

LVRECC BOARD MEETING

March 17, 2016

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FINANCIAL REPORT

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For January 2016 we had positive margins of approximately two hundred ninety-five thousand, seven hundred seventy-nine dollars, which brings us to positive year-to-date margins of approximately two hundred ninety-five thousand, seven hundred seventy-nine dollars compared to January 2015 positive margins of approximately fifty-six thousand, two hundred ninety-two dollars for the year.

TIER for the month of January was 8.78, year-to-date 8.78, budget 7.10.

Total bank draft accounts in March 2016 was 1,231, totaling \$202,806.80. Recurring credit card accounts was 274, totaling \$43,959.12, with 20 accounts rejected in the amount of \$4,206.67 during the same period. Prenotes totaled 14 with \$0.00.

ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of January was 9.81%. February Fuel Adjustment charge was (0.00439).

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RATE CASE

Alan Zumstein continues to work on our Rate Case and will be here for more information to prepare the Case for filing with the Public Service Commission in about a month.

LVRECC BOARD MEETING

April 21, 2016
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FINANCIAL REPORT

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For February 2016 we had negative margins of approximately one hundred twenty-eight thousand, six hundred ninety-three dollars, which brings us to positive year-to-date margins of approximately one hundred sixty-seven thousand, eighty-six dollars compared to February 2015 positive margins of approximately twenty-two thousand, four hundred sixty-seven dollars for the year.

TIER for the month of February was (2.38), year-to-date 3.20, budget 4.75.

Total bank draft accounts in April 2016 was 1,235, totaling \$156,998.92. Recurring credit card accounts was 271, totaling \$32,904.49, with 15 accounts rejected in the amount of \$1,693.05 during the same period. Prenotes totaled 16 with \$0.00.

ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of February was 6.97%. March Fuel Adjustment charge was (0.00253).

LVRECC BOARD MEETING

April 21, 2016
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LVRECC RATE CASE

Licking Valley RECC's Rate Case is mostly ready to be filed with the Public Service Commission. CPA Alan M. Zumstein will meet again with the Board prior to filing to discuss a few necessary decisions that are to be made.

LVRECC AT- A-GLANCE

LVRECC Manager of Financial Services John May reported on LVRECC At-A-Glance discussing time comparison TIER, Margins, Line Loss, Overtime Expense, lost time incidents, and UA Summary. UA accounts have decreased \$42,849 since 2014.

LVRECC BOARD MEETING

May 12, 2016

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RATE ADJUSTMENT

Alan M. Zumstein and Jim Adkins have worked on our request for a rate adjustment with the Commission and was here yesterday working preparing the filing and discussing the process covering our current rates compared with the proposed rates.

UPON MOTION BY PHILIP WILLIAMS, SECONDED BY TOMMY HILL, THE LVRECC BOARD OF DIRECTORS VOTED TO APPROVE TO FILE A LETTER OF INTENT FOR A RATE ADJUSTMENT WITH THE KENTUCKY PUBLIC SERVICE COMMISSION. MOTION CARRIED.

FINANCIAL REPORT

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For March 2016 we had negative margins of approximately twenty-four thousand, six hundred forty-seven dollars, which brings us to positive year-to-date margins of approximately one hundred forty-two thousand, four hundred thirty-nine dollars compared to March 2015 negative margins of approximately three hundred fifty-nine thousand, nine hundred forty-five dollars for the year.

LVRECC BOARD MEETING

May 12, 2016

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TIER for the month of March was 0.31, year-to-date 2.27, budget 1.25.

Total bank draft accounts in May 2016 was 1,262, totaling \$138,750.81. Recurring credit card accounts was 269, totaling \$28,159.02, with 19 accounts rejected in the amount of \$1,585.18 during the same period. Prenotes totaled 16 with \$0.00.

ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of March was 9.10%. April Fuel Adjustment charge was (0.00766).

LVRECC BOARD MEETING

June 16, 2016

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FINANCIAL REPORT

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For April 2016 we had negative margins of approximately one hundred five thousand, four hundred four dollars, which brings us to positive year-to-date margins of approximately thirty-seven thousand, thirty-five dollars compared to April 2015 negative margins of approximately one hundred fifty-six thousand, two hundred forty-nine dollars for the year.

TIER for the month of April was (1.74), year-to-date 1.25, budget 1.34.

Total bank draft accounts in June 2016 was 1,261, totaling \$127,962.14. Recurring credit card accounts was 252, totaling \$25,518.40, with 10 accounts rejected in the amount of \$928.37 during the same period. Prenotes totaled 11 with \$0.00.

ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of April was 11.23%. May Fuel Adjustment charge was (0.00824).

LVRECC AT- A-GLANCE

LVRECC Manager of Financial Services John May reported on LVRECC At-A-Glance updating TIER, Margins, Line Loss, Overtime Expense, lost time incidents, and UA Summary.

LVRECC BOARD MEETING

August 18, 2016

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**ATTORNEY
REPORT**

Attorney Gregory D. Allen gave a report on legal activities to the LVRECC Board of Directors during the August 18, 2016 Board Meeting.

Allen reported he, General Manager/CEO Kerry K. Howard, and Manager of Administrative Services John May had an informal conference with the Public Service Commission on the rate case. We still have some issues which are being addressed and should be completed soon.

LVRECC BOARD MEETING

August 18, 2016

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**FINANCIAL
REPORT**

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For June 2016 we had negative margins of approximately sixty-six thousand, twelve dollars, which brings us to negative year-to-date margins of approximately two hundred twenty-three thousand, four hundred eighty dollars compared to June 2015 negative margins of approximately nine hundred forty-seven thousand, one hundred seventeen dollars for the year.

TIER for the month of June was (0.66), year-to-date (0.05), budget 0.86.

LVRECC BOARD MEETING

August 18, 2016

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Total bank draft accounts in August 2016 was 1,275, totaling \$156,481.16. Recurring credit card accounts for the same period was 256, totaling \$34,837.72, with 9 accounts rejected in the amount of \$1,453.03. Prenotes totaled 36 in the amount of \$0.00.

**ENVIRONMENTAL
SURCHARGE**

The Environmental Surcharge from East Kentucky Power Cooperative for the month of June was 12.55%. July Fuel Adjustment charge was (0.00684).

**LVRECC AT-
A-GLANCE**

LVRECC Manager of Financial Services John R. May gave a report on LVRECC At-A-Glance updating TIER, Margins, Line Loss, Overtime Expense, lost time incidents, along with the current UA Summary.

LVRECC BOARD MEETING

September 15, 2016

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FINANCIAL REPORT

General Manager/CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For July 2016 we had positive margins of approximately ninety-seven thousand, one hundred twenty-five dollars, which brings us to negative year-to-date margins of approximately one hundred twenty-six thousand, three hundred fifty-four dollars compared to July 2015 negative margins of approximately one million, sixty-one thousand, five hundred two dollars for the year.

TIER for the month of July was 1.39, year-to-date 0.54, budget 1.53.

Total bank draft accounts in September 2016 was 1,307, totaling \$185,934.25. Recurring credit card accounts for the same period was 257, totaling \$40,175.66, with 15 accounts rejected in the amount of \$1,711.46. Prenotes totaled 19 in the amount of \$0.00.

LVRECC BOARD MEETING

September 15, 2016

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ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of July was 10.54%. August Fuel Adjustment charge was (0.00346).

LVRECC AT- A-GLANCE

LVRECC Manager of Financial Services John R. May gave a report on LVRECC At-A-Glance updating TIER, Margins, Line Loss, Overtime Expense, lost time incidents, along with the current UA Summary.

LVRECC RATE CASE

LVRECC's rate case has been filed with the Public Service Commission, all advertising in our service territory newspapers is complete, and testimonies have been made. The earliest the rate adjustment will go into effect is February 20, 2017.

LVRECC BOARD MEETING

October 20, 2016

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**FINANCIAL
REPORT**

General Manager / CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For August 2016 we had negative margins of approximately two hundred five thousand, one hundred sixty-three dollars, which brings us to negative year-to-date margins of approximately three hundred thirty-one thousand, five hundred eighteen dollars compared to August 2016 negative margins of approximately one million, one hundred thirty-six thousand, nine hundred eighty-one dollars for the year.

TIER for the month of August was (4.38), year-to-date (0.06), budget 1.61.

Total bank draft accounts in October 2016 was 1,301, totaling \$176,673.35. recurring credit card accounts for the same period was 266, totaling \$41,313.54, with 23 accounts rejected in the amount of \$5,011.10. Prenotes totaled 19 in the amount of \$0.00.

**ENVIRONMENTAL
SURCHARGE**

The Environmental Surcharge from East Kentucky Power Cooperative for the month of August was 8.82%. September fuel adjustment charge was (0.00269).

LVRECC BOARD MEETING

October 20, 2016

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**LVRECC
RATE CASE**

We received our second information request from the Public Service Commission on the Rate Case. Once the information is filed, the actual Rate Case Hearing should be scheduled for sometime in December or January.

LVRECC BOARD MEETING

November 17, 2016

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ATTNY RPT

Attorney Gregory D. Allen reported no new legal activities to report to the LVRECC Board of Directors during the November 17, 2016 Board Meeting.

The Official Hearing with the Commission in our Rate Case has been scheduled for January 24, 2017.

LVRECC BOARD MEETING

November 17, 2016

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**FINANCIAL
REPORT**

General Manager / CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For September 2016 we had negative margins of approximately two hundred eighty-six thousand, eight hundred forty-nine dollars, which brings us to negative year-to-date margins of approximately six hundred eighteen thousand, three hundred sixty-seven dollars compared to September 2015 negative margins of approximately one million, four hundred sixty thousand, eight hundred sixty-eight dollars for the year.

TIER for the month of September was (5.29), year-to-date (0.73), budget 5.79.

LVRECC BOARD MEETING

November 17, 2016

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Total bank draft accounts in November 2016 was 1,319, totaling \$142,289.65. recurring credit card accounts for the same period was 260, totaling \$31,195.43, with 20 accounts rejected in the amount of \$2,680.97. Prenotes totaled 44 in the amount of \$0.00.

**ENVIRONMENTAL
SURCHARGE**

The Environmental Surcharge from East Kentucky Power Cooperative for the month of September was 9.15%. October fuel adjustment charge was (0.00421).

**LVRECC
RATE CASE**

General Manager/CEO Kerry K. Howard discussed the rate case with the LVRECC Directors reporting on prevailing wage numbers. Our linemen make approximately two dollars less than the prevailing wage rate. The Commission requested the unemployment rate in all our service Counties.

LVRECC BOARD MEETING

December 15, 2016

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**FINANCIAL
REPORT**

General Manager / CEO Kerry K. Howard presented the Financial Report to the Board of Directors.

For October 2016 we had negative margins of approximately one thousand, one hundred forty dollars, which brings us to negative year-to-date margins of approximately six hundred nineteen thousand, five hundred seven dollars compared to October 2015 negative margins of approximately one million, four hundred fifty-three thousand, eight hundred six dollars for the year.

TIER for the month of October was 0.97, year-to-date (0.56), budget 0.91.

Total bank draft accounts in December 2016 was 1,355, totaling \$142,305.74. recurring credit card accounts for the same period was 261, totaling \$26,750.84, with 9 accounts rejected in the amount of \$1,456.35. Prenotes totaled 13 in the amount of \$0.00.

**ENVIRONMENTAL
SURCHARGE**

The Environmental Surcharge from East Kentucky Power Cooperative for the month of October was 10.58%. November fuel adjustment charge was (0.00595).

LVRECC BOARD MEETING

December 15, 2016

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**LVRECC
RATE CASE**

General Manager/CEO Kerry K. Howard discussed the rate case with the LVRECC Directors. The Official Hearing with the Public Service Commission in our Rate Case has been scheduled for Tuesday, January 24, 2017.

LVRECC BOARD MEETING

December 17, 2015

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**ALAN M.
ZUMSTEIN**

Alan M. Zumstein, Certified Public Accountant, discussed probable near future plans to file a rate increase with the Public Service Commission due to deteriorating financial margins. Zumstein has been collecting necessary information together for a rate increase filing. A rate increase along with timing of when the rate increase becomes effect is important. The LVRECC Directors felt the rate filing should be as soon as possible.

LVRECC BOARD MEETING

December 17, 2015

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**FINANCIAL
REPORT**

General Manager/CEO Kerry K. Howard presented the October 2015 Financial Report to the Board of Directors.

LVRECC BOARD MEETING

December 17, 2015

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For October 2015 we had positive margins of approximately seven thousand, sixty-two dollars, which brings us to negative year-to-date margins of approximately one million, four hundred fifty-three thousand, eight hundred six dollars compared to October 2014 negative margins of approximately seven hundred thirty thousand, two hundred ninety-six dollars for the year.

TIER for the month of October was 1.21, year-to-date (3.15), budget 1.51.

Total bank draft accounts in December 2015 was 1,203, totaling \$125,275.86. Recurring credit card accounts was 238, totaling \$28,199.34, with 25 accounts rejected in the amount of \$3,512.89 during the same period. Prepaid accounts are up approximately fifty percent since initiation.

LVRECC BOARD MEETING

September 17, 2015

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**FINANCIAL
REPORT**

General Manager / CEO Kerry K. Howard presented the July 2015 Financial Report to the Board of Directors.

For July 2015 we had negative margins of approximately one hundred fourteen thousand, three hundred eighty-five dollars, which brings us to negative year-to-date margins of approximately one million, sixty-one thousand, five hundred one dollars compared to July 2014 negative margins of approximately four hundred seventy-one thousand, four hundred fourteen dollars for the year.

Gave expense overview details in regards to payroll, right-of-way with it's high clearing expense, etc. While payroll 2009 through a projected 2015 total was flat lined, with the exception of overtime in the 2009 ice storm and 2012 tornado, right-of-way was increasing. Hopefully we will see a cost sag in expenses soon.

TIER for the month of July was (2.30), year-to-date (3.29), budget 1.78.

Total bank draft accounts in September 2015 was 1,168, totaling \$155,008.63. Recurring credit card accounts was 199, totaling \$27,212.39, with 21 accounts rejected in the amount of \$2,985.11 during the same period.

**ENVIRONMENTAL
SURCHARGE**

The Environmental Surcharge from East Kentucky Power Cooperative for the month of July was 10.52%. August Fuel Adjustment charge was (0.00218).

LVRECC BOARD MEETING

November 20, 2014

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FINANCIAL REPORT

General Manager / CEO Kerry K. Howard presented the September 2014 Financial Report to the Board of Directors.

For September 2014 we had negative margins of approximately three hundred sixty-one thousand, five hundred sixty-nine dollars, which brings us to negative year-to-date margins of approximately nine hundred forty-one thousand, four hundred four dollars compared to September 2013 negative margins of approximately sixty-seven thousand, thirty-eight dollars for the year.

TIER for the month of September was (8.12), year-to-date (1.59), budget (5.35).

We have prepared a range of grafting to help identify where we are financially. Grafting of historical data for operating revenue, cost of purchased power, margins, demand charges billed verses collected, payroll, overtime, right-of-way expense, etc.

ENVIRONMENTAL SURCHARGE

The Environmental Surcharge from East Kentucky Power Cooperative for the month of October was 9.13%. Fuel adjustment charge was 0.00274.