

RECEIVED

AUG 26 2009

**PUBLIC SERVICE
COMMISSION**

Item 1
Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

1. Please provide the portion of the 13-month average prepayment balance of \$133,729 (Exhibit K, page 2 of 7) that represents the 13-month average test year PSC assessment prepayments.

Response None.

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

2. Please provide a copy of the PSC Order and/or any other PSC rulings stating that non-cash patronage dividends are not considered as net margins for ratemaking purposes.

Response It has been a long standing PSC precedent that non-cash G & T patronage capital credits are not considered for ratemaking purposes. G & T capital credits are the only ones removed from this application.

Item 3
Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

3. Please provide a side-by-side comparison of the actual annual revenue, expense and tax amounts for each of the detailed income statement accounts shown on Exhibit X, pages 1 through 7 for the years 2005, 2006, 2007 and the test year.

Response Attached.

Licking Valley Rural Electric
Case No. 2009-00016

| <u>Account</u> | <u>Description</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-----------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | |
| 440.1 | Residential Rural | 16,715,825 | 18,345,414 | 18,846,053 | 19,042,152 |
| 440.3 | Commercial & Industrial | 1,112,398 | 1,132,716 | 1,146,675 | 1,097,805 |
| 442.2 | Large Commercial | 2,419,398 | 2,602,708 | 2,690,630 | 2,708,450 |
| 442.21 | Large Commercial | 1,000,264 | 1,117,236 | 1,108,914 | 1,109,663 |
| 442.22 | Large Commercial | 176,864 | 223,754 | 381,616 | 423,059 |
| 444.2 | Security Lights | 26,643 | 28,172 | 30,013 | 32,080 |
| | | <u>21,451,392</u> | <u>23,450,000</u> | <u>24,203,902</u> | <u>24,413,209</u> |
| 450 | Forfeit discounts | 161,558 | 202,825 | 206,165 | 235,036 |
| 454 | Rent from Electric Prop | 86,396 | 59,244 | 58,410 | 58,410 |
| 454.1 | Rent | 22,215 | 22,215 | 22,215 | 22,214 |
| 456 | Other Electric Prop | 96,007 | 96,532 | 97,455 | 85,142 |
| 456.1 | Other Temp | 460 | 300 | 430 | 0 |
| | | <u>21,818,028</u> | <u>23,831,116</u> | <u>24,588,577</u> | <u>24,814,011</u> |
| Cost of Power | | | | | |
| 555 | Purchased Power | 14,648,561 | 15,108,098 | 16,922,124 | 18,381,104 |
| Distribution - Operations | | | | | |
| 580 | Super & Eng | 39,609 | 51,314 | 83,223 | 85,866 |
| 583 | O/H Line | 584,757 | 631,749 | 622,018 | 712,635 |
| 584 | U/G line | (14,837) | (10,974) | (10,584) | 342 |
| 586 | Meter | 268,527 | 304,664 | 301,649 | 305,162 |
| 587 | Constr Install Eqt | 69,120 | 79,093 | 72,040 | 78,471 |
| 588 | Misc Dist Eqt | 144,846 | 171,414 | 202,630 | 188,412 |
| | | <u>1,092,022</u> | <u>1,227,260</u> | <u>1,270,976</u> | <u>1,370,888</u> |
| Distribution - Maintenance | | | | | |
| 590 | Supervision | 39,608 | 51,315 | 83,224 | 86,481 |
| 593 | O/H Lines | 565,489 | 600,371 | 608,616 | 661,071 |
| 593.1 | R-O-W | 18,498 | 55,951 | 82,709 | 171,705 |
| 593.61 | R-O-W Contractor | 410,498 | 405,112 | 473,454 | 490,352 |
| 595 | Transformers | 18,869 | 18,570 | 18,428 | 74,526 |
| 597 | Meters | 100,406 | 126,940 | 143,633 | 144,215 |
| | | <u>1,153,368</u> | <u>1,258,259</u> | <u>1,410,064</u> | <u>1,628,350</u> |

Licking Valley Rural Electric
Case No. 2009-00016

| <u>Account</u> | <u>Description</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-------------------------------------|---------------------------|------------------|------------------|------------------|------------------|
| Consumer Accounts | | | | | |
| 902 | Meter Read Exp | 136,356 | 128,190 | 169,439 | 163,313 |
| 903 | Consumer Collection | 420,579 | 440,351 | 505,928 | 456,026 |
| 904 | Uncollectible A/c | 72,000 | 72,000 | 72,000 | 72,000 |
| | | <u>628,935</u> | <u>640,541</u> | <u>747,367</u> | <u>691,339</u> |
| Sales | | | | | |
| 907 | Supervision Consumer Reco | 101,568 | 57,814 | 69,510 | 20,021 |
| 908 | Consumer Assistance | 12,775 | 13,779 | 15,268 | |
| 913 | Advertising | 32,060 | 38,079 | 33,003 | 52,414 |
| | | <u>146,403</u> | <u>109,672</u> | <u>117,781</u> | <u>72,435</u> |
| Administrative & General | | | | | |
| 920 | Office Salaries | 748,494 | 595,555 | 414,371 | 426,368 |
| 921 | Office Supplies | 95,866 | 84,714 | 93,288 | 98,402 |
| 923 | Outside Services | 21,892 | 13,780 | 13,035 | 6,880 |
| 924 | Insurance | | | | |
| 925 | Injuries & Damages | | | | |
| 926 | Emp benefits | | | | |
| 928 | Regulatory Commission | | | | |
| 929 | Duplicate Charges | (11,068) | (10,126) | (9,292) | (9,420) |
| 930.1 | Director Fee & Expense | 55,690 | 50,415 | 56,897 | 53,083 |
| 930.2 | Dues | 57,713 | 59,631 | 60,167 | 60,602 |
| 930.3 | Annual Meeting | 38,209 | 37,240 | 41,237 | 57,929 |
| 930.4 | Misc Genrl | 44,929 | 72,930 | 68,763 | 90,991 |
| 930.6 | Cash Short & Over | 92 | 80 | 411 | 117 |
| 935 | Misc General Plant | 189,764 | 142,624 | 196,840 | 158,291 |
| | | <u>1,241,581</u> | <u>1,046,843</u> | <u>935,718</u> | <u>943,243</u> |
| Depreciation | | | | | |
| 403.6 | Distribution Plant | 1,629,037 | 1,693,001 | 1,758,262 | 1,824,468 |
| 403.7 | General Plant | 95,370 | 96,859 | 87,767 | 91,320 |
| | | <u>1,724,407</u> | <u>1,789,860</u> | <u>1,846,028</u> | <u>1,915,788</u> |

Licking Valley Rural Electric
Case No. 2009-00016

| <u>Account</u> | <u>Description</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-----------------------------------|-------------------------------|----------------|------------------|------------------|------------------|
| Taxes | | | | | |
| 408.1 | Property | | | 0 | 0 |
| 408.2 | Payroll, City of Salyersville | 439 | 441 | 343 | 476 |
| 408.6 | PSC Assessment | 25,200 | 25,200 | 25,200 | 25,200 |
| | | <u>25,639</u> | <u>25,641</u> | <u>25,543</u> | <u>25,676</u> |
| Interest on long-term debt | | | | | |
| 427.1 | RUS | 458,974 | 452,347 | 435,700 | 409,261 |
| 427.2 | CFC | 233,592 | 236,940 | 224,962 | 201,961 |
| 427.30 | FFB | 295,885 | 494,689 | 705,568 | 343,937 |
| | | <u>988,451</u> | <u>1,183,976</u> | <u>1,366,230</u> | <u>955,159</u> |
| Other interest | | | | | |
| 431 | Other Interest Exp | 68,374 | 75,039 | 77,592 | 74,306 |
| Other Deductions | | | | | |
| 426.1 | Donations | 35,790 | 4,668 | 12,286 | 16,540 |
| 426.6 | Director wives expense | 500 | | 2,318 | 1,158 |
| | | <u>36,290</u> | <u>4,668</u> | <u>14,604</u> | <u>17,698</u> |
| Interest Income | | | | | |
| 419 | Interest Income | 121,892 | 224,855 | 416,724 | 172,066 |
| Patronage Capital | | | | | |
| 424.1 | EKP | | | 0 | 241,839 |
| 424.10 | Other patronage capital | 52,381 | 55,141 | 61,234 | 66,803 |
| | | <u>52,381</u> | <u>55,141</u> | <u>61,234</u> | <u>308,642</u> |
| Net Margins | | | | | |
| | | <u>238,270</u> | <u>1,641,255</u> | <u>332,508</u> | <u>(781,267)</u> |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

4. With regard to Exhibit 13, page 1, please provide the actual number of CATV pole attachments for each of the years 2006 and 2007.

Response:

| | <u>2006</u> | <u>2007</u> |
|----------------|-------------|-------------|
| 2 party pole | 2,204 | 2,204 |
| 2 party anchor | 1,538 | 1,538 |
| 3 party pole | 1,930 | 1,930 |
| 3 party anchor | 16 | 16 |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

5. Account 59310 - Maintenance of Right of Way expenses for 2008 amounted to \$171,705 which is approximately 108% higher than the corresponding 2007 expenses of \$82,709. In this regard, please provide the following information:
- a. Actual 59310 – Maintenance of Right of Way expenses for each of the years 2004 through 2007 and for the first 6 months of 2009.
 - b. Reasons for the large increase in 2008 over 2007.
 - c. Account 59310 – Maintenance of Right of Way expenses included in the original Operating Budget for 2008 and the Operating Budget for 2009.

Response a.

| | | |
|--|---------------|---------|
| Account 593.10, Maintenance right of way | | |
| | 2004 | 17,732 |
| | 2005 | 18,498 |
| | 2006 | 55,951 |
| | 2007 | 171,706 |
| | 6 months 2009 | 72,315 |

Response b. Licking Valley added cooperative crews for right of way clearing. There were smaller jobs that were more economical for cooperative crews to clear than for the contractor.

Response c.

| | | |
|------------------------------------|------|---------|
| Operating Budget for 2008 and 2009 | | |
| | 2008 | 92,705 |
| | 2009 | 188,909 |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

6. Account 59500 – Transformer Maintenance expenses for 2008 amounted to \$74,526 which is approximately 304% higher than the corresponding 2007 expenses of \$18,428. In this regard, please provide the following information:
- a. Actual 59500 – Transformer Maintenance expenses for each of the years 2004 through 2007 and for the first 6 months of 2009.
 - b. Reasons for the large increase in 2008 over 2007.
 - c. Account 59500 – Transformer Maintenance expenses included in the original Operating Budget for 2008 and the Operating Budget for 2009.

Response a.

| | | |
|---|------|--------|
| Account 595.00, Transformer Maintenance | | |
| | 2004 | 32,420 |
| | 2005 | 18,869 |
| | 2006 | 18,570 |
| | 2007 | 18,428 |
| 6 months 2009 | | 17,240 |

Response b. See PSC-2-26.c.

Response b.

| | | |
|------------------------------------|------|---------|
| Operating Budget for 2008 and 2009 | | |
| | 2008 | 27,982 |
| | 2009 | 108,340 |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

Item 7
Witness: Jim Adkins
1 of 2

7. In the same format and detail as per Exhibit 11, please provide a detailed dollar breakout and description of all of the expense components making up the test year Account 90800 – Consumer Assistance expense of \$20,021.

Response is attached.

AG-1-7

Witness: Jim Adkins

Licking Valley Rural Electric
Case No. 2009-00016
Account 908.00 Consumer Assistance
December 31, 2008

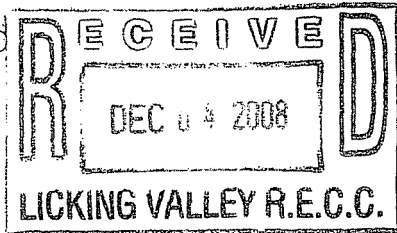
| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|----------------------|------------------|---|
| 01/31/08 | 238 | McKenzie Shopwise | 40.07 | Food for Girl Scouts |
| 02/07/08 | 266 | Carol Jett | 300.00 | Geothermal rebate |
| 02/15/08 | 313 | Petty Cash | 15.00 | Donate caps to Girl Scouts |
| 04/14/08 | 683 | KAEC | 504.56 | 2008 Ky Uniform Electrical Wiring Guide books |
| 01/14/08 | 689 | Petty Cash | 78.43 | CFL and other bulbs for demonstration |
| 04/30/08 | 927 | Farmers & Shoppers | 155.93 | Farm\Home Safety Tips in newspaper ad |
| 05/19/08 | 951 | Culver Company | 3,411.67 | Safety handouts at demonstrations |
| 05/29/08 | 1040 | Visa | 26.25 | Meal during energy audit |
| 06/18/08 | 1161 | KAEC | 3,600.00 | Washington Youth tour |
| 07/18/08 | 1443 | JMB Biological Fore: | 200.00 | Donation |
| 08/31/08 | 1836 | Petty Cash | 10.00 | Magoffin Co Comm day - CFL bulb demonstration |
| 08/31/08 | 1921 | KAEC | 3,337.73 | CFL light bulbs |
| 09/11/08 | 1874 | Glen Hawes | 100.00 | Heat pump rebate |
| 09/19/08 | 2239 | Jackson Electric | 31.79 | Safety trailer repair part |
| 10/25/08 | 2240 | KAEC | 55.60 | "Energy Alert" handouts |
| 10/30/08 | 2271 | Claude Bearman | 352.59 | Geothermal rebate |
| 10/30/08 | 2272 | Plum Lick Publishing | 1,865.60 | History of Ky cooperative books |
| | | Cooperative costs | <u>5,935.79</u> | Transportation |
| | | | <u>20,021.01</u> | |

Licking Valley Rural Electric Cooperative
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8. Please provide copies of the following "safety" ads listed in Exhibit 11, pages 2 through 6:
 - a. Breathitt Co Voice
 - b. Intermountain Broadcasting
 - c. Farmers and Shoppers
 - d. Licking Valley Courier
 - e. Wolfe Co News
 - f. Salyersville Independent
 - g. Pinnacle Publishing

Salyersville Independent, LLC

102 E Maple
 PO Box 29
 Salyersville, KY 41465



Statement/Invoice

Date

12/1/2008

| |
|---|
| Bill To |
| Licking Valley RECC PO Box 605 West Liberty, KY 41472 |

| | |
|------------|-------------|
| Amount Due | Amount Enc. |
| \$333.00 | |

| Date | Description | Amount | Balance |
|------------|-----------------------------|--------|---------|
| 10/31/2008 | Balance forward | | 195.00 |
| 11/06/2008 | Due 12/31/2008. Advertising | 39.00 | 234.00 |
| 11/13/2008 | Due 12/31/2008. Advertising | 39.00 | 273.00 |
| 11/20/2008 | Due 12/31/2008. American Ed | 60.00 | 333.00 |

| |
|----------------------------|
| By Purchase Order _____ |
| Price & Ext. Ok'd _____ |
| Posted _____ |
| Received <i>mm</i> _____ |
| Approved for Payment _____ |

| Current | 1-30 Days Past Due | 31-60 Days Past Due | 61-90 Days Past Due | Over 90 Days Past Due | Amount Due |
|---------|--------------------|---------------------|---------------------|-----------------------|------------|
| 333.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$333.00 |

There will be a 2% monthly finance charge on all balances not paid within 30 days. If you have any question you may contact us at 606-349-2915.

| | | |
|--------------|--------------|---------------------|
| Phone # | Fax # | E-mail |
| 606-349-2915 | 606-349-8609 | siads@foothills.net |

tant Tips

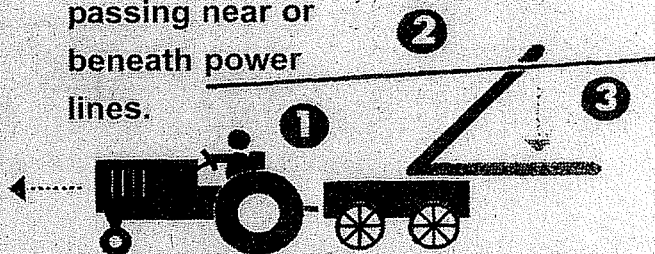
contains the techniques, tips and secrets used by master teachers in teaching the multiplication facts. There are also fun games to help kids in grades 1-6 learn multiplication facts.

Findings from major research say the earlier that parent involvement begins in a child's educational process, the more powerful the effects. The family can make critical contributions to student achievement from preschool through high school. A home environment that encourages learning is more important to student achievement than income, education level or cultural background. For more information about educational websites or how you can be more involved in your child's education, contact the Parent Resource Center at 349-4200 anytime during school hours.

Safety By The Numbers

Just follow these simple rules, they add up to safety.

- 1) Know the height of your equipment.
- 2) Know the height of your power lines.
- 3) Lower all equipment before passing near or beneath power lines.



Licking Valley RECC

RURAL ELECTRIC COOPERATIVE
MAIN STREET • WEST LIBERTY, KY. 41472

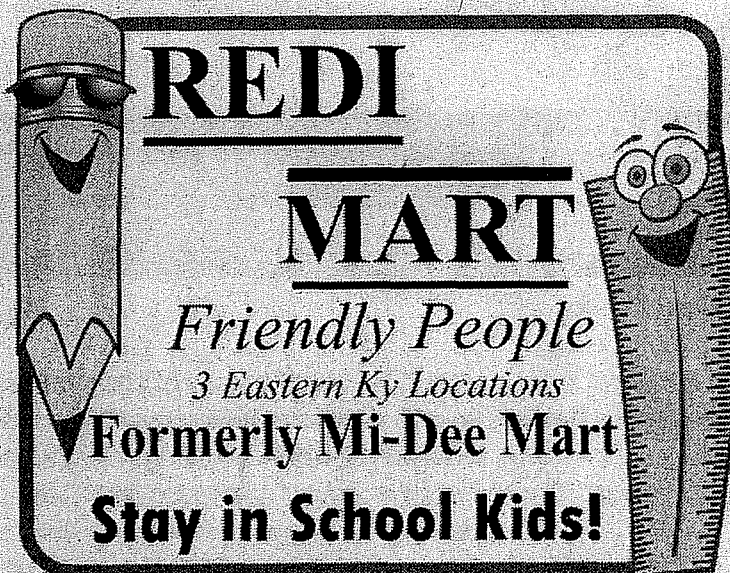
Ph: 743-3179

To Report Outages
Call 743-7500

Place your classified
with us to be seen by
over 9,600 readers!

Call
349-2915
today!





REDI MART

Friendly People
3 Eastern Ky Locations
Formerly Mi-Dee Mart
Stay in School Kids!

Subscribe to
The Salyersville Independent!
The number one source for

You could tell when he was angry because he would dig a

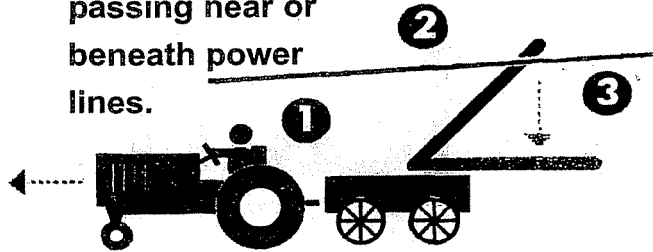
She played with her dog and she wandered around like

take any bull from any especially brother.

Safety By The Numbers

Just follow these simple rules, they add up to safety.

- 1) Know the height of your equipment.
- 2) Know the height of your power lines.
- 3) Lower all equipment before passing near or beneath power lines.

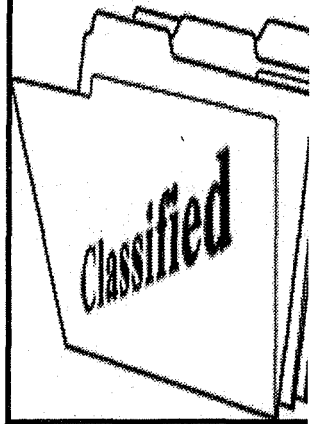


Licking Valley RECC
 RURAL ELECTRIC COOPERATIVE
 MAIN STREET • WEST LIBERTY, KY. 41472

Ph: 743-3179
To Report Outages
Call 743-7500

Place your classification with us to be seen over 9,600 readers

Call
349-2915
 today!



FLORIDA SUNSHINE ON SALE

ORLANDO

TAMPA BAY

FROM

\$69

* ONE WAY

FROM

\$69

* ONE WAY

Only at an Allegiant Air airport ticket counter.

Only at an Allegiant Air airport ticket counter.

ON SALE!

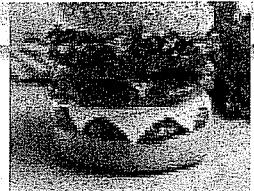
ON SALE!

*Seats are limited and fares are not available on all flights. All fares are one-way. Must be purchased by Nov. 19, 2008 for travel to be completed by Feb. 19, 2009. 7-day advance purchase required. Prices do not include PFC, segment tax or Sept. 11 security fee of up to \$10.50 per segment. A convenience fee of \$10.00 per segment, plus \$10.00 per segment, will be applied when purchased through Allegiant Air call centers. A checked baggage fee of \$15 per bag at flight check-in, a checked baggage fee of \$25 per bag, per person, per segment will apply for the first two bags checked. Additional higher fees and schedules are subject to change without notice. Restrictions apply.

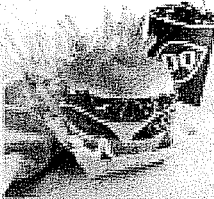
Dairy Queen



1/2 lb. Flame-thrower Grill Burger™
Thin thick juicy 1/4 lb. burgers, combined in a fiery
ketchup-flavored sauce with pepper jack cheese and
jalapeño sauce.



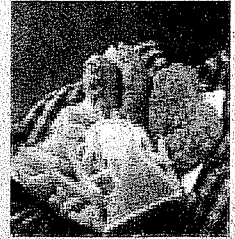
DQ® Ultimate® Hamburger
The delicious DQ® Ultimate is a 1/2 lb.
total meat juiced-to-order original flame-thrower
burger loaded with ketchup, cheddar cheese,
pickles, lettuce, tomato and our
flame-thrower sauce.



Grillburger™ Basket Deals
Add fries and a drink to your sandwich
to create your meal.



DQ® Sundaes
For over 60 years DQ® has been known for its
great sundaes. Top one off with hot fudge, caramel
or any of our delicious toppings.



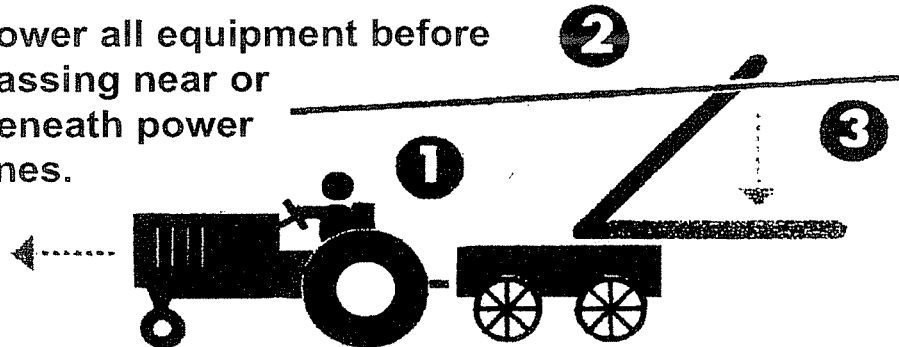
Chicken Strip Basket
Four golden strips of tender chicken
breast served with crispy fries,
Texas Toast
and delicious country gravy.

349-1616

Safety By The Numbers

Just follow these simple rules, they add up to safety.

- 1) Know the height of your equipment.
- 2) Know the height of your power lines.
- 3) Lower all equipment before passing near or beneath power lines.



Licking Valley RECC **Ph: 743-3179**
RURAL ELECTRIC COOPERATIVE **To Report Outages**
MAIN STREET • WEST LIBERTY, KY. 41472 **Call 743-7500**

The Wolfe County News
P.O. Box 187
West Liberty, KY 41472

Statement

DATE

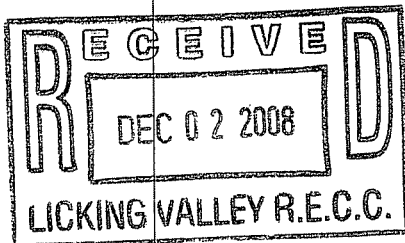
11/30/08

Phone (606) 743-3551

BILL TO

LICKING VALLEY RECC
P.O. Box 605
West Liberty, KY 41472

| | | AMOUNT DUE | AMOUNT ENC. |
|----------|---------------------------------|------------|-------------|
| | | \$288.75 | |
| DATE | DESCRIPTION | AMOUNT | BALANCE |
| 10/31/08 | Balance forward | | 351.75 |
| 11/07/08 | FREEDOM | 77.70 | 429.45 |
| 11/11/08 | PMT #8102332 | -351.75 | 77.70 |
| 11/14/08 | WINTER ENERGY SAVING TIPS | 70.35 | 148.05 |
| 11/21/08 | SEASON YOUR HOLIDAY WITH SAFETY | 70.35 | 218.40 |
| 11/28/08 | SEASON YOUR HOLIDAY WITH SAFETY | 70.35 | 288.75 |



By Purchase Order _____
Price & Ext. Ok'd _____
Posted _____
Received *mn* _____
Approved for Payment _____

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | AMOUNT DUE |
|---------|--------------------|---------------------|---------------------|-----------------------|------------|
| 288.75 | 0.00 | 0.00 | 0.00 | 0.00 | \$288.75 |

week, and the people I write about that she feels she already knows.

If anyone needs any lady bugs for their garden, we sure have an abundance on Big Andy, we'd love to get rid of. They sure are swarming these pretty days and want so badly to live inside the house with us and in our car too. They smell awful if you touch them and will bite you if they get under your clothes while you are outside. They get around my car doors under the shed and when you open the door, a whole bunch falls inside. They are free for the asking, just come and get them. There are not many free things around any more! But we are blessed with them.

and her phone number so she can call her. Deedie's son David at Mt. Sterling is hoping they can go to Ohio to be with his family on Thanksgiving and Deedie thinks that is a wonderful idea too. She said her daughter, Barbara is some better now, but is changing jobs due to so much stress on her, at the nursing home. She got a new job now at a hospital as a nurse. She has lost down to 107 pounds and hopes things will be a lot better there.

Frank said his son in law, Lee Caldwell fell at work and broke his ankle. They sent him to the hospital and had a cast applied. He has been trying to work on crutches but his foot is swelling too badly and he may have to

that lives in unity is like a early functioning human boy. Until next week,

Love
Ruth

Quillens Chapel Church welcomes a new pastor

It was recently announced that there is a new pastor at Quillens Chapel Church of (formerly pastored by L. Spencer) on Quillens Church Road in Campton. The new pastor, Leonard Carpenter, and Verda, reside at Pine Ridge. Their phone number is 606-2444. Sunday morning services begin at 10 a.m.

FREEDOM

We urge you to take a moment to reflect upon and appreciate those who fought for the rights and freedoms we all enjoy in this country. The right to choose our leaders. Freedom of speech. Freedom of religion. Those, along with many others, is what makes our country the greatest in the world.



LICKING VALLEY

RURAL ELECTRIC COOPERATIVE CORPORATION



A Touchstone Energy® Partner



271 Main Street • West Liberty, Ky.

606-743-3179

Holiday Showcase

— EVENT INFORMATION —
Slated Thursday, Nov. 20 • 10 a.m.
Wolfe Co. Extension Service
(Please RSVP by Monday, Nov. 17)

This special event will include FSC agents from Knott, Leslie, Letcher, Perry, Breathitt, Lee, Owsley and Wolfe counties sharing some of their own holiday traditions!

W-11-14-1T-JBS

Newspaper
Advertising
Pays!

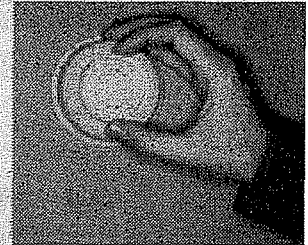
Advertise In
The Wolfe
County News

To Contact An Advertising
Representative
Call 668-3595

Winter Energy Saving Tips

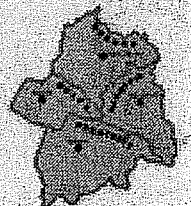
Many households could save 20-30 percent on their household energy bills by implementing energy efficiency improvements¹. As an added bonus, you get to help the planet by saving energy and reducing greenhouse gas emissions. That's what some might call a win-win.

- Turn your thermostat down several degrees when leaving the house for the day or extended periods of time. One easy way to do this is to purchase a programmable thermostat. You can also save by turning the thermostat down a couple of degrees all the time.
- Make sure your water heater is in good condition and keep the water temperature between 115-120 degrees. Even consider getting a tankless water heater that only heats the water you need.
- Limit your time spent in the shower to cut down on hot water usage. You can also install aerators to save on the amount of water you use while showering - this will cut down on the amount of hot water you use.
- Make sure to turn off the lights when you are not in a room.
- Shut the doors to rooms you don't use on a regular basis.
- Keep baseboards and radiators clean and unrestricted by furniture and carpet or drapes.
- Replace or clean your furnace filters monthly. This could save up to 5% on your heating bill



LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Partner



271 Main Street • West Liberty, Ky. • 606-743-3179

Insurance, Farmers and Traders Bank, Frederick and May Lumber Company, Halsey Meat Processing, Hill Top Pizza, Hollihocks, Ison's Flower Shop, JA Oldfield and Son, Kathy's Diner, Licking Valley RECC, Morgan Chevrolet.

Morgan Tire Center,
McKenzie Shopwise, Mountain

long list of contributors and apologize if any businesses and/or names were not listed. Please, feel free to contact any PTO board member or call the school so we can give you a proper thank you. We hope to see everyone again next year!

Sincerely,
RRV PTO

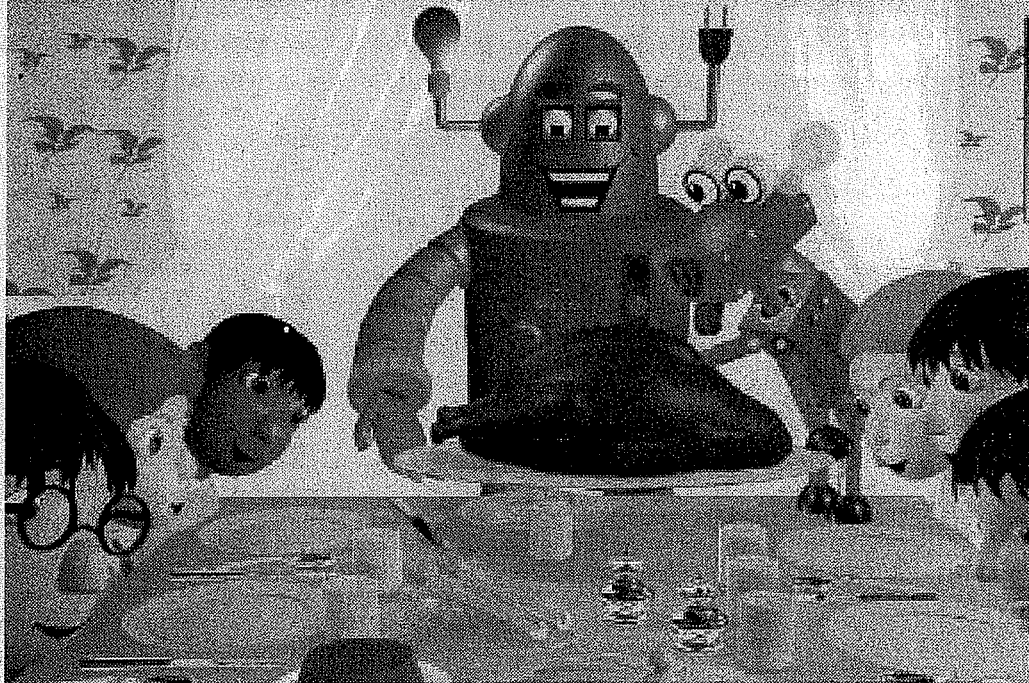
and last summer, a copper snake bit me on the ankle.

Wouldn't you call things accidents? asked agent.

Naw, said the hillbilly was no accidents; they bot it on purpose.

Be a proud hillbilly, proud of your heritage.

Season Your Holiday With Safety



During the Thanksgiving holiday, the most active - and accident-prone - room in the house is the kitchen. The suggestions below will help ensure you and your family have a safe, festive holiday season this year.

- ✓ Never throw water on a grease fire. Instead, cover the burning pan with a lid.
- ✓ Never overload electrical outlets. Unplug appliances when not in use.
- ✓ Make sure your fire extinguisher is properly located and operable.
- ✓ Never leave the kitchen unattended when cooking.
- ✓ Don't store items on the stove top - they could catch fire.

LV Licking Valley
Rural Electric
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Have a Happy - And Safe - Thanksgiving

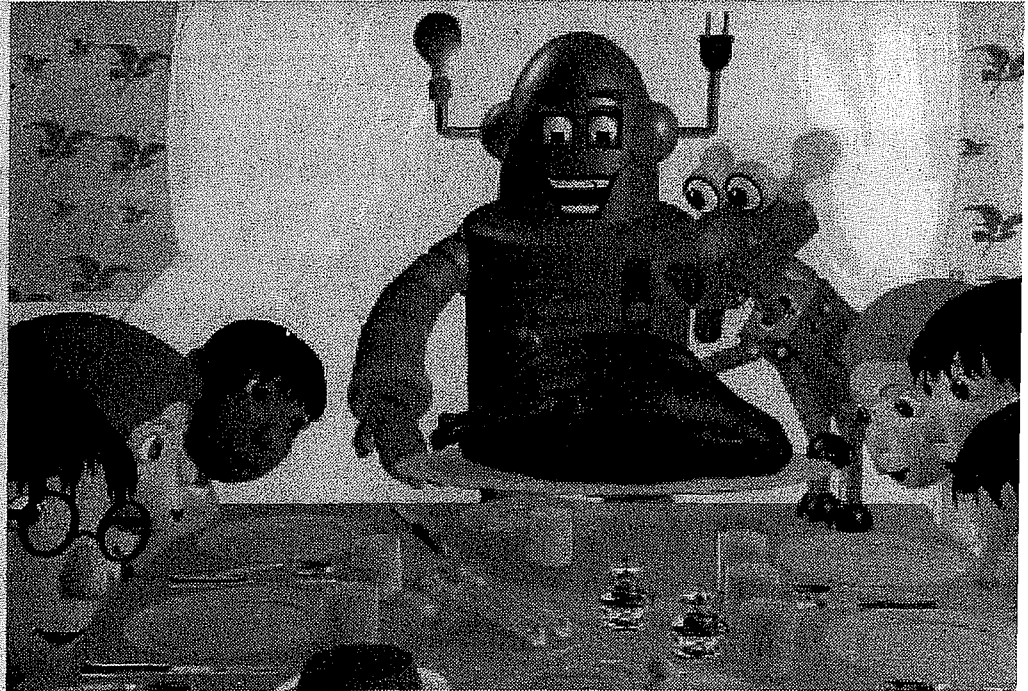
the town. Upon her arrival, she discovers that she is one of only three guests—all of whom are feisty young women with life challenges just like her own. Their mysterious host explains that centuries earlier, they allowed the souls of the three demigoddesses under their care to be stolen by a sorcerer. Legend says the demi-

Check all three for a lazy, rainy weekend, a pot of homemade chili and lots of coffee. (Trilogy includes, Key of Light, Keys of Knowledge and Key of Valor)

Next story time is tentatively scheduled for December 20, so mark your calendars and come join the fun.

So, what would my last night I think I would want fried cornbread and corn gravy with fried green tomatoes, a fried apple pie with horseradish ice cream and a few straws on the side. Then I'd grin on my face and a full stomach. A very full stomach

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LV Licking Valley
Rural Electric
A Touchstone Energy Cooperative

Have a Happy - And Safe - Thanksgiving

The Licking Valley Courier
P.O. Box 187
West Liberty, KY 41472

Statement

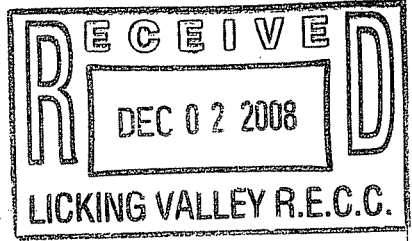
DATE

11/30/08

Phone (606) 743-3551

BILL TO

LICKING VALLEY RECC
PO Box 605
West Liberty, KY 41472



| DATE | DESCRIPTION | AMOUNT DUE | AMOUNT ENC | BALANCE |
|----------|---------------------------------|------------|------------|---------|
| | | \$325.50 | | |
| 10/31/08 | Balance forward | | | 393.15 |
| 11/06/08 | FREEDOM | 8.20 | | 384.95 |
| 11/11/08 | PMT #8102920 | 86.05 | | 298.90 |
| 11/13/08 | WINTER ENERGY SAVING TIPS | 87.05 | | 211.85 |
| 11/20/08 | SEASON YOUR HOLIDAY WITH SAFETY | 87.70 | | 124.15 |
| 11/27/08 | SEASON YOUR HOLIDAY WITH SAFETY | 87.70 | | 325.50 |

By Purchase Order _____
Price & Ext. Ok'd _____
Posted _____
Received *m* _____
Approved for Payment _____

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | AMOUNT DUE |
|---------|--------------------|---------------------|---------------------|-----------------------|------------|
| 325.50 | 0.00 | 0.00 | 0.00 | 0.00 | \$325.50 |

WANTED: TUTORS: Sara H. Cantrell, Sara F. Cantrell, Katelin M. Caudill, Preston L. Easterling, James M. Elam, Marion P. Franklin, Sierra M. Hancey, Haley B. Hutchinson, Abby Keeton, Annabelle Lewis, Alison N. Nantell, Jenna N. Price, Joshua R. Purnell, Julia L. Sargent, Jennifer S. Wells, Katelyn J. Williams, Marissa P. Bartley, Jordan S. Bryant, Jordan N. Carroll, Hunter Clay Collins, Derek T. Easterling, Sarah J. Elam, Jaycea M. Frederick, Jacob M. Henry, Emily S. Howard, Shelby M. Lewis, Sylvia D. Peyton, Joseph L. Preece, Howard Ross, Austin D. Sanders.

Kelly A. Ferguson, Logan K. Hembree, Randy King, Arthur B. Lewis, Jared T. Lewis, Linzy D. Lindon, Samantha J. McGraw, Dalton R. Miller, Xena R. Perkins, Emily A. Stephens, Ethan D. Tincher, Miriam L. Vance.

**IN YOUR ADVERTISING
WITH AN AD IN
THE LICKING VALLEY COURIER**
Call 743-3551
To Speak With An Advertising
Representative



WANTED: Tutors/Teachers: K-12 for the Morgan County area. We provide state standard aligned math & reading educational services in the comfort of a student's home. Flexible days & hours earning top \$\$\$.

Certified teachers preferred but all with Bachelor or Masters encouraged to apply, must be professional & able to meet deadlines for reporting. **Apply online** abettergradetutoring.com or call 1-866-936-ABGT (2248) for more information.

C-11-8-4T

FREEDOM

We urge you to take a moment to reflect upon and appreciate those who fought for the rights and freedoms we all enjoy in this country. The right to choose our leaders. Freedom of speech. Freedom of religion. Those, along with many others, is what makes our country the greatest in the world.



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become sexually mature by age 10 and there is no easy way to determine the gender until then. According to this information, we have a very productive female Osage Orange tree in Old Mill Park. *She* really is a beautiful tree.

There is another possible use for the Osage Orange that would be wonderful if it were true. This is a recipe for putting cancer in remission by using the hedge apple. A person told me this week of a friend of hers that is terminally ill with cancer and treatments haven't seemed to help. His wife received a recipe in the mail for putting cancer in remission with a potion made from the hedge apples. If this would work I'm sure the medical field would have looked into it.

The Osage Orange tree seems to have outlived its usefulness. How many people are making bows and arrows, wagon wheels, fence post or hedge rows today? But you will have to admit it does make a nice shade, has pretty

shiny leaves, and provides food for our squirrels (if they weren't so lazy) and makes a nice conversation piece.

Acknowledgement: Great Plains Nature Center, Jim Mason; Fort Harrod State Park

WANTED: Tutors/Teachers: K-12 for the Morgan County area. We provide state standard aligned math & reading educational services in the comfort of a student's home. Flexible days & hours earning top \$\$\$.

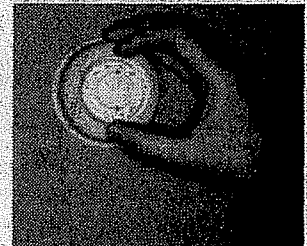
Certified teachers preferred but all with Bachelor or Masters encouraged to apply, must be professional & able to meet deadlines for reporting. **Apply online** abettergradetutoring.com or call 1-866-936-ABGT (2248) for more information.

C-11-6-4T

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LICKING VALLEY

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This year, 10 Ezel Elementary School children participate in the Math-a-Thon for St. Jude's Children's Research Hospital. Students worked over 200 math problems each, and then collected donations from friends and family for St. Jude's. Money raised goes to help meet patients' expenses and cancer research. This year, EES students raised \$400 in donations and received certificates, t-shirts, and free passes to any Six Flags theme park in recognition of their efforts. The school's donation this year brings the total amount Ezel School has sent to St. Jude's to nearly \$15,000! Thanks to all who participated and to those who contributed to this year's math-a-thon.

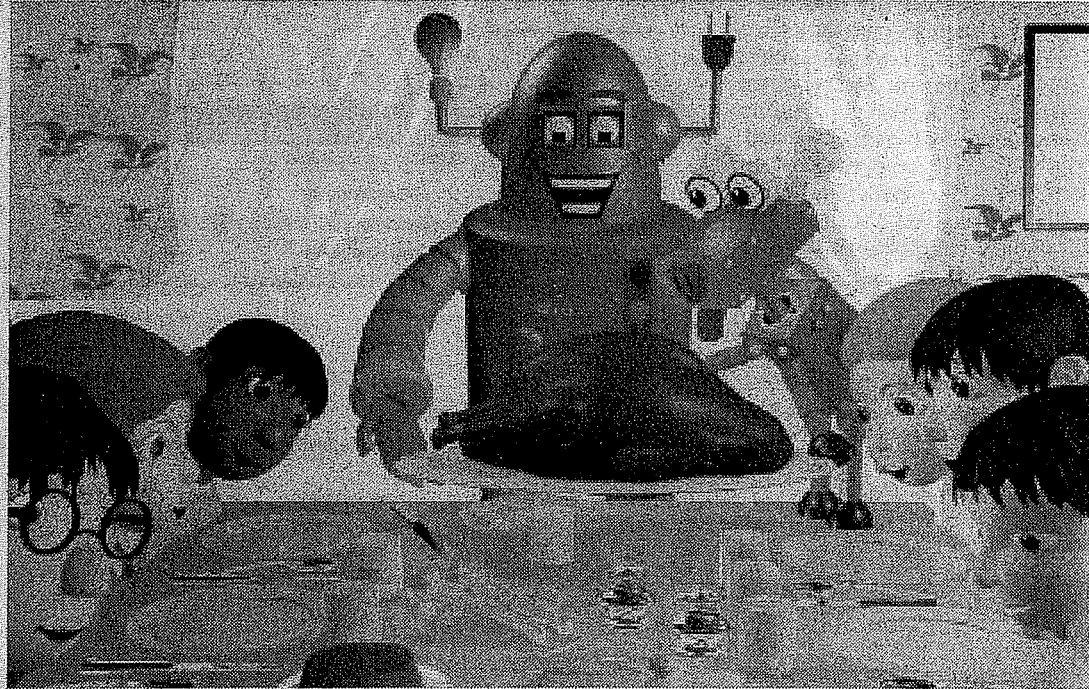
The Kentucky Treasures Dept. about the Kentucky Historic Society, contact Laura Coleman at (502) 564-1792, or visit www.history.ky.gov.

SELF-AWARENESS

It is not the name they call you, but it is the name to which you answer.

— Mike Esp

Season Your Holiday With Safety



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Licking Valley
Rural Electric

A Touchstone Energy Cooperative 

Have a Happy - And Safe - Thanksgiving!

is scheduled Sunday, Nov. 30

Hazel Green Christian Church cordially invites friends and family to attend a reception honoring the marriage of John and Andrea (Lay) Huff.

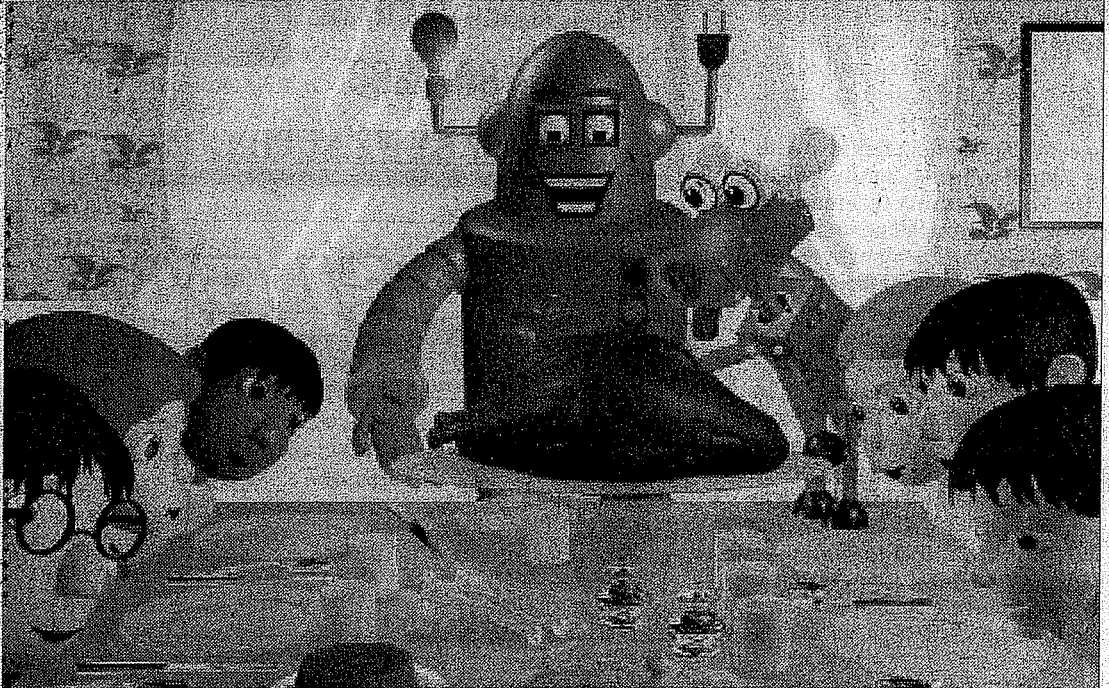
The reception will 2-4 p.m. Sunday, Nov. 30, in the Fellow-

ship Hall of Hazel Green Christian Church.

Dr. and Mrs. Huff were married Nov. 15, 2008, in Crestwood, Ky., at Duncan Memorial Chapel. The couple resides in Louisville.


Paternal grandparents are Harry and Kathy Cummins, Sr., of Somerset, and Mona Thornberry, of West Liberty. Madison is the great granddaughter of Treva Vance King and the late Donald Vance, and Virgil and Faye Ferguson, all of Ezel, and Jerry Lykins and the late Dixie Lykins, of West Liberty. (pd)

Season Your Holiday With Safety



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Have a Happy - And Safe - Thanksgiving!

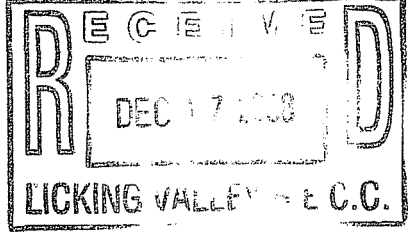
Farmers & Shoppers, Inc.

Invoice

P.O. Box 633
West Liberty, KY 41472

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| Date | Invoice # |
| 11/25/2008 | 1348 |

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| Bill To |
| Licking Valley RECC P.O.Box 605 West Liberty Ky,41472 |

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| Ship To |
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| P.O. Number | Terms | Rep | Ship | Via | F.O.B. | Project | | | | | | | | | | |
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| | | | 11/25/2008 | | | | | | | | | | | | | |
| Quantity | Item Code | Description | Price Each | Amount | | | | | | | | | | | | |
| 1 | 3 X 7.5 AD | WEEK OF 11/25/08 | 155.93 | 155.93 | | | | | | | | | | | | |
| 1 | Sports Page | WEEK OF 11/25/08 | 50.00 | 50.00 | | | | | | | | | | | | |
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| | | | | Total | \$205.93 | | | | | | | | | | | |

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POSTAL CUSTOMER

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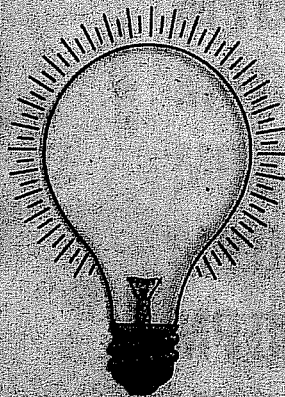
FARMERS & SHOPPERS

Shopper

Tuesday, November 25, 2008

What causes my lights to occasionally flicker?

If you come home and find your clock-radio flashing 12:00, it's not necessarily a signal that your power has been out.



Most electrical disturbances last just a moment. A tree branch may have brushed against a power line or an animal may have scampered across it. When that happens, your local electric cooperative goes to work to make sure its lines aren't being damaged - because damaged wires can mean prolonged power outages.

When something lands on a power line, an oil circuit recloser (OCR) opens to interrupt the flow of electricity - sort of like your circuit breakers do at home. Once the equipment senses that the problem has moved on, the OCR closes and electricity is restored. On a rainy or windy day, this may happen repeatedly.

Still, it's better than the alternative - a damaged line that requires homes to be without electricity while it's being repaired. It's sort of an insurance policy for you and your



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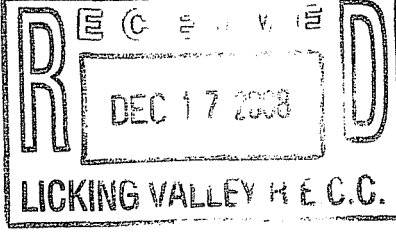
Farmers & Shoppers, Inc.

Invoice

P.O. Box 633
West Liberty, KY 41472

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| 11/11/2008 | 1320 |

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| 1 | Sports Page | WEEK OF 11/11/08 | | | 50.00 | 50.00 | | | | | | | | | | |
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| | | | | | Total | \$205.93 | | | | | | | | | | |



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MERS & DOPPERS

hopper

Tuesday, November 11, 2008



LICKING VALLEY

RURAL ELECTRIC

COOPERATIVE CORPORATION

P.O. Box 605 • 271 Main Street

West Liberty, Kentucky 41472-0605

606-743-3179



Home, Safe Home

Don't touch anything electrical if your hands are wet or you are standing on a wet surface.

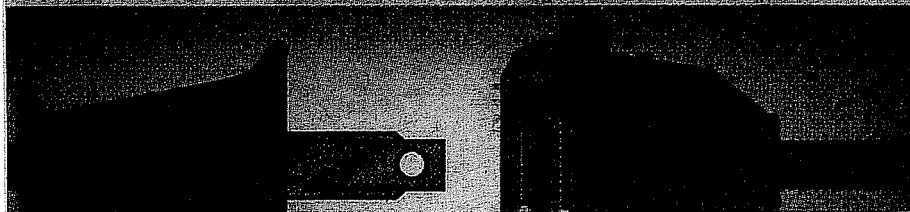
Never put anything except a plug into a wall outlet. Check with your local electric cooperative to see if they have outlet covers and place them over your outlets. This will help protect you and your children.

Don't set radios or appliances where they could fall into the bathtub, shower, or sink.

Unplug small appliances such as toasters, coffeemakers, etc. when not in use.

Want some more electrical safety tips for the home?

www.kaec.org/safety.htm



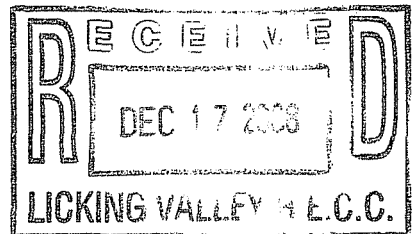
Farmers & Shoppers, Inc.

Invoice

P.O. Box 633
West Liberty, KY 41472

| Date | Invoice # |
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| 11/18/2008 | 1334 |

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| Bill To |
| Licking Valley RECC P.O. Box 605 West Liberty Ky, 41472 |

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| P.O. Number | Terms | Rep | Ship | Via | F.O.B. | Project | | | | | | | | | | |
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| Approved for Payment | _____ | | | | | | | | | | | | | | | |
| | | | | | Total | \$205.93 | | | | | | | | | | |



POSTAL CUSTOMER

STANDARD

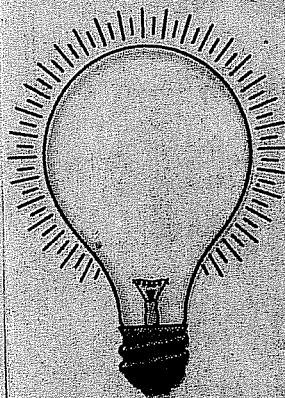
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MERS & DOPPERS

Shopper Tuesday, November 18, 2008

What causes my lights to occasionally flicker?

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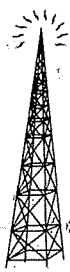
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LICKING VALLEY

RURAL ELECTRIC COOPERATIVE CORPORATION



WEKG AM WJSN FM 97.3

INTERMOUNTAIN BROADCASTING CO., INC.
 1501 Hargis Lane • Jackson, Kentucky 41339
 (606) 666-7531 • Fax (606) 666-4946

State of Kentucky }
 County of Breathitt } SS:

The Undersigned Having Been Duly Sworn,
 Deposits and Says That Broadcasting Service Has
 Been Rendered by Radio Station WEKG/WJSN in
 Accordance With the Accompanying Statement.

By: Kayln Davidson *[Signature]*

Page 1

INVOICE AND STATEMENT

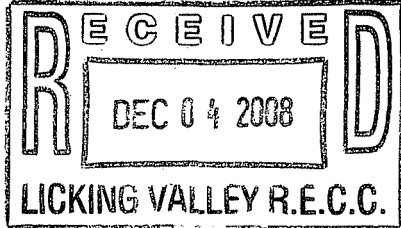
Advertiser: Licking Valley Recc
 LIC010 Licking Valley Recc
 P.O. DRAWER 605
 WEST LIBERTY, KY. 41472

Subscribed and Sworn to Before
 Me this 30th day of Feb 2008
[Signature]
 GLORIA M. HAY, NOTARY PUBLIC
 9/01/2009

My Commission Expires
 11/30/08

BILLING DATE Invoice # 47248

| DATE | ACCOUNT / RUN DETAIL | LENGTH | NO RUN | RATE | AMOUNT |
|-------------|---------------------------------------|--------|--------|------|---------|
| | BALANCE FROM LAST STATEMENT | | | | 100.00 |
| 11/12/08 | PAYMENTS - CHECK # 102315 | | | | 100.00- |
| | CONTRACT 29001 / (Breathitt Football) | | | | |
| 10/27/08 PM | 2:20p | 30 | 1 | 0.00 | 0.00 |
| 10/28/08 PM | 3:20p | 30 | 1 | 0.00 | 0.00 |
| 10/29/08 PM | 1:50p | 30 | 1 | 0.00 | 0.00 |
| 10/30/08 PM | 1:50p | 30 | 1 | 0.00 | 0.00 |
| 10/31/08 PM | 8:50a | 30 | 1 | 0.00 | 0.00 |
| 11/03/08 PM | 3:40p | 30 | 1 | 0.00 | 0.00 |
| 11/04/08 PM | 11:20a | 30 | 1 | 0.00 | 0.00 |
| 11/05/08 PM | 2:40p | 30 | 1 | 0.00 | 0.00 |
| 11/06/08 PM | 2:50p | 30 | 1 | 0.00 | 0.00 |
| 11/07/08 PM | 10:30a | 30 | 1 | 0.00 | 0.00 |
| 11/10/08 PM | 3:20p | 30 | 1 | 0.00 | 0.00 |
| 11/11/08 PM | 9:40a | 30 | 1 | 0.00 | 0.00 |
| 11/12/08 PM | 8:50a | 30 | 1 | 0.00 | 0.00 |
| 11/13/08 PM | 10:30a | 30 | 1 | 0.00 | 0.00 |
| 11/14/08 PM | 11:30a | 30 | 1 | 0.00 | 0.00 |
| 11/17/08 PM | 11:20a | 30 | 1 | 0.00 | 0.00 |
| 11/18/08 PM | 1:40p | 30 | 1 | 0.00 | 0.00 |
| 11/19/08 PM | 8:40a | 30 | 1 | 0.00 | 0.00 |
| 11/20/08 PM | 2:50p | 30 | 1 | 0.00 | 0.00 |
| 11/21/08 PM | 5:19p | 30 | 1 | 0.00 | 0.00 |
| 11/24/08 PM | 1:50p | 30 | 1 | 0.00 | 0.00 |
| 11/25/08 PM | 9:40a | 30 | 1 | 0.00 | 0.00 |
| 11/26/08 PM | 1:50p | 30 | 1 | 0.00 | 0.00 |
| 11/27/08 PM | 9:30a | 30 | 1 | 0.00 | 0.00 |

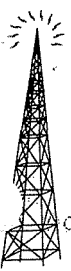


CONTINUED ON NEXT PAGE

Finance Charge, is computed by a PERIODIC RATE OF 1 1/2% PER MONTH, which is an ANNUAL PERCENTAGE RATE OF 18%, added to the unpaid balance at the end of the next month following date of purchase.

| CURRENT | 30 DAYS | 60 DAYS | 90 AND OVER |
|---------|---------|---------|-------------|
| | | | |

WEKG AM WJSN FM 97.3



INTERMOUNTAIN BROADCASTING CO., INC.
 1501 Hargis Lane • Jackson, Kentucky 41339
 (606) 666-7531 • Fax (606) 666-4946

AFFIDAVIT OF SERVICE RENDERED

State of Kentucky }
 County of Breathitt } SS:
 The Undersigned Having Been Duly Sworn,
 Depos and Says That Broadcasting Service Has
 Been Rendered by Radio Station WEKG/WJSN in
 Accordance With the Accompanying Statement:

By: KEVIN DAVIDSON *[Signature]*

Subscribed and Sworn to Before
 Me this 30th day of May, 2008
[Signature]
 GLORIA M. MAY NOTARY PUBLIC
 9/01/2009

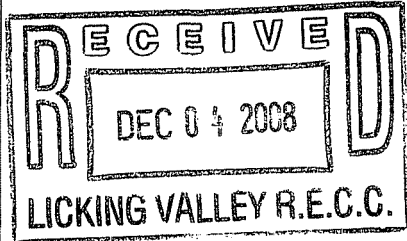
My Commission Expires 11/30/08

BILLING DATE Invoice # 47248

Advertiser: Licking Valley Recc **INVOICE AND STATEMENT**

IC010 Licking Valley Recc
 P.O. DRAWER 605
 WEST LIBERTY, KY. 41472

| DATE | ACCOUNT / RUN DETAIL | LENGTH | NO RUN | RATE | AMOUNT |
|---------------------------------|----------------------|--------|--------|--------|--------|
| CONTINUATION FROM PREVIOUS PAGE | | | | | |
| 1/28/08 FM | 9:30a | 30 | 1 | 0.00 | 0.00 |
| 1/30/08 FM | ADVERTISING PACKAGE | | | | 100.00 |
| | SUBTOTAL | | | 100.00 | |
| | Total Sales | | 25 | 100.00 | |



| | |
|----------------------|--------------------|
| By Purchase Order | _____ |
| Price & Ext. OK'd | _____ |
| Posted | _____ |
| Received | <i>[Signature]</i> |
| Approved for Payment | _____ |

Please indicate the invoice number you are paying on your check. Thank You.

SalesRep : DOUG NEACE

Finance Charge, is computed by a **PERIODIC RATE OF 1 1/2% PER MONTH**, which is an **ANNUAL PERCENTAGE RATE OF 18%**, added to the unpaid balance at the end of the next month following date of purchase.

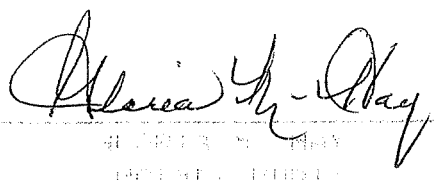
| CURRENT | 30 DAYS | 60 DAYS | 90 AND OVER | |
|---------|---------|---------|-------------|--------|
| 100.00 | 0.00 | 0.00 | 0.00 | 100.00 |


STATION: [faded]
DATE: [faded]
TIME: [faded]

REPORT: [faded]
BY: [faded]

[faded text block]

STATION: [faded] 13 [faded]
DATE: 11 30 08 [faded]
47248 [faded]
N/A [faded] 13 [faded] \$100 (Breathitt Football)


ALICIA M. GRAY


[faded]
12/3/08

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA
Case No. 08-1111

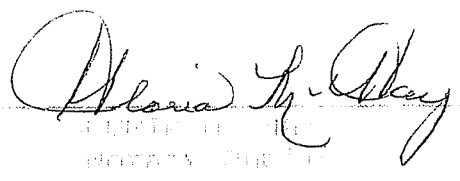
THE UNITED STATES OF AMERICA
vs.
[Name Redacted]

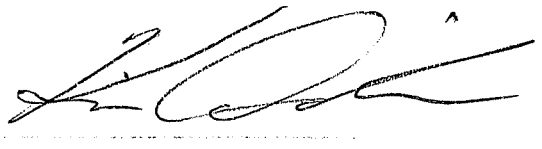
[Faded text, likely a letter or affidavit, mostly illegible due to blurriness]

12

THIS AFFIDAVIT WAS FILED FOR THE
RECORD IN CONNECTION WITH THE
PROSECUTION OF THE ABOVE ENTITLED
CASE. THE AFFIDAVIT WAS FILED ON
11/30/08 AT 4:48 PM.
N/A

#100 (Breathitt Football)


Maria L. Gray
Deputy Clerk


[Redacted Name]
12/3/08

THE BREATHITT COUNTY VOICE

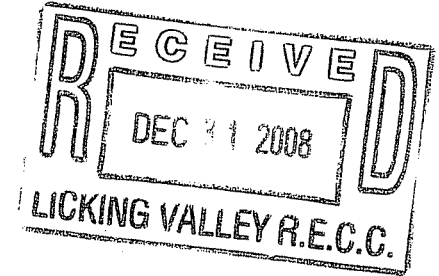
P.O. BOX 816
 JACKSON, KY 41339

Statement

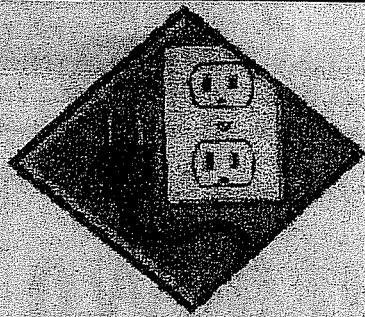
| |
|------------|
| Date |
| 12/26/2008 |

To:

LICKING VALLEY RECC
 HARRY STEELE
 271 MAIN STREET
 P.O. BOX 605
 WEST LIBERTY, KY 41472



| | | Amount Due | Amount Enc. | | |
|--|--------------------|---------------------|---------------------|-----------------------|------------|
| | | \$198.00 | | | |
| Date | Transaction | Amount | Balance | | |
| 11/30/2008 | Balance forward | | 198.00 | | |
| 12/04/2008 | AD | 99.00 | 297.00 | | |
| 12/05/2008 | PMT #8102532 | -198.00 | 99.00 | | |
| 12/18/2008 | AD | 99.00 | 198.00 | | |
| <p>By Purchase Order _____</p> <p>Price & Ext. Ok'd _____</p> <p>Posted _____</p> <p>Received <i>[Signature]</i> _____</p> <p>Approved for Payment _____</p> | | | | | |
| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | Amount Due |
| 198.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$198.00 |



•On the average, there are 38,400 home fires per year associated with wiring, switches, outlets, cords, other plugs, fuse and circuit breaker boxes, and other equipment involved in distributing electricity around the home. These electrical service equipment fires annually kill 352 people and injure 1,343 annually.

•Fixed wiring causes 1/3 of home electrical distribution fires and 1/3 of related deaths. In any case, people can easily check and fix them, if necessary, without a licensed electrician.

•Each year, electrical shock (not resulting in fire) causes hundreds of burn deaths and thousands of burn injuries.

•Nearly 2/3 of electrical burn injuries among children ages 12 and under are associated with household electrical cords and extension cords.

SAFETY TIPS:

GFCIs (ground fault circuit interrupters) can greatly reduce the risk of shock by shutting off faulty electrical circuits and equipment faster than conventional fuses or circuit breakers can. GFCIs are inexpensive; professional electricians can hardwire them into your home electrical system.

PUSH BACK: In the kitchen, push back cords for countertop appliances to keep young children from pulling them off the counter.

SAFETY ADVICE:

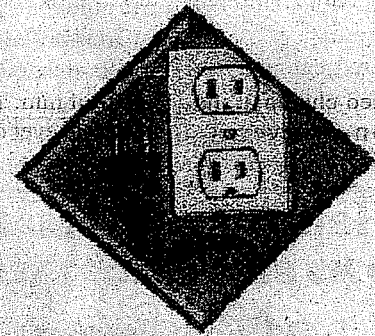
Replace or repair any electrical device with a loose or frayed cord.

Avoid running extension cords across doorways or under carpets.

In homes with small children, electrical outlets should have plastic safety covers.

Licking Valley RECC

RURAL ELECTRIC COOPERATIVE
MAIN STREET • WEST LIBERTY, KY 40380



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In homes with small children, electrical outlets should have plastic safety covers.

Licking Valley RECC

RURAL ELECTRIC COOPERATIVE

PINNACLE PUBLISHING^{LLC}

TELEPHONE DIRECTORY ADVERTISING STATEMENT

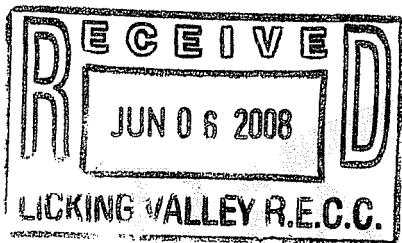
LICKING VALLEY RECC
 PO BOX 605
 WEST LIBERTY KY 41472

Date: 6/2/2008
 Account#: 8005966530STF
 Book #: 029910
 Staffordville

| | |
|---------------------|----------|
| AMOUNT DUE: | \$424.20 |
| Amount Remitted: \$ | _____ |
| Check Number: | _____ |

(PAYMENT DUE UPON RECEIPT) PLEASE RETURN TOP PORTION WITH PAYMENT)

| Document No. | Date | Code | Description | Amount | Balance |
|--------------|-----------|------|-------------|----------|----------|
| INV0099453 | 5/27/2008 | SLS | INV0099453 | \$424.20 | \$424.20 |



Telephone Directory

| | |
|----------------------|-------|
| By Purchase Order | _____ |
| Price & Ext. Ok'd | _____ |
| Posted | _____ |
| Received | _____ |
| Approved for Payment | _____ |

ANNUAL AMOUNT DUE: \$424.20

| 1-30 Days | 31-60 Days | 61-90 Days | 91-Over |
|-----------|------------|------------|---------|
| \$424.20 | \$0.00 | \$0.00 | \$0.00 |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

9. Considering that the proposed pro forma "regular" payroll expenses of \$1,934,464 are based on the assumption that each employee is paid for every single workday (2,080 hours) in the test year, and considering that the pro forma payroll expenses also include 268.50 hours for part time employees,¹ explain why the proposed pro forma payroll expenses also include the payroll expenses associated with an additional number of 1,844 hours for vacation and sick time.

Response: To encourage employees to work on a regular basis, therefore, not requiring Licking Valley the have to hire additional employees, accumulated unused vacation and sick days are paid to employees. After an employee has accumulated 75 days, medical leave earned, if not taken, will be paid in the following pay period at the normal rate of pay.

Having employees working facilitates the planning process for crews, office services, and other functions. Licking Valley feels that work is more productive with full crews and full staffing than if employees sporadically use vacation and sick days.

¹ As explained on Exhibit 1, page 1 of 10, these part time hours are used "for certain busy times of the month, or when an employee has scheduled vacation time off."

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

10. With regard to LVRECC's number of employees, please provide the number of employees (in total and broken out between salaried, hourly, summer and part-time) for each month from January 2008 through July 2009, as compared to the corresponding employees used in calculating the adjusted test year payroll expense.

Response:

| | <u>Salary</u> | <u>Hourly</u> | <u>Part Time</u> | <u>Total</u> |
|-----------|---------------|---------------|----------------------|--------------|
| 2008 | | | | |
| January | 4 | 38 | 1 | 43 |
| February | 4 | 38 | 1 | 43 |
| March | 4 | 37 | 1 | 42 |
| April | 4 | 38 | 1 | 43 |
| May | 4 | 38 | 1 | 43 |
| June | 4 | 38 | 0 | 42 |
| July | 4 | 39 | 0 | 43 |
| August | 4 | 37 | 3 | 44 |
| September | 4 | 38 | 3 | 45 |
| October | 4 | 38 | 3 | 45 |
| November | 4 | 40 | 3 | 47 |
| December | 4 | 40 | 3 | 47 |
| 2009 | | | | |
| January | 4 | 40 | 2 | 46 |
| February | 4 | 40 | 2 | 46 |
| March | 4 | 40 | 2 | 46 |
| April | 4 | 40 | 2 | 46 |
| May | 4 | 41 | 2 | 47 |
| June | 4 | 41 | 3 | 48 |
| July | 4 | 41 | 2 | 47 |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

11. With regard to the pro forma depreciation expense adjustment calculations shown on Schedule 3, pages 2 and 3, please provide the following information:
- a. The proposed rates shown under the Proposed Rate column on Schedule 3, page 2 are the same as the existing rates. Please reconcile these rates with the proposed rates of 6.67%, 3.93%, 2.50%, 2.50%, 2.50%, 3.42%, 6.67% and 3.91% shown in Mr. Adkins' 12/31/07 Depreciation Study.
 - b. Confirm that the normalized test year distribution plant depreciation calculated based on the proposed depreciation rates amount to \$1,662,992 as opposed to the amount of \$1,866,928 currently shown on Schedule 3, page 2.
 - c. Provide revised copies of Schedule 3, pages 2 and 3 showing the proposed normalized depreciation expenses based on the proposed depreciation rates.
 - d. Explain in more detail, and provide a worksheet showing the calculations underlying, the proposed normalized Transportation depreciation expense of \$185,120.
 - e. In addition, explain why this Transportation expense should be recognized for ratemaking purposes in this case given that the account is fully depreciated. If it is not yet completely depreciated as of 12/31/08, provide the exact post-test year date that this account will be fully depreciated.

Response a. b. c.: See PSC-2-25.a and b.

Response d.

Transportation items fully-depreciated are not included in the normalization of depreciation accrual in the normalization process.

| | |
|---------------------------------|----------------|
| Plant balance | 1,349,607 |
| Items fully-depreciated | <u>192,607</u> |
| Undepreciated balance | 1,157,000 |
| Depreciation rate | 16% |
| Normalized depreciation accrual | 185,120 |

Response e. This account is not fully-depreciated, therefore, the accrual should be included for ratemaking purposes. This account will probably never be fully-depreciated since Licking Valley usually trades/sells vehicles when they become fully-depreciated as they are worn out by that time. Every effort is made to maximize the life of all vehicles.

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

12. Please provide a description of the nature and purpose of the Legal Reporting expense of \$160 on Exhibit 9, page 3.

Response: NRECA, the national organization for electric cooperatives provides a monthly newsletter detailing current legal, tax, and other issues effecting the electric industry, and cooperatives in particular. This keeps Licking Valley abreast of these issues without having to have a full-time legal counsel on staff.

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

13. Please confirm that the regular board meeting expenses for Ted Holbrook shown in Exhibit 10 should be \$3,600. In addition, explain why the test year expenses included regular board meeting expenses of \$7,200.

Response: The Sec/Treas of the board receives twice the monthly board fee of the other board members since they are responsible for signing additional checks, documents, and are in charge of the monthly board minutes.

Item 14
Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

14. In the same format and detail as Exhibit 12, please provide the actual rate case expenses incurred and booked by LVRECC to date.

Response: See PSC-2-34

Item 15
Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

15. In the same format and detail as per Exhibit 11, please provide a detailed dollar breakout and description of all of the expense components making up the test year Account 92100 – Office Supplies and Expense of \$98,402.

Response attached.

Licking Valley Rural Electric
 Case No. 2009-00016
 Account 921.00 Office Supplies
 December 31, 2008

| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|--------------------------|---------------|---|
| 1/11/2008 | 72 | Service Office Supply | 224.63 | Office and computer supplies |
| 01/11/08 | 46 | Standard Coffee Service | 61.30 | Coffee for employees |
| 01/16/08 | 83 | Service Office Supply | 642.72 | Office and computer supplies |
| 01/20/08 | 109 | Service Office Supply | 381.48 | Office and computer supplies |
| 01/24/08 | 124 | Chevron USA | 310.00 | Gasoline charges |
| 01/24/08 | 125 | OCE Imagistics | 423.00 | Copier quarterly maintenance fee |
| 01/24/08 | 130 | Service Office Supply | 158.99 | Office and computer supplies |
| 01/30/08 | 193 | Service Office Supply | 1,833.22 | Office and computer supplies |
| 01/31/08 | 208 | Purchase Power | 1,018.99 | Purchase postage |
| 01/31/08 | 210 | Standard Coffee Service | 61.45 | Coffee for employees |
| 01/31/08 | 213 | Visa | 425.96 | KAEC monthly mtg, gas, meals |
| 01/31/08 | 213 | Visa | 183.25 | Board mtg meal |
| 01/31/08 | 230 | Cougar Corner | 185.71 | Gasoline charges |
| 01/31/08 | 255 | AT&T Mobility | 126.11 | Cell phone service |
| 01/31/08 | 259 | East Ky Graphics | 209.74 | Laser check stock paper |
| 02/15/08 | 283 | East Ky Graphics | 73.72 | Payment receipt books |
| 02/15/08 | 297 | Service Office Supply | 85.55 | Office and computer supplies |
| 02/15/08 | 313 | Petty Cash | 206.74 | Board meal, camera battery, computer train meal |
| 02/24/08 | 321 | KAEC | 170.85 | Legislative Conference expenses |
| 02/24/08 | 328 | Service Office Supply | 1,416.28 | Office and computer supplies |
| 02/24/08 | 330 | Visa | 997.00 | Legislative Conference expenses |
| 02/24/08 | 330 | Visa | 123.73 | Energy Mgt Conf expenses |
| 02/24/09 | 322 | KAEC | 200.00 | Managers Association annual dues |
| 02/24/09 | 331 | Visa | 113.96 | Office supplies |
| 02/28/08 | 378 | American Express | 308.58 | Mgr exp for Energy Mgt Conference |
| 02/28/08 | 381 | Chevron USA | 336.01 | Gasoline charges |
| 02/28/08 | 388 | Service Office Supply | 360.38 | Office and computer supplies |
| 02/28/08 | 389 | Simple Elegance Catering | 450.00 | Cater board meal |
| 02/28/08 | 390 | Standard Coffee Service | 75.20 | Coffee for employees |
| 02/29/08 | 432 | AT&T Mobility | 85.18 | Cell phone service |
| 02/29/08 | 438 | Cougar Corner | 209.19 | Gasoline charges |
| 02/29/08 | 458 | Service Office Supply | 185.46 | Office and computer supplies |
| 03/10/08 | 479 | Service Office Supply | 428.24 | Office and computer supplies |
| 03/12/08 | 484 | Service Office Supply | 122.92 | Office and computer supplies |
| 03/17/08 | 497 | Service Office Supply | 292.38 | Office and computer supplies |
| 03/20/08 | 527 | Jackson-Hirsh Inc. | 75.53 | Paper supplies |
| 03/25/08 | 542 | Standard Coffee Service | 82.67 | Coffee for employees |
| 03/31/08 | 577 | Chevron USA | 224.00 | Gasoline charges |
| 03/31/08 | 587 | KAEC | 216.98 | Ky Chamber of Commerce dues |
| 03/31/08 | 592 | Pitney Bowes | 437.94 | Copier leasing fees |
| 03/31/08 | 595 | Service Office Supply | 148.23 | Office and computer supplies |
| 03/31/08 | 597 | Visa | 561.70 | NRECA accounting conference |
| 03/31/08 | 597 | Visa | 561.70 | NRECA accounting conference |
| 03/31/08 | 597 | Visa | 90.10 | Board minute book |
| 03/31/08 | 629 | AT&T Mobility | 85.18 | Cell phone service |
| 03/31/08 | 633 | East Ky Graphics | 209.65 | Laser check stock paper |
| 03/31/08 | 653 | Cougar Corner | 169.38 | Gasoline charges |
| 03/31/08 | 704 | NISC | 1,001.95 | iVUE computer workshop fees |

Licking Valley Rural Electric
 Case No. 2009-00016
 Account 921.00 Office Supplies
 December 31, 2008

| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|----------------------------|---------------|---|
| 04/04/08 | 652 | Service Office Supply | 160.06 | Office and computer supplies |
| 04/14/08 | 686 | Service Office Supply | 44.49 | Office and computer supplies |
| 04/14/08 | 689 | Petty Cash | 31.45 | Board meal |
| 04/16/08 | 715 | Service Office Supply | 99.66 | Office and computer supplies |
| 04/21/08 | 726 | Service Office Supply | 262.43 | Office and computer supplies |
| 04/21/08 | 729 | Maudie Nickell | 222.51 | Board mtg meal supplies |
| 04/22/08 | 733 | OCE Imagistics | 423.00 | Copier quarterly maintenance fee |
| 04/24/08 | 741 | American Express | 127.22 | Mgr exp for KAEC monthly mtg |
| 04/24/08 | 743 | Chevron USA | 261.04 | Gasoline charges |
| 04/24/08 | 747 | Service Office Supply | 216.21 | Office and computer supplies |
| 04/24/08 | 748 | Standard Coffee Service | 82.89 | Coffee for employees |
| 04/24/08 | 751 | Visa | 316.74 | Board meal and kitchen supplies |
| 04/24/09 | 741 | American Express | 66.00 | Gasoline charges |
| 04/24/10 | 741 | American Express | 348.79 | Direct Load Control mtg expenses |
| 04/28/08 | 796 | Purchase Power | 1,018.99 | Purchase postage |
| 04/28/08 | 798 | Service Office Supply | 484.31 | Office and computer supplies |
| 04/30/08 | 821 | West Liberty Electronics | 21.15 | Computer supplies |
| 04/30/08 | 843 | AT&T Mobility | 85.28 | Cell phone service |
| 04/30/08 | 846 | Service Office Supply | 292.07 | Office and computer supplies |
| 04/30/08 | 873 | Cougar Corner | 157.29 | Gasoline charges |
| 04/30/08 | 877 | Service Office Supply | 329.55 | Office and computer supplies |
| 05/08/08 | 888 | Service Office Supply | 233.20 | Office and computer supplies |
| 05/14/08 | 936 | Service Office Supply | 544.02 | Office and computer supplies |
| 05/19/08 | 946 | Petty Cash | 137.85 | Notary renewals, board meal |
| 05/21/08 | 966 | Service Office Supply | 808.62 | Office and computer supplies |
| 05/21/08 | 967 | Standard Coffee Service | 61.89 | Coffee for employees |
| 05/23/08 | 974 | Service Office Supply | 260.69 | Office and computer supplies |
| 05/28/08 | 1023 | Service Office Supply | 453.21 | Office and computer supplies |
| 05/29/08 | 1037 | Chevron USA | 540.00 | Gasoline charges |
| 05/30/08 | 1052 | Service Office Supply | 73.11 | Office and computer supplies |
| 05/31/08 | 1109 | Cougar Corner | 125.10 | Gasoline charges |
| 05/31/08 | 1168 | Chevron USA | 240.35 | Gasoline charges |
| 06/04/08 | 1077 | Service Office Supply | 5.29 | Office and computer supplies |
| 06/17/08 | 1147 | Ky Council of Cooperatives | 200.00 | Annual dues |
| 06/18/08 | 1155 | Standard Coffee Service | 62.49 | Coffee for employees |
| 06/19/08 | 1167 | Service Office Supply | 65.38 | Office and computer supplies |
| 06/24/08 | 1182 | Petty Cash | 161.01 | Camera battery, board meal, notary rennewal |
| 06/30/08 | 1308 | Pitney Bowes | 436.29 | Copier leasing fees |
| 06/30/08 | 1310 | Service Office Supply | 250.13 | Office and computer supplies |
| 06/30/08 | 1334 | East Ky Graphics | 209.74 | Laser check stock paper |
| 06/30/08 | 1355 | AT&T Mobility | 85.56 | Cell phone service |
| 06/30/08 | 1357 | KAEC | 2,512.20 | Letterheads and envelopes |
| 06/30/08 | 1399 | Cougar Corner | 144.71 | Gasoline charges |
| 07/09/08 | 1388 | Service Office Supply | 698.19 | Office and computer supplies |
| 07/18/08 | 1425 | NRECA | 525.00 | Mtg fee - Summer School |
| 07/18/08 | 1428 | Service Office Supply | 271.29 | Office and computer supplies |
| 07/18/08 | 1429 | Standard Coffee Service | 76.24 | Coffee for employees |
| 07/18/08 | 1431 | Petty Cash | 153.71 | Board and other meal, kitchen supplies |

Licking Valley Rural Electric
 Case No. 2009-00016
 Account 921.00 Office Supplies
 December 31, 2008

| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|-----------------------------|---------------|--|
| 07/22/08 | 1447 | OCE Imagistics | 498.00 | Copier quarterly maintenance fee |
| 07/23/08 | 1462 | Chevron USA | 175.30 | Gasoline charges |
| 07/23/08 | 1472 | American Express | 1,803.80 | Mgr exp to NRECA Sum Schol, KAEC mo mtg |
| 07/28/08 | 1481 | Service Office Supply | 562.01 | Office and computer supplies |
| 07/29/08 | 1571 | Visa | 216.37 | Office supplies |
| 07/29/08 | 1571 | Visa | 145.30 | KAEC monthly mtg, gas, meals |
| 07/29/08 | 1571 | Visa | 152.70 | Board meal |
| 07/29/08 | 1571 | Visa | 1,494.22 | NRECA Managers mtg expenses |
| 07/31/08 | 1590 | AT&T Mobility | 126.32 | Cell phone service |
| 07/31/08 | 1619 | Service Office Supply | 152.61 | Office and computer supplies |
| 08/12/08 | 1650 | Service Office Supply | 62.51 | Office and computer supplies |
| 08/15/08 | 1675 | East Ky Graphics | 209.74 | Laser check stock paper |
| 08/15/08 | 1683 | Service Office Supply | 423.94 | Office and computer supplies |
| 08/15/08 | 1684 | Standard Coffee Service | 76.24 | Coffee for employees |
| 08/20/08 | 1700 | Service Office Supply | 325.47 | Office and computer supplies |
| 08/26/08 | 1710 | Service Office Supply | 89.02 | Office and computer supplies |
| 08/27/08 | 1776 | Chevron USA | 379.08 | Gasoline charges |
| 08/27/08 | 1784 | Service Office Supply | 67.91 | Office and computer supplies |
| 08/27/08 | 1788 | Visa | 545.32 | Auto and gasoline |
| 08/27/08 | 1788 | Visa | 305.72 | Lineman training |
| 08/31/08 | 1822 | AT&T Mobility | 85.29 | Cell phone service |
| 08/31/08 | 1832 | Service Office Supply | 1,154.19 | Office and computer supplies |
| 08/31/08 | 1836 | Petty Cash | 109.85 | Office and computer supplies |
| 08/31/08 | 1836 | Petty Cash | 230.32 | Board meal, kitchen cleaning supplies |
| 09/11/08 | 1871 | Service Office Supply | 17.76 | Office and computer supplies |
| 09/15/08 | 1891 | Service Office Supply | 223.19 | Office and computer supplies |
| 09/15/08 | 1893 | Standard Coffee Service | 62.49 | Coffee for employees |
| 09/16/08 | 1900 | Service Office Supply | 338.37 | Office and computer supplies |
| 09/23/08 | 1937 | American Express | 381.30 | KAEC Managers mtg expenses |
| 09/23/08 | 1938 | Chevron USA | 153.00 | Gasoline charges |
| 09/23/08 | 1945 | Service Office Supply | 148.36 | Office and computer supplies |
| 09/24/08 | 1955 | Service Office Supply | 137.79 | Office and computer supplies |
| 09/29/08 | 1965 | Petty Cash | 25.00 | Board meal |
| 09/29/08 | 1965 | Petty Cash | 193.48 | Decorations for Sorghum Festival |
| 09/30/08 | 2046 | Service Office Supply | 164.30 | Office and computer supplies |
| 09/30/08 | 2055 | Accent on Flowers | 106.00 | Flowers for funeral |
| 09/30/08 | 2065 | AT&T Mobility | 87.33 | Cell phone service |
| 09/30/08 | 2074 | Visa | 306.26 | Board meals and kitchen supplies |
| 09/30/08 | 2074 | Visa | 385.00 | KAEC Managers mtg expenses |
| 09/30/08 | 2105 | Pattie's Place | 112.83 | Meals for training seminar |
| 09/30/08 | 2108 | Tennessee Valley Publishing | 1,200.00 | Utility Compliance Fact Act seminar dues |
| 09/30/09 | 2074 | Visa | 739.29 | Manager expenses to NRECA mtg |
| 10/02/08 | 2013 | Kerry Howard | 191.47 | Reimburse for office supplies |
| 10/06/08 | 2060 | Service Office Supply | 370.98 | Office and computer supplies |
| 10/13/08 | 2113 | Service Office Supply | 404.69 | Office and computer supplies |
| 10/13/08 | 2114 | Standard Coffee Service | 62.49 | Coffee for employees |
| 10/23/08 | 2139 | Chevron USA | 235.00 | Gasoline charges |
| 10/23/08 | 2141 | OCE Imagistics | 498.00 | Copier quarterly maintenance fee |

Licking Valley Rural Electric
Case No. 2009-00016
Account 921.00 Office Supplies
December 31, 2008

| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|------------------------------|---------------|---|
| 10/23/08 | 2147 | Service Office Supply | 938.05 | Office and computer supplies |
| 10/23/08 | 2152 | Rural Electricity Resource C | 640.00 | Annual dues |
| 10/30/08 | 2244 | American Express | 2,303.12 | Mgr and employee exp to NRECA seminar |
| 10/30/08 | 2259 | Pitney Bowes | 466.40 | Copier leasing fees |
| 10/30/08 | 2261 | Purchase Power | 1,066.82 | Purchase postage |
| 10/30/08 | 2265 | Visa | 485.15 | KAEC Red Flag mtg |
| 10/30/08 | 2265 | Visa | 174.40 | Board meals and kitchen supplies |
| 10/30/09 | 2262 | Service Office Supply | 40.23 | Office and computer supplies |
| 10/30/10 | 2265 | Visa | 324.44 | Office supplies |
| 10/31/08 | 2279 | Petty Cash | 66.83 | Board and PSC mtg meal |
| 10/31/08 | 2279 | Petty Cash | 98.76 | Fall flower decorations |
| 10/31/08 | 2316 | Great American Leasing | 289.38 | Monthly lease, copier |
| 10/31/08 | 2336 | Thrifty Car Rental | 298.26 | Car rental at NRECA seminar |
| 10/31/09 | 2319 | KAEC | 37.00 | Meal for KAEC\PSC Reg Rev mtg |
| 10/31/10 | 2322 | Service Office Supply | 450.37 | Office and computer supplies |
| 11/11/08 | 2341 | Service Office Supply | 335.58 | Office and computer supplies |
| 11/11/08 | 2342 | Standard Coffee Service | 62.49 | Coffee for employees |
| 11/14/08 | 2367 | Service Office Supply | 18.01 | Office and computer supplies |
| 11/17/08 | 2386 | Service Office Supply | 124.94 | Office and computer supplies |
| 11/20/08 | 2451 | Chevron USA | 180.01 | Gasoline charges |
| 11/24/08 | 2476 | Service Office Supply | 237.37 | Office and computer supplies |
| 11/30/08 | 2507 | Service Office Supply | 344.42 | Office and computer supplies |
| 11/30/08 | 2516 | Morgan Co Board of Ed | 42.00 | Employee ID badges |
| 11/30/08 | 2542 | AT&T Mobility | 85.29 | Cell phone service |
| 11/30/08 | 2543 | American Express | 592.48 | KAEC monthly mtg, gas, meals |
| 11/30/08 | 2553 | Great American Leasing | 289.38 | Monthly lease, copier |
| 11/30/08 | 2557 | NRECA | 160.00 | Subscription to Legal Reporting Service |
| 11/30/08 | 2583 | Visa | 388.78 | NRECA Winter School seminar |
| 12/04/08 | 2528 | Standard Coffee Service | 123.44 | Coffee for employees |
| 12/08/08 | 2578 | West Liberty Post Office | 208.00 | PO box rental |
| 12/08/08 | 2585 | East Ky Graphics | 209.74 | Laser check stock paper |
| 12/08/08 | 2587 | Service Office Supply | 27.00 | Office and computer supplies |
| 12/15/08 | 2609 | Service Office Supply | 172.76 | Office and computer supplies |
| 12/15/08 | 2618 | Service Office Supply | 121.53 | Office and computer supplies |
| 12/15/08 | 2619 | Petty Cash | 110.03 | Board meal and kitchen supplies |
| 12/16/08 | 2630 | NRECA | 525.00 | Mtg fee - Coop Bylaws |
| 12/17/08 | 2691 | Service Office Supply | 232.08 | Office and computer supplies |
| 12/19/08 | 2708 | KAEC | 742.47 | Print copy of ByLaws |
| 12/24/08 | 2762 | KAEC | 810.00 | KAEC annual mtg meals |
| 12/24/08 | 2766 | Pattie's Place | 143.53 | Meals for training seminar |
| 12/24/08 | 2768 | Service Office Supply | 889.06 | Office and computer supplies |
| 12/31/08 | 2779 | Great American Leasing | 289.38 | Monthly lease, copier |
| 12/31/08 | 2786 | Pitney Bowes | 466.40 | Copier leasing fees |
| 12/31/08 | 2814 | AT&T Mobility | 85.29 | Cell phone service |
| 12/31/08 | 2815 | American Express | 1,268.30 | Mgr expenses to mtgs, gas, meals |
| 12/31/08 | 2815 | American Express | 1,643.68 | KAEC annual mtg |
| 12/31/08 | 2815 | American Express | 624.69 | Mgr expenses to NRECA Winter School |
| 12/31/08 | 2837 | Service Office Supply | 68.00 | Office and computer supplies |

Licking Valley Rural Electric
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Account 921.00 Office Supplies
December 31, 2008

| <u>Date</u> | <u>Ck No.</u> | <u>Payee</u> | <u>Amount</u> | <u>Description</u> |
|-------------|---------------|------------------------------|------------------|----------------------------|
| 12/31/08 | 2839 | Visa | 119.27 | Board and other meals |
| 12/31/08 | 2875 | Apogee Interactive | 1,200.00 | Annual website hosting fee |
| monthly | | Bank charges | 1,312.97 | Bank charges |
| monthly | | Insurance | 2,503.95 | Property and crime |
| monthly | | Property tax | 7,653.47 | Property tax on office |
| var | var | Kentucky Power Company | 15,425.18 | Electricity |
| var | var | Morgan County Water | 1,376.36 | Water at warehouse |
| var | var | Petty Cash | 434.22 | Postage |
| var | var | West Liberty Waterworks | 1,743.44 | Water at office |
| | | Less than \$100 individually | <u>882.49</u> | |
| | | | <u>98,402.00</u> | |

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

16. Re. Exhibit 11, page 11 of 12: the promotional advertising and institutional advertising expenses of \$4,064 and \$360, offset by the Other advertising of \$(5,106) indicates a pro forma expense adjustment of \$(682). Please reconcile this indicated pro forma expense adjustment of \$(682) to the pro forma advertising expense adjustment of \$(1,042) shown on Exhibit 11 pages 2 through 6 of 12.

Response: There was an addition error that has been corrected. See attached.

Licking Valley Rural Electric
Case No. 2009-00016

Account 913- Advertising Expenses
December 31, 2008

| Line No. | Item (a) | Sales or Promotional Advertising (b) | Institutional Advertising (c) | Safety & Conservation Advertising (d) | Rate Case (e) | Other (f) | Total (g) |
|----------|------------------------------|--------------------------------------|-------------------------------|---------------------------------------|---------------|-----------|-----------|
| 1. | Newspaper | | | 31,614 | | | 31,614 |
| 2. | Magazines and other | | | | | | 0 |
| 3. | Television | | | | | | 0 |
| 4. | Radio | | | 21,839 | | | 21,839 |
| 5. | Sales aids | 3,704 | | | | | 3,704 |
| 6. | Telephone | | 360 | | | (5,106) | (4,746) |
| 7. | Total | 3,704 | 360 | 53,453 | 0 | (5,106) | 52,411 |
| 8. | Amount assigned to KY retail | | | | | | |

Item 17
Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
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Attorney General's Initial Requests

17. Re. Exhibit 11, pages 9 and 10 of 12: please confirm that the Annual Meeting expenses to be disallowed for ratemaking purposes (designated with an "x") add to \$7,672, not the indicated amount of \$2,672. In addition, explain the difference between these two amounts.

Response: The \$7,672 is correct, this was an addition error only.

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

18. Exhibit P shows that the 2008 test year Annual Meeting expenses of \$57,930 are 40.5% higher than the 2007 expense level of \$41,237 and 55.6% higher than the 2006 expense level of \$37,240. In this regard, please provide the following information:
- a. Reasons for the large expense increase in 2008 over the actual expense levels in 2006 and 2007.
 - b. Why does LVRECC find it reasonable to charge its members with Annual Meeting expenses that are, on average, about 50% higher than the Annual Meeting expenses incurred in 2006 and 2007?

Response

18.a. See PSC-2-26.g. In addition, EKPC paid Licking Valley approximately \$9,500 thru Partner Plus in 2006.

18.b. Expenses without the EKPC Partner Plus payments were not that much of an increase. The expenses incurred for the annual meeting are reasonable.

Licking Valley Rural Electric Cooperative
Case No. 2009-00016
Attorney General's Initial Requests

19. With regard to Exhibit 11, pages 7 and 8 of 12, please provide the following information:
- a. Please confirm that the Miscellaneous General expenses to be disallowed for ratemaking purposes (designated with an "x") add to \$4,467.98, not the indicated amount of \$723.06. In addition, explain the difference between these two amounts.
 - b. Provide the nature and purpose of the KAEC Annual Meeting meals expenses of \$740 and the KAEC Annual Meeting expenses of \$442.43 and explain why they should be included for ratemaking purposes in this case.
 - c. Provide the nature and purpose of the Employee Exercise Equipment expenses of \$304 and explain why they should be included for ratemaking purposes in this case.

Responses

- a. The \$4,467.98 is correct. This was an addition error only.
- b. \$740 meals for the General Manager, attorney and 3 directors to attend the KAEC annual meeting. The \$442.43 is hotel and a meal charge for the General Manager to attend the KAEC annual meeting.
- c. See PSC-2-32.a.

Licking Valley Rural Electric Cooperative
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Attorney General's Initial Requests

20. Please provide the reasons for the large decrease in interest income in account 419.00 from \$416,725 in 2007 to \$172,066.

Response: The temporary investments earning interest steadily decreased from 2007 thru 2008 and the interest rates declined during the same period.