


INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

RECEIVED

APR 24 2007

**PUBLIC SERVICE
COMMISSION**

April 23, 2007

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

**Re: Case No. 2006-00415 – Application of Inter-County Energy
Cooperative For An Adjustment of Rates**

Dear Ms. O'Donnell:

Please find enclosed the original and six (6) copies of the additional data requested by the Commission Staff to Inter-County Energy Cooperative during the Informal Conference held on April 17th.

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

Sincerely,



James L. Jacobus
President/CEO

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



A Touchstone Energy Cooperative 

CASE NO. 2006-00415

**Additional Data Request
of Commission Staff to
Inter-County Energy Cooperative**

April 23, 2007

P. O. Box 87 • Danville, KY 40423-0087 • (859) 236-4561

CASE NO. 2006-00415

**Additional Data Request
of Commission Staff to
Inter-County Energy Cooperative**

April 23, 2007

Revised Tariffs For:

- Sheet No. 1 – Rates For Farm and Home Service Schedule 1
- Sheet No. 1A – Schedule 1-A Farm and Home Marketing Rate (ETS)
- Sheet No. 3 – Small Commercial and Small Power Schedule 2
- Sheet No. 10 – Outdoor Lighting Service – Security Lights Schedule 6
- Sheet No. 30 – Large Industrial Rate Schedule Ind B1

Billing Analysis For:

- Sheet No. 1 – Rates For Farm and Home Service Schedule 1
- Sheet No. 1A – Schedule 1-A Farm and Home Marketing Rate (ETS)
- Sheet No. 3 – Small Commercial and Small Power Schedule 2
- Sheet No. 10 – Outdoor Lighting Service – Security Lights Schedule 6
- Sheet No. 30 – Large Industrial Rate Schedule Ind B1

Revised Rules and Regulations For:

- Sheet No. 20
- Sheet No. 21
- Sheet No. 23

Revenue Analysis Summary

Calculation of Agreed Upon Revenues and Calculation of Customer Charge

Exhibit K – Computation of Rate of Return And TIER and DSC Calculations

Joint Settlement Stipulation and Recommendation

Notice of Public Hearing

Residential Marketing Loan Program Request For Funds

Billing Cycle Dates

FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. 7

REVISION #26 SHEET NO. 1

CANCELLING P.S.C. KY. NO. 7

REVISION #25 SHEET NO. 1

INTER-COUNTY ENERGY
(Name of Utility)

CLASSIFICATION OF SERVICE

RATES FOR FARM AND HOME SERVICE SCHEDULE 1

APPLICABLE

In all territory served by the seller.

AVAILABILITY

Effective July 1, 2004, this Schedule is available to customers for all uses in the home and on the farm. All electric service is subject to the established rules and regulations of the seller. Customers served under Schedule 1 prior to July 1, 2004, shall remain on Schedule 1 and will be subject to the availability of service conditions set forth in the Tariff immediately prior to July 1, 2004.

TYPE OF SERVICE

Single phase and three phase where available, at available voltages.

MONTHLY RATE

Customer Charge	\$8.14 per meter per month	(I)
All kWh Per Month	\$0.07511	(I)

MINIMUM

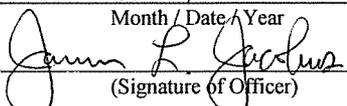
The minimum monthly charge under the above rate shall be \$8.14. (I)

SPECIAL RULES

Approval of the cooperative must be obtained prior to the installation of any motor having a rated capacity of 10 HP or more.

DATE OF ISSUE April 23, 2007
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DATE EFFECTIVE June 1, 2007
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2006-00415 DATED June 1, 2007

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____ 7 _____

REVISION #9 SHEET NO. _____ 1A _____

INTER-COUNTY ENERGY
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____ 7 _____

REVISION #8 SHEET NO. _____ 1A _____

CLASSIFICATION OF SERVICE

SCHEDULE 1-A FARM AND HOME MARKETING RATE (ETS)

AVAILABILITY OF SERVICE

This special marketing rate is available for specific marketing programs as approved by Inter-County Energy's Board of Directors. The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below off-peak hours. This rate is available to customers already receiving service under the Schedule 1, Farm and Home Service Rate. This marketing rate applies only to programs which are expressly approved by the Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule E, the second (lower) energy rate.

MONTHS

OFF PEAK HOURS – PREVAILING TIME

May through September

10:00 PM to 10:00 AM

October through April

12:00 Noon to 5:00 PM

10:00 PM to 7:00 AM

RATES

The energy rate for this program is listed below:

All kWh

\$0.04507 (I)

TERMS OF PAYMENT

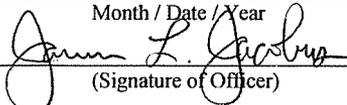
The customer's bill will be due the first day of each month. In the event the current monthly bill is not paid within fifteen (15) days from the issuance of the bill, ten percent (10%) shall be added to the bill.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the fuel adjustment clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed ten percent (10%) and is based on a twelve (12) month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

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FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. _____ 7 _____

REVISION #26 SHEET NO. _____ 3 _____

CANCELLING P.S.C. KY. NO. _____ 7 _____

REVISION #25 SHEET NO. _____ 3 _____

INTER-COUNTY ENERGY

(Name of Utility)

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL AND SMALL POWER SCHEDULE 2

APPLICABLE

In all territory served by the seller.

AVAILABILITY

Available to customers for single phase and three-phase commercial and industrial loads whose kilowatt demand is less than 50 kW for lighting and/or heating and/or power. Effective July 1, 2004, Schedule 2 will be available to churches and community buildings. All electric service is subject to the established rules and regulations of the seller.

TYPE OF SERVICE

Single phase and three phase where available, 60 Hz at available secondary voltage.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 Hz, alternating current, single phase or three phase service, present facilities permitting, and at the following nominal voltages: single phase 120, 120/240, 480, 240/480 volts; three phase 120/240, 120/208Y, 240/480, 277/480Y volts.

MONTHLY RATE

Demand Charge	\$4.12 per kW in excess of 10 kW per month
Customer Charge	\$5.69 per meter per month
All kWh Per Month	\$0.07072 per kWh (I)

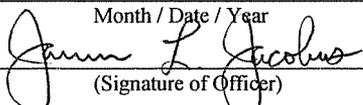
The Customer charge is without kWh usage. All kWh usage is billed at rates set forth above.

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be \$5.69.

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IN CASE NO. 2006-00415 DATED June 1, 2007

FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. 7

REVISION #26 SHEET NO. 10

CANCELLING P.S.C. KY. NO. 7

REVISION #25 SHEET NO. 10

INTER-COUNTY ENERGY

(Name of Utility)

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS SCHEDULE 6

AVAILABILITY

Available to all customers of the cooperative for dusk to dawn outdoor lighting in close proximity to the existing overhead and underground 120/240 volt secondary voltage.

RATE PER LIGHT PER MONTH

107,800 Lumen Directional Floodlight	\$31.49 per lamp per month	(I)
50,000 Lumen Directional Floodlight	\$17.14 per lamp per month	(I)
27,500 Lumen Directional Floodlight	\$12.26 per lamp per month	(I)
27,500 Lumen Cobra Head	\$11.41 per lamp per month	(I)
9,500 Lumen Security Light	\$ 9.18 per lamp per month	(I)
7,000 Lumen Security Light	\$ 9.15 per lamp per month	(I)
4,000 Lumen Decorative Colonial Post	\$11.62 per lamp per month	(I)
9,550 Lumen Decorative Colonial Post	\$14.96 per lamp per month	(I)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the fuel adjustment clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set forth in 807 KAR 5:056.

Estimated kWh consumptions are as follows:

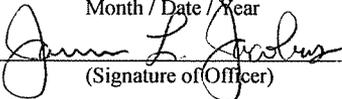
107,800 Lumen Light	-	360 kWh per month
50,000 Lumen Light	-	159 kWh per month
27,500 Lumen Light	-	87 kWh per month
9,500 Lumen Light	-	39.3 kWh per month
7,000 Lumen Light	-	77 kWh per month
4,000 Lumen Light	-	20 kWh per month
9,550 Lumen Light	-	38.3 kWh per month

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IN CASE NO. 2006-00415 DATED June 1, 2007

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____ 7 _____

REVISION #13 SHEET NO. _____ 30 _____

CANCELLING P.S.C. KY. NO. _____ 7 _____

REVISION #12 SHEET NO. _____ 30 _____

INTER-COUNTY ENERGY

(Name of Utility)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE IND B1

APPLICABLE

Applicable to contracts with demands of 500 to 4,999 kW with a monthly energy usage equal to or greater than 400 hours per kW of billing demand.

MONTHLY RATES

Customer Charge	\$548.56	
Demand Charge	\$5.53 per kW of Contract Demand	
Excess Demand Charge	\$8.02 per kW of Excess of Contract Demand	
Energy Charge	\$0.03678 per kWh	(I)

BILLING DEMAND

The billing demand (Kilowatt Demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate customer's highest demand during the current month coincident with EKPC's system peak (coincident peak), exceeds the contract demand. EKPC's system the peak demand is highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

MONTHS

October through April

May through September

**HOURS APPLICABLE
FOR DEMAND BILLING - EST**

7:00 AM to 12:00 Noon

5:00 PM to 10:00 PM

10:00 AM to 10:00 PM

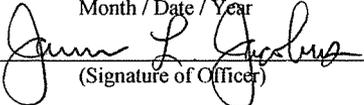
MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

(a) The product of the contract demand multiplied by the respective demand charges, plus

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2006-00415 DATED June 1, 2007

Inter County Energy Cooperative
Case No. 2006-00415
Billing Analysis
Settlement Stipulation

Schedule 1
Farm and Home service
Rate Class A10-A19

	Actual		Normalized Case No. 2004-00475		Normalized Case No. 2006-00481		Agreed Rates Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	\$5.55	\$1,560,399	\$5.55	\$1,560,399	\$5.69	\$1,599,761	\$8.14	\$2,288,585
Energy charge per kWh								
First 500 kwh per month	\$0.06900	9,639,945	\$0.06900	9,639,945	\$0.07075	9,884,437		
All over 500 kwh per month	\$0.06366	13,379,325	\$0.06366	13,379,325	\$0.06527	13,717,696		
<u>Total kwh</u>		<u>349,877,820</u>					\$0.07511	26,279,323
Billing adjustments		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		24,579,669		<u>\$24,579,669</u>		<u>\$25,201,893</u>		<u>\$28,567,908</u>
Fuel adjustment		2,945,558						
Environmental surcharge		1,613,199						
<u>Total revenues</u>		<u>\$29,138,426</u>						
Amount				\$0		\$622,224		\$3,366,015
Percent				0.0%		2.5%		13.4%

Inter County Energy Cooperative
Case No. 2006-00415
Billing Analysis
Settlement Stipulation

Schedule 1 - A
Farm and Home Marketing Rate (ETS)
Rate E18

Billing Determinants	Actual		Normalized Case No. 2004-00475		Normalized Case No. 2006-000481		Proposed	
	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues
Customer Charge	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy charge per ETS kWh	735,167	\$0.03820	28,083	\$0.03820	28,083	\$0.03917	28,796	\$0.04507
Billing adjustments		<u>0</u>		<u>0</u>				<u>0</u>
Total from base rates		<u>28,083</u>		<u>\$28,083</u>		<u>\$28,796</u>		<u>\$33,134</u>
Fuel adjustment		6,481						
Environmental surcharge		<u>2,068</u>						
Total revenues		<u>\$36,632</u>						
Amount				\$0		\$713		\$4,337
Percent				0.0%		2.5%		15.1%

Inter County Energy Cooperative
Case No. 2006-00415
Billing Analysis
Settlement Stipulation

Schedule 2
Small Commercial and Small Power
Rate B20; B25; B26; B28

	Actual		Normalized Case No. 2004-00475		Normalized Case No. 2006-000481		Proposed		
	Billing Determinants	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	2,453	\$5.55	\$13,614	\$5.55	\$13,614	\$5.69	\$13,958	\$5.69	\$13,958
Demand charges	16,153	\$4.02	\$64,934	\$4.02	\$64,934	\$4.12	66,549	\$4.12	66,549
Energy charge per kWh									
First 1,000 kwh per month	1,733,915	\$0.07825	135,679	\$0.07825	135,679	\$0.08023	139,112		
All over 1,000 kwh per month	5,011,453	\$0.06576	329,553	\$0.06576	329,553	\$0.06743	337,922		
Total kwh	6,745,368							\$0.07072	477,032
Billing adjustments			0		0		0		0
Total from base rates			543,780		543,780		557,541		557,539
Fuel adjustment			56,027						
Environmental surcharge			92,807						
Total revenues			\$692,614						
Amount			\$0		\$0		\$13,761		(\$2)
Percent			0.0%		0.0%		2.5%		0.0%

Inter County Energy Cooperative
Case No. 2006-00415
Billing Analysis
Settlement Stipulation

Schedule 6
Outdoor Lighting Service

Billing Determinants	Actual		Normalized Case No. 2004-00475		Normalized Case No. 2006-000481		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
107,800 Lumen Directional Floc	\$22.95	\$8,583	\$22.95	\$8,583	\$23.53	\$8,800	\$31.49	\$11,777
50,000 Lumen Directional Floc	\$12.48	20,168	\$12.48	20,168	\$12.80	20,685	\$17.14	27,698
27,500 Lumen Directional Floc	\$8.92	19,847	\$8.92	19,847	\$9.15	20,359	\$12.26	27,279
27,500 Lumen Cobra Head	\$8.31	11,160	\$8.31	11,160	\$8.52	11,442	\$11.41	15,324
9,500 Lumen Security Light	\$6.68	0	\$6.68	0	\$6.85	0	\$9.18	0
7,000 Lumen Security Light	\$6.66	564,062	\$6.66	564,062	\$6.83	578,460	\$9.15	774,950
4,000 Lumen Decorative Colk	\$8.46	22,140	\$8.46	22,140	\$8.67	22,689	\$11.62	30,410
9,550 Lumen Decorative Colk	\$10.89	0	\$10.89	0	\$11.17	0	\$14.96	0
kWh								
Billing adjustments				0		0		
Total from base rates		645,960		645,960		662,436		887,437
Fuel adjustment		0						
Environmental Surcharge								
Total revenues		<u>\$645,960</u>						
Amount				\$0		\$16,475		\$225,002
Percent				0.0%		2.6%		34.0%

Inter County Energy Cooperative
Case No. 2006-00415
Billing Analysis
Settlement Stipulation

Schedule B1
Large Industrial Rate (500 KW to 4,999 KW)
Rate B10

Billing Determinants	Actual		Normalized Case No. 2004-00475		Normalized Case No. 2006-000481		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Metering Charge	76	\$535.00	\$535.00	\$40,660	\$548.56	\$41,691	\$548.56	\$41,691
Demand Charge:								
Contract demand	43,179.24	\$5.39	\$5.39	232,736	\$5.53	238,781	\$5.53	238,781
Excess demand	9,321.00	\$7.82	\$7.82	72,890	\$8.02	74,754	\$8.02	74,754
Interruptible discount	0.00	(\$3.15)	(\$3.15)	0	(\$3.15)	0	(\$3.15)	0
Energy charge per kWh	28,726,609	\$0.03532	\$0.03532	1,014,624	\$0.03622	1,040,478	\$0.03678	1,056,565
Billing adjustments		0		0		0		0
Total from base rates		1,360,910		1,360,910		1,395,704		1,411,791
Fuel adjustment		238,709						
Environmental surcharge		81,877						
Total revenues		\$1,681,496						
Amount		\$0		\$0		\$34,794		\$16,087
Percent		0.0%		0.0%		2.6%		1.2%

FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. 7

REVISION #6 SHEET NO. 20

CANCELLING P.S.C. KY. NO. 7

REVISION #5 SHEET NO. 20

INTER-COUNTY ENERGY

(Name of Utility)

RULES AND REGULATIONS

the office of the cooperative within ten (10) days from the date of the bill. Failure to receive a bill will not release the customer from the payment obligation. Customer may be disconnected for failure to pay or make acceptable payment arrangements upon ten (10) days written notice of the cooperative's intent to disconnect. However, in no case will the customer be disconnected in fewer than twenty-seven (27) days after the mailing date of the original bill.

Should the cooperative travel to the site of the service for the purpose of disconnecting the service for non-payment after proper notice, a trip charge of \$30.00 will be assessed the account, provided that the service is actually disconnected or payment of the arrearage is made by the customer in order to avoid disconnection. The utility will make a field collection charge only once in any billing period. (1)

In the event the service is disconnected and the cooperative is required to travel to the site of the service for the purpose of restoring the service, a \$30.00 trip fee will be assessed to the account, provided the reconnection trip is made during regular working hours. Should reconnection be requested at times other than regular working hours, the reconnect trip fee will be \$65.00. (1)

A service fee of \$25.00 will be charged for each returned check. (1)

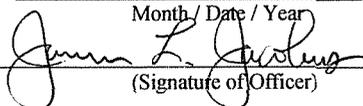
12. Meter Reading: Each customer receiving service will be required to supply the cooperative with the reading of each meter in his name until such time that the cooperative no longer requires a reading from the member. The meter shall be read on the first day of each month and the reading returned to the cooperative's office prior to the 10th of each month. Upon failure by the customer to supply the cooperative with such meter readings for three (3) consecutive months, the cooperative will read the customer's meter and a service charge of \$30.00 will be made to the customer's account for the extra service rendered. (1)

13. Failure of Meter to Register: In the event a customer's meter should fail to register, the customer shall be billed from the date of such failure at the average consumption of the customer, based on like months.

14. Discontinuance of Service by Cooperative: The cooperative may refuse or discontinue service to any customer, after proper notice for failure to comply with its rules and regulations or state and municipal rules and regulations, when a customer refuses or

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IN CASE NO. 2006-00415 DATED June 1, 2007

FOR ENTIRE TERRITORY SERVED

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P.S.C. KY. NO. _____ 7 _____

REVISION #6 SHEET NO. _____ 21 _____

CANCELLING P.S.C. KY. NO. _____ 7 _____

REVISION #5 SHEET NO. _____ 21 _____

INTER-COUNTY ENERGY

(Name of Utility)

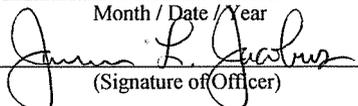
RULES AND REGULATIONS

neglects to provide reasonable access to the premises, for fraudulent or illegal use of service, or for nonpayment of bills. When a dangerous condition is found to exist on the customer's premises, service shall be cut off without notice or refused. If discontinuance is for nonpayment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut off shall be effective no less than 27 days after the mailing of original bill unless prior to discontinuance, a residential customer presents to the cooperative a written certificate, signed by a physician, registered nurse or public health office, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the date the cooperative notifies the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance. All such disconnects will be made in accordance with 807 KAR 5:006, Section 14.

- 15. Reconnect Charge: When service has been discontinued by cooperative, for a period of twelve (12) months or less for any reason, a charge of \$30.00 dollars may be collected by cooperative before service is restored during regular working hours. Should the above mentioned service be required at times other than regular working hours, this charge will be sixty-five (\$65.00) dollars. (I)
- 16. Termination of Contract by Customer: A customer who has fulfilled his contract terms and wishes to discontinue service must give at least three (3) days notice in writing, in person or by telephone to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve customer from any minimum or guaranteed payment under any contract or rate.
- 17. Service Charges for Temporary Service: A customer requesting electric service for a period not exceeding ninety (90) days will be required by the cooperative to pay a temporary service charge equal to \$95.00 dollars to connect and to remove the service. Cooperative will meter the service and charge for the demand and the kWh that are used on the applicable rates. This rule applies to circuses, carnivals, fairs, temporary construction, temporary mobile homes and the like. (N)

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IN CASE NO. 2006-00415 DATED June 1, 2007

FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. 7

REVISION #6 SHEET NO. 23

CANCELLING P.S.C. KY. NO. 7

REVISION #5 SHEET NO. 23

INTER-COUNTY ENERGY

(Name of Utility)

RULES AND REGULATIONS

25. Meter Test: The cooperative will, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy. The cooperative will make additional tests or inspections of its meters at the request of the customer. If the tests show that the meter was not more than two (2) percent fast, the testing charge of forty (40) dollars per meter test will be paid by the customer. If the test determines the meter to be in excess of two (2) percent slow or fast, an adjustment will be made in the customer's account in accordance with 807 KAR 5:006, Section 10, 18. (T) (1)

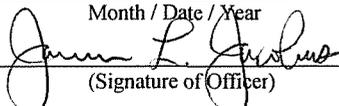
26. Normal Distribution Line Extensions: An extension of 1,000 feet or less of single phase line shall be made by the cooperative to its existing distribution line without charge for a prospective customer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to the customer from the distribution line at the last pole shall not be included in the foregoing measurements. Extension of service to a customer who may require polyphase service may require the customer to pay in advance additional cost of construction which exceeds that for a single phase line.

When an extension of the cooperative's line to serve an applicant or group of applicants amounts to more than 1,000 feet per customer, the cooperative may, if not inconsistent with its filed tariff, require the total cost of the excessive footage over 1,000 feet per customer to be deposited with the cooperative by the applicants, based on the average estimated cost per foot of the total extension.

Each customer receiving service under such extension will be reimbursed under the following plan: Each year for a period of not less than ten (10) years, which for the purpose of this rule shall be the refund period, the cooperative shall refund to the customer or customers who paid for the excessive footage the cost of 1,000 feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals there from, but in no case shall the total amount refunded

DATE OF ISSUE April 23, 2007
Month / Date / Year

DATE EFFECTIVE June 1, 2007
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2006-00415 DATED June 1, 2007

**Inter County Energy Cooperative
Case No. 2006-00415**

Calculation of Agreed Upon Revenues
Settlement Stipulation

Rate Schedule	Normalized Revenue <u>2004-00475</u>	Normalized Revenue <u>2006-00481</u>	Change	Proposed Revenue	Percent of Total	Agreed Reduction	Agreed Revenue	+ Change + Proposed - Reduction
Schedule 1, Farm and Home	\$24,579,669	\$25,201,893	\$622,224	\$28,297,628	92.46%	\$351,350	\$28,568,502	
Schedule 1-A, ETS	28,083	28,796	713	32,840	0.11%	408	33,145	
Schedule B1, Large Industrial Rate	1,360,910	1,395,704	34,794	1,394,233	4.56%	17,311	1,411,716	
Schedule 6, Outdoor Lighting Service	645,960	662,436	16,475	880,379	2.88%	10,931	885,923	
	<u>\$26,614,623</u>	<u>\$27,288,829</u>	<u>\$674,206</u>	<u>\$30,605,080</u>	<u>100.00%</u>	<u>\$380,000</u>	<u>\$30,899,286</u>	
								<u>\$3,610,457</u>

**Inter County Energy Cooperative
Case No. 2006-00415**

Calculation of Customer Charge
Settlement Stipulation

Rate Schedule	Normalized Rate <u>2004-00475</u>	Normalized Rate <u>2006-00481</u>	Change	Proposed Rate	Adjusted Customer Charge
Schedule 1, Farm and Home	\$5.55	\$5.69	\$0.14	\$8.00	\$8.14
Customer Charge					

Exhibit K

Inter County Energy Cooperative
Case No. 2006-00415
Computation of Rate of Return
Settlement Stipulation

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Net margins	(1,374,830)	2,112,678
Non-cash patronage dividends	0	0
Interest on long-term debt	<u>2,165,551</u>	<u>2,492,678</u>
Total	<u>790,721</u>	<u>4,605,356</u>
Net rate base	<u>67,620,783</u>	<u>67,626,378</u>
Rate of return	1.17%	6.81%
Equity Capitalization	<u>74,907,523</u>	<u>78,775,031</u>
Rate of return	1.06%	5.85%
Margins requested in Application		2,492,678
Agreed reduction		<u>380,000</u>
Agreed adjusted margins		<u>2,112,678</u>

Exhibit K

Inter County Energy Cooperative
Case No. 2006-00415
TIER and DSC Calculations
Settlement Stipulation

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
TIER:		
Margins, excluding G&T capital credits and extraordinary items	(1,374,830)	2,112,678
Interest on long term debt	2,165,551	2,492,678
TIER	0.37	1.85
DSC:		
Margins, excluding G&T capital credits	(1,374,830)	2,112,678
Depreciation expense	2,540,379	2,643,443
Interest on long term debt	2,165,551	2,492,678
Principal payment on long term debt	1,337,634	1,337,634
DSC	0.95	1.89
DSC = (Margins + depreciation + interest / interest + principal payments)		

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF
INTER COUNTY ENERGY
COOPERATIVE CORPORATION

CASE NO. 2006-00415

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Inter County Energy Cooperative Corporation (Inter County); and the intervenor, Attorney General of the Commonwealth of Kentucky to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or "Recommendation".

It is understood by all parties hereto that this Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Inter County's rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis for this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Inter County should be permitted to adjust its rates in order to permit it to recover more in annual revenue than it is recovering under its current rates, with such rates to be effective for service rendered after May 1, 2007. The exhibits attached hereto reflect a stipulated reduction of \$380,000 from the original rate increase requested amount of \$3,991,675 for an amended rate increase amount of \$3,611,675.

PUBLIC NOTICE
PUBLIC SERVICE COMMISSION
Case No. 2006-00415

Pursuant to Title 807 KAR 5:011, Section 8(5), notice is hereby given of a public hearing to be held on Tuesday, May 15, 2007, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1, of the Commission's offices of the Public Service Commission of Kentucky, 211 Sower Boulevard, Frankfort, Kentucky, 40601, for the purpose of cross-examining of witnesses of Inter-County Energy Cooperative Corporation and intervenors.

Inter-County Energy Cooperative Corporation
P.O. Box 87
Danville, Kentucky 40423-0087
(859)-236-4561

Note: This notice of the public hearing will appear in the newspaper of general circulation on Sunday, April 29th, 2007.

Request for Funds

**RESIDENTIAL MARKETING LOAN PROGRAM
REQUEST FOR FUNDS**

Member System Name _____

Date Submitted _____

Amount Requested \$ _____

___ Funds are requested to reimburse member system for loans made during period
beginning _____ and ending _____.
(date) (date)

___ Funds are requested in advance to cover estimated loans for the period
beginning _____ and ending _____.
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. _____ agrees to make
(cooperative name)
monthly payments of principal and interest to EKPC to fully repay all funds disbursed to _____ under the residential marketing loan program.
(cooperative name)

Interest will be charged at the rate of _____ % per annum and will be fixed for a period of two years. There is no prepayment penalty.

Signed _____

Date _____

Inter-County Energy Cooperative
Case No. 2006-00415
Billing Cycle Dates

<u>PRINT & MAIL</u>	<u>CYCLE</u>	<u>READ DATES</u>
5/2/2007	# 4	3/16/07 - 4/16/07
5/10/2007	# 1	3/22/07 - 4/22/07
5/17/2007	# 2	4/02/07 - 5/02/07
5/25/2007	# 3	4/08/07 - 5/08/07
6/1/2007	# 4	4/16/07 - 5/16/07
6/11/2007	# 1	4/22/07 - 5/22/07
6/18/2007	# 2	5/02/07 - 6/02/07
6/25/2007	# 3	5/08/07 - 6/08/07
7/2/2007	# 4	5/16/07 - 6/16/07
7/10/2007	# 1	05/22/07 - 06/22/07
7/17/2007	# 2	06/02/07 - 07/02/07
7/25/2007	# 3	06/08/07 - 07/08/07