

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

1. Provide in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

Response

See Exhibit V of the Application.

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2. Provide Nolin's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include the date used to calculate each return.

Response

See Exhibit K of the Application.

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3. Provide Nolin's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

Response

See Exhibit K of the Application.

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4. Provide Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for the most recent 2 years available.

Response

See Exhibit 19 of the Application.

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5. Provide Nolin's capital structure at the end of each of the periods shown in Format 5.

Response

See Exhibit Z of the Application.

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6. a. List all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 6a. A separate schedule is to be provided for each time period. Report in column (k) of Format 6a, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 6a, Schedule 2.

Response

See Exhibit 4 of the Application.

- b. Provide an analysis of end-of-period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 6b.

Response

See Exhibit 4 of the Application

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7. Provide a trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by Nolin. All income statement accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books.

Response

See Exhibit Y of the Application.

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8. Provide the following:
- a. Provide a schedule as shown in Format 8, comparing the balances for each balance sheet account or subaccount included in Nolin's chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year.

Response

See Exhibit W of the Application.

- b. Provide a schedule as shown in Format 8, comparing the balances for each income statement account or subaccount included in Nolin's chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity for each month, rather than the cumulative balances as of the particular month.

Response

See Exhibit X of the Application.

- c. A listing, with descriptions, of all activities initiatives, or programs undertaken or continued by Nolin since its last general rate case for the purpose of minimizing cost or improving the efficiency of its operations or maintenance activities.

Response

With the recession, slow down of construction and reduced sales of energy through conservation Nolin began to look at more ways to contain costs. Here is a partial list:

1. Nolin has been proactive with cost saving methods while making sure service, reliability and safety remain at a high standard. Several employees have either retired or otherwise separated their employment with Nolin during the past few years. Their jobs have been consolidated, eliminated or have not been filled as shown in "Attachment 8A". The job title and estimated savings is shown in the attachment.
2. In 2015-2016 Nolin replaced all electric meters with the latest smart meter AMI technology. See PSC Case #2014-00436. These meters are saving Nolin and our members by reducing truck rolls and service technician's time to make connects, disconnects and other service calls that can be managed now from the office. These meters also alert us instantly when an outage occurs allowing us to predict where the problem is so we can restore power more quickly and safely. Another feature of these meters is they tell us when low or high voltage occurs and many times we can solve the issue before equipment is damaged thus saving Nolin time and expense and money.
3. We use WebEx teleconferences when available with several of our associated organizations to reduce travel costs.
4. We offer pre-pay metering to our members to save expenses on billing, postage and staff time. Also the member pays no deposit that we would pay interest on otherwise.
5. We offer paperless billing which saves many costs of sending a bill.
6. We are evaluating vehicle usage and allocation of resources on equipment purchases.
7. We have a mechanic contractor to manage our fleet of vehicles. We have seen cost reductions in repairs, tires, parts, labor and other services as compared to using local vendors and suppliers.
8. We have begun to take bids on larger vehicles from out of area vendors and dealers and have found savings there.

9. In 2017 we have budgeted to replace a bucket truck at a cost of \$260,000. Instead we will be buying two rolling classics and transferring two bucket units over to the new chassis from the two old chassis that have been very expensive to maintain. We can get two trucks for \$260,000.
10. We have cut over \$70,000 from the budget for 2017 from advertising and the monthly member newsletter The Nolin News.
11. We have cut \$94,000 from the 2017 IT Budget.

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JOB TITLE	TERM DATE	REPLACED Y/N	PAY RATE AS OF TERM DATE	SEMI-MO'LY PAY AS OF TERM DATE	ANNUAL SAVINGS
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

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9. Provide the following information for each item of the electric property or plant held for future use at the end of the test year.
- a. Description of property.
 - b. Location
 - c. Date purchased
 - d. Cost.
 - e. Estimated date to be placed in service.
 - f. Brief description of intended use.
 - g. Current status of each project.

Response

Nolin does not have property held for future use.

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10. List all non-utility property, related property taxes, and the accounts where amounts are recorded for the test period. Include a description of the property, the date purchased, and the cost.

Response

Nolin does not have non-utility property.

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11. Provide all studies, including all applicable work papers, which are the basis of jurisdictional plant allocations and expense account allocations.

Response

Not applicable.

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12. Provide Nolin's current bylaws. Indicate any changes to the bylaws since Nolin's most recent general rate case.

Response

See Exhibit U of the Application.

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13. Provide Nolin's equity management plan. Indicate when the current plan was adopted and identify any changes made in the plan since the year utilized as the test year in Nolin's last rate case. Provide a 5-year analysis of the amount of capital credits refunded to members under the plan and indicate the amounts related to general retirements and special retirements (i.e., estates of deceased patrons).

Response

See Exhibit 20 of the Application.

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14. Provide Nolin's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, the effective date of these changes, and the reason for these changes.

Response

See Exhibit 7 of the Application.

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15. Provide Nolin's policies specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

Response

See Exhibit 8 of the Application.

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16. Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the 5 previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the annual meeting.

Response

See Exhibit P of the Application.

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Response to Commission Staff's First Request for Information

17. Provide the following:
- a. A schedule showing by customer class (e.g., residential, commercial, or industrial), the amount and percentage of any proposed increase or decrease in revenue distributed to each rate class. Provide a detailed explanation of the methodology or basis used to allocate the requested increase in revenue to each of the respective customer classes.

Response

Page 1 of 11 in Exhibit J of the Application contains a schedule reflecting the amount of increase and percentage increase proposed for each customer class. The methodology used to allocate the proposed increase to each customer class is based on the results of the cost of service study ("COSS") presented in Exhibit R of the Application and guidance from Nolin.

- b. A schedule showing how the increase or decrease in (a) above was further distributed to each rate charge (e.g., customer or facility charge, kilowatt hour ("kWh") charge. Explain in detail the methodology or basis used to allocate the increase or decrease.

Response

The primary basis for the distribution of the proposed increase to a specific rate charge is to match the rate charge with the results of the COSS. First, the customer or facility charge was to be increased. Second, the demand charge, if applicable, was to be increased to an amount equal to the demand charge of the wholesale power supplier for that class. And third, any residual revenue requirements were allocated to the energy charge. Please see pages 2 through 11 of Exhibit U of the Application.

- c. If the rate schedule contains a demand charge, describe in detail how the proposed demand charge was determined. Provide all calculations, assumptions, work papers, methodologies, ect. used in the development of the proposed demand charge.

Response

Demand charges were increased in order to make them equal to the demand charge of the wholesale power supplier applicable to that customer class. Exceptions may be made for a rate class if that rate class did not need an increase in revenue. Please see pages 2 through 11 of Exhibit U of the Application.

- d. If the rate schedule contains a monthly customer charge, describe in detail how the proposed customer charge was determined. Provide all calculations, assumptions, work papers, methodologies, etc., used in the development of the proposed customer charge.

Response

Customer charges were raised based on the results of the COSS to an amount that is considered reasonable and acceptable to the judgment of the cooperative. Please see pages 2 through 11 of Exhibit U of the Application.

- e. A reconciliation of the Fuel Adjustment Clause ("FAC") revenue and expense for the test year. The net result of this adjustment should be to remove all FAC revenue and expense from test-year revenue and expense.

Response

This information is contained in Exhibit 15 of the Application.

- f. A reconciliation of Environmental Surcharge ("ES") revenue and expense for the test year. The net result of this adjustment should be to remove all ES revenue and expense from test-year revenue and expense'

Response

This information is contained in Exhibit 15 of the Application.

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Response to Commission Staff's First Request for Information

18. For each rate schedule (rate class), provide the following information for the test year.

a. Number of customers:

Response

Please see page 2 of this response.

b. kWh sales:

Response

Please see page 2 of this response.

c. Rate schedule's percentage of Nolin's total kWh sales:

Response

Please see page 2 of this response.

d. Monthly peak demand kilowatt ("kW") demands for the rate schedule:

Response

Please see page 3 of this response.

e. Total revenue collected:

Response

Please see page 1 of Exhibit J of the Application.

f. Rate schedule percentage of Nolin's total revenues:

Response

Please see page 1 of Exhibit J of the Application.

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Response to Commission Staff's First Request for Information

Number of Customers	
Rate Class	Year End
	Number
Schedule I - Residential	30,912
Schedule I - Prepay	1,376
Schedule 2 - Small Commercial	1668
Schedule 3 - Large Commercial	155
Schedule 4 - Industrial	103
Schedule 4-10 - Flint Ink	1
Schedule 4-11 - AGC	1
Schedule 5 - Security Lights	41
Schedule 6 - Street Lighting	25
	34,282

17b & c

Rate Class	kWh Sales	Percent of Sales
Schedule I - Residential	423,005,481	56.6%
Schedule I - Prepay	17,160,104	2.3%
Schedule 2 - Small Commercial	26,021,043	3.5%
Schedule 3 - Large Commercial	21,124,491	2.8%
Schedule 4 - Industrial	70,647,798	9.5%
Schedule 4-10 - Flint Ink	43,454,097	5.8%
Schedule 4-11 - AGC	137,044,777	18.3%
Schedule 5 - Security Lights	6,744,321	0.9%
Schedule 6 - Street Lighting	1,644,192	0.2%
Envirowatts	235,800	0.0%
Total	746,846,304	100%

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d

C. Monthly Peak Demands for Each Rate Class									
	Farm & Home	Residential	Small	Large	Large	Industrial		-	-
	Residential	Prepay	Commercial	Commercial	Industrial	5-10 MW	10 MW plus	Outdoor	Street
<u>Month</u>	<u>Rate 1</u>	<u>Rate 1P</u>	<u>Rate 2</u>	<u>Rate 3</u>	<u>Rate 4</u>	<u>Rate 10</u>	<u>Rate 11</u>	<u>Lights</u>	<u>Lights</u>
May 2015	75,979	2,790	8,406	5,359	17,043	6,134	7,500	1,084	368
June	101,704	3,863	8,865	4,938	15,257	6,217	7,500	1,084	372
July	100,126	3,929	8,898	5,273	16,578	6,066	7,500	1,084	372
August	93,023	3,665	8,236	5,370	17,843	6,142	7,500	1,084	372
September	88,703	3,502	7,653	5,530	16,658	6,085	7,500	1,084	372
October	100,257	4,218	8,147	5,313	15,222	6,085	7,500	1,084	372
November	96,918	4,119	9,842	5,675	15,921	6,477	7,500	1,084	372
December	106,043	4,485	8,715	5,733	16,257	6,409	7,500	1,084	372
January	132,617	5,504	9,214	6,733	14,960	6,080	7,500	1,092	376
February	124,424	5,544	8,295	6,141	16,528	5,916	7,500	1,092	376
March	98,907	4,300	7,240	5,714	17,170	6,006	7,500	1,092	376
April	76,198	3,392	8,054	6,031	14,889	6,183	7,500	1,092	376
Total	1,194,899	49,311	101,565	67,810	194,326	73,800	90,000	13,040	4,476

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19. Provide a schedule of purchased power costs for the test year and the 12-month period immediately preceding the test year, by vendor, separated into demand and energy components. Include kW and kWh purchased. Indicate any estimates used and explain their use in detail.

Response

See Exhibit 15 of the Application.

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20. Describe how the test-year capitalization rate was determined. If differing rates were used for specific expenses (i.e., payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed charges to the test-year capitalization rate and how they were determined.

Response

See Exhibit 21 of the Application.

No changes are proposed to the test year allocations.

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21. Provide the following:

- a. A schedule of salaries and wages for the test year and each of the 3 calendar years preceding the test year as shown in format 21a. For each time period, provide the amount of overtime pay.
- b. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding calendar years.

Response

See Exhibit 1 of the Application.

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22. Provide the following payroll information for each employee:

- a. The actual regular hours worked during the test year.
- b. The actual overtime hours worked during the test year.
- c. The test year end wage rate for each employee and the date of the last increase.
- d. A calculation of the percent of increase granted during the test year.
- e. The annual percentage of increase granted for both salaried and hourly employees for 2010 to 2015. The information shall identify all the employees as either salaried or hourly, and also as either full-time, part-time, or temporary. Employee numbers or other identifiers may be used instead of employee names. Include an explanation of how the overtime pay rate is determined. All employees terminated during the test year shall be identified (along with the month in which the termination occurred), as well as those employees who replaced terminated employees or were otherwise added to the payroll during the test year. If Nolin has more than 100 employees, the above information may be provided by employee classification.

Response

See Exhibit 1 of the Application.

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23. Provide the following payroll tax information:
- a. The base wages and salaries used to calculate the taxes, with an explanation of how the base wages and salaries were determined.
 - b. The tax rates in effect at test-year-end.

Response

See Exhibit 2 of the Application.

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24. Provide the following tax data for the test year:
- a. A schedule of franchise fees paid to cities, towns or municipalities during the test year, including the basis of these fees.
 - b. An analysis of operating taxes imposed by Kentucky as shown in Format 25b.

Response:

There was not enough difference to propose and adjustment to the test year.

	<u>2014</u>	<u>2015</u>
24a. Ky State Treasurer	228,154	228,273
Rev Cab - PSC Assess	102,803	97,253
Hardin Co	306,350	311,038
LaRue Co	86,361	89,161
Hart Co	5,119	5,854
Grayson Co	6,755	7,339
Taylor Co	2,843	2,916
Green Co	3,769	2,944
Meade Co	2,631	2,230
Breckinridge Co	514	523
Bullitt Co	112	115
City of Elizabethtown	11,986	11,844
City of Radcliff	5,526	5,955
City of Vine Grove	3,527	3,527
	-----	-----
	766,448	768,971
	=====	=====

24b.

Line No.	Item (a)	Charged Expense (b)	Charged to Construction ©	Charged to Other Accounts (d)	Amounts Accrued (e)	Witness (f)
1	Kentucky Retail			\$ 815,885.56		
	(a) State Income					
	(b) Franchise Fees			\$ 604,109.95		
	© Ad valorem					
	(d) Payroll (employer's portion)	\$ 432,368.82	\$ 105,690.00	\$ 27,129.00		
	(e) Other Taxes			\$ 64,548.87		
2	Total Retail (L1(a) through L1 (e))	\$ 432,368.82	\$ 105,690.00	\$ 1,511,673.38		
3	Other jurisdictions					
	Total per books (L2 and L3)					

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25. Provide a statement of electric plant in service, per company books, for the test year. This data shall be presented as shown in Format 25.

Response

See Exhibit 3 of the Application.

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26. Provide a schedule of all employee benefits available to Nolin's employees. Include the number of employees at test-year-end covered under each benefit, the test year end actual cost of each benefit, the amount of the cost capitalized, the amount of the cost expensed, and the account numbers in which the capitalized or expensed costs were recorded.

Response

See Exhibit 21 of the Application.

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27. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and 2 preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

Response

See Exhibit 1 of the Application.

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28. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 29, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

Response

See Exhibit 11 of the Application.

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29. Provide an analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account as shown in Format 30. Include all detailed workpapers supporting this analysis. At a minimum, the workpapers shall show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts less than \$100 provided the items are grouped by classes as shown in Format 29.

Response

See Exhibit 10 of the Application.

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30. Provide an analysis of Account No. 426, Other Income Deductions, for the test period. This analysis shall show a complete breakdown of this account as shown in Format 31, and further provide all detailed supporting workpapers. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250 provided the items are grouped by classes as shown in Format 30.

Response

See Exhibit 9 of the Application.

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31. Provide the name and personal mailing address of each member of Nolin's board of directors. Identify the members who represent the cooperative on the board of directors of East Kentucky Power Cooperative, Inc. ("East Kentucky"). Also identify the board members who are representatives to the Kentucky Association of Electric Cooperatives and/or the National Rural Electric Cooperative Association. If, during the course of these proceedings, any changes occur in board membership, update your response to this request.

Response

Refer to Exhibit 8 of the Application.

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32. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc. attended by each member. Identify any compensation to Nolin's board of directors for serving on East Kentucky's board of directors. Do any of the listed expenses in this analysis include the costs for a director's spouse? If yes, list expenses for the director's spouses separately.

Response

See Exhibit 8 of the Application. No expenses for Director's spouses are included.

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33. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 34. Include detailed workpapers supporting this analysis which show the payee, dollar amount, reference (i.e., voucher no. etc.), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

Response

See Exhibit 7 of the Application.

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34. Provide the following information concerning the costs for the preparation of this case:
- a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference, the vendor, amount, a description of the services performed, and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.
 - b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting workpapers and calculations.
 - c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

Response

See Exhibit 12 of the Application. Nolin will provide updates as each month's activity is available. The estimated expense does not include internal costs as these would be incurred anyway.

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35. Provide the estimated dates for draw downs of unadvanced loan funds at test-year-end and the proposed uses of these funds.

Response

Nolin has no definite plans to advance additional loan funds but will continue to monitor its cash situation and will advance funds when necessary.

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36. Provide a list of depreciation expenses using Format 36.

Response

See Exhibit 3 of the Application.

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37. Are the depreciation rates reflected in this filing identical to those most recently approved by the Commission?
- a. If yes, identify the case in which they were approved.
 - b. If no, provide the depreciation study that supports the rates reflected in this filing.

Response

- a. Yes, Case No. 2006-00466
- b. n/a

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38. Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 39.

Response

See Exhibit 3 of the Application.

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39. For each charitable and political contribution (in cash or services), provide the amount, recipient, and specific account charged.

Response

Refer to Exhibit 9 of the Application.

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40. Describe Nolin's lobbying activities and provide a schedule showing the name and salary of each lobbyist; all company-paid or reimbursed expenses or allowances; and the account charged for all personnel for whom a principal function is lobbying, on the local, state, or national level. Indicate whether the lobbyist is an employee or an independent contractor. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

Response

Nolin does not engage in lobbying activities.

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41. Provide complete details of the financial reporting and rate-making treatment of Nolin's pension costs.

Response

See Exhibit 6 of the Application.

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42. Provide complete details of Nolin's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, including;
- a. The date Nolin adopted or plans to adopt SFAS No. 106.
 - b. All accounting entries made or to be made at the date of adoption.
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 106 cost recorded or to be recorded by Nolin.

Response

- a. Nolin adopted SFAS No. 106 in January, 1995.

b.	Employee benefits	<u>Account No.</u> 926.00	\$476,000	
	Accum postretire benefits	22830		\$476,000
	Initially record adoption of SFAS No. 106.			

- c. A copy of the latest study is included as a part of "Exhibit 5" of the Application.

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43. Provide complete details of Nolin's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 112, including;

- a. The date Nolin adopted or plans to adopt SFAS No. 112.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded or to be recorded by Nolin.

Response

SFAS No. 112 does not apply to Nolin.

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44. Provide complete details of Nolin's financial reporting and ratemaking treatment of SFAS No. 143, "Accounting for Asset Retirement Obligations."
- a. The date Nolin adopted or plans to adopt SFAS No. 143.
 - b. All accounting entries made or to be made at the date of adoption.
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 143 cost recorded or to be recorded by Nolin.
 - d. A schedule comparing the depreciation rates utilized by Nolin prior to and after adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

Response

SFAS No. 143 does not apply to Nolin.

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

45. Provide complete details of Nolin's financial reporting and ratemaking treatment of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."
- a. The date Nolin adopted or plans to adopt SFAS No. 158.
 - b. All accounting entries made or to be made at the date of adoption.
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 158 cost recorded or to be recorded by Nolin.

Response

See Exhibit 6 of the Application.

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

46. Provide any information as soon as it is known, describing any events occurring after test year that would have a material effect on net operating income, rate base, and cost of capital that is not incorporated in the filed testimony and exhibits.

Response

None are known at this time.

**Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information**

47. Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

Response

There is no union.

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

48. Regarding demand-side management, conservation, and energy efficiency programs, provide the following:
- a. A list of all programs currently offered by Nolin;
 - b. The total cost incurred for these programs during the test year and in each of the three most recent calendar years; and
 - c. The total demand and energy reductions realized through these programs during the test year and in each of the three most recent calendar years.

Response:

- 48a. Programs currently offered include:

Program
C&I Advanced Lighting
Commercial Compressed Air Audit
Appliance Recycling (Refrigerator & Freezer)
Button Up
Energy Audit
Energy Star Heat Pump
Energy Star Central Air Conditioner
Energy Star Clothes Washer
Energy Star Dishwasher
Energy Star Freezer
Energy Star Refrigerator
Energy Star Heat Pump Water Heater
Heat Pump Retrofit
Residential Lighting - CFL & LED
DLC AC
DLC WH
Touchstone Energy Home

48b. DSM Expense [all years presented are calendar years]

Test Year (May 1, 2015 – April 30, 2016)	\$67,809.22
2016 (January 1 – November 30)	\$66,101.91
2015 (January 1 – December 31)	\$68,589.34
2014 (January 1 – December 31)	\$74,673.73

48c. Total Demand and Energy Reductions:

	Demand Reduction Winter KW	Demand Reduction Summer KW	Energy Reduction kWh
Test Year (May 1, 2015 - April 30, 2016)	348.4	414.5	2,135,853
2016 (January 1, 2016 - November 30, 2016)	256.3	281.6	1,732,756
2015 (January 1, 2015 - December 31, 2015)	291.2	328.4	1,611,536
2014 (January 1, 2014 - December 31, 2014)	264.1	533.0	513,917

Nolin Rural Electric Cooperative Corporation
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Commission Staff's First Request for Information

49. Provide separate schedules, for the test year and the 12-month period immediately preceding the test year that show the following information regarding Nolin's investments in subsidiaries and joint ventures:
- a. Name of subsidiary or joint venture;
 - b. Date of initial investment;
 - c. Amount and type of investment;
 - d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these; and
 - e. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Indicate the position that each officer holds with Nolin and the compensation received from Nolin.

Response

Nolin does not have a subsidiary or participate in a joint venture.

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

50. Provide separate schedules showing all dividends or income of any type received by Nolin from its subsidiaries or joint ventures for the test year and the 3 years preceding the test year. Indicate how this income is reflected in the reports filed with the Commission and any reports to Nolin's member customers.

Response

Not applicable.

**Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information**

51. Concerning non-regulated activities:

- a. Is Nolin engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.
- b. Is Nolin engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.
- c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.
- d. Has Nolin loaned money or property to any affiliate? If yes, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.

Response

Nolin does not have non-regulated or affiliate activities.

Nolin Rural Electric Cooperative Corporation
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52. a. Identify any smart grid costs incurred by Nolin in the test year. Identify the account(s) were they are recorded and if the costs were expensed or capitalized.

Response

Nolin incurred a cost of \$5,226,576.88 as we began a system meter change out. These costs were for single and three phase meters, as well as the Access Points for communication between the meter and Nolin's system. There are minimal costs included to maintain the current system prior to and during the change out.

Capitalized

Acct 370.00	\$4,361,037.55	GE Meters i210 and KV2C plus install cost
Acct 397.00	\$535,900.40	GE - Access Points
Acct 391.00	\$151,300.00	SCADA Master Upgrade

Expensed

Acct 588.00	\$39,380.43	Landis & Gyr hosting fee
Acct 588.00	\$134,778.24	Hardware and supplies
Acct 588.00	\$4,146.64	Labor and Benefits
Acct 597.00	\$33.62	Return Shipping on GE meters

\$5,226,576.88 Total costs incurred during test year

b. Nolin has budgeted the following amounts for 2016:

Expense	Acct 588.00	\$105,000.00	GE yearly hosting fees
	Acct 588.00	\$39,019.08	AMI Communications Backhaul Infrastructure
	Total Expense Budget	\$144,019.08	
Capitalized	Acct 370.00	\$175,272.00	i210 Meters held in inventory
	Acct 370.00	\$80,080.00	KV2C Meters held in inventory
	Acct 397.00	\$922,181.50	Access Points Installation & Hardware
	Acct 370.00	\$492,288.55	Final Purchases for System Change Out
	Total Capitalized Budget	\$1,669,822.05	

**Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information**

53. Provide Nolin's written compensation policy as approved by the Board of Directors.

Response

Nolin's Wage & Salary Policy #708 as last approved on November 12, 2015, is attached as "Attachment 53A."

- a. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Nolin's objectives for the policy.

Response

See "Attachment 53A", page one, "A, B, C, D" of Section I.

- b. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.

Response

See "Attachment 53B - 2011 Compensation Program" and "Attachment 53C - 2016 Compensation Plan Review." Our compensation consultant, Intandem, LLC works with Nolin staff to update and adjust the plan annually to keep in line with any market changes in national, regional and state compensation data.

- c. Explain when the compensation policy was last reviewed or given consideration by the Board of Directors.

Response

The Policy and Compensation Plan was reviewed and updated by Nolin and Intandem in March 2016 and reviewed by the Nolin Board of Directors August 11, 2016 at the Nolin Board Meeting.

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 708.0

SUBJECT: WAGE AND SALARY PLAN

I. PURPOSE:

- A. To establish a wage and salary plan which will attract and retain qualified personnel and encourage employee work performance, growth, and development.
- B. To provide a wage and salary plan which will enable management to provide wages and salaries on a fair, systematic, and controlled basis which will avoid unnecessary salary expense, and one which will permit management and the Board of Directors budget control of wage and fringe benefit cost requirements.
- C. To ensure that salary opportunities for employees reflect changes in competitive compensation trends and economic conditions.
- D. To determine salary increases and promotions on the basis of demonstrated individual performance.

II. POLICY:

It shall be the policy of Nolin RECC to establish a wage and salary plan for the organization and set forth the provisions pertaining to its administration.

III. PROVISIONS:

The following provisions and special conditions shall apply to this policy:

A. Conditions for Development of a Wage and Salary Plan

1. To meet the objectives of this Policy, the plan shall be developed by grouping positions as follows:
 - a. Exempt - Salaried (Management, Supervisory and Professional Positions) with the exception of the President & CEO. These are positions that meet the definition of exempt as set forth in the Fair Labor Standards Act, as amended, and are therefore exempted from the provisions of the act and not eligible for overtime.

- b. **Administrative - Hourly.** These positions provide administrative, technical and clerical support to the activities of the organization. These positions are defined as nonexempt as set forth in the provisions of the Fair Labor Standards Act and are therefore eligible for overtime compensation under the act.
 - c. **Operations Skills - Hourly.** These positions provide technical and trades and crafts support for the organization. They are defined as nonexempt as set forth in the provisions of the Fair Labor Standards Act, as amended, and are therefore eligible for overtime compensation under the act.
2. Salary ranges shall be established within each group based on position evaluation which considers the responsibility, knowledge, experience, skill, and effort required for each position. The salary range system will be reviewed every three (3) years.
 3. Salary structures will be developed within each position group. Each of these structures is designed in such a way as to respond to the unique characteristics and requirements of the jobs included in each of the groups. The following discussion refers only to the Exempt and Hourly Positions, which are covered under the same salary schedule.

Definitions of the Areas of a Salary Range

Each salary range consists of three basic parts: (1) lower third, (2) middle third, and (3) upper third, as well as the minimum, midpoint, and maximum.

Range Minimum - The minimum of a salary range is the minimum that Nolin RECC intends to pay for the position evaluated in that salary range. Each employee paid at or slightly above the minimum of the salary range will possess at least minimum qualifications for the position.

Lower Third - The lower part of the salary range will be used for the following employees: (1) the newly hired, (2) individuals recently promoted to a higher-level position, (3) less-experienced employees, and (4) individuals whose performance is below expectations, but who are still considered acceptable employees.

Range Midpoint - The midpoint of the salary range reflects the competitive value or worth of the position to Nolin RECC.

Middle Third - It is the objective of Nolin RECC to pay fully qualified, satisfactorily performing employees in the middle portion of the salary range at or near the midpoint. Such employees should progress to this area of the salary range within a reasonable period of time. It is expected that most employees will be paid in this area of the salary range.

Upper Third - The upper part of the salary range will be used for employees whose performance is consistently outstanding. Employees paid in this area of the salary range ordinarily will be an individual whose performance is consistently outstanding and exceeds performance standards.

Maximum Rate - Only in unusual circumstances will employees be paid above the maximum of their salary range. Any action that would place an employee above the salary range requires the explicit approval of the President & CEO.

B. Conditions for Administration

1. Positions will be reviewed and reevaluated whenever substantial changes are made to the duties and responsibilities within a position. At such time, the Vice President Administration and Finance and the Department Vice President will jointly evaluate the position. All new positions will also be jointly evaluated by the President & CEO and the Department Vice President.
2. General review and reevaluation of all positions will occur whenever there is substantial deviation from midpoint within salary range to market salary surveys.

C. Determination of Individual Pay Rates

All salary structures excluding the President & CEO will be part of the wage and salary plan. Determination of individual salaries upon recommendation of Department Vice Presidents in compliance with the plan will be made by the Vice President Administration and Finance. All salary decisions above the midpoint must be reviewed by the Vice President Administration and Finance and approved by the President & CEO.

1. Hiring Rate - All vacancies shall be filled on the basis of merit and in accordance with all state and federal equal opportunity and other legal requirements. Whenever there are employees within the system who are able to qualify, they will be considered for such vacancies. In making promotions, the MOST QUALIFIED INDIVIDUAL WILL BE SELECTED. Wherever vacancies occur, management may consider applications from those outside the system and will select the best-qualified applicant on the basis of merit.

New employees who meet or exceed minimum qualifications required for satisfactory performance will be paid at least the minimum of the salary range. However, new employees will normally be paid salaries between minimum and the midpoint of the range but will ordinarily be paid a salary within the lower third of the ranges. Decisions to hire above the minimum must be approved by the Department Vice President and reviewed by the Vice President Administration and Finance. Decisions to hire above the midpoint of the range must be reviewed by the Vice President Administration and Finance and approved by the President & CEO.

In some instances, it may be appropriate to hire a new employee who does not possess the minimum qualifications for the position, but who appears to have the potential for developing such qualifications in a short period of time. In such instances, an applicant may be hired below the minimum rate and placed in a lower salary range for the position. The salary of an employee hired under these conditions should be brought to the minimum of the salary range within three (3) months of the date of hiring.

All new employees will serve a 90 day performance evaluation period. The period will begin on the first day of the full-time assumption of duties. These employees will be continuously reviewed by their supervisors and again at the end of 90 days. At that time, a determination will be made as to employment status and salary adjustments, if appropriate.

2. Promotional Increases - Definition: A promotion is an assignment to a position with increased responsibilities in a higher salary range than the individual's current salary range.

Promotional increases will follow these guidelines: (1) a promotional increase ordinarily will be granted at the time of the promotion, (2) a promotional increase should generally bring the employee's salary at least to the minimum of the new salary range, (3) a promotional increase should be similar to a merit increase to recognize the greater duties and responsibilities an employee is assuming. Should a promotional increase occur at the same time as the merit increase, such promotional increase will be coordinated with the merit increase.

- a. Promotional increases in salary will be granted depending on salary position in the new salary range. Increases which place these individuals above the lower one-third of the new range must be reviewed by the Vice President Administration and Finance and approved by the President & CEO.
- b. Generally, a promotional increase should bring the individual to the minimum of the new salary range.
- c. In some cases it may be appropriate to withhold a promotional increase to evaluate an employee's suitability and performance in the new position. In such cases, a delay in granting a promotional increase will not be made for longer than 90 days. By the end of this period, a promotional increase may be granted. An employee not performing as expected shall be reassigned to a more appropriate position or terminated.

3. Lateral Transfers

A lateral transfer is the transfer of an employee to a position in the same salary range as his or her current position.

These transfers do not provide an increase in salary. The employee's performance normally will be reviewed and a merit increase considered under the established merit increase policies.

When extenuating circumstances are present, a justification for an increase in salary for a lateral transfer may be present. The Vice President Administration and Finance must review and the President & CEO must approve all such salary actions for employees who are given lateral transfers.

4. Demotions

A demotion may be due to unsatisfactory performance or result of an organizational change. If a demotion results from unsatisfactory performance, the salary of the employee will normally be reduced to the appropriate salary range, and the new salary will not exceed the maximum of said salary range, except as set out below. If the salary prior to demotion is within the salary range of the new position, it may be reduced to an appropriate level. Upon the recommendation of the Department Vice President and the Vice President Administration and Finance and upon approval of the President & CEO, a demoted individual whose salary exceeds the maximum of the new range may remain at his or her current rate.

A demoted employee will receive further salary consideration according to the policies and procedures governing merit increases. All actions which reduce an employee's salary must be reviewed by the Vice President Administration and Finance and approved by the President & CEO.

5. Merit Increases

A merit increase is an increase based on an employee's performance and is an increase within the assigned salary range.

- a. The size of a merit increase awarded to an employee will be based upon: (1) performance in accomplishing the duties and responsibilities of the assigned position, (2) the time interval since employment or the last merit or promotional increase, (3) the position in the range of the employee's current salary, and (4) the ability of Nolin RECC to provide an increase.

The financial parameters approved by the Board of Directors, the President & CEO, based on the recommendation of the Vice President Administration and Finance will annually determine merit increase guidelines. These guidelines will be communicated to all Department Vice Presidents for their use in determining merit increase amounts for employees under supervision.

- b. Merit increases for personnel hired during the current plan year will be determined using the following formula:

- (1) Hirings that occur during the first quarter -- a $\frac{3}{4}$ portion of the merit will be granted based on performance.
- (2) Hirings that occur during the second quarter -- a $\frac{1}{2}$ portion of the merit will be granted based on performance.
- (3) Hirings that occur during the third quarter -- a $\frac{1}{4}$ portion of the merit will be granted based on performance.

D. Salary Probation

An employee whose performance is considered unsatisfactory may be denied an increase and placed on salary probation. The employee will be reviewed again at the end of a 90 day period.

If performance continues to be unsatisfactory at the time of review, the employee may be terminated or may be continued on salary probation for an additional 90 days. Performance will again be reviewed; and if performance continues to be unsatisfactory, appropriate action will be taken, up to and including termination of employment.

If performance improves during the probation period, the employee will be released from salary probation and will be reviewed on his or her regular review date. Appropriate salary action may be taken when salary probation is lifted or at the employee's review date. All salary probation actions must be fully documented.

IV. APPROVAL OF SALARY ACTION:

- A. Salary actions that fall within the guidelines defined in this policy will be reviewed by the Vice President Administration and Finance after approval by the affected employee's direct supervisor and the Department Vice President to whom such supervisor reports.

Salary actions that do not fall within the policies defined in this Policy require the approval of the President & CEO in addition to the above approvals.

V. IMPLEMENTATION -- DISCUSSION AND REVIEW:**A. Salary Adjustments**

1. Exempt and Nonexempt Salaried. Annual adjustments will be determined each year. These changes will include approved merit adjustments as well as market adjustments. Informal performance reviews will be conducted annually. Ninety (90) day reviews will be conducted for all newly hired employees. All merit recommendations will be made by Department Vice Presidents each year. These merit recommendations will be reviewed by the Vice President Administration and Finance for conformance with policy. The reviewed recommendations will be compiled, including cost data, and submitted to the President & CEO. These recommended increases will be based on Board approval and will become effective with the first pay period in November of each year.

VI. INDIVIDUAL MOVEMENT THROUGH THE SALARY RANGES OF THE OPERATIONS SKILLS GROUPS:**Meeting Job Specifications:**

Every individual must meet the job specifications prior to being moved into a specific salary range. (It will be the objective of Nolin RECC to develop formal training programs and documentation for every work group that involves technical expertise. These programs, which at some time in the future every Operations Skills Group employee of the Cooperative must complete, will require certification prior to moving from one step to another within the salary schedule.) Until such time that this program is implemented, the individual supervisor and the Department Vice President, in conjunction with the Vice President Administration and Finance, will determine the qualifications of the individual employees.

VII. REVIEW AND UPDATE OF WAGE AND SALARY PLAN:**Adjustment to Salary Ranges:**

In September of each year, the President & CEO will recommend any revisions necessary in the wage and salary plan. These recommendations will be based on wage and salary surveys, economic conditions, the rate of inflation, the financial condition of the system, and any other pertinent factors. If such a recommendation is adopted by the Board, a general adjustment to the wage and salary schedules will be made each year.

VIII. CLARIFICATION:

Nothing contained in this plan shall be considered or construed as an employment contract or a term of an employment contract for any employee, since employees of Nolin RECC are not employed pursuant to employment contracts.

Nothing contained in this plan shall be construed as a guarantee to any employee of a certain wage or salary, and all final decisions concerning the wages and salaries of employees shall remain within the discretion of management pursuant to the guidelines set forth in this plan.

IX. RESPONSIBILITY:

President & CEO.

This policy supersedes any existing policy, which may be in conflict with the provisions of this policy.

Adopted: 01-14-1993

Revised: 10-21-1998

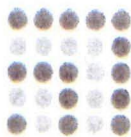
Revised: 02-15-2001

Revised: 02-01-2010

Revised: 06-28-2011

Revised: 08-15-2014

Revised: 11-12-2015



INTANDEM^{LLC}

ADVISORS TO MANAGEMENT

Compensation Program

For

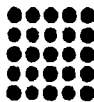
Nolin RECC

October, 2011

Winston Tan

InTandem, LLC

www.InTandemConsultants.com



Methodology

In order to construct an effective wage and salary program, it is essential to follow a consistent and well-defined methodology. This system allows the integration of targeted external market values with internal job relationships to develop pay scales that reflect the following key dimensions.

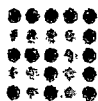
Internal Equity. Fair and impartial ranking of positions based on work done within the organization ("equal pay for equal work"). Individuals performing similar work with equal proficiency should be provided with similar wage and salary opportunities. This component of the wage and salary program addresses employee expectations as well as legal equity requirements.

External Competitiveness. A system that can assure management that positions within the company are priced at a rate that is competitive with comparable work being done under similar conditions in related geographical and industry markets.

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

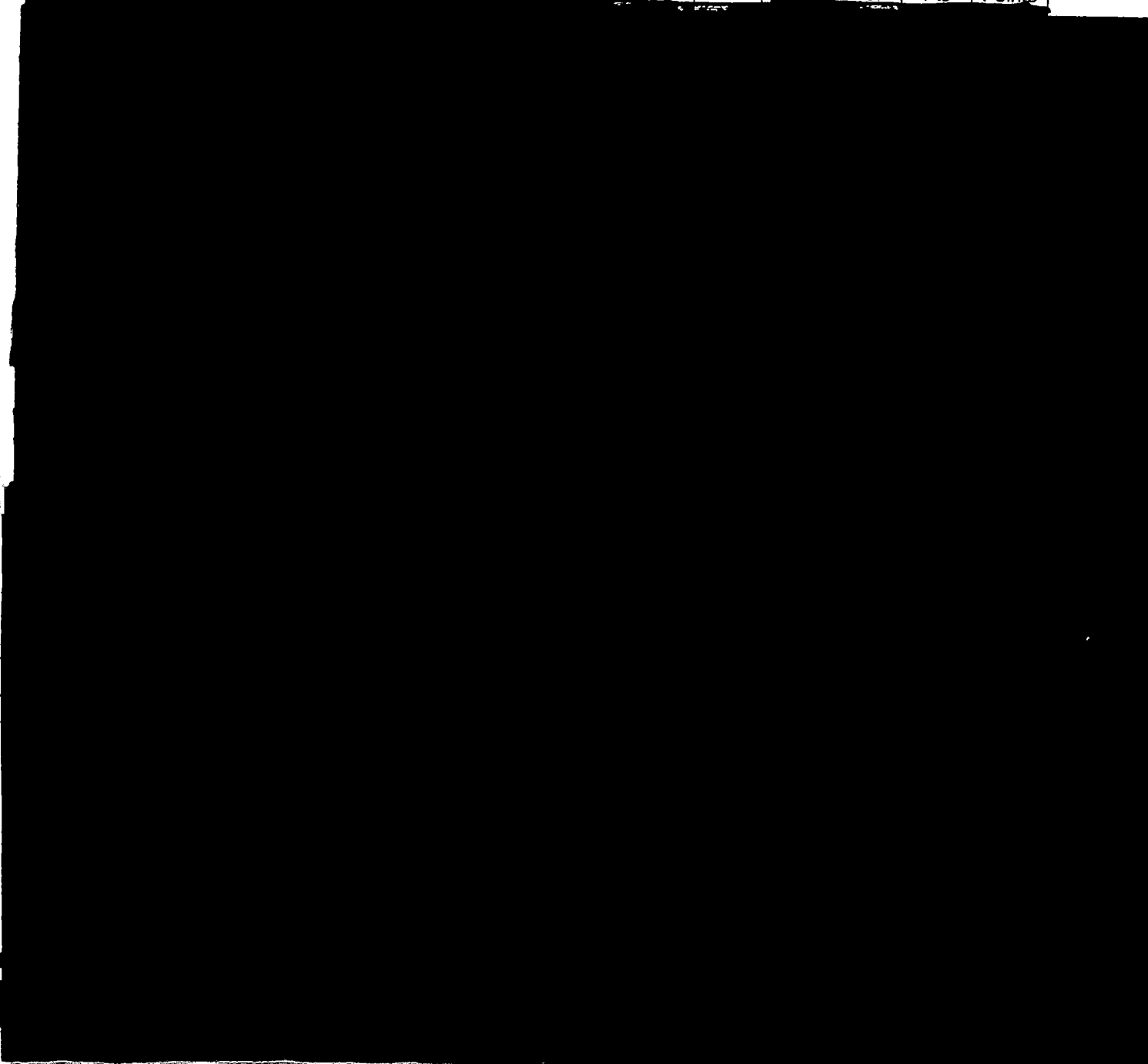
Establishing Internal Equity at Nolin RECC

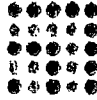
The consultant, along with an evaluation team of Nolin RECC staff performed the job evaluation scoring. Each position in the organization was allocated points based on the level of each factor described in the job description. The sum of the point values for all five factors established a total point value for each position and provided a systematic and equitable method of ranking positions according to their relative value to the organization. The evaluation of positions was not intended to reflect personalities.



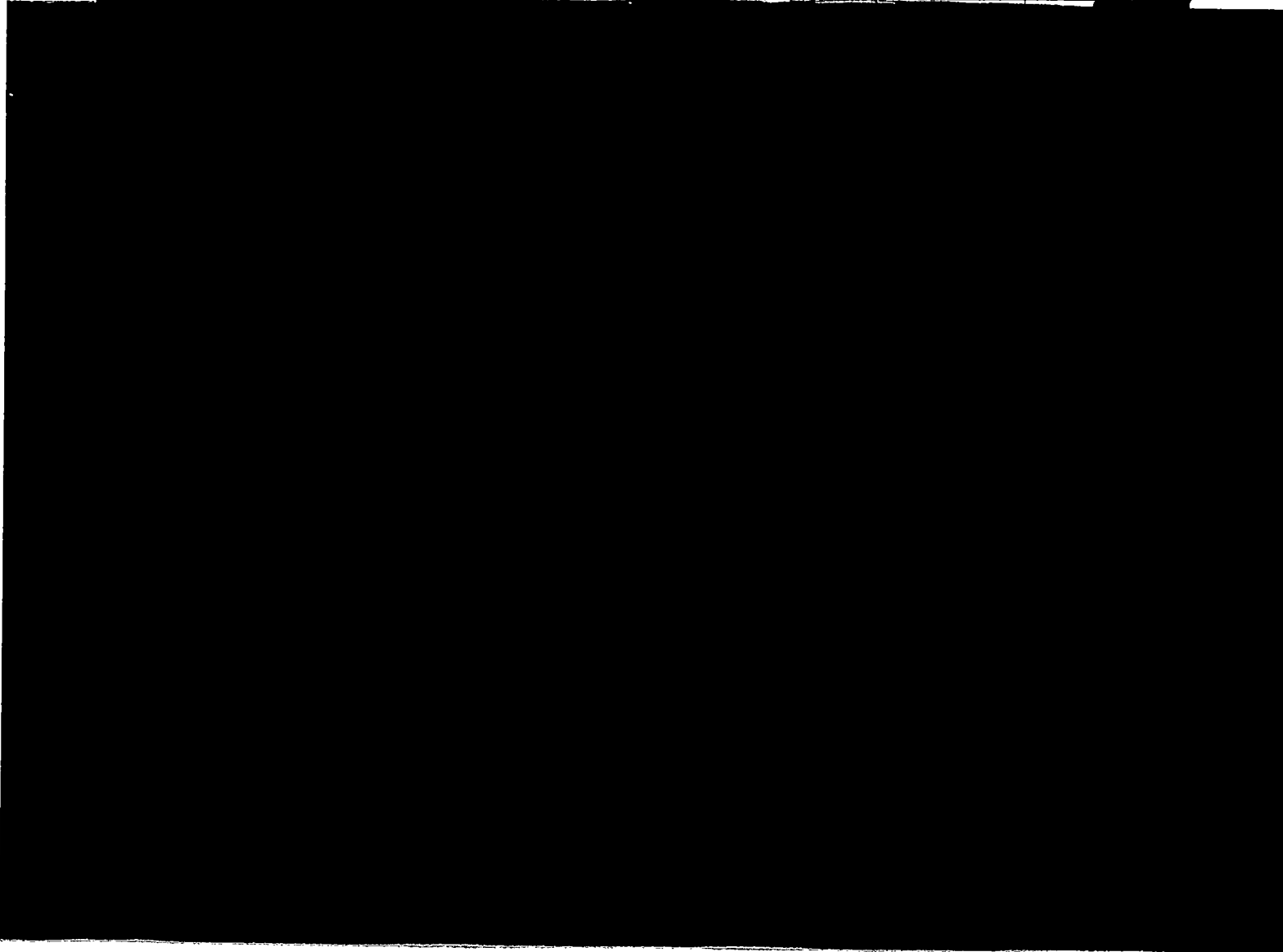
Nolin RECC Job Evaluations

Grade	Title	Knowledge		Leadership		Org. Effect		Complexity		Communication		Total
		Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	Points



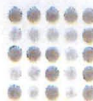


Grade	Title	Knowledge	Leadership	Org. Effect	Complexity	Communication	Total
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Developing the Compensation Model and Market Posture

"Benchmark positions" (market identifiers) were selected by comparing job responsibilities performed at Nolin RECC with those described in salary survey data for comparable organizations. When there was an appropriate "match" in duties, a position was selected as a benchmark position and included into the compensation model.



Not all positions were suitable as benchmark positions because salary survey data is not available for every position. However, utilization of the point factor job evaluation system allows a proxy calculation of market value for each position based on its total point value. Market data was utilized from the following data sources:

Salary Data Sources

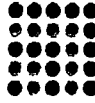
Survey	Description
2011 National Compensation Survey (NCS) Dataset effective November, 2010	Produced annually by NRECA, this survey provides information for approximately 120 positions from cooperative distribution systems located throughout the United States. Over 800 systems contribute to this non-voluntary survey (values are used for calculating group benefit premiums), which reports actual salaries. State average and regional third quartile values were selected (see shaded positions in compensation model) to reflect the competitive posture of the compensation plan.

A polynomial regression model was used to merge point values of benchmark positions with salary survey data to calculate the mathematical relationship between internal point values and external market.

External salary survey data from the NCS was blended to construct a specific geographical focus for the resultant plan (see shaded positions in following table. The plan is designed to be competitive at the state average from grades 3 through 11 (entry, clerical and administrative groups) and then migrating to the NCS regional third quartile for grades 14 and higher.

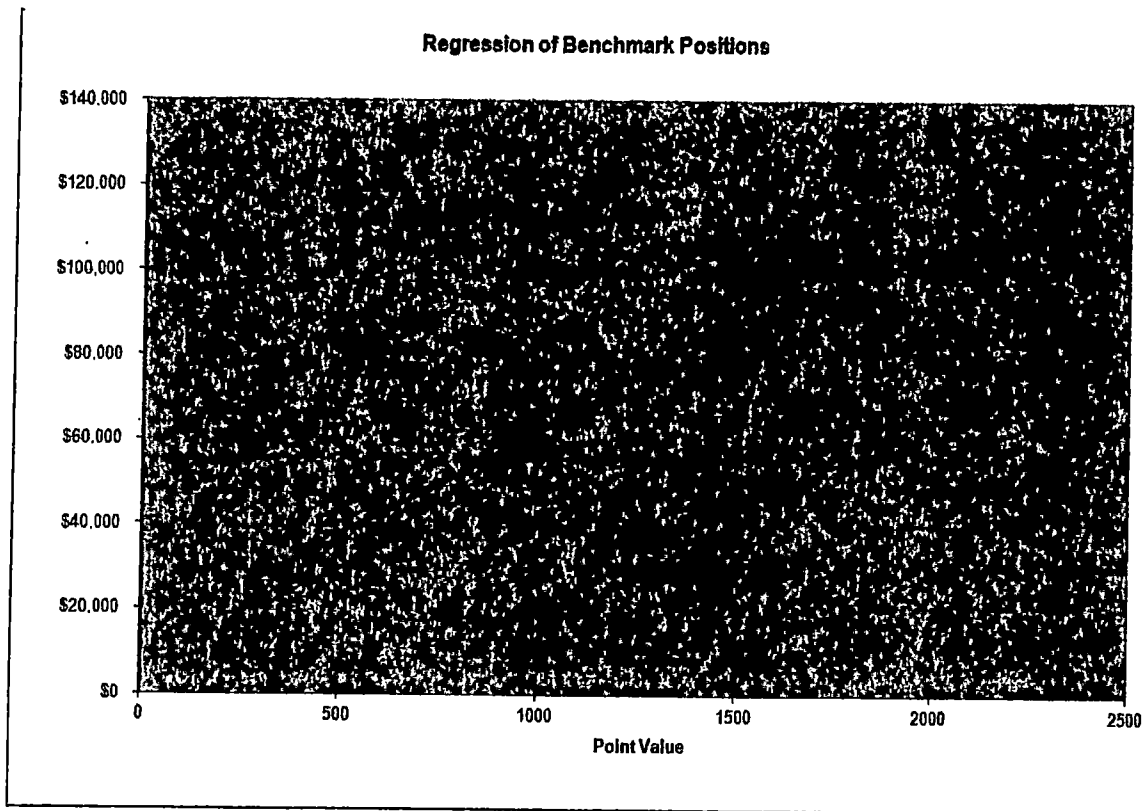
Compensation Model Benchmark Positions

Grade Title	Total Points	National Avg	National Thrd Qtr	Regional Avg	Regional Thrd Q	State Avg	State Thrd Qtr	Model Input Avg/Thrd qtr
3 Switchboard Operator	394	\$35,734	\$40,976	\$35,256	\$41,226	\$35,984	\$42,682	\$35,984
4 Cashier Associate	502	\$35,048	\$39,894	\$34,507	\$39,395	\$34,278	\$38,106	\$34,278
4 Meter Auditor	520	\$39,978	\$45,261	\$40,102	\$43,763	\$40,061	\$42,869	\$40,061
4 Billing Associate	520	\$39,042	\$44,450	\$43,410	\$47,902	\$41,621	\$41,995	\$41,621
7 Administrative Assistant Mer	772	\$43,555	\$48,298	\$44,866	\$50,294	\$46,592	\$51,085	\$46,592
8 Meter Records Coordinator	778	\$44,949	\$49,213	\$48,506	\$54,642	\$52,416	\$57,845	\$52,416
8 Accountant	822	\$48,547	\$54,080	\$48,714	\$56,222	\$53,040	\$59,010	\$53,040
9 Energy Management Coord	862	\$56,326	\$63,774	\$55,276	\$60,872	\$54,607	\$61,230	\$54,607
10 Staking Technician	952	\$57,408	\$64,397	\$57,117	\$61,734	\$53,102	\$57,637	\$53,102
10 Journeymen Lineman	1000	\$60,736	\$66,477	\$57,699	\$61,610	\$57,720	\$60,570	\$57,720
11 Compliance Coordinator	1048	\$70,931	\$80,130	\$68,725	\$74,642	\$64,979	\$69,742	\$64,979
14 Customer Service/Billing Me	1296	\$74,834	\$85,696	\$72,981	\$86,591	\$79,812	\$84,743	\$84,743
15 Construction Superintendent	1350	\$81,133	\$88,591	\$76,531	\$84,510	\$79,919	\$84,743	\$84,510
17 IT Director	1592	\$88,576	\$100,685	\$78,470	\$91,562	\$81,368	\$93,169	\$91,562
21 VP Member Services	1876	\$94,624	\$108,105	\$96,916	\$115,752	\$93,357	\$106,704	\$115,752
21 VP Administration & Finance	1918	\$100,730	\$112,864	\$104,163	\$117,109	\$101,350	\$119,194	\$117,109



A regression analysis was performed between the job evaluation points and the target market values for each benchmark position. This resulted in a "line of best fit" which integrates both internal relationships and external market values.

Regression of Benchmark Positions



This line of best fit has the following mathematical characteristics, which are used to calculate the salary curve midpoints:

Determination Coeff:	0.98083427
Coeff. of Correlation:	0.99037078
Std. Error of Est:	3978.10687
Constant:	19655.1498
1st Degree Coeff:	31.5560444
2nd Degree Coeff:	0.01030788



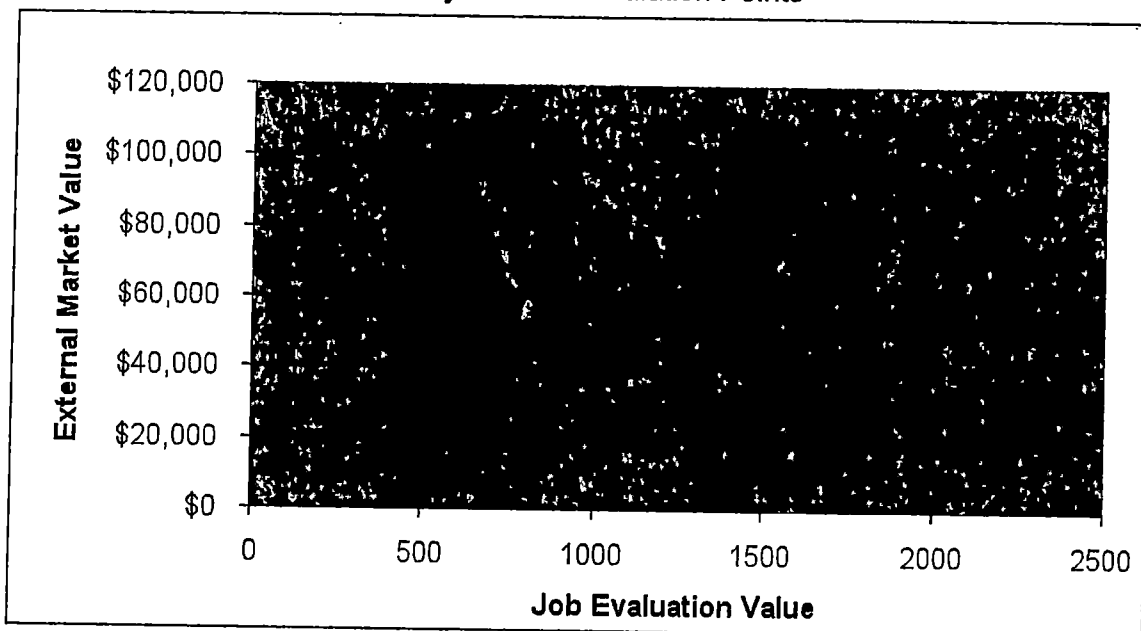
Developing the Salary Structure

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

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

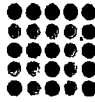
The midpoint "x" values were established by setting salary grades at 82 point intervals starting with 200 points up to a maximum of 2,000 points. All evaluated positions would then be placed into one of 22 potential salary-grades.

Salary Grade Calculation Points



Each calculated point is the middle market value (midpoint) of a respective salary grade. Based on the midpoint value a salary range can be determined by utilizing percentage calculations both above and below the midpoint. A targeted range spread of between 40-55%, stepping gradually from grades 3-20 and calculated from the minimum is the normal design to allow for incumbent tenure, experience and competencies within a particular position.

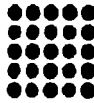
Based on the coefficients for the salary curve generated from the benchmark positions, the following salary structure can be calculated:



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

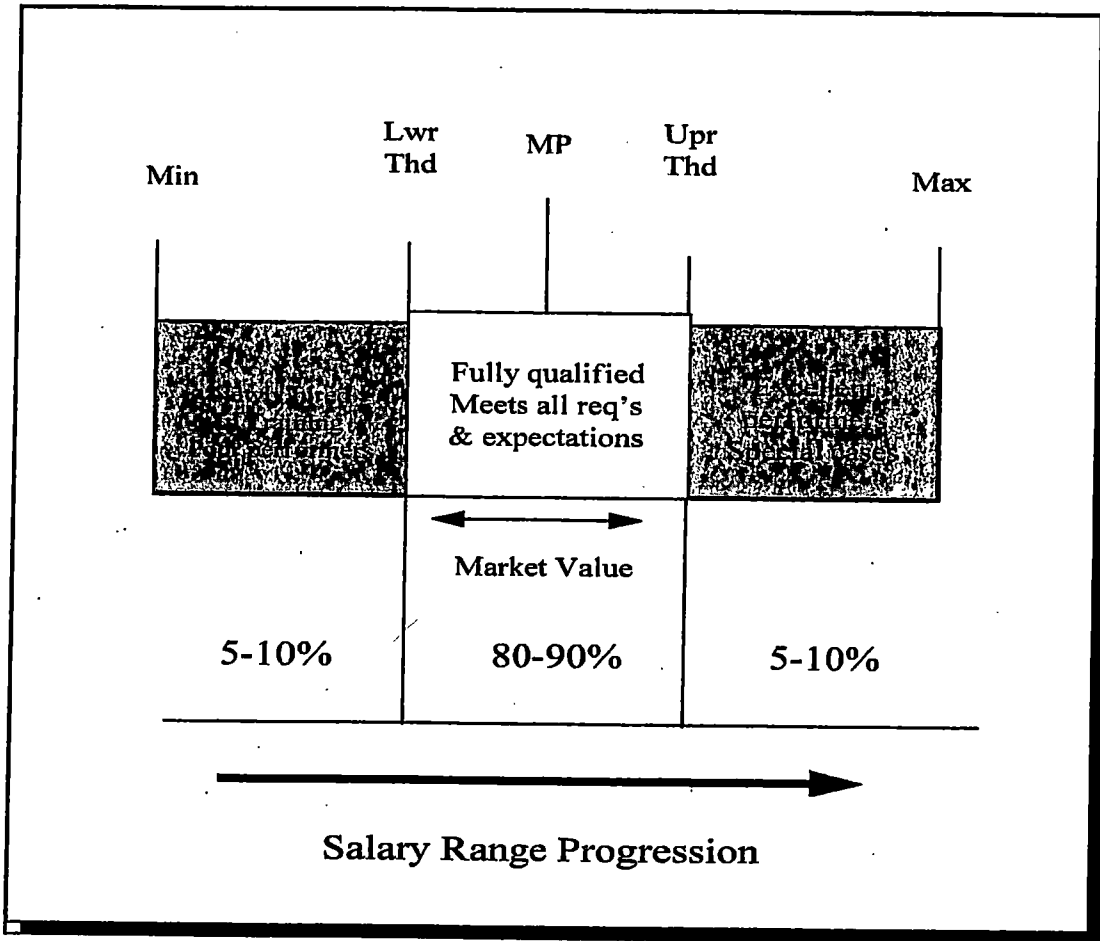
In a properly administered salary plan (assuming minimal employee turnover) about 80-90% of all employees will fall into the market value range, while only 5-10% would occupy the region between the minimum-lower third as well as the upper third-maximum region. In all cases, incumbent positioning within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

In general, an overall average compa ratio of 1.00 is the administrative target of this particular plan design. However, there can be some situations regarding specific

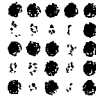


individuals (recruiting, retention, salary compression with bargaining unit, reorganization, etc.), which may allow movement of individuals outside of the parameters of defined market value (both high and low). This should be treated as an exception rather than the rule and should be based on solid competitive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

Salary Range Criteria



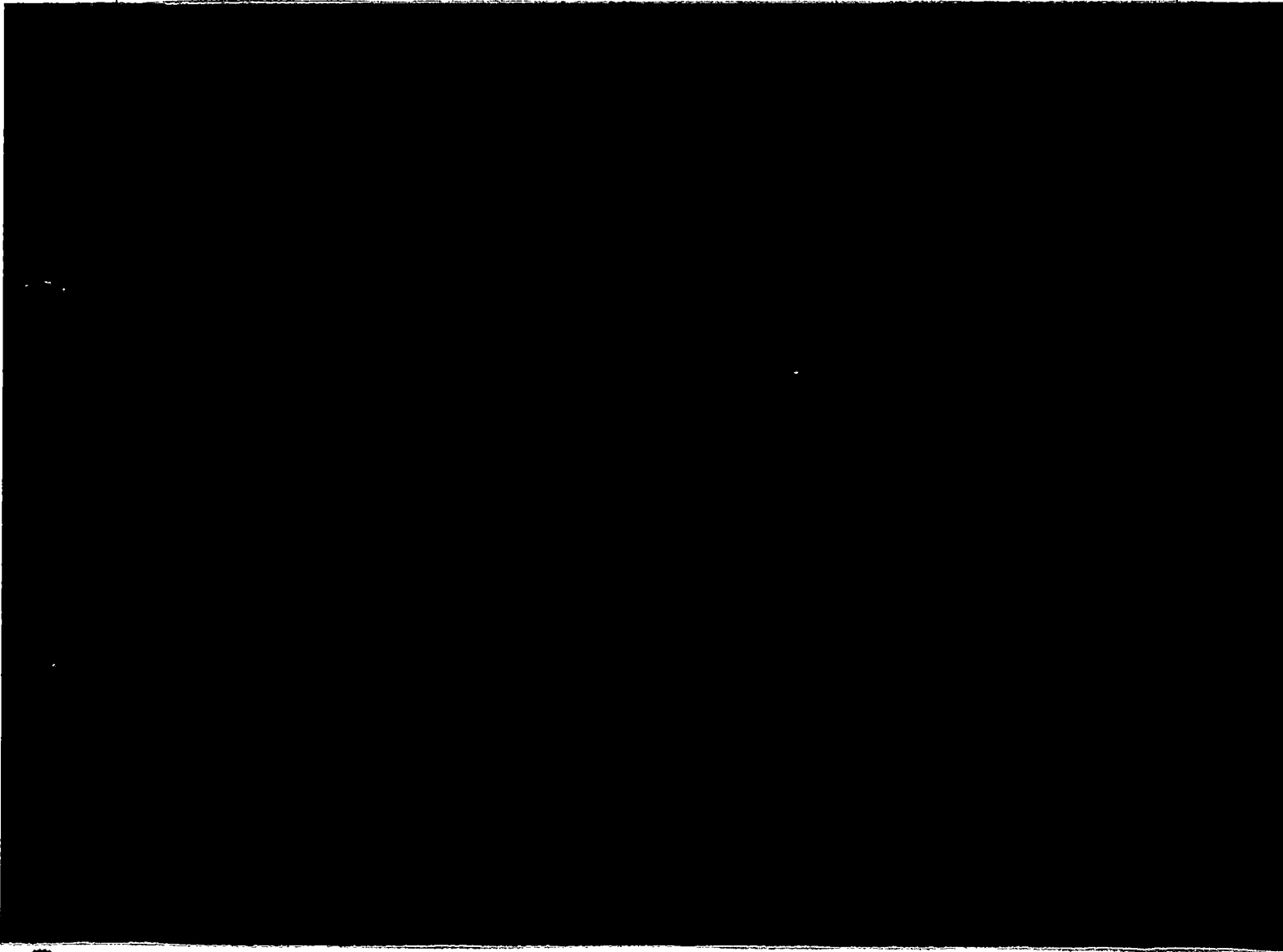
In general compensation plan funding be done at a rate that will allow incumbents (performing in an adequate manner) to progress to the middle region of their respective salary range within a three to five year period. (The actual time period should mirror the learning curve for each position and the range in time recognizes that some jobs have a shorter learning curve than others.)

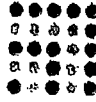


Using the point values assigned during job evaluation, each position can be assigned to an appropriate salary grade as indicated in the "Salary Schedule." The "Salary Schedule" merges the job evaluations with the salary structure and provides a listing of the salary range for each evaluated position.

Nolin RECC Salary Schedule

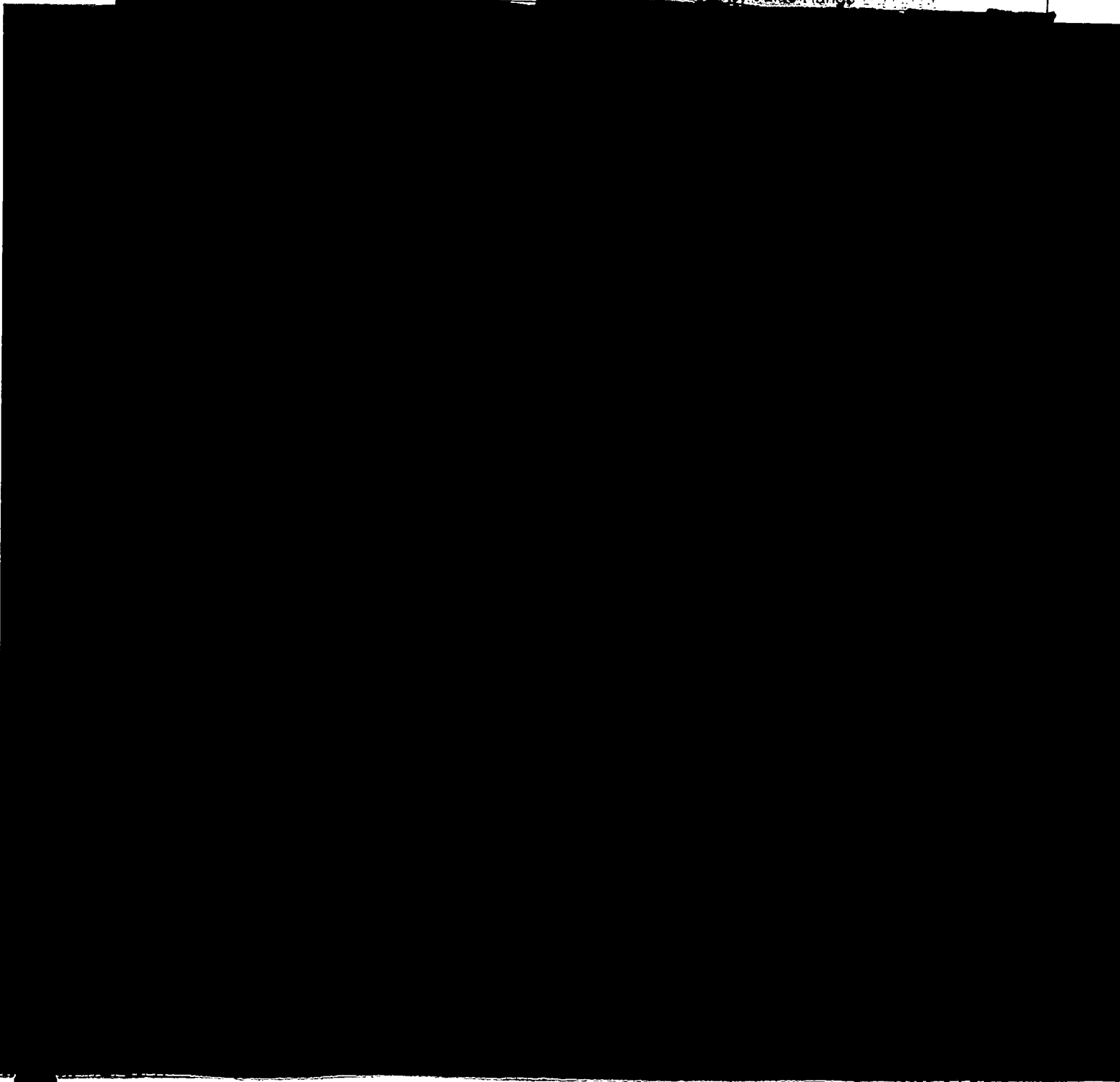
GR	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref	19655.14982					
			Market Value Range			

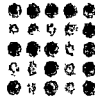




GR	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref	19655.14982					

Market Value Range





GR	TITLE	MIN	LWR THD	MP	UPR THD	MAX
Ref						
Market Value Range						

Implementation Impact

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

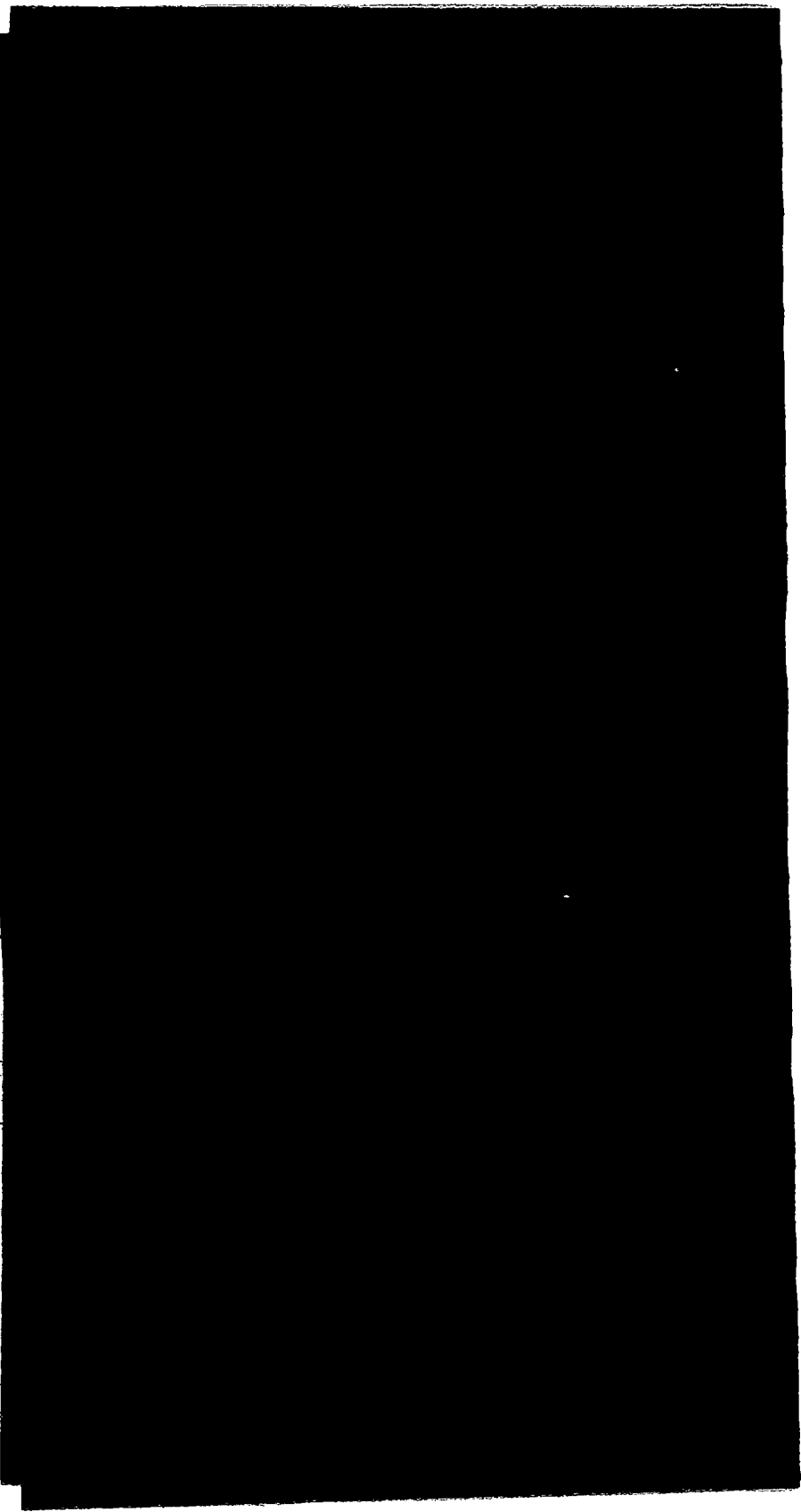
The overall average compa-ratio of all of the incumbents in the salary plan is 0.96... indicating that (on average) incumbents are reasonably competitively placed within the market focus of the proposed salary plan (see Incumbent Impact detail in Exhibits section).

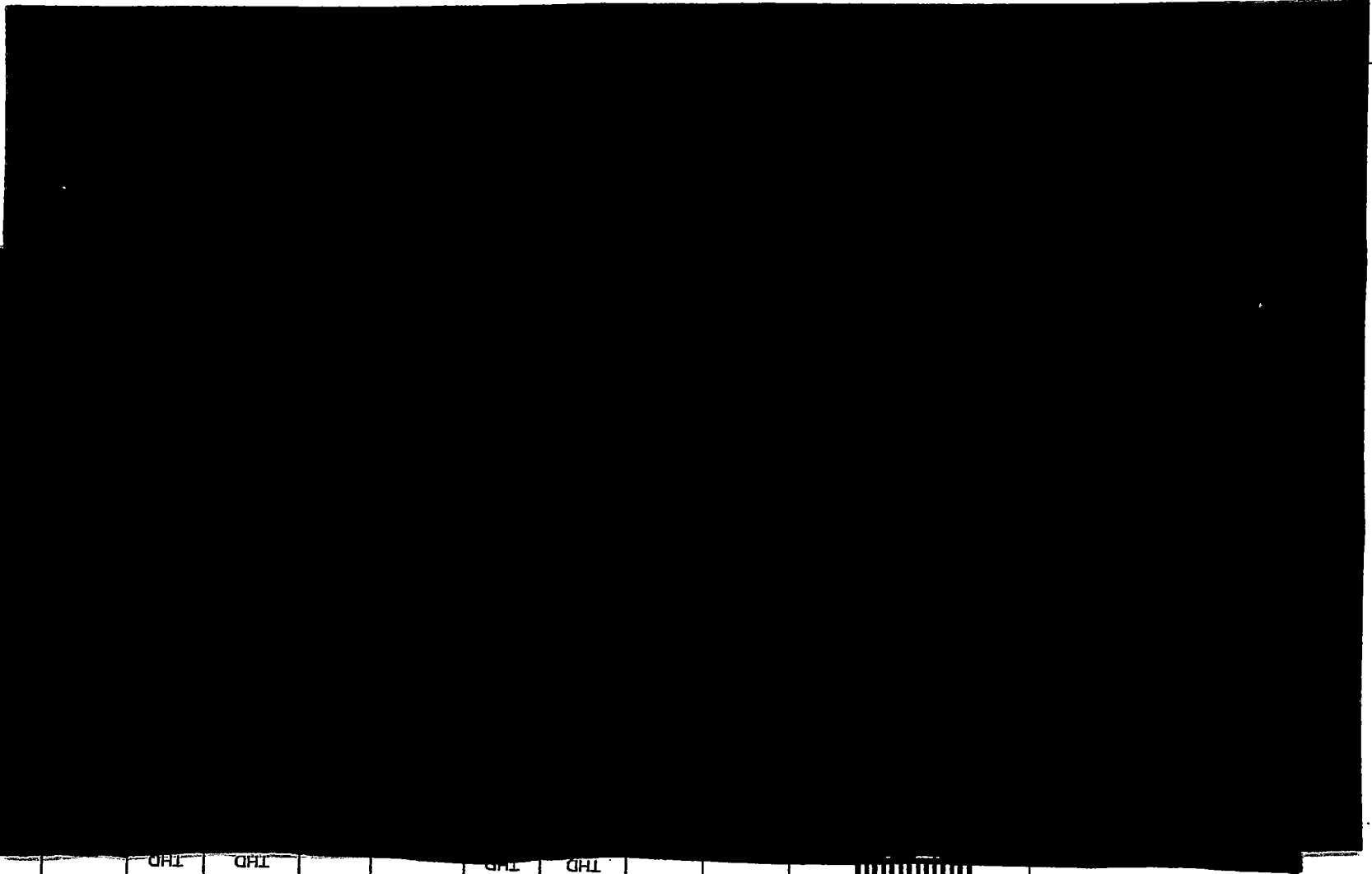
In general, employees who are above the appropriate region of their respective salary range are "frozen" until the salary ranges "catch up" with their current pay to allow a further salary increase. Extenuating recruiting or retention needs may require discretion on the part of management (consideration for compression from bargaining unit employees is a key issue) and deviation from ranges can be allowed for those reasons. Management should determine an appropriate strategy to address employees who are either above or below their salary ranges. Employees who are within their ranges can be managed within the framework of their normal salary increases. Actual salary movements should be done based on individual performance, proficiency, budget allowances, and the general parameters of employee behavior with respect to salary range.

Incumbent Impact



GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS					\$-UP R	UPR	\$-MP R	MAX
			MIN	\$-MIN	LWR	\$-LW R	MP				





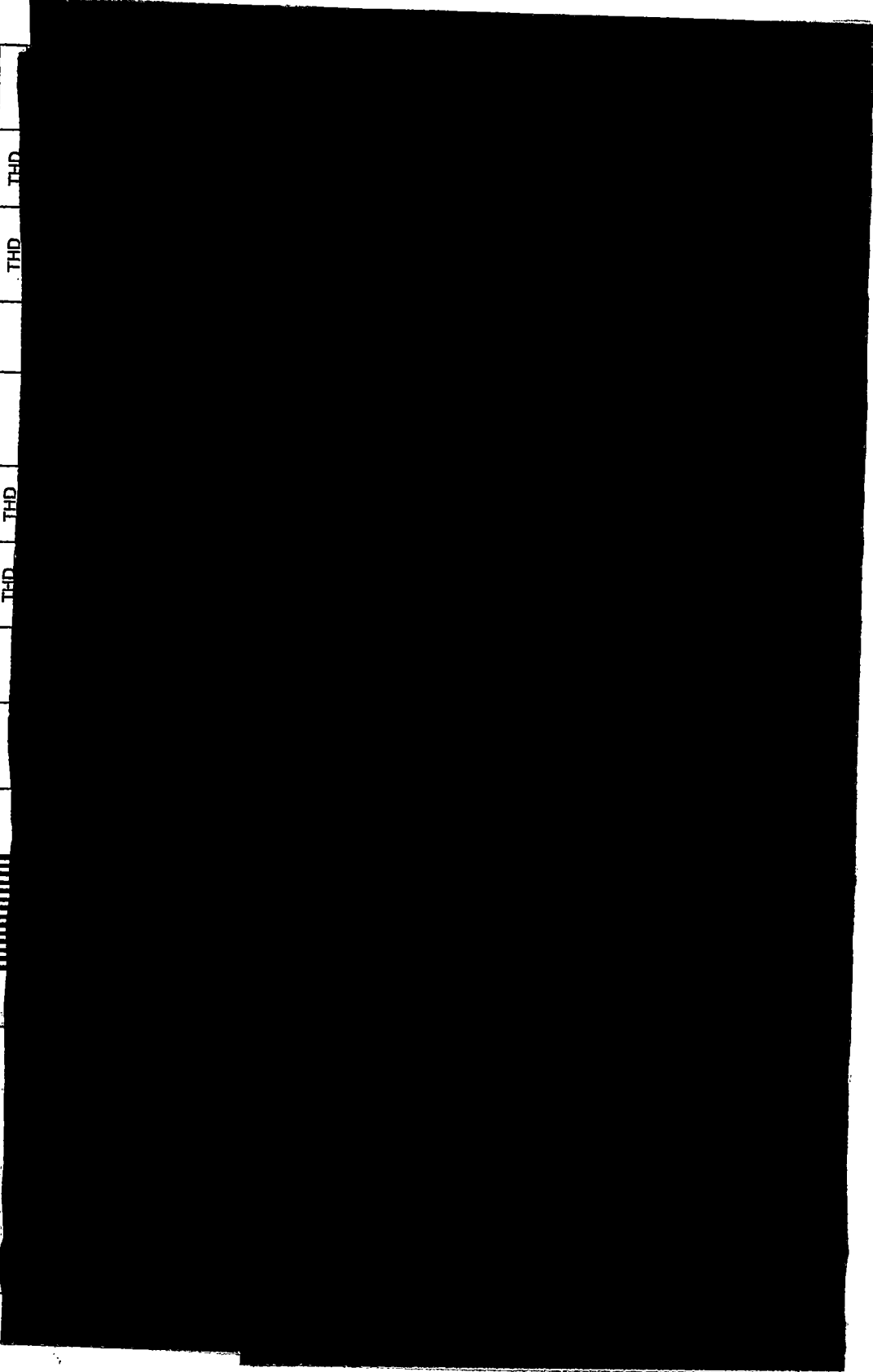
	CURRENT	SALARY	C/R	MIN	\$<MIN	LWR	\$<LW	R	MP	\$<MP	UPR	\$<UP	R	MAX



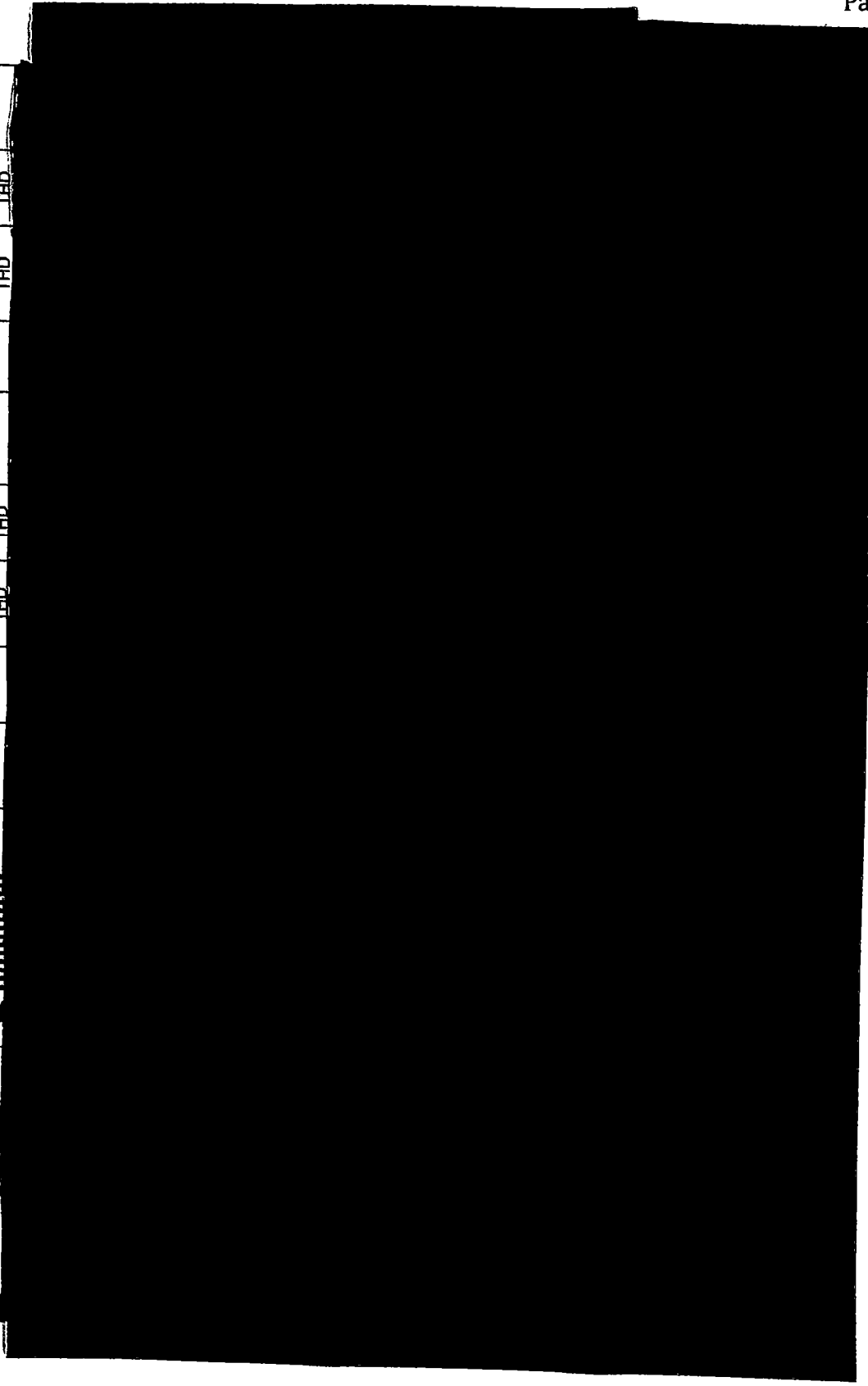


SALARY STRUCTURE CONTROL POINTS									
MIN	\$-MIN	LWR	\$<LW	MP	\$<MP	UPR	\$<UP	MAX	
			R				R		
			THD				THD		

CURRENT									
GR	SALARY	C/R							



GR	CURRENT SALARY	C/R	SALARY STRUCTURE CONTROL POINTS						UPR THD	UPR	UPR THD	MAX
			MIN	\$<MIN	LWR THD	\$<LW R	MP	\$<MP				



Comprehensive Compensation Classification Factor System

Total Job Knowledge

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

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

Comprehensive Compensation Classification Factor System

Leadership

This factor considers the level of the position's responsibility for the work of others. Consider the difficulty of achieving results through others and the diversity and complexity of assigned functional responsibilities. Leadership can be considered as direction without defined resources. Consider frequency of occurrence.

Level	Definition
- A +	Position has no line (formal supervisory) responsibility or work unit leadership requirements. No responsibility for the work of others other than normal cooperation and assistance.
- B +	Position directs the activities of others within a work unit or task force in a lead or senior capacity (ie, Chief Cashier, Lead CSR). Position functions as a business process gatekeeper or may be responsible for scheduling, assigning or coordination of the work of others.
- C +	Position has assigned leadership or line responsibility over a task force or work unit which is routine in nature and involves similar activities (i.e. Working Foreman, Supervisor, etc.). Position is responsible for assigning tasks and checking/reviewing completed work for accuracy and compliance to specifications.
- D +	Position has line responsibility which may be complex, but involves the same or similar activities. Position may also have leadership responsibility and function as a strong individual contributor over a complex or critical business process. (Complexity can be defined by work unit size, number of locations, or diversification of function.)
- E +	Position has line/leadership responsibility which is complex and diversified, involving different but related activities which may include one or more aspects of a major function. Position is responsible to manage multiple business processes which have a critical impact on the organization.
- F +	Position has line responsibility which is complex and diversified, involving several related aspects of a major function (i.e. engineering, operations, corporate services, member services). Position generally functions under oversight by senior management.
- G +	Position has line responsibility which is very complex and diversified involving several different aspects of a major function. Position functions with functional autonomy and in a senior management capacity.
- H +	Position has line responsibility over a primary organizational unit made up of one or two major functions and is usually a direct report to the Chief Executive.
- I +	Position has line responsibility over a primary organizational unit made up of several major functions.

Comprehensive Compensation Classification Factor System

Organizational Effect

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

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

Comprehensive Compensation Classification Factor System

Complexity

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

Level	Definition
- A +	Problems are relatively simple. Methods and procedures are well-defined with limited options or variables. Work is routine and tasks are directly related. Activities require the use of common sense to accomplish results.
- B +	Problems encountered have straightforward solutions. Methods and procedures are defined but tasks may require some discretion and judgment to apply them to the work. Supervision of this position focuses on monitoring accuracy or adherence to instructions.
- C +	Problems are moderately difficult. Methods and procedures are defined. Judgment is required to apply them to the work. Work may be varied but tasks are directly related. Employee receives nominal direction in the completion of tasks.
- D +	Problems are moderately complex. Methods and procedures require latitude of discretion and judgment to make decisions, interpret directions or apply them to the work. Position utilizes creative solutions to accomplish results.
- E +	Problems are complex and occasionally unique with limited opportunity for standardized solutions. Methods and procedures may not be pre-defined. Employees must use a high degree of discretion and judgment to make decisions and translate organizational goals into specific objectives and solutions.
- F +	Problems are complex and unique. Methods and procedures are not pre-defined and/or unrelated to the problem. Situations are diverse and there is a high degree of task variety.
- G +	Problems are highly complex. The situations encountered require significant judgment and ingenuity to develop strategies, goals, plans or solutions. Work requires independent and original thinking.

Comprehensive Compensation Classification Factor System

Communication

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

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

Comprehensive Compensation Classification Factor System

Point Allocation Schedule

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



INTANDEM^{LLC}
ADVISORS TO MANAGEMENT

Nolin RECC
MarketTRACK
Compensation Plan Review

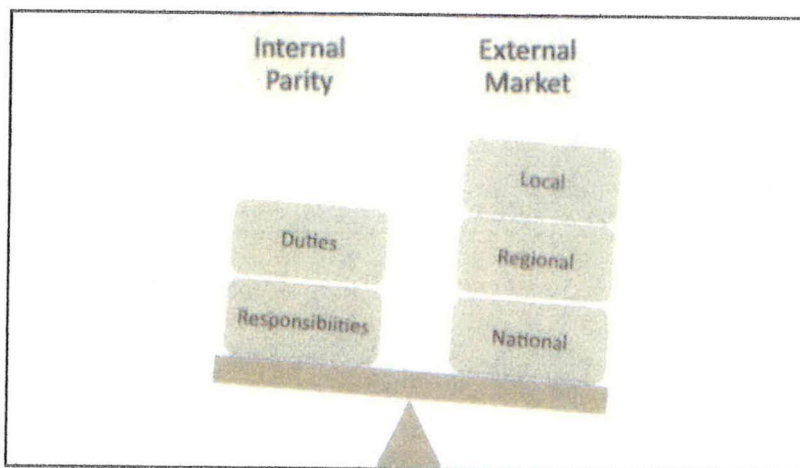
Winston Tan ~ Managing Principal
Intandem, LLC
Liberty Lake, WA
www.IntandemConsultants.com
March 2016

Methodology

The Nolin RECC compensation plan features the integration of targeted external market values with internal job relationships to develop pay scales that reflect the following key dimensions.

Internal Equity. Fair and impartial ranking of positions based on work done within the organization ("equal pay for equal work"). Individuals performing similar work with equal proficiency should be provided with similar wage and salary opportunities. This component of the wage and salary program addresses employee expectations as well as legal equity requirements.

External Competitiveness. A system that can assure management that positions within the company are priced at a rate that is competitive with comparable work being done under similar conditions in related geographical and industry markets.



The system uses the MarketTRACK point factor system to evaluate all positions within the organization in order to establish the internal equity of the organization. These factors consider the areas of Expertise, Leadership, Accountability, Problem Solving, and Intercommunication in each position to define value to the organization. Internal values are merged with external salary-survey information by building a compensation model unique to the organization. The model is then used to calculate salary range midpoints, which are both internally equitable and externally competitive.

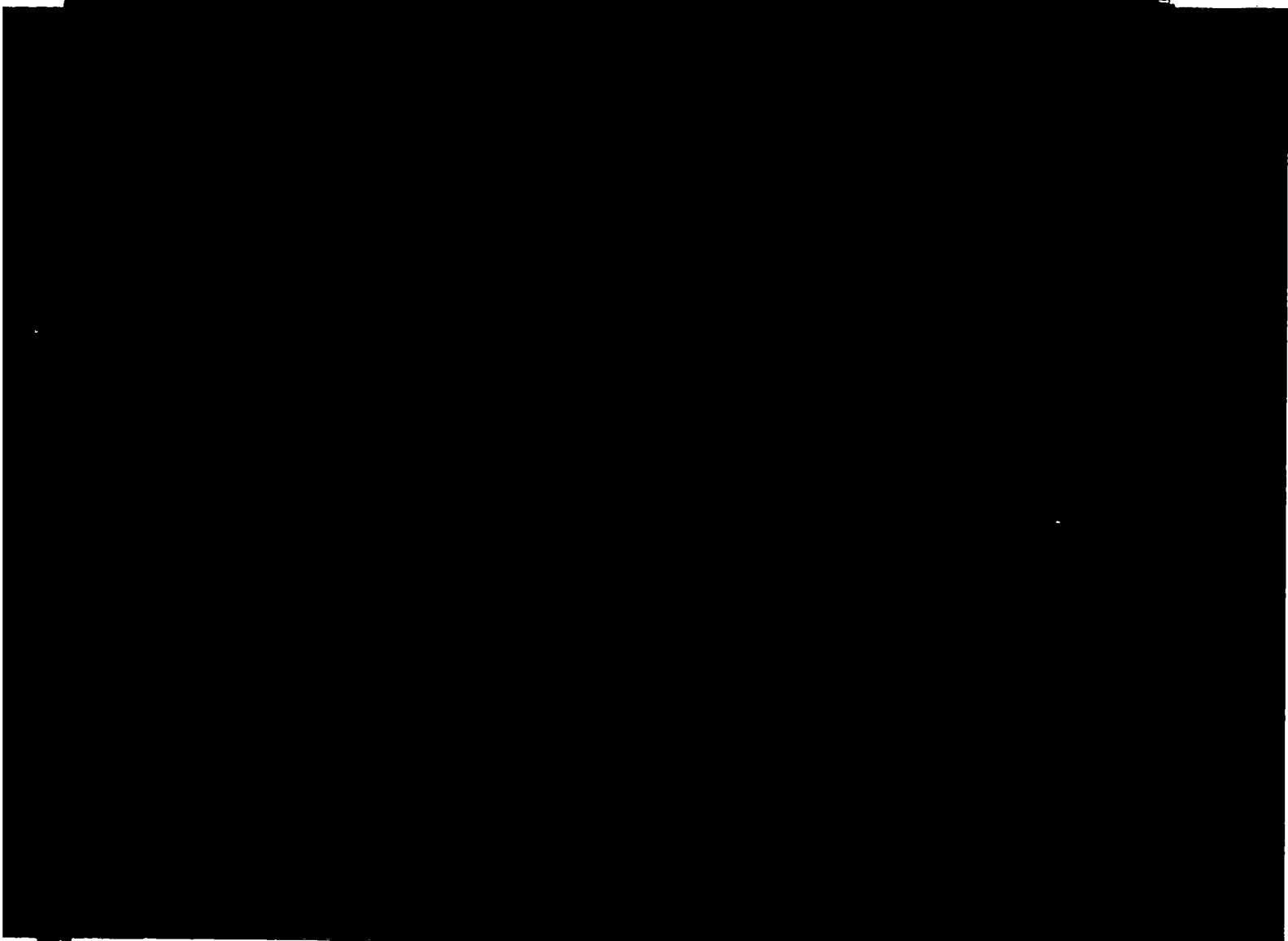


Reviewing Establishing Internal Equity at Nolin RECC

Each position in the organization was allocated points based on the level of each factor described in the job description. The sum of the point values for all five factors established a total point value for each position and provided a systematic and equitable method of ranking positions according to their relative value to the organization. The evaluation of positions was not intended to reflect personalities. The internal hierarchy was matched with external data (see Exhibits, Competitive Analysis and Variance Scan) and refined in the following table:

Nolin RECC Job Evaluation Table

Title	Expertise		Leadership		Accountability		Problem Solving		Inter Communication		Total Points
	Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	



Title	Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	Total
Expertise											
Leadership											
Accountability											
Problem Solving											
Inter Communication											
Total											



Title	Expertise		Leadership		Accountability		Problem Solving		Inter Communication		Total Points
	Level	Pts	Level	Pts	Level	Pts	Level	Pts	Level	Pts	

Developing the Market Model and Market Posture

“Benchmark positions” (market identifiers) were selected by comparing job responsibilities performed at Nolin RECC with those described in salary survey data for comparable organizations. When there was an appropriate "match" in duties, a position was selected as a benchmark position and included into the target market model.

Not all data is suitable as benchmark positions because salary survey data is not available for every position. Only the best comparable matches in survey position function to Nolin RECC were used in the market model as benchmark positions. All data is presented in the Variance report in the exhibit section of this report. Market data was utilized from the following data sources:

Salary Data Sources

Survey	Description
2016 National Compensation Survey (NCS) Dataset effective November, 2015	Produced annually by NRECA, this survey provides information for approximately 120 positions from cooperative distribution systems located throughout the United States. Over 800 systems contribute to this non-voluntary survey (values are used for calculating group benefit premiums), which report actual salaries. A blend of regional, national and state values were selected (see shaded positions in compensation model) to reflect the competitive posture of the compensation plan.
Economic Research Institute (ERI) Salary Assessor Database Dataset effective January 2016	ERI's Salary Assessor® is an easy-to-use software program that reports "up to the present day" competitive wage, salary, and incentive survey data. Each of over 5,800 jobs has been studied over time (many since 1967). Analyses are derived from millions of data points gathered from digitized public records including the US SEC, OCR of US IRS returns, ERI Salary Survey's patented online surveys (78 US industries in 5 countries), and licensed UK, Canadian, and US salary surveys and datasets. ERI provides analyses of competitive pay defined by 500 geographical areas in North America and Europe, 1,200 industries, and infinite organization sizes. Six thousand corporate subscribers, including most US Fortune 500 companies, use Assessor data in planning salaries (some for over 20 years). The ERI dataset was set to represent the Kentucky state mean.

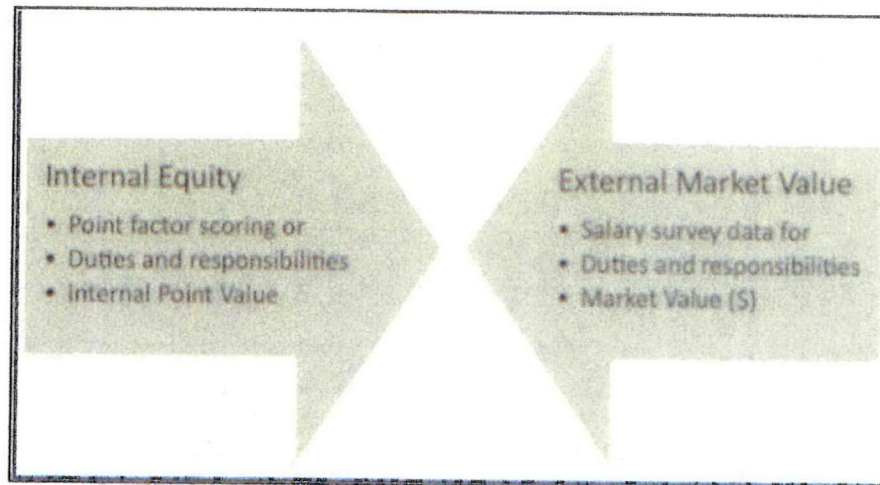


The market model emulates the competitive posture for the compensation plan and is designed to reflect the NCS Region 3 and national average for the midpoint of the plan (see highlighted positions in following table) and then migrate to the NCS third quartile at the management level. Different levels of competitiveness can be integrated at any point that company recruitment and retention strategy might dictate; however, this posture appears to reflect the current company business model.



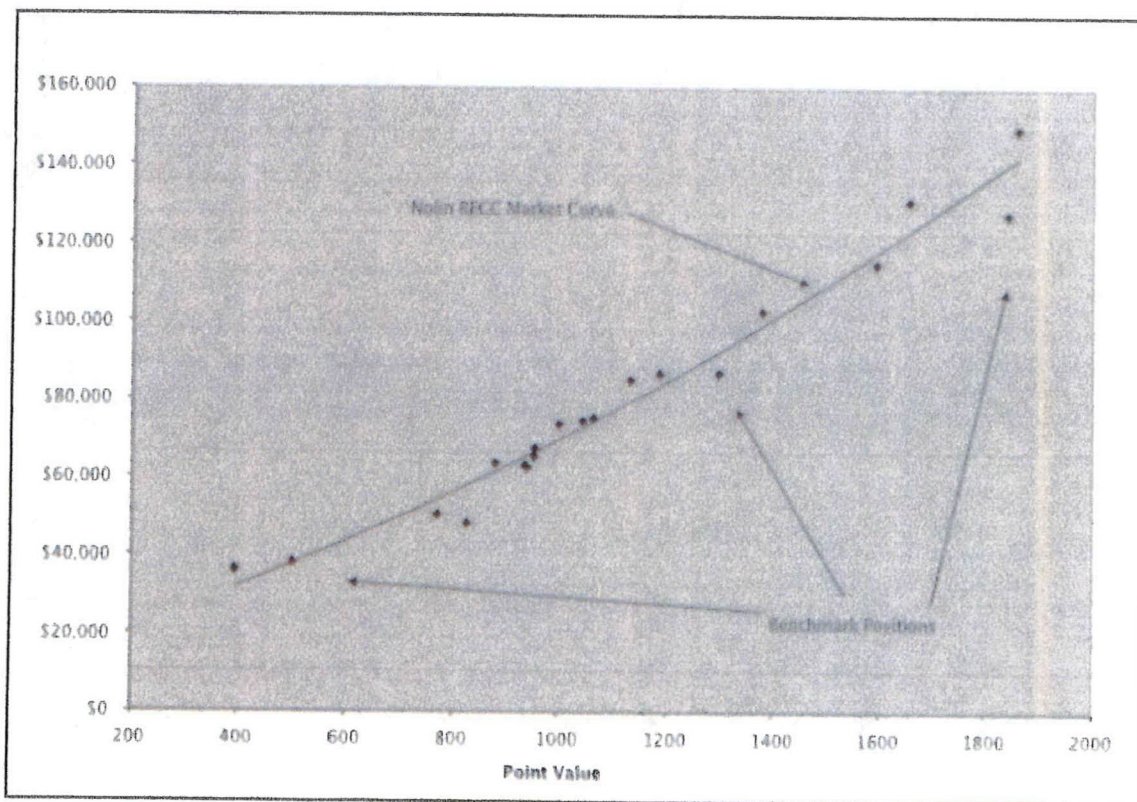
Market Model Benchmark Positions

Noin Title	Points	Code	NCS Title	2016	2016	2016	2016	Model Select
				Nat'l Avg	Nat'l Thrd Qtl	Region 3 Avg	Region 3 Thrd Qtl	
Receptionist/Switchboard Operator	394	17h	Receptionist	\$40,581	\$47,299	\$36,130	\$41,600	\$36,130
Cashier Associate	502	17g	Cashier	\$38,584	\$44,283	\$38,022	\$43,514	\$38,022
Administrative Assistant O&E	772	17b	Secretary	\$50,648	\$56,534	\$50,232	\$56,202	\$50,232
Warehouse Clerk	826	19e	Warehouse Materials Handler	\$50,627	\$57,949	\$47,986	\$53,040	\$47,986
Energy Services Coordinator	880	7e	Marketing/Member Services Representative	\$63,237	\$74,396	\$63,493	\$69,618	\$63,493
Executive Admin Assistant	936	17a	Executive Assistant/Administrative Assistant	\$60,819	\$69,160	\$62,982	\$69,930	\$62,982
IS Technician	940	18f	PC Support Analyst/PC Specialist	\$60,816	\$70,762	\$62,530	\$67,891	\$62,530
Staking Technician	952	16m	Staking/Field Engineering Technician	\$66,227	\$74,339	\$65,208	\$69,472	\$65,208
Distribution Technician Coordinator	954	20r	Electronic Technician/ Substation Technician	\$73,070	\$80,392	\$67,434	\$74,027	\$67,434
Senior Line Tech	1000	15k	Lead Lineman/Crew Chief/Working Foreman	\$77,064	\$82,888	\$73,590	\$78,582	\$73,590
Materials Specialist	1044	19a	Purchasing Agent	\$73,473	\$84,531	\$74,410	\$84,361	\$74,410
Sr. Line Technician/Team Leader	1064	15e	Foreman/Line Foreman	\$80,850	\$87,651	\$75,109	\$77,334	\$75,109
Network/Security Administrator	1132	18e	System Analyst	\$78,504	\$88,452	\$84,997	\$99,736	\$84,997
Energy Engineer	1186	16t	Engineer	\$86,534	\$97,314	\$72,786	\$85,534	\$86,534
Accounting Manager	1296	12g	Supervisor/General Accounting 2	\$86,805	\$97,191	\$85,380	\$88,774	\$86,805
Construction/Maintenance Manager	1378	15a	Line Superintendent	\$94,322	\$102,419	\$85,537	\$93,966	\$102,419
IT Manager	1592	18j	Information Technology/IT Manager	\$101,890	\$114,750	\$93,902	\$105,951	\$114,750
VP Member Services	1654	7a	VP/Manager/Dir. of Member Services/ Public Relations	\$113,829	\$130,682	\$108,524	\$125,923	\$130,682
VP Administration & Finance	1840	12c	VP/Manager/Dir. of Finance & Accounting/ Controller	\$111,838	\$127,400	\$103,810	\$119,880	\$127,400
VP System Operations	1858	16a	Vice President/Manager/Director of Engineering & Operations	\$133,145	\$149,350	\$128,780	\$139,490	\$149,350



A regression analysis was performed between the job evaluation points and the target market values for each benchmark position. This resulted in a "line of best fit" which integrates both internal relationships and external market values.

Regression of Benchmark Positions



This line of best fit has the following mathematical characteristics, which are used to calculate the salary curve target midpoints:



Determination Coeff:	0.97083939
Coeff. of Correlation:	0.98531182
Std. Error of Est:	5616.0324
Constant:	13107.996
1st Degree Coeff:	41.6733147
2nd Degree Coeff:	0.01493729

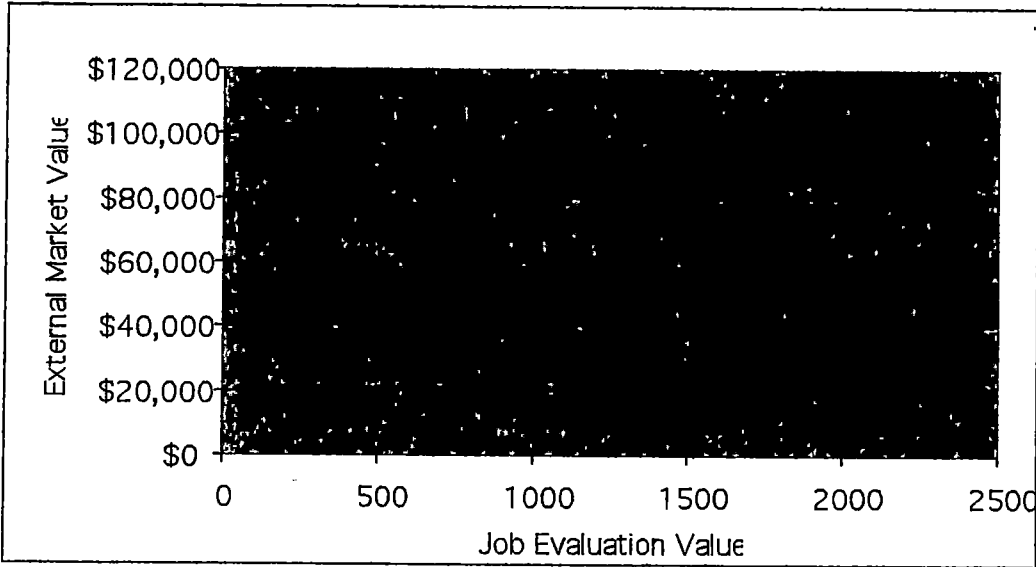
Developing the Salary Structure

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

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

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

Salary Grade Calculation Points



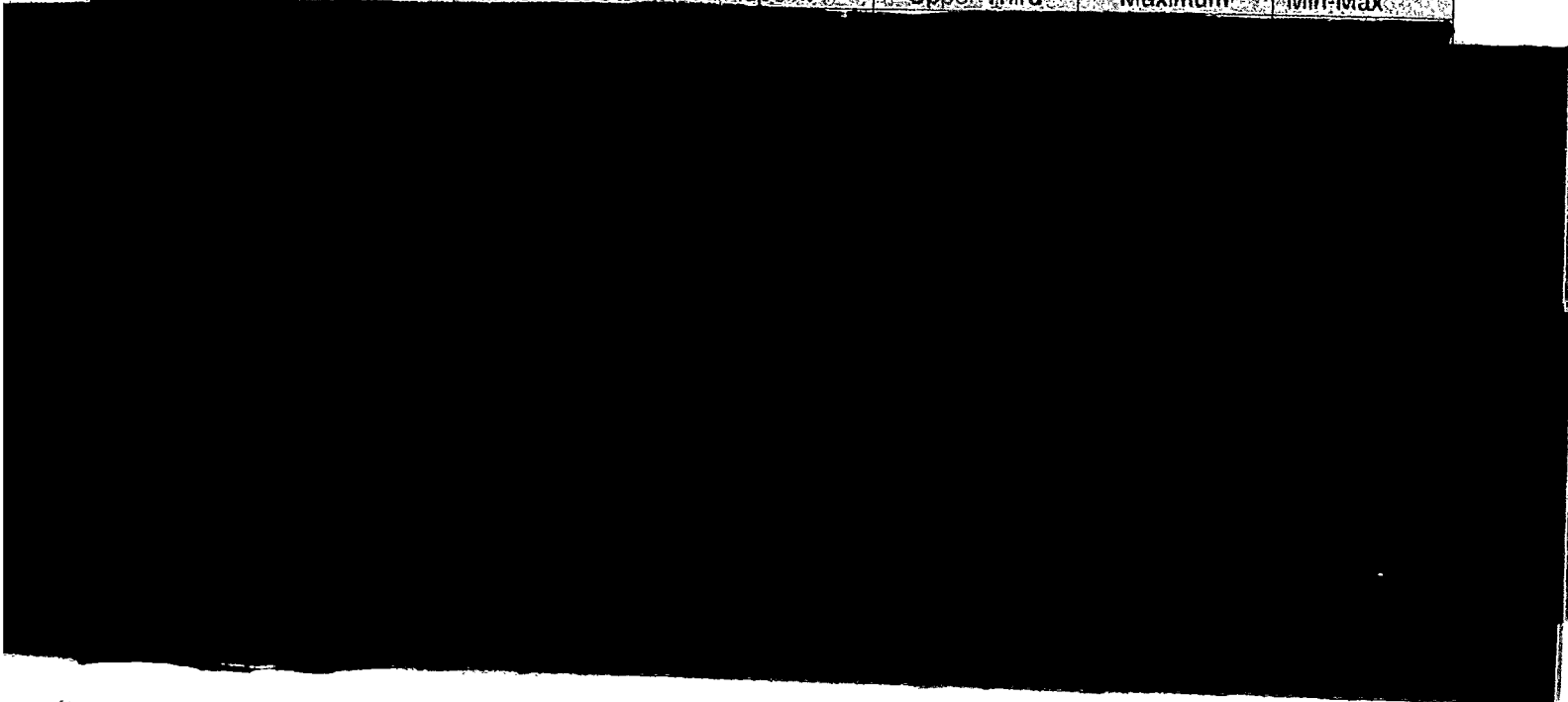
Each calculated point is the middle market value (midpoint) of a respective salary grade. Based on the midpoint value a salary range can be determined by utilizing percentage calculations both above and below the midpoint. A targeted range spread of between 40-55% (stepping gradually from a possible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

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



Nolin RECC Salary Structure

Grade	Minimum	Lower Third	Midpoint	Upper Third	Maximum	Spread Min-Max
-------	---------	-------------	----------	-------------	---------	-------------------



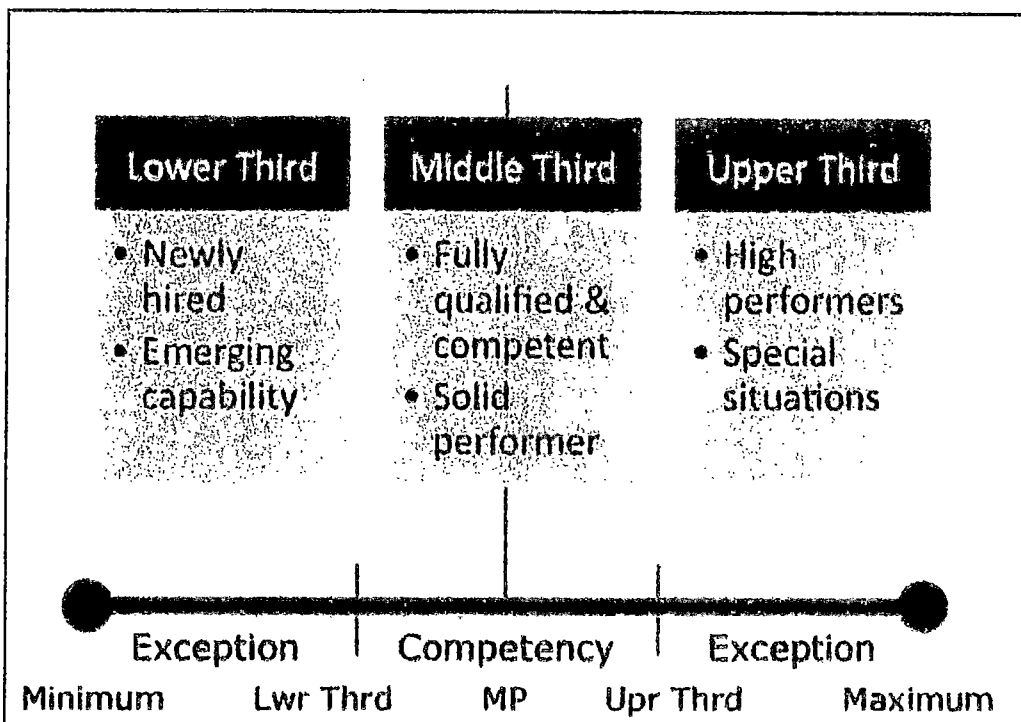
For each salary grade, five control points were calculated to define a salary progression for incumbents: minimum, lower third, midpoint, upper third and maximum. Typically, incumbents would be brought into the salary range at the minimum (or at an appropriate position commensurate with experience and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

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

In general, an overall average compa ratio of 1.00 is the administrative target of this particular plan design. However, there can be some situations regarding specific individuals (recruiting, retention, salary compression with bargaining unit, reorganization, etc.) that may allow movement of individuals outside of the parameters of defined market value (both high and low). This should be treated as an exception rather than the rule and should be based on solid competitive data as well as a close monitoring of individual competency and proficiency.



Salary Range Administration Criteria

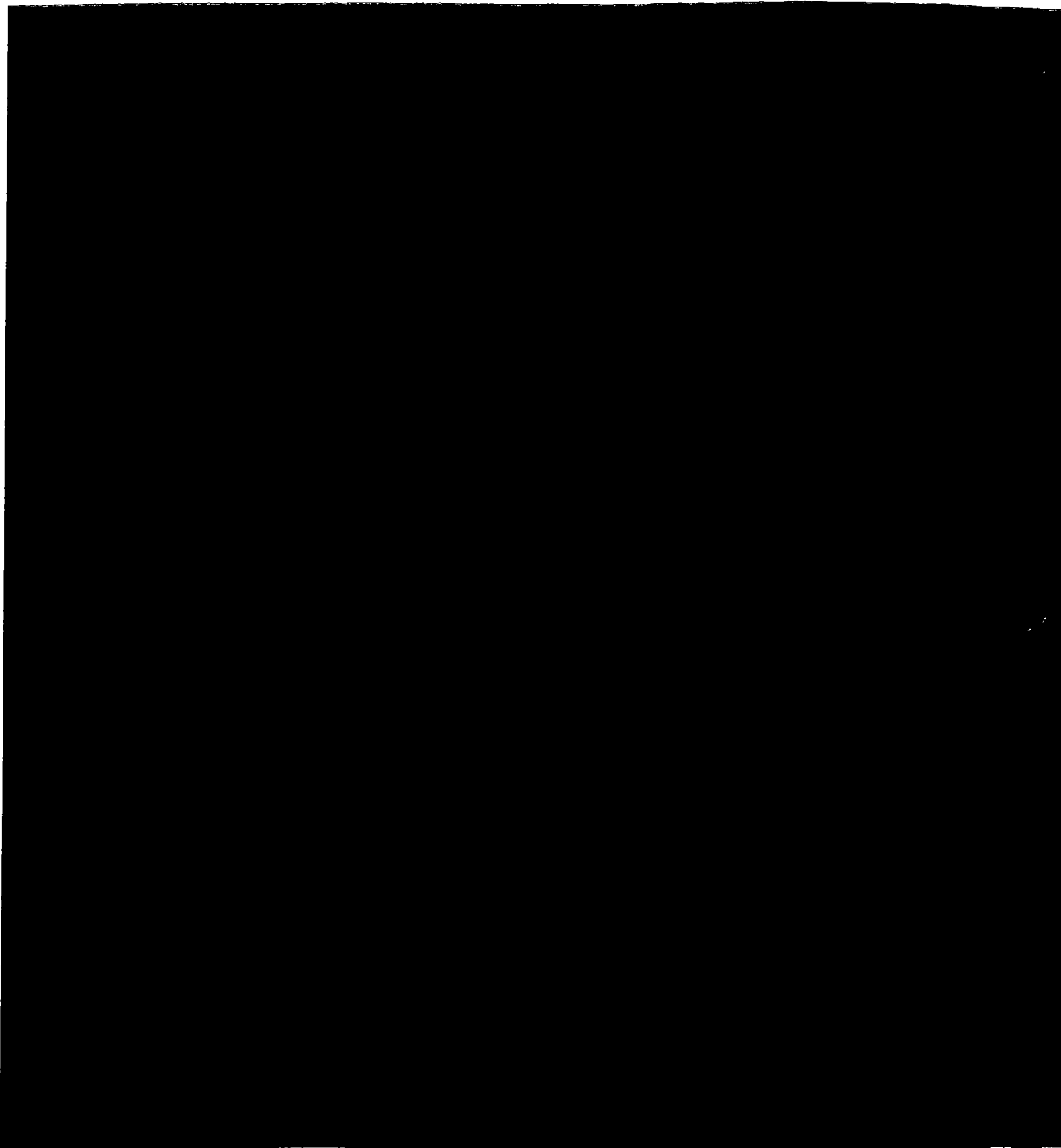


In general, compensation plan funding should be done at a rate that will allow incumbents (performing in an adequate manner) to progress to the middle region of their respective salary range within a three to five year period. (The actual time period should mirror the learning curve for each position and the range in time recognizes that some jobs have a shorter learning curve than others.)

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

Nolin RECC Salary Schedule

Grade	Position Title	Minimum	Lower Third	Midpoint	Upper Third	Maximum
	46.90488512		Market Value Range			

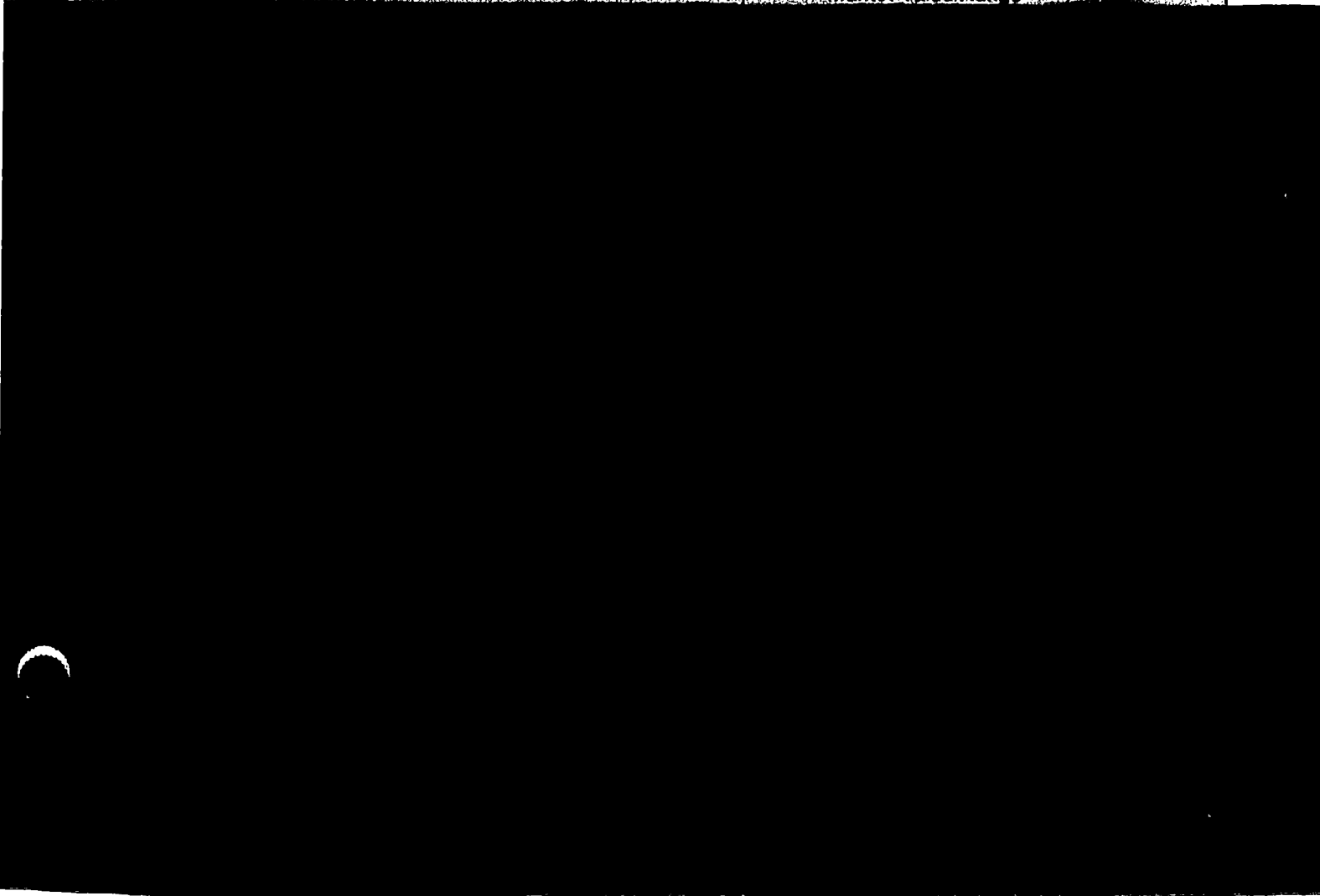


Grade	Position Title	Minimum	Lower Third	Middpoint	Upper Third	Maximum





Grade	Position Title	Minimum	Lower Third	Midpoint	Upper Third	Maximum
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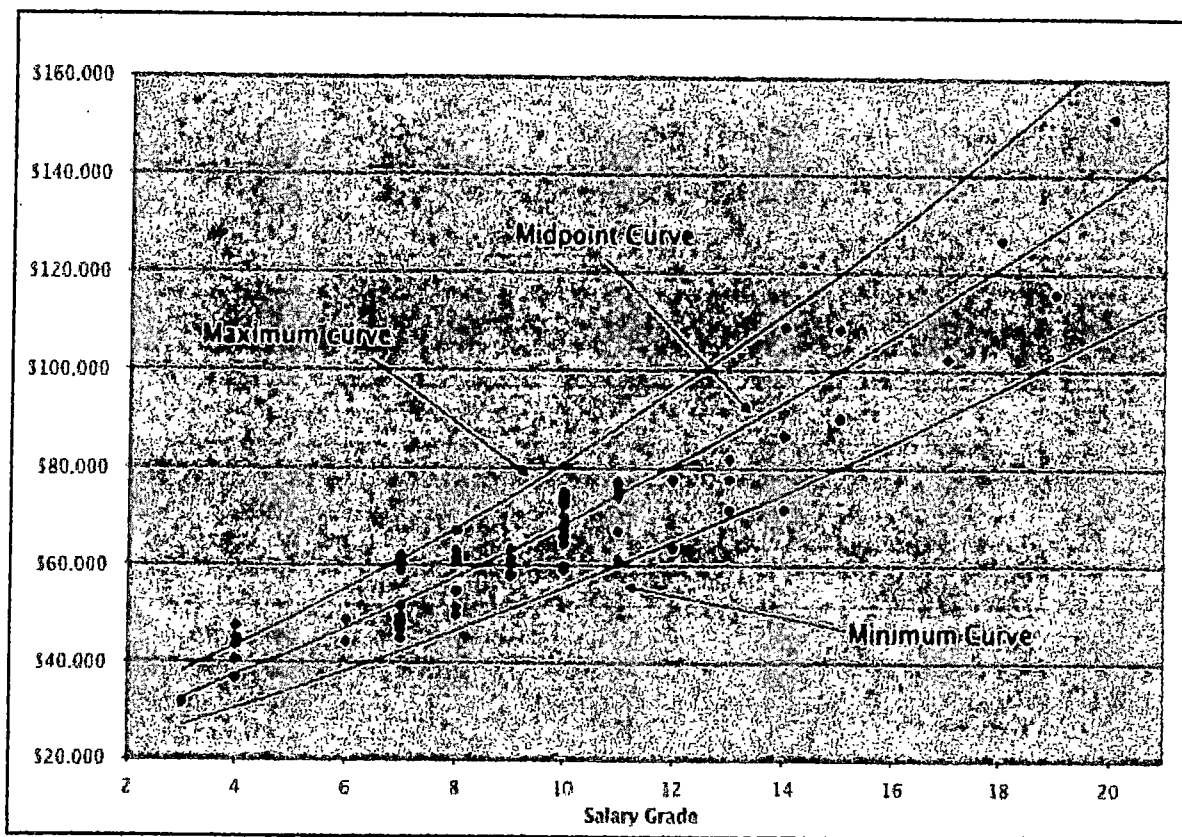
Implementation Impact

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

In general, employees who are above the appropriate region of their respective salary range are "frozen" until the salary ranges "catch up" with their current pay to allow a further salary increase. Extenuating recruiting or retention needs may require discretion on the part of management (consideration for compression from bargaining unit

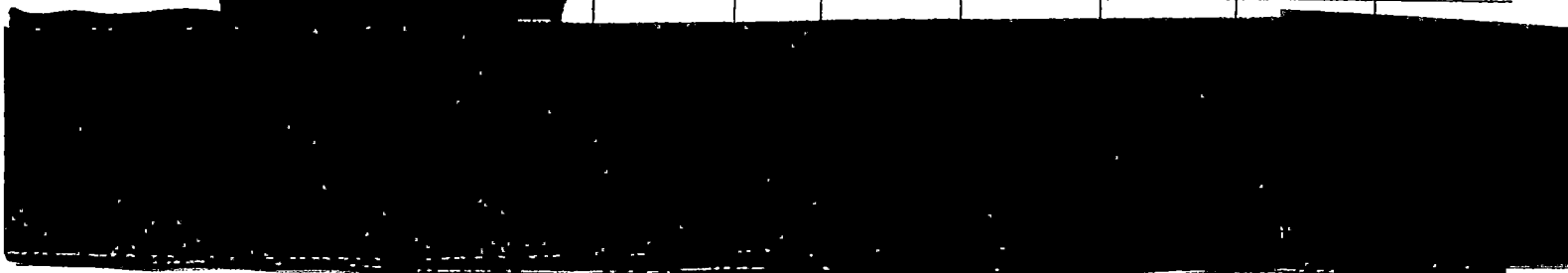
employees is a key issue) and deviation from ranges can be allowed for those reasons. Management should determine an appropriate strategy to address employees who are either above or below their salary ranges. Employees who are within their ranges can be managed within the framework of their normal salary increases. Actual salary movements should be done based on individual performance, proficiency, budget allowances, and the general parameters of employee behavior with respect to salary range.

Incumbent Current Pay Distribution



Incumbent Impact

Name	Position Title	GR	Salary	C/R	Minimum	Lower Third	Midpoint	Upper Third	Maximum
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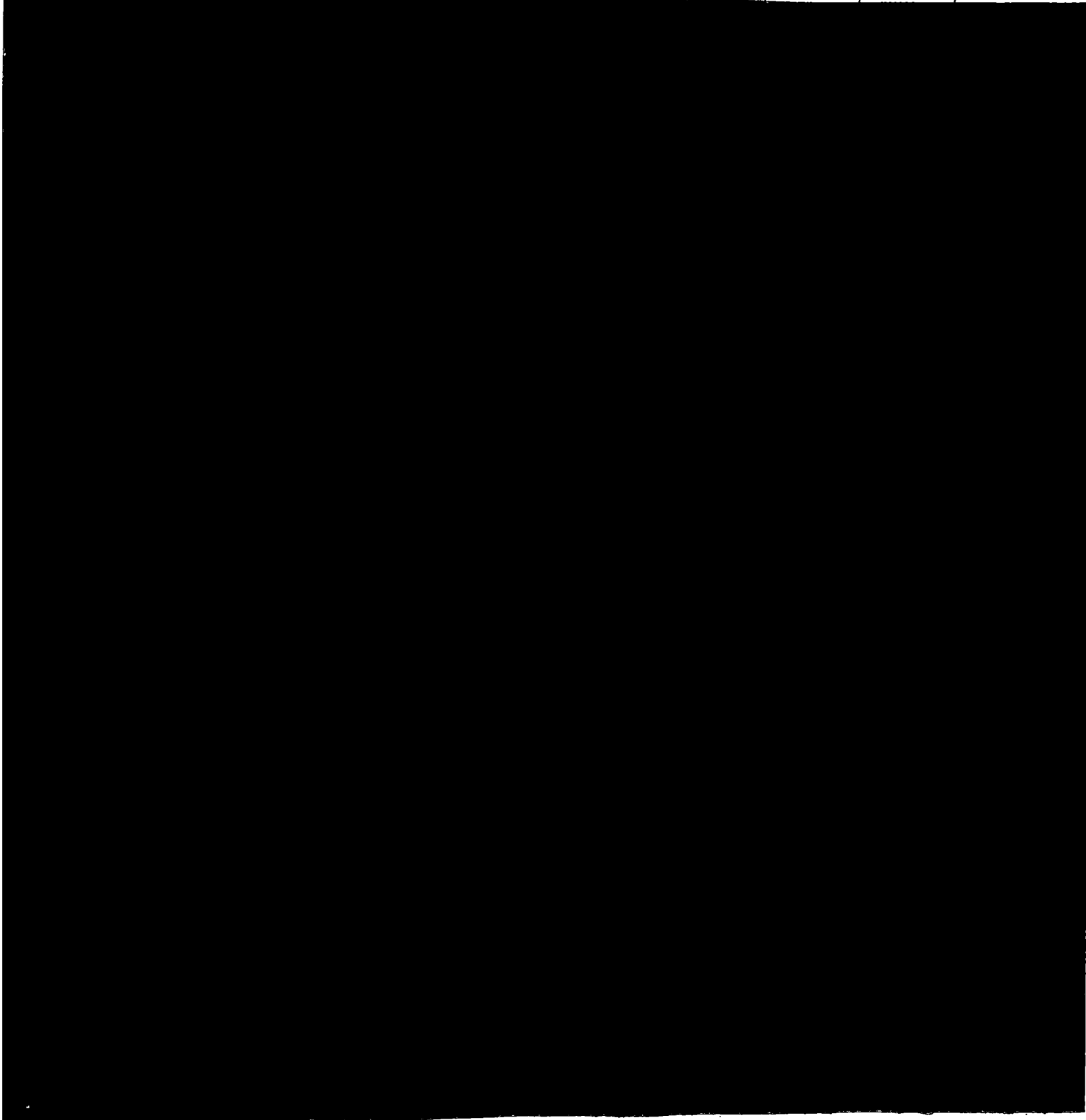




Name	Position Title	GR	Salary	C/R	Minimum	Lower Third	Midpoint	Upper Third	Maximum

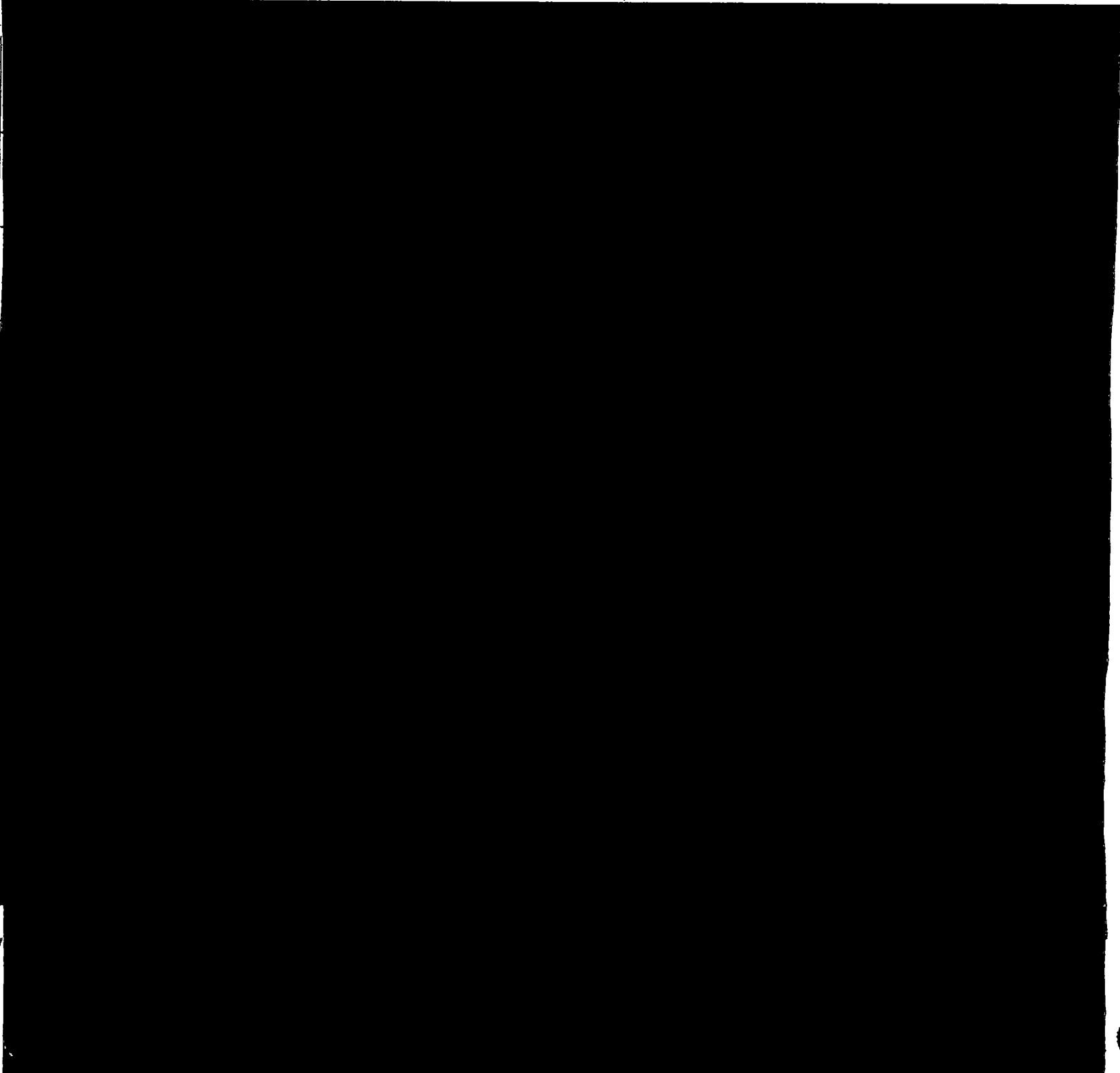


Name	Position Title	GR	Salary	C/R	Minimum	Lower Third	Midpoint	Upper Third	Maximum
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Position Title	GR	Salary	CIR	Minimum	Lower Third	Midpoint	Upper Third	Maximum
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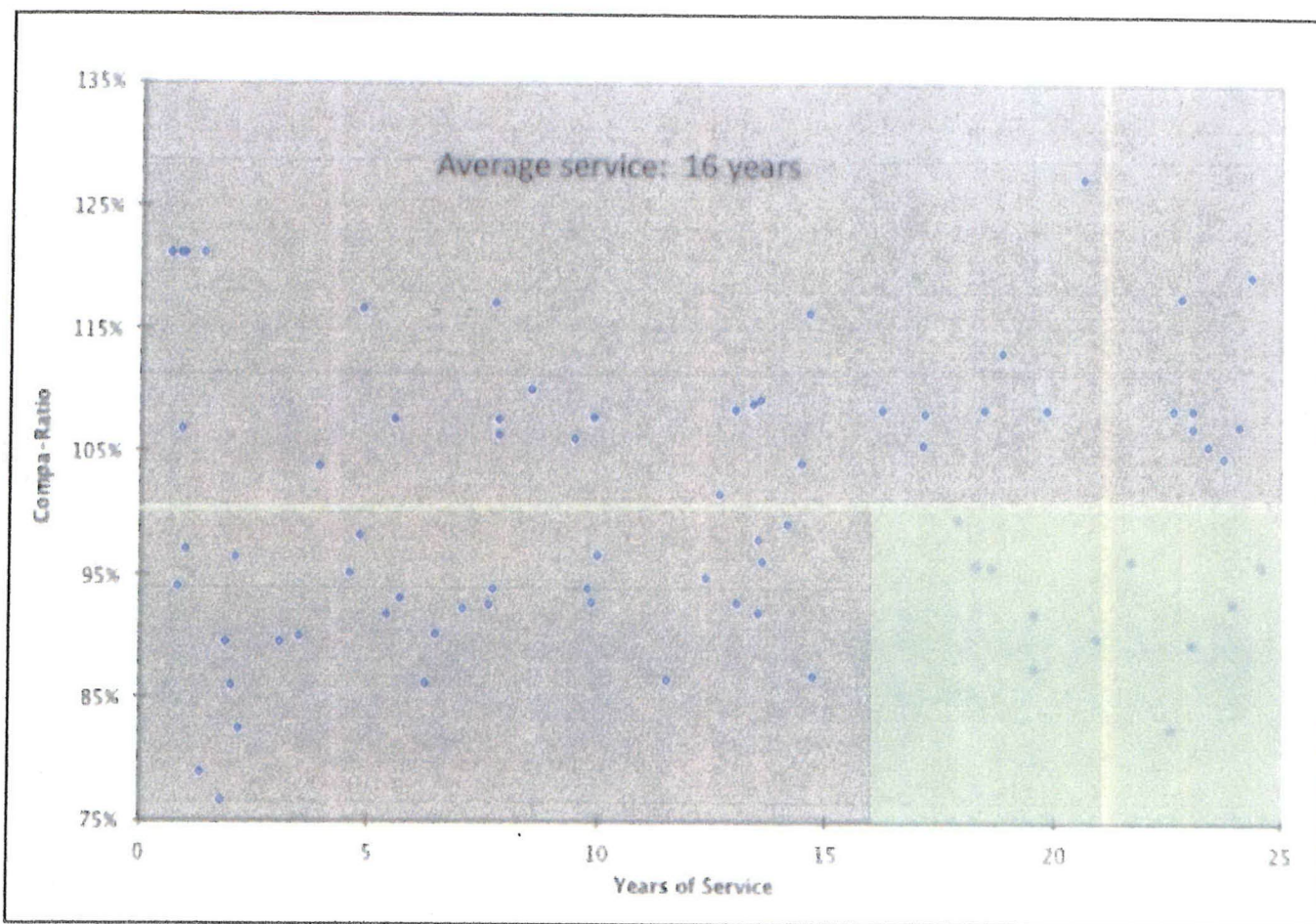
Date	Position Title	GR	Salary	C/R	Minimum	Lower Third	Midpoint	Upper Third	Maximum
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Funding Efficiency Model

The following chart regresses current employee compa ratio and years of service. The shaded region represents the size of the group of employees that have higher than average service (approximately 16 years) but lower than midpoint compensation. This group should be monitored closely in the budgeting of future wage increases to ensure that they are appropriately compensated with respect to performance, peer compensation and market.

Regression of Compa Ratio and Year of Service





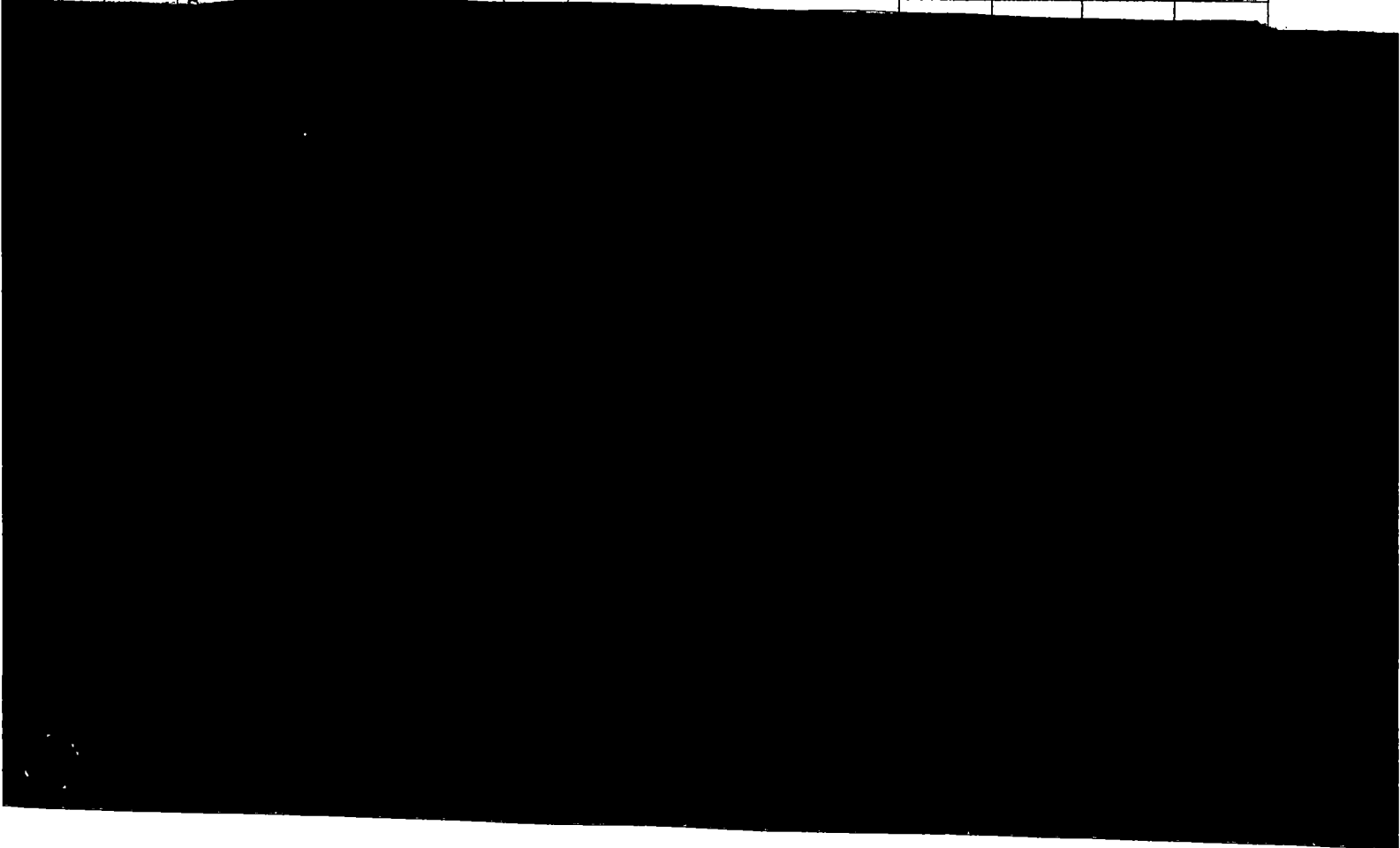
Survey Data Variance Analysis and Competitive Scan

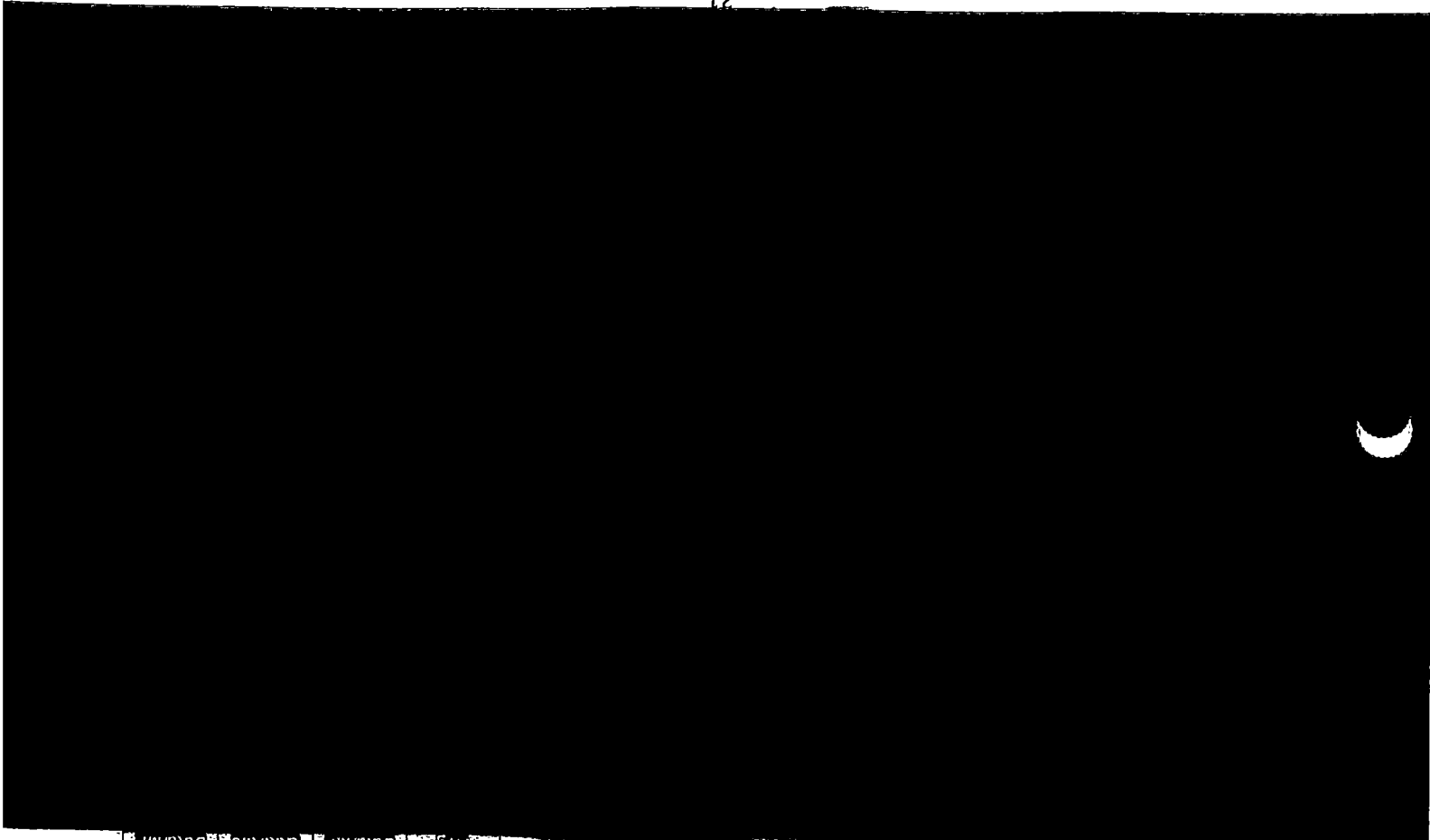
In the following tables, data from the NCS, and ERI surveys are compared to the proposed midpoint for all positions (where reasonable matches in data are available), to illustrate the competitiveness of the plan. Not all datapoints are excellent matches; however, the data represents the closest market information available for similar duties and responsibilities. The variance is the percentage of deviation between the particular datapoint and the proposed plan midpoint (calculation is Survey Data/Plan Midpoint).

We consider a variance of +/- 10% to be a reasonable deviation from the survey reference that meets the company competitive strategy. The highlighted titles represent positions that should be reviewed to ensure that they are competitive with the appropriate geographical area (national, regional, state).

Proposed Midpoint vs. NCS National Survey Data

Grade	Title	Proposed MP	Job Code	Title	Natl Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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Grade	Title	Proposed	Job	Code	Title	Avg	Natl	Variance	Data/MP	Quartile	Title	Variance	Data/MP
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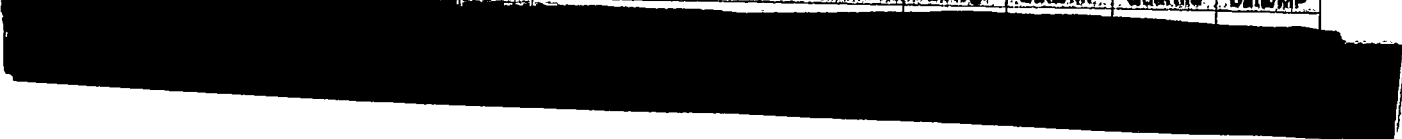


Grade	Title	Proposed MP	Job Code	Title	Nat'l Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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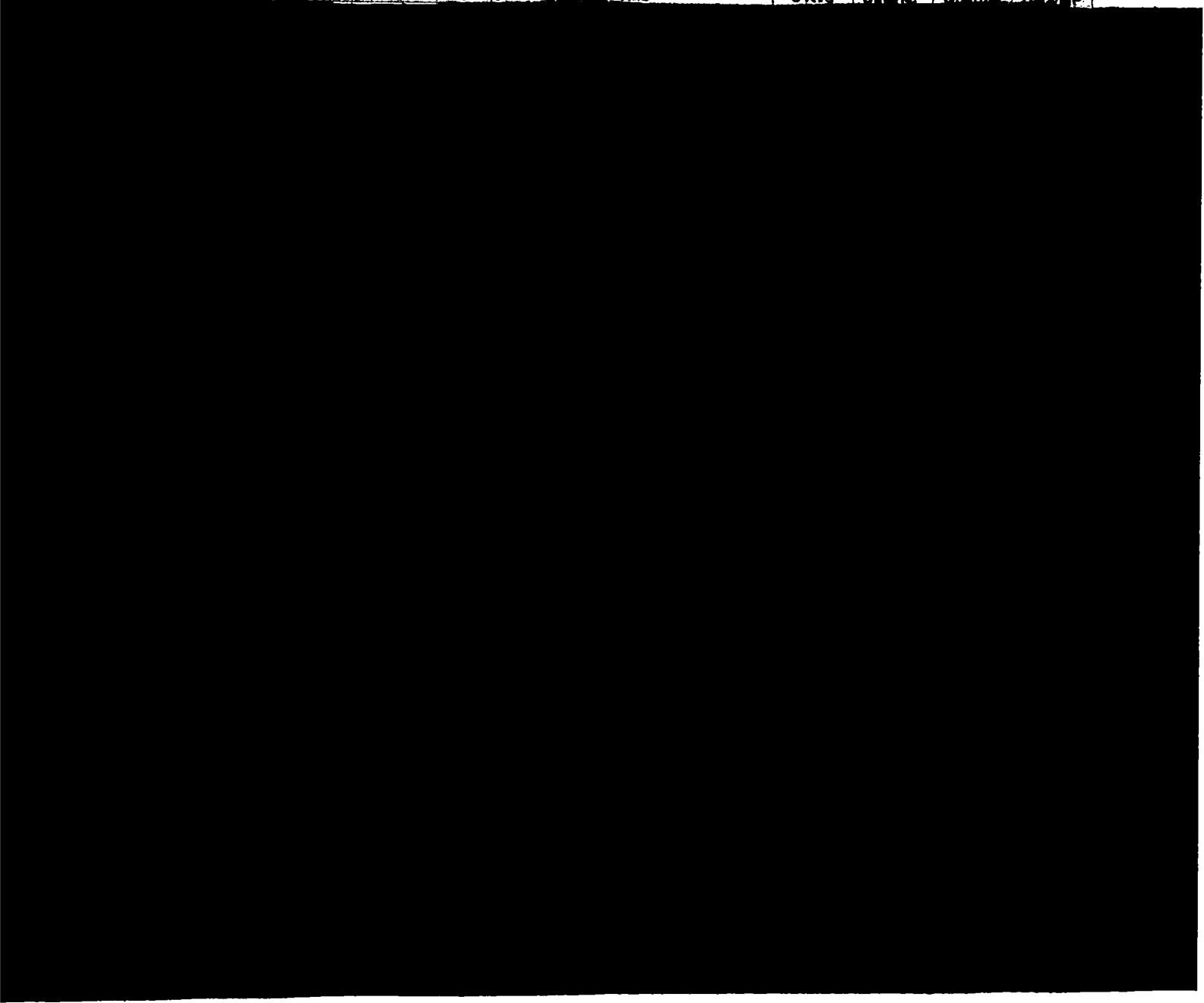
Proposed Midpoint vs. NCS Region 3 Survey Data

Grade	Title	Proposed MP	Job Code	Title	Region 3 Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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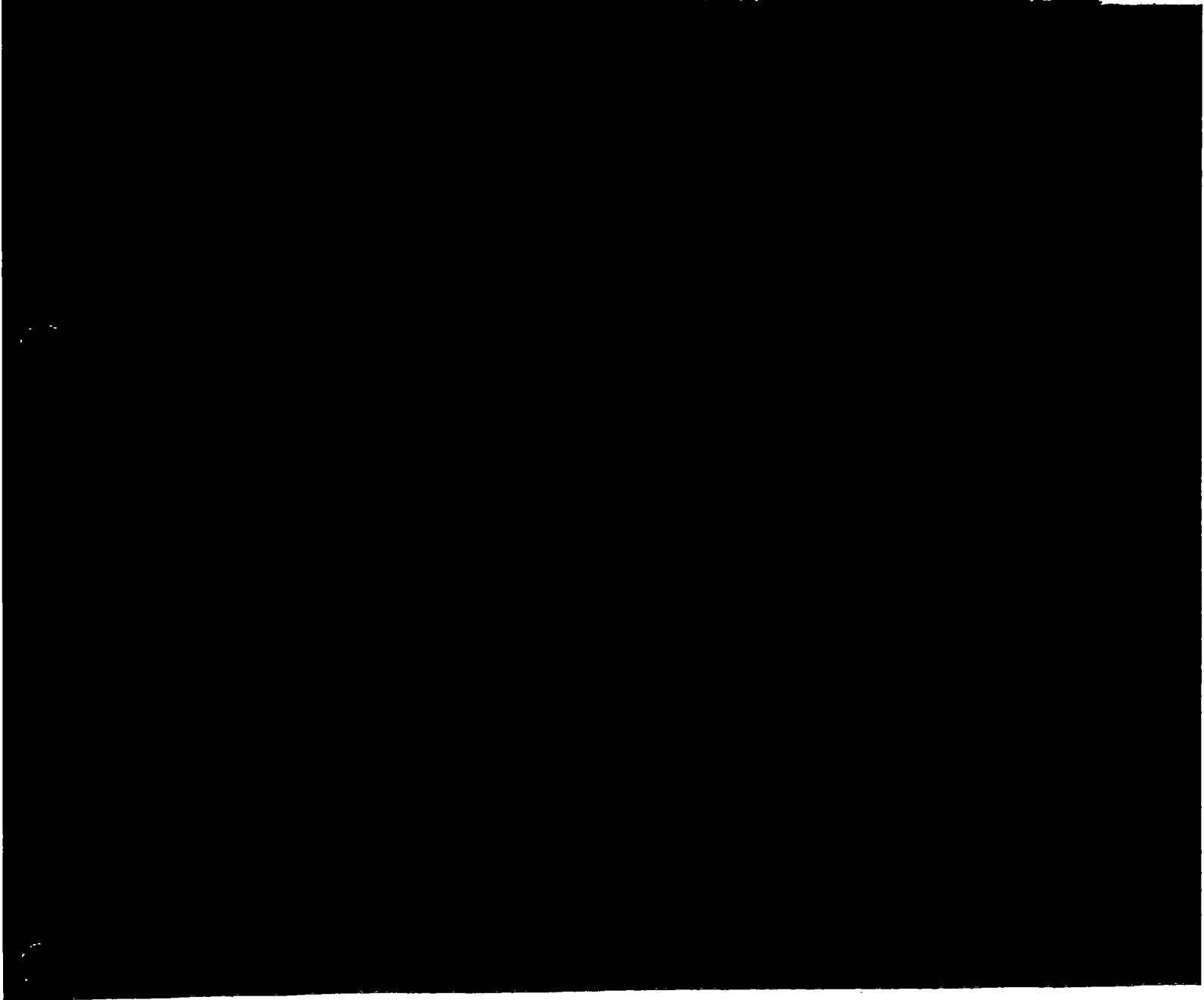
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Grade	Title	Proposed MP	Job Code	Title	Region 3 Avg	Variance Dtd/MP	Thrd. Quartile	Variance Dtd/MP
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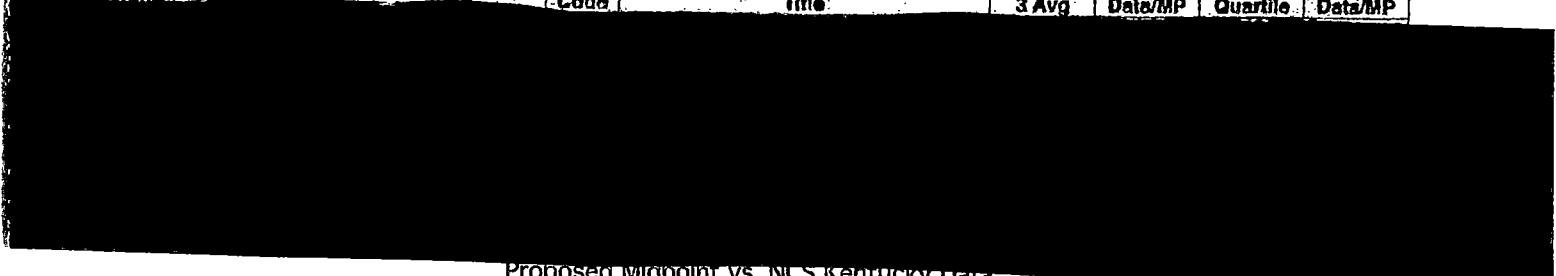


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22222
33333
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Grade	Title	Proposed MP	Job Code	Title	Region 3 Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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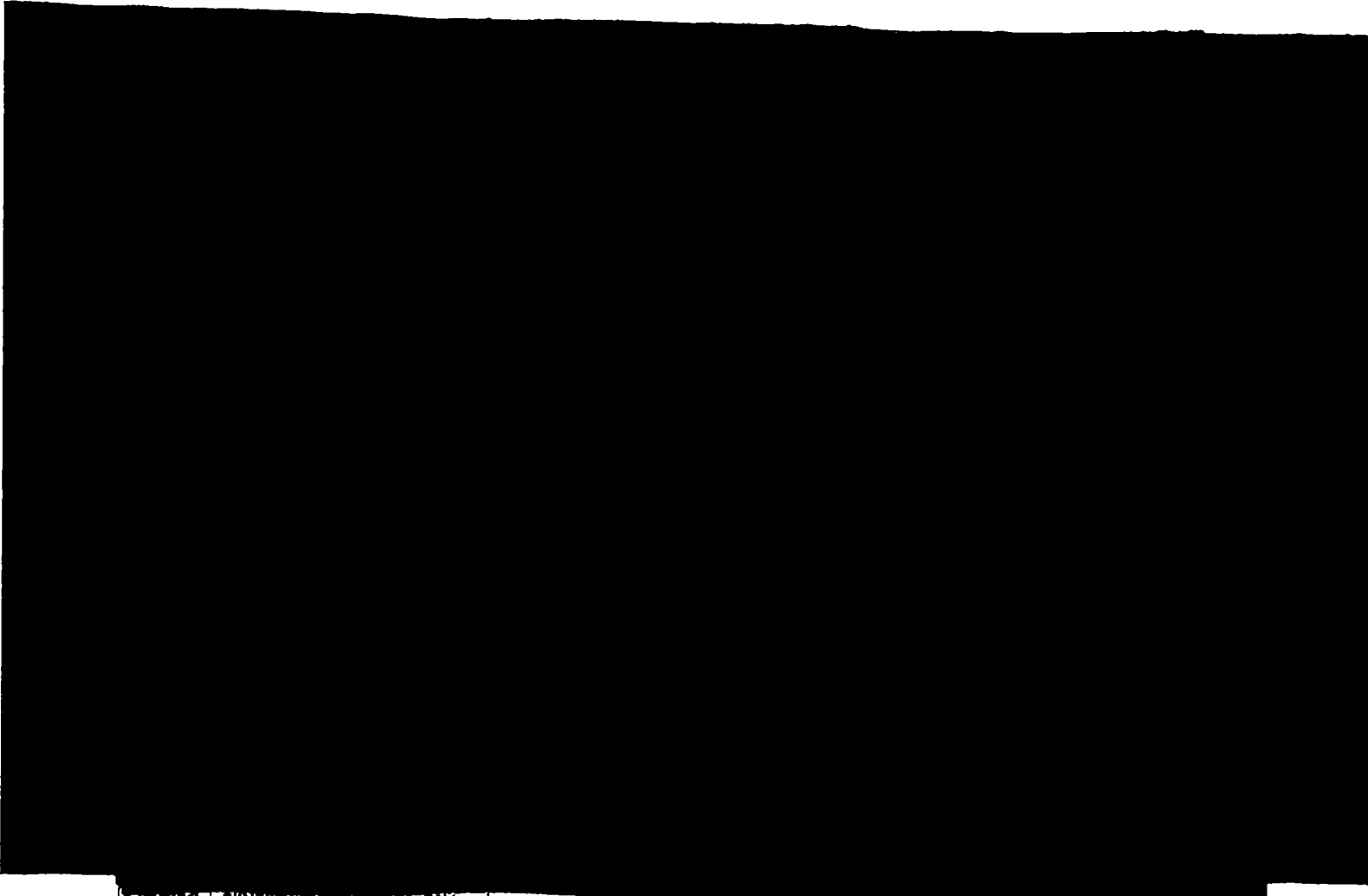
Grade	Title	Proposed MP	Job Code	Title	Region 3 Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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Proposed Midpoint vs. NCS Kentucky Data

Grade	Title	Proposed MP	Job Code	Title	Kentucky Avg	Variance Data/MP	Third Quartile	Variance Data/MP
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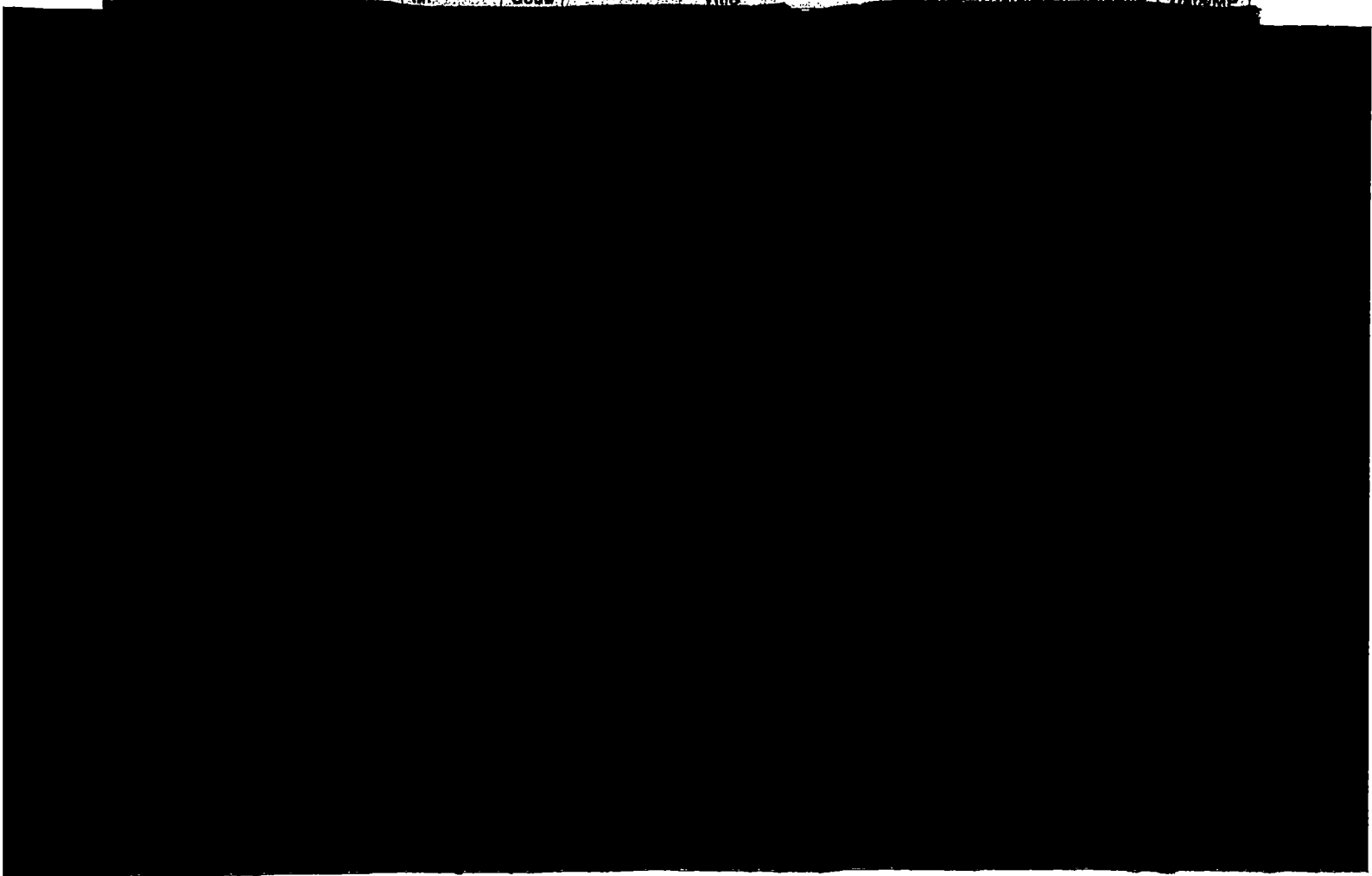


Proposed Job	Time	Kentucky	Avg	Variance	Det-MIP	Third	Quartile	Variance	Det-MIP
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MP	Title	Proposed MP	Job Code	Title	Kentucky Ave	Variance Data/MP	Third Quarter	Variance Data/MP
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Grade	Time	Proposed MP	EP/Time	Kentucky AVG	Variance Date/
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Grade	Title	Current MP	ERI Title	Kentucky Avg.	Variance Data/MP
[Redacted Content]					

ERI Comparator Position Descriptors

Accountant Plant	<p>Maintains record of company owned or leased equipment, buildings, and other property.</p> <p>Documents description, value, location, and other pertinent information of all equipment, buildings, and other property.</p> <p>Administers or conducts periodic inventories to keep records current and ensure that equipment is properly maintained.</p> <p>Studies records to determine that acquisition, sale, retirement, and other entries have been made.</p> <p>Excludes paraprofessionals positions.</p>
Accounting Manager	<p>Alternate Titles</p> <p>Manager Accounting</p> <p>Manages professional level accounting functions and the preparation of reports including earnings, profits/losses, cash balances, and cost accounting.</p> <p>Confirms accuracy of operating and financial reports.</p> <p>Advises upper management regarding matters, such as effective use of resources and methods, for preventing capital being frozen.</p>



	<p>Interprets accounts and records to upper management.</p> <p>Includes managers whose staffs may consist of a mix of professional, paraprofessional, and/or clerical accounting personnel; excludes managers whose staffs consist of 100 percent nonexempt accounting personnel.</p>
Administrative Assistant	<p>Supports an organization or department by performing administrative services.</p> <p>Assists management with administrative tasks such as tracking and compiling information of interest.</p> <p>Prepares various reports detailing the administrative information handled by the position. Reads and answers correspondence.</p> <p>May handle confidential information.</p> <p>NOTE: This is not a secretarial position.</p>
Billing Clerk	<p>Compiles records of charges for services rendered or goods sold.</p> <p>Calculates and records amount of these services and goods, and prepares invoices to be sent to customers or insurance providers.</p>
Cashier Associate	<p>Receives cash, personal check, or charge or debit card for payment of food, rent, property, deposits, fees, accounts receivable, or other goods and services.</p> <p>Operates cash register, scanners, and computers to itemize and total customer's purchases.</p>
Customer Service Manager	<p>Alternate Titles</p> <p>Manager Customer Service</p> <p>Manages by directing and coordinating subordinate customer service staff in connection with any product or service offered.</p> <p>Manages workers who investigate complaints, such as those concerning rates or service.</p> <p>Analyzes reports of findings and recommends response to complaints, considering nature and complexity of complaints, requirements, and actions of subordinates to ensure settlements are made correctly.</p> <p>Studies schedules and estimates time, cost, and labor estimates for services, and/or completion of job assignments.</p>
Customer Service Representative (General Calls)	<p>Interacts with customers; gives information in response to inquiries about accounts, products, and services.</p> <p>Takes care of and settles customer complaints, special orders, or returns in-store or via phone or mail.</p> <p>Answers customers' questions regarding product or service and operation or maintenance.</p> <p>Receives and processes orders, provides information concerning pricing, changes in service, discontinuance, and shipping.</p> <p>Nature of products and services is at a level of complexity that usually involves up to two years of directly related study,</p>



	<p>training, and/or experience to acquire job know-how.</p> <p>For Financial Representative, see Customer Service Representative Financial.</p>
GIS Specialist	<p>Creates databases, maps, and/or graphs that can be combined with geographically referenced data, working with GIS software and programs that have the capacity to relate different types of data, such as socioeconomic, demographic, administrative or political boundaries, land use, land cover, environmental, infrastructure, and transportation networks.</p> <p>Keeps databases, maps, and graphs maintained.</p> <p>Meets with users to define data needs, project requirements, required outputs, or to develop applications.</p> <p>Conducts research to locate and obtain existing databases.</p>
Human Resources Manager	<p>Alternate Titles</p> <p>Manager Human Resources; Manager Personnel; Personnel Manager</p> <p>Manages Human Resources staff and plans, develops, recommends, and implements human resources activities, policies, procedures, and programs for an organization, assisting upper management as requested.</p> <p>Manages activities relating to staffing, employee education and training, management development, labor relations, affirmative action, benefits administration, and salary administration.</p>
Information Center Specialist	<p>Alternate Titles</p> <p>Analyst User Support; Computer User Support Analyst; Help Desk Analyst; IT User Support Analyst; User Support Analyst</p> <p>Analyzes problems and provides technical assistance, support, and advice to end users for hardware, software, and systems.</p> <p>Studies and resolves computer software and hardware problems of users.</p> <p>Acts as a contact for users having problems using computer software, hardware, and operating systems.</p> <p>Determines whether problem is caused by hardware, software, or system.</p> <p>Answers questions, applying knowledge of computer software, hardware, systems, and procedures.</p>
Information Systems Manager	<p>Alternate Titles</p> <p>Computer Services Manager; IT Services Manager; Manager Computer Services</p> <p>Manages and coordinates activities of a small staff engaged in computer operations, computer systems, computer programming, and company's network to assure effective computer resources are provided to users.</p> <p>Assigns personnel and schedules workflow to facilitate production.</p> <p>Analyzes performance indicators such as number of transactions per second, response time, and number of programs</p>



	<p>being processed to ensure system is operating efficiently.</p> <p>Studies problems and capabilities, and develops solutions for improved operating procedures, alternate processing methods, communications, information flow, management reporting, and operational efficiency.</p>
Logger	<p>Performs a variety of tasks in the harvesting of timber trees.</p>
Maintenance Associate	<p>Alternate Titles</p> <p>Maintenance Repairer Industrial; Maintenance Worker; Plant Maintenance Worker; Repairer Maintenance/Utility; Utility Repairer</p> <p>Repairs, installs, and maintains machinery, equipment, physical structures, and pipe and electrical systems in commercial or industrial establishments, following specifications, blueprints, manuals, and schematic drawings, using hand tools, power tools, hoist, crane, and measuring and testing instruments.</p>
Network Analyst Computer	<p>Alternate Titles</p> <p>Analyst Computer Network; Computer Network Analyst; Data Communications Analyst; IT Network Control Supervisor; LAN/WAN Analyst; Network Architect; Network Planning Analyst; Telecommunications Analyst</p> <p>Analyzes and administers the technical architecture of Local Area Networks and Wide Area Networks.</p> <p>Researches, runs tests, evaluates, and recommends telecommunications and data network systems.</p> <p>Analyzes workload, including traffic and utilization trends.</p> <p>Interfaces with users, consultants, technical teams, and vendors for maximum guidance in determining the most appropriate type of hardware installation.</p> <p>Supports complex PCs and LAN/WAN networks throughout the organization.</p> <p>Requires advanced knowledge and experience in the area of local and wide area networking, communications, and related hardware and software.</p>
Public Relations Representative	<p>Alternate Titles</p> <p>Coordinator Public Relations; Public Relations Coordinator; Representative Public Relations</p> <p>Plans and organizes public relations program designed to create and maintain favorable public image for employer or client.</p> <p>Plans and oversees development and communication of information designed to keep the public informed of employer's programs, accomplishments, or point of view.</p> <p>Coordinates public relations efforts in order to meet needs, objectives, and policies of individual, special interest group, business concern, nonprofit organization, or governmental agency.</p>



	Represents organization as in-house staff member or serves as an outside consultant.
Purchasing Agent	<p>Alternate Titles</p> <p>Buyer; Buyer/Purchasing Agent</p> <p>Procures materials or other goods and/or coordinates activities involved with purchasing products and services, such as raw materials, equipment, tools, parts, supplies, and advertising, for establishment.</p> <p>Receives and reviews requisitions requesting goods or services.</p> <p>Communicates with vendors to obtain product or service information, such as price, availability, and delivery schedule.</p> <p>Selects products for purchase by testing, observing, or examining items.</p> <p>Expedites orders and requests as needed.</p> <p>Responsibilities are those of a professional level and excluded are paraprofessional buyers.</p>
Receptionist PBX Operator	<p>Greets and assists callers in relaying incoming, outgoing, and/or interoffice calls.</p> <p>Operates switchboard equipment.</p> <p>Guides caller to destination and records name, time of call, nature of business, and person called upon.</p> <p>Supplies information to callers/visitors, takes messages, and announces callers/visitors.</p>
Secretary to CEO	<p>Alternate Titles</p> <p>Administrative Assistant, CEO; Executive Secretary, CEO</p> <p>Assists and relieves the executive of administrative type functions in order to increase the time an executive has available for executive level responsibilities.</p> <p>Takes care of a wide variety of complex situations and conflicts involving the clerical and administrative function of the office that often cannot be brought to the attention of the executive.</p> <p>Composes correspondence requiring knowledge of executive's views, philosophy, and some understanding of technical matters; may sign for executive when technical or policy content has been authorized.</p>
Systems Administrator	<p>Alternate Titles</p> <p>Administrator Systems; Computer Systems Administrator; IT Systems Administrator</p> <p>Administers, develops, runs tests on, implements, and maintains operating system and related software.</p> <p>Establishes and implements standards for computer operations for compatibility between hardware and software, according to specifications and parameters.</p> <p>Troubleshoots and resolves software, operating system, and networking problems.</p>



Schedules, performs, and monitors system backups and, when necessary, performs data recoveries.

Responsibilities differ from those of an Operating Systems Programmer in that the Systems Administrator is not responsible for altering operating system's software codes.

NCS Comparator Position Descriptors

Accountant 2	Keeps a complete and systematic set of subsidiary records and ledger accounts recording financial transactions and showing financial status of the system. Prepares reports and financial statements. Does not supervise. Requires a Bachelor' degree and more than three years of experience.
Billing Clerk	Prepares member-consumer bills, applies discounts, audits bills before mailing, answers comments or complaints, adjusts bills or directs to appropriate personnel and applies payments.
Billing Supervisor	Directs member-consumer bill preparation, applies rate schedules and/or verifies calculations, applies discounts and penalties, payments and balances accounts, answers inquiries and complaints and adjusts bills as needed. Is responsible for employee supervision.
Cashier	Receives and prepares receipts for cash payments from member-consumers over the counter; greets visitors, answers inquiries or complaints and/or directs to proper department. Balances and prepares cash and checks for deposits. May also receive mail payments, resolve conflicts and make payment arrangements with members. Does not supervise. May have receptionist duties.
Communication/Public Information Specialist	Develops communication materials such as co-op magazine and newsletter articles, ads, brochures and the Annual Report, works on co-op website and supports programs such as Operation Round-Up and the Rural Electric Youth Tour.
Communications Manager	Develops and implements a coordinated and systematic informational program ensuring that directors, members, employees and general public are informed of cooperative programs, projects and activities.
Customer Service Representative	Serves as primary contact in the provision of services, disconnects/connects, problem resolution, payment arrangements, general inquiries and account maintenance. May serve in call center.
Dispatcher/System Operator	Maintains radio communication, both routine and after hour emergency calls and runs active load management and load control equipment. May work rotating shift.
Dispatcher/System Operator	Maintains radio communication, both routine and after hour emergency calls and runs active load management and load control equipment. May work rotating shift.
Drafter/CAD Operator	Prepares maps, drawings and charts. Keeps system maps current. Operates computer-assisted mapping system.
Electric Engineer	Assists in design of power distribution facilities, coordination of construction, and operation and maintenance for transmission lines, distribution systems and equipment. Performs engineering work pertaining to system protection and controls. Responsible for load management and metering.
Electronic Technician/Substation Technician	Controls equipment, such as current converters, voltage transformers and circuit breakers regulating electricity flow through substations of the electric power system and over distribution lines to consumers.
Engineer	Provides analytical data, researches and develops programs ensuring environmental compliance. Is responsible for



	quality control and field engineering projects.
Executive Assistant/Administrative Assistant	Provides confidential and other secretarial services for the General Manager. Provides services and information for the Board of Directors and its committees in specially assigned areas. May supervise or direct the work of others.
Foreman/Line Foreman	Supervises electric distribution line construction and maintenance. Nonexempt.
General Clerk	Performs keyboard functions, maintains files, keeps simple records and performs other clerical tasks.
Information Technology/IT Manager	Manages the operation of information technology computer systems. Oversees development of computer programs and systems. Evaluates user and system hardware and software needs. Develops long and short-term goals for the department. Installs and maintains communications systems. Supervises two or more professional or technical employees.
Job Training/Safety & Loss Coordinator	Plans, coordinates and presents job training, safety and loss control programs. Recommends safety operating rules and procedures, assists in evaluating public liability hazards and provides the general public with safety knowledge.
Key Accounts Executive	Directs, develops and delivers large commercial and large residential consumer marketing programs, demand-side energy services and conservation programs. Manages the cooperative's key account program and represents the cooperative in governmental, community and professional organizations.
Lead Lineman/Crew Chief/Working Foreman	Coordinates and directs the line crew activities in constructing distribution facilities. Performs diverse work erecting and repairing transmission and distribution lines of all voltage classes. Works on energized lines, structures and equipment involving electricity distribution.
Line Superintendent	Supervises activities required for constructing and maintaining power transmission and distribution systems. Assists engineering by designing construction layout. Supervises three or more line supervisors.
Lineman First Class/Journeyman Lineman	Performs diverse work erecting, repairing and operating distribution and transmission facilities. Works on energized lines, structures and equipment involving electricity distribution.
Manager, Office Services/Office Manager	Oversees consumer, general and plant accounting. Supervises and coordinates office activities of professional and support personnel. Supervises customer service activities such as billing, payments, service orders and front counter functions.
Marketing/Member Services Representative	Advises and assists commercial, industrial and residential member consumers, dealers and contractors in efficiently using electricity. Implements programs improving load factor and system efficiency. May assist market-diversified services such as telecommunications. May develop, organize and conduct consumer education.
Member Services Representative/Clerk	Assists new members in completing applications for service. Responds to questions regarding customer accounts, service transfers, and work order status.
PC Support Analyst/PC Specialist	Provides desktop PC support to IT users by installing software, solving hardware and software problems and aiding internal and external computer systems use.
Purchasing Agent	Selects vendors and procures materials. Maintains and controls purchase orders with approvals. Develops bid documents, evaluates vendor service levels and approves quality of items purchased. Reviews purchase requests and invoices for compliance and payment.
Receptionist	Operates a telephone system, takes messages, performs miscellaneous typing and clerical work. May also monitor radio. May receive and direct visitors.
Secretary	Provides complete secretarial duties. Functions include: preparing and analyzing reports based on recommended



	actions. Requires proficiency in all secretarial skills and may direct the activities of other clerical staff.
Senior Billing Clerk	Prepares member-consumer bills, applies discounts, audits bills before mailing, answers comments or complaints, adjusts bills or directs to appropriate personnel and applies payments. May serve as a group leader in the absence of supervisor. Trains new employees assigned to the billing department.
Senior Warehouse Clerk/Coordinator	Receives, stores and issues line materials, equipment, merchandise for resale, tools and safety equipment in a stockroom or storeroom. Performs all aspects of coordination for a full-service warehouse in absence of Warehouse Supervisor.
Staking/Field Engineering Technician	Investigates, surveys and stakes electric distribution lines according to construction specifications and prepares staking sheets.
Supervisor/General Accounting 2	Keeps a complete and systematic set of subsidiary records and ledger accounts recording financial transactions and the financial status of the system. Prepares reports and financial statements. Supervises three or more employees.
System Analyst	Analyzes user requirements, procedures and problems automating processing or improving existing computer systems. Directs the development of the cooperative management information system, including system designing and programming. Writes, tests and debugs programs using standard programming languages. Typically requires a minimum of an Associate's degree in Computer Science.
Tree Trimmer/Right-of-Way Worker	Operates chain saw and other cutting equipment. Trims trees and removes ground brush. Familiar with tree types and cutting procedures.
Utility Person/Custodian 2	Cleans and keeps assigned areas in orderly condition. Also responsible for minor maintenance.
Vice President/Manager/Director of Engineering & Operations	Manages and/or controls long and short-range system planning design and electrical distribution facility construction and inspection. This position typically requires a degree in Electrical Engineering.
VP/Manager/Dir. of Finance & Accounting/Controller	Manages and/or controls the financial activities for consumer and general accounting, financial planning, banking, insurance, and taxes. Often develops the management information system as well as data processing, purchasing, and human resources, excluding administrative activities.
VP/Manager/Dir. of Member Services/ Public Relations	Manages and coordinates the activities of member education, community relations, member service, promotion of power use and economic and community development.
VP/Manager/Dir./ Human Resources	Directs all aspects of the cooperative's employment, wage and salary administration, benefits administration, regulating compliance and training functions. Assists in labor relations.
VP/Manager/Director of Operations	Plans, directs and supervises activities required for constructing and maintaining power transmission and distribution systems.
Warehouse Materials Handler	Receives, stores and issues line materials, equipment, merchandise for resale, tools and safety equipment in a stockroom or storeroom.
Work Order Clerk	Assembles, tabulates and processes cost data for construction and retirement work orders. Posts labor, materials, overhead and other costs accumulating totals on work orders. Prepares inventory for work orders and balances work order summaries.

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

54. Explain whether the expenses for wages, salaries, benefits and other compensation during the test year, and any adjustments to the test year, are compliant with the Board of Director's compensation policy.

Response

Yes. The expenses for wages, salaries and benefits and other compensation were, during the test year, compliant with the Wage and Salary Plan (see "Attachment 53A" of this response).

**Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information**

55. Explain whether, prior to making any adjustments to wages, salaries, benefits and other compensation in the base rate case, Nolin, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits and other compensation to those of other utilities in the region, or to other local or regional enterprises.
- a. If comparisons were made, provide and discuss the results of such comparisons. Include the results of the study or survey with your response, including all workpapers.

Response

Yes. Nolin used Intandem a consultant to help perform a study to compare with other cooperatives and utilities. Due to the unique nature of many of the jobs at Nolin and the training and electric utility knowledge needed to work high voltage power lines no local or regional non-utility enterprises were surveyed. See "Attachment 55A – Warren RECC Salary and Benefits Survey 2016."

Warren RECC Salary & Benefits Survey January 2016

FRINGE BENEFITS

Holidays

Number of Annual Paid Holidays 8

PTO

Do you have a Paid Time Off (PTO) Program? No
How many days of PTO do employees get per year? _____
Is there a requirement for earning or taking the PTO? _____
If so, please explain _____

Sick Leave

Number of days accrued per year? 168
Maximum number of days allowed to be accrued? 90
Do you pay unused sick leave at termination? No
If so, is it paid dollar for dollar or based on a calculation? Explain _____

Vacation

One week after Yrs 1 to 5 = 12 days
Two weeks after Yrs 6 to 10 = 16 days
Three weeks after Yrs 11 to 15 = 20 days
Four weeks after After 16 yrs = 24 days
Five weeks after _____
Amount of vacation time allowed to be carried over each year? 5 days
Maximum hours to be "banked"? 30 days
Do you pay unused vacation at termination? Yes
If so, is it paid at current rate or is there a calculation? _____ Current rate

Defined Benefit Pension Plan

Do you have a defined benefit pension plan? Yes
If so, what is your benefit level? 1.9

Do employees contribute to the plan? No
 If so, what percentage do they contribute? _____
 What is your normal retirement age? 62 or 30 years
 Do you have different plan designs because of "grandfathering"? No
 If so, could you explain? _____

Defined Contribution Pension Plan

Do you have a defined contribution pension plan? Yes
 If so, is this plan a 401-K Plan? If not, what type of plan is it? Yes
 Do you provide a base contribution? No
 How much is the base contribution you provide? _____
 Is there a required employee contribution? To obtain match
 Explain the formula for matching contributions? Up to 2%
 Do you offer a loan provision? Yes
 Do you offer hardship withdrawal provisions? Yes
 Do you have different plan designs because of "grandfathering"? No
 If so, could you explain? _____

Health Insurance

Individual Plan

Percent paid by Employer 100% Percent paid by Employee _____% N/A _____

Employee/Spouse Plan

Percent paid by Employer 100% Percent paid by Employee _____% N/A _____

Employee/Child Plan

Percent paid by Employer 100% Percent paid by Employee _____% N/A _____

Family Plan

Percent paid by Employer 100% Percent paid by Employee _____% N/A _____

Do you require spouses to obtain coverage from their employer? Yes
 Is this a PPO Plan? Yes
 Is the coverage a High Deductible Health Plan No
 How much is your deductible? \$400 individual/\$1,200 family

Short-Term Disability

Do you offer short term disability coverage? No

Percent paid by Employer _____% Percent paid by Employee _____% N/A _____

Level of coverage _____%

What is the elimination period for employees to be eligible to receive STD? _____

What is the duration of STD? _____

Do you offer Short Term Disability (STD) in lieu of sick leave? _____

Do you offer STD in addition to sick leave? _____

Long-Term Disability

Do you offer long term disability coverage? Yes

Percent paid by Employer _____% Percent paid by Employee 100% N/A _____

Level of coverage 50% with no social security offset

What is the elimination period for employees to be eligible to receive LTD? 13 wks

What is the duration of LTD? Age 65

Dental Insurance

Individual Plan

Percent paid by Employer _____% Percent paid by Employee 100% N/A _____

Employee/Spouse Plan

Percent paid by Employer _____% Percent paid by Employee 100% N/A _____

Employee/Child Plan

Percent paid by Employer _____% Percent paid by Employee 100% N/A _____

Family Plan

Percent paid by Employer _____% Percent paid by Employee 100% N/A _____

Do you permit spouses to be covered by your plan even if they can obtain coverage from their own employer? As secondary

Group Life Insurance

Percent paid by Employer 100% Percent paid by Employee _____% N/A _____

Amount of coverage (example: 2 times annual salary or \$50,000 coverage) _____ 4 times annual salary; on the job 8 times annual sa

Other

Bonus Arrangement (explain) _____

Incentive Arrangements (explain) _____

COMPENSATION

Do you provide merit increases? Yes
If so, how often and how is the increase calculated? Annually; determined by the Board of Directors
Do you provide cost of living increases? No
If so, how often _____
What source do you use to calculate the adjustment? _____

Do you have a union? No
Are your answers for the union or non-union? _____
If yes, do you have different benefits for union/non-union employees? _____
Total number of full-time employees 98
Total number of part-time employees \$6,820,014
Total payroll for 2015 _____
Gross Annual Revenue _____
Normal workweek hours? M-F 8:00 a.m. to 5:00 p.m.
How is overtime paid? In excess of 40 hrs per week
Time and 1/2 _____ Yes
Double time _____ On holidays
Do you offer flexible work hours (ie, 9/80, 4/10) No
What are the special hours? _____
Are these hours for all employees or just certain departments?
If certain departments, which ones? And why? _____

Do you provide Retiree medical insurance? Yes
If so, could you explain the level of coverage? 11-15 yrs 20%
16-20 yrs 40%
21-25 yrs 60%
26-30 yrs 80%
31 plus yrs 100%
When does the coverage terminate? Becomes secondary upon Medicare coverage
If you pay for the cost of retiree coverage, how long do you pay? Until death of employee

Are there other retiree benefits you offer _____
If so, could you explain? _____

Wage Survey

	<u>Avg Wage</u>	<u>Avg Length of Service</u>	<u>Range</u> Per Hour
Administrative Assistant	\$		\$
Switchboard Operator/Receptionist	\$		
Purchasing Agent	\$		
Information Systems Manager	\$		
Accounting Clerk	\$		
Accounts Payable Clerk	\$		
Payroll Clerk	\$		
Controller/Accounting Manager	\$		N/A
Human Resources Manager	\$		
Safety Director/Manager	\$		
Customer Service Representative	\$		
Field Engineering Tech	\$		
Electrical Engineer	\$		N/A
Janitor	\$		
Warehouse Manager	\$		N/A
Warehouse Clerk	\$		
Wastewater Treatment Operator	\$		N/A
Apprentice Lineman	\$		
Lead Lineman	\$		
Journeyman Lineman	\$		
Crew Leader/Line Supervisor	\$		
Field Service Representative (connects/disconnects/collections)	\$		N/A

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Commission Staff's First Request for Information

56. Provide a copy of all exhibits and schedules that are included in Nolin's rate application in Excel Spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible.

Response

The formulas are included with the original responses to this request.