

**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



**KERRY K. HOWARD**  
General Manager/CEO

RECEIVED

July 13, 2009

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

JUL 13 2009  
PUBLIC SERVICE  
COMMISSION

RE: Case No. 2009-00016 – Application of Licking Valley Rural Electric Cooperative Corporation for an adjustment in retail electric rates

Dear Mr. Derouen:

Attached you will find a copy of the original and ten (10) copies Licking Valley RECC's Application for an adjustment in its retail electric rates. A copy of this Application is also being given to the Rate Intervention Group of the Office of the Attorney General.

If you have any questions, please contact me at your convenience.

Sincerely,

Kerry K. Howard  
Manager/CEO

C: Office of Rate Intervention  
Office of the Attorney General  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
JUL 13 2009  
PUBLIC SERVICE  
COMMISSION

**In the Matter of Adjustment of Rates of  
Licking Valley Rural Electric Cooperative  
Corporation**

**Case No. 2009-00016**

**APPLICATION**

Licking Valley Rural Electric Cooperative Corporation (herein designated as "Licking Valley") hereby makes application for an adjustment of rates, as follows:

1. Licking Valley informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of eight (8) counties in south eastern Kentucky and does hereby propose to adjust rates, effective July 14, 2009, in conformity with the attached schedule.

2. The name and post office address of the applicant is Licking Valley Rural Electric Cooperative Corporation, 271 Main Street, West Liberty, Kentucky, 41472 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Licking Valley were filed with the Commission in PSC Case No. 92-496, for a flow through rate reduction. [807 KAR 5:001, Section 8(3)].

4. The application is supported by a twelve month historical test period ending December 31, 2008 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. Licking Valley states that the reasons the rate adjustment are required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Licking Valley has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs. Licking Valley has been required to borrow funds to finance its construction projects.

b. The financial condition of Licking Valley has deteriorated substantially over the past few years.

c. Licking Valley had a Times Interest Earned Ratio (TIER) of 0.18 [a negative TIER of (0.07) excluding G&T capital credits], for the test year ending December 31, 2008. The TIER was 1.24 for calendar year of 2007. Licking Valley is required under its mortgage agreement of maintain an operating TIER of 1.25, based on an average of two of the three most current years.

d. Licking Valley requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.

e. The Board of Directors of Licking Valley at its meeting on January 15, 2009, received the current financial condition of Licking Valley and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Licking Valley. A copy of the resolution is attached as Exhibit F.

6. Annual reports, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1) [807 KAR 5:001, Section 10(1)(a)2].

7. Licking Valley is not a limited partnership [807 KAR 5:001, Section 10(1)(a) 4].

8. Licking Valley files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 10(1)5].

9. Licking Valley does not conduct business under an assumed name [807 KAR 5:001, Section 10(1)(a)6].

10. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 10(1)(a)7].

11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 10(1)(a)8].

12. Licking Valley has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 3-10 (3) and (4). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 10(1)(a)9].

13. Licking Valley filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 10(2)].

14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (10)(6)(a)].

15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 10(6)(b)].

16. A statement estimating the effect the new rates will have upon the revenues of Licking Valley, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 10(6)(d)].

17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibits I and J [807 KAR 5:001, Section 10(6)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 10(6)(g)].

19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [807 KAR 5:001, Section 10(6)(h)].

20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 10(6)(i)].

21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 10(6)(j)].

22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 10(6)(k)].

23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Licking Valley and no audit reports exist [807 KAR 5:001, Section 10(6)(l)].

24. No Federal Energy Regulatory Commission Form 1 exists as to Licking Valley [807 KAR 5:001, Section 10(6)(m)].

25. Licking Valley performed a depreciation study as of December 31, 2007, which is included with Exhibit 3 of the application. [807 KAR 5:001, Section 10(6)(n)].

26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 10(6)(o)].

27. No stock or bond offerings have been made by Licking Valley [807 KAR 5:001, Section 10(6)(p)].

28. Annual Reports to members for 2008 and 2007 are attached as Exhibit P [807 KAR 5:001, Section 10(6)(q)].

29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 10(6)(r)].

30. No Securities and Exchange Commission Annual Reports exist as to Licking Valley because it is not regulated by that regulated body [807 KAR 5:001, Section 10(6)(s)].

31. Licking Valley had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 10(6)(t)].

32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 10(6)(u)].

33. Licking Valley is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 10(6)(v)].

34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 10(7)(a)].

35. No "proposed pro forma adjustments reflecting plant additions" exist or apply to Licking Valley [807 KAR 5:001, Section (7)(c)].

36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (7)(d)].

37. Additional financial exhibits required by 807 KAR 5:001, Section 10, financial information covering twelve (12) month historical test period ending December 31, 2008, and other information required to be filed is attached by exhibits, as follows:

- |            |   |
|------------|---|
| Exhibit U  | By-Laws   |
| Exhibit V  | Detailed comparative income statement, statement of cash flows and balance sheet                  |
| Exhibit W  | Schedule showing monthly comparison of balance sheet accounts from Test year to Preceding year    |
| Exhibit X  | Schedule showing monthly comparison of income statement accounts from Test year to Preceding Year |
| Exhibit Y  | Trial balance at end of test year   |
| Exhibit Z  | Capital structure   |
| Exhibit 1  | Adjustment for salaries and wages   |
| Exhibit 2  | Adjustment for payroll taxes  |
| Exhibit 3  | Adjustment for depreciation   |
| Exhibit 4  | Adjustment for property taxes   |
| Exhibit 5  | Adjustment for long term and short term interest  |
| Exhibit 6  | Adjustment for post-retirement benefits   |
| Exhibit 7  | Adjustment for retirement costs   |
| Exhibit 8  | Adjustment for donations  |
| Exhibit 9  | Adjustment for professional fees  |
| Exhibit 10 | Adjustment for director expenses  |
| Exhibit 11 | Adjustment for miscellaneous expenses   |
| Exhibit 12 | Adjustment for rate case expenses   |
| Exhibit 13 | Adjustment for cable television attachments   |
| Exhibit 14 | Adjustment for purchase power   |
| Exhibit 15 | Adjustment for normalized revenue   |
| Exhibit 16 | Adjustment for end of year customer adjustment  |
| Exhibit 17 | KAEC Statistical Comparison   |
| Exhibit 18 | Capitalization policies and employee benefits   |
| Exhibit 19 | Equity management plan  |

WHEREFORE, LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

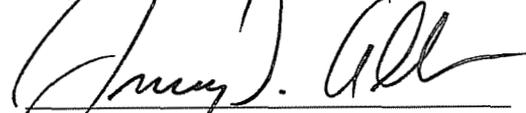
Dated: July 9<sup>th</sup>, 2009.

Licking Valley Rural Electric Cooperative Corporation

  
Kerry K. Howard, General Manager & CEO

COUNSEL:

GREGORY D. ALLEN  
Collins & Allen Law Office  
Post Office Box 475  
Salyersville, Kentucky 410465



Gregory D. Allen, Attorney for  
Licking Valley Rural Electric Cooperative Corporation

I, Kerry K. Howard, General Manager & CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.

  
Kerry K. Howard, General Manager & CEO  
Licking Valley Rural Electric Cooperative Corporation

Subscribed and sworn to before me by Kerry K. Howard as President & CEO of Licking Valley Rural Electric Cooperative Corporation this 9<sup>th</sup> day of July, 2009.

  
Notary Public, Kentucky State At Large

My Commission Expires: 02-09-11

Commonwealth of Kentucky  
Trey Grayson, Secretary of State

7/9/2009

Division of Corporations  
Business Filings

P. O. Box 718  
Frankfort, KY 40602  
(502) 564-2848  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication Number: 82889  
Jurisdiction: Licking Valley Rural Electric Cooperative Corporation  
Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to authenticate this certificate.

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,

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 22, 1940 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 9th day of July, 2009.



*Trey Grayson*

Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
82889/0031185

Ex # 3  
1 of 12

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
OF  
WEST LIBERTY, KENTUCKY 41472

RATES, RULES AND REGULATION FOR FURNISHING ELECTRICITY  
AT  
BREATHITT, LEE, MAGOFFIN, MENIFEE, MORGAN  
AND WOLFE COUNTIES KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED JULY 14, 2009

EFFECTIVE AUGUST 14, 2009

ISSUED BY: LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

KERRY K. HOWARD  
GENERAL MANAGER/CEO

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Seventeenth Revised Sheet No. 1  
Canceling P.S.C. KY No.  
Sixteenth Revised Sheet No. 1

CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall & Church Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations. Available to members of the Cooperative for all community halls and churches with a transformer size of 25 KVA or less.

TYPE OF SERVICE:

Single-phase, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$10.00	(I)
Energy charge per KWH	.085730	(I)

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

Limited to individual motors up to ten horsepower (10 H.P.)

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: July 14, 2009 DATE EFFECTIVE: Service rendered on and after August 14, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

For All Territory Served

Licking Valley Rural Electric  
Cooperative Corporation

P.S.C. KY NO.  
Seventeenth Revised Sheet No. 2  
Canceling P.S.C. KY No.  
Sixteenth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

SCHEDULE B – Commercial and Small Power Service

RATE  
PER UNIT

APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to commercial consumer, small schools, small industrial consumer, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less, all subject to established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE:

Single-phase and three-phase where available, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$20.00	(I)
Energy charge per KWH	.075676	(I)

MINIMUM MONTHLY ENERGY CHARGES:

For consumers requiring more than 10 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the Tenth (10th) of the following month from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: July 14, 2009 DATE EFFECTIVE: Service rendered on and after August 14, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 2.1  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 2.1

**CLASSIFICATION OF SERVICE**

SCHEDULE B – Commercial and Small Power Service cont'd	RATE PER UNIT
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**SPECIAL RULES:**

1. Consumer having their homes on the same premises with their business establishments may include service to both on the same meter in which cases all service will be billed under this schedule. If the consumer prefers, he may make provisions for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule and his use for business will be billed under this schedule and rate.
2. Service under this schedule is limited to consumers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Consumers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.
3. The rate capacity of single-phase motors shall not be in excess of ten horsepower (10 H.P.)
4. Motors having a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.

**FUEL ADJUSTMENT CLAUSE:**

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 01, 2007

ISSUED BY *Ray B. Hurd*

GENERAL MANAGER/CEO

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
8/1/2007  
PURSUANT TO 807 KAR 5:011  
West Liberty, Ky

By *[Signature]*  
Executive Director

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 3  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 3

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER SERVICE – LP RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase  
lines for all types of usage including churches and community halls in  
excess of 25 KVA subject to the established rules and regulation of seller.

MONTHLY RATE:

Customer charge per delivery point \$49.19  
Energy charge per KWH .062227

A demand charge of \$7.11 per KW

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established  
by the consumer for any period of fifteen (15) consecutive minutes  
during the month for which the bill is rendered, as indicated or recorded  
by a demand meter and adjusted for power factor as following:

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as  
practicable. Power factor may be measured at any time. Should  
such measurements indicate that the power factor at the time of the  
maximum demand is less than 90%, the demand for billing purposes  
shall be the demand as indicated or recorded by the demand meter  
multiplied by 90%, and then divided by the actual power factor percent.

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DATE OF ISSUE: March 26, 2009 DATE EFFECTIVE: April 1, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 3.1  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 3.1

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER SERVICE - LP CONT'D

RATE  
PER UNIT

CONDITION OF SERVICE:

1. Motors have a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rates; if a separate meter is required for the lighting circuit, the registration of the two watt hour meter shall be added to obtain total KWH used and the registration of the two demand meters shall be added to obtain total kilowatt demand for the billing purposes.
3. All wiring, poles, lines and other electrical equipment beyond the metering point, shall be considered the distribution system of the consumer and shall be furnished and maintained by consumer.
4. If service is furnished at primary distribution voltage, a discount of ten percent (10%) shall apply to the minimum charge. However, the seller shall have the option of metering a secondary voltage and adding the estimated transformer losses to the metered KWH and kilowatt demand.

DELAYED PAYMENT CHAGE:

The above rates are net, the gross being five percent (5%) higher.  
In the event the current monthly bills are not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007

ISSUED BY [Signature] GENERAL MANAGER/CEO West Liberty Ky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY

EFFECTIVE

PURSUANT TO 807 KAR 5:011

SECTION 9(1)

By [Signature]  
Executive Director

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7 8 12

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 3.2  
Canceling P.S.C. KY No.  
Thirteenth Sheet No. 3.2

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER SERVICE – LP CONT'D

RATE  
PER UNIT

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

MINIMUM MONTHLY ENERGY CHARGE:

The minimum monthly charge shall be the highest one of the following charges. Charges are determined for the consumer in question:

1. The minimum monthly charge specified in the contract for service.
2. A charge of 75 cents per KVA of installed transformer capacity.

TYPE OF SERVICE

Three-phase, 60 cycles, at seller's standard voltages.

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007

ISSUED BY *[Signature]*

GENERAL MANAGER/CEO West Liberty Ky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY

~~EFFECTIVE~~

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By *[Signature]*

Executive Director

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 4  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 4

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE – LPR

RATE  
PER UNIT

APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to all industrial users on or near the Cooperative's  
lines whose kilowatt demand shall exceed 300 KW for lighting,  
heating, and/or power. With the following exceptions: rock quarries,  
sawmills, mines and any other service of a fluctuating nature due to  
their poor load factor and temporary nature. This schedule and all  
of its conditions must be agreed and entered into before the initial  
connection.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the  
consumer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 cycle,  
alternating current at available nominal voltage.

MONTHLY RATE:

Customer charge per delivery point	\$98.39
Energy charge per KWH	.054069

Demand charge of \$6.67 per KW

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand  
established by the consumer for any period of (15) consecutive

DATE OF ISSUE: March 26, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 4.2  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 4.2

**CLASSIFICATION OF SERVICE**

**SCHEDULE FOR LARGE POWER RATE – LPR** **RATE PER UNIT**

minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

**POWER FACTOR ADJUSTMENT:**

The consumer agrees to maintain unity power factor nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90%, and then divided by the actual power factor percent.

**MINIMUM MONTHLY ENERGY CHARGE:**

The minimum monthly charge shall be the highest one of the following charges:

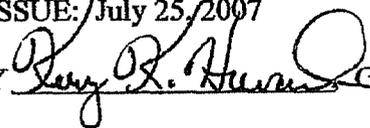
1. The minimum monthly charge as specified in the contract for service.
2. A charge of 75 cents per KVA per month of contract capacity.

**FUEL ADJUSTMENT CLAUSE:**

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007

ISSUED BY 

GENERAL MANAGER/CEO West Liberty Ky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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PURSUANT TO 807 KAR 5:011  
SECTION 9(1)

By   
Executive Director

E 4 n B  
10 of 12

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 4.2  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 4.2

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE - LPR

RATE  
PER UNIT

SPECIAL PROVISIONS:

1. Delivery Point: If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, poles, lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, poles, lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

2. Lighting: Both power and lighting shall be billed at the foregoing rate.
3. Primary Service: If service is furnished at 7,200/12,470 volts or above, a discount of five percent (5%) shall apply to the demand and energy charges.

The seller shall have the option of metering at secondary voltage.

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher.  
In the event the current monthly bills are not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 2007

PURSUANT TO 807 KAR 5:011

ISSUED BY [Signature] GENERAL MANAGER/CEO West Liberty Ky

By [Signature]  
Executive Director

PUBLIC SERVICE COMMISSION  
OF KENTUCKY

EFFECTIVE

SECTION 9(1)

E x n 3  
11 of 12

Licking Valley Rural Electric  
Cooperative Corporation

P.S.C. KY NO.  
Seventeenth Revised Sheet No. 5  
Canceling P.S.C. KY No.  
Sixteenth Revised Sheet No. 5

CLASSIFICATION OF SERVICE

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SCHEDULE SL (Security Lights and/or Rural Lighting)	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

The Cooperative will furnish and install a metal halide type light on a twenty-five (25) foot pole or an existing Cooperative owned pole at a location suitable to both parties. Location, however, shall be up to 150 feet from an existing Cooperative owned secondary line.

When a pole is nonexistent it will be furnished by the cooperative at the following rate for overhead service:

25 ft Wood Pole	2.91 per pole per month	(I)
30 ft Wood Pole	3.37 per pole per month	(I)

MONTHLY RATE:

Service for the Metal Halide unit will be unmetered and will be per light per month as follows:

100 Watt @	9.55	(I)
250 Watt @	14.59	(I)
400 Watt @	20.06	(I)

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: July 14, 2009 DATE EFFECTIVE: Service rendered on and after August 14, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 6  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 6

CLASSIFICATION OF SERVICE

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SCHEDULE CATV – CABLE TELEVISION ATTACHMENT TARIFF      RATE  
PER UNIT

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APPLICABLE:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

	Annual	
Two-party pole attachment	\$5.42	(I)
Three-party pole attachment	4.78	(I)
Two-party anchor attachment	5.76	(I)
Three-party anchor attachment	3.80	(I)
Two- party pole ground attachment	0.29	(I)
Three-party pole ground attachment	0.17	(I)

BILLING:

Rental charges shall be billed yearly in advance based on the number of pole attachments. The rental charges are net, the gross being five percent (5%) higher. In the event the current annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

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DATE OF ISSUE: July 14, 2009      DATE EFFECTIVE: August 14, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
OF  
WEST LIBERTY, KENTUCKY 41472

RATES, RULES AND REGULATION FOR FURNISHING ELECTRICITY  
AT  
BREATHITT, LEE, MAGOFFIN, MENIFEE, MORGAN  
AND WOLFE COUNTIES KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

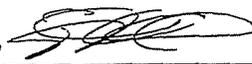
ISSUED ~~JULY 25, 2007~~

EFFECTIVE ~~AUGUST 01, 2007~~

July 14, 2009

August 14, 2009

ISSUED BY: LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
8/17/2007  
KERRY K. HOWARD QUANT TO 807 KAR 5:011  
GENERAL MANAGER SECTION 9 (1)  
By   
Executive Director

Licking Valley Rural Electric Cooperative Corporation	16 <sup>th</sup>	For All Territory Served P.S.C. KY NO. <del>Fifteenth</del> Revised Sheet No. 1 Canceling P.S.C. KY No.
	15 <sup>th</sup>	<del>Fourteenth</del> Revised Sheet No. 1

CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall & Church Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations. Available to members of the Cooperative for all community halls and churches with a transformer size of 25 KVA or less.

TYPE OF SERVICE:

Single-phase, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$7.65	\$ 10.00	(1)
Energy charge per KWH	-078275	0.085730	(1)

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

Limited to individual motors up to ten horsepower (10 H.P.)

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: <del>March 26, 2009</del> July 14 2009	DATE EFFECTIVE: <del>April 1, 2009</del> August 14 2009
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ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

16<sup>th</sup>  
15<sup>th</sup>

For All Territory Served  
P.S.C. KY NO.  
~~Fifteenth Revised~~ Sheet No. 2  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

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SCHEDULE B – Commercial and Small Power Service	RATE
	PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to commercial consumer, small schools, small industrial consumer, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less, all subject to established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE:

Single-phase and three-phase where available, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$15.85-	*	20.00	(I)
Energy charge per KWH	-.078204		0.075676	(I)

MINIMUM MONTHLY ENERGY CHARGES:

For consumers requiring more than 10 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the Tenth (10th) of the following month from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: <del>March 26, 2009</del> July 14 2009	DATE EFFECTIVE: <del>April 1, 2009</del> August 14 2009
ISSUED BY _____, GENERAL MANAGER/CEO West Liberty Ky	

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 2.1  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 2.1

**CLASSIFICATION OF SERVICE**

SCHEDULE B – Commercial and Small Power Service cont'd	RATE PER UNIT
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**SPECIAL RULES:**

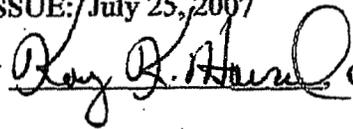
1. Consumer having their homes on the same premises with their business establishments may include service to both on the same meter in which cases all service will be billed under this schedule. If the consumer prefers, he may make provisions for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule and his use for business will be billed under this schedule and rate.
2. Service under this schedule is limited to consumers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Consumers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.
3. The rate capacity of single-phase motors shall not be in excess of ten horsepower (10 H.P.)
4. Motors having a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.

**FUEL ADJUSTMENT CLAUSE:**

"All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056."

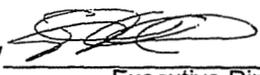
DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 01, 2007

ISSUED BY 

GENERAL MANAGER/CEO

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
8/1/2007  
PURSUANT TO 807 KAR 5:011  
West Liberty, Ky

By   
Executive Director

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 3  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 3

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER SERVICE – LP RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase  
lines for all types of usage including churches and community halls in  
excess of 25 KVA subject to the established rules and regulation of seller.

MONTHLY RATE:

Customer charge per delivery point \$49.19  
Energy charge per KWH .062227

A demand charge of \$7.11 per KW

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established  
by the consumer for any period of fifteen (15) consecutive minutes  
during the month for which the bill is rendered, as indicated or recorded  
by a demand meter and adjusted for power factor as following:

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as  
practicable. Power factor may be measured at any time. Should  
such measurements indicate that the power factor at the time of the  
maximum demand is less than 90%, the demand for billing purposes  
shall be the demand as indicated or recorded by the demand meter  
multiplied by 90%, and then divided by the actual power factor percent.

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DATE OF ISSUE: March 26, 2009 DATE EFFECTIVE: April 1, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 3.1  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 3.1

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER SERVICE - LP CONT'D

RATE  
PER UNIT

CONDITION OF SERVICE:

1. Motors have a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rates; if a separate meter is required for the lighting circuit, the registration of the two watt hour meter shall be added to obtain total KWH used and the registration of the two demand meters shall be added to obtain total kilowatt demand for the billing purposes.
3. All wiring, poles, lines and other electrical equipment beyond the metering point, shall be considered the distribution system of the consumer and shall be furnished and maintained by consumer.
4. If service is furnished at primary distribution voltage, a discount of ten percent (10%) shall apply to the minimum charge. However, the seller shall have the option of metering a secondary voltage and adding the estimated transformer losses to the metered KWH and kilowatt demand.

DELAYED PAYMENT CHAGE:

The above rates are net, the gross being five percent (5%) higher.  
In the event the current monthly bills are not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007

ISSUED BY *[Signature]*

GENERAL MANAGER/CEO SECTION 9(1) Ky  
West Liberty Ky

By *[Signature]*  
Executive Director

PUBLIC SERVICE COMMISSION  
OF KENTUCKY

EFFECTIVE

PURSUANT TO 807 KAR 5:011

SECTION 9(1) Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 3.2  
Canceling P.S.C. KY No.  
Thirteenth Sheet No. 3.2

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER SERVICE – LP CONT'D	RATE PER UNIT
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FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

MINIMUM MONTHLY ENERGY CHARGE:

The minimum monthly charge shall be the highest one of the following charges. Charges are determined for the consumer in question:

1. The minimum monthly charge specified in the contract for service.
2. A charge of 75 cents per KVA of installed transformer capacity.

TYPE OF SERVICE

Three-phase, 60 cycles, at seller's standard voltages.

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007

ISSUED BY *[Signature]*

GENERAL MANAGER/CEO West Liberty Ky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 4  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 4

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE – LPR	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to all industrial users on or near the Cooperative's lines whose kilowatt demand shall exceed 300 KW for lighting, heating, and/or power. With the following exceptions: rock quarries, sawmills, mines and any other service of a fluctuating nature due to their poor load factor and temporary nature. This schedule and all of its conditions must be agreed and entered into before the initial connection.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 cycle, alternating current at available nominal voltage.

MONTHLY RATE:

Customer charge per delivery point	\$98.39
Energy charge per KWH	.054069

Demand charge of \$6.67 per KW

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of (15) consecutive

DATE OF ISSUE: March 26, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 4.2  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 4.2

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE – LPR

RATE  
PER UNIT

minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90%, and then divided by the actual power factor percent.

MINIMUM MONTHLY ENERGY CHARGE:

The minimum monthly charge shall be the highest one of the following charges:

1. The minimum monthly charge as specified in the contract for service.
2. A charge of 75 cents per KVA per month of contract capacity.

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.”

DATE OF ISSUE: July 25, 2007

DATE EFFECTIVE: August 1, 2007  
PURSUANT TO 807 KAR 5:011

ISSUED BY *[Signature]*

GENERAL MANAGER/CEO

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
SECTION 9(1)  
West Liberty Ky

By *[Signature]*  
Executive Director

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fourteenth Revised Sheet No. 4.2  
Canceling P.S.C. KY No.  
Thirteenth Revised Sheet No. 4.2

CLASSIFICATION OF SERVICE

SCHEDULE FOR LARGE POWER RATE - LPR

RATE  
PER UNIT

SPECIAL PROVISIONS:

1. Delivery Point: If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, poles, lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, poles, lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

2. Lighting: Both power and lighting shall be billed at the foregoing rate.
3. Primary Service: If service is furnished at 7,200/12,470 volts or above, a discount of five percent (5%) shall apply to the demand and energy charges.

The seller shall have the option of metering at secondary voltage.

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher.  
In the event the current monthly bills are not paid by the Tenth (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: July 25, 2007

ISSUED BY Gary D. Hirsch

GENERAL MANAGER/CEO West Liberty Ky

DATE EFFECTIVE: August 2007

PURSUANT TO 807 KAR 5:011

SECTION 9.1 Ky

By

Executive Director

PUBLIC SERVICE COMMISSION  
OF KENTUCKY

EFFECTIVE

Licking Valley Rural Electric Cooperative Corporation

17th  
16th

For All Territory Served  
P.S.C. KY NO.  
~~Sixteenth~~ Revised Sheet No. 5  
Canceling P.S.C. KY No.  
~~Fifteenth~~ Revised Sheet No. 5

CLASSIFICATION OF SERVICE

SCHEDULE SL (Security Lights and/or Rural Lighting)	RATE PER UNIT
---	---------------

APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

The Cooperative will furnish and install a metal halide type light on a twenty-five (25) foot pole or an existing Cooperative owned pole at a location suitable to both parties. Location, however, shall be up to 150 feet from an existing Cooperative owned secondary line.

When a pole is nonexistent it will be furnished by the cooperative at the following rate for overhead service:

25 ft Wood Pole	<del>2.45</del> per pole per month	\$ 2.91	(1)
30 ft Wood Pole	<del>2.84</del> per pole per month	3.37	(1)

MONTHLY RATE:

Service for the Metal Halide unit will be unmetered and will be per light per month as follows:

100 Watt @	8.05	\$ 9.55	(1)
250 Watt @	<del>12.30</del>	14.59	(1)
400 Watt @	<del>16.91</del>	20.06	(1)

FUEL ADJUSTMENT CLAUSE:

"All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for the line losses will not exceed ten percent (10%) and is based on a twelve month moving average of such losses. This Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056."

DATE OF ISSUE: ~~March 26, 2009~~ *June 14 2009*      DATE EFFECTIVE: ~~April 1, 2009~~ *August 14 2009*  
 ISSUED BY \_\_\_\_\_, GENERAL MANAGER/CEO West Liberty Ky

Licking Valley Rural Electric  
Cooperative Corporation

15<sup>th</sup>  
14<sup>th</sup>

For All Territory Served  
P.S.C. KY NO.  
~~Fourteenth~~ Revised Sheet No. 6  
Canceling P.S.C. KY No.  
~~Thirteenth~~ Revised Sheet No. 6

CLASSIFICATION OF SERVICE

SCHEDULE CATV – CABLE TELEVISION ATTACHMENT TARIFF      RATE  
PER UNIT

APPLICABLE:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

	Annual		
Two-party pole attachment	\$4.01	\$ 5.42	(1)
Three-party pole attachment	<del>3.85</del>	4.78	(1)
Two-party anchor attachment	3.84	5.76	(1)
Three-party anchor attachment	<del>2.53</del>	3.80	(1)
Two-party pole ground attachment	0.30	0.27	(3)
Three-party pole ground attachment	<del>0.19</del>	0.17	(3)

BILLING:

Rental charges shall be billed yearly in advance based on the number of pole attachments. The rental charges are net, the gross being five percent (5%) higher. In the event the current annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

July 14 2009      August 14 2009

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DATE OF ISSUE: ~~July 25, 2007~~      DATE EFFECTIVE: ~~August 01, 2007~~

ISSUED BY: *[Signature]* GENERAL MANAGER/CEO West Liberty Ky

Official Notice

Licking Valley Rural Electric Cooperative, with its principal office at West Liberty, Kentucky and with its address at 271 Main Street, West Liberty, Kentucky 41472, intends to file with the Kentucky Public Service Commission in Case No. 2009-00016 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the member-consumers of Licking Valley Rural Electric Cooperative.

The rates proposed in this application are the rates proposed by Licking Valley Rural Electric Cooperative. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Kerry Howard, Licking Valley Rural Electric Cooperative, 271 Main Street, West Liberty, Kentucky 41472, phone 606-743-3179.

Any person may examine the rate application and any other filings made by the utility at the office of Licking Valley Rural Electric or at the Commission's Office.

Licking Valley Rural Electric  
271 Main Street  
West Liberty, Kentucky 41472  
606-743-3179

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-3940

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A, Residential, Farm, Small Community Hall	\$1,908,855	11%
Schedule B, Commercial & Small Power	\$14,270	1%
Schedule SL, Security Lights	\$149,784	19%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$10	11%
Schedule A-2, Commercial & Small Power	\$1	1%

The present and proposed rate structure of Licking Valley Rural Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule A-1, Farm & Home		
Customer charge	\$7.65	\$10.00
Energy charge	\$0.078275	\$0.085730
Energy charge per ETS	\$0.046965	\$0.051438
Schedule A-2, Commercial and Small Power		
Customer charge	\$15.85	\$20.00
Energy charge	\$0.078204	\$0.075676
Schedule YL-1, Outdoor Lighting Service		
175 Watt MV	\$8.05	\$9.55
100 Watt Halide	\$8.05	\$9.55
250 Watt Halide	\$12.30	\$14.59
400 Watt Halide	\$16.91	\$20.06
25' Pole	\$2.45	\$2.91
30' Pole	\$2.84	\$3.37
Cable Television Attachments		
Two-party pole attachment	\$4.01	\$5.42
Three-party pole attachment	\$3.85	\$4.78
Two-party anchor attachment	\$3.84	\$5.76
Three-party anchor attachment	\$2.53	\$3.80
Two-party ground attachment	\$0.27	\$0.27
Three-party ground attachment	\$0.17	\$0.16

Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Kerry K. Howard  
Manager, Finance and Administration  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472



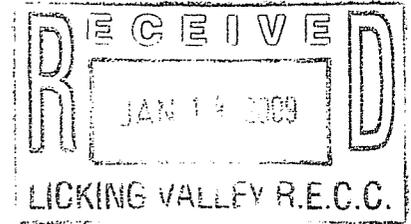
Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

January 13, 2009

EXH E  
1 of 1  
David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner



RE: Case No 2009-00016  
Licking Valley R.E.C.C.  
(General Rates)

Notice of Intent to File Application for an Increase in Retail Rates; Historical Test Year

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received January 12, 2009 and has been assigned Case No 2009-00016. In all future correspondence or filings in connection with this case, please reference the above case number.

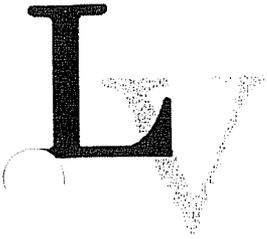
If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Derouen".

Jeff Derouen  
Executive Director

JD/rs



**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



**KERRY K. HOWARD**  
General Manager/CEO

**RESOLUTION**

**AUTHORIZATION TO THE GENERAL MANAGER/CEO  
TO FILE FOR A RATE INCREASE WITH THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**WHEREAS**, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Licking Valley Rural Electric Cooperative Corporation that a rate increase is necessary to maintain Licking Valley Rural Electric Cooperative Corporation; and

**WHEREAS**, the Board of Directors of Licking Valley Rural Electric Cooperative Corporation hereby authorizes and directs its General Manager/CEO, Kerry K. Howard, to file with the Kentucky Public Service Commission for a rate increase;

**NOW, THEREFORE BE IT RESOLVED**, that this resolution was properly authorized by the Board of Directors during a regular monthly Board of Directors Meeting held January 15, 2009.

I, Ted A. Holbrook, Secretary/Treasurer of the Licking Valley Rural Electric Cooperative Corporation hereby certify that the foregoing is a full, true, and correct copy of the Resolution duly passed by the Board of Directors of Licking Valley Rural Electric Cooperative Corporation at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 15<sup>th</sup> day of January 2009, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 15<sup>th</sup> day of January 2009.

**TED A. HOLBROOK**  
Secretary/Treasurer

Licking Valley Rural Electric  
Case No. 2009-00016  
Revenue Analysis  
December 31, 2008

Exhibit G  
page 1 of 2  
Witness: Jim Adkins

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0520	Percent of Total	Normalized Case No. 2008-0419	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
A - Residential, Farm, Small Com. Hall & Ch.	195,180,670	\$15,708,048	75%	\$15,708,048	75%	\$16,754,974	75%	\$18,663,829	83%	\$1,908,855	11.4%
B - Commercial and Small Power	10,383,500	942,445	4%	942,445	4%	1,004,712	4%	1,018,982	5%	14,270	1.4%
LP, Large Power Service	26,414,039	2,323,518	11%	2,323,518	11%	2,477,980	11%	2,477,980	11%	0	0.0%
LPR, Large Power Rate	19,191,648	1,299,089	6%	1,299,089	6%	1,387,629	6%	1,387,629	6%	0	0.0%
SL - Security Lights	6,963,308	753,910	4%	753,910	4%	803,838	4%	953,622	4%	149,784	18.6%
Envirowatts	43,400	1,199	0%	1,226	0%	1,226	0%	1,226	0%	0	0.0%
Rounding differences		276		276		295		51		(244)	
<b>Total from base rates</b>	<b><u>258,176,565</u></b>	<b>21,028,486</b>	<b>100%</b>	<b><u>\$21,028,513</u></b>	<b>100%</b>	<b><u>\$22,430,654</u></b>	<b>100%</b>	<b><u>\$24,503,319</u></b>	<b>109%</b>	<b><u>\$2,072,665</u></b>	<b>9.9%</b>
Fuel adjustment billed		2,318,349									
Environmental surcharge billed		<u>1,066,377</u>									
		<u>\$24,413,212</u>									
<b>Increase</b>				<b><u>\$27</u></b>		<b><u>\$1,402,141</u></b>		<b><u>\$2,072,665</u></b>			

Licking Valley Rural Electric  
Case No. 2009-00016  
Explanation of Changes

All revenues were normalized using rates that went into effect in connection with a flow through of East Kentucky Power Cooperative's increase in rates in EKPC's Case No. 2008-00409 and Licking Valley Rural Electric's flow through Case No. 2008-00419, effective in 2009.

The proposed rate increase was allocated in the following manner:

**Schedule A - Residential, Farm, Small Community Hall & Church Service**

The customer charge was increased based upon the Cost of Service Study. The remaining increase was through the energy charge.

**Schedule B - Small Commercial**

The customer charge was increased based upon the Cost of Service Study. The remaining increase was through the energy charge.

**Schedule LP - Large Power Service**

No changes were proposed for these rate schedules.

**Schedule LPR - Large Power Rate**

No changes were proposed for these rate schedules.

**Schedule 13A - Large Industrial Service**

No changes were proposed for these rate schedules.

**Schedule SL - Security and Rural Lighting**

All rates were increased by 19% based on the Cost of Service Study.

All Customer Charges were established in Licking Valley Rural Electric's last general rate increase, Case No. 98-321. These charges were ordered by the Kentucky Public Service Commission based on the Cost of Service Study filed with that general rate increase. A copy of that study is on file in that Case, noted by reference.

Licking Valley Rural Electric does not have monthly peak demands for rate schedules, only the amount of KW billed to each consumer.

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

**IN THE MATTER OF ADJUSTMENT OF RATES  
OF LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CASE NO. 2009-00016**

PREPARED TESTIMONY OF KERRY K. HOWARD

Q1. Would you please state your name and business address.

A1. Kerry K. Howard, with a business address of 271 Main Street, West Liberty, Kentucky 41472.

Q2. What is your occupation?

A2. General Manager & CEO for Licking Valley Rural Electric Cooperative (“Licking Valley Rural Electric”).

Q3. How long have you been employed at Licking Valley Rural Electric?

A3. I was employed January 01, 2005 as Manager of Finance and Administration, then promoted to the position of General Manager/CEO January 01, 2006.

Q4. What is your education and work experience?

A4. I graduated from Morehead State University in 1982 with a Bachelor of Science degree.

Q5. Are you familiar with the contents of the Notice Application of Licking Valley Rural Electric which has been filed with this Commission to commence this Case?

A5. Yes,

Q6. Please state whether the statements of facts contained in this Notice are true.

A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q7. Are you familiar with the exhibits which are filed with and form a part of the Notice Application of this Case?

A7. Yes. I worked with Jim Adkins, Consultant, in the preparation of these exhibits, and I am familiar with them. In my opinion, the factual material contained in this Application are correct.

Q8. When was the last General Rate Application filed by Licking Valley Rural Electric?

A8. The last General Rate Application filed by Licking Valley Rural Electric was in 1998, in Case No. 98-321.

Q9. What is the purpose of this Notice of Application of Licking Valley Rural Electric to this Commission?

A9. To seek an increase in rates in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.

Q10. What considerations were given to increase the rates and charges of Licking Valley Rural Electric .

A10. The purpose of this Application is to provide support the fact that Licking Valley Rural Electric needs the requested rate relief that is being sought in this rate application. Licking Valley Rural Electric has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Licking Valley Rural Electric is required to maintain a Net TIER of 1.25 and an Operating TIER of 1.1

In addition, this application is necessary for Licking Valley Rural Electric to continue to pay capital credits and maintain adequate equity and cash reserves.

Q11. What is the Test Year used by Licking Valley Rural Electric for its financial data compiled to the Commission in the Application?

A11. The twelve months ended December 31, 2008 was selected as the Test Year. The management and Board of Directors of Licking Valley Rural Electric review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.

Q12. How was the proposed increase in revenues of \$2,072,665 allocated to rates?

A12. Licking Valley Rural Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 2.0x requested?

A13. The financial condition of Licking Valley Rural Electric cooperative has deteriorated substantially since 2003. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

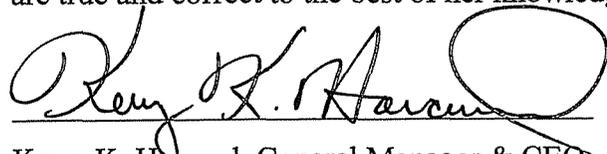
Q14. In your opinion, are the adjusted rates requested in this Case by Licking Valley Rural Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A14. Yes. To enable Licking Valley Rural Electric to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q15. Does this conclude your testimony in this case?

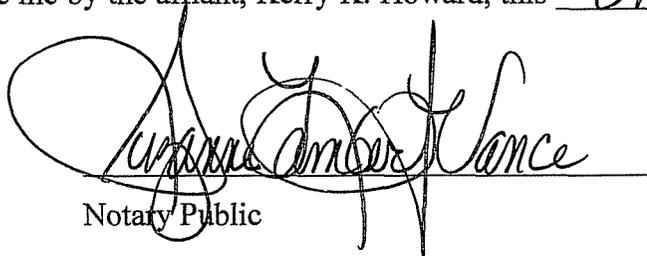
A15. Yes, it does.

Affiant, Kerry K. Howard, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



Kerry K. Howard, General Manager & CEO

Subscribed and sworn to before me by the affiant, Kerry K. Howard, this 09<sup>th</sup> day of July, 2009.



Notary Public

My Commission expires 05/29/2009.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT            )  
OF RATES OF LICKING VALLEY RURAL        )    CASE NO. 2009-00016  
ELECTRIC COOPERATIVE CORPORATION        )

PREPARED TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

A1. I am James R. Adkins and my business address is 1041 Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

A2. My role in this application has been to provide assistance and guidance in its development. Specifically, I am responsible for the determination of the revenue requirements including the test year adjustments, the cost of service study, the billing analysis and the proposed rate design contained in this application.

Q3. What is your professional experience in the area of electric utility rate-making?

A3. I have spent the last thirty-one plus years dealing with electric utility rates. I was employed by EKPC as its Pricing Manager for almost twenty-five years. I spent a little over one year with the Prime Group, LLC and I have been self-employed for the last five and one half years. Prior to my electric utility career, I was employed in the

finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.

Q4. What is your educational background?

A4. I received a Bachelors Degree in Commerce with a major in banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended several seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars of electric utility rate-making, cost of service, and rate design.

Q5. Have you ever appeared as a witness before this Commission?

A5. I have appeared as a witness before this Commission many times in rate applications, applications for certificates public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

Q6. What is the primary reason that Licking Valley RECC ("LVRECC") needs an increase in electric rates?

A6. LVRECC needs an increase in order to meet its mortgage covenants. LVRECC had a times interest earned ratio ("TIER") of 0.18 for the test year and this calculation

included some capital credits from East Kentucky Power Cooperative ("EKPC"). EKPC capital credits are excluded from net margins for rate-making purposes before this Commission.

Q7. What TIER level is LVRECC proposing in this application?

A7. LVRECC is requesting a TIER of 2.0X. With a TIER of 2.0X, margins would then be equal to the interest expense.

Q8. What adjustments to the test year financial statements is LVRECC proposing?

A8. LVRECC is proposing the normal test year adjustments to its test year financial statements. It is proposing a total of seventeen (17) adjustments including three (3) revenue adjustments and fourteen (14) expense adjustments. Included in these adjustments is the normalization of revenue and purchased power costs for the rates placed into effect in April due to the increase in the wholesale power rates of EKPC.

Q9. What is the purpose of the cost of service study in this application?

A9. The purpose of the cost of service in this rate application has the following purposes: one) it has the purpose of determining the costs to serve each rate class as well as the total revenue requirements for each class; two) it has the purpose to assist in the amount of rate increases for each rate class; and three) it provides a

breakdown of the cost to serve into segments that is useful for rate design.

Q10. Please explain the Cost of Service Study ("COSS") filed in this application?

A10. The COSS presented in this application follows the standard process of the functinalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS has six (6) major sections in it. These sections are listed below:

- Test year revenue requirements;
- The functinalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;
- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design.

Each one of these sections will be discussed in its order within Exhibit R.

Q11. Please explain Schedule 1 in the COSS?

A11. Schedule 1 is display of the overall revenue requirements of Big Sandy RECC ("Big Sandy") presented by expense account number. It presents the test year actual

expenses, the adjustments to the test year, and the adjusted test year. It is present in a manner that will be utilized in the COSS process. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year expenses. The adjusted test year amount provides the total revenue requirements for Big Sandy.

Q12. Please explain Schedule 2 of the COSS?

A12. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also provides a section with footnotes which identifies and explains the basis for how some of the test year expenses are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are classified in Schedule 3.

Q13. Would you explain Schedule 3?

A13. Schedule 3 is the classification of expenses as being demand-related, energy-related or customer related. Distribution line expenses and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power

contains a demand-related component, which are the demand charges, and an energy-related component, which are the energy charges. The metering point and the substation charges are considered to be demand-related.

Q14. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?

Q14. The basis for the determination of the demand-related and energy related expenses are the use of one of two methods: 1) the minimum size method and 3) the 'Zero-intercept". These methods are applied to data from LVRECC's Continuous Property Records ("CPRs") for Accounts 364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or no demand component for each account. The zero load amount is then utilized as a basis to determine the customer-related investment and its percent of the total investment for the accounts listed above. The residual amount and percentage is considered to be demand-related. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The minimum size method was used to determine the demand related and consumer related components for accounts 364-poles and 365-overhead conductor. The zero-intercept method was used for account 368-transformers

The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q12. Explain Schedule 4?

A12. Schedule 4 is the allocation of the classified expenses to LVRECC's electric rate classes. The demand related expenses are allocated on two different bases. The demand-related purchased power costs are allocated to the proper rate classes proportional to the sum of each rate class's contribution to EKPC's monthly billing peak. The demand-related costs for lines and transformers are allocated proportionally on the basis of each rate class's monthly peak demand for the test year. The purchased power energy-related costs allocated to the rate classes proportional on retail energy sales.

The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is based on number of customers. For transformers, the allocation is based on the number of consumers and the investment in the minimum size transformer for each rate class. For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, it is weighing factors based on billing units per rate class for consumer records and the number of factors for meter reading. The number of

customers is also a factor in this to determine the proper allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

Q13. What is included in Schedule 5?

A13. Schedule 5 provides the amount of increase that is being proposed for each rate class. The revenue requirements for each rate class minus the sum of the revenue from current rates and the other revenue provides the amount of over or under recovery by rate class. The other revenue has been allocated to each rate class proportionally on the basis of revenue from rates. The results from this schedule indicate that Schedules A-Residential, B-Small Commercial and SL-Security Lights should have an increase in its rates. Schedules LP and LPR are providing revenues in excess of their costs to serve. It was determined to increase the rates for Schedules B and SL to their full revenue requirements and the remainder of the increase is to be placed on Schedule A. Schedule A-1 does not move to the full cost to serve but does come much closer.

Q14. What is the purpose of Schedule 6?

A14. Schedule 6 provides the proposed rate design. For Schedule A, the customer charge has been set at \$10.00 while the full cost for the customer-related costs would be close to \$20.00. The energy charge receives the remaining revenue requirements. For Schedule B, the customer charge is set at \$20.00 which is close to the cost to serve. The

remaining revenue requirements are then recovered through the energy charge. The current rates for Schedule SL are increased by the same percentage amount to arrive at the proposed rates.

Q15. Please summarize the results of the COSS?

A15. The results of the COSS are that Schedule A should receive the largest percentage increase and smaller increase percentages for Schedules B and SL while Schedules LP and LPR will not receive any increase. For rate design, an increase in the customer charge is being sought for Schedule A but still much lower than the cost to serve. Raising the customer charge will help to alleviate revenue and margin problems for the cooperative as consumers increase their conservation efforts.

Q16. Does this conclude your testimony?

A16. This concludes my testimony.

Affiant, James R. Adkins, states that the answers given by him in the foregoing questions are true and correct to the best of his knowledge and belief.

  
James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 09th day of July, 2009

My Commission expires 05/29/2012.

  
Notary Public, State of Kentucky at Large

Licking Valley Rural Electric  
Case No. 2009-00016  
Average Bill for Residential Rate Class  
Schedule I - Farm and Home

	<u>Present</u>	<u>Proposed</u>
Customer charge	\$7.65	\$10.00
Energy charge	\$0.07828	\$0.08573

<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>	
0	\$7.65	\$10.00	\$2.35	30.7%	
25	9.61	12.14	2.54	26.4%	
50	11.56	14.29	2.72	23.5%	
100	15.48	18.57	3.10	20.0%	
150	19.39	22.86	3.47	17.9%	
200	23.31	27.15	3.84	16.5%	
250	27.22	31.43	4.21	15.5%	
300	31.13	35.72	4.59	14.7%	
350	35.05	40.01	4.96	14.2%	
400	38.96	44.29	5.33	13.7%	
450	42.87	48.58	5.70	13.3%	
500	46.79	52.87	6.08	13.0%	
600	54.62	61.44	6.82	12.5%	
700	62.44	70.01	7.57	12.1%	
800	70.27	78.58	8.31	11.8%	
900	78.10	87.16	9.06	11.6%	
1,000	85.93	95.73	9.81	11.4%	
1,100	93.75	104.30	10.55	11.3%	
1,200	101.58	112.88	11.30	11.1%	
1,300	109.41	121.45	12.04	11.0%	
1,400	117.24	130.02	12.79	10.9%	
1,500	125.06	138.60	13.53	10.8%	
1,600	132.89	147.17	14.28	10.7%	
1,700	140.72	155.74	15.02	10.7%	
1,800	148.55	164.31	15.77	10.6%	
1,900	156.37	172.89	16.51	10.6%	
2,000	164.20	181.46	17.26	10.5%	
The average monthly useage	<b>1,011</b>	<b>86.77</b>	<b>96.65</b>	<b>9.89</b>	<b>11.4%</b>

Licking Valley Rural Electric  
Case No. 2009-00016  
Revenue Analysis  
December 31, 2008

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0520	Percent of Total	Normalized Case No. 2008-0419	Percent of Total	Proposed Revenue	Percent of Total	Increase	
										Amount	Percent
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LP, Large Power Service	26,414,039	2,323,518	11%	2,323,518	11%	2,477,980	11%	2,477,980	11%	0	0.0%
LPR, Large Power Rate	19,191,648	1,299,089	6%	1,299,089	6%	1,387,629	6%	1,387,629	6%	0	0.0%
SL - Security Lights	6,963,308	753,910	4%	753,910	4%	803,838	4%	953,622	4%	149,784	18.6%
Envirowatts	43,400	1,199	0%	1,226	0%	1,226	0%	1,226	0%	0	0.0%
Rounding differences		<u>276</u>		<u>276</u>		<u>295</u>		<u>51</u>		<u>(244)</u>	
Total from base rates	<u>258,176,565</u>	21,028,486	100%	<u>\$21,028,513</u>	100%	<u>\$22,430,654</u>	100%	<u>\$24,503,319</u>	109%	<u>\$2,072,665</u>	9.9%
Fuel adjustment billed		2,318,349									
Environmental surcharge billed		<u>1,066,377</u>									
		<u>\$24,413,212</u>									
Increase				<u>\$27</u>		<u>\$1,402,141</u>		<u>\$2,072,665</u>			

Licking Valley Rural Electric  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Schedule A - Residential, Farm, Small Community Hall & Churches

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	193,099	\$1,384,520	\$7.17	\$1,384,520	\$7.65
Energy charge per kWh	195,180,670	14,323,529	\$0.073386	14,323,529	\$0.078275	15,277,767	\$0.085730	16,732,839
Total from base rates		15,708,048		<u>\$15,708,048</u>		<u>\$16,754,974</u>		<u>\$18,663,829</u>
Fuel adjustment		1,811,139						
Environmental surcharge		1,066,377						
Total revenues		<u>\$18,585,565</u>						
Amount				\$0		\$1,046,926		\$1,908,855
Percent				0.0%		6.7%		11.4%
Average monthly bill		\$81.35		\$81.35		\$86.77		\$96.65
Amount				\$0.00		\$5.42		\$9.89
Percent				0.0%		6.7%		11.4%

Licking Valley Rural Ele  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Schedule B, Commercial and Small Power

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	11,660	\$173,268	\$14.86	\$173,268	\$15.85	\$184,811	\$20.00	\$233,200
Energy charge	10,383,500	761,308	\$0.073319	761,308	\$0.078204	812,031	\$0.075676	785,782
Minimum kva capacity		<u>7,869</u>		<u>7,869</u>		<u>7,869</u>		<u>7,869</u>
Total from base rates		942,445		<u>\$942,445</u>		<u>\$1,004,712</u>		<u>\$1,018,982</u>
Fuel adjustment		95,255						
Environmental surcharge		<u>0</u>						
Total revenues		<u>\$1,037,700</u>						
Amount				\$0		\$62,267		\$14,270
Percent				0.0%		6.6%		1.4%
Average monthly bill		\$80.83		\$80.83		\$86.17		\$87.39
Amount				\$0.00		\$5.34		\$1.22
Percent				0.0%		6.6%		1.4%

Licking Valley Rural Electric  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Schedule LP, Large Power Service

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	2,337	\$107,782	\$46.12	\$107,782	\$49.19
Demand Charge	101,400	676,339	\$6.67	676,339	\$7.11	720,955	\$7.11	720,955
Energy charge	26,414,039	1,540,995 (1,598)	\$0.058340	1,540,995 (1,598)	\$0.062227	1,643,666 (1,598)	\$0.062227	1,643,666 (1,598)
Primary meter discount								
Total from base rates		2,323,518		<u>\$2,323,518</u>		<u>\$2,477,980</u>		<u>\$2,477,980</u>
Fuel adjustment		237,020						
Environmental surcharge		0						
Total revenues		<u>\$2,560,538</u>						
Amount				\$0		\$154,462		\$0
Percent				0.0%		6.6%		0.0%
Average monthly bill				\$994.23		\$1,060.33		\$1,060.33
Amount				\$0.00		\$66.09		\$0.00
Percent				0.0%		6.6%		0.0%

Licking Valley Rural Electric  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Schedule LPR - Large Power Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	144	\$13,283	\$92.24	\$13,283	\$98.39	\$14,168	\$98.39	\$14,168
Demand Charge	54,390.980	339,944	\$6.25	339,944	\$6.67	362,788	\$6.67	362,788
Energy charge	19,191,648	972,863	\$0.050692	972,863	\$0.054069	1,037,673	\$0.054069	1,037,673
Primary meter discount		(27,000)		(27,000)		(27,000)		(27,000)
Total from base rates		1,299,089		<u>\$1,299,089</u>		<u>\$1,387,629</u>		<u>\$1,387,629</u>
Fuel adjustment		172,599						
Environmental surcharge		0						
Total revenues		<u>\$1,471,688</u>						
Amount				\$0		\$88,540		\$0
Percent				0.0%		6.8%		0.0%
Average monthly bill		\$9,021.45		\$9,021.45		\$9,636.31		\$9,636.31
Amount				\$0.00		\$614.86		\$0.00
Percent				0.0%		6.8%		0.0%

Licking Valley Rural Electric  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Schedule SL, Security Lights

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
175 Watt MV	99,273	749,511	\$7.55	749,511	\$8.05	799,148	\$9.55	948,057
100 Watt Halide	535	4,039	\$7.55	4,039	\$8.05	4,307	\$9.55	5,109
250 Watt Halide	0	0	\$11.53	0	\$12.30	0	\$14.59	0
400 Watt Halide	2	32	\$15.85	32	\$16.91	34	\$20.06	40
25' Pole	108	248	\$2.30	248	\$2.45	265	\$2.91	314
30' Pole	30	80	\$2.66	80	\$2.84	85	\$3.37	101
kWh	<u>6,963,308</u>			<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		753,910		<u>\$753,910</u>		<u>\$803,838</u>		<u>\$953,622</u>
Fuel adjustment		2,335						
Environmental surcharge		<u>0</u>						
Total revenues		<u>\$756,246</u>						
Amount				\$0		\$49,928		\$149,784
Percent				0.00%		6.62%		18.63%

Licking Valley Rural Electric  
Case No. 2009-00016  
Billing Analysis  
December 31, 2008

Envirowatts

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Envirowatts	1,199	\$0.02825	1,226	\$0.02825	1,226
kWh	<u>43,400</u>		<u>0</u>		<u>0</u>		<u>0</u>	
Billing adjustments			<u>0</u>		<u>0</u>		<u>0</u>	
Total from base rates		1,199	<u>\$1,226</u>		<u>\$1,226</u>		<u>\$1,226</u>	
Fuel adjustment								
Environmental surcharge								
Total revenues		<u>\$1,199</u>						
Amount			\$27		\$0		\$0	
Percent			2.3%		0.0%		0.0%	

## Licking Valley Rural Electric Cooperative

Case No. 2009-00016

Computation of Rate of Return

December 31, 2008

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Net margins	(\$781,265)	\$989,748
Non-cash patronage dividends	241,839	0
Interest on long-term debt	<u>955,161</u>	<u>989,748</u>
Total	<u>415,735</u>	<u>1,979,496</u>
<b>Net rate base</b>	<u>37,772,060</u>	<u>37,718,098</u>
Rate of return	<u>1.10%</u>	<u>5.25%</u>
<b>Equity Capitalization</b>	<u>40,962,723</u>	<u>42,491,897</u>
Rate of return	<u>1.01%</u>	<u>4.66%</u>

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Determination of Rate Base  
December 31, 2008

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Gross rate base:		
Total electric plant	\$53,535,435	\$53,535,435
Material and supplies (13 months average for test year)	609,528	609,528
Prepayments (13 months average for test year)	133,729	133,729
Working capital: 12.5% of operating expense less cost of power	588,283	610,498
	54,866,975	54,889,190
Deductions from rate base:		
Accumulated depreciation	16,757,014	16,833,191
Consumer advances	337,901	337,901
Net rate base	\$37,772,060	\$37,718,098
	<u>Material</u>	<u>Prepayments</u>
December	435,749	258,835
January 2008	496,894	237,265
February	494,474	215,626
March	534,513	194,056
April	544,538	172,487
May	641,139	158,275
June	709,895	129,347
July	847,640	107,778
August	675,967	75,680
September	689,718	56,742
October	589,186	37,805
November	610,052	18,867
December	654,095	75,719
Average	609,528	133,729

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Computation of Rate of Return  
December 31, 2008

Test Year 2008	Calendar Year					
	1st 2007	2nd 2006	3rd 2005	4th 2004	5th 2003	
Net margins	(\$781,265)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$1,247,946
Interest on long-term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
<b>Total</b>	<b>173,896</b>	<b>1,698,738</b>	<b>2,825,230</b>	<b>1,226,718</b>	<b>1,193,434</b>	<b>2,170,799</b>
<b>Net rate base</b>	<b>37,772,060</b>	<b>36,636,349</b>	<b>35,529,029</b>	<b>34,904,473</b>	<b>33,936,759</b>	<b>32,910,383</b>
<b>Rate of return</b>	<u>0.46%</u>	<u>4.64%</u>	<u>7.95%</u>	<u>3.51%</u>	<u>3.52%</u>	<u>6.60%</u>

Return excluding G & T patronage dividends:	Calendar Year					
	Test Year 2008	1st 2007	2nd 2006	3rd 2005	4th 2004	5th 2003
Net margins	(\$781,265)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$1,247,946
G & T patronage dividends	241,839	-	-	-	-	775,347
Interest on long-term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
<b>Total</b>	<b>(67,943)</b>	<b>1,698,738</b>	<b>2,825,230</b>	<b>1,226,718</b>	<b>1,193,434</b>	<b>1,395,452</b>
<b>Net rate base</b>	<b>37,772,060</b>	<b>36,636,349</b>	<b>35,529,029</b>	<b>34,904,473</b>	<b>33,936,759</b>	<b>32,910,383</b>
<b>Rate of return, excluding G &amp; T</b>	<u>-0.18%</u>	<u>4.64%</u>	<u>7.95%</u>	<u>3.51%</u>	<u>3.52%</u>	<u>4.24%</u>

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Determination of Rate Base  
December 31, 2008

Test Year 2008	Calendar Year					
	1st 2007	2nd 2006	3rd 2005	4th 2004	5th 2003	
<b>Gross rate base:</b>						
Total electric plant	\$53,535,435	\$51,216,310	\$49,366,212	\$47,377,702	\$45,609,075	\$43,720,972
Material and supplies (13 mo. ave test year)	609,528	435,749	270,965	322,418	278,866	260,751
Prepayments (13 mo. ave test year)	133,729	258,835	86,431	227,615	197,656	52,020
Working capital:						
12.5% of operating expense	588,283	560,238	535,322	532,789	496,459	463,805
less cost of power	54,866,975	52,471,132	50,258,930	48,460,524	46,582,056	44,497,548
<b>Deductions from rate base:</b>						
Accumulated depreciation	16,757,014	15,454,756	14,400,936	13,218,886	12,305,018	11,228,622
Consumer advances	337,901	380,027	328,965	337,165	340,279	358,543
<b>Net rate base</b>	<b>\$37,772,060</b>	<b>\$36,636,349</b>	<b>\$35,529,029</b>	<b>\$34,904,473</b>	<b>\$33,936,759</b>	<b>\$32,910,383</b>

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**Licking Valley Rural Electric Cooperative****Case No. 2009-00016****TIER and DSC Calculations****December 31, 2008**

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<b>TIER:</b>		
Margins, excluding G&T		
capital credits and extraordinary items	(\$1,023,104)	\$989,748
Interest on long term debt	955,161	989,748
 TIER	 (0.07)	 2.00

**DSC:**

Margins, excluding G&T		
capital credits	(\$1,023,104)	\$989,748
Depreciation expense	1,915,787	1,967,639
Interest on long term debt	955,161	989,748
Principal payment on		
long term debt	1,075,460	1,075,460
 DSC	 0.91	 1.91

DSC = (Margins + depreciation + interest  
/ interest + principal payments)

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
TIER and DSC Calculations  
December 31, 2008

Test Year 2008	Calendar Year					
	1st 2007	2nd 2006	3rd 2005	4th 2004	5th 2003	
<b>TIER calculations:</b>						
Margins, excluding G&T capital credits	(\$1,023,104)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$472,599
Interest on long term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
<b>Modified TIER</b>	(0.07)	1.24	2.39	1.24	1.38	1.51
Margins, including G&T capital credits	(\$781,265)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$1,247,946
Interest on long term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
<b>TIER</b>	0.18	1.24	2.39	1.24	1.38	2.35
<b>DSC calculations:</b>						
DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
Margins, excluding G&T capital credits	(\$1,023,104)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$472,599
Depreciation expense	1,915,787	1,846,028	1,789,861	1,724,407	1,663,721	1,591,001
Interest on long term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
Principal payment on long term debt	1,075,460	888,171	783,473	767,899	726,345	666,236
<b>Modified DSC</b>	<u>0.91</u>	<u>1.57</u>	<u>2.35</u>	<u>1.68</u>	<u>1.79</u>	<u>1.88</u>
Margins, including G&T capital credits	(\$781,265)	\$332,508	\$1,641,255	\$238,268	\$327,187	\$1,247,946
Depreciation expense	1,915,787	1,846,028	1,789,861	1,724,407	1,663,721	1,591,001
Interest on long term debt	955,161	1,366,230	1,183,975	988,450	866,247	922,853
Principal payment on long term debt	1,075,460	888,171	783,473	767,899	726,345	666,236
<b>DSC</b>	<u>1.03</u>	<u>1.57</u>	<u>2.35</u>	<u>1.68</u>	<u>1.79</u>	<u>2.37</u>

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Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Equity Capitalization  
December 31, 2008

	Test Year 2008	Calendar Year					
		2007	2006	2005	2004	2003	
<b>Equity Capitalization: without G&amp;T patronage capital</b>							
Total margins and equities	22,084,743	20,313,730	22,386,924	22,047,854	20,402,664	20,155,764	19,825,592
Less G&T Patronage capital	5,036,046	4,794,207	4,794,207	4,794,207	4,794,207	4,794,207	4,018,860
	17,048,697	15,519,523	17,592,717	17,253,647	15,608,457	15,361,557	15,806,732
Long-term debt	25,443,200	25,443,200	26,518,660	22,626,831	21,410,304	20,178,203	20,904,549
Total	42,491,897	40,962,723	44,111,377	39,880,478	37,018,761	35,539,760	36,711,281
Equity capitalization ratio	<u>40%</u>	<u>38%</u>	<u>40%</u>	<u>43%</u>	<u>42%</u>	<u>43%</u>	<u>43%</u>
<b>Equity Capitalization: with G&amp;T patronage capital</b>							
Total margins and equities	22,084,743	20,313,730	22,386,924	22,047,854	20,402,664	20,155,764	19,825,592
Long-term debt	25,443,200	25,443,200	26,518,660	22,626,831	21,410,304	20,178,203	20,904,549
Total	47,527,943	45,756,930	48,905,584	44,674,685	41,812,968	40,333,967	40,730,141
Equity capitalization ratio	<u>46%</u>	<u>44%</u>	<u>46%</u>	<u>49%</u>	<u>49%</u>	<u>50%</u>	<u>49%</u>
<b>Equity to Total Assets: with G&amp;T patronage capital</b>							
Total margins and debt	47,527,943	45,756,930	48,905,584	44,674,685	41,812,968	40,333,967	40,730,141
Total assets	54,557,898	52,786,885	54,136,479	49,580,112	46,749,242	44,721,763	44,906,965
Total	102,085,841	98,543,815	103,042,063	94,254,797	88,562,210	85,055,730	85,637,106
Equity to total asset ratio	<u>47%</u>	<u>46%</u>	<u>47%</u>	<u>47%</u>	<u>47%</u>	<u>47%</u>	<u>48%</u>

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**Licking Valley Rural Electric Cooperative****Case No. 2009-00016****Reconciliation of Rate Base and Capital****December 31, 2008**

Reconciliation of Rate Base and Capital used to determine revenue requirements are as follows:

Equity Capitalization, with	
G&T capital credits	45,756,930
G&T capital credits	<u>(5,036,046)</u>
	40,720,884

## Reconciling items:

Capital credits from associated organizations	
(Allocated but unpaid)	(1,504,664)
Working capital requirements	588,283
Material and supplies, 13 month average	609,528
Prepayments, 13 month average	133,729
Cash and temporary investments	(3,391,743)
Accounts receivable	(5,346,197)
Material and supplies	(654,095)
Prepayments	(75,719)
Accumulated operating provisions	3,030,498
Accounts payable	2,093,987
Consumer deposits	1,269,285
Accrued expenses	298,284

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Net Rate Base	<u><u>37,772,060</u></u>
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E v H M

Company: 19056 Year: 2008

Account #	Title	Lookup Name	Req GL Actv	Account	Types Balance	Print	Primary Account #	Matrix
107.2	CONST WK IN PROG	CONST WK IN PRO	No	Asset	debit	Yes		
107.21	CONST WK IN PROG-CONTR	CONST WK IN PRO	No	Asset	debit	Yes		
107.22	CONST WK IN PROG-MAL WHSE	CONST WK IN PRO	No	Asset	debit	Yes		
107.23	CONST WK IN PROG-MAL BLDG	CONST WK IN PRO	No	Asset	debit	Yes		
107.24	CONSTRUCTION WORK IN PROGRESS-PA	CONSTRUCTION WO	No	Asset	debit	Yes		
107.27	VOID CHECKS	VOID CHECKS	No	Asset	debit	Yes		
107.3	SPECIAL EQUIPMENT	SPECIAL EQUIPME	No	Asset	debit	Yes		
108.6	ACC PROV FOR DEPR-DIST	ACC PROV FOR DE	No	Asset	debit	Yes		
108.7	ACC PROV FOR DEPR-GEN	ACC PROV FOR DE	No	Asset	debit	Yes		
108.8	RET WK IN PROG	RET WK IN PROG	No	Asset	debit	Yes		
123.	PAT CAP-KAEC UUS CFC NISC	PAT CAP-KAEC UU	No	Asset	debit	Yes		
123.1	INVEST IN ASSOC ORG	INVEST IN ASSOC	No	Asset	debit	Yes		
123.11	PAT CAP-EKP	PAT CAP-EKP	No	Asset	debit	Yes		
123.22	INVEST IN CTC-CFC	INVEST IN CTC-C	No	Asset	debit	No		
131.1	CASH-GENERAL	CASH-GENERAL	No	Asset	debit	Yes		
131.11	CASH-PAYROLL	CASH-PAYROLL	No	Asset	debit	Yes		
131.2	CASH-CONST	CASH-CONST	No	Asset	debit	Yes		
131.4	TRANSFER OF CASH	TRANSFER OF CAS	No	Asset	debit	Yes		
132.	INTEREST-SPEC DEP	INTEREST-SPEC D	No	Asset	debit	Yes		
135.	WORKING FUNDS	WORKING FUNDS	No	Asset	debit	Yes		
136.	TEMP CASH INVEST	TEMP CASH INVES	No	Asset	debit	Yes		
142.	ACCTS REC-ELECTRIC	ACCTS REC-ELECT	No	Asset	debit	Yes		
142.1	CUST ACCT REC-RET CKS	CUST ACCT REC-R	No	Asset	debit	Yes		
142.11	CUSTOMER ACCOUNTS RECEIVABLE-ELE	CUSTOMER ACCOUN	No	Asset	debit	Yes		
142.2	CUST ACCTS REC-OTHER	CUST ACCTS REC-	No	Asset	debit	Yes		
142.21	ACCTS REC-FEMA	ACCTS REC-FEMA	No	Asset	debit	Yes		
142.99	ACCTS REC CLEARING	ACCTS REC CLEAR	No	Asset	debit	Yes		
143.	ACCTS REC-EMP & DIR	ACCTS REC-EMP &	No	Asset	debit	Yes		
143.1	ACCTS REC-401K	ACCTS REC-401K	No	Asset	debit	Yes		
143.2	ACCTS REC-401K	ACCTS REC-401K	No	Asset	debit	Yes		
143.3	ACCTS REC-125 MED	ACCTS REC-125 M	No	Asset	debit	Yes		
144.1	ACC PROV FOR UNCOLL-ELECT	ACC PROV FOR UN	No	Asset	debit	Yes		
144.3	ACC PROV FOR UNCOLL-OTHER	ACC PROV FOR UN	No	Asset	debit	Yes		
154.	MATERIALS & SUP-ELECT	MATERIALS & SUP	No	Asset	debit	Yes		
155.	MATERIALS & SUP-MERCH	MATERIALS & SUP	No	Asset	debit	Yes		
156.	TRANSPORTATION INVENTORY	TRANSP INVENT	No	Asset	debit	Yes		
163.	STORES EXP CLEARING	STORES EXP CLEA	No	Asset	debit	Yes		
165.1	PREPAY GENERAL INS	PREPAY GENERAL	No	Asset	debit	Yes		
165.2	PREPAY-ER 401K	PREPAY-ER 401K	No	Asset	debit	Yes		
165.3	PREPAY-NRECA HOSP	PREPAY-NRECA HO	No	Asset	debit	Yes		
165.4	PREPAY-RETIRED EMP HEALTH	PREPAY-RETIRED	No	Asset	debit	Yes		
184.	INVENTORY-GAS	INVENTORY-GAS	No	Asset	debit	Yes		
184.1	TRANSP EXP CLEARING	TRANSP EXP CLEA	No	Asset	debit	Yes		
186.	MISC DEF DEBTS-DIST SYS	MISC DEF DEBTS-	No	Asset	debit	Yes		
186.1	WAGES	WAGES	No	Asset	debit	Yes		
186.2	MISC DEFER DEBTS-CTC	MISC DEFER DEBT	No	Liability	credit	Yes		
200.1	MEMBERSHIP-ISSUED	MEMBERSHIP-ISSU	No	Liability	credit	Yes		
200.2	MEMBERSHIP-UNISSUED	MEMBERSHIP-UNIS	No	Liability	credit	Yes		
201.1	PATRONS CAPITAL CREDIT	PATRONS CAPITAL	No	Liability	credit	Yes		
201.2	PAT CAP ASSIGNABLE	PAT CAP ASSIGNA	No	Liability	credit	Yes		
208.	DONATED CAPITAL	DONATED CAPITAL	No	Asset	debit	Yes		
209.	ACCUMULATED OTHER COMP INCOME	ACCUMULATED OTH	No	Asset	debit	Yes		
219.1	OPERATING MARGINS	OPERATING MARGI	No	Liability	credit	Yes		

Ex A M

Company: 19056 Year: 2008

Account #	Title	Lookup Name	Req GL Actv	Account	Types Balance	Print	Primary Account #	Matrix
219.2	NON OPERATING MARGINS	NON OPERATING M No		Liability	credit	Yes		
219.3	OTHER MARGINS-PR YR DEFICITS	OTHER MARGINS-P No		Liability	credit	Yes		
219.4	OTHER MARGINS-PR PERIODS	OTHER MARGINS-P No		Liability	credit	Yes		
224.1	LONG TERM DEBT-RUS CONST	LONG TERM DEBT- No		Liability	credit	Yes		
224.12	LONG TERM DEBT-CFC CONST	LONG TERM DEBT- No		Liability	credit	Yes		
224.13	CFC LONG TERM NOTES EXECUTED	CFC LONG TERM N No		Liability	credit	Yes		
224.14	LONG TERM DEBT-FFB	LONG TERM DEBT- No		Liability	credit	Yes		
224.15	FFB LONG TERM NOTES EXECUTED	FFB LONG TERM N No		Liability	credit	Yes		
224.2	LONG TERM DEBT-REA CONST NOTES	LONG TERM DEBT- No		Liability	credit	Yes		
224.3	RUS LOAN AVAILABLE	RUS LOAN AVAILA No		Liability	credit	Yes		
224.4	RUS NOTES EXECUTED-CONST	RUS NOTES EXECU No		Liability	credit	Yes		
226.	INT ACCRUED DEFERRED-RUS CONST	INT ACCRUED DEF No		Liability	credit	Yes		
228.3	LONG TERM LIA-PENSIONS/BENEFITS	LONG TERM LIA-P No		Liability	credit	Yes		
231.	NOTES PAYABLE	NOTES PAYABLE No		Liability	credit	Yes		
232.1	AP-GENERAL	AP-GENERAL No		Liability	credit	Yes		
232.2	AP-WINTERCARE	AP-WINTERCARE No		Liability	credit	Yes		
232.3	AP-EAST KY POWER	AP-EAST KY POWE No		Liability	credit	Yes		
232.4	AP-CREDIT UNION	AP-CREDIT UNION No		Liability	credit	Yes		
232.5	ACCOUNTS PAYABLE - CTC	ACCOUNTS PAYABL No		Liability	credit	Yes		
232.6	AP-INSURANCE	AP-INSURANCE No		Liability	credit	Yes		
232.61	AP-PREPAID LEGAL	AP-PREPAID LEGA No		Liability	credit	Yes		
232.7	AP-CHILD SUPPORT	AP-CHILD SUPPOR No		Liability	credit	Yes		
235.	CONSUMER DEPOSITS	CONSUMER DEPOST No		Liability	credit	Yes		
236.1	ACCRUED PROPERTY TAXES	ACCRUED PROPERT No		Liability	credit	Yes		
236.11	ACCRUED PSC ASSESSMENT TAX	ACCRUED PSC ASS No		Liability	credit	Yes		
236.2	ACCRUED FUTX	ACCRUED FUTX No		Liability	credit	Yes		
236.3	ACCRUED FICA	ACCRUED FICA No		Liability	credit	Yes		
236.4	ACCRUED SUTA	ACCRUED SUTA No		Liability	credit	Yes		
236.5	ACCRUED STATE SALES TAX	ACCRUED STATE S No		Liability	credit	Yes		
236.51	UTILITY TAX-MORGAN CO	UTILITY TAX-MOR No		Liability	credit	Yes		
236.52	UTILITY TAX-WOLFE CO	UTILITY TAX-WOL No		Liability	credit	Yes		
236.53	UTILITY TAX-BREATHITT CO	UTILITY TAX-BRE No		Liability	credit	Yes		
236.54	UTILITY TAX-MAGOFFIN CO	UTILITY TAX-MAG No		Liability	credit	Yes		
236.55	UTILITY TAX-LEE CO	UTILITY TAX-LEE No		Liability	credit	Yes		
236.56	UTILITY TAX-MENIFEE CO	UTILITY TAX-MEN No		Liability	credit	Yes		
236.57	UTILITY TAX-ELLOITT CO	UTILITY TAX-ELL No		Liability	credit	Yes		
236.58	UTILITY TAX-ROWAN CO	UTILITY TAX-ROW No		Liability	credit	Yes		
237.1	ACCRUED INT-RUS CONST	ACCRUED INT-RUS No		Liability	credit	Yes		
237.2	ACCRUED INT-FFB CONST	ACCRUED INT-FFB No		Liability	credit	Yes		
237.3	ACCRUED INT-CFC CONST	ACCRUED INT-CFC No		Liability	credit	Yes		
237.4	ACCRUED INT-SHORT TERM CFC	ACCRUED INT-SHO No		Liability	credit	Yes		
237.5	ACCRUED INT-CONS DEP	ACCRUED INT-CON No		Liability	credit	Yes		
237.7	ACCRUED DEBT DISC-CFC CONV FEE	ACCRUED DEBT DI No		Liability	credit	Yes		
238.99	CAPITAL CREDIT CLEARING	CAPITAL CREDIT No		Liability	credit	Yes		
241.	TAX COLL PAYABLE-FEDERAL WH	TAX COLL PAYABL No		Liability	credit	Yes		
241.1	TAX COLL PAYABLE-STATE WH	TAX COLL PAYABL No		Liability	credit	Yes		
241.2	TAX COLL PAYABLE-LEE CO	TAX COLL PAYABL No		Liability	credit	Yes		
241.3	TAX COLLECTION-CITY OF WL	CITY OF WL No		Liability	credit	Yes		
241.4	TAX COLLECTION-MENIFEE COUNTY	MENIFEE CO TAX No		Liability	credit	Yes		
241.5	TAX COLLECTION-MORGAN COUNTY	MORGAN CO TAX No		Liability	credit	Yes		
242.2	ACCRUED PAYROLL	ACCRUED PAYROLL No		Liability	credit	Yes		
242.3	ACCRUED VACATION	ACCRUED VACATIO No		Liability	credit	Yes		
242.4	ACCRUED INSURANCE	ACCRUED INSURAN No		Liability	credit	Yes		

Licking Valley RECC  
Chart Of Accounts

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01/09/2009 19056  
Fri 14:20

Company: 19056 Year: 2008

Account #	Title	Lookup Name	Req GL Actv	Account	Types Balance	Print	Primary Account #	Matrix
242.6	ACCRUED SICK LEAVE	ACCRUED SICK LE	No	Liability	credit	Yes		
242.99	PAYROLL HOLDING	PAYROLL HOLDING	No	Liability	credit	Yes		
252.	CONSTRUCTION PREPAYMENT	CONST PREPAY	No	Liability	credit	Yes		
252.1	CUST ADV FOR CONST-HOUSES	CUST ADV FOR CO	No	Liability	credit	Yes		
252.2	CUST ADV FOR CONST-TRAILERS	CUST ADV FOR CO	No	Liability	credit	Yes		
252.3	CUST ADV FOR CONST-PREPAY SL	CUST ADV FOR CO	No	Liability	credit	Yes		
362.	STATION EQUIPMENT	STATION EQUIPME	No	Asset	debit	Yes		
364.	POLES TOWERS & FIXTURES	POLES TOWERS &	No	Asset	debit	Yes		
365.	OVERHEAD COND & DEVICES	OVERHEAD COND &	No	Asset	debit	Yes		
366.	UNDERGROUND CONDUIT	UNDERGROUND CON	No	Asset	debit	Yes		
367.	UNDGRD CONDUIT & DEVICES	UNDGRD CONDUIT	No	Asset	debit	Yes		
368.	LINE TRANSFORMERS	LINE TRANSFORME	No	Asset	debit	Yes		
369.	SERVICES	SERVICES	No	Asset	debit	Yes		
370.	METERS	METERS	No	Asset	debit	Yes		
370.1	AMR DEVICES-TURTLES	AMR DEVICES-TUR	No	Asset	debit	Yes		
371.	INSTALL ON CUST PREMISES-SL	INSTALL ON CUST	No	Asset	debit	Yes		
389.	LAND AND LAND RIGHTS	LAND AND LAND R	No	Asset	debit	Yes		
390.	STRUCTURES & IMPROVEMENTS	STRUCTURES & IM	No	Asset	debit	Yes		
391.	OFFICE FURN & EQUIPMENT	OFFICE FURN & E	No	Asset	debit	Yes		
392.	TRANSP EQUIPMENT	TRANSP EQUIPMEN	No	Asset	debit	Yes		
393.	STORES EQUIPMENT	STORES EQUIPMEN	No	Asset	debit	Yes		
394.	TOOL SHOP GARAGE EQUIP	TOOL SHOP GARAG	No	Asset	debit	Yes		
395.	LABORATORY EQUIPMENT	LABORATORY EQUI	No	Asset	debit	Yes		
396.1	POWER OPERATED EQUIP	POWER OPERATED	No	Asset	debit	Yes		
396.2	TOOLS & WORK EQUIP-SMALL	TOOLS & WORK EQ	No	Asset	debit	Yes		
397.	COMMUNICATION EQUIP	COMMUNICATION E	No	Asset	debit	Yes		
398.	MISC EQUIP-KITCHEN	MISC EQUIP-KITC	No	Expense	debit	Yes		
403.6	DEPRECIATION EXP-DIST	DEPRECIATION EX	No	Expense	debit	Yes		
403.7	DEPRECIATION EXP-GEN	DEPRECIATION EX	No	Expense	debit	Yes		
408.1	TAXES-PROPERTY	TAXES-PROPERTY	No	Expense	debit	Yes		
408.2	TAXES-FUTX	TAXES-FUTX	No	Expense	debit	Yes		
408.3	TAXES-FICA	TAXES-FICA	No	Expense	debit	Yes		
408.4	TAXES-SUTA	TAXES-SUTA	No	Expense	debit	Yes		
408.5	TAXES-CITY OF SALYERSVILLE	TAXES-CITY OF S	No	Expense	debit	Yes		
408.6	PSC ASSESSMENT	PSC ASSESSMENT	No	Income	credit	Yes		
415.	NON-OPERATING REVENUE	NON-OPR REV	No	Expense	debit	Yes		
416.	COST OF NON-OPERATING REVENUE	COST OF NON-OPR	No	Income	credit	Yes		
419.	INTEREST & DIVIDENDS	INTEREST & DIVI	No	Income	credit	Yes		
421.	MISC NONOPERATING INCOME	MISC NONOPERATI	No	Income	credit	Yes		
424.1	PAT DIVIDENDS-EAST KY POWER	PAT DIVIDENDS-E	No	Income	credit	Yes		
424.2	PAT DIVIDENDS-UUS	PAT DIVIDENDS-U	No	Income	credit	Yes		
424.3	PAT DIVIDENDS-NISC	PAT DIVIDENDS-N	No	Income	credit	Yes		
424.4	PAT DIVIDENDS-KAEC	PAT DIVIDENDS-K	No	Income	credit	Yes		
424.5	PAT DIVIDENDS-CFC	PAT DIVIDENDS-C	No	Income	credit	Yes		
424.6	PAT DIVIDENDS-MT TELEPHONE	PAT DIVIDENDS-M	No	Income	credit	Yes		
424.7	PAT DIVIDENDS-NRTC	PAT DIVIDENDS-N	No	Income	credit	Yes		
424.8	PAT DIVIDENDS-FEDERATED INS	PAT DIVIDENDS-F	No	Income	credit	Yes		
426.	DONATIONS	DONATIONS	No	Expense	debit	Yes		
426.3	PENALTIES	PENALTIES	No	Expense	debit	Yes		
426.4	POLITICAL & RELATED ACT	POLITICAL & REL	No	Expense	debit	Yes		
426.5	OTHER DEDUCTIONS	OTHER DEDUCTION	No	Expense	debit	Yes		
426.6	DIRECTOR & ATTORNEY WIFE EXP	DIRECTOR & ATTO	No	Expense	debit	Yes		
427.1	INTEREST-RUS CONST	INTEREST-RUS CO	No	Expense	debit	Yes		

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Company: 19056 Year: 2008

Account #	Title	Lookup Name	Req GL Actv	Account	Types Balance	Print	Primary Account #	Matrix
427.2	INTEREST-CFC CONST	INTEREST-CFC CO	No	Expense	debit	Yes		
427.3	INTEREST-FFB CONST	INTEREST-FFB CO	No	Expense	debit	Yes		
428.	DEBT DISC & EXP-CONV FEE	DEBT DISC & EXP	No	Expense	debit	Yes		
431.	INTEREST EXP-OTHER	INTEREST EXP-OT	No	Expense	debit	Yes		
431.1	OTHER INTEREST EXP	OTHER INTEREST	No	Expense	debit	Yes		
431.5	INTEREST EXP-CONS DEPOSITS	INTEREST EXP-CO	No	Expense	debit	Yes		
435.1	CUMULATIVE EFFECT OF CHG IN ACCT	CUMULATIVE EFFE	No	Income	credit	Yes		
440.1	RESIDENTIAL SALES-SCH A	RESIDENTIAL SAL	No	Income	credit	Yes		
440.11	RESIDENTIAL SALES-ENVIRO WATTS	RESIDENTIAL SAL	No	Income	credit	Yes		
440.3	SMALL COMM-SCH B	SMALL COMM-SCH	No	Income	credit	Yes		
442.2	LARGE COMMERICAL-SCH LP	LARGE COMMERICA	No	Income	credit	Yes		
442.21	SCHEDULE LPR-OVER 1000 KVA	SCHEDULE LPR-OV	No	Income	credit	Yes		
442.22	SCHEDULE LPR-UNDER 1000 KVA	SCHEDULE LPR-UN	No	Income	credit	Yes		
442.23	LGE POWER LPR-EKCC	LGE POWER LPR-E	No	Income	credit	Yes		
442.24	LGE COMM LPR-CAMPTON ELEM/BONEAL	LGE COMM LPR-CA	No	Income	credit	Yes		
442.25	LGE COMM LPR-WOLFE HEALTH/MSU CT	LGE COMM LPR-WO	No	Income	credit	Yes		
442.26	LGE COMM LPR-LION/HINKLE/TECH/WE	LGE COMM LPR-LI	No	Income	credit	Yes		
444.2	SECURITY LIGHT-DEVICES	SECURITY LIGHT-	No	Income	credit	Yes		
450.	FORFEITED DISCOUNTS	FORFEITED DISCO	No	Income	credit	Yes		
454.	RENT FROM ELECT PROP-JOINT POLE	RENT FROM ELECT	No	Income	credit	Yes		
454.1	RENT FROM ELECT PROP-CATV	RENT FROM ELECT	No	Income	credit	Yes		
456.	OTHER ELECTRIC REVENUE	OTHER ELECTRIC	No	Income	credit	Yes		
456.1	OTHER ELECT REVENUES-TEMP ENT	OTHER ELECT REV	No	Income	credit	Yes		
555.	PURCHASED POWER	PURCHASED POWER	No	Expense	debit	Yes		
580.	OPER SUPERVISION & ENG	OPER SUPERVISIO	No	Expense	debit	Yes		
583.	OVERHEAD LINE EXPENSES	OVERHEAD LINE E	No	Expense	debit	Yes		
583.1	OVERHEAD LINE EXPENSES - GRAYSON	OVERHEAD LINE E	No	Expense	debit	Yes		
583.2	EXPENSES-SYS INSPECTION	EXPENSES-SYS IN	No	Expense	debit	Yes		
584.	MAINT OF UNDERGROUND LINE	MAINT OF UNDERG	No	Expense	debit	Yes		
585.1	ST LIGHT & SIGNAL SYS EXP	ST LIGHT & SIGN	No	Expense	debit	Yes		
586.	METER EXPENSES	METER EXPENSES	No	Expense	debit	Yes		
587.	CUST INSTALLATION EXPENSE-SL	CUST INSTALLATI	No	Expense	debit	Yes		
588.	MISC DISTRIBUTION EXPENSE	MISC DISTRIBUTI	No	Expense	debit	Yes		
589.	RENTS	RENTS	No	Expense	debit	Yes		
590.	MAINT SUPERVISION & ENG	MAINT SUPERVISO	No	Expense	debit	Yes		
593.	MAINT OF OVERHEAD LINES	MAINT OF OVERHE	No	Expense	debit	Yes		
593.1	MAINT OF OVHD LINES-ROW	MAINT OF OVHD L	No	Expense	debit	Yes		
593.3	MAINT OF OVHD LINES-PCB	MAINT OF OVHD L	No	Expense	debit	Yes		
593.4	MAINT OF OVHD LINES-OTHER PCB	MAINT OF OVHD L	No	Expense	debit	Yes		
593.6	MAINT OF OVERHEAD LINES - MOUNTA	MAINT OF OVERHE	No	Expense	debit	Yes		
593.61	MAINT OF OVHD LINES-WA KENDALL	MAINT OF OVHD L	No	Expense	debit	Yes		
593.91	MAINT OF LINE-STORM 02-04-98	MAINT OF LINE-S	No	Expense	debit	Yes		
593.92	MAINT OF LINE-STORM 02-15-03	MAINT OF LINE-S	No	Expense	debit	Yes		
595.	MAINT OF LINE TRANSFORMERS	MAINT OF LINE T	No	Expense	debit	Yes		
597.	MAINTENANCE OF METERS	MAINTENANCE OF	No	Expense	debit	Yes		
901.	SUPERVISION CONSUMER ACCOUNTS	SUPERVISION CON	No	Expense	debit	Yes		
902.	METER READING EXPENSE	METER READING E	No	Expense	debit	Yes		
902.1	METER READING EXPENSE-ANNUAL	METER READING E	No	Expense	debit	Yes		
903.	CUST RECORDS & COLLECTIONS EXP	CUST RECORDS &	No	Expense	debit	Yes		
903.1	CUSTOMER RECORDS-NISC	CUSTOMER RECORD	No	Expense	debit	Yes		
903.2	CUSTOMER RECORDS-NISC MAIL ROOM	CUSTOMER RECORD	No	Expense	debit	Yes		
903.3	CUST RECORDS & COLLECTIONS-OFFIC	CUST RECORDS &	No	Expense	debit	Yes		
903.4	CUST RECORDS & COLLECTIONS-TRANS	CUST RECORDS &	No	Expense	debit	Yes		

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Company: 19056 Year: 2008

Account #	Title	Lookup Name	Req GL Actv	Account	Types Balance	Print	Primary Account #	Matrix
903.7	CUST RECORDS & COLLECTION-CAP CR	CUST RECORDS &	No	Expense	debit	Yes		
903.8	CONSUMER RECORDS-WRITTEN OFF	CONSUMER RECORD	No	Expense	debit	Yes		
904.	UNCOLLECTABLE ACCOUNTS	UNCOLLECTABLE A	No	Expense	debit	Yes		
907.	SUPERVISION CUSTOMER SERVICES	SUPERVISION CUS	No	Expense	debit	Yes		
908.	CUSTOMER ASSISTANCE EXPENSE	CUSTOMER ASSIST	No	Expense	debit	Yes		
913.	ADVERTISING EXPENSES	ADVERTISING EXP	No	Expense	debit	Yes		
920.	ADMIN & GENERAL-SALARIES	ADMIN & GENERAL	No	Expense	debit	Yes		
921.	OFFICE EXPENSE	OFFICE EXPENSE	No	Expense	debit	Yes		
921.1	OFFICE EXPENSE-UTILITIES	OFFICE EXPENSE-	No	Expense	debit	Yes		
921.2	OFFICE EXPENSE-POSTAGE	OFFICE EXPENSE-	No	Expense	debit	Yes		
921.3	OFFICE EXPENSE-MISC	OFFICE EXPENSE-	No	Expense	debit	Yes		
921.4	EXPENSES-B DUNCAN	EXPENSES-B DUNC	No	Expense	debit	Yes		
921.6	EXPENSES-KERRY HOWARD	EXPENSES-KERRY	No	Expense	debit	Yes		
923.	OUTSIDE SERVICES EMPLOYED	OUTSIDE SERVICE	No	Expense	debit	Yes		
923.1	OUTSIDE SERVICE-UNION	OUTSIDE SERVICE	No	Expense	debit	Yes		
924.	PROPERTY INSURANCE	PROPERTY INSURA	No	Expense	debit	Yes		
925.	INJURIES & DAMAGES INSURANCE	INJURIES & DAMA	No	Expense	debit	Yes		
925.1	INJURIES & DAMAGES-W COMP	INJURIES & DAMA	No	Expense	debit	Yes		
926.	EMPLOYEE BENEFITS-VACATION	EMPLOYEE BENEFI	No	Expense	debit	Yes		
926.1	EMPLOYEE BENEFITS-INSURANCE	EMPLOYEE BENEFI	No	Expense	debit	Yes		
926.2	EMPLOYEE BENEFITS-SL	EMPLOYEE BENEFI	No	Expense	debit	Yes		
926.3	EMPLOYEE BENEFITS-FAS 106	EMPLOYEE BENEFI	No	Expense	debit	Yes		
926.4	EMPLOYEE BENEFITS-MED LV	EMPLOYEE BENEFI	No	Expense	debit	Yes		
928.	REGULATORY COMMISSION EXPENSES	REGULATORY COMM	No	Expense	debit	Yes		
929.	DUPLICATE CHARGES-CR	DUPLICATE CHARG	No	Expense	debit	Yes		
930.11	DIR FEE & EXP-PHILIP WILLIAMS	DIR FEE & EXP-P	No	Expense	debit	Yes		
930.12	DIR FEE & EXP-EARL MAY JR	DIR FEE & EXP-E	No	Expense	debit	Yes		
930.13	DIR FEE & EXP-JOHN MAY	DIR FEE & EXP-J	No	Expense	debit	Yes		
930.14	DIR FEE & EXP-DARRELL CUNDIFF	DIR FEE & EXP-D	No	Expense	debit	Yes		
930.15	DIR FEE & EXP-MICHAEL ADAMS	DIR FEE & EXP-M	No	Expense	debit	Yes		
930.17	DIR FEE & EXP-KERRY HOWARD	DIR FEE & EXP-K	No	Expense	debit	Yes		
930.18	DIR FEE & EXP-TED HOLBROOK	DIR FEE & EXP-T	No	Expense	debit	Yes		
930.19	DIR FEE & EXP-DOLORES D JONES	DIR FEE & EXP-D	No	Expense	debit	Yes		
930.2	DUES PAID TO ORGANIZATIONS	DUES PAID TO OR	No	Expense	debit	Yes		
930.21	DIR FEE & EXP-CK STACY	DIR FEE & EXP-C	No	Expense	debit	Yes		
930.22	DIR FEE & EXP-TOMMY HILL	DIR FEE & EXP-T	No	Expense	debit	Yes		
930.3	ANNUAL MEETING EXPENSES	ANNUAL MEETING	No	Expense	debit	Yes		
930.4	MISC GENERAL EXPENSE	MISC GENERAL EX	No	Expense	debit	Yes		
930.6	SHORTAGE & OVERAGE-CASHIERS	SHORTAGE & OVER	No	Expense	debit	Yes		
932.	MAINTENANCE OF GENERAL PROPERTY	MAINTENANCE OF	No	Expense	debit	Yes		
935.	MAINT OF GENERAL PROPERTY	MAINT OF GENERA	No	Expense	debit	Yes		
998.	998 Clearing	998 Clearing	No	Clearing	credit	Yes		
998.1	Profit Clearing Operating	Profit Clearing	No	Clearing	debit	Yes		
998.2	Profit Clearing Non Operating	Profit Clearing	No	Clearing	debit	Yes		
999.	999 Clearing	999 Clearing	No	Clearing	debit	Yes		

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**Kentucky 56**  
**Licking Valley Rural Electric**  
**Cooperative Corporation**  
**West Liberty, Kentucky**  
**Audited Financial Statements**  
**October 31, 2008 and 2007**

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**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

**MEMBER:**

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

Independent Auditor's Report

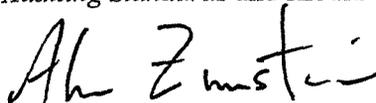
To the Board of Directors  
Licking Valley Rural Electric Cooperative

I have audited the balance sheets of Licking Valley Rural Electric Cooperative, as of October 31, 2008 and 2007, and the related statements of income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Licking Valley Rural Electric Cooperative's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Licking Valley Rural Electric Cooperative as of October 31, 2008 and 2007, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated January 12, 2009, on my consideration of Licking Valley Rural Electric Cooperative's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.



Alan M. Zumstein, CPA  
January 12, 2009

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**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

**MEMBER:**

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

To the Board of Directors  
Licking Valley Rural Electric Cooperative

I have audited the financial statements of Licking Valley Rural Electric Cooperative Corporation as of and for the years ended October 31, 2008 and 2007, and have issued my report thereon dated January 12, 2009. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Licking Valley's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Licking Valley's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Licking Valley's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

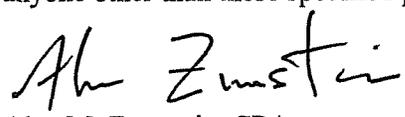
E+K ✓  
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To the Board of Directors  
Licking Valley Rural Electric Cooperative  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Licking Valley's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

  
Alan M. Zumstein, CPA  
January 12, 2009

Licking Valley Rural Electric Cooperative Corporation

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Balance Sheets, October 31, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Electric Plant, at original cost:		
In service	\$52,284,292	\$50,405,826
Under construction	1,044,888	665,722
	<u>53,329,180</u>	<u>51,071,548</u>
Less accumulated depreciation	16,587,787	15,302,774
	<u>36,741,393</u>	<u>35,768,774</u>
Investments in Associated Organizations	<u>6,298,871</u>	<u>6,264,851</u>
Current Assets:		
Cash and temporary investments	4,786,146	7,150,280
Accounts receivable, less allowance for 2008 of \$144,738 and 2007 of \$132,093	3,641,746	3,910,317
Material and supplies, at average cost	589,186	401,243
Prepaid insurance	37,805	55,722
	<u>9,054,883</u>	<u>11,517,562</u>
Total	<u>\$52,095,147</u>	<u>\$53,551,187</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$210,920	\$206,330
Patronage capital	20,896,252	21,597,386
Other equities	88,590	88,578
Accumulated other comprehensive income	(1,294,690)	(1,362,832)
	<u>19,901,072</u>	<u>20,529,462</u>
Long Term Debt	<u>24,806,441</u>	<u>25,706,222</u>
Accumulated Postretirement Benefits	<u>2,972,252</u>	<u>2,941,103</u>
Current Liabilities:		
Current portion of long term debt	900,000	1,030,000
Accounts payable	1,569,791	1,373,369
Consumer deposits	1,266,858	1,216,452
Accrued expenses	334,268	362,048
	<u>4,070,917</u>	<u>3,981,869</u>
Consumer Advances for Construction	<u>344,465</u>	<u>392,531</u>
Total	<u>\$52,095,147</u>	<u>\$53,551,187</u>

The accompanying notes are an integral part of the financial statements.

E+H 2  
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Statements of Revenue and Patronage Capital  
for the years ended October 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating Revenues	<u>\$24,215,241</u>	<u>\$24,082,915</u>
Operating Expenses:		
Cost of power	17,554,877	16,683,366
Distribution - operations	1,323,974	1,256,518
Distribution - maintenance	1,545,137	1,379,591
Consumer accounts	696,124	732,606
Customer service and information	69,121	139,253
Administrative and general	960,347	881,140
Depreciation, excluding \$149,121 in 2008 and \$146,072 in 2007 charged to clearing accounts	1,904,379	1,834,413
Taxes	24,922	26,381
Other deductions	17,309	15,121
	<u>24,096,190</u>	<u>22,948,389</u>
 Operating Margins before Interest Charges	 <u>119,051</u>	 <u>1,134,526</u>
Interest Charges:		
Long term debt	1,027,039	1,358,078
Other interest expense	78,168	71,293
	<u>1,105,207</u>	<u>1,429,371</u>
 Operating Margins after Interest Charges	 <u>(986,156)</u>	 <u>(294,845)</u>
 Nonoperating Margins, principally interest	 <u>215,128</u>	 <u>397,979</u>
Patronage Capital Assigned by:		
East Kentucky Power Cooperative	-	-
Other organizations	69,894	58,144
	<u>69,894</u>	<u>58,144</u>
 Net Margins	 (701,134)	 161,278
 Patronage Capital - beginning of year	 <u>21,597,386</u>	 <u>21,436,108</u>
 Patronage Capital - end of year	 <u>\$20,896,252</u>	 <u>\$21,597,386</u>

The accompanying notes are an integral part of the financial statements.

Ex. 14  
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Statements of Cash Flows  
for the years ended October 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Net margins	(\$701,134)	\$161,278
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	1,904,379	1,834,413
Charged to clearing	149,121	146,072
Accumulated postretirement benefits	99,291	173,777
Patronage capital credits assigned	(69,894)	(58,144)
Net change in current assets and liabilities:		
Receivables	268,571	(279,132)
Material and supplies	(187,943)	(138,327)
Prepayments	17,917	(12,725)
Accounts payable	196,422	125,357
Consumer deposits and advances	2,340	108,119
Accrued expenses	(27,780)	(78,617)
	<u>1,651,290</u>	<u>1,982,071</u>
Cash Flows from Investing Activities:		
Plant additions	(2,931,529)	(2,671,478)
Plant removal costs	(325,046)	(346,815)
Salvage recovered from retirement of plant	230,456	158,439
Receipts from investments, net	35,874	35,499
	<u>(2,990,245)</u>	<u>(2,824,355)</u>
Net Cash Flows from Financing Activities:		
Net increase in memberships	4,590	2,125
Increase in donated capitals	12	4,474
Advances on long term debt	-	4,780,000
Payments on long term debt	(1,029,781)	(849,209)
	<u>(1,025,179)</u>	<u>3,937,390</u>
Net increase in cash balances	(2,364,134)	3,095,106
Cash and cash equivalents - beginning	<u>7,150,280</u>	<u>4,055,174</u>
Cash and cash equivalents - ending	<u>\$4,786,146</u>	<u>\$7,150,280</u>
Supplemental disclosures of cash flow information:		
Interest paid on long-term debt	\$1,064,678	\$1,355,452

The accompanying notes are an integral part of the financial statements.

**1. Summary of Significant Accounting Policies**

Licking Valley maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

**Electric Plant**

Electric plant is stated at original cost, less contributions, which is the cost when first dedicated to public service. Such cost includes applicable supervisory and overhead costs. There was no interest required to be capitalized on construction for the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The cost of units of property replaced or retired, including cost of removal net of any salvage value, is charged to accumulated depreciation.

The major classifications of electric plant in service were:

	<u>2008</u>	<u>2007</u>
Distribution plant	\$48,655,277	\$46,817,015
General plant	3,629,015	3,588,811
Total	<u>\$52,284,292</u>	<u>\$50,405,826</u>

**Depreciation**

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 2.2% to 5% for distribution plant and from 3% to 15% for general plant.

**Off Balance Sheet Risk**

Licking Valley has off-balance sheet risk in that they maintain cash deposits in a financial institution in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC).

**Cash and Cash Equivalents**

Licking Valley considers all short-term, highly-liquid investments with original maturities of three months or less to be cash equivalents.

**Risk Management**

Licking Valley is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Continued

**1. Summary of Significant Accounting Policies, continued****Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Fair Value of Financial Instruments**

The carrying value of cash and temporary cash investments approximates fair value because of the short maturity of those instruments. The carrying value of long term debt approximates the fair value since interest rates approximate the current interest rates. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interest in associated organizations.

Licking Valley may, and also does, invest idle funds in National Rural Utilities Cooperative Finance Corporation (CFC) commercial paper. Investments in commercial paper are classified as held-to-maturity in accordance with Statement of Financial Accounting Standards (SFAS) No. 115. Held-to-maturity securities are presented at amortized cost the fair value of held-to-maturity securities approximates cost at 2008 and 2007.

**Revenue**

Licking Valley records revenue as billed to its members through the 20th of each month. Certain consumers are required to pay a refundable deposit. Licking Valley's sales are concentrated in an eight county area of eastern Kentucky. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at October 31, 2008 or 2007.

Accounts are considered past due when payment has not been received within 20 days of billing, at which time a 5% discount is forfeited, and then are subject to disconnect after another 10 days. Amounts are written off monthly when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables.

**Cost of Power**

The cost of power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky Power Cooperative, Inc. (East Kentucky).

**Income Tax Status**

Licking Valley is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements include no provision for income taxes.

**Advertising Costs**

Licking Valley expenses advertising costs as incurred.

Continued

**2. Investments in Associated Organizations**

Licking Valley records patronage capital assigned by associated organizations in the year in which such assignments are received.

The Capital Term Certificates (CTCs) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consisted of:

	<u>2008</u>	<u>2007</u>
Associated Organizations:		
East Kentucky, patronage capital	\$5,036,046	\$5,036,046
CFC, CTC's	664,988	665,663
CFC, patronage capital assigned	122,507	123,967
Other associated organizations	475,330	439,175
Total	<u>\$6,298,871</u>	<u>\$6,264,851</u>

**3. Patronage Capital**

Patronage capital consisted of:

	<u>2008</u>	<u>2007</u>
Assigned to date	\$22,070,290	\$21,737,782
Assignable	(1,193,777)	(160,135)
Unassigned	19,739	19,739
Total	<u>\$20,896,252</u>	<u>\$21,597,386</u>

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 40% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of net margins for the next preceding year, Licking Valley may distribute the difference between 25% and the payments made to such estates. The equity at October 31, 2008 was 38% of total assets.

**4. Accumulated Other Comprehensive Income**

The changes in accumulated other comprehensive income, which includes the effects of applying the provisions of SFAS No. 158, follows.

	<u>2008</u>	<u>2007</u>
Balance, beginning of period	(\$1,362,832)	-
Current year amortization	\$68,142	-
Adjustment to initially apply SFAS No. 158	-	(1,362,832)
Balance, end of period	<u>(\$1,294,690)</u>	<u>(\$1,362,832)</u>

Continued

Notes to Financial Statements, continued

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**5. Long Term Debt**

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, CFC, and Federal Financing Bank (FFB) under a joint mortgage agreement. Long term debt consisted of:

	<u>2008</u>	<u>2007</u>
First mortgage notes due RUS:		
1.625% to 6.875% (3.50 to 6.875% in 2007)	<u>\$7,851,900</u>	<u>\$8,330,529</u>
First mortgage notes due CFC:		
7%	7,632	17,210
5.35%	3,200,198	3,320,293
5.40% variable rate (6.80% in 2007)	<u>585,576</u>	<u>668,832</u>
	<u>3,793,406</u>	<u>4,006,335</u>
First mortgage notes due FFB:		
0.958% and 6.48% (3.835 and 6.48% in 2007)	<u>14,061,135</u>	<u>14,399,358</u>
	25,706,441	26,736,222
Less current portion	<u>1,080,000</u>	<u>1,030,000</u>
	<u>\$24,626,441</u>	<u>\$25,706,222</u>

The interest rates on notes payable to CFC at 5.35% are subject to change every seven years. The 6.80% interest rate notes to CFC adjusts monthly and may be converted to fixed at any time upon Board approval by Licking Valley.

The long-term debt payable to RUS, NRUCFC and FFB is due in quarterly and monthly installments of varying amounts through 2036. Licking Valley has unadvanced loan funds available from RUS in the amount of \$11,978,000.

As of October 31, 2008, the annual current portion of long term debt outstanding for the next five years are as follows: 2009 - \$950,000; 2010 - \$1,000,000; 2011 - \$1,050,000; 2012 - \$1,150,000; 2013 - \$1,200,000.

**6. Short Term Borrowings**

At October 31, 2008, Licking Valley had a short term line of credit of \$2,000,000 available from NRUCFC. There were no borrowings against this line of credit during the year.

**7. Savings Plan**

All eligible employees of Licking Valley participate in the NRECA Retirement and Security Program, a defined contribution pension plan qualified under section 401 and tax-exempt under section 501(a) of the Internal Revenue Code. Licking Valley makes annual contributions to the Program equal to the amounts accrued for pension expense. In this multiemployer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The total pension cost for 2008 was \$190,963 and 2007 was \$190,963. A portion of this cost is recorded as overhead costs applicable to construction of electric plant.

Continued

**8. Accumulated Postretirement Benefit**

Licking Valley sponsors a defined benefit plan that provides medical insurance coverage to retirees. Participating retirees contribute one-half of the projected cost of coverage.

For measurement purposes, a 8.0% increase decreasing by 0.5% per year until level at 5% annual rate of increase in the per capita cost of covered health care benefits was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.5% for 2008 and 2007.

The funded status of the plan was as follows:

	<u>2008</u>	<u>2007</u>
Projected benefit obligation	(\$2,941,103)	(\$2,941,103)
Plan assets at fair value	-	-
Funded status	<u>(\$2,941,103)</u>	<u>(\$2,941,103)</u>

The components of net periodic postretirement benefit costs are as follows:

	<u>2008</u>	<u>2007</u>
Net periodic benefit cost	\$300,000	\$300,000
Benefits paid to participants	126,223	126,223

Projected retiree benefit payments are expected to be as follows: 2009 - \$127,000; 2010 - \$130,000; 2011 - \$130,000; 2012 - \$129,000; 2013 - \$112,000.

**9. Related Party Transactions**

Several of the Directors of Licking Valley, the General Manager and another employee are on the Board of Directors of various associated organizations.

**10. Commitments and Contingencies**

Licking Valley is one of eighteen members of East Kentucky. Under a wholesale power agreement, Licking Valley is committed to purchase its electric power and energy requirements from East Kentucky until 2041. The rates charged by East Kentucky are subject to approval of the PSC.

Licking Valley is contingently liable as guarantor for approximately \$134,000 of long term obligations of East Kentucky to RUS, CFC and institutional investors. Substantially all assets of Licking Valley are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 5. This contingent liability was part of an overall financing plan for the construction of a generating facility near Maysville, Kentucky.

Licking Valley also has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

Continued

**11. Environmental Contingency**

Licking Valley from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Licking Valley to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Licking Valley's financial position or its future cash flows.

**12. Rate Matters**

Licking Valley was informed by RUS that it will not advance loan funds until a rate application is filed with the PSC. Licking Valley is in the process of preparing this application and expects to have it filed with the PSC during March, 2009.

Witness: Jim Adkins

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

**Computer Software Programs**

Licking Valley Rural Electric has used Microsoft Excel and Word in the preparation of this Application.

Witness: Kerry Howard

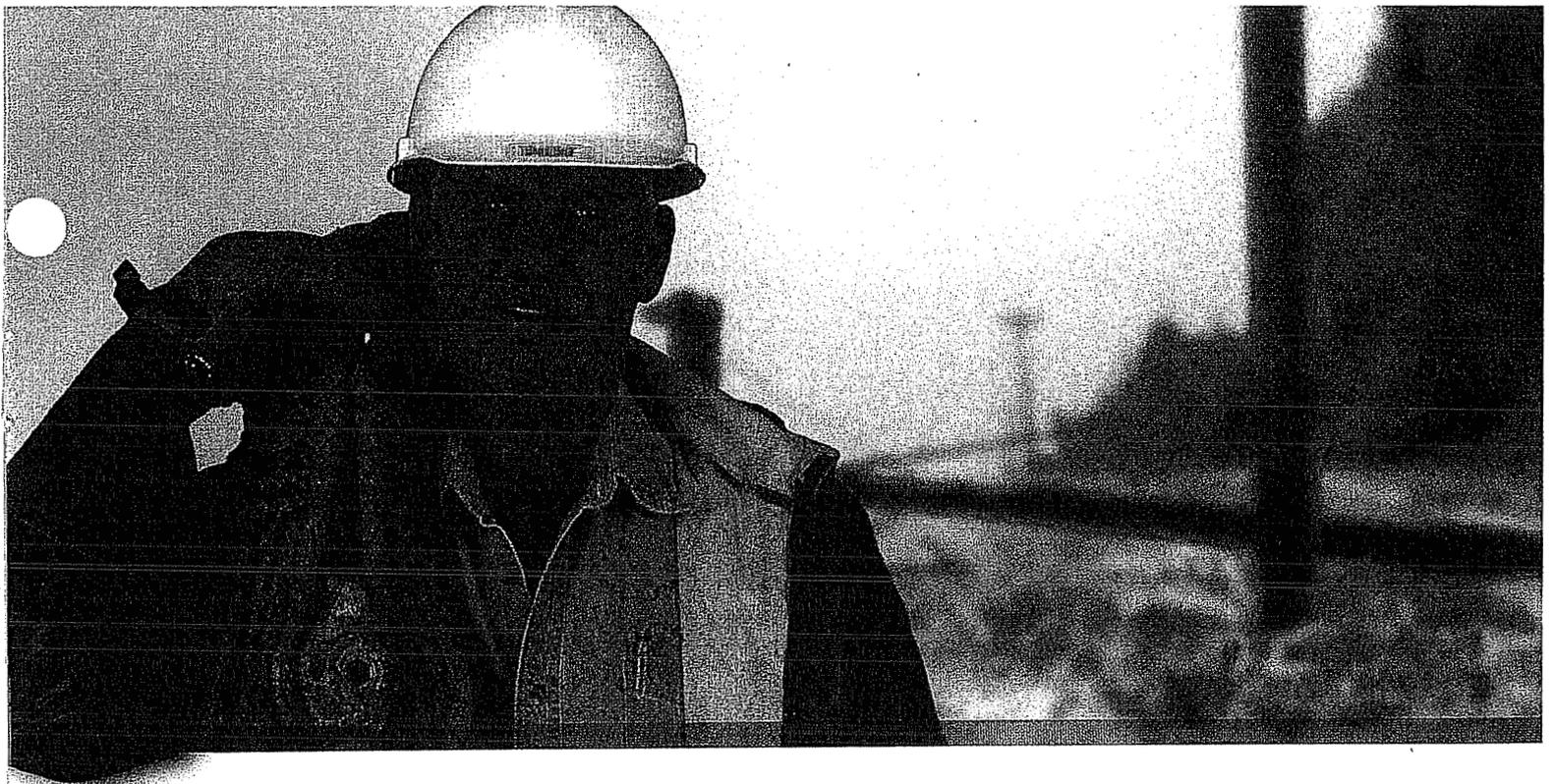
Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

**Annual Meeting Information**

The most recent Licking Valley Rural Electric annual meeting was held May 21 2008. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

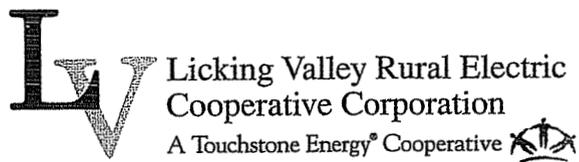
Data for the last five (5) annual meetings are as follows:

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2008	1,388	-	\$ 57,930
2007	1,040	-	\$ 41,237
2006	1,099	-	\$ 37,240
2005	977	-	\$ 38,209
2004	945	-	\$ 30,072



# CO-OP RELIABILITY

THE 2007 ANNUAL REPORT OF LICKING VALLEY RECC



# CO-OP RELIABILITY

## A MESSAGE FROM YOUR GENERAL MANAGER/CEO AND BOARD PRESIDENT

The word *reliability* has a couple different meanings at Licking Valley RECC.

It means keeping your electricity on.

That might call for sending a crew of lineworkers out in a thunderstorm or blizzard in the middle of the night to repair downed wires as quickly as possible. Or working on ways to avoid power interruptions of even a few milliseconds, to protect the newest, modern electronics used in homes and businesses today.

It also requires looking into the future, by building the power plants and transmission lines that will be needed to ensure you'll have all the electricity you want 20 and 30 years from now.

A less technical definition of reliability refers to someone you can count on in all sorts of situations. In other words, a good neighbor.

Licking Valley RECC strives to meet that meaning of a helpful, well-informed energy neighbor as well.

Licking Valley RECC can offer expert advice on how to use energy efficiently. As a local, member-owned cooperative, Licking Valley RECC stays involved in a wide range of community support activities. From education scholarships, to membership in charitable organizations, to economic development, Licking Valley RECC takes pride in its role of helping improve our quality of life.

We're pleased to provide you with this annual report on another successful year for Licking Valley RECC. In describing the activities and results of 2007, it makes sense to view it as a year of continued reliability.

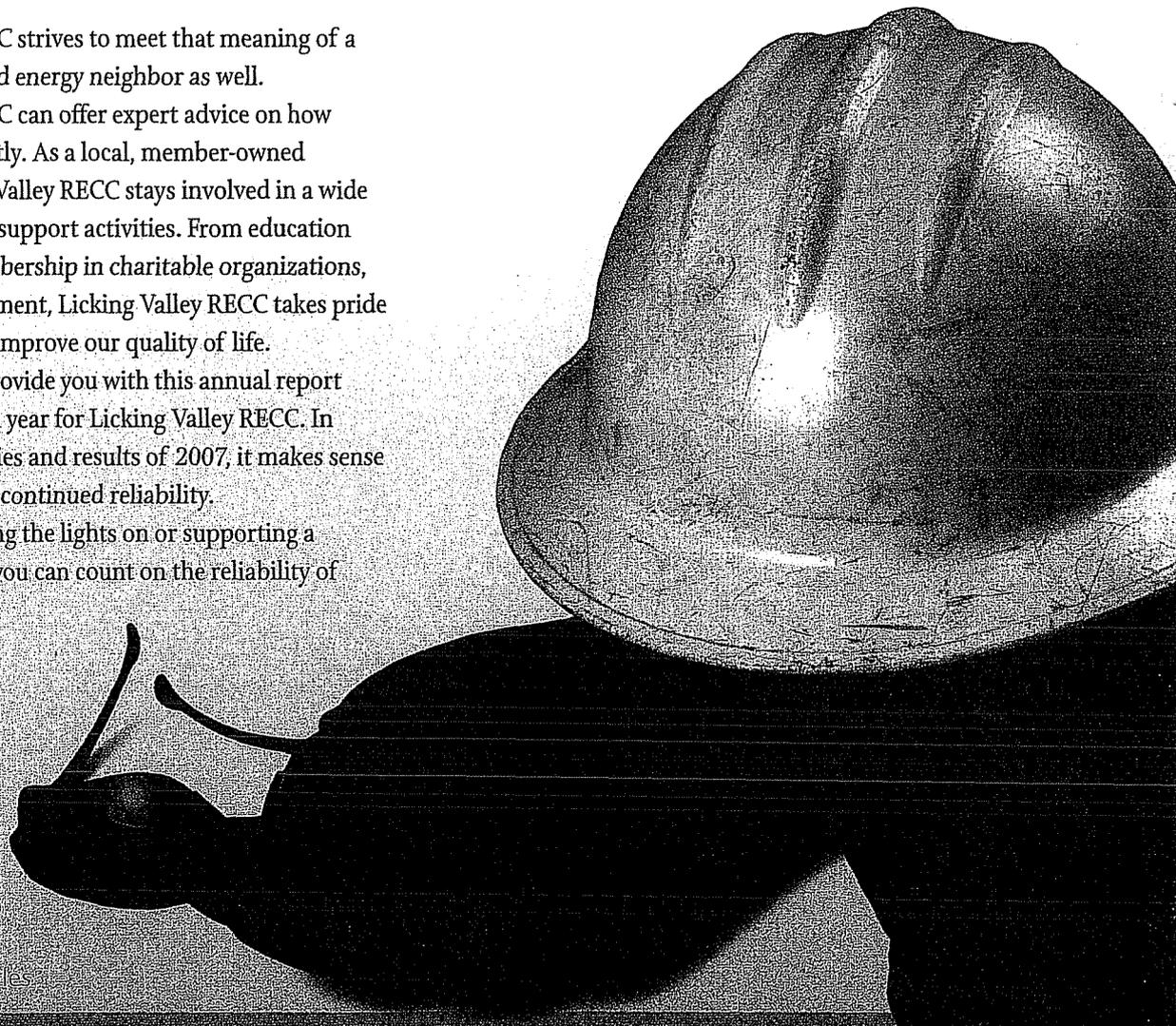
Whether it's keeping the lights on or supporting a community activity, you can count on the reliability of Licking Valley RECC.



Board President Darrell Cundiff and Licking Valley RECC General Manager/CEO Kerry K. Howard

### On the cover:

Helping keep your electricity safe and reliable are Licking Valley RECC line technicians Homer Prater (top) and Ritchie Henry.



Photos by: Jim Bartles

# RELIABLE ELECTRICITY

In 2007, the average member of Licking Valley RECC had electricity 99.9892 percent of the time.

That many decimal places make that number hard to imagine. What it adds up to is that electricity flowed to area homes and businesses pretty much all the time. Licking Valley RECC takes enormous pride in that record of reliability.

And even that incredible record is improving.

In 2007, Licking Valley RECC took steps to further reduce outage time.

Co-op work focused on quick response to storm outages last year. And it continued right-of-way vegetation clearing programs to keep tree limbs and other brush from interfering with power lines.

But these days, some of the most significant improvements in the delivery of electricity to you comes in high-technology ways we could hardly have imagined even 10 years ago.

Electric distribution systems have been designed so that, to some extent, they can repair themselves after routine disturbances. For example, when a bird or squirrel comes in contact with a bare wire, electronic switches sense the disturbance and respond in milliseconds.

You wouldn't even notice that if you were reading a book under your living room lamps.

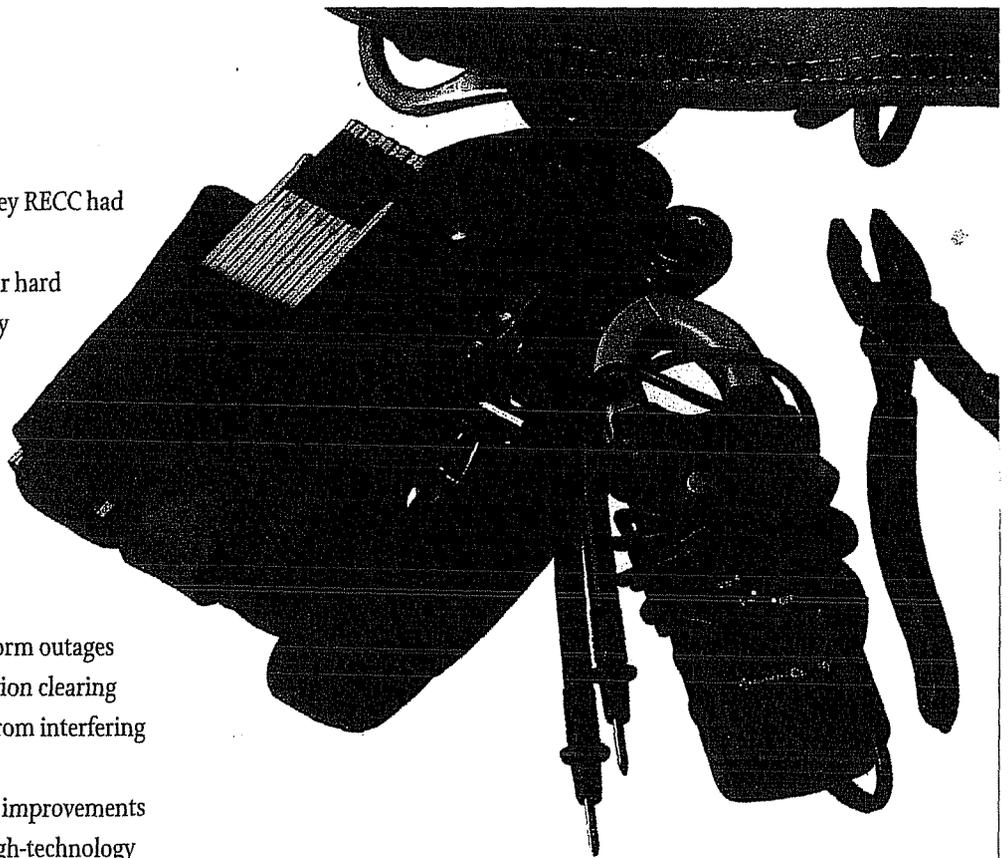
If you were typing on your computer, however, that fraction of a second could cost you an hour of work, as it quickly shut down then rebooted. That's in addition to the irritation of having to reset the flashing digital clocks in the house.

Licking Valley RECC recognizes that these high-tech realities raise the standards of reliability. Part of Licking Valley RECC's work plan has been to find ways of reducing outages that last even a fraction of a second.

To avoid interference from animals, we've added barriers in critical areas to avoid interference from animals. Transformers are being redesigned and even poles reconfigured, to reduce the chances for even brief outages.

For especially precise and critical power needs that can't risk any length of outage, Licking Valley RECC works with home and business owners on different ways to protect their sensitive appliances and equipment.

As technology gets more sophisticated, so does Licking Valley RECC, raising the standards for reliable electricity.



## RELIABLE VALUE

Costs are rising in many industries, especially in the energy business or any endeavor that relies on oil, which has seen huge cost increases in the past year.

Licking Valley RECC has been affected by these cost increases as well. Licking Valley RECC makes every effort to keep its business operations effective and efficient, to provide you the most affordable and reliable electric service, at the lowest possible cost. As you know, there are times when cost increases must be passed along to the members, to make sure the co-op operates from a sound financial position.

You can rely on Licking Valley RECC to keep cost increases to the bare minimum required to maintain the high value of electric service you rely on.

Licking Valley RECC also works to make sure you can depend on that value of electricity for years to come. Demand for electricity is growing at a rate faster than new power plants are being built. The new power plants that will be required will be expensive. You can rely on Licking Valley RECC being on the job to make sure new electricity generation in the coming years will be as economical as possible.

## ENVIRONMENTALLY RELIABLE

One of the biggest energy stories in the news during the past year has been concerns about emissions of greenhouse gases being blamed for global warming.

Licking Valley RECC brings special expertise to this large and complex energy and environmental issue. Licking Valley RECC participates in national organizations of scientists, engineers, and policy experts who pay special attention to climate change. They're working on several advanced, highly complex techniques and technologies that could actually reduce the amount of greenhouse gases being emitted in this country over the next 20 years.

One of those greenhouse gas reduction plans is not complicated at all, and all of us can do it in our homes and businesses. It's called using energy efficiently.

Energy efficiency has so much potential to be an important part of our energy future that experts have called it "the fifth fuel," in addition to the coal, natural gas, nuclear, and hydroelectric power supplying nearly all our electricity.

Licking Valley RECC has a long history of working with its members to help them make the best use of their electric energy. Licking Valley RECC offers a number of programs that members use regularly, to reduce energy inefficiencies around the home and business.

One solution that combines efficiency and technology is the use of compact fluorescent bulbs. These new lights cost more than regular incandescent bulbs, but they use one-fourth the electricity to produce the same amount of light, and they last 10 times as long. That's a solution that can help the environment, and save you money. For those reasons, Licking Valley RECC has been promoting compact fluorescent bulbs for years. In fact, since 2003 Licking Valley RECC has handed out nearly 20,000 free compact fluorescent bulbs to members attending the Licking Valley RECC annual meeting. That promotion is part of a coordinated effort by electric co-ops all across Kentucky. In the past four years, Kentucky electric co-ops have distributed more than 400,000 compact fluorescent light bulbs, saving Kentuckians more than \$4 million, and reducing carbon dioxide emissions by more than 78,000 tons.

Environmental and energy concerns are one of the most important and pressing concerns of the day. Licking Valley RECC is providing its members with reliable advice for analyzing and acting on the best course for our energy future.

## A RELIABLE NEIGHBOR

As a local, member-owned utility, Licking Valley RECC values its role in our community.

Our schools are among the most important foundations of the community, and Licking Valley RECC supports their educational efforts in a number of ways. From electric safety demonstrations in classrooms, to participation in scholarship programs, to statewide involvement in college and university projects, Licking Valley RECC can be counted on to act on its commitment to education.

Licking Valley RECC is also actively involved in improving our local quality of life by being a part of our local economic development activities, working to enhance jobs and income in our community. Employees of Licking Valley RECC are active in boards, clubs, and civic groups all around the service territory.

One of the most visible ways this reliability can be seen is with Licking Valley RECC's annual meeting every summer. This meeting provides a rallying point for the progress and recognition of co-op and community activities. The important business of the co-op is conducted at this meeting, including reports on the co-op's financial position and board elections. It's also a fun event where families can come and spend time among their neighbors.

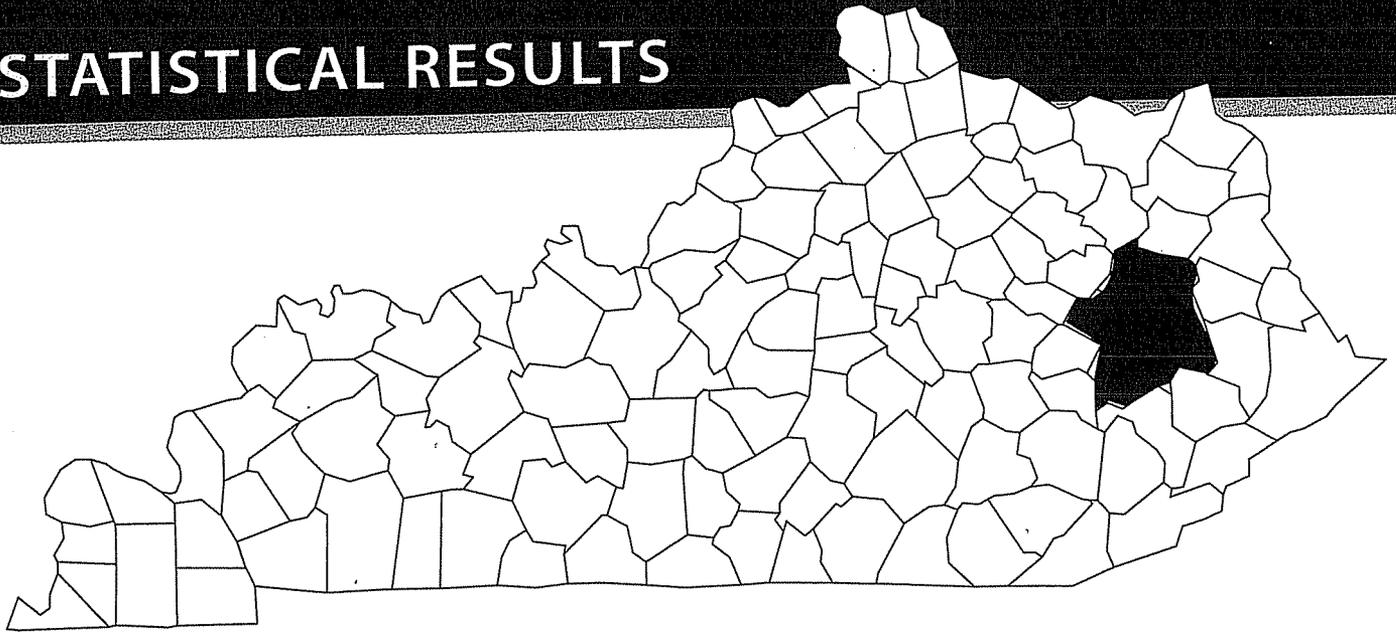
So whether it's an annual community business meeting or dependable electricity today and into the future, you can count on Licking Valley RECC. That's co-op reliability.

Licking Valley RECC employee Denise Reed with a compact fluorescent light bulb. Licking Valley RECC promotes the use of these bulbs because they use energy more efficiently, producing the same amount of light with one-fourth the electricity compared with a regular incandescent bulb, and they last 10 times as long.



Simple Savings  
Simple Savings

# STATISTICAL RESULTS



## Members Served in 2007

Morgan.....	4,197
Wolfe.....	3,143
Breathitt.....	1,744
Magoffin.....	3,029
Lee.....	146
Menifee.....	248
Rowan.....	1
Elliott.....	9
Total.....	12,517

## Accounts Billed

2007..... 17,450

## Average Kilowatt-hour use (Residential per month)

2007..... 1,087

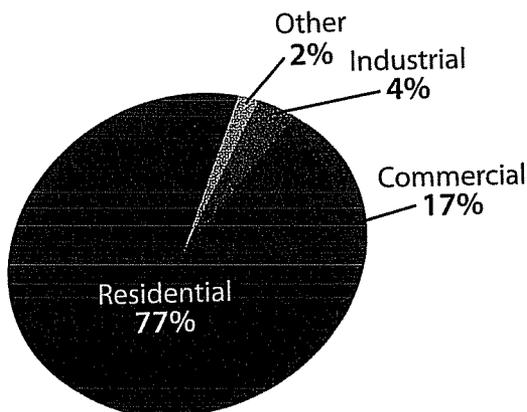
## Miles of Line

2007..... 2,020

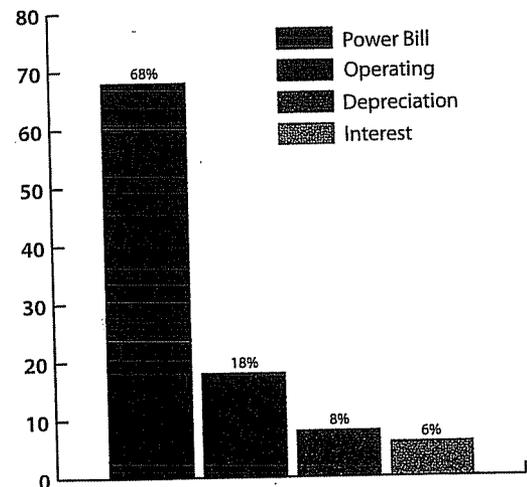
## Consumers per Mile

2007..... 9

## REVENUE SOURCES



## MAJOR COSTS



# FINANCIAL RESULTS

## STATEMENT OF OPERATIONS

For the Year Ending December 31, 2007

Operating Revenue .....	\$24,588,577
Operating Expense	
Purchased Power .....	\$16,922,124
Operating System .....	4,481,906
Depreciation .....	1,846,028
Taxes .....	25,543
Interest on Loans .....	1,366,230
Other Deductions .....	92,196
Total Cost of Electric Service.....	\$24,734,027
Operating Margins .....	(145,450)
Non-Operating Margins .....	416,724
Other Capital Credits .....	61,234
Patronage Capital and Margins .....	332,508

## BALANCE SHEET

For the Year Ending December 31, 2007

### ASSETS

Total Utility Plant .....	\$51,216,310
Less Depreciation .....	15,454,756
Net Utility Plant.....	\$35,761,554
Investment in Assoc. Organization .....	\$6,267,941
Cash .....	6,426,432
Accounts Receivable .....	4,985,968
Inventory .....	435,749
Expenses Paid in Advance.....	258,835
Total Assets .....	\$54,136,479

### LIABILITIES

Consumer Deposits .....	1,236,993
Membership and Other Equities .....	22,386,924
Long-Term Debt .....	25,618,660
Notes and Accounts Payable.....	1,716,372
Other Current Liabilities.....	1,193,545
Noncurrent Liabilities.....	1,983,985
Total Liabilities.....	\$54,136,479



Wes McKinney, Licking Valley RECC system engineer, works with the system that uses satellite and electronic positioning technology to allow high-level analysis of energy use.

Official Business Meeting Agenda

# ANNUAL MEETING OF MEMBERS

## *Licking Valley RECC*

Where .....Cooperative Fairgrounds, Malone

When ..... Tuesday, May 20

Registration Time .....5:00 p.m.

Meeting Time.....6:45 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
3. Reading of approved meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business
8. Adjournment

# YOUR BOARD OF DIRECTORS



Darrell Cundiff  
*President*



Michael Adams  
*Vice President*



Ted A. Holbrook  
*Secretary-Treasurer*



Tommy Hill



Dolores D. Jones



John May



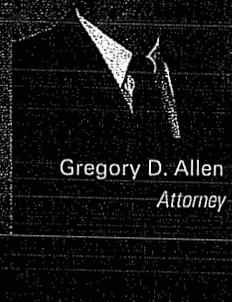
C.K. Stacy



Philip Williams



Kerry K. Howard  
*General Manager/CEO*



Gregory D. Allen  
*Attorney*

# 2008 ANNUAL MEETING

TUESDAY, MAY 20

Cooperative Fairgrounds  
Malone, KY

**Registration:**

5:00 p.m.

**Business meeting:**

6:45 p.m.



**FREE!**

Energy-saving lightbulbs  
for members who attend!

Classic Car Cruise In • Door Prizes  
Free Food • Health Screenings • Safety  
Demonstration • Caricaturist Denny Whalen

**FEATURED  
ENTERTAINER**  
MIKE SNIDER &  
THE MIKE SNIDER  
STRING BAND



**CHILDREN'S  
ENTERTAINER**  
RICK ARNOLD

**SPECIAL  
GUEST**  
APPALACHIAN  
TROUBADOURS

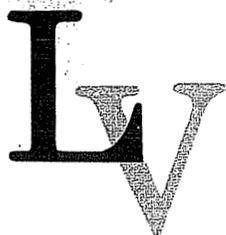
**LV** Licking Valley Rural Electric  
Cooperative Corporation  
A Touchstone Energy® Cooperative 



# • *Team Energy*



This nurse manager, Red Cross executive, police chief, utility CEO, and university director share a unique bond—they make up one of the most powerful forces in our community—Licking Valley RECC



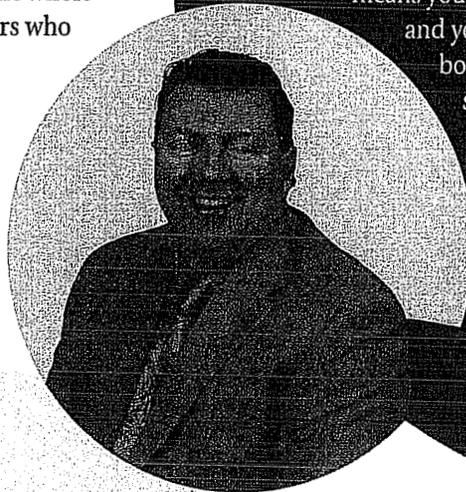
The Annual Report of  
Licking Valley Rural Electric Cooperative Corporation

A Touchstone Energy® Cooperative 

# Making the Team

As part of the community that receives its electricity from Licking Valley RECC, Gail Perry, Brenda Jones, Wayne Lewis, and Dr. Jonell Tobin work with co-op General Manager and CEO Kerry Howard to make up a team that does a lot more than offer a great electricity value. They also bring in jobs, educate our children, and strengthen our neighborhoods. And they represent the whole range of Licking Valley RECC members who work together to do everything from providing our food to paving our streets to organizing festivals.

Licking Valley RECC owes its success of this past year to the team energy of all its members. Thank you. And congratulations.



On the cover: Gail Perry, emergency nurse manager, Morgan County Appalachian Regional Healthcare; Brenda Jones, executive director, Mid-east Kentucky Chapter, American Red Cross; Wayne Lewis, assistant chief of police, West Liberty Police Department; Kerry Howard, general manager and CEO, Licking Valley RECC; Dr. Jonell Tobin, director, Morehead State University at West Liberty. Photo: Jim Battles

In the past year, Licking Valley RECC has made the most of its unique structure that makes a team out of the entire community. As a cooperative, being a customer of Licking Valley RECC means you own it—you're on the team. You're a member and you have a vote to elect a representative to the board. Since the customers own the co-op, it will stay local—the worldwide headquarters of Licking Valley RECC will always be within easy driving distance. And since the customers and owners are one and the same, it only makes sense that Licking Valley RECC operates on a not-for-profit basis, using all of its income to benefit the local community.

# Team Fundamentals

In the highly competitive game of providing energy, Licking Valley RECC has excelled by staying focused on the basics—providing the best combination of low electricity costs and outstanding, reliable electric service.

Licking Valley RECC has been able to maintain affordable rates and superior service in the face of tremendous pressures. Energy prices worldwide have steadily increased costs for everyone, and expensive regulations to protect the environment have hit coal-fired electric power plants in Kentucky especially hard.

Members of Licking Valley RECC have helped control electricity costs by making sure they have their homes and businesses operating at high levels of energy efficiency. In order

to make the best use of their electricity, they've used energy management programs offered by Licking Valley RECC, and adopted ideas and do-it-yourself suggestions printed in *Kentucky Living* magazine.

Two other cost-effective systems operate from inside the Licking Valley RECC building. One is an advanced use of cutting-edge technology, streamlining work through electronic mapping systems, advanced metering, and computer-based record-keeping and communications. And Licking Valley RECC's strongest asset is a world-class workforce. These award-winning employees keep Licking Valley RECC performing at the highest levels day and night, and through all weather.





# Playing it safe

A single injury can undo the strongest performance. That's why Licking Valley RECC continues to raise the bar on the health of its employees, and for everyone in the community. Electricity really is one of the most valuable ingredients to modern life. But it is deadly if

misused. For employees, especially power line workers, tough safety standards are explained and enforced. For community members from grownups to schoolchildren, Licking Valley RECC regularly appears before groups to talk about how to avoid danger, and use electricity wisely and safely.

## Team Spirit

access. Licking Valley RECC will consider any nonelectric business enterprise with extreme caution, because it won't get involved in any venture that could hurt its rates and service. But if there is strong demand by the members, and the new service is solid from a business point of view, Licking Valley RECC could now consider providing such a benefit to the community.

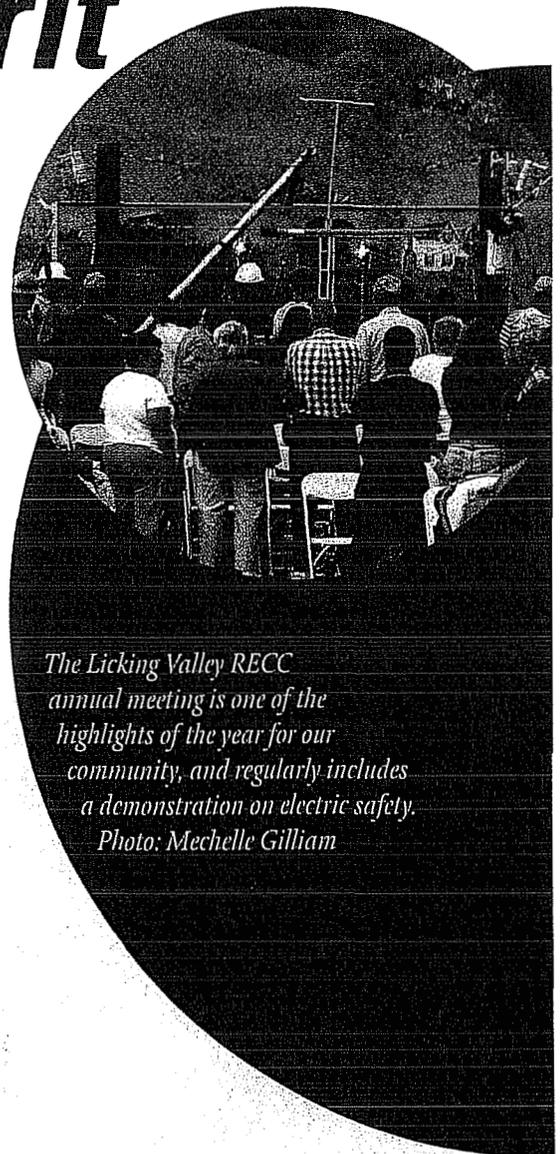
Licking Valley RECC also teams up with students and schools to support community education in a variety of ways. From awarding college scholarships to classroom presentations on safety and other subjects, Licking Valley RECC contributes its expertise to helping educators in their work of improving the quality of life not just for our children, but for all electric co-op members.

The most visible spirit of Licking Valley RECC shows up at the annual meeting. At that yearly gathering, the membership meets to conduct the serious, legally required business of the utility. That's when Licking Valley RECC formally and publicly presents its income and expenses, results of director elections, and status of the member-owned corporation. But that event is also a huge party to have some fun, say "thank you" to the members of the co-op, and generally to celebrate the team that makes our community successful.

One of the most gratifying aspects of being a part of the electric co-op team is seeing the neighborliness and community improvement that flow from this consumer-owned source of electricity.

In economic development to bring jobs, income, and opportunity to our area, Licking Valley RECC sits right in the thick of things. It often takes a leading role, working with local, state, and national leaders to continually improve our local quality of life.

An especially notable achievement came last year when the state Legislature helped co-op members across Kentucky by reversing a state Supreme Court ruling that restricted co-ops from any business other than electricity. The new law clearly allows co-ops to offer nonelectricity services such as propane or Internet



*The Licking Valley RECC annual meeting is one of the highlights of the year for our community, and regularly includes a demonstration on electric safety.  
Photo: Mechelle Gilliam*

# Team History

66 years of powering Kentucky



Long-time Licking Valley RECC line worker Harry Steele has been on the job for 55 years, including the time this photo was taken in 1963.

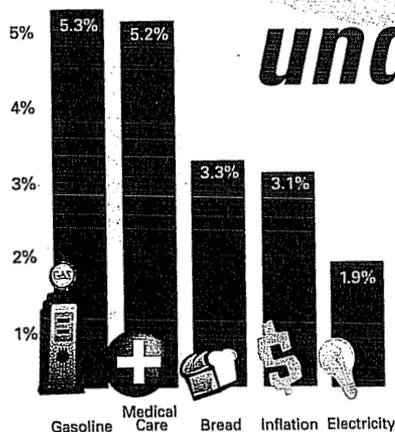
In 1940 when Licking Valley RECC was started, the men and women who organized it had one immediate goal—bringing electricity to the countryside. For the organizers and their friends and neighbors who signed on as co-op members, their initial goals were to replace the wood stove, the coal oil lamp, the icebox, the washboard, and the flatiron. It was to make life easier in the home and around the farm. But the long-term goal was to free more time for leisure activities. It was to help children in their schoolwork and to make farms more productive. And it was to bring alternatives to farming—small businesses and industry—to Kentucky's rural areas. These are still the goals of Licking Valley RECC.

Today, much of non-urban Kentucky, representing some 1.5 million people, gets electricity from cooperatives. There

are 16 distribution co-ops in the eastern and central part of the state, and they receive their power from East Kentucky Power Cooperative, the generation and transmission co-op based in Winchester. Three co-ops in the west are served by Big Rivers generation and transmission co-op based in Henderson. Five other Kentucky distribution co-ops in the western part of the state receive power from the Tennessee Valley Authority, which produces power for co-ops and municipal utilities in seven states.

Bringing power to co-op members of Licking Valley RECC is as important today as it was in 1940. The availability of electricity has changed the lives of many rural Americans across this nation, and Licking Valley RECC is proud to have been a part of lighting the way for a better way of life for its members.

## Keeping costs under control



Average annual price increases 1985-2006

Over the years, electricity has recorded some of the smallest price increases compared with most other regular purchases—electricity increases have even been lower than the overall inflation rate.

Source: Bureau of Labor Statistics; National Rural Electric Cooperative Association

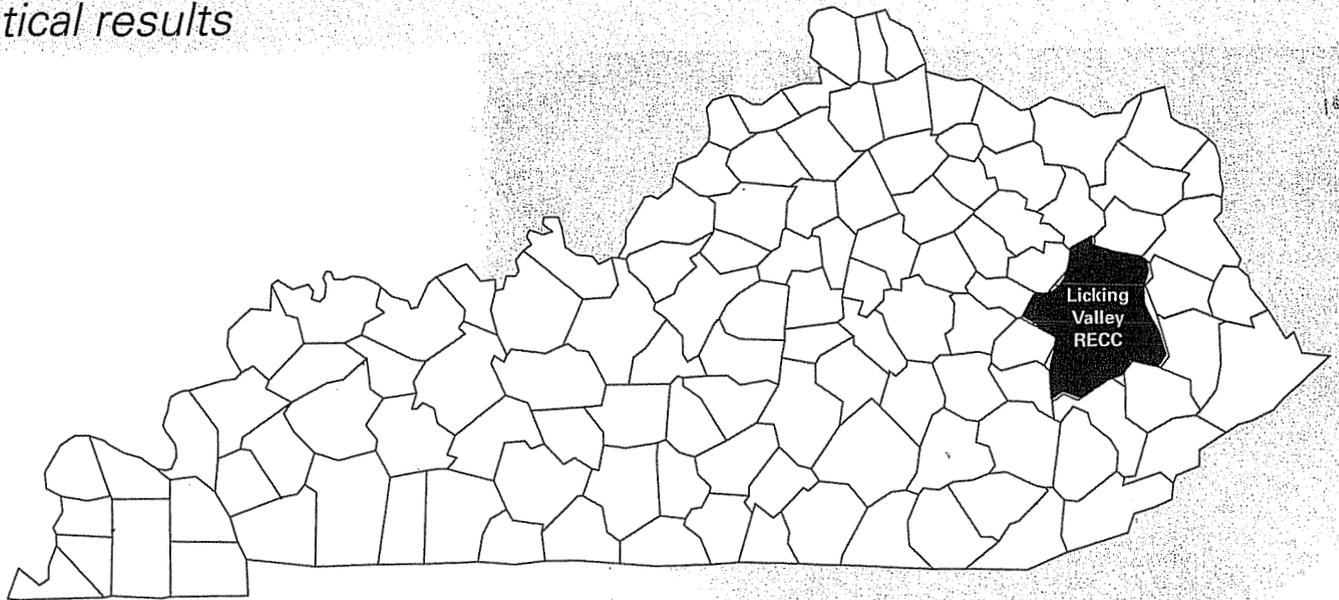
Electricity provides the best heating deal. Here is a comparison of estimated annual costs for heating a typical 1,100-square-foot house, based on figures from December 2006:

Propane	\$1,014
Natural Gas	\$487
Electricity	\$324

Source info: Electricity, Licking Valley RECC residential rates based on 6.5438 cents per kilowatt-hour and use of air-to-air heat pump; natural gas, Energy Information Administration, Kentucky residential rates based on \$11.54 per million Btu and 80 percent efficiency; propane, Kentucky Energy Watch based on \$2.06 per gallon.

# Licking Valley RECC

statistical results



## Members Served in 2006

Morgan .....	4,154
Wolfe .....	3,077
Breathitt.....	1,713
Magoffin.....	2,961
Lee.....	148
Menifee.....	245
Rowan.....	1
Elliott.....	10
Total.....	12,309

## Accounts Billed

2006.....	17,085
2005.....	16,921

## Average Kilowatt-hour use (Residential per month)

2006.....	1,140
2005.....	1,091

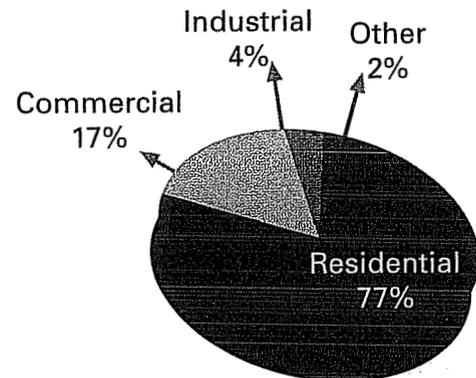
## Miles of Line

2006.....	2,014
2005.....	2,006

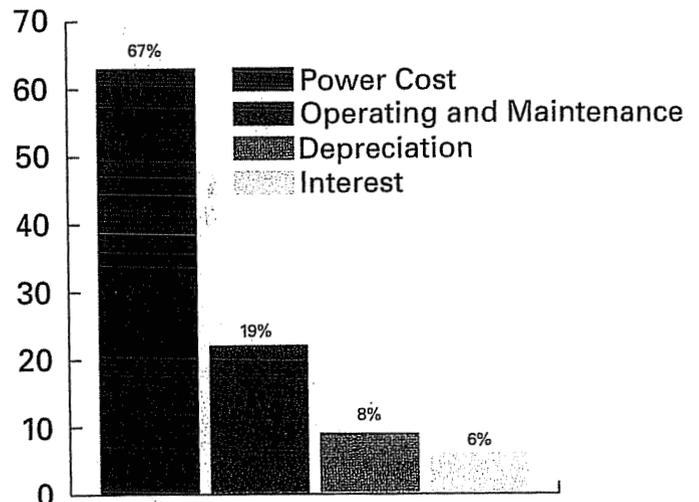
## Consumers per Mile

2006.....	8
2005.....	8

# Revenue Sources



# Major Costs



# Licking Valley RECC

*financial results*

## Statement of Operations

For the Year Ending December 31, 2006

Operating Revenue.....	\$23,831,117
Operating Expense	
Purchased Power.....	\$15,108,098
Operating System .....	4,282,575
Depreciation .....	1,789,861
Taxes.....	25,641
Interest on Loans .....	1,183,975
Other Deductions.....	79,707
 Total Cost of Electric Service .....	 \$22,469,857
 Operating Margins.....	 \$1,361,260
Non-Operating Margins .....	\$224,854
Other Capital Credits.....	55,141
Patronage Capital and Margins.....	\$1,641,255

## Balance Sheet

For the Year Ending December 31, 2006

### Assets

Total Utility Plant.....	\$49,366,212
Less Depreciation .....	14,400,936
Net Utility Plant.....	\$34,965,276
 Investment in Assoc. Organization....	 \$6,242,206
Cash .....	3,528,112
Accounts Receivable .....	4,480,252
Inventory .....	270,965
Expenses Paid in Advance .....	86,431
Deferred Debits and Other Assets.....	6,870
 Total Assets .....	 \$49,580,112

### Liabilities

Consumer Deposits .....	1,182,581
Membership and Equities.....	22,047,854
Long-Term Debt .....	21,826,831
Notes and Accounts Payable .....	1,625,389
Other Current Liabilities.....	1,134,742
Noncurrent Liabilities .....	1,762,715
 Total Liabilities .....	 \$49,580,112



# Your Board of Directors

Official Business  
Meeting Agenda

## Annual Meeting of Members

Licking Valley RECC

Where..... Cooperative Fairgrounds, Malone  
When..... Thursday, May 24  
Registration Time..... 5:00 p.m.  
Meeting Time..... 6:45 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
3. Reading of approved meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business
8. Adjournment



Darrell Cundiff  
President



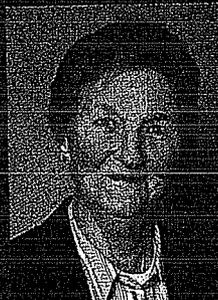
Ted A. Holbrook  
Secretary-Treasurer



Michael Adams  
Vice President



Tommy Hill



Dolores D. Jones



C.K. Stacy



John May



Phillip Williams



Gregory D. Allen  
Attorney



Kerry K. Howard  
General Manager, CEO

# **V Licking Valley RECC**

## **2007 Annual Meeting**

*Show Your  
Team Spirit*

**Thursday, May 24**

*Cooperative Fairgrounds  
Malone, KY*

Registration:  
5:00 p.m.

Business meeting:  
6:45 p.m.

## **Featuring**

The Kingsmen  
Dave Cottrell  
Appalachian Troubadours  
Caricaturist Denny Whalen

*The Kingsmen  
Good, Good God*



**door prizes  
safety demonstrations  
free food  
health screenings  
energy efficiency display**

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**2008 ANNUAL MEETING OF MEMBERS**

Tuesday, May 20, 2008

---

The 68<sup>th</sup> Annual Meeting of Members of Licking Valley Rural Electric Cooperative Corporation was held four (4) miles South of West Liberty, Kentucky, on Highway Route Number 191, Malone, Kentucky, on Tuesday, May 20, 2008, with the business session beginning at 7:16 p.m.

The business meeting was called to order by Darrell Cundiff, President of the Cooperative and Secretary/Treasurer Ted A. Holbrook, kept the minutes thereof.

**INVOCATION**

Matthew Gullion, Pastor for the Salyersville First Baptist Church, gave invocation prior to the commencement of business.

**INTRDCTN  
OF DIRS,  
GEN MGR,  
& ATTNY**

President Darrell Cundiff introduced the Board of Directors of Licking Valley Rural Electric Cooperative Corporation, General Manager/CEO, and Attorney for the Cooperative to the membership.

**QUORUM OF  
MEMBERSHIP**

President Darrell Cundiff called upon Secretary/Treasurer Ted A. Holbrook for the determination of a quorum present. After checking the official registration slips, the Secretary/Treasurer reported more than one percent (1%) of the total membership present, thereby constituting a lawful quorum for the meeting. The same is attached hereto as Exhibit A.

**RDG OF  
NTICE &  
PROOF OF  
PUBLICITN**

The reading of the official notice of the meeting, together with the proof of due mailing thereof were read by Secretary/Treasurer Holbrook and the same ordered to be annexed to the minutes of the meeting. The same is attached hereto as Exhibit B.

**LVRECC 2008 ANNUAL MEETING OF MEMBERS**

May 20, 2008

Page 02 of 02

**READING  
OF 2007  
MINUTES**

Upon motion duly made, seconded and by a unanimous vote of the members voting, the reading of the unapproved minutes of the members was waived. The minutes of the previous meeting stand approved.

**TREASURER'S  
REPORT**

President Darrell Cundiff called upon Secretary/Treasurer Ted A. Holbrook for the presentation of the Treasurer's Report. Secretary/Treasurer Holbrook announced the Treasurer's Report was published in the May, 2008 issue of the *Kentucky Living Magazine*. The same is attached hereto as Exhibit C.

**2008 RPT ON  
ON ELECTN  
OF DIRECTRS**

The Report on the 2008 Election of Directors for Licking Valley Rural Cooperative Corporation was announced by Secretary Ted A. Holbrook as annexed to the minutes as Exhibit C.

**UNFNISHD  
& NEW  
BUSINESS**

The next few items on the agenda were the consideration of unfinished business, new business, and the transaction of all other business that may properly come before the meeting.

**ADJOURNMENT**

There being none, the business meeting stood adjourned at 7:40 p.m.

---

**DARRELL CUNDIFF**  
President

---

**TED A. HOLBROOK**  
Secretary/Treasurer

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
January, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	2,647,237	2,510,206	2,964,046	2,510,206
2. Power Production Expense				
3. Cost of Purchased Power	1,608,934	2,037,579	1,716,733	2,037,579
4. Transmission Expense				
5. Distribution Expense - Operation	106,136	111,025	108,008	111,025
6. Distribution Expense - Maintenance	110,772	129,256	121,257	129,256
7. Customer Accounts Expense	61,907	67,752	58,706	67,752
8. Customer Service and Informational Expense	8,505	489	7,476	489
9. Sales Expense	(4,591)	(335)	4,800	(335)
10. Administrative and General Expense	101,844	109,456	77,387	109,456
11. Total Operation & Maintenance Expense (2 thru 10)	1,993,507	2,455,222	2,094,367	2,455,222
12. Depreciation and Amortization Expense	151,394	157,549	157,000	157,549
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	2,100	2,100		2,100
15. Interest on Long-Term Debt	101,549	95,496	120,000	95,496
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	5,310	6,167	6,100	6,167
18. Other Deductions	(4,936)	350	1,500	350
19. Total Cost of Electric Service (11 thru 18)	2,248,924	2,716,884	2,378,967	2,716,884
20. Patronage Capital & Operating Margins (1 minus 19)	398,313	(206,678)	585,079	(206,678)
21. Non Operating Margins - Interest	19,147	23,051	22,000	23,051
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	2,921			
27. Extraordinary Items				
Patronage Capital or Margins (20 thru 27)	420,381	(183,627)	607,079	(183,627)

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED January, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	27	23	5. Miles Transmission		
2. Services Retired	21	41	6. Miles Distribution - Overhead	2,001.66	2,006.09
3. Total Services in Place	19,836	21,144	7. Miles Distribution - Underground	11.12	11.61
4. Idle Services (Exclude Seasonals)	2,606	3,778	8. Total Miles Energized (5 + 6 + 7)	2,012.78	2,017.70

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	50,809,869	29. Memberships.....	208,820
2. Construction Work in Progress .....	526,413	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	51,336,282	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	15,469,560	32. Operating Margins - Current Year.....	(206,678)
5. Net Utility Plant (3 - 4) .....	35,866,722	33. Non-Operating Margins.....	439,775
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,591
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	22,203,813
8. Invest. in Assoc. Org. - Patronage Capital .....	5,602,278	36. Long-Term Debt - RUS (Net).....	8,213,157
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,331,119
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	665,663	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,954,237
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
Total Other Property & Investments (6 thru 13) ...	6,267,941	42. Total Long-Term Debt (36 thru 40 - 41).....	26,498,513
15. Cash - General Funds .....	131,413	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,617,110
17. Special Deposits .....	7,262	45. Total Other Noncurrent Liabilities (43 + 44).....	1,617,110
18. Temporary Investments .....	6,046,995	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	2,194,326
20. Accounts Receivable - Sales of Energy (Net) .....	5,491,594	48. Consumers Deposits.....	1,241,642
21. Accounts Receivable - Other (Net) .....	8,993	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	496,894	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	237,265	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	425,266
25. Total Current and Accrued Assets (15 thru 24) ....	12,420,416	53. Total Current & Accrued Liabilities (46 thru 52).....	3,861,234
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	374,409
28. Total Assets and Other Debits (5+14+25 thru 27)..	54,555,079	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	54,555,079

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED February, 2008
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.  <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	BORROWER NAME  LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	4,711,541	4,729,581	5,291,226	2,219,375
2. Power Production Expense				
3. Cost of Purchased Power	3,400,592	3,776,709	3,628,432	1,739,130
4. Transmission Expense				
5. Distribution Expense - Operation	203,422	213,315	216,017	102,290
6. Distribution Expense - Maintenance	202,285	263,832	242,514	134,576
7. Customer Accounts Expense	140,927	147,555	117,411	79,803
8. Customer Service and Informational Expense	18,610	1,373	14,951	884
9. Sales Expense	1,029	4,170	9,600	4,505
10. Administrative and General Expense	166,351	178,097	154,775	68,641
11. Total Operation & Maintenance Expense (2 thru 10)	4,133,216	4,585,051	4,383,700	2,129,829
12. Depreciation and Amortization Expense	303,326	315,458	314,000	157,909
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	4,470	4,200		2,100
15. Interest on Long-Term Debt	218,593	190,992	240,000	95,496
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	11,351	12,247	12,200	6,080
18. Other Deductions	(1,460)	830	3,000	480
19. Total Cost of Electric Service (11 thru 18)	4,669,496	5,108,778	4,952,900	2,391,894
20. Patronage Capital & Operating Margins (1 minus 19)	42,045	(379,197)	338,326	(172,519)
21. Non Operating Margins - Interest	55,769	40,776	44,000	17,725
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	2,921			
27. Extraordinary Items				
Patronage Capital or Margins (20 thru 27)	100,735	(338,421)	382,326	(154,794)

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED February, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	42	38	5. Miles Transmission		
2. Services Retired	72	59	6. Miles Distribution - Overhead	2,001.78	2,006.33
3. Total Services in Place	19,794	21,067	7. Miles Distribution - Underground	11.12	11.61
4. Idle Services (Exclude Seasonals)	2,628	3,779	8. Total Miles Energized (5 + 6 + 7)	2,012.90	2,017.94

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	50,923,981	29. Memberships.....	209,545
2. Construction Work in Progress .....	515,487	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	51,439,468	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	15,608,935	32. Operating Margins - Current Year.....	(379,197)
5. Net Utility Plant (3 - 4) .....	35,830,533	33. Non-Operating Margins.....	457,500
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	22,049,743
8. Invest. in Assoc. Org. - Patronage Capital .....	5,601,629	36. Long-Term Debt - RUS (Net).....	8,134,288
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,331,119
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	665,663	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,901,389
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
14. Total Other Property & Investments (6 thru 13) ...	6,267,292	42. Total Long-Term Debt (36 thru 40 - 41).....	26,366,796
15. Cash - General Funds .....	448,418	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,630,262
17. Special Deposits .....	3,582	45. Total Other Noncurrent Liabilities (43 + 44).....	1,630,262
18. Temporary Investments .....	5,351,012	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,808,925
20. Accounts Receivable - Sales of Energy (Net) .....	5,221,565	48. Consumers Deposits.....	1,246,607
21. Accounts Receivable - Other (Net) .....	11,436	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	494,474	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	215,626	51. Current Maturities Capital Leases.....	305
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	376,854
25. Total Current and Accrued Assets (15 thru 24) ....	11,746,113	53. Total Current & Accrued Liabilities (46 thru 52).....	3,432,691
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	364,446
28. Total Assets and Other Debits (5+14+25 thru 27) ..	53,843,938	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	53,843,938

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
March, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	6,517,909	6,692,059	7,298,529	1,962,478
2. Power Production Expense				
3. Cost of Purchased Power	4,861,156	5,325,384	5,186,854	1,548,675
4. Transmission Expense				
5. Distribution Expense - Operation	314,983	318,489	324,025	105,174
6. Distribution Expense - Maintenance	296,544	365,754	363,771	101,922
7. Customer Accounts Expense	210,804	206,021	176,117	58,466
8. Customer Service and Informational Expense	29,888	1,826	22,427	453
9. Sales Expense	657	9,785	14,400	5,615
10. Administrative and General Expense	237,117	245,275	232,162	67,178
11. Total Operation & Maintenance Expense (2 thru 10)	5,951,149	6,472,534	6,319,756	1,887,483
12. Depreciation and Amortization Expense	455,496	473,482	471,000	158,024
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	6,300	6,300		2,100
15. Interest on Long-Term Debt	342,432	287,259	360,000	96,267
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	17,549	18,394	18,300	6,147
18. Other Deductions	752	3,939	4,500	3,109
19. Total Cost of Electric Service (11 thru 18)	6,773,678	7,261,908	7,173,556	2,153,130
20. Patronage Capital & Operating Margins (1 minus 19)	(255,769)	(569,849)	124,973	(190,652)
21. Non Operating Margins - Interest	92,623	55,001	66,000	14,225
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	16,079	17,745	13,000	17,745
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(147,067)	(497,103)	203,973	(158,682)

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED March, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	73	64	5. Miles Transmission		
2. Services Retired	106	84	6. Miles Distribution - Overhead	2,002.49	2,006.97
3. Total Services in Place	19,822	21,089	7. Miles Distribution - Underground	11.12	11.72
4. Idle Services (Exclude Seasonals)	2,628	3,804	8. Total Miles Energized (5 + 6 + 7)	2,013.61	2,018.69

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	50,918,544	29. Memberships.....	209,195
2. Construction Work in Progress .....	709,924	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	51,628,468	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	15,806,633	32. Operating Margins - Current Year.....	(552,104)
5. Net Utility Plant (3 - 4) .....	35,821,835	33. Non-Operating Margins.....	471,725
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,890,711
8. Invest. in Assoc. Org. - Patronage Capital .....	5,617,640	36. Long-Term Debt - RUS (Net).....	8,114,016
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,255,042
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ...	0	39. Long-Term Debt Other (Net).....	3,901,389
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
i. Total Other Property & Investments (6 thru 13) ...	6,282,628	42. Total Long-Term Debt (36 thru 40 - 41).....	26,270,447
15. Cash - General Funds .....	282,446	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,643,413
17. Special Deposits .....	4,611	45. Total Other Noncurrent Liabilities (43 + 44).....	1,643,413
18. Temporary Investments .....	5,443,077	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,602,869
20. Accounts Receivable - Sales of Energy (Net) .....	4,721,427	48. Consumers Deposits.....	1,243,230
21. Accounts Receivable - Other (Net) .....	15,357	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	534,513	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	194,056	51. Current Maturities Capital Leases.....	515
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	292,714
25. Total Current and Accrued Assets (15 thru 24) .....	11,195,487	53. Total Current & Accrued Liabilities (46 thru 52).....	3,139,328
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	356,051
28. Total Assets and Other Debits (5+14+25 thru 27)..	53,299,950	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	53,299,950

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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
April, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,130,491	8,300,559	9,060,850	1,608,500
2. Power Production Expense				
3. Cost of Purchased Power	6,118,809	6,563,365	6,528,770	1,237,981
4. Transmission Expense				
5. Distribution Expense - Operation	413,103	431,636	432,033	113,147
6. Distribution Expense - Maintenance	394,265	505,394	485,028	139,640
7. Customer Accounts Expense	265,890	260,932	234,823	54,911
8. Customer Service and Informational Expense	40,724	2,970	29,902	1,144
9. Sales Expense	4,078	15,211	19,200	5,426
10. Administrative and General Expense	304,907	314,896	309,550	69,621
11. Total Operation & Maintenance Expense (2 thru 10)	7,541,776	8,094,404	8,039,306	1,621,870
12. Depreciation and Amortization Expense	608,019	631,499	628,000	158,017
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	8,509	8,725		2,425
15. Interest on Long-Term Debt	459,420	362,524	480,000	75,265
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	23,567	24,541	24,400	6,147
18. Other Deductions	2,176	7,599	6,000	3,660
19. Total Cost of Electric Service (11 thru 18)	8,643,467	9,129,292	9,177,706	1,867,384
20. Patronage Capital & Operating Margins (1 minus 19)	(512,976)	(828,733)	(116,856)	(258,884)
21. Non Operating Margins - Interest	141,322	81,613	88,000	26,612
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	16,079	17,745	13,000	
27. Extraordinary Items				
Patronage Capital or Margins (20 thru 27)	(355,575)	(729,375)	(15,856)	(232,272)

3 of 24

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED April, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	117	91	5. Miles Transmission		
2. Services Retired	123	102	6. Miles Distribution - Overhead	2,002.87	2,005.41
3. Total Services in Place	19,806	21,111	7. Miles Distribution - Underground	11.24	11.72
4. Idle Services (Exclude Seasonals)	2,627	3,841	8. Total Miles Energized (5 + 6 + 7)	2,014.11	2,017.13

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	51,056,607	29. Memberships.....	209,530
2. Construction Work in Progress .....	705,945	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	51,762,552	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	15,918,287	32. Operating Margins - Current Year.....	(810,988)
5. Net Utility Plant (3 - 4) .....	35,844,265	33. Non-Operating Margins.....	498,337
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,658,774
8. Invest. in Assoc. Org. - Patronage Capital .....	5,617,640	36. Long-Term Debt - RUS (Net).....	8,092,972
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,255,043
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,901,389
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
i. Total Other Property & Investments (6 thru 13) ...	6,282,628	42. Total Long-Term Debt (36 thru 40 - 41).....	26,249,404
15. Cash - General Funds .....	114,482	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,656,565
17. Special Deposits .....	4,233	45. Total Other Noncurrent Liabilities (43 + 44).....	1,656,565
18. Temporary Investments .....	5,906,449	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,315,837
20. Accounts Receivable - Sales of Energy (Net) .....	3,952,646	48. Consumers Deposits.....	1,244,105
21. Accounts Receivable - Other (Net) .....	17,507	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	544,538	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	172,487	51. Current Maturities Capital Leases.....	210
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	362,068
25. Total Current and Accrued Assets (15 thru 24) .....	10,712,342	53. Total Current & Accrued Liabilities (46 thru 52).....	2,922,220
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	352,272
28. Total Assets and Other Debits (5+14+25 thru 27).....	52,839,235	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	52,839,235

ExH α  
9 of 24

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED

May, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	9,959,374	10,243,915	11,065,227	1,943,356
2. Power Production Expense				
3. Cost of Purchased Power	7,443,562	7,658,290	7,942,281	1,094,925
4. Transmission Expense				
5. Distribution Expense - Operation	519,863	522,281	540,041	90,645
6. Distribution Expense - Maintenance	497,683	662,223	606,285	156,829
7. Customer Accounts Expense	320,542	314,302	293,529	53,370
8. Customer Service and Informational Expense	51,794	7,377	37,378	4,407
9. Sales Expense	9,215	19,869	24,000	4,658
10. Administrative and General Expense	412,844	406,912	386,937	92,016
11. Total Operation & Maintenance Expense (2 thru 10)	9,255,503	9,591,254	9,830,451	1,496,850
12. Depreciation and Amortization Expense	760,883	789,869	785,000	158,370
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	10,609	10,825		2,100
15. Interest on Long-Term Debt	576,409	437,789	600,000	75,265
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	29,715	30,690	30,500	6,149
18. Other Deductions	5,094	9,184	7,500	1,585
19. Total Cost of Electric Service (11 thru 18)	10,638,213	10,869,611	11,253,451	1,740,319
20. Patronage Capital & Operating Margins (1 minus 19)	(678,839)	(625,696)	(188,224)	203,037
21. Non Operating Margins - Interest	180,014	93,145	125,000	11,532
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	19,336	20,439	16,500	2,694
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(479,489)	(512,112)	(46,724)	217,263

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED May, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	177	126	5. Miles Transmission		
2. Services Retired	134	125	6. Miles Distribution - Overhead	2,003.52	2,004.70
3. Total Services in Place	19,865	21,150	7. Miles Distribution - Underground	11.24	11.74
4. Idle Services (Exclude Seasonals)	2,641	3,863	8. Total Miles Energized (5 + 6 + 7)	2,014.76	2,016.44

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	51,156,941	29. Memberships.....	210,270
2. Construction Work in Progress .....	749,959	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	51,906,900	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	16,022,669	32. Operating Margins - Current Year.....	(605,257)
5. Net Utility Plant (3 - 4) .....	35,884,231	33. Non-Operating Margins.....	509,869
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,591
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,876,778
8. Invest. in Assoc. Org. - Patronage Capital .....	5,617,640	36. Long-Term Debt - RUS (Net).....	8,014,775
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,255,043
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,847,782
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
14. Total Other Property & Investments (6 thru 13) ...	6,282,628	42. Total Long-Term Debt (36 thru 40 - 41).....	26,117,600
15. Cash - General Funds .....	63,728	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,656,861
17. Special Deposits .....	3,584	45. Total Other Noncurrent Liabilities (43 + 44).....	1,656,861
18. Temporary Investments .....	5,839,078	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,186,832
20. Accounts Receivable - Sales of Energy (Net) .....	3,954,065	48. Consumers Deposits.....	1,252,030
21. Accounts Receivable - Other (Net) .....	16,815	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	641,139	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	158,275	51. Current Maturities Capital Leases.....	418
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	403,661
25. Total Current and Accrued Assets (15 thru 24) ....	10,676,684	53. Total Current & Accrued Liabilities (46 thru 52).....	2,842,941
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	349,363
28. Total Assets and Other Debits (5 + 14 + 25 thru 27)..	52,843,543	56. Total Liabilities and Other Credits (35 + 42 + 45 + 53 thru 55).....	52,843,543

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056  PERIOD ENDED June, 2008  BORROWER NAME  LICKING VALLEY RUR ELEC COOP CORP
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.  <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. | <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report. |
|---|---|

\_\_\_\_\_ DATE \_\_\_\_\_

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	12,216,595	12,175,074	13,518,575	1,931,159
2. Power Production Expense				
3. Cost of Purchased Power	8,647,660	8,955,010	9,227,054	1,296,720
4. Transmission Expense				
5. Distribution Expense - Operation	626,197	633,126	648,050	110,845
6. Distribution Expense - Maintenance	655,581	810,725	727,542	148,502
7. Customer Accounts Expense	367,347	365,474	352,235	51,172
8. Customer Service and Informational Expense	61,095	11,398	44,853	4,021
9. Sales Expense	10,986	22,833	28,800	2,964
10. Administrative and General Expense	473,588	474,052	464,324	67,140
11. Total Operation & Maintenance Expense (2 thru 10)	10,842,454	11,272,618	11,492,858	1,681,364
12. Depreciation and Amortization Expense	913,773	948,768	942,000	158,899
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	12,795	12,925		2,100
15. Interest on Long-Term Debt	701,628	512,436	720,000	74,647
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	35,852	36,846	36,600	6,156
18. Other Deductions	6,094	10,634	9,000	1,450
19. Total Cost of Electric Service (11 thru 18)	12,512,596	12,794,227	13,200,458	1,924,616
20. Patronage Capital & Operating Margins (1 minus 19)	(296,001)	(619,153)	318,117	6,543
21. Non Operating Margins - Interest	213,916	103,566	147,000	10,421
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	19,336	20,439	16,500	
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(62,749)	(495,148)	481,617	16,964

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED June, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	207	177	5. Miles Transmission		
2. Services Retired	145	139	6. Miles Distribution - Overhead	2,004.45	2,005.51
3. Total Services in Place	19,896	21,150	7. Miles Distribution - Underground	11.39	11.79
4. Idle Services (Exclude Seasonals)	2,649	3,863	8. Total Miles Energized (5 + 6 + 7)	2,015.84	2,017.30

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	51,216,379	29. Memberships.....	210,170
2. Construction Work in Progress .....	818,751	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	52,035,130	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	16,130,855	32. Operating Margins - Current Year.....	(598,714)
5. Net Utility Plant (3 - 4) .....	35,904,275	33. Non-Operating Margins.....	520,290
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,893,641
8. Invest. in Assoc. Org. - Patronage Capital .....	5,617,640	36. Long-Term Debt - RUS (Net).....	7,993,610
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,155,468
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,847,782
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
14. Total Other Property & Investments (6 thru 13) ...	6,282,628	42. Total Long-Term Debt (36 thru 40 - 41).....	25,996,860
15. Cash - General Funds .....	4,651	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,657,157
17. Special Deposits .....	3,788	45. Total Other Noncurrent Liabilities (43 + 44).....	1,657,157
18. Temporary Investments .....	5,654,370	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,367,601
20. Accounts Receivable - Sales of Energy (Net) .....	4,219,822	48. Consumers Deposits.....	1,248,072
21. Accounts Receivable - Other (Net) .....	15,491	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	709,895	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	129,347	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	406,496
25. Total Current and Accrued Assets (15 thru 24) ....	10,737,364	53. Total Current & Accrued Liabilities (46 thru 52).....	3,022,169
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	354,440
28. Total Assets and Other Debits (5+14+25 thru 27)..	52,924,267	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	52,924,267

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED July, 2008
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	BORROWER NAME LICKING VALLEY RUR ELEC COOP CORP
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.	

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.
  There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_ DATE \_\_\_\_\_

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	14,372,770	14,027,251	15,768,728	1,852,177
2. Power Production Expense				
3. Cost of Purchased Power	9,955,610	10,496,210	10,622,637	1,541,200
4. Transmission Expense				
5. Distribution Expense - Operation	739,998	755,432	756,058	122,306
6. Distribution Expense - Maintenance	772,636	969,606	848,799	158,881
7. Customer Accounts Expense	417,033	414,792	410,940	49,318
8. Customer Service and Informational Expense	69,301	12,100	52,329	702
9. Sales Expense	16,873	27,541	33,600	4,708
10. Administrative and General Expense	550,965	544,370	541,712	70,318
11. Total Operation & Maintenance Expense (2 thru 10)	12,522,416	13,220,051	13,266,075	1,947,433
12. Depreciation and Amortization Expense	1,066,895	1,107,995	1,099,000	159,227
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	15,649	15,025		2,100
15. Interest on Long-Term Debt	818,633	591,275	840,000	78,839
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	41,713	42,992	42,700	6,146
18. Other Deductions	8,937	11,234	10,500	600
19. Total Cost of Electric Service (11 thru 18)	14,474,243	14,988,572	15,258,275	2,194,345
20. Patronage Capital & Operating Margins (1 minus 19)	(101,473)	(961,321)	510,453	(342,168)
21. Non Operating Margins - Interest	247,599	114,381	169,000	10,815
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	19,336	20,439	16,500	
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	165,462	(826,501)	695,953	(331,353)

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED July, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	254	234	5. Miles Transmission		
2. Services Retired	159	149	6. Miles Distribution - Overhead	2,006.08	2,006.69
3. Total Services in Place	19,908	21,159	7. Miles Distribution - Underground	11.52	11.79
4. Idle Services (Exclude Seasonals)	2,642	3,856	8. Total Miles Energized (5 + 6 + 7)	2,017.60	2,018.48

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	51,471,982	29. Memberships.....	210,330
2. Construction Work in Progress .....	913,422	30. Patronage Capital.....	21,737,782
3. Total Utility Plant (1 + 2) .....	52,385,404	31. Operating Margins - Prior Years.....	(64,477)
4. Accum. Provision for Depreciation and Amort .....	16,248,475	32. Operating Margins - Current Year.....	(940,882)
5. Net Utility Plant (3 - 4) .....	36,136,929	33. Non-Operating Margins.....	531,105
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,562,448
8. Invest. in Assoc. Org. - Patronage Capital .....	5,617,640	36. Long-Term Debt - RUS (Net).....	7,973,068
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,155,468
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,847,783
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
1. Total Other Property & Investments (6 thru 13) ...	6,282,628	42. Total Long-Term Debt (36 thru 40 - 41).....	25,976,319
14. Cash - General Funds .....	89,551	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,657,647
17. Special Deposits .....	3,658	45. Total Other Noncurrent Liabilities (43 + 44).....	1,657,647
18. Temporary Investments .....	5,218,595	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,670,847
20. Accounts Receivable - Sales of Energy (Net) .....	4,160,968	48. Consumers Deposits.....	1,248,799
21. Accounts Receivable - Other (Net) .....	15,283	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	847,640	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	107,778	51. Current Maturities Capital Leases.....	493
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	388,348
25. Total Current and Accrued Assets (15 thru 24) .....	10,443,473	53. Total Current & Accrued Liabilities (46 thru 52).....	3,308,487
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	358,129
28. Total Assets and Other Debits (5+14+25 thru 27)..	52,863,030	56. Total Liabilities and Other Credits (35+ 42+ 45 + 53 thru 55).....	52,863,030

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED August, 2008
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.  <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	BORROWER NAME  LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

- |  |   |
|--|---|
| <input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. | <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report. |
|--|---|

\_\_\_\_\_ DATE \_\_\_\_\_

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	16,252,516	15,860,974	17,683,215	1,833,723
2. Power Production Expense				
3. Cost of Purchased Power	11,467,586	11,855,961	12,235,915	1,359,751
4. Transmission Expense				
5. Distribution Expense - Operation	842,914	865,195	864,067	109,763
6. Distribution Expense - Maintenance	896,104	1,099,539	970,056	129,933
7. Customer Accounts Expense	467,103	463,297	469,646	48,505
8. Customer Service and Informational Expense	81,253	16,004	59,805	3,904
9. Sales Expense	22,601	31,946	38,400	4,405
10. Administrative and General Expense	612,925	610,721	619,099	66,351
11. Total Operation & Maintenance Expense (2 thru 10)	14,390,486	14,942,663	15,256,988	1,722,612
12. Depreciation and Amortization Expense	1,221,634	1,268,736	1,256,000	160,741
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	17,749	17,125		2,100
15. Interest on Long-Term Debt	935,639	670,114	960,000	78,839
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	48,472	49,171	48,800	6,179
18. Other Deductions	13,037	12,254	12,000	1,020
19. Total Cost of Electric Service (11 thru 18)	16,627,017	16,960,063	17,533,788	1,971,491
20. Patronage Capital & Operating Margins (1 minus 19)	(374,501)	(1,099,089)	149,427	(137,768)
21. Non Operating Margins - Interest	284,164	123,937		9,556
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	19,336	20,439		
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(71,001)	(954,713)	149,427	(128,212)

USDA - RUS  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056  PERIOD ENDED August, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	300	261	5. Miles Transmission		
2. Services Retired	169	164	6. Miles Distribution - Overhead	2,007.33	2,007.60
3. Total Services in Place	19,986	21,212	7. Miles Distribution - Underground	11.52	11.83
4. Idle Services (Exclude Seasonals)	2,697	3,864	8. Total Miles Energized (5 + 6 + 7)	2,018.85	2,019.43

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service .....	29. Memberships.....
51,998,657	211,280
2. Construction Work in Progress .....	30. Patronage Capital.....
686,869	22,070,290
3. Total Utility Plant (1 + 2) .....	31. Operating Margins - Prior Years.....
52,685,526	19,739
4. Accum. Provision for Depreciation and Amort .....	32. Operating Margins - Current Year.....
16,270,779	(1,078,650)
5. Net Utility Plant (3 - 4) .....	33. Non-Operating Margins.....
36,414,747	123,937
6. Non-Utility Property (Net) .....	34. Other Margins and Equities.....
0	88,590
7. Investments in Subsidiary Companies .....	35. Total Margins & Equities (29 thru 34).....
0	21,435,186
8. Invest. in Assoc. Org. - Patronage Capital .....	36. Long-Term Debt - RUS (Net).....
5,617,640	7,893,968
9. Invest. in Assoc. Org. - Other - General Funds .....	37. Long-Term Debt - FFB - RUS Guaranteed.....
0	14,155,468
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	38. Long-Term Debt - Other - RUS Guaranteed.....
664,988	0
11. Investments in Economic Development Projects ...	39. Long-Term Debt Other (Net).....
0	3,793,406
12. Other Investments .....	40. Long-Term Debt - RUS - Econ. Devel. (Net).....
0	0
13. Special Funds .....	41. Payments - Unapplied
0	
14. Total Other Property & Investments (6 thru 13) ...	42. Total Long-Term Debt (36 thru 40 - 41).....
6,282,628	25,842,842
15. Cash - General Funds .....	43. Obligations Under Capital Leases - Noncurrent.....
29,942	0
16. Cash - Construction Funds - Trustee .....	44. Accumulated Operating Provisions
0	and Asset Retirement Obligations..
17. Special Deposits .....	1,658,136
3,018	45. Total Other Noncurrent Liabilities (43 + 44).....
18. Temporary Investments .....	1,658,136
4,809,244	46. Notes Payable.....
19. Notes Receivable (Net) .....	0
0	47. Accounts Payable.....
20. Accounts Receivable - Sales of Energy (Net) .....	1,459,395
4,053,781	48. Consumers Deposits.....
21. Accounts Receivable - Other (Net) .....	1,258,504
14,272	49. Current Maturities Long-Term Debt.....
22. Materials and Supplies - Electric & Other .....	0
675,967	50. Current Maturities Long-Term Debt
23. Prepayments .....	-Economic Development.....
75,680	0
24. Other Current and Accrued Assets .....	51. Current Maturities Capital Leases.....
0	1,606
25. Total Current and Accrued Assets (15 thru 24) ....	52. Other Current and Accrued Liabilities.....
9,661,904	340,217
26. Regulatory Assets .....	53. Total Current & Accrued Liabilities (46 thru 52).....
0	3,059,722
27. Other Deferred Debits .....	54. Regulatory Liabilities.....
0	0
28. Total Assets and Other Debits (5+14+25 thru 27)..	55. Other Deferred Credits.....
52,359,279	363,393
	56. Total Liabilities and Other Credits
	(35+ 42 + 45 + 53 thru 55).....
	52,359,279

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
September, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	17,927,420	17,422,265	19,397,417	1,561,291
2. Power Production Expense				
3. Cost of Purchased Power	12,836,255	13,181,592	13,696,285	1,325,631
4. Transmission Expense				
5. Distribution Expense - Operation	940,142	981,548	972,075	116,353
6. Distribution Expense - Maintenance	1,041,770	1,191,791	1,091,313	92,252
7. Customer Accounts Expense	526,262	509,477	528,352	46,180
8. Customer Service and Informational Expense	82,910	16,594	67,280	590
9. Sales Expense	26,504	37,788	43,200	5,842
10. Administrative and General Expense	675,708	697,345	696,487	86,624
11. Total Operation & Maintenance Expense (2 thru 10)	16,129,551	16,616,135	17,094,992	1,673,472
12. Depreciation and Amortization Expense	1,376,795	1,429,939	1,413,000	161,203
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	19,997	19,376		2,251
15. Interest on Long-Term Debt	1,051,574	747,958	1,080,000	77,844
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	54,768	55,424	54,900	6,253
18. Other Deductions	12,278	14,112	13,500	1,858
19. Total Cost of Electric Service (11 thru 18)	18,644,963	18,882,944	19,656,392	1,922,881
20. Patronage Capital & Operating Margins (1 minus 19)	(717,543)	(1,460,679)	(258,975)	(361,590)
21. Non Operating Margins - Interest	316,060	133,564	213,000	9,627
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	31,652	42,568	58,500	22,129
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(369,831)	(1,284,547)	12,525	(329,834)

USDA - RUS	BORROWER DESIGNATION KY0056
<b>FINANCIAL AND STATISTICAL REPORT</b>	PERIOD ENDED September, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	332	298	5. Miles Transmission		
2. Services Retired	181	173	6. Miles Distribution - Overhead	2,007.74	2,007.75
3. Total Services in Place	20,137	21,179	7. Miles Distribution - Underground	11.52	11.90
4. Idle Services (Exclude Seasonals)	2,837	3,835	8. Total Miles Energized (5 + 6 + 7)	2,019.26	2,019.65

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	52,148,747	29. Memberships.....	210,875
2. Construction Work in Progress .....	741,269	30. Patronage Capital.....	22,070,290
3. Total Utility Plant (1 + 2) .....	52,890,016	31. Operating Margins - Prior Years.....	19,739
4. Accum. Provision for Depreciation and Amort .....	16,407,626	32. Operating Margins - Current Year.....	(1,418,111)
5. Net Utility Plant (3 - 4) .....	36,482,390	33. Non-Operating Margins.....	133,564
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	88,590
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	21,104,947
8. Invest. in Assoc. Org. - Patronage Capital .....	5,635,343	36. Long-Term Debt - RUS (Net).....	7,872,621
9. Invest. in Assoc. Org. - Other - General Funds .....	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,061,135
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	664,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects ....	0	39. Long-Term Debt Other (Net).....	3,793,406
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
14. Total Other Property & Investments (6 thru 13) ...	6,300,331	42. Total Long-Term Debt (36 thru 40 - 41).....	25,727,162
15. Cash - General Funds .....	97,318	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,667,946
17. Special Deposits .....	3,489	45. Total Other Noncurrent Liabilities (43 + 44).....	1,667,946
18. Temporary Investments .....	4,683,650	46. Notes Payable.....	0
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	1,473,405
20. Accounts Receivable - Sales of Energy (Net) .....	3,605,077	48. Consumers Deposits.....	1,261,700
21. Accounts Receivable - Other (Net) .....	14,803	49. Current Maturities Long-Term Debt.....	0
22. Materials and Supplies - Electric & Other .....	689,718	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	56,742	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	339,933
25. Total Current and Accrued Assets (15 thru 24) ....	9,150,797	53. Total Current & Accrued Liabilities (46 thru 52).....	3,075,038
26. Regulatory Assets .....	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	0	55. Other Deferred Credits.....	358,425
28. Total Assets and Other Debits (5+14+25 thru 27)..	51,933,518	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	51,933,518

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
October, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	19,857,316	19,483,981	21,376,785	2,061,716
2. Power Production Expense				
3. Cost of Purchased Power	13,964,237	14,596,990	14,899,842	1,415,398
4. Transmission Expense				
5. Distribution Expense - Operation	1,041,582	1,094,580	1,080,083	113,032
6. Distribution Expense - Maintenance	1,171,566	1,306,639	1,212,570	114,848
7. Customer Accounts Expense	615,406	564,163	587,058	54,686
8. Customer Service and Informational Expense	83,812	19,272	74,756	2,678
9. Sales Expense	26,821	42,702	48,000	4,914
10. Administrative and General Expense	747,610	772,239	773,874	74,894
11. Total Operation & Maintenance Expense (2 thru 10)	17,651,034	18,396,585	18,676,183	1,780,450
12. Depreciation and Amortization Expense	1,532,675	1,591,026	1,570,000	161,087
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	22,097	21,476		2,100
15. Interest on Long-Term Debt	1,156,099	816,908	1,200,000	68,950
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	61,117	61,693	61,000	6,269
18. Other Deductions	13,741	16,447	15,000	2,335
19. Total Cost of Electric Service (11 thru 18)	20,436,763	20,904,135	21,522,183	2,021,191
20. Patronage Capital & Operating Margins (1 minus 19)	(579,447)	(1,420,154)	(145,398)	40,525
21. Non Operating Margins - Interest	361,168	159,572	250,000	26,008
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	58,144	66,804	58,500	24,236
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(160,135)	(1,193,778)	163,102	90,769

USDA - RUS  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056 <hr/> PERIOD ENDED October, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	374	328	5. Miles Transmission		
2. Services Retired	207	184	6. Miles Distribution - Overhead	2,008.87	2,010.36
3. Total Services in Place	20,267	21,144	7. Miles Distribution - Underground	11.52	11.93
4. Idle Services (Exclude Seasonals)	2,955	3,769	8. Total Miles Energized (5 + 6 + 7)	2,020.39	2,022.29

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service .....	29. Memberships.....
52,284,291	210,920
2. Construction Work in Progress .....	30. Patronage Capital.....
1,044,888	22,070,290
3. Total Utility Plant (1 + 2) .....	31. Operating Margins - Prior Years.....
53,329,179	19,739
4. Accum. Provision for Depreciation and Amort .....	32. Operating Margins - Current Year.....
16,587,787	(1,353,350)
5. Net Utility Plant (3 - 4) .....	33. Non-Operating Margins.....
36,741,392	159,572
6. Non-Utility Property (Net) .....	34. Other Margins and Equities.....
0	(1,206,099)
7. Investments in Subsidiary Companies .....	35. Total Margins & Equities (29 thru 34).....
0	19,901,072
8. Invest. in Assoc. Org. - Patronage Capital .....	36. Long-Term Debt - RUS (Net).....
5,633,883	7,851,901
9. Invest. in Assoc. Org. - Other - General Funds .....	37. Long-Term Debt - FFB - RUS Guaranteed.....
0	14,061,135
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	38. Long-Term Debt - Other - RUS Guaranteed.....
664,988	0
11. Investments in Economic Development Projects ...	39. Long-Term Debt Other (Net).....
0	3,793,406
12. Other Investments .....	40. Long-Term Debt - RUS - Econ. Devel. (Net).....
0	0
13. Special Funds .....	41. Payments - Unapplied .....
0	0
14. Total Other Property & Investments (6 thru 13) ...	42. Total Long-Term Debt (36 thru 40 - 41).....
6,298,871	25,706,442
15. Cash - General Funds .....	43. Obligations Under Capital Leases - Noncurrent.....
226,554	0
16. Cash - Construction Funds - Trustee .....	44. Accumulated Operating Provisions and Asset Retirement Obligations..
0	2,972,252
17. Special Deposits .....	45. Total Other Noncurrent Liabilities (43 + 44).....
3,701	2,972,252
18. Temporary Investments .....	46. Notes Payable.....
4,555,891	0
19. Notes Receivable (Net) .....	47. Accounts Payable.....
0	1,569,791
20. Accounts Receivable - Sales of Energy (Net) .....	48. Consumers Deposits.....
3,627,029	1,266,858
21. Accounts Receivable - Other (Net) .....	49. Current Maturities Long-Term Debt.....
14,718	0
22. Materials and Supplies - Electric & Other .....	50. Current Maturities Long-Term Debt -Economic Development.....
589,186	0
23. Prepayments .....	51. Current Maturities Capital Leases.....
37,805	710
24. Other Current and Accrued Assets .....	52. Other Current and Accrued Liabilities.....
0	333,557
25. Total Current and Accrued Assets (15 thru 24) ....	53. Total Current & Accrued Liabilities (46 thru 52).....
9,054,884	3,170,916
26. Regulatory Assets .....	54. Regulatory Liabilities.....
0	0
27. Other Deferred Debits .....	55. Other Deferred Credits.....
0	344,465
28. Total Assets and Other Debits (5+14+25 thru 27)..	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....
52,095,147	52,095,147

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056  PERIOD ENDED November, 2008
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.  <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	BORROWER NAME  LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

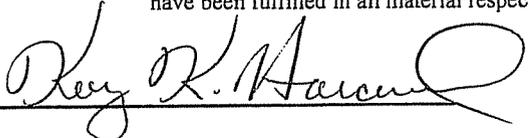
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**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

  
 \_\_\_\_\_  
 01/15/2009  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	21,974,831	22,120,237	23,667,495	2,636,256
2. Power Production Expense				
3. Cost of Purchased Power	15,343,061	16,405,915	16,371,047	1,808,925
4. Transmission Expense				
5. Distribution Expense - Operation	1,139,829	1,213,496	1,188,092	118,916
6. Distribution Expense - Maintenance	1,276,246	1,429,192	1,333,827	122,553
7. Customer Accounts Expense	679,670	634,354	645,763	70,191
8. Customer Service and Informational Expense	84,398	19,619	82,231	347
9. Sales Expense	32,947	47,830	52,800	5,128
10. Administrative and General Expense	822,723	864,941	851,262	92,702
11. Total Operation & Maintenance Expense (2 thru 10)	19,378,874	20,615,347	20,525,022	2,218,762
12. Depreciation and Amortization Expense	1,689,240	1,752,578	1,727,000	161,552
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	23,443	23,576		2,100
15. Interest on Long-Term Debt	1,260,625	885,858	1,320,000	68,950
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	71,706	67,994	67,100	6,301
18. Other Deductions	14,403	17,347	16,500	900
19. Total Cost of Electric Service (11 thru 18)	22,438,291	23,362,700	23,655,622	2,458,565
20. Patronage Capital & Operating Margins (1 minus 19)	(463,460)	(1,242,463)	11,873	177,691
21. Non Operating Margins - Interest	391,498	168,085	272,000	8,513
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	58,144	66,804	58,500	
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(13,818)	(1,007,574)	342,373	186,204

Ex 4 R  
22 of 24

USDA - RUS  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056  PERIOD ENDED November, 2008
INSTRUCTIONS - See RUS Bulletin 1717B-2	

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	436	350	5. Miles Transmission		
2. Services Retired	221	200	6. Miles Distribution - Overhead	2,008.27	2,010.94
3. Total Services in Place	21,090	21,167	7. Miles Distribution - Underground	11.52	11.95
4. Idle Services (Exclude Seasonals)	3,805	3,779	8. Total Miles Energized (5 + 6 + 7)	2,019.79	2,022.89

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service .....	29. Memberships.....
52,801,628	210,855
2. Construction Work in Progress .....	30. Patronage Capital.....
650,799	22,070,290
3. Total Utility Plant (1 + 2) .....	31. Operating Margins - Prior Years.....
53,452,427	19,740
4. Accum. Provision for Depreciation and Amort .....	32. Operating Margins - Current Year.....
16,658,908	(1,175,659)
5. Net Utility Plant (3 - 4) .....	33. Non-Operating Margins.....
36,793,519	168,085
6. Non-Utility Property (Net) .....	34. Other Margins and Equities.....
0	(1,206,100)
7. Investments in Subsidiary Companies .....	35. Total Margins & Equities (29 thru 34).....
0	20,087,211
8. Invest. in Assoc. Org. - Patronage Capital .....	36. Long-Term Debt - RUS (Net).....
5,633,883	7,770,351
9. Invest. in Assoc. Org. - Other - General Funds .....	37. Long-Term Debt - FFB - RUS Guaranteed.....
0	14,061,135
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	38. Long-Term Debt - Other - RUS Guaranteed.....
664,988	0
11. Investments in Economic Development Projects ....	39. Long-Term Debt Other (Net).....
0	3,738,248
12. Other Investments .....	40. Long-Term Debt - RUS - Econ. Devel. (Net).....
0	0
13. Special Funds .....	41. Payments - Unapplied .....
0	0
Total Other Property & Investments (6 thru 13) ...	42. Total Long-Term Debt (36 thru 40 - 41).....
6,298,871	25,569,734
15. Cash - General Funds .....	43. Obligations Under Capital Leases - Noncurrent.....
82,461	0
16. Cash - Construction Funds - Trustee .....	44. Accumulated Operating Provisions and Asset Retirement Obligations..
0	3,018,923
17. Special Deposits .....	45. Total Other Noncurrent Liabilities (43 + 44).....
1,624	3,018,923
18. Temporary Investments .....	46. Notes Payable.....
3,792,623	0
19. Notes Receivable (Net) .....	47. Accounts Payable.....
0	1,910,648
20. Accounts Receivable - Sales of Energy (Net) .....	48. Consumers Deposits.....
4,942,085	1,268,872
21. Accounts Receivable - Other (Net) .....	49. Current Maturities Long-Term Debt.....
21,728	0
22. Materials and Supplies - Electric & Other .....	50. Current Maturities Long-Term Debt -Economic Development.....
610,052	0
23. Prepayments .....	51. Current Maturities Capital Leases.....
18,867	1,556
24. Other Current and Accrued Assets .....	52. Other Current and Accrued Liabilities.....
0	362,697
25. Total Current and Accrued Assets (15 thru 24) ....	53. Total Current & Accrued Liabilities (46 thru 52).....
9,469,440	3,543,773
26. Regulatory Assets .....	54. Regulatory Liabilities.....
0	0
27. Other Deferred Debits .....	55. Other Deferred Credits.....
0	342,189
28. Total Assets and Other Debits (5+14+25 thru 27)..	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....
52,561,830	52,561,830

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0056

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
December, 2008

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.*

LICKING VALLEY RUR ELEC COOP CORP

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	24,588,577	24,814,019	25,947,555	2,693,782
2. Power Production Expense				
3. Cost of Purchased Power	16,922,124	18,381,104	17,994,803	1,975,189
4. Transmission Expense				
5. Distribution Expense - Operation	1,270,976	1,370,886	1,296,100	157,390
6. Distribution Expense - Maintenance	1,410,064	1,628,353	1,455,084	199,161
7. Customer Accounts Expense	747,367	691,343	704,469	56,989
8. Customer Service and Informational Expense	84,778	20,021	89,707	402
9. Sales Expense	33,003	52,412	57,600	4,582
10. Administrative and General Expense	935,718	943,247	928,649	78,306
11. Total Operation & Maintenance Expense (2 thru 10)	21,404,030	23,087,366	22,526,412	2,472,019
12. Depreciation and Amortization Expense	1,846,028	1,915,787	1,884,000	163,209
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	25,543	25,676		2,100
15. Interest on Long-Term Debt	1,366,230	955,161	1,440,000	69,303
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	77,592	74,306	73,200	6,312
18. Other Deductions	14,604	17,697	18,000	350
19. Total Cost of Electric Service (11 thru 18)	24,734,027	26,075,993	25,941,612	2,713,293
20. Patronage Capital & Operating Margins (1 minus 19)	(145,450)	(1,261,974)	5,943	(19,511)
21. Non Operating Margins - Interest	416,724	172,066	294,000	3,981
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits		241,839		241,839
26. Other Capital Credits and Patronage Dividends	61,234	66,804	58,500	
27. Extraordinary Items				
Patronage Capital or Margins (20 thru 27)	332,508	(781,265)	358,443	226,309

USDA - RUS  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KY0056
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED December, 2008

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	458	363	5. Miles Transmission		
2. Services Retired	265		6. Miles Distribution - Overhead	2,008.08	2,010.94
3. Total Services in Place	21,141	21,143	7. Miles Distribution - Underground	11.56	11.95
4. Idle Services (Exclude Seasonals)	3,796	3,745	8. Total Miles Energized (5 + 6 + 7)	2,019.64	2,022.89

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service .....	29. Memberships.....
52,852,675	211,065
2. Construction Work in Progress .....	30. Patronage Capital.....
682,760	22,070,290
3. Total Utility Plant (1 + 2) .....	31. Operating Margins - Prior Years.....
53,535,435	19,740
4. Accum. Provision for Depreciation and Amort .....	32. Operating Margins - Current Year.....
16,757,014	(953,331)
5. Net Utility Plant (3 - 4) .....	33. Non-Operating Margins.....
36,778,421	172,066
6. Non-Utility Property (Net) .....	34. Other Margins and Equities.....
0	(1,206,100)
7. Investments in Subsidiary Companies .....	35. Total Margins & Equities (29 thru 34).....
0	20,313,730
8. Invest. in Assoc. Org. - Patronage Capital .....	36. Long-Term Debt - RUS (Net).....
5,875,722	7,748,816
9. Invest. in Assoc. Org. - Other - General Funds .....	37. Long-Term Debt - FFB - RUS Guaranteed.....
0	13,956,136
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	38. Long-Term Debt - Other - RUS Guaranteed.....
664,988	0
11. Investments in Economic Development Projects ...	39. Long-Term Debt Other (Net).....
0	3,738,248
12. Other Investments .....	40. Long-Term Debt - RUS - Econ. Devel. (Net).....
0	0
13. Special Funds .....	41. Payments - Unapplied .....
0	0
14. Total Other Property & Investments (6 thru 13) ...	42. Total Long-Term Debt (36 thru 40 - 41).....
6,540,710	25,443,200
15. Cash - General Funds .....	43. Obligations Under Capital Leases - Noncurrent.....
703,559	0
16. Cash - Construction Funds - Trustee .....	44. Accumulated Operating Provisions
0	and Asset Retirement Obligations..
17. Special Deposits .....	3,030,498
1,119	45. Total Other Noncurrent Liabilities (43 + 44).....
18. Temporary Investments .....	3,030,498
2,688,184	46. Notes Payable.....
19. Notes Receivable (Net) .....	0
0	47. Accounts Payable.....
20. Accounts Receivable - Sales of Energy (Net) .....	2,093,987
5,324,153	48. Consumers Deposits.....
21. Accounts Receivable - Other (Net) .....	1,269,285
20,925	49. Current Maturities Long-Term Debt.....
22. Materials and Supplies - Electric & Other .....	0
654,095	50. Current Maturities Long-Term Debt
23. Prepayments .....	-Economic Development.....
75,719	0
24. Other Current and Accrued Assets .....	51. Current Maturities Capital Leases.....
0	0
25. Total Current and Accrued Assets (15 thru 24) ....	52. Other Current and Accrued Liabilities.....
9,467,754	298,284
26. Regulatory Assets .....	53. Total Current & Accrued Liabilities (46 thru 52).....
0	3,661,556
27. Other Deferred Debits .....	54. Regulatory Liabilities.....
0	0
28. Total Assets and Other Debits (5+14+25 thru 27)..	55. Other Deferred Credits.....
52,786,885	337,901
	56. Total Liabilities and Other Credits
	(35+ 42 + 45 + 53 thru 55).....
	52,786,885

LICKING VALLEY RECC  
CASE NO. 2009-00016

Exhibit R  
Schedule 1  
Page 1 of 28  
Wintess: Jim Adkins

TEST YEAR REVENUE REQUIREMENTS

			TEST YEAR EXPENSES		
1					
2					
3	Acct	Description	Actual	Adjust	Adjusted
4	No.		<u>Test Year</u>	<u>ments</u>	<u>Test Year</u>
5					
6	555	Purchased Power			
7		Base Rates	14,832,395	1,401,497	16,233,892
8		FAC & ES Clauses	3,548,709	(3,548,709)	-
9		<b>Total Purchased Power</b>	18,381,104	(2,147,212)	16,233,892
10					
11	580	Operations Supv & Eng	85,865	2,572	88,437
12	582	Station Expense	-	-	-
13	583	Overhead Line Exp.	712,635	21,354	733,988
14	584	Underground Line Exp	344	-	344
15	586	Meter Expense	305,161	9,140	314,300
16	587	Consumer Installations	78,470	2,350	80,820
17	588	Misc. Distribution Exp	188,412	5,643	194,055
18	589	Rents	-	-	-
19		<b>Total Dist. Operations</b>	1,370,886	41,059	1,411,945
20					
21	590	Maint Supv & Eng	86,479	2,791	89,271
22	592	Maint of Station Equip	-	-	-
23	593	Maint. Overhead Lines	1,323,132	42,709	1,365,841
24	594	Maint of Underground Lines	-	-	-
25	595	Maint Line Transformers	74,528	2,406	76,933
26	596	Maint of St Lg & Signal Sys	-	-	-
27	597	Maintenance of Meters	144,215	4,655	148,870
28	598	Maint Misc Distrib Plant	-	-	-
29		<b>Total Dist. Maint.</b>	1,628,353	52,561	1,680,914
30					
31	901	Supervision	-	-	-
32	902	Meter Reading Expense	163,316	6,519	169,834
33	903	Cons Recds & Collections	456,027	18,202	474,229
34	904	Uncollectible Accounts	72,000	-	72,000
35		<b>Total Consum Accts</b>	691,343	24,721	716,064
36					
37	907	Customer Information	-	-	-
38	908	Customer Service	20,021	2,157	22,178
39	909	Public Safety Awareness	-	-	-
40	912	Advertising Expense	52,412	-	52,412
41		<b>Total Customer Serv.</b>	72,433	2,157	74,590

LICKING VALLEY RECC  
CASE NO. 2009-00016

Exhibit R  
Schedule 1  
Page 2 of 28  
Wintess: Jim Adkins

TEST YEAR REVENUE REQUIREMENTS

1			TEST YEAR EXPENSES		
2					
3	Acct	Description	Actual	Adjust	Adjusted
4	No.		Test Year	ments	Test Year
42					
43	920	Administrative Salaries	426,369	25,865	452,234
44	921	Office Supplies	98,362	5,813	104,175
45	923	Outside Services	6,879	-	6,879
46	924	Property Ins	-	-	-
47	925	Injuries & Damages	-	-	-
48	926	Employ Pensions & Benef	-	-	-
49	928	Regulatory Exp	-	-	-
50	929	Duplicate Charges	(9,420)	-	(9,420)
51	930	Misc General Exp	262,764	15,940	278,704
52	931	Rents	-	-	-
53	932	Maintenance of Gen. Plant	158,293	9,602	167,895
54		<b>Total Admin &amp; General</b>	<b>943,247</b>	<b>57,220</b>	<b>1,000,467</b>
55					
56	403.6	Deprec. Distribution Plant	1,824,468	51,852	1,876,320
57	403.7	Deprec. General Plant	91,319	-	91,319
58		<b>Total Depreciation</b>	<b>1,915,787</b>	<b>51,852</b>	<b>1,967,639</b>
59					
60	08.4&408	Taxes Other Than Inc. Taxes	476	-	476
61	408.6	PSC Assessment	25,200	-	25,200
62	426	Miscellaneous Deductions	17,697	(17,697)	-
63		<b>Total Miscellaneous</b>	<b>25,676</b>	<b>(17,697)</b>	<b>25,676</b>
64					
65	427.1	Interest - RUS Constuc	409,260	-	409,260
66	427.3	Interest - FFB Notes	343,938	34,587	378,525
67	427.2	Interest - Other LTD	201,962		201,962
68		<b>Total Interest on LTD</b>	<b>955,161</b>	<b>34,587</b>	<b>989,748</b>
69					
70	431.1	Other Interest Expense	-	-	-
71	431	Interest on Customer Dep.	74,306		74,306
72	431.2	Other Interest	-		-
73		<b>Total ST Interest</b>	<b>74,306</b>	<b>-</b>	<b>74,306</b>
74					
75		<b>Total Costs</b>	<b>26,058,296</b>	<b>(1,900,753)</b>	<b>24,175,240</b>
76		<b>Margin Requirements</b>	<b>955,161</b>	<b>34,587</b>	<b>989,748</b>
77		<b>Total Revenue Require.</b>	<b>27,013,456</b>	<b>(1,866,166)</b>	<b>25,164,988</b>

LICKING VALLEY RECC  
CASE NO. 2009-00016

PAYROLL EXPENSES

Used in the Allocation of the Test Year Adjusted Expenses						Used in the General Plant Allocation in Rate Base				
Acct No.	Description	Total Wages	Percent	Oper. Percent	Oper. Adjust.	Payroll Summary	Actual	Percent	w/o A&G	Percent
580	Operations Supv & Eng	85,865	1.82%	6.26%	2,572	Dist Operations	434,102	29.13%	434,102	41.28%
582	Station Expense					Dist. Maintenance	405,553	34.60%	405,553	38.57%
583	Overhead Line Exp.	712,635	15.14%	51.98%	21,354	Consumer Accounts	211,841	14.69%	211,841	20.15%
584	Underground Line Exp	344				Consumer Service	-	0.00%	-	0.00%
586	Meter Expense	305,161	6.48%	22.26%	9,140	Admin. & General	274,841	20.04%		
587	Consumer Installations	78,470	1.67%	5.72%	2,350		1,326,337	98.46%	1,051,496	100.0%
588	Misc. Distribution Exp	188,412	4.00%	13.74%	5,643					
	<b>Total Dist. Operations</b>	<b>1,370,886</b>	<b>29.13%</b>	<b>100.0%</b>	<b>41,059</b>					
		1,370,886		<b>Maint. Percent</b>	<b>Maint. Adjust.</b>					
590	Maint Supv & Eng	86,479	1.84%	5.31%	2,791					
592	Maint of Station Equip	-	0.00%	0.00%	-					
593	Maint. Overhead Lines	1,323,132	28.11%	81.26%	42,709					
595	Maint Line Transformers	74,528	1.58%	4.58%	2,406					
597	Maintenance of Meters	144,215	3.06%	8.86%	4,655					
598	Maint Misc Distrib Plant									
	<b>Total Dist. Maint.</b>	<b>1,628,353</b>	<b>34.60%</b>	<b>100.00%</b>	<b>52,561</b>					
901	Supervision									
902	Meter Reading Expense	163,316	3.47%	26.4%	6,519					
903	Cons Recds & Collections	456,027	9.69%	73.6%	18,202					
904	Uncollectible Accounts	72,000								
	<b>Total Consum Accts</b>	<b>691,343</b>	<b>14.69%</b>	<b>100.0%</b>	<b>24,721</b>					
					2157					
907	Customer Service	20,021	0.43%							
908	Sales	52,412	1.11%							
	<b>Total Customer Serv.</b>	<b>72,433</b>	<b>1.54%</b>		<b>2,157</b>					
920	Administrative Salaries	426,369	9.06%	45.2%	25,865					
921-929	Off Sup & Out Serv, & Dup	95,821	2.04%	10.2%	5,813					
930	Employ Pensions & Benef	262,764	5.58%	27.9%	15,940					
935	Misc. General Plant	158,293	3.36%	16.8%	9,602					
	<b>Total Admin &amp; General</b>	<b>943,247</b>	<b>20.04%</b>	<b>100%</b>	<b>57,220</b>					
		4,706,262	100.0%							

LICKING VALLEY RECC  
CASE NO. 2009-00016

FUNCTIONALIZATION SUMMARY

								Consumer		
	Adjusted	Purchased						Services &	Outdoor	
Expense	Expenses	Power	Lines	Transformers	Services	Meters	Accounting	Lighting	Total	
Purchased Power	16,233,892	16,233,892								16,233,892
Distribution Operations	1,411,945		780,747	-	114,930	392,935	-		123,333	1,411,945
Distribution Maintenance	1,680,914		1,236,337	81,248	172,929	157,219	-		33,180	1,680,914
Consumer Accounts	716,064						716,064			716,064
Customer Service	74,590						74,590			74,590
Administrative & General	1,000,467		517,176	123,775	75,000	42,873	201,560	40,083		1,000,467
Depreciation	1,967,639		1,261,850	301,997	182,991	104,606	18,398	97,797		1,967,639
Miscellaneous	25,676		16,392	3,923	2,377	1,359	355	1,270		25,676
Interest on Long Term Debt	989,748		637,294	152,523	92,419	52,831	5,288	49,392		989,748
Short Term Interest	74,306		47,845	11,451	6,938	3,966	397	3,708		74,306
Total Costs	24,175,240	16,233,892	4,497,641	674,916	647,585	755,790	1,016,652	348,764		24,175,240
Margin Requirements	989,748	-	637,294	152,523	92,419	52,831	5,288	49,392		989,748
Revenue Requirements	25,164,988	16,233,892	5,134,936	827,439	740,005	808,621	1,021,940	398,156		25,164,988

LICKING COUNTY RECC  
CASE NO. 2009-00016  
FUNCTIONALIZATION OF TEST YEAR EXPENSES

			Expenses	FUNCTIONALIZATION								
1	2	3	4	5	6	7	8	9	10	11	12	13
Acct No.	Description	Adjusted Test Year	Purchased Power	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Street Lighting	Total	Alloc. Basis
555	Purchased Power											
	Base Rates	16,233,892	16,233,892								16,233,892	
	FAC & ES Clauses	-	-								-	
	<b>Total Purchased Power</b>	<b>16,233,892</b>	<b>16,233,892</b>								<b>16,233,892</b>	DA
580	Operations Supv & Eng	88,437		48,892		7,200	24,617		7,727		88,437	1 & 2
582	Station Expense	-									-	
583	Overhead Line Exp.	733,988		624,227		91,930			17,831		733,988	DA
584	Underground Line Exp	344		344							344	
586	Meter Expense	314,300					314,300				314,300	DA
587	Consumer Installations	80,820							80,820		80,820	DA
588	Misc. Distribution Exp	194,055		107,283		15,800	54,017		16,955		194,055	2
589	Rents	-									-	
	<b>Total Dist. Operations</b>	<b>1,411,945</b>		<b>780,747</b>	-	<b>114,930</b>	<b>392,935</b>	-	<b>123,333</b>		<b>1,411,945</b>	
590	Maint Supv & Eng	89,271		74,745	4,315	1,861	8,350				89,271	3
592	Maint of Station Equip	-		-							-	DA
593	Maint. Overhead Lines	1,365,841		1,161,592		171,068			33,180		1,365,841	DA
594	Maint of Underground Lines	-									-	
595	Maint Line Transformers	76,933			76,933						76,933	DA
596	Maint of St Lg & Signal Sys	-									-	
597	Maintenance of Meters	148,870					148,870				148,870	DA
598	Maint Misc Distrib Plant	-		-	-	-	-		-		-	3
	<b>Total Dist. Maint.</b>	<b>1,680,914</b>		<b>1,236,337</b>	<b>81,248</b>	<b>172,929</b>	<b>157,219</b>	-	<b>33,180</b>		<b>1,680,914</b>	
901	Supervision	-									-	
902	Meter Reading Expense	169,834						169,834			169,834	DA
903	Cons Recds & Collections	474,229						474,229			474,229	DA
904	Uncollectible Accounts	72,000						72,000			72,000	DA
	<b>Total Consum Accts</b>	<b>716,064</b>						<b>716,064</b>			<b>716,064</b>	DA
907	Customer Information	-									-	
908	Customer Service	22,178						22,178			22,178	DA
913	Sales	-						-			-	DA
910	Miscellaneous Cust Inform.	52,412						52,412			52,412	
	<b>Total Customer Serv.</b>	<b>74,590</b>						<b>74,590</b>			<b>74,590</b>	DA

**LICKING VALLEY RECC**  
**CASE NO. 2009-00016**  
**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

		FUNCTIONALIZATION											
1		Expenses							Consumer				Alloc.
2		Adjusted	Purchased		Trans-				Services &	Security	Street		Basis
3	Acct	Test Year	Power	Lines	formers	Services	Meters	Accounting	Lighting	Lighting	Total		
4	No.												
43	920	Administrative Salaries	452,234										
44	921	Office Supplies	104,175										
45	923	Outside Services	6,879										
46	924	Property Ins	-										
47	925	Injuries & Damages	-										
48	926	Employ Pensions & Benef	-										
49	928	Regulatory Exp	-										
50	929	Duplicate Charges	(9,420)										
51	930	Misc General Exp	278,704										
52	931	Rents	-										
53	935	Maintenance of Gen. Plant	167,895									1,000,467	4 Gen Plt
54		<b>Total Admin &amp; General</b>	<b>1,000,467</b>		517,176	123,775	75,000	42,873	201,560	40,083	-		
55												1,876,320	DA
56	403	Deprec. Distribution Plant	1,876,320		1,214,644	290,699	176,146	100,693	-	94,138		91,319	4 GenPlt
57	403	Deprec. General Plant	91,319		47,206	11,298	6,846	3,913	18,398	3,659		1,967,639	
58		<b>Total Depreciation</b>	<b>1,967,639</b>		<b>1,261,850</b>	<b>301,997</b>	<b>182,991</b>	<b>104,606</b>	<b>18,398</b>	<b>97,797</b>			
59													
60	408.4	Taxes Other Than Inc. Taxes	476										
	409	PSC Assessment	25,200										
61	426	Miscellaneous Deductions	-		16,392	3,923	2,377	1,359	355	1,270		25,676	Tot Plt
62		<b>Total Miscellaneous</b>	<b>25,676</b>										
63													
64	427.1	Interest - RUS Constuc	409,260										
65	427.3	Interest - FFB Notes	378,525										
66	427.2	Interest - Other LTD	201,962		637,294	152,523	92,419	52,831	5,288	49,392		989,748	5 Rt Base
67		<b>Total Interest on LTD</b>	<b>989,748</b>										
68													
69	431	Other Interest Expense	-										
70	431.1	Interest on Customer Dep.	74,306										
71	431.2	Other Interest	-		47,845	11,451	6,938	3,966	397	3,708		74,306	Rate Base
72		<b>Total ST Interest</b>	<b>74,306</b>										
73												24,175,240	
74		<b>Total Costs</b>	<b>24,175,240</b>		<b>16,233,892</b>	<b>4,497,641</b>	<b>674,916</b>	<b>647,585</b>	<b>755,790</b>	<b>1,016,652</b>	<b>348,764</b>	<b>989,748</b>	
75		<b>Margin Requirements</b>	<b>989,748</b>		<b>-</b>	<b>637,294</b>	<b>152,523</b>	<b>92,419</b>	<b>52,831</b>	<b>5,288</b>	<b>49,392</b>	<b>25,164,988</b>	
76		<b>Total Revenue Require.</b>	<b>25,164,988</b>		<b>16,233,892</b>	<b>5,134,936</b>	<b>827,439</b>	<b>740,005</b>	<b>808,621</b>	<b>1,021,940</b>	<b>398,156</b>		

LICKING COUNTY RECC  
CASE NO. 2009-00016  
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES								
1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.							
2	Allocation of Dist. Oper. Supervision & Miscellaneous Expenses							
					Actual	%	Superv	Miscell. Exp.
	Overhead Line Exp.				624,227	55.28%	48,892	107,283
	Services				91,930	8.14%	7,200	15,800
	Lighting				17,831	1.58%	1,397	3,065
	Meter Expense				314,300	27.84%	24,617	54,017
	Consumer Installations				80,820	7.16%	6,330	13,890
					1,129,109	100.0%	88,437	194,055
3	Allocation of Dist. Maint. Supervision & Miscellaneous Expenses							
					Actual	%	Superv	Miscell. Exp.
	Maint. Overhead Lines				1,161,592	72.98%	65,150	-
	Services				171,068	10.75%	9,595	-
	Lighting				33,180	2.08%	1,861	-
	Maint Line Transformers				76,933	4.83%	4,315	-
	Maintenance of Meters				148,870	9.35%	8,350	-
					1,591,643	100.0%	89,271	-
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent							
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.							
6	Overhead O&M Expense Allocation to Lines, Services & Lighting							
	Rate Base Data	Total	Lines	Services	Outdoor Lighting		Lines	Services Lighting
	Poles, Towers and Fixtures	17,887,692	16,991,404		896,288		95.0%	5.0%
	Overhead Conductor	14,386,110	14,386,110				100.0%	
	Services	4,620,974		4,620,974	-			100.0%
		36,894,775	31,377,513	4,620,974	896,288		85.0%	12.5%

LICKING VALLEY RECC  
CASE NO. 2009-00016  
RATE BASE ALLOCATION

				Distribution Plant Balances					Consumer & Accounting Services	Security Lights
Plant Account	Description	\$\$\$\$	Lines	Transformers	Services	Meters				
360	Land & Land Rights	-	-							
362	Station Equipment	31,442	31,442						896,288	
364	Poles, Towers and Fixtures	17,887,692	16,991,404							
365	Overhead Conductor	14,386,110	14,386,110							
366	Underground Conduit	-	-							
367	UG Conductor	455,800	455,800							
368	Line Transformers	7,626,140		7,626,140						
369	Services	4,620,974			4,620,974					
370	Meters	2,641,557				2,641,557				
371	Install. On Consumer Prem.	1,573,324							1,573,324	
373	Street Ltg & Signal Systems	-								
	Total Distribution Plant	49,223,038	31,864,755	7,626,140	4,620,974	2,641,557	-		2,469,612	
	Distribution Plant Percent	100.00%	64.7%	15.5%	9.4%	5.4%	0.0%		5.0%	
	Total General Plant	3,629,637	1,876,284	449,048	272,096	155,542	731,250		145,418	
	General Plant Percent	100.00%	51.7%	12.4%	7.5%	4.3%	20.1%		4.0%	
	Total Utility Plant	52,852,675	33,741,039	8,075,188	4,893,070	2,797,099	731,250		2,615,030	
	Utility Plant Percent	100.00%	63.84%	15.28%	9.26%	5.29%	1.38%		4.95%	
	Accum. Depreciation Distribution Plant	14,168,252	9,171,882	2,195,092	1,330,091	760,340	-		710,848	
	Accum. Depreciation General Plant	2,664,939	1,377,599	329,698	199,777	114,202	536,895		106,768	
	Net Plant	36,019,484	23,191,559	5,550,398	3,363,201	1,922,557	194,354		1,797,414	
	Net Plant Percent	100.00%	64.39%	15.41%	9.34%	5.34%	0.54%		4.99%	
	CWIP	682,760	441,988	105,780	64,096	36,640	-		34,255	
	Subtotal	36,702,244	23,633,547	5,656,178	3,427,298	1,959,198	194,354		1,831,669	
	Plus Cash Working Capital	610,498	393,116	94,084	57,009	32,589	3,233		30,468	
	Plus Materials & Supplies	609,528	392,491	93,934	56,918	32,537	3,228		30,419	
	Plus Prepayments	133,729	86,112	20,609	12,488	7,139	708		6,674	
	Minus: Consumer Advances	337,901	218,742	52,351	31,722	18,133	-		16,953	
	Net Investment Rate Base	37,718,098	24,286,524	5,812,454	3,521,991	2,013,329	201,523		1,882,277	
	Rate Base Percent	100.00%	64.39%	15.41%	9.34%	5.34%	0.53%		4.99%	

LICKING VALLEY RECC  
CASE NO. 2009-00016

CLASSIFICATION SUMMARY

	Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting	Total
Purchased Power	-	4,122,625	12,111,269	-	16,233,893
Lines	1,551,447	3,583,489	-	-	5,134,936
Transformers	139,558	687,881	-	-	827,439
Services	740,005	-	-	-	740,005
Meters	808,621	-	-	-	808,621
Consumer Services & Accounting	1,021,940	-	-	-	1,021,940
Lighting	-	-	-	398,156	398,156
	4,261,571	8,393,994	12,111,269	398,156	25,164,989

LICKING VALLEY RECC  
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CLASSIFICATION OF EXPENSES

			Consumer Related Costs	Demand Related Costs	Total
		1			
<u>Expense</u>		<u>Lines</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power		0	-	-	-
Distribution Operations		780,747	235,891	544,855	780,747
Distribution Maintenance		1,236,337	373,542	862,796	1,236,337
Consumer Accounts		-	-	-	-
Customer Service		-	-	-	-
Administrative & General		517,176	156,257	360,919	517,176
Depreciation		1,261,850	381,250	880,600	1,261,850
Miscellaneous		16,392	4,953	11,439	16,392
Interest on Long Term Debt		637,294	192,549	444,745	637,294
Short Term Interest		47,845	14,456	33,389	47,845
Total Costs		4,497,641	1,358,898	3,138,744	4,497,641
Margin Requirements		637,294	192,549	444,745	637,294
Revenue Requirements		5,134,936	1,551,447	3,583,489	5,134,936
			Consumer Related Costs	Demand Related Costs	
		2			
<u>Expense</u>		<u>Transformers</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power		-	-	-	-
Distribution Operations		-	-	-	-
Distribution Maintenance		81,248	13,704	67,545	81,248
Consumer Accounts		-	-	-	-
Customer Service		-	-	-	-
Administrative & General		123,775	20,876	102,899	123,775
Depreciation		301,997	50,935	251,061	301,997
Miscellaneous		3,923	662	3,261	3,923
Interest on Long Term Debt		152,523	25,725	126,798	152,523
Short Term Interest		11,451	1,931	9,519	11,451
Total Costs		674,916	113,833	561,083	674,916
Margin Requirements		152,523	25,725	126,798	152,523
Revenue Requirements		827,439	139,558	687,881	827,439
			Energy Related Costs	Demand Related Costs	
Purchased Power			12,111,269	4,122,625	16,233,893

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CLASSIFICATION OF EXPENSES

	Consumer Related Costs			
	3	4	5	
			Consumer	
			Services &	
<u>Expense</u>	<u>Services</u>	<u>Meters</u>	<u>Accounting</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	114,930	392,935	-	507,865
Distribution Maintenance	172,929	157,219	-	330,148
Consumer Accounts	-	-	716,064	716,064
Customer Service	-	-	74,590	74,590
Administrative & General	75,000	42,873	201,560	319,434
Depreciation	182,991	104,606	18,398	305,995
Miscellaneous	2,377	1,359	355	4,091
Interest on Long Term Debt	92,419	52,831	5,288	150,539
Short Term Interest	6,938	3,966	397	11,302
Total Costs	647,585	755,790	1,016,652	2,420,027
Margin Requirements	92,419	52,831	5,288	150,539
Revenue Requirements	740,005	808,621	1,021,940	2,570,566
		6		
		Lighting		
Expense				
Purchased Power		-		
Distribution Operations		123,333		
Distribution Maintenance		33,180		
Consumer Accounts		-		
Customer Service		-		
Administrative & General		40,083		
Depreciation		97,797		
Miscellaneous		1,270		
Interest on Long Term Debt		49,392		
Short Term Interest		3,708		
Total Costs		348,764		
Margin Requirements		49,392		
Revenue Requirements		398,156		

DEMAND AND CONSUMER RELATED INVESTMENTS

Account 364 - Poles

1. Actual Data

Poles	Size	Investment	Number of Units	Unit Cost
25'	25	1,762,754	10,662	165.33
30'	30	1,454,517	9,458	153.79
35'	35	1,892,501	9,862	191.90
40'	40	4,656,916	11,119	418.83
45'	45	2,131,637	4,313	494.24
50'	50	1,239,214	1,712	723.84
55'	55	360,511	419	860.41
60'	60	81,496	79	1,031.59
65'	65	27,535	17	1,619.73
70'	70	6,753	4	1,688.18
75'	75	3,768	2	1,883.76
<b>Subtotal</b>		<b>13,617,603</b>	<b>47,647</b>	
Other Investment for this Account		<u>4,381,934</u>		
<b>Total Investment</b>		<b>17,999,537</b>	<b>47,647</b>	

2. Demand and Consumer Investment Percents

Use Minimum Size - 30' Pole	153.79
Number of poles	47,647.00
Consumer Related Investment	7,327,489
Total Investment	17,999,537
<b>Percent Customer Related</b>	<b>40.71%</b>
<b>Percent Demand Related</b>	<b>59.29%</b>

DEMAND AND CONSUMER RELATED INVESTMENTS

Account 365 - Overhead Conductor

1. Actual Data

Conductor	Investment	Number of Units	Unit Cost	Size if Conductor
2 ACWC	2,121	10,096	\$ 0.2101	66.36
4 ACWC	81,194	3,522,768	\$ 0.0230	41.74
6 ACWC	383,513	85,978,791	\$ 0.0045	26.24
8 ACWC	655,305	1,145,839	\$ 0.5719	16.5
2 ACSR	2,095,674	45,390,193	\$ 0.0462	66.36
4 ACSR	724,878	68,219,320	\$ 0.0106	41.74
6 ACSR	237	7,488	\$ 0.0316	26.24
1/0 ACSR	1,837,504	19,678,163	\$ 0.0934	105.6
2/0 ACSR	14,534	17,470	\$ 0.8319	133.1
3/0 ACSR	842,751	9,593,657	\$ 0.0878	167.8
4/0 ACSR	21,267	129,224	\$ 0.1646	211.6
6 STEEL	1,388	48,768	\$ 0.0285	
9 1/2 STEEL	9,301	90,530	\$ 0.1027	
2 3 STRAND CU	14,879	791,165	\$ 0.0188	66.36
6 HD CU	32	963	\$ 0.0330	41.76
8 HD CU	425	23,455	\$ 0.0181	16.5
1/0 HD CU	11,061	79,400	\$ 0.1393	105.6
336.4 ACSR	3,306,426	5,709,530	\$ 0.5791	336.4
<b>SUBTOTAL</b>	<b>10,002,489</b>	<b>240,436,820</b>	<b>\$ 0.0416</b>	
All other OH Conductor Invest.	4,706,127			
<b>TOTAL</b>	<b>14,708,616</b>	<b>240,436,820</b>		

2. Demand and Consumer Investment Percents

Use Minimum Size - 4 ACSR Conductor	0.01063
	240,436,820
Consumer Related Investment	2,554,809
Total Investment	14,708,616
<b>Percent Customer Related</b>	<b>17.37%</b>
<b>Percent Demand Related</b>	<b>82.63%</b>

Breakdown of Lines into Demand Related and Consumer Related Components

Conductor Poles	Total Investment	Consumer		Demand	
		Percent	Amount	Percent	Amount
	14,708,616	17.37%	2,554,808.75	82.63%	12,153,807
	17,999,537	40.71%	7,327,489.21	59.29%	10,672,048
	32,708,153		9,882,297.96		22,825,855
<b>Percent</b>			<b>30.21%</b>		<b>69.79%</b>

LICKING VALLEY RECC  
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DEMAND AND CONSUMER RELATED INVESTMENTS

Account 368-Transformers

1. Actual Data

Transformers	Size for Regression	Investment	Number of Units	Unit Cost
1.5 KVA	1.5	5,502	116	47.44
3 kVA	3.0	30,794	538	57.24
5 kVA	5.0	247,278	1,454	170.07
7.5 KVA	7.5	26,843	129	208.08
10 KVA	10.0	2,313,187	5,665	408.33
15 KVA	15.0	2,152,105	4,005	537.35
25 KVA	25.0	1,324,200	1,926	687.54
37.5 KVA	37.5	18,813.12	41	458.86
50 KVA	50.0	292,380.12	344	849.94
75 KVA	75.0	76,457	62	1,233.18
100 KVA	100.0	159,047	100	1,590.47
167 KVA	167.0	84,732	45	1,882.92
250 KVA	250.0	32,564	9	3,618.26
500 KVA	500.0	60,992	11	5,544.72
1500 KVA	1,500.0	64,080	5	12,816.00
2500 KVA	2,500.0	47,103	2	23,551.50
750 KVA	750.0	34,202	4	8,550.50
300 KVA	300.00	44,035	8	5,504.31
Subtotal		<u>7,014,315</u>	<u>14,464</u>	
All other Transformer Investmen		<u>4,531,105</u>		
Total		<u>11,545,419</u>		

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**2. Demand and Consumer Investment Percents**

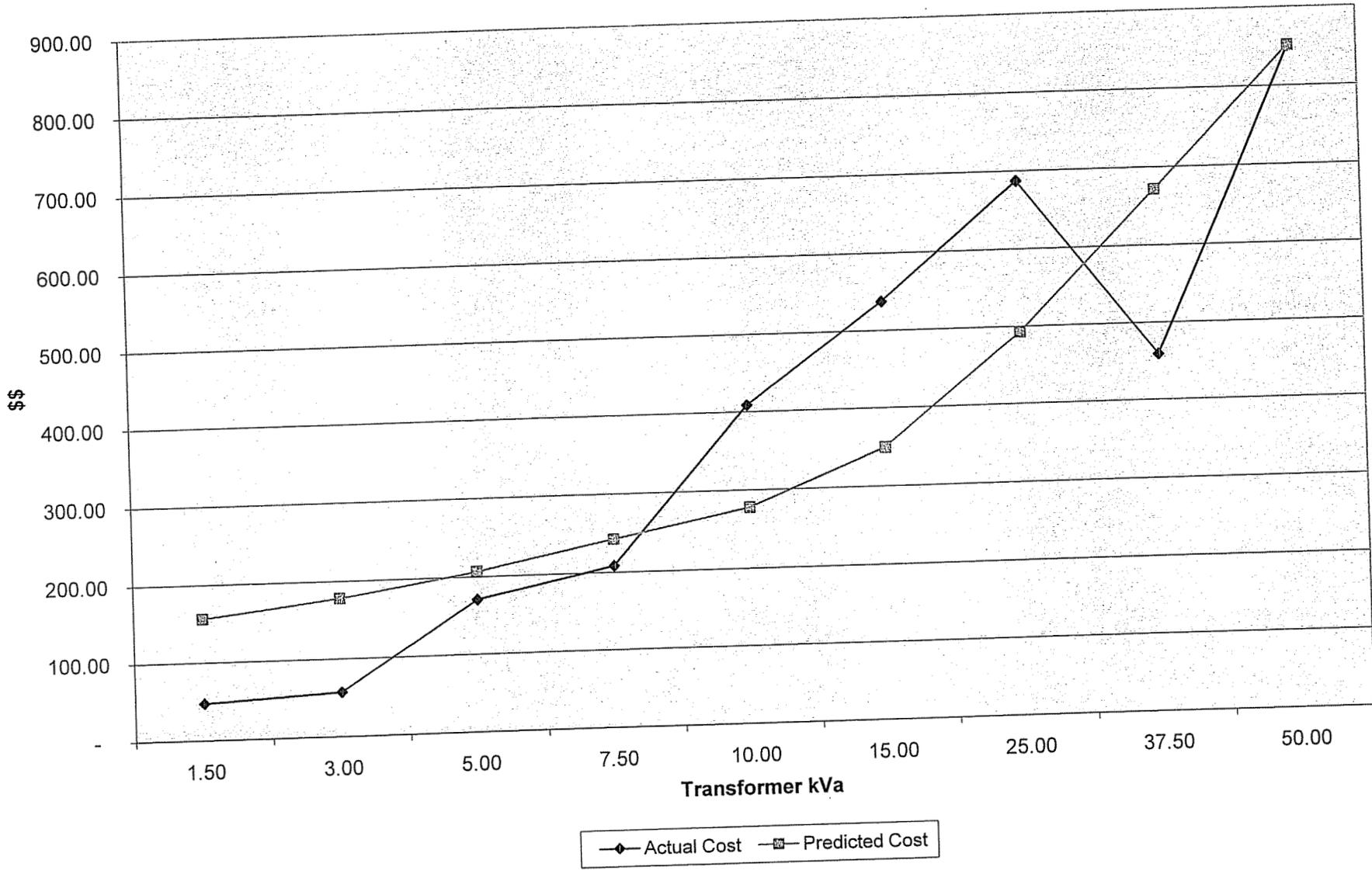
	<u>x-Variable</u>	<u>a-Constant</u>	$Y=(a+bx)$
	14.32	134.63	
Use "Y Intercept"			134.63
Number of transformers			14,464.00
Consumer Related Investment			1,947,277
Total Investment			11,545,419
<b>Percent Customer Related</b>			0.17
<b>Percent Demand Related</b>			<b>83.13%</b>

**3. Data for Graph**

Transforme	Investment	Number of Units	Unit Cost	Predicted Cost
1.50	5,502.46	116.00	47.44	156.12
3.00	30,794.35	538.00	57.24	177.60
5.00	247,278.17	1,454.00	170.07	206.25
7.50	26,842.90	129.00	208.08	242.07
10.00	2,313,187.13	5,665.00	408.33	277.88
15.00	2,152,105.27	4,005.00	537.35	349.50
25.00	1,324,199.55	1,926.00	687.54	492.75
37.50	18,813.12	41.00	458.86	671.81
50.00	292,380.12	344.00	849.94	850.87

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Witness: J. Adkin

### Account 368-Transformers



**LICKING VALLEY RECC**  
**CASE NO. 2009-00016**  
**ALLOCATION OF EXPENSES TO RATE CLASSES**

**RESULTS OF THE COST OF SERVICE STUDY**

REVENUE REQUIREMENTS BY FUNCTION									
Function	Classifi- cation	Amount	A	B	LP	LPR	SL	Enviro watts	Total
			Residential Farm & Home	Small Commercial	Large Power Service	Large Power Rate	Security Lights		
Purchased Power	Demand	4,122,625	3,272,704	119,640	462,969	222,820	44,491	-	4,122,625
Purchased Power	Energy	12,111,269	9,156,871	487,140	1,239,211	900,373	326,683	990	12,111,269
Lines	Consumer	1,551,447	1,430,308	86,591	17,407	1,066	16,075	-	1,551,447
Lines	Demand	3,583,489	2,693,874	169,938	414,388	224,655	80,634	-	3,583,489
Transformers	Consumer	139,558	124,814	11,952	2,329	313	149	-	139,558
Transformers	Demand	687,881	517,112	32,621	79,545	43,124	15,478	-	687,881
Services	Consumer	740,005	657,436	43,262	19,865	627	18,814	-	740,005
Meters	Consumer	808,621	740,291	44,817	19,794	3,719	-	-	808,621
Consumer Services & Accounting									
Consumer Services & Accounting	Consumer	1,021,940	869,778	52,657	21,171	1,296	77,039	-	1,021,940
Lighting	Lighting	398,156					398,156	-	398,156
Revenue Requirements		25,164,989	19,463,189	1,048,618	2,276,678	1,397,995	977,518	990	25,164,989
SUMMARY OF REVENUE REQUIREMENTS BY FUNCTION									
	Amount	A	B	LP	LPR	SL	Enviro watts	Total	
		Residential Farm & Home	Small Commercial	Large Power Service	Large Power Rate	Security Lights			
Consumer Related	4,261,571	3,822,627	239,279	80,566	7,021	112,077	-	4,261,571	
Demand Related	8,393,994	6,483,690	322,199	956,902	490,600	140,603	-	8,393,994	
Energy Related	12,111,269	9,156,871	487,140	1,239,211	900,373	326,683	990	12,111,269	
Lighting	398,156					398,156	-	398,156	
Revenue Requirements	25,164,989	19,463,189	1,048,618	2,276,678	1,397,995	977,518	990	25,164,989	

LICKING VALLEY RECC  
CASE NO. 2009-00016

ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)						Number of Consumers	Allocation Percent
						16,105	92.19%
A	Residential - Farm & Home					975	5.58%
B	Commercial & Small Power					196	1.12%
LP	Large Power Service					12	0.07%
LPR	Large Power Rate					181	1.04%
SL	Security Lights					-	0.00%
						-	0.00%
						-	0.00%
						-	0.00%
						17,469	100.0%
B. Transformers		1	2	3	4	5	6
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent
A	Residential - Farm & Home	10 KVA	408.33	1.00	16,105	16,105	89.44%
B	Commercial & Small Power	15 KVA	537.35	1.58	975	1,542	8.56%
LP	Large Power Service	50 KVA	849.94	1.58	190	301	1.67%
LPR	Large Power Rate	250 KVA	3,618.26	6.73	6	40	0.22%
SL	Security Lights	3 KVA	57.24	0.11	181	19	0.11%
						18,007.38	100.0%

LICKING VALLEY RECC  
CASE NO. 2009-00016

ALLOCATION OF CONSUMER RELATED COSTS

C. Services		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
A	Residential - Farm & Home	2 Tpx	\$ 0.586	115.00	67.41	16,105	1,085,627	88.84%
B	Commercial & Small Power	2 Tpx	0.586	125.00	73.27	975	71,439	5.85%
LP	Large Power Service	2 Qdpx	1.727	100.00	172.65	190	32,804	2.68%
LPR	Large Power Rate	2 Qdpx	1.727	100.00	172.65	6	1,036	0.08%
SL	Security Lights	6 dpx	0.050	75.00	3.72	8,353	31,067	2.54%
		-			-	-	-	0.00%
		-			-	-	-	0.00%
		-			-	-	-	0.00%
		#6						0.00%
							1,221,973	100%
D. Meters		1	2	3	4	5	6	
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent	
A	Residential - Farm & Home	120 Volt/2W	106.86	1.00	16,105	16,105.00	91.550%	
B	Commercial & Small Power	240 Volt/3W	106.86	1.00	975	975.00	5.542%	
LP	Large Power Service	3 W+CT	234.77	2.20	196	430.61	2.448%	
LPR	Large Power Rate	3 W+CT+PT	720.48	6.74	12	80.91	0.460%	
SL	Security Lights	-	-	-	181	-	0.000%	
		-	-	-		-		
		-	-	-		-		
		-	-	-		-		
		-	-	-		-		
						17,591.52	100.0%	

LICKING VALLEY RECC  
CASE NO. 2009-00016

ALLOCATION OF CONSUMER RELATED COSTS

E. Consumer & Accounting Services							
Rate Class		Meter Reading	Consumer Assistance	Total	Allocation Percent		
A	Residential - Farm & Home	65,578	383,183	448,760.80	85.11%		
B	Commercial & Small Power	3,970	23,198	27,168.07	5.15%		
LP	Large Power Service	1,596	9,327	10,922.96	2.07%		
LPR	Large Power Rate	98	571	668.75	0.13%		
SL	Security Lights	-	39,748	39,748.23	7.54%		
		-	-	-	0.00%		
		-	-	-	0.00%		
		-	-	-	0.00%		
		-	-	-	0.00%		
		-	-	-	0.00%		
-	-	71,242	456,027	527,268.81	15%		
<b>Meter Reading</b>							
Rate Class		Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated	
A	Residential - Farm & Home	1.00	16,105	16,105	92.0%	65,578	
B	Commercial & Small Power	1.00	975	975	5.6%	3,970	
LP	Large Power Service	2.00	196	392	2.2%	1,596	
LPR	Large Power Rate	2.00	12	24	0.1%	98	
SL	Security Lights	-	181	-	0.0%	-	
		-	-	-	0.0%	-	
		-	-	-	0.0%	-	
		-	-	-	0.0%	-	
		-	-	-	0.0%	-	
-	-			17,496	100.0%	163,316	



LICKING VALLEY RECC  
CASE NO. 2009-00030

Exhibit R  
Schedule 4  
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Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

RETAIL ENERGY SALES

Month	A Farm & Home Residential	B Small Commercial	LP Large Power > 50 kW	LPR Large Comm Industrial >300kW	SL 24 Security Lights	Total
January	23,703,541	1,019,829	2,563,261	1,566,304	585,508	29,438,443
February	19,444,223	873,147	2,225,253	1,356,336	580,440	24,479,399
March	15,529,285	872,917	2,187,087	1,471,512	573,291	20,634,092
April	11,194,559	751,402	2,048,267	1,585,760	579,706	16,159,694
May	13,854,450	882,184	2,307,252	1,809,800	583,304	19,436,990
June	14,204,594	865,213	2,100,624	1,686,936	579,824	19,437,191
July	14,773,067	892,911	2,300,907	1,834,272	583,204	20,384,361
August	13,228,179	804,806	2,153,703	1,651,008	580,668	18,418,364
September	10,806,791	785,814	2,014,243	1,734,336	580,593	15,921,777
October	15,691,557	831,880	2,167,827	1,555,712	579,864	20,826,840
November	20,450,783	847,876	2,095,395	1,375,208	581,584	25,350,846
December	22,299,641	955,521	2,250,220	1,564,464	574,582	27,644,428
	195,180,670	10,383,500	26,414,039	19,191,648	6,963,308	258,133,165
Allocation Percent	75.61%	4.02%	10.23%	7.43%	2.70%	100.00%

LICKING VALLEY RECC  
CASE NO. 2009-00030

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

CONTRIBUTIONS TO WHOLESALE POWER BILLING PEAKS

Month	A Farm & Home Residential	B Small Commercial	LP Large Power	LPR Large Comm Industrial >300kW	SL 24 Security Lights	Total
January	61,876	1,914	7,292	3,033	1,280	75,395
February	50,890	1,509	6,601	3,116	1,323	63,439
March	47,255	1,507	5,326	2,335	1,289	57,712
April	37,737	2,033	7,450	2,750	-	49,970
May	27,405	1,130	4,601	2,242	-	35,378
June	40,382	1,534	5,609	2,766	-	50,291
July	43,403	1,260	4,986	2,709	-	52,358
August	38,450	1,398	5,433	2,710	-	47,991
September	38,381	1,676	5,227	3,069	-	48,353
October	40,474	1,320	5,564	3,512	-	50,870
November	41,626	1,655	8,276	3,736	1,687	56,980
December	48,656	1,947	6,706	3,190	1,443	61,942
	516,535	18,883	73,071	35,168	7,022	650,679
Allocation Percent	79.38%	2.90%	11.23%	5.40%	1.08%	100.00%

LICKING VALLEY RECC  
CASE NO. 2009-00030

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

RETAIL RATE CLASSES PEAK DEMANDS

Month	A Farm & Home Residential	B Small Commercial	LP Large Power	LPR Large Comm Industrial >300kV	SL 24 Security Lights	Total
January	61,876	2,881	7,292	3,626	1,280	76,955
February	50,890	2,525	6,601	3,356	1,323	64,695
March	49,634	2,829	6,720	3,321	1,289	63,793
April	37,737	2,833	7,450	3,574	1,245	52,839
May	27,405	2,539	5,905	3,537	1,254	40,640
June	40,382	2,730	6,075	3,626	1,268	54,081
July	40,468	3,360	6,361	3,790	1,287	55,266
August	54,177	3,027	6,619	3,900	1,310	69,033
September	41,780	3,438	6,902	4,387	1,310	57,817
October	40,474	1,889	7,406	4,287	1,321	55,377
November	41,626	2,529	8,276	3,736	1,687	57,854
December	48,656	3,176	6,706	3,485	1,443	63,466
	535,105	33,756	82,313	44,625	16,017	711,816
Allocation % Lines	75.17%	4.74%	11.56%	6.27%	2.25%	100.00%

LICKING VALLEY RECC  
CASE NO. 2009-00016

DETERMINATION OF INCREASE BY RATE CLASS

	A	B	LP	LPR	SL	Enviro	Total
	Residential	Small	Large Power	Large Power	Security	watts	
	Farm & Home	Commercial	Service	Rate	Lights		
Total Revenue						990	25,164,989
Requirements	19,463,189	1,048,618	2,276,678	1,397,995	977,518	1,226	22,430,359
Revenue from Rate	16,754,974	1,004,712	2,477,980	1,387,629	803,838	(236)	2,734,630
Under (Over)	2,708,215	43,907	(201,302)	10,365	173,680		
Less Other Revenue	494,253	29,638	73,098	40,933	23,712	36	661,670
COSS Based							
Revenue Incease							
(Decrease)	2,213,962	14,269	(274,400)	(30,568)	149,968	(272)	2,072,960
Revenue Increase							
(Decrease)	1,908,723	14,269	-	-	149,968	-	2,072,960
Percent Increase							
(Decrease)	11.39%	1.42%	0.00%	0.00%	18.66%	0.00%	9.24%
Revenue Require-							
ments from Rates	18,663,697	1,018,981	2,477,980	1,387,629	953,806	1,226	24,503,319

LICKING VALLEY RECC  
CASE NO. 2009-00016

Exhibit R  
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Witness: Jim Adkins

PROPOSED RATE DESIGN

ALLOCATION OF REVENUE REQUIREMENTS								
		A	B	LP	LPR	SL		
	Classifi- cation	Residential Farm & Home	Small Commercial	Large Power Service	Large Power Rate	Security Lights	Enviro watts	Total
Purchased Power	Demand	3,272,704	119,640	462,969	222,820	44,491	-	4,122,625
Purchased Power	Energy	9,156,871	487,140	1,239,211	900,373	326,683	990	12,111,269
Lines	Consumer	1,430,308	86,591	17,407	1,066	16,075	-	1,551,447
Lines	Demand	2,693,874	169,938	414,388	224,655	80,634	-	3,583,489
Transformers	Consumer	124,814	11,952	2,329	313	149	-	139,558
Transformers	Demand	517,112	32,621	79,545	43,124	15,478	-	687,881
Services	Consumer	657,436	43,262	19,865	627	18,814	-	740,005
Meters	Consumer	740,291	44,817	19,794	3,719	-	-	808,621
Consumer Services & Accounting	Consumer	-	-	-	-	-	-	-
		869,778	52,657	21,171	1,296	77,039	-	1,021,940
Lighting	Lighting	-	-	-	-	398,156	-	398,156
		19,463,189	1,048,618	2,276,678	1,397,995	977,518	990	25,164,989
BILLING DETERMINANTS								
		A	B	LP	LPR	SL		
		Residential Farm & Home	Small Commercial	Large Power Service	Large Power Rate	Security Lights	Enviro watts	
Customer Charges		193,099	11,660	2,337	144		175 Watt M\	99,273
Demand KW				101,400	54,391		100 Watt Ha	535
Energy kWh		195,180,670	10,383,500	26,414,039	19,191,648		250 Watt Ha	0
Primary Metered					0		400 Watt Ha	2
Total					31,079,924		25' Pole	108
							30' Pole	30

LICKING VALLEY RECC  
CASE NO. 2009-00016

Exhibit R  
Schedule 6  
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Witness: Jim Adkins

PROPOSED RATE DESIGN

		COST TO SERVE					
		A	B	LP	LPR	Security Lights	
		Residential	Small	Large Power	Large Power		
		Farm & Home	Commercial	Service	Rate		
Customer Charge							
Customer Costs						Increase	149,968
	Lines	1,430,308	86,591	17,407	1,066	Rate Revenue	803838.02
	Transformers	124,814	11,952	2,329	313	% Increase	18.7%
	Services	657,436	43,262	19,865	627		
	Meters	740,291	44,817	19,794	3,719		
	Cons&Acctg	869,778	52,657	21,171	1,296		
Total		3,822,627	239,279	59,395	5,725	Current Rates	
Customer Charge Billing Units		193,099	11,660	2,337	144	175 Watt MV	\$8.05
Customer Charge		19.80	20.52	25.42	39.76	100 Watt Ha	\$8.05
Revenue from Customer Charge		2,205,191	133,157	37,345	9,230	250 Watt Ha	\$12.30
						400 Watt Ha	\$16.91
						25' Pole	\$2.45
						30' Pole	\$2.84
Demand Charge	Purch. Pow			462,969	222,820		
	Lines			17,407	1,066		
	Transformers			414,388	224,655	Proposed Rates	
				894,764	448,541	175 Watt MV	9.55
				101,400	54,391	100 Watt Ha	9.55
	Billing Units					250 Watt Ha	14.59
	Rate			\$ 8.82	\$ 8.25	400 Watt Ha	20.06
Energy Rate						25' Pole	2.91
	Revenue from R	18,663,697	1,018,981	2,477,980	1,387,629	30' Pole	3.37
	Less Customer C	2,205,191	133,157	37,345	9,230		
	Less Demand Ch	-		894,764	448,541		
	Revenue from E	16,458,506	885,823	1,545,871	929,858		
	Energy kWh	195,180,670	10,383,500	26,414,039	19,191,648		
	Primary Metered				0		
	Energy Rate	0.08432	0.08531	0.05852	0.04845		



Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Statement of Operations, Adjusted

Exhibit S  
page 1 of 4  
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
<b>Operating Revenues:</b>					
Base rates	21,028,486	1,402,168	22,430,654	2,072,665	24,503,319
Fuel and surcharge	3,384,727	(3,384,727)	0		0
Other electric revenue	400,806	21,994	422,800		422,800
	<u>24,814,019</u>	<u>(1,960,565)</u>	<u>22,853,454</u>	<u>2,072,665</u>	<u>24,926,119</u>
<b>Operating Expenses:</b>					
Cost of power:					
Base rates	14,832,395	1,401,497	16,233,892		16,233,892
Fuel and surcharge	3,548,709	(3,548,709)	0		0
Distribution - operations	1,370,886	41,059	1,411,945		1,411,945
Distribution - maintenance	1,628,353	52,561	1,680,914		1,680,914
Consumer accounts	691,343	24,721	716,064		716,064
Customer service	20,021	2,157	22,178		22,178
Sales	52,412	0	52,412		52,412
Administrative and general	943,247	57,220	1,000,467		1,000,467
Total operating expenses	<u>23,087,366</u>	<u>(1,969,494)</u>	<u>21,117,872</u>	<u>0</u>	<u>21,117,872</u>
Depreciation	1,915,787	51,852	1,967,639		1,967,639
Taxes - other	25,676	0	25,676		25,676
Interest on long-term debt	955,161	34,587	989,748		989,748
Interest expense - other	74,306	0	74,306		74,306
Other deductions	17,697	(17,697)	0		0
Total cost of electric service	<u>26,075,993</u>	<u>(1,900,752)</u>	<u>24,175,241</u>	<u>0</u>	<u>24,175,241</u>
Utility operating margins	<u>(1,261,974)</u>	<u>(59,813)</u>	<u>(1,321,787)</u>	<u>2,072,665</u>	<u>750,878</u>
Nonoperating margins, interest	172,066	0	172,066		172,066
Patronage capital credits	308,643	(241,839)	66,804		66,804
Net Margins	<u>(\$781,265)</u>	<u>(\$301,652)</u>	<u>(\$1,082,917)</u>	<u>\$2,072,665</u>	<u>\$989,748</u>
TIER	0.18		(0.09)		2.00

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Balance Sheet, Adjusted  
December 31, 2008

Exhibit S  
page 2 of 4  
Witness: Jim Adkins

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ASSETS

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
Electric Plant:			
In service	52,852,675		52,852,675
Under construction	682,760		682,760
	<u>53,535,435</u>		<u>53,535,435</u>
Less accumulated depreciation	16,757,014	76,177	16,833,191
	<u>36,778,421</u>	<u>(76,177)</u>	<u>36,702,244</u>
Investments	<u>6,540,710</u>		<u>6,540,710</u>
Current Assets:			
Cash and temporary investments	3,392,862		3,392,862
Accounts receivable, net	5,345,078		5,345,078
Material and supplies	654,095		654,095
Prepayments and current assets	75,719		75,719
	<u>9,467,754</u>		<u>9,467,754</u>
Net change in assets		1,847,190	1,847,190
Total	<u><u>52,786,885</u></u>	<u><u>1,771,013</u></u>	<u><u>54,557,898</u></u>

MEMBERS' EQUITIES AND LIABILITIES

Margins:			
Memberships	211,065		211,065
Patronage capital	20,102,665	1,771,013	21,873,678
	<u>20,313,730</u>	<u>1,771,013</u>	<u>22,084,743</u>
Long Term Debt	<u>25,443,200</u>		<u>25,443,200</u>
Accumulated postretirement benefits	<u>3,030,498</u>		<u>3,030,498</u>
Current Liabilities:			
Accounts payable	2,093,987		2,093,987
Consumer deposits	1,269,285		1,269,285
Accrued expenses	298,284		298,284
	<u>3,661,556</u>		<u>3,661,556</u>
Consumer advances for construction	<u>337,901</u>		<u>337,901</u>
Total	<u><u>52,786,885</u></u>	<u><u>1,771,013</u></u>	<u><u>54,557,898</u></u>

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Summary of Adjustments to Test Year

Exhibit S  
page 3 of 4  
Witness: Jim Adkins

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Adj 17	Total	
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106 Cost	Retirement	Donations	Professional Fees	Directors	Misc Expenses	Rate Case	CATV	EKPC	Normalize Purchase Power	Revenue	Additional Revenue		
Operating Revenues:																			
Base rates																	1,402,168		1,402,168
Fuel and surcharge																	(3,384,727)		(3,384,727)
Other electric revenue													5,959				16,035		21,994
	0	0	0	0	0	0	0	0	0	0	0	0	5,959	0	0	(1,982,559)	16,035		(1,960,565)
Operating Expenses:																			
Cost of power:																			
Base rates																			
Fuel and surcharge																			
Distribution - operation:	32,805	3,379	5,685	(10,008)		4,808	4,390												41,059
Distribution - maintenance	30,647	3,157	10,164			4,492	4,101												52,561
Consumer accounts	15,982	1,646	2,612			2,342	2,139												24,721
Customer service			2,157																2,157
Sales																			0
Administrative and general	20,770	2,139	3,707	(769)		3,044	2,779		7,188	(3,285)	(2,353)	24,000							57,220
Total operating expenses	100,204	10,321	24,325	(10,777)	0	14,686	13,409	0	7,188	(3,285)	(2,353)	24,000	0	0	(2,147,212)	0	0		(1,969,494)
Depreciation			51,852																51,852
Taxes - other																			0
Interest on long-term debt					34,587														34,587
Interest expense - other								(17,697)											0
Other deductions																			(17,697)
Total cost of electric service	100,204	10,321	76,177	(10,777)	34,587	14,686	13,409	(17,697)	7,188	(3,285)	(2,353)	24,000	0	0	(2,147,212)	0	0		(1,900,752)
Utility operating margin	(100,204)	(10,321)	(76,177)	10,777	(34,587)	(14,686)	(13,409)	17,697	(7,188)	3,285	2,353	(24,000)	5,959	0	2,147,212	(1,982,559)	16,035		(59,813)
Nonoperating margins, interest																			0
Patronage capital credits														(241,839)					(241,839)
	0	0	0	0	0	0	0	0	0	0	0	0	0	(241,839)	0	0	0		(241,839)
Net Margins	(100,204)	(10,321)	(76,177)	10,777	(34,587)	(14,686)	(13,409)	17,697	(7,188)	3,285	2,353	(24,000)	5,959	(241,839)	2,147,212	(1,982,559)	16,035		(301,652)

Witness: Jim Adkins

Licking Valley Rural Eelctric Cooperative  
Case No. 2009-00016  
**Proposed Revenues**  
December 31, 2008

Interest on long term debt	989,748
Normalized margins	<u>(1,082,917)</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$2,072,665</u></u>

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Monthly Operating Budget  
December 31, 2008

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	January	February	March	April	May	June	July	August	September	October	November	December	Total
Operating revenue	2,964,046	2,327,180	2,007,303	1,762,321	2,004,377	2,453,348	2,250,153	1,914,487	1,714,202	1,979,368	2,290,710	2,280,060	25,947,555
Operating expenses:													
Cost of power	1,716,733	1,911,699	1,558,422	1,341,916	1,413,511	1,284,773	1,395,583	1,613,278	1,460,370	1,203,557	1,471,205	1,623,756	17,994,803
Distribution-operations	108,008	108,009	108,008	108,008	108,008	108,009	108,008	108,009	108,008	108,008	108,009	108,008	1,296,100
Distribution-maintenan	121,257	121,257	121,257	121,257	121,257	121,257	121,257	121,257	121,257	121,257	121,257	121,257	1,455,084
Consumer accounts	58,706	58,705	58,706	58,706	58,706	58,706	58,705	58,706	58,706	58,706	58,705	58,706	704,469
Customer services	7,476	7,475	7,476	7,475	7,476	7,475	7,476	7,476	7,475	7,476	7,475	7,476	89,707
Sales	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Administrative and ger	77,387	77,388	77,387	77,388	77,387	77,387	77,388	77,387	77,388	77,387	77,388	77,387	928,649
Total operation and r	2,094,367	2,289,333	1,936,056	1,719,550	1,791,145	1,662,407	1,773,217	1,990,913	1,838,004	1,581,191	1,848,839	2,001,390	22,526,412
Depreciation	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000	1,884,000
Taxes-other	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on long term d	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,440,000
Interest expense - othe	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	73,200
Other deductions	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total cost of electric s	2,378,967	2,573,933	2,220,656	2,004,150	2,075,745	1,947,007	2,057,817	2,275,513	2,122,604	1,865,791	2,133,439	2,285,990	25,941,612
Utility operating marg	585,079	(246,753)	(213,353)	(241,829)	(71,368)	506,341	192,336	(361,026)	(408,402)	113,577	157,271	(5,930)	5,943
Nonoperating margins, i	22,000	22,000	22,000	22,000	37,000	22,000	22,000	22,000	22,000	37,000	22,000	22,000	294,000
Nonoperating margins, c	0	0	0	0	0	0	0	0	0	0	0	0	0
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	13,000	0	3,500	0	0	0	42,000	0	0	0	58,500
	0	0	13,000	0	3,500	0	0	0	42,000	0	0	0	58,500
Net margins	607,079	(224,753)	(178,353)	(219,829)	(30,868)	528,341	214,336	(339,026)	(344,402)	150,577	179,271	16,070	358,443

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**By - Laws Changes**  
December 31, 2008

Changes have been made to the Member Bylaws since the last rate case was approved in 1999 include:

"or his/her designee(s)" have been inserted through-out.

Article II Meetings of Members:

Section 1. Annual Meeting (A) - changed from 55 to 50 days.

Section 6. Agenda - from 55 to 50 days.

Section 7. Order of Business, 5. "in an election year" added.

Article III Directors:

Section 2. Qualifications and Tenure "1980" replaced with "2004" and "three (3)" replaced with "four (4)".

Section 3. Nominations and Elections (C) 5. "in writing" added, "and mailed" added and "four (4)" changed to "fourteen (14)".

Section 3. Nominations and Elections (C) 5 second paragraph, "five (5)" changed to "seven (7)".

Section 3. Nominations and Elections (C) 5 fifth paragraph, the last sentence was added.

Section 3. Nominations and Elections (C) 5, first paragraph, "for safekeeping" was added.

Section 8. Change in Rates. "Written notice shall" changed to "Notice should

Article V Officers

Section 7. Secretary. (I) was added.

Article X Disposition of Property

In (1), "KRS 279.090, 279.120 and 279.130" were removed.

# LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

## BYLAWS

The aim of Licking Valley Rural Electric Cooperative Corporation, hereinafter called "Cooperative" is to make electric energy available to its members at the lowest cost with sound economy and good management.

### ARTICLE I MEMBERS

**SECTION 1. QUALIFICATIONS AND OBLIGATIONS.** Any person, firm, corporation or body politic may become a member in the corporation by:

- (A) Paying the membership fee hereinafter specified;
- (B) Agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (C) Agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws, and any amendments thereto and such rules and regulations as may from time-to-time be adopted by the Board of Directors.
- (D) Granting to the Cooperative an easement over the member's property without monetary compensation on reasonable terms and conditions as the Cooperative shall require for furnishing electric energy to the member or any other members and for constructing, operating, maintaining and relocating electric facilities.
- (E) Holding a membership certificate with the Cooperative with no outstanding delinquent account indebtedness due LVRECC. In an election year, a cut-off date of thirty (30) days prior to the mailing of ballots for director(s) election shall be established in determining whether a member is in good standing for voting purposes.

**SECTION 2. MEMBERSHIP FEE.** "Membership Fee" The membership fee shall be twenty dollars (\$20.00).

**SECTION 3. PURCHASE OF ELECTRIC ENERGY.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises referred to in the application of such member for membership, and shall pay therefore monthly at rates which from time-to-time be fixed by a resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount or type of service as the Board of Directors shall from time-to-time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time-to-time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time-to-time become due and payable by such members to the Cooperative as and when the same shall become due and payable.

### SECTION 4. TERMINATION OF MEMBERSHIP

- A) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him/her liable to expulsion and such failure shall have continued for at least ten days after such notice as given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him/her, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board.
- B) Upon withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.
- C) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him/her, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

### SECTION 5. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE

The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

### ARTICLE II MEETINGS OF MEMBERS

#### SECTION 1. ANNUAL MEETING

The Annual Meeting of the members shall be held each year beginning with the year 1980, at a place within one of the counties in Kentucky within which the Cooperative serves and at a time to be selected by the Board, which place and time shall be designated in at least one Notice of the Annual Meeting as provided herein below.

- (A) The time and place of the Annual Meeting shall be furnished by mail to all the membership, either in printed or written form at least once prior to said meeting. The Notice shall be mailed not less than fifty (50) days nor more than eighty-five (85) days prior to the time set by the Board for the Annual Meeting. In each year in which directors are to be elected, the Notice shall also include information as to the manner in which candidates are nominated for the office of director; provided however, that for cost efficient to it, the Board of Directors may fix a different date for such annual meeting not more than fifty (50) days prior or subsequent to the date otherwise established for such meeting in this section.

Publication of any Notice required hereunder in the *Kentucky Living Magazine* shall be deemed sufficient.

- (B) At the Annual Meeting, it is contemplated that the Meeting will be held for the purpose of announcing the election of Directors in an election year, passing on reports for the previous meeting and transacting such other business as may properly come before the Meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the Annual Meeting.
- (C) Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative, nor shall it affect the tenure of the existing Directors who shall hold office until their successors are properly elected and qualified, even though the incumbents may

exceed their normal elected time in office.

**SECTION 2. SPECIAL MEETINGS.** Special meetings of the members may be called by at least five (5) directors or upon a written request signed by at least thirty-three per centum (33%), of all the members only with official form furnished by the Cooperative and it shall thereupon be the duty of the secretary or his/her designee(s) to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties in Kentucky within which the Cooperative serves.

**SECTION 3. NOTICE OF MEMBERS MEETINGS.** Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary or his/her designee(s), or upon a default in duty by the secretary, by the person(s) calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid. Publication of any notice required hereunder in the *Kentucky Living Magazine* shall be deemed sufficient. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

**SECTION 4. QUORUM.** At least one per centum (1%) of the total number of members of the Cooperative being present shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time-to-time without further notice.

**SECTION 5. VOTING.** Each member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law; the Articles of Incorporation or these Bylaws. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. Each member at an annual or other duly called membership meeting, shall be required to present himself/herself to duly designate employee(s) of the Cooperative in charge of the membership roster and after it is ascertained that he or she is a member in good standing, official identification credentials indicating same will be issued him or her, and only those persons identifying themselves by the use of proper credentials may vote. Unless otherwise directed by the Board of Directors prior to the membership meeting or meetings, Robert's Rules of Order shall apply.

**SECTION 6. AGENDA.** No Proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least fifty (50) days prior to such meeting. Any proposal determined to be legitimate by the Board of Directors, may be placed on the agenda by any member by filing a copy of the proposal at the principal office of the Cooperative within the time allowed, with a request that it be submitted to the Annual Meeting for consideration.

**PROXIES PROHIBITED.** Voting by proxy is prohibited by these Bylaws.

**SECTION 7. ORDER OF BUSINESS.** The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

1. Quorum call.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver of notice of meeting, as the case may be.
3. Consideration of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Report of results of directors election in an election year.
6. Other business.
7. Adjournment.

### ARTICLE III DIRECTORS

**SECTION 1. GENERAL POWERS AND ELECTION OF DIRECTORS.** The business and affairs of the Cooperative shall be managed by a Board of eight (8) Directors such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members. Three (3) of said directors shall be elected from Morgan County and two (2) of said directors shall be elected from Magoffin County and two (2) of said directors shall be elected from Wolfe County and one (1) of said directors shall be elected from Breathitt County.

**SECTION 2. QUALIFICATIONS AND TENURE.** Commencing in 2004, eight (8) directors shall be elected by mail ballot by and from the members to serve for a term of four (4) years or until their successors shall have been elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of directors. The results of such election shall be reported at the annual meeting of the members in 2004, and thereafter, such election shall be announced every four (4) years at the annual meeting of the members. No member shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who is in any way employed by or financially interested in a competing enterprise, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. Directors of the Cooperative shall be a member of good standing of the Cooperative and receive service therefrom at his/her primary residence within the district from which he/she is elected. Directors of the Cooperative shall not be employed by the Cooperative, East Kentucky Power Cooperative Corporation, any member cooperative of East Kentucky Power Cooperative Corporation or a competing utility company. Directors of the Cooperative shall not be drawing retirement benefits, disability benefits or workers' compensation benefits from the Cooperative and shall not have been employed

by the Cooperative within the last five (5) years. When a membership is held jointly by husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. Nothing in the section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

### SECTION 3. NOMINATIONS AND ELECTIONS

(A) It shall be the duty of the Board of Directors to select and appoint not less than fifty (50) days nor more than ninety (90) days before the annual meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members of the Cooperative.

The members so selected by the Board shall be selected so as to give, so far as possible, equitable representation on the committee on nominations considering the geographical area served by the Cooperative.

No officer or member of the Board of Directors of the Cooperative shall be appointed a member on the committee on nominations.

(B) It shall be the responsibility of the committee on nominations to select eight (8) candidates to run for office of director to fill the vacancy caused by the expiration of directors' terms. The committee on nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building not less than forty-five (45) days prior to the date set for the annual meeting, at which the election of directors shall be announced.

Any fifty (50) or more qualified members may, by completing an official petition for nomination as outlined in Article 3 (c) (4) to be prepared by and obtained from the Cooperative Headquarters located in West Liberty, Kentucky, make other nominations from the membership for the Office of Director, not exceeding eight (8) in number of any one petition, by affixing their signatures and addresses to the petition or petitions. In no event shall a member or members sign a petition for more than eight (8) candidates. In the event a member or members sign a petition or petitions for more than eight (8) candidates, then their signatures shall be invalid on all petitions signed by them. Candidates shall be nominated on a county basis as prescribed in Section 1, above.

Petition or petitions by qualified members nominating candidates for the office of directors shall be filed at the Headquarters office of the Cooperative during the regular office hours of the Cooperative, but in any event not later than 4:30 p.m. prevailing time thirty (30) days prior to the date set for the annual meeting and said nominating petitions shall be posted in a conspicuous manner in the lobby of the Cooperative headquarters building not less than twenty-five (25) days prior to the date set for the annual meeting if, after examination of the provost or his/her designee(s), it is determined by said provost or his/her designee(s) that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky.

(C) The Board of Directors shall have the duty of naming the provost in charge of directors' elections who shall have responsibilities and duties regarding nominating petitions as well as votes and the counting of same. The duties of the provost regarding nominating petitions shall be as follows:

1. The provost or his/her designee(s) of the election shall examine and audit the petition or petitions filed by candidates for election to the office of director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these Bylaws.
2. The provost or his/her designee(s) is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of directors.
3. If the provost or his/her designee(s) shall disapprove a signature and/or address on a petition or petitions, he/she shall list same in writing giving the reason or reasons why said signature and/or address was not approved.
4. The provost or his/her designee(s) shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him/her because the name, address, account number, and social security number (REF: paragraph number 5) on said petition or petitions fail to comply with Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative, and these Bylaws. (Only official petition for nomination forms furnished by the Cooperative shall be recognized and accepted as nominee for candidate for election to serve on Cooperative Board of Director(s)). If the petition or petitions do not contain the signatures and addresses of the required number, then the provost or his/her designee(s) shall not certify to the secretary the name or names of the candidates on said petition or petitions to be placed upon the official ballot.

Upon completion of the examination and audit of the petition or petitions by the provost or his/her designee(s), he/she shall certify to the secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot.

5. After the provost or his/her designee(s) has certified in writing the name(s) of the candidate(s) nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the secretary or the secretary shall cause to have a printed ballot prepared and mailed of those persons duly nominated by the committee on nominations or by nominating petition within fourteen (14) days after the nominating petitions are required to be posted. The printed ballot shall list separately those eight (8) persons nominated by the nominating committee and those person(s) nominated by petition in alphabetical order and labeled in such a manner as to note which candidates appear on the ballot by nomination of the committee on nominations and which appear on the ballot wherein the printed ballots shall contain each person's social security number, address, account number on each separate page of the nominating petitions filed by membership by nomination by petition. It shall be the further duty of the secretary or his/her designee(s) to see that the official ballots are mailed to each active and qualified member at his or her last address shown on the Cooperative records.

The official ballot shall be inscribed with instructions by the secretary or his/her designee(s) of the Cooperative as to how many candidates may be voted for on each official ballot by the member and with instructions that all official ballots must be returned only U.S. mail not less than seven (7) days prior to the said annual meeting.

Each qualified member shall have the right to cast one (1) vote for each director to be elected at such election. Each member may vote for as many as eight (8) directors on a county basis as provided in Section 1, above. The secretary or his/her designee(s) shall so advise each member in the instructions included with the ballot. If a husband and wife hold a joint membership, they shall jointly be entitled to vote as one (1) member.

Each official ballot shall be placed with an envelope labeled "Ballot Envelope" with a return envelope bearing postage prepaid, addressed to the provost or his/her designee(s) for the Cooperative all in a cover envelope, all of which shall be mailed by the secretary or his/her designee(s) of the Cooperative to each member eligible to vote.

The official ballot should be marked by the eligible member and then placed in the ballot envelope and sealed. The sealed ballot envelope, with the official ballot enclosed, should then be placed in the return envelope which is addressed to the provost or his/her designee(s) for the Cooperative with postage prepaid. The return envelope should then be signed and dated by the member in the space provided in the upper corner of the return envelope so it can be determined by the provost or his/her designee(s) whether the person signing and dating the return envelope is an eligible voting member of the Cooperative. The ballot shall be sealed and mailed in the return envelope.

The secretary or his/her designee(s) of the Cooperative shall cause to have all ballots returned by mail in the possession of the provost or his/her designee(s).

Any and all return envelopes found by the provost or his/her designee(s) not to conform to the provisions and requirements of these Bylaws shall not be opened but shall be immediately placed in a locked ballot box(es) which locked ballot box(es) the provost or his/her designee(s) shall cause to have retained in safekeeping until thirty-five (35) days after the date of the completion of the counting of the ballots.

The return envelopes that are found to be in conformity with the provisions and requirements of these Bylaws shall then be placed in a locked ballot box(es) for the accepted return envelopes.

In the event another unopened return envelope is found by the provost or his/her designee(s) to be from the same voting member, the provost or his/her designee(s) shall then remove the unopened return envelope theretofore approved from the approved return envelopes and attach it to the second unopened return envelope and note on the back of the unopened return envelope the reason for rejection and then place both of the unopened return envelopes in the locked ballot box(es) provided for any and all unopened return envelopes found by the provost or his/her designee(s) not to conform to the provisions and the Bylaws.

After all the return envelopes have been checked by the provost or his/her designee(s) and placed either in the locked ballot box(es) for acceptance return envelopes or placed in locked ballot box(es) for rejected return envelopes, the provost or his/her designee(s) shall open the accepted return envelopes and remove the ballot envelope unopened therefrom and place them in a locked ballot box(es) until all of said return envelopes have been opened. The provost or his/her designee(s) shall then open the locked ballot box(es) containing the unopened official ballot envelopes and remove the same from said ballot box(es) and open each official ballot envelope and tabulate all valid votes cast on each official ballot. Provided, however, the ballot envelopes shall not be opened except in the presence of the provost or his/her designee(s) for the Cooperative and the nominees for the office of director up to two designated representatives nominated by the Board of Director's Committee and up to two designated representatives of the nominees.

Any official ballot which is deemed invalid by the provost or his/her designee(s) for reasons set forth in these Bylaws shall be placed by the provost or his/her designee(s) in the locked ballot box(es) containing the rejected return envelopes.

The ballot box(es) shall be kept locked at all times except when the provost or his/her designee(s) is present.

If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots unopened and counted shall be kept in the locked ballot box(es) by the provost or his/her designee(s) for safekeeping until the counting of all official ballots is again begun in the presence of the provost or his/her designee(s) and this procedure shall continue until all valid official ballots have been counted and tabulated.

The provost or his/her designee(s) in charge of directors' elections shall with the help of personnel of the Cooperative count the ballots as expeditiously as may be possible following the placement in his/her hands of said ballots. During the counting of ballots no persons other than personnel of the Cooperative or the provost or the provost's designee(s) directly engaged in the election or persons nominated for Director or one representative for such persons properly authorized by the nominee may be present in the counting room. After the ballots have been duly counted, the result of such election shall be announced at the subsequent annual meeting of members and the Board shall meet immediately thereafter and those persons receiving the highest number of ballots shall be declared elected and duly sworn by the Cooperative attorney. The following shall not be counted:

- A) A vote marked for more than eight (8) candidates;
- B) Ballots other than the official ballot;
- C) Ballots not received through the United States mail;
- D) Ballots arriving late, and
- E) Ballots not conforming to these Bylaws.

6. The provost or his/her designee(s) shall place all official and valid ballots which have been counted in a locked ballot box(es) and shall retain the key(s) to same unopened for safekeeping for thirty-five (35) days from the date of completion of the official counting and tabulating by him/her.

The provost or his/her designee(s) shall promptly, upon completion of the counting of the membership votes, certify in writing to the secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the names of the eight (8) candidates receiving the highest number of votes, taking into account the fact that directors shall be elected on a county basis as provided in Section 1, above.

After the thirty-five (35) days have passed from the date of the completion of the counting of the ballots, the provost or his/her designee(s) shall relinquish the key(s) for the ballot box(es) to the secretary or his/her designee(s) of the Cooperative.

7. No write-in votes shall be permitted in the election of the members to the Board of Directors. Should the committee on nominations select eight (8) candidates to run for office of director to fill the vacancy caused by the expiration of directors' terms in accordance with Article III, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition within the prescribed time as set forth in Article III, Section 3 of these Bylaws, then the provost or his/her designee(s) appointed by the Board of Directors pursuant to Article III, Section 3 of these Bylaws shall certify to the secretary of the Board that no petition has been filed within the prescribed time and that the eight (8) candidates nominated by the committee on nominations selected by the Board are therefore officially elected without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws.

**SECTION 4. VACANCIES.** Subject to the provisions of these Bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve for the remainder of the term of the director being replaced or until their successors shall have been elected and shall have qualified.

**SECTION 5. COMPENSATION.** Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

**SECTION 6. RULES AND REGULATIONS.** The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 7. ACCOUNTING SYSTEM AND REPORTS.** The Board shall cause to be established and maintained a complete accounting system as may from time-to-time be designated by the administrator of the Rural Utilities Service of the United States of America. The Board shall also, after the close of each fiscal year, cause to be made a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be made available to the members at the next following annual meeting.

**SECTION 8. CHANGE IN RATES.** Notice should be given to the administrator of the Rural Utilities Service of the United States of America or upon written notice from the administrator not less than ninety (90) days prior to the day upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

**SECTION 9. LIABILITY INSURANCE.** The Board of Directors shall have power to purchase and maintain insurance on behalf of any person who is a director, officer, employer or agent of the Cooperative, or is serving at the request of the Cooperative as a director, officer, employee or agent of another corporation against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such.

**SECTION 10. REMOVAL OF DIRECTORS AND OFFICERS.** Any member may bring charges against any officer or director by filing them in writing with the secretary together with a petition signed by thirty-three per centum (33%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence, and the person bringing the charges against him/her shall have the same opportunity. Provided, however, no officer or director shall be removed from office except for legal cause.

**SECTION 11. REIMBURSEMENT OF EXPENSES.** The Directors of the Cooperative shall be allowed their expenses that are incurred in the conduct of all official business which shall include, but is not limited to, attendance at and participation in meetings of various entities and associations whose intended function is to support and assist the rural electrification program, and of which the Cooperative is a member. Reimbursement of expenses shall be upon the basis of actual expenses, or upon the basis of a certain sum per diem, which specific basis shall be determined by a proper resolution of the Board of Directors.

#### ARTICLE IV MEETINGS OF DIRECTORS

**SECTION 1. REGULAR MEETINGS.** A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place, as the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in one of the counties in Kentucky within which the Cooperative serves, as the Board of Directors shall designate. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**SECTION 2. SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by the president or any five (5) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them within one of the counties in Kentucky within which the Cooperative serves.

**SECTION 3. NOTICE.** Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon paid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

**SECTION 4. QUORUM.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors may adjourn the meeting from time-to-time without further notice.

**SECTION 5. MANNER OF ACTING.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

**SECTION 6. ACTION BY DIRECTORS WITHOUT A MEETING.** Any action required by law or the Bylaws to be taken at a meeting of the directors of this cooperative, or any action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the directors. Such consent shall have the same effect as a unanimous vote.

**SECTION 7. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.** The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to,

the best interest of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceedings, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgement in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2, such determination shall be made:

By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or

If such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by the members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by the Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under and bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

#### ARTICLE V OFFICERS

**SECTION 1. NUMBER.** The officers of the Cooperative shall be a general manager/CEO, vice-president, secretary and treasurer, and such other officers as may, from time-to-time, be determined by the Board of Directors. The offices of secretary and treasurer may be held by the same person.

**SECTION 2. ELECTION AND TERM OF OFFICE.** The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

**SECTION 3. REMOVAL.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

**SECTION 4. VACANCIES.** Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 5. GENERAL MANAGER/CEO.** The general manager/CEO:

- A) Shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- B) Shall sign with the secretary certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- C) In general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time-to-time.

**SECTION 6. VICE-PRESIDENT.** In absence of the president, or in event of inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time-to-time may be assigned to him/her by the Board of Directors.

**SECTION 7. SECRETARY.** The secretary shall:

- A) Keep the minutes of the members and the Board of Directors in one or more books provided for that purpose;
- B) See that all notices are duly given in accordance with these Bylaws or as required by law;
- C) Be custodian of the corporate records and of the seal of the Cooperative and see that the seal

of the Cooperative is affixed to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;

- D) Keep the register of the post office address of each member which shall be furnished to the secretary by such members.
- E) Sign with the president certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors.
- F) Have general charge of the books of the Cooperative in which a record of the members is kept;
- G) Keep on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member; and
- H) In general, perform all duties incident to the office of secretary and such other duties as from time-to-time may be assigned to him/her by the Board of Directors.
- I) The secretary may designate any of the foregoing duties at his/her discretion.

#### SECTION 8. TREASURER

- A) Have charge and custody of and be responsible for all funds and securities of the Cooperative;
- B) Receive and give receipts for money due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- C) In general, perform all the duties incident to the office of treasurer and such other duties as from time-to-time may be assigned to him/her by the Board of Directors.

**SECTION 9. GENERAL MANAGER/CEO.** The Board of Directors may appoint a general manager/ CEO who may be, but who shall not be required to be, a member of the Cooperative. The general manager/CEO shall perform such duties as the Board of Directors may from time-to-time require of him/her and shall have such authority as the Board of Directors may from time-to-time vest in him/her.

**SECTION 10. BONDS OF OFFICERS.** The Board of Directors shall require the treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

**SECTION 11. COMPENSATION.** The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined by the members as provided elsewhere in these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

#### ARTICLE VI CONTRACTS, CHECKS AND DEPOSITS

**SECTION 1. CONTRACTS.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

**SECTION 2. CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board of Directors.

**SECTION 3. DEPOSITS.** All funds of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank as the Board of Directors may select.

#### ARTICLE VII MEMBERSHIP CERTIFICATES

**SECTION 1. CERTIFICATES OF MEMBERSHIP.** Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these Bylaws. Such certificate shall be signed by the president and by the secretary of the Cooperative and the corporate seal shall be affixed thereto.

**SECTION 2. ISSUE OF MEMBERSHIP CERTIFICATES.** No membership certificate shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid for in cash, and such payment has been deposited with the treasurer.

**SECTION 3. LOST CERTIFICATES.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

#### ARTICLE VIII REVENUES AND RECEIPTS

Subject to the provisions of any mortgage or deed or trust given or assumed by the Cooperative, the Board of Directors shall, after the expiration of each year and after paying or making provisions for the payment of all obligations and expenses of the Cooperative properly chargeable against its revenues and receipts for such year, apply the unexpended revenues and receipts for such year;

All revenues received in excess of those required for meeting current operating expenses shall be considered as patronage capital and shall be assigned to each member on the basis of patronage, except cost of service consumers.

Based on a cycle, approved by the Board of Directors, a general distribution of capital credits may be paid to the members depending upon the financial condition of the Cooperative at the time such retirements are under consideration.

The Board of Directors may elect to pay capital credits if economically feasible and the financial condition of the Cooperative permits. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital. Provided, however, that any sum(s) available for distribution to a member as aforesaid shall be first applied against any member's indebtedness, if any, to the Cooperative.

#### ARTICLE IX WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws. In case of a joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

#### ARTICLE X DISPOSITION OF PROPERTY

- 1) Except as provided in these Bylaws the Cooperative may not sell, lease or otherwise dispose of any of its property unless the Board of Directors is authorized so to do by a majority vote of the total membership. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provision of the Articles of Incorporation or Bylaws of the Cooperative to the contrary notwithstanding.
- 2) The Board may sell any of the following property without authority from the members:
  - A) Property that is not necessary in operating and maintaining the system, but sales of such property shall not in any one year exceed ten percent (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale;
  - B) Services and electric energy;
  - C) Property acquired for resale; and
  - D) Merchandise.

#### ARTICLE XI FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

#### ARTICLE XII MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of a majority of the members of the Board of Directors.

#### ARTICLE XIII SEAL

The Corporate Seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

#### ARTICLE XIV AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of all the Directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

We, the undersigned, members of the Board of Directors of the Licking Valley Rural Electric Cooperative Corporation, and being all of the members of said Board of Directors, do hereby approve, ratify, adopt, re-adopt and confirm, in all respects, the foregoing Bylaws of the Licking Valley Rural Electric Cooperative Corporation.

This the 18th day of September 2006.

Michael Adams  
Darrell Cundiff  
Tommy Hill  
Ted A. Holbrook  
Dolores D. Jones  
John May  
C. K. Stacy  
Philip Williams

## STATEMENT OF NONDISCRIMINATION

Licking Valley Rural Electric Cooperative Corporation is the recipient of Federal financial assistance from the U. S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call toll free (866) 632-9992 (voice) or (800) 877-8399 (TDD) or (866) 377-8642 (relay voice users). USDA is an equal opportunity provider and employer.

Licking Valley Rural Electric Cooperative

Case No. 2009-00016

Statement of Operations

December 31, 2008

Exhibit V

page 1 of 3

Witness: Jim Adkins

	<u>2008</u>	<u>2007</u>
Operating revenue	<u>\$24,814,019</u>	<u>\$24,588,577</u>
Operating expenses:		
Cost of power	18,381,104	16,922,124
Distribution-operations	1,370,886	1,270,976
Distribution-maintenance	1,628,353	1,410,064
Consumer accounts	691,343	747,367
Consumer service	72,433	117,781
Administrative and general	943,247	935,718
	<u>23,087,366</u>	<u>21,404,030</u>
Depreciation and amortization	1,915,787	1,846,028
Taxes-other	25,676	25,543
Interest on long term debt	955,161	1,366,230
Other interest expense	74,306	77,592
Other deductions	17,697	14,604
	<u>26,075,993</u>	<u>24,734,027</u>
Utility operating margins	<u>(1,261,974)</u>	<u>(145,450)</u>
Nonoperating margins, interest	172,066	416,724
Nonoperating margins, other	0	0
	<u>172,066</u>	<u>416,724</u>
Patronage capital:		
G & T	241,839	-
Others	66,804	61,234
	<u>308,643</u>	<u>61,234</u>
Net margins	<u><u>(\$781,265)</u></u>	<u><u>\$332,508</u></u>

## 1 Licking Valley Rural Electric Cooperative

Exhibit V

2 Case No. 2009-00016

page 2 of 3

3 Balance Sheet

Witness: Jim Adkins

4 December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$52,852,675	\$50,562,403
Under construction	682,760	653,907
	<u>53,535,435</u>	<u>51,216,310</u>
Less accumulated depreciation	16,757,014	15,454,756
	<u>36,778,421</u>	<u>35,761,554</u>
Investments	<u>6,540,710</u>	<u>6,267,941</u>
Current Assets:		
Cash and temporary investments	3,391,743	6,418,008
Accounts receivable, net	5,346,197	4,994,392
Material and supplies	654,095	435,749
Prepayments	75,719	258,835
	<u>9,467,754</u>	<u>12,106,984</u>
Total Assets	<u>\$52,786,885</u>	<u>\$54,136,479</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$211,065	\$208,305
Patronage capital	20,102,665	22,178,619
	<u>20,313,730</u>	<u>22,386,924</u>
Long Term Debt	<u>25,443,200</u>	<u>26,518,660</u>
Accumulated Operating Provisions	<u>3,030,498</u>	<u>1,603,958</u>
Current Liabilities:		
Accounts payable	2,093,987	1,716,372
Consumer deposits	1,269,285	1,236,993
Accrued expenses	298,284	293,545
	<u>3,661,556</u>	<u>3,246,910</u>
Consumer advances	<u>337,901</u>	<u>380,027</u>
Total Members' Equities and Liabilities	<u>\$52,786,885</u>	<u>\$54,136,479</u>

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Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Statement of Cash Flows  
December 31, 2008

Exhibit V  
page 3 of 3

Witness: Jim Adkins

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Net margins	(\$781,265)	\$332,508
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	1,915,787	1,846,028
Charged to clearing accounts	149,121	146,676
Patronage capital credits	(308,643)	(61,234)
Accumulated postretirement benefits	131,850	99,291
Net change in current assets and liabilities:		
Receivables	(351,805)	(279,132)
Material and supplies	(218,346)	37,271
Prepayments and deferred debits	183,116	4,674
Accounts payables	377,615	274,370
Consumer deposits	32,292	68,332
Accrued expenses	4,739	139,185
Consumer advances	(42,126)	106,744
	<u>1,092,335</u>	<u>2,714,713</u>
Cash Flows from Investing Activities:		
Plant additions	(2,987,184)	(2,929,973)
Salvage, net of removal costs	(94,590)	(188,376)
Additional investments, net of receipts	35,874	35,499
	<u>(3,045,900)</u>	<u>(3,082,850)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	2,760	2,125
Other equities	-	4,474
Additional long-term borrowings	-	4,780,000
Payments on long-term debt	(1,075,460)	(849,209)
	<u>(1,072,700)</u>	<u>3,937,390</u>
Net increase in cash	(3,026,265)	3,569,253
Cash balances - beginning	<u>6,418,008</u>	<u>2,848,755</u>
Cash balances - ending	<u>\$3,391,743</u>	<u>\$6,418,008</u>





Licing Valle, Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
123.11	Invest in EKPC	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,277,885
	Prior year	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046	5,036,046
	Change	0	0	0	0	0	0	0	0	0	0	0	241,839
123.22	Invest in CFC CTC's	665,663	665,663	664,988	664,988	664,988	664,988	664,988	664,988	664,988	664,988	664,988	664,988
	Prior year	666,294	666,294	665,663	665,663	665,663	665,663	665,663	665,663	665,663	665,663	665,663	665,663
	Change	(631)	(631)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)
****	Total Investments	6,267,941	6,267,292	6,282,628	6,282,628	6,282,628	6,282,628	6,282,628	6,282,628	6,300,332	6,298,871	6,298,871	6,540,710
	Prior year	6,245,128	6,244,514	6,255,783	6,255,783	6,255,783	6,255,783	6,255,783	6,255,783	6,265,635	6,264,851	6,264,851	6,267,941
	Change	22,813	22,778	26,845	26,845	26,845	26,845	26,845	26,845	34,697	34,020	34,020	272,769
131.1	Cash - General	93,812	446,637	280,666	112,702	61,948	2,871	52,566	28,162	95,538	224,774	80,681	664,035
	Prior year	392,412	99,363	103,585	8,298	240,262	140,571	185,682	96,711	147,758	36,044	426,164	411,383
	Change	(298,600)	347,274	177,081	104,404	(178,314)	(137,700)	(133,116)	(68,549)	(52,220)	188,730	(345,483)	252,652
								35,205			0		37,745
131.11	Cash - Payroll	35,821	34,937	0	0	0	0	35,205	0	0	0	0	37,745
	Prior year	36,297	(34,937)	0	0	0	0	35,205	0	0	0	0	37,745
	Change	(476)	(34,937)	0	0	0	0	0	0	0	0	0	0
131.20	Cash - trustee	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.00	Working funds	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780
	Prior year	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,780
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Cash	131,413	448,417	282,446	114,482	63,728	4,651	89,551	29,942	97,318	226,554	82,461	703,560
	Prior year	430,489	136,080	105,365	10,078	242,042	142,351	187,462	98,491	149,538	37,824	427,944	413,163
	Change	(299,076)	312,337	177,081	104,404	(178,314)	(137,700)	(97,911)	(68,549)	(52,220)	188,730	(345,483)	290,397
**** 136.1	Temporary investments	6,046,995	5,351,012	5,443,077	5,906,449	5,839,078	5,654,370	5,218,595	4,809,244	4,683,650	4,555,891	3,792,623	2,688,184
	Prior year	8,007,369	7,699,406	7,641,684	7,914,862	7,535,701	7,226,184	7,282,946	7,239,277	6,936,393	7,112,456	6,358,809	6,004,845
	Change	(1,960,374)	(2,348,394)	(2,198,607)	(2,008,413)	(1,696,623)	(1,571,814)	(2,064,351)	(2,430,033)	(2,252,743)	(2,556,565)	(2,566,186)	(3,316,661)
142.1	Accounts receivable	5,647,961	5,389,283	4,818,075	4,061,842	4,075,679	4,339,249	4,289,683	4,192,841	3,745,151	3,774,931	5,095,714	5,478,915
	Prior year	5,007,781	5,223,527	4,470,048	3,905,361	3,911,061	4,497,084	4,858,032	4,501,295	4,139,633	4,029,842	4,464,265	5,133,061
	Change	640,180	165,756	348,027	156,481	164,618	(157,835)	(568,349)	(308,454)	(394,482)	(254,911)	631,449	345,854
142.1	Return checks	104	(4,129)	600	(7,144)	(4,304)	(2,834)	(4,799)	(8,228)	(3,619)	(3,218)	(1,181)	2,587
	Prior year	(2,559)	(5,533)	(6,310)	(6,390)	(2,735)	(3,181)	(4,886)	(7,560)	(1,990)	(2,995)	245	(6,532)
	Change	2,663	1,404	6,910	(754)	(1,569)	347	87	(668)	(1,629)	(223)	(1,426)	9,119
142.2	Other receivables	1,014	928	982	1,118	1,467	778	1,133	1,522	1,038	1,722	1,652	1,155
	Prior year	804	893	824	891	1,255	1,291	802	722	(263)	(639)	(678)	(636)
	Change	210	35	158	227	212	(513)	331	800	1,301	2,361	2,330	1,791
142.21	Receivable clearing		(723)	(1,806)	(110)	(7,881)	(134)	(851)	(249)	163	54	(1,416)	
	Prior year											(1)	
	Change	0	(723)	(1,806)	(110)	(7,881)	(134)	(851)	(249)	163	54	(1,415)	0
143.	AR - employees	7,979	10,509	14,374	16,388	15,348	14,713	14,150	12,750	13,765	12,996	20,076	19,770
	Prior year	430	1,041	375	325	4,801	6,090	5,299	4,484	4,807	4,900	7,011	7,453
	Change	7,549	9,468	13,999	16,063	10,547	8,623	8,851	8,266	8,958	8,096	13,065	12,317

Licing Valley Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
144.10	Allow for uncollectibles	(156,472)	(162,866)	(95,441)	(101,942)	(109,429)	(116,459)	(123,065)	(130,583)	(136,619)	(144,738)	(151,031)	(157,349)
	Prior year	(158,966)	(163,841)	(170,742)	(90,501)	(99,531)	(106,070)	(110,271)	(118,885)	(126,695)	(132,093)	(137,941)	(147,378)
	Change	2,494	975	75,301	(11,441)	(9,898)	(10,389)	(12,794)	(11,698)	(9,924)	(12,645)	(13,090)	(9,971)
****	Total Recievables	5,500,586	5,233,002	4,736,784	3,970,152	3,970,880	4,235,313	4,176,251	4,068,053	3,619,879	3,641,747	4,963,814	5,345,078
	Prior year	4,847,490	5,056,087	4,294,195	3,809,686	3,814,851	4,395,214	4,748,976	4,380,056	4,015,492	3,899,015	4,332,901	4,985,968
	Change	653,096	176,915	442,589	160,466	156,029	(159,901)	(572,725)	(312,003)	(395,613)	(257,268)	630,913	359,110
154	Material & supplies	486,597	484,686	524,650	531,835	631,809	697,053	834,126	662,762	677,596	577,837	598,435	645,438
	Prior year	279,761	357,956	358,287	366,508	357,124	354,631	370,107	463,802	384,030	399,525	405,728	427,403
	Change	206,836	126,730	166,363	165,327	274,685	342,422	464,019	198,960	293,566	178,312	192,707	218,035
155.1	Merchandise	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719
	Prior year	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719
	Change	0	0	0	0	0	0	0	0	0	0	0	0
156.	Transportation inventory	8,578	8,070	8,144	10,984	7,612	11,123	11,795	11,487	10,404	9,630	9,899	6,937
	Prior year	7,599	6,365	7,455	8,953	8,213	6,798	9,132	8,640	7,942	5,570	6,804	6,628
	Change	979	1,705	689	2,031	(601)	4,325	2,663	2,847	2,462	4,060	3,095	309
****	Total Material & Supplies	496,894	494,475	534,513	544,538	641,140	709,895	847,640	675,968	689,719	589,186	610,053	654,094
	Prior year	289,079	366,040	367,461	377,180	367,056	363,148	380,958	474,161	393,691	406,814	414,251	435,750
	Change	207,815	128,435	167,052	167,358	274,084	346,747	466,682	201,807	296,028	182,372	195,802	218,344
165.1	Prepaid insurance	237,265	215,626	194,056	172,487	150,917	129,348	107,778	75,680	56,742	37,805	18,867	75,719
	Prior year	208,419	189,472	194,074	172,510	150,946	129,383	102,235	81,788	61,341	50,152	25,076	258,835
	Change	28,846	26,154	(18)	(23)	(29)	(35)	5,543	(6,108)	(4,599)	(12,347)	(6,209)	(183,116)
165.3	Prepaid health insurance					7,358							
	Prior year												
	Change	0	0	0	0	7,358	0	0	0	0	0	0	0
****	Total Prepayments	237,265	215,626	194,056	172,487	158,275	129,348	107,778	75,680	56,742	37,805	18,867	75,719
	Prior year	208,419	189,472	194,074	172,510	150,946	129,383	102,235	81,788	61,341	50,152	25,076	258,835
	Change	28,846	26,154	(18)	(23)	7,329	(35)	5,543	(6,108)	(4,599)	(12,347)	(6,209)	(183,116)
171.00	Interest receivable	7,262	3,582	4,611	4,233	3,584	3,788	3,658	3,018	3,489	3,701	1,624	1,119
	Prior year	11,697	9,618	13,536	13,612	12,420	11,088	14,910	13,086	10,891	11,302	8,058	8,424
	Change	(4,435)	(6,036)	(8,925)	(9,379)	(8,836)	(7,300)	(11,252)	(10,068)	(7,402)	(7,601)	(6,434)	(7,305)
184.00	Transportation												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
186.00	Miscellaneous												
	Prior year			(3,000)		(2,000)	(4,000)	(11,000)					
	Change	0	0	3,000	0	2,000	4,000	11,000	0	0	0	0	0
****	Total Deferred Debits	7,262	3,582	4,611	4,233	3,584	3,788	3,658	3,018	3,489	3,701	1,624	1,119
	Prior year	11,697	9,618	10,536	13,612	10,420	7,088	3,910	13,086	10,891	11,302	8,058	8,424
	Change	(4,435)	(6,036)	(5,925)	(9,379)	(6,836)	(3,300)	(252)	(10,068)	(7,402)	(7,601)	(6,434)	(7,305)
*****	Total Assets and Debits	54,555,077	53,843,939	53,299,950	52,839,233	52,843,545	52,924,267	52,863,029	52,359,279	51,933,519	52,095,148	52,561,832	52,786,885
	Prior year	54,998,054	54,673,029	53,908,171	53,640,577	53,535,372	53,722,786	54,251,834	53,999,351	53,387,317	53,551,186	53,573,034	54,136,478
	Change	(442,977)	(829,090)	(608,221)	(801,344)	(691,827)	(798,519)	(1,388,805)	(1,640,072)	(1,453,798)	(1,456,038)	(1,011,202)	(1,349,593)

Licing Val. Central Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
****	Memberships issued	208,820	209,545	209,195	209,530	210,270	210,170	210,330	211,280	210,875	210,920	210,855	211,065
	Prior year	204,175	204,695	204,385	204,560	205,020	204,985	205,580	206,380	206,455	206,330	207,915	208,305
	Change	4,645	4,850	4,810	4,970	5,250	5,185	4,750	4,900	4,420	4,590	2,940	2,760
201.10	Patrons capital credits	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	21,737,782	22,070,290
	Prior year	20,096,526	20,096,526	20,096,526	20,096,526	20,096,526	20,096,526	20,096,526	20,096,526	20,096,526	21,737,782	21,737,782	21,737,782
	Change	1,641,256	1,641,256	1,641,256	1,641,256	1,641,256	1,641,256	1,641,256	1,641,256	0	0	0	332,508
201.20	Pat cap- assignable	332,508	332,508	332,508	332,508	332,508	332,508	332,508	332,508	332,508	332,508	332,508	
	Prior year	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	1,641,255	
	Change	(1,308,747)	(1,308,747)	(1,308,747)	(1,308,747)	(1,308,747)	(1,308,747)	(1,308,747)	(1,308,747)	332,508	332,508	332,508	0
219.10	Current year margins	(183,627)	(338,421)	(497,103)	(729,375)	(512,111)	(495,148)	(826,501)	(954,713)	(1,284,546)	(1,193,778)	(1,007,574)	(781,265)
	Prior year	420,381	100,735	(147,067)	(355,575)	(479,489)	(62,748)	165,462	(71,001)	(369,831)	(160,135)	(13,818)	332,508
	Change	(604,008)	(439,156)	(350,036)	(373,800)	(32,622)	(432,400)	(991,963)	(883,712)	(914,715)	(1,033,643)	(993,756)	(1,113,773)
****	Total Capital Credits	21,886,663	21,731,869	21,573,187	21,340,915	21,558,179	21,575,142	21,243,789	21,115,577	20,785,744	20,876,512	21,062,716	21,289,025
	Prior year	22,158,162	21,838,516	21,590,714	21,382,206	21,258,292	21,675,033	21,903,243	21,666,780	21,367,951	21,577,647	21,723,964	22,070,290
	Change	(271,499)	(106,647)	(17,527)	(41,291)	299,887	(99,891)	(659,454)	(551,203)	(582,207)	(701,135)	(661,248)	(781,265)
208.00	Donated capital	88,590	88,590	88,590	88,590	88,590	88,590	88,590	88,590	88,590	88,590	88,590	88,590
	Prior year	86,453	86,453	86,453	86,477	86,454	86,454	86,454	86,454	86,454	88,578	88,578	88,590
	Change	2,137	2,137	2,137	2,113	2,136	2,136	2,136	2,136	2,136	12	12	0
209.	Accum other comp income										(1,294,690)	(1,294,690)	(1,294,690)
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	(1,294,690)	(1,294,690)	(1,294,690)
219.4	Margins-prior years	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739
	Prior year	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739	19,739
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Other Equities	108,329	108,329	108,329	108,329	108,329	108,329	108,329	108,329	108,329	(1,186,361)	(1,186,361)	(1,186,361)
	Prior year	106,192	106,192	106,192	106,216	106,193	106,193	106,193	106,193	106,193	108,317	108,317	108,329
	Change	2,137	2,137	2,137	2,113	2,136	2,136	2,136	2,136	2,136	(1,294,678)	(1,294,678)	(1,294,690)
*****	Total Margins & Equities	22,203,812	22,049,743	21,890,711	21,658,774	21,876,778	21,893,641	21,562,448	21,435,186	21,104,948	19,901,071	20,087,210	20,313,729
	Prior year	22,468,529	22,149,403	21,901,291	21,692,982	21,569,505	21,986,211	22,215,016	21,979,353	21,680,599	21,892,294	22,040,196	22,386,924
	Change	(264,717)	(99,660)	(10,580)	(34,208)	307,273	(92,570)	(652,568)	(544,167)	(575,651)	(1,991,223)	(1,952,986)	(2,073,195)
224.13	CFC notes	3,954,237	3,901,389	3,901,389	3,901,389	3,847,782	3,847,782	3,847,782	3,793,406	3,793,406	3,793,406	3,738,248	3,738,248
	Prior year	4,158,255	4,108,335	4,108,335	4,108,335	4,057,699	4,057,699	4,057,699	4,006,336	4,006,336	4,006,336	3,954,237	3,954,237
	Change	(204,018)	(206,946)	(206,946)	(206,946)	(209,917)	(209,917)	(209,917)	(212,930)	(212,930)	(212,930)	(215,989)	(215,989)
224.14	FFB notes unadvanced										(11,978,000)	(11,978,000)	(11,978,000)
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	(11,978,000)	(11,978,000)	(11,978,000)
224.15	FFB notes	14,331,119	14,331,119	14,255,043	14,255,043	14,255,043	14,155,468	14,155,468	14,155,468	14,061,135	26,039,135	26,039,135	25,934,136
	Prior year	14,551,224	14,551,224	14,512,488	14,512,488	14,512,488	14,457,404	14,457,404	14,457,404	14,399,358	14,399,358	14,399,358	14,331,119
	Change	(220,105)	(220,105)	(257,445)	(257,445)	(257,445)	(301,936)	(301,936)	(301,936)	(338,223)	11,639,777	11,639,777	11,603,017
224.2	RUS notes	8,213,157	8,134,288	8,114,016	8,092,972	8,014,775	7,993,610	7,973,068	7,893,968	7,872,621	7,851,900	7,770,351	7,748,816
	Prior year	8,677,570	8,601,229	8,581,685	8,561,350	8,486,776	8,466,329	8,446,549	8,371,106	8,350,488	8,330,529	8,253,337	8,233,304
	Change	(464,413)	(466,941)	(467,669)	(468,378)	(472,001)	(472,719)	(473,481)	(477,138)	(477,867)	(478,629)	(482,986)	(484,488)

Licking Valley Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
****	Total long term debt	26,498,513	26,366,796	26,270,448	26,249,404	26,117,600	25,996,860	25,976,318	25,842,842	25,727,162	25,706,441	25,569,734	25,443,200
	Prior year	27,387,049	27,260,788	27,202,508	27,182,173	27,056,963	26,981,432	26,961,652	26,834,846	26,756,182	26,736,223	26,606,932	26,518,660
	Change	(888,536)	(893,992)	(932,060)	(932,769)	(939,363)	(984,572)	(985,334)	(992,004)	(1,029,020)	(1,029,782)	(1,037,198)	(1,075,460)
**** 228.3	Postretirement benefits	1,617,110	1,630,262	1,643,413	1,656,565	1,656,861	1,657,157	1,657,646	1,658,136	1,667,946	2,972,252	3,018,923	3,030,498
	Prior year	1,448,655	1,463,560	1,478,465	1,493,370	1,508,274	1,523,179	1,538,084	1,551,570	1,565,056	1,578,271	1,590,806	1,603,958
	Change	168,455	166,702	164,948	163,195	148,587	133,978	119,562	106,566	102,890	1,393,981	1,428,117	1,426,540
**** 231.0C	Notes payable - short term												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
232.1	Accounts payable - general	170,694	68,043	52,472	76,743	90,708	85,165	143,729	99,248	147,418	154,045	101,616	134,309
	Prior year	100,009	96,624	72,119	108,221	82,029	60,150	116,060	123,169	94,200	244,526	54,549	151,178
	Change	70,685	(28,581)	(19,647)	(31,478)	8,679	25,015	27,669	(23,921)	53,218	(90,481)	47,067	(16,869)
232.30	Wintercare	512	519	534		21	21	41	66	98	132	145	164
	Prior year	150	223	243	283	296	297	318	330	348	363	383	483
	Change	362	296	291	(283)	(275)	(276)	(277)	(264)	(250)	(231)	(238)	(319)
232.40	Purchased power	2,037,579	1,739,130	1,548,675	1,237,981	1,094,925	1,296,720	1,541,200	1,359,751	1,325,631	1,415,398	1,808,925	1,975,189
	Prior year	1,608,934	1,791,658	1,460,564	1,257,653	1,324,753	1,204,098	1,307,950	1,511,976	1,368,669	1,127,982	1,378,824	1,579,063
	Change	428,645	(52,528)	88,111	(19,672)	(229,828)	92,622	233,250	(152,225)	(43,038)	287,416	430,101	396,126
232.6	AP insurance	(15,103)	515	515	484	592	(14,850)	(14,625)	(226)	(258)	(258)	(470)	(15,814)
	Prior year	(15,118)	(15,301)	428	405	105	(886)	(14,400)	(175)	(68)	22	(15,221)	(14,732)
	Change	15	15,816	87	79	487	(13,964)	(225)	(51)	(190)	(280)	14,751	(1,082)
232.80	Other	644	717	673	629	588	546	504	557	516	474	432	139
	Prior year	16	(16)	611	579	985	516	858	1,909	524	477	429	381
	Change	628	733	62	50	(397)	30	(354)	(1,352)	(8)	(3)	3	(242)
****	Total Payables	2,194,326	1,808,924	1,602,869	1,315,837	1,186,834	1,367,602	1,670,849	1,459,396	1,473,405	1,569,791	1,910,648	2,093,987
	Prior year	1,693,991	1,873,188	1,533,965	1,367,141	1,408,168	1,264,175	1,410,786	1,637,209	1,463,673	1,373,370	1,418,964	1,716,373
	Change	500,335	(64,264)	68,904	(51,304)	(221,334)	103,427	260,063	(177,813)	9,732	196,421	491,684	377,614
**** 235	Customer deposits	1,241,642	1,246,607	1,243,230	1,244,105	1,252,030	1,248,072	1,248,799	1,258,504	1,261,700	1,266,858	1,268,872	1,269,285
	Prior year	1,187,843	1,190,824	1,186,440	1,187,755	1,193,813	1,193,176	1,202,837	1,212,546	1,212,249	1,216,453	1,230,783	1,236,993
	Change	53,799	55,783	56,790	56,350	58,217	54,896	45,962	45,958	49,451	50,405	38,089	32,292
236.1	Acc property taxes	98,101	126,601	108,338	136,838	165,338	193,838	107,039	135,539	160,090	64,642	59,960	46,837
	Prior year	160,096	74,106	102,605	131,106	159,606	188,106	216,606	125,953	154,453	74,516	44,070	72,570
	Change	(61,995)	52,495	5,733	5,732	5,732	5,732	(109,567)	9,586	5,637	(9,874)	15,890	(25,733)
236.11	PSC assessment	13,065	15,165	17,265	19,365	21,465	(2,288)	(188)	1,912	4,012	6,112	8,212	10,312
	Prior year	15,633	17,733	19,833	21,933	24,033	(1,636)	465	2,565	4,665	6,765	8,865	10,965
	Change	(2,568)	(2,568)	(2,568)	(2,568)	(2,568)	(652)	(653)	(653)	(653)	(653)	(653)	(653)
236.2	Acc FUTA tax	2,106	3,027	3,175	1,067	1,067	1,068	512	532	555	543	613	680
	Prior year	1,419	1,465	2,346	906	906	906	866	866	866	865	867	886
	Change	687	1,562	829	161	161	162	(354)	(334)	(311)	(322)	(254)	(206)
236.3	Acc FICA tax										0		
	Prior year										2,561		
	Change	0	0	0	0	0	0	0	0	0	(2,561)	0	0

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
236.4	Acc SUTA tax	1,105	1,960	2,508	(277)	(269)	(269)	100	122	148	134	217	306
	Prior year	1,954	1,995	2,028	746	747	747	1,422	175	175	174	175	190
	Change	(849)	(35)	480	(1,023)	(1,016)	(1,016)	(1,322)	(53)	(27)	(40)	42	116
236.5	Sales tax	10,284	8,054	6,159	2,890	10,277	8,306	5,813	6,609	4,525	12,863	15,862	13,745
	Prior year	15,550	4,593	7,390	2,910	10,437	12,951	8,719	5,405	5,122	8,324	10,209	15,209
	Change	(5,266)	3,461	(1,231)	(20)	(160)	(4,645)	(2,906)	1,204	(597)	4,539	5,653	(1,464)
236.51	Morgan school	35,809	32,026	26,427	19,573	19,214	22,993	22,128	20,933	17,679	19,849	31,205	37,891
	Prior year	30,640	31,625	22,775	17,637	18,570	25,895	29,107	24,786	20,051	20,228	24,349	31,653
	Change	5,169	401	3,652	1,936	644	(2,902)	(6,979)	(3,853)	(2,372)	(379)	6,856	6,238
236.52	Wolfe School	24,732	22,563	18,524	13,452	13,284	15,834	15,121	14,749	12,251	13,383	21,183	26,279
	Prior year	21,942	22,012	16,161	13,035	12,877	17,748	20,531	17,730	13,522	14,075	17,390	21,874
	Change	2,790	551	2,363	417	407	(1,914)	(5,410)	(2,981)	(1,271)	(692)	3,793	4,405
236.53	Breathitt school	13,331	11,555	9,087	6,253	6,315	7,768	7,536	7,275	5,880	6,870	11,464	13,928
	Prior year	11,312	11,233	7,648	6,132	6,394	8,552	10,043	8,967	6,849	6,940	8,604	11,583
	Change	2,019	322	1,439	121	(79)	(784)	(2,507)	(1,692)	(969)	(70)	2,860	2,345
236.54	Magoffin school	22,007	19,211	15,225	10,177	9,703	12,331	11,906	10,817	8,688	11,112	19,722	24,072
	Prior year	18,863	18,852	12,689	9,245	9,432	13,774	15,656	12,847	9,827	10,640	14,374	19,312
	Change	3,144	359	2,536	932	271	(1,443)	(3,750)	(2,030)	(1,139)	472	5,348	4,760
236.55	Lee school	878	759	649	497	475	585	581	559	476	522	800	978
	Prior year	591	594	424	353	388	539	620	535	413	429	537	754
	Change	287	165	225	144	87	46	(39)	24	63	93	263	224
236.56	Menifee school	1,539	1,346	1,094	715	636	836	818	755	605	758	1,340	1,645
	Prior year	1,367	1,388	944	680	667	962	1,123	934	704	737	935	1,319
	Change	172	(42)	150	35	(31)	(126)	(305)	(179)	(99)	21	405	326
236.57	Elliott school	108	103	93	79	78	83	81	78	73	75	92	106
	Prior year	89	90	82	207	73	86	91	84	77	79	86	98
	Change	19	13	11	(128)	5	(3)	(10)	(6)	(4)	(4)	6	8
236.58	Rowan school	160	140	144	144	149	148	129	121	121	143	137	135
	Prior year	154	147	137	18	146	177	185	155	140	127	126	144
	Change	6	(7)	7	126	3	(29)	(56)	(34)	(19)	16	11	(9)
237.1	RUS interest	10,174		5,523	11,258		5,110	10,231		4,871	8,335		4,776
	Prior year	11,404		6,399	13,165		5,967	12,102		5,738	11,108		5,684
	Change	(1,230)	0	(876)	(1,907)	0	(857)	(1,871)	0	(867)	(2,773)	0	(908)
237.2	FFB interest	43,417	86,834		23,552	47,104		27,492	54,983		19,558	39,117	
	Prior year	46,561	108,616		61,532	123,064		61,388	122,775		50,568	101,137	
	Change	(3,144)	(21,782)	0	(37,980)	(75,960)	0	(33,896)	(67,792)	0	(31,010)	(62,020)	0
237.3	CFC interest	35,839		16,809	33,796		16,709	33,292		16,474	33,027		17,017
	Prior year	39,076		19,872	38,560		18,832	37,582		18,755	36,883		18,486
	Change	(3,237)	0	(3,063)	(4,764)	0	(2,123)	(4,290)	0	(2,281)	(3,856)	0	(1,469)
237.5	Consumer deposit interest	6,196	12,231	18,234	24,175	30,015	35,697	41,398	47,230	53,042	58,907	64,764	103
	Prior year	5,942	11,899	17,786	23,522	29,263	34,859	40,414	46,212	51,874	57,638	67,633	298
	Change	254	332	448	653	752	838	984	1,018	1,168	1,269	(2,869)	(195)

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
241.3	West Liberty occupational	(3,678)	306	512	203	409		(3,412)	507		194	441	
	Prior year	(3,635)	(3,560)										
	Change	(43)	3,866	512	203	409	0	(3,412)	507	0	194	441	0
241.4	Menifee occupational			3	6	8		16	25		6	9	
	Prior year												
	Change	0	0	3	6	8	0	16	25	0	6	9	0
241.5	Morgan occupational							272	1,073		511	1,106	(3,844)
	Prior year												
	Change	0	0	0	0	0	0	272	1,073	0	511	1,106	(3,844)
242.2	Acc payroll	110,093	35,278	43,459	58,514	78,810	87,748	107,975	38,003	50,442	76,724	88,007	103,318
	Prior year	102,968	101,945	40,977	48,872	77,667	84,559	96,473	36,206	36,549	59,390		82,519
	Change	7,125	(66,667)	2,482	9,642	1,143	3,189	11,502	1,797	13,893	17,334	88,007	20,799
****	Total Current & Accrued L	425,266	377,159	293,228	362,277	404,078	406,497	388,840	341,822	339,932	334,268	364,251	298,284
	Prior year	481,926	404,733	280,096	390,559	474,270	413,024	553,393	406,195	329,780	362,047	299,357	293,544
	Change	(56,660)	(27,574)	13,132	(28,282)	(70,192)	(6,527)	(164,553)	(64,373)	10,152	(27,779)	64,894	4,740
****	252.00 Consumer advances for cor	374,409	364,446	356,050	352,272	349,363	354,439	358,129	363,392	358,424	344,466	342,189	337,900
	Prior year	330,061	330,534	325,403	326,596	324,379	361,586	370,065	377,632	379,783	392,531	385,996	380,027
	Change	44,348	33,912	30,647	25,676	24,984	(7,147)	(11,936)	(14,240)	(21,359)	(48,065)	(43,807)	(42,127)
*****	Total Equities & Liabilities	54,555,078	53,843,937	53,299,949	52,839,234	52,843,544	52,924,268	52,863,029	52,359,278	51,933,517	52,095,147	52,561,827	52,786,883
	Prior year	54,998,054	54,673,030	53,908,168	53,640,576	53,535,372	53,722,783	54,251,833	53,999,351	53,387,322	53,551,189	53,573,034	54,136,479
	Change	(442,976)	(829,093)	(608,219)	(801,342)	(691,828)	(798,515)	(1,388,804)	(1,640,073)	(1,453,805)	(1,456,042)	(1,011,207)	(1,349,596)

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
440.10	Residential	2,027,683	1,794,634	1,495,152	1,128,430	1,416,738	1,452,526	1,378,532	1,352,775	1,081,910	1,584,264	2,140,907	2,188,601	19,042,152
	Prior year	2,178,701	1,631,839	1,361,218	1,162,961	1,342,789	1,708,488	1,617,311	1,382,876	1,208,706	1,478,745	1,665,845	2,106,575	18,846,054
	Change	(151,018)	162,795	133,934	(34,531)	73,949	(255,962)	(238,779)	(30,101)	(126,796)	105,519	475,062	82,026	196,098
442.10	Small commercial	96,931	89,808	91,700	81,156	96,206	94,917	89,969	88,960	83,106	92,020	98,951	94,081	1,097,805
	Prior year	100,936	89,436	88,110	93,309	96,068	113,225	103,285	92,201	89,332	86,183	89,987	104,604	1,146,676
	Change	(4,005)	372	3,590	(12,153)	138	(18,308)	(13,316)	(3,241)	(6,226)	5,837	8,964	(10,523)	(48,871)
442.20	Large commercial	233,598	220,404	226,514	213,065	240,049	217,501	217,134	226,079	200,844	230,401	241,953	240,908	2,708,450
	Prior year	218,776	209,250	200,642	205,017	227,087	241,801	248,274	230,354	219,597	220,332	215,484	254,016	2,690,630
	Change	14,822	11,154	25,872	8,048	12,962	(24,300)	(31,140)	(4,275)	(18,753)	10,069	26,469	(13,108)	17,820
442.21	Large commercial	81,159	79,487	84,599	93,775	110,859	101,956	101,446	102,111	92,500	88,651	85,814	87,306	1,109,663
	Prior year	89,096	100,919	106,341	123,627	136,479	164,413	154,253	141,425	130,174	90,360	80,935	82,827	1,400,849
	Change	(7,937)	(21,432)	(21,742)	(29,852)	(25,620)	(62,457)	(52,807)	(39,314)	(37,674)	(1,709)	4,879	4,479	(291,186)
442.22	Large commercial	29,849	24,319	28,764	29,686	35,044	34,277	32,492	33,776	41,106	41,951	43,202	48,593	423,059
	Prior year										30,733	29,087	29,861	89,681
	Change	29,849	24,319	28,764	29,686	35,044	34,277	32,492	33,776	41,106	11,218	14,115	18,732	333,378
444.2	Security lights	2,444	2,546	2,581	2,599	2,588	2,660	2,487	2,642	2,485	2,728	2,969	3,351	32,080
	Prior year	2,202	2,241	2,282	2,510	2,411	2,685	2,416	2,419	2,371	2,716	2,512	3,247	30,012
	Change	242	305	299	89	177	(25)	71	223	114	12	457	104	2,068
450.00	Forfeit Discounts	30,936	(12)	26,032	20,276	18,229	20,005	23,052	20,756	16,951	13,556	17,866	27,389	235,036
	Prior year	(524)	17,455	17,804	16,196	15,249	18,076	22,250	21,879	17,711	14,255	20,583	25,231	206,165
	Change	31,460	(17,467)	8,228	4,080	2,980	1,929	802	(1,123)	(760)	(699)	(2,717)	2,158	28,871
454	Joint use rents				23,370					35,040				58,410
	Prior year	50,600	7,810											58,410
	Change	(50,600)	(7,810)	0	23,370	0	0	0	0	35,040	0	0	0	0
454.1	Catv rents				7,770	14,445								22,215
	Prior year			21,725	489									22,214
	Change	0	0	(21,725)	7,281	14,445	0	0	0	0	0	0	0	1
456.00	Other electric revenue	7,605	8,189	7,136	8,372	9,198	7,316	7,064	6,624	7,349	8,143	4,594	3,552	85,142
	Prior year	7,449	5,354	8,245	8,472	8,800	8,534	8,388	8,593	7,012	6,572	13,081	7,385	97,885
	Change	156	2,835	(1,109)	(100)	398	(1,218)	(1,324)	(1,969)	337	1,571	(8,487)	(3,833)	(12,743)
***	Total Revenues	2,510,205	2,219,375	1,962,478	1,608,499	1,943,356	1,931,158	1,852,176	1,833,723	1,561,291	2,061,714	2,636,256	2,693,781	24,814,012
	Prior year	2,647,236	2,064,304	1,806,367	1,612,581	1,828,883	2,257,222	2,156,177	1,879,747	1,674,903	1,929,896	2,117,514	2,613,746	24,588,576
	Change	(137,031)	155,071	156,111	(4,082)	114,473	(326,064)	(304,001)	(46,024)	(113,612)	131,818	518,742	80,035	225,436
***555.00	Total Purchase Power	2,037,579	1,739,130	1,548,675	1,237,981	1,094,925	1,296,720	1,541,200	1,359,751	1,325,631	1,415,398	1,808,925	1,975,189	18,381,104
	Prior year	1,608,934	1,791,658	1,460,564	1,257,653	1,324,753	1,204,098	1,307,950	1,511,976	1,368,669	1,127,982	1,378,824	1,579,063	16,922,124
	Change	428,645	(52,528)	88,111	(19,672)	(229,828)	92,622	233,250	(152,225)	(43,038)	287,416	430,101	396,126	1,458,980

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
580.00	Operations - Supervisi	7,611	6,020	6,790	7,706	7,340	6,190	6,898	7,377	7,342	6,723	8,317	7,552	85,866
	Prior year	7,667	6,535	7,501	6,421	7,025	6,728	6,865	6,856	6,619	6,390	5,541	9,076	83,224
	Change	(56)	(515)	(711)	1,285	315	(538)	33	521	723	333	2,776	(1,524)	2,642
583.00	Overhead Line Exp	56,416	52,854	53,829	56,932	41,008	57,711	61,290	50,329	64,602	57,802	51,265	108,597	712,635
	Prior year	49,472	53,813	55,263	45,270	53,529	53,996	56,018	48,442	52,276	46,404	40,698	66,835	622,016
	Change	6,944	(959)	(1,434)	11,662	(12,521)	3,715	5,272	1,887	12,326	11,398	10,567	41,762	90,619
584.	Underground	(986)	(40)	137	(431)	(638)	(1,070)	129	(438)	(505)	6	4,774	(596)	342
	Prior year	490	(575)	7	(1,930)	(303)	(4,201)	(520)	(470)	(2,023)	(671)	(38)	(351)	(10,585)
	Change	(1,476)	535	130	1,499	(335)	3,131	649	32	1,518	677	4,812	(245)	10,927
586.00	Meter	24,352	21,090	25,286	26,186	25,760	26,621	26,600	30,784	25,038	23,299	29,740	20,406	305,162
	Prior year	24,212	16,528	26,494	28,625	25,036	29,523	26,177	22,063	19,869	28,419	26,082	28,620	301,648
	Change	140	4,562	(1,208)	(2,439)	724	(2,902)	423	8,721	5,169	(5,120)	3,658	(8,214)	3,514
587.00	Consumer Installation	7,276	5,274	5,586	7,030	5,624	6,563	8,976	5,437	5,987	6,849	7,018	6,851	78,471
	Prior year	6,602	5,911	5,897	4,774	5,029	6,003	5,285	6,042	6,535	7,074	6,055	6,831	72,038
	Change	674	(637)	(311)	2,256	595	560	3,691	(605)	(548)	(225)	963	20	6,433
588.00	Miscellaneous Distrib	16,357	17,092	13,546	15,725	11,552	14,831	18,413	16,273	13,888	18,354	17,802	14,579	188,412
	Prior year	17,693	15,074	16,397	14,959	16,444	14,284	19,976	19,984	13,953	13,823	19,910	20,134	202,631
	Change	(1,336)	2,018	(2,851)	766	(4,892)	547	(1,563)	(3,711)	(65)	4,531	(2,108)	(5,555)	(14,219)
***	Total Operations	111,026	102,290	105,174	113,148	90,646	110,846	122,306	109,762	116,352	113,033	118,916	157,389	1,370,888
	Prior year	106,136	97,286	111,559	98,119	106,760	106,333	113,801	102,917	97,229	101,439	98,248	131,145	1,270,972
	Change	4,890	5,004	(6,385)	15,029	(16,114)	4,513	8,505	6,845	19,123	11,594	20,668	26,244	99,916
590.00	Engineering & supervi	7,611	6,020	6,790	7,706	7,340	6,190	7,513	7,377	7,342	6,723	8,317	7,552	86,481
	Prior year	7,667	6,535	7,501	6,422	7,025	6,728	6,865	6,856	6,619	6,390	5,540	9,076	83,224
	Change	(56)	(515)	(711)	1,284	315	(538)	648	521	723	333	2,777	(1,524)	3,257
593.00	Maintenance of overhe	56,816	69,265	42,659	50,521	58,448	60,794	49,027	40,737	43,376	44,910	35,595	108,923	661,071
	Prior year	45,085	41,572	49,900	44,881	39,761	46,804	53,642	52,745	77,755	52,848	42,792	60,832	608,617
	Change	11,731	27,693	(7,241)	5,640	18,687	13,990	(4,615)	(12,008)	(34,379)	(7,938)	(7,197)	48,091	52,454
593.10	Right-of-way maintan	425	538	5,230	5,057	20,081	25,680	50,726	11,034	10,644	8,262	19,766	14,262	171,705
	Prior year	3,807	67	2,726	5,156	1,078	20,649	11,598	15,820	14,271	4,902	584	2,051	82,709
	Change	(3,382)	471	2,504	(99)	19,003	5,031	39,128	(4,786)	(3,627)	3,360	19,182	12,211	88,996
593.20	Contract right-of-way	40,765	30,442	35,392	52,291	52,987	44,692	38,115	52,005	18,702	32,538	44,404	48,019	490,352
	Prior year	34,321	28,925	20,733	32,366	39,603	75,108	33,034	36,547	33,023	51,087	40,564	48,144	473,455
	Change	6,444	1,517	14,659	19,925	13,384	(30,416)	5,081	15,458	(14,321)	(18,549)	3,840	(125)	16,897
595.00	Transformer maintena	8,217	14,650	769	13,224	6,753	2,003		9,820		9,326		9,764	74,526
	Prior year	6,772	2,786	1,548	25	2,081	33					5,183		18,428
	Change	1,445	11,864	(779)	13,199	4,672	1,970	0	9,820	0	9,326	(5,183)	9,764	56,098

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
597.00	Meter maintenance	15,422	13,661	11,081	10,840	11,220	9,144	13,499	8,959	12,188	13,089	14,471	10,641	144,215
	Prior year	13,119	11,628	11,851	8,872	13,870	8,577	11,917	11,500	13,997	14,569	10,018	13,715	143,633
	Change	2,303	2,033	(770)	1,968	(2,650)	567	1,582	(2,541)	(1,809)	(1,480)	4,453	(3,074)	582
***	Total Maintenance	129,256	134,576	101,921	139,639	156,829	148,503	158,880	129,932	92,252	114,848	122,553	199,161	1,628,350
	Prior year	110,771	91,513	94,259	97,722	103,418	157,899	117,056	123,468	145,665	129,796	104,681	133,818	1,410,066
	Change	18,485	43,063	7,662	41,917	53,411	(9,396)	41,824	6,464	(53,413)	(14,948)	17,872	65,343	218,284
902.00	Meter reading	18,748	32,900	11,838	8,705	8,291	7,693	8,328	6,994	6,485	13,215	23,389	16,727	163,313
	Prior year	16,919	39,364	24,715	9,460	9,250	7,289	8,979	9,567	9,741	13,003	6,894	14,255	169,436
	Change	1,829	(6,464)	(12,877)	(755)	(959)	404	(651)	(2,573)	(3,256)	212	16,495	2,472	(6,123)
903.00	Consumer records & c	43,005	40,902	40,628	40,206	39,078	37,479	34,990	35,511	33,694	35,470	40,802	34,261	456,026
	Prior year	38,987	33,656	39,162	39,625	39,403	33,516	34,707	34,502	43,418	70,141	51,370	47,441	505,928
	Change	4,018	7,246	1,466	581	(325)	3,963	283	1,009	(9,724)	(34,671)	(10,568)	(13,180)	(49,902)
904.00	Uncollectibles	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
	Prior year	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Consumer Accou	67,753	79,802	58,466	54,911	53,369	51,172	49,318	48,505	46,179	54,685	70,191	56,988	691,339
	Prior year	61,906	79,020	69,877	55,085	54,653	46,805	49,686	50,069	59,159	89,144	64,264	67,696	747,364
	Change	5,847	782	(11,411)	(174)	(1,284)	4,367	(368)	(1,564)	(12,980)	(34,459)	5,927	(10,708)	(56,025)
908.00	Consumer Assistance	489	884	453	1,144	4,407	4,021	702	3,904	590	2,678	347	402	20,021
	Prior year	8,506	10,105	11,277	10,836	11,070	9,301	8,206	11,952	1,657	902	586	380	84,778
	Change	(8,017)	(9,221)	(10,824)	(9,692)	(6,663)	(5,280)	(7,504)	(8,048)	(1,067)	1,776	(239)	22	(64,757)
909.00	Information and instruction													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Customer Servic	489	884	453	1,144	4,407	4,021	702	3,904	590	2,678	347	402	20,021
	Prior year	8,506	10,105	11,277	10,836	11,070	9,301	8,206	11,952	1,657	902	586	380	84,778
	Change	(8,017)	(9,221)	(10,824)	(9,692)	(6,663)	(5,280)	(7,504)	(8,048)	(1,067)	1,776	(239)	22	(64,757)
913.00	Advertising	(336)	4,506	5,615	5,425	4,659	2,964	4,708	4,406	5,842	4,914	5,129	4,582	52,414
	Prior year	(4,591)	5,619	(371)	3,421	5,137	1,771	5,887	5,728	3,903	317	6,126	56	33,003
	Change	4,255	(1,113)	5,986	2,004	(478)	1,193	(1,179)	(1,322)	1,939	4,597	(997)	4,526	19,411
***	Total Sales	(336)	4,506	5,615	5,425	4,659	2,964	4,708	4,406	5,842	4,914	5,129	4,582	52,414
	Prior year	(4,591)	5,619	(371)	3,421	5,137	1,771	5,887	5,728	3,903	317	6,126	56	33,003
	Change	4,255	(1,113)	5,986	2,004	(478)	1,193	(1,179)	(1,322)	1,939	4,597	(997)	4,526	19,411
920.00	Administrative salaries	35,840	35,994	34,586	34,782	35,898	32,892	33,191	32,678	36,440	36,914	41,633	35,520	426,368
	Prior year	34,502	32,132	37,030	34,188	35,678	31,719	31,990	32,890	31,354	37,896	31,053	43,940	414,372
	Change	1,338	3,862	(2,444)	594	220	1,173	1,201	(212)	5,086	(982)	10,580	(8,420)	11,996

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
921.00	Office supplies & exp	9,499	6,578	9,388	7,421	5,613	6,514	9,500	6,293	6,664	11,883	5,560	13,489	98,402
	Prior year	7,599	7,846	6,931	9,081	8,368	6,636	4,363	6,734	6,230	9,258	8,194	12,049	93,289
	Change	1,900	(1,268)	2,457	(1,660)	(2,755)	(122)	5,137	(441)	434	2,625	(2,634)	1,440	5,113
923.00	Outside services	352	351	352	351	1,652	352	352	352	352	1,445	512	457	6,880
	Prior year	352	351	352	351	1,552	352	351	352	351	395	623	7,652	13,034
	Change	0	0	0	0	100	0	1	0	1	1,050	(111)	(7,195)	(6,154)
925.00	Injuries & damanges													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
926.00	Employee benefits							63	(63)			2293	(2,293)	0
	Prior year							63	(63)			2,293	(2,293)	0
	Change	0	0	0	0	0	0	63	(63)	0	0	2,293	(2,293)	0
929.00	Duplicate charge	(1,331)		(1,954)	(909)	(476)	(427)	(489)	(397)	(361)	(811)	(957)	(1,308)	(9,420)
	Prior year	(1,157)	(907)	(868)	(783)	(714)	(783)	(446)	(450)	(516)	(516)	(1,163)	(989)	(9,292)
	Change	(174)	907	(1,086)	(126)	238	356	(43)	53	155	(295)	206	(319)	(128)
930.11	Directors expenses	3,291	3,889	3,068	3,009	2,881	3,474	7,137	3,095	4,334	5,993	4,372	8,540	53,083
	Prior year	3,127	6,460	4,525	6,814	3,164	3,245	3,054	3,055	4,032	5,385	6,309	7,731	56,901
	Change	164	(2,571)	(1,457)	(3,805)	(283)	229	4,083	40	302	608	(1,937)	809	(3,818)
930.2	Dues associated organ	42,325										18,277		60,602
	Prior year	41,918											18,249	60,167
	Change	407	0	0	0	0	0	0	0	0	0	18,277	(18,249)	435
930.3	Annual meeting			400	3,712	25,597	4,818	209	3,215	19,978				57,929
	Prior year	(250)		374	1,242	22,343	3,136	16,912	750	49	(1,583)		(1,736)	41,237
	Change	250	0	26	2,470	3,254	1,682	(16,703)	2,465	19,929	1,583	0	1,736	16,692
930.4	Miscellaneous	5,893	7,873	6,617	8,213	8,729	6,894	7,459	7,375	7,298	6,677	7,360	10,603	90,991
	Prior year	537	6,226	525	3,983	8,505	5,249	7,222	6,667	8,266	5,028	6,798	9,752	68,758
	Change	5,356	1,647	6,092	4,230	224	1,645	237	708	(968)	1,649	562	851	22,233
930.6	Cash short (over)	(32)		(104)	110	130	6		100		(75)	(18)		117
	Prior year	5	(1)	41	63	102	(11)	(50)	(10)	275	(4)			410
	Change	(37)	1	(145)	47	28	17	50	110	(275)	(71)	(18)	0	(293)
935.00	Maintenance of genera	13,619	13,957	14,824	12,932	11,992	12,615	12,896	13,703	11,919	12,866	13,669	13,299	158,291
	Prior year	15,210	12,398	21,856	12,851	28,939	11,202	13,981	11,973	12,741	16,042	23,298	16,348	196,839
	Change	(1,591)	1,559	(7,032)	81	(16,947)	1,413	(1,085)	1,730	(822)	(3,176)	(9,629)	(3,049)	(38,548)
***	Total Administrative &	109,456	68,642	67,177	69,621	92,016	67,138	70,318	66,351	86,624	74,892	92,701	78,307	943,243
	Prior year	101,843	64,505	70,766	67,790	107,937	60,745	77,377	61,961	62,782	71,901	75,112	112,996	935,715
	Change	7,613	4,137	(3,589)	1,831	(15,921)	6,393	(7,059)	4,390	23,842	2,991	17,589	(34,689)	7,528



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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
***	Total Interest - Other	6,166	6,080	6,147	6,148	6,148	6,156	6,147	6,179	6,253	6,269	6,301	6,312	74,306
	Prior year	5,310	6,041	6,198	6,018	6,149	6,137	5,861	6,759	6,296	6,348	10,589	5,886	77,592
	Change	856	39	(51)	130	(1)	19	286	(580)	(43)	(79)	(4,288)	426	(3,286)
421.10	Gain on disposition													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
426.00	Donations	350	480	3,110	3,660	1,585	1,450	600	1,020	700	2,335	900	350	16,540
	Prior year	(4,936)	3,476	2,212	1,424	2,918	1,000	2,843	4,100	400	1,464	662	200	15,763
	Change	5,286	(2,996)	898	2,236	(1,333)	450	(2,243)	(3,080)	300	871	238	150	777
426.5	Other deductions									1,158				1,158
	Prior year									(1,159)				(1,159)
	Change	0	0	0	0	0	0	0	0	2,317	0	0	0	2,317
***	Total Other Deduction	350	480	3,110	3,660	1,585	1,450	600	1,020	1,858	2,335	900	350	17,698
	Prior year	(4,936)	3,476	2,212	1,424	2,918	1,000	2,843	4,100	(759)	1,464	662	200	14,604
	Change	5,286	(2,996)	898	2,236	(1,333)	450	(2,243)	(3,080)	2,617	871	238	150	3,094
****	Total Cost of Electric	2,716,884	2,391,895	2,153,129	1,867,385	1,740,318	1,924,618	2,194,345	1,971,491	1,922,878	2,021,188	2,458,563	2,713,292	26,075,986
	Prior year	2,248,923	2,420,567	2,104,181	1,869,789	1,994,747	1,874,384	1,961,650	2,152,774	2,017,945	1,791,799	2,001,528	2,295,733	24,734,020
	Change	467,961	(28,672)	48,948	(2,404)	(254,429)	50,234	232,695	(181,283)	(95,067)	229,389	457,035	417,559	1,341,966
****	Operating Margins	(206,679)	(172,520)	(190,651)	(258,886)	203,038	6,540	(342,169)	(137,768)	(361,587)	40,526	177,693	(19,511)	(1,261,974)
	Prior year	398,313	(356,263)	(297,814)	(257,208)	(165,864)	382,838	194,527	(273,027)	(343,042)	138,097	115,986	318,013	(145,444)
	Change	(604,992)	183,743	107,163	(1,678)	368,902	(376,298)	(536,696)	135,259	(18,545)	(97,571)	61,707	(337,524)	(1,116,530)
419.00	Interest income	23,051	17,726	14,224	26,613	11,532	10,420	10,815	9,556	9,627	26,008	8,513	3,981	172,066
	Prior year	19,146	36,622	36,855	48,700	38,692	33,902	33,683	36,565	31,896	45,108	30,330	25,226	416,725
	Change	3,905	(18,896)	(22,631)	(22,087)	(27,160)	(23,482)	(22,868)	(27,009)	(22,269)	(19,100)	(21,817)	(21,245)	(244,659)
***	Total Non Operating I	23,051	17,726	14,224	26,613	11,532	10,420	10,815	9,556	9,627	26,008	8,513	3,981	172,066
	Prior year	19,146	36,622	36,855	48,700	38,692	33,902	33,683	36,565	31,896	45,108	30,330	25,226	416,725
	Change	3,905	(18,896)	(22,631)	(22,087)	(27,160)	(23,482)	(22,868)	(27,009)	(22,269)	(19,100)	(21,817)	(21,245)	(244,659)
424.40	Patronage capital - East KY												241,839	241,839
	Prior year												241,839	241,839
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total G & T Capital C	0	0	0	0	0	0	0	0	0	0	0	241,839	241,839
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	241,839	241,839
424.10	Patronage capital - other			17,745		2,694				22,129	24,235			66,803
	Prior year	2,921		13,158		3,257				12,316	26,492		3,090	61,234
	Change	(2,921)	0	4,587	0	(563)	0	0	0	9,813	(2,257)	0	(3,090)	5,569

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
***	Total Other Patronage	0	0	17,745	0	2,694	0	0	0	22,129	24,235	0	0	66,803
	Prior year	2,921	0	13,158	0	3,257	0	0	0	12,316	26,492	0	3,090	61,234
	Change	(2,921)	0	4,587	0	(563)	0	0	0	9,813	(2,257)	0	(3,090)	5,569
*****	Net Margins	(183,628)	(154,794)	(158,682)	(232,273)	217,264	16,960	(331,354)	(128,212)	(329,831)	90,769	186,206	226,309	(781,266)
	Prior year	420,380	(319,641)	(247,801)	(208,508)	(123,915)	416,740	228,210	(236,462)	(298,830)	209,697	146,316	346,329	332,515
	Change	(604,008)	164,847	89,119	(23,765)	341,179	(399,780)	(559,564)	108,250	(31,001)	(118,928)	39,890	(120,020)	(1,113,781)

Exu Y

GL Account	Description	Rpt Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
107.2	CONST WK IN PROG	2 2	653,906.91	3,091,079.09	3,062,225.90	28,853.19	682,760.10
107.21	CONST WK IN PROG-CONTR	2 2	0.00	10,298.38	10,298.38	0.00	0.00
107.22	CONST WK IN PROG-MAL WHSE	2 2	0.00	0.00	0.00	0.00	0.00
107.23	CONST WK IN PROG-MAL BLDG	2 2	0.00	8,186.95	8,186.95	0.00	0.00
107.24	CONSTRUCTION WORK IN PROG	2 2	0.00	0.00	0.00	0.00	0.00
107.27	VOID CHECKS	2 2	0.00	0.00	0.00	0.00	0.00
107.3	SPECIAL EQUIPMENT	2 2	0.00	197,916.86	197,916.86	0.00	0.00
108.6	ACC PROV FOR DEPR-DIST	2 4	13,048,990.70-	913,498.12	2,032,759.87	1,119,261.75-	14,168,252.45-
108.7	ACC PROV FOR DEPR-GEN	2 4	2,482,370.75-	88,704.74	259,120.02	170,415.28-	2,652,786.03-
108.8	RET WK IN PROG	2 4	76,605.79	640,649.37	653,231.16	12,581.79-	64,024.00
123.	PAT CAP-KAEC UUS CFC NISC	2 8	520,765.14	49,059.14	33,465.28	15,593.86	536,359.00
123.1	INVEST IN ASSOC ORG	2 8	45,467.00	17,745.00	1,734.00	16,011.00	61,478.00
123.11	PAT CAP-EKP	2 8	5,036,045.87	241,839.00	0.00	241,839.00	5,277,884.87
123.22	INVEST IN CTC-CFC	2 10	665,663.29	0.00	675.31	675.31-	664,987.98
131.1	CASH-GENERAL	2 15	411,383.26	27,746,958.07	27,494,306.68	252,651.39	664,034.65
131.11	CASH-PAYROLL	2 15	0.00	1,008,438.01	970,693.37	37,744.64	37,744.64
131.2	CASH-CONST	2 16	0.00	0.00	0.00	0.00	0.00
131.4	TRANSFER OF CASH	2 15	0.00	1,008,438.01	1,008,438.01	0.00	0.00
132.	INTEREST-SPEC DEP	2 17	8,423.55	51,317.51	58,622.20	7,304.69-	1,118.86
135.	WORKING FUNDS	2 15	1,780.00	0.00	0.00	0.00	1,780.00
136.	TEMP CASH INVEST	2 18	6,004,845.21	15,725,559.95	19,042,220.99	3,316,661.04-	2,688,184.17
142.	ACCTS REC-ELECTRIC	2 20	5,133,060.61	28,114,364.87	27,768,510.23	345,854.64	5,478,915.25
142.1	CUST ACCT REC-RET CKS	2 20	6,532.43-	70,999.41	61,880.18	9,119.23	2,586.80
142.11	CUSTOMER ACCOUNTS RECEIVA	2 20	0.00	0.00	0.00	0.00	0.00
142.2	CUST ACCTS REC-OTHER	2 21	635.51-	29,791.57	28,001.42	1,790.15	1,154.64
142.21	ACCTS REC-FEMA	2 21	0.00	0.00	0.00	0.00	0.00
142.99	ACCTS REC CLEARING	2 20	0.00	70,238.48	70,238.48	0.00	0.00
143.	ACCTS REC-EMP & DIR	2 21	7,453.00	60,727.02	48,409.56	12,317.46	19,770.46
143.1	ACCTS REC-401K	2 21	0.00	0.00	0.00	0.00	0.00
143.2	ACCTS REC-401K	2 21	0.00	106,130.87	106,130.87	0.00	0.00
143.3	ACCTS REC-125 MED	2 21	0.00	57,339.48	57,339.48	0.00	0.00
144.1	ACC PROV FOR UNCOLL-ELECT	2 20	147,377.88-	76,147.14	86,118.29	9,971.15-	157,349.03-
144.3	ACC PROV FOR UNCOLL-OTHER	2 21	0.00	0.00	0.00	0.00	0.00
154.	MATERIALS & SUP-ELECT	2 22	427,403.03	1,210,851.21	992,816.11	218,035.10	645,438.13
155.	MATERIALS & SUP-MERCH	2 22	1,718.72	0.00	0.00	0.00	1,718.72
156.	TRANSPORTATION INVENTORY	2 22	6,627.70	130,315.90	131,042.40	726.50-	5,901.20
163.	STORES EXP CLEARING	2 22	0.00	106,078.53	105,042.20	1,036.33	1,036.33
165.1	PREPAY GENERAL INS	2 23	258,835.00	75,719.00	258,835.00	183,116.00-	75,719.00
165.2	PREPAY-ER 401K	2 23	0.00	14,427.38	14,427.38	0.00	0.00
165.3	PREPAY-NRECA HOSP	2 23	0.00	621,232.61	621,232.61	0.00	0.00
165.4	PREPAY-RETIRED EMP HEALTH	2 23	0.00	239,385.59	239,385.59	0.00	0.00
184.	INVENTORY-GAS	2 27	0.00	0.00	0.00	0.00	0.00
184.1	TRANSP EXP CLEARING	2 27	0.00	512,313.10	512,313.10	0.00	0.00
186.	MISC DEF DEBTS-DIST SYS	2 27	0.00	0.00	0.00	0.00	0.00
186.1	WAGES	2 27	0.00	0.00	0.00	0.00	0.00
186.2	MISC DEFER DEBTS-CTC	2 27	0.00	0.00	0.00	0.00	0.00
200.1	MEMBERSHIP-ISSUED	2 29	208,305.00-	19,185.20	21,945.20	2,760.00-	211,065.00-
200.2	MEMBERSHIP-UNISSUED	2 29	0.00	0.00	0.00	0.00	0.00
201.1	PATRONS CAPITAL CREDIT	2 30	21,737,781.62-	0.00	332,508.48	332,508.48-	22,070,290.10-
201.2	PAT CAP ASSIGNABLE	2 30	0.00	332,508.48	332,508.48	0.00	0.00
208.	DONATED CAPITAL	2 34	88,590.25-	0.00	0.00	0.00	88,590.25-
209.	ACCUMULATED OTHER COMP IN	2 34	0.00	1,294,690.00	0.00	1,294,690.00	1,294,690.00
219.1	OPERATING MARGINS	2 32	84,215.81	0.00	84,215.81	84,215.81-	0.00

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GL Account	Description	Rpt Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
219.2	NON OPERATING MARGINS	2 33	416,724.29-	416,724.29	0.00	416,724.29	0.00
219.3	OTHER MARGINS-PR YR DEFIC	2 35	0.00	0.00	0.00	0.00	0.00
219.4	OTHER MARGINS-PR PERIODS	2 31	19,739.24-	0.00	0.00	0.00	19,739.24-
224.1	LONG TERM DEBT-RUS CONST	2 36	0.00	0.00	0.00	0.00	0.00
224.12	LONG TERM DEBT-CFC CONST	2 39	0.00	0.00	0.00	0.00	0.00
224.13	CFC LONG TERM NOTES EXECU	2 39	3,954,236.65-	215,988.65	0.00	215,988.65	3,738,248.00-
224.14	LONG TERM DEBT-FFB	2 37	0.00	11,978,000.00	0.00	11,978,000.00	11,978,000.00
224.15	FFB LONG TERM NOTES EXECU	2 37	14,331,118.62-	374,982.99	11,978,000.00	11,603,017.01-	25,934,135.63-
224.2	LONG TERM DEBT-REA CONST	2 36	8,233,304.32-	484,488.07	0.00	484,488.07	7,748,816.25-
224.3	RUS LOAN AVAILABLE	2 36	0.00	0.00	0.00	0.00	0.00
224.4	RUS NOTES EXECUTED-CONST	2 36	0.00	0.00	0.00	0.00	0.00
226.	INT ACCRUED DEFERRED-RUS	2 36	0.00	0.00	0.00	0.00	0.00
228.3	LONG TERM LIA-PENSIONS/BE	2 44	1,603,957.74-	203,767.50	1,630,308.09	1,426,540.59-	3,030,498.33-
231.	NOTES PAYABLE	2 46	0.00	0.00	0.00	0.00	0.00
232.1	AP-GENERAL	2 47	151,178.06-	1,429,910.38	1,413,040.83	16,869.55	134,308.51-
232.2	AP-WINTERCARE	2 47	482.61-	551.12	232.66	318.46	164.15-
232.3	AP-EAST KY POWER	2 47	1,579,063.00-	18,128,046.50	18,524,172.50	396,126.00-	1,975,189.00-
232.4	AP-CREDIT UNION	2 47	14,831.93	406,529.98	405,547.66	982.32	15,814.25
232.5	ACCOUNTS PAYABLE - CTC	2 47	0.00	0.00	0.00	0.00	0.00
232.6	AP-INSURANCE	2 47	100.18-	21,556.26	21,203.44	352.82	252.64
232.61	AP-PREPAID LEGAL	2 47	380.70-	2,641.80	2,652.90	11.10-	391.80-
232.7	AP-CHILD SUPPORT	2 47	0.00	0.00	0.00	0.00	0.00
235.	CONSUMER DEPOSITS	2 48	1,236,992.69-	202,658.00	234,950.00	32,292.00-	1,269,284.69-
236.1	ACCRUED PROPERTY TAXES	2 52	72,569.56-	367,732.22	342,000.00	25,732.22	46,837.34-
236.11	ACCRUED PSC ASSESSMENT TA	2 52	10,964.61-	25,852.41	25,200.00	652.41	10,312.20-
236.2	ACCRUED FUTX	2 52	886.96-	2,809.69	2,602.46	207.23	679.73-
236.3	ACCRUED FICA	2 52	0.00	310,040.10	310,040.10	0.00	0.00
236.4	ACCRUED SUTA	2 52	190.35-	3,132.27	3,247.77	115.50-	305.85-
236.5	ACCRUED STATE SALES TAX	2 52	15,209.17-	389,700.99	388,237.16	1,463.83	13,745.34-
236.51	UTILITY TAX-MORGAN CO	2 52	31,653.30-	264,212.78	270,450.17	6,237.39-	37,890.69-
236.52	UTILITY TAX-WOLFE CO	2 52	21,874.24-	183,072.05	187,476.84	4,404.79-	26,279.03-
236.53	UTILITY TAX-BREATHITT CO	2 52	11,583.27-	92,205.69	94,550.64	2,344.95-	13,928.22-
236.54	UTILITY TAX-MAGOFFIN CO	2 52	19,312.44-	149,754.48	154,514.16	4,759.68-	24,072.12-
236.55	UTILITY TAX-LEE CO	2 52	754.03-	6,937.45	7,161.49	224.04-	978.07-
236.56	UTILITY TAX-MENIFEE CO	2 52	1,318.69-	10,608.13	10,934.56	326.43-	1,645.12-
236.57	UTILITY TAX-ELLOITT CO	2 52	98.19-	402.06	409.66	7.60-	105.79-
236.58	UTILITY TAX-ROWAN CO	2 52	144.07-	2,709.51	2,699.97	9.54	134.53-
237.1	ACCRUED INT-RUS CONST	2 52	5,684.31-	410,168.51	409,260.42	908.09	4,776.22-
237.2	ACCRUED INT-FFB CONST	2 52	0.00	343,938.00	343,938.00	0.00	0.00
237.3	ACCRUED INT-CFC CONST	2 52	18,485.60-	203,430.60	201,962.13	1,468.47	17,017.13-
237.4	ACCRUED INT-SHORT TERM CF	2 52	0.00	0.00	0.00	0.00	0.00
237.5	ACCRUED INT-CONS DEP	2 52	297.74-	74,500.08	74,305.71	194.37	103.37-
237.7	ACCRUED DEBT DISC-CFC CON	2 52	0.00	0.00	0.00	0.00	0.00
238.99	CAPITAL CREDIT CLEARING	2 52	0.00	0.00	0.00	0.00	0.00
241.	TAX COLL PAYABLE-FEDERAL	2 52	0.00	245,515.12	245,515.12	0.00	0.00
241.1	TAX COLL PAYABLE-STATE WH	2 52	0.00	103,474.12	99,629.75	3,844.37	3,844.37
241.2	TAX COLL PAYABLE-LEE CO	2 52	0.00	0.00	0.00	0.00	0.00
241.3	TAX COLLECTION-CITY OF WL	2 51	0.00	2,517.87	2,517.87	0.00	0.00
241.4	TAX COLLECTION-MENIFEE CO	2 51	0.00	82.52	82.52	0.00	0.00
241.5	TAX COLLECTION-MORGAN COU	2 51	0.00	3,380.12	3,380.12	0.00	0.00
242.2	ACCRUED PAYROLL	2 52	82,518.58-	857,573.31	878,372.74	20,799.43-	103,318.01-
242.3	ACCRUED VACATION	2 52	0.00	0.00	0.00	0.00	0.00
242.4	ACCRUED INSURANCE	2 52	0.00	0.00	0.00	0.00	0.00

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GL Account	Description	Rpt Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
242.6	ACCRUED SICK LEAVE	2 52	0.00	0.00	0.00	0.00	0.00
242.99	PAYROLL HOLDING	2 52	0.00	2,456,514.20	2,456,514.20	0.00	0.00
252.	CONSTRUCTION PREPAYMENT	2 55	379,462.65-	99,428.76	57,665.09	41,763.67	337,698.98-
252.1	CUST ADV FOR CONST-HOUSES	2 55	0.00	0.00	0.00	0.00	0.00
252.2	CUST ADV FOR CONST-TRAILLE	2 55	0.00	0.00	0.00	0.00	0.00
252.3	CUST ADV FOR CONST-PREPAY	2 55	564.40-	462.51	100.00	362.51	201.89-
362.	STATION EQUIPMENT	2 1	31,442.32	0.00	0.00	0.00	31,442.32
364.	POLES TOWERS & FIXTURES	2 1	17,250,912.24	998,745.18	361,965.52	636,779.66	17,887,691.90
365.	OVERHEAD COND & DEVICES	2 1	13,237,716.30	1,236,342.10	87,949.38	1,148,392.72	14,386,109.02
366.	UNDERGROUND CONDUIT	2 1	0.00	0.00	0.00	0.00	0.00
367.	UNDGRD CONDUIT & DEVICES	2 1	439,489.23	19,047.96	2,737.68	16,310.28	455,799.51
368.	LINE TRANSFORMERS	2 1	7,540,853.49	161,537.28	76,250.70	85,286.58	7,626,140.07
369.	SERVICES	2 1	4,415,883.52	236,103.88	31,013.47	205,090.41	4,620,973.93
370.	METERS	2 1	1,393,452.87	27,141.54	11,487.97	15,653.57	1,409,106.44
370.1	AMR DEVICES-TURTLES	2 1	1,231,125.30	1,324.85	0.00	1,324.85	1,232,450.15
371.	INSTALL ON CUST PREMISES-	2 1	1,517,799.23	86,093.90	30,569.11	55,524.79	1,573,324.02
389.	LAND AND LAND RIGHTS	2 1	50,568.79	0.00	0.00	0.00	50,568.79
390.	STRUCTURES & IMPROVEMENTS	2 1	978,050.02	8,186.95	0.00	8,186.95	986,236.97
391.	OFFICE FURN & EQUIPMENT	2 1	625,099.47	7,136.85	0.00	7,136.85	632,236.32
392.	TRANSP EQUIPMENT	2 1	1,240,543.88	195,315.25	86,252.40	109,062.85	1,349,606.73
393.	STORES EQUIPMENT	2 1	48,475.29	0.00	0.00	0.00	48,475.29
394.	TOOL SHOP GARAGE EQUIP	2 1	62,852.10	0.00	0.00	0.00	62,852.10
395.	LABORATORY EQUIPMENT	2 1	94,543.56	0.00	0.00	0.00	94,543.56
396.1	POWER OPERATED EQUIP	2 1	143,841.83	0.00	0.00	0.00	143,841.83
396.2	TOOLS & WORK EQUIP-SMALL	2 1	8,139.14	0.00	0.00	0.00	8,139.14
397.	COMMUNICATION EQUIP	2 1	221,877.18	0.00	0.00	0.00	221,877.18
398.	MISC EQUIP-KITCHEN	2 1	29,736.82	1,523.39	0.00	1,523.39	31,260.21
403.6	DEPRECIATION EXP-DIST	1 12	0.00	1,824,467.72	0.00	1,824,467.72	1,824,467.72
403.7	DEPRECIATION EXP-GEN	1 12	0.00	91,319.23	0.00	91,319.23	91,319.23
408.1	TAXES-PROPERTY	1 13	0.00	0.00	0.00	0.00	0.00
408.2	TAXES-FUTX	1 14	0.00	0.00	0.00	0.00	0.00
408.3	TAXES-FICA	1 14	0.00	0.00	0.00	0.00	0.00
408.4	TAXES-SUTA	1 14	0.00	0.00	0.00	0.00	0.00
408.5	TAXES-CITY OF SALYERSVILL	1 14	0.00	476.37	0.00	476.37	476.37
408.6	PSC ASSESSMENT	1 14	0.00	25,200.00	0.00	25,200.00	25,200.00
415.	NON-OPERATING REVENUE	1 24	0.00	0.00	0.00	0.00	0.00
416.	COST OF NON-OPERATING REV	1 24	0.00	9,354.85	9,354.85	0.00	0.00
419.	INTEREST & DIVIDENDS	1 21	0.00	58,622.20	230,688.36	172,066.16-	172,066.16-
421.	MISC NONOPERATING INCOME	1 24	0.00	0.00	0.00	0.00	0.00
424.1	PAT DIVIDENDS-EAST KY POW	1 25	0.00	0.00	241,839.00	241,839.00-	241,839.00-
424.2	PAT DIVIDENDS-UUS	1 26	0.00	0.00	20,099.00	20,099.00-	20,099.00-
424.3	PAT DIVIDENDS-NISC	1 26	0.00	0.00	0.00	0.00	0.00
424.4	PAT DIVIDENDS-KAEC	1 26	0.00	0.00	2,030.39	2,030.39-	2,030.39-
424.5	PAT DIVIDENDS-CFC	1 26	0.00	0.00	24,235.39	24,235.39-	24,235.39-
424.6	PAT DIVIDENDS-MT TELEPHON	1 26	0.00	0.00	2,694.36	2,694.36-	2,694.36-
424.7	PAT DIVIDENDS-NRTC	1 26	0.00	0.00	0.00	0.00	0.00
424.8	PAT DIVIDENDS-FEDERATED I	1 26	0.00	0.00	17,745.00	17,745.00-	17,745.00-
426.	DONATIONS	1 18	0.00	16,539.36	0.00	16,539.36	16,539.36
426.3	PENALTIES	1 18	0.00	0.00	0.00	0.00	0.00
426.4	POLITICAL & RELATED ACT	1 18	0.00	0.00	0.00	0.00	0.00
426.5	OTHER DEDUCTIONS	1 18	0.00	0.00	0.00	0.00	0.00
426.6	DIRECTOR & ATTORNEY WIFE	1 18	0.00	1,158.00	0.00	1,158.00	1,158.00
427.1	INTEREST-RUS CONST	1 15	0.00	409,260.42	0.00	409,260.42	409,260.42

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GL Account	Description	Rpt Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
427.2	INTEREST-CFC CONST	1 15	0.00	201,962.13	0.00	201,962.13	201,962.13
427.3	INTEREST-FFB CONST	1 15	0.00	343,938.00	0.00	343,938.00	343,938.00
428.	DEBT DISC & EXP-CONV FEE	1 18	0.00	0.00	0.00	0.00	0.00
431.	INTEREST EXP-OTHER	1 17	0.00	0.00	0.00	0.00	0.00
431.1	OTHER INTEREST EXP	1 17	0.00	0.00	0.00	0.00	0.00
431.5	INTEREST EXP-CONS DEPOSIT	1 17	0.00	74,305.71	0.00	74,305.71	74,305.71
435.1	CUMULATIVE EFFECT OF CHG	1 27	0.00	0.00	0.00	0.00	0.00
440.1	RESIDENTIAL SALES-SCH A	1 1	0.00	13,503.80	19,055,657.53	19,042,153.73-	19,042,153.73-
440.11	RESIDENTIAL SALES-ENVIRO	1 1	0.00	1,152.25	1,152.25	0.00	0.00
440.3	SMALL COMM-SCH B	1 1	0.00	9,952.71	1,107,758.18	1,097,805.47-	1,097,805.47-
442.2	LARGE COMMERICAL-SCH LP	1 1	0.00	3,876.56	2,712,327.99	2,708,451.43-	2,708,451.43-
442.21	SCHEDULE LPR-OVER 1000 KV	1 1	0.00	29,133.03	1,138,795.58	1,109,662.55-	1,109,662.55-
442.22	SCHEDULE LPR-UNDER 1000 K	1 1	0.00	0.00	423,059.58	423,059.58-	423,059.58-
442.23	LGE POWER LPR-EKCC	1 1	0.00	0.00	0.00	0.00	0.00
442.24	LGE COMM LPR-CAMPTON ELEM	1 1	0.00	3,763.52	3,763.52	0.00	0.00
442.25	LGE COMM LPR-WOLFE HEALTH	1 1	0.00	0.00	0.00	0.00	0.00
442.26	LGE COMM LPR-LION/HINKLE/	1 1	0.00	0.00	0.00	0.00	0.00
444.2	SECURITY LIGHT-DEVICES	1 1	0.00	100.31	32,180.98	32,080.67-	32,080.67-
450.	FORFEITED DISCOUNTS	1 1	0.00	128.24	235,164.91	235,036.67-	235,036.67-
454.	RENT FROM ELECT PROP-JOIN	1 1	0.00	0.00	58,410.00	58,410.00-	58,410.00-
454.1	RENT FROM ELECT PROP-CATV	1 1	0.00	0.00	22,214.43	22,214.43-	22,214.43-
456.	OTHER ELECTRIC REVENUE	1 1	0.00	6,054.00	90,998.51	84,944.51-	84,944.51-
456.1	OTHER ELECT REVENUES-TEMP	1 1	0.00	90.00	290.00	200.00-	200.00-
555.	PURCHASED POWER	1 3	0.00	18,381,104.00	0.00	18,381,104.00	18,381,104.00
580.	OPER SUPERVISION & ENG	1 5	0.00	85,865.05	0.00	85,865.05	85,865.05
583.	OVERHEAD LINE EXPENSES	1 5	0.00	772,151.07	82,961.51	689,189.56	689,189.56
583.1	OVERHEAD LINE EXPENSES -	1 5	0.00	0.00	0.00	0.00	0.00
583.2	EXPENSES-SYS INSPECTION	1 5	0.00	23,444.96	0.00	23,444.96	23,444.96
584.	MAINT OF UNDERGROUND LINE	1 5	0.00	7,041.58	6,697.58	344.00	344.00
585.1	ST LIGHT & SIGNAL SYS EXP	1 5	0.00	0.00	0.00	0.00	0.00
586.	METER EXPENSES	1 5	0.00	312,068.34	6,907.78	305,160.56	305,160.56
587.	CUST INSTALLATION EXPENSE	1 5	0.00	78,532.58	62.60	78,469.98	78,469.98
588.	MISC DISTRIBUTION EXPENSE	1 5	0.00	188,412.01	0.00	188,412.01	188,412.01
589.	RENTS	1 5	0.00	0.00	0.00	0.00	0.00
590.	MAINT SUPERVISION & ENG	1 6	0.00	86,479.33	0.00	86,479.33	86,479.33
593.	MAINT OF OVERHEAD LINES	1 6	0.00	662,433.48	1,362.32	661,071.16	661,071.16
593.1	MAINT OF OVHD LINES-ROW	1 6	0.00	170,938.47	0.00	170,938.47	170,938.47
593.3	MAINT OF OVHD LINES-PCB	1 6	0.00	767.58	0.00	767.58	767.58
593.4	MAINT OF OVHD LINES-OTHER	1 6	0.00	0.00	0.00	0.00	0.00
593.6	MAINT OF OVERHEAD LINES -	1 6	0.00	0.00	0.00	0.00	0.00
593.61	MAINT OF OVHD LINES-WA KE	1 6	0.00	490,354.49	0.00	490,354.49	490,354.49
593.91	MAINT OF LINE-STORM 02-04	1 6	0.00	0.00	0.00	0.00	0.00
593.92	MAINT OF LINE-STORM 02-15	1 6	0.00	0.00	0.00	0.00	0.00
595.	MAINT OF LINE TRANSFORMER	1 6	0.00	74,527.67	0.00	74,527.67	74,527.67
597.	MAINTENANCE OF METERS	1 6	0.00	145,044.52	830.00	144,214.52	144,214.52
901.	SUPERVISION CONSUMER ACCO	1 7	0.00	0.00	0.00	0.00	0.00
902.	METER READING EXPENSE	1 7	0.00	76,790.55	0.00	76,790.55	76,790.55
902.1	METER READING EXPENSE-ANN	1 7	0.00	86,525.20	0.00	86,525.20	86,525.20
903.	CUST RECORDS & COLLECTION	1 7	0.00	280,325.56	0.00	280,325.56	280,325.56
903.1	CUSTOMER RECORDS-NISC	1 7	0.00	82,338.14	0.00	82,338.14	82,338.14
903.2	CUSTOMER RECORDS-NISC MAI	1 7	0.00	85,418.09	19.08	85,399.01	85,399.01
903.3	CUST RECORDS & COLLECTION	1 7	0.00	7,964.10	0.00	7,964.10	7,964.10
903.4	CUST RECORDS & COLLECTION	1 7	0.00	0.00	0.00	0.00	0.00

EXHY

GL Account	Description	Rpt Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
903.7	CUST RECORDS & COLLECTION	1 7	0.00	0.00	0.00	0.00	0.00
903.8	CONSUMER RECORDS-WRITTEN	1 7	0.00	0.00	0.00	0.00	0.00
904.	UNCOLLECTABLE ACCOUNTS	1 7	0.00	72,000.00	0.00	72,000.00	72,000.00
907.	SUPERVISION CUSTOMER SERV	1 8	0.00	0.00	0.00	0.00	0.00
908.	CUSTOMER ASSISTANCE EXPEN	1 8	0.00	20,021.01	0.00	20,021.01	20,021.01
913.	ADVERTISING EXPENSES	1 9	0.00	57,748.61	5,336.79	52,411.82	52,411.82
920.	ADMIN & GENERAL-SALARIES	1 10	0.00	426,369.19	0.00	426,369.19	426,369.19
921.	OFFICE EXPENSE	1 10	0.00	47,821.36	159.16	47,662.20	47,662.20
921.1	OFFICE EXPENSE-UTILITIES	1 10	0.00	18,544.98	0.00	18,544.98	18,544.98
921.2	OFFICE EXPENSE-POSTAGE	1 10	0.00	434.22	0.00	434.22	434.22
921.3	OFFICE EXPENSE-MISC	1 10	0.00	10,838.57	268.08	10,570.49	10,570.49
921.4	EXPENSES-B DUNCAN	1 10	0.00	0.00	0.00	0.00	0.00
921.6	EXPENSES-KERRY HOWARD	1 10	0.00	21,783.15	593.00	21,190.15	21,190.15
923.	OUTSIDE SERVICES EMPLOYED	1 10	0.00	6,883.52	4.52	6,879.00	6,879.00
923.1	OUTSIDE SERVICE-UNION	1 10	0.00	0.00	0.00	0.00	0.00
924.	PROPERTY INSURANCE	1 10	0.00	0.00	0.00	0.00	0.00
925.	INJURIES & DAMAGES INSURA	1 10	0.00	26,699.76	26,699.76	0.00	0.00
925.1	INJURIES & DAMAGES-W COMP	1 10	0.00	91,018.00	91,018.00	0.00	0.00
926.	EMPLOYEE BENEFITS-VACATIO	1 10	0.00	124,413.31	124,413.31	0.00	0.00
926.1	EMPLOYEE BENEFITS-INSURAN	1 10	0.00	940,921.69	940,921.69	0.00	0.00
926.2	EMPLOYEE BENEFITS-SL	1 10	0.00	19,180.92	19,180.92	0.00	0.00
926.3	EMPLOYEE BENEFITS-FAS 106	1 10	0.00	300,000.00	300,000.00	0.00	0.00
926.4	EMPLOYEE BENEFITS-MED LV	1 10	0.00	53,056.41	53,056.41	0.00	0.00
928.	REGULATORY COMMISSION EXP	1 10	0.00	0.00	0.00	0.00	0.00
929.	DUPLICATE CHARGES-CR	1 10	0.00	0.00	9,419.72	9,419.72-	9,419.72-
930.11	DIR FEE & EXP-PHILIP WILL	1 10	0.00	5,979.28	4.52	5,974.76	5,974.76
930.12	DIR FEE & EXP-EARL MAY JR	1 10	0.00	0.00	0.00	0.00	0.00
930.13	DIR FEE & EXP-JOHN MAY	1 10	0.00	9,620.87	4.52	9,616.35	9,616.35
930.14	DIR FEE & EXP-DARRELL CUN	1 10	0.00	4,231.32	4.52	4,226.80	4,226.80
930.15	DIR FEE & EXP-MICHAEL ADA	1 10	0.00	5,558.37	363.38	5,194.99	5,194.99
930.17	DIR FEE & EXP-KERRY HOWAR	1 10	0.00	0.00	0.00	0.00	0.00
930.18	DIR FEE & EXP-TED HOLBROO	1 10	0.00	7,739.76	4.52	7,735.24	7,735.24
930.19	DIR FEE & EXP-DOLORES D J	1 10	0.00	3,939.04	0.00	3,939.04	3,939.04
930.2	DUES PAID TO ORGANIZATION	1 10	0.00	60,601.67	0.00	60,601.67	60,601.67
930.21	DIR FEE & EXP-CK STACY	1 10	0.00	3,838.92	4.52	3,834.40	3,834.40
930.22	DIR FEE & EXP-TOMMY HILL	1 10	0.00	12,567.75	4.52	12,563.23	12,563.23
930.3	ANNUAL MEETING EXPENSES	1 10	0.00	58,397.23	467.60	57,929.63	57,929.63
930.4	MISC GENERAL EXPENSE	1 10	0.00	93,207.75	2,216.36	90,991.39	90,991.39
930.6	SHORTAGE & OVERAGE-CASHIE	1 10	0.00	666.68	550.07	116.61	116.61
932.	MAINTENANCE OF GENERAL PR	1 10	0.00	0.00	0.00	0.00	0.00
935.	MAINT OF GENERAL PROPERTY	1 10	0.00	158,355.19	62.59	158,292.60	158,292.60
998.	998 Clearing	0 0	0.00	0.00	0.00	0.00	0.00
998.1	Profit Clearing Operating	2 34	0.00	0.00	0.00	0.00	0.00
998.2	Profit Clearing Non Opera	2 33	0.00	0.00	0.00	0.00	0.00
999.	999 Clearing	0 0	0.00	157.98	157.98	0.00	0.00
			-----	-----	-----	-----	-----
			155,282,115.95	155,282,115.95			
			=====	=====			

Balance Sheet Accounts: 781,264.55-  
Margins Year To Date: 781,264.55

Licking Valley Rural Electric Cooperative  
Case No. 2009 - 00016

Comparative Capital Structure (Excluding JDIC)  
For the Periods as Shown  
"000" Omitted

Line No.	Type of Capital	1998 10th Year		1999 9th Year		2000 8th Year		2001 7th Year		2002 6th Year		2003 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	17,356	58%	18,515	57%	18,015	54%	20,206	54%	20,268	52%	20,905	51%
2	Short Term Debt		0%		0%		0%		0%		0%		0%
3	Memberships	183	1%	187	1%	186	1%	191	1%	196	1%	197	0%
4	Patronage Capital	12,514	42%	13,836	43%	15,130	45%	16,767	45%	18,379	47%	19,629	48%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	30,053	100%	32,538	100%	33,331	100%	37,164	100%	38,843	100%	40,731	100%

Line No.	Type of Capital	2004 4th Year		2005 3rd Year		2006 2nd Year		2007 1st Year		2008 Test year		Latest Quarter Dec 31, 2008		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	20,178	50%	21,410	51%	22,627	51%	26,519	56%	25,706	56%	25,573	56%	26,022	55%
2	Short Term Debt		0%		0%		0%		0%		0%	0	0%	0	0%
3	Memberships	199	0%	202	0%	204	0%	208	0%	211	0%	211	0%	210	0%
4	Patronage Capital	19,957	49%	20,201	48%	21,844	49%	20,816	44%	19,690	43%	19,890	44%	21,203	45%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%	0	0%
6	Total Capitalization	40,334	100%	41,813	100%	44,675	100%	47,543	100%	45,607	100%	45,674	100%	47,435	100%

Licking Valley Rural Electric Cooperative  
 Case No. 2009 - 00016  
 Calculation of Average Test Period Capital Structure  
 12 months ended December 31,2008

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	48,906	26,519		208		22,179	
2	1st month	48,703	26,499		209		21,995	
3	2nd month	48,417	26,367		210		21,840	
4	3rd month	48,161	26,270		209		21,682	
5	4th month	47,908	26,249		210		21,449	
6	5th month	47,995	26,118		210		21,667	
7	6st month	47,891	25,997		210		21,684	
8	7th month	47,538	25,976		210		21,352	
9	8th month	47,278	25,843		211		21,224	
10	9th month	46,832	25,727		211		20,894	
11	10th month	45,607	25,706		211		19,690	
12	11th month	45,657	25,570		211		19,876	
13	12th month	45,757	25,443		211		20,103	
14	Total (Line 1 through Line 13)	616,650	338,284	0	2,731	0	275,635	0
15	Average balance (Line 14/13)	47,435	26,022	0	210	0	21,203	0
16	Average capitalization ratios	100%	55%	0%	0%	0%	45%	0%
17	End of period capitalization ratios	100%	56%	0%	0%	0%	44%	0%

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Licking Valley Rural Electric  
Case No. 2009-00016  
December 31, 2008

**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. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day. Employees are paid \$2.00 per hour (\$3.00 per hour for overtime) premium pay per hour for hot-line work. Hot-line work is working on a line while it is energized.

Employees are paid for accumulated medical Days in excess of 75 days rather than the employee either take off from work or lose that day. This helps insure that employees are at work, which reduces the overall number of employees and provides for better planning of work when full crews report each day to work.

Temporary employees are used for certain busy times of the month, or when an employee has scheduled vacation time off. This is expected to continue into the future.

There are no union employees. Wage and salary increases are as follows:

	<u>Increase</u>
2008	3.50%
2007	3.00%
2006	3.00%
2005	3.00%
2004	2.50%

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

Projected wages	\$2,233,644
Actual wages for test year	<u>2,076,708</u>
Adjustment	<u><u>\$156,936</u></u>

The allocation is on the following page:

Licking Valley Rural Electric  
Case No. 2009-00016

Allocation of increase in payroll:

			Labor		
			<u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
10	107.20	Construction work in progress	388,824	18.7%	29,383
11	108.80	Retirement work in progress	104,276	5.0%	7,880
12	163.00	Stores	35,346	1.7%	2,671
13	184.00	Transportation	60,010	2.9%	4,535
14	242.52	Employee sick leave	162,276	7.8%	12,263
15	580.00	Operations	41,065		
16	583.00	Overhead line	192,885		
17	586.00	Meter	112,717		
18	587.00	Installations	12,550		
19	588.00	Miscellaneous distribution	74,884	20.9%	32,805
20	590.00	Maintenance	41,404		
21	593.00	Overhead line	292,124		
21	595.00	Transformers			
22	597.00	Street lights	72,024		
23	598.00	Miscellaneous maintenance		19.5%	30,647
24	902.00	Meter reading	71,158		
25	903.00	Consumer records	140,324	10.2%	15,982
26	908.00	Consumer accounting			
27	909.00	Consumer information		0.0%	0
28	920.00	Administrative	221,331		
29	926.00	Employee benefits			
30	930.00	Miscellaneous	7,209		
31	935.00	Maintenance general plant	<u>46,301</u>	<u>13.2%</u>	<u>20,770</u>
32					
33		Total	<u>2,076,708</u>	<u>100.0%</u>	<u>156,936</u>

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Licking Valley Rural Electric  
Case No. 2009-00016  
Employee Earnings and Hours  
December 31, 2008

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Employee Number	Hours Worked Test Year				Actual Test Year Wages					Wage Rate Jan 1, 2009	Normalized Wages @ 2,080 Hours				
	Regular	Overtime	Vac/Sick	Total	Regular	Overtime	Premium	Vac/Sick	Total		Regular	Overtime	Premium	Vac/Sick	Normalized Wages
	<b>Salaried Employees:</b>														
2210	2,080.00		32.00	2,112.00	87,974				1,355	89,329	43.62	90,730		1,396	92,125
7731	2,080.00		48.00	2,128.00	90,700				2,100	92,800	45.06	93,725		2,163	95,888
7711	2,080.00		328.00	2,408.00	59,976				9,470	69,446	29.74	61,859		9,755	71,614
7709	2,080.00		176.00	2,256.00	60,034				5,086	65,120	29.77	61,922		5,240	67,161
Subtotal Salaried	8,320.00	0.00	584.00	8,904.00	298,684	0	0	18,011	316,695		308,235	0	0	18,553	326,788
<b>Hourly Employees:</b>															
2203	2,080.00	75.00	24.00	2,179.00	53,650	2,906	10	620	57,186	26.61	55,349	2,994	10	639	58,991
2249	2,080.00	492.50		2,572.50	51,063	18,157	112		69,332	25.33	52,686	18,713	112	0	71,511
5506	2,080.00	267.00		2,347.00	53,635	10,328	15		63,978	26.61	55,349	10,657	15	0	66,021
2255	2,080.00	96.00		2,176.00	28,060	1,965			30,025	14.42	29,994	2,076		0	32,070
2224	2,080.00	435.00	30.00	2,545.00	51,065	16,048		738	67,860	25.33	52,686	16,528	9	760	69,983
5514	2,080.00	202.50	116.00	2,398.50	27,187	3,891	293	1,587	32,958	14.42	29,994	4,380	293	1,673	36,339
2251	2,080.00	258.50		2,338.50	38,282	7,112			45,394	18.85	39,208	7,309		0	46,517
2250	2,080.00	326.00	10.00	2,416.00	38,009	8,922		183	47,114	18.85	39,208	9,218		189	48,614
2264	240.00	30.00		270.00	3,120	585			3,705	13.00	27,040	585		0	27,625
5507	2,080.00	485.50	16.00	2,581.50	51,074	17,878		393	69,345	25.33	52,686	18,447		405	71,538
2257	2,080.00	363.00		2,443.00	33,896	8,958	6		42,860	17.51	36,421	9,534	6	0	45,961
5515	2,080.00	21.00		2,101.00	25,120	387			25,507	13.39	27,851	422		0	28,273
2245	2,080.00	291.50		2,371.50	51,047	10,778	323		62,148	25.33	52,686	11,076	323	0	64,085
2261	2,074.00	205.00		2,279.00	20,823	3,274	25		24,122	13.39	27,851	4,117	25	0	31,994
2259	2,080.00	158.50		2,238.50	23,718	2,759	19		26,496	13.39	27,851	3,183	19	0	31,054
2247	2,080.00	97.00		2,177.00	51,074	3,577			54,651	25.33	52,686	3,686		0	56,372
2240	2,080.00	530.50	200.00	2,810.50	53,633	20,556	169	5,166	79,524	26.61	55,349	21,175	169	5,322	82,015
2262	512.50	57.00		569.50	9,223	1,541	51		10,815	25.33	52,686	2,166	51	0	54,903
5513	2,080.00	168.50		2,248.50	53,650	6,525	2		60,177	26.61	55,349	6,726	2	0	62,076
2241	2,080.00	240.50		2,320.50	53,650	9,280	7		62,937	26.61	55,349	9,600	7	0	64,955
5502	2,080.00	481.00	183.00	2,744.00	51,075	17,729	4	4,500	73,308	25.33	52,686	18,276	4	4,635	75,601
1108	2,080.00	532.50	94.00	2,706.50	51,077	19,630		2,311	73,018	25.33	52,686	20,232		2,381	75,300
2246	2,080.00	259.00		2,339.00	51,074	9,522	10		60,606	25.33	52,686	9,841	10	0	62,537
2258	2,080.00	355.50	12.50	2,448.00	33,822	8,695	229	194	42,940	25.33	52,686	13,507	229	317	66,739
2244	2,080.00	65.50		2,145.50	38,009	1,798			39,807	18.85	39,208	1,852		0	41,060
7724	2,080.00	169.00		2,249.00	35,628	3,538			39,166	14.41	29,973	3,653		0	33,626
6603	2,080.00	4.50		2,084.50	37,843	123			37,966	18.77	39,042	127		0	39,168
4402	2,080.00	83.50	68.00	2,231.50	57,574	3,080		1,672	62,326	25.33	52,686	3,173		1,722	57,581
7716	2,080.00	28.00		2,108.00	33,399	674			34,073	16.56	34,445	696		0	35,140
7723	1,871.50	15.50		1,887.00	24,535	305			24,840	13.52	25,303	314		0	25,617

Looking Valley Rural Electric  
Case No. 2009-00016  
Employee Earnings and Hours  
December 31, 2008

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Employee Number	Hours Worked Test Year				Actual Test Year Wages					Wage Rate Jan 1, 2009	Normalized Wages @ 2,080 Hours				
	Regular	Overtime	Vac/Sick	Total	Regular	Overtime	Premium	Vac/Sick	Total		Regular	Overtime	Premium	Vac/Sick	Normalized Wages
7703	2,080.00	231.00	40.00	2,351.00	52,174	7,608		880	60,662	24.00	49,920	8,316		960	59,196
7733	908.00	20.00		928.00	9,080	300			9,380	10.00	20,800	300		0	21,100
7721	2,080.00	155.00	80.00	2,315.00	31,488	3,518		1,213	36,219	15.62	32,490	3,632		1,250	37,371
7706	2,080.00	122.50		2,202.50	42,932	3,776			46,708	21.29	44,283	3,912		0	48,195
7736	320.00	23.00		343.00	4,160	449			4,609	13.00	27,040	449		0	27,489
7720	2,080.00	21.00		2,101.00	31,218	473			31,691	15.48	32,198	488		0	32,686
7725	2,080.00	185.50	190.50	2,456.00	34,491	3,737		2,565	40,793	13.86	28,829	3,857		2,640	35,326
2263	280.00	33.50		313.50	3,640	653			4,293	13.00	27,040	653		0	27,693
7727	2,069.50	24.50		2,094.00	27,816	493			28,309	13.86	28,829	509		0	29,338
7726	1,853.50	4.00		1,857.50	22,661	73			22,734	12.61	23,373	76		0	23,448
<b>Subtotal hour</b>	<b>74,609.00</b>	<b>7,614.50</b>	<b>1,064.00</b>	<b>83,287.50</b>	<b>1,444,675</b>	<b>241,601</b>	<b>1,284</b>	<b>22,022</b>	<b>1,709,582</b>		<b>1,624,483</b>	<b>256,451</b>	<b>1,284</b>	<b>22,892</b>	<b>1,905,110</b>
<b>Summer and Part Time Employees:</b>															
5516	74.00			74.00	481				481	6.50	481	0			481
5517	63.00			63.00	413				413	6.50	410	0			410
7735	50.50			50.50	331				331	6.50	328	0			328
7734	81.00			81.00	531				531	6.50	527	0		0	527
<b>Subtotal sum</b>	<b>268.50</b>	<b>0.00</b>	<b>0.00</b>	<b>268.50</b>	<b>1,756</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,756</b>		<b>1,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,745</b>
<b>Retirees:</b>															
5501	0.00		118.00	118.00	0			2,945	2,945						
6602	529.00			529.00	12,033				12,033						
2260	1,352.00	79.00		1,431.00	13,608	1,200			14,808						
7730	1,400.00	152.50	78.00	1,630.50	15,492	2,532		865	18,889						
<b>Subtotal retir</b>	<b>3,281.00</b>	<b>231.50</b>	<b>196.00</b>	<b>3,708.50</b>	<b>41,133</b>	<b>3,732</b>	<b>0</b>	<b>3,810</b>	<b>48,675</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>86,478.50</b>	<b>7,846.00</b>	<b>1,844.00</b>	<b>96,168.50</b>	<b>1,786,248</b>	<b>245,333</b>	<b>1,284</b>	<b>43,843</b>	<b>2,076,708</b>		<b>1,934,464</b>	<b>256,451</b>	<b>1,284</b>	<b>41,445</b>	<b>2,233,644</b>

Licking Valley Rural Electric  
Case No. 2009-00016

Exhibit 1  
page 5 of 10  
Witness: Jim Adkins

Analysis of Salaries and Wages  
For the calendar years 2005 through 2007  
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2008	
		2005		2006		2007		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	625	2%	709	13%	774	9%	840	9%
3	Customer accounts expense	200	9%	199	-1%	217	9%	212	-2%
4	Customer service and and informa	55	12%	30	-45%	39	30%	0	-100%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	300	33%	310	3%	212	-32%	221	4%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages								
	(f) Employees hospitalization and benefits								
	(g) Retirement and security								
	(h) Miscellaneous general	10	233%	9	-10%	6	-33%	7	17%
	(i) Maintenance of general plant	27	-7%	24	-11%	47	96%	46	-2%
7	Total administrative and general expenses L6(a) to L6(i)	337	31%	343	-3%	265	-23%	274	-3%
8	Charged to clearing and others	315	13%	297	-6%	293	-1%	257	-12%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	1,532	11%	1,578	3%	1,588	1%	1,583	0%
10	Wages capitalized	405	16%	455	12%	519	14%	493	-5%
11	Total salaries and wages	1,937	12%	2,033	5%	2,107	4%	2,076	-1%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	79%		78%		75%		76%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	21%		22%		25%		24%	
14	Overtime wages	238	0%	253	6%	251	-1%	245	-2%
15	Overtime hours	8,514		8,829		8,778		7,846	

cking Valley Rural Electric  
Case No. 2009-00016  
Employee Earnings and Hours  
December 31, 2008

Exhibit 1  
page 6 of 10  
Witness: Kerry Howard

Employee Number	Wage Rate 01-Jan-07	Wage Rate 01-Jan-08	Percent Increase	Wage Rate 1-Jan-09	Percent Increase	Date of last Increase	Reason for increase
<b>Salaried Employees:</b>							
2210	40.92	42.35	3.5%	43.62	3.0%	1/1/2009	
7731	40.00	43.75	9.4%	45.06	3.0%	1/1/2009	
7711	27.90	28.87	3.5%	29.74	3.0%	1/1/2009	
7709	27.92	28.90	3.5%	29.77	3.0%	1/1/2009	
Subtotal Salaried employees							
<b>Hourly Employees:</b>							
2203	24.96	25.83	3.5%	26.61	3.0%	1/1/2009	
2249	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
5506	24.96	25.83	3.5%	26.61	3.0%	1/1/2009	
2255	12.48	14.00	12.2%	14.42	3.0%	1/1/2009	
2224	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
5514	12.14	14.00	15.3%	14.42	3.0%	1/1/2009	
2251	17.68	18.30	3.5%	18.85	3.0%	1/1/2009	
2250	17.68	18.30	3.5%	18.85	3.0%	1/1/2009	
2264	0.00	13.00	0.0%	13.00	0.0%	1/1/2009	
5507	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
2257	15.00	17.00	13.3%	17.51	3.0%	1/1/2009	
5515	11.00	13.00	18.2%	13.39	3.0%	1/1/2009	
2245	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
2261	10.00	13.00	30.0%	13.39	3.0%	1/1/2009	
2259	11.00	13.00	18.2%	13.39	3.0%	1/1/2009	
2247	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
2240	24.96	25.83	3.5%	26.61	3.0%	1/1/2009	
2262	0.00	18.00	0.0%	25.33	40.7%	1/1/2009	Promotion to 1st class linemar
5513	24.96	25.83	3.5%	26.61	3.0%	1/1/2009	
2241	24.96	25.83	3.5%	26.61	3.0%	1/1/2009	
5502	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
1108	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
2246	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
2258	15.00	17.00	13.3%	25.33	49.0%	1/1/2009	Promotion to 1st class linemar
2244	17.68	18.30	3.5%	18.85	3.0%	1/1/2009	
7724	13.52	13.99	3.5%	14.41	3.0%	1/1/2009	

...king Valley Rural Electric  
 Case No. 2009-00016  
 Employee Earnings and Hours  
 December 31, 2008

Exhibit 1  
 page 7 of 8  
 Witness: Kerry Howard

<u>Employee Number</u>	<u>Wage Rate 01-Jan-07</u>	<u>Wage Rate 01-Jan-08</u>	<u>Percent Increase</u>	<u>Wage Rate 1-Jan-09</u>	<u>Percent Increase</u>	<u>Date of last Increase</u>	<u>Reason for increase</u>
6603	17.60	18.22	3.5%	18.77	3.0%	1/1/2009	
4402	23.76	24.59	3.5%	25.33	3.0%	1/1/2009	
7716	15.54	16.08	3.5%	16.56	3.0%	1/1/2009	
7723	12.69	13.13	3.5%	13.52	3.0%	1/1/2009	
7703	21.25	21.99	3.5%	24.00	9.1%	1/1/2009	Job promotion
7733	0.00	10.00	0.0%	10.00	0.0%	1/1/2009	
7721	13.65	15.16	11.1%	15.62	3.0%	1/1/2009	
7706	19.97	20.67	3.5%	21.29	3.0%	1/1/2009	
7736	0.00	13.00	0.0%	13.00	0.0%	1/1/2009	
7720	14.52	15.03	3.5%	15.48	3.0%	1/1/2009	
7725	13.00	13.46	3.5%	13.86	3.0%	1/1/2009	
2263	0.00	13.00	0.0%	13.00	0.0%	1/1/2009	
7727	13.00	13.46	3.5%	13.86	3.0%	1/1/2009	
7726	11.83	12.24	3.5%	12.61	3.0%	1/1/2009	

Subtotal hourly employees

**Summer and Part Time Employees:**

5516			0.0%	6.50	0.0%	11/3/08	
5517			0.0%	6.50	0.0%	11/3/08	
7735			0.0%	6.50	0.0%	11/3/08	
7734			0.0%	6.50	0.0%	11/3/08	

Subtotal summer

**Retirees:**

5501  
 6602  
 2260  
 7730

Subtotal retirees

**Total**

Witness: Kerry Howard

Licking Valley Rural Electric  
Case No. 2009-00016  
Employee Information  
December 31, 2008

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee Hired</u>	<u>Reason</u>
2264	Replaced employee #2260 who quit
2262	Added full time right of way crew
7733	Replaced #2261 who moved from custodian to lineman
7736	Replaced #7730 who quit

The following is a list of employees terminated, and the date.

<u>Employee Number</u>	<u>Month Terminated</u>
2260	Aug-08
5501	Nov-07
7730	Aug-08
6602	Dec-07

Licking Valley Rural Electric  
Case No. 2009-00016  
Compensation of Executive Officers  
December 31, 2008

	<----	Test Year	---->	Employees
		Percent of		who
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	<u>Report</u>
General Manager & CEO	93,725.00	3.0%	1/2/2009	all
Accounting Supervisor	61,860.00	3.0%	1/2/2009	17
General Superintendent	90,730.00	3.0%	1/2/2009	20

	<u>First Preceding Year</u>		
	Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
General Manager & CEO	91,000.00	9.4%	01/02/08
Accounting Supervisor	60,050.00	3.5%	01/02/08
General Superintendent	88,090.00	3.5%	01/02/08

	<u>Second Preceding Year</u>		
	Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
General Manager & CEO	83,200.00	4.0%	01/01/07
Accounting Supervisor	58,032.00	4.0%	01/01/07
General Superintendent	85,115.00	4.0%	01/01/07

Licking Valley Rural Electric  
Case No. 2009-00016  
Compensation of Executive Officers  
October 31, 2008

**General Manager & CEO Duties and Responsibilities**

It is the responsibility of the President & CEO to report directly to the Board of Directors in implementing the Board policies and directives.

**Accounting Supervisor**

Coordinates all audit efforts by various agencies. Maintains financial status of Cooperative by developing budgets and financial statements. Collaborates with other supervisors to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting as needed. Determine short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Review financial information to ensure compliance with regulatory agencies. Ensure taxes are properly prepared and filed on a timely basis. Plan and organize to serve members with efficient work. Prepare and supervise the preparation of monthly financial statements and reports. Analyze electric sales revenues, collections, delinquents, write-offs and penalty charges for efficiencies. Maintain knowledge of laws and regulations governing the operations of Licking Valley Electric. Directs preparation of daily cash transactions. Certifies the monthly Uniform Fuel Adjustment regulation and submits to PSC. Reports directly to the General Manager & CEO.

**General Superintendent**

Collaborates with Construction and Maintenance Supervisors and Contractors on a daily basis for operational needs. Prepares and presents the CEO an annual capital and expense budget. Plan and organize to serve members with efficient work. Promote fast, dependable electric service to the members and maintain power quality. Maintain knowledge of local and national laws and regulations governing the operations of Licking Valley. Reports directly to the General Manager & CEO.

Witness: Jim Adkins

## Licking Valley Rural Electric

Case No. 2009-00016

## Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2009 as they were for 2008. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$102,500 in 2008 to \$106,800 in 2009 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 0.80% for the first \$8,000 of wages.

## Proposed FICA amounts

FICA	138,486	
Medicare	32,388	
	<u>170,874</u>	
Proposed FUTA	2,478	
Proposed SUTA	3,184	176,535

## Test year amount

FICA and Medicare	155,020	
Test year FUTA	2,748	
Test year SUTA	2,602	160,370

Increase		<u>16,165</u>
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## Adjustment:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	23.74%	3,838
163 - 416	Clearing and others	12.41%	2,005
580	Operations	20.90%	3,379
590	Mainteneance	19.53%	3,157
901	Consumer accounts	10.18%	1,646
908	Customer service	0.00%	0
912	Sales	0.00%	0
920	Administrative and general	13.23%	2,139
		<u>100.00%</u>	<u>\$16,165</u>

State unememployment (SUTA) wage rates are as follows:

2008	0.90%
2007	0.60%
2006	0.70%
2005	1.00%
2004	0.80%

Jackson Valley Rural Electric  
 Case No. 2009-00016  
 Employee Earnings and Hours  
 December 31, 2008

Ex 2  
 2 of 3

Employee Number	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.900%
		\$106,800	6.20%			\$7,000		\$8,000	

**Salaried Employees:**

2210	92,125	92,125	5,712	92,125	1,336	7,000	56	8,000	72
7731	95,888	95,888	5,945	95,888	1,390	7,000	56	8,000	72
7711	71,614	71,614	4,440	71,614	1,038	7,000	56	8,000	72
7709	67,161	67,161	4,164	67,161	974	7,000	56	8,000	72
Subtotal Sala	326,788	326,788	20,261	326,788	4,738	28,000	224	32,000	288

**Hourly Employees:**

2203	58,991	58,991	3,657	58,991	855	7,000	56	8,000	72
2249	71,511	71,511	4,434	71,511	1,037	7,000	56	8,000	72
5506	66,021	66,021	4,093	66,021	957	7,000	56	8,000	72
2255	32,070	32,070	1,988	32,070	465	7,000	56	8,000	72
2224	69,983	69,983	4,339	69,983	1,015	7,000	56	8,000	72
5514	36,339	36,339	2,253	36,339	527	7,000	56	8,000	72
2251	46,517	46,517	2,884	46,517	674	7,000	56	8,000	72
2250	48,614	48,614	3,014	48,614	705	7,000	56	8,000	72
2264	27,625	27,625	1,713	27,625	401	7,000	56	8,000	72
5507	71,538	71,538	4,435	71,538	1,037	7,000	56	8,000	72
2257	45,961	45,961	2,850	45,961	666	7,000	56	8,000	72
5515	28,273	28,273	1,753	28,273	410	7,000	56	8,000	72
2245	64,085	64,085	3,973	64,085	929	7,000	56	8,000	72
2261	31,994	31,994	1,984	31,994	464	7,000	56	8,000	72
2259	31,054	31,054	1,925	31,054	450	7,000	56	8,000	72
2247	56,372	56,372	3,495	56,372	817	7,000	56	8,000	72
2240	82,015	82,015	5,085	82,015	1,189	7,000	56	8,000	72
2262	54,903	54,903	3,404	54,903	796	7,000	56	8,000	72
5513	62,076	62,076	3,849	62,076	900	7,000	56	8,000	72
2241	64,955	64,955	4,027	64,955	942	7,000	56	8,000	72
5502	75,601	75,601	4,687	75,601	1,096	7,000	56	8,000	72
1108	75,300	75,300	4,669	75,300	1,092	7,000	56	8,000	72
2246	62,537	62,537	3,877	62,537	907	7,000	56	8,000	72
2258	66,739	66,739	4,138	66,739	968	7,000	56	8,000	72
2244	41,060	41,060	2,546	41,060	595	7,000	56	8,000	72
7724	33,626	33,626	2,085	33,626	488	7,000	56	8,000	72

icking Valley Rural Electric  
 Case No. 2009-00016  
 Employee Earnings and Hours  
 December 31, 2008

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Employee Number	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$106,800	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.900%
6603	39,168	39,168	2,428	39,168	568	7,000	56	8,000	72
4402	57,581	57,581	3,570	57,581	835	7,000	56	8,000	72
7716	35,140	35,140	2,179	35,140	510	7,000	56	8,000	72
7723	25,617	25,617	1,588	25,617	371	7,000	56	8,000	72
7703	59,196	59,196	3,670	59,196	858	7,000	56	8,000	72
7733	21,100	21,100	1,308	21,100	306	7,000	56	8,000	72
7721	37,371	37,371	2,317	37,371	542	7,000	56	8,000	72
7706	48,195	48,195	2,988	48,195	699	7,000	56	8,000	72
7736	27,489	27,489	1,704	27,489	399	7,000	56	8,000	72
7720	32,686	32,686	2,027	32,686	474	7,000	56	8,000	72
7725	35,326	35,326	2,190	35,326	512	7,000	56	8,000	72
2263	27,693	27,693	1,717	27,693	402	7,000	56	8,000	72
7727	29,338	29,338	1,819	29,338	425	7,000	56	8,000	72
7726	23,448	23,448	1,454	23,448	340	7,000	56	8,000	72
Subtotal hour	1,905,110	1,905,110	118,117	1,905,110	27,624	280,000	2,240	320,000	2,880
<b>Summer and Part Time Employees:</b>									
5516	481	481	30	481	7	481	4	481	4
5517	410	410	25	410	6	410	3	410	4
7735	328	328	20	328	5	328	3	328	3
7734	527	527	33	527	8	527	4	527	5
Subtotal sum	1,745	1,745	108	1,745	25	1,745	14	1,745	16
<b>Retirees:</b>									
5501									
6602									
2260									
7730									
Subtotal retir	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,233,644</b>	<b>2,233,644</b>	<b>138,486</b>	<b>2,233,644</b>	<b>32,388</b>	<b>309,745</b>	<b>2,478</b>	<b>353,745</b>	<b>3,184</b>

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Licking Valley Rural Electric Cooperative

Case No. 2009-00016

December 31, 2008

**Depreciation Expense**

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Licking Valley is providing an updated study with this application.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on time used for each vehicle from the daily time sheets of employees driving the vehicles.

Items fully-depreciated have been removed and identified on the far right column.

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

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Account Number	Description	Test Year Balance	Existing Rate	Proposed Rate	Normalized Expense	Test Year Expense	Fully-Depreciated
<b>Distribution plant:</b>							
362	Station equipment	31,442	3.00%	3.00%	943	943	
364	Poles, towers & fixtures	17,887,692	4.23%	4.23%	756,649	740,310	
365	Overhead conductors & devices	14,386,109	2.85%	2.85%	410,004	395,640	
367	Underground conductor & devices	455,800	2.83%	2.83%	12,899	12,668	
368	Line transformers	7,626,140	3.68%	3.68%	280,642	278,056	
369	Services	4,620,974	4.75%	4.75%	219,496	213,098	
370	Meters	1,409,106	3.86%	3.86%	54,391	53,955	
370.1	Meters, 1-Ph TWACS	1,232,451	3.86%	3.86%	47,573	47,547	
371	Installations on customer premises	1,573,324	5.36%	5.36%	84,330	82,251	
		<u>49,223,038</u>			<u>1,866,928</u>	<u>1,824,468</u>	
<b>General plant:</b>							
389	Land	50,569					
390	Structures and improvements	986,237		3.00%	29,587	29,080	
391	Office furn and eqt	632,236		6.00%	37,934	31,809	
392	Transportation	1,349,607		16.00%	185,120	147,344	192,607
393	Stores	48,475		6.00%	2,909	2,850	
394	Tools, shop and garage	62,852		10.00%	6,285	5,893	
395	Laboratory	94,544		6.00%	5,673	5,559	
396.1	Power operated	143,842		11.00%	15,823	13,823	
396.2	Small equipment	8,139		6.00%	0	0	8,139
397	Communications	221,877		8.00%	0	0	221,877
398	Miscellaneous	31,260		8.00%	2,501	2,305	
		<u>3,629,638</u>			<u>285,831</u>	<u>238,663</u>	
	Total electric plant	<u>52,852,676</u>			<u>2,152,759</u>	<u>2,063,131</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Licking Valley Rural Electric Cooperative  
 Case No. 2009-00016  
 December 31, 2008

Normalized depreciation accrual:

Distribution plant	1,866,928	
General plant	285,831	
Charged to clearing	<u>(185,120)</u>	
		1,967,639

Test year depreciation accrual:

Distribution plant	1,824,468	
General plant	238,663	
Charged to clearing	<u>(147,344)</u>	
		<u>1,915,787</u>

Normalized depreciation adjustment 51,852

Transportation clearing

Normalized accrual	185,120
Test year accrual	<u>147,344</u>
	<u><u>37,776</u></u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	34%	\$13,006
Others	1%	446
Distribution - operations	15%	5,685
Distribution - maintenance	27%	10,164
Consumer accounts	7%	2,612
Consumer service and information	6%	2,157
Administrative and general	10%	<u>3,707</u>
Total	<u>100%</u>	<u><u>\$37,777</u></u>

Licking Valley Rural Electric Cooperative

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Exhibit 3

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<b>Changes in electric plant:</b>		<u>Begin</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfer</u>	<u>End</u>
		<u>Balance</u>				<u>Balance</u>
362	Station equipment	31,442	0			31,442
364	Poles, towers and fixtures	17,250,912	970,161	333,381		17,887,692
365	Overhead conductor and devices	13,237,716	1,227,691	79,298		14,386,109
367	Underground conductor and devices	439,489	19,049	2,738		455,800
368	Line transformers	7,540,853	119,329	34,042		7,626,140
369	Services	4,415,884	238,721	33,631		4,620,974
370	Meters	1,393,453	16,843	1,190		1,409,106
370.01	Meters, AMR	1,231,125	1,326			1,232,451
371	Installations on customer premises	1,517,799	83,662	28,137		1,573,324
	Subtotal distribution plant	<u>47,058,673</u>	<u>2,676,782</u>	<u>512,417</u>	<u>0</u>	<u>49,223,038</u>
389	Land	50,569	0			50,569
390	Structures and improvements	978,050	8,187			986,237
391	Office furn and eqt	625,099	7,137			632,236
392	Transportation	1,240,544	193,815	84,752		1,349,607
393	Stores	48,475	0			48,475
394	Tools, shop and garage	62,852	0			62,852
395	Laboratory	94,544	0			94,544
396.1	Power operated	143,842	0			143,842
396.2	Small tools	8,139	0			8,139
397	Communication	221,877	0			221,877
398	Miscellaneous	29,737	1,523			31,260
	Subtotal general plant	<u>3,503,728</u>	<u>210,662</u>	<u>84,752</u>	<u>0</u>	<u>3,629,638</u>
	Total electric plant in service	<u>50,562,401</u>	<u>2,887,444</u>	<u>597,169</u>	<u>0</u>	<u>52,852,676</u>

Licking Valley Rural Electric Cooperative  
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Exhibit 3  
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**Changes in reserve for depreciation:**

	<u>Begin Balance</u>	<u>Accrual</u>	<u>Original Cost</u>	<u>Removal Cost</u>	<u>Gain/Loss Salvage</u>	<u>Net Charge</u>	<u>End Balance</u>
Distribution plant	13,048,991	1,824,468	512,417	272,576	79,786	705,207	14,168,252
Land							645,309
Structures and improvements	616,229	29,080	0				278,555
Office furn and eqt	246,746	31,809	0				1,150,115
Transportation	1,071,019	147,344	84,752		16,504		51,312
Stores	48,462	2,850	0				56,032
Tools, shop and garage	50,139	5,893	0				75,847
Laboratory	70,288	5,559	0				111,138
Power operated	97,315	13,823	0				12,534
Small tools	12,534	0	0				251,013
Communication	251,013	0	0				20,931
Other tangible	18,626	2,305	0				2,652,786
Subtotal general plant	2,482,371	238,663	84,752	0	16,504	0	64,024
Retirement WIP	76,606			(12,582)		(12,582)	16,757,014
Total accumulated depreciation	15,454,756	2,063,131	597,169	285,158	96,290	717,789	



**Licking Valley Rural Electric  
Cooperative Corporation  
West Liberty, Kentucky**

**Service Life and Salvage Study and  
Recommended Depreciation Accrual Rates  
as of December 31, 2007**

Prepared by:  
Jim Adkins Consulting  
Lexington, Kentucky

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# Licking Valley Rural Electric Cooperative

## Distribution Plant Depreciation Study

As of December 31, 2007

### INTRODUCTION

This depreciation study was performed for Licking Valley Rural Electric Cooperative (“Licking Valley”) in Paintsville, Kentucky. The purpose of the study was as follows:

1. To recommend appropriate depreciation rates based on estimates of average life mortality characteristics and net salvage that will fully recover the cost of the property, adjusted for net salvage over its estimated life.
2. To determine the adequacy of the book reserve for depreciation at a point in time by comparing it with a theoretical reserve based on the same average lives, mortality characteristics, and net salvage as used to determine the recommended depreciation rates.
3. To determine if necessary some method to adjust the book reserve for past over or under accruals as indicated by comparison with the theoretical reserve requirement.
4. To review in detail the history, status, procedures and policies of Licking Valley’s depreciation functions, records, and operating techniques.

Licking Valley last had a depreciation study performed as of December 31, 2000. Since there are many factors affecting estimates of depreciation rates and accrued depreciation, and these factors are constantly changing, a depreciation study only represents the best judgment at the time the study is performed. Actual results may vary from the forecasts and variations may be material. A review of depreciation should be made at least every five (5) years so that Licking Valley’s depreciation practices reflect those changes.

# Licking Valley Rural Electric Cooperative

## DEPRECIATION

Book depreciation is merely the recognition in financial statements that physical assets are being consumed in the process of providing a service or product. Generally accepted accounting principles require the recording of depreciation provisions to be systematic and rational. In order to be systematic and rational, depreciation should to the extent possible, match either the consumption of the facilities or the revenues generated by the facilities. Accounting theory requires the matching of expenses with either consumption or revenues to ensure that financial statements reflect the results of operations and changes in financial position as accurately as possible. The matching principle is often referred to as the cause and effect principle, thus, both the cause and the effect are required to be recognized for financial statement purposes.

Because price regulation and not the market place controls revenues, for utility accounting purposes consumption is important and is usually assumed to occur at a constant rate. The key to the validity of the utility book depreciation accounting lies in accurately measuring property consumption through determining its mortality characteristics. The term "mortality characteristics" encompasses average service life and dispersion (variation) of retirements around average service life, as well as salvage and cost of removal (net salvage).

## DEPRECIATION DEFINITIONS

The Uniform System of Accounts prescribed for electric borrowers of the Rural Utilities Service ("RUS") states that depreciation "as applicable to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption for prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities".

## Licking Valley Rural Electric Cooperative

Service value as defined “means the difference between original cost and net salvage of electric plant”.

Net Salvage value is the salvage value of property retired less cost of removal. Salvage value means the amount received for the property retired, and cost of removal means the cost of demolishing, dismantling, tearing down, or otherwise removing electric plant, including the cost of transportation and handling incidental thereto. Thus, salvage is what will actually be received and cost of removal is what will actually be incurred, both measured at the price level at the time of receipt or incurrence, that is required to be recognized by the company through capital recovery.

# Licking Valley Rural Electric Cooperative

## SCOPE

The study included construction and retirement activity for distribution plant from 1951 through 2007. Licking Valley has maintained its plant and depreciation records in accordance with the Uniform System of Accounts as issued by RUS. As such, Licking Valley's plant records are maintained on a mass property, average historical cost basis in its continuing property records ("CPR's"). Licking Valley maintained CPR's on the construction unit cost basis until the mid 1980's, at which time they were converted to the record unit basis for CPR's. This conversion process caused moneys to shift from different plant accounts, i.e., from Account 364 to Account 365, etc. As a result, plant additions and retirements were recalculated for the years prior to the conversion using the same ratio as the plant additions and retirements after the CPR conversion.

The study was performed utilizing a computer program which incorporated the "Iowa Type Survivor Curves". These curves are frequently used by utilities for analyzing depreciation of property recorded on a mass basis. The curves analyze the life of mass property accounted for on the vintage basis. Vintage accounting is a system where plant is accounted for by year of installation and its life is tagged as such through retirement. Since vintage accounting is not required by the uniform system of accounts, this type of record was not maintained for the mass items. The study therefore used the technique of creating simulated plant records on a vintage basis.

The computer program used utilized incorporates the Simulated Plant Record ("SPR") method of analyzing data. Studies have shown that mass property kept on a vintage record basis generally fits one of 31 Iowa Type Survivor Curves. Through additional studies it has been shown that if plant is retired but it was not recorded on a vintage basis, it would still follow the pattern of one of these curves. The SPR method of analyzing the data tests the additions, retirements, and plant balances for each year to fit the data to the best curve for analysis.

## Licking Valley Rural Electric Cooperative

The result of simulating the plant balances and the depreciation reserve, and allocating the net salvage is to be able to develop the average plant lives and calculate the plant balances, reserve balances, and annual depreciation accruals for distribution assets in service.

The most likely retirement patterns and average service lives were developed based on the SPR analysis. This information was then analyzed for appropriateness and a curve and service life were selected for each account.

The study of depreciation also utilizes the estimates of net salvage for the primary plant accounts. Net salvage is the result of combining salvage received for plant removed from service and the cost of removal. These records were not maintained on a primary account basis since it was not required by the uniform system of accounts. As part of this study, both the cost of removal and salvage were allocated to the primary plant accounts on a percentage basis. The percentages were based on a review of salvage and cost of removal accounts at Licking Valley for a ten (10) year period.

When utilizing the whole life method of accounting for depreciation, it is necessary to determine the adequacy of the depreciation reserve for each account. Licking Valley does not maintain separate accumulated depreciation reserve accounts for each of its distribution plant accounts. The calculation of the net salvage is performed on an average of the original cost of units of property retired on a monthly basis. This method does not give consideration for the net salvage ratio being different that the ratio of original cost each month. Therefore, it is necessary to develop a calculated depreciation reserve for each individual account. This was done by utilizing the average service life developed above, along with the net salvage ratio (as noted above) and applying the rate to the historical additions and the simulated retirements to date to obtain the calculated depreciation reserve.

## Licking Valley Rural Electric Cooperative

The depreciation expense and the depreciation reserve were calculated on a composite basis for each account historically used by Licking Valley. For comparative purposes the depreciation expense was calculated for each year based on the proposed rates in this study, and the composite rate was calculated and compared to the current composite rate.

During 2003 through 2006, Licking Valley changed out its existing meters and installed automated meter reading (“AMR”) devices. There was not enough activity, nor any retirements of AMR’s, in Account 370, Meters to generate acceptable simulated plant study results. Therefore, it was estimated that Account 370, Meters would use a useful life of 15 years. This is consistent with other electric cooperatives in Kentucky that have recently installed AMR devices. A review of Account 362, Substation Equipment reveals that all this equipment is for the AMR devices. Since there has not been enough activity to generate acceptable simulated plant study results, and the equipment is used for the AMR devices, it was determined that a useful life of 15 years would be used to remain consistent with the useful life for AMR devices.

The following is a summary of the proposed composite depreciation rates and the RUS recommended maximum and minimum rates.

<u>Distribution Account</u>	<u>Proposed</u>	<u>Current</u>	<u>RUS</u>	
	<u>Rate</u>	<u>Rate</u>	<u>Low</u>	<u>High</u>
362 Station Equipment	6.67%	3.00%	3.00%	4.00%
364 Poles, towers & fixtures	3.93%	4.23%	3.00%	4.00%
365 Overhead Conductors & devices	2.50%	2.85%	2.30%	2.80%
367 Underground Conductors & Device	2.50%	2.83%	2.40%	2.90%
368 Line Transformers	2.50%	3.68%	2.60%	3.10%
369 Services	3.43%	4.75%	3.10%	3.60%
370 Meters	6.67%	3.86%	2.90%	3.40%
371 Installations on Consumers’ Prem	3.91%	5.36%	3.90%	4.40%

## Licking Valley Rural Electric Cooperative

1. The "Proposed" rates are the rates determined from this depreciation study.
2. The "Current Rates" are those currently in effect. The rate is used for all distribution plant accounts
3. The "RUS Low and High" range are those included in RUS Bulletin 183-1, Depreciation Rates and Procedures. The ranges were developed by RUS in the 1960's as a result of the study of rural electric borrowers. As per the bulletin, rates can be selected from within the range of rates without prior RUS approval. The bulletin further provides for rates higher or lower than those in the range when supported by a depreciation study. However, the Kentucky Public Service Commission does not allow for changing rates without the support of a depreciation study.

The study findings are based upon many factors and assumptions which were discussed with Licking Valley's personnel during my visit. Any changes in the assumptions could significantly impact the results of the study findings. In the future, as plant is added and retired, and methods and technology change, appropriate revisions to the study findings may be necessary. Licking Valley should consider the effects of such changes on an ongoing basis.

Licking Valley also considered the Whole Life Method of calculating the annual depreciation, with the Net Salvage Ratio as ordered by the Kentucky Public Service Commission in Case No. 2000-373, Adjustment of Rates of Jackson Energy Cooperative. This method of recognizing net salvage ratio is in essence the average of the last five (5) years salvage and removal costs that have been recognized in the accumulated depreciation account.

Based on the lives of the assets and the current reserve ratio to total distribution plant, Licking Valley has decided to use these rates as a result of this study.

# Licking Valley Rural Electric Cooperative

## Calculated Annual Accrual Rates

Acct Distribution Plant Accounts	Survivor	Curve	Life	Net Salvage Percent	Original Cost	Book Accumulated Depreciation	Future Accruals	Composite Remaining Life	Calculated Annual Accrual Amount	Rate
362 Station Equipment	S6	32	0%	\$31,442	\$15,172	\$10,317	10.50	\$983	3.12%	
364 Poles, Towers & Fixtures	L1.5	29	-35%	\$17,250,913	\$4,858,636	\$16,504,114	20.57	\$802,376	4.65%	
365 Overhead Conductors & Devices	S6	30	-35%	\$13,237,716	\$4,679,195	\$11,362,559	19.07	\$595,917	4.50%	
367 Underground Conductors & Devices	S0	40	0%	\$439,489	\$55,950	\$361,454	32.91	\$10,984	2.50%	
368 Line Transformers	R2.5	40	0%	\$7,540,854	\$1,780,825	\$5,060,607	26.85	\$188,502	2.50%	
369 Services	L0	31	-15%	\$4,415,884	\$729,738	\$4,066,453	24.80	\$163,951	3.71%	
370 Meters	S1	33	0%	\$2,624,577	\$472,481	\$1,966,768	24.73	\$79,534	3.03%	
371 Installations on Customers' Premises	L1.5	27	-15%	\$1,517,799	\$380,388	\$1,216,163	18.81	\$64,659	4.26%	
<b>Total Distribution Plant</b>					<u>\$47,027,232</u>	<u>\$12,972,385</u>	<u>\$40,548,435</u>			

# Licking Valley Rural Electric Cooperative

## Existing and Proposed Depreciation Accrual Rates and Amounts

Acct	Distribution Plant Accounts	Original Cost	Existing Estimated Annual Accrual Per Books		Proposed Estimate Calculated Annual Remaining Life Accrual		Increase\ (Decrease) in Accrual	
			Rate	Amount	Rate	Amount	Amount	Percent
362	Station Equipment	\$31,442	3.00%	\$943	3.12%	\$983	\$39	4%
364	Poles, Towers & Fixtures	\$17,250,913	4.23%	\$729,714	4.65%	\$802,376	\$72,663	10%
365	Overhead Conductors & Devices	\$13,237,716	2.85%	\$377,275	4.50%	\$595,917	\$218,643	58%
367	Underground Conductors & Devices	\$439,489	2.83%	\$12,438	2.50%	\$10,984	-\$1,454	-12%
368	Line Transformers	\$7,540,854	3.68%	\$277,503	2.50%	\$188,502	-\$89,001	-32%
369	Service (Pole-to-House)	\$4,415,884	4.75%	\$209,754	3.71%	\$163,951	-\$45,803	-22%
370	Meters	\$2,624,577	3.86%	\$101,309	3.03%	\$79,534	-\$21,775	-21%
371	Installations on Customers' Premises	\$1,517,799	5.36%	\$81,354	4.26%	\$64,659	-\$16,695	-21%
Total Distribution Plant		<u>\$47,058,674</u>		<u>\$1,790,290</u>		<u>\$1,906,906</u>	<u>\$116,617</u>	7%

## Licking Valley Rural Electric Cooperative

### Accrued Depreciation - Calculated

Acct Distribution Plant Accounts	Survivor Curve	Life	Net Salvage Percent	Original Cost	Calculated		Book	
					Accrued Depreciation Amount	Percent	Accumulated Amount	Percent
362 Station Equipment	S6	32	0%	\$31,442	\$21,125	0.12%	\$15,172	0.12%
364 Poles, Towers & Fixtures	L1.5	29	-35%	\$17,250,913	\$6,764,805	37.45%	\$4,858,636	37.45%
365 Overhead Conductors & Devices	S6	30	-35%	\$13,237,716	\$6,514,964	36.07%	\$4,679,195	36.07%
367 Underground Conductors & Devices	S0	40	0%	\$439,489	\$77,901	0.43%	\$55,950	0.43%
368 Line Transformers	R2.5	40	0%	\$7,540,854	\$2,479,488	13.73%	\$1,780,825	13.73%
369 Service (Pole-to-House)	L0	31	-15%	\$4,415,884	\$1,016,033	5.63%	\$729,738	5.63%
370 Meters	S1	33	0%	\$2,624,577	\$657,847	3.64%	\$472,481	3.64%
371 Installations on Customers' Premises	L1.5	27	-15%	\$1,517,799	\$529,624	2.93%	\$380,388	2.93%
				<u>\$47,058,674</u>	<u>\$18,061,786</u>	<u>100.00%</u>	<u>\$12,972,385</u>	<u>100.00%</u>

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 362 Station Equipment

Historical Life Curve: S6

Historical Life: 32

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$31,442	0.5	0.020	1.000000	\$0	0.50	31.500	31.500
2006	\$31,442	1.5	0.050	1.000000	\$0	1.50	30.500	30.500
2005	\$31,442	2.5	0.080	1.000000	\$0	2.50	29.500	29.500
2004	\$31,442	3.5	0.110	1.000000	\$0	3.50	28.500	28.500
2003	\$31,442	4.5	0.140	1.000000	\$0	4.50	27.500	27.500
2002	\$31,442	5.5	0.170	1.000000	\$0	5.50	26.500	26.500
2001	\$31,442	6.5	0.200	1.000000	\$0	6.50	25.500	25.500
2000	\$31,442	7.5	0.230	1.000000	\$0	7.50	24.500	24.500
1999	\$31,442	8.5	0.270	1.000000	\$0	8.50	23.500	23.500
1998	\$31,442	9.5	0.300	1.000000	\$0	9.50	22.500	22.500
1997	\$31,442	10.5	0.330	1.000000	\$0	10.50	21.500	21.500
1996	\$31,442	11.5	0.360	1.000000	\$0	11.50	20.500	20.500
1995	\$31,442	12.5	0.390	1.000000	\$0	12.50	19.500	19.500
1994	\$31,442	13.5	0.420	1.000000	\$0	13.50	18.500	18.500
1993	\$31,442	14.5	0.450	1.000000	\$0	14.50	17.500	17.500
1992	\$31,442	15.5	0.480	1.000000	\$0	15.50	16.500	16.500
1991	\$31,442	16.5	0.520	1.000000	\$0	16.50	15.500	15.500
1990	\$31,442	17.5	0.550	1.000000	\$0	17.50	14.500	14.500
1989	\$31,442	18.5	0.580	1.000000	\$0	18.50	13.500	13.500
1988	\$31,442	19.5	0.610	1.000000	\$0	19.50	12.500	12.500
1987	\$31,442	20.5	0.640	1.000000	\$0	20.50	11.500	11.500
1986	\$31,442	21.5	0.670	0.999998	\$31,442	21.50	10.500	10.500
1985	\$0	22.5	0.700	0.999984	\$0	22.50	9.500	9.500
1984	\$0	23.5	0.730	0.999892	\$0	23.50	8.500	8.501
1983	\$0	24.5	0.770	0.999079	\$0	24.50	7.501	7.507
1982	\$0	25.5	0.800	0.996417	\$0	25.50	6.503	6.526
1981	\$0	26.5	0.830	0.988453	\$0	26.49	5.510	5.575
1980	\$0	27.5	0.860	0.968674	\$0	27.47	4.532	4.678
1979	\$0	28.5	0.890	0.927436	\$0	28.42	3.584	3.864
1978	\$0	29.5	0.920	0.854621	\$0	29.31	2.693	3.151
1977	\$0	30.5	0.950	0.745039	\$0	30.11	1.893	2.541
1976	\$0	31.5	0.980	0.603840	\$0	30.78	1.218	2.018
1975	\$0	32.5	1.020	0.396160	\$0	31.28	0.718	1.814
1974	\$0	33.5	1.050	0.254961	\$0	31.61	0.393	1.541
1973	\$0	34.5	1.080	0.145379	\$0	31.81	0.193	1.326
1972	\$0	35.5	1.110	0.072564	\$0	31.92	0.084	1.155
1971	\$0	36.5	1.140	0.031326	\$0	31.97	0.032	1.016
1970	\$0	37.5	1.170	0.011547	\$0	31.99	0.010	0.901
1969	\$0	38.5	1.200	0.003583	\$0	32.00	0.003	0.792
1968	\$0	39.5	1.230	0.000921	\$0	32.00	0.001	0.638

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 362 Station Equipment

Historical Life Curve: S6

Historical Life: 32

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$0	40.5	1.270	0.000108	\$0	32.00	0.000	0.671
1966	\$210,143	41.5	1.300	0.000016	\$0	32.00	0.000	0.626
1965	\$210,143	42.5	1.330	0.000002	\$0	32.00	0.000	0.590
1964	\$208,709	43.5	1.360	0.000000	\$0	32.00	0.000	0.561
1963	\$197,369	44.5	1.390	0.000000	\$0	32.00	0.000	0.539
1962	\$197,369	45.5	1.420	0.000000	\$0	32.00	0.000	0.523
1961	\$197,369	46.5	1.450	0.000000	\$0	32.00	0.000	0.512
1960	\$197,369	47.5	1.480	0.000000	\$0	32.00	0.000	0.501
1959	\$151,043	48.5	1.520	0.000000	\$0	32.00	0.000	0.501
1958	\$87,439	49.5	1.550	0.000000	\$0	32.00	0.000	0.500
1957	\$87,439	50.5	1.580	0.000000	\$0	32.00	0.000	0.500
1956	\$87,439	51.5	1.610	0.000000	\$0	32.00	0.000	0.500
1955	\$46,173	52.5	1.640	0.000000	\$0	32.00	0.000	0.500
1954	\$46,173	53.5	1.670	0.000000	\$0	32.00	0.000	0.500
1953	\$46,173	54.5	1.700	0.000000	\$0	32.00	0.000	0.000
1952	\$46,173	55.5	1.730	0.000000	\$0	32.00	0.000	0.000
1951	\$46,173	56.5	1.770	0.000000	\$0	32.00	0.000	0.000
1950	\$31,676	57.5	1.800	0.000000	\$0	32.00	0.000	0.000
1949	\$34,635	58.5	1.830	0.000000	\$0	32.00	0.000	0.000
1948	\$2,741	59.5	1.860	0.000000	\$0	32.00	0.000	0.000
1947	\$2,741	60.5	1.890	0.000000	\$0	32.00	0.000	0.000
1946	\$0	61.5	1.920	0.000000	\$0	32.00	0.000	0.000
1945	\$0	62.5	1.950	0.000000	\$0	32.00	0.000	0.000
1944	\$0	63.5	1.980	0.000000	\$0	32.00	0.000	0.000
1943	\$0	64.5	2.020	0.000000	\$0	32.00	0.000	0.000
1942	\$0	65.5	2.050	0.000000	\$0	32.00	0.000	0.000
1941	\$0	66.5	2.080	0.000000	\$0	32.00	0.000	0.000
1940	\$0	67.5	2.110	0.000000	\$0	32.00	0.000	0.000
				<u>32.000000</u>	<u>\$31,442</u>			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Historical Life Curve: L1.5

Historical Life: 29

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$17,250,913	0.5	0.020	0.999381	\$1,019,320	0.50	28.502	28.520
2006	\$16,608,872	1.5	0.050	0.998112	\$922,509	1.50	27.503	27.555
2005	\$15,941,606	2.5	0.090	0.995549	\$924,483	2.50	26.506	26.625
2004	\$15,256,312	3.5	0.120	0.992795	\$812,836	3.49	25.512	25.697
2003	\$14,664,163	4.5	0.160	0.987776	\$853,085	4.48	24.522	24.825
2002	\$13,995,282	5.5	0.190	0.982867	\$838,974	5.47	23.537	23.947
2001	\$13,282,748	6.5	0.220	0.976879	\$939,051	6.44	22.557	23.091
2000	\$12,528,456	7.5	0.260	0.967108	\$823,566	7.42	21.585	22.319
1999	\$11,845,923	8.5	0.290	0.958383	\$875,468	8.38	20.622	21.517
1998	\$11,178,272	9.5	0.330	0.944854	\$935,442	9.33	19.670	20.818
1997	\$10,427,903	10.5	0.360	0.933231	\$811,666	10.27	18.731	20.071
1996	\$9,778,693	11.5	0.400	0.915539	\$952,344	11.19	17.807	19.450
1995	\$9,021,712	12.5	0.430	0.900464	\$771,428	12.10	16.899	18.767
1994	\$8,388,668	13.5	0.470	0.877832	\$652,985	12.99	16.010	18.238
1993	\$7,906,683	14.5	0.500	0.858969	\$533,915	13.86	15.141	17.627
1992	\$7,418,645	15.5	0.530	0.838574	\$360,897	14.71	14.293	17.044
1991	\$7,112,099	16.5	0.570	0.809252	\$385,463	15.53	13.469	16.643
1990	\$6,763,594	17.5	0.600	0.785916	\$351,951	16.33	12.671	16.123
1989	\$6,417,264	18.5	0.640	0.753417	\$283,619	17.10	11.901	15.797
1988	\$6,163,193	19.5	0.670	0.728225	\$254,719	17.84	11.161	15.326
1987	\$5,932,338	20.5	0.710	0.693868	\$232,490	18.55	10.450	15.060
1986	\$5,658,997	21.5	0.740	0.667745	\$209,494	19.23	9.769	14.629
1985	\$5,424,340	22.5	0.780	0.632748	\$247,680	19.88	9.118	14.411
1984	\$5,135,662	23.5	0.810	0.606570	\$221,483	20.50	8.499	14.011
1983	\$4,872,337	24.5	0.840	0.580600	\$252,416	21.10	7.905	13.616
1982	\$4,524,271	25.5	0.880	0.546495	\$151,103	21.66	7.342	13.434
1981	\$4,289,037	26.5	0.910	0.521433	\$235,279	22.19	6.808	13.056
1980	\$3,920,710	27.5	0.950	0.488848	\$197,743	22.70	6.303	12.893
1979	\$3,570,271	28.5	0.980	0.465107	\$245,487	23.18	5.826	12.525
1978	\$3,191,093	29.5	1.020	0.434463	\$155,786	23.63	5.376	12.374
1977	\$2,892,254	30.5	1.050	0.412271	\$122,225	24.05	4.952	12.013
1976	\$2,647,705	31.5	1.090	0.383764	\$112,792	24.45	4.554	11.868
1975	\$2,432,301	32.5	1.120	0.363203	\$85,916	24.82	4.181	11.511
1974	\$2,242,443	33.5	1.160	0.336876	\$110,148	25.17	3.831	11.372
1973	\$2,037,683	34.5	1.190	0.317939	\$41,375	25.50	3.504	11.019
1972	\$1,942,543	35.5	1.220	0.299682	\$31,653	25.81	3.195	10.660
1971	\$1,867,492	36.5	1.260	0.276378	\$25,565	26.09	2.907	10.517
1970	\$1,801,692	37.5	1.290	0.259665	\$18,505	26.36	2.639	10.162
1969	\$1,754,413	38.5	1.330	0.238376	\$46,942	26.61	2.390	10.025
1968	\$1,584,008	39.5	1.360	0.223142	\$18,062	26.84	2.159	9.675

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Historical Life Curve: L1.5

Historical Life: 29

B	C	D	E	F	G	H	I
Acct Data	Beg Age	C / "HL"	Lookup	Add x %Srvg	"RL" Area	"FL" Area	"FL" / E

Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$1,527,916	40.5	1.400	0.203788	\$14,224	27.06	1.945	9.546
1966	\$1,487,944	41.5	1.430	0.189979	\$12,633	27.25	1.749	9.204
1965	\$1,437,917	42.5	1.470	0.172495	\$14,287	27.43	1.567	9.086
1964	\$1,371,882	43.5	1.500	0.160067	\$39,992	27.60	1.401	8.753
1963	\$1,174,144	44.5	1.530	0.148220	\$15,319	27.75	1.247	8.412
1962	\$1,090,844	45.5	1.570	0.133315	\$8,370	27.90	1.106	8.297
1961	\$1,067,319	46.5	1.600	0.122791	\$9,286	28.02	0.978	7.965
1960	\$1,004,880	47.5	1.640	0.109634	\$5,444	28.14	0.862	7.861
1959	\$996,757	48.5	1.670	0.100400	\$14,257	28.24	0.757	7.538
1958	\$866,924	49.5	1.710	0.088919	\$4,298	28.34	0.662	7.447
1957	\$825,452	50.5	1.740	0.080918	\$2,556	28.42	0.577	7.134
1956	\$797,367	51.5	1.780	0.071039	\$4,824	28.50	0.501	7.056
1955	\$734,034	52.5	1.810	0.064204	\$923	28.57	0.434	6.754
1954	\$720,360	53.5	1.840	0.057846	\$3,502	28.63	0.373	6.441
1953	\$666,092	54.5	1.880	0.050083	\$2,757	28.68	0.319	6.362
1952	\$611,625	55.5	1.910	0.044774	\$1,249	28.73	0.271	6.058
1951	\$584,083	56.5	1.950	0.038346	\$887	28.77	0.230	5.989
1950	\$562,805	57.5	1.980	0.033991	\$5,094	28.81	0.193	5.692
1949	\$421,647	58.5	2.020	0.028767	\$8,723	28.84	0.162	5.635
1948	\$131,221	59.5	2.050	0.025261	\$1,296	28.87	0.135	5.348
1947	\$82,808	60.5	2.090	0.021100	\$276	28.89	0.112	5.304
1946	\$69,739	61.5	2.120	0.018338	\$173	28.91	0.092	5.028
1945	\$60,300	62.5	2.160	0.015097	\$35	28.93	0.075	5.000
1944	\$57,966	63.5	2.190	0.012972	\$34	28.94	0.061	4.737
1943	\$55,366	64.5	2.220	0.011087	\$18	28.95	0.049	4.457
1942	\$53,715	65.5	2.260	0.008915	\$478	28.96	0.039	4.421
1941	\$72	66.5	2.290	0.007519	\$1	28.97	0.031	4.150
1940	\$0	67.5	2.330	0.005934	\$0	28.98	0.024	4.124
				<u>29.001600</u>	<u>\$17,236,802</u>			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: S6

Historical Life: 30

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$13,237,716	0.5	0.020	1.000000	\$742,720	0.50	29.500	29.500
2006	\$12,689,951	1.5	0.050	1.000000	\$755,248	1.50	28.500	28.500
2005	\$12,071,682	2.5	0.080	1.000000	\$620,112	2.50	27.500	27.500
2004	\$11,583,207	3.5	0.120	1.000000	\$615,808	3.50	26.500	26.500
2003	\$11,060,458	4.5	0.150	1.000000	\$617,324	4.50	25.500	25.500
2002	\$10,528,722	5.5	0.180	1.000000	\$624,669	5.50	24.500	24.500
2001	\$9,952,518	6.5	0.220	1.000000	\$703,499	6.50	23.500	23.500
2000	\$9,370,363	7.5	0.250	1.000000	\$539,510	7.50	22.500	22.500
1999	\$8,935,147	8.5	0.280	1.000000	\$1,050,174	8.50	21.500	21.500
1998	\$8,071,366	9.5	0.320	1.000000	\$704,183	9.50	20.500	20.500
1997	\$7,521,175	10.5	0.350	1.000000	\$857,270	10.50	19.500	19.500
1996	\$6,808,669	11.5	0.380	1.000000	\$848,490	11.50	18.500	18.500
1995	\$6,117,439	12.5	0.420	1.000000	\$665,493	12.50	17.500	17.500
1994	\$5,541,135	13.5	0.450	1.000000	\$633,202	13.50	16.500	16.500
1993	\$5,090,173	14.5	0.480	1.000000	\$193,981	14.50	15.500	15.500
1992	\$4,930,525	15.5	0.520	1.000000	\$197,900	15.50	14.500	14.500
1991	\$4,785,300	16.5	0.550	1.000000	\$240,925	16.50	13.500	13.500
1990	\$4,616,252	17.5	0.580	1.000000	\$149,996	17.50	12.500	12.500
1989	\$4,499,066	18.5	0.620	1.000000	\$158,319	18.50	11.500	11.500
1988	\$4,382,040	19.5	0.650	1.000000	\$120,408	19.50	10.500	10.500
1987	\$4,294,517	20.5	0.680	0.999996	\$139,218	20.50	9.500	9.500
1986	\$4,181,773	21.5	0.720	0.999941	\$162,795	21.50	8.500	8.501
1985	\$4,115,726	22.5	0.750	0.999668	\$223,123	22.50	7.500	7.503
1984	\$3,947,780	23.5	0.780	0.998519	\$150,726	23.50	6.501	6.511
1983	\$3,842,744	24.5	0.820	0.992025	\$250,194	24.49	5.506	5.550
1982	\$3,635,432	25.5	0.850	0.977126	\$90,955	25.48	4.521	4.627
1981	\$3,559,761	26.5	0.880	0.944262	\$293,914	26.44	3.561	3.771
1980	\$3,312,381	27.5	0.920	0.854621	\$219,459	27.34	2.661	3.114
1979	\$3,091,490	28.5	0.950	0.745039	\$327,405	28.14	1.861	2.498
1978	\$2,722,429	29.5	0.980	0.603840	\$153,674	28.81	1.187	1.966
1977	\$2,504,312	30.5	1.020	0.396160	\$80,789	29.31	0.687	1.734
1976	\$2,324,034	31.5	1.050	0.254961	\$66,692	29.64	0.361	1.417
1975	\$2,122,318	32.5	1.080	0.145379	\$23,871	29.84	0.161	1.109
1974	\$1,978,021	33.5	1.120	0.055768	\$17,989	29.94	0.061	1.087
1973	\$1,817,575	34.5	1.150	0.022874	\$1,981	29.98	0.021	0.931
1972	\$1,756,732	35.5	1.180	0.007975	\$483	29.99	0.006	0.735
1971	\$1,718,416	36.5	1.220	0.001481	\$89	30.00	0.001	0.767
1970	\$1,674,851	37.5	1.250	0.000332	\$16	30.00	0.000	0.693
1969	\$1,643,338	38.5	1.280	0.000060	\$4	30.00	0.000	0.575
1968	\$1,589,449	39.5	1.320	0.000004	\$0	30.00	0.000	0.601

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: S6

Historical Life: 30

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$1,519,378	40.5	1.350	0.000000	\$0	30.00	0.000	0.568
1966	\$1,468,066	41.5	1.380	0.000000	\$0	30.00	0.000	0.515
1965	\$1,427,696	42.5	1.420	0.000000	\$0	30.00	0.000	0.523
1964	\$1,364,571	43.5	1.450	0.000000	\$0	30.00	0.000	0.512
1963	\$1,205,343	44.5	1.480	0.000000	\$0	30.00	0.000	0.501
1962	\$1,145,796	45.5	1.520	0.000000	\$0	30.00	0.000	0.501
1961	\$1,100,385	46.5	1.550	0.000000	\$0	30.00	0.000	0.500
1960	\$1,051,517	47.5	1.580	0.000000	\$0	30.00	0.000	0.500
1959	\$1,050,307	48.5	1.620	0.000000	\$0	30.00	0.000	0.500
1958	\$922,732	49.5	1.650	0.000000	\$0	30.00	0.000	0.500
1957	\$881,701	50.5	1.680	0.000000	\$0	30.00	0.000	0.500
1956	\$859,362	51.5	1.720	0.000000	\$0	30.00	0.000	0.000
1955	\$794,965	52.5	1.750	0.000000	\$0	30.00	0.000	0.000
1954	\$786,797	53.5	1.780	0.000000	\$0	30.00	0.000	0.000
1953	\$732,674	54.5	1.820	0.000000	\$0	30.00	0.000	0.000
1952	\$681,770	55.5	1.850	0.000000	\$0	30.00	0.000	0.000
1951	\$657,084	56.5	1.880	0.000000	\$0	30.00	0.000	0.000
1950	\$638,377	57.5	1.920	0.000000	\$0	30.00	0.000	0.000
1949	\$490,115	58.5	1.950	0.000000	\$0	30.00	0.000	0.000
1948	\$126,989	59.5	1.980	0.000000	\$0	30.00	0.000	0.000
1947	\$85,704	60.5	2.020	0.000000	\$0	30.00	0.000	0.000
1946	\$84,630	61.5	2.050	0.000000	\$0	30.00	0.000	0.000
1945	\$68,155	62.5	2.080	0.000000	\$0	30.00	0.000	0.000
1944	\$66,514	63.5	2.120	0.000000	\$0	30.00	0.000	0.000
1943	\$64,588	64.5	2.150	0.000000	\$0	30.00	0.000	0.000
1942	\$63,070	65.5	2.180	0.000000	\$0	30.00	0.000	0.000
1941	\$44	66.5	2.220	0.000000	\$0	30.00	0.000	0.000
1940	\$0	67.5	2.250	0.000000	\$0	30.00	0.000	0.000
				30.000030	\$13,242,609			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 367 Underground Conductors & Devices

Historical Life Curve: S0

Historical Life: 40

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$439,489	0.5	0.010	0.999791	\$33,251	0.50	39.500	39.508
2006	\$412,989	1.5	0.040	0.997625	\$34,974	1.50	38.501	38.593
2005	\$379,724	2.5	0.060	0.995195	\$40,610	2.50	37.505	37.686
2004	\$341,490	3.5	0.090	0.990304	\$24,984	3.49	36.512	36.870
2003	\$316,261	4.5	0.110	0.986295	\$24,604	4.48	35.524	36.018
2002	\$296,630	5.5	0.140	0.979259	\$28,260	5.46	34.541	35.273
2001	\$270,205	6.5	0.160	0.973935	\$36,101	6.44	33.565	34.463
2000	\$242,854	7.5	0.190	0.965063	\$6,125	7.40	32.595	33.775
1999	\$236,507	8.5	0.210	0.958592	\$2,628	8.37	31.633	33.000
1998	\$233,765	9.5	0.240	0.948103	\$51,863	9.32	30.680	32.359
1997	\$179,063	10.5	0.260	0.940616	\$8,153	10.26	29.736	31.613
1996	\$170,395	11.5	0.290	0.928684	\$46,133	11.20	28.801	31.013
1995	\$120,719	12.5	0.310	0.920285	\$794	12.12	27.876	30.291
1994	\$120,023	13.5	0.340	0.907058	\$6,734	13.04	26.963	29.725
1993	\$112,599	14.5	0.360	0.897840	\$38,562	13.94	26.060	29.026
1992	\$74,282	15.5	0.390	0.883447	\$0	14.83	25.170	28.490
1991	\$74,282	16.5	0.410	0.873492	\$0	15.71	24.291	27.809
1990	\$78,767	17.5	0.440	0.858051	\$7,486	16.57	23.425	27.301
1989	\$72,867	18.5	0.460	0.847434	\$10,289	17.43	22.573	26.636
1988	\$60,726	19.5	0.490	0.831052	\$0	18.27	21.733	26.152
1987	\$60,726	20.5	0.510	0.819842	\$0	19.09	20.908	25.502
1986	\$60,726	21.5	0.540	0.802621	\$0	19.90	20.097	25.039
1985	\$60,726	22.5	0.560	0.790883	\$3,191	20.70	19.300	24.403
1984	\$56,691	23.5	0.590	0.772918	\$0	21.48	18.518	23.959
1983	\$56,691	24.5	0.610	0.760716	\$0	22.25	17.751	23.335
1982	\$56,691	25.5	0.640	0.742098	\$0	23.00	17.000	22.908
1981	\$56,691	26.5	0.660	0.729490	\$0	23.74	16.264	22.295
1980	\$56,691	27.5	0.690	0.710307	\$0	24.46	15.544	21.884
1979	\$56,691	28.5	0.710	0.697351	\$0	25.16	14.840	21.281
1978	\$56,691	29.5	0.740	0.677688	\$0	25.85	14.153	20.884
1977	\$56,691	30.5	0.760	0.664440	\$0	26.52	13.482	20.290
1976	\$56,691	31.5	0.790	0.644381	\$0	27.17	12.827	19.906
1975	\$56,691	32.5	0.810	0.630896	\$0	27.81	12.190	19.321
1974	\$56,691	33.5	0.840	0.610521	\$34,611	28.43	11.569	18.949
1973	\$0	34.5	0.860	0.596852	\$0	29.03	10.965	18.372
1972	\$0	35.5	0.890	0.576241	\$0	29.62	10.379	18.011
1971	\$0	36.5	0.910	0.562442	\$0	30.19	9.809	17.441
1970	\$0	37.5	0.940	0.541675	\$0	30.74	9.257	17.090
1969	\$0	38.5	0.960	0.527797	\$0	31.28	8.723	16.526
1968	\$0	39.5	0.990	0.506952	\$0	31.79	8.205	16.185

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 367 Underground Conductors & Devices

Historical Life Curve: S0

Historical Life: 40

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$0	40.5	1.010	0.493048	\$0	32.29	7.705	15.628
1966	\$0	41.5	1.040	0.472203	\$0	32.78	7.223	15.296
1965	\$0	42.5	1.060	0.458325	\$0	33.24	6.757	14.744
1964	\$0	43.5	1.090	0.437558	\$0	33.69	6.309	14.420
1963	\$0	44.5	1.110	0.423759	\$0	34.12	5.879	13.873
1962	\$0	45.5	1.140	0.403148	\$0	34.53	5.465	13.557
1961	\$0	46.5	1.160	0.389479	\$0	34.93	5.069	13.015
1960	\$0	47.5	1.190	0.369104	\$0	35.31	4.690	12.706
1959	\$0	48.5	1.210	0.355619	\$0	35.67	4.327	12.168
1958	\$0	49.5	1.240	0.335560	\$0	36.02	3.982	11.866
1957	\$0	50.5	1.260	0.322312	\$0	36.35	3.653	11.333
1956	\$0	51.5	1.290	0.302649	\$0	36.66	3.340	11.037
1955	\$0	52.5	1.310	0.289693	\$0	36.96	3.044	10.508
1954	\$0	53.5	1.340	0.270510	\$0	37.24	2.764	10.218
1953	\$0	54.5	1.360	0.257902	\$0	37.50	2.500	9.693
1952	\$0	55.5	1.390	0.239284	\$0	37.75	2.251	9.408
1951	\$0	56.5	1.410	0.227082	\$0	37.98	2.018	8.887
1950	\$0	57.5	1.440	0.209117	\$0	38.20	1.800	8.608
1949	\$0	58.5	1.460	0.197379	\$0	38.40	1.597	8.090
1948	\$0	59.5	1.490	0.180158	\$0	38.59	1.408	7.815
1947	\$0	60.5	1.510	0.168948	\$0	38.77	1.233	7.301
1946	\$0	61.5	1.540	0.152566	\$0	38.93	1.073	7.031
1945	\$0	62.5	1.560	0.141949	\$0	39.07	0.925	6.519
1944	\$0	63.5	1.590	0.126508	\$0	39.21	0.791	6.254
1943	\$0	64.5	1.610	0.116553	\$0	39.33	0.670	5.745
1942	\$0	65.5	1.640	0.102160	\$0	39.44	0.560	5.484
1941	\$0	66.5	1.660	0.092942	\$0	39.54	0.463	4.979
1940	\$0	67.5	1.690	0.079715	\$0	39.62	0.376	4.722
				40.000000	\$439,355			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: R2.5

Historical Life: 40

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$7,540,854	0.5	0.010	0.999448	\$186,134	0.50	39.500	39.522
2006	\$7,413,864	1.5	0.040	0.997651	\$226,988	1.50	38.502	38.592
2005	\$7,219,357	2.5	0.060	0.996325	\$231,696	2.50	37.505	37.643
2004	\$7,041,378	3.5	0.090	0.994121	\$357,517	3.49	36.510	36.725
2003	\$6,770,823	4.5	0.110	0.992497	\$359,012	4.48	35.516	35.785
2002	\$6,441,757	5.5	0.140	0.989805	\$330,984	5.47	34.525	34.881
2001	\$6,147,882	6.5	0.160	0.987823	\$292,082	6.46	33.536	33.950
2000	\$5,891,533	7.5	0.190	0.984544	\$372,247	7.45	32.550	33.061
1999	\$5,552,458	8.5	0.210	0.982136	\$303,149	8.43	31.567	32.141
1998	\$5,283,998	9.5	0.240	0.978158	\$383,238	9.41	30.587	31.270
1997	\$4,944,902	10.5	0.260	0.975244	\$315,803	10.39	29.610	30.362
1996	\$4,667,077	11.5	0.290	0.970443	\$272,260	11.36	28.637	29.509
1995	\$4,419,481	12.5	0.310	0.966934	\$272,039	12.33	27.668	28.615
1994	\$4,187,389	13.5	0.340	0.961170	\$317,918	13.30	26.704	27.783
1993	\$3,934,805	14.5	0.360	0.956969	\$230,226	14.25	25.745	26.903
1992	\$3,730,749	15.5	0.390	0.950088	\$206,788	15.21	24.792	26.094
1991	\$3,576,584	16.5	0.410	0.945088	\$192,300	16.16	23.844	25.230
1990	\$3,417,865	17.5	0.440	0.936924	\$183,841	17.10	22.903	24.445
1989	\$3,267,802	18.5	0.460	0.931011	\$155,538	18.03	21.969	23.597
1988	\$3,142,401	19.5	0.490	0.921384	\$136,853	18.96	21.043	22.838
1987	\$3,051,513	20.5	0.510	0.914433	\$148,274	19.87	20.125	22.008
1986	\$2,924,323	21.5	0.540	0.903151	\$168,966	20.78	19.216	21.277
1985	\$2,779,173	22.5	0.560	0.895028	\$102,384	21.68	18.317	20.466
1984	\$2,684,165	23.5	0.590	0.881883	\$87,165	22.57	17.429	19.763
1983	\$2,593,651	24.5	0.610	0.872443	\$117,997	23.45	16.552	18.972
1982	\$2,464,507	25.5	0.640	0.857206	\$63,976	24.31	15.687	18.300
1981	\$2,406,083	26.5	0.660	0.846292	\$63,221	25.17	14.835	17.529
1980	\$2,339,860	27.5	0.690	0.828715	\$137,652	26.00	13.998	16.891
1979	\$2,188,114	28.5	0.710	0.816153	\$148,144	26.82	13.175	16.143
1978	\$2,022,204	29.5	0.740	0.795970	\$145,177	27.63	12.369	15.540
1977	\$1,867,401	30.5	0.760	0.781579	\$188,618	28.42	11.580	14.816
1976	\$1,659,813	31.5	0.790	0.758520	\$126,316	29.19	10.810	14.252
1975	\$1,525,888	32.5	0.810	0.742127	\$96,776	29.94	10.060	13.555
1974	\$1,425,522	33.5	0.840	0.715950	\$111,543	30.67	9.331	13.033
1973	\$1,298,668	34.5	0.860	0.697417	\$63,057	31.38	8.624	12.366
1972	\$1,229,524	35.5	0.890	0.667972	\$57,606	32.06	7.941	11.889
1971	\$1,168,177	36.5	0.910	0.647247	\$33,145	32.72	7.284	11.254
1970	\$1,131,413	37.5	0.940	0.614553	\$36,854	33.35	6.653	10.826
1969	\$1,090,640	38.5	0.960	0.591728	\$22,412	33.95	6.050	10.224
1968	\$1,068,189	39.5	0.990	0.556069	\$26,557	34.52	5.476	9.848

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: R2.5

Historical Life: 40

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$1,033,818	40.5	1.010	0.531446	\$16,707	35.07	4.932	9.281
1966	\$1,020,827	41.5	1.040	0.493451	\$21,379	35.58	4.420	8.957
1965	\$990,154	42.5	1.060	0.467573	\$19,557	36.06	3.939	8.425
1964	\$958,014	43.5	1.090	0.428245	\$30,831	36.51	3.491	8.153
1963	\$899,112	44.5	1.110	0.401893	\$28,596	36.92	3.076	7.654
1962	\$835,774	45.5	1.140	0.362547	\$18,970	37.31	2.694	7.431
1961	\$802,475	46.5	1.160	0.336667	\$17,661	37.66	2.344	6.963
1960	\$762,991	47.5	1.190	0.298769	\$17,162	37.97	2.027	6.783
1959	\$714,001	48.5	1.210	0.274337	\$19,715	38.26	1.740	6.343
1958	\$654,624	49.5	1.240	0.239280	\$16,475	38.52	1.483	6.199
1957	\$595,281	50.5	1.260	0.217140	\$11,216	38.74	1.255	5.780
1956	\$543,627	51.5	1.290	0.186005	\$13,361	38.95	1.054	5.664
1955	\$474,654	52.5	1.310	0.166730	\$4,576	39.12	0.877	5.261
1954	\$452,194	53.5	1.340	0.140137	\$4,304	39.28	0.724	5.164
1953	\$421,537	54.5	1.360	0.123976	\$5,059	39.41	0.592	4.772
1952	\$380,732	55.5	1.390	0.102068	\$2,308	39.52	0.479	4.689
1951	\$358,115	56.5	1.410	0.088984	\$2,384	39.62	0.383	4.305
1950	\$332,316	57.5	1.440	0.071547	\$4,547	39.70	0.303	4.233
1949	\$271,602	58.5	1.460	0.061385	\$7,424	39.76	0.236	3.851
1948	\$151,413	59.5	1.490	0.047945	\$4,323	39.82	0.182	3.790
1947	\$62,199	60.5	1.510	0.040266	\$914	39.86	0.138	3.417
1946	\$39,500	61.5	1.540	0.030461	\$172	39.90	0.102	3.356
1945	\$33,860	62.5	1.560	0.024979	\$129	39.93	0.075	2.983
1944	\$28,687	63.5	1.590	0.018177	\$2	39.95	0.053	2.913
1943	\$28,602	64.5	1.610	0.014486	\$22	39.96	0.037	2.528
1942	\$27,078	65.5	1.640	0.010030	\$271	39.98	0.024	2.428
1941	\$60	66.5	1.660	0.007672	\$0	39.98	0.016	2.021
1940	\$0	67.5	1.690	0.004875	\$0	39.99	0.009	1.893
				<u>40.000067</u>	<u>\$7,540,519</u>			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 369 Services

Historical Life Curve: L0

Historical Life: 31

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srv	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$4,415,884	0.5	0.020	0.996804	\$244,779	0.50	30.497	30.595
2006	\$4,262,362	1.5	0.050	0.988895	\$225,209	1.49	29.504	29.835
2005	\$4,108,816	2.5	0.080	0.978719	\$186,491	2.48	28.520	29.140
2004	\$4,011,715	3.5	0.110	0.966901	\$191,286	3.45	27.547	28.490
2003	\$3,888,380	4.5	0.150	0.949167	\$227,949	4.41	26.589	28.013
2002	\$3,707,042	5.5	0.180	0.934671	\$221,280	5.35	25.648	27.440
2001	\$3,521,021	6.5	0.210	0.919330	\$211,642	6.27	24.721	26.890
2000	\$3,331,604	7.5	0.240	0.903273	\$241,678	7.19	23.809	26.359
1999	\$3,128,353	8.5	0.270	0.886609	\$242,505	8.08	22.914	25.845
1998	\$2,905,551	9.5	0.310	0.863606	\$228,894	8.96	22.039	25.520
1997	\$2,691,173	10.5	0.340	0.845874	\$253,260	9.81	21.184	25.044
1996	\$2,444,648	11.5	0.370	0.827812	\$218,028	10.65	20.348	24.580
1995	\$2,243,864	12.5	0.400	0.809491	\$189,155	11.47	19.529	24.125
1994	\$2,074,850	13.5	0.440	0.784773	\$158,035	12.26	18.732	23.869
1993	\$1,923,644	14.5	0.470	0.766099	\$107,298	13.04	17.956	23.439
1992	\$1,837,813	15.5	0.500	0.747376	\$113,191	13.80	17.200	23.013
1991	\$1,721,142	16.5	0.530	0.728653	\$102,472	14.53	16.462	22.592
1990	\$1,615,154	17.5	0.560	0.709950	\$91,902	15.25	15.742	22.174
1989	\$1,518,999	18.5	0.600	0.685073	\$88,128	15.95	15.045	21.961
1988	\$1,428,365	19.5	0.630	0.666481	\$102,331	16.63	14.369	21.560
1987	\$1,307,884	20.5	0.660	0.647964	\$49,882	17.28	13.712	21.161
1986	\$1,259,977	21.5	0.690	0.629538	\$44,390	17.92	13.073	20.766
1985	\$1,213,256	22.5	0.730	0.605140	\$46,240	18.54	12.456	20.583
1984	\$1,190,737	23.5	0.760	0.586988	\$47,446	19.14	11.860	20.204
1983	\$1,136,733	24.5	0.790	0.568980	\$60,305	19.71	11.282	19.828
1982	\$1,057,557	25.5	0.820	0.551130	\$49,292	20.27	10.722	19.454
1981	\$992,606	26.5	0.850	0.533453	\$47,964	20.82	10.179	19.082
1980	\$938,614	27.5	0.890	0.510177	\$52,840	21.34	9.658	18.930
1979	\$859,104	28.5	0.920	0.492958	\$45,002	21.84	9.156	18.573
1978	\$789,369	29.5	0.950	0.475959	\$41,291	22.32	8.671	18.219
1977	\$724,334	30.5	0.980	0.459190	\$42,620	22.79	8.204	17.866
1976	\$652,493	31.5	1.020	0.437213	\$35,659	23.24	7.756	17.739
1975	\$589,571	32.5	1.050	0.421031	\$33,436	23.67	7.327	17.402
1974	\$524,808	33.5	1.080	0.405119	\$30,550	24.08	6.914	17.065
1973	\$475,440	34.5	1.110	0.389488	\$19,605	24.48	6.516	16.730
1972	\$438,765	35.5	1.150	0.369099	\$16,243	24.86	6.137	16.627
1971	\$406,181	36.5	1.180	0.354158	\$14,075	25.22	5.775	16.307
1970	\$375,986	37.5	1.210	0.339527	\$11,637	25.57	5.428	15.988
1969	\$351,491	38.5	1.240	0.325214	\$7,917	25.90	5.096	15.670
1968	\$336,180	39.5	1.270	0.311226	\$5,504	26.22	4.778	15.352

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 369 Services

Historical Life Curve: L0

Historical Life: 31

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$326,296	40.5	1.310	0.293091	\$4,325	26.52	4.476	15.271
1966	\$318,353	41.5	1.340	0.279883	\$4,805	26.81	4.189	14.968
1965	\$305,680	42.5	1.370	0.267018	\$5,513	27.08	3.916	14.665
1964	\$291,213	43.5	1.400	0.254500	\$13,604	27.34	3.655	14.362
1963	\$249,668	44.5	1.440	0.238355	\$7,219	27.59	3.409	14.300
1962	\$226,336	45.5	1.470	0.226657	\$4,253	27.82	3.176	14.013
1961	\$211,573	46.5	1.500	0.215315	\$4,404	28.04	2.955	13.724
1960	\$194,536	47.5	1.530	0.204329	\$469	28.25	2.745	13.436
1959	\$196,454	48.5	1.560	0.193699	\$6,566	28.45	2.546	13.145
1958	\$165,003	49.5	1.600	0.180081	\$3,030	28.64	2.359	13.102
1957	\$151,405	50.5	1.630	0.170281	\$1,555	28.81	2.184	12.827
1956	\$145,635	51.5	1.660	0.160835	\$2,378	28.98	2.019	12.551
1955	\$133,832	52.5	1.690	0.151739	\$543	29.13	1.862	12.273
1954	\$130,904	53.5	1.730	0.140153	\$1,796	29.28	1.716	12.247
1953	\$119,145	54.5	1.760	0.131865	\$1,517	29.41	1.580	11.985
1952	\$107,853	55.5	1.790	0.123917	\$638	29.54	1.452	11.722
1951	\$102,728	56.5	1.820	0.116303	\$662	29.66	1.332	11.456
1950	\$97,267	57.5	1.850	0.109020	\$2,462	29.78	1.220	11.188
1949	\$75,809	58.5	1.890	0.099812	\$5,201	29.88	1.115	11.174
1948	\$24,505	59.5	1.920	0.093276	\$895	29.98	1.019	10.922
1947	\$15,379	60.5	1.950	0.087050	\$111	30.07	0.929	10.667
1946	\$14,106	61.5	1.980	0.081127	\$200	30.15	0.845	10.410
1945	\$11,637	62.5	2.020	0.073690	\$71	30.23	0.767	10.410
1944	\$10,670	63.5	2.050	0.068447	\$78	30.30	0.696	10.169
1943	\$9,531	64.5	2.080	0.063483	\$91	30.37	0.630	9.925
1942	\$8,096	65.5	2.110	0.058789	\$474	30.43	0.569	9.678
1941	\$38	66.5	2.150	0.052937	\$2	30.48	0.513	9.692
1940	\$0	67.5	2.180	0.048842	\$0	30.53	0.462	9.463
				<u>30.995364</u>	<u>\$4,420,269</u>			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 370 Meters

Historical Life Curve: S1

Historical Life: 33

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$2,624,577	0.5	0.020	0.999982	\$79,991	0.50	32.500	32.501
2006	\$2,548,782	1.5	0.050	0.999770	\$80,589	1.50	31.500	31.507
2005	\$2,473,738	2.5	0.080	0.999148	\$87,390	2.50	30.501	30.527
2004	\$2,423,609	3.5	0.110	0.997945	\$77,685	3.50	29.502	29.563
2003	\$2,465,263	4.5	0.140	0.996021	\$370,401	4.49	28.505	28.619
2002	\$2,093,382	5.5	0.170	0.993255	\$776,248	5.49	27.511	27.697
2001	\$1,312,909	6.5	0.200	0.989548	\$101,494	6.48	26.519	26.799
2000	\$1,211,376	7.5	0.230	0.984816	\$105,445	7.47	25.532	25.926
1999	\$1,104,703	8.5	0.260	0.978993	\$62,251	8.45	24.550	25.077
1998	\$1,041,243	9.5	0.290	0.972024	\$71,840	9.43	23.575	24.253
1997	\$968,183	10.5	0.320	0.963870	\$47,420	10.39	22.607	23.454
1996	\$920,116	11.5	0.350	0.954501	\$82,971	11.35	21.647	22.679
1995	\$858,455	12.5	0.380	0.943901	\$52,715	12.30	20.698	21.928
1994	\$821,716	13.5	0.410	0.932062	\$56,266	13.24	19.760	21.201
1993	\$777,714	14.5	0.440	0.918986	\$35,319	14.17	18.835	20.495
1992	\$756,053	15.5	0.470	0.904686	\$39,591	15.08	17.923	19.811
1991	\$742,537	16.5	0.500	0.889181	\$29,708	15.97	17.026	19.148
1990	\$720,829	17.5	0.530	0.872500	\$20,471	16.85	16.145	18.504
1989	\$705,160	18.5	0.560	0.854677	\$22,359	17.72	15.281	17.880
1988	\$684,629	19.5	0.590	0.835754	\$44,571	18.56	14.436	17.273
1987	\$678,813	20.5	0.620	0.815780	\$23,717	19.39	13.610	16.684
1986	\$668,762	21.5	0.650	0.794808	\$73,489	20.19	12.805	16.111
1985	\$581,969	22.5	0.680	0.772898	\$30,188	20.98	12.021	15.554
1984	\$543,844	23.5	0.710	0.750114	\$19,791	21.74	11.260	15.011
1983	\$555,725	24.5	0.740	0.726524	\$35,592	22.48	10.522	14.482
1982	\$507,225	25.5	0.770	0.702201	\$23,351	23.19	9.807	13.966
1981	\$484,258	26.5	0.800	0.677222	\$16,447	23.88	9.117	13.463
1980	\$467,359	27.5	0.830	0.651665	\$14,461	24.55	8.453	12.971
1979	\$445,168	28.5	0.860	0.625613	\$15,414	25.19	7.814	12.491
1978	\$427,855	29.5	0.890	0.599149	\$12,794	25.80	7.202	12.020
1977	\$412,843	30.5	0.920	0.572359	\$11,862	26.38	6.616	11.560
1976	\$392,693	31.5	0.950	0.545332	\$11,503	26.94	6.057	11.108
1975	\$375,572	32.5	0.980	0.518156	\$11,679	27.47	5.526	10.664
1974	\$358,008	33.5	1.020	0.481844	\$12,262	27.97	5.026	10.430
1973	\$336,943	34.5	1.050	0.454668	\$8,201	28.44	4.557	10.024
1972	\$321,542	35.5	1.080	0.427641	\$8,984	28.88	4.116	9.625
1971	\$300,534	36.5	1.110	0.400851	\$4,312	29.30	3.702	9.235
1970	\$295,780	37.5	1.140	0.374387	\$3,632	29.69	3.314	8.853
1969	\$288,556	38.5	1.170	0.348335	\$4,800	30.05	2.953	8.477
1968	\$291,098	39.5	1.200	0.322778	\$4,329	30.38	2.617	8.109

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 370 Meters

Historical Life Curve: S1

Historical Life: 33

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$277,707	40.5	1.230	0.297799	\$3,295	30.69	2.307	7.747
1966	\$269,624	41.5	1.260	0.273476	\$3,077	30.98	2.022	7.392
1965	\$259,200	42.5	1.290	0.249886	\$3,983	31.24	1.760	7.043
1964	\$256,035	43.5	1.320	0.227102	\$3,257	31.48	1.521	6.699
1963	\$244,135	44.5	1.350	0.205192	\$3,558	31.69	1.305	6.361
1962	\$226,817	45.5	1.380	0.184220	\$2,736	31.89	1.110	6.028
1961	\$212,109	46.5	1.410	0.164246	\$2,558	32.06	0.936	5.700
1960	\$196,642	47.5	1.440	0.145323	\$1,380	32.22	0.781	5.377
1959	\$187,873	48.5	1.470	0.127500	\$1,922	32.35	0.645	5.059
1958	\$172,798	49.5	1.500	0.110819	\$1,620	32.47	0.526	4.746
1957	\$158,180	50.5	1.530	0.095314	\$1,640	32.58	0.423	4.436
1956	\$140,976	51.5	1.560	0.081014	\$1,213	32.67	0.335	4.131
1955	\$126,001	52.5	1.590	0.067938	\$581	32.74	0.260	3.830
1954	\$117,454	53.5	1.620	0.056099	\$514	32.80	0.198	3.533
1953	\$108,284	54.5	1.650	0.045499	\$288	32.85	0.147	3.239
1952	\$101,964	55.5	1.680	0.036130	\$313	32.89	0.107	2.949
1951	\$93,303	56.5	1.710	0.027976	\$191	32.93	0.075	2.663
1950	\$86,604	57.5	1.740	0.021007	\$220	32.95	0.050	2.381
1949	\$76,256	58.5	1.770	0.015184	\$330	32.97	0.032	2.102
1948	\$54,630	59.5	1.800	0.010452	\$306	32.98	0.019	1.828
1947	\$29,384	60.5	1.830	0.006745	\$93	32.99	0.011	1.558
1946	\$15,533	61.5	1.860	0.003979	\$4	32.99	0.005	1.293
1945	\$14,498	62.5	1.890	0.002055	\$6	33.00	0.002	1.036
1944	\$11,711	63.5	1.920	0.000852	\$1	33.00	0.001	0.791
1943	\$10,608	64.5	1.950	0.000230	\$0	33.00	0.000	0.576
1942	\$9,863	65.5	1.980	0.000018	\$0	33.00	0.000	0.500
1941	\$32	66.5	2.020	0.000000	\$0	33.00	0.000	0.000
1940	\$0	67.5	2.050	0.000000	\$0	33.00	0.000	0.000
				33.000000	\$2,624,622			

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: L1.5

Historical Life: 27

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$1,517,799	0.5	0.020	0.999381	\$90,943	0.50	26.499	26.516
2006	\$1,449,325	1.5	0.060	0.997575	\$91,990	1.50	25.501	25.563
2005	\$1,377,590	2.5	0.090	0.995549	\$82,364	2.49	24.504	24.614
2004	\$1,321,204	3.5	0.130	0.991693	\$71,182	3.49	23.511	23.708
2003	\$1,269,633	4.5	0.170	0.986255	\$80,885	4.48	22.522	22.836
2002	\$1,202,691	5.5	0.200	0.980994	\$74,702	5.46	21.538	21.955
2001	\$1,140,354	6.5	0.240	0.972255	\$78,803	6.44	20.562	21.148
2000	\$1,071,542	7.5	0.280	0.961426	\$74,397	7.40	19.595	20.381
1999	\$1,006,921	8.5	0.310	0.950981	\$84,682	8.36	18.639	19.599
1998	\$931,564	9.5	0.350	0.937253	\$78,060	9.30	17.694	18.879
1997	\$857,779	10.5	0.390	0.920213	\$67,865	10.23	16.766	18.219
1996	\$794,970	11.5	0.430	0.900464	\$58,663	11.14	15.855	17.608
1995	\$742,163	12.5	0.460	0.883763	\$56,883	12.04	14.963	16.931
1994	\$690,529	13.5	0.500	0.858969	\$56,047	12.91	14.092	16.406
1993	\$637,933	14.5	0.540	0.831459	\$49,346	13.75	13.247	15.932
1992	\$590,678	15.5	0.570	0.809252	\$45,080	14.57	12.426	15.355
1991	\$545,365	16.5	0.610	0.777926	\$35,732	15.37	11.633	14.953
1990	\$506,863	17.5	0.650	0.745087	\$30,464	16.13	10.871	14.590
1989	\$471,301	18.5	0.690	0.711135	\$29,427	16.86	10.143	14.263
1988	\$437,093	19.5	0.720	0.685184	\$27,556	17.55	9.445	13.784
1987	\$412,437	20.5	0.760	0.650251	\$16,360	18.22	8.777	13.498
1986	\$394,651	21.5	0.800	0.615279	\$18,141	18.85	8.144	13.237
1985	\$376,415	22.5	0.830	0.589226	\$23,991	19.46	7.542	12.800
1984	\$359,943	23.5	0.870	0.554954	\$17,262	20.03	6.970	12.560
1983	\$349,748	24.5	0.910	0.521433	\$17,734	20.57	6.432	12.335
1982	\$341,218	25.5	0.940	0.496898	\$18,821	21.08	5.923	11.919
1981	\$323,375	26.5	0.980	0.465107	\$13,639	21.56	5.442	11.700
1980	\$318,646	27.5	1.020	0.434463	\$14,260	22.01	4.992	11.490
1979	\$304,536	28.5	1.060	0.405028	\$14,591	22.43	4.572	11.289
1978	\$283,240	29.5	1.090	0.383764	\$12,841	22.82	4.178	10.886
1977	\$269,085	30.5	1.130	0.356505	\$12,598	23.19	3.808	10.681
1976	\$239,916	31.5	1.170	0.330487	\$11,154	23.53	3.464	10.482
1975	\$214,087	32.5	1.200	0.311778	\$9,641	23.86	3.143	10.081
1974	\$195,382	33.5	1.240	0.287883	\$10,083	24.16	2.843	9.876
1973	\$180,113	34.5	1.280	0.265164	\$6,930	24.43	2.567	9.680
1972	\$164,108	35.5	1.310	0.248880	\$5,778	24.69	2.310	9.280
1971	\$150,092	36.5	1.350	0.228151	\$6,004	24.93	2.071	9.078
1970	\$134,354	37.5	1.390	0.208525	\$3,461	25.15	1.853	8.885
1969	\$124,385	38.5	1.430	0.189979	\$2,627	25.35	1.654	8.704
1968	\$115,618	39.5	1.460	0.176767	\$2,381	25.53	1.470	8.317

# Licking Valley Rural Electric Cooperative

## Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: L1.5

Historical Life: 27

B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
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Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1967	\$108,990	40.5	1.500	0.160067	\$2,545	25.70	1.302	8.133
1966	\$97,888	41.5	1.540	0.144399	\$1,689	25.85	1.150	7.961
1965	\$87,811	42.5	1.570	0.133315	\$1,780	25.99	1.011	7.581
1964	\$76,805	43.5	1.610	0.119413	\$3,051	26.11	0.884	7.405
1963	\$53,938	44.5	1.650	0.106496	\$2,916	26.23	0.771	7.243
1962	\$28,525	45.5	1.690	0.094542	\$2,727	26.33	0.671	7.096
1961	\$0	46.5	1.720	0.086195	\$0	26.42	0.580	6.734
1960	\$0	47.5	1.760	0.075867	\$0	26.50	0.499	6.583
1959	\$0	48.5	1.800	0.066429	\$0	26.57	0.428	6.447
1958	\$0	49.5	1.830	0.059914	\$0	26.63	0.365	6.094
1957	\$0	50.5	1.870	0.051949	\$0	26.69	0.309	5.952
1956	\$0	51.5	1.910	0.044774	\$0	26.74	0.261	5.825
1955	\$0	52.5	1.940	0.039885	\$0	26.78	0.218	5.478
1954	\$0	53.5	1.980	0.033991	\$0	26.82	0.182	5.341
1953	\$0	54.5	2.020	0.028767	\$0	26.85	0.150	5.220
1952	\$0	55.5	2.060	0.024168	\$0	26.88	0.124	5.119
1951	\$0	56.5	2.090	0.021100	\$0	26.90	0.101	4.790
1950	\$0	57.5	2.130	0.017482	\$0	26.92	0.082	4.678
1949	\$0	58.5	2.170	0.014361	\$0	26.93	0.066	4.586
1948	\$0	59.5	2.200	0.012317	\$0	26.95	0.053	4.264
1947	\$0	60.5	2.240	0.009954	\$0	26.96	0.041	4.158
1946	\$0	61.5	2.280	0.007963	\$0	26.97	0.032	4.072
1945	\$0	62.5	2.310	0.006689	\$0	26.97	0.025	3.753
1944	\$0	63.5	2.350	0.005249	\$0	26.98	0.019	3.645
1943	\$0	64.5	2.390	0.004070	\$0	26.98	0.014	3.557
1942	\$0	65.5	2.430	0.003115	\$0	26.99	0.011	3.493
1941	\$0	66.5	2.460	0.002527	\$0	26.99	0.008	3.190
1940	\$0	67.5	2.500	0.001887	\$0	26.99	0.006	3.101
				26.999130	\$1,518,076			

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 362      Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$0	32.00	3.13%	\$0.00	31.50	98.44%	\$0
2006	\$0	32.00	3.13%	\$0.00	30.50	95.31%	\$0
2005	\$0	32.00	3.13%	\$0.00	29.50	92.19%	\$0
2004	\$0	32.00	3.13%	\$0.00	28.50	89.06%	\$0
2003	\$0	32.00	3.13%	\$0.00	27.50	85.94%	\$0
2002	\$0	32.00	3.13%	\$0.00	26.50	82.81%	\$0
2001	\$0	32.00	3.13%	\$0.00	25.50	79.69%	\$0
2000	\$0	32.00	3.13%	\$0.00	24.50	76.56%	\$0
1999	\$0	32.00	3.13%	\$0.00	23.50	73.44%	\$0
1998	\$0	32.00	3.13%	\$0.00	22.50	70.31%	\$0
1997	\$0	32.00	3.13%	\$0.00	21.50	67.19%	\$0
1996	\$0	32.00	3.13%	\$0.00	20.50	64.06%	\$0
1995	\$0	32.00	3.13%	\$0.00	19.50	60.94%	\$0
1994	\$0	32.00	3.13%	\$0.00	18.50	57.81%	\$0
1993	\$0	32.00	3.13%	\$0.00	17.50	54.69%	\$0
1992	\$0	32.00	3.13%	\$0.00	16.50	51.56%	\$0
1991	\$0	32.00	3.13%	\$0.00	15.50	48.44%	\$0
1990	\$0	32.00	3.13%	\$0.00	14.50	45.31%	\$0
1989	\$0	32.00	3.13%	\$0.00	13.50	42.19%	\$0
1988	\$0	32.00	3.13%	\$0.00	12.50	39.06%	\$0
1987	\$0	32.00	3.13%	\$0.00	11.50	35.94%	\$0
1986	\$31,442	32.00	3.13%	\$982.56	10.50	32.81%	\$10,317
1985	\$0	32.00	3.13%	\$0.00	9.50	29.69%	\$0
1984	\$0	32.00	3.13%	\$0.00	8.50	26.57%	\$0
1983	\$0	32.00	3.13%	\$0.00	7.51	23.46%	\$0
1982	\$0	32.00	3.13%	\$0.00	6.53	20.39%	\$0
1981	\$0	32.00	3.13%	\$0.00	5.57	17.42%	\$0
1980	\$0	32.00	3.13%	\$0.00	4.68	14.62%	\$0
1979	\$0	32.00	3.13%	\$0.00	3.86	12.08%	\$0
1978	\$0	32.00	3.13%	\$0.00	3.15	9.85%	\$0
1977	\$0	32.00	3.13%	\$0.00	2.54	7.94%	\$0
1976	\$0	32.00	3.13%	\$0.00	2.02	6.31%	\$0
1975	\$0	32.00	3.13%	\$0.00	1.81	5.67%	\$0
1974	\$0	32.00	3.13%	\$0.00	1.54	4.82%	\$0
1973	\$0	32.00	3.13%	\$0.00	1.33	4.14%	\$0
1972	\$0	32.00	3.13%	\$0.00	1.15	3.61%	\$0
1971	\$0	32.00	3.13%	\$0.00	1.02	3.18%	\$0
1970	\$0	32.00	3.13%	\$0.00	0.90	2.82%	\$0
1969	\$0	32.00	3.13%	\$0.00	0.79	2.48%	\$0
1968	\$0	32.00	3.13%	\$0.00	0.64	1.99%	\$0
1967	\$0	32.00	3.13%	\$0.00	0.67	2.10%	\$0
1966	\$0	32.00	3.13%	\$0.00	0.63	1.96%	\$0

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 362      Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$0	32.00	3.13%	\$0.00	0.59	1.84%	\$0
1964	\$0	32.00	3.13%	\$0.00	0.56	1.75%	\$0
1963	\$0	32.00	3.13%	\$0.00	0.54	1.68%	\$0
1962	\$0	32.00	3.13%	\$0.00	0.52	1.63%	\$0
1961	\$0	32.00	3.13%	\$0.00	0.51	1.60%	\$0
1960	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1959	\$0	32.00	3.13%	\$0.00	0.50	1.57%	\$0
1958	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1957	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1956	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1955	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1954	\$0	32.00	3.13%	\$0.00	0.50	1.56%	\$0
1953	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1952	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1951	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1950	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1949	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1948	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1947	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1946	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1945	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1944	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1943	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1942	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1941	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
1940	\$0	32.00	3.13%	\$0.00	0.00	0.00%	\$0
				\$983			\$10,317
				Net Salvage Adjustment    0%	\$0		\$0
				\$983			\$10,317

Composite Remaining Life in Years      10.50

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$1,019,320	29.00	3.45%	\$35,148.95	28.52	98.34%	\$1,002,433
2006	\$922,509	29.00	3.45%	\$31,810.64	27.56	95.02%	\$876,549
2005	\$924,483	29.00	3.45%	\$31,878.73	26.62	91.81%	\$848,766
2004	\$812,836	29.00	3.45%	\$28,028.82	25.70	88.61%	\$720,265
2003	\$853,085	29.00	3.45%	\$29,416.73	24.83	85.60%	\$730,280
2002	\$838,974	29.00	3.45%	\$28,930.14	23.95	82.58%	\$692,785
2001	\$939,051	29.00	3.45%	\$32,381.08	23.09	79.62%	\$747,697
2000	\$823,566	29.00	3.45%	\$28,398.82	22.32	76.96%	\$633,828
1999	\$875,468	29.00	3.45%	\$30,188.55	21.52	74.20%	\$649,580
1998	\$935,442	29.00	3.45%	\$32,256.62	20.82	71.79%	\$671,531
1997	\$811,666	29.00	3.45%	\$27,988.49	20.07	69.21%	\$561,769
1996	\$952,344	29.00	3.45%	\$32,839.45	19.45	67.07%	\$638,715
1995	\$771,428	29.00	3.45%	\$26,600.96	18.77	64.71%	\$499,217
1994	\$652,985	29.00	3.45%	\$22,516.72	18.24	62.89%	\$410,656
1993	\$533,915	29.00	3.45%	\$18,410.87	17.63	60.78%	\$324,535
1992	\$360,897	29.00	3.45%	\$12,444.73	17.04	58.77%	\$212,107
1991	\$385,463	29.00	3.45%	\$13,291.82	16.64	57.39%	\$221,220
1990	\$351,951	29.00	3.45%	\$12,136.25	16.12	55.60%	\$195,669
1989	\$283,619	29.00	3.45%	\$9,779.97	15.80	54.47%	\$154,490
1988	\$254,719	29.00	3.45%	\$8,783.40	15.33	52.85%	\$134,612
1987	\$232,490	29.00	3.45%	\$8,016.90	15.06	51.93%	\$120,733
1986	\$209,494	29.00	3.45%	\$7,223.95	14.63	50.45%	\$105,682
1985	\$247,680	29.00	3.45%	\$8,540.71	14.41	49.69%	\$123,080
1984	\$221,483	29.00	3.45%	\$7,637.35	14.01	48.31%	\$107,009
1983	\$252,416	29.00	3.45%	\$8,704.02	13.62	46.95%	\$118,511
1982	\$151,103	29.00	3.45%	\$5,210.44	13.43	46.32%	\$69,998
1981	\$235,279	29.00	3.45%	\$8,113.08	13.06	45.02%	\$105,923
1980	\$197,743	29.00	3.45%	\$6,818.73	12.89	44.46%	\$87,912
1979	\$245,487	29.00	3.45%	\$8,465.08	12.53	43.19%	\$106,028
1978	\$155,786	29.00	3.45%	\$5,371.95	12.37	42.67%	\$66,470
1977	\$122,225	29.00	3.45%	\$4,214.64	12.01	41.42%	\$50,629
1976	\$112,792	29.00	3.45%	\$3,889.37	11.87	40.92%	\$46,158
1975	\$85,916	29.00	3.45%	\$2,962.61	11.51	39.69%	\$34,104
1974	\$110,148	29.00	3.45%	\$3,798.20	11.37	39.21%	\$43,193
1973	\$41,375	29.00	3.45%	\$1,426.72	11.02	38.00%	\$15,722
1972	\$31,653	29.00	3.45%	\$1,091.49	10.66	36.76%	\$11,636
1971	\$25,565	29.00	3.45%	\$881.56	10.52	36.27%	\$9,271
1970	\$18,505	29.00	3.45%	\$638.11	10.16	35.04%	\$6,484
1969	\$46,942	29.00	3.45%	\$1,618.68	10.02	34.57%	\$16,227
1968	\$18,062	29.00	3.45%	\$622.83	9.67	33.36%	\$6,026
1967	\$14,224	29.00	3.45%	\$490.47	9.55	32.92%	\$4,682
1966	\$12,633	29.00	3.45%	\$435.62	9.20	31.74%	\$4,009
1965	\$14,287	29.00	3.45%	\$492.66	9.09	31.33%	\$4,476

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 364      Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1964	\$39,992	29.00	3.45%	\$1,379.03	8.75	30.18%	\$12,070
1963	\$15,319	29.00	3.45%	\$528.25	8.41	29.01%	\$4,444
1962	\$8,370	29.00	3.45%	\$288.61	8.30	28.61%	\$2,395
1961	\$9,286	29.00	3.45%	\$320.20	7.97	27.47%	\$2,550
1960	\$5,444	29.00	3.45%	\$187.74	7.86	27.11%	\$1,476
1959	\$14,257	29.00	3.45%	\$491.64	7.54	25.99%	\$3,706
1958	\$4,298	29.00	3.45%	\$148.20	7.45	25.68%	\$1,104
1957	\$2,556	29.00	3.45%	\$88.15	7.13	24.60%	\$629
1956	\$4,824	29.00	3.45%	\$166.34	7.06	24.33%	\$1,174
1955	\$923	29.00	3.45%	\$31.83	6.75	23.29%	\$215
1954	\$3,502	29.00	3.45%	\$120.75	6.44	22.21%	\$778
1953	\$2,757	29.00	3.45%	\$95.05	6.36	21.94%	\$605
1952	\$1,249	29.00	3.45%	\$43.06	6.06	20.89%	\$261
1951	\$887	29.00	3.45%	\$30.59	5.99	20.65%	\$183
1950	\$5,094	29.00	3.45%	\$175.65	5.69	19.63%	\$1,000
1949	\$8,723	29.00	3.45%	\$300.81	5.64	19.43%	\$1,695
1948	\$1,296	29.00	3.45%	\$44.68	5.35	18.44%	\$239
1947	\$276	29.00	3.45%	\$9.51	5.30	18.29%	\$50
1946	\$173	29.00	3.45%	\$5.97	5.03	17.34%	\$30
1945	\$35	29.00	3.45%	\$1.22	5.00	17.24%	\$6
1944	\$34	29.00	3.45%	\$1.16	4.74	16.33%	\$6
1943	\$18	29.00	3.45%	\$0.63	4.46	15.37%	\$3
1942	\$478	29.00	3.45%	\$16.49	4.42	15.25%	\$73
1941	\$1	29.00	3.45%	\$0.02	4.15	14.31%	\$0
1940	\$0	29.00	3.45%	\$0.00	4.12	14.22%	\$0
				\$594,353			\$12,225,269
				Net Salvage Adjustment    35%	\$208,024		\$4,278,844
				\$802,376			\$16,504,114

Composite Remaining Life in Years      20.57

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 365      Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$742,720	30.00	3.33%	\$24,757.33	29.50	98.33%	\$730,342
2006	\$755,248	30.00	3.33%	\$25,174.93	28.50	95.00%	\$717,486
2005	\$620,112	30.00	3.33%	\$20,670.40	27.50	91.67%	\$568,437
2004	\$615,808	30.00	3.33%	\$20,526.93	26.50	88.33%	\$543,964
2003	\$617,324	30.00	3.33%	\$20,577.47	25.50	85.00%	\$524,726
2002	\$624,669	30.00	3.33%	\$20,822.30	24.50	81.67%	\$510,147
2001	\$703,499	30.00	3.33%	\$23,449.97	23.50	78.33%	\$551,075
2000	\$539,510	30.00	3.33%	\$17,983.67	22.50	75.00%	\$404,633
1999	\$1,050,174	30.00	3.33%	\$35,005.80	21.50	71.67%	\$752,626
1998	\$704,183	30.00	3.33%	\$23,472.77	20.50	68.33%	\$481,192
1997	\$857,270	30.00	3.33%	\$28,575.67	19.50	65.00%	\$557,226
1996	\$848,490	30.00	3.33%	\$28,283.00	18.50	61.67%	\$523,236
1995	\$665,493	30.00	3.33%	\$22,183.10	17.50	58.33%	\$388,205
1994	\$633,202	30.00	3.33%	\$21,106.73	16.50	55.00%	\$348,262
1993	\$193,981	30.00	3.33%	\$6,466.03	15.50	51.67%	\$100,224
1992	\$197,900	30.00	3.33%	\$6,596.67	14.50	48.33%	\$95,652
1991	\$240,925	30.00	3.33%	\$8,030.83	13.50	45.00%	\$108,416
1990	\$149,996	30.00	3.33%	\$4,999.87	12.50	41.67%	\$62,498
1989	\$158,319	30.00	3.33%	\$5,277.30	11.50	38.33%	\$60,689
1988	\$120,408	30.00	3.33%	\$4,013.60	10.50	35.00%	\$42,143
1987	\$139,218	30.00	3.33%	\$4,640.61	9.50	31.67%	\$44,086
1986	\$162,795	30.00	3.33%	\$5,426.50	8.50	28.34%	\$46,128
1985	\$223,123	30.00	3.33%	\$7,437.44	7.50	25.01%	\$55,801
1984	\$150,726	30.00	3.33%	\$5,024.19	6.51	21.70%	\$32,712
1983	\$250,194	30.00	3.33%	\$8,339.80	5.55	18.50%	\$46,287
1982	\$90,955	30.00	3.33%	\$3,031.84	4.63	15.42%	\$14,029
1981	\$293,914	30.00	3.33%	\$9,797.12	3.77	12.57%	\$36,943
1980	\$219,459	30.00	3.33%	\$7,315.30	3.11	10.38%	\$22,779
1979	\$327,405	30.00	3.33%	\$10,913.51	2.50	8.33%	\$27,266
1978	\$153,674	30.00	3.33%	\$5,122.45	1.97	6.55%	\$10,069
1977	\$80,789	30.00	3.33%	\$2,692.96	1.73	5.78%	\$4,669
1976	\$66,692	30.00	3.33%	\$2,223.08	1.42	4.72%	\$3,151
1975	\$23,871	30.00	3.33%	\$795.70	1.11	3.70%	\$882
1974	\$17,989	30.00	3.33%	\$599.64	1.09	3.62%	\$652
1973	\$1,981	30.00	3.33%	\$66.02	0.93	3.10%	\$61
1972	\$483	30.00	3.33%	\$16.11	0.74	2.45%	\$12
1971	\$89	30.00	3.33%	\$2.98	0.77	2.56%	\$2
1970	\$16	30.00	3.33%	\$0.52	0.69	2.31%	\$0
1969	\$4	30.00	3.33%	\$0.15	0.57	1.92%	\$0
1968	\$0	30.00	3.33%	\$0.01	0.60	2.00%	\$0
1967	\$0	30.00	3.33%	\$0.00	0.57	1.89%	\$0
1966	\$0	30.00	3.33%	\$0.00	0.51	1.72%	\$0

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$0	30.00	3.33%	\$0.00	0.52	1.74%	\$0
1964	\$0	30.00	3.33%	\$0.00	0.51	1.71%	\$0
1963	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1962	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1961	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1960	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1959	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1958	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1957	\$0	30.00	3.33%	\$0.00	0.50	1.67%	\$0
1956	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1955	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1954	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1953	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1952	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1951	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1950	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1949	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1948	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1947	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1946	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1945	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1944	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1943	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1942	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1941	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
1940	\$0	30.00	3.33%	\$0.00	0.00	0.00%	\$0
				<u>\$441,420</u>			<u>\$8,416,710</u>
	Net Salvage Adjustment	35%		<u>\$154,497</u>			<u>\$2,945,849</u>
				<u>\$595,917</u>			<u>\$11,362,559</u>

Composite Remaining Life in Years 19.07

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$33,251	40.00	2.50%	\$831.28	39.51	98.77%	\$32,842
2006	\$34,974	40.00	2.50%	\$874.34	38.59	96.48%	\$33,744
2005	\$40,610	40.00	2.50%	\$1,015.25	37.69	94.22%	\$38,261
2004	\$24,984	40.00	2.50%	\$624.61	36.87	92.17%	\$23,029
2003	\$24,604	40.00	2.50%	\$615.10	36.02	90.04%	\$22,155
2002	\$28,260	40.00	2.50%	\$706.51	35.27	88.18%	\$24,921
2001	\$36,101	40.00	2.50%	\$902.52	34.46	86.16%	\$31,103
2000	\$6,125	40.00	2.50%	\$153.13	33.78	84.44%	\$5,172
1999	\$2,628	40.00	2.50%	\$65.71	33.00	82.50%	\$2,168
1998	\$51,863	40.00	2.50%	\$1,296.58	32.36	80.90%	\$41,956
1997	\$8,153	40.00	2.50%	\$203.83	31.61	79.03%	\$6,444
1996	\$46,133	40.00	2.50%	\$1,153.33	31.01	77.53%	\$35,768
1995	\$794	40.00	2.50%	\$19.86	30.29	75.73%	\$601
1994	\$6,734	40.00	2.50%	\$168.35	29.73	74.31%	\$5,004
1993	\$38,562	40.00	2.50%	\$964.06	29.03	72.56%	\$27,982
1992	\$0	40.00	2.50%	\$0.00	28.49	71.23%	\$0
1991	\$0	40.00	2.50%	\$0.00	27.81	69.52%	\$0
1990	\$7,486	40.00	2.50%	\$187.14	27.30	68.25%	\$5,109
1989	\$10,289	40.00	2.50%	\$257.22	26.64	66.59%	\$6,851
1988	\$0	40.00	2.50%	\$0.00	26.15	65.38%	\$0
1987	\$0	40.00	2.50%	\$0.00	25.50	63.76%	\$0
1986	\$0	40.00	2.50%	\$0.00	25.04	62.60%	\$0
1985	\$3,191	40.00	2.50%	\$79.78	24.40	61.01%	\$1,947
1984	\$0	40.00	2.50%	\$0.00	23.96	59.90%	\$0
1983	\$0	40.00	2.50%	\$0.00	23.33	58.34%	\$0
1982	\$0	40.00	2.50%	\$0.00	22.91	57.27%	\$0
1981	\$0	40.00	2.50%	\$0.00	22.30	55.74%	\$0
1980	\$0	40.00	2.50%	\$0.00	21.88	54.71%	\$0
1979	\$0	40.00	2.50%	\$0.00	21.28	53.20%	\$0
1978	\$0	40.00	2.50%	\$0.00	20.88	52.21%	\$0
1977	\$0	40.00	2.50%	\$0.00	20.29	50.73%	\$0
1976	\$0	40.00	2.50%	\$0.00	19.91	49.77%	\$0
1975	\$0	40.00	2.50%	\$0.00	19.32	48.30%	\$0
1974	\$34,611	40.00	2.50%	\$865.28	18.95	47.37%	\$16,396
1973	\$0	40.00	2.50%	\$0.00	18.37	45.93%	\$0
1972	\$0	40.00	2.50%	\$0.00	18.01	45.03%	\$0
1971	\$0	40.00	2.50%	\$0.00	17.44	43.60%	\$0
1970	\$0	40.00	2.50%	\$0.00	17.09	42.73%	\$0
1969	\$0	40.00	2.50%	\$0.00	16.53	41.32%	\$0
1968	\$0	40.00	2.50%	\$0.00	16.19	40.46%	\$0
1967	\$0	40.00	2.50%	\$0.00	15.63	39.07%	\$0
1966	\$0	40.00	2.50%	\$0.00	15.30	38.24%	\$0
1965	\$0	40.00	2.50%	\$0.00	14.74	36.86%	\$0

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1964	\$0	40.00	2.50%	\$0.00	14.42	36.05%	\$0
1963	\$0	40.00	2.50%	\$0.00	13.87	34.68%	\$0
1962	\$0	40.00	2.50%	\$0.00	13.56	33.89%	\$0
1961	\$0	40.00	2.50%	\$0.00	13.01	32.54%	\$0
1960	\$0	40.00	2.50%	\$0.00	12.71	31.76%	\$0
1959	\$0	40.00	2.50%	\$0.00	12.17	30.42%	\$0
1958	\$0	40.00	2.50%	\$0.00	11.87	29.66%	\$0
1957	\$0	40.00	2.50%	\$0.00	11.33	28.33%	\$0
1956	\$0	40.00	2.50%	\$0.00	11.04	27.59%	\$0
1955	\$0	40.00	2.50%	\$0.00	10.51	26.27%	\$0
1954	\$0	40.00	2.50%	\$0.00	10.22	25.54%	\$0
1953	\$0	40.00	2.50%	\$0.00	9.69	24.23%	\$0
1952	\$0	40.00	2.50%	\$0.00	9.41	23.52%	\$0
1951	\$0	40.00	2.50%	\$0.00	8.89	22.22%	\$0
1950	\$0	40.00	2.50%	\$0.00	8.61	21.52%	\$0
1949	\$0	40.00	2.50%	\$0.00	8.09	20.22%	\$0
1948	\$0	40.00	2.50%	\$0.00	7.82	19.54%	\$0
1947	\$0	40.00	2.50%	\$0.00	7.30	18.25%	\$0
1946	\$0	40.00	2.50%	\$0.00	7.03	17.58%	\$0
1945	\$0	40.00	2.50%	\$0.00	6.52	16.30%	\$0
1944	\$0	40.00	2.50%	\$0.00	6.25	15.63%	\$0
1943	\$0	40.00	2.50%	\$0.00	5.75	14.36%	\$0
1942	\$0	40.00	2.50%	\$0.00	5.48	13.71%	\$0
1941	\$0	40.00	2.50%	\$0.00	4.98	12.45%	\$0
1940	\$0	40.00	2.50%	\$0.00	4.72	11.80%	\$0
				<u>\$10,984</u>			<u>\$361,454</u>
				<u>\$0</u>			<u>\$0</u>
				<u>\$10,984</u>			<u>\$361,454</u>

Composite Remaining Life in Years      32.91

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$186,134	40.00	2.50%	\$4,653.36	39.52	98.81%	\$183,911
2006	\$226,988	40.00	2.50%	\$5,674.69	38.59	96.48%	\$219,000
2005	\$231,696	40.00	2.50%	\$5,792.41	37.64	94.11%	\$218,045
2004	\$357,517	40.00	2.50%	\$8,937.92	36.73	91.81%	\$328,249
2003	\$359,012	40.00	2.50%	\$8,975.30	35.78	89.46%	\$321,179
2002	\$330,984	40.00	2.50%	\$8,274.59	34.88	87.20%	\$288,624
2001	\$292,082	40.00	2.50%	\$7,302.04	33.95	84.87%	\$247,902
2000	\$372,247	40.00	2.50%	\$9,306.18	33.06	82.65%	\$307,673
1999	\$303,149	40.00	2.50%	\$7,578.72	32.14	80.35%	\$243,587
1998	\$383,238	40.00	2.50%	\$9,580.96	31.27	78.17%	\$299,593
1997	\$315,803	40.00	2.50%	\$7,895.09	30.36	75.90%	\$239,707
1996	\$272,260	40.00	2.50%	\$6,806.49	29.51	73.77%	\$200,855
1995	\$272,039	40.00	2.50%	\$6,800.98	28.61	71.54%	\$194,607
1994	\$317,918	40.00	2.50%	\$7,947.94	27.78	69.46%	\$220,819
1993	\$230,226	40.00	2.50%	\$5,755.64	26.90	67.26%	\$154,844
1992	\$206,788	40.00	2.50%	\$5,169.69	26.09	65.24%	\$134,899
1991	\$192,300	40.00	2.50%	\$4,807.50	25.23	63.07%	\$121,291
1990	\$183,841	40.00	2.50%	\$4,596.04	24.45	61.11%	\$112,350
1989	\$155,538	40.00	2.50%	\$3,888.46	23.60	58.99%	\$91,757
1988	\$136,853	40.00	2.50%	\$3,421.33	22.84	57.10%	\$78,138
1987	\$148,274	40.00	2.50%	\$3,706.85	22.01	55.02%	\$81,581
1986	\$168,966	40.00	2.50%	\$4,224.14	21.28	53.19%	\$89,877
1985	\$102,384	40.00	2.50%	\$2,559.59	20.47	51.16%	\$52,383
1984	\$87,165	40.00	2.50%	\$2,179.12	19.76	49.41%	\$43,066
1983	\$117,997	40.00	2.50%	\$2,949.93	18.97	47.43%	\$55,965
1982	\$63,976	40.00	2.50%	\$1,599.39	18.30	45.75%	\$29,269
1981	\$63,221	40.00	2.50%	\$1,580.54	17.53	43.82%	\$27,706
1980	\$137,652	40.00	2.50%	\$3,441.31	16.89	42.23%	\$58,126
1979	\$148,144	40.00	2.50%	\$3,703.60	16.14	40.36%	\$59,787
1978	\$145,177	40.00	2.50%	\$3,629.44	15.54	38.85%	\$56,400
1977	\$188,618	40.00	2.50%	\$4,715.45	14.82	37.04%	\$69,866
1976	\$126,316	40.00	2.50%	\$3,157.91	14.25	35.63%	\$45,006
1975	\$96,776	40.00	2.50%	\$2,419.41	13.56	33.89%	\$32,796
1974	\$111,543	40.00	2.50%	\$2,788.57	13.03	32.58%	\$36,343
1973	\$63,057	40.00	2.50%	\$1,576.42	12.37	30.91%	\$19,494
1972	\$57,606	40.00	2.50%	\$1,440.16	11.89	29.72%	\$17,122
1971	\$33,145	40.00	2.50%	\$828.63	11.25	28.13%	\$9,325
1970	\$36,854	40.00	2.50%	\$921.36	10.83	27.06%	\$9,974
1969	\$22,412	40.00	2.50%	\$560.29	10.22	25.56%	\$5,728
1968	\$26,557	40.00	2.50%	\$663.92	9.85	24.62%	\$6,538
1967	\$16,707	40.00	2.50%	\$417.68	9.28	23.20%	\$3,876
1966	\$21,379	40.00	2.50%	\$534.47	8.96	22.39%	\$4,787

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$19,557	40.00	2.50%	\$488.94	8.42	21.06%	\$4,119
1964	\$30,831	40.00	2.50%	\$770.77	8.15	20.38%	\$6,284
1963	\$28,596	40.00	2.50%	\$714.91	7.65	19.14%	\$5,472
1962	\$18,970	40.00	2.50%	\$474.26	7.43	18.58%	\$3,524
1961	\$17,661	40.00	2.50%	\$441.51	6.96	17.41%	\$3,074
1960	\$17,162	40.00	2.50%	\$429.04	6.78	16.96%	\$2,910
1959	\$19,715	40.00	2.50%	\$492.87	6.34	15.86%	\$3,126
1958	\$16,475	40.00	2.50%	\$411.86	6.20	15.50%	\$2,553
1957	\$11,216	40.00	2.50%	\$280.40	5.78	14.45%	\$1,621
1956	\$13,361	40.00	2.50%	\$334.03	5.66	14.16%	\$1,892
1955	\$4,576	40.00	2.50%	\$114.39	5.26	13.15%	\$602
1954	\$4,304	40.00	2.50%	\$107.59	5.16	12.91%	\$556
1953	\$5,059	40.00	2.50%	\$126.47	4.77	11.93%	\$604
1952	\$2,308	40.00	2.50%	\$57.71	4.69	11.72%	\$271
1951	\$2,384	40.00	2.50%	\$59.60	4.31	10.76%	\$257
1950	\$4,547	40.00	2.50%	\$113.67	4.23	10.58%	\$481
1949	\$7,424	40.00	2.50%	\$185.60	3.85	9.63%	\$715
1948	\$4,323	40.00	2.50%	\$108.08	3.79	9.47%	\$410
1947	\$914	40.00	2.50%	\$22.85	3.42	8.54%	\$78
1946	\$172	40.00	2.50%	\$4.29	3.36	8.39%	\$14
1945	\$129	40.00	2.50%	\$3.23	2.98	7.46%	\$10
1944	\$2	40.00	2.50%	\$0.04	2.91	7.28%	\$0
1943	\$22	40.00	2.50%	\$0.55	2.53	6.32%	\$1
1942	\$271	40.00	2.50%	\$6.78	2.43	6.07%	\$16
1941	\$0	40.00	2.50%	\$0.01	2.02	5.05%	\$0
1940	\$0	40.00	2.50%	\$0.00	1.89	4.73%	\$0
				<u>\$188,502</u>			<u>\$5,060,607</u>
				Net Salvage Adjustment    0%			\$0
				<u>\$188,502</u>			<u>\$5,060,607</u>

Composite Remaining Life in Years      26.85

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 369      Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$244,779	31.00	3.23%	\$7,896.10	30.59	98.69%	\$241,579
2006	\$225,209	31.00	3.23%	\$7,264.81	29.84	96.24%	\$216,749
2005	\$186,491	31.00	3.23%	\$6,015.84	29.14	94.00%	\$175,304
2004	\$191,286	31.00	3.23%	\$6,170.51	28.49	91.90%	\$175,801
2003	\$227,949	31.00	3.23%	\$7,353.20	28.01	90.37%	\$205,989
2002	\$221,280	31.00	3.23%	\$7,138.05	27.44	88.52%	\$195,869
2001	\$211,642	31.00	3.23%	\$6,827.15	26.89	86.74%	\$183,580
2000	\$241,678	31.00	3.23%	\$7,796.07	26.36	85.03%	\$205,495
1999	\$242,505	31.00	3.23%	\$7,822.75	25.84	83.37%	\$202,178
1998	\$228,894	31.00	3.23%	\$7,383.67	25.52	82.32%	\$188,431
1997	\$253,260	31.00	3.23%	\$8,169.67	25.04	80.79%	\$204,605
1996	\$218,028	31.00	3.23%	\$7,033.17	24.58	79.29%	\$172,875
1995	\$189,155	31.00	3.23%	\$6,101.76	24.12	77.82%	\$147,205
1994	\$158,035	31.00	3.23%	\$5,097.89	23.87	77.00%	\$121,682
1993	\$107,298	31.00	3.23%	\$3,461.21	23.44	75.61%	\$81,126
1992	\$113,191	31.00	3.23%	\$3,651.32	23.01	74.24%	\$84,029
1991	\$102,472	31.00	3.23%	\$3,305.55	22.59	72.88%	\$74,678
1990	\$91,902	31.00	3.23%	\$2,964.57	22.17	71.53%	\$65,736
1989	\$88,128	31.00	3.23%	\$2,842.83	21.96	70.84%	\$62,431
1988	\$102,331	31.00	3.23%	\$3,301.02	21.56	69.55%	\$71,168
1987	\$49,882	31.00	3.23%	\$1,609.10	21.16	68.26%	\$34,051
1986	\$44,390	31.00	3.23%	\$1,431.93	20.77	66.99%	\$29,736
1985	\$46,240	31.00	3.23%	\$1,491.62	20.58	66.40%	\$30,702
1984	\$47,446	31.00	3.23%	\$1,530.51	20.20	65.18%	\$30,923
1983	\$60,305	31.00	3.23%	\$1,945.31	19.83	63.96%	\$38,571
1982	\$49,292	31.00	3.23%	\$1,590.07	19.45	62.75%	\$30,933
1981	\$47,964	31.00	3.23%	\$1,547.22	19.08	61.55%	\$29,524
1980	\$52,840	31.00	3.23%	\$1,704.52	18.93	61.06%	\$32,266
1979	\$45,002	31.00	3.23%	\$1,451.69	18.57	59.91%	\$26,963
1978	\$41,291	31.00	3.23%	\$1,331.97	18.22	58.77%	\$24,267
1977	\$42,620	31.00	3.23%	\$1,374.85	17.87	57.63%	\$24,563
1976	\$35,659	31.00	3.23%	\$1,150.28	17.74	57.22%	\$20,405
1975	\$33,436	31.00	3.23%	\$1,078.58	17.40	56.13%	\$18,769
1974	\$30,550	31.00	3.23%	\$985.49	17.07	55.05%	\$16,818
1973	\$19,605	31.00	3.23%	\$632.42	16.73	53.97%	\$10,580
1972	\$16,243	31.00	3.23%	\$523.96	16.63	53.63%	\$8,712
1971	\$14,075	31.00	3.23%	\$454.02	16.31	52.60%	\$7,404
1970	\$11,637	31.00	3.23%	\$375.38	15.99	51.58%	\$6,002
1969	\$7,917	31.00	3.23%	\$255.37	15.67	50.55%	\$4,002
1968	\$5,504	31.00	3.23%	\$177.54	15.35	49.52%	\$2,726
1967	\$4,325	31.00	3.23%	\$139.52	15.27	49.26%	\$2,131
1966	\$4,805	31.00	3.23%	\$154.99	14.97	48.28%	\$2,320

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 369      Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$5,513	31.00	3.23%	\$177.85	14.66	47.31%	\$2,608
1964	\$13,604	31.00	3.23%	\$438.84	14.36	46.33%	\$6,302
1963	\$7,219	31.00	3.23%	\$232.86	14.30	46.13%	\$3,330
1962	\$4,253	31.00	3.23%	\$137.18	14.01	45.20%	\$1,922
1961	\$4,404	31.00	3.23%	\$142.08	13.72	44.27%	\$1,950
1960	\$469	31.00	3.23%	\$15.12	13.44	43.34%	\$203
1959	\$6,566	31.00	3.23%	\$211.81	13.15	42.40%	\$2,784
1958	\$3,030	31.00	3.23%	\$97.75	13.10	42.26%	\$1,281
1957	\$1,555	31.00	3.23%	\$50.17	12.83	41.38%	\$643
1956	\$2,378	31.00	3.23%	\$76.72	12.55	40.49%	\$963
1955	\$543	31.00	3.23%	\$17.51	12.27	39.59%	\$215
1954	\$1,796	31.00	3.23%	\$57.93	12.25	39.50%	\$709
1953	\$1,517	31.00	3.23%	\$48.92	11.98	38.66%	\$586
1952	\$638	31.00	3.23%	\$20.59	11.72	37.81%	\$241
1951	\$662	31.00	3.23%	\$21.35	11.46	36.96%	\$245
1950	\$2,462	31.00	3.23%	\$79.41	11.19	36.09%	\$888
1949	\$5,201	31.00	3.23%	\$167.77	11.17	36.05%	\$1,875
1948	\$895	31.00	3.23%	\$28.86	10.92	35.23%	\$315
1947	\$111	31.00	3.23%	\$3.57	10.67	34.41%	\$38
1946	\$200	31.00	3.23%	\$6.46	10.41	33.58%	\$67
1945	\$71	31.00	3.23%	\$2.30	10.41	33.58%	\$24
1944	\$78	31.00	3.23%	\$2.51	10.17	32.80%	\$26
1943	\$91	31.00	3.23%	\$2.94	9.93	32.02%	\$29
1942	\$474	31.00	3.23%	\$15.28	9.68	31.22%	\$148
1941	\$2	31.00	3.23%	\$0.06	9.69	31.26%	\$1
1940	\$0	31.00	3.23%	\$0.00	9.46	30.53%	\$0
				<u>\$142,566</u>			<u>\$3,536,046</u>
				Net Salvage Adjustment    15% <u>\$21,385</u>			<u>\$530,407</u>
				<u>\$163,951</u>			<u>\$4,066,453</u>

Composite Remaining Life in Years      24.80

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 370 Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$79,991	33.00	3.03%	\$2,423.96	32.50	98.49%	\$78,780
2006	\$80,589	33.00	3.03%	\$2,442.10	31.51	95.48%	\$76,944
2005	\$87,390	33.00	3.03%	\$2,648.20	30.53	92.51%	\$80,841
2004	\$77,685	33.00	3.03%	\$2,354.09	29.56	89.58%	\$69,594
2003	\$370,401	33.00	3.03%	\$11,224.28	28.62	86.72%	\$321,228
2002	\$776,248	33.00	3.03%	\$23,522.66	27.70	83.93%	\$651,515
2001	\$101,494	33.00	3.03%	\$3,075.57	26.80	81.21%	\$82,423
2000	\$105,445	33.00	3.03%	\$3,195.31	25.93	78.56%	\$82,840
1999	\$62,251	33.00	3.03%	\$1,886.40	25.08	75.99%	\$47,305
1998	\$71,840	33.00	3.03%	\$2,176.98	24.25	73.49%	\$52,798
1997	\$47,420	33.00	3.03%	\$1,436.98	23.45	71.07%	\$33,703
1996	\$82,971	33.00	3.03%	\$2,514.27	22.68	68.73%	\$57,022
1995	\$52,715	33.00	3.03%	\$1,597.42	21.93	66.45%	\$35,029
1994	\$56,266	33.00	3.03%	\$1,705.02	21.20	64.24%	\$36,147
1993	\$35,319	33.00	3.03%	\$1,070.28	20.50	62.11%	\$21,936
1992	\$39,591	33.00	3.03%	\$1,199.72	19.81	60.03%	\$23,768
1991	\$29,708	33.00	3.03%	\$900.23	19.15	58.02%	\$17,237
1990	\$20,471	33.00	3.03%	\$620.32	18.50	56.07%	\$11,479
1989	\$22,359	33.00	3.03%	\$677.55	17.88	54.18%	\$12,115
1988	\$44,571	33.00	3.03%	\$1,350.63	17.27	52.34%	\$23,330
1987	\$23,717	33.00	3.03%	\$718.70	16.68	50.56%	\$11,991
1986	\$73,489	33.00	3.03%	\$2,226.93	16.11	48.82%	\$35,878
1985	\$30,188	33.00	3.03%	\$914.78	15.55	47.13%	\$14,228
1984	\$19,791	33.00	3.03%	\$599.73	15.01	45.49%	\$9,002
1983	\$35,592	33.00	3.03%	\$1,078.54	14.48	43.88%	\$15,619
1982	\$23,351	33.00	3.03%	\$707.61	13.97	42.32%	\$9,883
1981	\$16,447	33.00	3.03%	\$498.39	13.46	40.80%	\$6,710
1980	\$14,461	33.00	3.03%	\$438.22	12.97	39.31%	\$5,684
1979	\$15,414	33.00	3.03%	\$467.09	12.49	37.85%	\$5,834
1978	\$12,794	33.00	3.03%	\$387.70	12.02	36.43%	\$4,660
1977	\$11,862	33.00	3.03%	\$359.44	11.56	35.03%	\$4,155
1976	\$11,503	33.00	3.03%	\$348.58	11.11	33.66%	\$3,872
1975	\$11,679	33.00	3.03%	\$353.90	10.66	32.32%	\$3,774
1974	\$12,262	33.00	3.03%	\$371.59	10.43	31.61%	\$3,876
1973	\$8,201	33.00	3.03%	\$248.52	10.02	30.37%	\$2,491
1972	\$8,984	33.00	3.03%	\$272.24	9.63	29.17%	\$2,620
1971	\$4,312	33.00	3.03%	\$130.68	9.24	27.99%	\$1,207
1970	\$3,632	33.00	3.03%	\$110.07	8.85	26.83%	\$974
1969	\$4,800	33.00	3.03%	\$145.45	8.48	25.69%	\$1,233
1968	\$4,329	33.00	3.03%	\$131.18	8.11	24.57%	\$1,064
1967	\$3,295	33.00	3.03%	\$99.86	7.75	23.48%	\$774
1966	\$3,077	33.00	3.03%	\$93.26	7.39	22.40%	\$689

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 370      Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$3,983	33.00	3.03%	\$120.71	7.04	21.34%	\$850
1964	\$3,257	33.00	3.03%	\$98.70	6.70	20.30%	\$661
1963	\$3,558	33.00	3.03%	\$107.81	6.36	19.28%	\$686
1962	\$2,736	33.00	3.03%	\$82.92	6.03	18.27%	\$500
1961	\$2,558	33.00	3.03%	\$77.52	5.70	17.27%	\$442
1960	\$1,380	33.00	3.03%	\$41.82	5.38	16.30%	\$225
1959	\$1,922	33.00	3.03%	\$58.24	5.06	15.33%	\$295
1958	\$1,620	33.00	3.03%	\$49.09	4.75	14.38%	\$233
1957	\$1,640	33.00	3.03%	\$49.69	4.44	13.44%	\$220
1956	\$1,213	33.00	3.03%	\$36.76	4.13	12.52%	\$152
1955	\$581	33.00	3.03%	\$17.60	3.83	11.61%	\$67
1954	\$514	33.00	3.03%	\$15.59	3.53	10.70%	\$55
1953	\$288	33.00	3.03%	\$8.71	3.24	9.82%	\$28
1952	\$313	33.00	3.03%	\$9.48	2.95	8.94%	\$28
1951	\$191	33.00	3.03%	\$5.79	2.66	8.07%	\$15
1950	\$220	33.00	3.03%	\$6.66	2.38	7.22%	\$16
1949	\$330	33.00	3.03%	\$10.01	2.10	6.37%	\$21
1948	\$306	33.00	3.03%	\$9.27	1.83	5.54%	\$17
1947	\$93	33.00	3.03%	\$2.83	1.56	4.72%	\$4
1946	\$4	33.00	3.03%	\$0.12	1.29	3.92%	\$0
1945	\$6	33.00	3.03%	\$0.17	1.04	3.14%	\$0
1944	\$1	33.00	3.03%	\$0.03	0.79	2.40%	\$0
1943	\$0	33.00	3.03%	\$0.01	0.58	1.75%	\$0
1942	\$0	33.00	3.03%	\$0.01	0.50	1.52%	\$0
1941	\$0	33.00	3.03%	\$0.00	0.00	0.00%	\$0
1940	\$0	33.00	3.03%	\$0.00	0.00	0.00%	\$0
				\$79,534			\$1,966,768
				Net Salvage Adjustment      0%	\$0		\$0
				\$79,534			\$1,966,768

Composite Remaining Life in Years      24.73

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$90,943	27.00	3.70%	\$3,368.25	26.52	98.21%	\$89,312
2006	\$91,990	27.00	3.70%	\$3,407.05	25.56	94.68%	\$87,094
2005	\$82,364	27.00	3.70%	\$3,050.51	24.61	91.16%	\$75,085
2004	\$71,182	27.00	3.70%	\$2,636.36	23.71	87.81%	\$62,502
2003	\$80,885	27.00	3.70%	\$2,995.73	22.84	84.58%	\$68,410
2002	\$74,702	27.00	3.70%	\$2,766.73	21.96	81.32%	\$60,745
2001	\$78,803	27.00	3.70%	\$2,918.64	21.15	78.33%	\$61,724
2000	\$74,397	27.00	3.70%	\$2,755.45	20.38	75.48%	\$56,158
1999	\$84,682	27.00	3.70%	\$3,136.37	19.60	72.59%	\$61,471
1998	\$78,060	27.00	3.70%	\$2,891.11	18.88	69.92%	\$54,581
1997	\$67,865	27.00	3.70%	\$2,513.51	18.22	67.48%	\$45,794
1996	\$58,663	27.00	3.70%	\$2,172.72	17.61	65.21%	\$38,257
1995	\$56,883	27.00	3.70%	\$2,106.79	16.93	62.71%	\$35,671
1994	\$56,047	27.00	3.70%	\$2,075.81	16.41	60.76%	\$34,055
1993	\$49,346	27.00	3.70%	\$1,827.64	15.93	59.01%	\$29,118
1992	\$45,080	27.00	3.70%	\$1,669.64	15.36	56.87%	\$25,638
1991	\$35,732	27.00	3.70%	\$1,323.40	14.95	55.38%	\$19,789
1990	\$30,464	27.00	3.70%	\$1,128.31	14.59	54.04%	\$16,463
1989	\$29,427	27.00	3.70%	\$1,089.91	14.26	52.83%	\$15,546
1988	\$27,556	27.00	3.70%	\$1,020.59	13.78	51.05%	\$14,068
1987	\$16,360	27.00	3.70%	\$605.91	13.50	49.99%	\$8,179
1986	\$18,141	27.00	3.70%	\$671.88	13.24	49.03%	\$8,894
1985	\$23,991	27.00	3.70%	\$888.54	12.80	47.41%	\$11,373
1984	\$17,262	27.00	3.70%	\$639.33	12.56	46.52%	\$8,030
1983	\$17,734	27.00	3.70%	\$656.81	12.34	45.69%	\$8,102
1982	\$18,821	27.00	3.70%	\$697.06	11.92	44.15%	\$8,309
1981	\$13,639	27.00	3.70%	\$505.15	11.70	43.33%	\$5,910
1980	\$14,260	27.00	3.70%	\$528.14	11.49	42.56%	\$6,068
1979	\$14,591	27.00	3.70%	\$540.42	11.29	41.81%	\$6,101
1978	\$12,841	27.00	3.70%	\$475.60	10.89	40.32%	\$5,177
1977	\$12,598	27.00	3.70%	\$466.61	10.68	39.56%	\$4,984
1976	\$11,154	27.00	3.70%	\$413.12	10.48	38.82%	\$4,330
1975	\$9,641	27.00	3.70%	\$357.08	10.08	37.34%	\$3,600
1974	\$10,083	27.00	3.70%	\$373.43	9.88	36.58%	\$3,688
1973	\$6,930	27.00	3.70%	\$256.68	9.68	35.85%	\$2,485
1972	\$5,778	27.00	3.70%	\$214.02	9.28	34.37%	\$1,986
1971	\$6,004	27.00	3.70%	\$222.37	9.08	33.62%	\$2,019
1970	\$3,461	27.00	3.70%	\$128.18	8.89	32.91%	\$1,139
1969	\$2,627	27.00	3.70%	\$97.28	8.70	32.24%	\$847
1968	\$2,381	27.00	3.70%	\$88.18	8.32	30.80%	\$733
1967	\$2,545	27.00	3.70%	\$94.28	8.13	30.12%	\$767
1966	\$1,689	27.00	3.70%	\$62.57	7.96	29.48%	\$498

# Licking Valley Rural Electric Cooperative

## Calculation of Composite Remaining Life

Account: 371      Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$1,780	27.00	3.70%	\$65.92	7.58	28.08%	\$500
1964	\$3,051	27.00	3.70%	\$112.99	7.41	27.43%	\$837
1963	\$2,916	27.00	3.70%	\$107.98	7.24	26.83%	\$782
1962	\$2,727	27.00	3.70%	\$100.98	7.10	26.28%	\$717
1961	\$0	27.00	3.70%	\$0.00	6.73	24.94%	\$0
1960	\$0	27.00	3.70%	\$0.00	6.58	24.38%	\$0
1959	\$0	27.00	3.70%	\$0.00	6.45	23.88%	\$0
1958	\$0	27.00	3.70%	\$0.00	6.09	22.57%	\$0
1957	\$0	27.00	3.70%	\$0.00	5.95	22.04%	\$0
1956	\$0	27.00	3.70%	\$0.00	5.83	21.58%	\$0
1955	\$0	27.00	3.70%	\$0.00	5.48	20.29%	\$0
1954	\$0	27.00	3.70%	\$0.00	5.34	19.78%	\$0
1953	\$0	27.00	3.70%	\$0.00	5.22	19.33%	\$0
1952	\$0	27.00	3.70%	\$0.00	5.12	18.96%	\$0
1951	\$0	27.00	3.70%	\$0.00	4.79	17.74%	\$0
1950	\$0	27.00	3.70%	\$0.00	4.68	17.33%	\$0
1949	\$0	27.00	3.70%	\$0.00	4.59	16.99%	\$0
1948	\$0	27.00	3.70%	\$0.00	4.26	15.79%	\$0
1947	\$0	27.00	3.70%	\$0.00	4.16	15.40%	\$0
1946	\$0	27.00	3.70%	\$0.00	4.07	15.08%	\$0
1945	\$0	27.00	3.70%	\$0.00	3.75	13.90%	\$0
1944	\$0	27.00	3.70%	\$0.00	3.65	13.50%	\$0
1943	\$0	27.00	3.70%	\$0.00	3.56	13.17%	\$0
1942	\$0	27.00	3.70%	\$0.00	3.49	12.94%	\$0
1941	\$0	27.00	3.70%	\$0.00	3.19	11.81%	\$0
1940	\$0	27.00	3.70%	\$0.00	3.10	11.49%	\$0
				<u>\$56,225</u>			<u>\$1,057,533</u>
				Net Salvage Adjustment    15%	<u>\$8,434</u>		<u>\$158,630</u>
				<u>\$64,659</u>			<u>\$1,216,163</u>

Composite Remaining Life in Years      18.81

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 362      Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$0	32.00	31.50	1.56%	\$0
2006	\$0	32.00	30.50	4.69%	\$0
2005	\$0	32.00	29.50	7.81%	\$0
2004	\$0	32.00	28.50	10.94%	\$0
2003	\$0	32.00	27.50	14.06%	\$0
2002	\$0	32.00	26.50	17.19%	\$0
2001	\$0	32.00	25.50	20.31%	\$0
2000	\$0	32.00	24.50	23.44%	\$0
1999	\$0	32.00	23.50	26.56%	\$0
1998	\$0	32.00	22.50	29.69%	\$0
1997	\$0	32.00	21.50	32.81%	\$0
1996	\$0	32.00	20.50	35.94%	\$0
1995	\$0	32.00	19.50	39.06%	\$0
1994	\$0	32.00	18.50	42.19%	\$0
1993	\$0	32.00	17.50	45.31%	\$0
1992	\$0	32.00	16.50	48.44%	\$0
1991	\$0	32.00	15.50	51.56%	\$0
1990	\$0	32.00	14.50	54.69%	\$0
1989	\$0	32.00	13.50	57.81%	\$0
1988	\$0	32.00	12.50	60.94%	\$0
1987	\$0	32.00	11.50	64.06%	\$0
1986	\$31,442	32.00	10.50	67.19%	\$21,125
1985	\$0	32.00	9.50	70.31%	\$0
1984	\$0	32.00	8.50	73.43%	\$0
1983	\$0	32.00	7.51	76.54%	\$0
1982	\$0	32.00	6.53	79.61%	\$0
1981	\$0	32.00	5.57	82.58%	\$0
1980	\$0	32.00	4.68	85.38%	\$0
1979	\$0	32.00	3.86	87.92%	\$0
1978	\$0	32.00	3.15	90.15%	\$0
1977	\$0	32.00	2.54	92.06%	\$0
1976	\$0	32.00	2.02	93.69%	\$0
1975	\$0	32.00	1.81	94.33%	\$0
1974	\$0	32.00	1.54	95.18%	\$0
1973	\$0	32.00	1.33	95.86%	\$0
1972	\$0	32.00	1.15	96.39%	\$0
1971	\$0	32.00	1.02	96.82%	\$0
1970	\$0	32.00	0.90	97.18%	\$0
1969	\$0	32.00	0.79	97.52%	\$0
1968	\$0	32.00	0.64	98.01%	\$0
1967	\$0	32.00	0.67	97.90%	\$0
1966	\$0	32.00	0.63	98.04%	\$0

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 362 Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$0	32.00	0.59	98.16%	\$0
1964	\$0	32.00	0.56	98.25%	\$0
1963	\$0	32.00	0.54	98.32%	\$0
1962	\$0	32.00	0.52	98.37%	\$0
1961	\$0	32.00	0.51	98.40%	\$0
1960	\$0	32.00	0.50	98.44%	\$0
1959	\$0	32.00	0.50	98.43%	\$0
1958	\$0	32.00	0.50	98.44%	\$0
1957	\$0	32.00	0.50	98.44%	\$0
1956	\$0	32.00	0.50	98.44%	\$0
1955	\$0	32.00	0.50	98.44%	\$0
1954	\$0	32.00	0.50	98.44%	\$0
1953	\$0	32.00	0.00	100.00%	\$0
1952	\$0	32.00	0.00	100.00%	\$0
1951	\$0	32.00	0.00	100.00%	\$0
1950	\$0	32.00	0.00	100.00%	\$0
1949	\$0	32.00	0.00	100.00%	\$0
1948	\$0	32.00	0.00	100.00%	\$0
1947	\$0	32.00	0.00	100.00%	\$0
1946	\$0	32.00	0.00	100.00%	\$0
1945	\$0	32.00	0.00	100.00%	\$0
1944	\$0	32.00	0.00	100.00%	\$0
1943	\$0	32.00	0.00	100.00%	\$0
1942	\$0	32.00	0.00	100.00%	\$0
1941	\$0	32.00	0.00	100.00%	\$0
1940	\$0	32.00	0.00	100.00%	\$0
	<u>\$31,442</u>				<u>\$21,125</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u>\$21,125</u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$1,019,320	29.00	28.52	1.66%	\$16,887
2006	\$922,509	29.00	27.56	4.98%	\$45,960
2005	\$924,483	29.00	26.62	8.19%	\$75,717
2004	\$812,836	29.00	25.70	11.39%	\$92,570
2003	\$853,085	29.00	24.83	14.40%	\$122,805
2002	\$838,974	29.00	23.95	17.42%	\$146,189
2001	\$939,051	29.00	23.09	20.38%	\$191,354
2000	\$823,566	29.00	22.32	23.04%	\$189,738
1999	\$875,468	29.00	21.52	25.80%	\$225,888
1998	\$935,442	29.00	20.82	28.21%	\$263,911
1997	\$811,666	29.00	20.07	30.79%	\$249,897
1996	\$952,344	29.00	19.45	32.93%	\$313,629
1995	\$771,428	29.00	18.77	35.29%	\$272,211
1994	\$652,985	29.00	18.24	37.11%	\$242,329
1993	\$533,915	29.00	17.63	39.22%	\$209,380
1992	\$360,897	29.00	17.04	41.23%	\$148,790
1991	\$385,463	29.00	16.64	42.61%	\$164,242
1990	\$351,951	29.00	16.12	44.40%	\$156,282
1989	\$283,619	29.00	15.80	45.53%	\$129,129
1988	\$254,719	29.00	15.33	47.15%	\$120,106
1987	\$232,490	29.00	15.06	48.07%	\$111,757
1986	\$209,494	29.00	14.63	49.55%	\$103,812
1985	\$247,680	29.00	14.41	50.31%	\$124,601
1984	\$221,483	29.00	14.01	51.69%	\$114,474
1983	\$252,416	29.00	13.62	53.05%	\$133,906
1982	\$151,103	29.00	13.43	53.68%	\$81,105
1981	\$235,279	29.00	13.06	54.98%	\$129,356
1980	\$197,743	29.00	12.89	55.54%	\$109,831
1979	\$245,487	29.00	12.53	56.81%	\$139,460
1978	\$155,786	29.00	12.37	57.33%	\$89,317
1977	\$122,225	29.00	12.01	58.58%	\$71,596
1976	\$112,792	29.00	11.87	59.08%	\$66,633
1975	\$85,916	29.00	11.51	60.31%	\$51,812
1974	\$110,148	29.00	11.37	60.79%	\$66,955
1973	\$41,375	29.00	11.02	62.00%	\$25,653
1972	\$31,653	29.00	10.66	63.24%	\$20,018
1971	\$25,565	29.00	10.52	63.73%	\$16,294
1970	\$18,505	29.00	10.16	64.96%	\$12,021
1969	\$46,942	29.00	10.02	65.43%	\$30,715
1968	\$18,062	29.00	9.67	66.64%	\$12,036
1967	\$14,224	29.00	9.55	67.08%	\$9,541
1966	\$12,633	29.00	9.20	68.26%	\$8,624

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 364      Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$14,287	29.00	9.09	68.67%	\$9,811
1964	\$39,992	29.00	8.75	69.82%	\$27,922
1963	\$15,319	29.00	8.41	70.99%	\$10,875
1962	\$8,370	29.00	8.30	71.39%	\$5,975
1961	\$9,286	29.00	7.97	72.53%	\$6,735
1960	\$5,444	29.00	7.86	72.89%	\$3,969
1959	\$14,257	29.00	7.54	74.01%	\$10,551
1958	\$4,298	29.00	7.45	74.32%	\$3,194
1957	\$2,556	29.00	7.13	75.40%	\$1,928
1956	\$4,824	29.00	7.06	75.67%	\$3,650
1955	\$923	29.00	6.75	76.71%	\$708
1954	\$3,502	29.00	6.44	77.79%	\$2,724
1953	\$2,757	29.00	6.36	78.06%	\$2,152
1952	\$1,249	29.00	6.06	79.11%	\$988
1951	\$887	29.00	5.99	79.35%	\$704
1950	\$5,094	29.00	5.69	80.37%	\$4,094
1949	\$8,723	29.00	5.64	80.57%	\$7,028
1948	\$1,296	29.00	5.35	81.56%	\$1,057
1947	\$276	29.00	5.30	81.71%	\$225
1946	\$173	29.00	5.03	82.66%	\$143
1945	\$35	29.00	5.00	82.76%	\$29
1944	\$34	29.00	4.74	83.67%	\$28
1943	\$18	29.00	4.46	84.63%	\$15
1942	\$478	29.00	4.42	84.75%	\$405
1941	\$1	29.00	4.15	85.69%	\$0
1940	\$0	29.00	4.12	85.78%	\$0
	<u>\$17,236,236</u>				<u>\$5,010,966</u>
	Net Salvage Adjustment		35%		<u>\$1,753,838</u>
					<u>\$6,764,805</u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$742,720	30.00	29.50	1.67%	\$12,378
2006	\$755,248	30.00	28.50	5.00%	\$37,762
2005	\$620,112	30.00	27.50	8.33%	\$51,675
2004	\$615,808	30.00	26.50	11.67%	\$71,844
2003	\$617,324	30.00	25.50	15.00%	\$92,598
2002	\$624,669	30.00	24.50	18.33%	\$114,522
2001	\$703,499	30.00	23.50	21.67%	\$152,424
2000	\$539,510	30.00	22.50	25.00%	\$134,877
1999	\$1,050,174	30.00	21.50	28.33%	\$297,548
1998	\$704,183	30.00	20.50	31.67%	\$222,991
1997	\$857,270	30.00	19.50	35.00%	\$300,044
1996	\$848,490	30.00	18.50	38.33%	\$325,254
1995	\$665,493	30.00	17.50	41.67%	\$277,288
1994	\$633,202	30.00	16.50	45.00%	\$284,940
1993	\$193,981	30.00	15.50	48.33%	\$93,757
1992	\$197,900	30.00	14.50	51.67%	\$102,248
1991	\$240,925	30.00	13.50	55.00%	\$132,509
1990	\$149,996	30.00	12.50	58.33%	\$87,498
1989	\$158,319	30.00	11.50	61.67%	\$97,630
1988	\$120,408	30.00	10.50	65.00%	\$78,265
1987	\$139,218	30.00	9.50	68.33%	\$95,132
1986	\$162,795	30.00	8.50	71.66%	\$116,667
1985	\$223,123	30.00	7.50	74.99%	\$167,322
1984	\$150,726	30.00	6.51	78.30%	\$118,014
1983	\$250,194	30.00	5.55	81.50%	\$203,907
1982	\$90,955	30.00	4.63	84.58%	\$76,926
1981	\$293,914	30.00	3.77	87.43%	\$256,971
1980	\$219,459	30.00	3.11	89.62%	\$196,680
1979	\$327,405	30.00	2.50	91.67%	\$300,140
1978	\$153,674	30.00	1.97	93.45%	\$143,605
1977	\$80,789	30.00	1.73	94.22%	\$76,120
1976	\$66,692	30.00	1.42	95.28%	\$63,542
1975	\$23,871	30.00	1.11	96.30%	\$22,989
1974	\$17,989	30.00	1.09	96.38%	\$17,338
1973	\$1,981	30.00	0.93	96.90%	\$1,919
1972	\$483	30.00	0.74	97.55%	\$472
1971	\$89	30.00	0.77	97.44%	\$87
1970	\$16	30.00	0.69	97.69%	\$15
1969	\$4	30.00	0.57	98.08%	\$4
1968	\$0	30.00	0.60	98.00%	\$0
1967	\$0	30.00	0.57	98.11%	\$0
1966	\$0	30.00	0.51	98.28%	\$0

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 365      Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$0	30.00	0.52	98.26%	\$0
1964	\$0	30.00	0.51	98.29%	\$0
1963	\$0	30.00	0.50	98.33%	\$0
1962	\$0	30.00	0.50	98.33%	\$0
1961	\$0	30.00	0.50	98.33%	\$0
1960	\$0	30.00	0.50	98.33%	\$0
1959	\$0	30.00	0.50	98.33%	\$0
1958	\$0	30.00	0.50	98.33%	\$0
1957	\$0	30.00	0.50	98.33%	\$0
1956	\$0	30.00	0.00	100.00%	\$0
1955	\$0	30.00	0.00	100.00%	\$0
1954	\$0	30.00	0.00	100.00%	\$0
1953	\$0	30.00	0.00	100.00%	\$0
1952	\$0	30.00	0.00	100.00%	\$0
1951	\$0	30.00	0.00	100.00%	\$0
1950	\$0	30.00	0.00	100.00%	\$0
1949	\$0	30.00	0.00	100.00%	\$0
1948	\$0	30.00	0.00	100.00%	\$0
1947	\$0	30.00	0.00	100.00%	\$0
1946	\$0	30.00	0.00	100.00%	\$0
1945	\$0	30.00	0.00	100.00%	\$0
1944	\$0	30.00	0.00	100.00%	\$0
1943	\$0	30.00	0.00	100.00%	\$0
1942	\$0	30.00	0.00	100.00%	\$0
1941	\$0	30.00	0.00	100.00%	\$0
1940	\$0	30.00	0.00	100.00%	\$0
	<u>\$13,242,609</u>				<u>\$4,825,899</u>
			Net Salvage Adjustment	35%	<u>\$1,689,065</u>
					<u>\$6,514,964</u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$33,251	40.00	39.51	1.23%	\$409
2006	\$34,974	40.00	38.59	3.52%	\$1,230
2005	\$40,610	40.00	37.69	5.78%	\$2,349
2004	\$24,984	40.00	36.87	7.83%	\$1,955
2003	\$24,604	40.00	36.02	9.96%	\$2,450
2002	\$28,260	40.00	35.27	11.82%	\$3,340
2001	\$36,101	40.00	34.46	13.84%	\$4,997
2000	\$6,125	40.00	33.78	15.56%	\$953
1999	\$2,628	40.00	33.00	17.50%	\$460
1998	\$51,863	40.00	32.36	19.10%	\$9,907
1997	\$8,153	40.00	31.61	20.97%	\$1,710
1996	\$46,133	40.00	31.01	22.47%	\$10,365
1995	\$794	40.00	30.29	24.27%	\$193
1994	\$6,734	40.00	29.73	25.69%	\$1,730
1993	\$38,562	40.00	29.03	27.44%	\$10,580
1992	\$0	40.00	28.49	28.77%	\$0
1991	\$0	40.00	27.81	30.48%	\$0
1990	\$7,486	40.00	27.30	31.75%	\$2,377
1989	\$10,289	40.00	26.64	33.41%	\$3,437
1988	\$0	40.00	26.15	34.62%	\$0
1987	\$0	40.00	25.50	36.24%	\$0
1986	\$0	40.00	25.04	37.40%	\$0
1985	\$3,191	40.00	24.40	38.99%	\$1,244
1984	\$0	40.00	23.96	40.10%	\$0
1983	\$0	40.00	23.33	41.66%	\$0
1982	\$0	40.00	22.91	42.73%	\$0
1981	\$0	40.00	22.30	44.26%	\$0
1980	\$0	40.00	21.88	45.29%	\$0
1979	\$0	40.00	21.28	46.80%	\$0
1978	\$0	40.00	20.88	47.79%	\$0
1977	\$0	40.00	20.29	49.27%	\$0
1976	\$0	40.00	19.91	50.23%	\$0
1975	\$0	40.00	19.32	51.70%	\$0
1974	\$34,611	40.00	18.95	52.63%	\$18,215
1973	\$0	40.00	18.37	54.07%	\$0
1972	\$0	40.00	18.01	54.97%	\$0
1971	\$0	40.00	17.44	56.40%	\$0
1970	\$0	40.00	17.09	57.27%	\$0
1969	\$0	40.00	16.53	58.68%	\$0
1968	\$0	40.00	16.19	59.54%	\$0
1967	\$0	40.00	15.63	60.93%	\$0
1966	\$0	40.00	15.30	61.76%	\$0

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$0	40.00	14.74	63.14%	\$0
1964	\$0	40.00	14.42	63.95%	\$0
1963	\$0	40.00	13.87	65.32%	\$0
1962	\$0	40.00	13.56	66.11%	\$0
1961	\$0	40.00	13.01	67.46%	\$0
1960	\$0	40.00	12.71	68.24%	\$0
1959	\$0	40.00	12.17	69.58%	\$0
1958	\$0	40.00	11.87	70.34%	\$0
1957	\$0	40.00	11.33	71.67%	\$0
1956	\$0	40.00	11.04	72.41%	\$0
1955	\$0	40.00	10.51	73.73%	\$0
1954	\$0	40.00	10.22	74.46%	\$0
1953	\$0	40.00	9.69	75.77%	\$0
1952	\$0	40.00	9.41	76.48%	\$0
1951	\$0	40.00	8.89	77.78%	\$0
1950	\$0	40.00	8.61	78.48%	\$0
1949	\$0	40.00	8.09	79.78%	\$0
1948	\$0	40.00	7.82	80.46%	\$0
1947	\$0	40.00	7.30	81.75%	\$0
1946	\$0	40.00	7.03	82.42%	\$0
1945	\$0	40.00	6.52	83.70%	\$0
1944	\$0	40.00	6.25	84.37%	\$0
1943	\$0	40.00	5.75	85.64%	\$0
1942	\$0	40.00	5.48	86.29%	\$0
1941	\$0	40.00	4.98	87.55%	\$0
1940	\$0	40.00	4.72	88.20%	\$0
	<u>\$439,355</u>				<u>\$77,901</u>
			Net Salvage Adjustment	0%	<u>\$0</u>
					<u><u>\$77,901</u></u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$186,134	40.00	39.52	1.19%	\$2,224
2006	\$226,988	40.00	38.59	3.52%	\$7,987
2005	\$231,696	40.00	37.64	5.89%	\$13,652
2004	\$357,517	40.00	36.73	8.19%	\$29,267
2003	\$359,012	40.00	35.78	10.54%	\$37,833
2002	\$330,984	40.00	34.88	12.80%	\$42,360
2001	\$292,082	40.00	33.95	15.13%	\$44,180
2000	\$372,247	40.00	33.06	17.35%	\$64,574
1999	\$303,149	40.00	32.14	19.65%	\$59,561
1998	\$383,238	40.00	31.27	21.83%	\$83,645
1997	\$315,803	40.00	30.36	24.10%	\$76,096
1996	\$272,260	40.00	29.51	26.23%	\$71,405
1995	\$272,039	40.00	28.61	28.46%	\$77,432
1994	\$317,918	40.00	27.78	30.54%	\$97,099
1993	\$230,226	40.00	26.90	32.74%	\$75,382
1992	\$206,788	40.00	26.09	34.76%	\$71,889
1991	\$192,300	40.00	25.23	36.93%	\$71,009
1990	\$183,841	40.00	24.45	38.89%	\$71,491
1989	\$155,538	40.00	23.60	41.01%	\$63,782
1988	\$136,853	40.00	22.84	42.90%	\$58,715
1987	\$148,274	40.00	22.01	44.98%	\$66,693
1986	\$168,966	40.00	21.28	46.81%	\$79,089
1985	\$102,384	40.00	20.47	48.84%	\$50,000
1984	\$87,165	40.00	19.76	50.59%	\$44,099
1983	\$117,997	40.00	18.97	52.57%	\$62,033
1982	\$63,976	40.00	18.30	54.25%	\$34,707
1981	\$63,221	40.00	17.53	56.18%	\$35,516
1980	\$137,652	40.00	16.89	57.77%	\$79,527
1979	\$148,144	40.00	16.14	59.64%	\$88,357
1978	\$145,177	40.00	15.54	61.15%	\$88,778
1977	\$188,618	40.00	14.82	62.96%	\$118,752
1976	\$126,316	40.00	14.25	64.37%	\$81,311
1975	\$96,776	40.00	13.56	66.11%	\$63,980
1974	\$111,543	40.00	13.03	67.42%	\$75,200
1973	\$63,057	40.00	12.37	69.09%	\$43,563
1972	\$57,606	40.00	11.89	70.28%	\$40,484
1971	\$33,145	40.00	11.25	71.87%	\$23,820
1970	\$36,854	40.00	10.83	72.94%	\$26,880
1969	\$22,412	40.00	10.22	74.44%	\$16,683
1968	\$26,557	40.00	9.85	75.38%	\$20,019
1967	\$16,707	40.00	9.28	76.80%	\$12,831
1966	\$21,379	40.00	8.96	77.61%	\$16,592

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$19,557	40.00	8.42	78.94%	\$15,438
1964	\$30,831	40.00	8.15	79.62%	\$24,547
1963	\$28,596	40.00	7.65	80.86%	\$23,124
1962	\$18,970	40.00	7.43	81.42%	\$15,446
1961	\$17,661	40.00	6.96	82.59%	\$14,586
1960	\$17,162	40.00	6.78	83.04%	\$14,251
1959	\$19,715	40.00	6.34	84.14%	\$16,589
1958	\$16,475	40.00	6.20	84.50%	\$13,921
1957	\$11,216	40.00	5.78	85.55%	\$9,595
1956	\$13,361	40.00	5.66	85.84%	\$11,469
1955	\$4,576	40.00	5.26	86.85%	\$3,974
1954	\$4,304	40.00	5.16	87.09%	\$3,748
1953	\$5,059	40.00	4.77	88.07%	\$4,455
1952	\$2,308	40.00	4.69	88.28%	\$2,038
1951	\$2,384	40.00	4.31	89.24%	\$2,127
1950	\$4,547	40.00	4.23	89.42%	\$4,066
1949	\$7,424	40.00	3.85	90.37%	\$6,709
1948	\$4,323	40.00	3.79	90.53%	\$3,914
1947	\$914	40.00	3.42	91.46%	\$836
1946	\$172	40.00	3.36	91.61%	\$157
1945	\$129	40.00	2.98	92.54%	\$120
1944	\$2	40.00	2.91	92.72%	\$1
1943	\$22	40.00	2.53	93.68%	\$21
1942	\$271	40.00	2.43	93.93%	\$255
1941	\$0	40.00	2.02	94.95%	\$0
1940	\$0	40.00	1.89	95.27%	\$0
	<u>\$7,540,094</u>				<u>\$2,479,488</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u><u>\$2,479,488</u></u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$244,779	31.00	30.59	1.31%	\$3,200
2006	\$225,209	31.00	29.84	3.76%	\$8,460
2005	\$186,491	31.00	29.14	6.00%	\$11,187
2004	\$191,286	31.00	28.49	8.10%	\$15,485
2003	\$227,949	31.00	28.01	9.63%	\$21,961
2002	\$221,280	31.00	27.44	11.48%	\$25,410
2001	\$211,642	31.00	26.89	13.26%	\$28,061
2000	\$241,678	31.00	26.36	14.97%	\$36,183
1999	\$242,505	31.00	25.84	16.63%	\$40,327
1998	\$228,894	31.00	25.52	17.68%	\$40,463
1997	\$253,260	31.00	25.04	19.21%	\$48,655
1996	\$218,028	31.00	24.58	20.71%	\$45,153
1995	\$189,155	31.00	24.12	22.18%	\$41,950
1994	\$158,035	31.00	23.87	23.00%	\$36,353
1993	\$107,298	31.00	23.44	24.39%	\$26,171
1992	\$113,191	31.00	23.01	25.76%	\$29,162
1991	\$102,472	31.00	22.59	27.12%	\$27,794
1990	\$91,902	31.00	22.17	28.47%	\$26,166
1989	\$88,128	31.00	21.96	29.16%	\$25,697
1988	\$102,331	31.00	21.56	30.45%	\$31,163
1987	\$49,882	31.00	21.16	31.74%	\$15,831
1986	\$44,390	31.00	20.77	33.01%	\$14,654
1985	\$46,240	31.00	20.58	33.60%	\$15,538
1984	\$47,446	31.00	20.20	34.82%	\$16,523
1983	\$60,305	31.00	19.83	36.04%	\$21,733
1982	\$49,292	31.00	19.45	37.25%	\$18,359
1981	\$47,964	31.00	19.08	38.45%	\$18,440
1980	\$52,840	31.00	18.93	38.94%	\$20,574
1979	\$45,002	31.00	18.57	40.09%	\$18,039
1978	\$41,291	31.00	18.22	41.23%	\$17,024
1977	\$42,620	31.00	17.87	42.37%	\$18,057
1976	\$35,659	31.00	17.74	42.78%	\$15,254
1975	\$33,436	31.00	17.40	43.87%	\$14,667
1974	\$30,550	31.00	17.07	44.95%	\$13,732
1973	\$19,605	31.00	16.73	46.03%	\$9,024
1972	\$16,243	31.00	16.63	46.37%	\$7,531
1971	\$14,075	31.00	16.31	47.40%	\$6,671
1970	\$11,637	31.00	15.99	48.42%	\$5,635
1969	\$7,917	31.00	15.67	49.45%	\$3,915
1968	\$5,504	31.00	15.35	50.48%	\$2,778
1967	\$4,325	31.00	15.27	50.74%	\$2,195
1966	\$4,805	31.00	14.97	51.72%	\$2,485

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 369      Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$5,513	31.00	14.66	52.69%	\$2,905
1964	\$13,604	31.00	14.36	53.67%	\$7,302
1963	\$7,219	31.00	14.30	53.87%	\$3,889
1962	\$4,253	31.00	14.01	54.80%	\$2,330
1961	\$4,404	31.00	13.72	55.73%	\$2,454
1960	\$469	31.00	13.44	56.66%	\$266
1959	\$6,566	31.00	13.15	57.60%	\$3,782
1958	\$3,030	31.00	13.10	57.74%	\$1,750
1957	\$1,555	31.00	12.83	58.62%	\$912
1956	\$2,378	31.00	12.55	59.51%	\$1,415
1955	\$543	31.00	12.27	60.41%	\$328
1954	\$1,796	31.00	12.25	60.50%	\$1,086
1953	\$1,517	31.00	11.98	61.34%	\$930
1952	\$638	31.00	11.72	62.19%	\$397
1951	\$662	31.00	11.46	63.04%	\$417
1950	\$2,462	31.00	11.19	63.91%	\$1,573
1949	\$5,201	31.00	11.17	63.95%	\$3,326
1948	\$895	31.00	10.92	64.77%	\$580
1947	\$111	31.00	10.67	65.59%	\$73
1946	\$200	31.00	10.41	66.42%	\$133
1945	\$71	31.00	10.41	66.42%	\$47
1944	\$78	31.00	10.17	67.20%	\$52
1943	\$91	31.00	9.93	67.98%	\$62
1942	\$474	31.00	9.68	68.78%	\$326
1941	\$2	31.00	9.69	68.74%	\$1
1940	\$0	31.00	9.46	69.47%	\$0
	<u>\$4,419,553</u>				<u>\$883,507</u>
		Net Salvage Adjustment	15%		<u>\$132,526</u>
					<u><u>\$1,016,033</u></u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 370      Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$79,991	33.00	32.50	1.51%	\$1,211
2006	\$80,589	33.00	31.51	4.52%	\$3,645
2005	\$87,390	33.00	30.53	7.49%	\$6,550
2004	\$77,685	33.00	29.56	10.42%	\$8,091
2003	\$370,401	33.00	28.62	13.28%	\$49,173
2002	\$776,248	33.00	27.70	16.07%	\$124,733
2001	\$101,494	33.00	26.80	18.79%	\$19,071
2000	\$105,445	33.00	25.93	21.44%	\$22,605
1999	\$62,251	33.00	25.08	24.01%	\$14,946
1998	\$71,840	33.00	24.25	26.51%	\$19,042
1997	\$47,420	33.00	23.45	28.93%	\$13,718
1996	\$82,971	33.00	22.68	31.27%	\$25,949
1995	\$52,715	33.00	21.93	33.55%	\$17,686
1994	\$56,266	33.00	21.20	35.76%	\$20,118
1993	\$35,319	33.00	20.50	37.89%	\$13,384
1992	\$39,591	33.00	19.81	39.97%	\$15,823
1991	\$29,708	33.00	19.15	41.98%	\$12,470
1990	\$20,471	33.00	18.50	43.93%	\$8,992
1989	\$22,359	33.00	17.88	45.82%	\$10,245
1988	\$44,571	33.00	17.27	47.66%	\$21,241
1987	\$23,717	33.00	16.68	49.44%	\$11,726
1986	\$73,489	33.00	16.11	51.18%	\$37,611
1985	\$30,188	33.00	15.55	52.87%	\$15,960
1984	\$19,791	33.00	15.01	54.51%	\$10,789
1983	\$35,592	33.00	14.48	56.12%	\$19,972
1982	\$23,351	33.00	13.97	57.68%	\$13,468
1981	\$16,447	33.00	13.46	59.20%	\$9,737
1980	\$14,461	33.00	12.97	60.69%	\$8,777
1979	\$15,414	33.00	12.49	62.15%	\$9,580
1978	\$12,794	33.00	12.02	63.57%	\$8,134
1977	\$11,862	33.00	11.56	64.97%	\$7,707
1976	\$11,503	33.00	11.11	66.34%	\$7,631
1975	\$11,679	33.00	10.66	67.68%	\$7,905
1974	\$12,262	33.00	10.43	68.39%	\$8,387
1973	\$8,201	33.00	10.02	69.63%	\$5,710
1972	\$8,984	33.00	9.63	70.83%	\$6,363
1971	\$4,312	33.00	9.24	72.01%	\$3,106
1970	\$3,632	33.00	8.85	73.17%	\$2,658
1969	\$4,800	33.00	8.48	74.31%	\$3,567
1968	\$4,329	33.00	8.11	75.43%	\$3,265
1967	\$3,295	33.00	7.75	76.52%	\$2,522
1966	\$3,077	33.00	7.39	77.60%	\$2,388

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 370      Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$3,983	33.00	7.04	78.66%	\$3,133
1964	\$3,257	33.00	6.70	79.70%	\$2,596
1963	\$3,558	33.00	6.36	80.72%	\$2,872
1962	\$2,736	33.00	6.03	81.73%	\$2,236
1961	\$2,558	33.00	5.70	82.73%	\$2,116
1960	\$1,380	33.00	5.38	83.70%	\$1,155
1959	\$1,922	33.00	5.06	84.67%	\$1,627
1958	\$1,620	33.00	4.75	85.62%	\$1,387
1957	\$1,640	33.00	4.44	86.56%	\$1,419
1956	\$1,213	33.00	4.13	87.48%	\$1,061
1955	\$581	33.00	3.83	88.39%	\$513
1954	\$514	33.00	3.53	89.30%	\$459
1953	\$288	33.00	3.24	90.18%	\$259
1952	\$313	33.00	2.95	91.06%	\$285
1951	\$191	33.00	2.66	91.93%	\$176
1950	\$220	33.00	2.38	92.78%	\$204
1949	\$330	33.00	2.10	93.63%	\$309
1948	\$306	33.00	1.83	94.46%	\$289
1947	\$93	33.00	1.56	95.28%	\$89
1946	\$4	33.00	1.29	96.08%	\$4
1945	\$6	33.00	1.04	96.86%	\$6
1944	\$1	33.00	0.79	97.60%	\$1
1943	\$0	33.00	0.58	98.25%	\$0
1942	\$0	33.00	0.50	98.48%	\$0
1941	\$0	33.00	0.00	100.00%	\$0
1940	\$0	33.00	0.00	100.00%	\$0
	<u>\$2,624,615</u>				<u>\$657,847</u>
			Net Salvage Adjustment      0%		<u>\$0</u>
					<u><u>\$657,847</u></u>

# Licking Valley Rural Electric Cooperative

## Calculated Accrued Depreciation

Account: 371      Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$1,780	27.00	7.58	71.92%	\$1,280
1964	\$3,051	27.00	7.41	72.57%	\$2,214
1963	\$2,916	27.00	7.24	73.17%	\$2,133
1962	\$2,727	27.00	7.10	73.72%	\$2,010
1961	\$0	27.00	6.73	75.06%	\$0
1960	\$0	27.00	6.58	75.62%	\$0
1959	\$0	27.00	6.45	76.12%	\$0
1958	\$0	27.00	6.09	77.43%	\$0
1957	\$0	27.00	5.95	77.96%	\$0
1956	\$0	27.00	5.83	78.42%	\$0
1955	\$0	27.00	5.48	79.71%	\$0
1954	\$0	27.00	5.34	80.22%	\$0
1953	\$0	27.00	5.22	80.67%	\$0
1952	\$0	27.00	5.12	81.04%	\$0
1951	\$0	27.00	4.79	82.26%	\$0
1950	\$0	27.00	4.68	82.67%	\$0
1949	\$0	27.00	4.59	83.01%	\$0
1948	\$0	27.00	4.26	84.21%	\$0
1947	\$0	27.00	4.16	84.60%	\$0
1946	\$0	27.00	4.07	84.92%	\$0
1945	\$0	27.00	3.75	86.10%	\$0
1944	\$0	27.00	3.65	86.50%	\$0
1943	\$0	27.00	3.56	86.83%	\$0
1942	\$0	27.00	3.49	87.06%	\$0
1941	\$0	27.00	3.19	88.19%	\$0
1940	\$0	27.00	3.10	88.51%	\$0
	<u>\$1,518,076</u>				<u>\$460,543</u>
			Net Salvage Adjustment      15%		<u>\$69,081</u>
					<u><u>\$529,624</u></u>

Licking Valley Rural Electric Cooperative

**Distribution Plant  
Summary of Salvage and Removal Costs**

Year	Original	Cost of Removal		Salvage		Net Salvage	
	Cost	Amount	Percent	Amount	Percent	Amount	Percent
1981	223,156	41,228	18%	22,422	10%	(18,806)	-8%
1982	129,692	92,622	71%	13,362	10%	(79,260)	-61%
1983	190,464	19,719	10%	69,220	36%	49,501	26%
1984	242,054	17,672	7%	43	0%	(17,629)	-7%
1985	256,464	24,757	10%	3,725	1%	(21,032)	-8%
1986	258,475	95,436	37%	29,502	11%	(65,934)	-26%
1987	178,627	52,786	30%	21,724	12%	(31,062)	-17%
1988	305,586	120,910	40%	55,175	18%	(65,735)	-22%
1989	256,138	58,576	23%	-6,137	-2%	(64,713)	-25%
1990	229,693	66,251	29%	-1,330	-1%	(67,581)	-29%
1991	302,707	83,268	28%	-1,055	0%	(84,323)	-28%
1992	315,404	97,437	31%	-18,019	-6%	(115,456)	-37%
1993	292,119	64,608	22%	49	0%	(64,559)	-22%
1994	601,481	94,813	16%	-125	0%	(94,938)	-16%
1995	458,759	68,938	15%	2,517	1%	(66,421)	-14%
1996	573,636	71,608	12%	0	0%	(71,608)	-12%
1997	476,239	68,836	14%	198	0%	(68,638)	-14%
1998	507,377	78,727	16%	904	0%	(77,823)	-15%
1999	536,964	62,490	12%	1,001	0%	(61,489)	-11%
2000	389,819	180,735	46%	50,364	13%	(130,371)	-33%
2001	431,447	222,066	51%	57,706	13%	(164,360)	-38%
2002	298,065	197,402	66%	61,414	21%	(135,988)	-46%
2003	392,213	221,893	57%	103,915	26%	(117,978)	-30%
2004	622,926	241,441	39%	71,079	11%	(170,362)	-27%
2005	589,230	220,372	37%	50,878	9%	(169,494)	-29%
2006	529,009	346,815	66%	143,939	27%	(202,876)	-38%
2007	757,634	325,046	43%	190,952	25%	(134,094)	-18%
<b>Total</b>	<b>10,345,377</b>	<b>3,236,452</b>	<b>31%</b>	<b>923,423</b>	<b>9%</b>	<b>(2,313,029)</b>	<b>-22%</b>

**Three Year Moving Averages**

1998-2000	478,053	107,317	22%	17,423	4%	(89,894)	-19%
1999-2001	452,743	155,097	34%	36,357	8%	(118,740)	-26%
2000-2002	373,110	200,068	54%	56,495	15%	(143,573)	-38%
2001-2003	373,908	213,787	57%	74,345	20%	(139,442)	-37%
2002-2004	437,735	220,245	50%	78,803	18%	(141,443)	-32%
2003-2005	534,790	227,902	43%	75,291	14%	(152,611)	-29%
2004-2006	580,388	269,543	46%	88,632	15%	(180,911)	-31%
2005-2007	625,291	297,411	48%	128,590	21%	(168,821)	-27%

**Five Year Average**

2003-2007	578,202	271,113	47%	112,153	19%	(158,961)	-27%
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**Ten Year Average**

1998-2007	505,468	209,699	41%	73,215	14%	(136,484)	-27%
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Licking Valley Rural Electric Cooperative  
Mortality Characteristics  
as of December 31, 2007

Account Number	<u>Description</u>	<u>Existing</u>			<u>Proposed</u>		
		Average Service <u>Life</u>	Iowa Curve <u>Type</u>	Net Salvage <u>Factor</u>	Average Service <u>Life</u>	Iowa Curve <u>Type</u>	Net Salvage <u>Factor</u>
362	Station Equipment				32	S6	0%
364	Poles, Towers & Fixtures	27	R1	30%	29	L1.5	35%
365	Overhead Conductors & Devices	39	L0	30%	30	S6	35%
367	Underground Conductors & Devices	39	L0	25%	40	S0	0%
368	Line Transformers	33	S5	0%	40	R2.5	0%
369	Services	24	S0	20%	31	L0	15%
370	Meters	31	R4	0%	33	S1	0%
371	Installations on Customers' Premises	22	R2	20%	27	L1.5	15%

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Analysis of Other Operating Taxes  
12 Months Ended  
December 31, 2008

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	321,491			321,491	321,491
	(d) Payroll (Employer's Portion)	160,370	38,072	19,902	218,344	160,370
	(e) Other Taxes	25,676			25,676	25,676
2.	Total Retail (L1(a) through L1(e))	507,537	38,072	19,902	565,511	507,537
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	507,537	38,072	19,902	565,511	507,537

Allocation of adjustment:

583	Overhead line exp	81%	(8,699)
586	Meter exp	4%	(408)
587	Customer installation exp	4%	(387)
588	Miscellaneous distribution exp	5%	(514)
903	Consumer records	4%	(386)
910	Misc customer service	1%	(129)
921	Office supply and exp	2%	(254)
		100%	(10,777)

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Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Magoffin County</b>							
Tangible - County	5,412,788	0.4230	22,896.09	5,701,411	0.4440	25,314.26	(2,418)
Tangible - School	5,412,788	0.3670	19,864.93	5,701,411	0.3980	22,691.62	(2,827)
Tangible - Library	5,412,788	0.0562	3,041.99	5,701,411	0.0633	3,608.99	(567)
Tangible - Health	5,412,788	0.0500	2,706.39	5,701,411	0.0500	2,850.71	(144)
Tangible - Extension	5,412,788	0.0675	3,653.63	5,701,411	0.0786	4,481.31	(828)
<b>Morgan County</b>							
Real Estate - County	442,401	0.0550	243.32	445,356	0.0560	249.40	(6)
Real Estate - Common S	442,401	0.4700	2,079.28	445,356	0.4610	2,053.09	26
Real Estate - Ambulance	442,401	0.0660	291.98	445,356	0.0650	289.48	3
Real Estate - Library	442,401	0.0550	243.32	445,356	0.0510	227.13	16
Real Estate - Health	442,401	0.0500	221.20	445,356	0.0500	222.68	(1)
Real Estate - Extension	442,401	0.1120	495.49	445,356	0.0960	427.54	68
Real Estate - Conservati	442,401	0.0170	75.21	445,356	0.0170	75.71	(1)
Tangible - County	8,134,558	0.0550	4,474.01	8,105,974	0.0560	4,539.35	(65)
Tangible - Common Sch	8,134,558	0.4700	38,232.42	8,105,974	0.4530	36,720.06	1,512
Tangible - Ambulance	8,134,558	0.0660	5,368.81	8,105,974	0.0657	5,325.62	43
Tangible - Library	8,134,558	0.0716	5,824.34	8,105,974	0.0678	5,495.85	328
Tangible - Health	8,134,558	0.0500	4,067.28	8,105,974	0.0500	4,052.99	14
Tangible - Extension	8,134,558	0.1250	10,168.20	8,105,974	0.1857	15,052.79	(4,885)
<b>Wolfe County</b>							
Tangible - County	6,266,363	0.0880	5,514.40	6,065,400	0.0880	5,337.55	177
Tangible - School	6,266,363	0.3730	23,373.53	6,065,400	0.3700	22,441.98	932
Tangible - Library	6,266,363	0.1039	6,510.75	6,065,400	0.0878	5,325.42	1,185
Tangible - Health	6,266,363	0.0400	2,506.55	6,065,400	0.0400	2,426.16	80
Tangible - Extension	6,266,363	0.1316	8,246.53	6,065,400	0.1119	6,787.18	1,459
<b>Breathitt County</b>							
Tangible - County	3,885,976	0.1120	4,352.29	4,109,229	0.1120	4,602.34	(250)
Tangible - School	3,885,976	0.4070	15,815.92	4,109,229	0.4070	16,724.56	(909)
Tangible - Library	3,885,976	0.0862	3,349.71	4,109,229	0.0754	3,098.36	251
Tangible - Health	3,885,976	0.0800	3,108.78	4,109,229	0.0800	3,287.38	(179)
Tangible - Extension	3,885,976	0.0927	3,602.30	4,109,229	0.0768	3,155.89	446
page totals			200,328.67			206,865.41	(6,536.73)

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

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Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Menifee County</b>							
Tangible - County	368,612	0.1400	516.06	376,884	0.1290	486.18	30
Tangible - School	368,612	0.3660	1,349.12	376,884	0.3570	1,345.48	4
Tangible - Library	368,612	0.0816	300.79	376,884	0.0709	267.21	34
Tangible - Health	368,612	0.0500	184.31	376,884	0.0450	169.60	15
Tangible - Extension	368,612	0.0634	233.70	376,884	0.0508	191.46	42
Tangible - Fire Dist	368,612	0.1000	368.61	376,884	0.1000	376.88	(8)
<b>Lee County</b>							
Tangible - County	198,003	0.9270	1,835.49	208,063	0.8250	1,716.52	119
Tangible - School	198,003	0.2860	566.29	208,063	0.2990	622.11	(56)
Tangible - Library	198,003	0.1493	295.62	208,063	0.1351	281.09	15
Tangible - Health	198,003	0.0380	75.24	208,063	0.0380	79.06	(4)
Tangible - Extension	198,003	0.0698	138.21	208,063	0.0663	137.95	0
<b>City of West Liberty</b>							
Real Estate	193,882	0.2020	391.64	190,306	0.2020	384.42	7
Tangible	96,595	0.2272	219.46	79,942	0.2181	174.35	45
<b>Public Service Company Assessment:</b>							
Real Estate	442,401	0.1240	548.58	445,356	0.1280	570.06	(21)
Tangible Property	23,969,053	0.4500	107,860.74	24,779,434	0.4500	111,507.45	(3,647)
Manufacturing Machinery	4,185,740	0.1500	6,278.61	4,728,444	0.1500	7,092.67	(814)
this page			<u>121,162.46</u>			<u>125,402.48</u>	<u>(4,240.03)</u>
Total			<u><u>321,491.13</u></u>			<u><u>332,267.89</u></u>	<u><u>(10,776.76)</u></u>
Amount of Adjustment							<u><u>(10,777)</u></u>

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
December 31, 2008

**Adjustment for Interest on Long Term Debt**

The adjustment for interest on long-term debt results in an increase of \$34,587.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	364,976
FFB loans	424,409
CFC loans	<u>200,363</u>
Total annualized interest	989,748
Test year interest expense	<u>955,161</u>
Adjustment	<u><u>34,587</u></u>

Licking Valley Rural Electric Cooperative

Exhibit 5

Case No. 2009-00016

page 2 of 3

Schedule of Outstanding Long-Term Debt

Format 8a

December 31, 2008

Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
<b>RUS loans</b>						
1B160	Jun-74	Jun-09	9,737	5.000%	487	1,083
1B172	Mar-75	Mar-10	24,322	5.000%	1,216	1,781
1B180	Feb-76	Feb-11	63,966	5.000%	3,198	4,119
1B190	Jun-77	Jun-12	107,492	5.000%	5,375	6,226
1B200	May-78	May-13	305,872	5.000%	15,294	17,244
1B210	Aug-80	Jul-15	597,722	5.000%	29,886	32,243
1B220	Jun-83	Jun-18	462,212	5.000%	23,111	24,211
1B230	May-86	May-21	623,722	5.000%	31,186	32,235
1B240	Dec-90	Dec-25	892,152	5.000%	44,608	45,568
1B250	Jul-94	Jul-29	1,397,106	5.000%	69,855	89,579
1B260	Jun-97	May-32	1,683,560	5.375%	90,491	96,164
1B265	Jun-97	May-32	433,953	5.250%	22,783	24,216
1B266	Jun-97	May-32	1,012,015	2.500%	25,300	32,370
1B267	Jun-97	May-32	134,985	1.620%	2,187	2,219
			<u>7,748,816</u>		<u>364,976</u>	<u>409,260</u>
<b>FFB loans</b>						
H0010	Jan-00	Dec-34	1,489,949	6.480%	96,549	97,486
H0015	Sep-08	Sep-43	12,466,187	2.630%	327,861	246,451
			<u>13,956,136</u>		<u>424,409</u>	<u>343,937</u>
<b>CFC loans</b>						
9002	Jun-74	May-09	5,132	7.00%	359	782
9003	Mar-75	Feb-10	14,507	5.40%	783	1,139
9004	Dec-75	Nov-10	34,464	5.40%	1,861	2,388
9005	Jun-77	May-12	51,785	5.40%	2,796	3,241
9007	Mar-78	Feb-13	147,096	5.40%	7,943	8,950
9010	Jun-80	May-15	310,764	5.35%	16,626	17,921
9014	Jun-83	May-18	236,651	5.35%	12,661	13,280
9015	Mar-86	Feb-21	316,100	5.40%	17,069	17,568
9016	Dec-90	Nov-25	390,808	5.35%	20,908	21,366
9017	Sep-94	Aug-99	786,598	5.35%	42,083	42,755
9018	Jun-93	May-98	1,444,343	5.35%	77,272	72,576
			<u>3,738,248</u>		<u>200,363</u>	<u>201,965</u>
Total long term debt and annualized			<u>25,443,200</u>		<u>989,748</u>	<u>955,161</u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 3.89%

Actual test year cost rate [Total Col (k) / Total Reported in Col (d)] 3.75%

1 Licking Valley Rural Electric Cooperative  
2 Case No. 2009-00016  
3 Schedule of Short Term Debt  
4 December 31, 2008

Exhibit 5  
page 4 of 4  
Format 8b

5  
6 **Adjustment for Short Term Interest**

7  
8 There were no short term borrowings during the test year. All interest expense, other  
9 in Account No. 431 is for customer deposits.

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12 Type of	Date of	Date of	Amount	Interest	Annualized
13 Debt	Issue	Maturity	Outstanding	Rate	Cost
14 <u>Instrument</u>	<u>Issue</u>	<u>Maturity</u>	<u>Outstanding</u>	<u>Rate</u>	<u>Cost</u>
15 (a)	(b)	(c)	(d)	(e)	(f)
16					
17					
18					
19	Annualized cost rate [Total col. (f) / Total col. (d)]				0.00%
20					
21	Actual interest paid, or accrued on Short Term				
22	Debt during the Test Year				0
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Licking Valley Rural Electric  
Case No. 2009-00016  
December 31, 2008

**Financial Accounting Standard No. 106  
Employer's Accounting for Postretirement Benefits**

Licking Valley has included its study for SFAS No. 106 as of January 1, 2008. The directors for Licking Valley are not covered by the plan.

	<u>Total</u>
Proposed annual cost	323,000
Test year accrual	<u>300,000</u>
Proposed adjustment	<u><u>23,000</u></u>

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	23.74%	\$5,461
163 - 416 Clearing and others	12.41%	2,853
580 Operations	20.90%	4,808
590 Maintenance	19.53%	4,492
901 Consumer accounts	10.18%	2,342
908 Customer service	0.00%	0
912 Sales	0.00%	0
920 Administrative and general	13.23%	3,044
	<u>100.00%</u>	<u>\$23,000</u>

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Licking Valley Rural Electric  
Case No. 2009-00016  
December 31, 2008

**Financial Accounting Standard No. 106  
Employer's Accounting for Postretirement Benefits**

Licking Valley implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1994.

The journal entry to record the expense for the initial year of 2008 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Effect of new accounting pronouncement	435	719,369	
Accumulated provision for pensions and benefits	228.30		719,369

The updated study has been included with this response.

W. DUDLEY SHRYOCK, CPA, PSC  
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 542  
145 COLLEGE STREET  
LAWRENCEBURG, KY 40342  
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY  
OF CPA'S

Exh 6  
3 of 11

January 10, 2009

Kerry K. Howard, General Manager and CEO  
Licking Valley Rural Electric Cooperative  
271 Main Street  
West Liberty, Kentucky 41472

Dear Mr. Howard:

Please find enclosed the actuarial valuation results I have received as of January 1, 2008 for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions.

The annual accrual should be \$323,012 starting when you receive this report.

The annual accrual includes current service and interest costs and amortization of actuarial gains and losses.

If you have any questions, or would like to discuss these results, please give me a call.

Sincerely,

W. Dudley Shryock, CPA

Licking Valley Rural Electric  
Medical Insurance Premiums

ExL 6  
4 of 11

FAS 106 Obligation as of January 1, 1998

FAS 106 Expense Components

1. Service cost	\$74,658
2. Interest cost	180,330
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial gain/(loss)	<u>68,024</u>
6. Total FAS 106 expense	<u>\$323,012</u>
7. Expected pay-as-you-go expense	<u>\$121,487</u>

Exh 6  
5 of 11

**Licking Valley Rural Electric  
Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2008**

	<u>Employees</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2008	
1. Actives not yet eligible	\$1,251,393
2. Actives fully eligible	758,050
3. Retirees and dependents	<u>929,309</u>
4. Total APBO	2,938,752
B. Future accruals	2,611,549
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u><u>5,550,301</u></u>
D. Reconciliation of Funded Status	
1. APBO	\$1,578,271
2. Assets	<u>-</u>
3. Funded Status = (D1 + D2)	1,578,271
8. Unrecognized Transition Obligation	-
5. Unrecognized Gain/(Loss)	1,360,481
6. Unrecognized Prior Service Cost	-
7. Accrued Postretirement Benefit Cost (D3 + D4 + D5 + D6)	<u><u>\$2,938,752</u></u>

**Licking Valley Rural Electric  
Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2009**

	<u>Employees</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2009	
1. Actives not yet eligible	\$1,364,877
2. Actives fully eligible	862,589
3. Retirees and dependents	<u>844,787</u>
4. Total APBO	3,072,253
B. Future accruals	2,435,780
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u><u>5,508,033</u></u>
D. Reconciliation of Funded Status	
1. APBO	\$1,677,562
2. Assets	<u>-</u>
3. Funded Status = (D1 + D2)	1,677,562
8. Unrecognized Transition Obligation	-
5. Unrecognized Gain/(Loss)	1,394,691
6. Unrecognized Prior Service Cost	-
7. Accrued Postretirement Benefit Cost (D3 + D4 + D5 + D6)	<u><u>\$3,072,253</u></u>

ExL 6  
7 of 11

**Licking Valley Rural Electric  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

A. Accrued Postretirement Benefit Cost

1. Balance January 1, 2008	1,578,271
2. Accrual for 2008	300,000
3. Payout for 2008	<u>(200,709)</u>
4. Balance December 31, 2008	1,677,562
5. Accrual for 2009	323,012
6. Estimated payout for 2009	<u>(121,487)</u>
7. Estimated balance December 31, 2009	<u><u>1,879,087</u></u>

**Licking Valley Rural Electric  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

**A. Development of Actuarial (Gain)/Loss during 2008**

1. Expected APBO as of December 31, 2008	\$1,578,271
2. Actual APBO as of January 1, 2009	<u>2,938,752</u>
3. Actuarial (gain)/loss as of January 1, 2008 = (2) - (1)	1,360,481
4. Unrecognized (gain)/loss as of December 31, 2008	<u>-</u>
5. Cumulative (gain)/loss = (3) + (4)	1,360,481
6. 10% corridor	<u>136,048</u>
7. (Gain)/Loss subject to amortization = (5) - (6)	1,224,433
8. Future working lifetime to expected retirement	<u>18</u>
9. Amortization of (gain)/loss = (7) / (8)	<u><u>\$68,024</u></u>

**B. Amortization of Transition Obligation**

1. Transition Obligation as of January 1, 1995	-
2. Number of years in amortization	<u>-</u>
3. Annual amortization	<u><u>-</u></u>

**Licking Valley Rural Electric  
Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2008**

**Alternate assumptions:**

Impact on obligations and expense of a  
health care cost trend increase of 1%

	<u>Current Plan</u>	<u>Alternate Assumptions</u>	<u>% Change</u>
APBO	2,938,752	3,300,000	12.3%
EPBO	5,550,301	6,200,000	11.7%
FAS 106 Expense	323,012	360,000	11.5%

**Estimated payments for the next five years:**

2009	121,487
2010	125,883
2011	125,246
2012	108,452
2013	104,553

# Licking Valley Rural Electric Cooperative

## SFAS 106 Assumptions

### Covered Groups

All eligible employees.

### Eligibility

Normal retirement age 62.

### Spouse

Continuation of coverage, but spouse must pay own premiums.

### Medicare

At age 65, retirees will commence with Medicare coverage.

### Contributions

Licking Valley will pay a percentage contribution for premiums based on years of service as listed below:

<u>Years of Service</u>	<u>Cooperative Portion</u>
25	100%
15 - 24	75%
5 - 14	50%
0 - 5	0%

### Termination

Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Number of Employees</u>
20	14.9%	9
30	6.9%	15
40	2.8%	8
50	0.4%	9
60	0.0%	4
		<u>45</u>

# Licking Valley Rural Electric Cooperative

SxL 6  
11 of 11

## SFAS 106 Assumptions

### Life Expectancies

Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8

### Retirements and withdrawals

Estimate that employees will retire at age 62, and will be replaced in the normal course of business.

### Discount Rate

6.00%

### Health Care Trend

8.0% annual increase decreasing by 0.5% per year until levelizing at 5.5% per year.

### Eligibility classes

Based on the employees, retiree and those on disability as of the January 1, 2008, are the following:

	<u>Employees</u>
Actives not fully eligible	38
Actives fully eligible	7
Retirees and dependents	17
Disablility	<u>3</u>
	<u>65</u>

Licking Valley Rural Electric  
Case No. 2009-00016  
Retirement and Security

All eligible employees participate in the NRECA R&S Program, a defined contribution pension plan qualified under section 401 and tax-exempt under section 501(a) of the Internal Revenue Code. Licking Valley makes annual contributions to the Program equal to the amounts accrued for pension expense.

Licking Valley pays 11% of base compensation and employees are required to match at least 4%, with an election to contribute more.

Normalized base wages	1,932,719
Contribution rate for 2009	<u>11.00%</u>
Proposed contribution cost	212,599
Test year R & S contributions	<u>191,599</u>
Proposed adjustment	<u><u>21,000</u></u>

The adjustment is allocated as follows:

<b>Adjustment:</b>	<u>Percent</u>	<u>Amount</u>
107 Capitalized	23.74%	4,986
163 - 416 Clearing and others	12.41%	2,605
580 Operations	20.90%	4,390
590 Maintenance	19.53%	4,101
901 Consumer accounts	10.18%	2,139
908 Customer service	0.00%	0
912 Sales	0.00%	0
920 Administrative and general	13.23%	2,779
	<u>100.00%</u>	<u>\$21,000</u>

Licking Valley Rural Electric  
Case No. 2009-00016

Account 426 - Other Income Deductions  
December 31, 2008

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Line No.	Item (a)	Amount (b)
1.	Donations	16,413
2.	Civic activities	
3.	Political activities	
4.	Other	<u>1,285</u>
5.	Total	<u><u>17,697</u></u>

## Licking Valley Rural Electric

Case No. 2009-00016

Donations Account 426.00

December 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/11/2008	8100078	Debbie Caudill	100.00	x Donation
1/25/2008	8100151	Wolfe Co Ext	150.00	x Donation
2/28/2008	8100400	Morgan Co Ext	350.00	x Donation
2/29/2008	8100467	Special Olympics	130.00	x Donation
3/20/2008	8100523	Home Run Club	200.00	x Donation
3/20/2008	8100525	MSU Foundation	500.00	x Donation
3/20/2008	8100526	Fidelity Assoc	1,260.45	x Donation
3/31/2008	8100573	American Cancer Soc	500.00	x Donation
3/21/2008	8100597	Visa	199.11	x Donation
3/21/2008	8100606	Morgan Co Little League	200.00	x Donation
3/21/2008	8100607	J & K Electronics	50.00	x Donation
3/21/2008	8100608	Wolfe Co Pub Lib	100.00	x Donation
3/21/2008	8100609	Morgan Co Softball	100.00	x Donation
4/1/2008	8100628	Magoffin Co Little Leagu	500.00	x Donation
4/14/2008	8100671	American Cancer Soc	500.00	x Donation
4/14/2008	8100695	Wolfe Co Little League	300.00	x Donation
4/14/2008	8100696	KAEC	100.00	x Donation
4/14/2008	8100700	Magoffin Co Rescue	250.00	x Donation
4/16/2008	8100707	American Cancer Soc	500.00	x Donation
6/16/2008	8100717	Golf Classics	300.00	x Donation
4/21/2008	8100730	West Liberty Elem Sch	250.00	x Donation
4/21/2008	8100731	Morgan Co Elem Sch	250.00	x Donation
4/28/2008	8100808	Music in Park	650.00	x Donation
4/30/2008	8100884	Morgan Central Elem Scl	60.00	x Donation
5/7/2008	8100868	Morgan Co Little League	100.00	x Donation
5/8/2008	8100891	Morgan Co Quarterback	350.00	x Donation
5/8/2008	8100892	West Liberty Rotary	100.00	x Donation
5/12/2008	8100903	White Oak VFD	200.00	x Donation
5/12/2008	8100904	REACH	200.00	x Donation
5/19/2008	8100950	Kiwanis	125.00	x Donation
5/23/2008	8100975	Trooper Island	260.00	x Donation
5/23/2008	8100986	Menifee Co HS	150.00	x Donation
5/31/2008	8101086	Pleasant Valley	200.00	x Donation
6/5/2008	8101094	Morgan Co Soccer	100.00	x Donation
6/5/2008	8101095	Magoffin Co Graduation	200.00	x Donation
6/11/2008	8101126	Magoffin Assembly	300.00	x Donation
6/24/2008	8101185	Morgan Youth Baseball	300.00	x Donation
6/30/2008	8101314	Morgan Co HS Athlet	100.00	x Donation
6/30/2008	8101352	Magoffin Co Com Found	250.00	x Donation
6/30/2008	8101353	Morgan Co Cheerleaders	200.00	x Donation

Licking Valley Rural Electric

Case No. 2009-00016

Donations Account 426.00

December 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
7/17/2008	8101412	Morgan Co Little League	400.00	x Donation
7/22/2008	8101457	Jackson Lions Club	100.00	x Donation
7/30/2008	8101583	Swiss Siler Mine	100.00	x Donation
8/26/2008	8101722	Morgan Co Tennis	200.00	x Donation
8/26/2008	8101723	Magoffin Baseball	320.00	x Donation
8/27/2008	8101794	Wolfe Co Womens	100.00	x Donation
8/29/2008	8101812	Morgan Co Youth Footba	300.00	x Donation
8/29/2008	8101813	Wolfe Co Ext	100.00	x Donation
9/5/2008	8101850	Vancleve VFD	100.00	x Donation
9/11/2008	8101873	Salyersville Grade Sch	200.00	x Donation
9/18/2008	8101915	Justin Harris	100.00	x Donation
9/30/2008	8102054	Red River Elem Sch	200.00	x Donation
9/30/2008	8102056	Sebastian Middle Sch	100.00	x Donation
10/2/2008	8102027	Red River Elem Sch	200.00	x Donation
10/2/2008	8102028	Menifee Animal Shelter	250.00	x Donation
10/2/2008	8102029	Magoffin Co HS	100.00	x Donation
10/21/2008	8102128	Morgan Co HS	250.00	x Donation
10/23/2008	8102151	Wolfe Co Health Care	100.00	x Donation
10/30/2008	8102273	Wolfe Co Christmas	50.00	x Donation
10/30/2008	8102274	Red River Valley PTO	100.00	x Donation
10/31/2008		CFC Integrity Fund	1,284.80	x Donation
9/30/2008	8102074	Visa	1,158.00	x Donation
11/11/2008	8102345	Hands Program	200.00	x Donation
11/11/2008	8102347	West Liberty PTO	250.00	x Donation
11/20/2008	8102466	REACH	200.00	x Donation
11/24/2008	8102478	Pleasant Valley	50.00	x Donation
11/30/2008	8102563	Morgan Co MS	75.00	x Yearbook
11/30/2008	8102566	Wolfe Co HS	125.00	x Yearbook
12/11/2008	8102606	Dessie Scott Children Fu	100.00	x Donation
12/31/2008	8102849	Wolfe Co HS	250.00	x FFA donation

17,697.36

Remove for rate making 17,697.36 x

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Professional Services

**Legal**

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business.

Other legal services are provided as needed.

Attached is the Board policy on Attorney compensation.

**Accounting and Auditing**

Attached is a copy of the audit agreement for the latest audit as of October 31, 2008, which was performed by Alan Zumstein, CPA.

The audit fee was paid for the October 2007 audit in December 2007, while the October 2008 audit was paid in January 2009. Therefore, there were no fees for the annual audit during the test year.

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Professional Services  
December 31, 2008

Format 33  
Exhibit 9  
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<u>Line</u>		<u>Rate</u>	<u>Annual</u>			
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>	
1	Legal			4,529	4,529	
2	Engineering				0	
3	Accounting			1,300	1,300	
4	Other			1,050	1,050	
5	Total	0	0	6,879	6,879	

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
Professional Services  
December 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours &amp; Bill Rate</u>	<u>Amount</u>	<u>Description</u>
<b>Legal</b>					
<b>Gregory D. Allen</b>					
1/7/2008	8100035			350.00	Monthly retainer
2/15/2008	8100277			350.00	Monthly retainer
3/6/2008	8100418			350.00	Monthly retainer
4/1/2008	8100611			350.00	Monthly retainer
5/7/2008	8100855			350.00	Monthly retainer
6/9/2008	8101098			350.00	Monthly retainer
7/9/2008	8101373			350.00	Monthly retainer
8/12/2008	8101641			350.00	Monthly retainer
9/15/2008	8101876			350.00	Monthly retainer
10/2/2008	8102008			350.00	Monthly retainer
10/30/2008	8102276	NRECA		43.00	RE magazine subscription
11/3/2008	8102281			350.00	Monthly retainer
11/30/2008	8102557	NRECA		160.00	Legal reporting service
12/4/2008	8102520			350.00	Monthly retainer
12/31/2008	8102839	Visa		111.60	x Christmas gift
var	var	NRECA		14.40	DOM liability insurance
<b>Other</b>					
5/12/2008	8100909	Alan Zumstein, CPA		1,300.00	IRS Form 990; property tax
10/6/2008	8102061	Dudley Bottom, PE		1,050.00	Tariffs
				<u>6,879.00</u>	
01/18/2009	8103019	Alan Zumstein, CPA		(7,300.00)	x Annual audit
Disallow for rate making purposes				<u>(7,188.40)</u>	x

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**KENTUCKY 56 MORGAN**

**BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL**

**Policy Number 110**

**Effective Date: 03/20/2008**

**SUBJECT: SERVICES OF LEGAL COUNSEL**

**Page 01 of 03**

**PURPOSE:** To establish a policy relating to the selection of the most qualified professional applicant when need arises for Licking Valley Rural Electric Cooperative Corporation (LVRECC) to employ legal counsel.

**POLICY:** To recognize the value of continuing legal guidance and counsel in the ordinary and special activities to insure maximum protection of the legal rights of LVRECC and that operations are within the limitations prescribed by law.

- RESPONSIBILITIES:**
1. The Board of Directors (Board) are responsible for any changes in this policy.
  2. The special counsel to the Board shall, as appropriate, keep the General Manager/CEO and counsel advised of areas where legal advice is being provided the Board.
  3. The special counsel to the Board and counsel shall be reasonably familiar with major matters pertaining to LVRECC.

- PRACTICES:**
1. The counsel shall coordinate all legal services for LVRECC and shall be responsible for the performance of all legal matters and shall include, but not be limited to:
    - A. A review of LVRECC's Articles of Incorporation and Bylaws and the rendering of opinions on current and potential legal matters that may relate to them.
    - B. Rendering oral or written legal opinions and advice on contemplated actions of the Board, General Manager/CEO or staff.
    - C. Attending Board meetings, unless requested otherwise by the Board President and Committee Meetings, at the request of the Committee Chairman and to serve as legal advisor on matters for which responsible.
    - D. Serve as a legal liaison and advise on all substantive procedures that materially affect LVRECC's legal status and relationship with the Rural Utilities Service (RUS), the National Rural Utilities Cooperative Finance Corporation (CFC), and other federal, state and local administrative or regulatory agencies.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 110

Effective Date: 03/20/2008

SUBJECT: SERVICES OF LEGAL COUNSEL

Page 02 of 03

- 
- E. Assist LVRECC, in the preparation of documents and rendering legal opinions and certificates in obtaining loan funds from RUS, CFC, or other financial institutions.
  - F. Either represent or actively coordinate the legal representation of the Cooperative in all court proceedings in which LVRECC may become involved, including the presentation or defense of all sort or contract claims for or against LVRECC in federal or state courts.
  - G. Either represent or actively coordinate the legal representation of LVRECC in all administrative or quasi-judicial hearings that shall specifically include all rate/loan application and certification hearings before the Public Service Commission of Kentucky or other state and federal agencies or commission and any appeals therefrom.
  - H. Represent LVRECC in all aspects of the condemnation procedures involved in the acquisition of rights-of-way and real property for distribution lines, substations and related facilities.
  - I. Assist the special counsel in those matters that are deemed necessary and advisable.
  - J. Coordinate and administer all legal services performed on behalf of LVRECC, except in those specific instances where the special counsel shall have the primary responsibility.
  - K. Provide or make available to the Board, the General Manager/CEO, certain designated committees or staff members and other interested persons or agencies, written summary reports on all major legal matters.
2. The special counsel to the Board's responsibilities shall be as described in Board Policy Number 109, SERVICES OF CONSULTANTS, with the understanding that he/she is primarily responsible to the Board, although he/she may, as requested, provide advice to the General Manager/CEO and coordinate his/her efforts with counsel.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

Ex 69  
6 of 9

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 110

Effective Date: 03/20/2008

SUBJECT: SERVICES OF LEGAL COUNSEL

Page 03 of 03

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3. The contract attorney(ies) should only be used sparingly, when the counsel or special counsel is not available or qualified and as noted in Board Policy Number 109, SERVICES OF CONSULTANTS.

This Policy supersedes all prior policies with number 110.

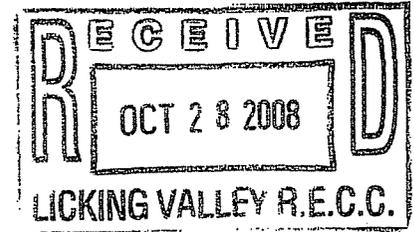
Board Approved March 20, 2007

Secretary



546 a  
7 of 9

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**



1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

**MEMBER:**

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

October 25, 2008

Kerry K. Howard, General Manager & CEO  
Licking Valley Rural Electric Cooperative  
P.O. Box 605  
West Liberty, Kentucky 41472

Dear Mr. Howard:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended October 31, 2008. I will audit the Corporation's balance sheet as of October 31, 2008, and the related statements of revenue and patronage capital and cash flows for the year then ended.

**Audit Objective**

The objective of my audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and will include tests of your accounting records and other procedures I consider necessary to enable me to express such an opinion. If my opinion is other than unqualified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete or are unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

**Audit Procedures**

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditor, and financial institutions. I will also request written representations from your attorney as part of the engagement. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist

and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

### **Management Responsibilities**

You are responsible for making all management decisions and performing all management functions; for designing an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services I provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting procedures; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the company involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

In accordance with requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.
- The Auditor's Report will be signed by Alan M. Zumstein, CPA, a certified public accountant in good professional standing with the state licensing board.
- I will comply with U.S. generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4(b).

- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the "as of" date of the audit.
- The audit will be performed and the Auditor's Report, report on internal control over financial reporting and compliance and other matters, and management letter will be performed in accordance with requirements of RUS, will comply with U.S. generally accepted auditing standards and will be submitted to the Board of Directors within three months of the "as of" audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG, or GAO may photocopy all audit and compliance work papers as requested.
- I will disclose all disallowance's resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.

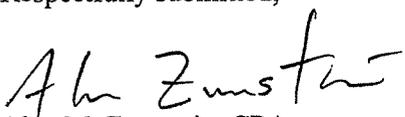
**Audit Administration, Fees and Other**

I understand that your employees will prepare all cash, accounts receivable, and other confirmations I request and will locate any documents selected by me for testing.

Fees for these services will be \$7,800. Invoices will be submitted as work progresses, and are payable upon presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certificate of Debarment and Suspension and my last peer review report and letter of comments, as required for audits of RUS borrowers.

Respectfully submitted,

  
Alan M. Zumstein, CPA

Approved by:

By: 

Date: 10/16/2008

Witness: Jim Adkins

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**Adjustment for Director expenses**  
December 31, 2008

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Licking Valley has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:

Michael Adams	755.15
Phillip Williams	925.59

Per diems:

All directors	600.00
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General expenses for all employees

Christmas gifts	1,004.40
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3,285.14

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Witness: Kerry Howard

Licking Valley Rural Electric Cooperative

Case No. 2009-00016

**Name of Board Members**

December 31, 2008

**President**

Darrell Cundiff            650 Hwy 541            Jackson, KY 41339

**Vice President**

Michael Adams            235 Mine Fork Rd            Salyersville, KY 41465

**Secretary-Treasurer**

Ted Holbrook            3815 Old Ky 15            Campton, KY 41301

Tommy Hill            4991 Hwy 172            West Liberty, KY 41472

Dolores Jones            PO Box 175            Cannel City, KY 41408

John May            PO Box 1221            Campton, KY 41301

C.K. Stacy            PO Box 309            West Liberty, KY 41472

Phillip Williams            335 Brushy Creek Rd            Salyersville, KY 41465

**East Kentucky Power Cooperative representative**

Michael Adams

**KAEC representative**

Tommy Hill

**NRECA representative**

None attended

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**Director Fees and Expenses**  
December 31, 2008

Exhibit 10  
page 3 of 15  
Witness: Jim Adkins

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	Regular Board <u>Mtg</u>	Other Board <u>Mtg</u>	Per <u>Diem</u>	<u>Mileage</u>	Air <u>Fare</u>	Meeting <u>Fees</u>	<u>Hotel</u>	<u>Meals</u>	Health <u>Insurance</u>	Misc <u>Expenses</u>	<u>Total</u>
Cundiff, Darrel	3,600	0	0	458	0	0	0	0	0	112	4,169
Adams, Michael	3,600	0	0	353	0	0	569	504	0	112	5,138
Holbrook, ted	7,200	0	0	366	0	0	0	0	0	112	7,678
Hill, Tommy	3,600	0	300	1,845	1,513	525	2,954	1,657	0	112	12,506
Jones, Dolores	3,600	0	0	170	0	0	0	0	0	112	3,882
May, John	3,600	0	0	1,035	388	525	3,049	696	0	266	9,559
Stacy, C.K.	3,600	0	0	65	0	0	0	0	0	112	3,777
Williams, Phillip	3,600	0	300	577	0	300	843	186	0	112	5,917
General expenses	0	0	0	0	0	0	0	0	0	459	459
<b>Total</b>	<b>32,400</b>	<b>0</b>	<b>600</b>	<b>4,870</b>	<b>1,901</b>	<b>1,350</b>	<b>7,415</b>	<b>3,043</b>	<b>0</b>	<b>1,506</b>	<b>53,085</b>

Licking Valley Rural Electric Cooperative

Case No. 2009-00016

Darrel Cundiff

Exhibit 10

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Witness: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
1/7/2008	8100037			300.00			35.35							335.35
02/15/08	8100282			300.00			35.35							335.35
3/6/2008	8100421			300.00			35.35							335.35
04/01/08	8100616			300.00			35.35							335.35
05/07/08	8100857			300.00			35.35							335.35
6/9/2008	8101100			300.00			35.35							335.35
7/9/2008	8101378			300.00			40.95							340.95
8/12/2008	8101643			300.00			40.95							340.95
9/15/2008	8101879			300.00			40.95							340.95
10/02/08	8102012			300.00			40.95							340.95
11/03/08	8102287			300.00			40.95							340.95
12/04/08	8102521			300.00			40.95							340.95
12/31/08	8102839	Visa	Christmas gift										111.60	111.60 x
				3,600.00	0.00	0.00	457.80	0.00	0.00	0.00	0.00	0.00	111.60	4,169.40



Licking Valley Rural Electric Cooperative  
Case No. 2009-00016

Exhibit 10  
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Witness: Jim adkins

**Ted Holbrook**

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
8	1/7/2008	8100038			600.00			28.28							628.28
9	2/15/2008	8100285			600.00			28.28							628.28
10	3/6/2008	8100422			600.00			28.28							628.28
11	4/1/2008	8100617			600.00			28.28							628.28
12	5/7/2008	8100859			600.00			28.28							628.28
13	6/9/2008	8101101			600.00			28.28							628.28
14	7/9/2008	8101381			600.00			32.76							632.76
15	8/12/2008	8101644			600.00			32.76							632.76
16	9/15/2008	8101887			600.00			32.76							632.76
17	10/2/2008	8102014			600.00			32.76							632.76
18	11/3/2008	8102288			600.00			32.76							632.76
19	12/4/2008	8102522			600.00			32.76							632.76
20	12/31/2008	8102839	Visa	Christmas gift										111.60	111.60 x
22					7,200.00	0.00	0.00	366.24	0.00	0.00	0.00	0.00	0.00	111.60	7,677.84

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**Tommy Hill**

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
8	1/7/2008	8100039			300.00			6.06							306.06
9	1/31/2008	8100213	Visa	KAEC board mtg							109.26				109.26
10	2/15/2008	8100287			300.00			6.06							306.06
11	3/6/2008	8100423			300.00			6.06							306.06
12	3/19/2008	8100506		KAEC board mtg				186.85							186.85
13	4/1/2008	8100618			300.00			6.06							306.06
14	4/24/2008	8100741	Amex	KAEC board mtg							111.56	15.66			127.22
15	5/7/2008	8100860			300.00			6.06							306.06
16	6/9/2008	8101102			300.00			6.06							306.06
17	6/11/2008	8101123		KAEC board mtg				186.85							186.85
18	6/11/2008	8101123		EKPC annual mtg			300.00	75.75							375.75
19	7/9/2008	8101382			300.00			7.02							307.02
20	7/17/2008	8101409		KAEC board mtg				216.45			111.56				328.01
21	7/18/2008	8101425	NRECA	NRECA seminar						525.00					525.00
22	7/22/2008	8101446		KAEC board mtg				97.00							97.00
23	7/23/2008	8101472	Amex	KAEC board mtg							132.26	51.52			183.78
24	7/23/2008	8101472	Amex	NRECA seminar							1,217.46	402.56			1,620.02
25	7/29/2008	8101571	Visa	NRECA seminar					1,128.00			322.14			1,450.14
26	7/30/2008	8101572	Visa	KAEC board mtg								25.14			25.14
27	8/12/2008	8101645			300.00			7.02							307.02
28	8/26/2008	8101707		KAEC board mtg				186.85							186.85
29	9/15/2008	8101888			300.00			7.02							307.02
30	9/30/2008	8102074	Visa	NRECA seminar					385.00						385.00
31	10/2/2008	8102015			300.00			7.02							307.02
32	10/30/2008	8102244	Amex	NRECA seminar				167.35			760.27	438.54			1,366.16
33	11/03/08	8102289			300.00			7.02							307.02
34	11/20/2008	8102454		KAEC board mtg (2)				432.90							432.90
35	11/30/2008	8102543	Amex	KAEC board mtg							109.26	48.13			157.39
36	12/4/2008	8102523			300.00			7.02							307.02
37	12/17/2008	8102684		KAEC board mtg				216.45							216.45
38	12/31/2008	8102815	Amex	KAEC annual mtg							402.54	353.44			755.98
39	12/31/2008	8102839	Visa	Christmas gift										111.60	111.60 x
41					3,600.00	0.00	300.00	1,844.93	1,513.00	525.00	2,954.17	1,657.13	0.00	111.60	12,505.83

Licking Valley Rural Electric Cooperative

Case No. 2009-00016

Dolores Jones

Exhibit 10

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Witness: Jimn Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
1/7/2008	8100041			300.00			13.13							313.13
2/15/2008	8100290			300.00			13.13							313.13
3/6/2008	8100425			300.00			13.13							313.13
4/1/2008	8100619			300.00			13.13							313.13
5/7/2008	8100862			300.00			13.13							313.13
6/9/2008	8101103			300.00			13.13							313.13
7/9/2008	8101384			300.00			15.21							315.21
8/12/2008	8101646			300.00			15.21							315.21
9/15/2008	8101889			300.00			15.21							315.21
10/2/2008	8102016			300.00			15.21							315.21
11/3/2008	8102290			300.00			15.21							315.21
12/4/2008	8102524			300.00			15.21							315.21
12/31/2008	8102839	Visa	Christmas gift										111.60	111.60 x
				3,600.00	0.00	0.00	170.04	0.00	0.00	0.00	0.00	0.00	111.60	3,881.64

Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**John May**

Exhibit 10  
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Witness: Jim Adkins

	Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
8	1/17/2008	8100043			300.00			25.25							325.25
9	1/20/2008	8100107		NRECA seminar				300.70							300.70
10	2/15/2008	8100293			300.00			25.25							325.25
11	2/29/2008	8100440	EKPC	Energy mgt conf							105.81				105.81
12	3/6/2008	8100427			300.00			25.25							325.25
13	4/1/2008	8100620			300.00			25.25							325.25
14	5/7/2008	8100863			300.00			25.25							325.25
15	6/9/2008	8101104			300.00			25.25							325.25
16	7/9/2008	8101386			300.00			29.25							329.25
17	8/12/2008	8101648			300.00			29.25							329.25
18	9/15/2008	8101890			300.00			29.25							329.25
19	9/30/2008	8102074	Visa	NRECA seminar					388.00						388.00
20	9/30/2008	8102091		NRECA seminar				63.53			378.06	56.71	cab	154.00	652.30
21	10/2/2008	8102018			300.00			29.25							329.25
22	10/30/2008	8102244	Amex	NRECA seminar							1,166.01	209.04			1,375.05
23	11/3/2008	8102291			300.00			29.25							329.25
24	11/30/2008	8102583	Visa	NRECA seminar							223.59				223.59
25	12/4/2008	8102525			300.00			29.25							329.25
26	12/16/2008	8102630	NRECA	NRECA seminar						525.00					525.00
27	12/31/2008	8102785		NRECA seminar				343.98				79.59			423.57
28	12/31/2008	8102815	AmEx	NRECA seminar							1,175.25	351.08			1,526.33
29	12/31/0/	8102839	Visa	Christmas gift										111.60	111.60 x
31					3,600.00	0.00	0.00	1,035.21	388.00	525.00	3,048.72	696.42	0.00	265.60	9,558.95





Licking Valley Rural Electric Cooperative  
Case No. 2009-00016  
**General Expenses**  
December 31, 2008

Exhibit 10  
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Witness: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
10/2/2008	8102276	NRECA	RE Magazine sub										344.00	344.00
var	var	NRECA	DOM liability insurance										115.20	115.20
														0.00
														0.00
														0.00
														0.00
														0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	459.20	459.20

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

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KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 108

Effective Date: 03/20/2008

SUBJECT: COMPENSATION OF DIRECTORS

Page 01 of 03

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**PURPOSE:** To establish a statement of policy pertaining to compensation for the Board of Directors (Board) of Licking Valley Rural Electric Cooperative Corporation (LVRECC).

**POLICY:** To provide fair and equitable compensation for members of the Board of LVRECC for preparation for and attendance at Board, Committee, Member, and other approved meeting(s). Also, to encourage their attendance and participation as appropriate.

**RESPONSIBILITIES:** It shall be the responsibility of the President of the Board to see that the provisions of this policy are carried out.

**PRACTICES:**

1. Director per diem shall be established by the Board, plus travel from the Director's home and out-of-pocket expenses will be paid to Directors when attending or preparing for such meetings. [Effective June 20, 1996, Director's monthly per diem amount was set at three hundred dollars (\$300.00)]. However, notwithstanding anything stated herein to the contrary, a Director shall be compensated a minimum of three hundred dollars (\$300.00) per month plus expenses.
2. The Directors of the Cooperative shall be allowed their expenses that are incurred in the conduction of all official business, which shall include, but not limited to, attendance of and participation in meetings of various entities and associates whose intended function is to support and assist the Rural Electrification Program and of which the Cooperative is a member. Reimbursement of expenses shall be upon the basis of actual expenses or upon the basis of a certain Director Per Diem, which specific basis shall be determined by a proper resolution of the Board.
3. Directors and officers shall be reimbursed for all legitimate expenses for attendance at such meetings upon submission of a detailed expense account, with receipts attached as appropriate.

Such expense accounts as requested will be reviewed by the Secretary/Treasurer.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

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KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 108

Effective Date: 03/20/2008

SUBJECT: COMPENSATION OF DIRECTORS

Page 02 of 03

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4. Travel shall be reimbursed on the following basis:
    - A. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expenses actually incurred in an amount not to exceed round trip air coach fare, if the same is available; otherwise, first class fare, plus cost of transportation to and from airport and other expenses attendant to air travel.
    - B. If commercial air travel is not available, then the Director or Officer shall select the means of travel which, in his/her judgement, is the most satisfactory under the circumstances, giving due consideration to factors of time and cost. Reimbursement shall be for actual expenses incurred.
    - C. Mileage reimbursement, plus toll cost, for use of personal automobile shall be at the rate established by the Board. In those instances where Directors travel with others, only the Director or Officer actually using his/her automobile shall receive mileage and tolls paid.
  5. The Secretary/Treasurer shall be paid (at least the equivalent to twelve (12) additional month's per diem of three hundred dollars (\$300.00) per month for time involved in carrying out official duties.
  6. Compensation for Retired Directors: On October 15, 1987, the Board of LVRECC adopted a resolution (Board Policy Number 108, COMPENSATION OF DIRECTOR'S), directing that all retired/retiring Board Members who have served as a Director of LVRECC for a period of twenty five (25) years or longer shall be paid a one (1) time amount based on a formula of life expectancy and annuity table per diem monthly amount equal to, but not greater than amount the director was receiving at given date of retirement. This amount shall be calculated using above Ref: to determine life expected number of years. Month, multiplied by year, multiplied by the years of service, equals the total amount to be paid at time of retirement. This amount will be subject to all taxable laws and to be the responsibility of the retiring director receiving said amount.

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LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 108

Effective Date: 03/20/2008

SUBJECT: COMPENSATION OF DIRECTORS

Page 03 of 03

This Policy supersedes all prior policies with Number 108.

Board Approved March 20, 2008

Secretary 

Licking Valley Rural Electric  
Case No. 2009-00016  
Adjustment for miscellaneous expenses  
December 31, 2008

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Account 913.00, General Advertising Expense and Account 930.10, General Advertising Expenses. Those removed include sponsorship of sports, church, civic and charitable related organizations. In addition, East Kentucky Power Cooperative has discontinued its Partner Plus program, whereby East Kentucky reimbursed Licking Valley for certain advertising and Touchstone Energy logo items.

Annual meeting scholarships, prizes and giveaways are also disallowed.

The amounts removed for rate making purposes is as follows:

Account 913.00, General advertising	(1,042)
Account 930.40, Miscellaneous general	723
Account 930.3, Annual meeting	<u>2,672</u>
	<u><u>2,353</u></u>

Witness: Jim Adkins

## Licking Valley Rural Electric

Case No. 2009-00016

Advertising - Account 913.00

December 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/24/2008	8100117	AT&T	30.00	Telephone directory
1/31/2008	8100203	Intermountain Broadcasti	100.00	Safety ads
1/31/2008	8100217	Universal Advertising	192.23	x Local maps
1/31/2008	8100229	Breathitt Co Voice	297.00	Safety ads
1/31/2008	8100233	Farmers & Shoppers	1,029.65	Safety ads
1/31/2008	8100237	Licking Valley Courier	388.50	Safety ads
1/31/2008	8100247	WCBJ-FM	600.00	Safety ads
1/31/2008	8100248	WRLV-FM	660.00	Safety ads
1/31/2008	8100249	WLKS-FM	892.00	Safety ads
1/31/2008	8100251	Wolfe Co News	281.40	Safety ads
1/31/2008	8100263	Salyersville Independent	300.00	Safety ads
1/22/2008		EKPC	(4,212.18)	x Partner Plus reimbursement
1/31/2008		EKPC	(894.18)	x Partner Plus reimbursement
2/15/2008	8100308	MCHS Chearleaders	60.00	x Yearbook
2/28/2008	8100377	AT&T	30.00	Telephone directory
2/29/2008	8100436	Breathitt Co Voice	198.00	Safety ads
2/29/2008	8100445	Intermountain Broadcasti	100.00	Safety ads
2/29/2008	8100446	Intermountain Publishing	747.00	Safety ads
2/29/2008	8100448	Licking Valley Courier	330.80	Safety ads
2/29/2008	8100457	Salyersville Independent	278.25	Safety ads
2/29/2008	8100463	WCBJ-FM	600.00	Safety ads
2/29/2008	8100464	WLKS-FM	692.00	Safety ads
2/29/2008	8100465	Wolfe Co News	351.75	Safety ads
2/29/2008	8100499	Farmers & Shoppers	823.72	Safety ads
2/29/2008	8100502	WMTC Radio	240.00	Safety ads
3/20/2008	8100524	Blue Grass Energy	187.00	x Sponsor weather
3/31/2008	8100572	AT&T	30.00	Telephone directory
3/31/2008	8100641	Intermountain Publishing	288.00	Safety ads
3/31/2008	8100643	WCBJ-FM	1,150.00	Safety ads
3/31/2008	8100644	WRLV-FM	960.00	Safety ads
3/31/2008	8100645	WLKS-FM	950.00	Safety ads
3/31/2008	8100660	Breathitt Co Voice	198.00	Safety ads
3/31/2008	8100661	Farmers & Shoppers	973.72	Safety ads
3/31/2008	8100663	Licking Valley Courier	314.50	Safety ads
3/31/2008	8100664	Salyersville Independent	270.00	Safety ads
3/31/2008	8100665	Wolfe Co News	284.75	Safety ads
3/31/2008	8100703	Intermountain Broadcasti	100.00	Safety ads
4/14/2008	8100699	Lands End	115.68	x Hats with LV logo
4/24/2008	8100739	AT&T	30.00	Telephone directory
4/24/2008	8100755	WMTC Radio	126.00	Safety ads

Witness: Jim Adkins

## Licking Valley Rural Electric

Case No. 2009-00016

Advertising - Account 913.00

December 31, 2008

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
52	4/28/2008	8100805	Lands End	76.81	x Shirts with LV logo
53	4/28/2008	8100806	Lands End	14.55	x Shirts with LV logo
54	4/28/2008	8100807	Lands End	62.52	x Shirts with LV logo
55	4/30/2008	8100837	Intermountain Publishing	288.00	Safety ads
56	4/30/2008	8100838	Licking Valley Courier	330.80	Safety ads
57	4/30/2008	8100842	Wolfe Co News	281.40	Safety ads
58	4/30/2008	8100844	Breathitt Co Voice	370.00	Safety ads
59	4/30/2008	8100847	WCBJ-FM	600.00	Safety ads
60	4/30/2008	8100848	WRLV-FM	960.00	Safety ads
61	4/30/2008	8100849	WLKS-FM	800.00	Safety ads
62	4/30/2008	8100875	Intermountain Broadcasti	100.00	Safety ads
63	4/30/2008	8100878	WMTC Radio	132.00	Safety ads
64	4/30/2008	8100886	Lands End	23.85	x Shirts with LV logo
65	4/30/2008	8100927	Farmers & Shoppers	873.72	Safety ads
66	4/30/2008	8100931	Salyersville Independent	240.00	Safety ads
67	5/12/2008	8100902	Lands End	26.25	Shirts with LV logo
68	5/23/2008	8100976	AT&T	30.00	Telephone directory
69	5/28/2008	8101030	Lands End	97.62	x Shirts with LV logo
70	5/31/2008	8101065	Breathitt Co Voice	198.00	Safety ads
71	5/31/2008	8101066	Intermountain Broadcasti	100.00	Safety ads
72	5/31/2008	8101067	Intermountain Publishing	288.00	Safety ads
73	5/31/2008	8101068	Licking Valley Courier	209.35	Safety ads
74	5/31/2008	8101069	WCBJ-FM	700.00	Safety ads
75	5/31/2008	8101070	WRLV-FM	860.00	Safety ads
76	5/31/2008	8101071	WLKS-FM	700.00	Safety ads
77	5/31/2008	8101072	Wolfe Co News	165.38	Safety ads
78	5/31/2008	8101113	Pinnacle Publishing	424.20	Safety ads
79	5/31/2008	8101119	WMTC Radio	132.00	Safety ads
80	5/31/2008	8101169	Farmers & Shoppers	411.86	Safety ads
81	5/31/2008	8101171	Salyersville Independent	300.00	Safety ads
82	6/25/2008	8101186	AT&T	30.00	Telephone directory
83	6/30/2008	8101333	Breathitt Co Voice	198.00	Safety ads
84	6/30/2008	8101339	Intermountain Publishing	288.00	Safety ads
85	6/30/2008	8101340	Licking Valley Courier	318.15	Safety ads
86	6/30/2008	8101348	Wolfe Co News	303.45	Safety ads
87	6/30/2008	8101356	Intermountain Broadcasti	100.00	Safety ads
88	6/30/2008	8101360	Salyersville Independent	240.00	Safety ads
89	6/30/2008	8101368	WMTC Radio	126.00	Safety ads
90	6/30/2008	8101369	WCBJ-FM	500.00	Safety ads
91	6/30/2008	8101371	WLKS-FM	500.00	Safety ads

Witness: Jim Adkins

## Licking Valley Rural Electric

Case No. 2009-00016

Advertising - Account 913.00

December 31, 2008

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
92	6/30/2008	8101370	WRLV-FM	360.00	Safety ads
93	7/18/2008	8101413	AT&T	30.00	Telephone directory
94	7/23/2008	8101474	Farmers & Shoppers	673.72	Safety ads
95	7/31/2008	8101596	Intermountain Broadcasti	100.00	Safety ads
96	7/31/2008	8101598	WCBJ-FM	300.00	Safety ads
97	7/31/2008	8101599	WRLV-FM	360.00	Safety ads
98	7/31/2008	8101600	WLKS-FM	700.00	Safety ads
99	7/31/2008	8101635	Intermountain Publishing	360.00	Safety ads
100	7/31/2008	810132	Breathitt Co Voice	297.00	Safety ads
101	7/31/2008	8101633	Farmers & Shoppers	979.65	Safety ads
102	7/31/2008	8101638	Wolfe Co News	225.75	Safety ads
103	7/31/2008	8101636	Licking Valley Courier	325.50	Safety ads
104	7/31/2008	8101663	Salyersville Independent	258.00	Safety ads
105	7/31/2008	8101665	WMTC Radio	138.00	Safety ads
106	8/20/2008	8101694	AT&T	30.00	Telephone directory
107	8/31/2008	8101824	Breathitt Co Voice	348.00	Safety ads
108	8/31/2008	8101827	Intermountain Publishing	288.00	Safety ads
109	8/31/2008	8101830	Licking Valley Courier	253.10	Safety ads
110	8/31/2008	8101838	WCBJ-FM	250.00	Safety ads
111	8/31/2008	8101839	WRLV-FM	860.00	Safety ads
112	8/31/2008	8101840	WLKS-FM	700.00	Safety ads
113	8/31/2008	8101841	Wolfe Co News	288.75	Safety ads
114	8/31/2008	8101859	Farmers & Shoppers	205.93	Safety ads
115	8/31/2008	8101859	Farmers & Shoppers	205.93	Safety ads
116	8/31/2008	8101859	Farmers & Shoppers	205.93	Safety ads
117	8/31/2008	8101859	Farmers & Shoppers	205.93	Safety ads
118	8/31/2008	8101920	Intermountain Broadcasti	100.00	Safety ads
119	8/31/2008	8101926	Salyersville Independent	338.00	Safety ads
120	8/31/2008	8101927	WMTC Radio	126.00	Safety ads
121	9/5/2008	8101844	AT&T	50.16	Telephone directory
122	9/11/2008	8101872	Morgan Co Sorghum Fes	40.00	x Sponsorship
123	9/30/2008	8102034	Breathitt Co Voice	198.00	Safety ads
124	9/30/2008	8102041	Intermountain Publishing	288.00	Safety ads
125	9/30/2008	8102048	WCBJ-FM	550.00	Safety ads
126	9/30/2008	8102049	WRLV-FM	660.00	Safety ads
127	9/30/2008	8102050	WLKS-FM	500.00	Safety ads
128	9/30/2008	8102052	Lands End	281.12	x Shirts with LV logo
129	9/30/2008	8102064	AT&T	30.00	Telephone directory
130	9/30/2008	8102070	Intermountain Broadcasti	100.00	Safety ads
131	9/30/2008	8102071	Licking Valley Courier	443.95	Safety ads

Witness: Jim Adkins

## Licking Valley Rural Electric

Case No. 2009-00016

Advertising - Account 913.00

December 31, 2008

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
132	9/30/2008	8102076	Wolfe Co News	281.40	Safety ads
133	9/30/2008	8102081	4Imprint	1,046.26	x Logo giveaways
134	9/30/2008	8102102	Farmers & Shoppers	205.93	Safety ads
135	9/30/2008	8102102	Farmers & Shoppers	205.93	Safety ads
136	9/30/2008	8102102	Farmers & Shoppers	205.93	Safety ads
137	9/30/2008	8102102	Farmers & Shoppers	205.93	Safety ads
138	9/30/2008	8102102	Farmers & Shoppers	205.93	Safety ads
139	9/30/2008	8102106	WMTC Radio	126.00	Safety ads
140	9/30/2008	8102238	Salyersville Independent	217.00	Safety ads
141	10/13/2008	8102117	Kaeser & Blair	572.24	x Logo pencils
142	10/23/2008	8102132	AT&T	30.00	Telephone directory
143	10/23/2008	8102143	Lands End	193.82	x Shirts with LV logo
144	10/30/2008	8102254	Lands End	21.68	x Shirts with LV logo
145	10/31/2008	8102310	Breathitt Co Voice	198.00	Safety ads
146	10/31/2008	8102315	Intermountain Broadcasti	100.00	Safety ads
147	10/31/2008	8102317	Intermountain Publishing	360.00	Safety ads
148	10/31/2008	8102540	Lands End	28.83	x Shirts with LV logo
149	10/31/2008	8102320	Licking Valley Courier	393.15	Safety ads
150	10/31/2008	8102327	WCBJ-FM	300.00	Safety ads
151	10/31/2008	8102328	WRLV-FM	660.00	Safety ads
152	10/31/2008	8102329	WLKS-FM	680.00	Safety ads
153	10/31/2008	8102332	Wolfe Co News	351.75	Safety ads
154	10/31/2008	8102358	WMTC Radio	138.00	Safety ads
155	10/31/2008	8102356	Farmers & Shoppers	823.72	Safety ads
156	11/17/2008	8102388	Kaeser & Blair	577.32	x Giveaways - logo pencils
157	11/24/2008	8102467	AT&T	30.00	Telephone directory
158	11/30/2008	8102506	Salyersville Independent	195.00	Safety ads
159	11/30/2008	8102532	Breathitt Co Voice	198.00	Safety ads
160	11/30/2008	8102533	Intermountain Publishing	288.00	Safety ads
161	11/30/2008	8102534	Licking Valley Courier	325.50	Safety ads
162	11/30/2008	8102535	WCBJ-FM	300.00	Safety ads
163	11/30/2008	8102536	WRLV-FM	660.00	Safety ads
164	11/30/2008	8102537	WLKS-FM	700.00	Safety ads
165	11/30/2008	8102538	Wolfe Co News	211.05	Safety ads
166	11/30/2008	8102538	Wolfe Co News	77.70	x Freedom ad
167	11/30/2008	8102540	Lands End	395.26	x Shirts with LV logo
168	11/30/2008	8102552	Intermountain Broadcasti	100.00	Safety ads
169	11/30/2008	8102560	Salyersville Independent	333.00	Safety ads
170	11/30/2008	8102615	WMTC Radio	120.00	Safety ads
171	11/30/2008	8102700	Farmers & Shoppers	823.72	Safety ads

Witness: Jim Adkins

Licking Valley Rural Electric  
Case No. 2009-00016  
Advertising - Account 913.00  
December 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/24/2008	8102752	AT&T	30.00	Telephone directory
12/31/2008	8102795	Breathitt Co Voice	198.00	Safety ads
12/31/2008	8102820	WRLV-FM	760.00	Safety ads
12/31/2008	8102821	WLKS-FM	650.00	Safety ads
12/31/2008	8102831	Farmers & Shoppers	1,029.65	Safety ads
12/31/2008	8102832	Intermountain Broadcasti	100.00	Safety ads
12/31/2008	8102833	Intermountain Broadcasti	288.00	Safety ads
12/31/2008	8102834	Licking Valley Courier	310.80	Safety ads
12/31/2008	8102843	WCBJ-FM	550.00	Safety ads
12/31/2008	8102844	Wolfe Co News	281.40	Safety ads
12/31/2008	8102851	Salyersville Independent	42.00	Safety ads
12/31/2008	8102874	WMTC Radio	138.00	Safety ads
			<u>52,411.82</u>	x
	Disallow for rate making purposes		<u>(1,041.87)</u>	x

## Licking Valley Rural Electric

Case No. 2009-00016

## Miscellaneous General Expenses Account 930.40

December 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
11/24/2008	8102473	NRECA	18,277.00	Dues
1/11/2008	8100067	KAEC	42,324.67	Dues
1/11/2007	8100067	KAEC	740.00	Annual mtg meals
1/25/2008	8100146	Season's Florist	84.27	x Flowers
1/30/2008	8100189	KAEC	6,071.61	Ky Living magazine
1/22/2008		EKPC	(1,517.66)	x Partner Plus grogam
2/13/2008	8100272	Larry Easterling	303.88	Employee excercise equipment
2/15/2008	8100291	KAEC	683.40	x Contribution to UK
2/28/2008	8100384	KAEC	6,047.37	Ky Living magazine
2/28/2008	8100394	Visa	318.93	Office repair
3/27/2008	8100564	KAEC	6,072.09	Ky Living magazine
3/31/2008	8100636	Season's Florist	73.67	x Flowers
4/21/2008	8100728	UUS	516.75	American flags (2)
4/22/2008	8100734	KAEC	7,029.62	Ky Living magazine
4/30/2008	8100818	McKenzie Shopwise	140.20	Food - board mtg
05/28.08	8101021	KAEC	8,281.88	Ky Living magazine
6/30/2008	8101309	Season's Florist	159.00	x Flowers
6/30/2008	8101366	KAEC	6,182.34	Ky Living magazine
7/18/2008	8101417	Country Crossroads Mkt	248.43	x Employee cookout
7/30/2008	8101578	KAEC	6,157.54	Ky Living magazine
7/30/2008	8101582	Visa	214.65	x Retired employee gift
7/30/2008	8101582	Visa	128.68	Office cleaning supplies
7/31/2008	8101664	Season's Florist	72.08	x Flowers
8/15/2008	8101680	McKenzie Shopwise	196.08	Food - board mtg
8/15/2008	8101687	IGA - West Liberty	141.43	Food - board mtg
8/26/2008	8101711	Dennis Whalen III	420.00	Geothermal rebate
8/26/2008	8101716	KAEC	6,166.97	Ky Living magazine
9/29/2008	8101965	Petty Cash	108.00	x Sorghum, KAEC manager mtg
9/30/2008	8102042	KAEC	6,148.63	Ky Living magazine
9/30/2008	8102052	Lands' End	364.02	x Shirts with LV logo
9/30/2008	8102055	Accent on Flowers	74.20	x Flowers
9/30/2008	8102073	Season's Florist	79.50	x Flowers
10/25/2008	8102240	KAEC	6,162.56	Ky Living magazine
10/31/2008	8102321	Season's Florist	79.50	x Flowers
11/24/2008	8102470	KAEC	6,176.89	Ky Living magazine
11/30/2008	8102561	Season's Florist	84.80	x Flowers
11/30/2008	8102583	Visa	670.77	NRECA By-Law seminar exp

## Licking Valley Rural Electric

Case No. 2009-00016

## Miscellaneous General Expenses Account 930.40

December 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/4/2008	8102529	IGA - West Liberty	386.93	x Christmas dinner
12/8/2008	8102573	McKenzie Shopwise	96.65	x Christmas dinner
12/8/2008	8102575	JA Oldfield & Son	130.85	Kitchen utensils
12/8/2008	8102577	IGA - West Liberty	94.59	Food - board mtg
12/10/2008	8102592	Holbrook Cleaning	231.25	Clean office
12/10/2008	8102599	McKenzie Shopwise	512.64	x Christmas dinner
12/15/2008	8102610	IGA - West Liberty	199.15	x Christmas dinner
12/19/2008	8102707	Kerry Howard	96.92	x Christmas dinner
12/19/2008	8102708	KAEC	6,180.36	Ky Living magazine
12/31/2008	8102815	AmEx	442.43	KAEC meeting expenses
12/31/2008	8102818	Season's Florist	84.80	x Flowers
12/31/2008	8102839	Visa	439.80	x Christmas dinner
12/31/2008	8102840	Visa	1,843.23	x Christmas dinner
		Less than \$100 individually	743.63	Minor items purchased
var	var	Insurance expense	4,626.08	
var	var	Cash short (over)	116.61	
			<u>151,709.67</u>	
		Items disallowed for rate making purposes	<u>723.06</u>	x
Summary of Miscellaneous expenses:				
930.1	Directors expenses		53,084.81	
930.20	Dues		60,601.67	
930.3	Annual meeting		57,929.63	
930.4	Miscellaneous		90,991.39	
930.6	Cash short (over)		<u>116.61</u>	
	Total		<u>262,724.11</u>	

**Licking Valley Rural Electric**  
**Case No. 2009-00016**  
**Annual Meeting Expenses Account 930.30**  
**December 31, 2008**

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
3/20/2008	8100529	Kevin Howard, et al	400.00	x	Nominating committee
4/14/2008	8100699	Lands' End	1,924.21		Shirts for annul mtg
4/24/2008	8100757	Canoe Creek Apparel	799.01		Shirts for annul mtg
4/28/2008	8100805	Lands' End	258.51		Shirts for annul mtg
4/30/2008	8100883	Canoe Creek Apparel	530.34		Shirts for annul mtg
4/30/2008	8100927	Farmers & Shoppers	200.00		Food
5/1/2008	8100831	Appalachian Troubadors	500.00		Entertainment
5/12/2008	8100902	Lands' End	23.85		Shirts for annul mtg
5/12/2008	8100911	Crockett Greenhouse	203.52		Setups
5/13/2008	8100921	David Gibson, et al	200.00	x	Review
5/14/2008	8100937	Petty Cash	600.00	x	Prizes
5/19/2008	8100944	Service Office Supplies	397.50		Setups
5/19/2008	8100946	Petty Cash	72.00	x	Prizes
5/19/2008	8100948	Tom Conley	210.94		Tent
5/19/2008	8100949	Bee Clean	500.00		Janitorial
5/20/2008	8100961	Robert Yeary	1,335.60		Shirts - annual mtg
5/21/2008	8100962	McKenzie Shopwise	52.69		Food
5/21/2008	8100964	JA Oldfield	139.77		Supplies
5/21/2008	8100966	Service Office Supplies	35.06		Supplies
5/23/2008	8100973	Holbrook Cleaning	350.00		Janitorial
5/23/2008	8100977	McKenzie Shopwise	805.06		Food
5/23/2008	8100980	IGA - West Liberty	338.10		Food
5/23/2008	8100982	Peytons Pharmacy	23.37		Supplies
5/23/2008	8100985	Morgan Co Lions Club	2,775.00		Serve meals
5/23/2008	8100987	Ground Pounder	200.00		Entertainment
5/28/2008	8101021	KAEC	69.01		Setup
5/28/2008	8101031	Lands' End	36.25		Shirts for annual mtg
5/29/2008	8101036	American Express	1,224.48		Food and setups
5/29/2008	8101040	Visa	206.70		Setups
5/29/2008	8101041	Visa	1,203.07		Food
5/30/2008	8101051	Seasons Florist	259.70		Hanging baskets for annual mtg
5/30/2008	8101053	Visa	232.58		Food
5/31/2008	8101065	Breathitt County Voice	527.50		Advertising
5/31/2008	8101067	Intermountain Publishing	945.00		Advertising
5/31/2008	8101068	Licking Valley Publishin	529.10		Advertising
5/31/2008	8101072	Wolfe County News	479.06		Advertising
5/31/2008	8101084	Jennings Portable Potties	262.40		Setups
5/31/2008	8101111	NISC	1,060.80		Member listing
5/31/2008	8101168	Chevron USA	400.00	x	Prizes
5/31/2008	8101169	Farmers & Shoppers	411.86		Food

Licking Valley Rural Electric  
Case No. 2009-00016  
Annual Meeting Expenses Account 930.30  
December 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
5/31/2008	81011710	Salyersville Independent	378.00	Advertising
5/31/2008	8101173	Hometown Tru Value	215.18	Setups
6/24/2008	8101182	Petty Cash	65.43	Supplies
6/24/2008	8101183	Visa	208.30	Supplies
6/25/2008	8101194	Visa	610.18	Supplies
6/25/2008	8101195	Visa	856.33	Supplies
6/30/2008	8101357	KAEC	77.89	Setups
6/30/2008	8101403	Lara Lane - MSU	1,000.00	x Scholarship
6/30/2008	8101404	M McKenzie - MSU	1,000.00	x Sholarship
6/30/2008	8101405	S Barnett - MSU	1,000.00	x Sholarship
7/18/2008	8101442	Lands' End	(252.81)	Shirts for annual mtg
7/18/2008	8101438	J & K Electronics	211.97	Setups
7/23/2008	8101475	K Lean - Big Sandy Com	250.00	x Scholarship
8/4/2008	8101612	T Clemons - Aalice Lloyc	1,000.00	x Sholarship
8/6/2008	8101623	J Frisby	750.00	x Scholarship
8/7/2008	8101630	D Campbell - Hazard Coi	1,000.00	x Scholarship
8/20/2008	8101698	NISC	464.96	Registration lists
9/30/2008	8102042	KAEC	19,978.28	Setups
		Labor and benefits	<u>8,393.88</u>	
			<u><u>57,929.63</u></u>	
		Amounts to exclude for rate making purposes	<u><u>2,672.00</u></u>	x

Licking Valley Rural Electric  
 Case No. 2009-00016

Account 913- Advertising Expenses  
 December 31, 2008

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Safety & Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper			31,614			31,614
2.	Magazines and other						0
3.	Television						0
4.	Radio			21,479			21,479
5.	Sales aids	4,064					4,064
6.	Telephone		360			(5,106)	(4,746)
7.	Total	4,064	360	53,093	0	(5,106)	52,411
8.	Amount assigned to KY retail						

Licking Valley Rural Electric  
Case No. 2009-00016

Account 930 - Miscellaneous General Expenses  
December 31, 2008

Line No.	Item (a)	Amount (b)
1.	Industry association dues	60,602
2.	Annual meeting	57,930
3.	Institutional advertising	
4.	Conservation advertising	
5.	Rate department load studies	
6.	Director's fees and expenses	53,085
7.	Dues and subscriptions	
8.	Miscellaneous	91,107
9.	Total	262,724
10.	Amount assigned to KY retail	

**Licking Valley Rural Electric Cooperative**

**Case No. 2009-00016**

**Rate Case Expenses**

December 31, 2008

Estimated rate case costs:

Attorney	\$5,000
Consulting	60,000
Advertising	5,000
Supplies and miscellaneous	<u>2,000</u>
Total	72,000
Number of years	<u>3</u>
Adjustment	<u><u>\$24,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include the labor, however, this amount is not included in the above adjustment.

Licking Valley Rural Electric  
CATV Pole Attachments  
Decebmer 31, 2008

*Additional revenues generated*

<u>Description</u>	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole Attachments	1,810	\$4.01	\$5.42	\$7,258	\$9,805	\$2,547	26%
2 party Anchor Attachments	1,286	3.84	5.76	4,938	7,408	\$2,469	33%
2 party Ground Attachments	0	0.27	0.27	0	0	\$0	0%
3 party Pole Attachments	1,009	3.85	4.78	3,885	4,823	\$938	19%
3 party Anchor Attachments	4	2.53	3.80	10	15	\$5	33%
3 party Ground Attachments	0	0.17	0.16	0	0	\$0	0%
Total				\$16,091	\$22,050	\$5,959	27%

Licking Valley Rural Electric  
CATV Pole Attachments  
December 31, 2008

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	10,056	\$1,852,546	
40' poles	10,927	\$4,447,006	
	<u>20,983</u>	<u>\$6,299,552</u>	<u>\$300.22</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' poles	10,927	\$4,447,006	
45' poles	4,252	\$2,037,305	
	<u>15,179</u>	<u>\$6,484,311</u>	<u>\$427.19</u>

3. Average cost of anchors

\$66.43

B. 1. Pole Charge:

a. Two party =	\$300.22	85%	17.34%	0.1224	\$5.42
b. Three party =	\$427.19	85%	17.34%	0.0759	\$4.78

2. Pole Charge, with ground attachments:

a. Two party =	\$300.22	85%	\$12.50	17.34%	0.1224	\$0.27
b. Three party =	\$427.19	85%	\$12.50	17.34%	0.0759	\$0.16

3. Anchor Charge:

a. Two party =	\$66.43		17.34%	0.50	\$5.76
b. Three party =	\$66.43		17.34%	0.33	\$3.80

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Licking Valley Rural Electric  
CATV Pole Attachments  
December 31, 2008

Fixed charges on investment from PSC Annual Report at December 31, 2007.

Total Distribution Expense	2,999,239	
Reference Page 14		
Customer Accounts Expense	691,343	
Reference Page 15		
Customer Service and Informational Expense	20,021	
Reference Page 15		
Administrative and General	943,247	
Reference Page 15		
Depreciation Expense	1,915,787	
Reference Page 13		
Taxes Other than Income Taxes	25,676	
Reference Page 13		
	<hr/>	
Sub total	6,595,313	
Divided by Total Utility Plant	52,852,675	12.48%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No 98-321	6.83%	
Net plant ratio adjustment:		
Distribution plant	<u>49,223,038</u>	
Accumulated depreciation	14,168,252	28.8%
Rate of return ( times 1 minus reserve ratio)		<u>4.86%</u>
Annual carrying charges		<u><u>17.34%</u></u>

Licking Valley Rural Electric  
Case No. 2009-00016  
Purchased Power  
December 31, 2008

EKPC Case No. 2006-00510	Case No.
Billing Rates	1-Aug-07 2008-00409
KW-Sch C	\$6.22 \$6.81
KW-Sch E2	\$5.22 \$5.71
KWH-Sch B/C	\$0.033455 \$0.036622
KWH-Sch E2 On-Peak	\$0.042470 \$0.046491
KWH-Sch E2 Off-Peak	\$0.034904 \$0.038209
KVA 3000-7499	\$2,373 \$2,598
KVA 7500-14999	\$2,855 \$3,125
Metering Point	\$125 \$137
Green Power	\$0.023750 \$0.023750

	Billing Demand		Total KWH Billing		Energy Charges	Green Power	Metering Point	Substation Charge			Total from Base Rates	Fuel Adjustment	Environmental Surcharge	Total
	Schedule E	Schedule E	On-Peak	Off-Peak				3000	7500	Total				
January	392,351	630,122	644,514	1,274,636	74	1,250	7,119	19,985	27,104	1,695,415	199,480	142,681	2,037,576	
February	329,925	533,961	550,101	1,084,062	74	1,250	7,119	19,985	27,104	1,442,415	193,798	102,913	1,739,126	
March	312,939	476,089	498,648	974,736	71	1,250	7,119	19,985	27,104	1,316,101	139,975	92,601	1,548,677	
April	240,465	360,460	365,649	726,109	69	1,250	7,119	19,985	27,104	994,996	173,135	69,850	1,237,981	
May	183,582	404,355	279,831	684,186	88	1,250	7,119	19,985	27,104	896,210	140,655	58,060	1,094,925	
June	261,198	549,450	277,852	827,302	88	1,250	7,119	19,985	27,104	1,116,943	105,116	74,662	1,296,721	
July	257,952	597,434	294,766	892,200	88	1,250	7,119	19,985	27,104	1,178,593	271,270	91,336	1,541,199	
August	250,341	580,100	288,574	868,674	88	1,250	7,119	19,985	27,104	1,147,457	128,710	83,582	1,359,749	
September	252,152	500,272	265,205	765,477	88	1,250	7,119	19,985	27,104	1,046,071	196,683	82,885	1,325,639	
October	252,444	382,376	385,706	768,082	88	1,250	7,119	19,985	27,104	1,048,969	289,979	76,451	1,415,399	
November	324,799	499,711	507,592	1,007,304	88	1,250	7,119	19,985	27,104	1,360,544	317,810	130,570	1,808,924	
December	370,192	592,295	597,754	1,190,048	88	1,250	7,119	19,985	27,104	1,588,682	245,468	141,039	1,975,189	
<b>Total</b>	<b><u>3,428,339</u></b>	<b><u>6,106,626</u></b>	<b><u>4,956,192</u></b>	<b><u>11,062,818</u></b>	<b><u>990</u></b>	<b><u>15,000</u></b>	<b><u>85,428</u></b>	<b><u>239,820</u></b>	<b><u>325,248</u></b>	<b><u>14,832,396</u></b>	<b><u>2,402,079</u></b>	<b><u>1,146,630</u></b>	<b><u>18,381,105</u></b>	
Normalized using rates effective August 1, 2007	<u>3,428,339</u>	<u>6,106,626</u>	<u>4,956,192</u>	<u>11,062,818</u>	<u>990</u>	<u>15,000</u>	<u>85,428</u>	<u>239,820</u>	<u>325,248</u>	14,832,396				
											<u>0</u>			
Normalized in EKPC Case No. 2008-00409	<u>3,750,157</u>	<u>6,684,793</u>	<u>5,425,485</u>	<u>12,110,278</u>	<u>990</u>	<u>16,440</u>	<u>93,528</u>	<u>262,500</u>	<u>356,028</u>	16,233,893				
											<u>1,401,497</u>			

Licking Valley Rural Electric  
Case No. 2009-00016  
Purchased Power  
Test Year Billing Determinants  
December 31, 2008

	Billing Demand		<u>Total KWH Billing</u>				<u>Substation Charge</u>		
	<u>Schedule E</u>	<u>Schedule E</u>		<u>Total Kwh</u>	<u>Green Power</u>	<u>Metering Point</u>	<u>Substation Charge</u>		
		<u>On-Peak</u>	<u>Off-Peak</u>				<u>2373</u>	<u>2855</u>	
January	75,163	14,836,876	18,465,340	33,302,216	3,100	10	3	7	
February	63,204	12,572,664	15,760,413	28,333,077	3,100	10	3	7	
March	59,950	11,209,999	14,286,264	25,496,263	3,000	10	3	7	
April	46,066	8,487,405	10,475,840	18,963,245	2,900	10	3	7	
May	35,169	9,520,967	8,017,150	17,538,117	3,700	10	3	7	
June	50,038	12,937,377	7,960,461	20,897,838	3,700	10	3	7	
July	49,416	14,067,197	8,445,053	22,512,250	3,700	10	3	7	
August	47,958	13,659,065	8,267,642	21,926,707	3,700	10	3	7	
September	48,305	11,779,417	7,598,140	19,377,557	3,700	10	3	7	
October	48,361	9,003,445	11,050,479	20,053,924	3,700	10	3	7	
November	62,222	11,766,219	14,542,528	26,308,747	3,700	10	3	7	
December	70,918	13,946,188	17,125,645	31,071,833	3,700	10	3	7	
<b>Total</b>	<b>656,770</b>	<b>143,786,819</b>	<b>141,994,955</b>	<b>285,781,774</b>	<b>41,700</b>	<b>120</b>	<b>36</b>	<b>84</b>	

## Licking Valley Rural Electric

## Case No. 2009-00016

## Analysis of Fuel Adjustment and Environmental Surcharge

December 31, 2008

An analysis of fuel adjustment and environmental surcharge as purchased and passed on to consumers as follows:

<u>Month</u>	<u>Sales</u>		<u>Purchased</u>	
	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>
January	17,346	123,509	199,480	142,681
February	148,291	93,189	193,798	102,913
March	151,612	82,586	139,975	92,601
April	123,829	62,282	173,135	69,850
May	235,812	71,368	140,655	58,060
June	236,583	76,727	105,116	74,662
July	85,696	75,784	271,270	91,336
August	205,610	74,801	128,710	83,582
September	98,655	63,711	196,683	82,885
October	260,410	73,733	289,979	76,451
November	433,304	132,738	317,810	130,570
December	<u>321,204</u>	<u>135,948</u>	<u>245,468</u>	<u>141,039</u>
Total	<u>2,318,350</u>	<u>1,066,377</u>	<u>2,402,079</u>	<u>1,146,630</u>

The fuel purchased and environmental surcharge from East Kentucky Power Cooperative is passed on to the consumers using the Fuel Adjustment and Environmental Procedures established by this Commission.

Licking Valley Rural Electric  
Case No. 2009-00016  
**Normalized Revenues**  
December 31, 2008

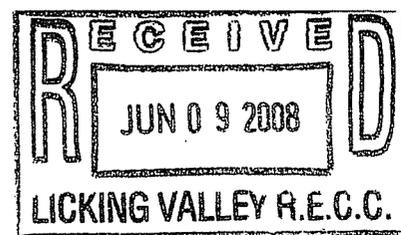
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Base rates for the test year	21,028,486
Normalized revenues using rates effective Case No. 2006-0520	<u>21,028,513</u>
Normalized revenue adjustment	27
Normalize revenues using rates effective Case No. 2008-00410	<u>22,430,654</u>
Normalize for EKPC increase Case No. 2008-00409	<u><u>1,402,141</u></u>

Licking Valley Rural Electric  
Case No. 2009-00016  
End of Test Year Customer Adjustment

	Sch A-1 Farm & Home	Sch A-2 Small Commercial	LP Large Power	LPR Large Power	SL Security Lights	
12	December	15,973	959	194	12	8,337
13	January	16,117	963	194	12	8,330
14	February	15,974	956	194	12	8,323
15	March	16,071	980	197	12	8,312
16	April	16,042	968	195	12	8,305
17	May	16,066	973	196	12	8,305
18	June	16,112	969	193	12	8,311
19	July	16,112	971	192	12	8,314
20	August	16,109	978	193	12	8,314
21	September	16,114	976	195	12	8,318
22	October	16,138	976	195	12	8,332
23	November	16,139	975	197	12	8,321
24	December	16,105	975	196	12	8,353
26	Average	16,082	971	195	12	8,321
28	Increase	<u>23</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>32</u>
30	Test year base revenue	15,708,048	942,445	2,323,518	1,299,089	753,910
31	kwh useage	195,180,670	10,383,500	26,414,039	19,191,648	6,963,308
33	Average per kwh	0.08048	0.09076	0.08797	0.06769	0.10827
35	Total billings	193,099	11,660	2,337	144	99,838
37	Average monthly kwh use	1,011	891	11,303	133,275	70
39	Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues					
43	Increase in revenues	22,452	3,880	11,931	0	2,900
45	Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost					
50	Increase in power cost	14,479	2,219	7,039	0	1,390
52	Net increase	<u>7,973</u>	1,661	4,891	0	1,510
54	Adjustment	<u><u>16,035</u></u>				
57	Base power cost			14,832,396		
58	Kwh purchased			285,781,774		
59	Cost per kwh purchased			0.05190		

2007  
**KENTUCKY ELECTRIC COOPERATIVES  
 AVERAGE EXPENSE PER CONSUMER  
 STATISTICAL COMPARISONS**



Ex L 17  
 1 of 18

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$286	\$250	\$282	\$277	\$257	11.3 %
BLUE GRASS ENERGY	272	248	244	249	254	7.1
CLARK ENERGY COOP	240	237	241	248	269	-10.8
CUMBERLAND VALLEY	259	264	240	205	201	28.9
FARMERS	259	223	238	250	243	6.6
FLEMING-MASON	280	294	298	263	260	7.7
GRAYSON	350	307	309	318	304	15.1
INTER-COUNTY	280	280	272	249	253	10.7
JACKSON ENERGY	301	300	269	275	254	18.5
LICKING VALLEY	260	250	252	236	223	16.6
NOLIN	342	327	306	351	337	1.5
OWEN	250	267	237	253	246	1.6
SALT RIVER ELECTRIC	196	187	191	215	201	-2.5
SHELBY ENERGY	258	280	276	297	280	-7.9
SOUTH KENTUCKY	262	251	235	231	242	8.3
TAYLOR COUNTY	<u>203</u>	<u>212</u>	<u>195</u>	<u>192</u>	<u>191</u>	<u>6.3</u>
<b>AVERAGE EKPC</b>	<b>\$269</b>	<b>\$262</b>	<b>\$255</b>	<b>\$256</b>	<b>\$250</b>	<b>7.6 %</b>
JACKSON PURCHASE	\$303	\$300	\$269	\$239	\$238	27.3 %
KENERGY	333	354	347	311	274	21.5
MEADE COUNTY	<u>251</u>	<u>250</u>	<u>247</u>	<u>245</u>	<u>224</u>	<u>12.1</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$295</b>	<b>\$301</b>	<b>\$288</b>	<b>\$265</b>	<b>\$245</b>	<b>20.4 %</b>
HICKMAN-FULTON	\$433	\$460	\$411	392	\$369	17.3 %
PENNYRILE	254	235	226	236	234	8.5
TRI-COUNTY	244	240	238	239	221	10.4
WARREN	310	302	294	289	263	17.9
WEST KENTUCKY	<u>331</u>	<u>313</u>	<u>329</u>	<u>288</u>	<u>284</u>	<u>16.5</u>
<b>AVERAGE TVA</b>	<b>\$314</b>	<b>\$309</b>	<b>\$300</b>	<b>\$289</b>	<b>\$274</b>	<b>14.6 %</b>
<b>OVERALL AVERAGE</b>	<b>\$281</b>	<b>\$276</b>	<b>\$270</b>	<b>\$264</b>	<b>\$255</b>	<b>10.2 %</b>

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**2007  
KENTUCKY ELECTRIC COOPERATIVES  
DENSITY CONSUMERS PER MILE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	12.8	13.0	12.7	12.7	12.5	2.4 %
BLUE GRASS ENERGY	11.9	11.9	11.7	8.6	8.5	40.0 *
CLARK ENERGY COOP	8.7	8.6	8.6	8.6	8.5	2.4
CUMBERLAND VALLEY	9.1	9.1	9.1	10.1	9.9	-8.1
FARMERS	6.8	6.7	6.7	6.6	6.6	3.0
FLEMING-MASON	6.8	6.8	6.7	6.7	6.6	3.0
GRAYSON	6.4	6.4	6.3	6.3	6.2	3.2
INTER-COUNTY	6.9	7.0	7.0	7.1	7.1	-2.8
JACKSON ENERGY	9.1	9.1	9.0	9.0	9.0	1.1
LICKING VALLEY	9.0	8.0	8.0	8.0	8.3	8.4
NOLIN	10.8	10.8	10.5	10.4	10.2	5.9
OWEN	12.7	12.5	10.8	10.7	10.5	21.0 **
SALT RIVER ELECTRIC	11.7	11.7	11.5	11.4	11.2	4.5
SHELBY ENERGY	7.3	7.0	7.0	7.0	7.0	4.3
SOUTH KENTUCKY	9.5	9.5	9.4	9.4	9.4	1.1
TAYLOR COUNTY	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>2.6</u>
<b>AVERAGE EKPC</b>	<b>9.3</b>	<b>9.2</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>6.9 %</b>
JACKSON PURCHASE	8.8	8.8	8.8	8.7	8.7	1.1 %
KENERGY	7.8	7.8	7.7	7.7	7.6	2.6
MEADE COUNTY	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>2.2</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.4</b>	<b>8.3</b>	<b>8.3</b>	<b>8.2</b>	<b>8.2</b>	<b>2.4 %</b>
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.2	9.1	9.1	9.0	8.9	3.4
TRI-COUNTY	9.2	9.1	9.2	9.1	9.1	1.1
WARREN	10.5	10.3	10.2	10.1	10.0	5.0
WEST KENTUCKY	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>3.2</u>
<b>AVERAGE TVA</b>	<b>9.5</b>	<b>9.4</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>3.3 %</b>
<b>OVERALL AVERAGE</b>	<b>9.2</b>	<b>9.1</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>5.7 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT  
 \*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**2007  
KENTUCKY ELECTRIC COOPERATIVES  
MILES OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	1,022	1,016	1,012	1,003	1,001	2.1 %
BLUE GRASS ENERGY	4,535	4,487	4,440	5,912	5,847	-22.4 *
CLARK ENERGY COOP	2,982	2,966	2,935	2,900	2,865	4.1
CUMBERLAND VALLEY	2,577	2,559	2,529	2,503	2,479	4.0
FARMERS	3,513	3,481	3,447	3,416	3,382	3.9
FLEMING-MASON	3,483	3,456	3,421	3,386	3,346	4.1
GRAYSON	2,454	2,437	2,416	2,400	2,377	3.2
INTER-COUNTY	3,630	3,572	3,502	3,409	3,324	9.2
JACKSON ENERGY	5,652	5,621	5,597	5,552	5,486	3.0
LICKING VALLEY	2,020	2,014	2,006	2,002	1,991	1.5
NOLIN	2,917	2,841	2,841	2,802	2,763	5.6
OWEN	4,428	4,400	4,940	4,836	4,771	-7.2 **
SALT RIVER ELECTRIC	3,903	3,847	3,750	3,649	3,572	9.3
SHELBY ENERGY	2,065	2,025	2,008	1,978	1,952	5.8
SOUTH KENTUCKY	6,600	6,540	6,475	6,408	6,321	4.4
TAYLOR COUNTY	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3.7</u>
<b>TOTAL EKPC</b>	<b>54,931</b>	<b>54,397</b>	<b>54,413</b>	<b>55,223</b>	<b>54,515</b>	<b>0.8 %</b>
JACKSON PURCHASE	3,271	3,244	3,213	3,180	3,142	4.1 %
KENERGY	6,974	6,944	6,915	6,859	6,801	2.5
MEADE COUNTY	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>4.9</u>
<b>TOTAL BIG RIVERS</b>	<b>13,204</b>	<b>13,125</b>	<b>13,021</b>	<b>12,905</b>	<b>12,764</b>	<b>3.4 %</b>
HICKMAN-FULTON	688	685	683	682	685	0.4 %
PENNYRILE	5,047	5,022	4,997	4,986	4,977	1.4
TRI-COUNTY	5,450	5,427	5,388	5,358	5,331	2.2
WARREN	5,584	5,556	5,504	5,449	5,418	3.1
WEST KENTUCKY	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>0.1</u>
<b>TOTAL TVA</b>	<b>20,650</b>	<b>20,660</b>	<b>20,512</b>	<b>20,383</b>	<b>20,289</b>	<b>1.8 %</b>
<b>OVERALL TOTAL</b>	<b>88,785</b>	<b>88,182</b>	<b>87,946</b>	<b>88,511</b>	<b>87,568</b>	<b>1.4 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

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**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	13,138	13,089	12,888	12,705	12,509	5.0 %
BLUE GRASS ENERGY	54,021	53,175	52,068	50,774	49,421	9.3
CLARK ENERGY COOP	25,801	25,508	25,151	24,796	24,376	5.8
CUMBERLAND VALLEY	23,487	23,303	23,029	25,224	24,499	-4.1
FARMERS	23,729	23,377	23,013	22,680	22,238	6.7
FLEMING-MASON	23,687	23,364	22,993	22,580	22,122	7.1
GRAYSON	15,631	15,517	15,302	15,113	14,827	5.4
INTER-COUNTY	25,185	24,869	24,501	24,059	23,672	6.4
JACKSON ENERGY	51,244	50,884	50,438	49,926	49,336	3.9
LICKING VALLEY	17,272	17,085	16,921	16,794	16,597	4.1
NOLIN	31,422	30,649	29,780	29,050	28,301	11.0
OWEN	56,290	55,141	53,598	51,811	49,940	12.7
SALT RIVER ELECTRIC	45,453	44,979	42,997	41,458	39,876	14.0
SHELBY ENERGY	14,990	15,053	14,725	14,087	13,728	9.2
SOUTH KENTUCKY	62,408	61,869	60,922	60,128	59,081	5.6
TAYLOR COUNTY	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>6.7</u>
<b>TOTAL EKPC</b>	<b>508,550</b>	<b>502,345</b>	<b>492,415</b>	<b>484,831</b>	<b>473,754</b>	<b>7.3 %</b>
JACKSON PURCHASE	28,747	28,461	28,105	27,704	27,343	5.1 %
KENERGY	54,337	53,860	53,264	52,592	51,869	4.8
MEADE COUNTY	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>7.6</u>
<b>TOTAL BIG RIVERS</b>	<b>110,584</b>	<b>109,329</b>	<b>107,884</b>	<b>106,414</b>	<b>104,765</b>	<b>5.6 %</b>
HICKMAN-FULTON	3,770	3,736	3,739	3,752	3,766	0.1 %
PENNYRILE	46,393	45,877	45,367	44,653	44,028	5.4
TRI-COUNTY	50,223	49,561	49,308	48,867	48,483	3.6
WARREN	58,591	57,431	56,187	55,079	54,073	8.4
WEST KENTUCKY	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>3.8</u>
<b>TOTAL TVA</b>	<b>197,034</b>	<b>194,244</b>	<b>191,906</b>	<b>189,344</b>	<b>187,005</b>	<b>5.4 %</b>
<b>OVERALL TOTAL</b>	<b>816,168</b>	<b>805,918</b>	<b>792,205</b>	<b>780,589</b>	<b>765,524</b>	<b>6.6 %</b>

**2007  
KENTUCKY-ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$3,676	\$3,221	\$3,590	\$3,508	\$3,211	14.5 %
BLUE GRASS ENERGY	3,240	2,939	2,861	2,138	2,147	50.9 *
CLARK ENERGY COOP	2,077	2,038	2,065	2,120	2,290	-9.3
CUMBERLAND VALLEY	2,360	2,404	2,186	2,065	1,986	18.8
FARMERS	1,749	1,499	1,588	1,660	1,597	9.5
FLEMING-MASON	1,905	1,987	2,004	1,754	1,719	10.8
GRAYSON	2,229	1,954	1,957	2,003	1,896	17.6
INTER-COUNTY	1,943	1,950	1,904	1,757	1,801	7.9
JACKSON ENERGY	2,730	2,715	2,425	2,474	2,285	19.5
LICKING VALLEY	2,224	2,121	2,126	1,980	1,858	19.7
NOLIN	3,684	3,528	3,208	3,639	3,452	6.7
OWEN	3,178	3,346	2,572	2,711	2,575	23.4 **
SALT RIVER ELECTRIC	2,282	2,187	2,190	2,443	2,244	1.7
SHELBY ENERGY	1,872	2,081	2,024	2,115	1,970	-5.0
SOUTH KENTUCKY	2,477	2,375	2,211	2,167	2,263	9.5
TAYLOR COUNTY	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>9.3</u>
<b>AVERAGE EKPC</b>	<b>\$2,451</b>	<b>\$2,374</b>	<b>\$2,277</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>12.8 %</b>
JACKSON PURCHASE	\$2,663	\$2,632	\$2,353	\$2,082	\$2,071	28.6 %
KENERGY	2,595	2,746	2,673	2,384	2,090	24.2
MEADE COUNTY	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>15.1</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,531</b>	<b>\$2,560</b>	<b>\$2,430</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>22.6 %</b>
HICKMAN-FULTON	\$2,373	\$2,509	\$2,250	\$2,157	\$2,029	17.0 %
PENNYRILE	2,334	2,147	2,052	2,114	2,070	12.8
TRI-COUNTY	2,248	2,192	2,179	2,180	2,010	11.8
WARREN	3,251	3,122	3,002	2,921	2,626	23.8
WEST KENTUCKY	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>20.9</u>
<b>AVERAGE TVA</b>	<b>\$2,691</b>	<b>\$2,587</b>	<b>\$2,519</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>17.8 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,512</b>	<b>\$2,443</b>	<b>\$2,347</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>15.1 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT  
 \*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**2007  
KENTUCKY ELECTRIC COOPERATIVES  
TOTAL RESIDENTIAL REVENUES  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$15,853,498	\$14,192,128	\$13,672,178	11,398,809	10,605,561	49.5 %
BLUE GRASS ENERGY	68,578,375	61,513,915	59,969,633	49,545,080	45,288,666	51.4
CLARK ENERGY COOP	29,717,098	27,327,922	26,203,306	22,143,145	20,514,937	44.9
CUMBERLAND VALLEY	27,983,567	24,948,723	22,940,517	19,173,225	18,027,748	55.2
FARMERS	26,450,827	23,743,770	22,712,747	19,208,242	17,815,396	48.5
FLEMING-MASON	23,419,768	20,907,145	20,393,262	18,430,538	15,570,174	50.4
GRAYSON	18,131,615	16,223,795	16,244,690	13,861,532	13,068,736	38.7
INTER-COUNTY	33,391,723	28,203,005	27,321,723	24,142,722	22,880,567	45.9
JACKSON ENERGY	66,382,819	60,198,185	61,806,841	51,653,862	48,569,903	36.7
LICKING VALLEY	18,876,065	18,373,586	16,742,467	14,263,281	13,170,886	43.3
NOLIN	39,672,514	33,591,739	34,383,316	28,076,279	25,415,952	56.1
OWEN	66,458,715	58,817,668	55,724,664	47,113,587	42,680,828	55.7
SALT RIVER ELECTRIC	57,330,349	49,796,107	48,015,562	39,732,157	36,031,040	59.1
SHELBY ENERGY	19,684,110	17,784,401	17,533,652	14,268,131	13,127,239	49.9
SOUTH KENTUCKY	67,646,098	59,324,021	55,802,486	48,838,870	44,138,209	53.3
TAYLOR COUNTY	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>41.5</u>
<b>TOTAL EKPC</b>	<b>\$605,049,733</b>	<b>\$537,671,122</b>	<b>\$521,498,561</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>49.4 %</b>
JACKSON PURCHASE	\$25,697,996	\$23,847,988	\$24,496,967	22,841,472	22,574,806	13.8 %
KENERGY	50,041,715	43,955,864	45,323,132	42,207,989	41,020,077	22.0
MEADE COUNTY	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>20.7</u>
<b>TOTAL BIG RIVERS</b>	<b>\$97,721,824</b>	<b>\$88,101,224</b>	<b>\$90,256,314</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>19.5 %</b>
HICKMAN-FULTON	\$4,576,311	\$4,311,951	\$4,190,389	4,000,868	3,805,948	20.2 %
PENNYRILE	51,817,219	48,880,787	44,135,641	41,000,292	38,718,311	33.8
TRI-COUNTY	54,981,186	52,780,772	47,841,610	44,800,930	42,833,960	28.4
WARREN	69,955,053	64,825,495	60,315,980	55,933,218	52,358,896	33.6
WEST KENTUCKY	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>33.9</u>
<b>TOTAL TVA</b>	<b>\$227,021,646</b>	<b>\$211,989,561</b>	<b>\$195,093,598</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>32.1 %</b>
<b>OVERALL TOTAL</b>	<b>\$929,793,203</b>	<b>\$837,761,907</b>	<b>\$806,848,473</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>41.2 %</b>

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**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2007 - 2006 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 60.00	\$ 57.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 81.00	\$ 80.00	\$ 1.00
ACCOUNTING	\$ 54.00	\$ 53.00	\$ 1.00
CONSUMER INFORMATION	\$ 11.00	\$ 10.00	\$ 1.00
ADMINISTRATION	\$ 63.00	\$ 62.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 269.00</b>	<b>\$ 262.00</b>	<b>\$ 7.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 77.00	\$ 72.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 114.00	\$ -
ACCOUNTING	\$ 50.00	\$ 49.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 8.00	\$ 2.00
ADMINISTRATION	\$ 63.00	\$ 66.00	\$ (3.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 314.00</b>	<b>\$ 309.00</b>	<b>\$ 5.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,218	1,221	(3)
MILES OF LINE	54,931	54,397	534
CONSUMERS BILLED	508,550	502,345	6,205
MILES OF LINE PER EMPLOYEE	45.2	44.7	0.5
CONSUMER PER EMPLOYEE	418	413	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	513	507	6
MILES OF LINE	20,650	20,660	(10)
CONSUMERS BILLED	197,034	194,244	2,790
MILES OF LINE PER EMPLOYEE	40.1	40.9	(0.8)
CONSUMER PER EMPLOYEE	383	385	(2)
DENSITY CONSUMERS PER MILE	9.5	9.4	0.1

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 69.00	\$ 70.00	\$ (1.00)
DISTRIBUTION MAINTENANCE	\$ 118.00	\$ 121.00	\$ (3.00)
ACCOUNTING	\$ 45.00	\$ 44.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 55.00	\$ 58.00	\$ (3.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 295.00</b>	<b>\$ 301.00</b>	<b>\$ (6.00)</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 65.00	\$ 62.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 92.00	\$ -
ACCOUNTING	\$ 52.00	\$ 51.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 9.00	\$ 1.00
ADMINISTRATION	\$ 62.00	\$ 62.00	\$ -
<b>TOTAL PER CONSUMER</b>	<b>\$ 281.00</b>	<b>\$ 276.00</b>	<b>\$ 5.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	301	301	0
MILES OF LINE	13,204	13,125	79
CONSUMERS BILLED	110,584	109,329	1,255
MILES OF LINE PER EMPLOYEE	44.0	43.8	0.2
CONSUMER PER EMPLOYEE	369	364	5
DENSITY CONSUMERS PER MILE	8.4	8.3	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2,032	2,029	3
MILES OF LINE	88,785	88,182	603
CONSUMERS BILLED	816,168	805,918	10,250
MILES OF LINE PER EMPLOYEE	43.5	43.2	0.3
CONSUMER PER EMPLOYEE	400	395	5
DENSITY CONSUMERS PER MILE	9.2	9.1	0.1

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**2007  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	45	128	50	7	101	286	44	1,022	13,138	23.2	298	12.8
BLUE GRASS ENERGY COOP	51	132	44	19	77	272	114	4,535	54,021	39.8	474	11.9
CLARK ENERGY COOP	57	130	52	7	51	240	51	2,982	25,801	58.5	505	8.7
CUMBERLAND VALLEY ELECTRIC	48	136	65	7	51	259	56	2,577	23,487	46.0	419	9.1
FARMERS RECC	35	130	49	12	68	259	68	3,513	23,729	52.0	349	6.8
FLEMING-MASON ENERGY	55	151	67	7	55	280	52	3,483	23,687	67.0	456	6.8
GRAYSON RECC	65	195	56	14	85	350	44	2,454	15,631	55.8	355	6.4
INTER-COUNTY ENERGY	73	128	65	19	68	280	62	3,630	25,185	58.6	406	6.9
JACKSON ENERGY COOP	71	159	63	9	70	301	130	5,652	51,244	43.5	394	9.1
LICKING VALLEY RECC	74	156	43	7	54	260	45	2,020	17,272	45.0	384	9.0
NOLIN RECC	88	185	59	20	78	342	92	2,917	31,422	31.7	342	10.8
OWEN EC	70	127	62	7	54	250	138	4,428	56,290	32.1	408	12.7
SALT RIVER ELECTRIC	45	90	44	8	54	196	75	3,903	45,453	52.0	606	11.7
SHELBY ENERGY COOP	76	154	51	9	44	258	31	2,065	14,990	66.6	484	7.3
SOUTH KENTUCKY RECC	52	140	55	12	55	262	157	6,600	62,408	42.0	398	9.5
TAYLOR COUNTY RECC	56	112	39	5	47	203	59	3,150	24,792	53.4	420	7.9
<b>EKPC GROUP AVERAGE</b>	<b>60</b>	<b>141</b>	<b>54</b>	<b>11</b>	<b>63</b>	<b>289</b>	<b>76</b>	<b>3,433</b>	<b>31,784</b>	<b>45.2</b>	<b>418</b>	<b>9.3</b>
JACKSON PURCHASE ENERGY	66	184	39	10	70	303	79	3,271	28,747	41.4	364	8.8
KENERGY CORP	72	222	52	6	53	333	156	6,974	54,337	44.7	348	7.8
MEADE COUNTY RECC	68	155	44	9	43	251	66	2,959	27,500	45.0	417	9.3
<b>BIG RIVERS GROUP AVERAGE</b>	<b>69</b>	<b>187</b>	<b>45</b>	<b>8</b>	<b>55</b>	<b>295</b>	<b>100</b>	<b>4,401</b>	<b>36,861</b>	<b>44.0</b>	<b>369</b>	<b>8.4</b>
HICKMAN-FULTON COUNTIES RECC	87	291	44	9	89	433	16	688	3,770	43.0	236	5.5
PENNYRILE RECC	75	145	43	9	57	254	123	5,047	46,393	41.0	377	9.2
TRI-COUNTY EMC	81	145	49	11	39	244	139	5,450	50,223	39.2	361	9.2
WARREN RECC	74	158	53	15	84	310	151	5,584	58,591	37.0	388	10.5
WEST KENTUCKY RECC	69	218	62	6	45	331	84	3,881	38,057	46.2	453	9.8
<b>TVA GROUP AVERAGE</b>	<b>77</b>	<b>191</b>	<b>50</b>	<b>10</b>	<b>63</b>	<b>314</b>	<b>103</b>	<b>4,130</b>	<b>39,407</b>	<b>40.1</b>	<b>383</b>	<b>9.5</b>
<b>OVERALL AVERAGE</b>	<b>65</b>	<b>157</b>	<b>52</b>	<b>10</b>	<b>62</b>	<b>281</b>	<b>85</b>	<b>3,699</b>	<b>34,007</b>	<b>43.5</b>	<b>400</b>	<b>9.2</b>

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**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**OPERATING EXPENSE STATISTICAL COMPARISONS**  
**AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	578	1,067	1,645	643	90	1,298	3,676	44	1,022	12,019	15,853,498	109.9
BLUE GRASS ENERGY COOP	608	965	1,573	524	226	917	3,240	114	4,535	51,794	88,578,375	110.3
CLARK ENERGY COOP	493	632	1,125	460	61	441	2,077	51	2,982	24,152	29,717,098	102.5
CUMBERLAND VALLEY ELECTRIC	437	802	1,239	592	64	465	2,360	56	2,577	22,021	27,983,567	105.9
FARMERS RECC	236	642	878	331	81	459	1,749	68	3,513	22,045	26,450,827	100.0
FLEMING-MASON ENERGY	374	653	1,027	456	48	374	1,905	52	3,483	17,627	23,419,768	110.7
GRAYSON RECC	414	828	1,242	357	89	541	2,229	44	2,454	14,342	18,131,615	105.4
INTER-COUNTY ENERGY	506	382	888	451	132	472	1,943	62	3,630	23,892	33,391,723	116.5
JACKSON ENERGY COOP	644	798	1,442	571	82	635	2,730	130	5,652	47,615	66,382,819	116.2
LICKING VALLEY RECC	633	701	1,334	368	60	462	2,224	45	2,020	16,125	18,876,085	97.6
NOLIN RECC	948	1,045	1,993	636	215	840	3,684	92	2,917	28,324	39,672,514	116.7
OWEN EC	890	725	1,615	788	89	686	3,178	138	4,428	54,003	66,458,715	102.6
SALT RIVER ELECTRIC	524	524	1,048	512	93	629	2,282	75	3,903	42,663	57,330,349	112.0
SHELBY ENERGY COOP	552	566	1,118	370	65	319	1,872	31	2,085	14,424	19,684,110	113.7
SOUTH KENTUCKY RECC	492	832	1,324	520	113	520	2,477	157	6,600	57,508	67,646,098	98.0
TAYLOR COUNTY RECC	441	441	882	307	39	370	1,598	59	3,150	22,031	25,472,592	96.4
<b>EKPC GROUP AVERAGE</b>	<b>548</b>	<b>725</b>	<b>1,273</b>	<b>492</b>	<b>97</b>	<b>589</b>	<b>2,451</b>	<b>76</b>	<b>3,433</b>	<b>29,412</b>	<b>37,815,608</b>	<b>107.1</b>
JACKSON PURCHASE ENERGY	580	1,037	1,617	343	88	615	2,663	79	3,271	25,782	25,697,996	83.1
KENERGY CORP	561	1,169	1,730	405	47	413	2,595	166	6,974	44,758	50,041,715	93.2
MEADE COUNTY RECC	632	809	1,441	409	64	400	2,334	66	2,959	25,453	21,982,113	72.0
<b>BIG RIVERS GROUP AVERAGE</b>	<b>591</b>	<b>1,005</b>	<b>1,596</b>	<b>386</b>	<b>73</b>	<b>476</b>	<b>2,531</b>	<b>100</b>	<b>4,401</b>	<b>31,998</b>	<b>32,573,941</b>	<b>84.8</b>
HICKMAN-FULTON COUNTIES RECC	477	1,118	1,595	241	49	488	2,373	16	688	2,954	4,576,311	129.1
PENNYRILE RECC	689	643	1,332	395	83	524	2,334	123	5,047	37,057	51,817,219	116.5
TRI-COUNTY EMC	746	590	1,336	452	101	359	2,248	139	5,450	40,763	54,981,186	112.4
WARREN RECC	776	881	1,657	556	157	881	3,251	151	5,584	48,774	69,955,053	119.5
WEST KENTUCKY RECC	677	1,461	2,138	608	59	441	3,246	84	3,881	30,694	45,691,877	124.1
<b>TVA GROUP AVERAGE</b>	<b>673</b>	<b>939</b>	<b>1,612</b>	<b>450</b>	<b>90</b>	<b>539</b>	<b>2,691</b>	<b>103</b>	<b>4,130</b>	<b>32,048</b>	<b>45,404,329</b>	<b>118.1</b>
<b>OVERALL AVERAGE</b>	<b>580</b>	<b>805</b>	<b>1,385</b>	<b>470</b>	<b>92</b>	<b>565</b>	<b>2,512</b>	<b>85</b>	<b>3,699</b>	<b>30,284</b>	<b>38,741,383</b>	<b>106.6</b>

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**2006**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	13,089	12,888	12,705	12,509	12,375	5.8 %
BLUE GRASS ENERGY	53,175	52,068	50,774	49,421	48,347	10.0
CLARK ENERGY COOP	25,508	25,151	24,796	24,376	23,977	6.4
CUMBERLAND VALLEY	23,303	23,029	25,224	24,499	23,776	-2.0
FARMERS	23,377	23,013	22,680	22,238	21,861	6.9
FLEMING-MASON	23,364	22,993	22,580	22,122	21,762	7.4
GRAYSON	15,517	15,302	15,113	14,827	14,673	5.8
INTER-COUNTY	24,869	24,501	24,059	23,672	23,220	7.1
JACKSON ENERGY	50,884	50,438	49,926	49,336	48,989	3.9
LICKING VALLEY	17,085	16,921	16,794	16,597	16,345	4.5
NOLIN	30,649	29,780	29,050	28,301	27,628	10.9
OWEN	55,141	53,598	51,811	49,940	47,741	15.5
SALT RIVER ELECTRIC	44,979	42,997	41,458	39,876	38,574	16.6
SHELBY ENERGY	15,053	14,725	14,087	13,728	13,395	12.4
SOUTH KENTUCKY	61,869	60,922	60,128	59,081	58,058	6.6
TAYLOR COUNTY	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>22,802</u>	<u>7.4</u>
<b>TOTAL EKPC</b>	<b>502,345</b>	<b>492,415</b>	<b>484,831</b>	<b>473,754</b>	<b>463,523</b>	<b>8.4 %</b>
JACKSON PURCHASE	28,461	28,105	27,704	27,343	27,086	5.1 %
KENERGY	53,860	53,264	52,592	51,869	51,314	5.0
MEADE COUNTY	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>25,084</u>	<u>7.7</u>
<b>TOTAL BIG RIVERS</b>	<b>109,329</b>	<b>107,884</b>	<b>106,414</b>	<b>104,765</b>	<b>103,484</b>	<b>5.6 %</b>
HICKMAN-FULTON	3,736	3,739	3,752	3,766	3,770	-0.9 %
PENNYRILE	45,877	45,367	44,653	44,028	44,021	4.2
TRI-COUNTY	49,561	49,308	48,867	48,483	48,290	2.6
WARREN	57,431	56,187	55,079	54,073	53,239	7.9
WEST KENTUCKY	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>36,313</u>	<u>3.7</u>
<b>TOTAL TVA</b>	<b>194,244</b>	<b>191,906</b>	<b>189,344</b>	<b>187,005</b>	<b>185,633</b>	<b>4.6 %</b>
<b>OVERALL TOTAL</b>	<b>805,918</b>	<b>792,205</b>	<b>780,589</b>	<b>765,524</b>	<b>752,640</b>	<b>7.1 %</b>

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**2006**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**AVERAGE EXPENSE PER CONSUMER**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$250	\$282	\$277	\$257	\$234	6.8 %
BLUE GRASS ENERGY	248	244	249	254	240	3.3
CLARK ENERGY COOP	237	241	248	269	237	0.0
CUMBERLAND VALLEY	264	240	205	201	198	33.3
FARMERS	223	238	250	243	232	-3.9
FLEMING-MASON	294	298	263	260	258	14.0
GRAYSON	307	309	318	304	269	14.1
INTER-COUNTY	280	272	249	253	237	18.1
JACKSON ENERGY	300	269	275	254	235	27.7
LICKING VALLEY	250	252	236	223	225	11.1
NOLIN	327	306	351	337	291	12.4
OWEN	267	237	253	246	240	11.3
SALT RIVER ELECTRIC	187	191	215	201	179	4.5
SHELBY ENERGY	280	276	297	280	262	6.9
SOUTH KENTUCKY	251	235	231	242	232	8.2
TAYLOR COUNTY	<u>212</u>	<u>195</u>	<u>192</u>	<u>191</u>	<u>188</u>	<u>12.8</u>
<b>AVERAGE EKPC</b>	<b>\$262</b>	<b>\$255</b>	<b>\$256</b>	<b>\$250</b>	<b>\$235</b>	<b>11.5 %</b>
JACKSON PURCHASE	\$300	\$269	\$239	\$238	\$220	36.4 %
KENERGY	354	347	311	274	250	41.6
MEADE COUNTY	<u>250</u>	<u>247</u>	<u>245</u>	<u>224</u>	<u>211</u>	<u>18.5</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$301</b>	<b>\$288</b>	<b>\$265</b>	<b>\$245</b>	<b>\$226</b>	<b>33.2 %</b>
HICKMAN-FULTON	\$460	\$411	392	\$369	\$382	20.4 %
PENNYRILE	235	226	236	234	248	-5.2
TRI-COUNTY	240	238	239	221	215	11.6
WARREN	302	294	289	263	257	17.5
WEST KENTUCKY	<u>313</u>	<u>329</u>	<u>288</u>	<u>284</u>	<u>276</u>	<u>13.4</u>
<b>AVERAGE TVA</b>	<b>\$309</b>	<b>\$300</b>	<b>\$289</b>	<b>\$274</b>	<b>\$276</b>	<b>12.0 %</b>
<b>OVERALL AVERAGE</b>	<b>\$276</b>	<b>\$270</b>	<b>\$264</b>	<b>\$255</b>	<b>\$242</b>	<b>14.0 %</b>

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**2006**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**MILES OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	1,016	1,012	1,003	1,001	998	1.8 %
BLUE GRASS ENERGY	4,487	4,440	5,912	5,847	5,794	-22.6 *
CLARK ENERGY COOP	2,966	2,935	2,900	2,865	2,845	4.3
CUMBERLAND VALLEY	2,559	2,529	2,503	2,479	2,447	4.6
FARMERS	3,481	3,447	3,416	3,382	3,348	4.0
FLEMING-MASON	3,456	3,421	3,386	3,346	3,311	4.4
GRAYSON	2,437	2,416	2,400	2,377	2,358	3.4
INTER-COUNTY	3,572	3,502	3,409	3,324	3,276	9.0
JACKSON ENERGY	5,621	5,597	5,552	5,486	5,437	3.4
LICKING VALLEY	2,014	2,006	2,002	1,991	1,976	1.9
NOLIN	2,841	2,841	2,802	2,763	2,722	4.4
OWEN	4,400	4,940	4,836	4,771	4,690	-6.2 **
SALT RIVER ELECTRIC	3,847	3,750	3,649	3,572	3,497	10.0
SHELBY ENERGY	2,025	2,008	1,978	1,952	1,929	5.0
SOUTH KENTUCKY	6,540	6,475	6,408	6,321	6,234	4.9
TAYLOR COUNTY	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3,006</u>	<u>4.3</u>
<b>TOTAL EKPC</b>	<b>54,397</b>	<b>54,413</b>	<b>55,223</b>	<b>54,515</b>	<b>53,868</b>	<b>1.0 %</b>
JACKSON PURCHASE	3,244	3,213	3,180	3,142	3108	4.4 %
KENERGY	6,944	6,915	6,859	6,801	6739	3.0
MEADE COUNTY	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>2792</u>	<u>5.2</u>
<b>TOTAL BIG RIVERS</b>	<b>13,125</b>	<b>13,021</b>	<b>12,905</b>	<b>12,764</b>	<b>12,639</b>	<b>3.8 %</b>
HICKMAN-FULTON	685	683	682	685	688	-0.4 %
PENNYRILE	5,022	4,997	4,986	4,977	4,971	1.0
TRI-COUNTY	5,427	5,388	5,358	5,331	5,299	2.4
WARREN	5,556	5,504	5,449	5,418	5,378	3.3
WEST KENTUCKY	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>3,855</u>	<u>3.0</u>
<b>TOTAL TVA</b>	<b>20,660</b>	<b>20,512</b>	<b>20,383</b>	<b>20,289</b>	<b>20,191</b>	<b>2.3 %</b>
<b>OVERALL TOTAL</b>	<b>88,182</b>	<b>87,946</b>	<b>88,511</b>	<b>87,568</b>	<b>86,698</b>	<b>1.7 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

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**2006**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**DENSITY CONSUMERS PER MILE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	13.0	12.7	12.7	12.5	12.4	4.8 %
BLUE GRASS ENERGY	11.9	11.7	8.6	8.5	8.3	43.4 *
CLARK ENERGY COOP	8.6	8.6	8.6	8.5	8.4	2.4
CUMBERLAND VALLEY	9.1	9.1	10.1	9.9	9.7	-6.2
FARMERS	6.7	6.7	6.6	6.6	6.5	3.1
FLEMING-MASON	6.8	6.7	6.7	6.6	6.6	3.0
GRAYSON	6.4	6.3	6.3	6.2	6.2	3.2
INTER-COUNTY	7.0	7.0	7.1	7.1	7.1	-1.4
JACKSON ENERGY	9.1	9.0	9.0	9.0	9.0	1.1
LICKING VALLEY	8.0	8.0	8.0	8.3	8.0	0.0
NOLIN	10.8	10.5	10.4	10.2	10.2	5.9
OWEN	12.5	10.8	10.7	10.5	10.2	22.5 **
SALT RIVER ELECTRIC	11.7	11.5	11.4	11.2	11.0	6.4
SHELBY ENERGY	7.0	7.0	7.0	7.0	7.0	0.0
SOUTH KENTUCKY	9.5	9.4	9.4	9.4	9.3	2.2
TAYLOR COUNTY	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>7.6</u>	<u>2.6</u>
<b>AVERAGE EKPC</b>	<b>9.2</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>7.0 %</b>
JACKSON PURCHASE	8.8	8.8	8.7	8.7	8.7	1.1 %
KENERGY	7.8	7.7	7.7	7.6	7.6	2.6
MEADE COUNTY	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>2.2</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.3</b>	<b>8.3</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>1.2 %</b>
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.1	9.1	9.0	8.9	8.9	2.2
TRI-COUNTY	9.1	9.2	9.1	9.1	9.1	0.0
WARREN	10.3	10.2	10.1	10.0	9.9	4.0
WEST KENTUCKY	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.4</u>	<u>1.1</u>
<b>AVERAGE TVA</b>	<b>9.4</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>2.2 %</b>
<b>OVERALL AVERAGE</b>	<b>9.1</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.7</b>	<b>4.6 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

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**2006**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**AVERAGE EXPENSE PER MILE OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$3,221	\$3,590	\$3,508	\$3,211	\$2,902	11.0 %
BLUE GRASS ENERGY	2,939	2,861	2,138	2,147	2,002	46.8 *
CLARK ENERGY COOP	2,038	2,065	2,120	2,290	1,998	2.0
CUMBERLAND VALLEY	2,404	2,186	2,065	1,986	1,924	24.9
FARMERS	1,499	1,588	1,660	1,597	1,515	-1.1
FLEMING-MASON	1,987	2,004	1,754	1,719	1,695	17.2
GRAYSON	1,954	1,957	2,003	1,896	1,674	16.7
INTER-COUNTY	1,950	1,904	1,757	1,801	1,679	16.1
JACKSON ENERGY	2,715	2,425	2,474	2,285	2,119	28.1
LICKING VALLEY	2,121	2,126	1,980	1,858	1,860	14.0
NOLIN	3,528	3,208	3,639	3,452	2,953	19.5
OWEN	3,346	2,572	2,711	2,575	2,443	37.0 **
SALT RIVER ELECTRIC	2,187	2,190	2,443	2,244	1,974	10.8
SHELBY ENERGY	2,081	2,024	2,115	1,970	1,818	14.5
SOUTH KENTUCKY	2,375	2,211	2,167	2,263	2,160	10.0
TAYLOR COUNTY	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>1,426</u>	<u>16.1</u>
<b>AVERAGE EKPC</b>	<b>\$2,374</b>	<b>\$2,277</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>\$2,010</b>	<b>18.1 %</b>
JACKSON PURCHASE	\$2,632	\$2,353	\$2,082	\$2,071	\$1,918	37.2 %
KENERGY	2,746	2,673	2,384	2,090	1,904	44.2
MEADE COUNTY	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>1,895</u>	<u>21.4</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,560</b>	<b>\$2,430</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>\$1,905</b>	<b>34.4 %</b>
HICKMAN-FULTON	\$2,509	\$2,250	\$2,157	\$2,029	\$2,092	19.9 %
PENNYRILE	2,147	2,052	2,114	2,070	2,196	-2.2
TRI-COUNTY	2,192	2,179	2,180	2,010	1,960	11.8
WARREN	3,122	3,002	2,921	2,626	2,544	22.7
WEST KENTUCKY	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>2,600</u>	<u>14.1</u>
<b>AVERAGE TVA</b>	<b>\$2,587</b>	<b>\$2,519</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>\$2,279</b>	<b>13.5 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,443</b>	<b>\$2,347</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>\$2,053</b>	<b>19.0 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**2006  
KENTUCKY ELECTRIC COOPERATIVES  
TOTAL RESIDENTIAL REVENUES  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$14,192,128	\$13,672,178	11,398,809	10,605,561	10,231,337	38.7 %
BLUE GRASS ENERGY	61,513,915	59,969,633	49,545,080	45,288,666	43,124,978	42.6
CLARK ENERGY COOP	27,327,922	26,203,306	22,143,145	20,514,937	19,972,264	36.8
CUMBERLAND VALLEY	24,948,723	22,940,517	19,173,225	18,027,748	17,538,916	42.2
FARMERS	23,743,770	22,712,747	19,208,242	17,815,396	17,159,247	38.4
FLEMING-MASON	20,907,145	20,393,262	18,430,538	15,570,174	16,016,228	30.5
GRAYSON	16,223,795	16,244,690	13,861,532	13,068,736	12,765,519	27.1
INTER-COUNTY	28,203,005	27,321,723	24,142,722	22,880,567	26,098,342	8.1
JACKSON ENERGY	60,198,185	61,806,841	51,653,862	48,569,903	47,136,342	27.7
LICKING VALLEY	18,373,586	16,742,467	14,263,281	13,170,886	12,863,499	42.8
NOLIN	33,591,739	34,383,316	28,076,279	25,415,952	24,859,471	35.1
OWEN	58,817,668	55,724,664	47,113,587	42,680,828	40,989,542	43.5
SALT RIVER ELECTRIC	49,796,107	48,015,562	39,732,157	36,031,040	34,606,956	43.9
SHELBY ENERGY	17,784,401	17,533,652	14,268,131	13,127,239	12,741,343	39.6
SOUTH KENTUCKY	59,324,021	55,802,486	48,838,870	44,138,209	42,397,806	39.9
TAYLOR COUNTY	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>16,954,626</u>	<u>34.0</u>
<b>TOTAL EKPC</b>	<b>\$537,671,122</b>	<b>\$521,498,561</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>395,455,416</b>	<b>36.0 %</b>
JACKSON PURCHASE	\$23,847,988	\$24,496,967	22,841,472	22,574,806	23,112,041	3.2 %
KENERGY	43,955,864	45,323,132	42,207,989	41,020,077	41,918,818	4.9
MEADE COUNTY	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>18,036,885</u>	<u>12.5</u>
<b>TOTAL BIG RIVERS</b>	<b>\$88,101,224</b>	<b>\$90,256,314</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>83,067,744</b>	<b>6.1 %</b>
HICKMAN-FULTON	\$4,311,951	\$4,190,389	4,000,868	3,805,948	3,604,578	19.6 %
PENNYRILE	48,880,787	44,135,641	41,000,292	38,718,311	37,873,562	29.1
TRI-COUNTY	52,780,772	47,841,610	44,800,930	42,833,960	41,365,737	27.6
WARREN	64,825,495	60,315,980	55,933,218	52,358,896	51,327,632	26.3
WEST KENTUCKY	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>34,460,472</u>	<u>19.5</u>
<b>TOTAL TVA</b>	<b>\$211,989,561</b>	<b>\$195,093,598</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>168,631,981</b>	<b>25.7 %</b>
<b>OVERALL TOTAL</b>	<b>\$837,761,907</b>	<b>\$806,848,473</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>647,155,141</b>	<b>29.5 %</b>

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**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2006 - 2005 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 57.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 80.00	\$ 77.00	\$ 3.00
ACCOUNTING	\$ 53.00	\$ 50.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 262.00</b>	<b>\$ 255.00</b>	<b>\$ 7.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 72.00	\$ 72.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 106.00	\$ 8.00
ACCOUNTING	\$ 49.00	\$ 50.00	\$ (1.00)
CONSUMER INFORMATION	\$ 8.00	\$ 9.00	\$ (1.00)
ADMINISTRATION	\$ 66.00	\$ 63.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 309.00</b>	<b>\$ 300.00</b>	<b>\$ 9.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,221	1,204	17
MILES OF LINE	54,397	54,413	(16)
CONSUMERS BILLED	502,345	492,415	9,930
MILES OF LINE PER EMPLOYEE	44.7	45.3	(0.6)
CONSUMER PER EMPLOYEE	413	410	3
DENSITY CONSUMERS PER MILE	9.2	9.0	0.2

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	507	518	(11)
MILES OF LINE	20,660	20,512	148
CONSUMERS BILLED	194,244	191,906	2,338
MILES OF LINE PER EMPLOYEE	40.9	39.4	1.5
CONSUMER PER EMPLOYEE	385	369	16
DENSITY CONSUMERS PER MILE	9.4	9.4	0.0

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 70.00	\$ 64.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 121.00	\$ 116.00	\$ 5.00
ACCOUNTING	\$ 44.00	\$ 46.00	\$ (2.00)
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 58.00	\$ 54.00	\$ 4.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 301.00</b>	<b>\$ 288.00</b>	<b>\$ 13.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 62.00	\$ 61.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 88.00	\$ 4.00
ACCOUNTING	\$ 51.00	\$ 50.00	\$ 1.00
CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 276.00</b>	<b>\$ 270.00</b>	<b>\$ 6.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	301	295	6
MILES OF LINE	13,125	13,021	104
CONSUMERS BILLED	109,329	107,884	1,445
MILES OF LINE PER EMPLOYEE	43.8	44.3	(0.5)
CONSUMER PER EMPLOYEE	364	367	(3)
DENSITY CONSUMERS PER MILE	8.3	8.3	0.0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2,029	2,017	12
MILES OF LINE	88,182	87,946	236
CONSUMERS BILLED	805,918	792,205	13,713
MILES OF LINE PER EMPLOYEE	43.2	43.6	(0.4)
CONSUMER PER EMPLOYEE	395	393	2
DENSITY CONSUMERS PER MILE	9.1	9.0	0.1

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**2006  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	7	83	90	55	11	94	250	44	1,016	13,089	23.0	297	13.0
BLUE GRASS ENERGY COOP	45	66	111	47	16	74	248	115	4,487	53,175	39.0	462	11.9
CLARK ENERGY COOP	64	74	138	43	6	50	237	53	2,966	25,508	56.0	481	8.6
CUMBERLAND VALLEY ELECTRIC	52	89	141	59	8	56	264	52	2,559	23,303	49.2	448	9.1
FARMERS RECC	36	72	108	39	11	65	223	71	3,481	23,377	49.0	329	6.7
FLEMING-MASON ENERGY	53	124	177	63	4	50	294	52	3,456	23,364	66.5	449	6.8
GRAYSON RECC	58	105	163	53	11	80	307	44	2,437	15,517	55.4	352	6.4
INTER-COUNTY ENERGY	75	57	132	64	19	65	280	62	3,572	24,869	57.6	401	7.0
JACKSON ENERGY COOP	75	91	166	66	8	60	300	134	5,621	50,884	42.0	380	9.1
LICKING VALLEY RECC	72	74	146	37	6	61	250	44	2,014	17,085	46.0	388	8.0
NOLIN RECC	79	91	170	59	21	77	327	93	2,841	30,649	30.6	330	10.8
OWEN EC	74	70	144	65	5	53	287	135	4,400	55,141	33.0	408	12.5
SALT RIVER ELECTRIC	40	39	79	46	7	55	187	78	3,847	44,979	49.3	577	11.7
SHELBY ENERGY COOP	72	97	169	54	11	46	280	31	2,025	15,053	65.0	486	7.0
SOUTH KENTUCKY RECC	49	87	136	52	9	54	251	158	6,540	61,869	41.4	391	9.5
TAYLOR COUNTY RECC	62	57	119	40	5	48	212	55	3,135	24,483	57.0	445	7.8
EKPC GROUP AVERAGE	57	80	137	53	10	62	282	76	3,400	31,397	44.7	413	9.2
JACKSON PURCHASE ENERGY	62	120	182	38	10	70	300	79	3,244	28,481	41.1	360	8.8
KENERGY CORP	79	159	238	50	6	60	354	156	6,944	53,860	44.5	345	7.8
MEADE COUNTY RECC	68	85	153	44	8	45	250	66	2,937	27,008	45.0	409	9.2
BIG RIVERS GROUP AVERAGE	70	121	191	44	8	58	301	100	4,375	36,443	43.8	364	8.3
HICKMAN-FULTON COUNTIES RECC	85	202	287	45	4	124	460	13	685	3,736	52.7	287	5.5
PENNYRILE RECC	60	74	134	43	7	51	235	122	5,022	45,877	41.2	376	9.1
TRI-COUNTY EMC	81	65	146	47	11	36	240	137	5,427	49,551	39.6	362	9.1
WARREN RECC	69	93	162	50	14	76	302	149	5,556	57,431	37.0	385	10.3
WEST KENTUCKY RECC	65	138	203	61	5	44	313	86	3,970	37,639	46.2	438	9.5
TVA GROUP AVERAGE	72	114	186	49	8	66	309	101	4,132	38,849	40.9	385	9.4
OVERALL AVERAGE	62	92	154	51	9	62	276	85	3,674	33,580	43.2	395	9.1

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**2006  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	90	1,069	1,159	709	142	1,211	3,221	44	1,016	11,985	14,192,128	98.7
BLUE GRASS ENERGY COOP	533	782	1,315	557	190	877	2,939	115	4,487	51,011	61,513,915	100.5
CLARK ENERGY COOP	550	636	1,186	370	52	430	2,038	53	2,966	23,888	27,327,922	95.4
CUMBERLAND VALLEY ELECTRIC	474	810	1,284	537	73	510	2,404	52	2,559	21,861	24,948,723	95.1
FARMERS RECC	242	484	726	262	74	437	1,499	71	3,481	21,745	23,743,770	91.0
FLEMING-MASON ENERGY	358	838	1,196	426	27	338	1,987	52	3,456	17,424	20,907,145	100.0
GRAYSON RECC	369	669	1,038	337	70	509	1,954	44	2,437	14,239	16,223,795	95.0
INTER-COUNTY ENERGY	522	397	919	446	132	453	1,950	62	3,572	23,629	28,203,005	99.5
JACKSON ENERGY COOP	679	824	1,503	597	72	543	2,715	134	5,621	47,410	60,198,185	105.8
LICKING VALLEY RECC	611	828	1,239	314	51	517	2,121	44	2,014	15,961	18,373,586	95.9
NOLIN RECC	852	982	1,834	636	227	831	3,528	93	2,841	28,643	33,591,739	97.7
OWEN EC	927	877	1,804	815	63	664	3,346	135	4,400	52,935	58,817,668	92.6
SALT RIVER ELECTRIC	468	456	924	538	82	643	2,187	78	3,847	42,236	49,796,107	98.3
SHELBY ENERGY COOP	535	721	1,256	401	82	342	2,081	31	2,025	14,485	17,784,401	102.3
SOUTH KENTUCKY RECC	464	823	1,287	492	85	511	2,375	158	6,540	57,044	59,324,021	86.7
TAYLOR COUNTY RECC	484	445	929	312	39	375	1,655	55	3,135	21,774	22,725,012	87.0
<b>EKPC GROUP AVERAGE</b>	<b>510</b>	<b>715</b>	<b>1,225</b>	<b>484</b>	<b>91</b>	<b>574</b>	<b>2,374</b>	<b>76</b>	<b>3,400</b>	<b>29,141</b>	<b>33,604,445</b>	<b>96.1</b>
JACKSON PURCHASE ENERGY	544	1,053	1,597	333	88	614	2,632	79	3,244	25,608	23,847,988	77.6
KENERGY CORP	613	1,233	1,846	388	47	465	2,746	156	6,944	44,420	43,955,864	82.5
MEADE COUNTY RECC	625	782	1,407	405	74	414	2,300	66	2,937	25,001	20,297,372	67.7
<b>BIG RIVERS GROUP AVERAGE</b>	<b>594</b>	<b>1,023</b>	<b>1,617</b>	<b>375</b>	<b>70</b>	<b>498</b>	<b>2,560</b>	<b>100</b>	<b>4,375</b>	<b>31,676</b>	<b>29,387,075</b>	<b>77.3</b>
HICKMAN-FULTON COUNTIES RECC	464	1,102	1,566	245	22	676	2,509	13	685	2,972	4,311,951	120.9
PENNYRILE RECC	548	676	1,224	393	64	466	2,147	122	5,022	36,137	48,880,787	112.7
TRI-COUNTY EMC	740	594	1,334	429	100	329	2,192	137	5,427	40,263	52,780,772	109.2
WARREN RECC	713	961	1,674	517	145	786	3,122	149	5,556	47,977	64,825,495	112.6
WEST KENTUCKY RECC	616	1,308	1,924	578	47	417	2,966	86	3,970	30,568	41,190,556	112.3
<b>TVA GROUP AVERAGE</b>	<b>616</b>	<b>928</b>	<b>1,544</b>	<b>432</b>	<b>76</b>	<b>535</b>	<b>2,587</b>	<b>101</b>	<b>4,132</b>	<b>31,583</b>	<b>42,397,912</b>	<b>111.9</b>
<b>OVERALL AVERAGE</b>	<b>543</b>	<b>798</b>	<b>1,341</b>	<b>460</b>	<b>85</b>	<b>557</b>	<b>2,443</b>	<b>85</b>	<b>3,674</b>	<b>29,967</b>	<b>34,906,746</b>	<b>97.1</b>

Licking Valley Rural Electric  
Case No. 2009-00016  
Capitalization Policies

		<u>Benefits Distribution</u>
10	107.20	Construction work in progress 303,541
11	108.80	Retirement work in progress 81,405
12	142.2	Due from other cooperatives 27,593
13	163.00	Stores 46,848
14	184.00	Transportation
15	242.52	Employee sick leave 32,058
16	580.00	Operations 150,579
17	583.00	Overhead line 87,994
18	586.00	Meter 9,797
19	587.00	Installations 58,459
20	588.00	Miscellaneous distribution 32,323
21	593.00	Overhead line 228,051
22	595.00	Transformers 0
23	597.00	Street lights 56,227
24	598.00	Miscellaneous maintenance 0
25	902.00	Meter reading 55,551
26	903.00	Consumer records 109,546
27	908.00	Consumer accounting 0
28	909.00	Consumer information 0
29	920.00	Administrative 172,785
30	926.00	Employee benefits 0
31	930.00	Miscellaneous 5,628
32	935.00	Maintenance general plant <u>36,146</u>
34	Total	<u>1,494,531</u>

Benefits include the following:

37	Medical insurance	994,147
38	Life insurance	44,236
39	Savings plan 401(k)	191,599
40	Workers' compensation	104,179
41	Payroll taxes	<u>160,370</u>
43		<u>1,494,531</u>

Farmers accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

The total number of employees is 37, with an average benefit cost of \$40,393.

Licking Valley Rural Electric Cooperative

Case No. 2009-00016

December 31, 2008

Attached is the Equity Management Plan. Licking Valley has not paid capital credits to its members.

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 125

Effective Date: 03/20/2008

SUBJECT: EQUITY MANAGEMENT PLAN  
(CAPITAL CREDIT ROTATIONS)

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**PURPOSE:**

The Board of Directors, (hereinafter referred to as Board), objective is to clearly identify the point of view of Licking Valley Rural Electric Cooperative Corporation, (hereinafter referred to as LVRECC), on the acquisition, management and distribution of the financial resources of LVRECC and to provide both general and specific guidelines for the most effective management and security of these financial resources.

**POLICY:**

To assure the financial integrity of LVRECC at all times so that it can be certain of providing high quality electric service on a continuing basis to its members.

To establish the means by which the members of LVRECC, in fact, receive electric service at cost.

To comply with the various regulations and operational practices prescribed by the Rural Utilities Service (RUS), Internal Revenue Service (IRS) and the Kentucky Public Service Commission (PSC) and other agencies as required.

**RESPONSIBILITIES:**

The LVRECC Board of Directors, (hereinafter referred to as Board), and General Manager/CEO shall be responsible for, or cause to have performed, the execution of the provisions and functions as set forth in the policy and bring to the attention of the Board such information as needed to implement and comply thereof.

**PRACTICES**

1. Capital credits to be retired shall be in the form of a check from LVRECC and shall be paid personally or mailed through the United States Postal System. LVRECC shall strive to pay all special retirements as soon as practical after receipt of required documentation. Any checks not cashed within ninety (90) days of issue shall be stopped and that amount be placed in donated capital account. If in later years those members are located and a proper claim is filed with LVRECC, they would be paid from this account. No payments are to be made on retirements for less than five dollars (\$5.00). The retirement amount shall be accumulated from retirement to retirement with an amount at least equal to five dollars (\$5.00) can be paid.
2. Make no retirement to a member who has a past-due balance to LVRECC.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 125

Effective Date: 03/20/2008

SUBJECT: EQUITY MANAGEMENT PLAN  
(CAPITAL CREDIT ROTATIONS)

Page 02 of 02

- 
3. To utilize the occasion of retiring Capital Credits to inform members of the philosophy and objectives of LVRECC.
  4. To allocate all capital credits to patron on a gross billing basis.
  5. To allocate capital credits from associated organizations as accrued, but pay only those capital credits for which we have received cash.
  6. The method and amount of retirements shall be determined by the Board of Directors at the time the decision is made to rotate capital credits.

This Policy supersedes all prior policies with Number 125.

Board Approved March 20, 2008

Secretary

