

May 10, 2017

RECEIVED

MAY 10 2017

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Dr. Talina Mathews
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: IN THE MATTER OF APPLICATION OF NOLIN RURAL ELECTRIC
COOPERATIVE CORPORATION FOR AN ADJUSTMENT OF EXISTING
RATES
Case No. 2016-00367

Dr. Mathews:

Please find enclosed and accept for filing on behalf of Nolin Rural Electric Cooperative Corporation ("Nolin") one (1) original and ten (10) copies of Nolin's Supplemental Responses to Item Nos. 1 and 14 of the Supplemental Request for Information propounded by the Attorney General in the above-referenced matter.

Pursuant to applicable regulation, I certify that copies of this letter and the enclosures have been served this same date via hand delivery upon the Attorney General, by and through his Office of Rate Intervention, at his offices in Suite 20 of the Kentucky State Capitol.

Respectfully,



|| M. Evan Buckley

Enclosures

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Supplemental Response to Attorney General's Supplemental Data Request

1. Reference Nolin's response to AG-1-2 to answer the following questions:
 - a. [Omitted for purposes of this supplemental response.]
 - b. What is the total projected rate case expense for the present case, and the amount of rate case expense thus far?

Supplemental Response

The total amount Nolin has expended with respect to this rate case is \$153,201.32 (through April 30, 2017). Please see "Attachment 1B" for an updated ledger providing relevant transaction details. Nolin projects its total expenses for this rate case will be approximately \$200,000.00, as detailed in the table below.

Rate Case Expenses – Case No. 2016-00367

	Consulting	Legal	Advertising	Other	Total
Incurring thru April 30, 2017	\$63,612.00	\$67,709.35	\$18,433.87	\$3,646.10	\$153,201.32
Estimated Additional Expenses	\$10,000.00	\$20,000.00	\$15,000.00	\$1,500.00	\$46,500.00
Estimated Total Expenses	\$83,612.00	\$77,209.35	\$33,433.87	\$5,444.76	\$200,000.00

- c. Provide invoices containing breakdowns of the total amount due.

Supplemental response:

Please see "Attachment 1C" for copies of the requested invoices. The remaining invoices were filed by Nolin in response to Attorney General's Initial Request for Information, Item No. 2, and in response to the Attorney General's Supplemental Request for Information, Item No. 1.

- d. [Omitted for purposes of this supplemental response.]
 - e. [Omitted for purposes of this supplemental response.]

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**GENERAL LEDGER
TRANSACTION DETAIL**

Page: 1

OCT 2015 To DEC 2015

Date	Journal Description	Actv BU Project	Jrnl Mod Code Reference	Debit	Credit	Balance
Account: 0 928.0 REGULATORY COMMISSION EXPENSE			Department: 1	Beginning Balance:		1,611.19
10/10/15	68585 Invoice	287	AP 4 ZUMSTEIN, ALAN M	11,235.00		12,846.19
		Total For Module - AP:		11,235.00	0.00	
Subtotal For Account: 0 928.0		Net Amount For OCT 2015:		11,235.00	0.00	
		Department: 1		11,235.00	0.00	12,846.19
Account: 0 928.0 REGULATORY COMMISSION EXPENSE			Department: 2	Beginning Balance:		0.00
Account: 0 928.0 REGULATORY COMMISSION EXPENSE			Department: 5	Beginning Balance:		0.00
Grand Total Beginning Balances:				1,611.19	0.00	
Grand Total Transactions: 1				11,235.00	0.00	
Grand Total:				12,846.19	0.00	12,846.19

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**GENERAL LEDGER
TRANSACTION DETAIL**

Page: 1

APR 2016 To APR 2017

Date	Journal Description	Actv BU Project	Jrnl Mod Code Reference	Debit	Credit	Balance
Account: 0 928.0 REGULATORY COMMISSION EXPENSE			Department: 1	Beginning Balance:		0.00
05/31/16	74116 Invoice	287	AP 4 RATE CASE PREP MTG	106.95		106.95
Total For Module - AP:				106.95	0.00	
Net Amount For MAY 2016:				106.95	0.00	
09/26/16	77341 Invoice	287	AP 4 RATE CASE - ROBERSON/COFFEY/	50.00		156.95
09/26/16	77341 Invoice	287	AP 4 RATE CASE - ROBERSON/ZUMSTE	51.00		207.95
Total For Module - AP:				101.00	0.00	
Net Amount For SEP 2016:				101.00	0.00	
10/07/16	77840 Invoice	287	AP 4 JOHN SCOTT ATTORNEY	620.00		827.95
10/07/16	77840 Invoice	287	AP 4 JOHN SCOTT ATTORNEY	360.00		1,187.95
10/07/16	77840 Invoice	287	AP 4 JOHN SCOTT ATTORNEY	340.00		1,527.95
10/27/16	78181 Invoice	287	AP 4 RATE CASE MEETING	57.78		1,585.73
10/31/16	78181 Invoice	287	AP 4 RATE CASE - GOSSETT/SPARKS/M	33.98		1,619.71
Total For Module - AP:				1,411.76	0.00	
Net Amount For OCT 2016:				1,411.76	0.00	
11/30/16	78971 Invoice	287	AP 4 RATE CASE DISCUSSION - ZUMST	59.00		1,678.71
11/30/16	78971 Invoice	287	AP 4 RATE CASE DISCUSSION-ADKINS/	59.74		1,738.45
Total For Module - AP:				118.74	0.00	
Net Amount For NOV 2016:				118.74	0.00	
12/05/16	79057 Invoice	287	AP 4 KERR OFFICE PLUS	58.29		1,796.74
12/19/16	79441 Invoice	287	AP 4 KERR OFFICE PLUS	184.44		1,981.18
12/30/16	80121 Invoice	287	AP 4 RATE CASE NOTICES	18,433.87		20,415.05
12/30/16	80121 Invoice	287	AP 4 AMS PROGRAMMING SERVICES -	300.00		20,715.05
12/31/16	79761 Invoice	287	AP 4 RATE CASE DISCUSSION - ADKIN	33.00		20,748.05
12/31/16	79761 Invoice	287	AP 4 PSC RATE CASE 2016-00367	380.59		21,128.64
12/31/16	79761 Invoice	287	AP 4 PSC RATE CASE 2016-00367 CERTI	10.00		21,138.64
12/31/16	79761 Invoice	287	AP 4 RATE CASE 2016-00367 ADKINS	95.89		21,234.53
12/31/16	80120 Invoice	287	AP 4 JOHN SCOTT - NOVEMBER 2016	2,360.00		23,594.53
12/31/16	80120 Invoice	287	AP 4 JOHN SCOTT - DECEMBER 2016	2,300.00		25,894.53
12/31/16	80120 Invoice	287	AP 4 JOHN SCOTT - OCTOBER 2016	1,480.00		27,374.53
Total For Module - AP:				25,636.08	0.00	
Net Amount For DEC 2016:				25,636.08	0.00	
01/08/17	80120 Invoice	287	AP 4 RATE CASE 2016-00367	24,435.00		24,495.00
01/27/17	80576 Invoice	287	AP 4 RATE CASE	19,807.00		44,242.00
01/30/17	80595 Invoice	287	AP 4 RATE CASE SUPPLIES	190.27		44,432.27

Attachment 0010
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**GENERAL LEDGER
TRANSACTION DETAIL**

APR 2016 To APR 2017

Date	Journal Description	Actv BU Project	Jrnl Mod Code Reference	Debit	Credit	Balance
Account: 0 928.0 REGULATORY COMMISSION EXPENSE			Department: 1			
				Beginning Balance:		
01/31/17	80594 Invoice	287	AP 4 TABS - RATE CASE SUPPLIES	6.30		44,438.57
01/31/17	80594 Invoice	287	AP 4 RATE CASE #2016-00367	101.55		44,540.12
01/31/17	80594 Invoice	287	AP 4 RATE CASE - ADKINS/GOSSETT/M	42.83		44,582.95
01/31/17	80594 Invoice	287	AP 4 RATE CASE - ADKINS/MILLER/GO	106.84		44,689.79
	Total For Module - AP:			44,689.79	0.00	
	Net Amount For JAN 2017:	44,689.79		44,689.79	0.00	
02/07/17	80887 Invoice	287	AP 4 RATE CASE	52.99		44,742.78
02/14/17	81153 Invoice	287	AP 4 JAN 2016 RATE CASE EXPENSES	1,185.00		45,927.78
02/15/17	81153 Invoice	287	AP 4 RATE CASE	1,658.75		47,586.53
02/28/17	81286 Invoice	287	AP 4 FOLDERS FOR RATE MEETING	12.70		47,599.23
02/28/17	81286 Invoice	287	AP 4 2ND DATA REQUEST PSC CASE 20	152.10		47,751.33
02/28/17	81286 Invoice	287	AP 4 PSC CASE 2016-00367	190.09		47,941.42
02/28/17	81286 Invoice	287	AP 4 RATE CASE LUNCH ADKINS/MILL	79.77		48,021.19
02/28/17	81286 Invoice	287	AP 4 RATE CASE FARMERS RECC MEE	265.89		48,287.08
	Total For Module - AP:			3,597.29	0.00	
	Net Amount For FEB 2017:	3,597.29		3,597.29	0.00	
03/01/17	82268 Invoice	287	AP 4 RATE CASE 2016-00367	6,476.25		54,763.33
03/03/17	81679 Invoice	287	AP 4 RATE CASE - PAPER	52.99		54,816.32
03/08/17	82071 Invoice	287	AP 4 GOSS SAMFORD PLLC	18,402.48		73,218.80
03/13/17	81751 Invoice	287	AP 4 RATE CASE SUPPLIES	52.99		73,271.79
03/29/17	82154 Invoice	287	AP 4 RATE CASE SUPPLIES	105.98		73,377.77
03/29/17	82154 Invoice	287	AP 4 RATE CASE SUPPLIES	127.25		73,505.02
03/29/17	82154 Invoice	287	AP 4 RATE CASE SUPPLIES	196.51		73,701.53
03/29/17	82154 Invoice	287	AP 4 RATE CASE ADKINS/GOSSETT/RO	40.82		73,742.35
03/29/17	82154 Invoice	287	AP 4 FARMERS RATE CASE MEETING	235.10		73,977.45
03/31/17	82467 Invoice	287	AP 4 2016 RATE CASE	22,744.26		96,721.71
03/31/17	82670 Invoice	287	AP 4 JANUARY 2017 JOHN J SCOTT ATT	1,540.00		98,261.71
03/31/17	82670 Invoice	287	AP 4 FEBRUARY 2017	3,980.00		102,241.71
03/31/17	82670 Invoice	287	AP 4 MARCH 2017	3,140.00		105,381.71
03/31/17	82670 Invoice	287	AP 4 RATE CASE MAILING 2016-00367	31.24		105,412.95
03/31/17	82841 Invoice	287	AP 4 MARCH 2017 SHIPPING THE UPS S	12.39		105,425.34
	Total For Module - AP:			57,138.26	0.00	
	Net Amount For MAR 2017:	57,138.26		57,138.26	0.00	
04/14/17	82670 Invoice	287	AP 4 KERR OFFICE PLUS	52.99		105,478.33
04/30/17	83167 Invoice	287	AP 4 RATE CASE FEES	9,057.61		114,535.94
04/30/17	83180 Invoice	287	AP 4 STAPLES RATE CASE	55.85		114,591.79

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**GENERAL LEDGER
TRANSACTION DETAIL**

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APR 2016 To APR 2017

Date	Journal Description	Actv BU Project	Jrnl Mod Code Reference	Debit	Credit	Balance
	Account: 0 928.0 REGULATORY COMMISSION EXPENSE		Department: 1			
		Total For Module - AP:				
		Net Amount For APR 2017:	9,166.45			
		Department: 1				
	Subtotal For Account: 0 928.0					
	Account: 0 928.0 REGULATORY COMMISSION EXPENSE		Department: 2			
	Account: 0 928.0 REGULATORY COMMISSION EXPENSE		Department: 5			
	Grand Total Beginning Balances:					
	Grand Total Transactions: 54					
	Grand Total:					
				Beginning Balance:		0.00
				9,166.45	0.00	
				9,166.45	0.00	
				141,966.32	0.00	141,966.32
				Beginning Balance:		0.00
				Beginning Balance:		0.00
				0.00	0.00	
				141,966.32	0.00	
				141,966.32	0.00	141,966.32

10/10/15 Alan

+ 11235

\$ 153,201.32

Alan M. Zumstein, CPA
Certified Public Accountant
1032 Chetford Drive
Lexington, Kentucky 40509
859-264-7147
e-mail: zumstein@windstream.net

October 10, 2015

Nolin Rural Electric Cooperative
411 Ring Road
Elizabethtown, Kentucky 42701


Professional services rendered in connection with the proposed rate application to assist CFC in compiling information for revenue requirements and other filing information to include:

	<u>Hours</u>	<u>Miles</u>
Billing information, payroll and benefits, and other information for revenue requirements and other information		
May, 2015	15	120
June, 2015	22	240
July, 2015	44	240
August, 2015	6	120

Summary:

Hours	87	@ \$125	\$ 10,875
Miles	720	@ \$.50	360
			<u>\$ 11,235</u>

Federal ID number 35-1877201



INVOICE FOR SERVICES RENDERED

James R. Adkins
2189 Roswerll Dr
Lexington, KY 40513-1811

31-Mar-17

Mr. Michael Miller
President & CEO
Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

Assistance for Case No, 2016-00367

Date	Description	Time	Miles
2017			
Feb 1	Responses for DR2	6.50	
Feb 3	PSC DR 2 Responses	1.50	
Feb 6	PSC DR 2 Responses	1.50	
Feb 7	Responses for AG & PSC DRs	4.00	
Feb 8	Responses for AG & PSC DRs	8.00	
Feb 9	Responses for AG & PSC DRs	8.00	175
Feb 10	Responses for AG & PSC DRs	8.00	175
Feb 13	Rate Case Responses	1.25	
Feb 15	Finalize Responses to AG & PSC DRs	9.25	175
Mar 1	Conf Call with Nolin & Attorneys	1.50	
		49.50	525.00
		\$ 125.00	\$ 0.55
	AMOUNT	\$ 6,187.50	\$ 288.75
	Total Invoice Amount		\$ 6,476.25
	<i>James R. Adkins</i>		

Signature

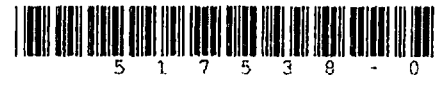


117 NORTH MAIN STREET
 ELIZABETHTOWN KY 42701
 270-765-6171

Attached **INVOICE**

INVOICE NUMBER **Page 1 of 1** **17538-0**
 INVOICE DATE **03/03/17**
 ACCOUNT NUMBER **10230**
 DEPT NUMBER

BILL TO ADDRESS		SHIP TO ADDRESS			
NOLIN RECC 411 RING ROAD ELIZABETHTOWN / KY 42701 270-765-6153		NOLIN RECC 411 RING ROAD ELIZABETHTOWN KY 42701			
CUSTOMER PURCHASE ORDER	SALESPERSON	TERMS	ROUTE	PAYCODE	ORDER-TAKER
	KRISTY MAYS		2	CHARGE	KERR



ITEM NUMBER	MFG	ITEM DESCRIPTION	UM	ORD QTY	B/O QTY	SHIP QTY	SELL PRICE	EXTEND PRICE
36592	BSN	Who Called : Cheryl Thomas PAPER, COPY, 3HP, 8.5X11, WHT Phone: 270-765-6153 x 1050 Email: cthomas@nolinrecc.com	CT	1		1	49.99	49.99
		928 CEC 281						

Subtotal	49.99
Tax	3.00
Total Due	52.99

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

March 8, 2017

Mr. Michael Miller
President and CEO
Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

Re: Invoice for February 1, 2017 to February 28, 2017

Dear Mickey:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Nolin RECC for the period from February 1, 2017 to February 28, 2017. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

<u>Matter Description</u>	<u>Amount</u>
2016 Rate Case – current fees	\$20,457.76
Overcharge credit from prior invoice	(\$9.50)
10% Discount of current invoice	(\$2,045.78)
Total:	<u>\$18,402.48</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Nolin RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,



Mark David Goss

Enclosure

Goss Samford, PLLC
Suite B-325
2365 Harrodsburg Road
Lexington, KY 40504
Telephone: 859-368-7740

Attachment 1C
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March 08, 2017

Invoice No. 3071

Nolin RECC
Attn: Mr. Michael Miller
411 Ring Road
Elizabethtown, KY 42701-6767

Client Number: 8035 Nolin RECC
Matter Number: 0367 Nolin RECC - 2016 Rate Case - 2016-00367
For Services Rendered Through 2/28/2017.

Fees				
<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
2/3/2017	MEB	Review Motion for Extension of Time re responses to data requests; exchange emails with M. Goss re same.	0.30	\$60.00
2/6/2017	MEB	Review email exchange between M. Goss and J. Scott re production of contracts in response to data request; begin review of application.	1.60	\$320.00
2/6/2017	MDG	Multiple telephone and email exchanges with J. Scott re issue of how to address voluminous pages of responses to AG Information Requests; consult KPSC regulations pertaining to filing of documents into record.	1.70	\$501.50
2/6/2017	MDG	Receipt and review of emails from J. Scott containing draft language responsive to Information Requests concerning legal activities and billing for Nolin general counsel.	0.50	\$147.50
2/7/2017	MEB	Review AG's Response to Motion for Extension of Time re responses to requests for information; review procedural schedule; conference with M. Goss re possibility of confidential and/or voluminous responses.	0.50	\$100.00
2/7/2017	MDG	Receipt and review of email from A. Goad, AG's office, providing a written response to Nolin's Motion for Extension of Time.	0.30	\$88.50
2/8/2017	MEB	Review Order granting Motion for Extension of Time re responses to data requests; continue extensive review of Application, schedules, exhibits, and responses to requests for information.	2.80	\$560.00

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Client Number: 8035
Matter Number: 0367

Attachment 1C
3/8/2017
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Page: 2

2/8/2017	MDG	Multiple telephone consultations with M. Miller and J. Scott to discuss strategy for responding to certain Information Requests from KPSC Staff and AG.	1.00	\$295.00
2/8/2017	MDG	Receipt and review of Order from KPSC sustaining Nolin's Motion for Extension of Time to respond to Information Requests from PSC Staff and AG.	0.40	\$118.00
2/9/2017	MDG	Telephone conference call with M. Miller and J. Scott to discuss AG's Information Requests and related matters.	0.50	\$147.50
2/9/2017	MDG	Multiple telephone consultations with A. Goad, AG staff attorney, re Ft. Knox contracts; email to M. Miller and J. Scott re same.	0.90	\$265.50
2/10/2017	MEB	Conferences with M. Goss re Fort Knox contracts and discovery issues, case overview; update pleadings index and conference with A. Lovell re same; begin review of PSC and AG requests for information.	1.70	\$340.00
2/10/2017	MDG	Telephone consultation with J. Scott re disclosure of Nolin/U.S. Army contracts; office conference with E. Buckley to discuss same.	0.50	\$147.50
2/10/2017	MDG	Multiple email exchanges with A. Coffey re draft responses to staff's and AG's Information Requests.	0.50	\$147.50
2/12/2017	MDG	Read and review entire case file up to date (application, exhibits, testimony, prior Information Request Responses filed of record, etc.), including all draft Information Request Responses being prepared to PSC Staff's Second and AG's Initial Information Requests.	7.30	\$2,153.50
2/13/2017	MEB	Continue extensive review and revision of responses to PSC and AG requests for information; review emails exchanged between M. Miller, A. Coffey, J. Scott, et al. re same; conferences with M. Goss re same.	4.20	\$840.00
2/13/2017	MDG	Receipt, review and revise additional draft Responses to PSC Staff's and AG's Information Requests; multiple office conferences with E. Buckley to discuss strategy for review and comment and drafting of Motion for Confidential Treatment; multiple email exchanges with M. Miller to discuss logistics for review, discussion and preparation of documents for filing.	2.30	\$678.50

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2/14/2017	MEB	Review and revise additional draft Responses to PSC Staff's and AG's Information Requests; conferences with M. Goss re same; begin draft of Motion for Confidential Treatment; review email exchanges between M. Miller, M. Goss et al. re logistics for review, discussion and preparation of documents for filing; conference call with M. Miller, et al. re revisions to Responses; compile substantive revisions and email to M. Miller, et al. re same.	4.90	\$980.00
2/14/2017	MDG	Multiple email and telephone exchanges with M. Miller, J. Adkins, S. Roberson, J. Scott, and rest of Nolin RECC team to walk through each draft Response to PSC 2 and AG 1 Information Requests; multiple office consultations with E. Buckley to discuss and coordinate the drafting and transmittal of revised language for responses.	4.40	\$1,298.00
2/15/2017	MEB	Review and revise additional draft Responses to PSC Staff's and AG's Information Requests; conferences with M. Goss re same; continue draft of Motion for Confidential Treatment; review case file related to Fort Knox activities, 2015 settlement, financial metrics, etc.; draft proposed Confidentiality Agreement with AG; conference call and email exchanges with M. Miller, et al. re same; review relevant pages from privatization contract with USofA and revise Motion for Confidential Treatment re same.	5.60	\$1,120.00
2/15/2017	DSS	Conference with E. Buckley re draft responses to data requests prepared by J. Adkins.	0.20	\$55.00
2/15/2017	MDG	Multiple email and telephone consultations with M. Miller, J. Scott, J. Adkins and Nolin RECC team, re discussion of various Responses to PSC staff and AG Information Requests; multiple office consultations with E. Buckley to coordinate revisions and review of redacted/unredacted information in draft Responses; review of draft Confidentiality Agreement and transmittal to A. Goad.	4.20	\$1,239.00
2/16/2017	MEB	Conferences with M. Goss re Motion for Confidential Treatment; exchange emails with M. Miller, et al. re same; telephone conference with S. Roberson re compilation of materials and filing requirements; revise and finalize Motion for Confidential Treatment; review emails from M. Goss re AG's execution of Confidentiality Agreement, related issues; conference with M. Miller re Fort Knox contracts and discovery response.	3.80	\$760.00

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Client Number: 8035
Matter Number: 0367

Attachment 1C
3/8/2017
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Page: 4

2/16/2017	MDG	Multiple telephone and email exchanges with M. Miller, S. Roberson, et al., to assist with final instructions for filing Responses to PSC staff 2 and AG 1 Information Requests; office conference with M. Miller to review and discuss various Ft. Knox contracts being provided into Goss Samford's possession; multiple email exchanges with A. Goad, AG's office, re receipt of Confidentiality Agreement and other matter related to Responses.	4.50	\$1,327.50
2/17/2017	MDG	Multiple email and telephone consultations with S. Smith at PSC Filings Division re problem with acceptance of Responses to AG's Information Requests; multiple telephone consultations with M. Miller; multiple email exchanges with A. Goad, AG's office; office conferences with A. Cannon and E. Buckley to retrieve filing and address issues for re-filing.	3.40	\$1,003.00
2/17/2017	MDG	Email exchanges with A. Goad re execution of Confidentiality Agreement to view confidential information in Responses to Information Requests.	0.40	\$118.00
2/17/2017	MEB	Conferences with M. Goss re acceptance of Responses to AG's Information Requests; begin review of retrieved filing.	1.60	\$320.00
2/19/2017	MEB	Review and notate original and copies of tendered/retrieved version of Response to AG's 1st DR; identify and begin addressing various issues presented; begin draft of motion for leave to late-file corrected response; email exchange with M. Goss re same.	3.20	\$640.00
2/20/2017	MEB	Compile various revised responses to AG's 1st DR; conference call with M. Miller, et al. re same; deconstruct, revise, copy, and bundle revised response; finalize motion for leave to late-file same; prepare cover letter; conferences with M. Goss re same; hand-deliver documents to KPSC and AG in Frankfort; email to A. Goad (AG) re same.	7.30	\$1,460.00
2/20/2017	AAC	Travel to and from Kentucky Public Service Commission to retrieve client filing.	1.00	\$50.00
2/20/2017	MDG	Review of Nolin's filing made at KPSC in Response to AG's Information Requests which had to be retrieved from KPSC; multiple office consultations with E. Buckley to sort through the issues and develop a strategy for revising the filing; email exchanges with A. Goad, AG staff counsel, re same; multiple telephone and email exchanges with A. Coffey, S. Robertson, J. Adkins, et al.	5.70	\$1,681.50

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Client Number: 8035
 Matter Number: 0367

Attachment 1C
 3/8/2017
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2/21/2017	MDG	Continue review of entire filing made on 2/16/17 at PSC re AG's Information Requests; various email and telephone exchanges with M. Miller, et al to discuss status of filing made in response to AG's Request for Information; multiple office consultations with E. Buckley re same.	2.60	\$767.00
2/23/2017	MEB	Review email from A. Goad (AG) re DR response.	0.10	\$20.00
2/27/2017	MEB	Review emails from KPSC Staff, AG re scheduling an IC; exchange emails with M. Goss re same.	0.20	\$40.00
2/28/2017	MEB	Telephone call with J. Scott re telephonic IC requested by KPSC Staff; emails to KPSC Staff, AG re same; conference with M. Goss re same; schedule conference call and exchange emails with J. Scott re same.	0.90	\$180.00
2/28/2017	MDG	Receipt and review of email from J. Fell, KPSC legal staff, re various issues with Nolin's Responses to Information Requests and request to schedule a telephonic Informal Conference for 3/1/1; review of issues stated to be addressed.	1.00	\$295.00

Billable Hours / Fees: 81.00 \$20,214.50

Flat Charge Hours / Fees: 1.00 \$50.00

Timekeeper Summary

Timekeeper DSS worked 0.20 hours at \$275.00 per hour, totaling \$55.00.

Timekeeper MDG worked 42.10 hours at \$295.00 per hour, totaling \$12,419.50.

Timekeeper MEB worked 38.70 hours at \$200.00 per hour, totaling \$7,740.00.

Timekeeper AAC worked 1.00 flat charge hours totaling \$50.00.

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check No.</u>
2/10/2017	Photocopies - pleadings for review and client file	\$7.10	
2/10/2017	Photocopies - documents for review	\$8.60	
2/12/2017	Photocopies - Information Request Responses	\$4.30	
2/13/2017	Photocopies - Rate Case Pleadings	\$23.90	
2/14/2017	Photocopies - Responses	\$1.40	
2/17/2017	Roundtrip to Kentucky Public Service Commission to pick up client filing (AAC)	\$26.88	
2/20/2017	Photocopies - Response to AG Request for Information	\$74.50	
2/20/2017	Color Photocopies - Responses to AG Request for Information	\$15.00	

Continued On Next Page

Client Number: 8035
Matter Number: 0367

2/20/2017	Roundtrip mileage to/from KPSC and State Capitol (AG) to file/serve corrected DR Response (MEB).	\$31.58
Total Costs		\$193.26

Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2/27/2017	Check Number 15006284	(\$1,185.00)
Total Payments Received:		(\$1,185.00)

Current Invoice Summary

Prior Balance:	\$1,185.00	
Payments Received:	(\$1,185.00)	Last Payment: 2/27/2017
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$20,264.50	
Discount on Legal Fees:	(\$2,055.28)	
Advanced Costs:	\$193.26	
TOTAL AMOUNT DUE:	\$18,402.48	



Attached to **INVOICE**

117 NORTH MAIN STREET
 ELIZABETHTOWN KY 42701
 270-765-6171

INVOICE NUMBER **Page 18564-0**
 INVOICE DATE **03/13/17**
 ACCOUNT NUMBER **10233**
 DEPT NUMBER

BILL TO ADDRESS		SHIP TO ADDRESS			
NOLIN RECC 411 RING ROAD ELIZABETHTOWN KY 42701 270-765-6153		NOLIN RECC 411 RING ROAD ELIZABETHTOWN KY 42701			
CUSTOMER PURCHASE ORDER	SALESPERSON	TERMS	ROUTE	PAYCODE	ORDER TAKER
	KRISTY MAYS		2	CHARGE	KERR



ITEM NUMBER	MFG	ITEM DESCRIPTION	UM	ORD QTY	B/O QTY	SHIP QTY	SELL PRICE	EXTEND PRICE
36592	BSN	Who Called : Cheryl Thomas PAPER, COPY, 3HP, 6.5X11, WHT Phone: 270-765-6153 x 1050 Email: cthomas@nolinrecc.com	CT	1		1	49.99	49.99

928
CEC 287

OK
3-14-17

Subtotal 49.99
Tax 3.00
Total Due 52.99

01.928.00 AC257 Rate Case

STAPLES

1807 N. Dixie Blvd.
Elizabethtown, KY 42701
(270) 737-9929

SALE 1606584 1 001 11224
0757 03/15/17 10:25

Your Sales Associate was:
Richard R

QTY	SKU	PRICE
1	SPLS 8GB USB 2.0 F 718103266734	49.99
1	SPLS 8GB USB 2.0 F 718103266734	49.99
SUBTOTAL		99.98
Standard Tax 6.00%		6.00
TOTAL		\$105.98

VISA CREDIT USD\$105.98
Card No.: XXXXXXXXXXXX4106 [C]
Chip Read
Auth No.: 004378
AID.: A0000000031010

TOTAL ITEMS 2

Staples brand products.
Below Budget. Above Expectations.

THANK YOU FOR SHOPPING AT STAPLES !

Shop online at www.staples.com

Get with the program.
Staples Rewards members get up to 5%
back in rewards and free shipping every
day. Exclusions apply. See an associate
for full program details or to enroll.



Allison Coffey

PSC Case No. Attachment 1
20 No. 003674

From: Staples <support@orders.staples.com>
Sent: Monday, March 06, 2017 12:18 PM
To: Allison Coffey
Subject: Confirmation of Staples Order: #9752139430

Hello Allison Coffey,




Thank you for choosing Staples. Below is a summary of your recent order. We'll send you another email once it's shipped. To view or cancel your order please visit My Orders. Most orders may be cancelled within 30 minutes of being placed.

ORDER NUMBER: 9752139430
Order Date: 03/06/2017

BILLING ADDRESS	PAYMENT INFORMATION	PAYMENT METHOD
Allison Coffey Nolin Recc 411 Ring Rd Elizabethtown, KY 42701	Subtotal: \$73.35 Discounts: \$0.00 Shipping/Fees: \$0.00 Tax: \$4.40 Order Total: \$77.75	Vending inc #104 \$77.75

ITEMS FOR DELIVERY

Expected Delivery: Tuesday, March 07, 2017
Ship To: 411 Ring Rd, Elizabethtown, KY 42701

Item	Price	Qty	Discounts	You Paid
 KleerFax Side Tab Index Sets 125 Tabs White 8 12 x 11 Item #407678	\$4.89	15	\$0.00	\$73.35

Details for Order #002-7207911-8946603

Print this page for your records.

Order Placed: March 6, 2017
Amazon.com order number: 002-7207911-8946603
Order Total: \$49.50

PSC
Case No. 2016-100367

Not Yet Shipped

Items Ordered

Price

18 of: Avery Premium Collated Legal Exhibit Divider Set, Avery Style, 1-25 and Table of Contents, Side Tab, 8.5 x 11 Inches, 1 Set (11370) \$2.59

Sold by: Amazon.com LLC

Condition: New

Shipping Address:

Allison Coffey
411 RING RD
ELIZABETHTOWN, KY 42701-6767
United States

Shipping Speed:

FREE Shipping

Payment information

Payment Method:

Visa | Last digits: 7104

Billing address

Nolin RECC
411 Ring Rd
Elizabethtown, Kentucky 42701
United States

Item(s) Subtotal: \$46.62
Shipping & Handling: \$95.66
Free Shipping: -\$95.66

Total before tax: \$46.62
Estimated tax to be collected: \$2.88

Grand Total: \$49.50

To view the status of your order, return to [Order Summary](#).

[Conditions of Use](#) | [Privacy Notice](#) © 1996-2017, Amazon.com, Inc. or its affiliates

ISC Case # 2016-00367

*Felicia
Bossett*

Attachment 1C
STAPLES Page 15

1807 N. Dixie Blvd.
Elizabethtown, KY 42701
(270) 737-9929

SALE 1818555 2 002 57253
0757 03/13/17 02:44
QTY SKU PRICE

REWARDS NUMBER 0399912740

1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	INDEX MAKER 12 TAB	
	072782114282	6.00
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	AVERY 8TAB CLEAR L	
	072782114176	7.49
1	INDEX MAKER 12 TAB	
	072782114282	6.00
1	SPLS 8GB USB 2.0 F	
	718103266734	49.99
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	INDEX MAKER 12 TAB	
	072782114282	6.00
1	SPLS 8GB USB 2.0 F	
	718103266734	49.99
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
1	AVERY 8TAB CLEAR L	
	072782114176	7.49
1	LEGAL INDEX 1-25 W	
	718103125000	7.49
SUBTOTAL		185.39
Standard Tax 6.00%		11.12
TOTAL		\$196.51

VISA CREDIT USD\$196.51
Card No.: XXXXXXXXXXXX7570 [C]
Chip Read
Auth No.: 009452
AID.: A0000000031010

TOTAL ITEMS 14

Staples brand products.
Below Budget. Above Expectations.

THANK YOU FOR SHOPPING AT STAPLES !

Shop online at www.staples.com

Get with the program.
Staples Rewards members get up to 5%
back in rewards and free shipping every
day. Exclusions apply. See an associate



89

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

Date 3/14/2017 11:52 AM

Order # 14

Order Taken By : jacob

1 6" Artichoke	\$5.75
+1 Mushrooms	
1 Sm Fresh Cut	\$2.25
1 6" Teriyaki	\$5.75
+1 Sauteed Onions	
+1 Mushrooms	
1 Sm Fresh Cut	\$2.25
1 6" Parmesan	\$5.75
1 6" Italian	\$5.75
1 Sm Fresh Cut	\$2.25
1 Cookie	\$2.00
1 Cookie	\$2.00
1 Cookie	\$2.00
1 Cookie	\$2.00
Sub Total	\$37.75
Tax	\$3.07
Total	\$40.82
Credit	\$40.82
	\$0.00

6" Sub on Us

Get the 'Penn Station Subs' App
 Eat great food & get rewarded!

Meal - Rate Case

Felicia

SARA

JIM ADKINS

M. MILLER

Farmers Rate Case
Meeting @ office

Welcome to Chick-fil-A *R. Ryan*
 Elizabethtown FSU (#01639)
 Elizabethtown, KY
 270-982-1350
 Chris Flanagan
 CUSTOMER COPY

**** DUPLICATE RECEIPT ****

3/15/2017 11:06:13 AM

DINE IN

Order Number: 3708264

3 Pkgd Meal	25.44
CFA Sand	
Frt Cup MD	0.30
Chips	
Cookie 1 Ct	

Sub. Total:	\$25.74
Tax:	\$2.09
Total:	\$27.83

Change	\$0.00
Visa:	\$27.83

Register:3 Tran Seq No: 3708264

Cashier:Teresa W

It was a pleasure serving you!
Have a wonderful day.

Visa
Card Num : (*) XXXXXXXXXXXX9352
Terminal : KA13006101003
Approval : 003433
Sequence : 035685

I agree to pay the above Total Amount
according to Card Issuer Agreement.

Signature: _____

FARMERS RATE CABE
Meeting @ office
P. Ryan

Welcome to Chick-fil-A
Elizabethtown FSU (#01639)
Elizabethtown, KY
270-982-1350
Chris Flanagan
CUSTOMER COPY

**** DUPLICATE RECEIPT ****

3/15/2017 11:04:08 AM

PICKUP

Order Number: 3705096

Guest: Nolin Recc
Phone 2707656153EXT3341
Promised Time: 3/15/2017 11:00 AM

20 Pkgd Meal	169.60
CFA Sand	
Frt Cup MD	2.00
Chips	
Cookie 1 Ct	
6 Spcy Sand	20.10
Sub. Total:	\$191.70
Tax:	\$15.57
Total:	\$207.27

Change \$0.00
Visa: \$207.27

Register:7 Tran Seq No: 3705096

Cashier:Elizabeth

It was a pleasure serving you!
Have a wonderful day.

Visa
Card Num : (*) XXXXXXXXXXXX9352
Terminal : KA13006101006
Approval : 001632
Sequence : 035681

I agree to pay the above Total Amount
according to Card Issuer Agreement.

Signature: _____



Attorneys at Law

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

April 6, 2017

Mr. Michael Miller
President and CEO
Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

Re: Invoice for March 1, 2017 to March 31, 2017

Dear Mickey:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Nolin RECC for the period from March 1, 2017 to March 31, 2017. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

<u>Matter Description</u>	<u>Amount</u>
2016 Rate Case – current fees	\$22,744.26
Total:	<u>\$22,744.26</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Nolin RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

Enclosure

Goss Samford, PLLC

Suite B-325
2365 Harrodsburg Road
Lexington, KY 40504
Telephone: 859-368-7740

Attachment 1C

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April 06, 2017

Invoice No. 3107

Nolin RECC
Attn: Mr. Michael Miller
411 Ring Road
Elizabethtown, KY 42701-6767

Client Number: 8035 Nolin RECC

Matter Number: 0367 Nolin RECC - 2016 Rate Case - 2016-00367

For Services Rendered Through 3/31/2017.

Fees

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
3/1/2017	MEB	Review emails exchanged by M. Goss, A. Goad (AG) re issues with responses to requests for information; prepare for and participate in telephone conference and PSC informal conference re same; conferences with M. Goss, additional emails with A. Coffey, A. Goad re compilation of confidential information.	3.20	\$640.00
3/1/2017	MDG	Participate in telephonic Informal Conference with KPSC Staff, Nolin Staff, attorneys and Attorney General; participate in pre-IC telephone conference with Nolin Staff; multiple post-IC email and telephone exchanges with Nolin Staff and AG to clarify miscellaneous items; work with E. Buckley to sort through various deficiencies in Responses and organize a method to address same; review of multiple documents, spreadsheets, etc., sent by A. Coffey.	4.50	\$1,327.50
3/2/2017	MEB	Review Staff's 3rd Request for Information and memorandum detailing informal conference; exchange emails with A. Coffey, et al. re compilation of confidential materials and other items; review record of case; exchange emails with A. Goad (AG) re confidential information; review AG's second request for information; review emails exchanged by M. Goss, J. Scott re addressing next round of data requests.	3.20	\$640.00

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Client Number: 8035
Matter Number: 0367

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3/2/2017	MDG	Multiple office conferences with E. Buckley to discuss provision of requested information and documentation to AG and PSC Staff pursuant to Informal Conference on 3/1/17; email exchanges with J. Scott and M. Miller re strategy for filing next round of responses to discovery and other matters related to case.	2.30	\$678.50
3/3/2017	MEB	Exchange multiple emails with A. Coffey re Excel files of Application exhibits, new round of requests for information, etc.; draft cover letter for filing of Excel files; review and compile Excel files; telephone conference with KPSC filing division re filing of same; conferences and email exchange with M. Goss re same.	3.00	\$600.00
3/3/2017	MDG	Multiple email exchanges with A. Coffey, et al., re both old and new Information Requests; office conferences with E. Buckley to discuss status of same.	0.50	\$147.50
3/5/2017	MDG	Receipt and review of email from A. Goad pertaining to non-receipt of all Confidential Information in case; telephone exchange with Nolin staff re same; further email and telephone exchanges with A. Goad to clarify situation.	1.80	\$531.00
3/6/2017	MEB	Prepare for and participate in conference call with M. Miller, et al. re responses to Staff's and AG's supplemental DR; review Google drive established by A. Coffey for responses; review email from A. Coffey re excel files requests by KPSC Staff; compile files and duplicate CDs for filing/service in Frankfort; revise and finalize cover letter; file and serve same in Frankfort; conferences with M. Goss re all.	4.20	\$840.00
3/6/2017	MDG	Office consultation with E. Buckley to discuss results of conference call with Nolin staff and strategy for moving forward to assist in responding to Information Requests.	1.00	\$295.00
3/8/2017	MDG	Review of multiple emails from A. Coffey, et al., re draft responses from Nolin to PSC staff and AG Information Requests.	0.70	\$206.50
3/8/2017	MEB	Review and respond to emails from A. Coffey, S. Roberson, et al. re responses to requests for information.	0.70	\$140.00
3/9/2017	MEB	Telephone call with A. Coffey, S. Roberson re responses to requests for information; compile and begin review of drafts of same.	1.40	\$280.00

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Client Number: 8035
Matter Number: 0367

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3/10/2017	MDG	Review of draft Nolin responses to PSC staff Information Requests; review of exhibits and attachments; multiple office conferences with E. Buckley to discuss and revise same.	2.90	\$855.50
3/10/2017	MDG	Email exchange with J. Scott to discuss draft response to AG Information Request re settlement with Government on Ft. Knox situation.	0.40	\$118.00
3/10/2017	MEB	Continue review and revision of responses to PSC Third DR; numerous email exchanges and telephone calls with A. Coffey, S. Roberson, et al. re same; multiple conferences with M. Goss re same.	5.50	\$1,100.00
3/13/2017	MEB	Continue review of responses to PSC Third DR; numerous email exchanges with A. Coffey, S. Roberson re same; draft motion for extension of time to respond to AG's supplemental DR; begin draft of motion for confidential treatment; review KPSC Order scheduling hearing and draft email to M. Miller, et al. re same.	5.40	\$1,080.00
3/13/2017	MDG	Receipt and review of multiple email exchanges between E. Buckley and A. Coffey re status of responses; office conference with E. Buckley to discuss same; receipt and review of Order from KPSC setting hearing date.	1.20	\$354.00
3/14/2017	MEB	Continue review and revision of responses to PSC Third DR and AG's Supplemental DR; numerous email exchanges and telephone calls with A. Coffey, S. Roberson, et al. re same; revise draft of motion for confidential treatment; exchange emails with M. Miller, J. Scott, et al. re same; review Ft. Knox non-prosecution agreement; review KPSC Order denying intervention to customer; multiple conferences with M. Goss re all.	8.00	\$1,600.00
3/14/2017	MDG	Office consultation with E. Buckley to carefully review and revise Nolin's draft Responses to rest of Staff 3 and all of AG 2 Information Requests; monitor multiple email exchanges between Nolin staff and E. Buckley re various matters and issues.	2.30	\$678.50
3/15/2017	MEB	Multiple email exchanges and telephone calls with A. Coffey, et al. re finalization of responses; review and revise same; finalize cover letter and motion for confidential treatment; conferences with M. Goss re same and re compilation of complete record/hearing prep.	3.00	\$600.00

Continued On Next Page

3/15/2017	MDG	Multiple office consultations with E. Buckley to discuss status of Nolin's filing of Responses to Staff's and AG's Information Requests; review of draft cover letter and Motion for Confidential Treatment and execute same; monitor multiple email exchanges between E. Buckley and A. Coffey, et al., re status of filing.	1.80	\$531.00
3/16/2017	MEB	Review and compile full case record, noting and updating in light of revised exhibits/attachments, confidential information, etc.; begin organizing material for hearing prep; email exchange with A. Coffey re hardcopy of filings made 3/15.	3.80	\$760.00
3/17/2017	MEB	Conference with A. Cannon re organization of case documents.	0.20	\$40.00
3/20/2017	MDG	Receipt and review of email from J. Fell, staff counsel at KPSC, discussing need for additional electronic versions of various Application and Information Response exhibits; multiple office consultations with E. Buckley to discuss and coordinate a response to request.	1.20	\$354.00
3/20/2017	MEB	Exchange emails with J. Fell (PSC) re needed electronic copies of confidential Application exhibits; telephone call and email exchanges with A. Coffey re same; review and compile exhibits in possession and those provided by A. Zumstein; draft cover letter for filing; conferences with M. Goss re same.	2.60	\$520.00
3/21/2017	MEB	Conference with M. Goss re hearing prep session; review multiple emails from M. Goss, M. Miller, J. Scott re same; exchange emails with A. Coffey re confidential electronic application exhibits and hardcopies of filings; prepare CDs containing confidential exhibits and file/serve same in Frankfort; exchange emails with A. Goad (AG), J. Scott re teleconference.	4.00	\$800.00
3/21/2017	MDG	Multiple email exchanges with M. Miller, J. Scott, et al.; telephone consultation with J. Scott; discussion of necessity of and dates for pre-trial preparation session at Nolin.	1.00	\$295.00
3/22/2017	MEB	Prepare for and participate in conference call with A. Goad (AG), L. Cook (AG), and J. Scott re supplemental data request responses; email to M. Miller, et al. re same; telephone conference with M. Goss re same.	1.30	\$260.00
3/22/2017	MDG	Multiple email exchanges with M. Miller, J. Scott, et al., re coordination of two-day hearing preparation session at Nolin HQ.	1.20	\$354.00

Continued On Next Page

Client Number: 8035
Matter Number: 0367

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3/23/2017	MEB	Review emails from M. Miller, J. Scott, and M. Goss re hearing prep and hearing attendance; begin compilation of hearing prep materials and updating application with all revised documents.	3.80	\$760.00
3/24/2017	MEB	Draft response to AG's request for supplemental information re Fort Knox settlement; email exchange with S. Roberson, M. Miller, et al. re same; continue compilation and organization of hearing prep materials.	4.00	\$800.00
3/27/2017	MEB	Continue compilation and organization of hearing prep materials; conference with M. Goss re same; conference with M. Goss re response to AG's supplemental request re Ft. Knox.	3.80	\$760.00
3/27/2017	MDG	Multiple email exchanges with M. Miller, et al., to continue discussion of dates for rate case hearing preparation meeting.	0.30	\$88.50
3/27/2017	MDG	Review of draft Supplemental Response to AG's Information Request pertaining to Ft. Knox revenues sent by S. Roberson; office conferences with E. Buckley to discuss approach for response; lengthy email drafted and sent to S. Roberson, et al., to provide advice on revision to draft response.	1.40	\$413.00
3/28/2017	MEB	Review emails from A. Coffey, M. Goss re scheduling of hearing prep sessions.	0.20	\$40.00
3/28/2017	MDG	Multiple email exchanges with M. Miller, J. Scott, A. Coffey, et al., to discuss and finalize rate case hearing preparation meeting.	0.50	\$147.50
3/29/2017	MDG	Receipt and review of email from M. Miller containing narrative related to Ft. Knox arrangement; office conference with E. Buckley to discuss same and need to revise for insertion in supplemental response to AG Information Request.	1.40	\$413.00
3/29/2017	MEB	Review email from M. Miller re supplemental response to AG-2-23 (Ft. Knox arrangement); conferences with M. Goss re same; revise draft response; email exchange with A. Coffey re hearing notice; review KPSC Order and applicable regulation re same.	2.50	\$500.00

Continued On Next Page

Client Number: 8035
 Matter Number: 0367

3/30/2017	MEB	Revise supplemental response to AG-2-23 (Ft. Knox arrangement); conferences with M. Goss re same; email exchange and telephone call with M. Miller, J. Scott re same; telephone call with L. Cook (AG) re accounting treatment of retired meters; email to M. Miller, et al. re same; telephone call with A. Coffey re publication of notice and conference with M. Goss re same; draft notice and email exchange with A. Coffey re same.	2.50	\$500.00
3/30/2017	MDG	Review of draft Supplemental Response which E. Buckley had rewritten to AG's Information Request pertaining to Ft. Knox issues; review of multiple emails from M. Miller, J. Scott, et al., re same; office consultation with E. Buckley to discuss issue of proper notice of publication of rate case hearing.	1.70	\$501.50
3/31/2017	MDG	Multiple email exchanges with M. Miller, et al., and office consultations with E. Buckley to discuss several versions of supplemental response to AG's Information Request pertaining to Ft. Knox issues; supervise filing of same at KPSC.	1.50	\$442.50
3/31/2017	MEB	Exchange emails with M. Miller, et al. re supplemental response to AG-2-23; conferences with M. Goss re same; prepare Verification re same; revise and finalize response and prepare for filing/service; exchange emails with M. Miller, L. Cook (AG) re meter-retirement accounting; update file and hearing prep materials.	3.20	\$640.00

Billable Hours / Fees: 99.10 \$22,632.00

Timekeeper Summary

Timekeeper MDG worked 29.60 hours at \$295.00 per hour, totaling \$8,732.00.
 Timekeeper MEB worked 69.50 hours at \$200.00 per hour, totaling \$13,900.00.

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check No.</u>
3/9/2017	Photocopies - Draft Exhibits for upcoming filing	\$13.60	
3/21/2017	Mileage to/from Frankfort to file (PSC) and serve (AG) electronic confidential exhibits to Application (MEB).	\$31.92	
3/23/2017	Photocopies - Hearing prep documents - Application and 2nd DR	\$61.10	
3/31/2017	Photocopies - Supplemental Response to AG Request	\$2.50	

Continued On Next Page

Client Number: 8035

Matter Number: 0367

Attachment 1C

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3/31/2017	Postage - Supplemental Response to AG Request	\$3.14
	Total Costs	\$112.26

Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
4/5/2017	Check Number 15006683	(\$18,209.22)
4/5/2017	Check Number 15006683	(\$193.26)
	Total Payments Received:	(\$18,402.48)

Current Invoice Summary

Prior Balance:	\$18,402.48	
Payments Received:	(\$18,402.48)	Last Payment: 4/5/2017
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$22,632.00	
Advanced Costs:	\$112.26	
TOTAL AMOUNT DUE:	\$22,744.26	

JOHN J. SCOTT, PSC
 108 East Poplar Street
 P.O. Box 389
 Elizabethtown, Kentucky 42702-0389

Attachment 1C
 ATTORNEY ~~Page 27~~

JOHN J. SCOTT

TELEPHONE 270-765-2179
 FAX 270-765-2180

Nolin R.E.C.C.
 411 Ring Road
 Elizabethtown, Ky. 42701

Invoice

INVOICE NO. 19250

4/11/17

FOR PROFESSIONAL SERVICES RENDERED
 PLEASE MAKE CHECKS PAYABLE TO: JOHN J. SCOTT, PSC

DATE	DESCRIPTION	BILLABLE HOURS	AMOUNT
1/6/17	To Nolin regarding rate case and delinquent accounts	01.928 AC287 .7	140.00 ✓
1/11/17	Drafting of status of litigation letter at request of auditor	01.923 AC 6 .4	80.00 ✓
1/11/17	Preparation of certified mail to be sent to Federated Insurance Co.	05.923 AC6 .4	80.00 ✓
1/11/17	Reimbursement for certified mailing costs	05.923 AULP \$6.47	6.47 ✓
1/13/17	Report to Red Flag Reporting Service concerning status of Red Flag	01.923 AC271 .3	60.00 ✓
1/13/17	Receipt and review of Order from Kentucky Public Service Commission concerning rate case	01.928 AC287 .3	60.00 ✓
1/13/17	Review of Request from Kentucky Housing Corporation regarding information they are seeking about a member's account and follow-up with Nolin concerning that request	01.923 AC6 .4	80.00 ✓
1/16/17	Emails concerning request of information from CEMs (multiple emails)		120.00
1/16/17	Correspondence with Nolin concerning Allen estates and capital credits and discussion with attorney involving those estate	01.923 AC6 .4	80.00 ✓

01.923.261 \$ 120.00
 05.923 AC28 \$ 750
 01.928 AC 287 \$1540
 05.923 AC6 \$746.47
 01.923 AC6 \$1440

01.923.00 AC271 \$ 180
 09.923. AC6 \$40
 02.923.00 AC 273 \$240

Total
Payments
Total Due

JOHN J. SCOTT, PSC
108 East Poplar Street
P.O. Box 389
Elizabethtown, Kentucky 42702-0389

JOHN J. SCOTT

TELEPHONE 270-765-2179
FAX 270-765-2180

Nolin R.E.C.C.
411 Ring Road
Elizabethtown, Ky. 42701

Invoice

INVOICE NO. 19251

4/11/17

FOR PROFESSIONAL SERVICES RENDERED
PLEASE MAKE CHECKS PAYABLE TO: JOHN J. SCOTT, PSC

DATE	DESCRIPTION	BILLABLE HOURS	AMOUNT
2/1/17	Multiple correspondence concerning rate case with attorneys and other Nolin personnel	01928AC287 .8	160.00 ✓
2/1/17	Correspondence with Attorney True and with CEM and review of agreements with US Attorney's Office and with US Army and discussion of upcoming report to be filed by CEMs	1.2	240.00
2/1/17	Correspondence back from Attorney True and further correspondence from CEMs regarding CEM reports	.4	80.00
2/1/17	Correspondence concerning Ryans bankruptcy and response for request for information	01923AUL6 .4	80.00 ✓
2/2/17	Drafting Motion for Extension of Time in rate case; letter to PSC and Attorney General and filing ten copies of Motion	01928AC287 1.0	200.00 ✓
2/2/17	Correspondence with Nolin regarding various policies	05923AUL6 .3	60.00 ✓
2/2/17	More correspondence concerning Ryan's bankruptcy	01923AUL6 .1	20.00 ✓
2/2/17	Correspondence to PSC in preparation for Motion for an Extension of Time to Answer Request for Information	01928AC287 1.2	240.00 ✓

01.923.261 \$660⁰⁰
01928 AC287 \$3980.
01.923. AUL6 \$500
05.923ACUL6 \$1200
05.923 AC28 \$1750

02.923AC2B \$3140
01.923 AC271 \$340
09.923 AUL6 \$1440

Total
Payments
Total Due

JOHN J. SCOTT, PSC
 108 East Poplar Street
 P.O. Box 389
 Elizabethtown, Kentucky 42702-0389

JOHN J. SCOTT

TELEPHONE 270-765-2179
 FAX 270-765-2180

Nolin R.E.C.C.
 411 Ring Road
 Elizabethtown, Ky. 42701

Invoice

INVOICE NO. 19252
 4/11/17

FOR PROFESSIONAL SERVICES RENDERED
 PLEASE MAKE CHECKS PAYABLE TO: JOHN J. SCOTT, PSC

DATE	DESCRIPTION	BILLABLE HOURS	AMOUNT
3/1/17	Conference call regarding rate case	01.923 AC 257 .3	60.00
3/1/17	Another conference call regarding rate case	01.923 AC 257 .3	60.00
3/2/17	Correspondence from Attorney General's Office regarding rate case (numerous emails)	01.923 AC 257 1.5	300.00
3/2/17	Review of PSC filing in rate case as a follow-up to informal conference on March 1st	01.923 AC 257 .2	40.00
3/3/17	Correspondence concerning banking institution used by Nolin and concern over deposit confirmations, with follow-up	01.923 AC 6 .4	80.00
3/3/17	Review of responsibilities in rate case concerning Attorney General Supplemental Request and follow-up	01.923 AC 257 .3	60.00
3/4/17	Email concerning rate case	01.923 / 257 .1	20.00
3/5/17	Emails concerning rate case conference call	01.923 / 257 .1	20.00
3/6/17	Review of property damage agreement concerning damage to utility pole followed by reply to Nolin	01.923 AC 6 .3	60.00
3/6/17	Review of correspondence from Nolin to employee regarding medical insurance and response to Nolin	05.923 AC 6 .3	60.00
3/6/17	Third party payee problems with persons paying bills	01.923 AC 6 .2	40.00

01.923.261 \$ 140⁰⁰
 01.923 AC 6 \$ 1140
 01.923 AC 257 \$ 3140
 05.923 AC 6 \$ 2160
 01.923 AC 273 \$ 490

01.923.00 AC 271 \$ 120
 05.923 AC 28 \$ 750
 09.923 AC 6 \$ 40

Total
Payments
Total Due



Invoice Number 5-768-19232	Invoice Date Apr 12, 2017	Account Number 1178-0439-9	Page 30 Page 1 of 4
--------------------------------------	-------------------------------------	--------------------------------------	----------------------------------

Billing Address:
 NOLIN RECC
 411 RING RD
 ELIZABETHTOWN KY 42701-6767

Shipping Address:
 NOLIN RECC
 411 RING RD
 ELIZABETHTOWN KY 42701-6767

Invoice Questions?
Contact FedEx Revenue Services
 Phone: (800) 622-1147
 M-F 7 AM to 8 PM CST
 Sa 7 AM to 6 PM CST
 Fax: (800) 548-3020
 Internet: www.fedex.com

Invoice Summary Apr 12, 2017

FedEx Express Services

Transportation Charges		30.26
Special Handling Charges		0.98
Total Charges	USD	\$31.24
TOTAL THIS INVOICE	USD	\$31.24

Other discounts may apply.

Detailed descriptions of surcharges can be located at fedex.com

To ensure proper credit, please return this portion with your payment to FedEx. Please do not staple or fold. Please make check payable to FedEx.

For change of address, check here and complete form on reverse side.

Invoice Number 5-768-19232	Account Number 1178-0439-9	Amount Due USD \$31.24
--------------------------------------	--------------------------------------	----------------------------------

Remittance Advice

Your payment is due by Apr 27, 2017

117804395768192329100000312450

0047632 01 AIB 0.400 **AUTO T10 1101 42701-676711 -C01-P47679-11



NOLIN RECC
 411 RING RD
 ELIZABETHTOWN KY 42701-6767



FedEx
 P.O. Box 371461
 Pittsburgh PA 15250-7461



60008010003138



Invoice Number 5-768-19232	Invoice Date Apr 12, 2017	Account Number 1178-0439-9	Page 31 3 of 4
--------------------------------------	-------------------------------------	--------------------------------------	-------------------

FedEx Express Shipment Summary By Payor Type**FedEx Express Shipments (Original)**

Payor Type	Shipments	Rated Weight lbs	Transportation Charges	Special Handling Charges	Ret Chg/Tax Credits/Other	Discounts	Total Charges
Shipper	1	20.0	30.26	0.98			31.24
Total FedEx Express	1	20.0	\$30.26	\$0.98			\$31.24

TOTAL THIS INVOICE**USD****\$31.24**

Invoice Number 5-768-19232	Invoice Date Apr 12, 2017	Account Number 1178-0439-9	Page 32 Page 4 of 4
--------------------------------------	-------------------------------------	--------------------------------------	------------------------

FedEx Express Shipment Detail By Payor Type (Original)

Ship Date: Mar 22, 2017

Cust. Ref.: NO REFERENCE INFORMATION

Ref.#2:

Payor: Shipper

- Fuel Surcharge - FedEx has applied a fuel surcharge of 3.25% to this shipment.
- Distance Based Pricing, Zone 2

Automation	AWB	Sender	Recipient
Tracking ID	804129396563	ALLISON COFFEY	EVAN BUCKLEY
Service Type	FedEx Express Saver	NOLIN RECC	GOSS SAMFORD PLLC
Package Type	FedEx Medium Box	411 RING RD	2365 HARRODGSBURG RD STE B325
Zone	02	ELIZABETHTOWN KY 42701-6767 US	LEXINGTON KY 40504 US
Packages	1		
Rated Weight	20.0 lbs, 9.1 kgs		
Delivered	Mar 27, 2017 13:58		
Svc Area	A4	Transportation Charge	30.26
Signed by	A.CANNON	Fuel Surcharge	0.98
FedEx Usa	008189720/7167/	Total Charge	USD \$31.24
Shipper Subtotal			USD \$31.24
Total FedEx Express			USD \$31.24



FedEx Package
Express **US Airbill**

FedEx Tracking Number **8041 2939 6563**

PSC Case # 2016-00367

BR 0215

Contract Code

1 From Please print and press hard.

Date **3/22/17**

Sender's FedEx Account Number

Sender's Name

Allison Coffey

Phone (810) 725-4133

Company

NOLIN RECL

Address

411 RING RD

Dept./Floor/Suite/Room

City

ELIZABETHTOWN

State

KY

ZIP

42701-6767

2 Your Internal Billing Reference

First 24 characters will appear on invoice.

3 To Recipient's Name

Evan Buckley

Phone (859) 368-7740

Company

Gross Samford, PLLC

Address

2365 Harrodsburg Rd.

Suite B325

Dept./Floor/Suite/Room

HOLD Weekday
FedEx location address
REQUIRED. NOT available for FedEx First Overnight.

HOLD Saturday
FedEx location address
REQUIRED. Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.

Address

Use this line for the HOLD location address or for continuation of your shipping address.

City

Lexington

State

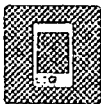
KY

ZIP

40504

\$31.24

0110477078



FedEx at your fingertips. Good call
Go to fedex.com/mobilesolutions

4 Express Package Service * To select locations.

NOTE: Service order may be changed. Please select carefully.

Packages up to 150 lbs.
For packages over 100 lbs., use the extra
FedEx Express Priority™ label.

FedEx First Overnight
Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Priority Overnight
Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Standard Overnight
Next business afternoon.* Saturday Delivery NOT available.

FedEx 2Day A.M.
Second business morning.* Saturday Delivery NOT available.

FedEx 2Day
Second business morning.* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Express Saver
Third business day.* Saturday Delivery NOT available.

5 Packaging * Declared value limit \$200.

FedEx Envelope*

FedEx Pak*

FedEx Box

FedEx Tube

Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery

NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

No Signature Required
Package may be left without obtaining a signature for delivery.

Direct Signature
Someone at recipient's address may sign for delivery. Fee applies.

Indirect Signature
If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?

One business day checked.

No **Yes**
As per attached Shipper's Declaration

Yes
Shipper's Declaration not required.

Dry Ice
Dry Ice, 9 UN 1845 _____ kg

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

Cargo Aircraft Only

7 Payment Bill to:

Sender
Account No. in Section 1 will be used.

Enter FedEx Acct. No. or Credit Card No. below.

Recipient

Third Party

Credit Card

Cash/Check

FedEx Acct. No.
Credit Card No.

Exp. Date

Total Packages

Total Weight

Total Declared Value†

lbs. \$ _____ 00

†Our liability is limited to US\$100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide, including limits that limit our liability.

Rev. Date 2/12 • Part #163134 • ©1994-2012 FedEx • PRINTED IN U.S.A. SRS

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Attachment 1C
Page 33

Statement

Attachment 1C

The UPS Store
1811 N Dixie Ave STE 104
Elizabethtown KY 42701

Page 34
DATE
4/18/2017

NOLIN RECC
411 RING RD
ELIZABETHTOWN, KY 42701
USA

		AMOUNT DUE	AMOUNT ENC.
		\$41.13	
DATE	DESCRIPTION	AMOUNT	BALANCE
02/28/2017	Balance forward		11.17
03/07/2017	INV #00000010566. ALLISON COFFEY --- Shipping(UPS), 1 @ \$12.39 = 12.39 --- SalesTax \$0.00	12.39	23.56
	<i>Goss Sam Ford</i>		
03/14/2017	PMT #2061.	-11.17	12.39
03/20/2017	INV #00000010624. JASON MATTINGLY --- Shipping(UPS), 1 @ \$11.54 = 11.54 --- SalesTax \$0.00	11.54	23.93
	<i>01-928 AC28</i>		
03/29/2017	INV #00000010667. JASON MATTINGLY --- Shipping(UPS), 1 @ \$17.2 = 17.20 --- SalesTax \$0.00	17.20	41.13
			AMOUNT DUE
			\$41.13

Visit our Web Site at: www.theupsstore.com



117 NORTH MAIN STREET
 ELIZABETHTOWN KY 42701
 270-765-6171

Attachment **INVOICE**

INVOICE NUMBER **22337-0**
 INVOICE DATE **04/14/17**
 ACCOUNT NUMBER **10233**
 DEPT NUMBER

BILL TO ADDRESS		SHIP TO ADDRESS			
NOLIN RECC 411 RING ROAD ELIZABETHTOWN KY 42701 270-765-6153		NOLIN RECC 411 RING ROAD ELIZABETHTOWN KY 42701			
CUSTOMER PURCHASE ORDER	SALESPERSON	TERMS	ROUTE	PAYCODE	ORDER TAKER
	KRISTY MAYS		2	CHARGE	1307



ITEM NUMBER	MFG	ITEM DESCRIPTION	UM	ORD QTY	B/O QTY	SHIP QTY	SELL PRICE	EXTEND PRICE
36592	BSN	PAPER, COPY, 3HP, 8.5X11, WHT	CT	1		1	49.99	49.99
		928 CEC287						

Subtotal 49.99
Tax 3.00
Total Due 52.99

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

May 4, 2017

Mr. Michael Miller
President and CEO
Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

Re: Invoice for April 1, 2017 to April 30, 2017

Dear Mickey:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Nolin RECC for the period from April 1, 2017 to April 30, 2017. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

<u>Matter Description</u>	<u>Amount</u>
2016 Rate Case – current fees	\$9,057.61
Total:	<u>\$9,057.61</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Nolin RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,



Mark David Goss

Enclosure

Goss Samford, PLLC

Suite B-325
2365 Harrodsburg Road
Lexington, KY 40504
Telephone: 859-368-7740

Attachment 1C
Page 37

May 03, 2017

Invoice No. 3147

Nolin RECC
Attn: Mr. Michael Miller
411 Ring Road
Elizabethtown, KY 42701-6767

Client Number: 8035 Nolin RECC
Matter Number: 0367 Nolin RECC - 2016 Rate Case - 2016-00367
For Services Rendered Through 4/30/2017.

Fees				
<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
4/4/2017	MEB	Conference with M. Goss re hearing prep, document compilation/binders, etc.; extensive revision to binders and indices.	2.20	\$440.00
4/4/2017	MDG	Office conference with E. Buckley to discuss strategy for compiling and organizing documents for reproduction and furnishing to Nolin staff and rate consultant.	0.50	\$147.50
4/5/2017	MEB	Continue revision of indices for hearing prep binders; conferences with M. Goss, staff re duplication of same; VM and telephone calls with L. Cook (AG), M. Miller re scheduling of hearing; conference with M. Goss re same.	1.10	\$220.00
4/5/2017	MDG	Telephone consultations with L. Cook, AG's counsel, and with M. Miller, re possibility of rescheduling hearing date for rate case; multiple email exchanges with J. Park and R. Raff, PSC counsel, re same.	1.00	\$295.00
4/6/2017	MEB	Conference with M. Goss re proposed IC with Commission Staff; review emails from R. Raff (KPSC), et al. re same; conference with M. Goss re same.	0.50	\$100.00
4/6/2017	MDG	Email exchanges with L. Cook, AG's counsel, and R. Raff, PSC counsel, re rate case hearing date issues.	0.50	\$147.50

Continued On Next Page

4/7/2017	MEB	Review KPSC Order revising hearing date; conference with and review email from M. Goss re same; update calendar; exchange emails with A. Coffey re hearing notice; research governing law, applicable precedent, and prior practices re same.	1.00	\$200.00
4/7/2017	MDG	Receipt and review of Order from KPSC re continuance and rescheduling of rate case hearing; telephone and email exchanges with M. Miller, et al., re same.	0.30	\$88.50
4/10/2017	MEB	Review email from J. Scott re mailing of hearing notice; conference with M. Goss re same.	0.30	\$60.00
4/11/2017	MEB	Review Staff's Fourth Set of Data Requests; email to M. Miller, A. Coffey et al. re same; conference with M. Goss re same; exchange emails with J. Scott, et al. re special board meetings; research case record re same.	1.30	\$260.00
4/11/2017	MDG	Review of Staff's Fourth Information Requests to Nolin; multiple email exchanges with J. Scott re issue of special board meetings and potential response to same.	1.20	\$354.00
4/12/2017	MEB	Exchange emails with A. Coffey re publication of notice of hearing; review Google drive and related documents re response to Staff's Fourth Set of Data Requests.	0.40	\$80.00
4/14/2017	MEB	Review ongoing draft responses to Staff's Fourth Set of Data Requests via Google Drive.	0.70	\$140.00
4/17/2017	MEB	Exchange emails with A. Coffey re draft responses to Staff's Fourth Set of Data Requests; download and compile draft responses for suggested edits.	0.80	\$160.00
4/18/2017	MEB	Review, revise, and comment upon draft responses to Staff's Fourth Set of Data Requests; research Nolin's previous cases re depreciation rates/studies; exchange emails with S. Roberson re various items and issues.	3.90	\$780.00
4/18/2017	MDG	Multiple telephone and email exchanges with E. Buckley re various issues and responses to Staff's Fourth Information Requests.	0.80	\$236.00
4/19/2017	MEB	Continue extensive review, revision, and research re draft responses to Staff's Fourth Set of Data Requests; telephone calls with M. Miller, S. Roberson, et al. re same; telephone calls with M. Goss re same; numerous email exchanges re same.	7.10	\$1,420.00

Continued On Next Page

Client Number: 8035
Matter Number: 0367

5/3/2017

Attachment 1 Page: 3

Page 39

4/19/2017	MDG	Multiple telephone exchanges with E. Buckley to discuss various issues and suggested responses to Staff's Fourth Information Requests.	1.10	\$324.50
4/20/2017	MEB	Email exchanges and telephone calls with S. Roberson re finalization of responses to Staff's Fourth Set of Data Requests; draft cover letter; download finalized responses and begin compiling for hearing prep; conference with M. Goss re same.	1.60	\$320.00
4/21/2017	MEB	Continue compiling documents for hearing prep; finalize hearing prep binders for information submitted to date; conference with M. Goss re same; email to S. Roberson re needed attachments.	3.00	\$600.00
4/24/2017	MEB	Telephone call with A. Coffey, conference with staff re distribution of hearing pre documents; draft cover letter re same; email exchange with S. Roberson re revised Exhibit 3, etc; conference with M. Goss re same.	0.80	\$160.00
4/25/2017	MEB	Multiple email exchanges and telephone call with L. Cook (AG), M. Miller, A. Coffey, et al. re confidential information, response to Staff's 4th DR, etc.; compile all confidential materials submitted in proceeding; prepare CDs and cover letter for distribution of same; conference with M. Goss re same.	3.50	\$700.00
4/25/2017	MDG	Receipt and review of multiple emails from L. Cook, KOAG's office, re confidential information filed by Nolin; office conferences with E. Buckley to discuss same; direct and oversee preparation of CD containing requested information.	1.50	\$442.50
4/26/2017	MEB	Draft form for supplemental response to AG-2-1 (re rate case expense).	0.50	\$100.00
4/28/2017	MEB	Email to J. Adkins re hearing prep materials; begin review of case file for meeting at Nolin on 5/4.	3.50	\$700.00

Billable Hours / Fees: 39.10 \$8,475.50

Timekeeper Summary

Timekeeper MDG worked 6.90 hours at \$295.00 per hour, totaling \$2,035.50.

Timekeeper MEB worked 32.20 hours at \$200.00 per hour, totaling \$6,440.00.

Continued On Next Page

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check No.</u>
4/5/2017	Photocopies - Nolin Hearing Prep Notebook - Part 1	\$202.00	
4/5/2017	Photocopies - Nolin Hearing Prep Notebook - Part 2	\$178.00	
4/5/2017	Office supplies - Index Tab Dividers (1-15) x 6 sets - for Hearing Prep Notebooks	\$90.00	
4/5/2017	Office supplies - 12 hearing prep binders	\$90.00	
4/21/2017	Photocopies - Hearing Prep Binders	\$18.00	
4/24/2017	Office supplies - packing materials for UPS shipment of hearing binders	\$2.50	
4/26/2017	Postage - Confidential CD to AG of Nolin Case Materials	\$1.61	
	Total Costs	\$582.11	

Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
4/13/2017	Check Number 15006905	(\$22,632.00)
4/13/2017	Check Number 15006905	(\$112.26)
	Total Payments Received:	(\$22,744.26)

Current Invoice Summary

Prior Balance:	\$22,744.26	
Payments Received:	(\$22,744.26)	Last Payment: 4/13/2017
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$8,475.50	
Advanced Costs:	\$582.11	
TOTAL AMOUNT DUE:	\$9,057.61	

Allison Coffey

PSC case # 2016-00367 Attachment 16 Page 41

From: Staples <support@orders.staples.com>
Sent: Friday, April 14, 2017 2:36 PM
To: Allison Coffey
Subject: Confirmation of Staples Order: #9754015601

Allison Coffey

Hello Allison Coffey,

STAPLES

Thank you for choosing Staples. Below is a summary of your recent order. We'll send you another email once it's shipped. To view or cancel your order please visit My Orders. Most orders may be cancelled within 30 minutes of being placed.

ORDER NUMBER: 9754015601
Order Date: 04/14/2017

BILLING ADDRESS	PAYMENT INFORMATION	PAYMENT METHOD
Allison Coffey Nolin Recc 411 Ring Rd Elizabethtown, KY 42701	Subtotal: \$52.69 Discounts: \$0.00 Shipping/Fees: \$0.00 Tax: \$3.16 Order Total: \$55.85	Visiting in 7104 \$55.85

ITEMS FOR DELIVERY

Expected Delivery: Monday, April 17, 2017

Ship To: 411 Ring Rd, Elizabethtown, KY 42701

Item	Price	Qty	Discounts	You Paid
Avery Collated Legal Exhibit Divider Sets Avery Style Letter Size Side Tab 125 1St Item #817784	\$4.79	11	\$0.00	\$52.69

Nolin Rural Electric Cooperative Corporation
Case No. 2016-00367
Supplemental Response to Attorney General's Supplemental Data Request

14. Reference Nolin's response to AG 1-22, and provide a copy of the 2016 audit when available.

Original Response:

Nolin will provide a copy of the 2016 audit when it becomes available.

Supplemental Response:

A copy of Nolin's 2016 audit conducted by Mr. Alan Zumstein is attached hereto as "Attachment 14A."

Kentucky 51
Nolin Rural Electric
Cooperative Corporation
Elizabethtown, Kentucky
Audited Financial Statements
December 31, 2016 and 2015

Alan M. Zumstein
Certified Public Accountant
1032 Chetford Drive
Lexington, Kentucky 40509

CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Balance Sheets	2
Statements of Revenue and Comprehensive Income	3
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Auditor's Certification Regarding Loan Fund Expenditures	13

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147
zumstein@windstream.net

MEMBER
• AMERICAN INSTITUTE OF CPA'S
• KENTUCKY SOCIETY OF CPA'S
• INDIANA SOCIETY OF CPA'S
• AICPA DIVISION FOR FIRMS

Independent Auditor's Report

To the Board of Directors
Nolin Rural Electric Cooperative Corporation

I have audited the accompanying financial statements of *Nolin Rural Electric Cooperative Corporation*, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of revenue and comprehensive income, changes in member's equities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Nolin Rural Electric Cooperative Corporation* as of December 31, 2016 and 2015, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Alan Zumstein

Alan M. Zumstein, CPA
April 12, 2017

Nolin Rural Electric Cooperative Corporation
Balance Sheets, December 31, 2016 and 2015

<u>Assets and Other Debits</u>	<u>2016</u>	<u>2015</u>
Utility Plant, at original cost:		
In service	\$ 113,204,884	\$ 110,000,365
Under construction	1,831,825	2,926,987
	<u>115,036,709</u>	<u>112,927,352</u>
Less accumulated depreciation	43,183,652	43,172,359
	<u>71,853,057</u>	<u>69,754,993</u>
Investments in associated organizations	<u>42,169,233</u>	<u>38,474,598</u>
Long term portion of other receivables	<u>53,747,487</u>	<u>58,747,487</u>
Current Assets:		
Cash and cash equivalents	1,580,543	1,706,407
Accounts receivable, electric, less allowance for 2016 of \$986,967 and 2015 of \$832,999	9,069,002	7,979,448
Accounts receivable, other	5,163,159	5,442,280
Material and supplies, at average cost	1,039,773	1,077,448
Prepayments and others	27,798	27,085
	<u>16,880,275</u>	<u>16,232,668</u>
Prepaid Pension Costs	<u>2,239,798</u>	<u>2,607,984</u>
Total	<u>\$ 186,889,850</u>	<u>\$ 185,817,730</u>
<u>Liabilities and Other Credits</u>		
Members' Equities:		
Memberships	\$ 271,095	\$ 275,020
Patronage capital	64,527,854	66,780,605
Other equities	3,680,818	3,563,493
Accumulated other comprehensive income	(2,392,812)	(3,125,347)
	<u>66,086,955</u>	<u>67,493,771</u>
Long Term Debt	<u>91,911,558</u>	<u>88,888,720</u>
Accumulated Postretirement Benefits	<u>6,467,665</u>	<u>6,892,507</u>
Current Liabilities:		
Notes payable	3,000,000	4,000,000
Accounts payable	10,026,136	9,205,309
Current portion of long term debt	5,000,000	4,950,000
Consumer deposits	2,279,563	2,349,994
Other current and accrued expenses	1,832,415	1,708,286
	<u>22,138,114</u>	<u>22,213,589</u>
Deferred Credits	<u>285,558</u>	<u>329,143</u>
Total	<u>\$ 186,889,850</u>	<u>\$ 185,817,730</u>

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

Nolin Rural Electric Cooperative Corporation
 Statements of Revenue and Comprehensive Income
 for the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Sales of electric energy	\$ 68,444,523	\$ 68,416,085
Other electric revenue	3,485,395	4,681,081
	<u>71,929,918</u>	<u>73,097,166</u>
Operating Expenses:		
Cost of power	52,919,789	53,516,376
Distribution - operations	4,165,464	4,379,661
Distribution - maintenance	5,637,646	3,882,740
Consumer accounts	2,544,485	2,495,711
Customer service	705,723	741,358
Administrative and general	4,690,601	4,348,808
Depreciation, excluding \$261,501 in 2016 and \$264,811 in 2015 charged to clearing accounts	4,569,860	4,098,824
Interest on long-term debt	3,167,987	2,921,143
Other interest charges	55,811	14,615
Other deductions	39,713	32,046
Total cost of electric service	<u>78,497,079</u>	<u>76,431,282</u>
Operating Margins and Patronage Capital	<u>(6,567,161)</u>	<u>(3,334,116)</u>
Nonoperating Margins:		
Interest income	1,675,131	1,863,085
Other non operating margins	22,908	(6,662,140)
	<u>1,698,039</u>	<u>(4,799,055)</u>
Patronage Capital assigned		
G&T capital credits	3,495,021	3,476,947
Others	385,220	341,480
	<u>3,880,241</u>	<u>3,818,427</u>
Net Margins (Loss)	(988,881)	(4,314,744)
Accumulated Other Comprehensive Income:		
Postretirement benefits	732,535	181,176
Total Comprehensive Income	<u>\$ (256,346)</u>	<u>\$ (4,133,568)</u>

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

Nolin Rural Electric Cooperative Corporation
Statement of Changes in Members' Equity
for the years ended December 31, 2015 and 2016

	Patronage Capital Credits						Total	Other Equity	Accumulated Other Comprehensive Income	Total Members' Equity
	Memberships	Assigned	Assignable	Prior Deficits	Unassigned	Retirements				
Balance - Beginning of year	\$ 276,825	\$ 87,287,757	\$ 5,125,020	\$ -	\$ 123,409	\$ (21,240,126)	\$ 71,296,060	\$ 2,376,805	\$ (3,306,523)	\$ 70,643,167
Comprehensive income:										
Net margins			(4,314,744)				(4,314,744)			(4,314,744)
Postretirement benefit obligation										
Amortization									181,176	
Adjustments									-	181,176
Total comprehensive income									-	(4,133,568)
Net change in memberships	(1,805)									(1,805)
General refund of capital credits										
Refunds to estates						(200,711)	(200,711)			(200,711)
Allocate margins		5,125,020	(5,125,020)							
Other equities								1,186,688		1,186,688
Balance - December 31, 2015	275,020	92,412,777	(4,314,744)	-	123,409	(21,440,837)	66,780,605	3,563,493	(3,125,347)	67,493,771
Comprehensive income:										
Net margins			(988,881)				(988,881)			(988,881)
Postretirement benefit obligation										
Amortization									170,292	
Adjustments									562,243	732,535
Total comprehensive income										(256,346)
Net change in memberships	(3,925)									(3,925)
General refund of capital credits										
Refunds to estates						(227,239)	(227,239)			(227,239)
Allocate margins			4,314,744	(4,314,744)						
Other equities				(1,036,631)			(1,036,631)	117,325		(919,306)
Balance - December 31, 2016	\$ 271,095	\$ 92,412,777	\$ (988,881)	\$ (5,351,375)	\$ 123,409	\$ (21,668,076)	\$ 64,527,854	\$ 3,680,818	\$ (2,392,812)	\$ 66,086,955

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

Nolin Rural Electric Cooperative Corporation
Statements of Cash Flows
for the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Net margins	\$ (988,881)	\$ (4,314,744)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	4,569,860	4,098,824
Charged to clearing accounts	261,501	264,811
Patronage capital credits allocated	(3,880,241)	(3,818,427)
Accumulated postretirement benefits	307,693	296,925
Change in assets and liabilities:		
Receivables	(1,089,554)	2,465,335
Material and supplies	37,675	79,180
Prepayments	(713)	6,759
Deferred pension costs	368,186	368,186
Payables	820,827	2,497,112
Consumer deposits	(70,431)	66,617
Accrued expenses	124,129	(1,077,817)
	<u>460,051</u>	<u>932,761</u>
Cash Flows from Investing Activities:		
Plant additions	(6,723,529)	(8,745,789)
Salvage, net of removal costs	(205,896)	(321,016)
Deferred credits	(43,585)	(1,729,664)
Receipts from associated organizations	185,606	178,665
	<u>(6,787,404)</u>	<u>(10,617,804)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	(3,925)	(1,805)
Other receivables financing (net)	5,279,121	207,921
Additional long-term borrowings	8,000,000	8,000,000
Payments on long-term debt	(4,927,162)	(5,966,189)
Short term borrowings (net)	(1,000,000)	4,000,000
Payments of patronage capital	(227,239)	(200,711)
Other equities	(919,306)	1,186,688
	<u>6,201,489</u>	<u>7,225,904</u>
Net increase (decrease) in cash	(125,864)	(2,459,139)
Cash and cash equivalents, beginning	<u>1,706,407</u>	<u>4,165,546</u>
Cash and cash equivalents, ending	<u>\$ 1,580,543</u>	<u>\$ 1,706,407</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$ 3,108,805	\$ 2,901,309

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

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

Business Activities Nolin provides distribution electric service to residential, business and commercial consumers in a nine (9) county area of central Kentucky.

Nolin is operating the distribution system for a local government unit through a privatization process with the federal government. Nolin is reimbursed for all costs incurred, plus a management fee, on a monthly basis. Payments for the construction of plant facilities are recorded as contributions to plant for the total cost of each project, therefore, there is no net original cost for electric plant from the privatization process. The results of operating the government system are as follows:

	<u>2016</u>	<u>2015</u>
Operating revenues	\$3,484,617	\$4,412,169
Operating expenses	2,453,862	2,037,321

Other Business Activities Nolin also provides demand side management and energy efficiency services to the local federal government installation. Nolin subcontracts almost all work performed, then bills the government installation for the subcontractor costs, plus a management fee. The reimbursements are due over a ten (10) year period. Included in accounts receivable, other, is \$58,776,104 for 2016 and \$63,775,424 for 2015 for these projects. Nolin charges the government installation 1.05% times Nolin's current variable interest rate on the unpaid balance. Interest income recognized was \$1,554,890 for 2016 and \$1,693,694 for 2015.

Cash and Cash Equivalents Nolin considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Off Balance Sheet Risk Nolin maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that the credit risk related to the accounts is minimal.

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

Comprehensive Income Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of the accumulated postretirement benefit obligation.

Revenue Nolin records revenue as billed to its consumers based on monthly meter-reading cycles. Consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no individual account balances that exceeded 10% of outstanding accounts receivable at December 31, 2016 and 2015.

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

Sales Taxes Nolin is required to collect, on behalf of the State of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. Nolin's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

Cost of Power Nolin is one of sixteen (16) members of East Kentucky Power Cooperative ("East Kentucky"). Under a wholesale power agreement, Nolin is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky. There are certain surcharges, clauses, and credits that East Kentucky includes to Nolin that are passed on to consumers using a methodology prescribed by the Commission.

Electric Plant Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

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

The major classifications of utility plant in service consist of:

	<u>2016</u>	<u>2015</u>
Distribution plant	\$95,541,421	\$93,498,026
General plant	<u>17,663,463</u>	<u>16,502,339</u>
Total	<u>\$113,204,884</u>	<u>\$110,000,365</u>

Depreciation Nolin's provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. General plant rates are as follows:

Distribution plant	2.5% - 6.9%
Structures and improvements	2.5%
Transportation equipment	10% - 20%
Other general plant	5% - 10%

Inventory Inventory is stated at cost, which approximates market value.

Income Tax Status Nolin is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Nolin include no provision for income taxes. Nolin's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes Nolin has no uncertain tax positions resulting in an accrual of tax expense or benefit. Nolin recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Nolin did not recognize any interest or penalties during the years ended December 31, 2016 and 2015. Nolin's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

Fair Value Measurements The Fair Value Measurements and Disclosures Topic of the FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. The Fair Values Measurements Topic establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measure and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of Nolin's cash and cash equivalents, other receivables, inventories, other assets, accounts payable and accrued expenses approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets and liabilities are not considered financial instruments because they represent activities specifically related to Nolin. Long term debt can not be traded in the market, and is specifically for electric cooperatives and, therefore, a value other than its outstanding principal cannot be determined.

Nolin may, and also does, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. The inputs used to measure idle funds are Level 1 measurements, as these funds are exchange traded funds in an active market.

Advertising Advertising costs are expensed as incurred.

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

Subsequent Events Management has evaluated subsequent events through April 12, 2017, the date the financial statements were available to be issued. During January 2017, Nolin advanced long term loan funds from CFC in the amount of \$8,000,000.

Note 2. Investments in Associated Organizations

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

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 2. Investments in Associated Organizations, continued

Nolin records patronage capital assigned by associated organizations in the year in which such assignments are received. Investments in associated organizations consist of:

	<u>2016</u>	<u>2015</u>
East Kentucky, patronage capital	\$37,785,654	\$34,290,633
CFC, patronage capital and CTCs	3,387,077	2,950,160
Others	996,502	1,233,805
Total	<u>\$42,169,233</u>	<u>\$38,474,598</u>

Note 3. Patronage Capital

Under provisions of CFC's long-term debt agreement, return to patrons of capital contributed by them is limited to an amount greater than thirty percent (30%) of total margins for the preceding calendar year, unless, after giving effect to the distribution, the total equity will be at least twenty percent (20%) of total assets. Nolin is also required an average debt service coverage ("DSC") ratio of not less than 1.35. Nolin can not decrease its rates for electric service if it has failed to achieve a DSC ratio of 1.35, unless ordered by the PSC. The total equity at December 31, 2016 was 35% of total assets and the DSC ratio was 0.83.

Note 4. Long Term Debt

The 3.25% to 4.95% and the 4.0% fixed interest rates on the notes are subject to change every seven years from the repricing date for each individual note. The long term debt is due in quarterly installments of varying amounts through 2037. Nolin has funds available from CFC in the amount of \$16,000,000 to finance construction projects and the demand side management activities of the local government unit.

During 2012, Nolin refinanced the RUS debt of \$27,637,219 with the 2.95% to 4.1% fixed interest rate notes and the \$22,204,815 debt with Federal Financing Bank with the 2.56% variable rate notes.

All assets, except vehicles, are pledged as collateral on the long term debt to CFC under its mortgage agreement. Long term debt consists of:

	<u>2016</u>	<u>2015</u>
3.25% to 4.95% fixed rate	\$2,863,728	\$3,048,477
2.50% fixed for local government programs	6,823,428	7,764,856
2.95% to 4.1% fixed rate	24,445,323	25,502,167
2.56% variable rate (2.10% in 2015)	15,626,426	16,783,257
2.50% variable rate	9,263,532	9,874,247
4.0% fixed rate	7,892,646	-
3.15% - 4.30% fixed for local government programs	29,996,475	30,865,716
	<u>96,911,558</u>	<u>93,838,720</u>
Less current portion	5,000,000	4,950,000
Long term portion	<u>\$91,911,558</u>	<u>\$88,888,720</u>

As of December 31, 2016, the annual principal payments for the next five years are as follows: 2017 - \$5,000,000; 2018 - \$5,250,000; 2019 - \$5,350,000; 2020 - \$5,400,000; 2021 - \$5,500,000.

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 5. Short Term Borrowings

At December 31, 2016, Nolin had a short term line of credit of \$7,000,000 available from CFC. Nolin had outstanding advances against the line of credit in the amount of \$3,000,000 at December 31, 2016, at an interest rate of 2.50%.

Note 6. Pension Plan

Nolin's contributions to the R&S Plan in 2016 and 2015 represent less than 5 percent of the total contributions made to the plan by all participating employers. Nolin made contributions to the plan of \$1,332,989 in 2016 and \$1,226,168 in 2015. There have been no significant changes that affect the comparability of 2016 and 2015.

In the R&S Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act ("PPA") of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was approximately 80 percent funded at January 1, 2016 and 2015 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the Committee approved an option to allow participating cooperatives in the Retirement Security ("R&S") Plan (a defined benefit multiemployer pension plan) to make a prepayment and reduce future required contributions. The prepayment amount is a cooperative share, as of January 1, 2013, of future contributions required to fund the R&S Plan's unfunded value of benefits earned to date using Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual R&S Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, changes in interest rates, asset returns and other plan experience different from that expected, plan assumptions changes, and other factors may have an impact on the differential in billing rates and the 15 year period.

Two prepayment options were available to participating cooperatives:

1. Use current assets to make the prepayment over a period of not more than 4 years, or,
2. Borrow funds sufficient to make the prepayment in a lump sum, with the prepayment of the borrowed amount determined by the loan's amortization schedule.

On February 14, 2013, RUS issued a memorandum to all of its borrowers regarding the proper accounting treatment of the R&S Plan prepayment. RUS stipulated that the prepayment shall be recorded as a long term prepayment in Account 186, Miscellaneous Deferred Debits. This prepaid expense shall be amortized to Account 926, Employee Pensions and Benefits, over a ten year period. Alternatively, RUS borrowers may calculate the amortization period by subtracting the cooperative's average age of its workforce as provided by NRECA from the cooperative's normal retirement age under the R&S Plan, up to a maximum period of 20 years. If the entity chooses to finance the prepayment, interest expense associated with the loan shall be recorded in the year incurred as is required under the RUS Uniform System of Accounts ("USoA"). During February, 2013, the Corporation made a prepayment of \$3,681,860 to the R&S Plan. The amount is being amortized over 10 years.

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 7. Postretirement Benefits

Nolin Rural Electric sponsors a defined benefit plan that provides medical insurance coverage to retired employees. Participating retirees and dependents do not contribute to the projected cost of coverage. The following is a reconciliation of the postretirement obligation.

The funded status of the plan is as follows:

	<u>2016</u>	<u>2015</u>
Projected benefit obligation	(6,467,665)	(\$6,892,507)
Plan assets at fair value	-	-
Funded status of Plan	<u>(\$6,467,665)</u>	<u>(\$6,892,507)</u>

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

	<u>2016</u>	<u>2015</u>
Benefit obligation at beginning of year	<u>\$6,892,507</u>	<u>\$6,776,758</u>
Components of net periodic benefit cost:		
Service cost	93,305	32,288
Interest cost	<u>233,803</u>	<u>239,212</u>
Net periodic benefit cost	327,108	271,500
Benefits paid	(189,707)	(155,751)
Actuarial (gain) loss	<u>(562,243)</u>	<u>0</u>
Benefit obligation at end of year	<u>\$6,467,665</u>	<u>\$6,892,507</u>

Amounts included in accumulated other comprehensive income:

Unrecognized actuarial gain (loss)	<u>(\$2,392,812)</u>	<u>(\$3,125,347)</u>
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Effect of 1% increase in the health care trend:

Postemployment benefit obligation	\$6,865,000
Net periodic benefit cost	348,000

Projected retiree benefit payments for the next five years are expected to be as follows: 2017 - \$175,000; 2018 - \$172,000; 2019 - \$170,000; 2020 - \$168,000; 2021 - \$166,000.

The discount rate used in determining the APBO was 4.50% for 2016 and 2015. The health care cost trend rate used to compute the APBO is a 7% annual rate of increase for 2016, and decreasing gradually to 5%, then remain at that level thereafter.

Note 8. Related Party Transactions

Several of the Directors of Nolin Rural Electric, its President & CEO, and another employee are on the boards of directors of various associated organizations. Nolin entered a six (6) year lease with a member of the Board of Directors for 12 acres of land at \$600 per year.

Nolin Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 9. Environmental Contingency

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

Note 10. Commitments

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

Note 11. Contingencies

Nolin, on occasion, is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements, except for the threatened litigation as described below.

The United States Government threatened litigation against Nolin regarding certain provisions of the contract. As a result of the investigation and negotiations, Nolin has agreed to settle the threatened litigation in the amount of approximately \$6.7 million. This was recorded in the current period as a non-operating expense during 2015.

Rate Matters

Nolin has filed an application with the KPSC to increase its retail rates by approximately \$5,340,000. The ultimate increase will be determined by the KPSC.

* * * * *

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2016 Auditor's Certification Regarding Loan Fund Expenditures

To the Board of Directors
Nolin Rural Electric Cooperative Corporation

During the period of this review, for the year ended December 31, 2016, Nolin Rural Electric Cooperative Corporation received \$8,000,000 in long-term loan fund advances from National Rural Utilities, Cooperative Finance Corporation ("CFC") on loans controlled by the CFC Loan Agreement and/or Mortgage or Security Agreement. Based on my review of construction work orders and other plant accounting records created during the period of review, and other loan purposes, it is my opinion that these CFC loan funds were expended for purposes contemplated in the Loan Agreement on such loans.

Alan Zumstein

Alan M. Zumstein, CPA
April 12, 2017