

# **Licking Valley Rural Electric Cooperative Corporation**

**Case No. 2009-00016**

**RECEIVED**

**OCT 27 2009**

**PUBLIC SERVICE  
COMMISSION**

**Joint Settlement Stipulation  
And Recommendation**

Law Offices of  
**COLLINS & ALLEN**  
Post Office Box 475  
Salyersville, Kentucky 41465-0475

John C. Collins  
Gregory D. Allen

Phone (606) 349-1382  
Fax (606) 349-1322

RECEIVED

October 26, 2009

OCT 27 2009

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
Post Office Box 615  
Frankfort, Kentucky 40602-0615

RE: Case No. 2009-00016 – Application of Licking Valley Rural Electric  
Cooperative Corporation for an Adjustment in Retail Electric Rates

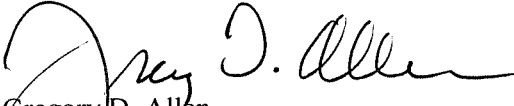
Dear Mr. Derouen:

Attached you will find an original and seven (7) copies of Licking Valley Rural Electric Cooperative Corporation's Settlement Stipulations with the Office of the Attorney General ("OAG") that was reached on October 08, 2009. A copy is also being provided to the Rate Intervention Group of the Office of the Attorney General.

Licking Valley Rural Electric Cooperative Corporation also requests that an informal conference be scheduled so that the Commission Staff, the OAG, and Licking Valley RECC Representatives to discuss the settlement. Licking Valley RECC also requests that the Commission set a date for hearing so that Licking Valley RECC can place appropriate notice of the hearing in the newspapers in the Licking Valley RECC service area.

If you have any questions, please contact me at your convenience.

Sincerely,



Gregory D. Allen  
Attorney for Licking Valley RECC

Enclosures

c: Office of Rate Intervention  
Office of the Attorney General



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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LICKING VALLEY RURAL )  
ELECTRIC COOPERATIVE CORPORATION ) CASE NO. 2009-00016  
FOR AN ADJUSTMENT OF RATES )

**JOINT SETTLEMENT STIPULATION AND RECOMMENDATION**

It is the intent and purpose of the parties to this proceeding, being the applicant, Licking Valley RECC (“Licking Valley”) and the intervenor, Attorney General of the Commonwealth of Kentucky (“Attorney General”) 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 the “Recommendation.”

It is understood by all parties hereto that this Recommendation is not binding upon the Kentucky Public Service Commission (“Commission”), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustment to Licking Valley’s rates. Licking Valley RECC and the Attorney General 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 considerable resources in litigation of this proceeding, and will eliminate the possibility of, and any need for, rehearing or appeals of the Commission’s final order herein. Based upon the parties’ participation in a settlement conference 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. Licking Valley RECC filed an application for a rate adjustment seeking a total increase in base rate revenue in the amount of \$2,072,665 on Licking Valley's normalized test year. The parties agree that Licking Valley RECC should be permitted to adjust its rates to permit a total increase in base rate revenue of only \$1,940,302, being \$132,363 less than sought in the application. All rate schedules have been adjusted to reflect this change in retail rates.

Licking Valley RECC agreed to reduce the customer charge per month for its residential class (Schedule A – Farm & Home) from \$10.00 to \$9.00. The demand charges and customer charges for all other classes remain as contained in the original application. In addition, the Attorney General does not contest the cable television attachment rates proposed by Licking Valley RECC in the application.

2. Licking Valley's proposed tariff revisions are attached in "Exhibit A" and should be adopted and should become effective as of April 1, 2009, or as soon thereafter as ordered by the Commission. Attached as "Exhibit B" is the testimony of James R. Adkins which explains the development of these rates.

3. Additional exhibits to this agreement include a comparative schedule of rates, "Exhibit D" which include the current rates, the rates proposed in the application and the rates that are a result of this agreement. Also attached is "Exhibit E" which provides the basis for the revenue requirements for each rate class as well as the proposed rate design.

4. Licking Valley RECC will implement the proposed depreciation rates included in the depreciation study that accompanied the Application. The depreciation rates will be implemented in conjunction with the effective date of the Commission's Order.

5. It is the purpose and intent of the parties hereto that the revision in rates for Licking Valley RECC result in a 2.0 TIER (times interest earned ratio), and the revision in rates as proposed by this Recommendation and Stipulation will result in such a TIER rating.

6. Licking Valley's Board of Directors has approved the stipulated and amended rate amount of \$1,940,302.

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

8. 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 Licking Valley RECC or any other utility.

9. 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.

10. 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 and 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.


11. Attached as "Exhibit C" is proof of revenue analysis showing that the proposed rate adjustments will generate the proposed revenue reduction to which the parties have agreed in paragraph (1) of this Stipulation.

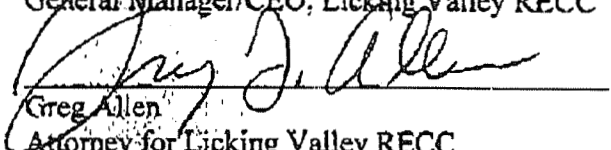


12. The parties hereto agree that the foregoing Recommendation is reasonable and is in the best interests of all concerned, and urge the Commission to adopt this Recommendation in its entirety.

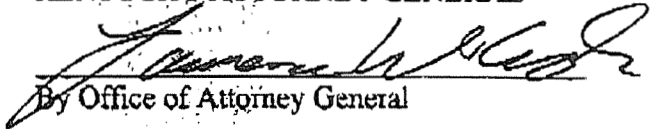
This 15th day of October, 2009.

LICKING VALLEY RECC

  
Kerry K. Howard  
General Manager/CEO, Licking Valley RECC

  
Greg Allen  
Attorney for Licking Valley RECC

KENTUCKY ATTORNEY GENERAL

  
By Office of Attorney General



LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
OF  
WEST LIBERTY, KENTUCKY 41472

RATES, RULES AND REGULATION FOR FURNISHING ELECTRICITY

AT

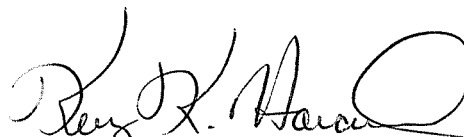
BREATHITT, LEE, MAGOFFIN, MENIFEE, MORGAN  
AND WOLFE COUNTIES KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: OCTOBER 20, 2009

EFFECTIVE: DECEMBER 01, 2009

ISSUED BY: LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

A handwritten signature in black ink, appearing to read "Kerry K. Howard", written in a cursive style.

KERRY K. HOWARD  
GENERAL MANAGER/CEO

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Eighteenth Revised Sheet No. 1  
Canceling P.S.C. KY No.  
Seventeenth Revised Sheet No. 1

CLASSIFICATION OF SERVICE

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SCHEDULE A – Residential, Farm, Small Community Hall & Church Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject  
to its established rules and regulations. Available to members of the Cooperative  
for all community halls and churches with a transformer size of 25 KVA or less.

TYPE OF SERVICE:

Single-phase, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$9.00	I
Energy charge per KWH	0.096951	I

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the  
event the current monthly bill is not paid by the Tenth (10<sup>th</sup>) of the  
following month from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

Limited to individual motors up to ten horsepower (10 H.P.)

FUEL ADJUSTMENT CLAUSE:

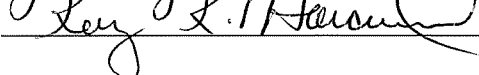
“All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an  
amount per KWH equal to the fuel adjustment amount per KWH  
as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for  
the line losses will not exceed ten percent (10%) and is based on a  
twelve month moving average of such losses. This Fuel Adjustment Clause  
is subject to all other applicable provisions as set out in 807 KAR 5:056.”

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY , GENERAL MANAGER/CEO, West Liberty, KY

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Eighteenth Revised Sheet No. 2  
Canceling P.S.C. KY No.  
Seventeenth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

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SCHEDULE B – Commercial and Small Power Service	RATE PER UNIT
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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin, Menifee, Morgan, and Wolfe Counties, Kentucky).

AVAILABILITY OF SERVICE:

Available to commercial consumer, small schools, small industrial consumer, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less, all subject to established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE:

Single-phase and three-phase where available, 60 cycle 120/240 volts.

MONTHLY RATE:

Customer charge per delivery point	\$20.00	I
Energy charge per KWH	0.08659	I

MINIMUM MONTHLY ENERGY CHARGES:

For consumers requiring more than 10 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

DELAYED PAYMENT CHARGE:

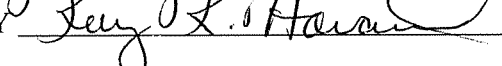
The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the Tenth (10th) of the following month from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY , GENERAL MANAGER/CEO, West Liberty, KY

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Eighteenth Revised Sheet No. 3  
Canceling P.S.C. KY No.  
Seventeenth Revised Sheet No. 3

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER SERVICE – LP

RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase  
lines for all types of usage including churches and community halls in  
excess of 25 KVA subject to the established rules and regulation of seller.

MONTHLY RATE:

Customer charge per delivery point	\$49.19
Energy charge per KWH	0.073137

A demand charge of \$7.11 per KW

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established  
by the consumer for any period of fifteen (15) 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 following:

POWER FACTOR ADJUSTMENT:

The consumer 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 the  
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 then divided by the actual power factor percent.

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY , GENERAL MANAGER/CEO, West Liberty, KY

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Eighteenth Revised Sheet No. 4  
Canceling P.S.C. KY No.  
Seventeenth Revised Sheet No. 4

CLASSIFICATION OF SERVICE

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SCHEDULE FOR LARGE POWER RATE – LPR

RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

Available to all industrial users on or near the Cooperative's  
lines whose kilowatt demand shall exceed 300 KW for lighting,  
heating, and/or power. With the following exceptions: rock quarries,  
sawmills, mines and any other service of a fluctuating nature due to  
their poor load factor and temporary nature. This schedule and all  
of its conditions must be agreed and entered into before the initial  
connection.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the  
consumer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 cycle,  
alternating current at available nominal voltage.

MONTHLY RATE:

Customer charge per delivery point	\$98.39
Energy charge per KWH	0.064979

Demand charge of \$6.67 per KW

DETERMINATION OF BILLING DEMAND:

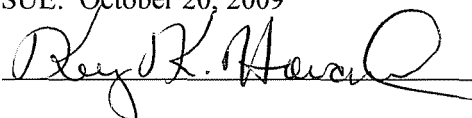
The billing demand shall be the maximum kilowatt demand  
established by the consumer for any period of (15) consecutive

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY , GENERAL MANAGER/CEO, West Liberty, KY

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Eighteenth Revised Sheet No. 5  
Canceling P.S.C. KY No.  
Seventeenth Revised Sheet No. 5

CLASSIFICATION OF SERVICE

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SCHEDULE SL (Security Lights and/or Rural Lighting)

RATE  
PER UNIT

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APPLICABLE:

All consumers in the territory served (Breathitt, Lee, Magoffin,  
Menifee, Morgan, and Wolfe Counties, Kentucky)

AVAILABILITY OF SERVICE:

The Cooperative will furnish and install a metal halide type light on a  
twenty-five (25) foot pole or an existing Cooperative owned pole at a  
location suitable to both parties. Location, however, shall be up to  
150 feet from an existing Cooperative owned secondary line.

When a pole is nonexistent it will be furnished by the cooperative at the  
following rate for overhead service:

25 ft Wood Pole	2.91 per pole per month	I
30 ft Wood Pole	3.37 per pole per month	I

MONTHLY RATE:

Services will be unmetered and will be per light per month as follows:

175 Watt MV	@ 9.88	I
100 Watt Halide	@ 9.88	I
250 Watt Halide	@ 15.41	I
400 Watt Halide	@ 21.37	I

FUEL ADJUSTMENT CLAUSE:

“All rates are applicable to the Fuel Adjustment Clause and may be  
increased or decreased by an amount per KWH as billed by the  
Wholesale Power Supplier, plus an allowance for line losses.

The allowance for the line losses will not exceed ten percent (10%)  
and is based on a twelve month moving average of such losses.

This Fuel Adjustment Clause is subject to all other applicable  
provisions as set out in 807 KAR 5:056.”

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY  GENERAL MANAGER/CEO, West Liberty, KY



Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 6  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 6

CLASSIFICATION OF SERVICE

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SCHEDULE CATV – CABLE TELEVISION ATTACHMENT TARIFF RATE  
PER UNIT

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APPLICABLE:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

	Annual	
Two-party pole attachment	\$5.42	I
Three-party pole attachment	4.78	I
Two-party anchor attachment	5.76	I
Three-party anchor attachment	3.80	I
Two- party pole ground attachment	0.27	
Three-party pole ground attachment	0.16	

BILLING:

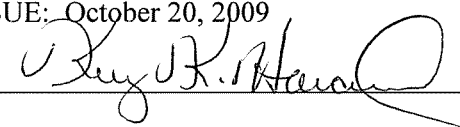
Rental charges shall be billed yearly in advance based on the number of pole attachments. The rental charges are net, the gross being five percent (5%) higher. In the event the current annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

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DATE OF ISSUE: October 20, 2009

DATE EFFECTIVE: December 01, 2009

ISSUED BY , GENERAL MANAGER/CEO, West Liberty, KY



LICKING VALLEY RECC  
CASE NO. 2009-00016

DIRECT TESTIMONY OF JAMES R. ADKINS

1Q. What is the purpose of your testimony?

1A. The purpose of my testimony is to explain the development of the rates based on the settlement that has been reached with the Office of the Attorney General (“OAG”) and Licking Valley RECC. The OAG has agreed to allow Licking Valley RECC (“Licking Valley”) to increase its rates by the amount of \$1,930,302. This amount is \$132,363 less than the original request. This increase amount is for Licking Valley’s own distribution costs.

2Q. What rates have been changed to accomplish this reduction in the increase amount?

2A. This change has been accomplished by placing the full reduction of the increase amount upon the increase that is being sought for Schedule A – Residential Farm and Home. Licking Valley has reduced its requested customer charge from \$10.00 to \$9.00 as agreed and increased the energy charge slightly to \$0.096951.

3Q. How can we determine that the proposed rate design will provide the amount of revenue agreed to in the settlement?

3A. As a part of this agreement is a billing analysis which develops the amount of revenues that Licking Valley would receive from its current rates applied to the test

year billing units and from its proposed rates applied to the test billing units. The proof of revenues results in an increase of \$1,940,216.

4Q. Will these proposed rates meet the needs of Licking Valley?

4A. The proposed rates as a result of this settlement will provide for the immediate financial needs of Licking Valley and should insure that Licking Valley will meet its mortgage requirements for a few years.

5Q. What documentation is Licking Valley providing in support of this settlement?

5A. The following additional documents are provided as support.

- A comparative schedule of proposed rates and current rates;
- A billing analysis which includes the revenues for the rates in effect at the end of the test year, the current rates, the proposed rates in the application and the proposed rates as a result of this settlement;
- The increase amount for each rate class; and
- The proposed rate design change from the original application.

6Q. Have you made any other changes or corrections that need to be identified and made.

6A. Two corrections need to be identified and clarified. The first one deals with the rate for Envirowatts rate schedule. In the billing analysis in the application, the rate was identified as \$0.02825 per kWh when the proper rate is \$0.02750 per kWh. This rate has been corrected in Exhibit C of this filing and has no impact upon neither revenue requirements nor any part of this settlement. The other item deals with the CATV rates. The current rates listed in the filing for the two party and

three party ground attachments was listed as \$0.27 and \$0.16 and the rates should have been \$0.30 and \$0.19 for two party and three party ground attachments respectively. Licking Valley is not currently billing any customers for two party or three party ground attachments.

7Q. Does this conclude your testimony?

7A. This concludes my testimony.



LICKING VALLEY RECC  
CASE NO. NO09-00016

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Rate Schedule	Kwh Usage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0520	Percent of Total	Normalized Case No. 2008-0419	Percent of Total	Normalized Case No. 2008-0419	Percent of Total	Settlement Proposed Revenue	Percent of Total	Increase Amount	Percent
A - Residential, Farm, Small Co	195,180,670	15,708,048	75%	15,708,048	74.7%	16,754,974	74.7%	18,884,395	74.9%	20,660,852	76.1%	1,776,457	9.41%
B - Commercial and Small Powe	10,383,500	942,445	4%	942,445	4.5%	1,004,712	4.5%	1,117,996	4.4%	1,132,266	4.2%	14,270	1.28%
LP, Large Power Service	26,414,039	2,323,518	11%	2,323,518	11.0%	2,477,980	11.0%	2,766,158	11.0%	2,766,158	10.2%	-	0.00%
LPR, Large Power Rate	19,191,648	1,299,089	6%	1,299,089	6.2%	1,387,629	6.2%	1,597,010	6.3%	1,597,010	5.9%	-	0.00%
SL - Security Lights	6,963,308	753,910	4%	753,910	3.6%	803,838	3.6%	836,777	3.3%	986,561	3.6%	149,784	17.90%
Envirowatts	43,400	1,199	0%	1,194	0.0%	1,194	0.0%	1,194	0.0%	1,194	0.0%	-	0.00%
Rounding differences		276		276		295		295		-		(295)	
Total from base rates	258,176,565	21,028,486	100%	21,028,481	100.0%	22,430,622	100.0%	25,203,824	100.0%	27,144,040	100.0%	1,940,216	7.70%
Fuel adjustment billed		2,318,349											
Environmental surcharge billed		1,066,377											
Increase		24,413,212				1,402,141		2,773,202		1,940,216			

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Schedule A - Residential, Farm, Small Community Hall & Churches

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	193,099	\$1,384,520	\$7.17	\$1,384,520	\$7.65	\$1,477,207	\$7.65	\$1,477,207	\$10.00	\$1,930,990	9.00	\$ 1,737,891
Energy charge per kWh	195,180,670	14,323,529	\$0.073386	14,323,529	\$0.076275	15,277,767	\$0.089185	17,407,188	\$0.096640	18,862,260	0.096951	\$ 18,922,961
Total from base rates		15,708,048		\$15,708,048		\$16,754,974		\$18,884,395		\$20,793,250		\$20,660,852
Fuel adjustment		1,811,139										
Environmental surcharge		1,066,377										
Total revenues		\$18,585,565										
Amount		\$0		\$0		\$1,046,926		\$2,129,421		\$1,908,855		\$1,776,457
Percent		0.0%		0.0%		6.7%		12.7%		10.1%		9.4%
Average monthly bill		\$81.35		\$81.35		\$86.77		\$97.80		\$107.68		\$107.00
Amount		\$0.00		\$0.00		\$5.42		\$11.03		\$9.89		\$9.20
Percent		0.0%		0.0%		6.7%		12.7%		10.1%		8.5%



BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Schedule B, Commercial and Small Power

Description	Billing Determinants	Test Year	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	11,660	\$173,268	\$14.86	\$173,268	\$15.85	\$184,811	\$15.85	\$184,811	\$20.00	\$233,200	\$20.00	\$233,200.00
Energy charge	10,383,500	761,308	\$0.073319	761,308	\$0.078204	812,031	\$0.089114	925,315	\$0.086586	899,066	\$0.08659	\$899,065.73
Minimum kva capacity		7,869		7,869		7,869		7,869				
Total from base rates		942,445		942,445		1,004,712		1,117,996		1,132,266		1,132,265.73
Fuel adjustment		95,255										
Environmental surcharge		0										
Total revenues		\$1,037,700										
Amount		\$0		\$62,267		\$113,284		\$14,270		\$14,270		\$14,270.18
Percent		0.0%		6.6%		11.3%		1.3%		1.3%		1.3%
Average monthly bill		\$80.83		\$86.17		\$95.88		\$97.11		\$97.11		\$97.11
Amount		\$0.00		\$5.34		\$9.72		\$1.22		\$1.22		\$1.22
Percent		0.0%		6.6%		11.3%		1.3%		1.3%		1.3%

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Schedule LP, Large Power Service

Description	Billing Determinants	Test Year	Normalized Case No. 2006-00620		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	2,337	\$107,782	\$46.12	\$107,782	\$49.19	\$114,957	\$49.19	\$114,957	\$49.19	\$114,957	\$49.19	\$114,957.03
Demand Charge	101,400	676,339	\$6.67	676,339	\$7.11	720,955	\$7.11	720,955	\$7.11	720,955	\$7.11	\$720,955.21
Energy charge	26,414,039	1,540,995	\$0.058340	1,540,995	\$0.062227	1,643,666	\$0.073137	1,931,844	\$0.073137	1,931,844	\$0.073137	\$1,931,844
Primary meter discount		(1,598)		(1,598)		(1,598)		(1,598)		(1,598)		(\$1,598)
Total from base rates		2,323,518		\$2,323,518		\$2,477,980		\$2,766,158		\$2,766,158		\$2,766,158
Fuel adjustment		237,020										
Environmental surcharge		0										
Total revenues		\$2,560,538										
Amount		\$0		\$154,462		\$288,177		\$0		\$0		\$0
Percent		0.0%		6.6%		11.6%		0.0%		0.0%		\$0
Average monthly bill		\$994.23		\$1,060.33		\$1,183.64		\$1,183.64		\$1,183.64		\$1,184
Amount		\$0.00		\$66.09		\$123.31		\$0.00		\$0.00		\$0
Percent		0.0%		6.6%		11.6%		0.0%		0.0%		\$0

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Schedule LPR - Large Power Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	144	\$13,283	\$92.24	\$13,283	\$98.39	\$14,168	\$98.39	\$14,168	\$98.39	\$14,168	98.39	\$14,168
Demand Charge	54,390,980	339,944	\$6.25	339,944	\$6.67	362,788	\$6.67	362,788	\$6.67	362,788	6.67	\$362,788
Energy charge	19,191,648	972,863	\$0.050692	972,863	\$0.054069	1,037,673	\$0.064979	1,247,054	\$0.064979	1,247,054	0.064979	\$1,247,054
Primary meter discount		(27,000)		(27,000)		(27,000)		(27,000)		(27,000)		(\$27,000)
Total from base rates		1,299,089		\$1,299,089		\$1,387,629		\$1,597,010		\$1,597,010		\$1,597,010
Fuel adjustment		172,599										
Environmental surcharge		0										
Total revenues		\$1,471,688										
Amount		\$0		\$88,540		\$209,381		\$0		\$0		\$0
Percent		0.0%		6.8%		15.1%		0.0%		0.0%		0.0%
Average monthly bill		\$9,021.45		\$9,636.31		\$11,090.35		\$11,090.35		\$11,090.35		\$11,090.35
Amount		\$0.00		\$614.86		\$1,454.03		\$0.00		\$0.00		\$0.00
Percent		0.0%		6.8%		15.1%		0.0%		0.0%		0.0%

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Schedule SL, Security Lights

Description	Billing Determinants	Test Year	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
175 Watt MV	99,273	749,511	\$7.55	749,511	\$8.05	799,148	\$8.38	831,908	\$9.88	980,817	9.88	\$980,817
100 Watt Halide	535	4,039	\$7.55	4,039	\$8.05	4,307	\$8.38	4,483	\$9.88	5,286	9.88	\$5,286
250 Watt Halide	0	0	\$11.53	0	\$12.30	0	\$13.12	0	\$15.41	0	15.41	\$0
400 Watt Halide	2	32	\$15.85	32	\$16.91	34	\$18.22	36	\$21.37	43	21.37	\$43
25' Pole	108	248	\$2.30	248	\$2.45	265	\$2.45	265	\$2.91	314	2.91	\$314
30' Pole	30	80	\$2.66	80	\$2.84	85	\$2.84	85	\$3.37	101	3.37	\$101
kWh	6,963,308											
Total from base rates		753,910		\$753,910		\$803,838		\$836,777		\$986,561		\$986,561.16
Fuel adjustment		2,335										
Environmental surcharge		0										
Total revenues		\$756,246		\$756,246		\$803,838		\$836,777		\$986,561		\$986,561.16
Amount		\$0		\$0		\$49,928		\$32,939		\$149,784		\$149,784
Percent		0.00%		0.00%		6.62%		4.10%		17.90%		17.9%

BILLING ANALYSIS  
SETTLEMENT PROOF OF REVENUE

Envirowatts

Description	Billing Determinants	Test Year	Normalized Case No. 2006-00520		Normalized Case No. 2008-00419		Normalized Case No. 2008-00532		Proposed		Settlement Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Envirowatts		1,199	\$0.02750	1,194	\$0.02750	1,194	\$0.02750	1,194	\$0.02750	1,194	\$0.02750	1,193.50
kWh	<u>43,400</u>											
Billing adjustments				0		0		0		0		-
Total from base rates		1,199		<u>\$1,194</u>		<u>\$1,194</u>		<u>\$1,194</u>		<u>\$1,194</u>		<u>1,194</u>
Fuel adjustment												
Environmental surcharge												
Total revenues		<u>\$1,199</u>										
Amount				(\$6)		\$0		\$0		\$0		\$0
Percent				-0.5%		0.0%		0.0%		0.0%		0.0%



**LICKING VALLEY RECC  
CASE NO. 2009-00016**

Exhibit D  
Page 1 pf 1  
Witness: Jim Adkins

**CURRENT RATES, PROPOSED RATES FROM APPLICATION AND SETTLEMENT  
PROPOSED RATES**

Rate Class	Current Rates	Proposed in Application Rates	Settlement Proposed Rates
<b>Schedule A-1, Farm &amp; Home</b>			
Customer charge	\$ 7.65	\$ 10.00	\$ 9.00
Energy charge	0.078275	0.096640	0.096951
<b>Schedule B, Commercial and Small Power</b>			
Customer charge	15.85	20.00	20.00
Energy charge	0.078204	0.08659	0.08659
<b>Schedule LP, Large Power Service</b>			
Customer Charge	\$49.19	\$49.19	\$49.19
Demand Charge	\$7.11	\$7.11	\$7.11
Energy Charge	\$0.073137	\$0.073137	\$0.073137
<b>LPR, Large Power Rate</b>			
Customer Charge	\$98.39	\$98.39	\$98.39
Demand Charge	\$6.67	\$ 6.67	\$ 6.67
Energy Charge	0.064979	\$ 0.064979	\$ 0.064979
<b>Schedule YL-1, Outdoor Lighting Service</b>			
175 Watt MV	8.05	9.88	9.88
100 Watt Halide	8.05	9.88	9.88
250 Watt Halide	12.30	15.41	15.41
400 Watt Halide	16.91	21.37	21.37
25' Pole	2.45	2.91	2.91
30' Pole	2.84	3.37	3.37
<b>Cable Television Attachments</b>			
Two-party pole attachment	4.01	5.42	5.42
Three-party pole attachment	3.85	4.78	4.78
Two-party anchor attachment	3.84	5.76	5.76
Three-party anchor attachment	2.53	3.80	3.80
Two-party ground attachment	0.30	0.27	0.27
Three-party ground attachment	0.19	0.16	0.16





**CHANGE IN RATE DESIGN FOR SCHEDULE A - RESIDENTIAL FARM AND HOME  
SETTLEMENT AGREEMENT**

A. Change in Revenue Requirements and Rate Design for Schedule A - Residential Farm & Home

Total Amount of Increase Requested in Application	\$ 2,072,665
Amount of Increase from Settlement Agreement	1,940,302
Decrease in Amount of Increase	<u>\$ 132,363</u>

Revenue Requirements in Application for Schedule A	\$ 20,793,250
Decrease in Revenue Requirements for Schedule A	132,363
Revised Revenue Requirement	<u>\$ 20,660,887</u>

B. Rate Design

1. Customer Charge

Rate Agreed to	\$ 9.00
Number of Billing Determinants	<u>193,099</u>
Revenue from Customer Charge	<u>\$ 1,737,891</u>

2. Energy Charge

Revenue Requirements from Energy Charge	\$ 18,922,996
Energy Sales in kWh	195,180,670
Energy Rate	<u>\$ 0.096951</u>