return within 14 days of the date of the receipt.

**Software:** Return unopened software that we currently sell for a full refund at any time. We'll gladly exchange opened software for the same title.

**Office Supplies:** No matter when you made your purchase, you can return office supplies to us for a full refund.

**Easy Returns** If you're not 100% satisfied with your Staples purchase, return it for any reason.



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only for an in-store credit. Any return without a receipt is subject to verification and we may ask you for identification.

store. If you don't have your receipt, your return is eligible receipt or packing slip. Just bring your return to any Staples packaging, including UPC code, manuals, parts, and your

**Commonwealth of Kentucky**  
**Trey Grayson**  
**Secretary of State**

Visa # 7401  
\$10.00  
Rate Case

**Certificate of Existence**

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records of the Office of the Secretary of State,

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Jurisdiction: Nolin Rural Electric Cooperative Corporation

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to validate the authenticity of this certificate.



*Trey Grayson*

Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
44166/0037954

OFFICE DEPOT  
1705 DIXIE HIGHWAY  
ELIZABETHTOWN, KY 42701  
270-763-6888

SALE STRO529 REG001 TRN9614  
02/26/07 15:58 EMP 412110 POS 5.03A

035854147076 DIVIDERS,1-31,MULT	
7 @ 7.99	55.93
035854147069 DIVIDERS,A-Z,MULTI	
7 @ 5.39	37.73
SUBTOTAL	93.66
KY 6% SALES TAX	5.62
TOTAL	99.28
VISA 7401	99.28

\*\*\*\*\*

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One of 40-\$100 or 1-\$1000  
Quarterly Shopping Sprees,  
visit [www.od.bizrate.com](http://www.od.bizrate.com)  
En Español

ID: 6LHX9 36VX9 2RYJ1



L2VTQQAPU3556CEFW

LITTLE MEXICAN RESTAUR  
918 N DIXIE AVE  
ELIZABETH, KY 42701  
270-982-1377

TERMINAL ID.: 088600  
MERCHANT #: 88260133417

VISA SRV: 4  
\*\*\*\*\*5245

SALE  
BATCH: 0066 IIV: 000010  
DATE: Feb 23, 07 TIME: 06:14  
RRN: 00660010 AUTH: 001821

BASE \$26.49

TIP \$ .....

TOTAL \$ 30 00

NOLIN RECC

THANK YOU!  
PLEASE COME AGAIN!

CUSTOMER COPY



that was easy.

Low prices. Every item. Every day.  
110% Price-Match. Guaranteed.  
1807 N. Dixie Blvd.  
Elizabethtown, KY 42701  
(502) 737-9929

SALE 403373 12 006 45596  
0757 02/26/07 05:33  
OUR PRICE

QTY SKU OUR PRICE

1	SF4 SPEEDPOINT STA 074711354509		2.69
13	READY INDEX A-Z CO 072782111250	4.850ea	63.05
13	1-31 INDEX 072782111298	7.230ea	93.99
9	DURABLE VIEW BINDE 077711170421	10.290ea	92.61
SUBTOTAL			252.34
Standard Tax 6.00%			15.14
TOTAL			\$267.48

Visa 267.48  
Card No.: XXXXXXXXXXXX7302 <S>  
Auth No.: 004523

TOTAL ITEMS 36

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or call 866-4EZ-TECS



07570226074559606



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MANAGER NELLE MCFARLIN III  
( 270 ) 763 - 1600

ST# 0709	DP# 00006643	TE# 31	TR# 03641
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
3DURVWBNR	007771117048		6.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
1TOUCH BNR	007891086633		8.88 X
** ITEM PACKAGE 48580212229 **			
IMG TO CD	068113174399		2.47 X
** PACKAGED PRICE 2.47 **			
3DURVWBNR	007771117048		6.88 X
		SUBTOTAL	96.15
TAX 1		6.000 %	5.77
		TOTAL	101.92
		VISA TEND	101.92

ACCOUNT #7302  
APPROVAL #006162  
TRANS ID -0087057804513868  
VALIDATION -DB34  
PAYMENT SERVICE - E  
CHANGE DUE 0.00

# ITEMS SOLD 12

TC# 9907 5564 2588 3075 3959 0



*Allison Lewis*

New! Olay Definity UV Foam & Cleansers  
02/26/07 17:21:02

\*\*\*CUSTOMER COPY\*\*\*



0043

Server: BROOKE H (#175) Rec: 30  
02/15/07 12:42, Swiped T: 28 Term: 1

Rafferty's of E-town  
2000 N. Dixie Ave.  
Elizabethtown, KY 42701  
(270)360-0971

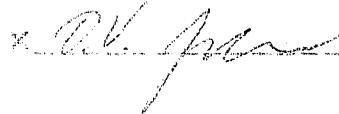
MERCHANT #: 154102178000

CARD TYPE ACCOUNT NUMBER  
VISA XXXXXXXXXXXX0507  
Name: MOLIN RECC  
OO TRANSACTION APPROVED  
AUTHORIZATION #: 006497  
Reference: 0215010000043  
TRANS TYPE: Credit Card SALE

CHECK: 40.95

TIP: 8.04

TOTAL: 49.00



PHONE: ( )  
CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
PLEASE SIGN AND TOTAL BOTH COPIES

03651  
Server: SARAH W (8234) Rec: 30  
03/02/07 12:42, Sailed 7: 210 Form 1

Katterys of I-town  
2000 N. Dixie Ave  
Elizabethtown, KY 42701  
(270)340-0871  
MERCHANT #: 154102178000

CARD TYPE: ACCOUNT NUMBER  
VISA: XXXXXXXXXXXX2871  
Name: MOLIN RILEY  
OO TRANSACTION APPROVED  
AUTHORIZATION #: 005253  
Reference: 030201000041  
TRANS TYPE: Credit Card SALE

CHECK # 36.72  
TIP # 8.00  
TOTAL # 44.72

*Mickey Miller*

PLEASE PRINT  
CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
PLEASE SIGN AND TOTAL BOTH COPIES

*Lunch - Rate case*  
*Jim Adkins*  
*1, SARA, MM*

LITTLE MEXICAN RESTAUR  
910 N DIXIE AVE  
ELIZABETH, KY 42701  
270-982-1377

TERMINAL ID.: 088600  
MERCHANT #: 9026013417

VISA  
XXXXXXXXXX2871  
SALE  
BATCH: 0078  
DATE: Mar 02, 07  
RRN: 00780008  
SNV: 6  
IHV: 000008  
TIME: 05:52  
AUTH: 008572

BASE \$33.85  
TIP 7.00  
TOTAL \$40.85

VOID IN REC'D  
Thank you!  
PLEASE CODE 96A111  
*Lynette Bask*  
CUSTOMER COPY

**Royalty Printing, Inc.**

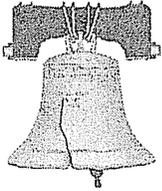
The Sentinel Newspaper • The Sentinel Office Supply  
(270) 351-4407 (phone and fax) or (270) 877-2179  
1558 Hill Street • Radcliff, Ky. 40160

Nolin Rural Electric  
411 Ring Road  
Elizabethtown, KY 42701-8710

3-22-07	26¼"	Ad Official Notice Retail Rates Charges	\$ 120.20
3-29-07	26¼"	Ad Official Notice Retail Rates Charges	120.20
4-5-07	26¼"	Ad Official Notice Retail Rates Charges	120.20
		Total	\$ 360.60

Advertising for  
3-22,29 & 4-5-07  
Tearsheets enclosed

P O No. \_\_\_\_\_  
Posted \_\_\_\_\_ Date 4-9-07  
Posted \_\_\_\_\_  
Approved 4-10-07  
Approved M & M  
Acct # 01-928



# Hardin County Independent

PO BOX 1117  
ELIZABETHTOWN, KY 42702-1117  
PHONE 270-737-5585

# Statement

**Date**  
4/5/2007

NOLIN RECC  
411 RING ROAD  
ELIZABETHTOWN, KY 42701

Date	Transaction	Amount	Balance
01/31/2007	Balance forward		0.00
02/12/2007	2007 PROGRESS EDITION-FULL PAGE	450.00	450.00
02/26/2007	PMT #90073551.	-450.00	0.00
03/22/2007	OFFICAL NOTICE-3X15-CLASSIFIED	270.00	270.00
03/29/2007	OFFICAL NOTICE-3X15-CLASSIFIED	270.00	540.00
04/05/2007	OFFICAL NOTICE-3X15-CLASSIFIED	270.00	810.00

P O No. \_\_\_\_\_  
 Posted \_\_\_\_\_ Date 4-17-07 *SV*  
 Posted \_\_\_\_\_  
 Approved MLM 4-19-07  
 Approved \_\_\_\_\_  
 Acct # \_\_\_\_\_

**Thank you for your business!**

<b>Amount Due</b>
\$810.00



THE NEWS-ENTERPRISE  
408 W DIXIE AVE  
ELIZABETHTOWN, KY 42701

1 BILLING PERIOD		2 ADVERTISER/CLIENT NAME	
MARCH 2007		NOLIN RECC	
23 NET AMOUNT DUE		3 TERMS OF PAYMENT	
1853.70		PAYMENT DUE BY 4/20	
21 CURRENT NET AMOUNT DUE		22 30 DAYS	60 DAYS
1853.70		.00	.00

ADVERTISING INVOICE and STATEMENT

8 BILLED ACCOUNT NAME AND ADDRESS		9 REMITTANCE ADDRESS	
NOLIN RECC PATSY WHITEHEAD 4111 RING ROAD ELIZABETHTOWN KY 42701-1006		NEWS-ENTERPRISE 408 W DIXIE AVE ELIZABETHTOWN, KY 42701	

4 PAGE #	5 BILLING DATE	6 BILLED ACCOUNT NUMBER	7 ADVERTISER/CLIENT NAME	Change of address? Please mark changes above.	AMOUNT PAID \$ _____
1	3/31/2007	53-418692			

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE  
BECOME A 'PARTNER IN EDUCATION'. HELP HARDIN COUNTY  
CHILDREN RECEIVE NEWSPAPERS IN THEIR CLASSROOM. CALL  
769-1200 EXT. 381 FOR MORE DETAILS ABOUT THE NIE PROGRAM.

10 DATE	11 REF	12 13 14	DESCRIPTION-COMMENTS	15 SAU/BILLED 16 UNITS	18 RATE	19 GROSS AMOUNT	DISCOUNT	20 NET AMOUNT
			PREVIOUS BALANCE			.00		.00
3/14	2		RADCLIFF CHAMBER	2X 2.00		89.00	.00	89.00
3/19			OFFICAL NOTICE	4X 8.75		882.35	.00	882.35
3/26			OFFICAL NOTICE	4X 8.75		882.35	.00	882.35
			TOTAL THE NEWS-ENTERPRISE			1853.70	.00	1853.70
<i>SARA Rate adjustment no fee</i>								
			TOTAL DUE			1853.70	.00	1853.70

Paid \_\_\_\_\_ Date \_\_\_\_\_  
 Posted \_\_\_\_\_  
 Approved \_\_\_\_\_  
 Approved *R. Kupa*  
 Acct # \_\_\_\_\_

STATEMENT OF ACCOUNT IF TOTAL PAYMENT IS NOT RECEIVED BY DUE DATE, A SERVICE CHARGE OF 1.5% PER MONTH (18% ANNUAL PERCENTAGE RATE) WILL BE IMPOSED

21 CURRENT NET AMOUNT	22 30 DAYS	60 DAYS	90 DAYS	GROSS AMOUNT DUE	23 NET AMOUNT DUE
1853.70	.00	.00	.00	1853.70	1853.70

FOR BILLING QUESTIONS THE NEWS-ENTERPRISE, 408 W DIXIE AVE, ELIZABETHTOWN, KY 42701  
PLEASE CONTACT: 270-769-1200, EXT. 217

25 ADVERTISER INFORMATION	
1 BILLING PERIOD	6 BILLED ACCOUNT NUMBER
MARCH 2007	53-418692
2 ADVERTISER/CLIENT NAME	
NOLIN RECC	
YEAR TO DATE DOLLARS	CONTRACT EXPIRATION
1853.70	

BOB EVANS #2046

1708 North Dixie Hwy  
 Elizabethtown, KY  
 (270)769-2178

Order # 0114  
03/27/2007 R06D1 13:01  
SALE \$ 16.92  
TIP \$ 3.58  
TOTAL \$ 20.50

VISA XXXXXXXXXXXX0507  
ISSUED TO: NOLIN RECC  
EXP. DATE: CARD NOT EXPIRED  
AUTH. #: 001082

\*\*\*\*\*  
\*  
\* THANK YOU FOR VISITING \*  
\* BOB EVANS \*  
\* Elizabethtown, KY \*  
\*\*\*\*\*

OFFICE DEPOT  
 1705 DIXIE HIGHWAY  
 ELIZABETHTOWN, KY 42701  
 270-763-6888

SALE STR0529 REG014 TRN9837  
 04/10/07 11:17 EMP 492714 POS 5 03A

050505271030 CVR.RPRT, BLUE, 5PK  
 3 @ 9 99 29 97  
 MEMBER # 1131926220

Thank you for your Worklife Rewards  
 purchase.  
 Your Worklife Rewards Member  
 number is 1131926220

SUBTOTAL 29 97  
 SALES TAX 1 80  
 TOTAL 31 77  
 VISA 6631 31 77

\*\*\*\*\*

For a chance to Win  
 One of 40-\$100 or 1-\$1000  
 Quarterly Shopping Spree,  
 visit [www.ed.bizrate.com](http://www.ed.bizrate.com)

En Español  
 ID HFJ29 T3CN Z6WK1



ELIZABETHTOWN POST OFFICE  
 Elizabethtown, Kentucky  
 427019998  
 2047867902 -0096  
 04/11/2007 (800)275-8777 10:20:32 AM

Product Description	Sale Qty	Receipt Unit Price	Final Price
FRANKFORT KY 40601 Priority Mail 13.10 oz.			\$4.05
Issue PVI:			=====
			\$4.05
FRANKFORT KY 40602 Priority Mail 5 lb. 15.00 oz.			\$6.65
Issue PVI:			=====
			\$6.65

Total: \$10.70

Paid by:  
 Visa \$10.70  
 Account #: XXXXXXXXXXXX6631  
 Approval #: 006613  
 Transaction #: 292  
 23 903158640

Order stamps at [USPS.com/shop](http://USPS.com/shop) or call  
 1-800-Stamp24. Go to [USPS.com/clicknship](http://USPS.com/clicknship)  
 to print shipping labels with postage.  
 For other information call 1-800-ASK-USPS.

Bill #: 1000402051089  
 Clerk: 12

All sales final on stamps and postage.  
 Refunds for guaranteed services only.  
 Thank you for your business.

Customer Copy

\*\*\*\*\*  
DATE 4/06/07 TIME 1:17PM  
MID 67093002582

O'Charley's #258  
1629 North Dixie Ave  
Elizabethtown, KY  
42701  
270-763-9075

VISA XXXXXXXXXXXXXXX2671 S  
AUTH 006262 TBL 61 CHECK 612969  
PRE-AUTH Dining Room Matthew

AMOUNT 46.64  
TAX 2.80

SUBTOTAL \$ 49.44  
TIP \$ . . . . 10.00  
TOTAL \$ . . . . 59.44  
=====

CUSTOMER COPY  
\*\*\*\*\*  
Lunch Rate Case  
see back

JAMES R. ADKINS  
 1041 CHASEWOOD WAY  
 LEXINGTON, KENTUCKY 40513-1731

Phone: 859-224-9469  
 Cell: 859-797-7995

E-mail: [Jimadkins25@aol.com](mailto:Jimadkins25@aol.com)

Date: \_\_\_\_\_

TO:

O V Sparks  
 Nolin RECC  
 411 Ring Road  
 Elizabethtown, KY 42701-8701

**INVOICE FOR SERVICES RENDERED**

<u>Week of</u>	<u>Description of Work</u>	<u>Hours Worked</u>	<u>Miles Traveled</u>
10/12/2006	Initial Meetings	14.00	160
10/19/2006	Rate schedules	5.00	
10/24/2006	Rate schedules	24.00	
10/30/2006	Rate schedules	16.00	
11/2/2006	Rate schedules	24.00	
11/6/2006	Rate schedules	42.00	
11/13/2006	Rate schedules	48.00	320
11/20/2006	Rate schedules	36.00	160
12/4/2006	Rate schedules	26.00	185
12/19/2006	Rate schedules	20.50	160
12/26/2006	Rate schedules	5.00	
1/1/2007	Rate application	4.00	
1/8/2007	Rate application	26.00	
1/15/2007	COSS	12.25	
1/22/2007	COSS	24.00	180
1/29/2007	COSS	8.00	
2/5/2007	COSS	21.00	361
2/12/2007	COSS	17.00	176
2/19/2007	COSS	16.50	541
2/26/2007	COSS	20.00	362
3/2/2007	Rate application	16.00	384
3/9/2007	Rate application	8.00	221
3/27/2007	Cure deficiency	4.00	91

Total	437.25	3301
Rate	\$ 100.00	\$ 0.40
Amount Owed	\$ 43,725	\$ 1,320.40

AMOUNT OF INVOICE

\$ 45,045.40

Signature

*James R. Adkins*

A DISABLED AMERICAN WAR VETERAN OWNED SERVICE





THE NEWS-ENTERPRISE  
408 W DIXIE AVE  
ELIZABETHTOWN, KY 42701

1 BILLING PERIOD		2 ADVERTISER/CLIENT NAME	
APRIL 2007		NOLIN RECC	
23 NET AMOUNT DUE	3	TERMS OF PAYMENT	
1177.35		PAYMENT DUE BY 5/20	
21 CURRENT NET AMOUNT DUE	22	30 DAYS	60 DAYS
1177.35		.00	.00
			90 DAYS
			.00

ADVERTISING INVOICE and STATEMENT

8 BILLED ACCOUNT NAME AND ADDRESS		9 REMITTANCE ADDRESS	
NOLIN RECC PATSY WHITEHEAD 4111 RING ROAD ELIZABETHTOWN KY 42701-1006		NEWS-ENTERPRISE 408 W DIXIE AVE ELIZABETHTOWN, KY 42701	

4 PAGE #	5 BILLING DATE	6 BILLED ACCOUNT NUMBER	7 ADVERTISER/CLIENT NAME	Change of address? Please mark changes above.	AMOUNT PAID \$ _____
1	4/30/2007	53-418692			

LT

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE  
 BECOME A 'PARTNER IN EDUCATION'. HELP HARDIN COUNTY  
 CHILDREN RECEIVE NEWSPAPERS IN THEIR CLASSROOM. CALL  
 769-1200 EXT. 381 FOR MORE DETAILS ABOUT THE NIE PROGRAM.

10 DATE	11 REF	12 13 14	DESCRIPTION-COMMENTS	15 SAU/BILLED 16 UNITS	18 RATE	19 GROSS AMOUNT	DISCOUNT	20 NET AMOUNT
4/30			PREVIOUS BALANCE			1853.70		1853.70
4/02			PAYMENT REF #9007417			1853.70-		1853.70-
4/13	1		OFFICAL NOTICE <i>Rates</i>	4X 8.75		882.35	.00	882.35
			INDUSTRY <i>909 # 59</i>	2X 5.50		295.00	.00	295.00
			TOTAL THE NEWS-ENTERPRISE			1177.35	.00	1177.35
<i>R. Ryan</i>								
			TOTAL DUE			1177.35	.00	1177.35

STATEMENT OF ACCOUNT IF TOTAL PAYMENT IS NOT RECEIVED BY DUE DATE, A SERVICE CHARGE OF 1.5% PER MONTH (18% ANNUAL PERCENTAGE RATE) WILL BE IMPOSED

21 CURRENT NET AMOUNT	22	30 DAYS	60 DAYS	90 DAYS	GROSS AMOUNT DUE	23	NET AMOUNT DUE
1177.35		.00	.00	.00	1177.35		1177.35

FOR BILLING QUESTIONS THE NEWS-ENTERPRISE, 408 W DIXIE AVE, ELIZABETHTOWN, KY 42701  
 PLEASE CONTACT: 270-769-1200, EXT. 217

25		ADVERTISER INFORMATION			
1 BILLING PERIOD		6 BILLED ACCOUNT NUMBER	7 ADVERTISER/CLIENT NUMBER	2 ADVERTISER/CLIENT NAME	
APRIL 2007		53-418692		NOLIN RECC	
YEAR TO DATE DOLLARS	CONTRACT EXPIRATION	CONTRACT REQUIREMENTS	CONTRACT CURRENT MONTH	CONTRACT CUMULATIVE	
3031.05					



DIA 79  
DEPT: CRYSTAL M (#113) PAGE 40  
04/27/07 13:15, SWIPED BY 213 JAMES C

Barbette's of E-town  
2000 N. Dixie Ave.  
Elizabethtown, KY 42701  
(270) 240-0871  
MERCHANT # 154102170000

CARD TYPE ACCOUNT NUMBER  
VISA XXXXXXXXXXXXXXX507

NAME: NOLIN RECC

DO TRANSACTION APPROVED

AUTHORIZATION # 002493

REFERENCE: 0427010000579

TRANS TYPE: CREDIT CARD SALE

CHARGE# 74.00  
TIP 15.00  
TOTAL 89.00

*Bob Evans*

PHONE: ( )  
CARDHOLDER WILL PAY CARD ISSUER AMOUNT  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
PLEASE SIGN AND INITIAL BOTH COPIES

\*\*\*\*\*  
\* Elizabethtown, KY \*  
\* BOB EVANS \*  
\* THANK YOU FOR VISITING \*  
\* \*\*\*\*\*

VISA XXXXXXXXXXXXXXX507  
ISSUED TO: NOLIN RECC  
EXP. DATE: CARD NOT EXPIRED  
AUTH. #: 003834

Order # 0103  
05/08/2007 13:30  
ROSD1 13:30  
SALE \$ 20.59  
TIP \$ 3.41  
TOTAL \$ 24.00

BOB EVANS #2046  
1708 North Dixie Hwy  
Elizabethtown, KY  
(270) 769-2178

LITTLE MEXICAN RESTAUR  
918 N DIXIE AVE  
ELIZABETH, KY 42701  
770-982-1377

TERMINAL ID: 088600  
MERCHANT #: 88260133417  
VISA XXXXXXXXXXXXXXX507  
SALE  
BATCH: 0145  
DATE: MAY 14, 07  
RRN: 01450007  
INU: 000007  
TIME: 04:00  
AUTH: 005507  
BASE \$16.78  
TIP \$ 3.22

TOTAL \$ 24.00

NOLIN RECC

THANK YOU!  
PLEASE COME AGAIN!

CUSTOMER COPY





- Anderson News • Casey County News • Central Kentucky News Journal
- Cynthiaana Democrat • Grant County News • Grayson County Record
- Henry County Local • Inside the Turret • Kentucky Standard
- LaRue County Herald News • Lebanon Enterprise • Springfield Sun
- News Democrat • The News-Enterprise • News-Herald • Oldham Era
- Pioneer News • Sentinel-News • Spencer Magnet • Trimble Banner

www.KentuckyClassifiedNetwork.com

**STATEMENT**

Nolin RECC  
 411 Ring Rd.  
 Elizabethtown KY 42701

Billing Date: <b>05/31/07</b>
Customer Number: <b>10035049</b>
Page: <b>1</b>

DATE	TYPE	DOC NO	REF NUMBER	DESCRIPTION	# OF INS	DEPTH	RATE	AMOUNT
05/10/07	INV		A/R:12445012	<b>HEARING FOR NOLIN 2X1.75 RUNS</b> The News-Enterprise 05/10/07 - 05/10/07	1	1.75	62.48	62.48
				P O No. _____				
				Posted _____ Date <u>6-7-07</u>				
				Posted _____				
				Approved _____				
				Approved <u>M L M 6-7-07</u>				
				Acct # _____				
ACCOUNTS RECEIVABLE			CURRENT	31-60	61-90	90-120	Over 120	
AGING			62.48	0.00	0.00	0.00	0.00	

Please detach and return this portion with payment. To ensure proper credit to your account, please write your customer number on your check. If you have any questions about your account, please contact Accounts Receivable at (270) 769-1200 ext. 333 or 1-800-653-6344 ext. 333	Billing Date <b>05/31/07</b>
	Customer Number <b>10035049</b>
<b>Classified Advertising</b>	<b>PLEASE PAY: 62.48</b>

KENTUCKY CLASSIFIED NETWORK  
 Attn: Accounts Receivable  
 408 W. Dixie Ave  
 Elizabethtown, KY 42701

Nolin RECC  
 411 Ring Rd.  
 Elizabethtown KY 42701



Nolin RECC  
Case No. 2006-00466  
Third Data Request of Commission Staff

19. Refer to the response to the Staff's Second Request, Items 28(d) and 28(e).
  - a. The response to Item 28(d) states that Nolin provides a summary of KVN operations in the materials that are passed out to members at the annual meeting and the copies were attached. However, the attachment with this response is titled "Business Plan" and only reflected KVN's situation through 2002. The response to Item 28(e) appears to indicate a business plan for KVN is currently being developed. Clarify the responses to Items 28(d) and 28(e) and provide the originally requested information if not previously provided.
    - A. Refer to PSC #2 Item 8 page 2 of 4. This is given to members at the annual meeting.
    - b. Indicate when Nolin expects Central Associated Engineers to complete its review of the operations of KVN and develop a plan of action for the future of KVN.
      - A. Central Associated Engineers are in the final stages of the review. They indicated to Nolin that the report is in the draft stage and should be completed in the next few weeks.



Nolin RECC  
Case No. 2006-00466  
Third Data Request of Commission Staff

20. Provided the following information concerning Nolin's association with TransWorld Network Corp. ("Transworld") and the Affinity Long Distance Program ("Affinity"):
- a. Indicate when Nolin partnered with TransWorld. If prior to or during the test year, provide references to the applicable data responses that discuss the partnership with TransWorld.
- A. The contract was signed in January 2004.
- b. Provide a description of the partnership with TransWorld. Include a discussion of the services provided by TransWorld and Affinity, the initial and all subsequent investments by Nolin into TransWorld and Affinity, and any revenues received or expenses incurred by Nolin during the test year and the 6 months after test-year-end.
- A. Nolin's partnership with TransWorld is an agency agreement. Nolin acts as an agent for TransWorld. All that is required of Nolin is to promote the service to our members. There has been no investment of any type in this program. TransWorld provides all collateral material for advertising.

Revenue Received during the test-year:	\$3,647.84
Revenue Received 6 months after test-year:	\$2,035.49