



Steven L. Beshear  
Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
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Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

Lawrence W. Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

December 19, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2006-00466  
Nolin R.E.C.C.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on December 19, 2007.

Executive Director

BOD/rs  
Enclosure



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Michael L. Miller  
President & CEO  
Nolin R.E.C.C.  
411 Ring Road  
Elizabethtown, KY 42701-8701

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Honorable John J. Scott  
Attorney at Law  
Whitlow & Scott  
108 East Poplar Street  
P. O. Box 389  
Elizabethtown, KY 42702

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P. O. Box 389  
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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NOLIN RURAL ELECTRIC	)	
COOPERATIVE CORPORATION FOR AN	)	CASE NO.
ADJUSTMENT OF RATES	)	2006-00466

O R D E R

On March 13, 2007, Nolin Rural Electric Cooperative Corporation ("Nolin") submitted an application to the Commission requesting authority to increase its base rates by \$2,934,263, a 6.6 percent increase over normalized revenues. A review of the application revealed that it did not meet the minimum filing requirements set forth in 807 KAR 5:001, Section 2(2), and a notice of the filing deficiency was issued. Nolin submitted additional information to correct the deficiencies on March 28, 2007, and the application was accepted for filing on that date.

Nolin is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and is engaged in the sale and distribution of electric energy to approximately 30,600 customers in the Kentucky counties of Breckinridge, Bullitt, Grayson, Green, Hardin, Hart, LaRue, Meade, and Taylor. Nolin has a wholly-owned for-profit subsidiary, KVNet, which provides comprehensive Internet services. Nolin

also has two contracts with the U.S. Department of Defense for projects at Fort Knox, Kentucky.<sup>1</sup> Nolin's last general base rate case was Case No. 2000-00482.<sup>2</sup>

To determine the reasonableness of Nolin's proposal, the Commission suspended the proposed rates pursuant to KRS 278.190(2) for 5 months from their effective date up to and including September 28, 2007. The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), was granted full intervention in the proceeding on April 11, 2007.

During the proceeding, Nolin notified the Commission that the parties were engaged in settlement discussions. As a result of those discussions, the parties were able to reach a Joint Settlement Stipulation and Recommendation ("Joint Settlement") which was filed, with documentation, with the Commission on October 25, 2007 and a hearing was held on October 29, 2007.<sup>3</sup> The parties presented the Joint Settlement at the hearing and testified to its reasonableness. Nolin has filed information requested at the public hearing and the case now stands submitted for decision.

Under the provisions of the Joint Settlement, which is appended hereto as Appendix A, Nolin will be granted a revenue increase of \$2,598,845. As part of the

---

<sup>1</sup> The contracts deal with the privatization contract for the operation and maintenance of the electric distribution facilities located at Fort Knox and a contract for demand-side management and energy efficiency services installations.

<sup>2</sup> Case No. 2000-00482, The Application of Nolin Rural Electric Cooperative Corporation to Adjust the Payout of Capital Credits in Accordance with the Commission's Order of August 17, 1995 in Case No. 94-402, final Order dated August 2, 2001.

<sup>3</sup> The hearing was originally scheduled to be held on August 28, 2007. However, due to a scheduling conflict for Nolin's attorney, the hearing was rescheduled to October 29, 2007.

Joint Settlement, Nolin and the AG submitted proposed tariff revisions that reflected the agreed-to increase in revenues.

After careful review of the Joint Settlement, an examination of the record, and being otherwise sufficiently advised, the Commission finds that the \$2,598,845 revenue increase provided for in the Joint Settlement will result in fair, just, and reasonable rates for Nolin to charge for electric energy service. The Commission further finds that the Joint Settlement is in the public interest and should be accepted.

The Commission's approval of the proposed Joint Settlement is based solely on its reasonableness in toto and does not constitute approval of any rate-making adjustment.

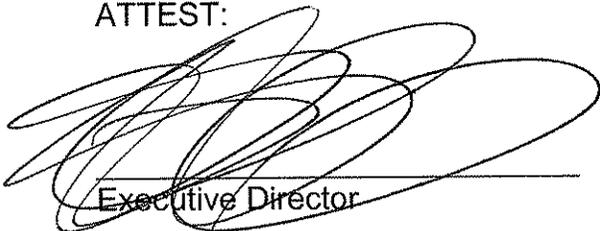
IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Nolin in its application are denied.
2. The Joint Settlement, appended hereto as Appendix A, is incorporated into this Order as fully set forth herein.
3. The Joint Settlement is adopted and approved in its entirety.
4. The rates set forth in Appendix B are approved for service rendered on and after January 1, 2008.
5. Within 20 days of the date of this Order, Nolin shall file new tariff sheets setting forth the rates and charges approved herein.

Done at Frankfort, Kentucky, this 19th day of December, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00466 DATED December 19, 2007

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

Dated October 25, 2007

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

ADJUSTMENT OF RATES OF  
NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION

OCT 26 2007  
PUBLIC SERVICE  
COMMISSION

CASE NO. 2006-00466

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Nolin Rural Electric Cooperative Corporation (Nolin RECC) 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 Nolin RECC'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. Nolin RECC 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 January 1, 2008. The exhibits attached hereto reflect a stipulated reduction of \$335,418 from the original rate increase requested amount of \$2,934,263 for an amended rate increase amount of \$2,598,845.

2. Nolin RECC's proposed tariff revisions should be adopted as are reflected in its original application as amended by this Stipulation and Recommendation. Amended tariffs for (Schedule 1) Residential, Farm, Non-Farm, Trailers, and Mobile Homes, (Schedule 2) Commercial, Small Power, Single Phase, and Three Phase Service, (Schedule 3) Large Power, (Schedule 5) Security Lights and (Schedule 6) Street Lighting are attached hereto as Attachment "A" which reflects the stipulated reduction in rates.

Attached to this Stipulation and Recommendation as Attachment B are proof-of-revenue sheets, showing that the rates set forth in Attachment A will generate the proposed revenue increase to which the parties have agreed in Paragraph number 1 hereof.

3. Each party hereto waives all cross-examination of witnesses of the other parties hereto unless the Commission disapproves this Recommendation, and each party further stipulates and recommends that the Notice of Intent, Notice of Application, testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

4. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Nolin RECC or any other utility.

5. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

6. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties hereto, nor

shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto, the Commission, or its Staff in any such hearing.

7. The parties hereto agree that the foregoing Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Recommendation in its entirety.

AGREED: this 25<sup>th</sup> day of October, 2007.

NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION

BY: Michael L. Miller  
MICHAEL L. MILLER,  
PRESIDENT OF NOLIN RECC

KENTUCKY ATTORNEY GENERAL

BY: Lawrence W. Cook  
LAWRENCE W. COOK  
ASSISTANT ATTORNEY GENERAL

NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION

BY: John J. Scott  
JOHN J. SCOTT  
ATTORNEY FOR NOLIN RECC

ATTACHMENT "A"

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
10<sup>th</sup> Revision Sheet No. 20

**CANCELING PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 20

**CLASSIFICATION OF SERVICE**

**SCHEDULE 1 - RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to all residents for uses in the home or on the farm, including trailers, mobile homes, schools, churches, community halls and non-profit community welfare institutions where the required total transformer capacity is 50 KVA or less, single or three phase.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

- (I) Customer Charge        \$8.13
- (I) All KWH Charge        \$0.07341 per KWH

FUEL ADJUSTMENT CLAUSE: The above rate 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 out in 807 KAR 5:056.

- (I) MINIMUM CHARGE: The minimum monthly charge for service shall be \$8.13.

DATE OF ISSUE	October 29, 2007	DATE EFFECTIVE	January 1, 2008
ISSUED BY	<i>Michael L. Miller</i>	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00466.

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

PSC KY NO. 10  
10<sup>th</sup> Revision Sheet No. 22

CANCELING PSC KY NO. 10  
9<sup>th</sup> Revision Sheet No. 22

CLASSIFICATION OF SERVICE

SCHEDULE 2 - COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to commercial members and small power loads requiring transformer capacity of 50 KVA or less, single phase and commercial members requiring three phase service with 50 KVA or less of total transformer capacity all subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

- (I) Customer Charge \$15.13
- (I) All KWH Charge \$0.07949

FUEL ADJUSTMENT CLAUSE: The above rate 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 out in 807 KAR 5:056.

- (I) MINIMUM CHARGE: The minimum monthly charge for service shall be \$15.13.

DATE OF ISSUE	October 29, 2007	DATE EFFECTIVE	January 1, 2008
ISSUED BY	<i>Michael L. Miller</i>	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2006-00466.

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

PSC KY NO. 10  
9<sup>th</sup> Revision Sheet No. 24

CANCELING PSC KY NO. 10  
8<sup>th</sup> Revision Sheet No. 24

CLASSIFICATION OF SERVICE

SCHEDULE 3 - LARGE POWER

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to consumers located on or near Cooperatives three phase lines whose transformer capacity would be more than 50 KVA and the demand would be 99 kw or less. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

(N) Customer Charge        \$25.63

Demand Charge:

\$4.45 per kilowatt of billing demand per month

Energy Charge:

First 2,500 KWH per month	\$0.06664 net per KWH
Next 12,500 KWH per month	\$0.06207 net per KWH
Over 15,000 KWH per month	\$0.06070 net per KWH

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

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

DATE OF ISSUE	October 29, 2007	DATE EFFECTIVE	January 1, 2008
ISSUED BY	<i>Michael Z. Mills</i>	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2006-00466.

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
10<sup>th</sup> Revision Sheet No. 28

**CANCELING PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 28

**CLASSIFICATION OF SERVICE**

**SCHEDULE 5 - SECURITY LIGHTS**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to all Members of the Cooperative subject to the established rules and regulations of the Cooperative.

TYPES OF SERVICES AVAILABLE	PER MONTH CHARGE PER UNIT		
Mercury vapor 175 watt 120 volt or HPS 100 watt on a twenty-five foot (25') pole or an existing pole	\$8.75	(I)	
Directional floodlight 100 Watt HPS to be mounted on existing pole	\$7.75	(I)	
Directional floodlight 250 Watt HPS to be mounted on existing pole	\$12.96	(I)	
Directional floodlight 400 Watt HPS to be mounted on existing pole	\$17.54	(I)	
Lantern Type 100 Watt HPS with twenty-foot (20') fiberglass colonial post for underground service only	\$11.58	(I)	
Contemporary Type 400 Watt HPS - for underground service only; to be used with the thirty-foot fiberglass pole - (Charge does not include pole.)	\$18.87	(I)	
Thirty-foot (30') fiberglass pole; to be used with underground services only	\$9.94	(I)	
Twenty-five foot (25') wood pole for overhead services only - (charge does not include lighting fixture)	\$2.30	(I)	
Thirty-foot (30') wood pole for overhead services only - (charge does not include lighting fixture)	\$2.66	(I)	
Twenty-five foot (25') wood pole for underground services only - (charge does not include lighting fixture)	\$3.22	(I)	
Thirty-foot (30') wood pole for underground services only - (charge does not include lighting fixture)	\$3.58	(I)	
DATE OF ISSUE	October 29, 2007	DATE EFFECTIVE	January 1, 2008
ISSUED BY	<i>Michael T. Mills</i>		411 Ring Road
	President & CEO		Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

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Case No. 2006-00466.

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
10<sup>th</sup> Revision Sheet No. 31

**CANCELING PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 31

**CLASSIFICATION OF SERVICE**

**SCHEDULE 6 - STREET LIGHTING (Cont'd.)**

RATE:

Mercury Vapor (M.V.) or High Pressure Sodium (H.P.S.), Series or Multiple

STANDARD OVERHEAD (WOOD POLE):

	<u>Watts/Light</u>		
8,500 M.V. initial lumens	175	\$5.37 per light per mth	(I)
23,000 M.V. initial lumens	400	\$15.64 per light per mth	(I)
9,500 H.P.S. initial lumens	100	\$8.49 per light per mth	(I)
27,500 H.P.S. initial lumens	250	\$12.75 per light per mth	(I)
50,000 H.P.S. initial lumens	400	\$16.61 per light per mth	(I)

ORNAMENTAL SERVICE OVERHEAD (Aluminum Poles)

	<u>Watts/Light</u>		
8,500 M.V. initial lumens	175	\$6.92 per light per mth	(I)
23,000 M.V. initial lumens	400	\$17.28 per light per mth	(I)
9,500 H.P.S. initial lumens	100	\$19.51 per light per mth	(I)
27,500 H.P.S. initial lumens	250	\$22.98 per light per mth	(I)
50,000 H.P.S. initial lumens	400	\$26.13 per light per mth	(I)

ORNAMENTAL SERVICE UNDERGROUND (Fiberglass Poles)

	<u>Watts/Light</u>		
50,000 H.P.S. initial lumens	400	\$30.51 per light per mth	(I)

FUEL ADJUSTMENT CLAUSE: The above rate 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 out in 807 KAR 5:056.

DATE OF ISSUE	October 29, 2007	DATE EFFECTIVE	January 1, 2008
ISSUED BY	<i>Michael L. Nilla</i>	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00466.

**ATTACHMENT "B"**

NOLIN RECC  
CASE NO. 2006 - 00466

SETTLEMENT STIPULATION

REVISED REVENUE REQUIREMENTS - BASED ON SETTLEMENT STIPULATION

Rate Schedule	Normalized Test Year Revenue	Proposed Test Year Revenue	Original Increase Amount	Original Increase Percent	Settlement Increase Amount	Settlement Proposed Test Year Revenue
1 Farm and Home	28,405,982	30,844,151	2,438,169	83.17%	2,161,502	30,567,484
2 Small Commercial	2,062,916	2,338,903	275,987	9.41%	244,670	2,307,586
3 Large Power Rate	1,052,201	1,083,308	31,107	1.06%	27,577	1,079,778
Industrial Rate	4,264,072	4,264,072	-	0.00%	-	4,264,072
Large Industrial Rate	42,457	42,457	-	0.00%	-	42,457
Large Industrial Rate	2,207,449	2,207,449	-	0.00%	-	2,207,449
Large Industrial Rate	5,419,481	5,419,481	-	0.00%	-	5,419,481
Large Industrial Rate	616,770	740,124	123,354	4.21%	109,357	726,127
5 Security Lights	125,748	188,622	62,874	2.14%	55,739	181,487
6 Street Lighting	7,838	7,838	-	0.00%	-	7,838
Envirowatts	7,838	2,745	2,745	0.00%	-	-
Rounding differences						
Total from Base Rates	44,204,914	47,139,150	2,934,236	100%	2,598,845	46,803,759
Settlement Increase Amount						2,598,845
Decrease in Increase Amount per Settlement						335,391

**SETTLEMENT STIPULATION**  
**BILLING ANALYSIS FOR RATE CLASSES RECEIVING AN INCREASE**

Nolin Rural Electric Cooperative Case No. 2006-00466											
Billing Analysis August 31, 2006											
Schedule 1 Residential, Farm, Non-Farm, Trailers and Mobile Homes											
Rate Class 1											
Billing Determinants	Actual Rate	Actual Revenues	Normalized Case No. 2004-00478		EKPC Flow Through Rates Case 2006-00484		FAC Rollin 2006-00521		Case No. 2006-00466 Proposed		
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	
Customer Charge	\$5.00	\$1,676,215	\$5.00	\$1,676,215	\$5.13	\$1,719,797	5.13	\$1,719,797	8.13	\$2,725,526	
Energy charge per kWh	\$0.06271	26,734,613	\$0.06271	26,734,613	\$0.06435	27,433,780	0.07070	\$30,140,921	\$0.07341	\$31,296,694	
Billing adjustments		(4,846)		(4,846)		(4,846)		(4,846)		(4,846)	
Total from base rates		26,405,982		28,405,982		\$29,148,731		\$31,855,872		\$34,017,374	
Fuel adjustment		2,998,898									
Environmental surcharge		2,339,647									
Total revenues		\$33,744,527		\$0		\$742,749		\$2,707,141		\$2,161,502	
Amount				0.0%		2.61%		9.29%		6.79%	
Percent											
total kwh lights											







SETTLEMENT STIPULATION

BILLING ANALYSIS FOR RATE CLASSES RECEIVING AN INCREASE

Billing Determinants	Rate	Actual Revenues	Normalized Case No. 2004-00478		EKPC Flow Through Rates Case 2006-00484		FAC Rollin 2006-00521		Case No. 2006-00466 Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Nolin Rural Electric Cooperative Case No. 2006-00466 Billing Analysis August 31, 2006										
Schedule 6 Street Lighting										
Standard:										
8,500 MV lumens	\$3.26	\$22,729	\$3.26	\$22,729	\$3.35	\$23,356	3.83	\$28,708	5.37	\$37,459.82
23,000 MV lumens	\$9.81	5,415	\$9.81	5,415	\$10.07	5,559	11.15	6,155	15.64	8,634
9,500 HPS lumens	\$5.58	55,995	\$5.58	55,995	\$5.73	57,501	6.05	60,712	8.49	85,169
27,500 HPS lumens	\$8.20	3,838	\$8.20	3,838	\$8.42	3,941	9.09	4,254	12.75	5,988
50,000 HPS lumens	\$10.64	1,915	\$10.64	1,915	\$10.92	1,966	11.84	2,131	16.61	2,990
Ornamental Overhead	\$4.34	0	\$4.34	0	\$4.45	0	4.93	-	6.92	-
8,500 MV lumens	\$10.95	0	\$10.95	0	\$11.24	0	12.32	-	17.28	-
23,000 MV lumens	\$13.24	0	\$13.24	0	\$13.59	0	13.91	-	19.51	-
9,500 HPS lumens	\$15.31	6,246	\$15.31	6,246	\$15.71	6,410	16.38	6,683	22.98	9,375
27,500 HPS lumens	\$17.26	621	\$17.26	621	\$17.71	638	18.63	671	26.13	941
50,000 HPS lumens	\$20.30	28,988	\$20.30	28,988	\$20.83	29,745	21.75	31,059	30.51	43,571
Ornamental Underground										
50,000 HPS lumens										
KWH										
Billing adjustments										
Total from base rates		125,748		125,748		129,114		138,367		194,107
Fuel adjustment		14,722								
Environmental Surcharge		0								
Total revenues		\$140,470								
Amount		\$0		\$0		\$3,356		\$9,253		\$55,739
Percent		0.0%		0.0%		2.7%		7.2%		40.3%

SETTLEMENT STIPULATION

BILLING ANALYSIS FOR RATE CLASSES RECEIVING AN INCREASE

		Nolin Rural Electric Cooperative Case No. 2006-00466 Billing Analysis August 31, 2006		FAC Rollin 2006-00521		Case No. 2006-00466 Proposed	
		Summary:		EKCPC Flow Through Rates Case 2006-00484		Revenues	
Billing Determinants	Rate	Actual Revenues	Normalized Case No. 2004-00478 Rates	Revenues	Revenues	Revenues	Revenues
Total from base rates for Rate Classes with increases 2006-00466		32,263,617	32,263,617	33,107,667	36,142,646	38,741,481	
Increase in Revenue			0	844,049	3,034,979	2,596,846	
Percentage Increase				2.62%	9.17%	7.19%	

NOLIN RECC  
CASE NO. 2006-00466

SETTLEMENT STIPULATION

SUMMARY OF REVENUE FROM RATES  
NORMALIZED FOR TEST YEAR, FOR EKPC FLOW-THROUGH AND FAC ROLLIN AND WITH PROPOSED INCREASE  
FOR THOSE RATE CLASSES FOR WHICH AN INCREASE IS PROPOSED

Rate Schedule	Normalized Test Year Revenue	Normalized Revenue 2006-00484 Flow Thru	Normalized Revenue 2006-00521 FAC Rollin	Normalized Revenue After Rate Increase	Increase Amount	Increase Percent
1 Farm and Home	28,405,982	29,148,731	31,855,872	34,017,374	2,161,502	7.61%
2 Small Commercial	2,062,916	2,116,942	2,295,227	2,539,897	244,670	11.86%
3 Large Power Rate	1,052,201	1,079,583	1,177,017	1,204,595	27,578	2.62%
5 Security Lights	616,770	633,296	676,162	785,518	109,357	17.73%
6 Street Lighting	125,748	129,114	138,367	194,107	55,739	44.33%
Rounding Differences			0	0	0	
Total from Base Rates	32,263,617	33,107,667	36,142,646	38,741,491	2,598,846	8.06%

SETTLEMENT STIPULATION  
RATE COMPARISON

			Case 2006-484	Case 2006-521	
			Rates After	Rates After	
		Rates at Test	EKPC Flow	FAC	Proposed
Rate Class		Year End	Through	Rollin	Rates
1	Farm and Home				
	Customer Charge per Month	\$ 5.00	\$5.13	\$ 5.13	\$8.13
	Energy Rate per kWh	\$ 0.06271	\$ 0.06435	\$0.07070	\$ 0.07341
2	Small Commercial				
	Customer Charge per Month	\$ 5.00	\$ 5.13	\$ 5.13	\$ 15.13
	Energy Rate per kWh	\$ 0.06985	\$ 0.07168	\$0.07803	\$ 0.07949
3	Large Power Rate				
	Demand	\$4.34	\$4.45	\$ 4.45	\$ 4.45
	Customer Charge per Month	\$0.00	\$0.00	\$0.00	25.63
	First 2,500	\$ 0.05875	\$ 0.06029	\$0.06664	\$ 0.06664
	Next 12,500	\$ 0.05430	\$ 0.05572	\$0.06207	\$ 0.06207
	Over 15,000	\$ 0.05296	\$ 0.05435	\$0.06070	\$ 0.06070
5	Security Lights				
	Mercury vapor 175 watt, or HPS 100 watt on a 25' wood pole	\$6.87	\$7.05	\$ 7.53	\$ 8.75
	Directional flood 100 watt HPS	\$6.02	\$7.05	\$ 6.67	\$ 7.75
	Directional flood 250 watt HPS	\$10.13	\$10.40	\$ 11.16	\$ 12.96
	Directional flood 400 watt HPS	\$13.55	\$13.91	\$ 15.10	\$ 17.54
	Lantern type 100 watt colonial post	\$9.44	\$9.69	\$ 9.97	\$ 11.58
	Contemporary type 400 watt for u/g	\$14.67	\$15.05	\$ 16.24	\$ 18.87
	30' fiberglass pole w/ u/g	\$8.56	\$8.56	\$ 8.56	\$ 9.94
	25' wood pole, no light	\$1.98	\$1.98	\$ 1.98	\$ 2.30
	30' wood pole, no light	\$2.29	\$2.29	\$ 2.29	\$ 2.66
	25' wood pole, u/g service	\$2.77	\$2.77	\$ 2.77	\$ 3.22
	30' wood pole, u/g service	\$3.08	\$3.08	\$ 3.08	\$ 3.58
6	Street Lighting				
	Standard:				
	8,500 MV lumens	\$3.26	\$3.35	\$ 3.83	\$ 5.37
	23,000 MV lumens	\$9.81	\$10.07	\$ 11.15	\$ 15.64
	9,500 HPS lumens	\$5.58	\$5.73	\$ 6.05	\$ 8.49
	27,500 HPS lumens	\$8.20	\$8.42	\$ 9.09	\$ 12.75
	50,000 HPS lumens	\$10.64	\$10.92	\$ 11.84	\$ 16.61
	Ornamental Overhead				
	8,500 MV lumens	\$4.34	\$4.45	\$ 4.93	\$ 6.92
	23,000 MV lumens	\$10.95	\$11.24	\$ 12.32	\$ 17.28
	9,500 HPS lumens	\$13.24	\$13.59	\$ 13.91	\$ 19.51
	27,500 HPS lumens	\$15.31	\$15.71	\$ 16.38	\$ 22.98
	50,000 HPS lumens	\$17.26	\$17.71	\$ 18.63	\$ 26.13
	Ornamental Underground				
	50,000 HPS lumens	\$20.30	\$20.83	\$ 21.75	\$ 30.51

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00466 DATED December 19, 2007

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### SCHEDULE 1

##### RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES

Customer Charge	\$	8.13
All kWh per kWh	\$	.07341
Minimum Charge	\$	8.13

#### SCHEDULE 2

##### COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE

Customer Charge	\$	15.13
All kWh per kWh	\$	.07949
Minimum Charge	\$	15.13

#### SCHEDULE 3

##### LARGE POWER

Customer Charge	\$	25.63
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#### SCHEDULE 5

##### SECURITY LIGHTS

Monthly Charge:

175 Watt Mercury Vapor	\$	8.75
100 Watt HPS Directional Floodlight	\$	7.75
250 Watt HPS Directional Floodlight	\$	12.96
400 Watt HPS Directional Floodlight	\$	17.54
100 Watt HPS Lantern Type with 20' fiberglass colonial post	\$	11.58
400 Watt HPS Contemporary to be used with 30' fiberglass pole	\$	18.87
30' fiberglass pole to be used with underground services	\$	9.94
25' wood pole for overhead service	\$	2.30
30 foot wood pole for overhead services only	\$	2.66
25' wood pole for underground services	\$	3.22
30' wood pole for underground services	\$	3.58

SCHEDULE 6  
STREET LIGHTING  
MERCURY VAPOR OR HIGH PRESSURE SODIUM  
SERIES OR MULTIPLE

Standard Overhead-Wood Poles:

8,500	M.V. Initial Lumens	\$	5.37
23,000	M.V. Initial Lumens	\$	15.64
9,500	H.P.S. Initial Lumens	\$	8.49
27,500	H.P.S. Initial Lumens	\$	12.75
50,000	H.P.S. Initial Lumens	\$	16.61

Ornamental Service Overhead (Aluminum Poles):

8,500	M.V. Initial Lumens	\$	6.92
23,000	M.V. Initial Lumens	\$	17.28
9,500	H.P.S. Initial Lumens	\$	19.51
27,500	H.P.S. Initial Lumens	\$	22.98
50,000	H.P.S. Initial Lumens	\$	26.13

Ornamental Service Underground (Fiberglass Poles):

50,000	H.P.S. Initial Lumens	\$	30.51
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