

Licking Valley Rural Electric Cooperative
Case No. 2016-00174
Balance Sheet, Adjusted
October 31, 2015

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Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	67,546,087		67,546,087
Under construction	1,236,648		1,236,648
	<u>68,782,735</u>		<u>68,782,735</u>
Less accumulated depreciatio	25,241,298	40,011	25,281,309
	<u>43,541,437</u>	<u>(40,011)</u>	<u>43,501,426</u>
Investments	<u>14,127,408</u>		<u>14,127,408</u>
Current Assets:			
Cash and temporary investme	352,198		352,198
Accounts receivable, net	4,253,516		4,253,516
Material and supplies	355,489		355,489
Prepayments and current asse	41,315		41,315
	<u>5,002,518</u>		<u>5,002,518</u>
Net change in assets		<u>(19,354)</u>	<u>(19,354)</u>
Total	<u>62,671,363</u>	<u>(59,365)</u>	<u>62,611,998</u>
Margins:			
Memberships	213,015		213,015
Patronage capital	29,591,932	(59,365)	29,532,567
	<u>29,804,947</u>	<u>(59,365)</u>	<u>29,745,582</u>
Long Term Debt	<u>25,867,095</u>		<u>25,867,095</u>
Accumulated postretirement be	<u>3,076,769</u>		<u>3,076,769</u>
Current Liabilities:			
Accounts payable	1,782,192		1,782,192
Consumer deposits	1,296,160		1,296,160
Accrued expenses	561,468		561,468
	<u>3,639,820</u>		<u>3,639,820</u>
Consumer advances for constru	<u>282,732</u>		<u>282,732</u>
Total	<u>62,671,363</u>	<u>(59,365)</u>	<u>62,611,998</u>

Licking Valley Rural Electric Cooperative
Case No. 2016-00174
Statement of Operations, Adjusted

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	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
Operating Revenues:					
Base rates	\$ 26,111,016	\$ (7,253)	\$ 26,103,763	\$ 1,562,659	\$ 27,666,422
Fuel and surcharge	1,696,965	(1,696,965)	-		-
Other electric revenue	349,363	(10,006)	339,357	4,029	343,386
	<u>28,157,344</u>	<u>(1,714,224)</u>	<u>26,443,120</u>	<u>1,566,688</u>	<u>28,009,808</u>
Operating Expenses:					
Cost of power:					
Base rates	17,651,513	(552)	17,650,961		17,650,961
Fuel and surcharge	1,597,203	(1,597,203)	-		-
Distribution - operations	1,828,567	53,915	1,882,482		1,882,482
Distribution - maintenance	2,819,102	25,455	2,844,557		2,844,557
Consumer accounts	888,934	11,795	900,729		900,729
Customer service	11,717	1,386	13,103		13,103
Sales	-	-	-		-
Administrative and general	1,553,619	18,009	1,571,628		1,571,628
	<u>26,350,655</u>	<u>(1,487,194)</u>	<u>24,863,461</u>	<u>-</u>	<u>24,863,461</u>
Total operating expenses					
Depreciation	2,189,646	37,915	2,227,561		2,227,561
Taxes - other	41,214	-	41,214		41,214
Interest on long-term debt	430,628	(3,672)	426,956		426,956
Interest expense - other	6,939	-	6,939		6,939
Other deductions	25,737	(25,737)	-		-
	<u>29,044,819</u>	<u>(1,478,688)</u>	<u>27,566,131</u>	<u>-</u>	<u>27,566,131</u>
Total cost of electric service					
Utility operating margins	<u>(887,475)</u>	<u>(235,536)</u>	<u>(1,123,011)</u>	<u>1,566,688</u>	<u>443,677</u>
Nonoperating margins, interest	29,888	-	29,888		29,888
Patronage capital credits	1,457,499	(1,394,546)	62,953		62,953
	<u>\$ 599,912</u>	<u>\$ (1,630,082)</u>	<u>\$ (1,030,170)</u>	<u>\$ 1,566,688</u>	<u>\$ 536,518</u>
Net Margins					
TIER	2.39		(1.41)		2.26
excluding G&T	(0.85)				
OTIER	5.78		(1.27)		2.40
excluding G&T	(0.91)		(1.48)		2.19

Licking Valley Rural Electric Cooperative
Case No. 2016-00174
Summary of Adjustments to Test Year

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Witness: Jim Adkins

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Total
	<u>Salaries</u>	<u>Payroll Taxes</u>	<u>Deprec</u>	<u>Property Tax</u>	<u>Interest</u>	<u>401(k)</u>	<u>Donations</u>	<u>Professional Fees</u>	<u>Directors</u>	<u>Annual & Misc Expenses</u>	<u>Rate Case</u>	<u>EKPC</u>	<u>Purchase Power</u>	<u>Normalize Revenue</u>	<u>Additional Revenue</u>	<u>Return Check</u>	
Operating Revenues:																	
Base rates														(7,253)			(7,253)
Fuel and surcharge														(1,696,965)			(1,696,965)
Other electric revenue															(10,006)	4,029	(5,977)
	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,704,218)	(10,006)	4,029	(1,710,195)
Operating Expenses:																	
Cost of power:																	
Base rates														(552)			(552)
Fuel and surcharge													(1,597,203)				(1,597,203)
Distribution - operation	19,384	2,141	490	30,037		1,864											53,915
Distribution - maintena	20,371	2,250	876			1,958											25,455
Consumer accounts	9,589	1,059	225			922											11,795
Customer service	995	110	186			96											1,386
Sales	0	0	0			0											0
Administrative and ger	23,148	2,557	319			2,225		(493)	(1,995)	(37,752)	30,000						18,009
Total operating exper	73,487	8,116	2,096	30,037	0	7,065	0	(493)	(1,995)	(37,752)	30,000	0	(1,597,755)	0	0	0	(1,487,194)
Depreciation			37,915														37,915
Taxes - other																	0
Interest on long-term debt					(3,672)												(3,672)
Interest expense - other																	0
Other deductions							(25,737)										(25,737)
Total cost of electric	73,487	8,116	40,011	30,037	(3,672)	7,065	(25,737)	(493)	(1,995)	(37,752)	30,000	0	(1,597,755)	0	0	0	(1,478,688)
Utility operating marg	(73,487)	(8,116)	(40,011)	(30,037)	3,672	(7,065)	25,737	493	1,995	37,752	(30,000)	0	1,597,755	(1,704,218)	(10,006)	4,029	(231,507)
Nonoperating margins, interest																	0
Patronage capital credits												(1,394,546)					(1,394,546)
	0	0	0	0	0	0	0	0	0	0	0	(1,394,546)	0	0	0	0	(1,394,546)
Net Margins	(73,487)	(8,116)	(40,011)	(30,037)	3,672	(7,065)	25,737	493	1,995	37,752	(30,000)	(1,394,546)	1,597,755	(1,704,218)	(10,006)	4,029	(1,626,053)

Witness: Jim Adkins

Licking Valley Rural Electric Cooperative
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Proposed Revenues
October 31, 2015

Proposed Increase for Returned Check Charge	4,029
Proposed increase in Base Rates	<u>1,562,659</u>
Proposed increase in revenues over normalized revenues	<u><u>\$1,566,688</u></u>