

Licking Valley Rural Electric Cooperative
Case No. 2016-00174
Commission Staff's Third Request for Data

1. Refer to the Application, Exhibit Y. Explain why the following accounts from the Income Statement Trail Balance as of October 31, 2015, do not sum to the October 2015 year to date, November 2014, and December 2014 Form 7 found in Exhibit Q.

- a. Distribution Expense - Operations.
- b. Sales Expense.
- c. Administration and General
- d. Depreciation and Amortization Expense.

Response: James Adkins

Please see below. There was a change made in December 2014 in depreciation expense. Attached is the Form 7 reflecting the correct December 2014 Depreciation and Amortization Expense. The column (b) "This Year" depreciation did not change, just the "This Month" column (d) amount. The December 2014 balance sheet did not change.

The net effect of the differences is zero (\$0) as shown below.

	October 2015 Year to Date	November 2014	December 2014	Total	Trial Balance	Difference
Distribution-operations	1,540,185	143,272	144,702	1,828,159	1,828,567	408
Customer service and info	(16,837)	(10,845)	1,623	(26,059)	0	26,059
Sales expense	25,499	7,217	5,060	37,776	11,717	(26,059)
Administrative and general	1,271,823	130,758	151,446	1,554,027	1,553,619	(408)
Depreciation and amortization	1,828,837	180,098	180,711	2,189,646	2,189,646	0

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION	KY0056
	PERIOD ENDED	December, 2014
	BORROWER NAME	Licking Valley Rural Electric Cooperative Corp

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

- All of the obligations under the RUS loan documents have been fulfilled in all material respects.
- There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	29,447,696	29,768,430	28,965,058	3,148,718
2. Power Production Expense				
3. Cost of Purchased Power	19,943,264	20,366,956	19,880,534	1,907,809
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,820,223	1,858,616	1,898,192	144,702
7. Distribution Expense - Maintenance	2,004,569	2,482,530	2,154,226	239,658
8. Customer Accounts Expense	826,144	986,469	888,032	67,201
9. Customer Service and Informational Expense	7,311	42,825	34,123	1,623
10. Sales Expense	41,693	53,748	42,000	5,060
11. Administrative and General Expense	1,463,589	1,462,263	1,449,096	151,446
12. Total Operation & Maintenance Expense (2 thru 11)	26,106,793	27,253,407	26,346,203	2,517,499
13. Depreciation and Amortization Expense	2,055,949	2,130,224	2,076,000	180,711
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	36,399	38,994		3,000
16. Interest on Long-Term Debt	508,943	482,034	540,000	41,045
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	41,326	12,570	48,000	626
19. Other Deductions	25,446	28,838	36,000	450
20. Total Cost of Electric Service (12 thru 19)	28,774,856	29,946,067	29,046,203	2,743,331
21. Patronage Capital & Operating Margins (1 minus 20)	672,840	(177,637)	(81,145)	405,387
22. Non Operating Margins - Interest	29,866	29,879	30,000	8
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other				
26. Generation and Transmission Capital Credits	1,649,431	1,394,546		1,394,546
27. Other Capital Credits and Patronage Dividends	40,168	76,561	32,000	10,701
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,392,305	1,323,349	(19,145)	1,810,642