

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
CASE NO. 2016-00174  
RESPONSE TO COMMISSION'S THIRD REQUEST FOR INFORMATION

**Question:**

Refer to LVRECC COSS 2016-PSC-2,xls, Classification 1 tab. For Account 583 – O/H Line, the allocation applied is Percentage Allocation for Lines. In response to Staff's Second Request, Item 7.f.(1), Mr. Adkins stated the allocation used for Account 584 – U/G lines is best accomplished by allocating on the basis of the percentages developed on the basis of underground lines. Given this reasoning explain if the allocation for O/H lines should be Account 365 – Overhead Conductor rather than the Percentage Allocation for all Lines. Provide any updates to COSS if necessary.

**Response:**

An allocation of Overhead Lines expense is best accomplished by only using percentages based on Overhead Conductor. Overhead Lines is comprised of Overhead Conductor plus Poles. The better, alternative allocation would be based on a percentage derived from use of Overhead Conductor and Poles information for this procedures. Attached in Electronic Form is a revised COSS using an alternative allocator based on Overhead Conductor and Poles.