

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

|  |                   |
|--|-------------------|
| <b>THE ELECTRONIC APPLICATION OF LICKING )</b> |                   |
| <b>VALLEY RURAL ELECTRIC COOPERATIVE )</b>     |                   |
| <b>CORPORATION FOR A GENERAL ADJUSTMENT )</b>  | <b>CASE NO.</b>   |
| <b>OF RATES )</b>                              | <b>2024-00211</b> |

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**LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION'S APPLICATION**

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Comes now Licking Valley Rural Electric Cooperative Corporation (“Licking Valley”), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001, and other applicable law, and does hereby request the Kentucky Public Service Commission (“Commission”) to grant it a general adjustment of rates, respectfully stating as follows:

**I. INTRODUCTION**

1. Licking Valley is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Licking Valley is engaged in the business of distributing retail electric power to approximately 12,193 members in the Kentucky counties of Breathitt, Elliott, Lee, Magoffin, Menifee, Morgan, Rowan and Wolfe.

2. Licking Valley’s current rates were set by Commission Orders dated April 8, 2021 and May 10, 2021.<sup>1</sup> The Commission allowed an increase of \$795,228, or 3%, resulting in an

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<sup>1</sup> See Case No. 2020-00338, *Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC May 10, 2022) The Commission’s April 8, 2021 Order set rates, and its May 10, 2021 Order granted in part and denied rehearing in part, thereby addressing certain rates as well.

Operating Times Interest Earned Ratio (“OTIER”) of 1.85. The average customer’s bill increased \$4.13 from \$101.69 to \$105.72, or 4.06 percent. Included in this revenue increase was an upward adjustment of the monthly residential customer charge to \$16.50.<sup>2</sup>

3. Licking Valley’s energy sales have decreased while purchased power and other costs of conducting business have increased in almost every portion of its operations. This situation has resulted in a degradation of Licking Valley’s financial condition. Despite careful management and diligent planning, Licking Valley requires additional financial support to reasonably maintain its services. Additional details concerning the greatest cost drivers necessitating this rate adjustment request are provided in witness testimony and supporting exhibits included in this application.

4. In order to address Licking Valley’s current undesirable financial condition, the cooperative’s Board of Directors, in conjunction with its management, has determined that a general adjustment of retail rates is necessary in order to account for cumulative inflationary pressures since its last full rate case approximately ten years ago, and its streamlined rate proceeding filed in 2020, build equity, improve its overall financial condition, and satisfy current and future loan covenants. Consistent with KRS 278.030(1), Licking Valley seeks Commission approval to demand, collect and receive fair, just and reasonable rates for the retail service it provides. Specifically, Licking Valley seeks approval to increase its annual revenues by \$2,836,901, or 7.5%, to achieve a Times Interest Earned Ratio (“TIER”) of 2.00X. Licking Valley bases its proposed rates on a twelve-month historical test period ending December 31, 2023. Included in this application is an increase of the monthly residential consumer charge from \$16.50

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<sup>2</sup> In Case No. 2020-00338, the Commission allowed a customer charge of \$16.00, which was subsequently increased to \$16.50 after Case No. 2021-00113, *Electronic Application of Licking Valley Rural Electric Cooperative Corporation for Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment*, September 30, 2021 Order (Ky. PSC Sept. 30, 2021).

to \$30.00. These rates are appropriately adjusted for known and measurable changes, and Licking Valley proposes that its revised tariff schedules become effective as of September 8, 2024.

## II. FILING REQUIREMENTS

6. Pursuant to 807 KAR 5:001 Section 14(1), Licking Valley's mailing address is 271 Main Street, P.O. Box 605, West Liberty, Kentucky 41472, and its electronic mailing address is [psc@lvrecc.com](mailto:psc@lvrecc.com). Licking Valley's telephone number is (606) 743-3179 and fax number is (606) 743-2415. Licking Valley requests that the following individuals be included on the service list:

Kerry Howard, Licking Valley's President & Chief Executive Officer:

[kkhoward@lvrecc.com](mailto:kkhoward@lvrecc.com)

Sandra N. Bradley, Licking Valley's Accountant & Chief Financial Officer:

[sbradley@lvrecc.com](mailto:sbradley@lvrecc.com)

Counsel for Licking Valley, L. Allyson Honaker, Brittany Hayes Koenig, Heather S. Temple:

[allyson@hloky.com](mailto:allyson@hloky.com)

[brittany@hloky.com](mailto:brittany@hloky.com)

[heather@hloky.com](mailto:heather@hloky.com)

7. Pursuant to 807 KAR 5:001, Section 14(2), Licking Valley is a Kentucky corporation, in good standing, and was incorporated on June 22, 1940. A copy of the Certificate of Good Standing can be found in Exhibit 8, Direct Testimony of Kerry Howard.

8. Pursuant to 807 KAR 5:001, Section 16(1)(a), Licking Valley's application is based upon an historic test year ending December 31, 2023, that include adjustments for known and measurable changes.

9. Pursuant to 807 KAR 5:001, Section 16(1)(b)1., Licking Valley's application is supported by the testimony of three witnesses and numerous schedules and exhibits which detail the reason the adjustment is required.

10. Pursuant to 807 KAR 5:001, Section 16(1)(b)2., Licking Valley does not operate under an assumed name.

11. Pursuant to 807 KAR 5:001, Section 16(1)(b)3., revised tariff sheets are attached hereto. Licking Valley's new rates would be effective September 8, 2024.

12. Pursuant to 807 KAR 5:001, Section 16(1)(b)4., revised tariff sheets showing the proposed tariff sheets with italicized inserts and strikethroughs over proposed deletions are attached hereto at Exhibit 4.

13. Pursuant to 807 KAR 5:001, Section 16(1)(b)5., Licking Valley states that notice has been given in accordance with 807 KAR 5:001, Section 17. A copy of the notice that was published in *Kentucky Living* magazine and mailed to the members who opt-out of receiving *Kentucky Living* is attached hereto at Exhibit 5.

14. Pursuant to 807 KAR 5:001, Section 16(2), Notice of Intent was filed by Licking Valley with the Commission and transmitted to the Kentucky Attorney General's Office of Rate Intervention on July 1, 2024. A copy of which is attached hereto at Exhibit 6.

15. Pursuant to 807 KAR 5:001, Section 16(3), notice has been given by Licking Valley in accordance with 807 KAR 5:001, Section 17.

16. Pursuant to 807 KAR 5:001, Section 16(4), Licking Valley provides a Table of Contents of the exhibits which are required to support a rate application utilizing an historic test year. This Table of Contents immediately follows and is specifically incorporated into the application to demonstrate compliance with all filing requirements.



17. The filing requirements set forth in 807 KAR 5:001, Sections 16(4)(c), (f), (p), (s), and (v) do not apply because Licking Valley: (1) has gross annual revenues greater than \$5,000,000; (2) is not an incumbent local exchange carrier; (3) has not tendered any stock or bond offerings; (4) is not a Securities and Exchange Commission registrant; and, (5) is not a local exchange carrier with more than 50,000 access lines.

18. Pursuant to 807 KAR 5:001, Section 16(5)(a), a detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit 26.

19. Pursuant to 807 KAR 5:001, Section 16(5)(b), the most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions is attached as Exhibit 27. There are no pro forma adjustments for plant additions.

20. Pursuant to 807 KAR 5:001, Section 16(5)(c)1-8, information required for each pro forma adjustment reflecting plant additions is required. However, Licking Valley does not propose any pro forma adjustments for plant additions.

21. Pursuant to 807 KAR 5:001, Section 16(5)(d), the operating budgets for each month of the period encompassing the pro forma adjustments are attached hereto at Exhibit 29.

22. Pursuant to 807 KAR 5:001, Section 16(5)(e), the number of customers to be added to the test period end level of customers and related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers is attached hereto at Exhibit 30.

23. Pursuant to the July 24, 2012 Order in Case No. 2008-00408, *Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007*, a statement regarding consideration of cost-effective energy efficiency resources and impact of such resources on the test year is included as Exhibit 31.

24. Pursuant to the July 24, 2012 Order in Case No. 2012-00428, *Consideration of the Implementation of Smart Grid and Smart Meter Technologies*, a statement regarding smart grid and smart meter technologies and impact of such resources on the test year is included as Exhibit 32.

### **III. REASONS FOR AND SUMMARY OF RELIEF SOUGHT**

25. Licking Valley's last general rate adjustment became effective May 12, 2021, pursuant to the streamlined rate proceeding. The Commission ordered Licking Valley to file for a general adjustment of rates by May 10, 2024, due to the Commission's concern of the financial condition of Licking Valley. Due to a substantial increase in general operating expenses coupled with a substantial reduction in energy sales since that time, Licking Valley's management and board of directors decided that it was in the cooperative's best interest to request relief through a general rate case designed to produce sufficient revenues to align with the cost of providing safe and reliable service, all the while ensuring compliance with its loan covenants with lenders.

26. The biggest single reason for Licking Valley's decision to file a general rate case is the substantial increase in costs for essential materials and labor since rates were last approved. These increases have occurred over all areas of the Cooperative's business while customer growth and energy sales have remained stagnant. Licking Valley has no option other than a rate increase to continue safe and reliable service for its members.

27. Licking Valley proposes charges that will move its rates in the direction of cost of service to better align cost-causer to cost-payer. To accomplish this, Licking Valley proposes moving service charges, energy charges and demand charges in a direction that reflects unit costs calculated in the cost of service study.

## VI. OVERVIEW OF TESTIMONY

28. Further support for Licking Valley's requested relief is throughout this application and exhibits, particularly in the testimony of the following three witnesses:

a. Mr. Kerry Howard, Licking Valley's General Manager and Chief Executive Officer, offers testimony describing, *inter alia*, the cooperative's business and existing retail electric distribution system, the events that preceded the filing of this case, and the cooperative's need to increase its existing rates to ensure it may continue to provide safe, reliable retail electric service to its owner-members.

b. Ms. Sandra Bradley, Licking Valley's Accountant, who offers testimony describing, *inter alia*, the cooperative's financial condition, its expenses, and certain of its relevant practices and policies, as well as the necessity of the rate relief requested by the cooperative in this proceeding.

c. Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, who offers testimony describing, *inter alia*, Licking Valley's rate classes, the calculation of Licking Valley's revenue requirement, the pro forma adjustments to the test period results, the results of a cost-of-service study and its process, the proposed allocation of the revenue increase to the rate classes, and the rate design, proposed rates, and estimated billing impact by rate class.

## V. CONCLUSION

29. Licking Valley has initiated this proceeding because its existing retail rates do not provide sufficient revenue to ensure the financial strength of the cooperative. While it is always Licking Valley's goal to keep rates as low as possible, the expense of providing safe and reliable service must be recovered. Additionally, prudent management (and lender requirements) demand that healthy financial benchmarks be maintained. Licking Valley's application, supporting

exhibits, schedules and testimony fully demonstrate that an adjustment to the company's wholesale base rates is both necessary and appropriate. Licking Valley respectfully requests the Commission award it an increase in rates that are fair, just and reasonable so that Licking Valley may continue to build equity, maintain its healthy financial condition, satisfy current and future loan covenants, address substantial cost escalation seen on the operations side of its business, account for inflationary pressures since its last rate case, and sustain its ability to provide safe, adequate and efficient service at rates that are fair, just and reasonable.

30. The preparation, filing and administration of this request for rate relief necessitates, *inter alia*, the expenditure of money by Licking Valley for financial, rate and legal consultants. Licking Valley is entitled to and requests the Commission to allow recovery of all such reasonable expenses in its new rates amortized over a period of three (3) years.

WHEREFORE, on the basis of the foregoing, Licking Valley respectfully prays the Commission for the following relief:

1. Approve the adjustments to Licking Valley's base rates as set forth herein with effective dates of September 8, 2024;
2. Approve Licking Valley's proposed changes to rate design;
3. Approve the changes to each of Licking Valley's tariffs described herein;
4. Approve recovery of reasonable rate case expenses in rates amortized over a period of three (3) years, or such other period which the Commission finds reasonable; and,
5. Grant Licking Valley any and all other due and proper relief to which it may appear entitled.

This 8<sup>th</sup> day of August, 2024.

Respectfully Submitted,

*Heather S. Temple*

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Brittany Hayes Koenig  
Heather S. Temple  
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[heather@hloky.com](mailto:heather@hloky.com)

*Counsel for Licking Valley Rural Electric  
Cooperative Corporation*



## CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission for filing on August 8, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; by virtue of the Commission's July 22, 2021 Order in Case No. 2020-00085, a copy of the filing in paper medium shall not be required; and, a true and accurate copy of the filing has been electronically transmitted to the Kentucky Attorney General's Office of Rate Intervention at: [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

*Heather S. Temple*

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Heather S. Temple  
*Counsel for Licking Valley Rural  
Electric Cooperative Corporation*

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 1**

**807 KAR 5:001 Section 16(1)(b)(1)**  
**Sponsoring Witness: Kerry K. Howard**

**Description of Filing Requirement:**

*Statement of the reason the rate adjustment is required*

**Response:**

Licking Valley's Application generally, and specifically the written testimony provided at Exhibits 8 through 10, underscore the necessity of the adjustment requested by Licking Valley in this proceeding. Due to increased expenses and continued decline in sales volumes since the last general adjustment of rates in 2020-00358, Licking Valley is requesting relief that will align with the cost of providing service and ensure compliance with essential financial metrics set by lenders in its loan covenants. Without an adjustment of rates in the magnitude requested in this case, Licking Valley's insufficient rate structure will continue to put it at risk of non-compliance with its lenders, and could impair the excellent level of safe and reliable service its members deserve and expect.



**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 2**

**807 KAR 5:001 Section 16(1)(b)(2)  
Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*Certificate of assumed name or statement that one is not necessary*

**Response:**

Licking Valley does not conduct or transact business under an assumed name, and thus it has not filed a Certificate of Assumed Name pursuant to KRS 365.015. Therefore, such a certificate is not necessary.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 3**

**807 KAR 5:001 Section 16(1)(b)(3)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*New or revised tariff sheets, if applicable, in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.*

**Response:**

See attached.

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Seventh Revised~~ Sheet No. 1  
Canceling P.S.C. KY NO.  
~~Twenty-Sixth Revised~~ Sheet No. 1

CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall  
& Church Service

RATE  
PER UNIT

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 | \$30.00    | (I) |
| Energy charge per KWH              | \$0.096243 | (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 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.”

Date of Issue: August 8, 2024

\_\_\_ Date Effective: September 8, 2024\_\_\_

Issued By: \_\_\_\_\_

  
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC  
SERVICE COMMISSION OF KENTUCKY IN CASE NO. \_\_\_\_\_  
DATED \_\_\_\_\_

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Twenty-fifth Revised Sheet No. 2  
Canceling P.S.C. KY NO.  
Twenty-fourth Revised Sheet No. 2

CLASSIFICATION OF SERVICE

SCHEDULE B – Commercial and Small Power Service

RATE  
PER UNIT

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 | \$32.00    | (I) |
| Energy charge per KWH              | \$0.081396 | (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 (75¢) 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 (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

Date of Issue: August 8, 2024

September 8, 2024

Date Effective: \_\_\_\_\_

Issued By:   
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC  
SERVICE COMMISSION OF KENTUCKY IN CASE NO. \_\_\_\_\_

DATED \_\_\_\_\_

Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 2.1  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 2.1

CLASSIFICATION OF SERVICE

SCHEDULE B – Commercial and Small Power Service cont'd

RATE  
PER UNIT

SPECIAL RULES:

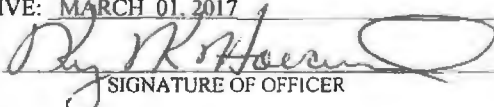
1. Consumer having their homes on the same premises with their business establishments may include service to both on the same meter in which cases all service will be billed under this schedule. If the consumer prefers, he may make provisions for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule and his use for business will be billed under this schedule and rate.
2. Service under this schedule is limited to consumers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Consumers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.
3. The rate capacity of single-phase motors shall not be in excess of ten horsepower (10 H.P.)
4. Motors having a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.

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.”

DATE OF ISSUE: AUGUST 08, 2016

DATE EFFECTIVE: MARCH 01, 2017

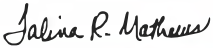
ISSUED BY:   
SIGNATURE OF OFFICER

TITLE: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. 2016-00174 DATED MARCH 01, 2017

KENTUCKY  
PUBLIC SERVICE COMMISSION

Talina R. Mathews  
EXECUTIVE DIRECTOR



EFFECTIVE

3/1/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 4**

**807 KAR 5:001 Section 16(1)(b)(4)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*New or revised tariff sheets, if applicable, in a format that complies with 807 KAR 5:011 shown either by providing: ...A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.*

**Response:**

See attached.

Licking Valley Rural Electric  
Cooperative Corporation

*Twenty-Seventh*  
*Twenty-Sixth*

For All Territory Served  
P.S.C. KY NO.  
~~Twenty-Sixth~~ Revised Sheet No. 1  
Canceling P.S.C. KY NO.  
~~Twenty-Fifth~~ Revised Sheet No. 1

CLASSIFICATION OF SERVICE

SCHEDULE A – Residential, Farm, Small Community Hall  
& Church Service

RATE  
PER UNIT

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 | \$16.50 | \$30.00    | (1) |
| Energy charge per KWH              | .095503 | \$0.096243 | (1) |

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 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.”

Date of Issue: ~~September 30, 2021~~ August 8, 2024

Date Effective: ~~October 1, 2021~~ September 8, 2024

Issued By:   
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

Licking Valley Rural Electric  
Cooperative Corporation

*Twenty-fifth*

*Twenty-fourth*

For All Territory Served  
P.S.C. KY NO.

~~Twen -Fourth~~ Revised Sheet No. 2  
Canceling P.S.C. KY NO.

~~Twenty-Third~~ Revised Sheet No. 2

CLASSIFICATION OF SERVICE

SCHEDULE B – Commercial and Small Power Service

RATE  
PER UNIT

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 | <del>\$29.66</del> | \$32.00    | (1) |
| Energy charge per KWH              | <del>.081333</del> | \$0.081396 | (1) |

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 (75¢) 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 (10<sup>th</sup>) of the following month from the date of the bill, the gross rates shall apply.

Date of Issue: ~~September 30, 2021~~ *August 8, 2024*

Date Effective: ~~October 1, 2021~~ *September 8, 2024*

Issued By:   
SIGNATURE OF OFFICER

Title: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. ~~2021-00113~~  
DATED ~~SEPTEMBER 30, 2021~~



Licking Valley Rural Electric  
Cooperative Corporation

For All Territory Served  
P.S.C. KY NO.  
Fifteenth Revised Sheet No. 2.1  
Canceling P.S.C. KY No.  
Fourteenth Revised Sheet No. 2.1

CLASSIFICATION OF SERVICE

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|  |                  |
|--|------------------|
| SCHEDULE B – Commercial and Small Power Service cont'd | RATE<br>PER UNIT |
|--|------------------|

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SPECIAL RULES:

1. Consumer having their homes on the same premises with their business establishments may include service to both on the same meter in which cases all service will be billed under this schedule. If the consumer prefers, he may make provisions for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule and his use for business will be billed under this schedule and rate.
2. Service under this schedule is limited to consumers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Consumers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.
3. The rate capacity of single-phase motors shall not be in excess of ten horsepower (10 H.P.)
4. Motors having a rated capacity in excess of ten horsepower (10 H.P.) must be three-phase.

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.”

DATE OF ISSUE: AUGUST 08, 2016

DATE EFFECTIVE: MARCH 01, 2017

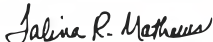
ISSUED BY:   
SIGNATURE OF OFFICER

TITLE: GENERAL MANAGER/CEO

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. 2016-00174 DATED MARCH 01, 2017

KENTUCKY  
PUBLIC SERVICE COMMISSION

Talina R. Mathews  
EXECUTIVE DIRECTOR



EFFECTIVE

3/1/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**Licking Valley Rural Electric Cooperative Corporation**

**Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 5**

**807 KAR 5:001 Section 16(1)(b)(5)  
Sponsoring Witness: Kerry Howard**

**Description of Filing Requirement:**

*A statement that notice has been given in accordance with 807 KAR 5:001, Section 17, including the notice and affidavit.*

**Response:**

Licking Valley has given notice in compliance with 807 KAR 5:001 Section 17. Specifically, as of the date Licking Valley submitted this Application to the Commission, Licking Valley has: (i) posted at its place of business a copy of the full notice required by the relevant regulations; (ii) posted to its website a copy of the full notice required by the relevant regulation and a hyperlink to the location on the Commission's website where the case documents are available; (iii) posted to its social media account a link to its website where a copy of the full notice by the relevant regulation published may be found; (iv) published a copy of the notice in *Kentucky Living* magazine, which was sent to Members on August 1, 2024; and, (v) mailed a copy of the same notice to all Members who do not receive a copy of *Kentucky Living*. An affidavit of publication in *Kentucky Living* magazine and an affidavit for the mailing of customer notice and a copy of the letter sent with the notice are attached.

**AFFIDAVIT OF MAILING  
OF FILING NOTICE**

Notice is hereby given that the August 2024 issue of KENTUCKY LIVING, bearing official notice of filing, for the purposes of proposing a general rate adjustment of **LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**, was entered as direct mail on July 29, 2024.



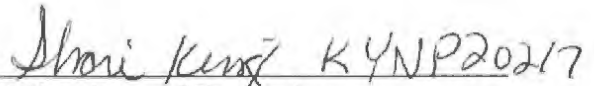
Shannon Brock  
Editor  
*Kentucky Living*

County of Jefferson  
State of Kentucky

Sworn to and subscribed before me, a Notary Public,

This 29th day of July, 2024.

My commission expires 1-31-2025



Notary Public, State of Kentucky



## Concern for community

### It's more than just a slogan at Licking Valley Rural Electric Cooperative Corporation

As a member-owned cooperative, Licking Valley RECC embraces the core co-op principle that drives our organization: "Concern for Community." At the heart of our cooperative lies a commitment not only to providing reliable electricity but also to actively engaging with and supporting the communities we serve.

The most powerful way Licking Valley RECC shows concern for community is through the essential services we deliver every day. The employees and leaders of your co-op have a vested interest in doing what's best for the community because we are members of the same community.

In addition to our day-to-day efforts to keep the lights on, new construction of lines and general work orders, Licking Valley RECC supports the community through routine actions, like promoting energy efficiency, helping consumer-members understand their energy use and educating the public about electrical safety. Licking Valley RECC speaks up on issues like the reliability of the electric grid, because we know that you, our consumer-members, are relying on us to look out for your best interests.

Did you know Licking Valley RECC is a not-for-profit business? Co-ops show concern for community by keeping more money in the local economy. Rather than being returned to Wall Street investors, any "profit" Licking Valley RECC makes is reinvested in the cooperative, used to pay down debts or saved for emergencies.

Licking Valley RECC's employees and board members are also Licking Valley RECC members. We live and work alongside our fellow members and are invested in the communities we serve. The lineworker who braves storms to restore power also coaches youth sports teams.

Licking Valley RECC is active in community projects. From clean-up efforts to festivals, our team aims to embody the cooperative spirit of service. As a cooperative, we actively seek out opportunities to support local businesses, schools and organizations. Whether it's sponsoring community events or volunteering with local organizations, we're dedicated to investing in the long-term success of our communities.

At the end of the day, Licking Valley RECC is only as strong as the



STEPHEN REASON/RECC

communities we serve. By embracing the principle of concern for community and actively engaging with and supporting our local areas, we're not just providing electricity; we're building brighter futures for everyone. Together, we can continue to power progress and make a positive impact in the communities we call home.



**Kerry K. Howard**  
General Manager/CEO



# NOTICE OF PROPOSED ADJUSTMENT TO RETAIL ELECTRIC RATES

PLEASE TAKE NOTICE that, in accordance with the requirements of the Kentucky Public Service Commission (“Commission”), as set forth in 807 KAR 5:001, Section 17(2)(b), of the Commission’s Rules and Regulations, notice is hereby given to the member consumers of Licking Valley Rural Electric Cooperative Corporation (“Licking Valley”) of a proposed general rate adjustment. Licking Valley intends to file an application styled, ‘The Electronic Application of Licking Valley Rural Electric Cooperative Corporation for General Adjustment of Rates, and Other General Relief, to the Commission, on or after August 1, 2024.

The rate adjustment, with a requested effective date of September 1, 2024, or after, will result in an increase in retail power costs to its member consumers, and in an increase in revenue of \$2,836,901 or 7.5% for Licking Valley.

The amount and percent of increase by rate class are listed below:

| Rate Class |                  | Increase    |         |
|------------|------------------|-------------|---------|
|            |                  | Dollars     | Percent |
| A          | Residential      | \$2,811,906 | 11.4%   |
| B          | Small Commercial | \$24,995    | 1.9%    |
| LP         | Large Commercial | \$0         | 0%      |
| LPR        | Large Comm Rate  | \$0         | 0%      |
| SL         | Lighting         | \$0         | 0%      |
| LPG        | Large Power      | \$0         | 0%      |
| Total      |                  | \$2,836,901 | 7.5%    |

The effects of the proposed rates on the average monthly bill by rate class are listed below:

| Rate Class |                  | Average     |         | Increase |
|------------|------------------|-------------|---------|----------|
|            |                  | Usage (kWh) | Dollars | Percent  |
| A          | Residential      | 891         | \$14.16 | 11.4%    |
| B          | Small Commercial | 907         | \$2.40  | 1.9%     |
| LP         | Large Commercial | 12,103      | \$0.00  | 0%       |
| LPR        | Large Comm Rate  | 217,355     | \$0.00  | 0%       |
| SL         | Lighting         | NA          | \$0.00  | 0%       |
| LPG        | Large Power      | 7,821,000   | \$0.00  | 0%       |
| Total      |                  | NA          | NA      | 7.5%     |

The present and proposed monthly rates for each rate schedule are listed below:

| Rate Class  | Rates      |            |
|---|------------|------------|
|   | Present    | Proposed   |
| Schedule A - Residential, Farm, Small Community Hall & Church Service |            |            |
| Customer Charge Per Delivery Point                                    | \$16.50    | \$30.00    |
| Energy Charge Per kWh   | \$0.095503 | \$0.096243 |
| Prepay Service  |            |            |
| Rate Schedule A   |            |            |
| Consumer Facility Charge  | \$16.50    | \$30.00    |
| Energy Charge Per kWh   | \$0.095503 | \$0.096243 |
| Prepay Service Fee  | \$3.00     | \$3.00     |
| Rate Schedule B   |            |            |
| Consumer Facility Charge  | \$29.66    | \$32.00    |
| Energy Charge Per kWh   | \$0.081333 | \$0.081396 |
| Prepay Service Fee  | \$3.00     | \$3.00     |
| Schedule B - Commercial and Small Power Service                       |            |            |
| Customer Charge Per Delivery Point                                    | \$29.66    | \$32.00    |
| Energy Charge Per kWh   | \$0.081333 | \$0.081396 |
| Schedule for Large Commercial Service - LP                            |            |            |
| Customer Charge Per Month   | \$73.80    | \$73.80    |
| Energy Charge Per kWh   | \$0.066776 | \$0.066776 |
| Demand Charge Per kW  | \$7.59     | \$7.59     |
| Schedule for Large Power Rate - LPR                                   |            |            |
| Customer Charge Per Month   | \$113.46   | \$113.46   |
| Energy Charge Per kWh   | \$0.058062 | \$0.058062 |
| Demand Charge Per kW  | \$7.13     | \$7.13     |
| Schedule for Large Power 10,000 KW or Greater - LPG                   |            |            |
| Customer Charge Per Month   | \$5,726.70 | \$5,726.70 |
| Energy Charge Per kWh   | \$0.039780 | \$0.039780 |
| Demand Charge Per kW  | \$7.30     | \$7.30     |
| Schedule SL (Security Lights and/or Rural Lighting)                   |            |            |
| 25 ft Wood Pole   | \$3.16     | \$3.16     |
| 30 ft Wood Pole   | \$3.65     | \$3.65     |
| 175 Watt MV   | \$10.56    | \$10.56    |
| 100 Watt Metal Halide   | \$10.70    | \$10.70    |
| 250 Watt Metal Halide   | \$16.35    | \$16.35    |
| 400 Watt Metal Halide   | \$22.47    | \$22.47    |
| 68 Watt LED   | \$9.58     | \$9.58     |
| 108 Watt LED  | \$11.47    | \$11.47    |
| 202 Watt LED  | \$18.05    | \$18.05    |

Licking Valley does not propose revisions to other tariffs or schedules not listed above.

(Continued on 26D)

# LICKING VALLEY



## RURAL ELECTRIC COOPERATIVE CORPORATION

P.O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179

### BOARD OF DIRECTORS

Darrell Cundiff  
President

Ted A. Holbrook  
Vice President

Tommy Hill  
Secretary-Treasurer

Kevin Howard  
J. Frank Porter

Alan Oldfield  
CK Stacy

Philip Williams

Kerry K. Howard  
General Manager/CEO

Myles L. Holbrook  
Attorney

Chris Murphy  
General Superintendent

John R. May  
Manager of Administrative Services

**Emergencies or Outages**  
(Seven days a week - 24 hours a day)  
Local: 743-7500  
Toll Free: 1-800-709-6700

**Customer Service**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.  
Local: 743-3179  
Toll Free: 1-800-596-6530  
[www.lvrecc.com](http://www.lvrecc.com)



member of  
East Kentucky Power Cooperative



A Touchstone Energy Cooperative  
The power of community connections

*(Continued from 26C)*

Any person may examine the rate application and related documents which Licking Valley has filed with the Commission at the utility's principal office located at:

Licking Valley Rural Electric Cooperative Corporation  
271 Main Street  
West Liberty, Kentucky 41472

Any person may also examine the rate application and related documents which Licking Valley has filed with the Commission on the Commission's website at <https://psc.ky.gov>, or Monday through Friday, 8:00 a.m. to 4:30 p.m., at its office located at:

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Comments regarding the application may be submitted to the Commission by mail to: Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, or by electronic mail to: [psc.info@ky.gov](mailto:psc.info@ky.gov) or through its website, <https://psc.ky.gov>

The rates contained in this notice are the rates proposed by Licking Valley Rural Electric Cooperative Corporation. However, the Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

Licking Valley RECC  
271 Main Street  
West Liberty, Kentucky 41472  
Tel. (606) 743-3179  
[www.lvrecc.com](http://www.lvrecc.com)

Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602  
Tel. (502) 564-3940  
<https://psc.ky.gov>







**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



**KERRY K. HOWARD**  
General Manager/CEO

July 29, 2024

Dear Licking Valley RECC Members,

To continue providing reliable service and enhance infrastructure, we must implement a small rate increase. This adjustment ensures ongoing maintenance and future improvements. We remain committed to delivering excellent service and appreciate your understanding and support. This formal notice is mailed due to a previous opt out decision by you to not receive the monthly *Kentucky Living* newsletter. If you would like to opt in to receive the monthly *Kentucky Living* newsletters, please let us know. Please find attached a copy of the notice that is published in the *Kentucky Living* August 2024 local section.

Sincerely,

Kerry K. Howard  
General Manager/CEO  
Licking Valley RECC

Enclosure

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 6**

**807 KAR 5:001 Section 16(2) and KRS 278.180**  
**Sponsoring Witness: Kerry Howard**

**Description of Filing Requirement:**

*A copy of the Notice of Intent filed with the Commission and transmitted to the Kentucky Attorney General's Office of Rate Intervention.*

**Response:**

Licking Valley, by counsel, notified the Commission in writing of its intent to file a rate application using a historical test year by submitting a letter dated July 1, 2024. A copy of the Notice of Intent (in portable document format) was also sent by electronic mail to the Kentucky Attorney General's Office of Rate Intervention at: [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov). See attached Notice of Intent letter.

July 1, 2024

VIA ELECTRONIC FILING

Linda Bridwell P.E.  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky 40601

RE: *The Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates and Other General Relief*  
**Case No. 2024-00211**

Dear Ms. Bridwell:

Attached, please find Licking Valley Rural Electric Cooperative Corporation's Notice of Intent to File Rate Application, in accordance with 807 KAR 5:001, Section 16(2), to be filed on its behalf in the above-styled case. In addition, a copy of this Notice is being sent via email to the Kentucky Attorney General at: [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

This will certify that the electronic filing was transmitted to the Commission for filing on July 1, 2024 that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and by virtue of the Commission's July 22, 2021 Order in Case No. 2020-00085, a copy of the filing in paper medium shall not be required.

Please contact me should you have any question regarding this filing.

Sincerely,

*Heather S. Temple*

Heather S. Temple

Enc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                               |   |            |
|-------------------------------|---|------------|
| THE ELECTRONIC APPLICATION OF | ) |            |
| LICKING VALLEY RURAL ELECTRIC | ) |            |
| COOPERATIVE CORPORATION FOR A | ) | CASE NO.   |
| GENERAL ADJUSTMENT OF RATES   | ) | 2024-00211 |
| AND OTHER GENERAL RELIEF      | ) |            |

---

LICKING VALLEY RURAL ELECTRIC COOPERATIVE  
CORPORATION’S NOTICE OF INTENT TO FILE RATE APPLICATION

---

Comes now Licking Valley Rural Electric Cooperative Corporation (“Licking Valley”), by counsel, and hereby gives notice to the Kentucky Public Service Commission (“Commission”), pursuant to 807 KAR 5:001, Section 16(2), of its intent to file a general rate adjustment application on or after August 1, 2024. This rate application will be supported by a historical test period, as provided in 807 KAR 5:001, Section 16(4) – (5). A copy of this Notice of Intent is being transmitted to the Kentucky Attorney General’s Office of Rate Intervention via email ([rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov)) contemporaneously herewith.

This the 1<sup>st</sup> day of July, 2024.

Respectfully submitted,

*Heather S. Temple*

---

L. Allyson Honaker  
Brittany Hayes Koenig  
Heather S. Temple  
Honaker Law Office, PLLC  
1795 Alysheba Way, Suite 1203  
Lexington, KY 40509  
Telephone (859) 368-8803  
allyson@hloky.com  
brittany@hloky.com  
heather@hloky.com

*Counsel for Licking Valley Rural Electric Corporation*

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 7**

**807 KAR 5:001 Section 16(4)(a)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment.*

**Response:**

Licking Valley's proposed adjustments to the historical test period are described in Exhibit 10 of the Application, the Direct Testimony of John Wolfram, and those exhibits accompanying Mr. Wolfram's testimony.

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 8**

**807 KAR 5:001 Section 16(4)(b)  
Sponsoring Witness: Kerry K. Howard**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Licking Valley is providing written testimony of Mr. Kerry K. Howard, Licking Valley's Manager and Chief Executive Officer. Mr. Howard's testimony is included with this Exhibit 8.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

|                               |   |            |
|-------------------------------|---|------------|
| THE ELECTRONIC APPLICATION OF | ) |            |
| LICKING VALLEY RURAL ELECTRIC | ) | CASE NO.   |
| COOPERATIVE CORPORATION FOR A | ) | 2024-00211 |
| GENERAL ADJUSTMENT OF RATES   | ) |            |
| AND OTHER GENERAL RELIEF      | ) |            |

---

**DIRECT TESTIMONY OF KERRY HOWARD,**  
**GENERAL MANAGER AND CHIEF EXECUTIVE OFFICER,**  
**ON BEHALF OF LICKING VALLEY**  
**RURAL ELECTRIC COOPERATIVE CORPORATION**

---

**Filed: August 8, 2024**





1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Kerry Howard. I am the Chief Executive Officer of Licking Valley  
3 Rural Electric Cooperative Corporation (“Licking Valley” or the “Cooperative”).  
4 My business address is 271 Main Street, PO Box 605, West Liberty, Kentucky  
5 41472.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE  
7 AND EDUCATIONAL BACKGROUND.**

8 A. I have been employed at Licking Valley for a total of nineteen years, and have  
9 served as either General Manager or Chief Executive Officer for eighteen of those  
10 years. I have a Bachelor of Science in Mining Engineering from Morehead State  
11 University which I received in 1982.

12 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT LICKING VALLEY.**

13 A. As the Chief Executive Officer, I oversee all departments at Licking Valley and  
14 lead a capable and experienced management team responsible for all aspects of the  
15 operational and financial activities of the Cooperative. Among others, my primary  
16 duty as the CEO is to ensure that the Cooperative’s daily business is conducted  
17 consistent with best practices, established policies, legal and regulatory oversight  
18 and the strategic direction provided by Licking Valley’s Board of Directors.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
20 PROCEEDING?**

21 A. The purpose of my testimony is first to provide a general overview of the  
22 Cooperative’s business and existing retail electric distribution system. I will  
23 describe the events that preceded the filing of this case, discuss the Cooperative’s

1 financial and operational condition, and explain the reasons behind the  
2 Cooperative's need to review its existing rates to ensure the continued provision of  
3 safe, reliable retail electric service to its member-owners.

4 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

5 A. Yes. Attached to my testimony and labeled Attachment KKH-1 is a Resolution of  
6 Licking Valley's Board of Directors dated June 19, 2024, pursuant to which  
7 Licking Valley's management was authorized and directed to prepare and submit  
8 the Application my testimony supports. Also attached to my testimony, is Licking  
9 Valley's Certificate of Good Standing from the Kentucky Secretary of State as  
10 Attachment KKH-2.

11 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE'S BUSINESS.**

12 A. Licking Valley is a not-for-profit, member-owned rural electric cooperative  
13 corporation with its headquarters in West Liberty, Kentucky. The Cooperative  
14 provides retail electric service to approximately 17,272 meters for 12,193 members  
15 in the counties of Breathitt, Elliott, Lee, Magoffin, Menifee, Morgan, Rowan and  
16 Wolfe. The Cooperative is one of sixteen (16) Owner-Members of East Kentucky  
17 Power Cooperative, Inc. ("EKPC"), which serves as the wholesale electricity  
18 provider for the Cooperative. Licking Valley owns and maintains approximately  
19 2,076 miles of distribution lines connecting 10 substations. During the test year in  
20 this case, Licking Valley's average residential customer used approximately 891  
21 kWh of electricity per month. As of December 31, 2023, Licking Valley had  
22 16,735 residential meters and 1,091 commercial and industrial meters.

23

1 **Q. WHEN DID LICKING VALLEY LAST SEEK A GENERAL ADJUSTMENT**  
2 **OF ITS RATES?**

3 A. Licking Valley filed its last general rate case, pursuant to the Commission's  
4 streamlined procedutes, in 2020, in Case No. 2020-00338, *The Electronic*  
5 *Application of Licking Valley Rural Electric Cooperative Corporation for a*  
6 *General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program*  
7 *Established in Case No. 2018-00407*. The rates in that proceeding became effective  
8 on May 12, 2021.

9 **Q. WHAT IS LICKING VALLEY'S RATE ADJUSTMENT REQUEST IN**  
10 **THIS CASE?**

11 In this case Licking Valley requests a 7.5% rate increase equating to a revenue  
12 increase of \$2,836,945. This increase will be accomplished by increasing the  
13 current \$16.50 per month customer charge to \$30.00 per month with an additional  
14 increase to the energy charge from \$0.095503 to \$0.096243. The average Licking  
15 Valley residential customer's monthly bill would be increased by 11.4% or \$14.16.  
16 The requested revenue increase equates to a TIER of 2.0.

17 **Q. PLEASE DESCRIBE IN DETAIL IMPORTANT CHANGES THAT HAVE**  
18 **OCCURRED AT THE COOPERATIVE SINCE THE EFFECTIVE DATE**  
19 **OF ITS 2020 GENERAL BASE RATE ADJUSTMENT.**

20 A. Eastern Kentucky continues to be in the midst of an economic crisis for the past  
21 several years that has increased in severity since Licking Valley's last rate case.  
22 Since the downturn in coal mining operations in the service territory, there has been  
23 stagnant growth considering the high unemployment rates. This is reflected in the

1 Cooperative's energy sales during this time. In 2020, the average monthly kWh  
2 per meter was 1140. In 2023, the average kWh per meter was 1221.

3 Member growth has remained stagnant and both net and operating margins,  
4 as well as financial ratios, have declined. Licking Valley had 17,561 meters in  
5 2020. As of December 31, 2023, that number had only increased to 17,826. Interest  
6 rates have steadily increased since 2020 placing increased financial pressure on the  
7 Cooperative.

8 Licking Valley has been diligent in monitoring staffing levels to adapt to  
9 this economic reality while at the same time providing safe and reliable electrical  
10 service to our members. Licking Valley currently has 40 full time employees down  
11 from a historical high of 48 employees in 2010. Going forward management will  
12 continue to evaluate any opportunities to gain efficiencies and reduce costs for  
13 staffing and in every other available category.

14 **Q. HAS LICKING VALLEY ENACTED ANY COST-CONTAINMENT**  
15 **MEASURES SINCE ITS LAST RATE ADJUSTMENT TO AVOID FILING**  
16 **A RATE INCREASE?**

17 A. Yes. Licking Valley has budgeted and operated on an extremely lean budget for  
18 years. This has included right-of-way maintenance, labor, headcount, and interest.

19 **Q. DESPITE ITS EFFORTS, WHAT ARE THE PRINCIPAL REASONS THAT**  
20 **AN ADJUSTMENT OF LICKING VALLEY'S RATES IS NECESSARY?**

21 A. Despite these measures, stagnant customer and load growth directly related to the  
22 poor economy in our service territory have resulted in financial measures that are  
23 below what is needed to keep pace with costs and ensure financial integrity. In

1 addition, Licking Valley's existing rate structure does not align with its cost of  
2 providing service, resulting in margins that are more susceptible to volatility. The  
3 requested increase is necessary to ensure Licking Valley is able to maintain its loan  
4 covenants and provide safe and reliable service to its owner-members.

5 **Q. PLEASE DESCRIBE THE PROCESS TAKEN BY LICKING VALLEY'S**  
6 **BOARD OF DIRECTORS TO DETERMINE THAT A RATE**  
7 **ADJUSTMENT WAS NECESSARY?**

8 A. Licking Valley's management closely monitors the Cooperative's financial  
9 condition on a daily basis. Key financial metrics are provided to the Directors on  
10 a monthly basis and discussed at length. Management has engaged with the Board  
11 of Directors for several months on the trajectory of Licking Valley's financial  
12 condition. The Board of Directors has attempted to structure this case to strike a  
13 balance between what the Cooperative needs to continue to provide safe and  
14 reliable service at reasonable cost to its consumer-members while also ensuring  
15 financial stability.

16 **Q. DID THE COOPERATIVE'S BOARD OF DIRECTORS APPROVE AND**  
17 **AUTHORIZE THE FILING OF THE APPLICATION IN THIS CASE?**

18 A. Yes. The Board of Directors signed a Resolution dated June 19, 2024 authorizing  
19 Licking Valley's management to file the Application in this proceeding and to  
20 request the relief contained in this Application. Licking Valley's Board of  
21 Directors relied on its review of information from Licking Valley's management  
22 and the expert guidance of its legal counsel and rate consultant.

1 **Q. PLEASE DESCRIBE ANY ADDITIONAL RELIEF LICKING VALLEY IS**  
2 **REQUESTING IN THIS PROCEEDING?**

3 A. Licking Valley's Application requests that the Commission approve recovery of  
4 reasonable rate case expenses in the approved rate amortized over a period of three  
5 years, or such other period the Commission finds reasonable.

6 **Q. ON WHAT BASIS DO YOU BELIEVE THE COMMISSION SHOULD**  
7 **GRANT LICKING VALLEY'S RELIEF REQUESTED IN THIS**  
8 **PROCEEDING?**

9 A. Licking Valley's request will help ensure that its financial integrity is maintained  
10 in order to provide its member-owners with adequate, efficient and reliable power  
11 at a fair, just and reasonable cost. The requested increase in rates is supported by  
12 the cost-of-service study and Licking Valley has been careful to monitor the rate  
13 sufficiency to request an adjustment before the amount was too high for member-  
14 owners. Additionally, given that our system is overwhelmingly composed of  
15 residential customers, the move towards a more cost-based customer charge is  
16 measured and appropriate. Licking Valley's request in this case is reasonable,  
17 necessary and supported by sound cost of service analyses and I respectfully request  
18 that the Commission so find.

19 **Q. HAVE YOU REVIEWED THE ANSWERS PROVIDED IN THE FILED**  
20 **EXHIBITS WHICH ADDRESS LICKING VALLEY'S COMPLIANCE**  
21 **WITH THE HISTORICAL PERIOD FILING REQUIREMENTS UNDER**  
22 **807 KAR 5:001 AND ITS VARIOUS SUBSECTIONS?**

1 A. Yes. I hereby incorporate and adopt those portions of exhibits for which I am  
2 identified as the sponsoring witness as part of this Direct Testimony.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes, it does.



**ATTACHMENT KKH-1**

**Board Resolution**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
LICKING VALLEY RURAL ELECTRIC COOPERATIVE  
CORPORATION AUTHORIZING THE FILING OF A RATE  
APPLICATION WITH THE KENTUCKY PUBLIC SERVICE  
COMMISSION AND ALL OTHER NECESSARY FILINGS IN RELATION  
TO THE RATE APPLICATION**

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A meeting of the Board of Directors (“Board”) of Licking Valley Rural Electric Cooperative Corporation (“Licking Valley”) was held at the Malone Warehouse located at West Liberty Ky, in person, on June 19, 2024, after due and proper notice of such meeting was given, and after a quorum was declared, during which meeting the Board discussed and considered the fully allocated cost of service study (“COSS”) presented by its consultant, John Wolfram of Catalyst Consulting LLC.

Upon motion by C.K. Stacy and seconded by Ted Holbrook, and duly carried, the following RESOLUTION was unanimously adopted:

**WHEREAS**, Licking Valley is owned by the members it serves, and its purpose is to provide safe, efficient, and reliable electric service at rates and terms that are fair, just and reasonable; and,

**WHEREAS**, the leadership and management of Licking Valley have thoroughly reviewed the Cooperative’s financial condition and it has become apparent to Licking Valley’s Board of Directors that it is the prudent decision to request an increase in its revenues through its rates by filing an Application with the Kentucky Public Service Commission for a general rate proceeding;

**WHEREAS**, the Board has retained the services of a respected rate consultant, John Wolfram of Catalyst Consulting, LLC, who has completed a COSS, which indicates that Licking Valley would need an annual revenue increase of approximately \$2,836,945, in order to maintain an adequate financial position for the company; and,

**WHEREAS**, Licking Valley intends to file a rate adjustment application with the Commission using a historical 12-month test period beginning on January 1, 2023 and ending on December 31, 2023; and

**NOW, THEREFORE BE IT RESOLVED** by the Licking Valley Board of Directors that the Board of Directors hereby grants approval for the management of Licking Valley to take all necessary and advisable actions in connection with the Application for a general adjustment to be filed with the Kentucky Public Service Commission.

**NOW, THEREFORE BE IT FURTHER RESOLVED** by the Licking Valley Board of Directors that the Board of Directors grants approval for the Application to be filed with the

Kentucky Public Service Commission for a general adjustment of rates will be for an increase not to exceed \$3,000,000.

DATE:

CHAIRMAN OF THE BOARD

ATTEST:

SECRETARY

**ATTACHMENT KKH-2**

**Certificate of Good  
Standing**

**Commonwealth of Kentucky**  
**Michael G. Adams, Secretary of State**

Michael G. Adams  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 315561

Visit <https://web.sos.ky.gov/fts/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is June 22, 1940 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 15<sup>th</sup> day of July, 2024, in the 233<sup>rd</sup> year of the Commonwealth.



*Michael G. Adams*

Michael G. Adams  
Secretary of State  
Commonwealth of Kentucky  
315561/0031185

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 9**

**807 KAR 5:001 Section 16(4)(b)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Licking Valley is providing written testimony of Ms. Sandra N. Bradley, Licking Valley's Accountant. Ms. Bradley's testimony is included with this Exhibit 9.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

|                               |   |            |
|-------------------------------|---|------------|
| THE ELECTRONIC APPLICATION OF | ) |            |
| LICKING VALLEY RURAL ELECTRIC | ) |            |
| COOPERATIVE CORPORATION FOR A | ) | CASE NO.   |
| GENERAL ADJUSTMENT OF RATES   | ) | 2024-00211 |
| AND OTHER GENERAL RELIF       | ) |            |

---

**DIRECT TESTIMONY OF SANDRA N. BRADLEY, ACCOUNTANT**  
**ON BEHALF OF LICKING VALLEY**  
**RURAL ELECTRIC COOPERATIVE CORPORATION**

---

**Filed:** August 8, 2024

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

|  |  |                                      |
|--|--|--------------------------------------|
| <b>THE ELECTRONIC APPLICATION OF LICKING )</b> |  | <b>CASE NO.</b><br><b>2024-00211</b> |
| <b>VALLEY RURAL ELECTRIC COOPERATIVE )</b>     |  |                                      |
| <b>CORPORATION FOR A GENERAL ADJUSTMENT )</b>  |  |                                      |
| <b>OF RATES )</b>                              |  |                                      |

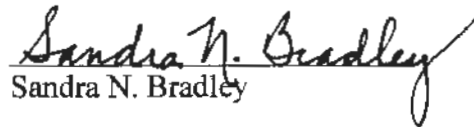
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**VERIFICATION OF SANDRA N. BRADLEY**

---

COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF MORGAN                    )

Sandra N. Bradley, Accountant of Licking Valley Rural Electric Cooperative Corporation, being duly sworn, states that she has supervised the preparation of her Direct Testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

  
Sandra N. Bradley

The foregoing Verification was signed, acknowledged and sworn to before me this 5<sup>th</sup> day of August, 2024, by Sandra N. Bradley.

  
\_\_\_\_\_

Commission expiration: \_\_\_\_\_

|  |
|--|
| <b>JONATHAN TRAVIS STACY</b><br>NOTARY PUBLIC<br>STATE AT LARGE<br>KENTUCKY<br>COMMISSION # KYNP86484<br>MY COMMISSION EXPIRES 3-11-2028 |
|--|



1 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A. My name is Sandra N. Bradley, Accountant, of Licking Valley Rural Electric Cooperative  
3 Corporation (“Licking Valley, or “Cooperative”). My business mailing address is P.O.  
4 Box 605, West Liberty, Kentucky 41472

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND PROFESSIONAL**  
6 **EXPERIENCE.**

7 A. I attended two years of college at Morehead State University in general studies. I started  
8 at Licking Valley in 1972 in the bookkeeping department and was later promoted to the  
9 Cooperative’s Accountant. I have been employed for Licking Valley for 51 years, all of  
10 which has been in the accounting area of the company.

11 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT THE COOPERATIVE.**

12 A. In my role as Accountant for Licking Valley, I am responsible for all financial records and  
13 the human resource function, including payroll.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

15 A. The purpose of my testimony is two-fold. First, I will provide a general overview of the  
16 Cooperative’s financial health including a discussion of notable financial metrics and detail  
17 certain important expense categories, as well as to describe its debt portfolio, labor  
18 expenses, depreciation practices and various other relevant matters. Second, I will  
19 summarize the necessity of the rate relief requested by the Cooperative in this proceeding.

20 **Q. ARE YOU FAMILIAR WITH THE APPLICATION AND SUPPORTING**  
21 **EXHIBITS FILED BY LICKING VALLEY IN THIS CASE?**

22 A. Yes, I am familiar with the documents filed in support of the Application and have been  
23 closely involved in compiling and analyzing the necessary information with Licking

1 Valley's expert rate consultant, Mr. John Wolfram of Catalyst Consulting LLC, so that he  
2 could complete a fully allocated Cost of Service Study ("COSS") upon which this rate case  
3 is based. Examples of the types of information I have reviewed and provided to Mr.  
4 Wolfram include income and expense data for the test year, customer usage data for  
5 Licking Valley's different rate classes, and various categories of information utilized to  
6 prepare all pro forma adjustments and COSS reports and exhibits. I have also prepared  
7 numerous spreadsheets, summaries and other reports necessary to comply with the filing  
8 requirements provided in the Commission's regulations at 807 KAR 5:001 Section 16, and  
9 in KRS 278.180 and KRS 278.190. Specifically, I am designated as the Responsible  
10 Witness for Application Exhibits 2, 3, 4, 9, 16, 17, 18, 19, 21, 22, 23, 24, 31 and 32. Along  
11 with Mr. Wolfram, I am also jointly the Responsible Witness for Application Exhibits 26  
12 and 29.

13 **Q. PLEASE GENERALLY DESCRIBE THE RELIEF SOUGHT BY LICKING**  
14 **VALLEY IN THIS PROCEEDING.**

15 A. To address Licking Valley's current undesirable financial condition, the Board of Directors  
16 in conjunction with its management, has determined that a general adjustment of rates is  
17 necessary to account for substantial cost increases, as well as cumulative inflationary  
18 pressures, to build equity, to improve its overall financial condition, and to satisfy current  
19 and future loan covenants. Consistent with KRS 278.300(1), Licking Valley seeks  
20 Commission approval to demand, collect, and receive fair, just and reasonable rates for the  
21 retail service its provides. Specifically, Licking Valley seeks approval to increase its  
22 annual revenue by \$2,836,901 or 7.5% to achieve a Times Interest Earned Ratio of  
23 ("TIER") of 2.0. Included in this request is an increase of the monthly residential customer

1 charge in Schedule A – Residential, Farm, Small Community Hall & Church Service  
2 customer class (“Residential” or “Schedule A”) from \$16.50 to \$30.00. Licking Valley is  
3 also proposing to increase the monthly customer charge in Schedule B – Commercial and  
4 Small Power (“Schedule B”) from \$29.66 to \$32.00. Licking Valley is requesting the  
5 allocation of revenue requirement in this way to more accurately reflect the cost to serve  
6 those customers. The Application requests that these rates become effective on September  
7 8, 2024. The justification for these increases is principally based upon Mr. Wolfram’s  
8 COSS and is discussed in greater detail in his testimony which can be found at Application  
9 Exhibit 10.

10 **Q. IS LICKING VALLEY’S APPLICATION SUPPORTED BY A HISTORICAL**  
11 **TEST YEAR?**

12 A. Yes, the test year in this case consists of the twelve (12) month period ending December  
13 31, 2023.

14 **Q. WHY WAS THE TWELVE MONTH PERIOD ENDING DECEMBER 31, 2023**  
15 **CHOSEN AS THE HISTORICAL TEST YEAR?**

16 A. Licking Valley believes that its proposed test year reasonably reflects the performance of  
17 the Cooperative, as adjusted for appropriate known and measurable changes.

18 **Q. PLEASE GENERALLY DESCRIBE THE LOAD SERVED BY LICKING**  
19 **VALLEY.**

20 A. Licking Valley serves an eight (8) county service territory, which includes portions of  
21 Breathitt, Elliott, Lee, Magoffin, Menifee, Morgan, Rowan and Wolfe counties. The  
22 Cooperative’s customer base is primarily residential served under “Schedule A –  
23 Residential.” As of the end of the test year, the residential load comprised approximately

1 69% of Licking Valley's total energy sales and represented approximately 76% of the  
2 Cooperative's total revenue from energy sales. The Cooperative also serves a  
3 smaller number of commercial customer loads, under 1000KVA (representing  
4 approximately 15% of the Cooperative's total energy sales and 15% of the Cooperative's  
5 total energy revenue) and industrial customer loads over 1000KVA, (representing  
6 approximately 16% of the Cooperative's total energy sales and 9% of its total  
7 revenue from energy sales). Mr. Wolfram includes a more detailed discussion of  
8 Licking Valley's rate classes, the costs and revenues associated with each rate class in  
9 his testimony attached at Exhibit 10 of the Application.

10 **Q. PLEASE GENERALLY DESCRIBE HOW LICKING VALLEY'S LOAD**  
11 **AND CUSTOMER BASE HAVE CHANGED IN RECENT YEARS.**

12 A. Yes. As stated in Mr. Howard's testimony, Licking Valley's electric sales have decreased  
13 notably, as has the number of both residential and commercial and industrial members.

14 **Q. PLEASE GENERALLY DESCRIBE ANY NOTABLE TRENDS IN LICKING**  
15 **VALLEY'S REVENUES AND MARGINS IN RECENT YEARS.**

16 A. Licking Valley has seen a downward trajectory of revenues and margins over the past  
17 ten years from load reductions caused by the challenging economy and population loss in  
18 our service territory. Also, more efficient lighting and devices used in residential  
19 and commercial structures have contributed to this revenue and margin erosion.

20 **Q. PLEASE DESCRIBE LICKING VALLEY'S OPERATIONAL EXPENSES**  
21 **IN RECENT YEARS, INCLUDING IF THESE EXPENSES HAVE INCREASED?**

22 A. Yes. Although the Cooperative has worked hard to cut operating expenses, the  
23 Cooperative has still seen increases in labor, depreciation, and materials.

1 **Q. PLEASE GENERALLY DESCRIBE LICKING VALLEY’S EXISTING DEBT**  
2 **PORTFOLIO AND ANY RECENT EFFORTS TO REDUCE INTEREST**  
3 **EXPENSE.**

4 A. Licking Valley’s lenders are Rural Utility Service (“RUS”), Federal Financing Bank  
5 (FFB), and National Rural Utilities Cooperative Finance Corporation (“CFC”). As of  
6 December 31, 2023, the outstanding principal balance on Licking Valley’s long-term debt  
7 is \$32,190,213. Of this amount, 6% is at fixed interest rates and 94% is at variable interest  
8 rates. For its short-term borrowing needs Licking Valley has a \$2,000,000 line of credit  
9 with CFC for general operations.

10 **Q. IS LICKING VALLEY PROPOSING TO ADJUST ITS DEPRECIATION RATES**  
11 **AS PART OF THIS PROCEEDING?**

12 A. Licking Valley does not propose to adjust its depreciation rates as part of this proceeding.  
13 Licking Valley’s last depreciation study was completed in December 2007, and approved  
14 by the Commission in Case No. 2009-00016, *Application of Licking Valley Rural Electric*  
15 *Cooperative Corporation for an Adjustment of Rates.*

16 **Q. PLEASE GENERALLY DESCRIBE LICKING VALLEY’S WORKFORCE.**

17 A. Currently, Licking Valley employs forty (40) full-time qualified and highly-skilled  
18 employees. However, considering its size, both in terms of customers served and size of  
19 the service territory, Licking Valley could easily justify a staffing level of several  
20 additional employees.

21 **Q. PROVIDE ADDITIONAL DETAIL CONCERNING LICKING VALLEY’S**  
22 **LABOR EXPENSES, INCLUDING THE BENEFITS OFFERED TO EMPLOYEES.**

1 A. Licking Valley offers its employees a competitive compensation package to attract and  
2 retain a qualified workforce.

3 **Health Insurance:** Licking Valley employees are eligible for health insurance with no  
4 waiting period. Beginning September 1, 2020, the cooperative pays 89.63% of the full  
5 premiums for coverage level for all employees.

6 Retirees at age fifty-five (55) and twenty-five (25) years of service will have  
7 medical coverage paid at 100%. Retirees with fifteen (15) through twenty-four (24) years  
8 of service will have medical coverage paid at 75%. Retirees with five (5) through fourteen  
9 (14) years of service will have medical coverage paid at 50%.

10 **Group Term Life Insurance.** Licking Valley pays 100% of the premium for Basic Life.  
11 This coverage is capped at \$50,000.

12 **Accidental Death and Dismemberment Insurance:** Licking Valley pays 100% of the  
13 premium for this policy for employees. The coverage is one times the current base salary  
14 of the employee, rounded to the nearest thousand.

15 **Long-Term Disability Insurance:** Licking Valley pays 100% of the premium. If eligible,  
16 the monthly disability benefit is 60% of the employee's monthly earnings up to a maximum  
17 monthly benefit of \$3,000.

18 **Business Travel and Accident Insurance:** Licking Valley pays 100% of the premium  
19 for this policy on all eligible employees. This policy only covers an employee's travel on  
20 behalf of Licking Valley when outside of the Cooperative's service area. The maximum  
21 amount an employee may receive is \$100,000.

22 **Retirement:** All full-time employees of Licking Valley are eligible for the 401k savings  
23 plan. Licking Valley contributes 11% of the employee's base salary. Licking Valley

1 requires the employee to contribute 4% of their base salary to participate in the program  
2 after one full month of employment.

3 **Q. HOW DOES LICKING VALLEY DETERMINE WHETHER AND WHEN WAGE**  
4 **INCREASES SHOULD BE AWARDED TO EMPLOYEES?**

5 A. Historically, the Licking Valley Board of Directors has determined the annual amount of  
6 wage adjustment, if any, which reflects cost-of-living information. Typically, these  
7 adjustments have been given across the board to Licking Valley’s employees. However,  
8 in 2020 a wage and salary review was conducted and the wage and salary survey now  
9 provides the basis for setting and maintaining employees. Each year the Board sets a  
10 “window” for raises. Every employee’s performance is evaluated by management who  
11 then has discretion in the amount of raise for an employee so long as the raise falls within  
12 the “window” set by the Board.

13 **Q. WHY IS IT IMPORTANT THAT LICKING VALLEY MAINTAIN A STRONG**  
14 **FINANCIAL CONDITION?**

15 A. As the Commission is aware, Licking Valley is owned by the Members it serves. While it  
16 is always the Cooperative’s goal to keep rates as low as possible, the expense of providing  
17 safe and reliable service must be recovered; additionally, prudent management and fairness  
18 demand that better aligns costs of the services provided to each rate class, which is what  
19 Licking Valley’s proposed rates seek to accomplish.

20 **Q. PLEASE DESCRIBE THE REVISED RATES PROPOSED BY LICKING VALLEY**  
21 **FOR ITS RESIDENTIAL CUSTOMERS.**

22 A. Licking Valley is proposing to increase the monthly customer charge from \$16.50 to  
23 \$30.00 per month, and the energy charge from \$0.095503 to \$0.096243. This will result

1 in an increase of \$14.16 or 11.4%, on the monthly bill for Licking Valley's average  
2 residential customer using 891 kWh per month. Specific data justifying the magnitude of  
3 this increase is discussed in Mr. Wolfram's testimony.

4 **Q. IS LICKING VALLEY PROPOSING AN INCREASE TO ANY RATE CLASSES**  
5 **BESIDES THE RESIDENTIAL CLASS?**

6 A. In addition to the residential class, Licking Valley is proposing to increase the monthly  
7 charge for Schedule B from \$29.66 per month to \$32.00 per month.

8 **Q. DID LICKING VALLEY CONSIDER ITS LOW-INCOME CUSTOMERS WHEN**  
9 **DESIGNING ITS PROPOSED RATES?**

10 A. Yes. Even though Licking Valley's responsibility is to its membership as a whole, Licking  
11 Valley separately considered how this proposed rate increase could possibly impact its low-  
12 income members. Licking Valley concluded that the rate design proposed should seek to  
13 more accurately and appropriately recover the costs of operating its distribution system; as  
14 a result, all members (including low-income members) will benefit from a rate design that  
15 better aligns costs with the classes of service, avoids monthly bill volatility, and allows  
16 Licking Valley to operate under a more predictable and accurate budget.

17 **Q. IS LICKING VALLEY PROPOSING ANY OTHER TARIFF REVISIONS OTHER**  
18 **THAN THE PROPOSED ADJUSTMENTS TO RATES?**

19 A. No. Licking Valley does not propose any request to changes its published tariff beyond  
20 that necessary to reflect changes in rates.

21 **Q. DID LICKING VALLEY FIND IT NECESSARY TO MAKE PRO FORMA**  
22 **ADJUSTMENTS TO THE TEST YEAR IN ORDER TO MORE ACCURATELY**  
23 **REFLECT ITS INCOME AND EXPENSES?**



1 A. Yes. These adjustments are part of the COSS and can be found and discussed at length in  
2 Mr. Wolfram's testimony. Each of the adjustments proposed by Licking Valley as part of  
3 this proceeding are reasonable and reflect the known and measurable changes to Licking  
4 Valley's test year. These adjustments are necessary in order to ensure that rates are based  
5 on the most accurate and appropriate data. Mr. Wolfram describes each of these  
6 adjustments in more detail in his testimony attached as Exhibit 10 of this Application.

7 **Q. ARE YOU AWARE THAT THE COMMISSION, IN THE FINAL ORDER DATED**  
8 **APRIL 13, 2016, IN CASE NO. 2012-00428, *CONSIDERATION OF THE***  
9 ***IMPLEMENTATION OF SMART GRID AND SMART METER TECHNOLOGIES***  
10 **(Summary of Findings, Paragraph 9), DIRECTED THAT EACH RATE CASE**  
11 **FILED BY A JURISDICTIONAL UTILITY SHOULD IDENTIFY SMART GRID**  
12 **INVESTMENTS?.**

13 A. Yes.

14 **Q. PLEASE IDENTIFY ALL SMART GRID AND SMART METER INVESTMENTS**  
15 **WHICH LICKING VALLEY HAS MADE TO DATE.**

16 A. Licking Valley completed its implementation of its AMI/RF metering system in 2017  
17 utilizing Landis+Gyr's AMI/RF technology. Licking Valley continues to use this system.

18 **Q. PLEASE EXPLAIN WHY THE COMMISSION SHOULD GRANT THE RELIEF**  
19 **REQUESTED BY LICKING VALLEY IN THIS PROCEEDING.**

20 A. As discussed throughout this filing, the rate relief sought by Licking Valley in this case is  
21 crucial to maintain its financial ability to operate and to provide its members with reliable  
22 power at a reasonable retail cost. The requested rate increase has been specifically  
23 designed to account for Licking Valley's cost of service to the various member classes it

1 serves. In the past few years the costs of essential materials, labor, technology, and third  
2 party contractor services have increased tremendously to such a degree that Licking  
3 Valley's Board of Directors and management realized the need to request a general  
4 adjustment in rates. The rates requested in this case are derived from the results of Mr.  
5 Wolfram's comprehensive COSS, and are reasonable and necessary for the provision of  
6 safe and reliable service at fair, just and reasonable rates.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes.

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 10**

**807 KAR 5:001 Section 16(4)(b)  
Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Licking Valley is providing the written testimony of Mr. John Wolfram, rate consultant and principal of Catalyst Consulting LLC. Mr. Wolfram's testimony is included with this Exhibit 10.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

|                                       |   |            |
|---------------------------------------|---|------------|
| THE ELECTRONIC APPLICATION OF LICKING | ) |            |
| VALLEY RURAL ELECTRIC COOPERATIVE     | ) | CASE NO.   |
| CORPORATION FOR A GENERAL ADJUSTMENT  | ) | 2024-00211 |
| OF RATES                              | ) |            |

---

**DIRECT TESTIMONY OF**  
**JOHN WOLFRAM**  
**PRINCIPAL, CATALYST CONSULTING LLC**  
**ON BEHALF OF LICKING VALLEY**  
**RURAL ELECTRIC COOPERATIVE CORPORATION**

---

**Filed: August 8, 2024**



**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

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1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**  
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 **A.** Yes. I have testified in numerous regulatory proceedings before this Commission  
4 and have been involved in Commission matters nearly continuously since 1999. A  
5 listing of my testimony in other proceedings is included in Exhibit JW-1.  
6

7 **II. PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 **A.** The purpose of my testimony is to: (i) describe Licking Valley’s rate classes, (ii)  
10 describe the calculation of Licking Valley’s revenue requirement; (iii) explain the  
11 pro forma adjustments to the test period results; (iv) describe the Cost of Service  
12 Study (“COSS”) process and results; (v) present the proposed allocation of the  
13 revenue increase to the rate classes; (vi) describe the rate design, proposed rates,  
14 and estimated billing impact by rate class, and (vii) support certain filing  
15 requirements from 807 KAR 5:001.

16 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

17 **A.** Yes. I have prepared the following exhibits to support my testimony:

18 Exhibit JW-1 – Qualifications of John Wolfram

19 Exhibit JW-2 – Revenue Requirements & Pro Forma Adjustments

20 Exhibit JW-3 – COSS: Summary of Results

21 Exhibit JW-4 – COSS: Functionalization & Classification

22 Exhibit JW-5 – COSS: Allocation to Rate Classes & Returns

23 Exhibit JW-6 – COSS: Billing Determinants



1 Exhibit JW-7 – COSS: Purchased Power, Meters, & Services

2 Exhibit JW-8 – COSS: Zero Intercept Analysis

3 Exhibit JW-9 – Present & Proposed Rates

4

5 **III. CLASSES OF SERVICE**

6 **Q. PLEASE DESCRIBE THE CUSTOMER CLASSES SERVED BY LICKING**  
7 **VALLEY.**

8 A. Licking Valley currently has members taking service pursuant to six major rate  
9 classifications. These include Schedule A – Residential, Farm, Small Community  
10 Hall & Church Service; Schedule B – Commercial and Small Power Service;  
11 Schedule for Large Power Service – LP; Schedule for Large Power Rate – LPR;  
12 Schedule SL – Security Lights and/or Rural Lighting, and Schedule for Large  
13 Power - LPG. Licking Valley’s residential members comprise 69% of test year  
14 energy usage and 73% of test year revenues from energy sales, on an unadjusted  
15 basis, as shown in Table 1.

16 **Q. DOES THE DATA IN TABLE 1 RECONCILE PRECISELY WITH THE**  
17 **DATA IN LICKING VALLEY’S RUS FORM 7 AND THE ANNUAL**  
18 **FINANCIAL REPORT FILED WITH THE COMMISSION?**

19 A. No; the data does not reconcile perfectly, but it is extremely close. The reason for  
20 this is that the data in Table 1 represents my reproduction of Licking Valley’s 2023  
21 billing data by rate class. I made certain adjustments to the cooperative’s actual  
22 booked amounts as needed to perform the cost of service study. However, the

1 revenue totals in Table 1 reconcile to the RUS Form 1 numbers within 0.94 percent  
2 --in other words, they are between 99.06 percent and 100 percent accurate.

3 **Table 1. Rate Class Data (2023)**

| <b>Rate Class</b>              | <b>Members</b> | <b>kWh</b>         | <b>%</b>    | <b>Revenue</b>      | <b>%</b>    |
|--------------------------------|----------------|--------------------|-------------|---------------------|-------------|
| Residential – A                | 16,062         | 186,684,568        | 69.3%       | \$24,290,205        | 72.8%       |
| Small Commercial – B           | 863            | 9,453,416          | 3.5%        | \$1,306,494         | 3.9%        |
| Large Commercial – LP          | 222            | 31,491,833         | 11.7%       | \$3,941,389         | 11.8%       |
| Large Comm Rate – LPR          | 4              | 10,433,028         | 3.9%        | \$932,815           | 2.8%        |
| Lighting – SL                  | 115            | 128,730            | 0.0%        | \$1,026,030         | 3.1%        |
| Large Power – LPG <sup>1</sup> | -              | 31,284,000         | 11.6%       | \$1,887,354         | 5.7%        |
| <b>TOTAL</b>                   | <b>17,266</b>  | <b>269,475,575</b> | <b>100%</b> | <b>\$33,384,286</b> | <b>100%</b> |

4

5 **IV. REVENUE REQUIREMENT**

6 **Q. PLEASE DESCRIBE HOW LICKING VALLEY’S PROPOSED REVENUE**  
7 **INCREASE WAS DETERMINED.**

8 A. Licking Valley is proposing a general adjustment in rates using a historical test  
9 period. The proposed revenue increase was determined first by analyzing the  
10 revenue deficiency based on financial results for the test period after the application  
11 of certain pro forma adjustments described herein. The revenue deficiency was  
12 determined as the difference between (i) Licking Valley’s net margins for the  
13 adjusted test period without reflecting a general adjustment in rates, and (ii) Licking  
14 Valley’s net margin requirement necessary to provide a Times Interest Earned Ratio

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<sup>1</sup> On an unadjusted basis Rate LPG had one member for the last 4 months of 2023, which averages 0.34 customers per year; this is normalized to 1.00 for the adjusted test period.

1 (“TIER”) of 2.00 for the test period. Based on the adjusted test year, the revenue  
2 deficiency is \$ 2,836,945.

3 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THE RATE CASE**  
4 **APPLICATION?**

5 A. The historical test period for the filing is the 12 months ended December 31, 2023.

6 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS HOW LICKING**  
7 **VALLEY’S REVENUE DEFICIENCY IS CALCULATED?**

8 A. Yes. Exhibit JW-2 shows the calculation of Licking Valley’s revenue deficiency.

9 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY CALCULATION IN**  
10 **EXHIBIT JW-2 IN DETAIL.**

11 A. The purpose of Exhibit JW-2 is to calculate the difference between Licking Valley’s  
12 net margin for the adjusted test year and the margin necessary for Licking Valley to  
13 achieve a TIER of 2.00. Page 1 of the exhibit presents revenues and expenses for  
14 Licking Valley for the actual test year, the proposed pro forma adjustments, the  
15 adjusted test year at present rates, and the adjusted test year at proposed rates. The  
16 revenues include total sales of electric energy and other electric revenue.

17 Expenses are tabulated next. The Total Cost of Electric Service is shown on  
18 line 22. Total Cost of Electric Service includes operation expenses, maintenance  
19 expenses, depreciation and amortization expenses, taxes, interest expenses on long-  
20 term debt, other interest expenses, and other deductions. Utility Operating Margins  
21 are calculated by subtracting Total Cost of Electric Service from Total Operating  
22 Revenue. Non-operating margins and capital credits are added to Utility Operating  
23 Margins to determine Licking Valley’s Net Margins.

1                   The TIER, OTIER, Margins at Target TIER, and Revenue Deficiency  
2 amounts are calculated at the bottom of page 1 of Exhibit JW-2.

3 **Q.   WHAT ARE THE NET MARGINS FOR THE TEST YEAR?**

4 **A.**   Exhibit JW-2 shows that the net margins for the unadjusted test year are (\$753,994)  
5 and the net margins for the adjusted test year are (\$1,240,497).

6 **Q.   WHAT IS THE TIER FOR JPEC FOR THE TEST YEAR?**

7 **A.**   Exhibit JW-2 shows that the TIER for the test year is 0.52 and the TIER for the  
8 adjusted test year is 0.22, both of which are below the target TIER of 2.00.

9 **Q.   WHAT IS THE REVENUE DEFICIENCY CALCULATED IN EXHIBIT**  
10 **JW-2?**

11 **A.**   Based on a TIER of 2.00, Licking Valley has a net margin requirement of  
12 \$1,596,448. Because the adjusted net margin before applying the TIER is  
13 (\$1,240,497) and the margin requirement is \$1,596,448, Licking Valley's total  
14 revenue deficiency is the difference between those two numbers, or \$2,836,945.  
15 This amount is used in the COSS and in the design of new rates that I describe later  
16 in my testimony.

17 **Q.   WHY IS LICKING VALLEY BASING TARGET MARGINS ON A TIER OF**  
18 **2.00?**

19 **A.**   The Commission has found that it is reasonable to set the target metric higher than  
20 the minimums required by cooperative lenders, in part because of the importance  
21 of unforeseen expenses. Cooperative margins are not solely related to paying off  
22 debt; they also allow the cooperative to manage volatility in the wholesale  
23 purchased power bills and unforeseen expenses like storm restoration or other

1 O&M costs subject to rapid inflationary pressures. The target TIER should not be  
2 close to the minimum levels required by the lenders, because doing so would  
3 require the cooperative to operate even more on the razor's edge than it currently  
4 does.

5 Also, the use of a 2.00 TIER is consistent with numerous Commission  
6 orders for distribution cooperative rate cases dating back several years, including  
7 recent cases for Jackson Purchase, Taylor County RECC and Fleming-Mason  
8 Energy. In Case No. 2021-00358, the Commission explicitly rejected an  
9 intervenor's recommendation to set Jackson Purchase's TIER at 1.50. The  
10 Commission cited the adverse effect on the cooperative's cash working capital,  
11 which could impair Jackson Purchase's ability to have sufficient cash flow to  
12 respond to unforeseen expenses. The same basis for the Commission decision in  
13 that case applies in the instant case as well, since a TIER below 2.00 would have  
14 the same adverse effect on Licking Valley that the lower TIER would have had on  
15 Jackson Purchase – impairment of cash working capital and cash flow for  
16 unforeseen expenses.

17  
18 **V. PRO FORMA ADJUSTMENTS**

19 **Q. PLEASE BROADLY DESCRIBE THE NATURE OF THE PRO FORMA**  
20 **ADJUSTMENTS MADE TO LICKING VALLEY'S ELECTRIC**  
21 **OPERATIONS FOR THE TEST YEAR SHOWN IN EXHIBIT JW-2.**

22 **A.** Licking Valley has made adjustments which remove revenues and expenses that  
23 are addressed in other rate mechanisms, are ordinarily excluded from rates, or are

1 non-recurring on a prospective basis, consistent with standard Commission  
 2 practices. The pro forma adjustments are listed in Exhibit JW-2 on page 2 and are  
 3 detailed starting on page 5 of the exhibit. The pro forma adjustments are  
 4 summarized below for convenience.

5 **Table 2. Pro Forma Adjustments**

| <b>Reference Schedule</b> | <b>Pro Forma Adjustment Item</b>   |
|---------------------------|------------------------------------|
| 1.01                      | Fuel Adjustment Clause             |
| 1.02                      | Environmental Surcharge            |
| 1.03                      | Rate Case Expenses                 |
| 1.04                      | Year-End Customer Normalization    |
| 1.05                      | GTCC                               |
| 1.06                      | Health Insurance Premiums          |
| 1.07                      | Depreciation Expense Normalization |
| 1.08                      | Donations, Advertising & Dues      |
| 1.09                      | Directors Expense                  |
| 1.10                      | Life Insurance Premiums            |
| 1.11                      | Interest Expense                   |
| 1.12                      | Wages & Salaries                   |
| 1.13                      | Payroll Taxes                      |
| 1.14                      | Professional Services              |

6

7 **Q. DID YOU PREPARE A DETAILED INCOME STATEMENT AND**  
 8 **BALANCE SHEET RELECTING THE IMPACT OF ALL PROPOSED**  
 9 **ADJUSTMENTS?**

10 A. Yes. These are included in Exhibit JW-2 pages 3 and 4.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
 12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.01.**

13 A. This adjustment has been made to account for the fuel cost expenses and revenues  
 14 included in the Fuel Adjustment Clause ("FAC") for the test period. Consistent with

1 Commission practice, FAC expenses and revenues included in the test year have  
2 been eliminated.

3 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
4 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.02.**

5 A. This adjustment has been made to remove Environmental Surcharge ("ES")  
6 revenues and expenses because these are addressed by a separate rate mechanism.  
7 This is consistent with the Commission's practice of eliminating the revenues and  
8 expenses associated with full-recovery cost trackers.

9 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
10 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.03.**

11 A. This adjustment estimates the rate case costs amortized over a 3-year period for  
12 inclusion in the revenue requirement, consistent with standard Commission  
13 practice.

14 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
15 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.04.**

16 A. This adjustment adjusts the test year expenses and revenues to reflect the number  
17 of customers at the end of the test year. The numbers of customers served at the end  
18 of the test period for some rate classes differed from the average number of  
19 customers for the test year. The change in revenue is calculated by applying the  
20 average revenue per kWh for each rate class to the difference between average  
21 customer count and test-year-end customer count (at average kWh/customer) for  
22 each class. The change in operating expenses was calculated by applying an  
23 operating ratio to the revenue adjustment, consistent with the approach accepted by

1 the Commission for other utilities in rate proceedings (*e.g.*, Case Nos. 2019-00053,  
2 2012-00221 & 2012-00222, 2017-00374, and numerous other, more recent rate  
3 filings).

4 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
5 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.05.**

6 A. This adjustment removes the G&T Capital Credits from the test period; these  
7 capital credits are only a book entry at this time because East Kentucky Power  
8 Cooperative (“EKPC”) has not actually paid any of its capital credits.

9 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
10 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.06.**

11 A. This adjustment revises the actual test year health insurance premium costs to a  
12 lower amount to removed what employee contributions would be at the most recent  
13 levels published by the U.S. Bureau of Labor and Statistics.

14 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
15 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.07.**

16 A. This adjustment normalizes depreciation expenses by replacing test year actual  
17 expenses with test year-end balances (less any fully depreciated items) at approved  
18 depreciation rates, consistent with typical Commission practice and with the  
19 requirements of the Commission in the Streamlined Rate Order.

20 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
21 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.08.**

22 A. This adjustment eliminates donations, promotional advertising, and dues expenses  
23 pursuant to 807 KAR 5:016, consistent with Commission practice.



1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
2 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.09.**

3 A. This adjustment removes certain Director expenses, including costs for directors  
4 attending EKPC / KAEC / NRECA annual meeting(s), training, or tours when the  
5 director is not the Licking Valley representative for the respective organization.  
6 Expenses that may not be fully removed for rate-making purposes include the costs  
7 of attending NRECA director training/education seminars (especially for new  
8 directors). These seminars help directors to meet their fiduciary duties to the  
9 membership by educating them on industry issues. Also included is Liability  
10 Insurance that protects the directors for decisions they make on a routine basis.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.10.**

13 A. This adjustment removes life insurance premiums for coverage above the lesser of  
14 an employee's annual salary or \$50,000 from the test period, pursuant to the  
15 requirements of the Streamlined Rate Order.

16 **Q. DID LICKING VALLEY INCLUDE AN ADJUSTMENT TO REMOVE THE**  
17 **EMPLOYER RETIREMENT PLAN CONTRIBUTIONS FOR THE LEAST**  
18 **GENEROUS OF ANY MULTIPLE RETIREMENT PACKAGES?**

19 A. No. Licking Valley does not offer multiple retirement plans; Licking Valley only  
20 offers a 401(k) plan, so an adjustment is not required.

21 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
22 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.11.**

1 A. This adjustment normalizes the interest on Long Term Debt and Other Interest  
2 Expense from the test year to recent amounts.

3 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
4 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.12.**

5 A. This adjustment normalizes JPEC’s employee wages and salaries to account for  
6 changes due to wage increases, departures, or new hires for a standard year of 2,080  
7 hours. The exhibit shows adjustment data for all employees based on regular time,  
8 overtime, and other/vacation payout time adjusted from the test year.

9 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
10 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.13.**

11 A. This adjustment increases Payroll Tax expense in conjunction with the proposed  
12 adjustment for wages and salaries.

13 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
14 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.14.**

15 A. This adjustment removes non-recurring expenses associated with professional  
16 services. In particular, outside services associated with this rate case are removed  
17 (because they are included in the rate case cost adjustment) and the costs associated  
18 with the annual audit (which are included in the test year as multiple billings for  
19 parts of both the 2022 and 2023 audits)are normalized to a calendar-year 2023 total  
20 amount.

21



1 **Q. IN THE COST OF SERVICE MODEL, HOW ARE COSTS**  
2 **FUNCTIONALIZED AND CLASSIFIED?**

3 A. Licking Valley’s test-year costs are functionalized and classified according to the  
4 practices specified in *The Electric Utility Cost Allocation Manual* published by the  
5 National Association of Regulatory Utility Commissioners (“NARUC”) dated  
6 January 1992. Costs are functionalized to the categories of power supply,  
7 transmission, station equipment, primary and secondary distribution plant,  
8 customer services, meters, lighting, meter reading and billing, and load  
9 management.

10 **Q. IS THE COSS UNBUNDLED?**

11 A. Yes. This unbundling distinguishes between the functionally-classified costs  
12 components – *i.e.*, purchased power demand, purchased power energy, distribution  
13 demand, and distribution customer – which allows the development of rates based  
14 on these separate cost components.

15 **Q. HOW WERE COSTS CLASSIFIED AS ENERGY-RELATED, DEMAND-**  
16 **RELATED OR CUSTOMER-RELATED?**

17 A. Costs are classified in connection with how they vary. Costs classified as energy-  
18 related vary with the number of kilowatt-hours consumed. Costs classified as  
19 demand-related vary with the capacity needs of customers, such as the amount of  
20 transmission or distribution equipment necessary to meet a customer’s needs, or  
21 other elements that are related to facility size. Transmission lines and distribution  
22 substation transformers are examples of costs typically classified as demand costs.  
23 Costs classified as customer-related include costs incurred to serve customers

1 regardless of the quantity of electric energy purchased or the peak requirements of  
2 the customers and vary with the number of customers. These include the cost of the  
3 minimum system necessary to provide a customer with access to the electric grid.  
4 Distribution costs related to overhead conductor, underground conductor, and line  
5 transformers were split between demand-related and customer-related using the  
6 “zero-intercept” method, which I explain further below. Customer Services,  
7 Meters, Lighting, Meter Reading, Billing, Customer Account Service, and Load  
8 Management costs were classified as customer-related.

9 **Q. PLEASE EXPLAIN THE APPLICATION OF THE ZERO INTERCEPT**  
10 **METHOD TO THE CLASSIFICATION OF CERTAIN DISTRIBUTION**  
11 **COSTS.**

12 **A.** In preparing this study, the “zero-intercept” method was used to determine the  
13 customer components of overhead conductor, underground conductor, and line  
14 transformers. The zero-intercept method uses linear regression to determine the  
15 theoretical cost for connecting a customer of zero size to the grid. This method is  
16 less subjective than other approaches and is preferred when the necessary data are  
17 available. With the zero-intercept method, a zero-size conductor or line transformer  
18 is the absolute minimum system. The zero-intercept analysis is included in Exhibit  
19 JW-8.

20 **Q. IS THE ZERO-INTERCEPT METHOD A STANDARD APPROACH**  
21 **GENERALLY ACCEPTED WITHIN THE ELECTRIC UTILITY**  
22 **INDUSTRY?**

1    **A.**    Yes. The *NARUC Electric Utility Cost Allocation Manual* identifies the zero-  
2           intercept (or “minimum intercept”) as one of two standard methodologies for  
3           classifying distribution fixed costs. The manual states on page 92 that the zero-  
4           intercept method “requires considerably more data and calculation than the  
5           minimum-size method. In most instances, it is more accurate, although the  
6           differences may be relatively small.” The Commission has accepted the zero  
7           intercept method in many rate filings for many years. The Commission should do  
8           so in this case also, because the zero intercept calculations shown in Exhibit JW-8  
9           are consistent with the previously accepted, industry-standard approach and  
10          provide mathematically sound results.

11   **Q.    HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**  
12       **THE FUNCTIONALIZATION AND CLASSIFICATION STEPS OF THE**  
13       **COSS?**

14    **A.**    Yes. Exhibit JW-4 shows the results of the first two steps of the COSS –  
15          functionalization and classification.

16   **Q.    IN THE COST OF SERVICE MODEL, ONCE COSTS ARE**  
17       **FUNCTIONALIZED AND CLASSIFIED, HOW ARE THESE COSTS**  
18       **ALLOCATED TO THE CUSTOMER CLASSES?**

19    **A.**    Once costs for all of the major accounts are functionalized and classified, the  
20          resultant cost matrix for the major groupings (e.g., Plant in Service, Rate Base,  
21          Operation and Maintenance Expenses) is then transposed and allocated to the  
22          customer classes using allocation vectors. The results of the class allocation step of  
23          the COSS are included in Exhibit JW-5.

1 **Q. HOW ARE ENERGY-RELATED, CUSTOMER-RELATED AND**  
2 **DEMAND-RELATED COSTS ALLOCATED TO THE RATE CLASSES IN**  
3 **THE COSS?**

4 A. Power supply energy-related costs are allocated based on total test year kWh sales  
5 to each customer class. Power supply and transmission demand-related costs are  
6 allocated using a 12CP methodology, to mirror the basis of cost allocation used in  
7 the applicable EKPC wholesale tariff. With the 12CP methodology, these demand-  
8 related costs are allocated on the basis of the demand for each rate class at the time  
9 of EKPC's system peak (also known as "Coincident Peak" or "CP") for each of the  
10 twelve months. Customer-related costs are allocated based on the average number  
11 of customers served in each rate class during the test year. Distribution demand-  
12 related costs are allocated based on the relative demand levels of each rate class.  
13 Specifically, the demand cost component is allocated by the maximum class  
14 demands for primary and secondary voltage and by the sum of individual customer  
15 demands for secondary voltage. The customer cost component of customer services  
16 is allocated based on the average number of customers for the test year. Meter costs  
17 were specifically assigned by relating the costs associated with various types of  
18 meters to the class of customers for whom these meters were installed. The demand  
19 analysis is provided in Exhibit JW-6. The purchased power, meter, and service  
20 analyses are provided in Exhibit JW-7.

21 **Q. HOW IS THE TARGET MARGIN INCORPORATED INTO THE COSS?**

1 A. The COSS first determines results on an actual or unadjusted basis. The COSS then  
2 considers the pro forma adjustments and a target margin. The target margin is based  
3 on the rate of return on rate base that will yield the target revenue requirement.

4 **Q. PLEASE SUMMARIZE THE RESULTS OF THE COSS.**

5 A. The results of the COSS are provided in Exhibit JW-3 on page 1. The following  
6 table summarizes the rates of return for each customer class in the study. The Pro  
7 Forma Rate of Return on Rate Base was calculated by dividing the net utility  
8 operating margin (including the pro forma adjustments) by the net cost rate base  
9 for each customer class. Any negative values for pro forma rate of return on rate  
10 base indicate that expenses exceed revenues. Also, any rate class for which the rate  
11 of return is greater than the total system rate of return is providing a subsidy to the  
12 other rate classes; any class with a rate of return that is less than the total system  
13 rate of return is receiving a subsidy.

14 **Table 3. COSS Results: Rates of Return**

| # | Rate                  | Pro Forma<br>Return on<br>Rate Base |
|---|-----------------------|-------------------------------------|
| 1 | Residential – A       | -3.61%                              |
| 2 | Small Commercial – B  | 1.38%                               |
| 3 | Large Commercial – LP | 28.82%                              |
|   | Large Comm Rate – LPR | 16.52%                              |
| 4 | Lighting - SL         | 37.38%                              |
| 5 | Large Power - LPG     | NA                                  |
| 6 | TOTAL                 | 0.42%                               |

15



1 **Q. DOES THE COSS PROVIDE INFORMATION CONCERNING THE UNIT**  
2 **COSTS INCURRED BY LICKING VALLEY TO PROVIDE SERVICE**  
3 **UNDER EACH RATE SCHEDULE?**

4 A. Yes. Customer-related, demand-related, and energy-related costs for each rate class  
5 are shown in Exhibit JW-3 page 2 and at the end of Exhibit JW-5. Customer-related  
6 costs are stated as a cost per member per month. Energy-related costs are stated as  
7 a cost per kWh. For rate classes with a demand charge, demand-related costs are  
8 stated as a cost per kW per month. For rate classes without a demand charge, the  
9 demand-related costs are incorporated into the per kWh charge.

10 **Q. BASED ON THE COSS, DO LICKING VALLEY'S EXISTING RATES**  
11 **APPROPRIATELY REFLECT THE COST OF PROVIDING SERVICE TO**  
12 **EACH RATE CLASS?**

13 A. No. The low rate of return for the Residential rate class indicates that existing rates  
14 for this class are too low, creating a high degree of subsidization between the other  
15 rate classes and Residential. The unbundled costs within each rate class indicate an  
16 imbalance within the current rate structure between the recovery of fixed costs and  
17 variable costs for the residential class.

18 **Q. WHAT GUIDANCE DOES THE COSS PROVIDE FOR RATE DESIGN?**

19 A. First, the COSS indicates that rates for the residential class are insufficient and  
20 should be increased. The need to increase rates is limited to the residential rate  
21 schedule, because it is the only rate class being subsidized by the collective other  
22 rate classes.

1           Second, the COSS supports a fixed monthly charge of \$31.62 for the  
2 residential class. This is shown on Exhibit JW-3, page 2. Since the current charge  
3 is \$16.50 per month, the fixed customer charge should be increased. This is a  
4 significant issue for Licking Valley because the current charge is just over half of  
5 the cost-based rate. This means that the current rate structure places far too little  
6 recovery of fixed costs in the fixed charge, which results in significant under-  
7 recovery of fixed costs, particularly when members embrace conservation or energy  
8 efficiency or otherwise reduce overall consumption. At bottom, this is a  
9 fundamental challenge facing Licking Valley from a cost recovery standpoint,  
10 particularly because residential members make up the vast majority of Licking  
11 Valley's membership, and it is essential for Licking Valley's financial well-being  
12 to address this issue.

13  
14           **VII. ALLOCATION OF THE PROPOSED INCREASE**

15   **Q. PLEASE SUMMARIZE HOW LICKING VALLEY PROPOSES TO**  
16   **ALLOCATE THE REVENUE INCREASE TO THE CLASSES OF**  
17   **SERVICE.**

18   A. Licking Valley relied on the results of the COSS as a guide to determine the  
19 allocation of the proposed revenue increase to the classes of service. Because the  
20 Residential class is the only one subsidized by the other classes, almost the entire  
21 increase is allocated to Residential.

22   **Q. What is the proposed base rate revenue increase for each rate class?**

23   A. Licking Valley is proposing the base rate revenue increases in the following table.

1

**Table 4. Proposed Base Rate Increases**

| Rate Class            | Increase    |         |
|-----------------------|-------------|---------|
|                       | Dollars     | Percent |
| Residential – A       | \$2,811,906 | 11.4%   |
| Small Commercial – B  | \$24,995    | 1.9%    |
| Large Commercial – LP | \$0         | 0%      |
| Large Comm Rate – LPR | \$0         | 0%      |
| Lighting – SL         | \$0         | 0%      |
| Large Power - LPG     | \$0         | 0%      |
| TOTAL                 | \$2,836,901 | 7.5%    |

2

3

**VIII. PROPOSED RATES**

4

**Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RECONSTRUCTION OF LICKING VALLEY’S TEST-YEAR BILLING DETERMINANTS?**

5

6

**A.** Yes. The reconstruction of Licking Valley’s billing determinants is shown on Exhibit JW-9.

7

8

**Q. WHAT ARE THE PROPOSED CHARGES FOR LICKING VALLEY’S RESIDENTIAL RATE CLASS?**

9

10

**A.** Licking Valley is proposing to increase the Residential Rate A customer charge from \$16.50 to \$30.00 per month, with a slight increase to the energy charge from \$0.095503 to \$0.096243 per kWh.

11

12

**Q. HOW WERE THE PROPOSED RATES CALCULATED?**

13

14

**A.** First, the residential customer charge was set to \$30.00 per month. Then the small commercial Rate B charges were revised (as discussed below). Then the residential energy charge was adjusted until the overall target revenue increase was achieved (as close as possible with rate rounding).

15

16

17

18

1 **Q. HOW WAS THE PROPOSED RESIDENTIAL CUSTOMER CHARGE OF**  
2 **\$30.00 DETERMINED?**

3 A. Licking Valley's residential customer charge is currently \$16.50 per month. The  
4 cost of service study shows that the actual cost per month per customer is \$31.62.  
5 Licking Valley aims to move closer to cost based rates in order to reduce the intra-  
6 class subsidies, so the Board opted to set the customer charge to a whole number  
7 just less than the cost-based rate.

8 **Q. ARE REVISIONS PROPOSED FOR ANY OF THE OTHER RATE**  
9 **CLASSES?**

10 A. Yes. The current customer charge for Small Commercial Rate B is \$29.66 per  
11 month. At the proposed Residential customer charge of \$30.00 per month, the  
12 customer charge for Residential would exceed that for Small Commercial. In  
13 previous orders, the Commission has indicated a preference for avoiding this  
14 scenario, so Licking Valley proposed to increase the Small Commercial Rate B  
15 customer charge from \$29.66 to \$32.00 per month. The cost-based customer charge  
16 for Small Commercial Rate B is \$32.73. The energy charge for Small Commercial  
17 Rate B was also adjusted so that the rates of return on rate base for Residential Rate  
18 A and Small Commercial Rate B are equivalent after the rate revision (all else being  
19 equal).

20 **Q. DO THE PROPOSED RATES GENERATE THE EXACT TARGET**  
21 **REVENUE INCREASE?**

1 A. No, but it is extremely close. Due to rate rounding, the proposed rates generate  
2 \$2,836,901 which varies by \$44 from the exact revenue deficiency for the test  
3 period of \$2,836,945, based on test year consumption.

4 **Q. WHAT IS THE PROPOSED AVERAGE BILLING INCREASE FOR EACH**  
5 **RATE CLASS?**

6 A. Licking Valley is proposing the average billing increases in the following table.

7 **Table 5. Proposed Average Billing Increases**

| Rate Class            | Average Usage (kWh) | Increase |         |
|-----------------------|---------------------|----------|---------|
|                       |                     | Dollars  | Percent |
| Residential – A       | 891                 | \$14.16  | 11.4%   |
| Small Commercial – B  | 907                 | \$2.40   | 1.9%    |
| Large Commercial – LP | 12,103              | \$0.00   | 0.0%    |
| Large Comm Rate – LPR | 217,355             | \$0.00   | 0.0%    |
| Lighting – SL         | NA                  | \$0.00   | 0.0%    |
| Large Power - LPG     | 7,821,000           | \$0.00   | 0.0%    |
| TOTAL                 | NA                  | \$0.00   | 7.5%    |

8

9 **Q. IS LICKING VALLEY PROPOSING CHANGES TO THE**  
10 **MISCELLANEOUS SERVICE CHARGES IN THIS CASE?**

11 A. No.

12 **Q. IS LICKING VALLEY PROPOSING CHANGES TO THE LIGHTING**  
13 **SCHEDULE IN THIS CASE?**

14 A. No.

15

16 **IX. FILING REQUIREMENTS**

17 **Q. HAVE YOU REVIEWED THE ANSWERS PROVIDED IN THE FILED**  
18 **EXHIBITS WHICH ADDRESS LICKING VALLEY'S COMPLIANCE**



1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes, it does.

Exhibit JW-1  
Qualifications of John Wolfram



## JOHN WOLFRAM

### Summary of Qualifications

Provides consulting services to electric utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, tariffs and special contracts, formula rates, energy policy, and other matters.

### Employment

|   |                          |
|---|--------------------------|
| <u>CATALYST CONSULTING LLC</u><br>Principal   | June 2012 – Present      |
| <u>THE PRIME GROUP, LLC</u><br>Senior Consultant  | March 2010 – May 2012    |
| <u>LG&amp;E and KU, Louisville, KY</u><br>(Louisville Gas & Electric Company and Kentucky Utilities Company)<br>Director, Customer Service & Marketing (2006 - 2010)<br>Manager, Regulatory Affairs (2001 - 2006)<br>Lead Planning Engineer, Generation Planning (1998 - 2001)<br>Power Trader, LG&E Energy Marketing (1997 - 1998) | 1997 - 2010              |
| <u>PJM INTERCONNECTION, LLC, Norristown, PA</u><br>Project Lead – PJM OASIS Project<br>Chair, Data Management Working Group   | 1990 - 1993; 1994 - 1997 |
| <u>CINCINNATI GAS &amp; ELECTRIC COMPANY, Cincinnati, OH</u><br>Electrical Engineer - Energy Management System  | 1993 - 1994              |

### Education

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990  
Master of Science Degree in Electrical Engineering, Drexel University, 1997  
Leadership Louisville, 2006

### Associations

Senior Member, Institute of Electrical and Electronics Engineers (“IEEE”) & Power Engineering Society

### Articles

“FERC Formula Rate Resurgence” *Public Utilities Fortnightly*, Vol. 158, No. 9, July 2020, 34-37.

“Economic Development Rates: Public Service or Piracy?” *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

### Presentations

“Depreciation Studies” presented to Electric Cooperatives Accountants’ Association Spring Meeting, Apr. 2024

“Cooperative Rate Cases” presented to Kentucky Electric Cooperatives Fall Managers’ Meeting, Oct. 2023.

“New Developments in Kentucky Rate Filings” presented to Electric Cooperatives Accountants’ Association Summer Meeting, Jun. 2022.

“Avoiding Shock: Communicating Rate Changes” presented to APPA Business & Financial Conference, Sep. 2020.

“Revisiting Rate Design Strategies” presented to APPA Public Power Forward Summit, Nov. 2019.

“Utility Rates at the Crossroads” presented to APPA Business & Financial Conference, Sep. 2019.

“New Developments in Kentucky Rate Filings” presented to Electric Cooperatives Accountants’ Association Summer Meeting, Jun. 2019.

“Electric Rates: New Approaches to Ratemaking” presented to CFC Statewide Workshop for Directors, Jan. 2019.

“The Great Rate Debate: Residential Demand Rates” presented to CFC Forum, Jun. 2018.

“Benefits of Cost of Service Studies” presented to Tri-State Electric Cooperatives Accountants’ Association Spring Meeting, Apr. 2017.

“Proper Design of Utility Rate Incentives” presented to APPA/Area Development’s Public Power Consultants Forum, Mar. 2017.

“Utility Hot Topics and Economic Development” presented to APPA/Area Development’s Public Power Consultants Forum, Mar. 2017.

“Emerging Rate Designs” presented to CFC Independent Borrowers Executive Summit, Nov. 2016.

“Optimizing Economic Development” presented to Grand River Dam Authority Municipal Customer Annual Meeting, Sept. 2016.

“Tomorrow’s Electric Rate Designs, Today” presented to CFC Forum, Jun. 2016.

“Reviewing Rate Class Composition to Support Sound Rate Design” presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

“Taking Public Power Economic Development to the Next Level” presented to APPA/Area Development’s Public Power Consultants Forum, Mar. 2016.

“Ratemaking for Environmental Compliance Plans” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, Sep. 2015.

“Top Utility Strategies for Successful Attraction, Retention & Expansion” presented to APPA/Area Development’s Public Power Consultants Forum, Mar. 2015.

“Economic Development and Load Retention Rates” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, Sep. 2013.

## **Expert Witness Testimony & Proceedings**

### **FERC**

Submitted direct testimony for Black Hills Colorado Electric, LLC in FERC Docket No. ER22-2185 regarding a proposed Transmission Formula Rate.

Submitted testimony for Evergy Kansas Central, Inc. and Evergy Generating, Inc. in FERC Docket Nos. ER22-1974-000, ER22-1975-000 and ER22-1976-000 regarding revised capital structures under transmission and generation formula rates.

Submitted affidavit for Constellation Mystic Power, LLC in FERC Docket No. ER18-1639-000 in response to arguments raised in formal challenges to an informational filing required for a cost-of-service rate for the operation of power plants in ISO New England.

Submitted direct testimony for El Paso Electric Company in FERC Docket No. ER22-282 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for TransCanyon Western Development, LLC in FERC Docket No. ER21-1065 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cleco Power LLC in FERC Docket No. ER21-370 regarding a proposed rate schedule for Blackstart Service under Schedule 33 of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

Submitted direct testimony for Constellation Mystic Power, LLC in FERC Docket No. ER18-1639-005 supporting a compliance filing for a cost-of-service rate for compensation for the continued operation of power plants in ISO New England.

Submitted direct testimony for DATC Path 15, LLC in FERC Docket No. ER20-1006 regarding a proposed wholesale transmission rate.

Submitted direct testimony for Tucson Electric Power Company in FERC Docket No. ER19-2019 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cheyenne Light, Fuel & Power Company in FERC Docket No. ER19-697 regarding a proposed Transmission Formula Rate.

Supported Kansas City Power & Light in FERC Docket No. ER19-1861-000 regarding revisions to fixed depreciation rates in the KCP&L SPP Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket No. ER19-269-000 regarding revisions to fixed depreciation rates in the Westar SPP Transmission Formula Rate.

Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar's Open

Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.

Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.

Supported Intermountain Rural Electric Association and Tri-State G&T in FERC Docket No. ER12-1589 regarding revisions to Public Service of Colorado's Transmission Formula Rate.

Supported Intermountain Rural Electric Association in FERC Docket No. ER11-2853 regarding revisions to Public Service of Colorado's Production Formula Rate.

Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.

Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.

Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric utilities.

### Kansas

Submitted direct and rebuttal testimony for Evergy Metro, Inc. in Docket No. 23-EKCE-775-RTS regarding a jurisdictional cost allocation in a retail rate case.

Submitted report for Westar Energy, Inc. in Docket No. 21-WCNE-103-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-WSEE-328-RTS regarding overall rate design, prior rate case settlement commitments, lighting tariffs, an Electric Transit rate schedule, Electric Vehicle charging tariffs, and tariff general terms and conditions.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-KG&E-303-CON regarding the Evaluation, Measurement and Verification ("EM&V") of an energy efficiency demand response program offered pursuant to a large industrial customer special contract.

Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.

## Kentucky

Submitted direct testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2024-00085 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Adopted direct testimony on behalf of Kentucky Power Company in Case No. 2023-00159 regarding the zero intercept analysis in a base rate case.

Submitted responses to data requests on behalf of Big Rivers Electric Corporation and Kenergy Corp. in Case No. 2023-00312 regarding a Large Industrial Customer Standby Service Tariff.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2023-00285 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony, rebuttal testimony, and responses to data requests on behalf of Kenergy Corp. in Case No. 2023-00276 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony, rebuttal testimony, and responses to data requests on behalf of Fleming-Mason Energy Corporation in Case No. 2023-00223 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony and responses to data requests on behalf of Shelby Energy Cooperative in Case No. 2023-00213 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony and responses to data requests on behalf of Farmers RECC in Case No. 2023-00158 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony, rebuttal testimony, and responses to data requests on behalf of Taylor County RECC in Case No. 2023-00147 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted tariff worksheets and responses to data requests on behalf of sixteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2023-00135 regarding rate design for the pass-through of an approved wholesale earning mechanism bill credit.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2023-00102 regarding a Qualifying Facilities tariff.

Submitted direct testimony on behalf of Big Rivers Electric Corporation and Kenergy Corp. in Case No. 2023-00045 regarding a marginal cost of service study in support of an economic development rate for a special contract.

Submitted direct and rebuttal testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2021-00358 regarding revenue requirements, adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2021-00289 regarding a Large Industrial Customer Standby Service Tariff.

Submitted direct testimony on behalf of Big Rivers Electric Corporation and Jackson Purchase Energy Corporation in Case No. 2021-00282 regarding a marginal cost of service study in support of an economic development rate for a special contract.

Submitted direct testimony, responses to data requests, and rebuttal testimony on behalf of sixteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case Nos. 2021-00104 through 2021-00119 regarding rate design for the pass-through of a proposed wholesale rate revision.

Submitted direct testimony and responses to data requests on behalf of Kenergy Corp. in Case No. 2021-00066 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2021-00061 regarding two cost of service studies in a review of the Member Rate Stability Mechanism Charge for calendar year 2020.

Submitted direct testimony and responses to data requests on behalf of Licking Valley R.E.C.C. in Case No. 2020-00338 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Cumberland Valley Electric in Case No. 2020-00264 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Taylor County R.E.C.C. in Case No. 2020-00278 regarding the cost support and tariff changes for the implementation of a Prepay Metering Program.

Submitted direct testimony and responses to data requests on behalf of Meade County R.E.C.C. in Case No. 2020-00131 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Clark Energy Cooperative in Case No. 2020-00104 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2019-00435 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct testimony and responses to data requests on behalf of Jackson Energy Cooperative in Case No. 2019-00066 regarding revenue requirements, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2019-00053 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and data request responses on behalf of Big Rivers Electric Corporation in Case No. 2018-00146 regarding ratemaking issues associated with the anticipated termination of contracts regarding the operation of an electric generating plant owned by the City of Henderson, Kentucky.

Submitted direct testimony on behalf of fifteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2018-00050 regarding the economic evaluation of and potential cost shift resulting from a proposed member purchased power agreement.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2017-00374 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

#### Missouri

Submitted direct, rebuttal and surrebuttal testimony for Evergy Metro, Inc. in Case No. ER-2022-0130 regarding a jurisdictional cost allocation analysis in a retail rate case.

#### Virginia

Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.



Exhibit JW-2  
Revenue Requirements &  
Pro Forma Adjustments

**LICKING VALLEY R.E.C.C.**  
**Statement of Operations & Revenue Requirement**  
**For the 12 Months Ended December 31, 2023**

| Line # | Description (1)                  | Actual Test Year (2) | Pro Forma Adjustments (4) | Pro Forma Test Yr (5) | Proposed Rates (6) |
|--------|----------------------------------|----------------------|---------------------------|-----------------------|--------------------|
| 1      | <u>Operating Revenues</u>        |                      |                           |                       |                    |
| 2      | Total Sales of Electric Energy   | 33,071,852           | (2,874,826)               | 30,197,026            | 33,033,971         |
| 3      | Other Electric Revenue           | 613,456              | -                         | 613,456               | 613,456            |
| 4      | Total Operating Revenue          | 33,685,308           | (2,874,826)               | 30,810,482            | 33,647,427         |
| 5      |                                  |                      |                           |                       |                    |
| 6      | <u>Operating Expenses:</u>       |                      |                           |                       |                    |
| 7      | Purchased Power                  | 22,444,020           | (2,732,048)               | 19,711,972            | 19,711,972         |
| 8      | Distribution Operations          | 2,104,832            | -                         | 2,104,832             | 2,104,832          |
| 9      | Distribution Maintenance         | 3,940,837            | -                         | 3,940,837             | 3,940,837          |
| 10     | Customer Accounts                | 746,294              | -                         | 746,294               | 746,294            |
| 11     | Customer Service                 | 21,473               | -                         | 21,473                | 21,473             |
| 12     | Sales Expense                    | 9,485                | -                         | 9,485                 | 9,485              |
| 13     | A&G                              | 1,208,571            | (319,773)                 | 888,798               | 888,798            |
| 14     | Total O&M Expense                | 30,475,512           | (3,051,821)               | 27,423,691            | 27,423,691         |
| 15     |                                  |                      |                           |                       |                    |
| 16     | Depreciation                     | 2,882,776            | 239,443                   | 3,122,219             | 3,122,219          |
| 17     | Taxes - Other                    | 37,583               | -                         | 37,583                | 37,583             |
| 18     | Interest on LTD                  | 1,574,801            | 21,647                    | 1,596,448             | 1,596,448          |
| 19     | Interest - Other                 | 81,681               | -                         | 81,681                | 81,681             |
| 20     | Other Deductions                 | 6,285                | -                         | 6,285                 | 6,285              |
| 21     |                                  |                      |                           |                       |                    |
| 22     | Total Cost of Electric Service   | 35,058,638           | (2,790,731)               | 32,267,907            | 32,267,907         |
| 23     |                                  |                      |                           |                       |                    |
| 24     | Utility Operating Margins        | (1,373,330)          | (84,094)                  | (1,457,424)           | 1,379,521          |
| 25     |                                  |                      |                           |                       |                    |
| 26     | Non-Operating Margins - Interest | 51,360               | -                         | 51,360                | 51,360             |
| 27     | Income(Loss) from Equity Investr | -                    | -                         | -                     | -                  |
| 28     | Non-Operating Margins - Other    | -                    | -                         | -                     | -                  |
| 29     | G&T Capital Credits              | 402,409              | (402,409)                 | -                     | -                  |
| 30     | Other Capital Credits            | 165,567              | -                         | 165,567               | 165,567            |
| 31     |                                  |                      |                           |                       |                    |
| 32     | Net Margins                      | (753,994)            | (486,503)                 | (1,240,497)           | 1,596,448          |
| 33     |                                  |                      |                           |                       |                    |
| 34     | Cash Receipts from Lenders       | -                    | -                         | -                     | -                  |
| 35     | OTIER                            | 0.13                 |                           | 0.09                  | 1.86               |
| 36     | TIER                             | 0.52                 |                           | 0.22                  | 2.00               |
| 37     | TIER excluding GTCC              | 0.27                 |                           | 0.22                  | 2.00               |
| 38     |                                  |                      |                           |                       |                    |
| 39     | Target TIER                      | 2.00                 |                           | 2.00                  | 2.00               |
| 40     | Margins at Target TIER           | 1,574,801            |                           | 1,596,448             | 1,596,448          |
| 41     | Revenue Requirement              | 36,633,439           |                           | 33,864,354            | 33,864,354         |
| 42     | Revenue Deficiency (Excess)      | 2,328,795            |                           | 2,836,945             | 0                  |
| 43     |                                  |                      |                           |                       |                    |
| 50     | Increase \$                      |                      |                           | \$ 2,836,945          | \$ 2,836,945       |

**LICKING VALLEY R.E.C.C.**  
**Summary of Pro Forma Adjustments**

| Reference<br>Schedule<br># | Item<br>(1)                        | Revenue<br>(2) | Expense<br>(3) | Non-<br>Operating<br>Income<br>(4) | Net Margin<br>(5) |
|----------------------------|------------------------------------|----------------|----------------|------------------------------------|-------------------|
| 1.01                       | Fuel Adjustment Clause             | (2,996,611)    | (2,766,319)    | -                                  | (230,292)         |
| 1.02                       | Environmental Surcharge            | (3,233,287)    | (3,062,968)    | -                                  | (170,319)         |
| 1.03                       | Rate Case Expenses                 | -              | 53,333         | -                                  | (53,333)          |
| 1.04                       | Year-End Customer Normalization    | 3,355,073      | 3,097,239      | -                                  | 257,834           |
| 1.05                       | GTCC                               | -              | -              | (402,409)                          | (402,409)         |
| 1.06                       | Health Insurance Premiums          | -              | (178,890)      | -                                  | 178,890           |
| 1.07                       | Depreciation Expense Normalization | -              | 239,443        | -                                  | (239,443)         |
| 1.08                       | Donations, Advertising & Dues      | -              | (212,373)      | -                                  | 212,373           |
| 1.09                       | Directors Expense                  | -              | (24,087)       | -                                  | 24,087            |
| 1.10                       | Life Insurance Premiums            | -              | (19,717)       | -                                  | 19,717            |
| 1.11                       | Interest Expense                   | -              | 21,647         | -                                  | (21,647)          |
| 1.12                       | Wages & Salaries                   | -              | 49,770         | -                                  | (49,770)          |
| 1.13                       | Payroll Taxes                      | -              | 28,988         | -                                  | (28,988)          |
| 1.14                       | Professional Services              | -              | (16,799)       | -                                  | 16,799            |
|                            | Total                              | (2,874,826)    | (2,790,731)    | (402,409)                          | (486,503)         |

**LICKING VALLEY R.E.C.C.**  
**Summary of Adjustments to Test Year Balance Sheet**

| Line # | Description<br>(1)                          | Actual Test Yr<br>(2) | Pro Forma Adjs<br>(3) | Pro Forma Test Yr<br>(4) |
|--------|---|-----------------------|-----------------------|--------------------------|
| 1      | <b>Assets and Other Debits</b>              |                       |                       |                          |
| 2      | Total Utility Plant in Service              | 88,718,917            | -                     | 88,718,917               |
| 3      | Construction Work in Progress               | 844,590               | -                     | 844,590                  |
| 4      | Total Utility Plant                         | 89,563,507            | -                     | 89,563,507               |
| 5      | Accum Provision for Depr and Amort          | 36,887,393            | -                     | 36,887,393               |
| 6      | Net Utility Plant                           | 52,676,114            | -                     | 52,676,114               |
| 7      |   |                       |                       |                          |
| 8      | Investment in Subsidiary Companies          | -                     | -                     | -                        |
| 9      | Investment in Assoc Org - Patr Capital      | 19,692,141            | -                     | 19,692,141               |
| 10     | Investment in Assoc Org - Other Gen Fnd     | -                     | -                     | -                        |
| 11     | Investment in Assoc Org - Non Gen Fnd       | 635,175               | -                     | 635,175                  |
| 12     | Investment in Economic Development Projects | -                     | -                     | -                        |
| 13     | Other Investment                            | -                     | -                     | -                        |
| 14     | Special Funds                               | -                     | -                     | -                        |
| 15     | Total Other Prop & Investments              | 20,327,316            | -                     | 20,327,316               |
| 16     |   |                       |                       |                          |
| 17     | Cash - General Funds                        | 279,875               | -                     | 279,875                  |
| 18     | Cash - Construction Fund Trust              | -                     | -                     | -                        |
| 19     | Special Deposits                            | -                     | -                     | -                        |
| 20     | Temporary Investments                       | 1,221,923             | -                     | 1,221,923                |
| 21     | Accts Receivable - Sales Energy (Net)       | 6,729,393             | -                     | 6,729,393                |
| 22     | Accts Receivable - Other (Net)              | 93,007                | -                     | 93,007                   |
| 23     | Renewable Energy Credits                    | -                     | -                     | -                        |
| 24     | Material & Supplies - Elec & Other          | 1,149,650             | -                     | 1,149,650                |
| 25     | Prepayments                                 | 248,749               | -                     | 248,749                  |
| 26     | Other Current & Accr Assets                 | -                     | -                     | -                        |
| 27     | Total Current & Accr Assets                 | 9,722,597             | -                     | 9,722,597                |
| 28     |   |                       |                       |                          |
| 29     | Other Regulatory Assets                     | -                     | -                     | -                        |
| 30     | Other Deferred Debits                       | 302,601               | -                     | 302,601                  |
| 31     |   |                       |                       |                          |
| 32     | Total Assets & Other Debits                 | 83,028,628            | -                     | 83,028,628               |
| 33     |   |                       |                       |                          |
| 34     | <b>Liabilities &amp; Other Credits</b>      |                       |                       |                          |
| 35     | Memberships                                 | 226,975               | -                     | 226,975                  |
| 36     | Patronage Capital                           | 42,404,822            | -                     | 42,404,822               |
| 37     | Operating Margins - Prior Years             | (1,475,261)           | -                     | (1,475,261)              |
| 38     | Operating Margins - Current Year            | (805,354)             | -                     | (805,354)                |
| 39     | Non-Operating Margins                       | 51,360                | -                     | 51,360                   |
| 40     | Other Margins & Equities                    | (1,297,516)           | -                     | (1,297,516)              |
| 41     | Total Margins & Equities                    | 39,105,026            | -                     | 39,105,026               |
| 42     |   |                       |                       |                          |
| 43     | Long Term Debt - RUS (Net)                  | 1,703,892             | -                     | 1,703,892                |
| 44     | Long Term Debt - FFB - RUS GUAR             | 28,174,342            | -                     | 28,174,342               |
| 45     | Long Term Debt - Other - RUS GUAR           | -                     | -                     | -                        |
| 46     | Long Term Debt - Other (Net)                | 894,735               | -                     | 894,735                  |
| 47     | Long Term Debt - RUS -Econ Dev - Net        | -                     | -                     | -                        |
| 48     | Total Long Term Debt                        | 30,772,969            | -                     | 30,772,969               |
| 49     |   |                       |                       |                          |
| 50     | Accum Operating Provisions                  | 4,493,793             | -                     | 4,493,793                |
| 51     |   |                       |                       |                          |
| 52     | Notes Payable                               | -                     | -                     | -                        |
| 53     | Accounts Payable                            | 3,807,527             | -                     | 3,807,527                |
| 54     | Consumer Deposits                           | 2,386,026             | -                     | 2,386,026                |
| 55     | Current Maturities LTD                      | 1,417,244             | -                     | 1,417,244                |
| 56     | Current Maturities LTD - Econ Dev           | -                     | -                     | -                        |
| 57     | Other Current & Accr Liabilities            | 710,667               | -                     | 710,667                  |
| 58     | Total Current & Accr Liabilities            | 8,321,464             | -                     | 8,321,464                |
| 59     |   |                       |                       |                          |
| 60     | Regulatory Liabilities                      | -                     | -                     | -                        |
| 61     | Other Deferred Credits                      | 335,376               | -                     | 335,376                  |
| 62     | Total Liabilities & Other Credits           | 83,028,628            | -                     | 83,028,628               |

**LICKING VALLEY R.E.C.C.**  
**Summary of Adjustments to Test Year Statement of Operations**

| Reference Schedule > | 1.01                                  | 1.02                    | 1.03               | 1.04                            | 1.05             | 1.06                      | 1.07                               | 1.08                          | 1.09              | 1.10                    | 1.11             | 1.12             | 1.13            | 1.14                  | TOTAL           |                    |
|----------------------|---------------------------------------|-------------------------|--------------------|---------------------------------|------------------|---------------------------|------------------------------------|-------------------------------|-------------------|-------------------------|------------------|------------------|-----------------|-----------------------|-----------------|--------------------|
| Item >               | Fuel Adjustment Clause                | Environmental Surcharge | Rate Case Expenses | Year-End Customer Normalization | GTCC             | Health Insurance Premiums | Depreciation Expense Normalization | Donations, Advertising & Dues | Directors Expense | Life Insurance Premiums | Interest Expense | Wages & Salaries | Payroll Taxes   | Professional Services |                 |                    |
| 1                    |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 2                    | <b>Operating Revenues:</b>            |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 3                    | Base Rates                            |                         |                    | 3,355,073                       |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 3,355,073          |
| 4                    | FAC & ES                              | (2,996,611)             | (3,233,287)        |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | (6,229,899)        |
| 5                    | Other Electric Revenue                |                         |                    |                                 |                  | 0                         |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 6                    | <b>Total Revenues</b>                 | <b>(2,996,611)</b>      | <b>(3,233,287)</b> | <b>0</b>                        | <b>3,355,073</b> | <b>0</b>                  | <b>0</b>                           | <b>0</b>                      | <b>0</b>          | <b>0</b>                | <b>0</b>         | <b>0</b>         | <b>0</b>        | <b>0</b>              | <b>0</b>        | <b>(2,874,826)</b> |
| 7                    |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 8                    | <b>Operating Expenses:</b>            |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 9                    | Purchased Power                       |                         |                    | 3,097,239                       |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 3,097,239          |
| 10                   | Base Rates                            |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 11                   | FAC & ES                              | (2,766,319)             | (3,062,968)        |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | (5,829,287)        |
| 12                   | Distribution - Operations             |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 13                   | Distribution - Maintenance            |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 14                   | Consumer Accounts                     |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 15                   | Customer Service                      |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 16                   | Sales                                 |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 17                   | Administrative and General            |                         |                    | 53,333                          |                  | (178,890)                 |                                    | (212,373)                     | (24,087)          |                         |                  | 49,770           | 28,988          | (16,799)              | (300,056)       |                    |
| 18                   | <b>Total Operating Expenses</b>       | <b>(2,766,319)</b>      | <b>(3,062,968)</b> | <b>53,333</b>                   | <b>3,097,239</b> | <b>0</b>                  | <b>(178,890)</b>                   | <b>0</b>                      | <b>(212,373)</b>  | <b>(24,087)</b>         | <b>0</b>         | <b>0</b>         | <b>49,770</b>   | <b>28,988</b>         | <b>(16,799)</b> | <b>(3,032,104)</b> |
| 19                   |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 20                   | Depreciation                          |                         |                    |                                 |                  |                           | 239,443                            |                               |                   |                         |                  |                  |                 |                       |                 | 239,443            |
| 21                   | Taxes - Other                         |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 22                   | Interest on Long Term Debt            |                         |                    |                                 |                  |                           |                                    |                               |                   | (19,717)                | 21,647           |                  |                 |                       |                 | 1,930              |
| 23                   | Interest Expense - Other              |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 24                   | Other Deductions                      |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 25                   | <b>Total Cost of Electric Service</b> | <b>(2,766,319)</b>      | <b>(3,062,968)</b> | <b>53,333</b>                   | <b>3,097,239</b> | <b>0</b>                  | <b>(178,890)</b>                   | <b>239,443</b>                | <b>(212,373)</b>  | <b>(24,087)</b>         | <b>(19,717)</b>  | <b>21,647</b>    | <b>49,770</b>   | <b>28,988</b>         | <b>(16,799)</b> | <b>(2,790,731)</b> |
| 26                   |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 27                   | Utility Operating Margins             | (230,292)               | (170,319)          | (53,333)                        | 257,834          | 0                         | 178,890                            | (239,443)                     | 212,373           | 24,087                  | 19,717           | (21,647)         | (49,770)        | (28,988)              | 16,799          | (84,094)           |
| 28                   |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 29                   | Non-Operating Margins - Interest      |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 29a                  | Income(Loss) from Equity Invstmnts    |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 30                   | Non-Operating Margins - Other         |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 31                   | G&T Capital Credits                   |                         |                    |                                 |                  | (402,409)                 |                                    |                               |                   |                         |                  |                  |                 |                       |                 | (402,409)          |
| 32                   | Other Capital Credits                 |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 | 0                  |
| 33                   | <b>Total Non-Operating Margins</b>    | <b>0</b>                | <b>0</b>           | <b>0</b>                        | <b>0</b>         | <b>(402,409)</b>          | <b>0</b>                           | <b>0</b>                      | <b>0</b>          | <b>0</b>                | <b>0</b>         | <b>0</b>         | <b>0</b>        | <b>0</b>              | <b>0</b>        | <b>(402,409)</b>   |
| 34                   |                                       |                         |                    |                                 |                  |                           |                                    |                               |                   |                         |                  |                  |                 |                       |                 |                    |
| 35                   | <b>Net Margins</b>                    | <b>(230,292)</b>        | <b>(170,319)</b>   | <b>(53,333)</b>                 | <b>257,834</b>   | <b>(402,409)</b>          | <b>178,890</b>                     | <b>(239,443)</b>              | <b>212,373</b>    | <b>24,087</b>           | <b>19,717</b>    | <b>(21,647)</b>  | <b>(49,770)</b> | <b>(28,988)</b>       | <b>16,799</b>   | <b>(486,503)</b>   |
|                      | Revenue Adj                           | (2,996,611)             | (3,233,287)        | 0                               | 3,355,073        | 0                         | 0                                  | 0                             | 0                 | 0                       | 0                | 0                | 0               | 0                     | 0               | (2,874,826)        |
|                      | Expense Adj                           | (2,766,319)             | (3,062,968)        | 53,333                          | 3,097,239        | 0                         | (178,890)                          | 239,443                       | (212,373)         | (24,087)                | (19,717)         | 21,647           | 49,770          | 28,988                | (16,799)        | (2,790,731)        |
|                      | Non Oper Adj                          | 0                       | 0                  | 0                               | 0                | (402,409)                 | 0                                  | 0                             | 0                 | 0                       | 0                | 0                | 0               | 0                     | 0               | (402,409)          |
|                      | Net Adj                               | (230,292)               | (170,319)          | (53,333)                        | 257,834          | (402,409)                 | 178,890                            | (239,443)                     | 212,373           | 24,087                  | 19,717           | (21,647)         | (49,770)        | (28,988)              | 16,799          | (486,503)          |

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Fuel Adjustment Clause**

| Line<br># | Year<br>(1) | Month<br>(2)          | Revenue<br>(3)        | Expense<br>(4)        |
|-----------|-------------|-----------------------|-----------------------|-----------------------|
| 1         | 2023        | Jan                   | \$ 262,257            | \$ 564,350            |
| 2         | 2023        | Feb                   | \$ 347,635            | \$ 236,638            |
| 3         | 2023        | Mar                   | \$ 270,646            | \$ 193,167            |
| 4         | 2023        | Apr                   | \$ 228,154            | \$ 158,860            |
| 5         | 2023        | May                   | \$ 151,845            | \$ 182,251            |
| 6         | 2023        | Jun                   | \$ 293,920            | \$ 78,105             |
| 7         | 2023        | Jul                   | \$ 102,036            | \$ 149,474            |
| 8         | 2023        | Aug                   | \$ 110,490            | \$ 231,439            |
| 9         | 2023        | Sep                   | \$ 218,561            | \$ 234,911            |
| 10        | 2023        | Oct                   | \$ 288,994            | \$ 282,184            |
| 11        | 2023        | Nov                   | \$ 383,869            | \$ 238,827            |
| 12        | 2023        | Dec                   | \$ 338,204            | \$ 216,113            |
| 13        |             | TOTAL                 | \$ 2,996,611          | \$ 2,766,319          |
| 14        |             |                       |                       |                       |
| 15        |             | Test Year Amount      | \$ 2,996,611          | \$ 2,766,319          |
| 16        |             |                       |                       |                       |
| 17        |             | Pro Forma Year Amount | \$ -                  | \$ -                  |
| 18        |             |                       |                       |                       |
| 19        |             | Adjustment            | <b>\$ (2,996,611)</b> | <b>\$ (2,766,319)</b> |

This adjustment removes the FAC revenues and expenses from the test period.

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Environmental Surcharge**

| Line<br># | Year<br>(1) | Month<br>(2)          | Revenue<br>(3)        | Expense<br>(4)        |
|-----------|-------------|-----------------------|-----------------------|-----------------------|
| 1         | 2023        | Jan                   | \$ 270,422            | \$ 294,536            |
| 2         | 2023        | Feb                   | \$ 144,820            | \$ 150,508            |
| 3         | 2023        | Mar                   | \$ 198,162            | \$ 192,449            |
| 4         | 2023        | Apr                   | \$ 217,554            | \$ 198,026            |
| 5         | 2023        | May                   | \$ 205,928            | \$ 192,675            |
| 6         | 2023        | Jun                   | \$ 279,273            | \$ 219,895            |
| 7         | 2023        | Jul                   | \$ 301,989            | \$ 301,162            |
| 8         | 2023        | Aug                   | \$ 283,143            | \$ 305,694            |
| 9         | 2023        | Sep                   | \$ 232,326            | \$ 241,147            |
| 10        | 2023        | Oct                   | \$ 273,660            | \$ 242,948            |
| 11        | 2023        | Nov                   | \$ 381,990            | \$ 346,985            |
| 12        | 2023        | Dec                   | \$ 444,021            | \$ 376,943            |
| 13        |             | TOTAL                 | \$ 3,233,287          | \$ 3,062,968          |
| 14        |             |                       |                       |                       |
| 15        |             | Test Year Amount      | \$ 3,233,287          | \$ 3,062,968          |
| 16        |             |                       |                       |                       |
| 17        |             | Pro Forma Year Amount | \$ -                  | \$ -                  |
| 18        |             |                       |                       |                       |
| 19        |             | Adjustment            | <b>\$ (3,233,287)</b> | <b>\$ (3,062,968)</b> |

This adjustment removes the Environmental Surcharge revenues and expenses from the test period.

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Rate Case Expenses**

| Line<br># | Item<br>(1)                          | Expense<br>(2)   |
|-----------|--------------------------------------|------------------|
| 1         | Legal - Honaker Law Office           | \$ 115,000       |
| 2         | Consulting - Catalyst Consulting LLC | \$ 45,000        |
| 3         | Subtotal                             | \$ 160,000       |
| 4         |                                      |                  |
| 5         | Total Amount                         | \$ 160,000       |
| 6         | Amortization Period (Years)          | \$ 3             |
| 7         | Annual Amortization Amount           | \$ 53,333        |
| 8         |                                      |                  |
| 9         | Test Year Amount                     | \$ -             |
| 10        |                                      |                  |
| 11        | Pro Forma Year Amount                | \$ 53,333        |
| 12        |                                      |                  |
| 13        | Adjustment                           | <b>\$ 53,333</b> |

This adjustment estimates the rate case costs amortized over a 3 year period, consistent with standard Commission practice.



**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Year-End Customers**

| Line # | Year (1)                         | Month (2) | Residential A (3)   | Small Commercial B (4) | Large Commercial LP (5) | Large Commercial LPG (6) | Total (7)         |
|--------|----------------------------------|-----------|---------------------|------------------------|-------------------------|--------------------------|-------------------|
| 1      | 2023                             | Jan       | 16,464              | 865                    | 217                     | -                        |                   |
| 2      | 2023                             | Feb       | 16,469              | 864                    | 217                     | -                        |                   |
| 3      | 2023                             | Mar       | 16,478              | 868                    | 217                     | -                        |                   |
| 4      | 2023                             | Apr       | 16,482              | 864                    | 219                     | -                        |                   |
| 5      | 2023                             | May       | 16,493              | 866                    | 218                     | -                        |                   |
| 6      | 2023                             | Jun       | 16,531              | 869                    | 218                     | -                        |                   |
| 7      | 2023                             | Jul       | 16,539              | 870                    | 217                     | -                        |                   |
| 8      | 2023                             | Aug       | 16,580              | 873                    | 216                     | -                        |                   |
| 9      | 2023                             | Sep       | 16,619              | 874                    | 216                     | 1                        |                   |
| 10     | 2023                             | Oct       | 16,627              | 872                    | 216                     | 1                        |                   |
| 11     | 2023                             | Nov       | 16,659              | 871                    | 216                     | 1                        |                   |
| 12     | 2023                             | Dec       | 16,649              | 871                    | 215                     | 1                        |                   |
| 13     | Average                          |           | 16,549              | 869                    | 217                     | 0.3333                   |                   |
| 14     |                                  |           |                     |                        |                         |                          |                   |
| 15     | End of Period Increase over Avg  |           | 100                 | 2                      | (2)                     | 0.6667                   |                   |
| 16     |                                  |           |                     |                        |                         |                          |                   |
| 17     | Total kWh                        |           | 186,684,568         | 9,453,416              | 31,491,833              | 31,284,000               |                   |
| 18     | Average kWh                      |           | 11,281              | 10,878                 | 145,124                 | 93,861,386               |                   |
| 19     | Year-End kWh Adjustment          |           | 1,128,072           | 21,757                 | (290,247)               | 62,577,386               | 63,436,967        |
| 20     |                                  |           |                     |                        |                         |                          |                   |
| 21     | <b>Revenue Adjustment</b>        |           |                     |                        |                         |                          |                   |
| 22     | Current Base Rate Revenue        |           | \$ 19,059,809       | \$ 1,060,398           | \$ 3,155,506            | \$ 1,633,027             |                   |
| 23     | Average Revenue per kWh          |           | \$ 0.10210          | \$ 0.11217             | \$ 0.10020              | \$ 0.05220               |                   |
| 24     | Year End Revenue Adj             |           | \$ 115,172          | \$ 2,441               | \$ (29,083)             | \$ 3,266,543             | 3,355,073         |
| 25     |                                  |           |                     |                        |                         |                          |                   |
| 26     | <b>Expense Adjustment</b>        |           |                     |                        |                         |                          |                   |
| 27     | Avg Adj Purchase Exp per kWh     |           | Rate E2<br>0.06377  | Rate E2<br>0.06377     | Rate E2<br>0.06377      | Rate G<br>0.04862        |                   |
| 28     | Year End Expense Adj             |           | \$ 71,938           | \$ 1,387               | \$ (18,509)             | \$ 3,042,422             | 3,097,238.9       |
| 29     |                                  |           |                     |                        |                         |                          |                   |
| 30     |                                  |           |                     |                        |                         |                          |                   |
| 31     |                                  |           | <b>Revenue</b>      | <b>Expense</b>         |                         |                          | <b>Net Rev</b>    |
| 32     | Test Year Amount                 |           | \$ -                | \$ -                   |                         |                          | \$ -              |
| 33     |                                  |           |                     |                        |                         |                          |                   |
| 34     | Pro Forma Year Amount            |           | \$ 3,355,073        | \$ 3,097,239           |                         |                          | \$ 257,834        |
| 35     |                                  |           |                     |                        |                         |                          |                   |
| 36     | <b>Adjustment</b>                |           | <b>\$ 3,355,073</b> | <b>\$ 3,097,239</b>    |                         |                          | <b>\$ 257,834</b> |
| 37     |                                  |           |                     |                        |                         |                          |                   |
| 38     |                                  |           |                     |                        |                         |                          |                   |
| 39     | <b>For Expense Adjustment:</b>   |           | <b>Test Period</b>  |                        |                         |                          |                   |
| 40     | Total Purchased Power Expense    |           | <b>Rate E2</b>      | <b>Rate G</b>          |                         |                          |                   |
| 41     | Less Fuel Adjustment Clause      |           | \$ 20,635,575       | \$ 1,796,759           |                         |                          |                   |
| 42     | Less Environmental Surcharge     |           | \$ (2,490,044)      | \$ (276,275)           |                         |                          |                   |
| 43     | Less Other Charges               |           | \$ (2,810,149)      | \$ (252,819)           |                         |                          |                   |
| 44     | Adjusted Purchased Power Expense |           | \$ 2,023            | \$ 253,406             |                         |                          |                   |
| 45     | Total Purchased Power kWh        |           | \$ 15,337,405       | \$ 1,521,071           |                         |                          |                   |
|        |                                  |           | 240,506,865         | \$ 31,285,809          |                         |                          |                   |

This adjustment adjusts the test year expenses and revenues to reflect the number of customers at the end of the test year.

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**G&T Capital Credits**

| Line<br># | Item<br>(1)                     | Account<br>(2) | Expense<br>(3)      |
|-----------|---------------------------------|----------------|---------------------|
| 1         | East Kentucky Power Cooperative | 424.00         | \$ 402,409          |
| 2         |                                 |                |                     |
| 3         | Test Year Amount                |                | \$ 402,409          |
| 4         |                                 |                |                     |
| 5         | Pro Forma Year Amount           |                | \$ -                |
| 6         |                                 |                |                     |
| 7         | <b>Adjustment</b>               |                | <b>\$ (402,409)</b> |

This adjustment removes the G&T Capital Credits from the test period, consistent with Commission practice.

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Health Insurance Premiums**

| #  | Option<br>(1)                      | Total Cost \$<br>(2) | Employee %<br>(3) | Employee \$<br>(4) | Utility %<br>(5) | Utility \$<br>(6) |
|----|------------------------------------|----------------------|-------------------|--------------------|------------------|-------------------|
|    | <b><u>Normalized Test Year</u></b> |                      |                   |                    |                  |                   |
| 1  | Employee                           | 127,619              | 0.00%             | -                  | 100.00%          | 127,619           |
| 2  | Employee & Family                  | 672,073              | 10.37%            | 69,694             | 89.63%           | 602,379           |
| 3  | Total                              | 799,692              |                   | 69,694             |                  | 729,998           |
| 4  |                                    |                      |                   |                    |                  |                   |
| 5  | <b><u>Pro Forma Year</u></b>       |                      |                   |                    |                  |                   |
| 6  | Employee                           | 127,619              | 21.00%            | 26,800             | 79.00%           | 100,819           |
| 7  | Employee & Family                  | 672,073              | 33.00%            | 221,784            | 67.00%           | 450,289           |
| 8  | Total                              | 799,692              |                   | 248,584            |                  | 551,108           |
| 9  |                                    |                      |                   |                    |                  |                   |
| 10 | <b>Adjustment</b>                  |                      |                   |                    |                  | <b>(178,890)</b>  |

This adjustment normalizes utility contributions to employee premiums for medical insurance to account for employee contribution amounts instituted after the test period.

LICKING VALLEY R.E.C.C.  
For the 12 Months Ended December 31, 2023

Depreciation

| Line # | Acct # (1)                                | Description (2)                    | Test Yr Ending Bal (3) | Fully Depr Items (4) | Rate (5) | Normalized Expense (6) | Test Year Expense (7) | Pro Forma Adj (8) |
|--------|---|------------------------------------|------------------------|----------------------|----------|------------------------|-----------------------|-------------------|
| 1      | <u>Distribution Plant</u>                 |                                    |                        |                      |          |                        |                       |                   |
| 2      | 362.00                                    | Station equipment                  | 31,442                 | -                    | 6.67%    | 2,097                  | 2,097                 | 0                 |
| 3      | 364.00                                    | Poles, towers & fixtures           | 29,171,650             | -                    | 3.93%    | 1,146,446              | 1,118,839             | 27,606            |
| 4      | 365.00                                    | Overhead conductors & devices      | 24,523,552             | -                    | 2.50%    | 613,089                | 600,356               | 12,732            |
| 5      | 367.00                                    | Underground conductor & devices    | 883,355                | -                    | 2.50%    | 22,084                 | 21,762                | 322               |
| 6      | 368.00                                    | Line transformers                  | 10,322,215             | -                    | 2.50%    | 258,055                | 249,109               | 8,947             |
| 7      | 369.00                                    | Services                           | 7,842,868              | -                    | 3.43%    | 269,010                | 262,115               | 6,895             |
| 8      | 370.00                                    | Meters                             | 6,021,730              | -                    | 6.67%    | 401,649                | 390,948               | 10,702            |
| 9      | 371.00                                    | Installations on customer premises | 3,311,780              | -                    | 3.91%    | 129,491                | 125,962               | 3,529             |
| 10     |   | Subtotal                           | 82,108,593             | -                    |          | 2,841,921              | 2,771,188             | 70,733            |
| 11     |   |                                    |                        |                      |          |                        |                       |                   |
| 12     | <u>General Plant</u>                      |                                    |                        |                      |          |                        |                       |                   |
| 13     | 389.00                                    | Land                               | -                      |                      |          |                        |                       |                   |
| 14     | 390.00                                    | Structures and improvements        | 1,725,568              |                      | 3.00%    | 51,767                 | 45,162                | 6,605             |
| 15     | 391.00                                    | Office furn and eqt                | 840,553                |                      | 6.00%    | 50,433                 | 42,696                | 7,737             |
| 16     | 393.00                                    | Stores                             | 80,060                 |                      | 6.00%    | 4,804                  | 68                    | 4,736             |
| 17     | 394.00                                    | Tools, shop and garage             | 123,267                |                      | 10.00%   | 12,327                 | 2,413                 | 9,914             |
| 18     | 395.00                                    | Laboratory Equipment               | 176,127                |                      | 6.00%    | 10,568                 | 8,348                 | 2,219             |
| 19     | 396.10                                    | Power Operated Equipment           | 155,189                |                      | 11.00%   | 17,071                 | 1,980                 | 15,091            |
| 20     | 396.20                                    | Tools & Work Equipment - small     | 44,518                 |                      | 6.00%    | 2,671                  | 1,996                 | 675               |
| 21     | 397.00                                    | Communications                     | 225,399                |                      | 8.00%    | 18,032                 | -                     | 18,032            |
| 22     | 398.00                                    | Miscellaneous                      | 112,807                |                      | 8.00%    | 9,025                  | 8,924                 | 100               |
| 23     |   | Subtotal                           | 3,483,488              | -                    |          | 176,697                | 111,588               | 65,109            |
| 24     | A   | Distribution & General Subtotal    | 85,592,081             | -                    |          | 3,018,618              | 2,882,776             | 135,842           |
| 25     |   |                                    |                        |                      |          |                        |                       |                   |
| 26     | <u>Transportation Charged to Clearing</u> |                                    |                        |                      |          |                        |                       |                   |
| 27     | 392.00                                    | Transportation                     | 3,076,267              |                      | 16.00%   | 492,203                | 324,865               | \$ 167,338        |
| 28     | B   | Allocation of Clearing to O&M      |                        |                      |          |                        |                       | \$ 103,601        |
| 29     |   |                                    |                        |                      |          |                        |                       |                   |
| 30     | A+B                                       | TOTAL                              | 88,668,348             | -                    |          | 3,510,821              | 3,207,641             | <b>239,443</b>    |
| 31     |   |                                    |                        |                      |          |                        |                       |                   |

This adjustment normalizes depreciation expenses by replacing test year actual expenses with test year end balances, less any fully depreciated items, at approved depreciation rates.

| Allocation of Clearing to O&M    | Labor \$            | Alloc         | Depr \$           |
|----------------------------------|---------------------|---------------|-------------------|
| 580-589 Operations               | \$ 1,150,689        | 20.7%         | \$ 34,722         |
| 590-598 Maintenance              | \$ 1,053,990        | 19.0%         | \$ 31,804         |
| 901-905 Consumer Accounts        | \$ 284,961          | 5.1%          | \$ 8,599          |
| 907-912 Customer Service         | \$ 32,800           | 0.6%          | \$ 990            |
| 920-935 Administrative & General | \$ 910,877          | 16.4%         | \$ 27,486         |
| Subtotal                         | <b>\$ 3,433,318</b> | <b>61.9%</b>  | <b>\$ 103,601</b> |
| Capital Balance Sheet Accounts   | \$ 2,112,224        | 38.1%         | \$ 63,737         |
| Subtotal                         |                     | <b>38.1%</b>  | <b>\$ 63,737</b>  |
| Total                            | <b>\$ 5,545,542</b> | <b>100.0%</b> | <b>\$ 167,338</b> |

**LICKING VALLEY R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Donations, Promotional Advertising, & Dues**

| Line<br># | Item<br>(1)           | Account<br>(2) | Expense<br>(3)      |
|-----------|-----------------------|----------------|---------------------|
| 1         | Donations             | 426.00         | \$ 6,285            |
| 2         | Membership Dues       | 930.20         | \$ 66,306           |
| 3         | Annual Meeting        | 930.30         | \$ 28,103           |
| 4         | Miscellaneous         | 930.40         | \$ 111,679          |
| 5         | Test Year Amount      |                | \$ 212,373          |
| 6         |                       |                |                     |
| 7         | Pro Forma Year Amount |                | \$ -                |
| 8         |                       |                |                     |
| 9         | <b>Adjustment</b>     |                | <b>\$ (212,373)</b> |

This adjustment removes charitable donations, promotional advertising expenses, and other applicable items from the revenue requirement consistent with standard Commission practices.

**Licking Valley R.E.C.C.**  
**For the 12 Months Ended December 31, 2023**

**Directors Expenses**

| #  | Item                           | Williams    | Cundiff   | Holbrook  | Oldfield    | Hill        | Porter    | Howard            | Stacy     | Total                 |
|----|--------------------------------|-------------|-----------|-----------|-------------|-------------|-----------|-------------------|-----------|-----------------------|
| 1  | NRECA Director Training        |             |           |           | \$ 4,459.59 |             |           | \$ 12,888.39      |           | \$ 17,347.98          |
| 2  | EKPC Committee Meetings        |             |           | \$ 9.84   |             |             |           | \$ 156.07         |           | \$ 165.91             |
| 3  | R E Magazine                   | \$ 43.00    | \$ 43.00  | \$ 43.00  | \$ 43.00    | \$ 43.00    | \$ 43.00  | \$ 43.00          | \$ 43.00  | \$ 344.00             |
| 4  | KEC Board & Committee Meetings |             |           |           |             | \$ 4,103.69 |           |                   |           | \$ 4,103.69           |
| 5  | KEC Annual Meeting             | \$ 1,008.28 |           |           |             |             |           |                   |           | \$ 1,008.28           |
| 6  | Christmas Gifts                | \$ 127.75   | \$ 127.75 | \$ 127.75 | \$ 127.75   | \$ 127.75   | \$ 127.75 | \$ 127.75         | \$ 127.75 | \$ 1,022.00           |
| 7  | NRECA AD & D Insurance         | \$ 12.96    | \$ 12.96  | \$ 8.78   | \$ 12.96    | \$ 8.40     | \$ 12.96  | \$ 12.96          | \$ 12.96  | \$ 94.94              |
| 8  |                                | \$ 1,191.99 | \$ 183.71 | \$ 189.37 | \$ 4,643.30 | \$ 4,282.84 | \$ 183.71 | \$ 13,228.17      | \$ 183.71 | \$ 24,086.80          |
| 9  |                                |             |           |           |             |             |           |                   |           |                       |
| 10 |                                |             |           |           |             |             |           |                   |           |                       |
| 11 |                                |             |           |           |             |             |           | Test Year Amount  |           | \$ 53,031.14          |
| 12 |                                |             |           |           |             |             |           | Pro Forma Amount  |           | \$ 28,944.34          |
| 13 |                                |             |           |           |             |             |           |                   |           |                       |
| 14 |                                |             |           |           |             |             |           |                   |           |                       |
| 15 |                                |             |           |           |             |             |           | <u>Adjustment</u> |           | <u>\$ (24,086.80)</u> |

This adjustment removes certain Director expenses consistent with recent Commission orders and standard Commission practices.

LICKING VALLEY R.E.C.C.  
For the 12 Months Ended December 31, 2023

Life Insurance

|    | A      | B             | C                | D                  | E                  | F             | G                 |
|----|--------|---------------|------------------|--------------------|--------------------|---------------|-------------------|
|    |        |               |                  |                    | Lesser of \$50k or | Coverage - 2x | ((F-E)/F)*B       |
| #  | Empl # | Total Premium | Ending 2023 Rate | Ending 2023 Salary | Salary             | Salary        | Amount to Exclude |
| 1  | 1      | \$ 706.59     | \$ 34.95         | \$ 72,696.00       | \$ 50,000.00       | \$ 145,392.00 | \$ 463.60         |
| 2  | 2      | \$ 319.98     | \$ 16.00         | \$ 33,280.00       | \$ 33,280.00       | \$ 66,560.00  | \$ 159.99         |
| 3  | 3      | \$ 793.53     | \$ 50.33         | \$ 104,686.40      | \$ 50,000.00       | \$ 209,372.80 | \$ 604.03         |
| 4  | 4      | \$ 654.96     | \$ 24.65         | \$ 51,272.00       | \$ 50,000.00       | \$ 102,544.00 | \$ 335.60         |
| 5  | 5      | \$ 758.19     | \$ 29.73         | \$ 61,838.40       | \$ 50,000.00       | \$ 123,676.80 | \$ 451.67         |
| 6  | 6      | \$ 493.12     | \$ 17.80         | \$ 37,024.00       | \$ 37,024.00       | \$ 74,048.00  | \$ 246.56         |
| 7  | 7      | \$ 685.39     | \$ 27.22         | \$ 56,617.60       | \$ 50,000.00       | \$ 113,235.20 | \$ 382.75         |
| 8  | 8      | \$ 685.98     | \$ 26.25         | \$ 54,600.00       | \$ 50,000.00       | \$ 109,200.00 | \$ 371.89         |
| 9  | 9      | \$ 840.81     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00       | \$ 156,083.20 | \$ 571.46         |
| 10 | 10     | \$ 482.67     | \$ 18.00         | \$ 37,440.00       | \$ 37,440.00       | \$ 74,880.00  | \$ 241.34         |
| 11 | 11     | \$ 820.10     | \$ 32.20         | \$ 66,976.00       | \$ 50,000.00       | \$ 133,952.00 | \$ 513.98         |
| 12 | 12     | \$ 840.81     | \$ 34.95         | \$ 72,696.00       | \$ 50,000.00       | \$ 145,392.00 | \$ 551.66         |
| 13 | 13     | \$ 548.84     | \$ 20.00         | \$ 41,600.00       | \$ 41,600.00       | \$ 83,200.00  | \$ 274.42         |
| 14 | 14     | \$ 840.81     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00       | \$ 156,083.20 | \$ 571.46         |
| 15 | 15     | \$ 737.58     | \$ 28.58         | \$ 59,446.40       | \$ 50,000.00       | \$ 118,892.80 | \$ 427.39         |
| 16 | 16     | \$ 737.58     | \$ 28.38         | \$ 59,030.40       | \$ 50,000.00       | \$ 118,060.80 | \$ 425.21         |
| 17 | 17     | \$ 1,150.50   | \$ 70.67         | \$ 146,993.60      | \$ 50,000.00       | \$ 293,987.20 | \$ 954.83         |
| 18 | 18     | \$ 750.44     | \$ 30.00         | \$ 62,400.00       | \$ 50,000.00       | \$ 124,800.00 | \$ 449.78         |
| 19 | 19     | \$ 510.51     | \$ 17.85         | \$ 37,128.00       | \$ 37,128.00       | \$ 74,256.00  | \$ 255.26         |
| 20 | 20     | \$ 768.60     | \$ 29.96         | \$ 62,316.80       | \$ 50,000.00       | \$ 124,633.60 | \$ 460.26         |
| 21 | 21     | \$ 840.81     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00       | \$ 156,083.20 | \$ 571.46         |
| 22 | 22     | \$ 840.81     | \$ 39.62         | \$ 82,409.60       | \$ 50,000.00       | \$ 164,819.20 | \$ 585.74         |
| 23 | 23     | \$ 778.89     | \$ 30.72         | \$ 63,897.60       | \$ 50,000.00       | \$ 127,795.20 | \$ 474.15         |
| 24 | 24     | \$ 1,026.66   | \$ 41.92         | \$ 87,193.60       | \$ 50,000.00       | \$ 174,387.20 | \$ 732.30         |
| 25 | 25     | \$ 840.81     | \$ 35.67         | \$ 74,193.60       | \$ 50,000.00       | \$ 148,387.20 | \$ 557.49         |
| 26 | 26     | \$ 1,150.50   | \$ 52.89         | \$ 110,011.20      | \$ 50,000.00       | \$ 220,022.40 | \$ 889.05         |
| 27 | 27     | \$ 840.81     | \$ 39.41         | \$ 81,972.80       | \$ 50,000.00       | \$ 163,945.60 | \$ 584.38         |
| 28 | 28     | \$ 840.81     | \$ 39.52         | \$ 82,201.60       | \$ 50,000.00       | \$ 164,403.20 | \$ 585.09         |
| 29 | 29     | \$ 503.35     | \$ 19.00         | \$ 39,520.00       | \$ 39,520.00       | \$ 79,040.00  | \$ 251.68         |
| 30 | 30     | \$ 107.58     | \$ 21.00         | \$ 43,680.00       | \$ 43,680.00       | \$ 87,360.00  | \$ 53.79          |
| 31 | 31     | \$ 892.88     | \$ 36.42         | \$ 75,753.60       | \$ 50,000.00       | \$ 151,507.20 | \$ 598.21         |
| 32 | 32     | \$ 747.78     | \$ 30.00         | \$ 62,400.00       | \$ 50,000.00       | \$ 124,800.00 | \$ 448.19         |
| 33 | 33     | \$ 519.99     | \$ 21.00         | \$ 43,680.00       | \$ 43,680.00       | \$ 87,360.00  | \$ 260.00         |
| 34 | 34     | \$ 840.81     | \$ 37.33         | \$ 77,646.40       | \$ 50,000.00       | \$ 155,292.80 | \$ 570.09         |
| 35 | 35     | \$ 933.75     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00       | \$ 156,083.20 | \$ 634.63         |

LICKING VALLEY R.E.C.C.  
For the 12 Months Ended December 31, 2023

Life Insurance

|    | A      | B             | C                | D                  | E                         | F                    | G                  |
|----|--------|---------------|------------------|--------------------|---------------------------|----------------------|--------------------|
|    |        |               |                  |                    |                           | (D * 2)              | ((F-E)/F)*B        |
| #  | Empl # | Total Premium | Ending 2023 Rate | Ending 2023 Salary | Lesser of \$50k or Salary | Coverage - 2x Salary | Amount to Exclude  |
| 36 | 36     | \$ 933.75     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00              | \$ 156,083.20        | \$ 634.63          |
| 37 | 37     | \$ 986.35     | \$ 40.70         | \$ 84,656.00       | \$ 50,000.00              | \$ 169,312.00        | \$ 695.07          |
| 38 | 38     | \$ 634.35     | \$ 23.92         | \$ 49,753.60       | \$ 49,753.60              | \$ 99,507.20         | \$ 317.18          |
| 39 | 39     | \$ 933.75     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00              | \$ 156,083.20        | \$ 634.63          |
| 40 | 40     | \$ 840.81     | \$ 37.52         | \$ 78,041.60       | \$ 50,000.00              | \$ 156,083.20        | \$ 571.46          |
| 41 | 41     | \$ 634.35     | \$ 27.22         | \$ 56,617.60       | \$ 50,000.00              | \$ 113,235.20        | \$ 354.25          |
| 42 | 42     | \$ -          | \$ -             | \$ -               | \$ -                      | \$ -                 | \$ -               |
| 43 | 43     | \$ -          | \$ -             | \$ -               | \$ -                      | \$ -                 | \$ -               |
| 44 | Total  | \$ 30,796.59  |                  |                    |                           |                      | \$ 19,716.60       |
| 45 |        |               |                  |                    |                           |                      |                    |
| 46 |        |               |                  |                    |                           | Allowed Total        | \$ 11,079.99       |
| 47 |        |               |                  |                    |                           |                      |                    |
| 48 |        |               |                  |                    |                           | Test Year Amount     | \$ 30,797          |
| 49 |        |               |                  |                    |                           |                      |                    |
| 50 |        |               |                  |                    |                           | Pro Forma Amount     | \$ 11,080          |
| 51 |        |               |                  |                    |                           |                      |                    |
| 52 |        |               |                  |                    |                           | <b>Adjustment</b>    | <b>\$ (19,717)</b> |

This adjustment removes Life insurance premiums for coverage above the lesser of an employee's annual salary or \$50,000 from the test period.



**LICKING VALLEY R.E.C.C.**  
For the 12 Months Ended December 31, 2023

**Interest Expense**

| Line | Lender | ID  | 2023   |               |              | 2024   |               |              | Adjustment |
|------|--------|-----|--------|---------------|--------------|--------|---------------|--------------|------------|
|      |        |     | Rate   | Balance       | Interest     | Rate   | Balance       | Interest     |            |
| 1    | FFB    | 42  | 5.559% | \$ 1,972,659  | \$ 109,660   | 5.398% | \$ 1,965,571  | \$ 109,266   | \$ (394)   |
| 2    | FFB    | 43  | 5.503% | \$ 2,990,577  | \$ 164,571   | 5.398% | \$ 2,979,831  | \$ 163,980   | \$ (591)   |
| 3    |        |     |        |               | \$ -         |        |               | \$ -         | \$ -       |
| 4    | RUS    | 52  | 5.000% | \$ 67,773     | \$ 3,389     | 5.000% | \$ 54,127     | \$ 2,706     | \$ (682)   |
| 5    | RUS    | 53  | 5.000% | \$ 54,193     | \$ 2,710     | 5.000% | \$ 41,073     | \$ 2,054     | \$ (656)   |
| 6    | FFB    | 11  | 6.480% | \$ 883,986    | \$ 57,282    | 6.480% | \$ 867,883    | \$ 56,239    | \$ (1,043) |
| 7    | CFC    | 1   | 1.930% | \$ 62,549     | \$ 1,207     | 1.930% | \$ 47,137     | \$ 910       | \$ (297)   |
| 8    | CFC    | 2   | 1.660% | \$ 292,509    | \$ 4,856     | 5.950% | \$ 269,496    | \$ 16,035    | \$ 11,179  |
| 9    | CFC    | 3   | 1.660% | \$ 310,231    | \$ 5,150     | 5.950% | \$ 294,568    | \$ 17,527    | \$ 12,377  |
| 10   | CFC    | 4   | 1.660% | \$ 385,751    | \$ 6,403     | 5.950% | \$ 366,275    | \$ 21,793    | \$ 15,390  |
| 11   |        |     |        |               | \$ -         |        |               | \$ -         | \$ -       |
| 12   | FFB    | 41  | 5.559% | \$ 1,601,654  | \$ 89,036    | 5.398% | \$ 1,595,899  | \$ 88,716    | \$ (320)   |
| 13   | RUS    | 61  | 2.750% | \$ 187,417    | \$ 5,154     | 3.250% | \$ 176,058    | \$ 4,842     | \$ (312)   |
| 14   | RUS    | 62  | 2.875% | \$ 187,417    | \$ 5,388     | 2.875% | \$ 176,058    | \$ 5,062     | \$ (327)   |
| 15   | RUS    | 71  | 5.375% | \$ 851,460    | \$ 45,766    | 5.375% | \$ 820,246    | \$ 44,088    | \$ (1,678) |
| 16   | RUS    | 72  | 5.250% | \$ 218,067    | \$ 11,449    | 5.250% | \$ 210,065    | \$ 11,028    | \$ (420)   |
| 17   | RUS    | 73  | 3.250% | \$ 387,050    | \$ 12,579    | 3.250% | \$ 366,878    | \$ 11,924    | \$ (656)   |
| 18   | RUS    | 74  | 3.250% | \$ 50,803     | \$ 1,651     | 3.250% | \$ 48,878     | \$ 1,589     | \$ (63)    |
| 19   | FFB    | 12  | 5.559% | \$ 975,063    | \$ 54,204    | 5.398% | \$ 956,311    | \$ 53,161    | \$ (1,042) |
| 20   | FFB    | 21  | 5.559% | \$ 894,886    | \$ 49,747    | 5.398% | \$ 882,713    | \$ 49,070    | \$ (677)   |
| 21   | FFB    | 22  | 5.559% | \$ 916,493    | \$ 50,948    | 5.398% | \$ 904,026    | \$ 50,255    | \$ (693)   |
| 22   | FFB    | 23  | 5.559% | \$ 933,261    | \$ 51,880    | 5.398% | \$ 920,566    | \$ 51,174    | \$ (706)   |
| 23   | FFB    | 36  | 5.559% | \$ 1,309,553  | \$ 72,798    | 5.398% | \$ 1,302,006  | \$ 72,379    | \$ (420)   |
| 24   | FFB    | 37  | 5.559% | \$ 932,265    | \$ 51,825    | 5.398% | \$ 926,892    | \$ 51,526    | \$ (299)   |
| 25   | FFB    | 38  | 5.559% | \$ 618,739    | \$ 34,396    | 5.398% | \$ 615,173    | \$ 34,197    | \$ (198)   |
| 26   | FFB    | 39  | 5.559% | \$ 1,254,862  | \$ 69,758    | 5.398% | \$ 1,247,630  | \$ 69,356    | \$ (402)   |
| 27   | FFB    | 310 | 5.559% | \$ 1,245,968  | \$ 69,263    | 5.398% | \$ 1,238,787  | \$ 68,864    | \$ (399)   |
| 28   | FFB    | 24  | 5.559% | \$ 2,262,780  | \$ 125,788   | 5.398% | \$ 2,231,999  | \$ 124,077   | \$ (1,711) |
| 29   | FFB    | 31  | 5.559% | \$ 740,661    | \$ 41,173    | 5.398% | \$ 736,392    | \$ 40,936    | \$ (237)   |
| 30   | FFB    | 32  | 5.559% | \$ 590,307    | \$ 32,815    | 5.398% | \$ 586,905    | \$ 32,626    | \$ (189)   |
| 31   | FFB    | 33  | 5.559% | \$ 420,695    | \$ 23,386    | 5.398% | \$ 418,271    | \$ 23,252    | \$ (135)   |
| 32   | FFB    | 34  | 5.559% | \$ 517,722    | \$ 28,780    | 5.398% | \$ 514,738    | \$ 28,614    | \$ (166)   |
| 33   | FFB    | 311 | 5.559% | \$ 1,209,519  | \$ 67,237    | 5.398% | \$ 1,202,549  | \$ 66,850    | \$ (388)   |
| 34   | FFB    | 312 | 5.559% | \$ 916,428    | \$ 50,944    | 5.398% | \$ 911,147    | \$ 50,651    | \$ (294)   |
| 35   | FFB    | 313 | 5.559% | \$ 1,009,841  | \$ 56,137    | 5.398% | \$ 1,004,021  | \$ 55,814    | \$ (324)   |
| 36   | FFB    | 314 | 5.559% | \$ 1,675,432  | \$ 93,137    | 5.398% | \$ 1,665,776  | \$ 92,600    | \$ (537)   |
| 37   | FFB    | 315 | 5.559% | \$ 1,709,106  | \$ 95,009    | 5.398% | \$ 1,699,256  | \$ 94,462    | \$ (548)   |
| 38   | FFB    | 316 | 5.559% | \$ 1,552,536  | \$ 86,306    | 5.398% | \$ 1,543,589  | \$ 85,808    | \$ (497)   |
| 39   | TOTAL  |     |        | \$ 32,190,213 | \$ 1,731,782 |        | \$ 31,788,788 | \$ 1,753,429 | \$ 21,647  |

**LICKING VALLEY RECC**  
For the 12 Months Ended December 31, 2023

**Wages & Salaries**

| Line # | Employee  |                              |          | Hours Worked |              | Actual Test Year Wages |              |            |            | Current Wage Rate (12) | Pro Forma Wages at 2,080 Hours |               |            |            | Pro Forma Adjustment (18) |
|--------|-----------|------------------------------|----------|--------------|--------------|------------------------|--------------|------------|------------|------------------------|--------------------------------|---------------|------------|------------|---------------------------|
|        | Count (1) | ID (2)                       | Note (3) | Regular (4)  | Overtime (5) | Regular (7)            | Overtime (8) | Other (10) | Total (11) |                        | Regular (13)                   | Overtime (14) | Other (16) | Total (17) |                           |
| 1      | 1         | 1001                         |          | 2,312        | -            | 119,112                | -            | -          | 119,112    | 55.29                  | 115,003                        | 0             | 115,003    | \$ (4,109) |                           |
| 2      | 2         | 1002                         |          | 2,132        | 244.50       | 79,937                 | 13,760       | -          | 93,698     | 39.40                  | 81,952                         | 7,225         | 89,177     | \$ (4,521) |                           |
| 3      | 3         | 1003                         |          | 2,180        | 47.50        | 81,698                 | 2,673        | 6,500      | 90,872     | 41.38                  | 86,070                         | 1,474         | 6,500      | 94,045     | \$ 3,173                  |
| 4      | 4         | 1004                         |          | 2,080        | 365.50       | 78,605                 | 20,569       | -          | 99,174     | 39.40                  | 81,952                         | 10,801        | -          | 92,753     | \$ (6,422)                |
| 5      | 5         | 1005                         |          | 2,046        | 40.00        | 72,772                 | 2,137        | -          | 74,909     | 36.68                  | 76,294                         | 1,100         | -          | 77,395     | \$ 2,486                  |
| 6      | 6         | 1006                         |          | 2,080        | 30.00        | 66,956                 | 1,450        | 6,500      | 74,906     | 33.83                  | 70,366                         | 761           | 6,500      | 77,628     | \$ 2,722                  |
| 7      | 7         | 1007                         |          | 2,080        | 387.00       | 77,974                 | 21,778       | -          | 99,752     | 39.40                  | 81,952                         | 22,872        | -          | 104,824    | \$ 5,071                  |
| 8      | 8         | 1008                         |          | 2,080        | 13.00        | 61,782                 | 580          | -          | 62,361     | 30.77                  | 64,002                         | 600           | -          | 64,602     | \$ 2,240                  |
| 9      | 9         | 1009                         |          | 2,138        | 173.00       | 80,127                 | 9,735        | -          | 89,863     | 39.40                  | 81,952                         | 10,224        | -          | 92,176     | \$ 2,314                  |
| 10     | 10        | 1010                         |          | 2,080        | 158.00       | 78,026                 | 8,892        | -          | 86,918     | 39.40                  | 81,952                         | 9,338         | -          | 91,290     | \$ 4,372                  |
| 11     | 11        | 1011                         |          | 2,080        | 231.00       | 63,839                 | 10,644       | -          | 74,484     | 32.26                  | 67,101                         | 11,178        | -          | 78,279     | \$ 3,795                  |
| 12     | 12        | 1012                         |          | 2,080        | 274.50       | 78,728                 | 15,441       | -          | 94,169     | 39.40                  | 81,952                         | 16,223        | -          | 98,175     | \$ 4,006                  |
| 13     | 13        | 1013                         |          | 2,080        | 285.50       | 77,974                 | 16,068       | -          | 94,042     | 39.40                  | 81,952                         | 16,873        | -          | 98,825     | \$ 4,783                  |
| 14     | 14        | 1014                         |          | 2,167        | 292.50       | 64,866                 | 13,136       | -          | 78,002     | 31.46                  | 65,437                         | 13,803        | -          | 79,240     | \$ 1,237                  |
| 15     | 15        | 1015                         |          | 2,176        | 343.00       | 86,228                 | 20,359       | -          | 106,587    | 41.60                  | 86,528                         | 21,403        | -          | 107,931    | \$ 1,345                  |
| 16     | 16        | 1016                         |          | 2,080        | 188.50       | 76,548                 | 10,298       | -          | 86,846     | 39.40                  | 81,952                         | 11,140        | -          | 93,092     | \$ 6,247                  |
| 17     | 17        | 1017                         |          | 2,080        | 241.00       | 50,231                 | 8,653        | -          | 58,884     | 24.88                  | 51,750                         | 8,994         | -          | 60,745     | \$ 1,860                  |
| 18     | 18        | 1018                         |          | 2,080        | 387.50       | 59,541                 | 16,614       | -          | 76,155     | 33.05                  | 68,744                         | 19,210        | -          | 87,954     | \$ 11,799                 |
| 19     | 19        | 1019                         |          | 2,080        | 110.00       | 37,304                 | 2,863        | -          | 40,167     | 20.00                  | 41,600                         | 3,300         | -          | 44,900     | \$ 4,733                  |
| 20     | 20        | 1020                         |          | 360          | 68.00        | 7,602                  | 2,142        | -          | 9,744      | 21.00                  | 43,680                         | 2,142         | -          | 45,822     | \$ 36,078                 |
| 21     | 21        | 1021                         |          | 2,080        | 502.50       | 77,582                 | 28,101       | -          | 105,683    | 41.60                  | 86,528                         | 31,356        | -          | 117,884    | \$ 12,201                 |
| 22     | 22        | 1022                         |          | 2,080        | 383.50       | 72,721                 | 20,105       | -          | 92,826     | 39.40                  | 81,952                         | 22,665        | -          | 104,617    | \$ 11,791                 |
| 23     | 23        | 1023                         |          | 2,080        | 309.50       | 54,515                 | 11,954       | -          | 66,468     | 28.58                  | 59,446                         | 13,268        | -          | 72,715     | \$ 6,246                  |
| 24     | 24        | 1024                         |          | 2,080        | 220.50       | 35,434                 | 5,546        | -          | 40,980     | 20.00                  | 41,600                         | 6,615         | -          | 48,215     | \$ 7,236                  |
| 25     | 25        | 1025                         |          | 2,080        | 280.50       | 51,777                 | 10,518       | -          | 62,295     | 28.58                  | 59,446                         | 12,025        | -          | 71,471     | \$ 9,176                  |
| 26     | 26        | 1026                         |          | 2,080        | 263.00       | 57,881                 | 10,820       | -          | 68,701     | 36.70                  | 76,336                         | 14,478        | -          | 90,814     | \$ 22,113                 |
| 27     | 27        | 1027                         | A        | 910          | 20.50        | 17,315                 | 584          | -          | 17,899     | 0.00                   | 0                              | 0             | -          | 0          | \$ (17,899)               |
| 28     | 28        | 1028                         |          | 2,080        | 76.50        | 81,906                 | 4,522        | -          | 86,428     | 41.38                  | 86,070                         | 4,748         | -          | 90,819     | \$ 4,391                  |
| 29     | 29        | 1029                         |          | 2,080        | -            | 58,976                 | -            | -          | 58,976     | 29.23                  | 60,798                         | 0             | -          | 60,798     | \$ 1,822                  |
| 30     | 30        | 1030                         |          | 2,098        | 46.00        | 55,023                 | 1,811        | -          | 56,834     | 27.56                  | 57,325                         | 1,902         | -          | 59,226     | \$ 2,393                  |
| 31     | 31        | 1031                         |          | 2,256        | 61.00        | 113,540                | 4,605        | -          | 118,145    | 52.85                  | 109,928                        | 4,836         | -          | 114,764    | \$ (3,382)                |
| 32     | 32        | 1032                         |          | 2,216        | 36.50        | 64,320                 | 1,614        | -          | 65,934     | 31.50                  | 65,520                         | 1,725         | -          | 67,245     | \$ 1,310                  |
| 33     | 33        | 1033                         | A        | 1,181        | 11.00        | 32,909                 | 461          | 2,250      | 35,620     | 0.00                   | 0                              | 0             | -          | 0          | \$ (35,620)               |
| 34     | 34        | 1034                         |          | 2,392        | 100.50       | 69,245                 | 4,373        | 8,340      | 81,958     | 32.00                  | 66,560                         | 4,824         | 8,340      | 79,724     | \$ (2,234)                |
| 35     | 35        | 1035                         |          | 2,240        | -            | 213,307                | -            | -          | 213,307    | 72.79                  | 151,403                        | 0             | -          | 151,403    | \$ (61,904)               |
| 36     | 36        | 1036                         |          | 2,176        | 36.00        | 53,572                 | 1,331        | 4,250      | 59,153     | 25.88                  | 53,830                         | 1,398         | 4,250      | 59,478     | \$ 325                    |
| 37     | 37        | 1037                         |          | 2,080        | -            | 87,196                 | -            | -          | 87,196     | 44.02                  | 91,562                         | 0             | -          | 91,562     | \$ 4,366                  |
| 38     | 38        | 1038                         |          | 2,086        | 23.00        | 37,152                 | 616          | -          | 37,768     | 18.74                  | 38,979                         | 647           | -          | 39,626     | \$ 1,858                  |
| 39     | 39        | 1039                         |          | 2,085        | 46.00        | 41,280                 | 1,371        | -          | 42,651     | 23.00                  | 47,840                         | 1,587         | -          | 49,427     | \$ 6,776                  |
| 40     | 40        | 1040                         |          | 2,072        | -            | 83,385                 | -            | -          | 83,385     | 42.74                  | 88,899                         | 0             | -          | 88,899     | \$ 5,514                  |
| 41     | 41        | 1041                         |          | 2,080        | 37.00        | 35,782                 | 943          | -          | 36,725     | 18.69                  | 38,875                         | 1,037         | -          | 39,912     | \$ 3,187                  |
| 42     | 42        | 1042                         |          | 2,080        | 27.50        | 38,680                 | 820          | -          | 39,500     | 22.05                  | 45,864                         | 910           | -          | 46,774     | \$ 7,274                  |
| 43     | 43        | 1043                         |          | 1,440        | 22.50        | 23,040                 | 540          | -          | 23,580     | 16.00                  | 33,280                         | 540           | -          | 33,820     | \$ 10,240                 |
| 44     | 44        | TOTAL                        |          | 86,501       | 6,384        | 2,856,389              | 308,428      | 27,840     | 3,192,657  |                        | 2,934,235                      | 313,222       | 25,590     | 3,273,047  | 80,390                    |
| 45     | 45        | TOTAL Expensed + Capitalized |          |              |              |                        |              |            |            |                        |                                |               |            |            | \$ 80,390                 |

**NOTES:** A - No longer employed B - Hired after test year

This adjustment normalizes wages and salaries to account for changes due to wage increases, promotions, retirements, terminations, or new hires for standard year of 2,080 hours.

|    | <u>Labor Expense Summary</u>     | <u>Labor \$</u>     | <u>Alloc</u>  | <u>Adjustment</u> |
|----|----------------------------------|---------------------|---------------|-------------------|
| 47 | 580-589 Operations               | \$ 1,150,689        | 20.75%        | \$ 16,681         |
| 48 | 590-598 Maintenance              | \$ 1,053,990        | 19.01%        | \$ 15,279         |
| 49 | 901-905 Consumer Accounts        | \$ 284,961          | 5.14%         | \$ 4,131          |
| 50 | 907-910 Customer Service         | \$ 32,800           | 0.59%         | \$ 475            |
| 51 | 920-935 Administrative & General | \$ 910,877          | 16.43%        | \$ 13,204         |
| 52 | <b>Expense Adjustment &gt;</b>   | <b>\$ 3,433,318</b> | <b>61.91%</b> | <b>\$ 49,770</b>  |
| 53 |                                  |                     |               |                   |
| 54 | BS Balance Sheet accounts        | \$ 2,112,224        | 38.09%        | \$ 30,619         |
| 55 | Subtotal                         | \$ 2,112,224        | 38.09%        | \$ 30,619         |
| 56 |                                  |                     |               |                   |
| 57 | Total                            | \$ 5,545,542        | 100.0%        | \$ 80,390         |

LICKING VALLEY RECC  
For the 12 Months Ended December 31, 2023

**Payroll Taxes**

| Line # | Employee |                  |      | Social Security |           | Medicare |           | Federal Unemployment |         | State Unemployment |          | Total<br>(6)+(8)+<br>(10)+(12)<br>(13) |         |
|--------|----------|------------------|------|-----------------|-----------|----------|-----------|----------------------|---------|--------------------|----------|--|---------|
|        | Count    | ID               | Note | Normalized      | Up To     | At       | All       | At                   | Up To   | At                 | Up To    |  | At      |
|        |          |                  |      | Wages           | \$132,900 | 6.20%    | Wages     | 1.45%                | \$7,000 | 0.60%              | \$10,500 |  | 0.40%   |
| (1)    | (2)      | (3)              | (4)  | (5)             | (6)       | (7)      | (8)       | (9)                  | (10)    | (11)               | (12)     | (13)                                   |         |
| 1      | 1        | 1001             |      | 115,003         | 115,003   | 7,130    | 115,003   | 1,668                | 7,000   | 42                 | 10,500   | 42                                     | 8,882   |
| 2      | 2        | 1002             |      | 89,177          | 89,177    | 5,529    | 89,177    | 1,293                | 7,000   | 42                 | 10,500   | 42                                     | 6,906   |
| 3      | 3        | 1003             |      | 94,045          | 94,045    | 5,831    | 94,045    | 1,364                | 7,000   | 42                 | 10,500   | 42                                     | 7,278   |
| 4      | 4        | 1004             |      | 92,753          | 92,753    | 5,751    | 92,753    | 1,345                | 7,000   | 42                 | 10,500   | 42                                     | 7,180   |
| 5      | 5        | 1005             |      | 77,395          | 77,395    | 4,798    | 77,395    | 1,122                | 7,000   | 42                 | 10,500   | 42                                     | 6,005   |
| 6      | 6        | 1006             |      | 77,628          | 77,628    | 4,813    | 77,628    | 1,126                | 7,000   | 42                 | 10,500   | 42                                     | 6,023   |
| 7      | 7        | 1007             |      | 104,824         | 104,824   | 6,499    | 104,824   | 1,520                | 7,000   | 42                 | 10,500   | 42                                     | 8,103   |
| 8      | 8        | 1008             |      | 64,602          | 64,602    | 4,005    | 64,602    | 937                  | 7,000   | 42                 | 10,500   | 42                                     | 5,026   |
| 9      | 9        | 1009             |      | 92,176          | 92,176    | 5,715    | 92,176    | 1,337                | 7,000   | 42                 | 10,500   | 42                                     | 7,135   |
| 10     | 10       | 1010             |      | 91,290          | 91,290    | 5,660    | 91,290    | 1,324                | 7,000   | 42                 | 10,500   | 42                                     | 7,068   |
| 11     | 11       | 1011             |      | 78,279          | 78,279    | 4,853    | 78,279    | 1,135                | 7,000   | 42                 | 10,500   | 42                                     | 6,072   |
| 12     | 12       | 1012             |      | 98,175          | 98,175    | 6,087    | 98,175    | 1,424                | 7,000   | 42                 | 10,500   | 42                                     | 7,594   |
| 13     | 13       | 1013             |      | 98,825          | 98,825    | 6,127    | 98,825    | 1,433                | 7,000   | 42                 | 10,500   | 42                                     | 7,644   |
| 14     | 14       | 1014             |      | 79,240          | 79,240    | 4,913    | 79,240    | 1,149                | 7,000   | 42                 | 10,500   | 42                                     | 6,146   |
| 15     | 15       | 1015             |      | 107,931         | 107,931   | 6,692    | 107,931   | 1,565                | 7,000   | 42                 | 10,500   | 42                                     | 8,341   |
| 16     | 16       | 1016             |      | 93,092          | 93,092    | 5,772    | 93,092    | 1,350                | 7,000   | 42                 | 10,500   | 42                                     | 7,206   |
| 17     | 17       | 1017             |      | 60,745          | 60,745    | 3,766    | 60,745    | 881                  | 7,000   | 42                 | 10,500   | 42                                     | 4,731   |
| 18     | 18       | 1018             |      | 87,954          | 87,954    | 5,453    | 87,954    | 1,275                | 7,000   | 42                 | 10,500   | 42                                     | 6,813   |
| 19     | 19       | 1019             |      | 44,900          | 44,900    | 2,784    | 44,900    | 651                  | 7,000   | 42                 | 10,500   | 42                                     | 3,519   |
| 20     | 20       | 1020             |      | 45,822          | 45,822    | 2,841    | 45,822    | 664                  | 7,000   | 42                 | 10,500   | 42                                     | 3,589   |
| 21     | 21       | 1021             |      | 117,884         | 117,884   | 7,309    | 117,884   | 1,709                | 7,000   | 42                 | 10,500   | 42                                     | 9,102   |
| 22     | 22       | 1022             |      | 104,617         | 104,617   | 6,486    | 104,617   | 1,517                | 7,000   | 42                 | 10,500   | 42                                     | 8,087   |
| 23     | 23       | 1023             |      | 72,715          | 72,715    | 4,508    | 72,715    | 1,054                | 7,000   | 42                 | 10,500   | 42                                     | 5,647   |
| 24     | 24       | 1024             |      | 48,215          | 48,215    | 2,989    | 48,215    | 699                  | 7,000   | 42                 | 10,500   | 42                                     | 3,772   |
| 25     | 25       | 1025             |      | 71,471          | 71,471    | 4,431    | 71,471    | 1,036                | 7,000   | 42                 | 10,500   | 42                                     | 5,552   |
| 26     | 26       | 1026             |      | 90,814          | 90,814    | 5,630    | 90,814    | 1,317                | 7,000   | 42                 | 10,500   | 42                                     | 7,031   |
| 27     | 27       | 1027             | A    | -               | -         | -        | -         | -                    | -       | -                  | -        | -                                      | -       |
| 28     | 28       | 1028             |      | 90,819          | 90,819    | 5,631    | 90,819    | 1,317                | 7,000   | 42                 | 10,500   | 42                                     | 7,032   |
| 29     | 29       | 1029             |      | 60,798          | 60,798    | 3,770    | 60,798    | 882                  | 7,000   | 42                 | 10,500   | 42                                     | 4,735   |
| 30     | 30       | 1030             |      | 59,226          | 59,226    | 3,672    | 59,226    | 859                  | 7,000   | 42                 | 10,500   | 42                                     | 4,615   |
| 31     | 31       | 1031             |      | 114,764         | 114,764   | 7,115    | 114,764   | 1,664                | 7,000   | 42                 | 10,500   | 42                                     | 8,863   |
| 32     | 32       | 1032             |      | 67,245          | 67,245    | 4,169    | 67,245    | 975                  | 7,000   | 42                 | 10,500   | 42                                     | 5,228   |
| 33     | 33       | 1033             | A    | -               | -         | -        | -         | -                    | -       | -                  | -        | -                                      | -       |
| 34     | 34       | 1034             |      | 79,724          | 79,724    | 4,943    | 79,724    | 1,156                | 7,000   | 42                 | 10,500   | 42                                     | 6,183   |
| 35     | 35       | 1035             |      | 151,403         | 132,900   | 8,240    | 151,403   | 2,195                | 7,000   | 42                 | 10,500   | 42                                     | 10,519  |
| 36     | 36       | 1036             |      | 59,478          | 59,478    | 3,688    | 59,478    | 862                  | 7,000   | 42                 | 10,500   | 42                                     | 4,634   |
| 37     | 37       | 1037             |      | 91,562          | 91,562    | 5,677    | 91,562    | 1,328                | 7,000   | 42                 | 10,500   | 42                                     | 7,088   |
| 38     | 38       | 1038             |      | 39,626          | 39,626    | 2,457    | 39,626    | 575                  | 7,000   | 42                 | 10,500   | 42                                     | 3,115   |
| 39     | 39       | 1039             |      | 49,427          | 49,427    | 3,064    | 49,427    | 717                  | 7,000   | 42                 | 10,500   | 42                                     | 3,865   |
| 40     | 40       | 1040             |      | 88,899          | 88,899    | 5,512    | 88,899    | 1,289                | 7,000   | 42                 | 10,500   | 42                                     | 6,885   |
| 41     | 41       | 1041             |      | 39,912          | 39,912    | 2,475    | 39,912    | 579                  | 7,000   | 42                 | 10,500   | 42                                     | 3,137   |
| 42     | 42       | 1042             |      | 46,774          | 46,774    | 2,900    | 46,774    | 678                  | 7,000   | 42                 | 10,500   | 42                                     | 3,662   |
| 43     | 43       | 1043             |      | 33,820          | 33,820    | 2,097    | 33,820    | 490                  | 7,000   | 42                 | 10,500   | 42                                     | 2,671   |
| 44     | 44       | TOTAL            |      | 3,273,047       | 3,254,544 | 201,782  | 3,273,047 | 47,459               | 287,000 | 1,722              | 430,500  | 1,722                                  | 252,685 |
| 45     |          |                  |      |                 |           |          |           |                      |         |                    |          |  |         |
| 46     |          | Test Year Amount |      |                 |           | 163,847  |           | 38,319               |         | 1,857              |          | 1,840                                  | 205,863 |
| 47     |          |                  |      |                 |           |          |           |                      |         |                    |          |  |         |
| 48     |          | Pro Forma Amount |      |                 |           | 201,782  |           | 47,459               |         | 1,722              |          | 1,722                                  | 252,685 |
| 49     |          |                  |      |                 |           |          |           |                      |         |                    |          |  |         |
| 50     |          | Total Difference |      |                 |           | 37,935   |           | 9,140                |         | (135)              |          | (118)                                  | 46,822  |

**NOTES:** A - No longer employed B - Hired after 2019

This adjustment normalizes test year payroll taxes for FICA, Medicare, FUTA and SUTA based on most recent effective rates.

| Allocation to Accounts              | Alloc   | Adjustment |
|-------------------------------------|---------|------------|
| 51 580-589 Operations               | 20.75%  | 9,716      |
| 52 590-598 Maintenance              | 19.01%  | 8,899      |
| 53 901-905 Consumer Accounts        | 5.14%   | 2,406      |
| 54 907-910 Customer Service         | 0.59%   | 277        |
| 55 920-935 Administrative & General | 16.43%  | 7,691      |
| 56 Expense Adjustment >             | 61.91%  | 28,988     |
| 57                                  |         |            |
| 58 BS Balance Sheet Accounts        | 38.09%  | 17,834     |
| 59 Subtotal                         | 38.09%  | 17,834     |
| 60                                  |         |            |
| 61 Total                            | 100.00% | 46,822     |

**LICKING VALLEY RECC**  
**For the 12 Months Ended December 31, 2023**

**Professional Service Fees**

| Line # | Date (1)   | Check (2) | Item (3)                    | Amount (4)  | Description (5)           | To Be Removed (6) |
|--------|------------|-----------|-----------------------------|-------------|---------------------------|-------------------|
| 1      | 1/3/2023   | 8142992   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 2      | 1/3/2023   | 8143004   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 3      | 1/31/2023  | 8142383   | Jones, Nale & Mattingly PLC | 1,800.00    | 990 & Property Tax Return | -                 |
| 4      | 2/1/2023   | 8143220   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 5      | 2/1/2023   | 8143229   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 6      | 3/1/2023   | 8143409   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 7      | 3/1/2023   | 8143419   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 8      | 4/3/2023   | 8143649   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 9      | 4/3/2023   | 8143660   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 10     | 5/1/2023   | 8143943   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 11     | 5/1/2023   | 8143975   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 12     | 6/1/2023   | 8144162   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 13     | 6/1/2023   | 8144173   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 14     | 6/30/2023  | 8144431   | Jones, Nale & Mattingly PLC | 14,750.00   | Audit                     | 14,750.00         |
| 15     | 6/30/2023  | 8144431   | Jones, Nale & Mattingly PLC | 1,850.00    | 990 & Property Tax Return | -                 |
| 16     | 6/30/2023  | 8144431   | Jones, Nale & Mattingly PLC | 3,000.00    | ASC- 715 Retirement Plan  | -                 |
| 17     | 7/3/2023   | 8144412   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 18     | 7/3/2023   | 8144423   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 19     | 7/31/2023  | 8144674   | Jones, Nale & Mattingly PLC | 7,000.00    | Program Specific Audit    | 7,000.00          |
| 20     | 8/1/2023   | 8144586   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 21     | 8/1/2023   | 8144598   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 22     | 9/1/2023   | 8144818   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 23     | 9/1/2023   | 8144828   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 24     | 10/3/2023  | 8145018   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 25     | 10/3/2023  | 8145031   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 26     | 10/26/2023 | 8145198   | Honaker Law Office          | 265.00      | Professional Services     | 265.00            |
| 27     | 10/31/2023 | 8145252   | Catalyst Consulting LLC     | 450.00      | Professional Services     | 450.00            |
| 28     | 10/31/2023 | 8145302   | Honaker Law Office          | 106.00      | Professional Services     | 106.00            |
| 29     | 11/1/2023  | 8145231   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 30     | 11/3/2023  | 8145246   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 31     | 11/16/2023 | 8145323   | NRECA                       | 43.00       | RE Magazine               | -                 |
| 32     | 11/30/2023 | 8145383   | NRECA                       | 185.00      | Legal Reporting Service   | -                 |
| 33     | 11/30/2023 | 8145460   | Creekside Stiitchin & More  | 68.90       | Christmas Gift            | 68.90             |
| 34     | 12/1/2023  | 8145429   | Myles L Holbrook            | 350.00      | Attorney Fee              | -                 |
| 35     | 12/1/2023  | 8145438   | NRECA                       | 1.08        | NRECA Insurance AD&D      | -                 |
| 36     | 12/31/2023 | 8145666   | Honaker Law Office          | 159.00      | Professional Services     | -                 |
| 37     | 12/31/2023 | 8145676   | Holbrook & Bass             | 2,966.96    | Professional Services     | -                 |
| 38     | 12/31/2023 | 8145683   | Rural Coop Credit Union     | 58.85       | Christmas Gift            | 58.85             |
| 39     | 12/31/2023 | 8145703   | Jones, Nale & Mattingly PLC | 10,000.00   | Audit                     | -                 |
| 40     |            |           | Test Year Amount            | 46,915.67   |                           | 22,698.75         |
| 41     |            |           |                             |             |                           |                   |
| 42     | 3/12/2024  | 8146090   | Jones, Nale & Mattingly PLC | 5,900.00    | Audit                     |                   |
| 43     |            |           |                             |             |                           |                   |
| 44     |            |           | Pro Forma Amount            | 30,116.92   |                           |                   |
| 45     |            |           |                             |             |                           |                   |
| 46     |            |           | Adjustment                  | \$ (16,799) |                           |                   |

This adjustment removes certain outside professional services costs from the test period, consistent with Commission practice.

Amounts for annual audit of financials is normalized to 2023 amount.

Revised Exhibit JW-2

Page 19 of 19

Exhibit JW-3  
COSS: Summary of Results

**LICKING VALLEY RECC**  
**Summary of Rates of Return by Class**

**2023**

| # | Rate<br>(1)      | Code<br>(2) | Pro Forma<br>Operating<br>Revenue<br>(3) | Pro Forma<br>Operating<br>Expenses<br>(4) | Margin<br>(5)     | Rate Base<br>(6)     | Pro Forma<br>Rate of Return<br>on Rate Base<br>(7) |
|---|------------------|-------------|--|---|-------------------|----------------------|--|
| 1 | Residential      | A           | \$ 20,234,347                            | \$ 21,903,987                             | \$ (1,669,640)    | \$ 46,298,650        | -3.61%   |
| 2 | Small Commercial | B           | \$ 1,098,148                             | \$ 1,066,282                              | \$ 31,866         | \$ 2,304,099         | 1.38%  |
| 3 | Large Commercial | LP          | \$ 3,146,639                             | \$ 2,437,999                              | \$ 708,640        | \$ 2,458,544         | 28.82%   |
| 4 | Large Comm Rate  | LPR         | \$ 714,178                               | \$ 658,497                                | \$ 55,681         | \$ 337,123           | 16.52%   |
| 5 | Lighting         | SL          | \$ 1,011,988                             | \$ 173,898                                | \$ 838,090        | \$ 2,242,144         | 37.38%   |
| 6 | Large Power G    | LPG         | \$ 4,605,181                             | \$ 4,342,828                              | \$ 262,353        | \$ -                 | NA   |
| 7 | <b>Total</b>     |             | <b>\$ 30,810,482</b>                     | <b>\$ 30,583,492</b>                      | <b>\$ 226,990</b> | <b>\$ 53,640,560</b> | <b>0.42%</b>                                       |

| <b><i>After Proposed<br/>Rate Revisions</i></b> |                  |      |                     |                    |  |  |
|---|------------------|------|---------------------|--------------------|--|--|
| #   | Rate             | Code | Share of<br>Revenue | Share of<br>Energy | <b>Pro Forma<br/>Rate of Return<br/>on Rate Base</b> |  |
| 8   | Residential      | A    | 65.7%               | 69.3%              | 2.47%  |  |
| 9   | Small Commercial | B    | 3.6%                | 3.5%               | 2.47%  |  |
| 10  | Large Commercial | LP   | 10.2%               | 11.7%              | 28.82%   |  |
| 11  | Large Comm Rate  | LPR  | 2.3%                | 3.9%               | 16.52%   |  |
| 12  | Lighting         | SL   | 3.3%                | 0.0%               | 37.38%   |  |
| 13  | Large Power G    | LPG  | 14.9%               | 11.6%              | NA   |  |
| 14  | <b>Total</b>     |      | <b>100.0%</b>       | <b>100.0%</b>      | <b>5.71%</b>   |  |

**LICKING VALLEY RECC**  
**Summary of Cost-Based Rates**

| Classified Cost-Based Rates |                  |             |                             |                         |                        |  |
|-----------------------------|------------------|-------------|-----------------------------|-------------------------|------------------------|--|
| #                           | Rate<br>(1)      | Code<br>(2) | Customer<br>\$/Month<br>(3) | Energy<br>\$/KWH<br>(4) | Demand<br>\$/KW<br>(6) |  |
| 1                           | Residential      | A           | 31.62                       | 0.096014                | -                      |  |
| 2                           | Small Commercial | B           | 32.73                       | 0.088056                | -                      |  |
| 3                           | Large Commercial | LP          | 35.76                       | 0.051913                | 6.86                   |  |
| 4                           | Large Comm Rate  | LPR         | 32.42                       | 0.052072                | 6.60                   |  |

Exhibit JW-4  
COSS: Functionalization &  
Classification



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name  | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |      |
|---|-------|-------------------|--------------|--------------|--------|--------------|-------------------|------|
|   |       |                   |              | Demand       | Energy | Demand       | Demand            |      |
| <b>Plant in Service</b>                     |       |                   |              |              |        |              |                   |      |
| <b>Intangible Plant</b>                     |       |                   |              |              |        |              |                   |      |
| 301.00 ORGANIZATION                         | P301  | PT&D              | \$ -         | -            | -      | -            | -                 | -    |
| 302.00 FRANCHISES                           | P302  | PT&D              | -            | -            | -      | -            | -                 | -    |
| 303.00 MISC. INTANGIBLE                     | P303  | PT&D              | -            | -            | -      | -            | -                 | -    |
| Total Intangible Plant                      | PINT  |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| <b>Steam Production</b>                     |       |                   |              |              |        |              |                   |      |
| 310.00 LAND AND LAND RIGHTS                 | P310  | F016              | \$ -         | -            | -      | -            | -                 | -    |
| 311.00 STRUCTURES AND IMPROVEMENTS          | P311  | F016              | -            | -            | -      | -            | -                 | -    |
| 312.00 BOILER PLANT EQUIPMENT               | P312  | F016              | -            | -            | -      | -            | -                 | -    |
| 313.00 ENGINES AND ENGINE DRIVEN GENERATORS | P313  | F016              | -            | -            | -      | -            | -                 | -    |
| 314.00 TURBOGENERATOR UNITS                 | P314  | F016              | -            | -            | -      | -            | -                 | -    |
| 315.00 ACCESSORY ELEC EQUIP                 | P315  | F016              | -            | -            | -      | -            | -                 | -    |
| 316.00 MISC POWER PLANT EQUIPMENT           | P316  | F016              | -            | -            | -      | -            | -                 | -    |
| 317.00 ASSET RETIREMENT COST FOR STEAM PROD | P317  | F016              | -            | -            | -      | -            | -                 | -    |
| Total Steam Production Plant                | PPROD |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| <b>Transmission</b>                         |       |                   |              |              |        |              |                   |      |
| 350.00 LAND AND LAND RIGHTS                 | P350  | F011              | \$ -         | -            | -      | -            | -                 | -    |
| 352.00 STRUCTURES AND IMPROVEMENTS          | P352  | F011              | -            | -            | -      | -            | -                 | -    |
| 353.00 STATION EQUIPMENT                    | P353  | F011              | -            | -            | -      | -            | -                 | -    |
| 354.00 TOWERS AND FIXTURES                  | P354  | F011              | -            | -            | -      | -            | -                 | -    |
| 355.00 POLES AND FIXTURES                   | P355  | F011              | -            | -            | -      | -            | -                 | -    |
| 356.00 CONDUCTORS AND DEVICES               | P356  | F011              | -            | -            | -      | -            | -                 | -    |
| 359.00 ROADS AND TRAILS                     | P359  | F011              | -            | -            | -      | -            | -                 | -    |
| Total Transmission Plant                    | PTRAN |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name  | Allocation Vector | Pri & Sec. Distr Plant |          | Customer Services |          | Meters   | Lighting | Meter Reading Billing and Cust Acct Service | Load Management |
|---|-------|-------------------|------------------------|----------|-------------------|----------|----------|----------|---|-----------------|
|   |       |                   | Demand                 | Customer | Demand            | Customer | Customer | Customer | Customer                                    | Customer        |
| <b>Plant in Service</b>                     |       |                   |                        |          |                   |          |          |          |   |                 |
| <b>Intangible Plant</b>                     |       |                   |                        |          |                   |          |          |          |   |                 |
| 301.00 ORGANIZATION                         | P301  | PT&D              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 302.00 FRANCHISES                           | P302  | PT&D              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 303.00 MISC. INTANGIBLE                     | P303  | PT&D              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Intangible Plant                      | PINT  |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| <b>Steam Production</b>                     |       |                   |                        |          |                   |          |          |          |   |                 |
| 310.00 LAND AND LAND RIGHTS                 | P310  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 311.00 STRUCTURES AND IMPROVEMENTS          | P311  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 312.00 BOILER PLANT EQUIPMENT               | P312  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 313.00 ENGINES AND ENGINE DRIVEN GENERATORS | P313  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 314.00 TURBOGENERATOR UNITS                 | P314  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 315.00 ACCESSORY ELEC EQUIP                 | P315  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 316.00 MISC POWER PLANT EQUIPMENT           | P316  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 317.00 ASSET RETIREMENT COST FOR STEAM PROD | P317  | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Steam Production Plant                | PPROD |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| <b>Transmission</b>                         |       |                   |                        |          |                   |          |          |          |   |                 |
| 350.00 LAND AND LAND RIGHTS                 | P350  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 352.00 STRUCTURES AND IMPROVEMENTS          | P352  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 353.00 STATION EQUIPMENT                    | P353  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 354.00 TOWERS AND FIXTURES                  | P354  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 355.00 POLES AND FIXTURES                   | P355  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 356.00 CONDUCTORS AND DEVICES               | P356  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 359.00 ROADS AND TRAILS                     | P359  | F011              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Transmission Plant                    | PTRAN |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

**12 Months Ended December 31, 2023**

| Description                         | Name  | Allocation<br>Vector | Total<br>System | Power Supply  |        | Transmission | Station Equipment |           |
|-------------------------------------|---|----------------------|-----------------|---------------|--------|--------------|-------------------|-----------|
|                                     |   |                      |                 | Demand        | Energy | Demand       | Demand            |           |
| <b>Plant in Service (Continued)</b> |   |                      |                 |               |        |              |                   |           |
| <b>Distribution</b>                 |   |                      |                 |               |        |              |                   |           |
| 360.00                              | LAND AND LAND RIGHTS                                | P360                 | F001            | \$ -          | -      | -            | -                 | -         |
| 361.00                              | STRUCTURES AND IMPROVEMENTS                         | P361                 | F001            | -             | -      | -            | -                 | -         |
| 362.00                              | STATION EQUIPMENT                                   | P362                 | F001            | 31,442        | -      | -            | -                 | 31,442    |
| 364.00                              | POLES, TOWERS AND FIXTURES                          | P364                 | F002            | 29,171,650    | -      | -            | -                 | -         |
| 365.00                              | OVERHEAD CONDUCTORS AND DEVICE                      | P365                 | F003            | 24,523,552    | -      | -            | -                 | -         |
| 366.00                              | UNDERGROUND CONDUIT                                 | P366                 | F004            | -             | -      | -            | -                 | -         |
| 367.00                              | UNDERGROUND CONDUCTORS AND DEV                      | P367                 | F004            | 883,355       | -      | -            | -                 | -         |
| 368.00                              | LINE TRANSFORMERS                                   | P368                 | F005            | 10,322,215    | -      | -            | -                 | -         |
| 369.00                              | SERVICES  | P369                 | F006            | 7,842,868     | -      | -            | -                 | -         |
| 370.00                              | METERS  | P370                 | F007            | 6,021,730     | -      | -            | -                 | -         |
| 371.00                              | INSTALLATIONS ON CONSUMERS PRE                      | P371                 | F013            | 3,311,780     | -      | -            | -                 | -         |
| 372.00                              | LEASED PROP. ON CONSUMERS PREMISES                  | P372                 | F013            | -             | -      | -            | -                 | -         |
| 373.00                              | STREET LIGHTING AND SIGNAL SYS                      | P373                 | F008            | -             | -      | -            | -                 | -         |
|                                     | Total Distribution Plant                            | PDIST                |                 | \$ 82,108,593 | \$ -   | \$ -         | \$ -              | \$ 31,442 |
|                                     | Total Transmission and Distribution Plant           | PT&D                 |                 | \$ 82,108,593 | \$ -   | \$ -         | \$ -              | \$ 31,442 |
|                                     | Total Production, Transmission & Distribution Plant | PPT&D                |                 | \$ 82,108,593 | \$ -   | \$ -         | \$ -              | \$ 31,442 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                         | Name  | Allocation Vector | Pri & Sec. Distr Plant |               | Customer Services |          | Meters       | Lighting     | Meter Reading Billing and Cust Acct Service | Load Management |
|-------------------------------------|---|-------------------|------------------------|---------------|-------------------|----------|--------------|--------------|---|-----------------|
|                                     |   |                   | Demand                 | Customer      | Demand            | Customer | Customer     | Customer     | Customer                                    | Customer        |
| <b>Plant in Service (Continued)</b> |   |                   |                        |               |                   |          |              |              |   |                 |
| <b>Distribution</b>                 |   |                   |                        |               |                   |          |              |              |   |                 |
| 360.00                              | LAND AND LAND RIGHTS                                | P360              | F001                   | -             | -                 | -        | -            | -            | -   | -               |
| 361.00                              | STRUCTURES AND IMPROVEMENTS                         | P361              | F001                   | -             | -                 | -        | -            | -            | -   | -               |
| 362.00                              | STATION EQUIPMENT                                   | P362              | F001                   | -             | -                 | -        | -            | -            | -   | -               |
| 364.00                              | POLES, TOWERS AND FIXTURES                          | P364              | F002                   | 19,124,776    | 10,046,874        | -        | -            | -            | -   | -               |
| 365.00                              | OVERHEAD CONDUCTORS AND DEVICE                      | P365              | F003                   | 16,077,508    | 8,446,044         | -        | -            | -            | -   | -               |
| 366.00                              | UNDERGROUND CONDUIT                                 | P366              | F004                   | -             | -                 | -        | -            | -            | -   | -               |
| 367.00                              | UNDERGROUND CONDUCTORS AND DEV                      | P367              | F004                   | 883,355       | -                 | -        | -            | -            | -   | -               |
| 368.00                              | LINE TRANSFORMERS                                   | P368              | F005                   | 3,568,948     | 6,753,267         | -        | -            | -            | -   | -               |
| 369.00                              | SERVICES  | P369              | F006                   | -             | -                 | -        | 7,842,868    | -            | -   | -               |
| 370.00                              | METERS  | P370              | F007                   | -             | -                 | -        | 6,021,730    | -            | -   | -               |
| 371.00                              | INSTALLATIONS ON CONSUMERS PRE                      | P371              | F013                   | -             | -                 | -        | -            | 3,311,780    | -   | -               |
| 372.00                              | LEASED PROP. ON CONSUMERS PREMISES                  | P372              | F013                   | -             | -                 | -        | -            | -            | -   | -               |
| 373.00                              | STREET LIGHTING AND SIGNAL SYS                      | P373              | F008                   | -             | -                 | -        | -            | -            | -   | -               |
|                                     | Total Distribution Plant                            |                   | PDIST                  | \$ 39,654,587 | \$ 25,246,185     | \$ -     | \$ 7,842,868 | \$ 6,021,730 | \$ 3,311,780                                | \$ -            |
|                                     | Total Transmission and Distribution Plant           |                   | PT&D                   | \$ 39,654,587 | \$ 25,246,185     | \$ -     | \$ 7,842,868 | \$ 6,021,730 | \$ 3,311,780                                | \$ -            |
|                                     | Total Production, Transmission & Distribution Plant |                   | PPT&D                  | \$ 39,654,587 | \$ 25,246,185     | \$ -     | \$ 7,842,868 | \$ 6,021,730 | \$ 3,311,780                                | \$ -            |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name  | Allocation Vector | Total System  | Power Supply |        | Transmission | Station Equipment |        |
|---|-------|-------------------|---------------|--------------|--------|--------------|-------------------|--------|
|   |       |                   |               | Demand       | Energy | Demand       | Demand            |        |
| <b>Plant in Service (Continued)</b>         |       |                   |               |              |        |              |                   |        |
| <b>General Plant</b>                        |       |                   |               |              |        |              |                   |        |
| 389.00 LAND AND LAND RIGHTS                 | P389  | PT&D              | \$ 50,569     | -            | -      | -            | -                 | 19     |
| 390.00 STRUCTURES AND IMPROVEMENTS          | P390  | PT&D              | 1,725,568     | -            | -      | -            | -                 | 661    |
| 391.00 OFFICE FURNITURE AND EQUIPMENT       | P391  | PT&D              | 840,553       | -            | -      | -            | -                 | 322    |
| 392.00 TRANSPORTATION EQUIPMENT             | P392  | PT&D              | 3,076,267     | -            | -      | -            | -                 | 1,178  |
| 393.00 STORES EQUIPMENT                     | P393  | PT&D              | 80,060        | -            | -      | -            | -                 | 31     |
| 394.00 TOOLS, SHOP & GARAGE EQUIPMENT       | P394  | PT&D              | 123,267       | -            | -      | -            | -                 | 47     |
| 395.00 LABORATORY EQUIPMENT                 | P395  | PT&D              | 176,127       | -            | -      | -            | -                 | 67     |
| 396.00 POWER OPERATED EQUIPMENT             | P396  | PT&D              | 199,707       | -            | -      | -            | -                 | 76     |
| 397.00 COMMUNICATION EQUIPMENT              | P397  | PT&D              | 225,399       | -            | -      | -            | -                 | 86     |
| 398.00 MISCELLANEOUS EQUIPMENT              | P398  | PT&D              | 112,807       | -            | -      | -            | -                 | 43     |
| 399.00 OTHER TANGIBLE PROPERTY              | P399  | PT&D              | -             | -            | -      | -            | -                 | -      |
| Total General Plant                         | PGP   |                   | \$ 6,610,324  | \$ -         | \$ -   | \$ -         | \$ -              | 2,531  |
| Total Plant in Service                      | TPIS  |                   | \$ 88,718,917 | \$ -         | \$ -   | \$ -         | \$ -              | 33,974 |
| <b>Construction Work in Progress (CWIP)</b> |       |                   |               |              |        |              |                   |        |
| CWIP Production                             | CWIP1 | PPROD             | \$ -          | -            | -      | -            | -                 | -      |
| CWIP Transmission                           | CWIP2 | PTRAN             | -             | -            | -      | -            | -                 | -      |
| CWIP Distribution                           | CWIP3 | PDIST             | 844,590       | -            | -      | -            | -                 | 323    |
| CWIP General Plant                          | CWIP4 | PGP               | -             | -            | -      | -            | -                 | -      |
| CWIP Other                                  | CWIP5 | PDIST             | -             | -            | -      | -            | -                 | -      |
| Total Construction Work in Progress         | TCWIP |                   | \$ 844,590    | \$ -         | \$ -   | \$ -         | \$ -              | 323    |
| Total Utility Plant                         |       |                   | \$ 89,563,507 | \$ -         | \$ -   | \$ -         | \$ -              | 34,297 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name                                | Allocation Vector | Pri & Sec. Distr Plant |               | Customer Services |          | Meters       | Lighting     | Meter Reading Billing and Cust Acct Service | Load Management |      |
|---|-------------------------------------|-------------------|------------------------|---------------|-------------------|----------|--------------|--------------|---|-----------------|------|
|   |                                     |                   | Demand                 | Customer      | Demand            | Customer | Customer     | Customer     | Customer                                    | Customer        |      |
| <b>Plant in Service (Continued)</b>         |                                     |                   |                        |               |                   |          |              |              |   |                 |      |
| <b>General Plant</b>                        |                                     |                   |                        |               |                   |          |              |              |   |                 |      |
| 389.00                                      | LAND AND LAND RIGHTS                | P389              | PT&D                   | 24,422        | 15,549            | -        | 4,830        | 3,709        | 2,040                                       | -               | -    |
| 390.00                                      | STRUCTURES AND IMPROVEMENTS         | P390              | PT&D                   | 833,368       | 530,566           | -        | 164,823      | 126,551      | 69,599                                      | -               | -    |
| 391.00                                      | OFFICE FURNITURE AND EQUIPMENT      | P391              | PT&D                   | 405,948       | 258,447           | -        | 80,288       | 61,645       | 33,903                                      | -               | -    |
| 392.00                                      | TRANSPORTATION EQUIPMENT            | P392              | PT&D                   | 1,485,692     | 945,869           | -        | 293,840      | 225,609      | 124,079                                     | -               | -    |
| 393.00                                      | STORES EQUIPMENT                    | P393              | PT&D                   | 38,665        | 24,616            | -        | 7,647        | 5,872        | 3,229                                       | -               | -    |
| 394.00                                      | TOOLS, SHOP & GARAGE EQUIPMENT      | P394              | PT&D                   | 59,532        | 37,901            | -        | 11,774       | 9,040        | 4,972                                       | -               | -    |
| 395.00                                      | LABORATORY EQUIPMENT                | P395              | PT&D                   | 85,061        | 54,154            | -        | 16,823       | 12,917       | 7,104                                       | -               | -    |
| 396.00                                      | POWER OPERATED EQUIPMENT            | P396              | PT&D                   | 96,449        | 61,405            | -        | 19,076       | 14,646       | 8,055                                       | -               | -    |
| 397.00                                      | COMMUNICATION EQUIPMENT             | P397              | PT&D                   | 108,857       | 69,304            | -        | 21,530       | 16,530       | 9,091                                       | -               | -    |
| 398.00                                      | MISCELLANEOUS EQUIPMENT             | P398              | PT&D                   | 54,480        | 34,685            | -        | 10,775       | 8,273        | 4,550                                       | -               | -    |
| 399.00                                      | OTHER TANGIBLE PROPERTY             | P399              | PT&D                   | -             | -                 | -        | -            | -            | -   | -               | -    |
|   | Total General Plant                 | PGP               |                        | \$ 3,192,475  | \$ 2,032,497      | \$ -     | \$ 631,406   | \$ 484,792   | \$ 266,622                                  | \$ -            | \$ - |
|   | Total Plant in Service              | TPIS              |                        | \$ 42,847,062 | \$ 27,278,682     | \$ -     | \$ 8,474,275 | \$ 6,506,522 | \$ 3,578,402                                | \$ -            | \$ - |
| <b>Construction Work in Progress (CWIP)</b> |                                     |                   |                        |               |                   |          |              |              |   |                 |      |
|   | CWIP Production                     | CWIP1             | PPROD                  | -             | -                 | -        | -            | -            | -   | -               | -    |
|   | CWIP Transmission                   | CWIP2             | PTRAN                  | -             | -                 | -        | -            | -            | -   | -               | -    |
|   | CWIP Distribution                   | CWIP3             | PDIST                  | 407,897       | 259,689           | -        | 80,674       | 61,941       | 34,066                                      | -               | -    |
|   | CWIP General Plant                  | CWIP4             | PGP                    | -             | -                 | -        | -            | -            | -   | -               | -    |
|   | CWIP Other                          | CWIP5             | PDIST                  | -             | -                 | -        | -            | -            | -   | -               | -    |
|   | Total Construction Work in Progress | TCWIP             |                        | \$ 407,897    | \$ 259,689        | \$ -     | \$ 80,674    | \$ 61,941    | \$ 34,066                                   | \$ -            | \$ - |
|   | Total Utility Plant                 |                   |                        | \$ 43,254,959 | \$ 27,538,371     | \$ -     | \$ 8,554,948 | \$ 6,568,463 | \$ 3,612,468                                | \$ -            | \$ - |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2023**

| Description   | Name     | Allocation Vector | Total System  | Power Supply |        | Transmission | Station Equipment |        |
|---|----------|-------------------|---------------|--------------|--------|--------------|-------------------|--------|
|   |          |                   |               | Demand       | Energy | Demand       | Demand            |        |
| <b>Rate Base</b>  |          |                   |               |              |        |              |                   |        |
| <b>Utility Plant</b>                                      |          |                   |               |              |        |              |                   |        |
| Plant in Service  |          |                   | \$ 88,718,917 | \$ -         | \$ -   | \$ -         | \$ -              | 33,974 |
| Construction Work in Progress (CWIP)                      |          |                   | 844,590       | -            | -      | -            | -                 | 323.42 |
| <b>Total Utility Plant</b>                                | TUP      |                   | \$ 89,563,507 | \$ -         | \$ -   | \$ -         | \$ -              | 34,297 |
| <b>Less: Accumulated Provision for Depreciation</b>       |          |                   |               |              |        |              |                   |        |
| Electric Plant Amortization                               | ADEPREPA | TUP               | \$ -          | -            | -      | -            | -                 | -      |
| Retirement Work in Progress                               | RWIP     | PDIST             | (380,187)     | -            | -      | -            | -                 | (146)  |
| Steam Production  | ADEPRPP  | PPROD             | -             | -            | -      | -            | -                 | -      |
| Transmission  | ADEPRTP  | PTRAN             | -             | -            | -      | -            | -                 | -      |
| Distribution  | ADEPRD12 | PDIST             | 31,440,032    | -            | -      | -            | -                 | 12,040 |
| Dist-Structures   | ADEPRD1  | P361              | -             | -            | -      | -            | -                 | -      |
| Dist-Station  | ADEPRD2  | P362              | -             | -            | -      | -            | -                 | -      |
| Dist-Poles and Fixtures                                   | ADEPRD3  | P364              | -             | -            | -      | -            | -                 | -      |
| Dist-OH Conductor   | ADEPRD4  | P365              | -             | -            | -      | -            | -                 | -      |
| Dist-UG Conduit   | ADEPRD5  | P366              | -             | -            | -      | -            | -                 | -      |
| Dist-UG Conductor   | ADEPRD6  | P367              | -             | -            | -      | -            | -                 | -      |
| Dist-Line Transformers                                    | ADEPRD7  | P368              | -             | -            | -      | -            | -                 | -      |
| Dist-Services   | ADEPRD8  | P369              | -             | -            | -      | -            | -                 | -      |
| Dist-Meters   | ADEPRD9  | P370              | -             | -            | -      | -            | -                 | -      |
| Dist-Installations on Customer Premises                   | ADEPRD10 | P371              | -             | -            | -      | -            | -                 | -      |
| Dist-Lighting & Signal Systems                            | ADEPRD11 | P373              | -             | -            | -      | -            | -                 | -      |
| Accum Amtz - Electric Plant Acquisition                   |          | PGP               | -             | -            | -      | -            | -                 | -      |
| Accum Amtz - Electric Plant in Service                    |          | PGP               | -             | -            | -      | -            | -                 | -      |
| General Plant   |          | PGP               | 5,827,548     | -            | -      | -            | -                 | 2,232  |
| <b>Total Accumulated Depreciation &amp; Amort</b>         | TADEPR   |                   | \$ 36,887,393 | \$ -         | \$ -   | \$ -         | \$ -              | 14,126 |
| <b>Net Utility Plant</b>                                  | NTPLANT  |                   | \$ 52,676,114 | \$ -         | \$ -   | \$ -         | \$ -              | 20,172 |
| <b>Working Capital</b>                                    |          |                   |               |              |        |              |                   |        |
| Cash Working Capital - Operation and Maintenance Expenses | CWC      | OMLPP             | \$ 1,003,936  | \$ -         | \$ -   | \$ -         | \$ -              | 33     |
| Materials and Supplies (13-Month Avg)                     | M&S      | TPIS              | 1,081,935     | -            | -      | -            | -                 | 414    |
| Prepayments (13-Month Average)                            | PREPAY   | TPIS              | 152,506       | -            | -      | -            | -                 | 58     |
| <b>Total Working Capital</b>                              | TWC      |                   | \$ 2,238,377  | \$ -         | \$ -   | \$ -         | \$ -              | 505    |
| Less: Customer Deposits                                   | CSTDEP   | TPIS              | \$ 1,273,932  | -            | -      | -            | -                 | 488    |
| <b>Net Rate Base</b>                                      | RB       |                   | \$ 53,640,560 | \$ -         | \$ -   | \$ -         | \$ -              | 20,189 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name     | Allocation Vector | Pri & Sec. Distr Plant |               | Customer Services |              | Meters       | Lighting     | Meter Reading Billing and Cust Acct Service | Load Management |
|---|----------|-------------------|------------------------|---------------|-------------------|--------------|--------------|--------------|---|-----------------|
|   |          |                   | Demand                 | Customer      | Demand            | Customer     | Customer     | Customer     | Customer                                    | Customer        |
| <b>Rate Base</b>  |          |                   |                        |               |                   |              |              |              |   |                 |
| <b>Utility Plant</b>                                      |          |                   |                        |               |                   |              |              |              |   |                 |
| Plant in Service  |          |                   | \$ 42,847,062          | \$ 27,278,682 | \$ -              | \$ 8,474,275 | \$ 6,506,522 | \$ 3,578,402 | \$ -  | \$ -            |
| Construction Work in Progress (CWIP)                      |          |                   | 407,897.18             | 259,688.69    | -                 | 80,673.74    | 61,941.05    | 34,065.81    | -   | -               |
| <b>Total Utility Plant</b>                                | TUP      |                   | \$ 43,254,959          | \$ 27,538,371 | \$ -              | \$ 8,554,948 | \$ 6,568,463 | \$ 3,612,468 | \$ -  | \$ -            |
| <b>Less: Accumulated Provision for Depreciation</b>       |          |                   |                        |               |                   |              |              |              |   |                 |
| Electric Plant Amortization                               | ADEPREPA | TUP               | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Retirement Work in Progress                               | RWIP     | PDIST             | (183,612)              | (116,897)     | -                 | (36,315)     | (27,882)     | (15,335)     | -   | -               |
| Steam Production  | ADEPRPP  | PPROD             | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Transmission  | ADEPRTP  | PTRAN             | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Distribution  | ADEPRD12 | PDIST             | 15,184,056             | 9,666,965     | -                 | 3,003,096    | 2,305,768    | 1,268,107    | -   | -               |
| Dist-Structures   | ADEPRD1  | P361              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Station  | ADEPRD2  | P362              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Poles and Fixtures                                   | ADEPRD3  | P364              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-OH Conductor   | ADEPRD4  | P365              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-UG Conduit   | ADEPRD5  | P366              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-UG Conductor   | ADEPRD6  | P367              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Line Transformers                                    | ADEPRD7  | P368              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Services   | ADEPRD8  | P369              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Meters   | ADEPRD9  | P370              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Installations on Customer Premises                   | ADEPRD10 | P371              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Dist-Lighting & Signal Systems                            | ADEPRD11 | P373              | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Accum Amtz - Electric Plant Acquisition                   |          | PGP               | -                      | -             | -                 | -            | -            | -            | -   | -               |
| Accum Amtz - Electric Plant in Service                    |          | PGP               | -                      | -             | -                 | -            | -            | -            | -   | -               |
| General Plant   |          | PGP               | 2,814,431              | 1,791,814     | -                 | 556,637      | 427,384      | 235,049      | -   | -               |
| <b>Total Accumulated Depreciation &amp; Amort</b>         | TADEPR   |                   | \$ 17,814,875          | \$ 11,341,882 | \$ -              | \$ 3,523,419 | \$ 2,705,270 | \$ 1,487,822 | \$ -  | \$ -            |
| <b>Net Utility Plant</b>                                  | NTPLANT  |                   | \$ 25,440,085          | \$ 16,196,489 | \$ -              | \$ 5,031,530 | \$ 3,863,193 | \$ 2,124,646 | \$ -  | \$ -            |
| <b>Working Capital</b>                                    |          |                   |                        |               |                   |              |              |              |   |                 |
| Cash Working Capital - Operation and Maintenance Expenses | CWC      | OMLPP             | \$ 495,946             | \$ 274,365    | \$ -              | \$ 29,056    | \$ 88,321    | \$ 3,425     | \$ 111,440                                  | \$ 1,351        |
| Materials and Supplies (13-Month Avg)                     | M&S      | TPIS              | 522,524                | 332,666       | -                 | 103,345      | 79,348       | 43,639       | -   | -               |
| Prepayments (13-Month Average)                            | PREPAY   | TPIS              | 73,653                 | 46,891        | -                 | 14,567       | 11,185       | 6,151        | -   | -               |
| <b>Total Working Capital</b>                              | TWC      |                   | \$ 1,092,123           | \$ 653,923    | \$ -              | \$ 146,968   | \$ 178,853   | \$ 53,215    | \$ 111,440                                  | \$ 1,351        |
| Less: Customer Deposits                                   | CSTDEP   | TPIS              | 615,249                | 391,700       | -                 | 121,684      | 93,428       | 51,383       | -   | -               |
| <b>Net Rate Base</b>                                      | RB       |                   | \$ 25,916,958          | \$ 16,458,712 | \$ -              | \$ 5,056,814 | \$ 3,948,618 | \$ 2,126,478 | \$ 111,440                                  | \$ 1,351        |



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name  | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |      |
|---|-------|-------------------|--------------|--------------|--------|--------------|-------------------|------|
|   |       |                   |              | Demand       | Energy | Demand       | Demand            |      |
| <b>Operation and Maintenance Expenses</b>                 |       |                   |              |              |        |              |                   |      |
| <b>Steam Power Production Operations Expense</b>          |       |                   |              |              |        |              |                   |      |
| 500 OPERATION SUPV AND ENGINEERING                        | OM500 | PPROD             | \$ -         | -            | -      | -            | -                 | -    |
| 501 FUEL  | OM501 | F017              | -            | -            | -      | -            | -                 | -    |
| 502 STEAM EXPENSES  | OM502 | F016              | -            | -            | -      | -            | -                 | -    |
| 503 STEAM FROM OTHER SOURCES                              | OM503 | F016              | -            | -            | -      | -            | -                 | -    |
| 504 STEAM TRANSFERRED - CREDIT                            | OM504 | F016              | -            | -            | -      | -            | -                 | -    |
| 505 ELECTRIC EXPENSES                                     | OM505 | F016              | -            | -            | -      | -            | -                 | -    |
| 506 MISC STEAM POWER EXPENSES                             | OM506 | F016              | -            | -            | -      | -            | -                 | -    |
| 507 RENTS   | OM507 | F016              | -            | -            | -      | -            | -                 | -    |
| 509 ALLOWANCES  | OM509 | F017              | -            | -            | -      | -            | -                 | -    |
| Total Steam Production Operation Expense                  | OMPO  |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| <b>Steam Power Production Maintenance Expense</b>         |       |                   |              |              |        |              |                   |      |
| 510 MAINTENANCE SUPV AND ENGINEERING                      | OM510 | F017              | \$ -         | -            | -      | -            | -                 | -    |
| 511 MAINTENANCE OF STRUCTURES                             | OM511 | F016              | -            | -            | -      | -            | -                 | -    |
| 512 MAINTENANCE OF BOILER PLANT                           | OM512 | F017              | -            | -            | -      | -            | -                 | -    |
| 513 MAINTENANCE OF ELECTRIC PLANT                         | OM513 | F017              | -            | -            | -      | -            | -                 | -    |
| 514 MAINTENANCE OF MISC STEAM PLANT                       | OM514 | F016              | -            | -            | -      | -            | -                 | -    |
| Total Steam Production Maintenance Expense                | OMPM  |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| Total Steam Production Operation and Maintenance Expenses | OMP   |                   | -            | -            | -      | -            | -                 | -    |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name  | Allocation Vector | Pri & Sec. Distr Plant |          | Customer Services |          | Meters   | Lighting | Meter Reading Billing and Cust Acct Service | Load Management |
|---|-------|-------------------|------------------------|----------|-------------------|----------|----------|----------|---|-----------------|
|   |       |                   | Demand                 | Customer | Demand            | Customer | Customer | Customer | Customer                                    | Customer        |
| <b>Operation and Maintenance Expenses</b>                 |       |                   |                        |          |                   |          |          |          |   |                 |
| <b>Steam Power Production Operations Expense</b>          |       |                   |                        |          |                   |          |          |          |   |                 |
| 500 OPERATION SUPV AND ENGINEERING                        | OM500 | PPROD             | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 501 FUEL  | OM501 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 502 STEAM EXPENSES  | OM502 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 503 STEAM FROM OTHER SOURCES                              | OM503 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 504 STEAM TRANSFERRED - CREDIT                            | OM504 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 505 ELECTRIC EXPENSES                                     | OM505 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 506 MISC STEAM POWER EXPENSES                             | OM506 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 507 RENTS   | OM507 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 509 ALLOWANCES  | OM509 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Steam Production Operation Expense                  | OMPO  |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| <b>Steam Power Production Maintenance Expense</b>         |       |                   |                        |          |                   |          |          |          |   |                 |
| 510 MAINTENANCE SUPV AND ENGINEERING                      | OM510 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 511 MAINTENANCE OF STRUCTURES                             | OM511 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 512 MAINTENANCE OF BOILER PLANT                           | OM512 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 513 MAINTENANCE OF ELECTRIC PLANT                         | OM513 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 514 MAINTENANCE OF MISC STEAM PLANT                       | OM514 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Steam Production Maintenance Expense                | OMPM  |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| Total Steam Production Operation and Maintenance Expenses | OMP   |                   | -                      | -        | -                 | -        | -        | -        | -   | -               |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name   | Allocation Vector | Total System  | Power Supply |               | Transmission | Station Equipment |        |
|---|--------|-------------------|---------------|--------------|---------------|--------------|-------------------|--------|
|   |        |                   |               | Demand       | Energy        | Demand       | Demand            |        |
| <b>Operation and Maintenance Expenses (Continued)</b> |        |                   |               |              |               |              |                   |        |
| <b>Purchased Power</b>                                |        |                   |               |              |               |              |                   |        |
| 555 PURCHASED POWER                                   | OM555  | OMPP              | \$ 22,444,020 | \$ 5,939,656 | \$ 16,504,364 | -            | -                 | -      |
| 556 SYSTEM CONTROL & LOAD DISPATCHING                 | OM556  | OMPP              | -             | -            | -             | -            | -                 | -      |
| 557 OTHER EXPENSES                                    | OM557  | OMPP              | -             | -            | -             | -            | -                 | -      |
| 559 RENEWABLE ENERGY CR EXP                           | OM559  | OMPP              | -             | -            | -             | -            | -                 | -      |
| Total Purchased Power                                 | TPP    |                   | \$ 22,444,020 | \$ 5,939,656 | \$ 16,504,364 | \$ -         | \$ -              | \$ -   |
| <b>Transmission Expenses</b>                          |        |                   |               |              |               |              |                   |        |
| 560 OPERATION SUPERVISION AND ENG                     | OM560  | PTRAN             | \$ -          | -            | -             | -            | -                 | -      |
| 561 LOAD DISPATCHING                                  | OM561  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 562 STATION EXPENSES                                  | OM562  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 563 OVERHEAD LINE EXPENSES                            | OM563  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 564 UNDERGROUND LINE EXPENSES                         | OM564  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 565 TRANSMISSION OF ELEC BY OTHERS                    | OM565  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 566 MISC. TRANSMISSION EXPENSES                       | OM566  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 567 RENTS   | OM567  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 568 MAINTENANCE SUPERVISION AND ENG                   | OM568  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 569 MAINTENANCE OF STRUCTURES                         | OM569  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 570 MAINT OF STATION EQUIPMENT                        | OM570  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 571 MAINT OF OVERHEAD LINES                           | OM571  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 572 MAINT OF UNDERGROUND LINES                        | OM572  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 573 MAINT MISC  | OM573  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| 574 MAINT OF TRANS PLANT                              | OM574  | PTRAN             | -             | -            | -             | -            | -                 | -      |
| Total Transmission Expenses                           |        |                   | \$ -          | \$ -         | \$ -          | \$ -         | \$ -              | \$ -   |
| <b>Distribution Operation Expense</b>                 |        |                   |               |              |               |              |                   |        |
| 580 OPERATION SUPERVISION AND ENGI                    | OM580  | PDIST             | \$ 116,666    | -            | -             | -            | -                 | 45     |
| 581 LOAD DISPATCHING                                  | OM581  | P362              | -             | -            | -             | -            | -                 | -      |
| 582 STATION EXPENSES                                  | OM582  | P362              | -             | -            | -             | -            | -                 | -      |
| 583 OVERHEAD LINE EXPENSES                            | OM583  | P365              | 1,230,781     | -            | -             | -            | -                 | -      |
| 584 UNDERGROUND LINE EXPENSES                         | OM584  | P367              | 6,997         | -            | -             | -            | -                 | -      |
| 585 STREET LIGHTING EXPENSE                           | OM585  | P371              | -             | -            | -             | -            | -                 | -      |
| 586 METER EXPENSES                                    | OM586  | P370              | 367,665       | -            | -             | -            | -                 | -      |
| 586 METER EXPENSES - LOAD MANAGEMENT                  | OM586x | F012              | -             | -            | -             | -            | -                 | -      |
| 587 CUSTOMER INSTALLATIONS EXPENSE                    | OM587  | P369              | 145,015       | -            | -             | -            | -                 | -      |
| 588 MISCELLANEOUS DISTRIBUTION EXP                    | OM588  | PDIST             | 237,709       | -            | -             | -            | -                 | 91     |
| 588 MISC DISTR EXP -- MAPPING                         | OM588x | F015              | -             | -            | -             | -            | -                 | -      |
| 589 RENTS   | OM589  | PDIST             | -             | -            | -             | -            | -                 | -      |
| Total Distribution Operation Expense                  | OMDO   |                   | \$ 2,104,832  | \$ -         | \$ -          | \$ -         | \$ -              | \$ 136 |

**LICKING VALLEY R.E.C.C.**  
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**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name   | Allocation Vector | Pri & Sec. Distr Plant |            | Customer Services |            | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|---|--------|-------------------|------------------------|------------|-------------------|------------|------------|-----------|---|-----------------|
|   |        |                   | Demand                 | Customer   | Demand            | Customer   | Customer   | Customer  | Customer                                    | Customer        |
| <b>Operation and Maintenance Expenses (Continued)</b> |        |                   |                        |            |                   |            |            |           |   |                 |
| <b>Purchased Power</b>                                |        |                   |                        |            |                   |            |            |           |   |                 |
| 555 PURCHASED POWER                                   | OM555  | OMPP              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 556 SYSTEM CONTROL & LOAD DISPATCHING                 | OM556  | OMPP              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 557 OTHER EXPENSES                                    | OM557  | OMPP              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 559 RENEWABLE ENERGY CR EXP                           | OM559  | OMPP              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| Total Purchased Power                                 | TPP    |                   | \$ -                   | \$ -       | \$ -              | \$ -       | \$ -       | \$ -      | \$ -  | \$ -            |
| <b>Transmission Expenses</b>                          |        |                   |                        |            |                   |            |            |           |   |                 |
| 560 OPERATION SUPERVISION AND ENG                     | OM560  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 561 LOAD DISPATCHING                                  | OM561  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 562 STATION EXPENSES                                  | OM562  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 563 OVERHEAD LINE EXPENSES                            | OM563  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 564 UNDERGROUND LINE EXPENSES                         | OM564  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 565 TRANSMISSION OF ELEC BY OTHERS                    | OM565  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 566 MISC. TRANSMISSION EXPENSES                       | OM566  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 567 RENTS   | OM567  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 568 MAINTENANCE SUPERVISION AND ENG                   | OM568  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 569 MAINTENANCE OF STRUCTURES                         | OM569  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 570 MAINT OF STATION EQUIPMENT                        | OM570  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 571 MAINT OF OVERHEAD LINES                           | OM571  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 572 MAINT OF UNDERGROUND LINES                        | OM572  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 573 MAINT MISC  | OM573  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 574 MAINT OF TRANS PLANT                              | OM574  | PTRAN             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| Total Transmission Expenses                           |        |                   | \$ -                   | \$ -       | \$ -              | \$ -       | \$ -       | \$ -      | \$ -  | \$ -            |
| <b>Distribution Operation Expense</b>                 |        |                   |                        |            |                   |            |            |           |   |                 |
| 580 OPERATION SUPERVISION AND ENGI                    | OM580  | PDIST             | 56,344                 | 35,872     | -                 | 11,144     | 8,556      | 4,706     | -   | -               |
| 581 LOAD DISPATCHING                                  | OM581  | P362              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 582 STATION EXPENSES                                  | OM582  | P362              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 583 OVERHEAD LINE EXPENSES                            | OM583  | P365              | 806,893                | 423,888    | -                 | -          | -          | -         | -   | -               |
| 584 UNDERGROUND LINE EXPENSES                         | OM584  | P367              | 6,997                  | -          | -                 | -          | -          | -         | -   | -               |
| 585 STREET LIGHTING EXPENSE                           | OM585  | P371              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 586 METER EXPENSES                                    | OM586  | P370              | -                      | -          | -                 | 367,665    | -          | -         | -   | -               |
| 586 METER EXPENSES - LOAD MANAGEMENT                  | OM586x | F012              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 587 CUSTOMER INSTALLATIONS EXPENSE                    | OM587  | P369              | -                      | -          | -                 | 145,015    | -          | -         | -   | -               |
| 588 MISCELLANEOUS DISTRIBUTION EXP                    | OM588  | PDIST             | 114,802                | 73,089     | -                 | 22,706     | 17,433     | 9,588     | -   | -               |
| 588 MISC DISTR EXP -- MAPPING                         | OM588x | F015              | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 589 RENTS   | OM589  | PDIST             | -                      | -          | -                 | -          | -          | -         | -   | -               |
| Total Distribution Operation Expense                  | OMDO   |                   | \$ 985,036             | \$ 532,848 | \$ -              | \$ 178,864 | \$ 393,654 | \$ 14,293 | \$ -  | \$ -            |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System  | Power Supply |               | Transmission | Station Equipment |     |
|--|--------|-------------------|---------------|--------------|---------------|--------------|-------------------|-----|
|  |        |                   |               | Demand       | Energy        | Demand       | Demand            |     |
| <b>Operation and Maintenance Expenses (Continued)</b>            |        |                   |               |              |               |              |                   |     |
| <b>Distribution Maintenance Expense</b>                          |        |                   |               |              |               |              |                   |     |
| 590 MAINTENANCE SUPERVISION AND EN                               | OM590  | PDIST             | \$ 115,551    | -            | -             | -            | -                 | 44  |
| 592 MAINTENANCE OF STATION EQUIPME                               | OM592  | P362              | -             | -            | -             | -            | -                 | -   |
| 593 MAINTENANCE OF OVERHEAD LINES                                | OM593  | P365              | 3,491,553     | -            | -             | -            | -                 | -   |
| 594 MAINTENANCE OF UNDERGROUND LIN                               | OM594  | P367              | -             | -            | -             | -            | -                 | -   |
| 595 MAINTENANCE OF LINE TRANSFORME                               | OM595  | P368              | 145,565       | -            | -             | -            | -                 | -   |
| 596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS                       | OM596  | P373              | -             | -            | -             | -            | -                 | -   |
| 597 MAINTENANCE OF METERS  | OM597  | P370              | 188,167       | -            | -             | -            | -                 | -   |
| 598 MAINTENANCE OF MISC DISTR PLANT                              | OM598  | PDIST             | -             | -            | -             | -            | -                 | -   |
| Total Distribution Maintenance Expense                           | OMDM   |                   | \$ 3,940,837  | \$ -         | \$ -          | \$ -         | \$ -              | 44  |
| Total Distribution Operation and Maintenance Expenses            |        |                   | 6,045,669     | -            | -             | -            | -                 | 180 |
| Transmission and Distribution Expenses                           |        |                   | 6,045,669     | -            | -             | -            | -                 | 180 |
| Steam Production, Transmission and Distribution Expenses         |        |                   | 6,045,669     | -            | -             | -            | -                 | 180 |
| Production, Purchased Power, Trans and Distr Expenses            | OMSUB  |                   | \$ 28,489,689 | \$ 5,939,656 | \$ 16,504,364 | \$ -         | \$ -              | 180 |
| <b>Customer Accounts Expense</b>                                 |        |                   |               |              |               |              |                   |     |
| 901 SUPERVISION/CUSTOMER ACCTS                                   | OM901  | F009              | \$ 13,372     | -            | -             | -            | -                 | -   |
| 902 METER READING EXPENSES                                       | OM902  | F009              | 9,590         | -            | -             | -            | -                 | -   |
| 903 RECORDS AND COLLECTION                                       | OM903  | F009              | 663,333       | -            | -             | -            | -                 | -   |
| 904 UNCOLLECTIBLE ACCOUNTS                                       | OM904  | F009              | 60,000        | -            | -             | -            | -                 | -   |
| 905 MISC CUST ACCOUNTS   | OM903  | F009              | -             | -            | -             | -            | -                 | -   |
| Total Customer Accounts Expense                                  | OMCA   |                   | \$ 746,294    | \$ -         | \$ -          | \$ -         | \$ -              | -   |
| <b>Customer Service Expense</b>                                  |        |                   |               |              |               |              |                   |     |
| 907 SUPERVISION  | OM907  | F010              | \$ 32,895     | -            | -             | -            | -                 | -   |
| 908 CUSTOMER ASSISTANCE EXPENSES                                 | OM908  | F010              | (11,422)      | -            | -             | -            | -                 | -   |
| 908 CUSTOMER ASSISTANCE EXP-LOAD MGMT                            | OM908x | F012              | -             | -            | -             | -            | -                 | -   |
| 909 INFORMATIONAL AND INSTRUCTIONA                               | OM909  | F010              | -             | -            | -             | -            | -                 | -   |
| 909 INFORM AND INSTRUC -LOAD MGMT                                | OM909x | F012              | -             | -            | -             | -            | -                 | -   |
| 910 MISCELLANEOUS CUSTOMER SERVICE                               | OM910  | F010              | -             | -            | -             | -            | -                 | -   |
| 911 SUPERVISION  | OM911  | F010              | -             | -            | -             | -            | -                 | -   |
| 912 DEMONSTRATION AND SELLING EXP                                | OM912  | F012              | -             | -            | -             | -            | -                 | -   |
| 913 ADVERTISING EXPENSES   | OM913  | F012              | 9,485         | -            | -             | -            | -                 | -   |
| 914 SALES  | OM914  | F012              | -             | -            | -             | -            | -                 | -   |
| 916 MISC SALES EXPENSE   | OM916  | F012              | -             | -            | -             | -            | -                 | -   |
| 917 MISC SALES EXPENSE   | OM917  | F012              | -             | -            | -             | -            | -                 | -   |
| Total Customer Service Expense                                   | OMCS   |                   | \$ 30,957     | \$ -         | \$ -          | \$ -         | \$ -              | -   |
| Sub-Total Transmission, Distribution, Cust Acct and Cust Service | OMSUB2 |                   | 6,822,921     | -            | -             | -            | -                 | 180 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Pri & Sec. Distr Plant |              | Customer Services |            | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|--|--------|-------------------|------------------------|--------------|-------------------|------------|------------|-----------|---|-----------------|
|  |        |                   | Demand                 | Customer     | Demand            | Customer   | Customer   | Customer  | Customer                                    | Customer        |
| <b>Operation and Maintenance Expenses (Continued)</b>            |        |                   |                        |              |                   |            |            |           |   |                 |
| <b>Distribution Maintenance Expense</b>                          |        |                   |                        |              |                   |            |            |           |   |                 |
| 590 MAINTENANCE SUPERVISION AND EN                               | OM590  | PDIST             | 55,806                 | 35,529       | -                 | 11,037     | 8,474      | 4,661     | -   | -               |
| 592 MAINTENANCE OF STATION EQUIPME                               | OM592  | P362              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 593 MAINTENANCE OF OVERHEAD LINES                                | OM593  | P365              | 2,289,043              | 1,202,510    | -                 | -          | -          | -         | -   | -               |
| 594 MAINTENANCE OF UNDERGROUND LIN                               | OM594  | P367              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 595 MAINTENANCE OF LINE TRANSFORME                               | OM595  | P368              | 50,330                 | 95,235       | -                 | -          | -          | -         | -   | -               |
| 596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS                       | OM596  | P373              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 597 MAINTENANCE OF METERS  | OM597  | P370              | -                      | -            | -                 | -          | 188,167    | -         | -   | -               |
| 598 MAINTENANCE OF MISC DISTR PLANT                              | OM598  | PDIST             | -                      | -            | -                 | -          | -          | -         | -   | -               |
| Total Distribution Maintenance Expense                           | OMDM   |                   | \$ 2,395,179           | \$ 1,333,274 | \$ -              | \$ 11,037  | \$ 196,642 | \$ 4,661  | \$ -  | \$ -            |
| Total Distribution Operation and Maintenance Expenses            |        |                   | 3,380,215              | 1,866,122    | -                 | 189,901    | 590,296    | 18,954    | -   | -               |
| Transmission and Distribution Expenses                           |        |                   | 3,380,215              | 1,866,122    | -                 | 189,901    | 590,296    | 18,954    | -   | -               |
| Steam Production, Transmission and Distribution Expenses         |        |                   | 3,380,215              | 1,866,122    | -                 | 189,901    | 590,296    | 18,954    | -   | -               |
| Production, Purchased Power, Trans and Distr Expenses            | OMSUB  |                   | \$ 3,380,215           | \$ 1,866,122 | \$ -              | \$ 189,901 | \$ 590,296 | \$ 18,954 | \$ -  | \$ -            |
| <b>Customer Accounts Expense</b>                                 |        |                   |                        |              |                   |            |            |           |   |                 |
| 901 SUPERVISION/CUSTOMER ACCTS                                   | OM901  | F009              | -                      | -            | -                 | -          | -          | -         | 13,372                                      | -               |
| 902 METER READING EXPENSES                                       | OM902  | F009              | -                      | -            | -                 | -          | -          | -         | 9,590                                       | -               |
| 903 RECORDS AND COLLECTION                                       | OM903  | F009              | -                      | -            | -                 | -          | -          | -         | 663,333                                     | -               |
| 904 UNCOLLECTIBLE ACCOUNTS                                       | OM904  | F009              | -                      | -            | -                 | -          | -          | -         | 60,000                                      | -               |
| 905 MISC CUST ACCOUNTS   | OM903  | F009              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| Total Customer Accounts Expense                                  | OMCA   |                   | \$ -                   | \$ -         | \$ -              | \$ -       | \$ -       | \$ -      | \$ 746,294                                  | \$ -            |
| <b>Customer Service Expense</b>                                  |        |                   |                        |              |                   |            |            |           |   |                 |
| 907 SUPERVISION  | OM907  | F010              | -                      | -            | -                 | -          | -          | -         | 32,895                                      | -               |
| 908 CUSTOMER ASSISTANCE EXPENSES                                 | OM908  | F010              | -                      | -            | -                 | -          | -          | -         | (11,422)                                    | -               |
| 908 CUSTOMER ASSISTANCE EXP-LOAD MGMT                            | OM908x | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 909 INFORMATIONAL AND INSTRUCTIONA                               | OM909  | F010              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 909 INFORM AND INSTRUC -LOAD MGMT                                | OM909x | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 910 MISCELLANEOUS CUSTOMER SERVICE                               | OM910  | F010              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 911 SUPERVISION  | OM911  | F010              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 912 DEMONSTRATION AND SELLING EXP                                | OM912  | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 913 ADVERTISING EXPENSES   | OM913  | F012              | -                      | -            | -                 | -          | -          | -         | -   | 9,485           |
| 914 SALES  | OM914  | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 916 MISC SALES EXPENSE   | OM916  | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 917 MISC SALES EXPENSE   | OM917  | F012              | -                      | -            | -                 | -          | -          | -         | -   | -               |
| Total Customer Service Expense                                   | OMCS   |                   | \$ -                   | \$ -         | \$ -              | \$ -       | \$ -       | \$ -      | \$ 21,473                                   | \$ 9,485        |
| Sub-Total Transmission, Distribution, Cust Acct and Cust Service | OMSUB2 |                   | 3,380,215              | 1,866,122    | -                 | 189,901    | 590,296    | 18,954    | 767,767                                     | 9,485           |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

**12 Months Ended December 31, 2023**

| Description  | Name  | Allocation Vector | Total System  | Power Supply |               | Transmission | Station Equipment |
|--|-------|-------------------|---------------|--------------|---------------|--------------|-------------------|
|  |       |                   |               | Demand       | Energy        | Demand       | Demand            |
| <b>Operation and Maintenance Expenses (Continued)</b>  |       |                   |               |              |               |              |                   |
| <b>Administrative and General Expense</b>              |       |                   |               |              |               |              |                   |
| 920 ADMIN. & GEN. SALARIES-                            | OM920 | OMSUB2            | \$ 651,366    | -            | -             | -            | 17                |
| 921 OFFICE SUPPLIES AND EXPENSES                       | OM921 | LBSUB2            | 132,256       | -            | -             | -            | 7                 |
| 923 OUTSIDE SERVICES EMPLOYED                          | OM923 | OMSUB2            | 46,916        | -            | -             | -            | 1                 |
| 924 PROPERTY INSURANCE                                 | OM924 | NTPLANT           | -             | -            | -             | -            | -                 |
| 925 INJURIES AND DAMAGES - INSURAN                     | OM925 | LBSUB2            | -             | -            | -             | -            | -                 |
| 926 EMPLOYEE BENEFITS                                  | OM926 | LBSUB2            | 685           | -            | -             | -            | 0                 |
| 928 ASSOCIATED DUES                                    | OM928 | OMSUB2            | 1,026         | -            | -             | -            | 0                 |
| 929 DUPLICATE CHARGES - CREDIT                         | OM929 | OMSUB2            | (14,748)      | -            | -             | -            | (0)               |
| 930 MISCELLANEOUS GENERAL EXPENSES                     | OM930 | OMSUB2            | 266,334       | -            | -             | -            | 7                 |
| 931 RENTS AND LEASES                                   | OM931 | NTPLANT           | -             | -            | -             | -            | -                 |
| 932 MAINTENANCE OF GENERAL PLANT                       | OM932 | PGP               | -             | -            | -             | -            | -                 |
| 933 TRANSPORTATION EXPENSES                            | OM933 | PGP               | -             | -            | -             | -            | -                 |
| 935 MAINT OF GENERAL PLANT                             | OM935 | NTPLANT           | 124,737       | -            | -             | -            | 48                |
| Total Administrative and General Expense               | OMAG  |                   | \$ 1,208,571  | \$ -         | \$ -          | \$ -         | \$ 80             |
| Total Operation and Maintenance Expenses               | TOM   |                   | \$ 30,475,512 | \$ 5,939,656 | \$ 16,504,364 | \$ -         | \$ 260            |
| Operation and Maintenance Expenses Less Purchase Power | OMLPP |                   | \$ 8,031,491  | \$ -         | \$ -          | \$ -         | \$ 260            |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name  | Allocation Vector | Pri & Sec. Distr Plant |              | Customer Services |            | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|--|-------|-------------------|------------------------|--------------|-------------------|------------|------------|-----------|---|-----------------|
|  |       |                   | Demand                 | Customer     | Demand            | Customer   | Customer   | Customer  | Customer                                    | Customer        |
| <b>Operation and Maintenance Expenses (Continued)</b>  |       |                   |                        |              |                   |            |            |           |   |                 |
| <b>Administrative and General Expense</b>              |       |                   |                        |              |                   |            |            |           |   |                 |
| 920 ADMIN. & GEN. SALARIES-                            | OM920 | OMSUB2            | 322,700                | 178,154      | -                 | 18,129     | 56,354     | 1,809     | 73,297                                      | 905             |
| 921 OFFICE SUPPLIES AND EXPENSES                       | OM921 | LBSUB2            | 55,728                 | 30,214       | -                 | 4,149      | 24,729     | 768       | 16,661                                      | -               |
| 923 OUTSIDE SERVICES EMPLOYED                          | OM923 | OMSUB2            | 23,243                 | 12,832       | -                 | 1,306      | 4,059      | 130       | 5,279                                       | 65              |
| 924 PROPERTY INSURANCE                                 | OM924 | NTPLANT           | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 925 INJURIES AND DAMAGES - INSURAN                     | OM925 | LBSUB2            | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 926 EMPLOYEE BENEFITS                                  | OM926 | LBSUB2            | 289                    | 157          | -                 | 21         | 128        | 4         | 86  | -               |
| 928 ASSOCIATED DUES                                    | OM928 | OMSUB2            | 508                    | 281          | -                 | 29         | 89         | 3         | 115   | 1               |
| 929 DUPLICATE CHARGES - CREDIT                         | OM929 | OMSUB2            | (7,307)                | (4,034)      | -                 | (410)      | (1,276)    | (41)      | (1,660)                                     | (21)            |
| 930 MISCELLANEOUS GENERAL EXPENSES                     | OM930 | OMSUB2            | 131,947                | 72,844       | -                 | 7,413      | 23,042     | 740       | 29,970                                      | 370             |
| 931 RENTS AND LEASES                                   | OM931 | NTPLANT           | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 932 MAINTENANCE OF GENERAL PLANT                       | OM932 | PGP               | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 933 TRANSPORTATION EXPENSES                            | OM933 | PGP               | -                      | -            | -                 | -          | -          | -         | -   | -               |
| 935 MAINT OF GENERAL PLANT                             | OM935 | NTPLANT           | 60,242                 | 38,353       | -                 | 11,915     | 9,148      | 5,031     | -   | -               |
| Total Administrative and General Expense               | OMAG  |                   | \$ 587,351             | \$ 328,801   | \$ -              | \$ 42,551  | \$ 116,273 | \$ 8,445  | \$ 123,749                                  | \$ 1,322        |
| Total Operation and Maintenance Expenses               | TOM   |                   | \$ 3,967,566           | \$ 2,194,923 | \$ -              | \$ 232,452 | \$ 706,569 | \$ 27,399 | \$ 891,516                                  | \$ 10,806       |
| Operation and Maintenance Expenses Less Purchase Power | OMLPP |                   | \$ 3,967,566           | \$ 2,194,923 | \$ -              | \$ 232,452 | \$ 706,569 | \$ 27,399 | \$ 891,516                                  | \$ 10,806       |



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name         | Allocation Vector | Total System         | Power Supply        |                      | Transmission | Station Equipment |
|---|--------------|-------------------|----------------------|---------------------|----------------------|--------------|-------------------|
|   |              |                   |                      | Demand              | Energy               | Demand       | Demand            |
| <b>Other Expenses</b>                                   |              |                   |                      |                     |                      |              |                   |
| <b>Depreciation Expenses</b>                            |              |                   |                      |                     |                      |              |                   |
| Steam Prod Plant  | DEPRPP       | PPROD             | -                    | -                   | -                    | -            | -                 |
| Transmission  | DEPRTP       | PTRAN             | -                    | -                   | -                    | -            | -                 |
| Dist-Structures   | DEPRDP1      | P361              | -                    | -                   | -                    | -            | -                 |
| Dist-Station  | DEPRDP2      | P362              | -                    | -                   | -                    | -            | -                 |
| Dist-Poles and Fixtures                                 | DEPRDP3      | P364              | -                    | -                   | -                    | -            | -                 |
| Dist-OH Conductor                                       | DEPRDP4      | P365              | -                    | -                   | -                    | -            | -                 |
| Dist-UG Conduit   | DEPRDP5      | P366              | -                    | -                   | -                    | -            | -                 |
| Dist-UG Conductor                                       | DEPRDP6      | P367              | -                    | -                   | -                    | -            | -                 |
| Dist-Line Transformers                                  | DEPRDP7      | P368              | -                    | -                   | -                    | -            | -                 |
| Dist-Services   | DEPRDP8      | P369              | -                    | -                   | -                    | -            | -                 |
| Dist-Meters   | DEPRDP9      | P370              | -                    | -                   | -                    | -            | -                 |
| Dist-Installations on Customer Premises                 | DEPRDP10     | P371              | -                    | -                   | -                    | -            | -                 |
| Dist-Lighting & Signal Systems                          | DEPRDP11     | P373              | -                    | -                   | -                    | -            | -                 |
| Distribution Plant                                      | DEPRDP12     | PDIST             | 2,771,188            | -                   | -                    | -            | 1,061             |
| General Plant   | DEPRGP       | PGP               | 111,588              | -                   | -                    | -            | 43                |
| Asset Retirement Costs                                  | DEPRGP       | PGP               | -                    | -                   | -                    | -            | -                 |
| AMORT Property Losses & Unrecover                       | DEPRLTEP     | PT&D              | -                    | -                   | -                    | -            | -                 |
| AMORT ELECT PLANT ACQUISIT ADJ                          | DEPRAADJ     | PDIST             | -                    | -                   | -                    | -            | -                 |
| <b>Total Depreciation Expense</b>                       | <b>TDEPR</b> |                   | <b>\$ 2,882,776</b>  | <b>-</b>            | <b>-</b>             | <b>-</b>     | <b>1,104</b>      |
| Property Taxes  | PTAX         | NTPLANT           | \$ -                 | -                   | -                    | -            | -                 |
| Other Taxes   | OT           | NTPLANT           | \$ 37,583            | -                   | -                    | -            | 14                |
| Interest -- LTD   | INTLTD       | NTPLANT           | \$ 1,574,801         | -                   | -                    | -            | 603               |
| Interest -- Other                                       | INTOTH       | NTPLANT           | \$ 81,681            | -                   | -                    | -            | 31                |
| Other Deductions  | DONAT        | NTPLANT           | \$ 6,285             | -                   | -                    | -            | 2                 |
| <b>Total Other Expenses</b>                             | <b>TOE</b>   |                   | <b>\$ 4,583,126</b>  | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>  | <b>\$ 1,755</b>   |
| <b>Total Cost of Service (O&amp;M + Other Expenses)</b> |              |                   | <b>\$ 35,058,638</b> | <b>\$ 5,939,656</b> | <b>\$ 16,504,364</b> | <b>\$ -</b>  | <b>\$ 2,015</b>   |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name         | Allocation Vector | Pri & Sec. Distr Plant |                     | Customer Services |                   | Meters              | Lighting          | Meter Reading Billing and Cust Acct Service | Load Management  |
|---|--------------|-------------------|------------------------|---------------------|-------------------|-------------------|---------------------|-------------------|---|------------------|
|   |              |                   | Demand                 | Customer            | Demand            | Customer          | Customer            | Customer          | Customer                                    | Customer         |
| <b>Other Expenses</b>                                   |              |                   |                        |                     |                   |                   |                     |                   |   |                  |
| <b>Depreciation Expenses</b>                            |              |                   |                        |                     |                   |                   |                     |                   |   |                  |
| Steam Prod Plant  | DEPRPP       | PPROD             | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Transmission  | DEPRTP       | PTRAN             | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Structures   | DEPRDP1      | P361              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Station  | DEPRDP2      | P362              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Poles and Fixtures                                 | DEPRDP3      | P364              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-OH Conductor                                       | DEPRDP4      | P365              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-UG Conduit   | DEPRDP5      | P366              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-UG Conductor                                       | DEPRDP6      | P367              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Line Transformers                                  | DEPRDP7      | P368              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Services   | DEPRDP8      | P369              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Meters   | DEPRDP9      | P370              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Installations on Customer Premises                 | DEPRDP10     | P371              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Dist-Lighting & Signal Systems                          | DEPRDP11     | P373              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Distribution Plant                                      | DEPRDP12     | PDIST             | 1,338,354              | 852,066             | -                 | 264,699           | 203,235             | 111,774           | -   | -                |
| General Plant   | DEPRGP       | PGP               | 53,892                 | 34,310              | -                 | 10,659            | 8,184               | 4,501             | -   | -                |
| Asset Retirement Costs                                  | DEPRGP       | PGP               | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| AMORT Property Losses & Unrecover                       | DEPRLTEP     | PT&D              | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| AMORT ELECT PLANT ACQUISIT ADJ                          | DEPRAADJ     | PDIST             | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| <b>Total Depreciation Expense</b>                       | <b>TDEPR</b> |                   | <b>1,392,245</b>       | <b>886,376</b>      | <b>-</b>          | <b>275,358</b>    | <b>211,419</b>      | <b>116,274</b>    | <b>-</b>                                    | <b>-</b>         |
| Property Taxes  | PTAX         | NTPLANT           | -                      | -                   | -                 | -                 | -                   | -                 | -   | -                |
| Other Taxes   | OT           | NTPLANT           | 18,151                 | 11,556              | -                 | 3,590             | 2,756               | 1,516             | -   | -                |
| Interest -- LTD   | INTLTD       | NTPLANT           | 760,555                | 484,209             | -                 | 150,422           | 115,494             | 63,518            | -   | -                |
| Interest -- Other                                       | INTOTH       | NTPLANT           | 39,448                 | 25,115              | -                 | 7,802             | 5,990               | 3,295             | -   | -                |
| Other Deductions  | DONAT        | NTPLANT           | 3,035                  | 1,933               | -                 | 600               | 461                 | 254               | -   | -                |
| <b>Total Other Expenses</b>                             | <b>TOE</b>   |                   | <b>\$ 2,213,434</b>    | <b>\$ 1,409,188</b> | <b>\$ -</b>       | <b>\$ 437,772</b> | <b>\$ 336,120</b>   | <b>\$ 184,856</b> | <b>\$ -</b>                                 | <b>\$ -</b>      |
| <b>Total Cost of Service (O&amp;M + Other Expenses)</b> |              |                   | <b>\$ 6,181,000</b>    | <b>\$ 3,604,111</b> | <b>\$ -</b>       | <b>\$ 670,224</b> | <b>\$ 1,042,689</b> | <b>\$ 212,255</b> | <b>\$ 891,516</b>                           | <b>\$ 10,806</b> |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name  | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |      |
|---|-------|-------------------|--------------|--------------|--------|--------------|-------------------|------|
|   |       |                   |              | Demand       | Energy | Demand       | Demand            |      |
| <b>Labor Expenses - for Labor Allocator</b>               |       |                   |              |              |        |              |                   |      |
| <b>Steam Power Production Operations Expense</b>          |       |                   |              |              |        |              |                   |      |
| 500 OPERATION SUPV AND ENGINEERING                        | LB500 | PPROD             | \$ -         | -            | -      | -            | -                 | -    |
| 501 FUEL  | LB501 | F017              | -            | -            | -      | -            | -                 | -    |
| 502 STEAM EXPENSES  | LB502 | F016              | -            | -            | -      | -            | -                 | -    |
| 503 STEAM FROM OTHER SOURCES                              | LB503 | F016              | -            | -            | -      | -            | -                 | -    |
| 504 STEAM TRANSFERRED - CREDIT                            | LB504 | F016              | -            | -            | -      | -            | -                 | -    |
| 505 ELECTRIC EXPENSES                                     | LB505 | F016              | -            | -            | -      | -            | -                 | -    |
| 506 MISC STEAM POWER EXPENSES                             | LB506 | F016              | -            | -            | -      | -            | -                 | -    |
| 507 RENTS   | LB507 | F016              | -            | -            | -      | -            | -                 | -    |
| 509 ALLOWANCES  | LB509 | F017              | -            | -            | -      | -            | -                 | -    |
| Total Steam Production Operation Expense                  | LBPO  |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| <b>Steam Power Production Maintenance Expense</b>         |       |                   |              |              |        |              |                   |      |
| 510 MAINTENANCE SUPV AND ENGINEERING                      | LB510 | F017              | \$ -         | -            | -      | -            | -                 | -    |
| 511 MAINTENANCE OF STRUCTURES                             | LB511 | F016              | -            | -            | -      | -            | -                 | -    |
| 512 MAINTENANCE OF BOILER PLANT                           | LB512 | F017              | -            | -            | -      | -            | -                 | -    |
| 513 MAINTENANCE OF ELECTRIC PLANT                         | LB513 | F017              | -            | -            | -      | -            | -                 | -    |
| 514 MAINTENANCE OF MISC STEAM PLANT                       | LB514 | F016              | -            | -            | -      | -            | -                 | -    |
| Total Steam Production Maintenance Expense                | LBPM  |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ - |
| Total Steam Production Operation and Maintenance Expenses | LBP   |                   | -            | -            | -      | -            | -                 | -    |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name  | Allocation Vector | Pri & Sec. Distr Plant |          | Customer Services |          | Meters   | Lighting | Meter Reading Billing and Cust Acct Service | Load Management |
|---|-------|-------------------|------------------------|----------|-------------------|----------|----------|----------|---|-----------------|
|   |       |                   | Demand                 | Customer | Demand            | Customer | Customer | Customer | Customer                                    | Customer        |
|   |       |                   |                        |          |                   |          |          |          |   |                 |
| <b>Labor Expenses - for Labor Allocator</b>               |       |                   |                        |          |                   |          |          |          |   |                 |
| <b>Steam Power Production Operations Expense</b>          |       |                   |                        |          |                   |          |          |          |   |                 |
| 500 OPERATION SUPV AND ENGINEERING                        | LB500 | PPROD             | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 501 FUEL  | LB501 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 502 STEAM EXPENSES  | LB502 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 503 STEAM FROM OTHER SOURCES                              | LB503 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 504 STEAM TRANSFERRED - CREDIT                            | LB504 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 505 ELECTRIC EXPENSES                                     | LB505 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 506 MISC STEAM POWER EXPENSES                             | LB506 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 507 RENTS   | LB507 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 509 ALLOWANCES  | LB509 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Steam Production Operation Expense                  | LBPO  |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| <b>Steam Power Production Maintenance Expense</b>         |       |                   |                        |          |                   |          |          |          |   |                 |
| 510 MAINTENANCE SUPV AND ENGINEERING                      | LB510 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 511 MAINTENANCE OF STRUCTURES                             | LB511 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 512 MAINTENANCE OF BOILER PLANT                           | LB512 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 513 MAINTENANCE OF ELECTRIC PLANT                         | LB513 | F017              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| 514 MAINTENANCE OF MISC STEAM PLANT                       | LB514 | F016              | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Total Steam Production Maintenance Expense                | LBPM  |                   | \$ -                   | \$ -     | \$ -              | \$ -     | \$ -     | \$ -     | \$ -  | \$ -            |
| Total Steam Production Operation and Maintenance Expenses | LBP   |                   | -                      | -        | -                 | -        | -        | -        | -   | -               |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name   | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |       |
|---|--------|-------------------|--------------|--------------|--------|--------------|-------------------|-------|
|   |        |                   |              | Demand       | Energy | Demand       | Demand            |       |
| <b>Labor Expenses (Continued)</b>           |        |                   |              |              |        |              |                   |       |
| <b>Purchased Power</b>                      |        |                   |              |              |        |              |                   |       |
| 555 PURCHASED POWER                         | LB555  | OMPP              | \$ -         | -            | -      | -            | -                 | -     |
| 557 OTHER EXPENSES                          | LB557  | OMPP              |              | -            | -      | -            | -                 | -     |
| Total Purchased Power Labor                 | LBPP   |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ -  |
| <b>Transmission Labor Expenses</b>          |        |                   |              |              |        |              |                   |       |
| 560 OPERATION SUPERVISION AND ENG           | LB560  | PTRAN             | \$ -         | -            | -      | -            | -                 | -     |
| 561 LOAD DISPATCHING                        | LB561  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 562 STATION EXPENSES                        | LB562  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 563 OVERHEAD LINE EXPENSES                  | LB563  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 566 MISC. TRANSMISSION EXPENSES             | LB566  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 568 MAINTENACE SUPERVISION AND ENG          | LB568  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 570 MAINT OF STATION EQUIPMENT              | LB570  | PTRAN             |              | -            | -      | -            | -                 | -     |
| 571 MAINT OF OVERHEAD LINES                 | LB571  | PTRAN             |              | -            | -      | -            | -                 | -     |
| Total Transmission Labor Expenses           |        |                   | \$ -         | \$ -         | \$ -   | \$ -         | \$ -              | \$ -  |
| <b>Distribution Operation Labor Expense</b> |        |                   |              |              |        |              |                   |       |
| 580 OPERATION SUPERVISION AND ENGI          | LB580  | PDIST             | \$ 105,832   | -            | -      | -            | -                 | 41    |
| 581 LOAD DISPATCHING                        | LB581  | P362              |              | -            | -      | -            | -                 | -     |
| 582 STATION EXPENSES                        | LB582  | P362              |              | -            | -      | -            | -                 | -     |
| 583 OVERHEAD LINE EXPENSES                  | LB583  | P365              | 568,988      | -            | -      | -            | -                 | -     |
| 584 UNDERGROUND LINE EXPENSES               | LB584  | P367              | 3,097        | -            | -      | -            | -                 | -     |
| 585 STREET LIGHTING EXPENSE                 | LB585  | P371              |              | -            | -      | -            | -                 | -     |
| 586 METER EXPENSES                          | LB586  | P370              | 276,047      | -            | -      | -            | -                 | -     |
| 586 METER EXPENSES - LOAD MANAGEMENT        | LB586x | F012              |              | -            | -      | -            | -                 | -     |
| 587 CUSTOMER INSTALLATIONS EXPENSE          | LB587  | P369              | 44,437       | -            | -      | -            | -                 | -     |
| 588 MISCELLANEOUS DISTRIBUTION EXP          | LB588  | PDIST             | 152,289      | -            | -      | -            | -                 | 58    |
| 589 RENTS                                   | LB589  | PDIST             |              | -            | -      | -            | -                 | -     |
| Total Distribution Operation Labor Expense  | LBDO   |                   | \$ 1,150,689 | \$ -         | \$ -   | \$ -         | \$ -              | \$ 99 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description                                 | Name   | Allocation Vector | Pri & Sec. Distr Plant |            | Customer Services |           | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|---|--------|-------------------|------------------------|------------|-------------------|-----------|------------|-----------|---|-----------------|
|   |        |                   | Demand                 | Customer   | Demand            | Customer  | Customer   | Customer  | Customer                                    | Customer        |
| <b>Labor Expenses (Continued)</b>           |        |                   |                        |            |                   |           |            |           |   |                 |
| <b>Purchased Power</b>                      |        |                   |                        |            |                   |           |            |           |   |                 |
| 555 PURCHASED POWER                         | LB555  | OMPP              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 557 OTHER EXPENSES                          | LB557  | OMPP              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Purchased Power Labor                 | LBPP   |                   | \$ -                   | \$ -       | \$ -              | \$ -      | \$ -       | \$ -      | \$ -  | \$ -            |
| <b>Transmission Labor Expenses</b>          |        |                   |                        |            |                   |           |            |           |   |                 |
| 560 OPERATION SUPERVISION AND ENG           | LB560  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 561 LOAD DISPATCHING                        | LB561  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 562 STATION EXPENSES                        | LB562  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 563 OVERHEAD LINE EXPENSES                  | LB563  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 566 MISC. TRANSMISSION EXPENSES             | LB566  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 568 MAINTENACE SUPERVISION AND ENG          | LB568  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 570 MAINT OF STATION EQUIPMENT              | LB570  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 571 MAINT OF OVERHEAD LINES                 | LB571  | PTRAN             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Transmission Labor Expenses           |        |                   | \$ -                   | \$ -       | \$ -              | \$ -      | \$ -       | \$ -      | \$ -  | \$ -            |
| <b>Distribution Operation Labor Expense</b> |        |                   |                        |            |                   |           |            |           |   |                 |
| 580 OPERATION SUPERVISION AND ENGI          | LB580  | PDIST             | 51,112                 | 32,540     | -                 | 10,109    | 7,762      | 4,269     | -   | -               |
| 581 LOAD DISPATCHING                        | LB581  | P362              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 582 STATION EXPENSES                        | LB582  | P362              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 583 OVERHEAD LINE EXPENSES                  | LB583  | P365              | 373,025                | 195,963    | -                 | -         | -          | -         | -   | -               |
| 584 UNDERGROUND LINE EXPENSES               | LB584  | P367              | 3,097                  | -          | -                 | -         | -          | -         | -   | -               |
| 585 STREET LIGHTING EXPENSE                 | LB585  | P371              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 586 METER EXPENSES                          | LB586  | P370              | -                      | -          | -                 | -         | 276,047    | -         | -   | -               |
| 586 METER EXPENSES - LOAD MANAGEMENT        | LB586x | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 587 CUSTOMER INSTALLATIONS EXPENSE          | LB587  | P369              | -                      | -          | -                 | 44,437    | -          | -         | -   | -               |
| 588 MISCELLANEOUS DISTRIBUTION EXP          | LB588  | PDIST             | 73,549                 | 46,825     | -                 | 14,546    | 11,169     | 6,142     | -   | -               |
| 589 RENTS                                   | LB589  | PDIST             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Distribution Operation Labor Expense  | LBDO   |                   | \$ 500,783             | \$ 275,328 | \$ -              | \$ 69,092 | \$ 294,977 | \$ 10,411 | \$ -  | \$ -            |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name   | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |     |
|---|--------|-------------------|--------------|--------------|--------|--------------|-------------------|-----|
|   |        |                   |              | Demand       | Energy | Demand       | Demand            |     |
| <b>Labor Expenses (Continued)</b>                             |        |                   |              |              |        |              |                   |     |
| <b>Distribution Maintenance Labor Expense</b>                 |        |                   |              |              |        |              |                   |     |
| 590 MAINTENANCE SUPERVISION AND EN                            | LB590  | PDIST             | \$ 105,025   | -            | -      | -            | -                 | 40  |
| 592 MAINTENANCE OF STATION EQUIPME                            | LB592  | P362              | -            | -            | -      | -            | -                 | -   |
| 593 MAINTENANCE OF OVERHEAD LINES                             | LB593  | P365              | 780,010      | -            | -      | -            | -                 | -   |
| 594 MAINTENANCE OF UNDERGROUND LIN                            | LB594  | P367              | -            | -            | -      | -            | -                 | -   |
| 595 MAINTENANCE OF LINE TRANSFORME                            | LB595  | P368              | -            | -            | -      | -            | -                 | -   |
| 596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS                    | LB596  | P373              | -            | -            | -      | -            | -                 | -   |
| 597 MAINTENANCE OF METERS                                     | LB597  | P370              | 168,955      | -            | -      | -            | -                 | -   |
| 598 MAINTENANCE OF MISC DISTR PLANT                           | LB598  | PDIST             | -            | -            | -      | -            | -                 | -   |
| Total Distribution Maintenance Labor Expense                  | LBDM   |                   | \$ 1,053,990 | \$ -         | \$ -   | \$ -         | \$ -              | 40  |
| Total Distribution Operation and Maintenance Labor Expenses   |        |                   | 2,204,679    | -            | -      | -            | -                 | 139 |
| Transmission and Distribution Labor Expenses                  |        |                   | 2,204,679    | -            | -      | -            | -                 | 139 |
| Purchased Power, Transmission and Distribution Labor Expenses | LBSUB  |                   | \$ 2,204,679 | \$ -         | \$ -   | \$ -         | \$ -              | 139 |
| <b>Customer Accounts Expense</b>                              |        |                   |              |              |        |              |                   |     |
| 901 SUPERVISION/CUSTOMER ACCTS                                | LB901  | F009              | \$ 13,372    | -            | -      | -            | -                 | -   |
| 902 METER READING EXPENSES                                    | LB902  | F009              | 9,518        | -            | -      | -            | -                 | -   |
| 903 RECORDS AND COLLECTION                                    | LB903  | F009              | 262,071      | -            | -      | -            | -                 | -   |
| 904 UNCOLLECTIBLE ACCOUNTS                                    | LB904  | F009              | -            | -            | -      | -            | -                 | -   |
| 905 MISC CUST ACCOUNTS  | LB903  | F009              | -            | -            | -      | -            | -                 | -   |
| Total Customer Accounts Labor Expense                         | LBCA   |                   | \$ 284,961   | \$ -         | \$ -   | \$ -         | \$ -              | -   |
| <b>Customer Service Expense</b>                               |        |                   |              |              |        |              |                   |     |
| 907 SUPERVISION   | LB907  | F010              | \$ 32,800    | -            | -      | -            | -                 | -   |
| 908 CUSTOMER ASSISTANCE EXPENSES                              | LB908  | F010              | -            | -            | -      | -            | -                 | -   |
| 908 CUSTOMER ASSISTANCE EXP-LOAD MGMT                         | LB908x | F012              | -            | -            | -      | -            | -                 | -   |
| 909 INFORMATIONAL AND INSTRUCTIONA                            | LB909  | F010              | -            | -            | -      | -            | -                 | -   |
| 909 INFORM AND INSTRUC -LOAD MGMT                             | LB909x | F012              | -            | -            | -      | -            | -                 | -   |
| 910 MISCELLANEOUS CUSTOMER SERVICE                            | LB910  | F010              | -            | -            | -      | -            | -                 | -   |
| 911 SUPERVISION   | LB911  | F010              | -            | -            | -      | -            | -                 | -   |
| 912 DEMONSTRATION AND SELLING EXP                             | LB912  | F012              | -            | -            | -      | -            | -                 | -   |
| 913 WATER HEATER - HEAT PUMP PROGRAM                          | LB913  | F012              | -            | -            | -      | -            | -                 | -   |
| 915 MDSE-JOBING-CONTRACT                                      | LB915  | F012              | -            | -            | -      | -            | -                 | -   |
| 916 MISC SALES EXPENSE  | LB916  | F012              | -            | -            | -      | -            | -                 | -   |
| Total Customer Service Labor Expense                          | LBCS   |                   | \$ 32,800    | \$ -         | \$ -   | \$ -         | \$ -              | -   |
| Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp  | LBSUB2 |                   | 2,522,441    | -            | -      | -            | -                 | 139 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description   | Name   | Allocation Vector | Pri & Sec. Distr Plant |            | Customer Services |           | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|---|--------|-------------------|------------------------|------------|-------------------|-----------|------------|-----------|---|-----------------|
|   |        |                   | Demand                 | Customer   | Demand            | Customer  | Customer   | Customer  | Customer                                    | Customer        |
| <b>Labor Expenses (Continued)</b>                             |        |                   |                        |            |                   |           |            |           |   |                 |
| <b>Distribution Maintenance Labor Expense</b>                 |        |                   |                        |            |                   |           |            |           |   |                 |
| 590 MAINTENANCE SUPERVISION AND EN                            | LB590  | PDIST             | 50,722                 | 32,292     | -                 | 10,032    | 7,702      | 4,236     | -   | -               |
| 592 MAINTENANCE OF STATION EQUIPME                            | LB592  | P362              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 593 MAINTENANCE OF OVERHEAD LINES                             | LB593  | P365              | 511,370                | 268,640    | -                 | -         | -          | -         | -   | -               |
| 594 MAINTENANCE OF UNDERGROUND LIN                            | LB594  | P367              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 595 MAINTENANCE OF LINE TRANSFORME                            | LB595  | P368              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS                    | LB596  | P373              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 597 MAINTENANCE OF METERS                                     | LB597  | P370              | -                      | -          | -                 | -         | 168,955    | -         | -   | -               |
| 598 MAINTENANCE OF MISC DISTR PLANT                           | LB598  | PDIST             | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Distribution Maintenance Labor Expense                  | LBDM   |                   | \$ 562,092             | \$ 300,932 | \$ -              | \$ 10,032 | \$ 176,658 | \$ 4,236  | \$ -  | \$ -            |
| Total Distribution Operation and Maintenance Labor Expenses   |        |                   | 1,062,875              | 576,260    | -                 | 79,124    | 471,635    | 14,647    | -   | -               |
| Transmission and Distribution Labor Expenses                  |        |                   | 1,062,875              | 576,260    | -                 | 79,124    | 471,635    | 14,647    | -   | -               |
| Purchased Power, Transmission and Distribution Labor Expenses | LBSUB  |                   | \$ 1,062,875           | \$ 576,260 | \$ -              | \$ 79,124 | \$ 471,635 | \$ 14,647 | \$ -  | \$ -            |
| <b>Customer Accounts Expense</b>                              |        |                   |                        |            |                   |           |            |           |   |                 |
| 901 SUPERVISION/CUSTOMER ACCTS                                | LB901  | F009              | -                      | -          | -                 | -         | -          | -         | 13,372                                      | -               |
| 902 METER READING EXPENSES                                    | LB902  | F009              | -                      | -          | -                 | -         | -          | -         | 9,518                                       | -               |
| 903 RECORDS AND COLLECTION                                    | LB903  | F009              | -                      | -          | -                 | -         | -          | -         | 262,071                                     | -               |
| 904 UNCOLLECTIBLE ACCOUNTS                                    | LB904  | F009              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 905 MISC CUST ACCOUNTS  | LB903  | F009              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Customer Accounts Labor Expense                         | LBCA   |                   | \$ -                   | \$ -       | \$ -              | \$ -      | \$ -       | \$ -      | \$ 284,961                                  | \$ -            |
| <b>Customer Service Expense</b>                               |        |                   |                        |            |                   |           |            |           |   |                 |
| 907 SUPERVISION   | LB907  | F010              | -                      | -          | -                 | -         | -          | -         | 32,800                                      | -               |
| 908 CUSTOMER ASSISTANCE EXPENSES                              | LB908  | F010              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 908 CUSTOMER ASSISTANCE EXP-LOAD MGMT                         | LB908x | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 909 INFORMATIONAL AND INSTRUCTIONA                            | LB909  | F010              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 909 INFORM AND INSTRUC -LOAD MGMT                             | LB909x | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 910 MISCELLANEOUS CUSTOMER SERVICE                            | LB910  | F010              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 911 SUPERVISION   | LB911  | F010              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 912 DEMONSTRATION AND SELLING EXP                             | LB912  | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 913 WATER HEATER - HEAT PUMP PROGRAM                          | LB913  | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 915 MDSE-JOBING-CONTRACT                                      | LB915  | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| 916 MISC SALES EXPENSE  | LB916  | F012              | -                      | -          | -                 | -         | -          | -         | -   | -               |
| Total Customer Service Labor Expense                          | LBCS   |                   | \$ -                   | \$ -       | \$ -              | \$ -      | \$ -       | \$ -      | \$ 32,800                                   | \$ -            |
| Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp  | LBSUB2 |                   | 1,062,875              | 576,260    | -                 | 79,124    | 471,635    | 14,647    | 317,762                                     | -               |



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name  | Allocation Vector | Total System | Power Supply |        | Transmission | Station Equipment |        |
|--|-------|-------------------|--------------|--------------|--------|--------------|-------------------|--------|
|  |       |                   |              | Demand       | Energy | Demand       | Demand            |        |
| <b>Labor Expenses (Continued)</b>                      |       |                   |              |              |        |              |                   |        |
| <b>Administrative and General Expense</b>              |       |                   |              |              |        |              |                   |        |
| 920 ADMIN. & GEN. SALARIES-                            | LB920 | OMSUB2            | \$ 650,078   | -            | -      | -            | -                 | 17     |
| 921 OFFICE SUPPLIES AND EXPENSES                       | LB921 | LBSUB2            | -            | -            | -      | -            | -                 | -      |
| 923 OUTSIDE SERVICES EMPLOYED                          | LB923 | OMSUB2            | -            | -            | -      | -            | -                 | -      |
| 924 PROPERTY INSURANCE                                 | LB924 | NTPLANT           | -            | -            | -      | -            | -                 | -      |
| 925 INJURIES AND DAMAGES - INSURAN                     | LB925 | LBSUB2            | -            | -            | -      | -            | -                 | -      |
| 926 EMPLOYEE BENEFITS                                  | LB926 | LBSUB2            | 235,462      | -            | -      | -            | -                 | 13     |
| 928 REGULATORY COMMISSION EXPENSES                     | LB928 | OMSUB2            | -            | -            | -      | -            | -                 | -      |
| 929 DUPLICATE CHARGES-CR                               | LB929 | OMSUB2            | -            | -            | -      | -            | -                 | -      |
| 930 MISCELLANEOUS GENERAL EXPENSES                     | LB930 | OMSUB2            | 15,028       | -            | -      | -            | -                 | 0      |
| 931 RENTS AND LEASES                                   | LB931 | NTPLANT           | -            | -            | -      | -            | -                 | -      |
| 932 GENERAL  | LB932 | PGP               | -            | -            | -      | -            | -                 | -      |
| 935 MAINT OF GENERAL PLANT                             | LB935 | PGP               | 10,308       | -            | -      | -            | -                 | 4      |
| Total Administrative and General Expense               | LBAG  |                   | \$ 910,877   | \$ -         | \$ -   | \$ -         | \$ -              | \$ 34  |
| Total Operation and Maintenance Expenses               | TLB   |                   | \$ 3,433,318 | \$ -         | \$ -   | \$ -         | \$ -              | \$ 174 |
| Operation and Maintenance Expenses Less Purchase Power | LBLPP |                   | \$ 3,433,318 | \$ -         | \$ -   | \$ -         | \$ -              | \$ 174 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name  | Allocation Vector | Pri & Sec. Distr Plant |            | Customer Services |            | Meters     | Lighting  | Meter Reading Billing and Cust Acct Service | Load Management |
|--|-------|-------------------|------------------------|------------|-------------------|------------|------------|-----------|---|-----------------|
|  |       |                   | Demand                 | Customer   | Demand            | Customer   | Customer   | Customer  | Customer                                    | Customer        |
| <b>Labor Expenses (Continued)</b>                      |       |                   |                        |            |                   |            |            |           |   |                 |
| <b>Administrative and General Expense</b>              |       |                   |                        |            |                   |            |            |           |   |                 |
| 920 ADMIN. & GEN. SALARIES-                            | LB920 | OMSUB2            | 322,062                | 177,802    | -                 | 18,094     | 56,243     | 1,806     | 73,152                                      | 904             |
| 921 OFFICE SUPPLIES AND EXPENSES                       | LB921 | LBSUB2            | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 923 OUTSIDE SERVICES EMPLOYED                          | LB923 | OMSUB2            | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 924 PROPERTY INSURANCE                                 | LB924 | NTPLANT           | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 925 INJURIES AND DAMAGES - INSURAN                     | LB925 | LBSUB2            | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 926 EMPLOYEE BENEFITS                                  | LB926 | LBSUB2            | 99,216                 | 53,792     | -                 | 7,386      | 44,026     | 1,367     | 29,662                                      | -               |
| 928 REGULATORY COMMISSION EXPENSES                     | LB928 | OMSUB2            | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 929 DUPLICATE CHARGES-CR                               | LB929 | OMSUB2            | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 930 MISCELLANEOUS GENERAL EXPENSES                     | LB930 | OMSUB2            | 7,445                  | 4,110      | -                 | 418        | 1,300      | 42        | 1,691                                       | 21              |
| 931 RENTS AND LEASES                                   | LB931 | NTPLANT           | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 932 GENERAL  | LB932 | PGP               | -                      | -          | -                 | -          | -          | -         | -   | -               |
| 935 MAINT OF GENERAL PLANT                             | LB935 | PGP               | 4,978                  | 3,169      | -                 | 985        | 756        | 416       | -   | -               |
| Total Administrative and General Expense               | LBAG  |                   | \$ 433,702             | \$ 238,873 | \$ -              | \$ 26,882  | \$ 102,324 | \$ 3,631  | \$ 104,505                                  | \$ 925          |
| Total Operation and Maintenance Expenses               | TLB   |                   | \$ 1,496,577           | \$ 815,133 | \$ -              | \$ 106,006 | \$ 573,959 | \$ 18,278 | \$ 422,267                                  | \$ 925          |
| Operation and Maintenance Expenses Less Purchase Power | LBLPP |                   | \$ 1,496,577           | \$ 815,133 | \$ -              | \$ 106,006 | \$ 573,959 | \$ 18,278 | \$ 422,267                                  | \$ 925          |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

**12 Months Ended December 31, 2023**

| Description  | Name | Allocation Vector | Total System | Power Supply |          | Transmission | Station Equipment |
|--|------|-------------------|--------------|--------------|----------|--------------|-------------------|
|  |      |                   |              | Demand       | Energy   | Demand       | Demand            |
| <b>Functional Vectors</b>                            |      |                   |              |              |          |              |                   |
| Station Equipment                                    | F001 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 1.000000          |
| Poles, Towers and Fixtures                           | F002 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Overhead Conductors and Devices                      | F003 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Underground Conductors and Devices                   | F004 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Line Transformers                                    | F005 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Services   | F006 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Meters   | F007 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Street Lighting                                      | F008 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Meter Reading  | F009 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Billing  | F010 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Transmission   | F011 |                   | 1.000000     | 0.000000     | 0.000000 | 1.000000     | 0.000000          |
| Load Management                                      | F012 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| <b>Purchased Power Expenses</b>                      | OMPP |                   | 1.000000     | 0.264643     | 0.735357 | -            | -                 |
| Intallations on Customer Premises - Plant in Service | F013 |                   | 1.00000      | -            | -        | -            | -                 |
| Intallations on Customer Premises - Accum Depr       | F014 |                   | 1.00000      | -            | -        | -            | -                 |
| Mapping  | F015 |                   | 1.000000     | 0.000000     | 0.000000 | 0.000000     | 0.000000          |
| Production - Demand                                  | F016 |                   | 1.000000     | 1.000000     | 0.000000 | 0.000000     | 0.000000          |
| Production - Energy                                  | F017 |                   | 1.000000     | 0.000000     | 1.000000 | 0.000000     | 0.000000          |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2023

| Description  | Name | Allocation Vector | Pri & Sec. Distr Plant |          | Customer Services |          | Meters   | Lighting | Meter Reading Billing and Cust Acct Service | Load Management |
|--|------|-------------------|------------------------|----------|-------------------|----------|----------|----------|---|-----------------|
|  |      |                   | Demand                 | Customer | Demand            | Customer | Customer | Customer | Customer                                    | Customer        |
| <b>Functional Vectors</b>                            |      |                   |                        |          |                   |          |          |          |   |                 |
| Station Equipment                                    | F001 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Poles, Towers and Fixtures                           | F002 |                   | 0.655595               | 0.344405 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Overhead Conductors and Devices                      | F003 |                   | 0.655595               | 0.344405 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Underground Conductors and Devices                   | F004 |                   | 1.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Line Transformers                                    | F005 |                   | 0.345754               | 0.654246 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Services   | F006 |                   | 0.000000               | 0.000000 | 0.000000          | 1.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Meters   | F007 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 1.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Street Lighting                                      | F008 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 1.000000 | 0.000000                                    | 0.000000        |
| Meter Reading  | F009 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 1.000000                                    | 0.000000        |
| Billing  | F010 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 1.000000                                    | 0.000000        |
| Transmission   | F011 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Load Management                                      | F012 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 1.000000        |
| <b>Purchased Power Expenses</b>                      | OMPP |                   | -                      | -        | -                 | -        | -        | -        | -   | -               |
| Intallations on Customer Premises - Plant in Service | F013 |                   | -                      | -        | -                 | -        | -        | 1.00000  | -   | -               |
| Intallations on Customer Premises - Accum Depr       | F014 |                   | -                      | -        | -                 | -        | -        | 1.00000  | -   | -               |
| Mapping  | F015 |                   | 0.000000               | 1.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Production - Demand                                  | F016 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |
| Production - Energy                                  | F017 |                   | 0.000000               | 0.000000 | 0.000000          | 0.000000 | 0.000000 | 0.000000 | 0.000000                                    | 0.000000        |

Exhibit JW-5  
COSS: Allocation to Rate Classes &  
Returns

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System  | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL  | Large Power G LPG |
|--|--------|-------------------|---------------|---------------|--------------------|---------------------|---------------------|--------------|-------------------|
| <b>Plant in Service</b>                            |        |                   |               |               |                    |                     |                     |              |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | PLPPD  | PPDA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Energy   | PLPPE  | PPEA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Total Purchase Power                               | PLPPT  |                   | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Transmission</b>                                |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | PLTD   | TA1               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Station Equipment</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | PLSED  | SA1               | \$ 33,974     | \$ 27,815     | \$ 1,328           | \$ 4,041            | \$ 779              | \$ 11        | \$ -              |
| <b>Primary &amp; Secondary Distribution Plant</b>  |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | PLDPD  | DA1               | \$ 42,847,062 | \$ 37,409,354 | \$ 1,565,105       | \$ 3,319,871        | \$ 542,930          | \$ 9,802     | \$ -              |
| Customer   | PLDPC  | C01               | 27,278,682    | 25,376,296    | 1,364,020          | 350,090             | 6,451               | 181,825      | \$ -              |
| Total Primary Distribution Plant                   | PLD    |                   | \$ 70,125,744 | \$ 62,785,650 | \$ 2,929,124       | \$ 3,669,961        | \$ 549,382          | \$ 191,627   | \$ -              |
| <b>Customer Services</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | PLCSD  | CSA               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Customer   | PLCSC  | SERV              | 8,474,275     | 7,670,543     | 555,026            | 244,205             | 4,500               | -            | \$ -              |
| Total Customer Services                            |        |                   | \$ 8,474,275  | \$ 7,670,543  | \$ 555,026         | \$ 244,205          | \$ 4,500            | \$ -         | \$ -              |
| <b>Meters</b>                                      |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | PLMC   | C03               | \$ 6,506,522  | \$ 6,031,870  | \$ 324,223         | \$ 147,707          | \$ 2,722            | \$ -         | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | PLLSC  | C04               | \$ 3,578,402  | \$ -          | \$ -               | \$ -                | \$ -                | \$ 3,578,402 | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | PLMRBC | C05               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Load Management</b>                             |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | PLCSC  | C06               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Total  | PLT    |                   | \$ 88,718,917 | \$ 76,515,878 | \$ 3,809,702       | \$ 4,065,914        | \$ 557,383          | \$ 3,770,040 | \$ -              |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System  | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL  | Large Power G LPG |
|--|--------|-------------------|---------------|---------------|--------------------|---------------------|---------------------|--------------|-------------------|
| <b>Net Utility Plant</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | NPPPD  | PPDA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Energy   | NPPPE  | PPEA              | -             | -             | -                  | -                   | -                   | -            | -                 |
| Total Purchase Power                               | NPPPT  |                   | -             | -             | -                  | -                   | -                   | -            | -                 |
| <b>Transmission</b>                                |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | NPTD   | TA1               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Station Equipment</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | NPSED  | SA1               | \$ 20,172     | \$ 16,515     | \$ 788             | \$ 2,399            | \$ 463              | \$ 6         | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | NPDPD  | DA1               | \$ 25,440,085 | \$ 22,211,491 | \$ 929,268         | \$ 1,971,146        | \$ 322,360          | \$ 5,820     | \$ -              |
| Customer   | NPDPC  | C01               | 16,196,489    | 15,066,963    | 809,875            | 207,863             | 3,830               | 107,957      | -                 |
| Total Primary Distribution Plant                   |        |                   | \$ 41,636,574 | \$ 37,278,454 | \$ 1,739,143       | \$ 2,179,008        | \$ 326,191          | \$ 113,777   | \$ -              |
| <b>Customer Services</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | NPCSD  | CSA               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Customer   | NPCSC  | SERV              | 5,031,530     | 4,554,321     | 329,542            | 144,995             | 2,672               | -            | -                 |
| Total Customer Services                            |        |                   | \$ 5,031,530  | \$ 4,554,321  | \$ 329,542         | \$ 144,995          | \$ 2,672            | \$ -         | \$ -              |
| <b>Meters</b>                                      |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | NPMC   | C03               | \$ 3,863,193  | \$ 3,581,372  | \$ 192,505         | \$ 87,700           | \$ 1,616            | \$ -         | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | NPLSC  | C04               | \$ 2,124,646  | \$ -          | \$ -               | \$ -                | \$ -                | \$ 2,124,646 | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | NPMRBC | C05               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Load Management</b>                             |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | NPCSC  | C06               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Total  | NPT    |                   | \$ 52,676,114 | \$ 45,430,662 | \$ 2,261,978       | \$ 2,414,102        | \$ 330,942          | \$ 2,238,430 | \$ -              |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System  | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL  | Large Power G LPG |
|--|--------|-------------------|---------------|---------------|--------------------|---------------------|---------------------|--------------|-------------------|
| <b>Net Cost Rate Base</b>                          |        |                   |               |               |                    |                     |                     |              |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | RBPPD  | PPDA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Energy   | RBPPE  | PPEA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Total Purchase Power                               | RBPPT  |                   | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Transmission</b>                                |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | RBTD   | TA1               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| <b>Station Equipment</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | RBSED  | SA1               | \$ 20,189     | \$ 16,529     | \$ 789             | \$ 2,401            | \$ 463              | \$ 6         | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | RBDPD  | DA1               | \$ 25,916,958 | \$ 22,627,845 | \$ 946,687         | \$ 2,008,095        | \$ 328,403          | \$ 5,929     | \$ -              |
| Customer   | RBDPC  | C01               | \$ 16,458,712 | \$ 15,310,899 | \$ 822,987         | \$ 211,228          | \$ 3,893            | \$ 109,705   | \$ -              |
| Total Primary Distribution Plant                   |        |                   | \$ 42,375,670 | \$ 37,938,744 | \$ 1,769,674       | \$ 2,219,323        | \$ 332,296          | \$ 115,634   | \$ -              |
| <b>Customer Services</b>                           |        |                   |               |               |                    |                     |                     |              |                   |
| Demand   | RBCSD  | CSA               | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Customer   | RBCSC  | SERV              | \$ 5,056,814  | \$ 4,577,207  | \$ 331,198         | \$ 145,723          | \$ 2,685            | \$ -         | \$ -              |
| Total Customer Services                            |        |                   | \$ 5,056,814  | \$ 4,577,207  | \$ 331,198         | \$ 145,723          | \$ 2,685            | \$ -         | \$ -              |
| <b>Meters</b>                                      |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | RBMC   | C03               | \$ 3,948,618  | \$ 3,660,565  | \$ 196,762         | \$ 89,639           | \$ 1,652            | \$ -         | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | RBLSC  | C04               | \$ 2,126,478  | \$ -          | \$ -               | \$ -                | \$ -                | \$ 2,126,478 | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | RBMRBC | C05               | \$ 111,440    | \$ 104,348    | \$ 5,609           | \$ 1,440            | \$ 27               | \$ 17        | \$ -              |
| <b>Load Management</b>                             |        |                   |               |               |                    |                     |                     |              |                   |
| Customer   | RBCSC  | C06               | \$ 1,351      | \$ 1,257      | \$ 68              | \$ 17               | \$ 0                | \$ 9         | \$ -              |
| Total  | RBT    |                   | \$ 53,640,560 | \$ 46,298,650 | \$ 2,304,099       | \$ 2,458,544        | \$ 337,123          | \$ 2,242,144 | \$ -              |



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System  | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|--------|-------------------|---------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Operation and Maintenance Expenses</b>          |        |                   |               |               |                    |                     |                     |             |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |               |               |                    |                     |                     |             |                   |
| Demand   | OMPPD  | PPDA              | \$ 5,939,656  | \$ 4,668,583  | \$ 222,891         | \$ 678,250          | \$ 130,780          | \$ 1,773    | \$ 237,378        |
| Energy   | OMPPE  | PPEA              | 16,504,364    | 11,713,251    | 593,141            | 1,975,909           | 654,605             | 8,077       | 1,559,381         |
| Total Purchase Power                               | OMPPT  |                   | 22,444,020    | 16,381,835    | 816,032            | 2,654,159           | 785,385             | 9,850       | 1,796,759         |
| <b>Transmission</b>                                |        |                   |               |               |                    |                     |                     |             |                   |
| Demand   | OMTD   | TOMA              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Station Equipment</b>                           |        |                   |               |               |                    |                     |                     |             |                   |
| Demand   | OMSED  | SOMA              | \$ 260        | \$ 213        | \$ 10              | \$ 31               | \$ 6                | \$ 0        | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |               |               |                    |                     |                     |             |                   |
| Demand   | OMDPD  | DOM               | \$ 3,967,566  | \$ 3,464,043  | \$ 144,926         | \$ 307,414          | \$ 50,274           | \$ 908      | \$ -              |
| Customer   | OMDPC  | C01               | 2,194,923     | 2,041,852     | 109,753            | 28,169              | 519                 | 14,630      | -                 |
| Total Primary Distribution Plant                   |        |                   | \$ 6,162,489  | \$ 5,505,895  | \$ 254,679         | \$ 335,584          | \$ 50,794           | \$ 15,538   | \$ -              |
| <b>Customer Services</b>                           |        |                   |               |               |                    |                     |                     |             |                   |
| Demand   | OMCSD  | SERV              | \$ -          | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | OMCSC  | SERV              | 232,452       | 210,405       | 15,225             | 6,699               | 123                 | -           | -                 |
| Total Customer Services                            |        |                   | \$ 232,452    | \$ 210,405    | \$ 15,225          | \$ 6,699            | \$ 123              | \$ -        | \$ -              |
| <b>Meters</b>                                      |        |                   |               |               |                    |                     |                     |             |                   |
| Customer   | OMMC   | C03               | \$ 706,569    | \$ 655,025    | \$ 35,209          | \$ 16,040           | \$ 296              | \$ -        | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |               |               |                    |                     |                     |             |                   |
| Customer   | OMLSC  | C04               | \$ 27,399     | \$ -          | \$ -               | \$ -                | \$ -                | \$ 27,399   | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |               |               |                    |                     |                     |             |                   |
| Customer   | OMMRBC | C05               | \$ 891,516    | \$ 834,783    | \$ 44,871          | \$ 11,517           | \$ 212              | \$ 133      | \$ -              |
| <b>Load Management</b>                             |        |                   |               |               |                    |                     |                     |             |                   |
| Customer   | OMCSC  | C06               | \$ 10,806     | \$ 10,053     | \$ 540             | \$ 139              | \$ 3                | \$ 72       | \$ -              |
| Total  | OMT    |                   | \$ 30,475,512 | \$ 23,598,208 | \$ 1,166,566       | \$ 3,024,168        | \$ 836,819          | \$ 52,992   | \$ 1,796,759      |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|--------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Labor Expenses</b>                              |        |                   |              |               |                    |                     |                     |             |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | LBPPD  | PPDA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Energy   | LBPPE  | PPEA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Purchase Power                               | LBPPT  |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Transmission</b>                                |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | LBTD   | TOMA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Station Equipment</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | LBSED  | SOMA              | \$ 174       | \$ 142        | \$ 7               | \$ 21               | \$ 4                | \$ 0        | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | LBDPD  | DOM               | \$ 1,496,577 | \$ 1,306,647  | \$ 54,667          | \$ 115,958          | \$ 18,964           | \$ 342      | \$ -              |
| Customer   | LBDPC  | C01               | \$ 815,133   | \$ 758,287    | \$ 40,759          | \$ 10,461           | \$ 193              | \$ 5,433    | \$ -              |
| Total Primary Distribution Plant                   |        |                   | \$ 2,311,710 | \$ 2,064,933  | \$ 95,426          | \$ 126,419          | \$ 19,156           | \$ 5,776    | \$ -              |
| <b>Customer Services</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | LBCSD  | SERV              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | LBCSC  | SERV              | \$ 106,006   | \$ 95,952     | \$ 6,943           | \$ 3,055            | \$ 56               | \$ -        | \$ -              |
| Total Customer Services                            |        |                   | \$ 106,006   | \$ 95,952     | \$ 6,943           | \$ 3,055            | \$ 56               | \$ -        | \$ -              |
| <b>Meters</b>                                      |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | LBMC   | C03               | \$ 573,959   | \$ 532,089    | \$ 28,601          | \$ 13,030           | \$ 240              | \$ -        | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | LBLSC  | C04               | \$ 18,278    | \$ -          | \$ -               | \$ -                | \$ -                | \$ 18,278   | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | LBMRBC | C05               | \$ 422,267   | \$ 395,395    | \$ 21,253          | \$ 5,455            | \$ 101              | \$ 63       | \$ -              |
| <b>Load Management</b>                             |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | LBCSC  | C06               | \$ 925       | \$ 860        | \$ 46              | \$ 12               | \$ 0                | \$ 6        | \$ -              |
| Total  | LBT    |                   | \$ 3,433,318 | \$ 3,089,371  | \$ 152,275         | \$ 147,991          | \$ 19,558           | \$ 24,123   | \$ -              |
|  |        |                   |              | 0.900         | 0.044              | 0.043               | 0.006               | 0.007       |                   |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|--------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Depreciation Expenses</b>                       |        |                   |              |               |                    |                     |                     |             |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | DPPPD  | PPDA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Energy   | DPPPE  | PPEA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Purchase Power                               | DPPPT  |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Transmission</b>                                |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | DPTD   | TA1               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Station Equipment</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | DPSED  | SA1               | \$ 1,104     | \$ 904        | \$ 43              | \$ 131              | \$ 25               | \$ 0        | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | DPDPD  | DA1               | \$ 1,392,245 | \$ 1,215,556  | \$ 50,856          | \$ 107,874          | \$ 17,642           | \$ 318      | \$ -              |
| Customer   | DPDPC  | C01               | \$ 886,376   | \$ 824,561    | \$ 44,322          | \$ 11,376           | \$ 210              | \$ 5,908    | \$ -              |
| Total Primary Distribution Plant                   |        |                   | \$ 2,278,621 | \$ 2,040,117  | \$ 95,177          | \$ 119,249          | \$ 17,851           | \$ 6,227    | \$ -              |
| <b>Customer Services</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | DPCSD  | SERV              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | DPCSC  | SERV              | \$ 275,358   | \$ 249,242    | \$ 18,035          | \$ 7,935            | \$ 146              | \$ -        | \$ -              |
| Total Customer Services                            |        |                   | \$ 275,358   | \$ 249,242    | \$ 18,035          | \$ 7,935            | \$ 146              | \$ -        | \$ -              |
| <b>Meters</b>                                      |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | DPMC   | C03               | \$ 211,419   | \$ 195,996    | \$ 10,535          | \$ 4,799            | \$ 88               | \$ -        | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | DPLSC  | C04               | \$ 116,274   | \$ -          | \$ -               | \$ -                | \$ -                | \$ 116,274  | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | DPMRBC | C05               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Load Management</b>                             |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | DPCSC  | C06               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total  | DPT    |                   | \$ 2,882,776 | \$ 2,486,258  | \$ 123,790         | \$ 132,115          | \$ 18,111           | \$ 122,501  | \$ -              |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|--------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Property Taxes</b>                              |        |                   |              |               |                    |                     |                     |             |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | PTPPD  | PPDA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Energy   | PTPPE  | PPEA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Purchase Power                               | PTPPT  |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Transmission</b>                                |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | PTTD   | TOMA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Station Equipment</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | PTSED  | SOMA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | PTDPD  | DOM               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | PTDPC  | C01               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Primary Distribution Plant                   |        |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Customer Services</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | PTCSD  | SERV              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | PTCSC  | SERV              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Customer Services                            |        |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Meters</b>                                      |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | PTMC   | C03               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | PTLSC  | C04               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | PTMRBC | C05               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Load Management</b>                             |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | PTCSC  | C06               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total  | PTT    |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name   | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|--------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Other Taxes</b>                                 |        |                   |              |               |                    |                     |                     |             |                   |
| <b>Production &amp; Purchase Power</b>             |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | OTPPD  | PPDA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Energy   | OTPPE  | PPEA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total Purchase Power                               | OTPPT  |                   | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Transmission</b>                                |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | OTTD   | TOMA              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Station Equipment</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | OTSED  | SOMA              | \$ 14        | \$ 12         | \$ 1               | \$ 2                | \$ 0                | \$ 0        | \$ -              |
| <b>Primary Distribution Plant</b>                  |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | OTDPD  | DOM               | \$ 18,151    | \$ 15,847     | \$ 663             | \$ 1,406            | \$ 230              | \$ 4        | \$ -              |
| Customer   | OTDPC  | C01               | \$ 11,556    | \$ 10,750     | \$ 578             | \$ 148              | \$ 3                | \$ 77       | \$ -              |
| Total Primary Distribution Plant                   |        |                   | \$ 29,707    | \$ 26,597     | \$ 1,241           | \$ 1,555            | \$ 233              | \$ 81       | \$ -              |
| <b>Customer Services</b>                           |        |                   |              |               |                    |                     |                     |             |                   |
| Demand   | OTCSD  | SERV              | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Customer   | OTCSC  | SERV              | \$ 3,590     | \$ 3,249      | \$ 235             | \$ 103              | \$ 2                | \$ -        | \$ -              |
| Total Customer Services                            |        |                   | \$ 3,590     | \$ 3,249      | \$ 235             | \$ 103              | \$ 2                | \$ -        | \$ -              |
| <b>Meters</b>                                      |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | OTMC   | C03               | \$ 2,756     | \$ 2,555      | \$ 137             | \$ 63               | \$ 1                | \$ -        | \$ -              |
| <b>Lighting Systems</b>                            |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | OTLSC  | C04               | \$ 1,516     | \$ -          | \$ -               | \$ -                | \$ -                | \$ 1,516    | \$ -              |
| <b>Meter Reading, Billing and Customer Service</b> |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | OTMRBC | C05               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| <b>Load Management</b>                             |        |                   |              |               |                    |                     |                     |             |                   |
| Customer   | OTCSC  | C06               | \$ -         | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Total  | OTT    |                   | \$ 37,583    | \$ 32,414     | \$ 1,614           | \$ 1,722            | \$ 236              | \$ 1,597    | \$ -              |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

**12 Months Ended December 31, 2023**

| Description  | Name  | Allocation Vector | Total System         | Residential A        | Small Commercial B  | Large Commercial LP | Large Comm Rate LPR | Lighting SL         | Large Power G LPG |
|--|-------|-------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| <b>Cost of Service Summary -- Unadjusted Results</b> |       |                   |                      |                      |                     |                     |                     |                     |                   |
| <b>Operating Revenues</b>                            |       |                   |                      |                      |                     |                     |                     |                     |                   |
| Total Sales of Electric Energy                       | REVUC | R01               | \$ 33,071,852        | \$ 24,062,879        | \$ 1,294,266        | \$ 3,904,502        | \$ 924,085          | \$ 1,016,428        | \$ 1,869,691      |
| Other Electric Revenues                              |       | MISC SERV         | \$ 613,456           | \$ 555,274           | \$ 40,179           | \$ 17,678           | \$ 326              | \$ -                | \$ -              |
| Total Operating Revenues                             | TOR   |                   | \$ 33,685,308        | \$ 24,618,153        | \$ 1,334,445        | \$ 3,922,180        | \$ 924,411          | \$ 1,016,428        | \$ 1,869,691      |
| <b>Operating Expenses</b>                            |       |                   |                      |                      |                     |                     |                     |                     |                   |
| Operation and Maintenance Expenses                   |       |                   | \$ 30,475,512        | \$ 23,598,208        | \$ 1,166,566        | \$ 3,024,168        | \$ 836,819          | \$ 52,992           | \$ 1,796,759      |
| Depreciation and Amortization Expenses               |       |                   | 2,882,776            | 2,486,258            | 123,790             | 132,115             | 18,111              | 122,501             | -                 |
| Property Taxes                                       |       | NPT               | -                    | -                    | -                   | -                   | -                   | -                   | -                 |
| Other Taxes  |       |                   | 37,583               | 32,414               | 1,614               | 1,722               | 236                 | 1,597               | -                 |
| Total Operating Expenses                             | TOE   |                   | \$ 33,395,871        | \$ 26,116,880        | \$ 1,291,970        | \$ 3,158,006        | \$ 855,166          | \$ 177,090          | \$ 1,796,759      |
| Utility Operating Margin                             | TOM   |                   | \$ 289,437           | \$ (1,498,727)       | \$ 42,475           | \$ 764,175          | \$ 69,245           | \$ 839,338          | \$ 72,932         |
| <b>Net Cost Rate Base</b>                            |       |                   | <b>\$ 53,640,560</b> | <b>\$ 46,298,650</b> | <b>\$ 2,304,099</b> | <b>\$ 2,458,544</b> | <b>\$ 337,123</b>   | <b>\$ 2,242,144</b> | <b>\$ -</b>       |
| <b>Rate of Return</b>                                |       |                   | <b>0.54%</b>         | <b>-3.24%</b>        | <b>1.84%</b>        | <b>31.08%</b>       | <b>20.54%</b>       | <b>37.43%</b>       | <b>NA</b>         |

LICKING VALLEY R.E.C.C.

Cost of Service Study  
Class Allocation

12 Months Ended December 31, 2023

| Description  | Name | Allocation Vector | Total System   | Residential A  | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL   | Large Power G LPG |
|--|------|-------------------|----------------|----------------|--------------------|---------------------|---------------------|---------------|-------------------|
| <b>Cost of Service Summary -- Adjusted Results</b> |      |                   |                |                |                    |                     |                     |               |                   |
|  |      |                   | 3,273,290      | 2,111,716      | 112,027            | 372,112             | 120,967             | 278,234       | 278,234           |
| <b>Operating Revenues</b>                          |      |                   | 3,483,222      | 2,387,262      | 126,710            | 374,346             | 89,265              | 252,819       | 252,819           |
| Total Operating Revenue -- Actual                  |      |                   | \$ 33,685,308  | \$ 24,618,153  | \$ 1,334,445       | \$ 3,922,180        | \$ 924,411          | \$ 1,016,428  | \$ 1,869,691      |
| Pro-Forma Adjustments:                             |      |                   |                |                |                    |                     |                     |               |                   |
| 1.01 Fuel Adjustment Clause                        |      | FAC               | \$ (2,996,611) | \$ (2,111,716) | \$ (112,027)       | \$ (372,112)        | \$ (120,967)        | \$ (1,555)    | \$ (278,234)      |
| 1.02 Environmental Surcharge                       |      | ES                | \$ (3,233,287) | \$ (2,387,262) | \$ (126,710)       | \$ (374,346)        | \$ (89,265)         | \$ (2,885)    | \$ (252,819)      |
| 1.04 Year-End Customer Normalization               |      |                   | \$ 3,355,072   | 115,172        | 2,441              | (29,083)            | \$ -                | \$ -          | 3,266,543         |
| Proposed Increase                                  |      |                   | \$ -           | \$ -           | \$ -               | \$ -                | \$ -                | \$ -          | \$ -              |
| Total Pro Forma Adjustments                        |      |                   | \$ (2,874,826) | \$ (4,383,806) | \$ (236,297)       | \$ (775,541)        | \$ (210,233)        | \$ (4,440)    | \$ 2,735,490      |
| Total Pro-Forma Operating Revenue                  |      |                   | \$ 30,810,482  | \$ 20,234,347  | \$ 1,098,148       | \$ 3,146,639        | \$ 714,178          | \$ 1,011,988  | \$ 4,605,181      |
| <b>Operating Expenses</b>                          |      |                   |                |                |                    |                     |                     |               |                   |
| Total Operating Expenses -- Actual                 | TOE  |                   | \$ 33,395,871  | \$ 26,116,880  | \$ 1,291,970       | \$ 3,158,006        | \$ 855,166          | \$ 177,090    | \$ 1,796,759      |
| Pro-Forma Adjustments:                             |      |                   |                |                |                    |                     |                     |               |                   |
| 1.01 Fuel Adjustment Clause                        |      | FAC               | \$ (2,766,319) | \$ (1,949,428) | \$ (103,418)       | \$ (343,515)        | \$ (111,671)        | \$ (1,435)    | \$ (256,852)      |
| 1.02 Environmental Surcharge                       |      | ES                | \$ (3,062,968) | \$ (2,261,508) | \$ (120,035)       | \$ (354,627)        | \$ (84,563)         | \$ (2,733)    | \$ (239,501)      |
| 1.03 Rate Case Expenses                            |      | RBT               | \$ 53,333      | \$ 46,033      | \$ 2,291           | \$ 2,444            | \$ 335              | \$ 2,229      | \$ -              |
| 1.04 Year-End Customer Normalization               |      |                   | \$ 3,097,238   | \$ 71,938      | \$ 1,387           | \$ (18,509)         | \$ -                | \$ -          | \$ 3,042,422      |
| 1.05 GTCC  |      |                   | \$ -           | \$ -           | \$ -               | \$ -                | \$ -                | \$ -          | \$ -              |
| 1.06 Health Insurance Premiums                     |      | LBT               | \$ (178,890)   | \$ (160,969)   | \$ (7,934)         | \$ (7,711)          | \$ (1,019)          | \$ (1,257)    | \$ -              |
| 1.07 Depreciation Expense Normalization            |      | DPT               | \$ 239,443     | \$ 206,509     | \$ 10,282          | \$ 10,973           | \$ 1,504            | \$ 10,175     | \$ -              |
| 1.08 Donations, Advertising & Dues                 |      | RBT               | \$ (212,373)   | \$ (183,305)   | \$ (9,122)         | \$ (9,734)          | \$ (1,335)          | \$ (8,877)    | \$ -              |
| 1.09 Directors Expense                             |      | RBT               | \$ (24,087)    | \$ (20,790)    | \$ (1,035)         | \$ (1,104)          | \$ (151)            | \$ (1,007)    | \$ -              |
| 1.10 Life Insurance Premiums                       |      | LBT               | \$ (19,717)    | \$ (17,741)    | \$ (874)           | \$ (850)            | \$ (112)            | \$ (139)      | \$ -              |
| 1.11 Interest Expense                              |      | RBT               | \$ -           | \$ -           | \$ -               | \$ -                | \$ -                | \$ -          | \$ -              |
| 1.12 Wages & Salaries                              |      | LBT               | \$ 49,770      | \$ 44,785      | \$ 2,207           | \$ 2,145            | \$ 284              | \$ 350        | \$ -              |
| 1.13 Payroll Taxes                                 |      | LBT               | \$ 28,988      | \$ 26,084      | \$ 1,286           | \$ 1,250            | \$ 165              | \$ 204        | \$ -              |
| 1.14 Professional Services                         |      | RBT               | \$ (16,799)    | \$ (14,499)    | \$ (722)           | \$ (770)            | \$ (106)            | \$ (702)      | \$ -              |
| Total Pro Forma Adjustments                        |      |                   | \$ (2,812,379) | \$ (4,212,893) | \$ (225,688)       | \$ (720,006)        | \$ (196,669)        | \$ (3,192)    | \$ 2,546,069      |
| Total Pro-forma Operating Expenses                 |      |                   | \$ 30,583,492  | \$ 21,903,987  | \$ 1,066,282       | \$ 2,437,999        | \$ 658,497          | \$ 173,898    | \$ 4,342,828      |
| <b>Utility Operating Margin -- Pro-Forma</b>       |      |                   | \$ 226,990     | \$ (1,669,640) | \$ 31,866          | \$ 708,640          | \$ 55,681           | \$ 838,090    | \$ 262,353        |
| <b>Net Cost Rate Base</b>                          |      |                   | \$ 53,640,560  | \$ 46,298,650  | \$ 2,304,099       | \$ 2,458,544        | \$ 337,123          | \$ 2,242,144  | \$ -              |
| Pro-forma Rate Base Adjustments<br><reserved>      |      | RBT               | \$ -           | \$ -           | \$ -               | \$ -                | \$ -                | \$ -          | \$ -              |
| Pro-forma Rate Base                                |      |                   | \$ 53,640,560  | \$ 46,298,650  | \$ 2,304,099       | \$ 2,458,544        | \$ 337,123          | \$ 2,242,144  | \$ -              |
| <b>Rate of Return</b>                              |      |                   | <b>0.42%</b>   | <b>-3.61%</b>  | <b>1.38%</b>       | <b>28.82%</b>       | <b>16.52%</b>       | <b>37.38%</b> | <b>NA</b>         |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description   | Name     | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power LG |
|---|----------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|----------------|
| <b>Allocation Factors</b>                                 |          |                   |              |               |                    |                     |                     |             |                |
| <b>Energy Allocation Factors</b>                          |          |                   |              |               |                    |                     |                     |             |                |
| Energy Usage by Class                                     | E01      | Energy            | 1.000000     | 0.699622      | 0.035428           | 0.114993            | 0.038096            | 0.000482    | 0.111378       |
| <b>Demand Allocation Factors</b>                          |          |                   |              |               |                    |                     |                     |             |                |
| Purchase Power -- Average 12 CP                           | D01      | 12CP              | 1.000000     | 0.772309      | 0.036872           | 0.112201            | 0.021635            | 0.000293    | 0.056690       |
| Station Equipment -- Maximum Class Demand                 | D02      | NCP               | 1.000000     | 0.722627      | 0.034053           | 0.090884            | 0.019819            | 0.000388    | 0.132229       |
| Primary Distribution Plant -- Maximum Class Demand        | D03      | NCP               | 1.000000     | 0.722627      | 0.034053           | 0.090884            | 0.019819            | 0.000388    | 0.132229       |
| Services  | SERV     |                   | 1.000000     | 0.905156      | 0.065495           | 0.028817            | 0.000531            | -           | -              |
| Misc. Service Revenue                                     | MISCSERV |                   | 1.000000     | 0.905156      | 0.065495           | 0.028817            | 0.000531            | -           | -              |
| Residential & Commercial Rev                              | RCRev    |                   | 25,357,146   | 24,062,879    | 1,294,266          | -                   | -                   | -           | -              |
| Fuel Adjustment Clause Revenue                            | FAC      |                   | 2,996,611    | 2,111,716     | 112,027            | 372,112             | 120,967             | 1,555       | 278,234        |
| Environmental Surcharge Revenue                           | ES       |                   | 3,233,288    | 2,387,262     | 126,710            | 374,346             | 89,265              | 2,885       | 252,819        |
| <b>Customer Allocation Factors</b>                        |          |                   |              |               |                    |                     |                     |             |                |
| Primary Distribution Plant -- Average Number of Customers | C01      | Cust01            | 1.000000     | 0.930261      | 0.050003           | 0.012834            | 0.000237            | 0.006665    | -              |
| Customer Services -- Average Number of Customers          | C02      | Cust02            | 1.000000     | 0.930261      | 0.050003           | 0.012834            | 0.000237            | 0.006665    | -              |
| Meter Costs -- Weighted Cost of Meters                    | C03      |                   | 1.000000     | 0.927050      | 0.049831           | 0.022701            | 0.000418            | -           | -              |
| Lighting Systems -- Lighting Customers                    | C04      | Cust04            | 1.000000     | -             | -                  | -                   | -                   | 1.000000    | -              |
| Meter Reading and Billing -- Weighted Cost                | C05      | Cust05            | 1.000000     | 0.936364      | 0.050331           | 0.012918            | 0.000238            | 0.000149    | -              |
| Load Management   | C06      | Cust06            | 1.000000     | 0.930261      | 0.050003           | 0.012834            | 0.000237            | 0.006665    | -              |
| <b>Other Allocation Factors</b>                           |          |                   |              |               |                    |                     |                     |             |                |
| Rev   | R01      |                   | 33,384,286   | 24,290,205    | 1,306,494          | 3,941,389           | 932,815             | 1,026,030   | 1,887,354      |
| Energy  | E01      |                   | 269,475,575  | 186,684,568   | 9,453,416          | 31,491,833          | 10,433,028          | 128,730     | 31,284,000     |
| Loss Factor   |          |                   |              | 0.050         | 0.050              | 0.025               | 0.025               | 0.050       | 0.000          |
| Energy Including Losses                                   | Energy   |                   | 280,880,398  | 196,510,072   | 9,950,964          | 32,299,316          | 10,700,542          | 135,505     | 31,284,000     |
| Customers (Monthly Bills)                                 |          |                   | 207,187      | 192,738       | 10,360             | 2,659               | 49                  | 1,381       | -              |
| Average Customers (Bills/12)                              | Cust01   |                   | 17,266       | 16,062        | 863                | 222                 | 4                   | 115         | -              |
| Average Customers (Lighting = Lights)                     | Cust02   |                   | 17,266       | 16,062        | 863                | 222                 | 4                   | 115         | -              |
| Average Customers (Lighting =45 Lights per Cust)          | Cust03   |                   | 17,153       | 16,062        | 863                | 222                 | 4                   | 3           | -              |
| Lighting  | Cust04   |                   | 1            | -             | -                  | -                   | -                   | 1           | -              |
| Average Customers   | Cust05   |                   | 17,153       | 16,062        | 863                | 222                 | 4                   | 3           | -              |
| Load Management   | Cust06   |                   | 17,266       | 16,062        | 863                | 222                 | 4                   | 115         | -              |
| Winter CP Demands   | WCP      |                   | 462,764      | 352,854       | 16,463             | 50,237              | 9,146               | 175         | 33,889         |
| Summer CP Demands   | SCP      |                   | 135,027      | 108,826       | 5,579              | 16,835              | 3,787               | -           | -              |
| 12 Month Sum of Coincident Demands                        | 12CP     |                   | 597,791      | 461,679       | 22,042             | 67,073              | 12,933              | 175         | 33,889         |
| Class Maximum Demands                                     | NCP      |                   | 82,263       | 59,445        | 2,801              | 7,476               | 1,630               | 32          | 10,878         |
| Sum of the Individual Customer Demands                    | SICD     |                   | 1,593,129    | 1,347,214     | 56,364             | 119,558             | 19,552              | 353         | 50,088         |



**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

**12 Months Ended December 31, 2023**

| Description                            | Name  | Allocation Vector | Total System  | Residential A   | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|-------|-------------------|---------------|-----------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Allocation Factors (continued)</b>  |       |                   |               |                 |                    |                     |                     |             |                   |
| Transmission Residual Demand Allocator | TRDA  |                   | 597,791       | 461,679         | 22,042             | 67,073              | 12,933              | 175         | 33,889            |
| Transmission Plant In Service          |       |                   | \$ -          |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   |               |                 |                    |                     |                     |             |                   |
| Transmission Residual                  | TRDA  |                   | \$ -          | \$ -            | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Transmission Total                     | TA1   |                   | \$ -          | \$ -            | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Transmission Plant Allocator           | T01   | TA1               | -             | -               | -                  | -                   | -                   | -           | -                 |
| Transmission Residual Demand Allocator | TOMDA |                   | 597,791       | 461,679         | 22,042             | 67,073              | 12,933              | 175         | 33,889            |
| Transmission Plant In Service          |       |                   | \$ -          |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   | \$ -          | -               | -                  | -                   | -                   | -           | -                 |
| Transmission Residual                  | TOMDA |                   | \$ -          | \$ -            | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Transmission Total                     | TOMA  |                   | \$ -          | \$ -            | \$ -               | \$ -                | \$ -                | \$ -        | \$ -              |
| Transmission O&M Allocator             | T02   | TOMA              | -             | -               | -                  | -                   | -                   | -           | -                 |
| Distribution Residual Demand Allocator | DDA   |                   | 1,543,041     | 1,347,214       | 56,364             | 119,558             | 19,552              | 353         | -                 |
| Distribution Plant In Service          |       |                   | \$ 39,654,587 |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   |               |                 |                    |                     |                     |             |                   |
| Distribution Residual                  | DOMDA |                   | \$ 39,654,587 | \$ 34,622,034.9 | \$ 1,448,491       | \$ 3,072,512        | \$ 502,477          | \$ 9,071    | \$ -              |
| Distribution Total                     | DT1   |                   | \$ 39,654,587 | \$ 34,622,034.9 | \$ 1,448,491       | \$ 3,072,512        | \$ 502,477          | \$ 9,071    | \$ -              |
| Distribution Plant Allocator           | DA1   | DT1               | 1.000000      | 0.87309         | 0.03653            | 0.07748             | 0.01267             | 0.00023     | -                 |
| Distribution Residual Demand Allocator | DOMDA |                   | 1,543,041     | 1,347,213.96    | 56,364             | 119,558             | 19,552              | 353         | -                 |
| Distribution Plant In Service          |       |                   | \$ 39,654,587 |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   |               |                 |                    |                     |                     |             |                   |
| Distribution Residual                  | DOMDA |                   | \$ 39,654,587 | \$ 34,622,034.9 | \$ 1,448,491       | \$ 3,072,512        | \$ 502,477          | \$ 9,071    | \$ -              |
| Distribution Total                     | DOMA  |                   | \$ 39,654,587 | \$ 34,622,034.9 | \$ 1,448,491       | \$ 3,072,512        | \$ 502,477          | \$ 9,071    | \$ -              |
| Distribution O&M Allocator             | DOM   | DOMA              | 1.000000      | 0.87309         | 0.03653            | 0.07748             | 0.01267             | 0.00023     | -                 |
| Substation Residual Demand Allocator   | SDA   |                   | 563,902       | 461,679         | 22,042             | 67,073              | 12,933              | 175         | -                 |
| Substation Plant In Service            |       |                   | \$ 31,442     |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   |               |                 |                    |                     |                     |             |                   |
| Substation Residual                    | SDA   |                   | \$ 31,442     | \$ 25,743       | \$ 1,229           | \$ 3,740            | \$ 721              | \$ 10       | \$ -              |
| Substation Total                       | ST1   |                   | \$ 31,442     | \$ 25,743       | \$ 1,229           | \$ 3,740            | \$ 721              | \$ 10       | \$ -              |
| Substation Plant Allocator             | SA1   | ST1               | 1.000000      | 0.81872         | 0.03909            | 0.11894             | 0.02293             | 0.00031     | -                 |
| Substation Residual Demand Allocator   | SOMDA |                   | \$ 563,902    | 461,679         | 22,042             | 67,073              | 12,933              | 175         | -                 |
| Substation Plant In Service            |       |                   | \$ 31,442     |                 |                    |                     |                     |             |                   |
| Customer Specific Assignment           |       |                   |               |                 |                    |                     |                     |             |                   |
| Substation Residual                    | SOMDA |                   | \$ 31,442     | \$ 25,743       | \$ 1,229           | \$ 3,740            | \$ 721              | \$ 10       | \$ -              |
| Substation Total                       | STOM  |                   | \$ 31,442     | \$ 25,743       | \$ 1,229           | \$ 3,740            | \$ 721              | \$ 10       | \$ -              |
| Substation O&M Allocator               | SOMA  | STOM              | 1.000000      | 0.81872         | 0.03909            | 0.11894             | 0.02293             | 0.00031     | -                 |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

**12 Months Ended December 31, 2023**

| Description                               | Name  | Allocation Vector | Total System     | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|---|-------|-------------------|------------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Allocation Factors (continued)</b>     |       |                   |                  |               |                    |                     |                     |             |                   |
| Customer Services Demand                  | CSD   |                   | 1,543,041        | 1,347,214     | 56,364             | 119,558             | 19,552              | 353         | -                 |
| Customer Services Allocator               | CSA   | CSD               | 1.000000         | 0.87309       | 0.03653            | 0.07748             | 0.01267             | 0.00023     | -                 |
| Purchased Power Residual Demand Allocator | PPDRA |                   | 563,902          | 461,679       | 22,042             | 67,073              | 12,933              | 175         | -                 |
| Purchased Power Demand Costs              |       |                   | \$ 5,939,656     |               |                    |                     |                     |             |                   |
| Customer Specific Assignment              |       |                   | \$ 237,378.40    | \$ -          | \$ -               | \$ -                | \$ -                | \$ -        | 237,378           |
| Purchased Power Demand Residual           |       | PPDRA             | \$ 5,702,277.944 | \$ 4,668,583  | \$ 222,891         | \$ 678,250          | \$ 130,780          | \$ 1,773    | -                 |
| Purchased Power Demand Total              | PPDT  |                   | \$ 5,939,656     | \$ 4,668,583  | \$ 222,891         | \$ 678,250          | \$ 130,780          | \$ 1,773    | 237,378           |
| Purchased Power Demand Allocator          | PPDA  | PPDT              | 1.000000         | 0.78600       | 0.03753            | 0.11419             | 0.02202             | 0.00030     | 0.03997           |
| Purchased Power Residual Energy Allocator | PPERA |                   | 238,191,575      | 186,684,568   | 9,453,416          | 31,491,833          | 10,433,028          | 128,730     | -                 |
| Purchased Power Energy Costs              |       |                   | \$ 16,504,364    |               |                    |                     |                     |             |                   |
| Customer Specific Assignment              |       |                   | \$ 1,559,381     | -             | -                  | -                   | -                   | -           | 1,559,381         |
| Purchased Power Energy Residual           |       | PPERA             | \$ 14,944,983    | \$ 11,713,251 | \$ 593,141         | \$ 1,975,909        | \$ 654,605          | \$ 8,077    | -                 |
| Purchased Power Energy Total              | PPET  |                   | \$ 16,504,364    | \$ 11,713,251 | \$ 593,141         | \$ 1,975,909        | \$ 654,605          | \$ 8,077    | 1,559,381         |
| Purchased Power Energy Allocator          | PPEA  | PPET              | 1.000000         | 0.70971       | 0.03594            | 0.11972             | 0.03966             | 0.00049     | 0.09448           |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2023

| Description  | Name | Allocation Vector | Total System   | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL  | Large Power G LPG |
|--|------|-------------------|----------------|---------------|--------------------|---------------------|---------------------|--------------|-------------------|
| <b>Operating Expenses</b>  |      |                   |                |               |                    |                     |                     |              |                   |
| Purchased Power Demand   |      |                   | \$ 5,939,656   | \$ 4,668,583  | \$ 222,891         | \$ 678,250          | \$ 130,780          | \$ 1,773     | \$ 237,378        |
| Purchased Power Energy   |      |                   | \$ 16,504,364  | \$ 11,713,251 | \$ 593,141         | \$ 1,975,909        | \$ 654,605          | \$ 8,077     | \$ 1,559,381      |
| Transmission Demand  |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Distribution Demand  |      | 0.49              | \$ 5,379,340   | \$ 4,696,575  | \$ 196,498         | \$ 416,859          | \$ 68,178           | \$ 1,231     | \$ -              |
| Distribution Customer  |      | 0.51              | \$ 5,572,510   | \$ 5,038,471  | \$ 279,439         | \$ 86,988           | \$ 1,603            | \$ 166,009   | \$ -              |
| Total  |      |                   | \$ 33,395,871  | \$ 26,116,880 | \$ 1,291,970       | \$ 3,158,006        | \$ 855,166          | \$ 177,090   | \$ 1,796,759      |
| <b>Pro-Forma Operating Expenses</b>                                |      |                   |                |               |                    |                     |                     |              |                   |
| Purchased Power Demand   |      |                   | \$ 2,876,688   | \$ 2,407,075  | \$ 102,856         | \$ 323,623          | \$ 46,217           | \$ (960)     | \$ (2,123)        |
| Purchased Power Energy   |      |                   | \$ 13,791,378  | \$ 9,809,856  | \$ 492,014         | \$ 1,634,839        | \$ 543,269          | \$ 8,871     | \$ 1,302,529      |
| Transmission Demand  |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Distribution Demand  |      |                   | \$ 6,835,048   | \$ 4,673,003  | \$ 194,276         | \$ 404,918          | \$ 67,799           | \$ 615       | \$ 1,494,438      |
| Distribution Customer  |      |                   | \$ 7,080,377   | \$ 5,014,054  | \$ 277,137         | \$ 74,619           | \$ 1,211            | \$ 165,372   | \$ 1,547,984      |
| Total  |      |                   | \$ 30,583,492  | \$ 21,903,987 | \$ 1,066,282       | \$ 2,437,999        | \$ 658,497          | \$ 173,898   | \$ 4,342,828      |
|  |      | Total PFAs:       | \$ (2,812,379) |               |                    |                     |                     |              |                   |
|  |      | Variance:         | \$ (0)         |               |                    |                     |                     |              |                   |
| <b>Rate Base</b>   |      |                   |                |               |                    |                     |                     |              |                   |
| Production & Purchased Power Demand                                |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Production & Purchased Power Energy                                |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Transmission Demand  |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Distribution Demand  |      |                   | \$ 25,937,147  | \$ 22,644,374 | \$ 947,476         | \$ 2,010,496        | \$ 328,866          | \$ 5,935     | \$ -              |
| Distribution Customer  |      |                   | \$ 27,703,413  | \$ 23,654,276 | \$ 1,356,623       | \$ 448,048          | \$ 8,257            | \$ 2,236,209 | \$ -              |
| Total  |      |                   | \$ 53,640,560  | \$ 46,298,650 | \$ 2,304,099       | \$ 2,458,544        | \$ 337,123          | \$ 2,242,144 | \$ -              |
| <b>Revenue Requirement Calculated at a Rate of Return of 4.57%</b> |      |                   |                |               |                    |                     |                     |              |                   |
| Production & Purchased Power Demand                                |      |                   | \$ 2,876,688   | \$ 2,407,075  | \$ 102,856         | \$ 323,623          | \$ 46,217           | \$ (960)     | \$ (2,123)        |
| Production & Purchased Power Energy                                |      |                   | \$ 13,791,378  | \$ 9,809,856  | \$ 492,014         | \$ 1,634,839        | \$ 543,269          | \$ 8,871     | \$ 1,302,529      |
| Transmission Demand  |      |                   | \$ -           | \$ -          | \$ -               | \$ -                | \$ -                | \$ -         | \$ -              |
| Distribution Demand  |      |                   | \$ 8,019,944   | \$ 5,707,473  | \$ 237,560         | \$ 496,764          | \$ 82,823           | \$ 886       | \$ 1,494,438      |
| Distribution Customer  |      |                   | \$ 8,345,961   | \$ 6,094,660  | \$ 339,112         | \$ 95,087           | \$ 1,588            | \$ 267,529   | \$ 1,547,984      |
| Total  |      |                   | \$ 33,033,971  | \$ 24,019,064 | \$ 1,171,541       | \$ 2,550,314        | \$ 673,898          | \$ 276,326   | \$ 4,342,828      |
|  |      | Target            | 33,033,971     |               |                    |                     |                     |              |                   |
|  |      | Variance          | \$ -           |               |                    |                     |                     |              |                   |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

**12 Months Ended December 31, 2023**

| <b>Description</b>                                  | <b>Name</b> | <b>Allocation<br/>Vector</b> | <b>Total<br/>System</b> | <b>Residential<br/>A</b> | <b>Small Commercial<br/>B</b> | <b>Large Commercial<br/>LP</b> | <b>Large Comm Rate<br/>LPR</b> | <b>Lighting<br/>SL</b> | <b>Large Power G<br/>LPG</b> |
|---|-------------|------------------------------|-------------------------|--------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------|------------------------------|
| <b>Operating Expenses-Unit Costs</b>                |             |                              |                         |                          |                               |                                |                                |                        |                              |
| Production & Purchased Power Demand (per KWH or KW) |             |                              |                         | 0.01289                  | 0.01088                       | 2.71                           | 2.36                           |                        |                              |
| Purchased Power Energy (per KWH)                    |             |                              |                         | 0.05255                  | 0.05205                       | 0.05191                        | 0.05207                        |                        |                              |
| Transmission Demand (per KWH or KW)                 |             |                              |                         | -                        | -                             | -                              | -                              |                        |                              |
| Distribution Demand (per KWH or KW)                 |             |                              |                         | 0.02503                  | 0.02055                       | 3.39                           | 3.47                           |                        |                              |
| Distribution Customer (per Customer)                |             |                              |                         | 26.01                    | 26.75                         | 28.06                          | 24.72                          |                        |                              |
| <b>Rate Base-Unit Costs</b>                         |             |                              |                         |                          |                               |                                |                                |                        |                              |
| Production & Purchased Power Demand (per KWH or KW) |             |                              |                         | -                        | -                             | -                              | -                              |                        |                              |
| Purchased Power Energy (per KWH)                    |             |                              |                         | -                        | -                             | -                              | -                              |                        |                              |
| Transmission Demand (per KWH or KW)                 |             |                              |                         | -                        | -                             | -                              | -                              |                        |                              |
| Distribution Demand (per KWH or KW)                 |             |                              |                         | 0.12130                  | 0.10023                       | 16.82                          | 16.82                          |                        |                              |
| Distribution Customer (per Customer)                |             |                              |                         | 122.73                   | 130.95                        | 168.50                         | 168.50                         |                        |                              |

LICKING VALLEY R.E.C.C.

Cost of Service Study  
Class Allocation

12 Months Ended December 31, 2023

| Description  | Name    | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|---------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Unit Revenue Requirement @ Current Class Revenues</b>   | Various |                   |              | -3.61%        | 1.38%              | 28.82%              | 16.52%              |             |                   |
| <b>Production &amp; Purchased Power</b>                    |         |                   |              |               |                    |                     |                     |             |                   |
| Production & Purchased Power Demand (Per KWH or KW)        |         |                   |              | 0.012894      | 0.010880           | 2.71                | 2.36                |             |                   |
| Production & Purchased Power Demand Margin (Per KWH or KW) |         |                   |              | -             | -                  | -                   | -                   |             |                   |
| Production & Purchased Power Energy (Per KWH)              |         |                   |              | 0.052548      | 0.052046           | 0.051913            | 0.052072            |             |                   |
| Production & Purchased Power Energy Margin (Per KWH)       |         |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Transmission Demand</b>                                 |         |                   |              |               |                    |                     |                     |             |                   |
| Transmission Demand (Per KWH or KW)                        |         |                   |              | -             | -                  | -                   | -                   |             |                   |
| Transmission Demand Margin (Per KWH or KW)                 |         |                   |              | -             | -                  | -                   | -                   |             |                   |
| Total Transmission Demand (Per KWH or KW)                  |         |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Distribution Demand</b>                                 |         |                   |              |               |                    |                     |                     |             |                   |
| Distribution Demand (Per KWH or KW)                        |         |                   |              | 0.025032      | 0.020551           | 3.39                | 3.47                |             |                   |
| Distribution Demand Margin (Per KWH or KW)                 |         |                   |              | (0.004374)    | 0.001386           | 0.02                | 0.01                |             |                   |
| Total Distribution Demand (Per KWH or KW)                  |         |                   |              | 0.020657      | 0.021937           | 3.41                | 3.47                |             |                   |
| <b>Distribution Customer</b>                               |         |                   |              |               |                    |                     |                     |             |                   |
| Distribution Customer (Per Customer Per Month)             |         |                   |              | 26.01         | 26.75              | 28.06               | 24.72               |             |                   |
| Distribution Customer Margin (Per Customer Per Month)      |         |                   |              | (4.43)        | 1.81               | 48.57               | 27.83               |             |                   |
| Total Distribution Customer (Per Customer Per Month)       |         |                   |              | 21.59         | 28.56              | 76.63               | 52.55               |             |                   |

LICKING VALLEY R.E.C.C.

Cost of Service Study  
Class Allocation

12 Months Ended December 31, 2023

| Description   | Name  | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|---|-------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Unit Revenue Requirement @ Total System Rate of Return</b> | 0.42% |                   |              | 0.42%         | 0.42%              | 0.42%               | 0.42%               |             |                   |
| <b>Production &amp; Purchased Power</b>                       |       |                   |              |               |                    |                     |                     |             |                   |
| Production & Purchased Power Demand (Per KWH or KW)           |       |                   |              | 0.012894      | 0.010880           | 2.71                | 2.36                |             |                   |
| Production & Purchased Power Demand Margin (Per KWH or KW)    |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Production & Purchased Power Energy (Per KWH)                 |       |                   |              | 0.052548      | 0.052046           | 0.051913            | 0.052072            |             |                   |
| Production & Purchased Power Energy Margin (Per KWH)          |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Transmission Demand</b>                                    |       |                   |              |               |                    |                     |                     |             |                   |
| Transmission Demand (Per KWH or KW)                           |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Transmission Demand Margin (Per KWH or KW)                    |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Total Transmission Demand (Per KWH or KW)                     |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Distribution Demand</b>                                    |       |                   |              |               |                    |                     |                     |             |                   |
| Distribution Demand (Per KWH or KW)                           |       |                   |              | 0.025032      | 0.020551           | 3.39                | 3.47                |             |                   |
| Distribution Demand Margin (Per KWH or KW)                    |       |                   |              | 0.000513      | 0.000424           | 0.07                | 0.07                |             |                   |
| Total Distribution Demand (Per KWH or KW)                     |       |                   |              | 0.025545      | 0.020975           | 3.46                | 3.54                |             |                   |
| <b>Distribution Customer</b>                                  |       |                   |              |               |                    |                     |                     |             |                   |
| Distribution Customer (Per Customer Per Month)                |       |                   |              | 26.01         | 26.75              | 28.06               | 24.72               |             |                   |
| Distribution Customer Margin (Per Customer Per Month)         |       |                   |              | 0.52          | 0.55               | 0.71                | 0.71                |             |                   |
| Total Distribution Customer (Per Customer Per Month)          |       |                   |              | 26.53         | 27.30              | 28.78               | 25.43               |             |                   |

LICKING VALLEY R.E.C.C.

Cost of Service Study  
Class Allocation

12 Months Ended December 31, 2023

| Description  | Name  | Allocation Vector | Total System | Residential A | Small Commercial B | Large Commercial LP | Large Comm Rate LPR | Lighting SL | Large Power G LPG |
|--|-------|-------------------|--------------|---------------|--------------------|---------------------|---------------------|-------------|-------------------|
| <b>Unit Revenue Requirement @ Specified Rate of Return</b> | 4.57% |                   |              | 4.57%         | 4.57%              | 4.57%               | 4.57%               |             |                   |
| <b>Production &amp; Purchased Power</b>                    |       |                   |              |               |                    |                     |                     |             |                   |
| Production & Purchased Power Demand (Per KWH or KW)        |       |                   |              | 0.012894      | 0.010880           | 2.71                | 2.36                |             |                   |
| Production & Purchased Power Demand Margin (Per KWH or KW) |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Production & Purchased Power Energy (Per KWH)              |       |                   |              | 0.052548      | 0.052046           | 0.051913            | 0.052072            |             |                   |
| Production & Purchased Power Energy Margin (Per KWH)       |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Transmission Demand</b>                                 |       |                   |              |               |                    |                     |                     |             |                   |
| Transmission Demand (Per KWH or KW)                        |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Transmission Demand Margin (Per KWH or KW)                 |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| Total Transmission Demand (Per KWH or KW)                  |       |                   |              | -             | -                  | -                   | -                   |             |                   |
| <b>Distribution Demand</b>                                 |       |                   |              |               |                    |                     |                     |             |                   |
| Distribution Demand (Per KWH or KW)                        |       |                   |              | 0.025032      | 0.020551           | 3.39                | 3.47                |             |                   |
| Distribution Demand Margin (Per KWH or KW)                 |       |                   |              | 0.005541      | 0.004579           | 0.77                | 0.77                |             |                   |
| Total Distribution Demand (Per KWH or KW)                  |       |                   |              | 0.030573      | 0.025129           | 4.16                | 4.24                |             |                   |
| <b>Distribution Customer</b>                               |       |                   |              |               |                    |                     |                     |             |                   |
| Distribution Customer (Per Customer Per Month)             |       |                   |              | 26.01         | 26.75              | 28.06               | 24.72               |             |                   |
| Distribution Customer Margin (Per Customer Per Month)      |       |                   |              | 5.61          | 5.98               | 7.70                | 7.70                |             |                   |
| Total Distribution Customer (Per Customer Per Month)       |       |                   |              | 31.62         | 32.73              | 35.76               | 32.42               |             |                   |

**LICKING VALLEY R.E.C.C.**  
**Cost of Service Study**  
**Class Allocation**

**12 Months Ended December 31, 2023**

| Description                                     | Name | Allocation<br>Vector | Total<br>System | Residential<br>A | Small Commercial<br>B | Large Commercial<br>LP | Large Comm Rate<br>LPR | Lighting<br>SL | Large Power G<br>LPG |
|---|------|----------------------|-----------------|------------------|-----------------------|------------------------|------------------------|----------------|----------------------|
| <b><u>Summary of Cost-Based Charges</u></b>     |      |                      |                 |                  |                       |                        |                        |                |                      |
| <b>At Current Class Rate of Return</b>          |      |                      | 0.54%           | -3.24%           | 1.84%                 | 31.08%                 | 20.54%                 |                |                      |
| Customer Charge (\$/month)                      |      |                      |                 | 21.59            | 28.56                 | 76.63                  | 52.55                  |                |                      |
| Energy Charge (\$/kWh)                          |      |                      |                 | 0.086099         | 0.084863              | 0.051913               | 0.052072               |                |                      |
| Demand Charge (\$/kW)                           |      |                      |                 | -                | -                     | 6.11                   | 5.84                   |                |                      |
| <b>At Current Total System Rate of Return</b>   |      |                      | 0.42%           | 0.42%            | 0.42%                 | 0.42%                  | 0.42%                  |                |                      |
| Customer Charge (\$/month)                      |      |                      |                 | 26.53            | 27.30                 | 28.78                  | 25.43                  |                |                      |
| Energy Charge (\$/kWh)                          |      |                      |                 | 0.090986         | 0.083901              | 0.051913               | 0.052072               |                |                      |
| Demand Charge (\$/kW)                           |      |                      |                 | -                | -                     | 6.16                   | 5.90                   |                |                      |
| <b>At Specified Total System Rate of Return</b> |      |                      | 4.57%           | 4.57%            | 4.57%                 | 4.57%                  | 4.57%                  |                |                      |
| Customer Charge (\$/month)                      |      |                      |                 | 31.62            | 32.73                 | 35.76                  | 32.42                  |                |                      |
| Energy Charge (\$/kWh)                          |      |                      |                 | 0.096014         | 0.088056              | 0.051913               | 0.052072               |                |                      |
| Demand Charge (\$/kW)                           |      |                      |                 | -                | -                     | 6.86                   | 6.60                   |                |                      |



Exhibit JW-6  
COSS: Billing Determinants

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| <b>Rate Class</b>        | <b>Code</b> | <b>Average Customers</b> | <b>kWh</b>         | <b>Revenue</b>       | <b>12 - Month Individual Customer Demand</b> | <b>Sum of Individual Customer Max Demand</b> | <b>Class Demand During Peak Month</b> | <b>Sum of Coincident Demands</b> | <b>Summer Coincident Demands</b> | <b>Winter Coincident Demands</b> |
|--------------------------|-------------|--------------------------|--------------------|----------------------|--|--|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Residential              | A           | 16,062                   | 186,684,568        | \$ 24,290,205        | 1,347,214                                    | 157,950                                      | 59,445                                | 461,679                          | 108,826                          | 352,854                          |
| Small Commercial         | B           | 863                      | 9,453,416          | \$ 1,306,494         | 56,364                                       | 5,711  | 2,801                                 | 22,042                           | 5,579                            | 16,463                           |
| Large Commercial         | LP          | 222                      | 31,491,833         | \$ 3,941,389         | 119,558                                      | 10,812                                       | 7,476                                 | 67,073                           | 16,835                           | 50,237                           |
| Large Comm Rate          | LPR         | 4                        | 10,433,028         | \$ 932,815           | 19,552                                       | 1,959  | 1,630                                 | 12,933                           | 3,787                            | 9,146                            |
| Lighting                 | SL          | 115                      | 128,730            | \$ 1,026,030         | 353  | 32   | 32                                    | 175                              | -                                | 175                              |
| Large Power G            | LPG         | -                        | 31,284,000         | \$ 1,887,354         | 50,088                                       | 12,600                                       | 10,878                                | 33,889                           | -                                | 33,889                           |
| <b>Total</b>             |             | <b>17,266</b>            | <b>269,475,575</b> | <b>\$ 33,384,286</b> | <b>1,593,129</b>                             | <b>189,063</b>                               | <b>82,263</b>                         | <b>597,791</b>                   | <b>135,027</b>                   | <b>462,764</b>                   |
| Total Excluding Lighting |             | 17,151                   |                    |                      |  |  |                                       |                                  |                                  |                                  |

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| Rate Class               | Code | Rate Class       | Average Customers | kWh         | Revenue       | % KWH  | % Revenue |
|--------------------------|------|------------------|-------------------|-------------|---------------|--------|-----------|
| Residential              | A    | Residential      | 16,062            | 186,684,568 | \$ 24,290,205 | 69.3%  | 72.8%     |
| Small Commercial         | B    | Small Commercial | 863               | 9,453,416   | \$ 1,306,494  | 3.5%   | 3.9%      |
| Large Commercial         | LP   | Large Commercial | 222               | 31,491,833  | \$ 3,941,389  | 11.7%  | 11.8%     |
| Large Comm Rate          | LPR  | Large Comm Rate  | 4                 | 10,433,028  | \$ 932,815    | 3.9%   | 2.8%      |
| Lighting                 | SL   | Lighting         | 115               | 128,730     | \$ 1,026,030  | 0.0%   | 3.1%      |
| Large Power G            | LPG  | Large Power G    | -                 | 31,284,000  | \$ 1,887,354  | 11.6%  | 5.7%      |
| Total                    |      | Total            | 17,266            | 269,475,575 | \$ 33,384,286 | 100.0% | 100.0%    |
| Total Excluding Lighting |      |                  | 17,151            |             |               |        |           |

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| <u>Rate Schedule</u>               | <u>Code</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> |
|------------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Residential</b>                 | <b>A</b>    | 16,464     | 16,469     | 16,478     | 16,482     | 16,493     | 16,531     | 16,539     | 16,580     | 16,619     |
| Energy Usage (kWh)                 |             | 19,725,400 | 13,772,504 | 15,546,753 | 11,246,065 | 11,403,704 | 12,940,065 | 15,865,427 | 14,357,729 | 10,585,805 |
| Average Demand                     |             | 26,513     | 19,128     | 20,896     | 15,620     | 15,328     | 17,392.56  | 23,609.27  | 19,298     | 14,703     |
| Diversified Load Factor            |             | 55.67%     | 35.72%     | 38.97%     | 46.85%     | 52.34%     | 53.11%     | 52.92%     | 44.31%     | 37.54%     |
| Non-Coincident Demand              |             | 47,622     | 53,550     | 53,621     | 33,340     | 29,283     | 32,748     | 44,615     | 43,555     | 39,164     |
| Coincidence Factor                 |             | 90.00%     | 90.00%     | 90.00%     | 90.00%     | 90.00%     | 90.00%     | 90.00%     | 90.00%     | 90.00%     |
| Coincident Demand                  |             | 42,860     | 48,195     | 48,259     | 30,006     | 26,354     | 29,473     | 40,153     | 39,199     | 35,248     |
| Individual Customer Load Factor    |             | 18.00%     | 18.00%     | 18.00%     | 18.00%     | 18.00%     | 18.00%     | 18.00%     | 18.00%     | 18.00%     |
| Sum of Individual Customer Demands |             | 147,292    | 106,269    | 116,090    | 86,775     | 85,153     | 96,625     | 131,163    | 107,211    | 81,681     |
| <b>Small Commercial</b>            | <b>B</b>    | 865        | 864        | 868        | 864        | 866        | 869        | 870        | 873        | 874        |
| Energy Usage (kWh)                 |             | 902,754    | 720,470    | 803,637    | 700,394    | 738,218    | 762,965    | 882,680    | 844,022    | 713,600    |
| Average Demand                     |             | 1,213      | 1,001      | 1,080      | 973        | 992        | 1,025.49   | 1,313.51   | 1,134      | 991        |
| Diversified Load Factor            |             | 55.67%     | 35.72%     | 38.97%     | 46.85%     | 52.34%     | 53.11%     | 52.92%     | 44.31%     | 37.54%     |
| Non-Coincident Demand              |             | 2,179      | 2,801      | 2,772      | 2,076      | 1,896      | 1,931      | 2,482      | 2,560      | 2,640      |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     |
| Coincident Demand                  |             | 1,744      | 2,241      | 2,217      | 1,661      | 1,516      | 1,545      | 1,986      | 2,048      | 2,112      |
| Individual Customer Load Factor    |             | 23.00%     | 23.00%     | 23.00%     | 23.00%     | 23.00%     | 23.00%     | 23.00%     | 23.00%     | 23.00%     |
| Sum of Individual Customer Demands |             | 5,276      | 4,351      | 4,696      | 4,229      | 4,314      | 4,459      | 5,711      | 4,932      | 4,309      |
| <b>Large Commercial</b>            | <b>LP</b>   | 217        | 217        | 217        | 219        | 218        | 218        | 217        | 216        | 216        |
| Energy Usage (kWh)                 |             | 2,869,622  | 2,410,361  | 2,704,471  | 2,309,443  | 2,498,617  | 2,563,026  | 2,956,577  | 2,952,184  | 2,577,048  |
| Average Demand                     |             | 3,857      | 3,240      | 3,635      | 3,104      | 3,358      | 3,445      | 3,974      | 3,968      | 3,464      |
| Diversified Load Factor            |             | 52.53%     | 47.18%     | 48.62%     | 45.99%     | 49.40%     | 51.56%     | 56.18%     | 54.43%     | 49.56%     |
| Non-Coincident Demand              |             | 7,343      | 6,867      | 7,476      | 6,749      | 6,798      | 6,681      | 7,073      | 7,290      | 6,989      |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     |
| Coincident Demand                  |             | 5,875      | 5,493      | 5,981      | 5,399      | 5,438      | 5,345      | 5,658      | 5,832      | 5,591      |
| Individual Customer Load Factor    |             | 37.53%     | 32.18%     | 33.62%     | 30.99%     | 34.40%     | 36.56%     | 41.18%     | 39.43%     | 34.56%     |
| Sum of Individual Customer Demands |             | 10,278     | 10,068     | 10,812     | 10,016     | 9,762      | 9,423      | 9,649      | 10,063     | 10,023     |

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| <u>Rate Schedule</u>               | <u>Code</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> | <u>Total</u> | <u>SIC</u><br><u>Max Demand</u> | <u>Class Demand</u><br><u>During</u><br><u>Peak Month</u> | <u>Sum of</u><br><u>Coin Demand</u> | <u>Summer</u><br><u>Coin Demand</u> | <u>Winter</u><br><u>Coin Demand</u> |
|------------------------------------|-------------|------------|------------|------------|--------------|---------------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Residential</b>                 | <b>A</b>    | 16,627     | 16,659     | 16,649     | 16,549       |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 12,818,627 | 17,533,084 | 21,152,615 | 186,684,568  |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 17,229     | 24,352     | 28,431     | 21,311       |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 62.42%     | 40.96%     | 58.70%     |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 27,602     | 59,445     | 48,432     | 512,977      |                                 | 59,445  |                                     |                                     |                                     |
| Coincidence Factor                 |             | 90.00%     | 90.00%     | 90.00%     |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 24,841     | 53,501     | 43,589     | 461,679      |                                 |   | 461,679                             | 108,826                             | 352,854                             |
| Individual Customer Load Factor    |             | 18.00%     | 18.00%     | 18.00%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 95,719     | 135,286    | 157,950    | 1,347,214    | 157,950                         |   |                                     |                                     |                                     |
| <b>Small Commercial</b>            | <b>B</b>    | 872        | 871        | 871        | 869          |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 723,541    | 774,748    | 886,387    | 9,453,416    |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 973        | 1,076      | 1,191      | 1,079        |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 62.42%     | 40.96%     | 58.70%     |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 1,558      | 2,627      | 2,030      | 27,552       |                                 | 2,801   |                                     |                                     |                                     |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 1,246      | 2,101      | 1,624      | 22,042       |                                 |   | 22,042                              | 5,579                               | 16,463                              |
| Individual Customer Load Factor    |             | 23.00%     | 23.00%     | 23.00%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 4,228      | 4,678      | 5,180      | 56,364       | 5,711                           |   |                                     |                                     |                                     |
| <b>Large Commercial</b>            | <b>LP</b>   | 216        | 216        | 215        | 217          |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 2,436,578  | 2,491,371  | 2,722,535  | 31,491,833   |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 3,275      | 3,349      | 3,659      | 3,595        |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 46.48%     | 49.62%     | 53.99%     |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 7,047      | 6,749      | 6,778      | 83,841       |                                 | 7,476   |                                     |                                     |                                     |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 5,637      | 5,399      | 5,423      | 67,073       |                                 |   | 67,073                              | 16,835                              | 50,237                              |
| Individual Customer Load Factor    |             | 31.48%     | 34.62%     | 38.99%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 10,405     | 9,673      | 9,386      | 119,558      | 10,812                          |   |                                     |                                     |                                     |

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| <u>Rate Schedule</u>               | <u>Code</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> |
|------------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Large Comm Rate</b>             | <b>LPR</b>  | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          |
| Energy Usage (kWh)                 |             | 774,336    | 660,736    | 761,808    | 832,780    | 938,612    | 982,180    | 1,108,284  | 1,084,684  | 948,908    |
| Average Demand                     |             | 1,041      | 888        | 1,024      | 1,119      | 1,262      | 1,320      | 1,490      | 1,458      | 1,275      |
| Diversified Load Factor            |             | 87.03%     | 80.99%     | 83.04%     | 85.60%     | 87.26%     | 87.71%     | 93.21%     | 89.42%     | 87.51%     |
| Non-Coincident Demand              |             | 1,196      | 1,096      | 1,233      | 1,308      | 1,446      | 1,505      | 1,598      | 1,630      | 1,458      |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     | 80.00%     |
| Coincident Demand                  |             | 957        | 877        | 986        | 1,046      | 1,157      | 1,204      | 1,278      | 1,304      | 1,166      |
| Individual Customer Load Factor    |             | 72.03%     | 65.99%     | 68.04%     | 70.60%     | 72.26%     | 72.71%     | 78.21%     | 74.42%     | 72.51%     |
| Sum of Individual Customer Demands |             | 1,445      | 1,346      | 1,505      | 1,586      | 1,746      | 1,816      | 1,905      | 1,959      | 1,759      |
| <b>Lighting</b>                    | <b>SL</b>   | 94         | 93         | 91         | 90         | 89         | 89         | 89         | 88         | 88         |
| Energy Usage (kWh)                 |             | 10,952     | 10,992     | 10,871     | 10,823     | 10,728     | 10,728     | 10,728     | 10,588     | 10,622     |
| Average Demand                     |             | 15         | 15.27      | 15         | 15         | 14         | 14.42      | 15.96      | 14         | 15         |
| Diversified Load Factor            |             | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     |
| Non-Coincident Demand              |             | 29         | 31         | 29         | 30         | 29         | 29         | 32         | 28         | 30         |
| Coincidence Factor                 |             | 100.00%    | 100.00%    | 100.00%    | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      |
| Coincident Demand                  |             | 29         | 31         | 29         | -          | -          | -          | -          | -          | -          |
| Individual Customer Load Factor    |             | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     | 50.00%     |
| Sum of Individual Customer Demands |             | 29         | 31         | 29         | 30         | 29         | 29         | 32         | 28         | 30         |
| <b>Large Power G</b>               | <b>LPG</b>  | -          | -          | -          | -          | -          | -          | -          | -          | 1          |
| Energy Usage (kWh)                 |             | -          | -          | -          | -          | -          | -          | -          | -          | 5,808,000  |
| Average Demand                     |             | -          | -          | -          | -          | -          | -          | -          | -          | 7,806      |
| Diversified Load Factor            |             | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 78.53%     |
| Non-Coincident Demand              |             | -          | -          | -          | -          | -          | -          | -          | -          | 9,941      |
| Coincidence Factor                 |             | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 80.00%     |
| Coincident Demand                  |             | -          | -          | -          | -          | -          | -          | -          | -          | 7,953      |
| Individual Customer Load Factor    |             | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 63.53%     |
| Sum of Individual Customer Demands |             | -          | -          | -          | -          | -          | -          | -          | -          | 12,288     |
| Sales                              |             | 24,283,064 | 17,575,063 | 19,827,540 | 15,099,505 | 15,589,879 | 17,258,964 | 20,823,696 | 19,249,207 | 20,643,983 |
| Metered CP                         |             | 51,464     | 56,837     | 57,473     | 38,113     | 34,466     | 37,567     | 49,076     | 48,384     | 52,070     |
| Purchases                          |             | 25,026,608 | 20,613,234 | 21,631,270 | 16,617,313 | 16,286,867 | 17,053,938 | 21,852,976 | 20,719,631 | 22,696,789 |
| Calculated CP                      |             | 51,464     | 56,837     | 57,473     | 38,113     | 34,466     | 37,567     | 49,076     | 48,384     | 52,070     |
| Difference                         |             | (0)        | (0)        | (0)        | (0)        | (0)        | (0)        | 0          | (0)        | (0)        |

**LICKING VALLEY RECC**

Summary of Billing Determinants and Demand Analysis

| <u>Rate Schedule</u>               | <u>Code</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> | <u>Total</u> | <u>SIC</u><br><u>Max Demand</u> | <u>Class Demand</u><br><u>During</u><br><u>Peak Month</u> | <u>Sum of</u><br><u>Coin Demand</u> | <u>Summer</u><br><u>Coin Demand</u> | <u>Winter</u><br><u>Coin Demand</u> |
|------------------------------------|-------------|------------|------------|------------|--------------|---------------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Large Comm Rate</b>             | <b>LPR</b>  | 4          | 4          | 4          | 4            |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 874,676    | 733,340    | 732,684    | 10,433,028   |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 1,176      | 986        | 985        | 1,191        |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 85.54%     | 83.17%     | 86.64%     |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 1,374      | 1,185      | 1,137      | 16,166       |                                 | 1,630   |                                     |                                     |                                     |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 1,100      | 948        | 909        | 12,933       |                                 |   | 12,933                              | 3,787                               | 9,146                               |
| Individual Customer Load Factor    |             | 70.54%     | 68.17%     | 71.64%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 1,667      | 1,446      | 1,375      | 19,552       | 1,959                           |   |                                     |                                     |                                     |
| <b>Lighting</b>                    | <b>SL</b>   | 86         | 86         | 86         | 89           |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 10,615     | 10,540     | 10,543     | 128,730      |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 14         | 15         | 14         | 15           |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 50.00%     | 50.00%     | 50.00%     |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 29         | 29         | 28         | 353          |                                 | 32  |                                     |                                     |                                     |
| Coincidence Factor                 |             | 100.00%    | 100.00%    | 100.00%    |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 29         | 29         | 28         | 175          |                                 |   | 175                                 | -                                   | 175                                 |
| Individual Customer Load Factor    |             | 50.00%     | 50.00%     | 50.00%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 29         | 29         | 28         | 353          | 32                              |   |                                     |                                     |                                     |
| <b>Large Power G</b>               | <b>LPG</b>  | 1          | 1          | 1          | -            |                                 |   |                                     |                                     |                                     |
| Energy Usage (kWh)                 |             | 8,688,000  | 7,908,000  | 8,880,000  | 31,284,000   |                                 |   |                                     |                                     |                                     |
| Average Demand                     |             | 11,677     | 10,629     | 11,935     | 3,571        |                                 |   |                                     |                                     |                                     |
| Diversified Load Factor            |             | 107.68%    | 99.36%     | 109.73%    |              |                                 |   |                                     |                                     |                                     |
| Non-Coincident Demand              |             | 10,845     | 10,698     | 10,878     | 42,361       |                                 | 10,878  |                                     |                                     |                                     |
| Coincidence Factor                 |             | 80.00%     | 80.00%     | 80.00%     |              |                                 |   |                                     |                                     |                                     |
| Coincident Demand                  |             | 8,676      | 8,558      | 8,702      | 33,889       |                                 |   | 33,889                              | -                                   | 33,889                              |
| Individual Customer Load Factor    |             | 92.68%     | 84.36%     | 94.73%     |              |                                 |   |                                     |                                     |                                     |
| Sum of Individual Customer Demands |             | 12,600     | 12,600     | 12,600     | 50,088       | 12,600                          |   |                                     |                                     |                                     |
| Sales                              |             | 25,552,037 | 29,451,083 | 34,384,764 | 259,738,785  |                                 |   |                                     |                                     |                                     |
| Metered CP                         |             | 41,529     | 70,537     | 60,275     | 597,791      |                                 |   |                                     |                                     |                                     |
| Purchases                          |             | 25,467,748 | 29,631,067 | 34,195,233 | 271,792,674  |                                 |   |                                     |                                     |                                     |
| Calculated CP                      |             | 41,529     | 70,537     | 60,275     | 597,791      |                                 |   |                                     |                                     |                                     |
| Difference                         |             | (0)        | (0)        | (0)        | (0)          |                                 |   |                                     |                                     |                                     |

Exhibit JW-7  
COSS: Purchased Power, Meters, &  
Services



LICKING VALLEY RECC  
Purchased Power

| #  | Item                      | Jan-23           | Feb-23           | Mar-23           | Apr-23           | May-23           | Jun-23           | Jul-23           | Aug-23           | Sep-23   | Oct-23           | Nov-23           | Dec-23           | TOTAL               |
|----|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|------------------|------------------|------------------|---------------------|
| 1  |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 2  | Billing Demand (kW)       | 51,464           | 56,837           | 57,473           | 38,113           | 34,466           | 37,567           | 49,076           | 48,384           | 52,070   | 41,529           | 70,537           | 60,275           | 597,791             |
| 3  | Energy (kWh)              | 25,026,608       | 20,613,234       | 21,631,270       | 16,617,313       | 16,286,867       | 17,053,938       | 21,852,976       | 20,719,631       | 22,696,789   | 25,467,748       | 29,631,067       | 34,195,233       | 271,792,674         |
| 4  | Demand Charge             | 335,545          | 370,578          | 374,724          | 248,497          | 224,718          | 244,937          | 319,977          | 315,463          | 292,976  | 214,724          | 402,753          | 335,531          | 3,680,423           |
| 5  | Energy Charge             | 1,164,520        | 959,008          | 1,006,308        | 774,098          | 775,266          | 817,957          | 1,051,225        | 994,739          | 1,028,920  | 1,110,827        | 1,309,685        | 1,513,401        | 12,505,954          |
| 6  | Metering Point            | 1,510            | 1,510            | 1,510            | 1,510            | 1,510            | 1,510            | 1,510            | 1,510            | 1,510  | 1,510            | 1,510            | 1,510            | 18,120              |
| 7  | Sub/Wheeling Charge       | 33,404           | 33,404           | 33,404           | 33,404           | 33,404           | 33,404           | 33,404           | 33,404           | 33,404   | 33,404           | 33,404           | 33,404           | 400,848             |
| 8  | Fuel Adjustment Clause    | 564,350          | 236,638          | 193,167          | 158,860          | 182,251          | 78,105           | 149,474          | 231,439          | 234,911  | 282,184          | 238,827          | 216,113          | 2,766,319           |
| 9  | Environmental Surcharge   | 294,536          | 150,508          | 192,449          | 198,026          | 192,675          | 219,895          | 301,162          | 305,694          | 241,147  | 242,948          | 346,985          | 376,943          | 3,062,968           |
| 10 | <b>SUBTOTAL</b>           | <b>2,393,865</b> | <b>1,751,646</b> | <b>1,801,562</b> | <b>1,414,395</b> | <b>1,409,824</b> | <b>1,395,808</b> | <b>1,856,752</b> | <b>1,882,249</b> | <b>1,832,868</b>   | <b>1,885,597</b> | <b>2,333,164</b> | <b>2,476,902</b> | <b>22,434,632</b>   |
| 11 | Direct Load Control       | (185)            | (193)            | (203)            | (210)            | (212)            | (222)            | (222)            | -                | -  | (234)            | (239)            | (242)            | (2,162)             |
| 12 | Direct Load Surcharge     | (26)             | (18)             | (24)             | (34)             | (34)             | (42)             | (43)             | -                | -  | (35)             | (42)             | (43)             | (341)               |
| 13 | Direct Load Total Charge  | (211)            | (211)            | (227)            | (244)            | (246)            | (264)            | (265)            | -                | -  | (269)            | (281)            | (285)            | (2,503)             |
| 14 | Green Power KWH           | 1,600            | 1,600            | 1,666            | 1,600            | 1,600            | 1,600            | 1,600            | 1,600            | 1,600  | 1,600            | 1,600            | 1,600            | 19,266              |
| 15 | Green Power Charge        | 40               | 40               | 40               | 40               | 40               | 40               | 40               | 40               | 40   | 40               | 40               | 40               | 480                 |
| 16 | Panel Production Credit   | (13)             | (12)             | (15)             | (18)             | (25)             | (28)             | (29)             | (37)             | (31)   | (26)             | (23)             | (18)             | (275)               |
| 17 | <b>TOTAL</b>              | <b>2,393,681</b> | <b>1,751,463</b> | <b>1,801,360</b> | <b>1,414,173</b> | <b>1,409,593</b> | <b>1,395,556</b> | <b>1,856,498</b> | <b>1,882,252</b> | <b>1,832,877</b>   | <b>1,885,342</b> | <b>2,332,900</b> | <b>2,476,639</b> | <b>22,432,334</b>   |
| 18 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 19 | Billing Demand (kW)       | 51,464           | 56,837           | 57,473           | 38,113           | 34,466           | 37,567           | 49,076           | 48,384           | 52,070   | 41,529           | 70,537           | 60,275           | 597,791             |
| 20 | CP Demand (kW)            | 51,464           | 56,837           | 57,473           | 38,113           | 34,466           | 37,567           | 49,076           | 48,384           | 42,070   | 41,529           | 70,537           | 60,275           | 587,791             |
| 21 | NCP Demand (kW)           | 55,731           | 57,742           | 58,226           | 42,554           | 36,650           | 41,323           | 50,999           | 49,065           | 69,945   | 61,080           | 83,452           | 79,465           | 686,232             |
| 22 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 23 | <u>Rate GD</u>            |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 24 | Billing Demand (kW)       |                  |                  |                  |                  |                  |                  |                  |                  | 10,000   | 11,976           | 12,205           | 12,270           | 46,451              |
| 25 | Energy (kWh)              |                  |                  |                  |                  |                  |                  |                  |                  | 5,816,567  | 8,687,433        | 7,906,140        | 8,875,669        | 31,285,809          |
| 26 | Contract Demand Charge    |                  |                  |                  |                  |                  |                  |                  |                  | 73,000   | 87,425           | 89,097           | 89,571           | 339,093             |
| 27 | Interruptible Credit      |                  |                  |                  |                  |                  |                  |                  |                  | (54,320)   | (65,386)         | (66,668)         | (67,032)         | (253,406)           |
| 28 | Energy Charge             |                  |                  |                  |                  |                  |                  |                  |                  | 219,750  | 328,211          | 298,694          | 335,323          | 1,181,978           |
| 29 | Metering Point            |                  |                  |                  |                  |                  |                  |                  |                  | -  | -                | -                | -                | -                   |
| 30 | Sub/Wheeling Charge       |                  |                  |                  |                  |                  |                  |                  |                  | -  | -                | -                | -                | -                   |
| 31 | Fuel Adjustment Clause    |                  |                  |                  |                  |                  |                  |                  |                  | 60,201   | 96,257           | 63,723           | 56,094           | 276,275             |
| 32 | Environmental Surcharge   |                  |                  |                  |                  |                  |                  |                  |                  | 45,243   | 66,038           | 67,233           | 74,305           | 252,819             |
| 33 | <b>SUBTOTAL</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>343,874</b>   | <b>512,545</b>   | <b>452,079</b>   | <b>488,261</b>   | <b>1,796,759</b>    |
| 34 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 35 | SubTotal Demand \$        | \$ 547,181       | \$ 495,797       | \$ 525,107       | \$ 402,227       | \$ 375,237       | \$ 411,788       | \$ 535,588       | \$ 533,793       | \$ 472,578   | \$ 395,407       | \$ 645,858       | \$ 596,611       | \$ 5,937,172        |
| 36 | SubTotal Energy \$        | \$ 1,846,684     | \$ 1,255,849     | \$ 1,276,455     | \$ 1,012,168     | \$ 1,034,587     | \$ 984,020       | \$ 1,321,164     | \$ 1,348,456     | \$ 1,360,290   | \$ 1,490,190     | \$ 1,687,306     | \$ 1,880,291     | \$ 16,497,460       |
| 37 | SubTotal \$               | \$ 2,393,865     | \$ 1,751,646     | \$ 1,801,562     | \$ 1,414,395     | \$ 1,409,824     | \$ 1,395,808     | \$ 1,856,752     | \$ 1,882,249     | \$ 1,832,868   | \$ 1,885,597     | \$ 2,333,164     | \$ 2,476,902     | \$ 22,434,632       |
| 38 | Variance \$               | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -   | \$ -             | \$ -             | \$ -             | \$ -                |
| 39 | SubTotal Demand %         | 0.23             | 0.28             | 0.29             | 0.28             | 0.27             | 0.30             | 0.29             | 0.28             | 0.26   | 0.21             | 0.28             | 0.24             | 0.26                |
| 40 | SubTotal Energy %         | 0.77             | 0.72             | 0.71             | 0.72             | 0.73             | 0.70             | 0.71             | 0.72             | 0.74   | 0.79             | 0.72             | 0.76             | 0.74                |
| 41 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 42 | Estimated ES Demand Share | 60%              | 60%              | 60%              | 60%              | 60%              | 60%              | 60%              | 60%              | 60%  | 60%              | 60%              | 60%              | 60%                 |
| 43 | Estimated ES Energy Share | 40%              | 40%              | 40%              | 40%              | 40%              | 40%              | 40%              | 40%              | 40%  | 40%              | 40%              | 40%              | 40%                 |
| 44 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 45 | Starshine                 | \$ 587           | \$ 722           | \$ 927           | \$ 1,115         | \$ 1,233         | \$ 1,060         | \$ 1,278         | \$ 1,216         | \$ 1,155   | \$ 871           | \$ 643           | \$ 604           | \$ 11,411           |
| 46 | Total Acct 555            | \$ 2,394,281     | \$ 1,752,197     | \$ 1,802,302     | \$ 1,415,306     | \$ 1,410,851     | \$ 1,396,644     | \$ 1,857,805     | \$ 1,883,505     | \$ 1,834,063   | \$ 1,886,239     | \$ 2,333,566     | \$ 2,477,261     | \$ 22,444,020       |
| 47 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  |                     |
| 48 | Reconciliation            |                  |                  |                  |                  |                  |                  |                  |                  | Total (Excluding Panel Production Credit) (Line 17- Line 16) |                  |                  |                  | 22,444,020          |
| 49 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  | Acct 555 22,444,020 |
| 50 |                           |                  |                  |                  |                  |                  |                  |                  |                  |  |                  |                  |                  | Variance (0)        |

**LICKING VALLEY RECC**

**Meter Costs**

| <b>#</b> | <b>Rate</b>      | <b>Rate Code</b> | <b>Installed Meters</b> | <b>Avg Meter Cost</b> |               | <b>Total Cost</b>   | <b>Allocation Factor</b> |
|----------|------------------|------------------|-------------------------|-----------------------|---------------|---------------------|--------------------------|
| 1        | Residential      | A                | 16,062                  | \$                    | 160           | \$ 2,569,840        | 92.70%                   |
| 2        | Small Commercial | B                | 863                     | \$                    | 160           | \$ 138,133          | 4.98%                    |
| 3        | Large Commercial | LP               | 222                     | \$                    | 284           | \$ 62,930           | 2.27%                    |
| 4        | Large Comm Rate  | LPR              | 4                       | \$                    | 284           | \$ 1,160            | 0.04%                    |
| 5        | Lighting         | SL               | 115                     | \$                    | -             | \$ -                | 0.00%                    |
| 6        | Large Power G    | LPG              | -                       | \$                    | -             | \$ -                | 0.00%                    |
| 7        | <b>Total</b>     |                  | <b>17,266</b>           | <b>\$</b>             | <b>160.55</b> | <b>\$ 2,772,063</b> | <b>100.00%</b>           |

**LICKING VALLEY RECC**  
**Service Costs**

| <b>#</b> | <b>Rate</b>      | <b>Rate Code</b> | <b>Average Number of Services</b> | <b>Average Service Cost</b> | <b>Total Cost</b> | <b>Allocation Factor</b> |
|----------|------------------|------------------|-----------------------------------|-----------------------------|-------------------|--------------------------|
| 1        | Residential      | A                | 16,062                            | \$ 2,600                    | \$ 41,759,900     | 90.52%                   |
| 2        | Small Commercial | B                | 863                               | \$ 3,500                    | \$ 3,021,667      | 6.55%                    |
| 3        | Large Commercial | LP               | 222                               | \$ 6,000                    | \$ 1,329,500      | 2.88%                    |
| 4        | Large Comm Rate  | LPR              | 4                                 | \$ 6,000                    | \$ 24,500         | 0.05%                    |
| 5        | Lighting         | SL               | 115                               | \$ -                        | \$ -              | 0.00%                    |
| 6        | Large Power G    | LPG              | -                                 | \$ -                        | \$ -              | 0.00%                    |
| 7        | <b>Total</b>     |                  | 17,266                            | \$ 2,672.11                 | \$ 46,135,567     | 100.00%                  |

Exhibit JW-8  
COSS: Zero Intercept Analysis

LICKING VALLEY RECC  
Zero Intercept & Minimum System Analyses

Account 365 - Overhead Conductors and Devices

| Description      | Size   | Cost             | Quantity    | Actual                     | Linear Regression Inputs |           |            |
|------------------|--------|------------------|-------------|----------------------------|--------------------------|-----------|------------|
|                  |        |                  |             | Unit Cost<br>(\$ per Unit) | $y*n^{0.5}$              | $n^{0.5}$ | $xn^{0.5}$ |
| 2 ACWC CONDUCTOR | 66.37  | \$ 2,121.28      | 10,096      | 0.21                       | 21.11                    | 100.48    | 6,668.78   |
| 4 ACWC           | 41.74  | \$ 701,862.02    | 3,309,109   | 0.21                       | 385.83                   | 1,819.10  | 75,929.05  |
| 6 ACWC           | 26.25  | \$ 2,295,443.97  | 30,443,554  | 0.08                       | 416.02                   | 5,517.57  | 144,841.67 |
| 8 ACWC           | 16.51  | \$ 13,053,883.33 | 84,381,922  | 0.15                       | 1,421.07                 | 9,185.96  | 151,651.07 |
| 2 ACSR           | 66.37  | \$ 12,226,934.90 | 49,143,629  | 0.25                       | 1,744.15                 | 7,010.25  | 465,270.41 |
| 4 ACSR           | 41.74  | \$ 6,343,469.05  | 67,990,022  | 0.09                       | 769.32                   | 8,245.61  | 344,196.08 |
| 6 ACSR           | 26.25  | \$ 184.23        | 5,740       | 0.03                       | 2.43                     | 75.76     | 1,988.85   |
| 1/0 ACSR         | 105.53 | \$ 7,353,614.52  | 20,246,736  | 0.36                       | 1,634.27                 | 4,499.64  | 474,846.73 |
| 2/0 ACSR         | 133.07 | \$ 14,533.62     | 17,470      | 0.83                       | 109.96                   | 132.17    | 17,588.68  |
| 3/0 ACSR         | 167.80 | \$ 4,840,253.55  | 9,709,636   | 0.50                       | 1,553.34                 | 3,116.03  | 522,869.65 |
| 4/0 ACSR         | 211.59 | \$ 21,127.61     | 128,604     | 0.16                       | 58.91                    | 358.61    | 75,879.85  |
| 6 STEEL          | 26.25  | \$ 1,388.16      | 48,768      | 0.03                       | 6.29                     | 220.83    | 5,797.13   |
| 9.5 STEEL        | 11.66  | \$ 9,301.36      | 90,530      | 0.10                       | 30.91                    | 300.88    | 3,508.25   |
| 2 3-STRAND CU    | 199.11 | \$ 87,028.15     | 791,165     | 0.11                       | 97.84                    | 889.47    | 177,103.28 |
| 6 HD CU          | 26.25  | \$ 31.79         | 963         | 0.03                       | 1.02                     | 31.03     | 814.63     |
| 8 HD CU          | 16.51  | \$ 424.98        | 23,455      | 0.02                       | 2.77                     | 153.15    | 2,528.36   |
| 1/0 HD CU        | 105.53 | \$ 11,060.73     | 79,400      | 0.14                       | 39.25                    | 281.78    | 29,736.25  |
| 336.4 ACSR       | 336.40 | \$ 5,327,294.06  | 6,132,490   | 0.87                       | 2,151.24                 | 2,476.39  | 833,056.41 |
| TOTAL            |        | \$ 52,289,957.31 | 272,553,289 |                            |                          |           |            |

**Zero Intercept Linear Regression Results**

|                               |         |
|-------------------------------|---------|
| Size Coefficient (\$ per MCM) | 0.00237 |
| Zero Intercept (\$ per Unit)  | 0.06607 |
| R-Square                      | 0.9421  |

**LINEST Array**

|         |           |
|---------|-----------|
| 0.00237 | 0.06607   |
| 0.00026 | 0.01993   |
| 0.94210 | 238.46458 |

**Plant Classification**

|   |               |
|---|---------------|
| Total Number of Units                     | 272,553,289   |
| Zero Intercept (\$/Unit)                  | \$ 0.07       |
| Minimum System (\$/Unit)                  | \$ 0.018      |
| Use Min System (M) or Zero Intercept (Z)? | Z             |
| Zero Intercept or Min System Cost (\$)    | \$ 18,008,944 |
| Total Cost of Sample                      | \$ 52,289,957 |
| Percentage of Total                       | 0.3444        |
| Percentage Classified as Customer-Related | 34.44%        |
| Percentage Classified as Demand-Related   | 65.56%        |

LICKING VALLEY RECC  
 Zero Intercept & Minimum System Analyses

Account 367 - Underground Conductors and Devices

| Description     | Size   | Cost          | Quantity | Actual<br>Unit Cost<br>(\$ per Unit) | Linear Regression Inputs |           |            |
|-----------------|--------|---------------|----------|--------------------------------------|--------------------------|-----------|------------|
|                 |        |               |          |                                      | $y^n^{0.5}$              | $n^{0.5}$ | $xn^{0.5}$ |
| 1/0 URD Primary | 105.53 | \$ 579,252.12 | 148,908  | 3.89                                 | 1,501.10                 | 385.89    | 40,722.55  |
| 3/0 URD Primary | 167.80 | \$ 443.02     | 239      | 1.85                                 | 28.66                    | 15.46     | 2,594.13   |
| TOTAL           |        | \$ 579,695.14 | 149,147  |                                      |                          |           |            |

Zero Intercept Linear Regression Results

|                               |           |
|-------------------------------|-----------|
| Size Coefficient (\$ per MCM) | (0.03270) |
| Zero Intercept (\$ per Unit)  | 7.34105   |
| R-Square                      | 1.0000    |

LINEST Array

|           |         |
|-----------|---------|
| (0.03270) | 7.34105 |
| -         | -       |
| 1.00000   | -       |

Plant Classification

|   |              |
|---|--------------|
| Total Number of Units                     | 149,147      |
| Zero Intercept (\$/Unit)                  | \$ 7.34      |
| Minimum System (\$/Unit)                  | \$ 1.85      |
| Use Min System (M) or Zero Intercept (Z)? | Z            |
| Zero Intercept or Min System Cost (\$)    | \$ 1,094,896 |
| Total Cost of Sample                      | \$ 579,695   |
| Percentage of Total                       | 1.8887       |
| Percentage Classified as Customer-Related | 188.87%      |
| Percentage Classified as Demand-Related   | -88.87%      |

LICKING VALLEY RECC  
Zero Intercept & Minimum System Analyses

Account 368 - Line Transformers

| Description             | Size     | Cost                   | Quantity      | Actual                     | Linear Regression Inputs |       |          | NARUC CAM * |               |
|-------------------------|----------|------------------------|---------------|----------------------------|--------------------------|-------|----------|-------------|---------------|
|                         |          |                        |               | Unit Cost<br>(\$ per Unit) | y*n^0.5                  | n^0.5 | xn^0.5   | Incl?       | Qty           |
| 1.5 KVA                 | 1.50     | \$ 5,407.59            | 114           | 47.44                      | 506.47                   | 10.68 | 16.02    | 1           | 114           |
| 3 KVA                   | 3.00     | \$ 25,642.78           | 448           | 57.24                      | 1,211.51                 | 21.17 | 63.50    | 1           | 448           |
| 5 KVA                   | 5.00     | \$ 202,720.07          | 1,192         | 170.07                     | 5,871.63                 | 34.53 | 172.63   | 1           | 1,192         |
| 7.5 KVA                 | 7.50     | \$ 20,971.02           | 100           | 209.71                     | 2,097.10                 | 10.00 | 75.00    | 1           | 100           |
| 10 KVA                  | 10.00    | \$ 3,172,987.77        | 6,286         | 504.77                     | 40,020.38                | 79.28 | 792.84   | 1           | 6,286         |
| 15 KVA                  | 15.00    | \$ 3,315,927.46        | 4,932         | 672.33                     | 47,216.47                | 70.23 | 1,053.42 | 1           | 4,932         |
| 25 KVA                  | 25.00    | \$ 1,526,051.95        | 2,028         | 752.49                     | 33,887.17                | 45.03 | 1,125.83 | 1           | 2,028         |
| 37.5 KVA                | 37.50    | \$ 24,323.00           | 41            | 593.24                     | 3,798.61                 | 6.40  | 240.12   | 1           | 41            |
| 10 KVA Padmount         | 10.00    | \$ 3,712.99            | 3             | 1,237.66                   | 2,143.70                 | 1.73  | 17.32    | 1           | 3             |
| 15 KVA Padmount         | 15.00    | \$ 61,528.56           | 20            | 3,076.43                   | 13,758.20                | 4.47  | 67.08    | 1           | 20            |
| 45 KVA E-Phase Padmount | 45.00    | \$ 20,471.63           | 4             | 5,117.91                   | 10,235.82                | 2.00  | 90.00    | 1           | 4             |
| 100 KVA Padmount        | 100.00   | \$ 6,285.50            | 2             | 3,142.75                   | 4,444.52                 | 1.41  | 141.42   | 0           | -             |
| 25 KVA Padmount         | 25.00    | \$ 119,237.13          | 32            | 3,726.16                   | 21,078.35                | 5.66  | 141.42   | 1           | 32            |
| 50 KVA Padmount         | 50.00    | \$ 30,427.22           | 11            | 2,766.11                   | 9,174.15                 | 3.32  | 165.83   | 1           | 11            |
| 50 KVA                  | 50.00    | \$ 463,423.42          | 391           | 1,185.23                   | 23,436.33                | 19.77 | 988.69   | 1           | 391           |
| 75 KVA                  | 75.00    | \$ 111,472.50          | 73            | 1,527.02                   | 13,046.87                | 8.54  | 640.80   | 0           | -             |
| 100 KVA                 | 100.00   | \$ 192,300.99          | 111           | 1,732.44                   | 18,252.40                | 10.54 | 1,053.57 | 0           | -             |
| 167 KVA                 | 167.00   | \$ 82,848.69           | 44            | 1,882.92                   | 12,489.91                | 6.63  | 1,107.75 | 0           | -             |
| 250 KVA                 | 250.00   | \$ 37,838.94           | 10            | 3,783.89                   | 11,965.72                | 3.16  | 790.57   | 0           | -             |
| 500 KVA                 | 500.00   | \$ 76,195.76           | 12            | 6,349.65                   | 21,995.82                | 3.46  | 1,732.05 | 0           | -             |
| 1500 KVA                | 1,500.00 | \$ 64,080.02           | 5             | 12,816.00                  | 28,657.46                | 2.24  | 3,354.10 | 0           | -             |
| 2500 KVA                | 2,500.00 | \$ 23,551.50           | 1             | 23,551.50                  | 23,551.50                | 1.00  | 2,500.00 | 0           | -             |
| 750 KVA                 | 750.00   | \$ 118,982.35          | 10            | 11,898.24                  | 37,625.52                | 3.16  | 2,371.71 | 0           | -             |
| 300 KVA                 | 300.00   | \$ 83,035.94           | 13            | 6,387.38                   | 23,030.03                | 3.61  | 1,081.67 | 0           | -             |
| 1000 KVA                | 1,000.00 | \$ 88,196.65           | 6             | 14,699.44                  | 36,006.13                | 2.45  | 2,449.49 | 0           | -             |
| <b>TOTAL</b>            |          | <b>\$ 9,877,621.43</b> | <b>15,889</b> |                            |                          |       |          |             | <b>15,602</b> |

**Zero Intercept Linear Regression Results**

|                               |           |
|-------------------------------|-----------|
| Size Coefficient (\$ per MCM) | 11.82609  |
| Zero Intercept (\$ per Unit)  | 414.20292 |
| R-Square                      | 0.9053    |

**LINEST Array**

|          |             |
|----------|-------------|
| 11.82609 | 414.20292   |
| 1.18893  | 60.26878    |
| 0.90528  | 7,127.55552 |

**Plant Classification**

|   |              |
|---|--------------|
| Total Number of Units                     | 15,602       |
| Zero Intercept (\$/Unit)                  | \$ 414.20    |
| Minimum System (\$/Unit)                  | \$ 47.44     |
| Use Min System (M) or Zero Intercept (Z)? | Z            |
| Zero Intercept or Min System Cost (\$)    | \$ 6,462,394 |
| Total Cost of Sample                      | \$ 9,877,621 |
| Percentage of Total                       | 0.6542       |
| Percentage Classified as Customer-Related | 65.42%       |
| Percentage Classified as Demand-Related   | 34.58%       |

\* Only single-phase up to 50 KVA should be included in the Customer-related component per NARUC CAM under the Zero Intercept method.

Exhibit JW-9  
Present & Proposed Rates



**Licking Valley R.E.C.C.  
Present and Proposed Rates**

| Rate Class |                       |             | Rates                       |                     |                      | Revenues                        |                        |                          |                     |                    |                           |
|------------|-----------------------|-------------|-----------------------------|---------------------|----------------------|---------------------------------|------------------------|--------------------------|---------------------|--------------------|---------------------------|
| #          | Classification<br>(1) | Code<br>(2) | Billing Unit<br>(3)         | Present Rate<br>(5) | Proposed Rate<br>(6) | Incr (Decr)<br>Over Pres<br>(7) | Present Revenue<br>(9) | Proposed Revenue<br>(10) | Increase \$<br>(11) | Increase %<br>(12) | Increase Avg Bill<br>(13) |
| 1          | Residential           | A           | Customer Charge (per month) | 16.50               | 30.00                | 13.50                           | \$ 24,674,756          | \$ 27,486,663            | \$ 2,811,906        | 11.40%             | \$ 14.16                  |
|            |                       |             | Energy Charge (per kWh)     | 0.095503            | 0.096243             | 0.000740                        |                        |                          |                     |                    |                           |
|            |                       |             | Prepay Service Fee          | 3.00                | 3.00                 | -                               |                        |                          |                     |                    |                           |
| 2          | Small Commercial      | B           | Customer Charge (per month) | 29.66               | 32.00                | 2.34                            | \$ 1,316,877           | \$ 1,341,872             | \$ 24,995           | 1.90%              | \$ 2.40                   |
|            |                       |             | Energy Charge (per kWh)     | 0.08133             | 0.081396             | 0.000066                        |                        |                          |                     |                    |                           |
|            |                       |             | Prepay Service Fee          | 3.00                | 3.00                 | -                               |                        |                          |                     |                    |                           |
| 3          | Large Commercial      | LP          | Customer Charge (per month) | 73.80               | 73.80                | -                               | \$ 3,948,229           | \$ 3,948,229             | \$ -                | 0.00%              | \$ -                      |
|            |                       |             | Energy Charge (per kWh)     | 0.066776            | 0.066776             | -                               |                        |                          |                     |                    |                           |
|            |                       |             | Demand Charge (per kW)      | 7.59                | 7.59                 | -                               |                        |                          |                     |                    |                           |
| 4          | Large Power Rate      | LPR         | Customer Charge (per month) | 113.46              | 113.46               | -                               | \$ 929,980             | \$ 929,980               | \$ -                | 0.00%              | \$ -                      |
|            |                       |             | Energy Charge (per kWh)     | 0.058062            | 0.058062             | -                               |                        |                          |                     |                    |                           |
|            |                       |             | Demand Charge (per kW)      | 7.13                | 7.13                 | -                               |                        |                          |                     |                    |                           |
| 5          | Large Power G         | LPG         | Customer Charge (per month) | 5,726.70            | 5,726.70             | -                               | \$ 5,732,022           | \$ 5,732,022             | \$ -                | 0.00%              | \$ -                      |
|            |                       |             | Energy Charge (per kWh)     | 0.039780            | 0.039780             | -                               |                        |                          |                     |                    |                           |
|            |                       |             | Demand Charge (per kW)      | 7.30                | 7.30                 | -                               |                        |                          |                     |                    |                           |
| 6          | Lighting              | SL          | Various                     |                     |                      |                                 | \$ 1,026,185           | \$ 1,026,185             | \$ -                | 0.00%              | \$ -                      |
| 7          | TOTAL                 |             |                             |                     |                      |                                 | \$ 37,628,048          | \$ 40,464,949            | \$ 2,836,901        | 7.54%              |                           |

Target Increase > \$ 2,836,945  
Variance > \$ (44)

Licking Valley R.E.C.C.  
Residential  
A

|                           | Test Year Rate     |                   |                      | Present Rate     |                      | Proposed Rates                                |                    |                     |                      |        |
|---------------------------|--------------------|-------------------|----------------------|------------------|----------------------|---|--------------------|---------------------|----------------------|--------|
|                           | Billing Units      | Rate              | Calculated Billings  | Rate             | Calculated Billings  | Billing Units                                 | Rate               | Calculated Billings | Increase             |        |
| All Members               | 198,590            | \$ 16.50          | \$ 3,276,735         | \$ 16.50         | \$ 3,276,735         | Annual  | 198,590            | \$ 30.00            | \$ 5,957,700         | 81.82% |
| <b>Energy Charge</b>      |                    |                   |                      |                  |                      | <b>Energy Charge</b>                          |                    |                     |                      |        |
| All Hours                 | <u>176,947,778</u> | <u>\$0.095503</u> | \$ 16,899,044        | <u>\$0.09550</u> | \$ 16,899,044        | All Hours                                     | <u>176,947,778</u> | <u>\$0.096243</u>   | \$ 17,029,985        | 0.77%  |
| <b>Other</b>              |                    |                   |                      |                  |                      | <b>Other</b>                                  |                    |                     |                      |        |
| FAC                       |                    | \$0.01193         | \$ 2,111,716         |                  | \$ 2,111,716         | FAC   |                    |                     | \$ 2,111,716         | 0.00%  |
| ES                        |                    | \$0.01349         | \$ 2,387,262         |                  | \$ 2,387,262         | ES  |                    |                     | \$ 2,387,262         | 0.00%  |
| <b>Total Rate Revenue</b> |                    |                   | <u>\$ 24,674,756</u> |                  | <u>\$ 24,674,756</u> | <b>Total Rate Revenue</b>                     |                    |                     | <u>\$ 27,486,663</u> | 11.40% |
| <b>Revenue Per Books</b>  |                    |                   | \$ 24,290,205        |                  |                      | <b>Difference from Present Rates</b>          |                    |                     | \$ 2,811,906         |        |
| <b>Difference</b>         |                    |                   | \$ 384,552           |                  | \$ -                 | <b>Percent Change from Present Rates</b>      |                    |                     |                      | 11.40% |
| <b>Percent Difference</b> |                    |                   | 1.58%                |                  | 0.00%                | <b>Avg Incr/(Decr) Per Customer Per Month</b> |                    |                     | \$ 14.16             |        |

Licking Valley R.E.C.C.  
 Small Commercial  
 B

|                           | Test Year Rate             |                                 |                     | Present Rate                    |                     | Proposed Rates                                |                                 |                              |                  |
|---------------------------|----------------------------|---------------------------------|---------------------|---------------------------------|---------------------|---|---------------------------------|------------------------------|------------------|
|                           | Billing Units              | Rate                            | Calculated Billings | Rate                            | Calculated Billings | Billing Units                                 | Rate                            | Calculated Billings          | Increase         |
| Test Year                 | <i>Customers</i><br>10,427 | <i>per Customer</i><br>\$ 29.66 | \$ 309,265          | <i>per Customer</i><br>\$ 29.66 | \$ 309,265          | Annual<br>10,427                              | <i>per Customer</i><br>\$ 32.00 | \$ 333,664                   | 7.89%            |
| <b>Energy Charge</b>      |                            |                                 |                     |                                 |                     | <b>Energy Charge</b>                          |                                 |                              |                  |
| All Hours                 | <i>kWh</i><br>9,453,416    | <i>Per kWh</i><br>\$0.081333    | \$ 768,875          | <i>Per kWh</i><br>\$0.08133     | \$ 768,875          | All Hours                                     | <i>kWh</i><br>9,453,416         | <i>Per kWh</i><br>\$0.081396 | \$ 769,470 0.08% |
| <b>Other</b>              |                            |                                 |                     |                                 |                     | <b>Other</b>                                  |                                 |                              |                  |
| FAC                       |                            |                                 | \$ 112,027          |                                 | \$ 112,027          | FAC   |                                 | \$ 112,027                   | 0.00%            |
| ES                        |                            |                                 | \$ 126,710          |                                 | \$ 126,710          | ES  |                                 | \$ 126,710                   | 0.00%            |
| <b>Total Rate Revenue</b> |                            |                                 | <u>\$ 1,316,877</u> |                                 | <u>\$ 1,316,877</u> | <b>Total Rate Revenue</b>                     |                                 | <u>\$ 1,341,872</u>          | 1.90%            |
| <b>Revenue Per Books</b>  |                            |                                 | \$ 1,306,494        |                                 |                     | <b>Difference from Present Rates</b>          |                                 | \$ 24,995                    |                  |
| <b>Difference</b>         |                            |                                 | \$ 10,383           |                                 | \$ -                | <b>Percent Change from Present Rates</b>      |                                 |                              | 2%               |
| <b>Percent Difference</b> |                            |                                 | 0.79%               |                                 | 0.00%               | <b>Avg Incr/(Decr) Per Customer Per Month</b> |                                 | \$ 2                         |                  |

Licking Valley R.E.C.C.  
 Large Commercial  
 LP

|                           | Test Year Rate            |                                 |                     | Present Rate                    |                     | Proposed Rates                                |                           |                                 |                     |       |
|---------------------------|---------------------------|---------------------------------|---------------------|---------------------------------|---------------------|---|---------------------------|---------------------------------|---------------------|-------|
|                           | Billing Units             | Rate                            | Calculated Billings | Rate                            | Calculated Billings | Billing Units                                 | Rate                      | Calculated Billings             | Increase            |       |
| Test Year                 | <i>Customers</i><br>2,602 | <i>per Customer</i><br>\$ 73.80 | \$ 192,028          | <i>per Customer</i><br>\$ 73.80 | \$ 192,028          | Test Year                                     | <i>Customers</i><br>2,602 | <i>per Customer</i><br>\$ 73.80 | \$ 192,028          | 0.00% |
| <b>Energy Charge</b>      |                           |                                 |                     |                                 |                     | <b>Energy Charge</b>                          |                           |                                 |                     |       |
| All Hours                 | <i>kWh</i><br>31,491,833  | <i>Per kWh</i><br>\$0.066776    | \$ 2,102,899        | <i>Per kWh</i><br>\$0.066776    | \$ 2,102,899        | All Hours                                     | <i>kWh</i><br>31,491,833  | <i>Per kWh</i><br>\$0.066776    | \$ 2,102,899        | 0.00% |
| <b>Demand Charge</b>      |                           |                                 |                     |                                 |                     | <b>Energy Charge</b>                          |                           |                                 |                     |       |
| All Hours                 | <i>kW</i><br>119,558      | <i>Per kW</i><br>\$7.59         | \$ 907,443          | <i>Per kW</i><br>\$7.59000      | \$ 907,443          | All Hours                                     | <i>kW</i><br>119,558      | <i>Per kW</i><br>\$7.59000      | \$ 907,443          | 0.00% |
| <b>Other</b>              |                           |                                 |                     |                                 |                     | <b>Other</b>                                  |                           |                                 |                     |       |
| FAC                       |                           |                                 | \$ 372,112          |                                 | \$ 372,112          | FAC   |                           |                                 | \$ 372,112          | 0.00% |
| ES                        |                           |                                 | \$ 374,346          |                                 | \$ 374,346          | ES  |                           |                                 | \$ 374,346          | 0.00% |
| Primary Discount          |                           |                                 | \$ (598)            |                                 | \$ (598)            | Primary Discount                              |                           |                                 | \$ (598)            | 0.00% |
| <b>Total Rate Revenue</b> |                           |                                 | <u>\$ 3,948,229</u> |                                 | <u>\$ 3,948,229</u> | <b>Total Rate Revenue</b>                     |                           |                                 | <u>\$ 3,948,229</u> | 0.00% |
| <b>Revenue Per Books</b>  |                           |                                 | \$ 3,941,389        |                                 |                     | <b>Difference from Present Rates</b>          |                           |                                 | \$ -                |       |
| <b>Difference</b>         |                           |                                 | \$ 6,840            |                                 | \$ -                | <b>Percent Change from Present Rates</b>      |                           |                                 |                     | 0%    |
| <b>Percent Difference</b> |                           |                                 | 0.17%               |                                 | 0.00%               | <b>Avg Incr/(Decr) Per Customer Per Month</b> |                           |                                 | \$ -                |       |

Licking Valley R.E.C.C.  
 Large Power Rate  
 LPR

|                           | Test Year Rate           |                                  |                     | Present Rate                     |                     | Proposed Rates                                |                          |                                  |                   |                  |
|---------------------------|--------------------------|----------------------------------|---------------------|----------------------------------|---------------------|---|--------------------------|----------------------------------|-------------------|------------------|
|                           | Billing Units            | Rate                             | Calculated Billings | Rate                             | Calculated Billings | Billing Units                                 | Rate                     | Calculated Billings              | Increase          |                  |
| Test Year                 | <i>Customers</i><br>48   | <i>per Customer</i><br>\$ 113.46 | \$ 5,446            | <i>per Customer</i><br>\$ 113.46 | \$ 5,446            | Annual  | <i>Customers</i><br>48   | <i>per Customer</i><br>\$ 113.46 | \$ 5,446          | 0.00%            |
| <b>Energy Charge</b>      |                          |                                  |                     |                                  |                     | <b>Energy Charge</b>                          |                          |                                  |                   |                  |
| All Hours                 | <i>kWh</i><br>10,433,028 | <i>Per kWh</i><br>\$0.058062     | \$ 605,762          | <i>Per kWh</i><br>\$0.058062     | \$ 605,762          | All Hours                                     | <i>kWh</i><br>10,433,028 | <i>Per kWh</i><br>\$0.058062     | \$ 605,762        | 0.00%            |
| <b>Demand Charge</b>      |                          |                                  |                     |                                  |                     | <b>Energy Charge</b>                          |                          |                                  |                   |                  |
| All Hours                 | <i>kW</i><br>19,552      | <i>Per kW</i><br>\$7.13          | \$ 139,409          | <i>Per kW</i><br>\$7.13          | \$ 139,409          | All Hours                                     | <i>kW</i><br>19,552      | <i>Per kW</i><br>\$7.13          | \$ 139,409        | 0.00%<br>#DIV/0! |
| <b>Other</b>              |                          |                                  |                     |                                  |                     | <b>Other</b>                                  |                          |                                  |                   |                  |
| FAC                       |                          |                                  | \$ 120,967          |                                  | \$ 120,967          | FAC   |                          |                                  | \$ 120,967        | 0.00%            |
| ES                        |                          |                                  | \$ 89,265           |                                  | \$ 89,265           | ES  |                          |                                  | \$ 89,265         | 0.00%            |
| Primary Discount          |                          |                                  | \$ (30,870)         |                                  | \$ (30,870)         | Primary Discount                              |                          |                                  | \$ (30,870)       | 0.00%            |
| <b>Total Rate Revenue</b> |                          |                                  | <u>\$ 929,980</u>   |                                  | <u>\$ 929,980</u>   | <b>Total Rate Revenue</b>                     |                          |                                  | <u>\$ 929,980</u> | 0.00%            |
| <b>Revenue Per Books</b>  |                          |                                  | \$ 932,815          |                                  |                     | <b>Difference from Present Rates</b>          |                          |                                  | \$ -              |                  |
| <b>Difference</b>         |                          |                                  | \$ (2,835)          |                                  | \$ -                | <b>Percent Change from Present Rates</b>      |                          |                                  |                   | 0%               |
| <b>Percent Difference</b> |                          |                                  | -0.30%              |                                  | 0.00%               | <b>Avg Incr/(Decr) Per Customer Per Month</b> |                          |                                  | \$ -              |                  |

Licking Valley R.E.C.C.  
 Large Power G  
 LPG

|                           | Test Year Rate           |                                    |                     | Present Rate             |                                    |                     | Proposed Rates                                |                          |                                    |                     |       |
|---------------------------|--------------------------|------------------------------------|---------------------|--------------------------|------------------------------------|---------------------|---|--------------------------|------------------------------------|---------------------|-------|
|                           | Billing Units            | Rate                               | Calculated Billings | Billing Units            | Rate                               | Calculated Billings | Billing Units                                 | Rate                     | Calculated Billings                | Increase            |       |
| Billed Demand             |                          |                                    |                     |                          |                                    |                     |   |                          |                                    |                     |       |
| Test Year                 | <u>Customers</u><br>4    | <u>per Customer</u><br>\$ 5,726.70 | \$ 22,907           | <u>Customers</u><br>12   | <u>per Customer</u><br>\$ 5,726.70 | \$ 68,720           | Annual  | <u>Customers</u><br>12   | <u>per Customer</u><br>\$ 5,726.70 | \$ 68,720           | 0.00% |
| <b>Energy Charge</b>      |                          |                                    |                     |                          |                                    |                     | <b>Energy Charge</b>                          |                          |                                    |                     |       |
| All Hours                 | <u>kWh</u><br>31,284,000 | <u>Per kWh</u><br>\$0.039780       | \$ 1,244,478        | <u>kWh</u><br>93,852,000 | <u>Per kWh</u><br>\$0.03978        | \$ 3,733,433        | All Hours                                     | <u>kWh</u><br>93,852,000 | <u>Per kWh</u><br>\$0.03978        | \$ 3,733,433        | 0.00% |
| <b>Demand Charge</b>      |                          |                                    |                     |                          |                                    |                     | <b>Energy Charge</b>                          |                          |                                    |                     |       |
| All Hours                 | <u>kW</u><br>50,088      | <u>Per kW</u><br>\$7.30            | \$ 365,642          | <u>kW</u><br>150,264     | <u>Per kW</u><br>\$7.30            | \$ 1,096,927        | All Hours                                     | <u>kW</u><br>150,264     | <u>Per kW</u><br>\$7.30            | \$ 1,096,927        | 0.00% |
| Interr Credit             |                          |                                    |                     |                          |                                    |                     |   |                          |                                    |                     |       |
| <b>Other</b>              |                          |                                    |                     |                          |                                    |                     | <b>Other</b>                                  |                          |                                    |                     |       |
| FAC                       |                          |                                    | \$ 278,234          |                          |                                    | \$ 834,702          | FAC   |                          |                                    | \$ 834,702          | 0.00% |
| ES                        |                          |                                    | \$ 252,819          |                          |                                    | \$ 758,457          | ES  |                          |                                    | \$ 758,457          | 0.00% |
| Int Credit                |                          |                                    | \$ (253,406)        |                          |                                    | \$ (760,218)        | Int Credit                                    |                          |                                    | \$ (760,218)        | 0.00% |
| <b>Total Rate Revenue</b> |                          |                                    | <u>\$ 1,910,674</u> |                          |                                    | <u>\$ 5,732,022</u> | <b>Total Rate Revenue</b>                     |                          |                                    | <u>\$ 5,732,022</u> | 0.00% |
| <b>Revenue Per Books</b>  |                          |                                    | \$ 1,887,354        |                          |                                    |                     | <b>Difference from Present Rates</b>          |                          |                                    | \$ -                |       |
| <b>Difference</b>         |                          |                                    | \$ 23,320           |                          |                                    | \$ 3,821,348        | <b>Percent Change from Present Rates</b>      |                          |                                    |                     | 0%    |
| <b>Percent Difference</b> |                          |                                    | 1.24%               |                          |                                    | 202.47%             | <b>Avg Incr/(Decr) Per Customer Per Month</b> |                          |                                    | \$ -                |       |

Licking Valley R.E.C.C.  
Lighting  
SL

| Description               | Test Year Rate |         |                     | Present Rate        |  | Proposed Rates |       |                     |          |
|---------------------------|----------------|---------|---------------------|---------------------|--|----------------|-------|---------------------|----------|
|                           | Billing Units  | Rate    | Calculated Billings | Rate                | Calculated Billings                        | Billing Units  | Rate  | Calculated Billings | Increase |
| 25ft Wood Pole            | 581            | 3.16    | \$ 1,836            | 3.16                | \$ 1,836                                   | 581            | 3.16  | \$ 1,836            | 0.00%    |
| 30ft Wood Pole            | 219            | 3.65    | \$ 799              | 3.65                | \$ 799                                     | 219            | 3.65  | \$ 799              | 0.00%    |
| 175 Watt MV               | 33,307         | 10.56   | \$ 351,722          | 10.56               | \$ 351,722                                 | 33,307         | 10.56 | \$ 351,722          | 0.00%    |
| 100 Watt Metal Halide     | 4,679          | 10.7    | \$ 50,065           | 10.7                | \$ 50,065                                  | 4,679          | 10.7  | \$ 50,065           | 0.00%    |
| 250 Watt Metal Halide     | 382            | 16.35   | \$ 6,246            | 16.35               | \$ 6,246                                   | 382            | 16.35 | \$ 6,246            | 0.00%    |
| 400 Watt Metal Halide     | 338            | 22.47   | \$ 7,604            | 22.47               | \$ 7,604                                   | 338            | 22.47 | \$ 7,604            | 0.00%    |
| 68 Watt LED               | 62,778         | 9.58    | \$ 601,413          | 9.58                | \$ 601,413                                 | 62,778         | 9.58  | \$ 601,413          | 0.00%    |
| 108 Watt LED              | 71             | 11.47   | \$ 814              | 11.47               | \$ 814                                     | 71             | 11.47 | \$ 814              | 0.00%    |
| 202 Watt LED              | 69             | 18.05   | \$ 1,245            | 18.05               | \$ 1,245                                   | 69             | 18.05 | \$ 1,245            | 0.00%    |
|                           | 128,730        | 102,424 | \$ 1,021,745        | \$ 1,021,745        |  |                |       | \$ 1,021,745        | 0.00%    |
| <b>Other</b>              |                |         |                     |                     |  |                |       |                     |          |
| FAC                       |                |         | \$ 1,555            | \$ 1,555            |  |                |       | \$ 1,555            | 0.00%    |
| ES                        |                |         | \$ 2,885            | \$ 2,885            |  |                |       | \$ 2,885            | 0.00%    |
| <b>Total Rate Revenue</b> |                |         | <u>\$ 1,026,185</u> | <u>\$ 1,026,185</u> | <b>Total Rate Revenue</b>                  |                |       | <u>\$ 1,026,185</u> | 0.00%    |
| <b>Revenue Per Books</b>  |                |         | \$ 1,026,030        |                     | <b>Difference from Present Rates</b>       |                |       | \$ -                |          |
| <b>Difference</b>         |                |         | \$ 155              | \$ -                | <b>Percent Change from Present Rates</b>   |                |       | 0%                  |          |
| <b>Percent Difference</b> |                |         | 0.02%               | 0.00%               | <b>Avg Incr/(Decr) Per Light Per Month</b> |                |       | \$ -                |          |

**Licking Valley R.E.C.C.**  
**Estimated Monthly Increase by KWH**  
**Residential**

| #   | Monthly kWh | Present Base Rates |            |            |           | Proposed Base Rates |            |            |           | Increase |       |
|-----|-------------|--------------------|------------|------------|-----------|---------------------|------------|------------|-----------|----------|-------|
|     |             | Customer           | Energy     | Riders     | SubTotal  | Customer            | Energy     | Riders     | SubTotal  | \$       | %     |
|     |             | \$ 16.50           | \$ 0.09550 | \$ 0.02543 |           | \$ 30.00            | \$ 0.09624 | \$ 0.02543 |           |          |       |
| 1   | -           | \$ 16.50           | \$ -       | \$ -       | \$ 16.50  | \$ 30.00            | \$ -       | \$ -       | \$ 30.00  | \$ 13.50 | 81.8% |
| 3   | 300         | \$ 16.50           | \$ 28.65   | \$ 7.63    | \$ 52.78  | \$ 30.00            | \$ 28.87   | \$ 7.63    | \$ 66.50  | \$ 13.72 | 26.0% |
| 4   | 400         | \$ 16.50           | \$ 38.20   | \$ 10.17   | \$ 64.87  | \$ 30.00            | \$ 38.50   | \$ 10.17   | \$ 78.67  | \$ 13.80 | 21.3% |
| 2   | 500         | \$ 16.50           | \$ 47.75   | \$ 12.71   | \$ 76.96  | \$ 30.00            | \$ 48.12   | \$ 12.71   | \$ 90.83  | \$ 13.87 | 18.0% |
| 3   | 600         | \$ 16.50           | \$ 57.30   | \$ 15.26   | \$ 89.06  | \$ 30.00            | \$ 57.75   | \$ 15.26   | \$ 103.00 | \$ 13.94 | 15.7% |
| 4   | 700         | \$ 16.50           | \$ 66.85   | \$ 17.80   | \$ 101.15 | \$ 30.00            | \$ 67.37   | \$ 17.80   | \$ 115.17 | \$ 14.02 | 13.9% |
| 5   | 800         | \$ 16.50           | \$ 76.40   | \$ 20.34   | \$ 113.24 | \$ 30.00            | \$ 76.99   | \$ 20.34   | \$ 127.33 | \$ 14.09 | 12.4% |
| 6   | 900         | \$ 16.50           | \$ 85.95   | \$ 22.88   | \$ 125.34 | \$ 30.00            | \$ 86.62   | \$ 22.88   | \$ 139.50 | \$ 14.17 | 11.3% |
| 7   | 1,000       | \$ 16.50           | \$ 95.50   | \$ 25.43   | \$ 137.43 | \$ 30.00            | \$ 96.24   | \$ 25.43   | \$ 151.67 | \$ 14.24 | 10.4% |
| 8   | 1,100       | \$ 16.50           | \$ 105.05  | \$ 27.97   | \$ 149.52 | \$ 30.00            | \$ 105.87  | \$ 27.97   | \$ 163.84 | \$ 14.31 | 9.6%  |
| 9   | 1,200       | \$ 16.50           | \$ 114.60  | \$ 30.51   | \$ 161.61 | \$ 30.00            | \$ 115.49  | \$ 30.51   | \$ 176.00 | \$ 14.39 | 8.9%  |
| 10  | 1,300       | \$ 16.50           | \$ 124.15  | \$ 33.05   | \$ 173.71 | \$ 30.00            | \$ 125.12  | \$ 33.05   | \$ 188.17 | \$ 14.46 | 8.3%  |
| 11  | 1,400       | \$ 16.50           | \$ 133.70  | \$ 35.60   | \$ 185.80 | \$ 30.00            | \$ 134.74  | \$ 35.60   | \$ 200.34 | \$ 14.54 | 7.8%  |
| 12  | 1,500       | \$ 16.50           | \$ 143.25  | \$ 38.14   | \$ 197.89 | \$ 30.00            | \$ 144.36  | \$ 38.14   | \$ 212.50 | \$ 14.61 | 7.4%  |
| 13  | 1,600       | \$ 16.50           | \$ 152.80  | \$ 40.68   | \$ 209.99 | \$ 30.00            | \$ 153.99  | \$ 40.68   | \$ 224.67 | \$ 14.68 | 7.0%  |
| 14  | 1,700       | \$ 16.50           | \$ 162.36  | \$ 43.22   | \$ 222.08 | \$ 30.00            | \$ 163.61  | \$ 43.22   | \$ 236.84 | \$ 14.76 | 6.6%  |
| 15  | 1,800       | \$ 16.50           | \$ 171.91  | \$ 45.77   | \$ 234.17 | \$ 30.00            | \$ 173.24  | \$ 45.77   | \$ 249.00 | \$ 14.83 | 6.3%  |
| 16  | 1,900       | \$ 16.50           | \$ 181.46  | \$ 48.31   | \$ 246.26 | \$ 30.00            | \$ 182.86  | \$ 48.31   | \$ 261.17 | \$ 14.91 | 6.1%  |
| 17  | 2,000       | \$ 16.50           | \$ 191.01  | \$ 50.85   | \$ 258.36 | \$ 30.00            | \$ 192.49  | \$ 50.85   | \$ 273.34 | \$ 14.98 | 5.8%  |
| 18  | 2,100       | \$ 16.50           | \$ 200.56  | \$ 53.39   | \$ 270.45 | \$ 30.00            | \$ 202.11  | \$ 53.39   | \$ 285.50 | \$ 15.05 | 5.6%  |
| 19  | 2,200       | \$ 16.50           | \$ 210.11  | \$ 55.94   | \$ 282.54 | \$ 30.00            | \$ 211.73  | \$ 55.94   | \$ 297.67 | \$ 15.13 | 5.4%  |
| 20  | 2,300       | \$ 16.50           | \$ 219.66  | \$ 58.48   | \$ 294.64 | \$ 30.00            | \$ 221.36  | \$ 58.48   | \$ 309.84 | \$ 15.20 | 5.2%  |
| 21  | 2,400       | \$ 16.50           | \$ 229.21  | \$ 61.02   | \$ 306.73 | \$ 30.00            | \$ 230.98  | \$ 61.02   | \$ 322.00 | \$ 15.28 | 5.0%  |
| 22  | 2,500       | \$ 16.50           | \$ 238.76  | \$ 63.56   | \$ 318.82 | \$ 30.00            | \$ 240.61  | \$ 63.56   | \$ 334.17 | \$ 15.35 | 4.8%  |
| 23  | 2,600       | \$ 16.50           | \$ 248.31  | \$ 66.11   | \$ 330.91 | \$ 30.00            | \$ 250.23  | \$ 66.11   | \$ 346.34 | \$ 15.42 | 4.7%  |
| 24  | 2,700       | \$ 16.50           | \$ 257.86  | \$ 68.65   | \$ 343.01 | \$ 30.00            | \$ 259.86  | \$ 68.65   | \$ 358.50 | \$ 15.50 | 4.5%  |
| 25  | 2,800       | \$ 16.50           | \$ 267.41  | \$ 71.19   | \$ 355.10 | \$ 30.00            | \$ 269.48  | \$ 71.19   | \$ 370.67 | \$ 15.57 | 4.4%  |
| 26  | 2,900       | \$ 16.50           | \$ 276.96  | \$ 73.73   | \$ 367.19 | \$ 30.00            | \$ 279.10  | \$ 73.73   | \$ 382.84 | \$ 15.65 | 4.3%  |
| 27  | 3,000       | \$ 16.50           | \$ 286.51  | \$ 76.28   | \$ 379.29 | \$ 30.00            | \$ 288.73  | \$ 76.28   | \$ 395.01 | \$ 15.72 | 4.1%  |
| AVG | 891         | \$ 16.50           | \$ 85.10   | \$ 22.65   | \$ 124.25 | \$ 30.00            | \$ 85.75   | \$ 22.65   | \$ 138.41 | \$ 14.16 | 11.4% |



**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 11**

**807 KAR 5:001 Section 16(4)(d)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.*

**Response:**

Licking Valley is requesting a revenue increase of \$2,836,901, or 7.5%, to achieve an Times Interest Earned Ratio (“TIER”) of 2.00. For the statement of the effect on revenues for each new rate, see Exhibit 10 of the Application, the Direct Testimony of John Wolfram, specifically Exhibit JW-9.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-000211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**  
**Exhibit 12**

**807 KAR 5:001 Section 16(4)(e)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply.*

**Response:**

The effect upon the average bill for each customer classification to which the proposed rate change will apply is as follows:

| <b>Rate Class</b> |                  | <b>Average Usage (kWh)</b> | <b>Increase</b> |                |
|-------------------|------------------|----------------------------|-----------------|----------------|
|                   |                  |                            | <b>Dollars</b>  | <b>Percent</b> |
| A                 | Residential      | 891                        | \$14.16         | 11.4%          |
| B                 | Small Commercial | 907                        | \$2.40          | 1.9%           |
| LP                | Large Commercial | 12,103                     | \$0.00          | 0%             |
| LPR               | Large Comm Rate  | 217,355                    | \$0.00          | 0%             |
| SL                | Lighting         | NA                         | \$0.00          | 0%             |
| LPG               | Large Power      | 7,821,000                  | \$0.00          | 0%             |
| <b>Total</b>      |                  | NA                         | NA              | 7.5%           |

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 13**

**807 KAR 5:001 Section 16(4)(g)  
Sponsoring Witness: John Wolfram**

**Description of Filing Requirements:**

*A detailed analysis of customer's bills whereby revenues from the present and proposed rates can be readily determined for each customer class.*

**Response:**

The analysis of customer bills by rate schedule, reflecting present and proposed rates, can be found in Exhibit 10 of the Application, John Wolfram's Direct Testimony, Exhibit JW-9.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 14**

**807 KAR 5:001 Section 16(4)(h)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirements:**

*A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.*

**Response:**

The revenue requirement in this case is based on achieving an Times Interest Earned Ratio ("TIER") of 2.00. A summary of Licking Valley's determination of its revenue requirement based on this TIER can be found in Exhibit 10 of the Application, John Wolfram's Direct Testimony, specifically Exhibit JW-2.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**  
**Exhibit 15**

**807 KAR 5:001 Section 16(4)(i)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A reconciliation of the rate base and capital used to determine its revenue requirements*

**Response:**

Please see attached for the reconciliation of rate base and capital used to determine the revenue requirements.

Revenue requirements were determined on the basis of achieving an TIER of 2.00. Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 thereof. The rate base is calculated as part of the cost of service study ("COSS"); this is provided in Exhibit JW-4.

**Licking Valley R.E.C.C.**

**Case No. 2024-00211**

**Reconciliation of Rate Base & Capital**

|    |                                       |    |                     |
|----|---------------------------------------|----|---------------------|
| 1  | Rate Base                             | \$ | 53,640,560          |
| 2  |                                       |    |                     |
| 3  | Total Capitalization                  | \$ | 69,877,995          |
| 4  |                                       |    |                     |
| 5  | Difference to be reconciled           | \$ | 16,237,435          |
| 6  |                                       |    |                     |
| 7  | Assets not included in Rate Base      |    |                     |
| 8  | Other Property & Investments          | \$ | 20,327,316          |
| 9  | Cash and Temp Investments             | \$ | 1,501,798           |
| 10 | AR                                    | \$ | 6,822,400           |
| 11 | Other Current and Accrued Assets      | \$ | -                   |
| 12 | MS                                    | \$ | 1,149,650           |
| 13 | Prep                                  | \$ | 248,749             |
| 14 | Other Assets & Debits                 | \$ | 302,601             |
| 15 | Subtotal                              | \$ | <u>30,352,514</u>   |
| 16 |                                       |    |                     |
| 17 | Liabilities not included in rate base |    |                     |
| 18 | Other NonCurrent Liabilities          | \$ | (4,493,793)         |
| 19 | Current and Accrued Liabilities       | \$ | (8,321,464)         |
| 20 | Other Liab and Credits                | \$ | <u>(335,376)</u>    |
| 21 | Subtotal                              | \$ | <u>(13,150,633)</u> |
| 22 |                                       |    |                     |
| 23 | Included in Rate Base                 |    |                     |
| 24 | CWC Allowance                         | \$ | (1,003,936)         |
| 25 | Materials & Supplies                  | \$ | (1,081,935)         |
| 26 | PrePayments                           | \$ | (152,506)           |
| 27 | Deposits                              | \$ | <u>1,273,932</u>    |
| 28 |                                       | \$ | <u>(964,446)</u>    |
| 29 |                                       |    |                     |
| 30 | Total Reconciling Items               | \$ | 16,237,435          |
| 31 |                                       |    |                     |
| 32 | Difference                            | \$ | 0                   |

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 16**

**807 KAR 5:001 Section 16(4)(j)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*A current chart of accounts if more detailed than the Uniform System of Accounts.*

**Response:**

Please see attached current chart of accounts.

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# GENERAL LEDGER

## CHART OF ACCOUNTS

| Div Account | Description                              | Type  | Category | Group | Status |
|-------------|--|-------|----------|-------|--------|
| 0 107.2     | CONST WK IN PROG                         | Asset |          |       | Active |
| 0 107.21    | CONST WK IN PROG-CONTR                   | Asset |          |       | Active |
| 0 107.22    | CONST WK IN PROG-MAL WHSE                | Asset |          |       | Active |
| 0 107.23    | CONST WK IN PROG-MAL BLDG                | Asset |          |       | Active |
| 0 107.24    | CONST WK IN PROG-DRIVE THRU              | Asset |          |       | Active |
| 0 107.25    | CONST WK IN PROG-WAREHOUSE DOCK          | Asset |          |       | Active |
| 0 107.26    | CONST WORK IN PROG-STORM SHELTER         | Asset |          |       | Active |
| 0 107.27    | VOID CHECKS                              | Asset |          |       | Active |
| 0 107.3     | SPECIAL EQUIPMENT                        | Asset |          |       | Active |
| 0 107.99    | CONST WK IN PROG                         | Asset |          |       | Active |
| 0 108.6     | ACC PROV FOR DEPR-DIST                   | Asset |          |       | Active |
| 0 108.7     | ACC PROV FOR DEPR-GEN                    | Asset |          |       | Active |
| 0 108.8     | RET WK IN PROG                           | Asset |          |       | Active |
| 0 108.99    | RET WK IN PROG                           | Asset |          |       | Active |
| 0 123.0     | PAT CAP-KAEC UUS CFC NISC MRTC FOOTHILLS | Asset |          |       | Active |
| 0 123.1     | INVEST IN ASSOC ORG                      | Asset |          |       | Active |
| 0 123.11    | PAT CAP-EKP                              | Asset |          |       | Active |
| 0 123.22    | INVEST IN CTC-CFC                        | Asset |          |       | Active |
| 0 131.1     | CASH-GENERAL                             | Asset |          |       | Active |
| 0 131.11    | CASH-PAYROLL                             | Asset |          |       | Active |
| 0 131.2     | CASH-CONST                               | Asset |          |       | Active |
| 0 131.4     | TRANSFER OF CASH                         | Asset |          |       | Active |
| 0 132.0     | INTEREST-SPEC DEP                        | Asset |          |       | Active |
| 0 135.0     | WORKING FUNDS                            | Asset |          |       | Active |
| 0 136.0     | TEMP CASH INVEST                         | Asset |          |       | Active |
| 0 142.0     | ACCTS REC-ELECTRIC                       | Asset |          |       | Active |
| 0 142.1     | CUST ACCT REC-RET CKS                    | Asset |          |       | Active |
| 0 142.11    | CUST ACCT REC-ELECT                      | Asset |          |       | Active |
| 0 142.12    | RETROFIT RECEIVABLE (FROM MACED)         | Asset |          |       | Active |
| 0 142.2     | CUST ACCTS REC-OTHER                     | Asset |          |       | Active |
| 0 142.21    | ACCTS REC-FEMA                           | Asset |          |       | Active |
| 0 142.22    | CUST ACCTS REC-OTHER                     | Asset |          |       | Active |
| 0 142.23    | ACCTS REC-GRAYSON RECC                   | Asset |          |       | Active |
| 0 142.24    | ACCTS REC-EDISTO ELECTRIC                | Asset |          |       | Active |
| 0 142.25    | ACCTS REC-JACKSON ENERGY                 | Asset |          |       | Active |
| 0 142.26    | ACCTS REC-FLEMING-MASON                  | Asset |          |       | Active |
| 0 142.27    | ACCTS REC-WALTON EMC                     | Asset |          |       | Active |
| 0 142.98    | ACCTS REC-SOLAR                          | Asset |          |       | Active |
| 0 142.99    | ACCTS REC CLEARING                       | Asset |          |       | Active |
| 0 143.0     | ACCTS REC-EMP & DIR                      | Asset |          |       | Active |
| 0 143.1     | ACCTS REC-                               | Asset |          |       | Active |
| 0 143.2     | ACCTS REC-401K                           | Asset |          |       | Active |
| 0 143.3     | ACCTS REC-125 MED                        | Asset |          |       | Active |
| 0 144.1     | ACC PROV FOR UNCOLL-ELECT                | Asset |          |       | Active |
| 0 144.3     | ACC PROV FOR UNCOLL-OTHER                | Asset |          |       | Active |

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 Exhibit 16  
 Attachment  
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|          |                                       |           |        |
|----------|---------------------------------------|-----------|--------|
| 0 154.0  | MATERIALS & SUP-ELECT                 | Asset     | Active |
| 0 155.0  | MATERIALS & SUP-MERCH                 | Asset     | Active |
| 0 156.0  | TRANSPORTATION INVENTORY              | Asset     | Active |
| 0 163.0  | STORES EXP CLEARING                   | Asset     | Active |
| 0 165.0  | PREPAY-DEFERRED INTEREST              | Asset     | Active |
| 0 165.1  | PREPAY GENERAL INS                    | Asset     | Active |
| 0 165.2  | PREPAY-ER 401K                        | Asset     | Active |
| 0 165.3  | PREPAY-NRECA HOSP                     | Asset     | Active |
| 0 165.4  | PREPAY-RETIRED EMP HEALTH             | Asset     | Active |
| 0 184.0  | INVENTORY-GAS                         | Asset     | Active |
| 0 184.1  | TRANSP EXP CLEARING                   | Asset     | Active |
| 0 186.0  | MISC DEF DEBTS-DIST SYS               | Asset     | Active |
| 0 186.1  | WAGES                                 | Asset     | Active |
| 0 186.2  | MISC DEFER DEBTS-CTC                  | Asset     | Active |
| 0 186.95 | OTHER DEFERRED DEBITS-FUEL ADJUSTMENT | Asset     | Active |
| 0 200.1  | MEMBERSHIP-ISSUED                     | Liability | Active |
| 0 200.2  | MEMBERSHIP-UNISSUED                   | Liability | Active |
| 0 201.1  | PATRONS CAPITAL CREDIT                | Liability | Active |
| 0 201.2  | PAT CAP ASSIGNABLE                    | Liability | Active |
| 0 208.0  | DONATED CAPITAL                       | Liability | Active |
| 0 209.0  | ACCUMULATED OTHER COMP INCOME         | Asset     | Active |
| 0 219.1  | OPERATING MARGINS                     | Liability | Active |
| 0 219.2  | NON OPERATING MARGINS                 | Liability | Active |
| 0 219.3  | OTHER MARGINS-PR YR DEFICITS          | Liability | Active |
| 0 219.4  | OTHER MARGINS-PR PERIODS              | Liability | Active |
| 0 224.1  | LONG TERM DEBT-RUS CONST              | Liability | Active |
| 0 224.12 | LONG TERM DEBT-CFC CONST              | Liability | Active |
| 0 224.13 | CFC LONG TERM NOTES EXECUTED          | Liability | Active |
| 0 224.14 | LONG TERM DEBT-FFB                    | Liability | Active |
| 0 224.15 | FFB LONG TERM NOTES EXECUTED          | Liability | Active |
| 0 224.2  | LONG TERM DEBT-REA CONST NOTES        | Liability | Active |
| 0 224.3  | RUS LOAN AVAILABLE                    | Liability | Active |
| 0 224.4  | RUS NOTES EXECUTED-CONST              | Liability | Active |
| 0 226.0  | INT ACCRUED DEFERRED-RUS CONST        | Liability | Active |
| 0 228.3  | LONG TERM LIA-PENSIONS/BENEFITS       | Liability | Active |
| 0 231.0  | NOTES PAYABLE                         | Liability | Active |
| 0 232.1  | AP-GENERAL                            | Liability | Active |
| 0 232.2  | AP-WINTERCARE                         | Liability | Active |
| 0 232.3  | AP-EAST KY POWER                      | Liability | Active |
| 0 232.4  | AP-CREDIT UNION                       | Liability | Active |
| 0 232.5  | ACCOUNTS PAYABLE - CTC                | Liability | Active |
| 0 232.6  | AP-INSURANCE                          | Liability | Active |
| 0 232.61 | AP-LEGAL SHIELD                       | Liability | Active |
| 0 232.62 | AP-ACTION COMM RURAL ELECT(ACRE)      | Liability | Active |
| 0 232.63 | AP-CINCINNATI LIFE                    | Liability | Active |
| 0 232.64 | AP-GARNISHMENT                        | Liability | Active |
| 0 232.7  | AP-CHILD SUPPORT                      | Liability | Active |
| 0 232.8  | AP-VEHICLE LEASE                      | Liability | Active |
| 0 232.9  | AP-SBA PPP PROMISSORY NOTE            | Liability | Active |
| 0 235.0  | CONSUMER DEPOSITS                     | Liability | Active |
| 0 236.1  | ACCRUED PROPERTY TAXES                | Liability | Active |
| 0 236.11 | ACCRUED PSC ASSESSMENT TAX            | Liability | Active |
| 0 236.2  | ACCRUED FUTX                          | Liability | Active |

|          |                                     |           |        |
|----------|-------------------------------------|-----------|--------|
| 0 236.3  | ACCRUED FICA                        | Liability | Active |
| 0 236.4  | ACCRUED SUTA                        | Liability | Active |
| 0 236.5  | ACCRUED STATE SALES TAX             | Liability | Active |
| 0 236.51 | UTILITY TAX-MORGAN CO               | Liability | Active |
| 0 236.52 | UTILITY TAX-WOLFE CO                | Liability | Active |
| 0 236.53 | UTILITY TAX-BREATHITT CO            | Liability | Active |
| 0 236.54 | UTILITY TAX-MAGOFFIN CO             | Liability | Active |
| 0 236.55 | UTILITY TAX-LEE CO                  | Liability | Active |
| 0 236.56 | UTILITY TAX-MENIFEE CO              | Liability | Active |
| 0 236.57 | UTILITY TAX-ELLOITT CO              | Liability | Active |
| 0 236.58 | UTILITY TAX-ROWAN CO                | Liability | Active |
| 0 237.1  | ACCRUED INT-RUS CONST               | Liability | Active |
| 0 237.2  | ACCRUED INT-FFB CONST               | Liability | Active |
| 0 237.3  | ACCRUED INT-CFC CONST               | Liability | Active |
| 0 237.4  | ACCRUED INT-SHORT TERM CFC          | Liability | Active |
| 0 237.5  | ACCRUED INT-CONS DEP                | Liability | Active |
| 0 237.51 | MACED LIABILITY - INTEREST          | Liability | Active |
| 0 237.6  | ACCRUED INT-EKP POWER INVOICE       | Liability | Active |
| 0 237.7  | ACCRUED DEBT DISC-CFC CONV FEE      | Liability | Active |
| 0 238.99 | CAPITAL CREDIT CLEARING             | Liability | Active |
| 0 241.0  | TAX COLL PAYABLE-FEDERAL WH         | Liability | Active |
| 0 241.1  | TAX COLL PAYABLE-STATE WH           | Liability | Active |
| 0 241.2  | TAX COLL PAYABLE-LEE CO             | Liability | Active |
| 0 241.3  | TAX COLLECTION-CITY OF WL           | Liability | Active |
| 0 241.4  | TAX COLLECTION-MENIFEE COUNTY       | Liability | Active |
| 0 241.5  | TAX COLLECTION-MORGAN COUNTY        | Liability | Active |
| 0 242.2  | ACCRUED PAYROLL                     | Liability | Active |
| 0 242.3  | ACCRUED VACATION                    | Liability | Active |
| 0 242.4  | ACCRUED INSURANCE                   | Liability | Active |
| 0 242.6  | ACCRUED MEDICAL LEAVE               | Liability | Active |
| 0 242.99 | PAYROLL HOLDING                     | Liability | Active |
| 0 252.0  | CONSTRUCTION PREPAYMENT             | Liability | Active |
| 0 252.1  | CUST ADV FOR CONST-HOUSES           | Liability | Active |
| 0 252.2  | CUST ADV FOR CONST-TRAILERS         | Liability | Active |
| 0 252.3  | CUST ADV FOR CONST-PREPAY SL        | Liability | Active |
| 0 252.4  | CONSTRUCTION PREPAYMENT-SHAWNEE RUN | Liability | Active |
| 0 252.5  | CONSTRUCTION PREPAYMENT             | Liability | Active |
| 0 362.0  | STATION EQUIPMENT                   | Asset     | Active |
| 0 364.0  | POLES TOWERS & FIXTURES             | Asset     | Active |
| 0 365.0  | OVERHEAD COND & DEVICES             | Asset     | Active |
| 0 366.0  | UNDERGROUND CONDUIT                 | Asset     | Active |
| 0 367.0  | UNDGRD CONDUIT & DEVICES            | Asset     | Active |
| 0 368.0  | LINE TRANSFORMERS                   | Asset     | Active |
| 0 369.0  | SERVICES                            | Asset     | Active |
| 0 370.0  | METERS                              | Asset     | Active |
| 0 370.1  | AMR DEVICES-TURTLES                 | Asset     | Active |
| 0 370.11 | METERS-RADIO FREQUENCY              | Asset     | Active |
| 0 371.0  | INSTALL ON CUST PREMISES-SL         | Asset     | Active |
| 0 389.0  | LAND AND LAND RIGHTS                | Asset     | Active |
| 0 390.0  | STRUCTURES & IMPROVEMENTS           | Asset     | Active |
| 0 391.0  | OFFICE FURN & EQUIPMENT             | Asset     | Active |
| 0 392.0  | TRANSP EQUIPMENT                    | Asset     | Active |
| 0 393.0  | STORES EQUIPMENT                    | Asset     | Active |

|          |  |         |               |        |
|----------|--|---------|---------------|--------|
| 0 394.0  | TOOL SHOP GARAGE EQUIP                 | Asset   |               | Active |
| 0 395.0  | LABORATORY EQUIPMENT                   | Asset   |               | Active |
| 0 396.1  | POWER OPERATED EQUIP                   | Asset   |               | Active |
| 0 396.2  | TOOLS & WORK EQUIP-SMALL               | Asset   |               | Active |
| 0 397.0  | COMMUNICATION EQUIP                    | Asset   |               | Active |
| 0 398.0  | MISC EQUIPMENT                         | Asset   |               | Active |
| 0 403.6  | DEPRECIATION EXP-DIST                  | Expense | Operating     | Active |
| 0 403.7  | DEPRECIATION EXP-GEN                   | Expense | Operating     | Active |
| 0 408.1  | TAXES-PROPERTY                         | Expense | Operating     | Active |
| 0 408.2  | TAXES-FUTX                             | Expense | Operating     | Active |
| 0 408.3  | TAXES-FICA                             | Expense | Operating     | Active |
| 0 408.4  | TAXES-SUTA                             | Expense | Operating     | Active |
| 0 408.5  | TAXES-CITY OF SALYERSVILLE             | Expense | Operating     | Active |
| 0 408.6  | PSC ASSESSMENT                         | Expense | Operating     | Active |
| 0 415.0  | NON-OPERATING REVENUE                  | Income  | Non Operating | Active |
| 0 416.0  | COST OF NON-OPERATING REVENUE          | Expense | Operating     | Active |
| 0 419.0  | INTEREST & DIVIDENDS                   | Income  | Non Operating | Active |
| 0 421.0  | MISC NONOPERATING INCOME               | Income  | Non Operating | Active |
| 0 424.1  | PAT DIVIDENDS-EAST KY POWER            | Income  | Operating     | Active |
| 0 424.2  | PAT DIVIDENDS-UUS                      | Income  | Operating     | Active |
| 0 424.3  | PAT DIVIDENDS-NISC                     | Income  | Operating     | Active |
| 0 424.4  | PAT DIVIDENDS-KAEC                     | Income  | Operating     | Active |
| 0 424.5  | PAT DIVIDENDS-CFC                      | Income  | Operating     | Active |
| 0 424.6  | PAT DIVIDENDS-MT TELEPHONE             | Income  | Operating     | Active |
| 0 424.7  | PAT DIVIDENDS-NRTC                     | Income  | Operating     | Active |
| 0 424.8  | PAT DIVIDENDS-FEDERATED INS            | Income  | Operating     | Active |
| 0 424.9  | PAT DIVIDENDS-FOOTHILLS TELEPHONE      | Income  | Operating     | Active |
| 0 426.0  | DONATIONS                              | Expense | Operating     | Active |
| 0 426.3  | PENALTIES                              | Expense | Operating     | Active |
| 0 426.4  | POLITICAL & RELATED ACT                | Expense | Operating     | Active |
| 0 426.5  | OTHER DEDUCTIONS                       | Expense | Operating     | Active |
| 0 426.6  | DIRECTOR & ATTORNEY WIFE EXP           | Expense | Operating     | Active |
| 0 427.1  | INTEREST-RUS CONST                     | Expense | Operating     | Active |
| 0 427.2  | INTEREST-CFC CONST                     | Expense | Operating     | Active |
| 0 427.3  | INTEREST-FFB CONST                     | Expense | Operating     | Active |
| 0 428.0  | DEBT DISC & EXP-CONV FEE               | Expense | Operating     | Active |
| 0 431.0  | OTHER INTEREST EXPENSE-LEASED VEHICLES | Expense | Operating     | Active |
| 0 431.1  | OTHER INTEREST EXP                     | Expense | Operating     | Active |
| 0 431.2  | OTHER INTEREST EXPENSE-EKP             | Expense | Operating     | Active |
| 0 431.5  | INTEREST EXP-CONS DEPOSITS             | Expense | Operating     | Active |
| 0 435.1  | CUMULATIVE EFFECT OF CHG IN ACCT       | Expense | Non Operating | Active |
| 0 440.1  | RESIDENTIAL SALES-SCH A                | Income  | Operating     | Active |
| 0 440.11 | RESIDENTIAL SALES-ENVIRO WATTS         | Income  | Operating     | Active |
| 0 440.3  | SMALL COMM-SCH B                       | Income  | Operating     | Active |
| 0 442.2  | LARGE COMMERICAL-SCH LP                | Income  | Operating     | Active |
| 0 442.21 | SCHEDULE LPR-OVER 1000 KVA             | Income  | Operating     | Active |
| 0 442.22 | SCHEDULE LPR-UNDER 1000 KVA            | Income  | Operating     | Active |
| 0 442.23 | LGE POWER LPR-EKCC                     | Income  | Operating     | Active |
| 0 442.24 | LGE COMM LPR-CAMPTON ELEM/BONEAL       | Income  | Operating     | Active |
| 0 442.25 | LP OVER 1000 KVA                       | Income  | Operating     | Active |
| 0 442.26 | LGE COMM LPR-LION/HINKLE/TECH/WE       | Income  | Operating     | Active |
| 0 442.27 | LG PWR LPG GREATER THAN 10,000         | Income  | Operating     | Active |
| 0 444.2  | SECURITY LIGHT-DEVICES                 | Income  | Operating     | Active |

|          |  |         |           |        |
|----------|--|---------|-----------|--------|
| 0 445.0  | NON-BILLABLE KWH-SFG                     | Income  | Operating | Active |
| 0 450.0  | FORFEITED DISCOUNTS                      | Income  | Operating | Active |
| 0 454.0  | RENT FROM ELECT PROP-JOINT POLE          | Income  | Operating | Active |
| 0 454.1  | RENT FROM ELECT PROP-CATV                | Income  | Operating | Active |
| 0 456.0  | OTHER ELECTRIC REVENUE                   | Income  | Operating | Active |
| 0 456.1  | OTHER ELECT REVENUES-TEMP ENT            | Income  | Operating | Active |
| 0 456.2  | OTHER ELECTRIC REVENUE-PREPAY SERV CHG   | Income  | Operating | Active |
| 0 555.0  | PURCHASED POWER-EKP                      | Expense | Operating | Active |
| 0 555.1  | PURCHASED POWER-STARSHINE                | Expense | Operating | Active |
| 0 580.0  | OPER SUPERVISION & ENG                   | Expense | Operating | Active |
| 0 583.0  | OVERHEAD LINE EXPENSES                   | Expense | Operating | Active |
| 0 583.1  | OVERHEAD LINE EXPENSES - GRAYSON         | Expense | Operating | Active |
| 0 583.2  | EXPENSES-SYS INSPECTION                  | Expense | Operating | Active |
| 0 584.0  | MAINT OF UNDERGROUND LINE                | Expense | Operating | Active |
| 0 585.1  | ST LIGHT & SIGNAL SYS EXP                | Expense | Operating | Active |
| 0 586.0  | METER EXPENSES                           | Expense | Operating | Active |
| 0 587.0  | CUST INSTALLATION EXPENSE-SL             | Expense | Operating | Active |
| 0 588.0  | MISC DISTRIBUTION EXPENSE                | Expense | Operating | Active |
| 0 588.1  | MISC DISTRIBUTION EXPENSE-PICTURE POLES  | Expense | Operating | Active |
| 0 589.0  | RENTS                                    | Expense | Operating | Active |
| 0 590.0  | MAINT SUPERVISION & ENG                  | Expense | Operating | Active |
| 0 593.0  | MAINT OF OVERHEAD LINES                  | Expense | Operating | Active |
| 0 593.1  | MAINT OF OVHD LINES-ROW                  | Expense | Operating | Active |
| 0 593.11 | MAINT OF OVERHEAD LINES-GPS POLE AUDIT   | Expense | Operating | Active |
| 0 593.12 | MAINT OF OVHD LINES-FLOOD FEB 2019       | Expense | Operating | Active |
| 0 593.3  | MAINT OF OVHD LINES-PCB                  | Expense | Operating | Active |
| 0 593.4  | MAINT OF OVHD LINES-OTHER PCB            | Expense | Operating | Active |
| 0 593.6  | MAINT OF OVERHEAD LINES - MOUNTA         | Expense | Operating | Active |
| 0 593.61 | MAINT OF OVHD LINES-WA KENDALL           | Expense | Operating | Active |
| 0 593.62 | MAINT OF OVHD LINES-BMC CONTRACTING      | Expense | Operating | Active |
| 0 593.63 | MAINT OF OVHD LINES-WYN ENTERPRISES      | Expense | Operating | Active |
| 0 593.64 | MAINT OF OVHD LINES-ELECTRICOM           | Expense | Operating | Active |
| 0 593.65 | MAINT OF OVHD LINES-ICE STORM 02/15/2021 | Expense | Operating | Active |
| 0 593.91 | MAINT OF LINE-STORM 02-04-98             | Expense | Operating | Active |
| 0 593.92 | MAINT OF LINE-STORM 02-15-03             | Expense | Operating | Active |
| 0 593.93 | MAINT OF LINE-ICE STORM                  | Expense | Operating | Active |
| 0 593.94 | MAINT OF LINE-WIND STORM                 | Expense | Operating | Active |
| 0 593.95 | MAINT OF LINE-SNOW STORM                 | Expense | Operating | Active |
| 0 593.96 | MAINT OF LINE - TORNADO 02/29/2012       | Expense | Operating | Active |
| 0 593.97 | MAINT OF LINE - TORNADO 03/02/2012       | Expense | Operating | Active |
| 0 593.98 | MAINT OF LINE-FLOOD 2015                 | Expense | Operating | Active |
| 0 593.99 | MAINT OF LINE-SNOW STORM                 | Expense | Operating | Active |
| 0 595.0  | MAINT OF LINE TRANSFORMERS               | Expense | Operating | Active |
| 0 597.0  | MAINTENANCE OF METERS                    | Expense | Operating | Active |
| 0 901.0  | SUPERVISION CONSUMER ACCOUNTS            | Expense | Operating | Active |
| 0 902.0  | METER READING EXPENSE                    | Expense | Operating | Active |
| 0 902.1  | METER READING EXPENSE-ANNUAL             | Expense | Operating | Active |
| 0 903.0  | CUST RECORDS & COLLECTIONS EXP           | Expense | Operating | Active |
| 0 903.1  | CUSTOMER RECORDS-NISC                    | Expense | Operating | Active |
| 0 903.2  | CUSTOMER RECORDS-NISC MAIL ROOM          | Expense | Operating | Active |
| 0 903.3  | CUSTOMER RECORDS- MISC COLLECTION EXP    | Expense | Operating | Active |
| 0 903.31 | CUST RECORDS & COLLECT-RET CK BANK CHG   | Expense | Operating | Active |
| 0 903.4  | CUST RECORDS & COLLECTIONS-TRANS         | Expense | Operating | Active |

|          |                                       |          |           |        |
|----------|---------------------------------------|----------|-----------|--------|
| 0 903.5  | CUSTOMER RECORD-KOFILE                | Expense  | Operating | Active |
| 0 903.7  | CUST RECORDS & COLLECTION-CAP CR      | Expense  | Operating | Active |
| 0 903.8  | CONSUMER RECORDS-WRITTEN OFF          | Expense  | Operating | Active |
| 0 903.9  | CUST RECORDS & COLLECTION-W/O         | Expense  | Operating | Active |
| 0 903.91 | CUST RECORDS & COLLECTIONS-CR REPORTS | Expense  | Operating | Active |
| 0 904.0  | UNCOLLECTABLE ACCOUNTS                | Expense  | Operating | Active |
| 0 907.0  | SUPERVISION CUSTOMER SERVICES         | Expense  | Operating | Active |
| 0 908.0  | CUSTOMER ASSISTANCE EXPENSE           | Expense  | Operating | Active |
| 0 908.1  | CUSTOMER ASSISTANCE-LOAD CONTROL      | Expense  | Operating | Active |
| 0 913.0  | ADVERTISING EXPENSES                  | Expense  | Operating | Active |
| 0 920.0  | ADMIN & GENERAL-SALARIES              | Expense  | Operating | Active |
| 0 921.0  | OFFICE EXPENSE                        | Expense  | Operating | Active |
| 0 921.1  | OFFICE EXPENSE-UTILITIES              | Expense  | Operating | Active |
| 0 921.2  | OFFICE EXPENSE-POSTAGE                | Expense  | Operating | Active |
| 0 921.3  | OFFICE EXPENSE-MISC                   | Expense  | Operating | Active |
| 0 921.4  | EXPENSES-B DUNCAN                     | Expense  | Operating | Active |
| 0 921.6  | EXPENSES-KERRY HOWARD                 | Expense  | Operating | Active |
| 0 923.0  | OUTSIDE SERVICES EMPLOYED             | Expense  | Operating | Active |
| 0 923.1  | OUTSIDE SERVICE-UNION                 | Expense  | Operating | Active |
| 0 924.0  | PROPERTY INSURANCE                    | Expense  | Operating | Active |
| 0 925.0  | INJURIES & DAMAGES INSURANCE          | Expense  | Operating | Active |
| 0 925.1  | INJURIES & DAMAGES-W COMP             | Expense  | Operating | Active |
| 0 926.0  | EMPLOYEE BENEFITS-VACATION            | Expense  | Operating | Active |
| 0 926.1  | EMPLOYEE BENEFITS-INSURANCE           | Expense  | Operating | Active |
| 0 926.2  | EMPLOYEE BENEFITS                     | Expense  | Operating | Active |
| 0 926.3  | EMPLOYEE BENEFITS-FAS 106             | Expense  | Operating | Active |
| 0 926.4  | EMPLOYEE BENEFITS-MED LV              | Expense  | Operating | Active |
| 0 928.0  | REGULATORY COMMISSION EXPENSES        | Expense  | Operating | Active |
| 0 929.0  | DUPLICATE CHARGES-CR                  | Expense  | Operating | Active |
| 0 930.11 | DIR FEE & EXP-PHILIP WILLIAMS         | Expense  | Operating | Active |
| 0 930.12 | DIR FEE & EXP-EARL MAY JR             | Expense  | Operating | Active |
| 0 930.13 | DIR FEE & EXP-JOHN MAY                | Expense  | Operating | Active |
| 0 930.14 | DIR FEE & EXP-DARRELL CUNDIFF         | Expense  | Operating | Active |
| 0 930.15 | DIR FEE & EXP-MICHAEL ADAMS           | Expense  | Operating | Active |
| 0 930.17 | DIR FEE & EXP-KERRY HOWARD            | Expense  | Operating | Active |
| 0 930.18 | DIR FEE & EXP-TED HOLBROOK            | Expense  | Operating | Active |
| 0 930.19 | DIR FEE & EXP-DOLORES D JONES         | Expense  | Operating | Active |
| 0 930.2  | DUES PAID TO ORGANIZATIONS            | Expense  | Operating | Active |
| 0 930.21 | DIR FEE & EXP-CK STACY                | Expense  | Operating | Active |
| 0 930.22 | DIR FEE & EXP-TOMMY HILL              | Expense  | Operating | Active |
| 0 930.23 | DIR FEE & EXP-J FRANK PORTER          | Expense  | Operating | Active |
| 0 930.24 | DIR FEE & EXP-KEVIN HOWARD            | Expense  | Operating | Active |
| 0 930.25 | DIR FEE & EXP-TRAVIS STACY            | Expense  | Operating | Active |
| 0 930.26 | DIR FEE & EXP-ANDREW W JONES          | Expense  | Operating | Active |
| 0 930.27 | DIR FEE & EXP-ALAN OLDFIELD           | Expense  | Operating | Active |
| 0 930.3  | ANNUAL MEETING EXPENSES               | Expense  | Operating | Active |
| 0 930.4  | MISC GENERAL EXPENSE                  | Expense  | Operating | Active |
| 0 930.6  | SHORTAGE & OVERAGE-CASHIERS           | Expense  | Operating | Active |
| 0 932.0  | MAINTENANCE OF GENERAL PROPERTY       | Expense  | Operating | Active |
| 0 935.0  | MAINT OF GENERAL PROPERTY             | Expense  | Operating | Active |
| 0 998.0  | 998 Clearing                          | Clearing |           | Active |
| 0 998.1  | Profit Clearing Operating             | Clearing |           | Active |
| 0 998.2  | Profit Clearing Non Operating         | Clearing |           | Active |

0 999.0      999 Clearing  
Total Accounts:    311

Clearing

Active

**PARAMETERS ENTERED:**

**Division:** All

**Account:** All

**Status:** Active

**Sort By:** Account

**Departments:** No

**Activities:** No

**Financial Information:** No

**Open Fields:** No

**Show Comments:** No

Case No.  
2021-00211  
Exhibit 16  
Attachment  
Page 7 of 7

19056

/pro/rpttemplate/acct/2.58.1/gl/GL\_CHART\_OF\_ACCTS.xml.rpt

sbradley

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 17**

**807 KAR 5:001 Section 16(4)(k)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirements:**

*The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls.*

**Response:**

Please see attached auditor's report.



*Jones, Nale & Mattingly PLC*

To the Board of Directors  
Licking Valley Rural Electric Cooperative Corporation  
West Liberty, Kentucky

We have audited the financial statements of Licking Valley Rural Electric Cooperative Corporation (the Cooperative) for the year ended October 31, 2023, and have issued our report thereon dated February 5, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Cooperative are described in Note 1 to the financial statements. As described in Note 1, the Cooperative changed accounting policies related to leases by adopting FASB Accounting Standards Codification 842, *Leases*. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Accumulated depreciation and depreciation expense
- Accumulated postretirement benefits

Management's estimate of these items is based upon historical data and current information. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Patronage Capital (Note 5)
- Long-Term Debt (Note 6)
- Postretirement Benefits (Note 9)

The financial statement disclosures are neutral, consistent, and clear.



### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated February 5, 2024.

### ***Management Consultations with Other Independent Accountants***

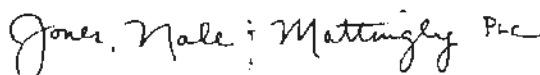
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors of the Cooperative and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Louisville, Kentucky  
February 5, 2024

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**AUDIT DIFFERENCE SUMMARY**

**October 31, 2023**

| Description of Audit Difference   | Financial Statements Effect -<br>Amount of Over (Under) Statement of: |                      |           |               |
|-----------------------------------|---|----------------------|-----------|---------------|
|                                   | Total<br>Assets   | Total<br>Liabilities | Equity    | Net<br>Income |
| Environmental Surcharge           | \$     --   | \$ (46,075)          | \$ 46,075 | \$ 46,075     |
|                                   | \$     --   | \$ (46,075)          | \$ 46,075 | \$ 46,075     |
| Net Unadjusted Audit Differences: |   |                      |           |               |
| Current year                      | \$     --   | \$ (46,075)          | \$ 46,075 | \$ 46,075     |
| Prior year                        | (46,773)  | --                   | (46,773)  | (46,773)      |
| Net Audit Differences             | \$ (46,773)   | \$ (46,075)          | \$ (698)  | \$ (698)      |

**LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION  
KENTUCKY 56**

**FINANCIAL REPORT**

**October 31, 2023**

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*Jones, Nale & Mattingly PLC*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Licking Valley Rural Electric Cooperative Corporation  
West Liberty, Kentucky

### **Opinion**

We have audited the accompanying financial statements of Licking Valley Rural Electric Cooperative Corporation, which comprise the balance sheets as of October 31, 2023 and 2022, and the related statements of revenue and comprehensive income, changes in members' equities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Licking Valley Rural Electric Cooperative Corporation as of October 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Licking Valley Rural Electric Cooperative Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Licking Valley Rural Electric Cooperative Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Licking Valley Rural Electric Cooperative Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Licking Valley Rural Electric Cooperative Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 5, 2024, on our consideration of Licking Valley Rural Electric Cooperative Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Licking Valley Rural Electric Cooperative Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Licking Valley Rural Electric Cooperative Corporation's internal control over financial reporting and compliance.

*Jones, Nale & Mattingly PC*

Louisville, Kentucky  
February 5, 2024

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**BALANCE SHEETS**  
**October 31, 2023 and 2022**

| ASSETS   | 2023          | 2022          |
|--|---------------|---------------|
| Electric Plant, at original cost:  |               |               |
| In service   | \$ 88,010,518 | \$ 84,170,024 |
| Under construction   | 910,127       | 1,123,939     |
|  | 88,920,645    | 85,293,963    |
| Less accumulated depreciation  | 36,501,896    | 34,620,133    |
|  | 52,418,749    | 50,673,830    |
| Investments in Associated Organizations  | 19,916,692    | 19,796,632    |
| Current Assets:  |               |               |
| Cash and cash equivalents  | 1,969,406     | 649,617       |
| Accounts receivable, less allowance for<br>2023 of \$129,677 and 2022 of \$128,123 | 3,389,742     | 3,284,287     |
| Unbilled revenues  | 1,864,011     | 1,613,682     |
| Other receivables  | 88,010        | 36,807        |
| Material and supplies, at average cost   | 1,082,157     | 1,090,769     |
| Other current assets   | 43,621        | 119,866       |
| Total current assets   | 8,436,947     | 6,795,028     |
| Deferred Debits  | 478,340       | 827,155       |
| Total assets   | \$ 81,250,728 | \$ 78,092,645 |
| <b>MEMBERS' EQUITIES AND LIABILITIES</b>   |               |               |
| Members' Equities:   |               |               |
| Memberships  | \$ 226,880    | \$ 225,900    |
| Patronage capital  | 39,233,577    | 39,769,808    |
| Other equities   | 137,968       | 137,968       |
| Accumulated other comprehensive (loss)   | (1,447,638)   | (1,520,562)   |
| Total members' equities  | 38,150,787    | 38,613,114    |
| Long-Term Liabilities:   |               |               |
| Long-term debt, less current portion   | 31,054,812    | 29,003,996    |
| Capital lease obligation, less current portion                                     | --            | 44,951        |
| Accumulated postretirement benefits  | 4,478,441     | 4,403,375     |
| Total long-term liabilities  | 35,533,253    | 33,452,322    |
| Current Liabilities:   |               |               |
| Current portion of long-term debt  | 1,417,244     | 1,730,805     |
| Current portion of capital lease obligation  | --            | 43,091        |
| Current portion of finance lease obligation  | 44,951        | --            |
| Accounts payable   | 2,185,893     | 1,882,563     |
| Consumer deposits  | 2,404,391     | 1,274,030     |
| Accrued expenses   | 1,167,882     | 776,910       |
| Total current liabilities  | 7,220,361     | 5,707,399     |
| Consumer Advances for Construction   | 346,327       | 319,810       |
| Total members' equities and liabilities  | \$ 81,250,728 | \$ 78,092,645 |

The Notes to Financial Statements are an integral part of these statements.



**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**STATEMENTS OF REVENUE AND COMPREHENSIVE INCOME**

**Years ended October 31, 2023 and 2022**

|   | 2023          | 2022          |
|---|---------------|---------------|
| Operating Revenues  |               |               |
| Sales of electric energy  | \$ 32,541,373 | \$ 33,456,303 |
| Other electric revenues   | 566,341       | 547,597       |
|   | 33,107,714    | 34,003,900    |
| Operating Expenses  |               |               |
| Cost of power   | 22,364,298    | 22,746,512    |
| Distribution - operations   | 1,916,267     | 1,897,264     |
| Distribution - maintenance  | 3,994,715     | 3,581,668     |
| Consumer accounts   | 765,661       | 662,432       |
| Customer services   | 42,450        | 67,320        |
| Administrative and general  | 1,144,442     | 1,086,456     |
| Depreciation, excluding \$321,300 in 2023 and<br>\$267,976 in 2022 charged to clearing accounts | 2,862,774     | 2,754,659     |
| Taxes, other than income  | 37,583        | 37,424        |
| Interest on long-term debt  | 1,463,863     | 425,545       |
| Interest expense - other  | 64,147        | 12,658        |
| Other deductions  | 5,335         | 8,558         |
|   | (1,553,821)   | 723,404       |
| Operating Margins (Deficit)   |               |               |
| Nonoperating Margins  |               |               |
| Interest income   | 39,931        | 29,437        |
| Patronage Capital Credits   |               |               |
| Generation and transmission   | 820,307       | 238,103       |
| Other associated organizations  | 157,352       | 98,504        |
|   | 977,659       | 336,607       |
| Net Margins (Deficit)   | (536,231)     | 1,089,448     |
| Other Comprehensive Income (Loss)   |               |               |
| Postretirement benefits amortization of net loss  | 72,924        | 44,640        |
| Postretirement benefits actuarial loss  | -             | (1,066,784)   |
|   | 72,924        | (1,022,144)   |
| Net Margins (Deficit) and Comprehensive Income (Loss)   | \$ (463,307)  | \$ 67,304     |

The Notes to Financial Statements are an integral part of these statements.

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**STATEMENTS OF CHANGES IN MEMBERS' EQUITIES**  
**Years Ended October 31, 2023 and 2022**

|                                   | <u>Memberships</u> | <u>Patronage<br/>Capital</u> | <u>Other<br/>Equities</u> | <u>Accumulated<br/>Comprehensive<br/>Income (Loss)</u> | <u>Total<br/>Members'<br/>Equities</u> |
|-----------------------------------|--------------------|------------------------------|---------------------------|--|--|
| Balance - October 31, 2021        | \$ 222,820         | \$ 38,680,360                | \$ 138,247                | \$ (498,418)   | \$ 38,543,009                          |
| Comprehensive income:             |                    |                              |                           |  |  |
| Net margins                       |                    | 1,089,448                    |                           |  | 1,089,448                              |
| Postretirement benefit obligation |                    |                              |                           |  |  |
| Amortization                      |                    |                              |                           | 44,640   |  |
| Adjustments                       |                    |                              |                           | (1,066,784)  | (1,022,144)                            |
| Total comprehensive income        |                    |                              |                           | <u>67,304</u>  | <u>67,304</u>                          |
| Net change in memberships         | 3,080              |                              |                           |  | 3,080                                  |
| Other equities                    |                    |                              | (279)                     |  | (279)                                  |
|                                   |                    |                              |                           |  |  |
| Balance - October 31, 2022        | 225,900            | 39,769,808                   | 137,968                   | (1,520,562)  | 38,613,114                             |
| Comprehensive income (loss):      |                    |                              |                           |  |  |
| Net (deficit)                     |                    | (536,231)                    |                           |  | (536,231)                              |
| Postretirement benefit obligation |                    |                              |                           |  |  |
| Amortization                      |                    |                              |                           | 72,924   | 72,924                                 |
| Total comprehensive (loss)        |                    |                              |                           | <u>(463,307)</u>                                       | <u>(463,307)</u>                       |
| Net change in memberships         | 980                |                              |                           |  | 980                                    |
|                                   |                    |                              |                           |  |  |
| Balance - October 31, 2023        | <u>\$ 226,880</u>  | <u>\$ 39,233,577</u>         | <u>\$ 137,968</u>         | <u>\$ (1,447,638)</u>                                  | <u>\$ 38,150,787</u>                   |

The Notes to Financial Statements are an integral part of these statements.

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**STATEMENTS OF CASH FLOWS**  
**Years Ended October 31, 2023 and 2022**

|  | 2023         | 2022         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Net margins (deficit)  | \$ (536,231) | \$ 1,089,448 |
| Adjustments to reconcile net margins (deficit) to net cash provided by operating activities: |              |              |
| Depreciation:  |              |              |
| Charged to expense   | 2,862,774    | 2,754,659    |
| Charged to clearing accounts   | 321,300      | 267,976      |
| Amortization of ROU asset  | 45,335       | --           |
| Patronage capital credits assigned   | (977,659)    | (336,607)    |
| Amortization of postretirement actuarial adjustment  | 72,924       | 44,640       |
| Postretirement actuarial adjustment  | --           | (1,066,784)  |
| Change in assets and liabilities, net of the effects of investing and financing activities:  |              |              |
| Accounts and other receivables, net  | (156,658)    | 836,984      |
| Unbilled revenues  | (250,329)    | (843,115)    |
| Material and supplies  | 8,612        | (258,760)    |
| Other current assets   | 76,245       | (89,178)     |
| Deferred debits  | 348,815      | (827,155)    |
| Accounts payable   | 303,330      | 472,988      |
| Consumer deposits  | 1,156,878    | 47,926       |
| Accrued expenses   | 390,972      | 76,522       |
| Accumulated postretirement benefits  | 75,066       | 1,070,990    |
| Net cash provided by operating activities  | 3,741,374    | 3,240,534    |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Plant additions  | (4,533,413)  | (3,972,021)  |
| Plant removal costs  | (604,056)    | (558,952)    |
| Salvage recovered from retired plant   | 163,141      | 130,133      |
| Receipts from other investments, net   | 857,599      | 52,434       |
| Net cash (used in) investing activities  | (4,116,729)  | (4,348,406)  |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Net increase in memberships  | 980          | 3,080        |
| (Decrease) in other equities   | --           | (279)        |
| Principal payments on finance lease obligations  | (43,091)     | (45,988)     |
| Payments on long-term debt   | (1,262,745)  | (1,559,045)  |
| Proceeds from long-term debt   | 3,000,000    | 2,000,000    |
| Net cash provided by financing activities  | 1,695,144    | 397,768      |
| <br>Net increase (decrease) in cash and cash equivalents                                     | 1,319,789    | (710,104)    |
| <br>Cash and cash equivalents, beginning of year   | 649,617      | 1,359,721    |
| Cash and cash equivalents, end of year   | \$ 1,969,406 | \$ 649,617   |
| <br><b>SUPPLEMENTAL CASH FLOW INFORMATION</b>  |              |              |
| Cash payments for interest   | \$ 1,426,265 | \$ 365,849   |

The Notes to Financial Statements are an integral part of these statements.

# LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies

#### Description of business

Licking Valley Rural Electric Cooperative Corporation (Licking Valley) provides distribution electric services to residential, business, and commercial consumers concentrated in an eight-county area in eastern Kentucky. Licking Valley maintains its records in accordance with the policies permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

#### Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

#### Electric plant

Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized for the years ended October 31, 2023 and 2022.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Electric plant consists of the following as of October 31, 2023 and 2022:

|                    | 2023                 | 2022                 |
|--------------------|----------------------|----------------------|
| Distribution plant | \$ 81,400,194        | \$ 78,017,525        |
| General plant      | 6,610,324            | 6,152,499            |
| Total              | <u>\$ 88,010,518</u> | <u>\$ 84,170,024</u> |

#### Depreciation

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Amortization of assets under finance leases is included in depreciation expense. Depreciation rates range from 2.20% to 6.67% for distribution plant and from 3.00% to 15.00% for general plant.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Cash and cash equivalents

Licking Valley considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents. Licking Valley maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

#### Accounts receivable

Accounts receivable consists of amounts due for sales of electric energy which were not collected at year-end. Accounts receivable are recorded at their net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. Licking Valley uses the allowance method to account for uncollectible accounts receivable balances. Management charges off uncollectible receivables to the allowance when it is determined the amounts will not be realized.

#### Materials and supplies

Licking Valley values materials and supplies at the lower of average cost or net realizable value.

#### Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standards is the recognition of ROU assets and lease liabilities by lessees for those leased classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Licking Valley adopted the standard effective November 1, 2022, and recognized and measured leases existing at, or entered into after November 1, 2022 (the beginning of the period of adoption), with certain practical expedients available. Lease disclosures for the year ended October 31, 2022 are made under prior lease guidance in FASB ASC 840.

Licking Valley elected the available practical expedients to account for existing capital leases as finance leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, Licking Valley recognized on November 1, 2022, a lease liability as the carrying amount of the capital lease obligations on October 31, 2022, of \$88,042 and a right-of-use asset and the carrying amount of the capital lease asset of \$57,004.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Leases (continued)

This standard did not have a material impact on the financial statements. The accounting for finance leases remained substantially unchanged.

Licking Valley leases vehicles and determines if an arrangement is a lease at inception. Finance lease right-of-use assets are included in electric plant on the balance sheets. Finance lease obligations are included in current liabilities and long-term liabilities on the balance sheets.

ROU assets represent Licking Valley's right to use an underlying asset for the lease term and lease liabilities represent Licking Valley's obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Licking Valley uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The finance lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Licking Valley's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

#### Deferred debits

Regulatory requirements authorized by the PSC allow the electric supplier to impose a fuel adjustment surcharge upon the Cooperative. In turn, the Cooperative is required to pass on the fuel surcharge to the consumer. Due to regulatory requirements in calculating the surcharge the Cooperative may experience an over or under recovery of the fuel adjustment surcharge.

#### Taxes

Licking Valley is required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on six percent of gross sales from non-residential consumers, a three percent school tax from certain counties on most gross sales, and franchise fees in certain cities. Licking Valley's policy is to exclude taxes from revenue when collected and expenses when paid and instead, record collection and payment of taxes through a liability account.

#### Cost of power

Licking Valley is one of 16 members of East Kentucky Power Cooperative (East Kentucky). Under a wholesale power agreement, Licking Valley is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky. The power bill includes a fuel adjustment and environmental surcharge component that is passed on to Licking Valley's customers using a methodology prescribed by the PSC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Advertising

Licking Valley expenses advertising costs as incurred. Advertising expenses were \$11,640 and \$13,911 for the years ended October 31, 2023 and 2022, respectively.

#### Comprehensive income (loss)

Comprehensive income (loss) includes both net margin and other comprehensive income (loss). Other comprehensive income (loss) represents the change in funded status of the accumulated postretirement benefit obligation.

#### Risk management

Licking Valley is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

#### Credit risk

Licking Valley grants credit to residents within its service territory. Concentrations of credit risk with respect to accounts receivables are limited due to its large number of customers.

#### Contingencies

Licking Valley, on occasion, is subject to various lawsuits that arise from the normal course of business. Licking Valley's management does not believe the outcome of these cases will have a material effect on the financial statements.

#### Income tax status

Licking Valley qualifies as a tax-exempt organization under Section 501(c)(12) of the Internal Revenue Code. However, income from certain activities not directly related to Licking Valley's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income tax for the years ended October 31, 2023 and 2022. Accordingly, no provision for federal and state income taxes has been made in these financial statements.

Licking Valley's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Licking Valley has no uncertain tax positions resulting in an accrual of tax expense or benefit.

Licking Valley recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Licking Valley did not recognize any interest or penalties during the years ended October 31, 2023 and 2022.

Licking Valley's Federal Return of Organization Exempt from Income Tax is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.



## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies (Continued)

#### Pension accounting pronouncement

In May 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The standard specifies how the amount of pension costs and costs for post-retirement benefits other than pensions (PBOP) should be presented on the income statement under accounting principles generally accepted in the United States of America, and what components of those costs are eligible for capitalization in assets. This standard is effective for years beginning after December 15, 2018. The Federal Energy Regulatory Commission issued Docket No. AI18-1-000 that allowed jurisdictional public utilities to continue to record PBOP costs in their entirety, less amounts capitalized, without change. Pension and PBOP costs are made up of several components: service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of FASB Accounting Standards Codification (ASC) Subtopic 715-30. Though pension and PBOP costs are computed using the aggregate total of these various components, the Commission's longstanding policy is to consider the amount as a singular cost to the employer. This cost is calculated based on ASC 715 and reported as an expense under net margins from continuing operations.

#### Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of revenue and comprehensive income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the year ending October 31, 2024.

Licking Valley is currently in the process of evaluating the impact of the adoption of the ASU on the financial statements.

#### Subsequent events

Management has evaluated subsequent events through February 5, 2024, the date the financial statements were available to be issued.

#### Reclassification

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.



## NOTES TO FINANCIAL STATEMENTS

### Note 2. Revenue Recognition

#### *Revenue from contracts*

Licking Valley is engaged in the distribution and sales of electricity to residential and commercial customers in eight counties in eastern Kentucky. Revenue from these activities is generated from tariffs approved by the PSC. Licking Valley satisfies their performance obligation upon the delivery of electricity to customers. Revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by Licking Valley. The amount of revenue recognized is the billed volume of electricity multiplied by a tariff rate per-unit of energy, plus any applicable fixed or additional regulatory charges. Customers are billed monthly and outstanding amounts are typically due within 20 days of the date of the bill.

#### *Significant judgements*

Licking Valley has one billing cycle and processes customer bills on approximately the same day each month. The amounts billed are based on actual meter readings of kilowatt hours used for the billing period. The amount of revenue recorded each month represents a full month of kilowatt hour usage. Unbilled revenues approximate the amount of revenue earned for the unbilled days in the month based on actual meter readings. This method of revenue recognition presents fairly, Licking Valley's transfer of electricity to customers as the amount recognized is based on actual volumes delivered and the tariff rate per-unit of energy plus any applicable fixed charges as set by the PSC.

#### *Performance obligations*

Licking Valley customers generally have no minimum purchase commitments. Revenue is recognized as each performance obligation is satisfied. Performance obligations are limited to the service requested and received to date. Accordingly, there are no unsatisfied performance obligations to recognize as of October 31, 2023 and 2022.

#### *Disaggregation of revenue*

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended October 31, 2023 and 2022, respectively:

|                  | 2023                 | 2022                 |
|------------------|----------------------|----------------------|
| Residential      | \$ 25,333,509        | \$ 26,918,925        |
| Large Commercial | 5,826,957            | 5,085,621            |
| Small Commercial | 1,350,246            | 1,419,316            |
| Other            | 30,661               | 32,441               |
|                  | <u>\$ 32,541,373</u> | <u>\$ 33,456,303</u> |

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Revenue Recognition (Continued)

#### *Contract assets and cost liabilities*

Contract assets include accounts receivable net of allowance, unbilled revenues and fuel adjustment surcharges. Contract liabilities include consumer deposits. Contract assets and liabilities were as follows as of October 31:

|                            | 2023         | 2022         | 2021         |
|----------------------------|--------------|--------------|--------------|
| Contract assets            |              |              |              |
| Accounts receivable, net   | \$ 3,389,742 | \$ 3,284,287 | \$ 2,684,657 |
| Unbilled revenues          | 1,864,011    | 1,613,682    | 1,401,030    |
| Fuel adjustment surcharges | 478,340      | 827,155      | -            |
|                            | \$ 5,732,093 | \$ 5,725,124 | \$ 4,085,687 |
| Contract liabilities       |              |              |              |
| Consumer deposits          | \$ 2,404,391 | \$ 1,274,030 | \$ 1,273,593 |

### Note 3. Investments in Associated Organizations

Investments in associated organizations consist of the following as of October 31, 2023 and 2022:

|                                  | 2023          | 2022          |
|----------------------------------|---------------|---------------|
| East Kentucky, patronage capital | \$ 18,122,711 | \$ 18,103,553 |
| CFC, patronage capital           | 167,265       | 175,212       |
| CFC, CTC's                       | 635,175       | 635,771       |
| Others                           | 991,541       | 882,096       |
| Total                            | \$ 19,916,692 | \$ 19,796,632 |

Licking Valley records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates (CTCs) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest ranging from zero to 5.0% and are scheduled to mature at varying times from 2025 to 2080.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Leases

Licking Valley has a finance lease for a vehicle. The lease has a remaining lease term of 1 year. As of October 31, 2023, the asset recorded under a finance lease was \$283,414 and accumulated amortization associated with the finance lease was \$271,745. The ROU asset is included with electric plant on the balance sheets.

The components of leases expense were as follows for the year ended October 31.

|                                 | 2023      |
|---------------------------------|-----------|
| Finance lease cost              |           |
| Right-of-use asset amortization | \$ 45,335 |
| Interest expense                | 2,897     |
| Total lease cost, net           | \$ 48,232 |

Other information related to leases was as follows for the year ended October 31:

|  | 2023      |
|--|-----------|
| Supplemental cash flow information                                   |           |
| Cash paid for amounts included in the measurement of lease liability |           |
| Operating cash flows from finance lease                              | \$ 2,897  |
| Financing cash flows from finance lease                              | \$ 43,091 |
| Right-of-use asset obtained in exchange for lease obligation         |           |
| Finance lease  | \$ 57,004 |
| Weighted average remaining lease term                                |           |
| Finance lease  | 1 year    |
| Weighted average discount rate                                       |           |
| Finance lease  | 4.23%     |

Future undiscounted lease payments for the finance lease with initial terms of one year or more as October 31, 2023, were as follows:

|                       |           |
|-----------------------|-----------|
| 2024                  | \$ 45,988 |
| Less imputed interest | (1,037)   |
| Net lease liability   | \$ 44,951 |

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Leases (Continued)

As of October 31, 2022, Licking Valley's finance (capital) lease was accounted for under ASC 840, Leases. Licking Valley leased one of its vehicles under a capital lease. The economic substance of the lease is that Licking Valley is financing the acquisition of the asset through the lease, and accordingly, it is recorded in Licking Valley's assets and liabilities. The following is an analysis of the leased asset included in electric plant:

|                               | 2022       |
|-------------------------------|------------|
| Vehicle                       | \$ 283,414 |
| Less accumulated amortization | (226,410)  |
| Total                         | \$ 57,004  |

### Note 5. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30.0% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25.0% of the net margins for the next preceding year, Licking Valley may distribute the difference between 25.0% and the payments made to such estates.

Members' equity as of October 31, 2023 and 2022 was 47.0% and 49.4% of total assets, respectively.

|                              | 2023          | 2022          |
|------------------------------|---------------|---------------|
| Assigned to date             | \$ 42,404,822 | \$ 40,569,171 |
| Assignable margins (deficit) | (1,695,984)   | 705,334       |
| Unassigned                   | 19,739        | 19,739        |
| Prior year losses            | (1,495,000)   | (1,524,436)   |
| Total                        | \$ 39,233,577 | \$ 39,769,808 |

### Note 6. Long-Term Debt

All assets, except vehicles, are pledged as collateral on the long-term debt to RUS, Federal Financing Bank (FFB), and CFC under a joint mortgage agreement. The long-term debt is due in quarterly and monthly installments of varying amounts through 2053. RUS assesses 12.5 basis points to administer the FFB loans. The interest rates on notes payable to CFC at 1.66% are subject to change every seven years. Licking Valley had unadvanced loan funds available from FFB in the amount of \$13,000,000 and \$16,000,000 as of October 31, 2023 and 2022, respectively. These funds will be used for future plant additions.

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt (Continued)

Long-term debt consists of the following as of October 31, 2023 and 2022:

|                                    | 2023          | 2022          |
|------------------------------------|---------------|---------------|
| RUS:                               |               |               |
| 2.88% to 5.38% fixed rate notes    | \$ 1,413,561  | \$ 1,618,646  |
| 2.13% to 2.75% variable rate notes | 632,627       | 713,399       |
|                                    | 2,046,188     | 2,332,045     |
| FFB:                               |               |               |
| 6.48% fixed rate notes             | 899,484       | 959,184       |
| 5.46% to 5.50% variable rate notes | 28,436,574    | 26,200,327    |
|                                    | 29,336,058    | 27,159,511    |
| CFC:                               |               |               |
| 1.66% to 1.93% fixed rate notes    | 1,089,810     | 1,243,245     |
|                                    | 32,472,056    | 30,734,801    |
| Less current portion               | 1,417,244     | 1,730,805     |
| Long-term portion                  | \$ 31,054,812 | \$ 29,003,996 |

As of October 31, 2023, the annual principal portion of long-term debt outstanding for the next five years and thereafter are as follows:

|            |               |
|------------|---------------|
| 2024       | \$ 1,417,244  |
| 2025       | 1,470,963     |
| 2026       | 1,455,241     |
| 2027       | 1,520,143     |
| 2028       | 1,591,578     |
| Thereafter | 25,016,887    |
|            | \$ 32,472,056 |

### Note 7. Short-Term Notes Payable

Licking Valley had a short-term line of credit of \$2,000,000 available from CFC with variable interest rates of 7.25% and 5.00% as of October 31, 2023, and 2022, respectively. There were no advances against this line of credit as of October 31, 2023 and 2022. The line of credit matures in September 2024.

### Note 8. Savings Plan

All eligible employees of Licking Valley participate in the NRECA 401(k) Savings Plan, a defined contribution pension plan qualified under section 401(k) and tax-exempt under section 501(a) of the Internal Revenue Code. Licking Valley makes contributions for each participant equal to 11.0% of participants' base compensation with employees required to make a minimum contribution of 4% of base wages. Licking Valley contributed \$295,198 in 2023 and \$277,063 in 2022. Participants vest immediately in their contributions and the contributions of Licking Valley. There have been no significant changes that affect the comparability of 2023 and 2022.

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Postretirement Benefits

Licking Valley sponsors a defined benefit plan that provides medical insurance coverage to retirees by contributing up to 100.00% of the cost of a policy, depending on length of service. For measurement purposes, an annual rate of increase of 6.00%, then decreasing by 0.25% per year until 3.00% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 4.50%. There have been no significant changes that affect the comparability of 2023 and 2022. A portion of the net periodic benefit cost is allocated to construction of the electric plant.

The funded status of the plan as of October 31, 2023 and 2022 was as follows:

|                              | 2023           | 2022           |
|------------------------------|----------------|----------------|
| Projected benefit obligation | \$ (4,478,441) | \$ (4,403,375) |
| Plan assets at fair value    | --             | --             |
| Funded status (deficit)      | \$ (4,478,441) | \$ (4,403,375) |

The components of net periodic postretirement benefit cost for the years ended October 31, 2023 and 2022 are as follows:

|  | 2023         | 2022         |
|--|--------------|--------------|
| Benefit obligation - beginning of period | \$ 4,403,375 | \$ 3,332,385 |
| Actuarial adjustment                     | --           | 1,066,784    |
| Net periodic benefit cost:               |              |              |
| Service cost                             | 70,359       | 31,126       |
| Interest cost                            | 222,045      | 193,394      |
| Net periodic benefit cost:               | 292,404      | 224,520      |
| Benefit payments to participants         | (217,338)    | (220,314)    |
| Benefit obligation - end of period       | \$ 4,478,441 | \$ 4,403,375 |

The components of net periodic postretirement benefit cost for the years ended October 31, 2023 and 2022 are as follows:

|  | 2023         | 2022           |
|--|--------------|----------------|
| Amounts recognized in the balance sheet consists of: |              |                |
| Accumulated postretirement benefits                  | \$ 4,478,441 | \$ 4,403,375   |
| Amounts included in other comprehensive income:      |              |                |
| Postretirement benefits amortization of net loss     | \$ 72,924    | \$ 44,640      |
| Postretirement benefits actuarial loss               | \$ --        | \$ (1,066,784) |
| Effect of 1.00% increase in the health care trend:   |              |                |
| Postemployment benefit obligation                    | \$ 4,725,000 |                |
| Net periodic benefit cost                            | \$ 308,000   |                |

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Postretirement Benefits (Continued)

Projected retiree benefit payments for the next five years are expected to be as follows: 2024 - \$230,900; 2025 - \$193,400; 2026 - \$174,800; 2027 - \$134,400; 2028 - \$100,900.

### Note 10. Commitments

Licking Valley has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

### Note 11. Related Party Transactions

Several of the Directors of Licking Valley and its President and CEO are on the Boards of Directors of various associated organizations.

### Note 12. Environmental Contingency

Licking Valley from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that the environmental conditions may arise which would require Licking Valley to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Licking Valley's financial position or its future cash flows.



*Jones, Nale & Mattingly PLC*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS  
OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS  
FOR ELECTRIC BORROWERS**

To the Board of Directors  
Licking Valley Rural Electric Cooperative Corporation  
West Liberty, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Licking Valley Rural Electric Cooperative Corporation (the Cooperative), which comprise the balance sheet as of October 31, 2023, and the related statements of revenue and comprehensive income, changes in members' equities, and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2024. In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and our schedule of findings and recommendations related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;



- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements ("See RUS Bulletin 183-1, Depreciation Rates and Procedures");
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits, which are listed below; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

The deferred debits are as follows:

|                           |                   |
|---------------------------|-------------------|
| Fuel adjustment surcharge | <u>\$ 478,340</u> |
|---------------------------|-------------------|

The deferred credits are as follows:

|                                    |                   |
|------------------------------------|-------------------|
| Consumer advances for construction | <u>\$ 346,327</u> |
|------------------------------------|-------------------|

The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*. Accordingly, this report is not suitable for any other purpose.

*Jones, Nale & Mattingly P.C.*

Louisville, Kentucky  
February 5, 2024



*Jones, Nale & Mattingly PLC*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Licking Valley Rural Electric Cooperative Corporation  
West Liberty, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Licking Valley Rural Electric Cooperative Corporation (the Cooperative), which comprise the balance sheet as of October 31, 2023 and the related statements of revenue and comprehensive income, changes in members' equities and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated February 5, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Cooperative's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Jones, Hale & Mattingly PLC*

Louisville, Kentucky  
February 5, 2024

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 18**

**807 KAR 5:001 Section 16(4)(I)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*The most recent Federal Energy Regulatory Commission of Federal Communications  
Commission audit reports.*

**Response:**

Licking Valley is not regulated by the Federal Energy Regulatory Commission or Federal  
Communications Commission, and therefore has no audit report from these agencies.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 19**

**807 KAR 5:001 Section 16(4)(m)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*The most recent Federal Energy Regulatory Commission (“FERC”) Financial Report, FERC Form No. 1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).*

**Response:**

Licking Valley is not regulated by the Federal Energy Regulatory Commission, and therefore has none of the forms or reports listed in this Filing Requirement.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 20**

**807 KAR 5:001 Section 16(4)(n)**  
**Sponsoring Witness Kerry K. Howard**

**Description of Filing Requirement:**

*A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient.*

**Response:**

Licking Valley's most recent deprecation study is on file with the Commission. It can be found in Case No. 2009-00016, *Application of Licking Valley Rural Electric Cooperative Corporation for an Adjustment of Rates*. Licking Valley does not propose to adjust its depreciation rates as part of this proceeding.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-000211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 21**

**807 KAR 5:001 Section 16(4)(0)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application.*

**Response:** Microsoft Word and Excel were used in the preparation for the development of schedules associated with this Application.

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 22**

**807 KAR 5:001 Section 16(4)(q)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*The annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date.*

**Response:**

Please see attached annual report to members and related information.



# 2022 ANNUAL REPORT



**SUPPORT | ADVOCATE | EDUCATE**







## SUPPORT

**B**ecause you are reading this annual report, chances are you already know that Licking Valley RECC only exists because of the consumer-members who own our cooperative.

When Licking Valley RECC was founded in 1940, friends and neighbors banded together to create a new kind of electric utility, where the voice of every person made a difference.

Electric cooperatives brought electricity to the countryside when no one else would. Today, Licking Valley RECC and more than 900 other electric co-ops across America continue to answer that call. Focusing on customer needs, Licking Valley RECC provides much more than competitively priced, reliable energy. We are committed to supporting our communities and improving the quality of life for the consumer-members who live here.

### OUR BOARD

The support and dedication of our board is essential. In addition to providing supervision and guidance of Licking Valley RECC,

board members receive important education and training, so they are prepared to support your co-op as we deal with the complex challenges of electric service.

Every member of the Licking Valley RECC board of directors is a member of this co-op, democratically elected by the membership to represent the interests of all members, not special interests or outside agendas. Licking Valley RECC board members are your neighbors, not some corporate or activist types who live hundreds or thousands of miles away.

### MEMBER SUPPORT

As a cooperative, Licking Valley RECC is your consumer advocate, speaking up for commonsense policies that promote reliable power as cost-effectively as possible.

With the support of our fellow co-ops, we advocate for member interests, such as preventing extra charges from appearing on your bill, promoting a robust mix of energy sources and protecting the not-for-profit

▲  
Licking Valley RECC employees work hard to serve our members. Photo: Tim Webb.

Above right, Scott Spencer registers members at the 2022 annual meeting. Photo: Licking Valley staff

▶  
John May and Travis Stacy volunteer at the Ronald McDonald House in Lexington. Photo: Tim Webb

On the cover: Chad Hall leads a safety demonstration at a Magoffin County school. Photo: Licking Valley staff





cooperative business model.

Amid rampant inflation, Licking Valley RECC is a resource hub for members who need help. Here are some ways we follow the cooperative principle of "Concern for Community":

- Employee volunteering for local charities/civic events;
- Philanthropic donations to causes;
- In-kind support, such as helping repair or restore lighting in parks or sporting venues;
- Scholarships for students; and
- Sponsoring students on the Kentucky Electric Cooperative Youth Tour experience.

## COMMUNICATIONS

Licking Valley RECC is committed to open, transparent and helpful communications. In *Kentucky Living*, social media and on [www.lvrecc.com](http://www.lvrecc.com), we share updates, tips and important information about our communities. We work to combat scam attempts targeting our members, from phone scams to dishonest sales pitches.

As a consumer advocate, Licking Valley RECC is a clearinghouse for reliable information about matters that affect your bill and electric service, such as the rising costs for fuels used to create electricity, energy efficiency ideas to help manage your costs and protecting the sales tax





Office staff members Chelsea Cantrell, Gina Jenkins and Mindy Shaver at last year's annual meeting. Photo: Licking Valley staff

exemption for utility services at primary residences.

Licking Valley RECC's website offers many options to help meet members' needs, such as:

- Home energy calculator.
- Solar information.
- Co-op Connection card.
- Heat pump retrofit program.
- Touchstone Energy Home Rebate on new homes.
- SimpleSaver program.
- Outage management system.

Also, our SmartHub app gives members easy access to their billing statements, up-to-date usage information and payment options.

## ECONOMIC DEVELOPMENT

With East Kentucky Power Cooperative,

Licking Valley RECC supports local businesses and works to attract new employers.

With some of the most competitive electric rates in the country and our record of reliability and resilience, we have a great story to tell.

## ON THE LINE

All of us at Licking Valley RECC are committed to the safe support of our membership. Though any business benefits from a safety culture, the inherent dangers of electricity require Licking Valley RECC to be especially dedicated to safety.

Our crews follow strict guidelines and receive regular training so that they can return home safely no matter the conditions or tasks at hand.

## A SUPPORT NETWORK

Many people find support networks in a circle of friends, their extended family, a local church, self-help groups and even online communities. Our cooperative is supported by our members, as well as East Kentucky Power Cooperative, the statewide association Kentucky Electric Cooperatives and the collaboration of more than 900 electric cooperatives across the country.

As Licking Valley RECC provides this annual report of our operations, please know how much we value and rely on your support. We're here for you, too, as we all work together to support our local communities.

Retired employee Jimmy Adkins speaks during the 2022 annual meeting. He's shown with Kerry Howard and the LVRECC Board of Directors. Photo: Licking Valley staff



# AGENDA

## Annual Meeting of Members of Licking Valley RECC

**Malone Office Complex, Malone, KY**

**Tuesday, June 13**

**Registration: 9 a.m.–4 p.m.**

**Business Meeting: 4 p.m.**

The annual membership meeting of this co-op organizes to take action on the following matters:

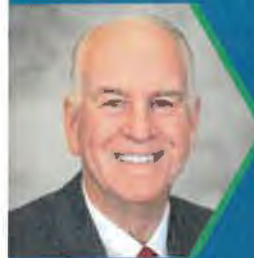
1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of approved meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Report on the election of board members in an election year.
6. Unfinished business.
7. New business (or other business if properly raised).
8. Adjournment.



**Darrell Cundiff**  
President



**Ted A. Holbrook**  
Vice President



**Tommy Hill**  
Secretary-Treasurer



**Kevin Howard**  
Director



**Alan Oldfield**  
Director



**J. Frank Porter**  
Director



**C.K. Stacy**  
Director



**Philip Williams**  
Director



**Myles Holbrook**  
Attorney



**Kerry K. Howard**  
General Manager/CEO



# 2022 Licking Valley RECC YEAR IN REVIEW

## MEMBERS

As of December 31, 2022

|                 |        |
|-----------------|--------|
| Morgan .....    | 4,262  |
| Magoffin .....  | 2,905  |
| Lee .....       | 184    |
| Breathitt ..... | 1,665  |
| Elliott .....   | 11     |
| Wolfe .....     | 3,250  |
| Rowan .....     | 1      |
| Menifee .....   | 251    |
| Total .....     | 12,529 |

## ACCOUNTS BILLED

2022..... 17,597

## AVERAGE KWH USAGE

(residential per month)

2022..... 968

## MILES OF LINE

2022..... 2,092

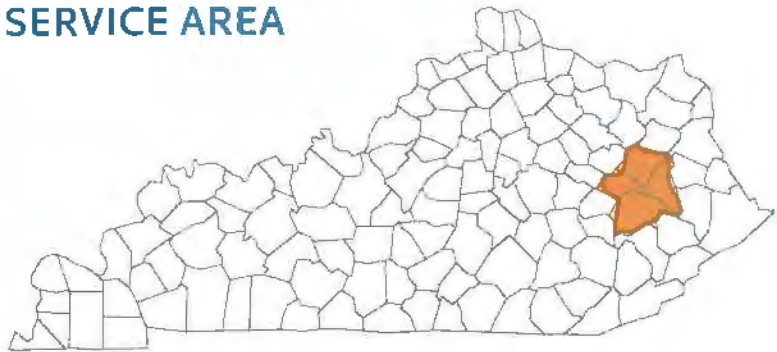
## CONSUMERS PER MILE

2022..... 8.4

## FOR INFORMATION AND INQUIRIES

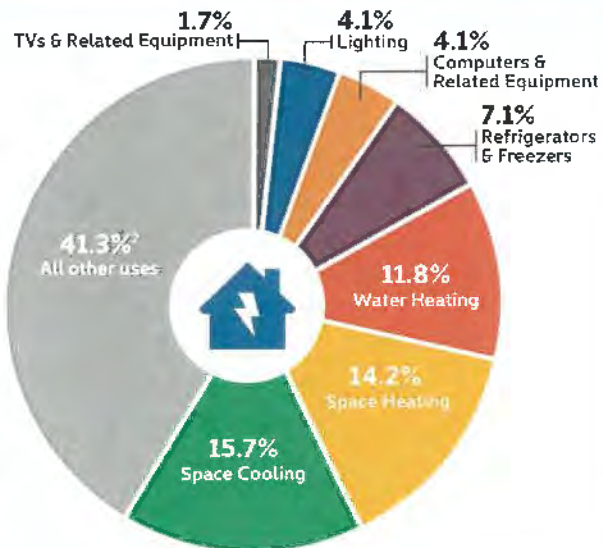
271 Main Street  
West Liberty KY 41472  
(606) 743-3179  
www.lvrecc.com

## SERVICE AREA



## How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.



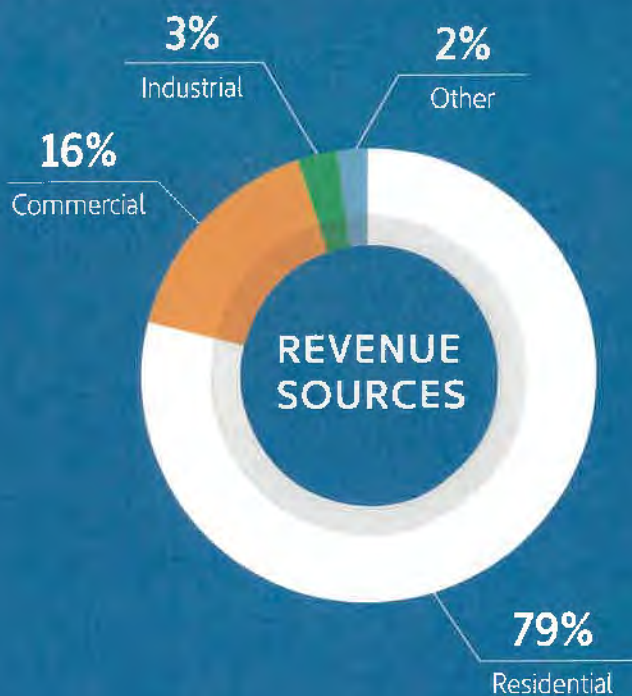
Source: Energy Information Administration 2022

Includes microwave ovens

IRECCA



# FINANCIALS



## STATEMENT OF OPERATIONS

As of December 31, 2022

Operating Revenue.....\$34,923,291

### OPERATING EXPENSE

Purchased Power.....\$23,218,603

Operating System.....7,359,678

Depreciation.....2,771,734

Interest on Loans .....586,146

Other Deductions .....57,673

**Total Cost of Electric Service .....\$33,993,834**

Operating Margins .....\$929,457

Non-Operating Margins.....29,437

G & T Capital Credits .....820,307

Other Capital Credits .....85,887

**Patronage Capital and Margins .....\$1,865,088**

## BALANCE SHEET

As of December 31, 2022

### ASSETS

Total Utility Plant.....\$85,452,053

Less Depreciation .....34,973,470

Net Utility Plant.....\$50,478,583

Investments in Associate Organization ..\$19,815,789

Cash .....281,636

Accounts and Notes Receivable .....7,310,295

Inventory.....1,167,593

Prepaid Expenses.....254,431

Deferred Debits and Other Assets.....615,562

**Total Assets .....\$79,923,889**

### LIABILITIES

Consumer Deposits .....1,278,142

Membership and Other Equities .....39,781,332

Long-Term Debt.....30,443,731

Notes and Accounts Payable.....3,002,637

Other Current Liabilities.....318,827

Other Deferred Credits.....694,002

Noncurrent Liabilities.....4,405,218

**Total Liabilities .....\$79,923,889**



# 2023

## Licking Valley RECC Annual Meeting

**TUESDAY, JUNE 13**

**Malone Office Complex**  
537 Steele Rd.  
West Liberty, KY 41472


**Registration: 9 a.m.–4 p.m.**  
**Business Meeting: 4 p.m.**



- Bucket & bulbs

**FREE Energy-saving LED lightbulb and bucket for members who register!**



**LICKING VALLEY**  
Rural Electric Cooperative Corporation  
A Touchstone Energy® Cooperative 



# 2023 ANNUAL REPORT



SUPPORT | **ADVOCATE** | EDUCATE





## ADVOCATE

The word “advocate” carries a rich and profound meaning, and its what Licking Valley Rural Electric Cooperative is all about.

The Latin root words of “advocate” mean “to call to one’s aid.” At the heart of our member-owned cooperative is the mission to improve the quality of life for the people we serve.

For new members of LVRECC, this concept may be difficult to grasp. Why should a power company care about me? Isn’t it just some corporation that says things like that to sound good to its shareholders?

LVRECC advocates for our members because we belong to our members. As a cooperative, there are no out-of-town shareholders or parent companies profiting off our members. LVRECC is a not-for-profit utility that, from the very beginning in 1940 to this day, has always been led by and owned by the people we serve.

It means being your consumer-advocate and standing up for your rights, interests and needs. Here are some key ways we advocate for you:

### AFFORDABLE RATES

LVRECC works with East Kentucky Power Cooperative to keep electric rates as low as possible. We advocate for fair, just and reasonable rate structures, and our cooperative team is accountable to members to manage our operations efficiently. This ensures that we can offer some of the most competitive electricity rates in the country. A national study showed that electric cooperatives in Kentucky, including LVRECC, have some of the lowest overhead costs of any utilities in the nation.

### RELIABILITY

We understand the essential role electricity plays in your daily life. Our cooperative

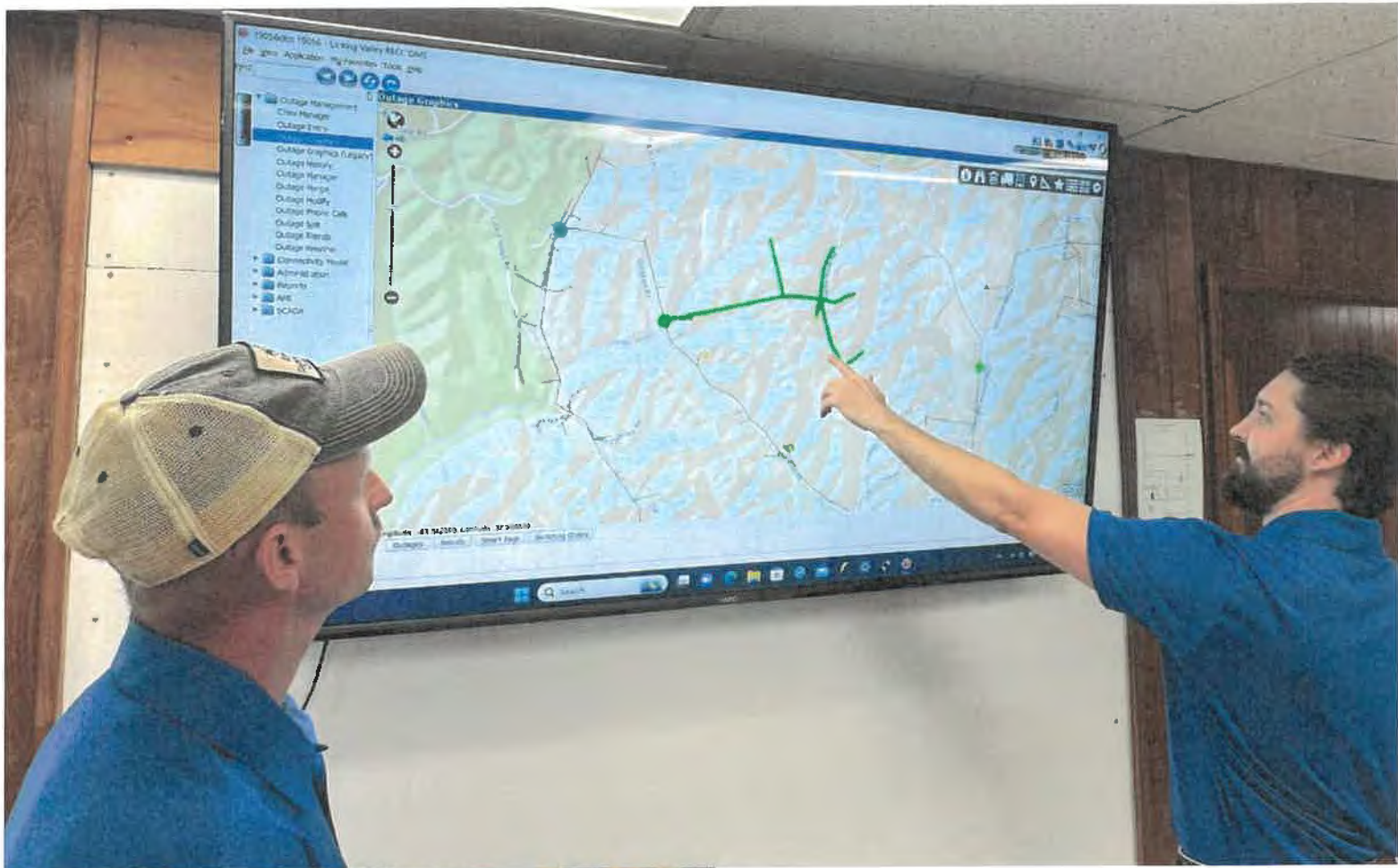
Above, employees of Licking Valley RECC tour the Hugh L. Spurlock Generating Station in Maysville to get insight into what it takes to push power to our distribution cooperatives. Photo: Joe Settles

Above right, Superintendent Chris Murphy, left, and GIS Administrator Jesse Cox look over better options for restoring power to hard to reach areas using the outage management system from NISC. Photo: Travis Stacy

Right, Kacie Jones, member service representative, has been with LVRECC for three years and handles new service orders and work orders, administers the winter cutoff program and more. Jones has played a vital role in Licking Valley RECC’s day-to-day operations since her hire. Photo: Tim Webb

On the cover: Lineworkers participate in the 2023 Kentucky Lineman’s Rodeo at Warren RECC. From left are Dee Jay Sparkman, Scotty Spencer and Chase Williams. Photo: Travis Stacy





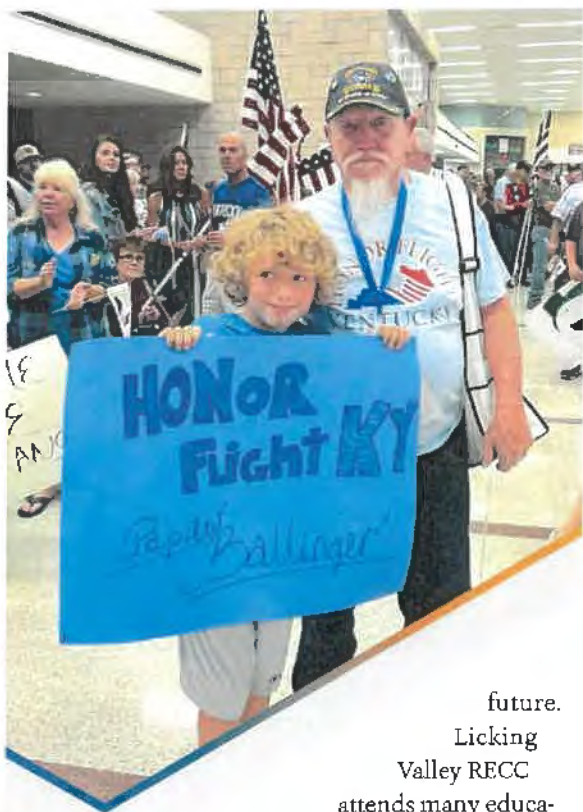
invests in maintaining and upgrading our infrastructure to ensure a reliable power supply. We advocate for robust and resilient systems to minimize outages, and when they do occur, we strive to restore power quickly.

In 2023, Licking Valley RECC took a big step in our commitment to our members. Generators were installed at our Malone warehouse and our business office in West Liberty. "These generators ensure that Licking Valley RECC will always be connected to our outage management system, resulting in less line loss time and greater member satisfaction," says Travis Stacy, manager of corporate services. Licking Valley RECC consistently seeks opportunities to enhance its business continuity measures.

## COMMUNITY ENGAGEMENT

We believe in the power of community, and we advocate for the well-being of the communities we serve. Our cooperative actively supports local initiatives, charitable organizations and economic development efforts. Together, we strengthen our communities and advocate for their growth and prosperity. Licking Valley RECC also believes that early education is the best way to reach our youth today and always, as well as to stay connected in the





cooperative,” says Phipps, a 23-year LVRECC employee and cooperative member. “I feel it is important to keep the spirit of a cooperative alive, and that is another thing I stress while I am with the kids. We are here for our members, member-owned and not-for-profit as well. It means something, gives us a sense of pride in what we do.”

### CHALLENGES AND TRIUMPHS

The past year brought challenges that tested our resolve. From extreme weather to a regulatory environment that threatens the reliability of the electric grid, LVRECC is always focused on solutions and safety.

We celebrate triumphs in our daily advocacy for the safety and well-being of our employees and members, speaking up for your interests and adapting to new realities. Our commitment to you and your communities remains unwavering.

### LOOKING AHEAD

As we reflect on the past year, we acknowledge that advocacy for our consumer-members is not a one-time effort but an ongoing journey. We are excited about the path ahead, as we continue to advocate for your best interests, ensuring that LVRECC remains a trusted partner in your lives.

Thank you for your ongoing support and trust. It is your belief in the cooperative spirit that drives us to advocate for you each day. Together, we light up our communities, empower our members and embrace a brighter future.

Vietnam veteran Carroll Ballinger takes a photo with Sebastian Banbel at Bluegrass Airport in Lexington after a long day on the 2023 Honor Flight to Washington, D.C. Veterans toured the Washington monuments, sponsored by Kentucky’s Touchstone Energy Cooperatives and Licking Valley RECC. LVRECC takes great pride in this program and wants to say thank you to all our veterans as well as active duty service members. Photo: Joey Banbel

future. Licking Valley RECC attends many educational opportunities in the school districts we serve, and we also sponsor students on the Washington Youth Tour and award annual scholarships.

“It is important for our kids to know that any job comes with ups and downs. Licking Valley RECC is a good job in our area but not all days are perfect. There are normal days where everything goes just right. Then there are ice storms, floods, and wind storms. Those are the days where you may be away from your family for a few days, away from warm meals and so on,” says Leroy Phipps, first class lineman.

Phipps also educates kids on the power of a cooperative and what it means to be a part of a cooperative. “Folks today do not understand what it means to be a member of a

Below left, First Class Lineman Leroy Phipps speaks with students at Morgan County Middle School during a career mentoring program. Photo: Angela Ferguson

Below, John May, left, manager of administrative services, and Travis Stacy, manager of corporate services, volunteer at the Ronald McDonald House Charities of the Bluegrass. Photo: Tim Webb





# AGENDA

## Annual Meeting of Members of Licking Valley RECC

**Malone Office Complex**  
**537 Steele Rd., Malone, KY**  
**Wednesday, June 19**  
**Registration: 9 a.m.–4 p.m.**  
**Business Meeting: 4 p.m.**

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of approved meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Report on the election of board members in an election year.
6. Unfinished business.
7. New business (or other business if properly raised).
8. Adjournment.



**Darrell Cundiff**  
President



**Ted A. Holbrook**  
Vice President



**Tommy Hill**  
Secretary-Treasurer



**Kevin Howard**  
Director



**Alan Oldfield**  
Director



**J. Frank Porter**  
Director



**C.K. Stacy**  
Director



**Philip Williams**  
Director



**Myles Holbrook**  
Attorney



**Kerry K. Howard**  
General Manager/CEO

# 2023 Licking Valley RECC YEAR IN REVIEW

## ACTIVE ACCOUNTS

As of December 31, 2023

|                |        |
|----------------|--------|
| Breathitt..... | 2,324  |
| Elliott.....   | 11     |
| Magoffin.....  | 4,021  |
| Menifee.....   | 342    |
| Morgan.....    | 6,028  |
| Rowan.....     | 2      |
| Wolfe.....     | 4,864  |
| Lee.....       | 234    |
| Total.....     | 17,826 |

## ACCOUNTS BILLED

2023.....17,826

## AVERAGE KWH USAGE

(residential per month)

2023.....891

## MILES OF LINE

2023.....2,103.03

## CONSUMERS PER MILE

2023.....8.4

## FOR INFORMATION AND INQUIRIES

Licking Valley Rural Electric  
Cooperative Corporation  
P.O. Box 605, 271 Main Street  
West Liberty, KY 41472  
(606) 743-3179  
www.lvrecc.com

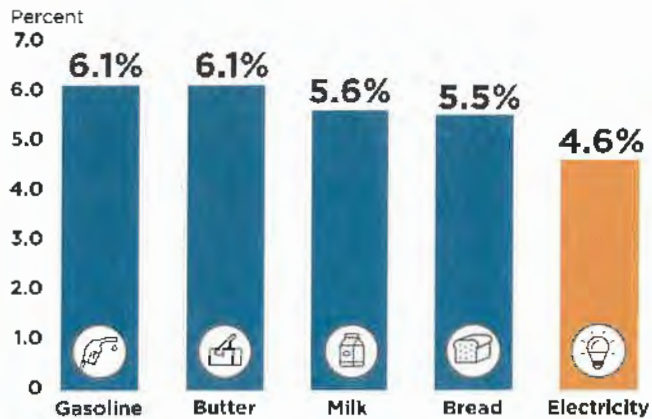
## SERVICE AREA



## ELECTRICITY REMAINS A GOOD VALUE

Although inflation has led to increasing costs in many areas of our lives, the cost of powering your home rises slowly when compared to other common goods. Looking at price increases over the last five years, electricity remains a good value.

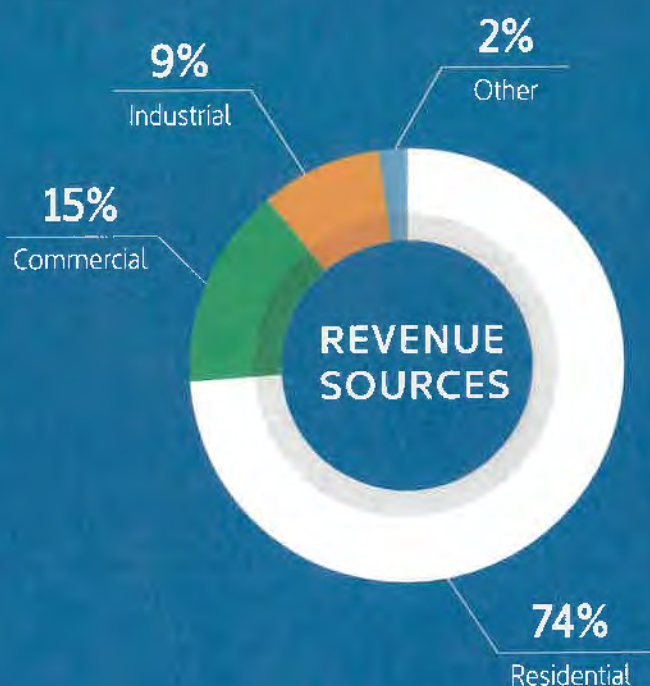
### Average Annual Price Increase 2017-2022



Source: U.S. Bureau of Labor Statistics  
Consumer Price Index



# FINANCIALS



## STATEMENT OF OPERATIONS

As of December 31, 2023

Operating Revenue..... \$33,685,308

### OPERATING EXPENSE

Purchased Power..... \$22,444,020  
 Operating System..... 8,031,492  
 Depreciation..... 2,882,776  
 Taxes..... 37,583  
 Interest on Loans..... 1,574,801  
 Other Deductions..... 87,966

**Total Cost of Electric Service..... \$35,058,638**

Operating Margins..... \$(1,373,330)  
 Non-Operating Margins..... 51,360  
 G & T Capital Credits..... 402,409  
 Other Capital Credits..... 165,567

**Patronage Capital and Margins..... \$(753,994)**

## BALANCE SHEET

As of December 31, 2023

### ASSETS

Total Utility Plant..... \$89,563,507  
 Less Depreciation..... 36,887,393  
 Net Utility Plant..... \$52,676,114  
 Investments in Associate Organization..... \$20,327,316  
 Cash..... 1,501,798  
 Accounts and Notes Receivable..... 6,822,400  
 Inventory..... 1,149,650  
 Prepaid Expenses..... 248,749  
 Deferred Debits and Other Assets..... 302,601

**Total Assets..... \$83,028,628**

### LIABILITIES

Consumer Deposits..... \$2,386,026  
 Membership and Other Equities..... 39,105,026  
 Long-Term Debt..... 32,190,213  
 Notes and Accounts Payable..... 3,807,527  
 Other Current Liabilities..... 5,539,836

**Total Liabilities..... \$83,028,628**



# 2024

## Licking Valley RECC's Annual Meeting WEDNESDAY, JUNE 19

**Malone Office Complex**


537 Steele Rd.  
West Liberty, KY 41472

**Registration: 9 a.m.–4 p.m.**  
**Business Meeting: 4 p.m.**



**FREE Energy-  
saving LED  
lightbulb and  
bucket for  
members who  
register!**



**LICKING  
VALLEY**  
Rural Electric Cooperative Corporation  
A Touchstone Energy® Cooperative 



**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 23**

**807 KAR 5:001 Section 16(4)(r)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirements:**

*The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period.*

**Response:**

Please see attached monthly managerial reports.

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 January 2023

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.

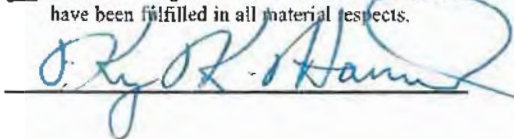
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**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.



03/16/2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 4,090,581        | 3,411,044        | 4,362,980     | 3,411,044         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 2,521,382        | 2,394,281        | 2,521,382     | 2,394,281         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 185,252          | 143,359          | 177,545       | 143,359           |
| 7. Distribution Expense - Maintenance                  | 185,128          | 373,718          | 316,119       | 373,718           |
| 8. Customer Accounts Expense                           | 56,757           | 64,253           | 57,121        | 64,253            |
| 9. Customer Service and Informational Expense          | 6,807            | 8,623            | 6,452         | 8,623             |
| 10. Sales Expense                                      | 325              | 1,074            |               | 1,074             |
| 11. Administrative and General Expense                 | 84,709           | 92,525           | 92,707        | 92,525            |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 3,040,360        | 3,077,833        | 3,171,326     | 3,077,833         |
| 13. Depreciation and Amortization Expense              | 227,381          | 235,600          | 232,000       | 235,600           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 3,000            | 3,000            |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 15,139           | 112,741          | 105,000       | 112,741           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 600              | 9,390            | 6,000         | 9,390             |
| 19. Other Deductions                                   |                  | (240)            | 1,000         | (240)             |
| 20. Total Cost of Electric Service (12 thru 19)        | 3,286,480        | 3,438,324        | 3,515,326     | 3,438,324         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 804,101          | (27,280)         | 847,654       | (27,280)          |
| 22. Non Operating Margins - Interest                   |                  |                  |               |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      |                  |                  |               |                   |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 804,101          | (27,280)         | 847,654       | (27,280)          |

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application.  | PERIOD ENDED<br><br>January 2023   |

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                | YEAR-TO-DATE     |                  |
|---|------------------|------------------|-------------------------------------|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |                                     | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 20               | 23               | 5. Miles Transmission               |                  |                  |
| 2. Services Retired                     | 6                | 10               | 6. Miles Distribution - Overhead    | 2,067.99         | 2,076.02         |
| 3. Total Services in Place              | 21,274           | 21,520           | 7. Miles Distribution - Underground | 15.72            | 17.27            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,785            | 3,967            | 8. Total Miles Energized<br>(5+6+7) | 2,083.71         | 2,093.29         |

**PART C. BALANCE SHEET**

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 84,924,370 | 30. Memberships  | 227,470     |
| 2. Construction Work in Progress                       | 776,626    | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1+2)                           | 85,700,996 | 32. Operating Margins - Prior Years                                      | 360,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 35,077,587 | 33. Operating Margins - Current Year                                     | (27,280)    |
| 5. Net Utility Plant (3-4)                             | 50,623,409 | 34. Non-Operating Margins  | 0           |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,364,363) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 39,765,388  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,180,018 | 37. Long-Term Debt - RUS (Net)   | 2,273,779   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 26,945,695  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,205,132   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,815,193 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 30,424,606  |
| 15. Cash - General Funds                               | 311,679    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,422,967   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44+45)                           | 4,422,967   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,931,464   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 7,109,448  | 49. Consumers Deposits   | 1,280,333   |
| 21. Accounts Receivable - Other (Net)                  | 35,368     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 1,176,296  | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 233,229    | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 0          | 53. Other Current and Accrued Liabilities                                | 887,104     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 5,098,901   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 8,866,020  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 345,759     |
| 28. Other Deferred Debits                              | 752,999    | 57. Total Liabilities and Other Credits<br>(36+43+46+54 thru 56)         | 80,057,621  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 80,057,621 |  |             |

|   |   |
|---|---|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE</p> <p><b>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</b></p> | <p>BORROWER DESIGNATION</p> <p>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>   | <p>PERIOD ENDED</p> <p>January 2023</p>   |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>   |   |
| <p>CFC Long Term Variable Interest Rate For January, 2023, 6.25%</p>  |   |

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 February 2023

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.

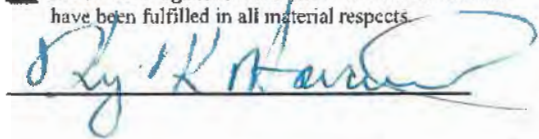
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**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.



04/20/2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 6,968,833        | 6,088,297        | 7,241,122     | 2,677,253         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 4,553,635        | 4,146,478        | 4,553,635     | 1,752,197         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 366,817          | 278,252          | 355,090       | 134,893           |
| 7. Distribution Expense - Maintenance                  | 498,435          | 684,851          | 632,238       | 311,133           |
| 8. Customer Accounts Expense                           | 111,870          | 123,798          | 114,242       | 59,545            |
| 9. Customer Service and Informational Expense          | 9,977            | 12,982           | 12,904        | 4,359             |
| 10. Sales Expense                                      | 775              | 1,633            |               | 559               |
| 11. Administrative and General Expense                 | 219,197          | 213,504          | 185,414       | 120,979           |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 5,760,706        | 5,461,498        | 5,853,523     | 2,383,665         |
| 13. Depreciation and Amortization Expense              | 455,593          | 471,991          | 464,000       | 236,391           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 6,000            | 6,000            |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 34,580           | 224,132          | 210,000       | 111,391           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 1,446            | 18,736           | 12,000        | 9,346             |
| 19. Other Deductions                                   | 260              | 860              | 2,000         | 1,100             |
| 20. Total Cost of Electric Service (12 thru 19)        | 6,258,585        | 6,183,217        | 6,541,523     | 2,744,893         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 710,248          | (94,920)         | 699,599       | (67,640)          |
| 22. Non Operating Margins - Interest                   |                  |                  |               |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      |                  | 3,576            |               | 3,576             |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 710,248          | (91,344)         | 699,599       | (64,064)          |

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application.  | PERIOD ENDED<br><br>February 2023  |

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 27               | 37               | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 10               | 17               | 6. Miles Distribution - Overhead        | 2,068.04         | 2,076.81         |
| 3. Total Services in Place              | 21,284           | 21,491           | 7. Miles Distribution - Underground     | 15.72            | 17.35            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,794            | 3,917            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,083.76         | 2,094.16         |

**PART C. BALANCE SHEET**

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 85,175,708 | 30. Memberships  | 226,545     |
| 2. Construction Work in Progress                       | 803,798    | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1 + 2)                         | 85,979,506 | 32. Operating Margins - Prior Years                                      | 360,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 35,228,800 | 33. Operating Margins - Current Year                                     | (91,344)    |
| 5. Net Utility Plant (3 - 4)                           | 50,750,706 | 34. Non-Operating Margins  | 0           |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,358,286) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 39,706,476  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,175,357 | 37. Long-Term Debt - RUS (Net)   | 2,253,042   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 26,945,695  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,166,855   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,810,532 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 30,365,592  |
| 15. Cash - General Funds                               | 414,912    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,429,143   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,429,143   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,098,742   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 6,111,688  | 49. Consumers Deposits   | 1,272,418   |
| 21. Accounts Receivable - Other (Net)                  | 28,708     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,135,182  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 212,026    | 53. Other Current and Accrued Liabilities                                | 975,830     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 4,346,990   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 7,902,516  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 342,934     |
| 28. Other Deferred Debits                              | 727,381    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 79,191,135  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 79,191,135 |  |             |

|   |  |
|---|--|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>   | <p>PERIOD ENDED<br/>February 2023</p>  |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>   |  |
| <p>CFC Long Term Variable Interest Rate For February, 2023, 6.25%</p>   |  |



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

BORROWER DESIGNATION KY0056

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

PERIOD ENDED March 2023

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.

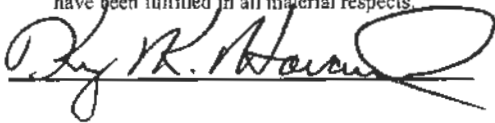
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**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.



5-18-2023

DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM  | YEAR-TO-DATE     |                  |                  | THIS MONTH<br>(d) |
|---|------------------|------------------|------------------|-------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c)    |                   |
| 1. Operating Revenue and Patronage Capital                        | 9,472,041        | 8,672,978        | 9,974,924        | 2,584,681         |
| 2. Power Production Expense                                       |                  |                  |                  |                   |
| 3. Cost of Purchased Power  | 6,315,694        | 5,948,781        | 6,315,694        | 1,802,303         |
| 4. Transmission Expense   |                  |                  |                  |                   |
| 5. Regional Market Expense  |                  |                  |                  |                   |
| 6. Distribution Expense - Operation                               | 537,431          | 498,369          | 532,635          | 220,117           |
| 7. Distribution Expense - Maintenance                             | 792,400          | 1,065,287        | 948,357          | 380,436           |
| 8. Customer Accounts Expense                                      | 169,078          | 201,047          | 171,363          | 77,249            |
| 9. Customer Service and Informational Expense                     | 11,433           | 14,216           | 19,356           | 1,234             |
| 10. Sales Expense   | 1,414            | 2,008            |                  | 375               |
| 11. Administrative and General Expense                            | 294,960          | 290,401          | 278,121          | 76,897            |
| <b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>  | <b>8,122,410</b> | <b>8,020,109</b> | <b>8,265,526</b> | <b>2,558,611</b>  |
| 13. Depreciation and Amortization Expense                         | 684,315          | 709,059          | 696,000          | 237,068           |
| 14. Tax Expense - Property & Gross Receipts                       |                  |                  |                  |                   |
| 15. Tax Expense - Other   | 10,424           | 9,000            |                  | 3,000             |
| 16. Interest on Long-Term Debt                                    | 57,787           | 335,566          | 315,000          | 111,434           |
| 17. Interest Charged to Construction - Credit                     |                  |                  |                  |                   |
| 18. Interest Expense - Other                                      | 2,850            | 28,000           | 18,000           | 9,264             |
| 19. Other Deductions  | 1,960            | 1,560            | 3,000            | 700               |
| <b>20. Total Cost of Electric Service (12 thru 19)</b>            | <b>8,879,746</b> | <b>9,103,294</b> | <b>9,297,526</b> | <b>2,920,077</b>  |
| <b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b> | <b>592,295</b>   | <b>(430,316)</b> | <b>677,398</b>   | <b>(335,396)</b>  |
| 22. Non Operating Margins - Interest                              |                  |                  |                  |                   |
| 23. Allowance for Funds Used During Construction                  |                  |                  |                  |                   |
| 24. Income (Loss) from Equity Investments                         |                  |                  |                  |                   |
| 25. Non Operating Margins - Other                                 |                  |                  |                  |                   |
| 26. Generation and Transmission Capital Credits                   |                  |                  |                  |                   |
| 27. Other Capital Credits and Patronage Dividends                 | 27,466           | 14,189           | 16,000           | 10,613            |
| 28. Extraordinary Items   |                  |                  |                  |                   |
| <b>29. Patronage Capital or Margins (21 thru 28)</b>              | <b>619,761</b>   | <b>(416,127)</b> | <b>693,398</b>   | <b>(324,783)</b>  |



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

March 2023

INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 45               | 72               | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 27               | 22               | 6. Miles Distribution - Overhead        | 2,068.64         | 2,077.49         |
| 3. Total Services in Place              | 21,295           | 21,509           | 7. Miles Distribution - Underground     | 15.72            | 17.35            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,820            | 3,930            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,084.36         | 2,094.84         |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 85,543,688 | 30. Memberships  | 224,185     |
| 2. Construction Work in Progress                       | 879,369    | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1 + 2)                         | 86,423,057 | 32. Operating Margins - Prior Years                                      | 360,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 35,387,586 | 33. Operating Margins - Current Year                                     | (416,127)   |
| 5. Net Utility Plant (3 - 4)                           | 51,035,471 | 34. Non-Operating Margins  | 0           |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,352,208) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 39,385,411  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,183,581 | 37. Long-Term Debt - RUS (Net)   | 2,232,871   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 26,721,276  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,166,855   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,818,756 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 30,121,002  |
| 15. Cash - General Funds                               | 296,002    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,435,433   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,435,433   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,205,852   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 5,385,404  | 49. Consumers Deposits   | 1,258,321   |
| 21. Accounts Receivable - Other (Net)                  | 51,653     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,082,184  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 193,082    | 53. Other Current and Accrued Liabilities                                | 691,467     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 4,155,640   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 7,008,325  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 337,978     |
| 28. Other Deferred Debits                              | 572,912    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 78,435,464  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 78,435,464 |  |             |

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><b>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application.  | PERIOD ENDED<br>March 2023         |
| <b>PART D. NOTES TO FINANCIAL STATEMENTS</b>  |                                    |
| CFC Long Term Variable Interest Rate For March, 2021, 6.50%   |                                    |

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

BORROWER DESIGNATION  
KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED April 2023

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.

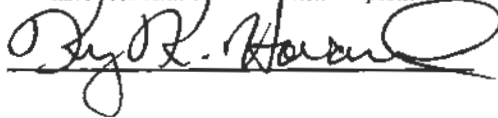
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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.



6-13-2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 11,701,537       | 10,819,971       | 12,378,004    | 2,146,993         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 7,750,681        | 7,364,086        | 7,750,681     | 1,415,305         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 692,215          | 670,905          | 710,180       | 172,536           |
| 7. Distribution Expense - Maintenance                  | 1,087,541        | 1,414,460        | 1,264,476     | 349,173           |
| 8. Customer Accounts Expense                           | 225,570          | 264,931          | 228,484       | 63,884            |
| 9. Customer Service and Informational Expense          | 16,289           | 17,888           | 25,808        | 3,672             |
| 10. Sales Expense                                      | 3,620            | 2,261            |               | 253               |
| 11. Administrative and General Expense                 | 381,387          | 367,509          | 370,828       | 77,108            |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 10,157,303       | 10,102,040       | 10,350,457    | 2,081,931         |
| 13. Depreciation and Amortization Expense              | 913,461          | 946,929          | 928,000       | 237,870           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 13,424           | 12,000           |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 86,321           | 461,670          | 420,000       | 126,104           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 4,032            | 19,126           | 24,000        | (8,874)           |
| 19. Other Deductions                                   | 5,144            | 2,010            | 4,000         | 450               |
| 20. Total Cost of Electric Service (12 thru 19)        | 11,179,685       | 11,543,775       | 11,726,457    | 2,440,481         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 521,852          | (723,804)        | 651,547       | (293,488)         |
| 22. Non Operating Margins - Interest                   | 14,678           | 14,678           | 15,000        | 14,678            |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      | 27,466           | 14,189           | 16,000        |                   |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 563,996          | (694,937)        | 682,547       | (278,810)         |

|   |  |
|---|--|
| <p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE</p> <p style="text-align: center;"><b>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</b></p> | <p>BORROWER DESIGNATION</p> <p style="text-align: right;">KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>   | <p>PERIOD ENDED</p> <p style="text-align: right;">April 2023</p>     |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>   |  |
| <p>CFC Long Term Variable Interest Rate for April, 2023, 6.75%</p>  |  |

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 0522-0032. 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

BORROWER DESIGNATION KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED May 2023

BORROWER NAME Lockins 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.

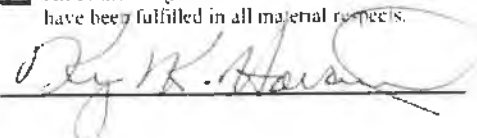
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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.



7-20-2023  
DATE

PART A. STATEMENT OF OPERATIONS

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 14,630,281       | 12,975,631       | 14,530,640    | 2,155,660         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 9,999,194        | 8,774,937        | 9,199,193     | 1,410,851         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 833,974          | 833,044          | 827,725       | 162,139           |
| 7. Distribution Expense - Maintenance                  | 1,382,345        | 1,768,583        | 1,520,595     | 354,123           |
| 8. Customer Accounts Expense                           | 283,546          | 336,129          | 285,605       | 71,198            |
| 9. Customer Service and Informational Expense          | 20,767           | 20,469           | 32,260        | 2,581             |
| 10. Sales Expense                                      | 7,104            | 3,643            |               | 1,382             |
| 11. Administrative and General Expense                 | 473,323          | 458,670          | 463,535       | 91,161            |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 12,208,252       | 12,195,475       | 12,446,913    | 2,093,435         |
| 13. Depreciation and Amortization Expense              | 1,143,014        | 1,185,664        | 1,160,000     | 238,735           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 16,424           | 16,583           |               | 4,583             |
| 16. Interest on Long-Term Debt                         | 115,455          | 588,629          | 525,000       | 126,969           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 4,941            | 24,809           | 30,000        | 5,683             |
| 19. Other Deductions                                   | 5,144            | 2,810            | 5,000         | 800               |
| 20. Total Cost of Electric Service (12 thru 19)        | 13,465,291       | 14,013,980       | 14,168,913    | 2,400,205         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 1,164,990        | (1,038,349)      | 361,727       | (244,545)         |
| 22. Non Operating Margins - Interest                   | 14,806           | 4,678            | 15,000        |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      | 17,250           | 73,293           | 16,100        | 9,114             |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 14,827,725       | 13,910,378       | 392,727       | (305,441)         |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

May 2023

INSTRUCTIONS - See help in the online application

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 100              | 135              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 47               |                  | 6. Miles Distribution Overhead          | 2,080.18         | 2,080.89         |
| 3. Total Services in Place              | 21,511           | 21,542           | 7. Miles Distribution - Underground     | 15.79            | 18.13            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,609            | 3,609            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,085.97         | 2,099.02         |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |             | LIABILITIES AND OTHER CREDITS  |             |
|--|-------------|--|-------------|
| 1. Total Utility Plant in Service                      | 86,301,250  | 30. Memberships  | 224,815     |
| 2. Construction Work in Progress                       | 924,222     | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1 + 2)                         | 87,225,472  | 32. Operating Margins - Prior Years                                      | 360,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 35,685,276  | 33. Operating Margins - Current Year                                     | (1,015,056) |
| 5. Net Utility Plant (3 - 4)                           | 51,539,996  | 34. Non-Operating Margins  | 14,678      |
| 6. Non-Utility Property (Net)                          | 0           | 35. Other Margins and Equities   | (1,340,055) |
| 7. Investments in Subsidiary Companies                 | 0           | 36. Total Margins & Equities (30 thru 35)                                | 38,613,943  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 13,183,581  | 37. Long-Term Debt - RUS (Net)   | 2,190,920   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0           | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 26,721,276  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175     | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0           | 40. Long-Term Debt Other (Net)   | 1,128,415   |
| 12. Other Investments                                  | 0           | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0           | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,818,756  | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 30,040,611  |
| 15. Cash - General Funds                               | 125,068     | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0           | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,446,907   |
| 17. Special Deposits                                   | 0           | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,446,907   |
| 18. Temporary Investments                              | 0           | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0           | 48. Accounts Payable   | 1,863,578   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 4,670,171   | 49. Consumers Deposits   | 1,237,974   |
| 21. Accounts Receivable - Other (Net)                  | 44,374      | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0           | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,107,190   | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 150,225     | 53. Other Current and Accrued Liabilities                                | 1,013,545   |
| 25. Other Current and Accrued Assets                   | 0           | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 4,215,727   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 6,072,864   | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0           | 56. Other Deferred Credits   | 345,202     |
| 28. Other Deferred Debits                              | 415,224     | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 38,811,690  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 111,861,900 |  |             |

|   |  |
|---|--|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>   | <p>PERIOD ENDED<br/>May 2023</p>       |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>   |  |
| <p>CFC Long Term Variable interest Rate for May, 2023. 6.75%</p>  |  |



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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION KY0056

PERIOD ENDED June 2023

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**

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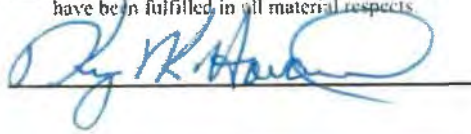
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief

**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



8/11/2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 16,813,768       | 15,474,767       | 17,500,448    | 2,499,136         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 10,995,057       | 10,171,581       | 10,995,057    | 1,396,644         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 990,170          | 1,010,633        | 1,063,270     | 177,569           |
| 7. Distribution Expense - Maintenance                  | 1,744,359        | 2,115,210        | 1,896,714     | 346,627           |
| 8. Customer Accounts Expense                           | 334,329          | 398,921          | 342,726       | 62,792            |
| 9. Customer Service and Informational Expense          | 25,563           | 21,766           | 38,712        | 1,297             |
| 10. Sales Expense                                      | 8,508            | 4,892            |               | 1,249             |
| 11. Administrative and General Expense                 | 562,906          | 587,705          | 556,242       | 129,035           |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 14,660,892       | 14,310,708       | 14,894,721    | 2,115,233         |
| 13. Depreciation and Amortization Expense              | 1,373,341        | 1,425,345        | 1,392,000     | 239,881           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 19,624           | 19,883           |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 146,758          | 715,374          | 630,000       | 126,735           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 6,018            | 31,595           | 36,000        | 6,786             |
| 19. Other Deductions                                   | 3,435            | 3,110            | 6,000         | 300               |
| 20. Total Cost of Electric Service (12 thru 19)        | 16,209,866       | 16,505,915       | 16,958,721    | 2,491,935         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 603,900          | (1,031,148)      | 541,728       | 7,201             |
| 22. Non Operating Margins - Interest                   | 14,678           | 14,678           | 15,000        |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      | 37,057           | 23,293           | 16,000        |                   |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 655,635          | (993,177)        | 572,728       | 7,201             |

Revision Date 2014



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

XX

PERIOD ENDED

June 2023

INSTRUCTIONS See help in the online application

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 128              | 148              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 55               | 36               | 6. Miles Distribution -<br>Overhead     | 2,077.81         | 1,081.62         |
| 3. Total Services in Place              | 21,442           | 21,500           | 7. Miles Distribution -<br>Underground  | 16.22            | 18.00            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,818            | 3,014            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,086.84         | 2,099.62         |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 86,734,152 | 30. Memberships  | 225,010     |
| 2. Construction Work in Progress                       | 954,622    | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1 + 2)                         | 87,688,774 | 32. Operating Margins - Prior Years                                      | 360,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 35,855,894 | 33. Operating Margins - Current Year                                     | (1,007,855) |
| 5. Net Utility Plant (3 - 4)                           | 51,832,880 | 34. Non-Operating Margins  | 14,678      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,333,978) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,827,416  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,183,581 | 37. Long-Term Debt - RUS (Net)   | 2,170,229   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - PFB - RUS Guaranteed                                | 26,519,034  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt - Other (Net)   | 1,128,415   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 11,818,756 | 43. Total Long-Term Debt<br>(37 thru 42)                                 | 29,817,678  |
| 15. Cash - General Funds                               | 147,599    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,452,243   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,452,243   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,809,587   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 4,728,226  | 49. Consumers Deposits   | 1,174,347   |
| 21. Accounts Receivable - Other (Net)                  | 40,487     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,176,052  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 128,910    | 53. Other Current and Accrued Liabilities                                | 729,569     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 4,773,832   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 6,224,284  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 346,564     |
| 28. Other Deferred Debits                              | 341,485    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 78,001,404  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 78,001,404 |  |             |

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application   | PERIOD ENDED<br>June 2023          |
| PART D. NOTES TO FINANCIAL STATEMENTS   |                                    |
| CFC Long Term Variable Interest Rate For June, 2023, 6.75%  |                                    |

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

BORROWER DESIGNATION KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED July 2023

BORROWER NAME Licking Valley Rural Electric Cooperative Cor.

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.

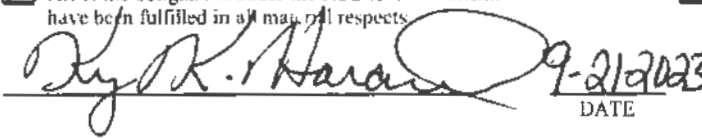
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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 9-21-2023

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 19,732,318       | 16,059,564       | 20,595,269    | 2,584,797         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 13,113,021       | 12,029,386       | 13,113,021    | 1,857,805         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 1,164,986        | 1,181,322        | 1,242,815     | 170,689           |
| 7. Distribution Expense - Maintenance                  | 2,056,428        | 2,459,456        | 2,212,833     | 344,246           |
| 8. Customer Accounts Expense                           | 389,637          | 453,276          | 399,847       | 54,355            |
| 9. Customer Service and Informational Expense          | 31,573           | 21,681           | 45,164        | (85)              |
| 10. Sales Expense                                      | 9,046            | 6,982            |               | 2,090             |
| 11. Administrative and General Expense                 | 631,626          | 689,125          | 648,949       | 101,420           |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 17,396,317       | 16,841,228       | 17,662,629    | 2,530,520         |
| 13. Depreciation and Amortization Expense              | 1,604,200        | 1,666,168        | 1,624,000     | 240,623           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 22,424           | 22,583           |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 205,703          | 846,600          | 735,000       | 131,226           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 6,603            | 38,731           | 42,000        | 7,136             |
| 19. Other Deductions                                   | 3,535            | 3,910            | 7,000         | 600               |
| 20. Total Cost of Electric Service (12 thru 19)        | 19,238,782       | 19,419,220       | 20,070,629    | 2,913,305         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 493,536          | (1,359,656)      | 524,640       | (328,508)         |
| 22. Non Operating Margins - Interest                   | 14,678           | 14,678           | 15,000        |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      | 37,057           | 23,293           | 16,000        |                   |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 545,271          | (1,321,685)      | 555,640       | (328,508)         |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

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INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 178              |                  | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 43               |                  | 6. Miles Distribution - Overhead        | 2,111.84         |                  |
| 3. Total Services in Place              | 135,744          |                  | 7. Miles Distribution - Underground     | 18.37            |                  |
| 4. Idle Services<br>(Exclude Seasonals) | 1,910            |                  | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,130.21         |                  |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 86,893,761 | 30. Memberships  | 225,760     |
| 2. Construction Work in Progress                       | 939,056    | 31. Patronage Capital  | 40,569,171  |
| 3. Total Utility Plant (1 + 2)                         | 87,832,817 | 32. Operating Margins - Prior Years                                      | 390,390     |
| 4. Accum. Provision for Depreciation and Amort.        | 36,041,371 | 33. Operating Margins - Current Year                                     | (1,336,363) |
| 5. Net Utility Plant (3 - 4)                           | 51,791,446 | 34. Non-Operating Margins  | 14,678      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,327,901) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,505,735  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,183,581 | 37. Long-Term Debt - RUS (Net)   | 2,148,383   |
| 9. Invest. in Assoc. Org. - General Funds              | 0          | 38. Long-Term Debt - PFB - RUS Guaranteed                                | 26,519,034  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,124,415   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,818,756 | 43. Total Long-Term Debt<br>(37 thru 42)                                 | 29,191,832  |
| 15. Cash - General Funds                               | 252,950    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,457,596   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,457,596   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 13,219,536  |
| 20. Accounts Receivable - Sales of Energy (Net)        | 5,224,717  | 49. Consumers Deposits   | 1,222,710   |
| 21. Accounts Receivable - Other (Net)                  | 29,233     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,109,890  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 107,425    | 53. Other Current and Accrued Liabilities                                | 928,486     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 5,110,732   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 6,724,865  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 341,536     |
| 28. Other Deferred Debits                              | 197,038    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 34,941,439  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 81,531,444 |  |             |

|   |  |
|---|--|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/>KY0056</p> |
| <p>INSTRUCTIONS See help in the online application.</p>   | <p>PERIOD ENDED<br/>July 2023</p>      |
| <p>PART D. NOTES TO FINANCIAL STATEMENTS</p>  |  |
| <p>CFC Long Term Variable Interest Rate for July, 2023, 7.00%</p>   |  |

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

BORROWER DESIGNATION KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED August 2023

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.

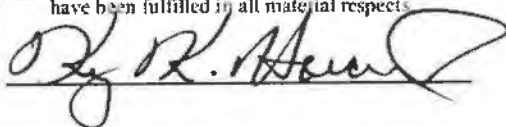
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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.



10/19/2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 22,405,348       | 20,761,211       | 23,454,164    | 2,701,647         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 15,076,204       | 13,912,891       | 15,076,204    | 1,883,505         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 1,313,119        | 1,332,595        | 1,420,360     | 151,273           |
| 7. Distribution Expense - Maintenance                  | 2,419,224        | 2,834,508        | 2,528,952     | 375,052           |
| 8. Customer Accounts Expense                           | 446,505          | 516,148          | 456,968       | 62,872            |
| 9. Customer Service and Informational Expense          | 38,074           | 25,460           | 51,616        | 3,779             |
| 10. Sales Expense                                      | 10,425           | 7,307            |               | 325               |
| 11. Administrative and General Expense                 | 723,199          | 789,261          | 741,656       | 100,136           |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 20,026,750       | 19,418,170       | 20,275,756    | 2,576,942         |
| 13. Depreciation and Amortization Expense              | 1,835,407        | 1,987,242        | 1,856,000     | 241,074           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 25,424           | 25,583           |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 262,339          | 976,910          | 840,000       | 130,310           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 7,160            | 43,327           | 48,000        | 4,596             |
| 19. Other Deductions                                   | 6,664            | 4,360            | 8,000         | 450               |
| 20. Total Cost of Electric Service (12 thru 19)        | 22,163,744       | 22,375,592       | 23,027,756    | 2,956,372         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 241,604          | (1,614,381)      | 426,408       | (254,725)         |
| 22. Non Operating Margins - Interest                   | 14,678           | 14,678           | 15,000        |                   |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |                   |
| 27. Other Capital Credits and Patronage Dividends      | 83,946           | 23,293           | 16,000        |                   |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 340,228          | (1,576,410)      | 457,408       | (254,725)         |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

Aug 23

INSTRUCTIONS See help in the online application

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 192              | 209              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     |                  | 49               | 6. Miles Distribution - Overhead        | 2,080.11         | 2,081.99         |
| 3. Total Services in Place              | 21,368           | 21,592           | 7. Miles Distribution - Underground     | 16.11            | 16.44            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,864            | 3,824            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,086.12         | 2,100.43         |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 87,312,986 | 30. Memberships  | 226,110     |
| 2. Construction Work in Progress                       | 958,507    | 31. Patronage Capital  | 42,404,822  |
| 3. Total Utility Plant (1 + 2)                         | 88,271,493 | 32. Operating Margins - Prior Years                                      | (1,475,261) |
| 4. Accum. Provision for Depreciation and Amort.        | 36,195,183 | 33. Operating Margins - Current Year                                     | (1,591,088) |
| 5. Net Utility Plant (3 - 4)                           | 52,076,310 | 34. Non-Operating Margins  | 14,678      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,321,824) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,257,437  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,383,581 | 37. Long-Term Debt - RUS (Net)   | 2,125,822   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 29,519,034  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,089,800   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,818,756 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 32,734,644  |
| 15. Cash - General Funds                               | 1,923,851  | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,463,666   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,463,666   |
| 18. Temporary Investments                              | 0          | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,171,388   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 5,938,328  | 49. Consumers Deposits   | 2,415,862   |
| 21. Accounts Receivable - Other (Net)                  | 27,824     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,150,660  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 85,940     | 53. Other Current and Accrued Liabilities                                | 960,659     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 5,547,513   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 8,126,622  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 344,753     |
| 28. Other Deferred Debits                              | 326,860    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 81,348,429  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 81,348,427 |  |             |

|  |   |
|--|---|
| <p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE</p> <p style="text-align: center;">FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION</p> <p style="text-align: center;">KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>  | <p>PERIOD ENDED</p> <p style="text-align: center;">August 2023</p>    |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>  |   |
| <p>CFC Long Term Variable Interest Rate for August, 2023, 7.25%</p>  |   |



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

BORROWER DESIGNATION KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED September 2023

BORROWER NAME Licking Valley Rural Electric 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.

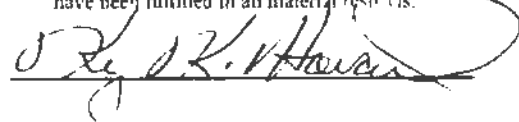
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**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.



11-Nov-2023  
DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH |
|--|------------------|------------------|---------------|------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |            |
| 1. Operating Revenue and Patronage Capital             | 24,641,222       | 23,373,481       | 25,862,142    | 2,612,270  |
| 2. Power Production Expense                            |                  |                  |               |            |
| 3. Cost of Purchased Power                             | 16,729,401       | 15,746,954       | 16,729,369    | 1,834,063  |
| 4. Transmission Expense                                |                  |                  |               |            |
| 5. Regional Market Expense                             |                  |                  |               |            |
| 6. Distribution Expense - Operation                    | 1,469,885        | 1,504,563        | 1,597,905     | 171,968    |
| 7. Distribution Expense - Maintenance                  | 2,705,179        | 3,099,461        | 2,845,071     | 264,953    |
| 8. Customer Accounts Expense                           | 501,215          | 573,430          | 514,089       | 57,282     |
| 9. Customer Service and Informational Expense          | 44,463           | 28,577           | 58,068        | 3,117      |
| 10. Sales Expense                                      | 11,891           | 7,706            |               | 399        |
| 11. Administrative and General Expense                 | 817,119          | 872,542          | 834,363       | 83,281     |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 22,279,153       | 21,833,233       | 22,578,865    | 2,415,063  |
| 13. Depreciation and Amortization Expense              | 2,068,570        | 2,149,709        | 2,088,000     | 242,467    |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |            |
| 15. Tax Expense - Other                                | 28,424           | 28,583           |               | 3,000      |
| 16. Interest on Long-Term Debt                         | 319,904          | 1,154,774        | 945,000       | 177,664    |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |            |
| 18. Interest Expense - Other                           | 9,535            | 52,218           | 54,           | 8,891      |
| 19. Other Deductions                                   | 6,864            | 5,085            | 9,000         | 725        |
| 20. Total Cost of Electric Service (12 thru 19)        | 24,712,450       | 25,223,602       | 25,674,865    | 2,848,010  |
| 21. Patronage Capital & Operating Margins (1 minus 20) | (71,228)         | (1,850,121)      | 193,277       | (235,740)  |
| 22. Non Operating Margins - Interest                   | 14,678           | 19,363           | 15,000        | 4,685      |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |            |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |            |
| 25. Non Operating Margins - Other                      |                  |                  |               |            |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |            |
| 27. Other Capital Credits and Patronage Dividends      | 85,667           | 157,352          | 32,           | 134,059    |
| 28. Extraordinary Items                                |                  |                  |               |            |
| 29. Patronage Capital or Margins (21 thru 28)          | 29,337           | (1,673,406)      | 240,277       | (96,996)   |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

KY0056

PERIOD ENDED

September 2023

INSTRUCTIONS - See help in the online application

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 213              | 224              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 76               | 51               | 6. Miles Distribution - Overhead        | 2,072.35         | 2,083.22         |
| 3. Total Services in Place              | 21,385           | 21,619           | 7. Miles Distribution - Underground     | 16.71            | 18.55            |
| 4. Idle Services<br>(Exclude Seasonals) | 4,889            | 3,881            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,089.06         | 2,101.72         |

**PART C. BALANCE SHEET**

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 87,712,322 | 30. Memberships  | 226,440     |
| 2. Construction Work in Progress                       | 864,798    | 31. Patronage Capital  | 42,404,822  |
| 3. Total Utility Plant (1 + 2)                         | 88,577,120 | 32. Operating Margins - Prior Years                                      | (1,475,261) |
| 4. Accum. Provision for Depreciation and Amort.        | 36,331,418 | 33. Operating Margins - Current Year                                     | (1,692,769) |
| 5. Net Utility Plant (3 - 4)                           | 52,245,702 | 34. Non-Operating Margins  | 19,363      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,315,747) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,166,848  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,281,545 | 37. Long-Term Debt - RUS (Net)   | 2,105,450   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 29,336,059  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 1,089,809   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,916,720 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 32,531,318  |
| 15. Cash - General Funds                               | 889,230    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,470,728   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,470,728   |
| 18. Temporary Investments                              | 1,204,685  | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,089,376   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 4,943,215  | 49. Consumers Deposits   | 2,415,067   |
| 21. Accounts Receivable - Other (Net)                  | 30,077     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,072,904  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 64,455     | 53. Other Current and Accrued Liabilities                                | 798,549     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 5,102,592   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 8,204,560  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 345,963     |
| 28. Other Deferred Debits                              | 450,861    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 40,817,540  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 80,817,849 |  |             |

|   |  |
|---|--|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application</p>  | <p>PERIOD ENDED<br/>September 2023</p> |
| <p>PART D. NOTES TO FINANCIAL STATEMENTS</p>  |  |
| <p>CFC Long Term Variable Interest Rate for September, 2023, 7.25%</p>  |  |

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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION *operator*

PERIOD ENDED *October 2023*

BORROWER NAME *Licking Valley Rural Electric Operator 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.

*[Signature]*  
DATE *12/21/2023*

**PART A. STATEMENT OF OPERATIONS**

| ITEM  | YEAR-TO-DATE      |                    |                   | THIS MONTH<br>(d) |
|---|-------------------|--------------------|-------------------|-------------------|
|   | LAST YEAR<br>(a)  | THIS YEAR<br>(b)   | BUDGET<br>(c)     |                   |
| 1. Operating Revenue and Patronage Capital                        | 27,164,867        | 26,314,125         | 28,599,744        | 2,880,962         |
| 2. Power Production Expense                                       |                   |                    |                   |                   |
| 3. Cost of Purchased Power  | 18,487,498        | 17,633,193         | 18,487,443        | 1,886,239         |
| 4. Transmission Expense   |                   |                    |                   |                   |
| 5. Regional Market Expense  |                   |                    |                   |                   |
| 6. Distribution Expense - Operation                               | 1,624,241         | 1,657,876          | 1,775,450         | 163,313           |
| 7. Distribution Expense - Maintenance                             | 3,026,345         | 3,434,046          | 3,161,190         | 334,585           |
| 8. Customer Accounts Expense                                      | 553,897           | 635,200            | 571,210           | 61,770            |
| 9. Customer Service and Informational Expense                     | 44,089            | 20,667             | 64,520            | (7,910)           |
| 10. Sales Expense   | 12,574            | 8,289              |                   | 583               |
| 11. Administrative and General Expense                            | 913,478           | 989,727            | 927,070           | 117,165           |
| <b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>  | <b>24,662,722</b> | <b>24,378,998</b>  | <b>24,986,893</b> | <b>2,545,765</b>  |
| 13. Depreciation and Amortization Expense                         | 2,302,207         | 2,393,247          | 2,326,000         | 243,538           |
| 14. Tax Expense - Property & Gross Receipts                       |                   |                    |                   |                   |
| 15. Tax Expense - Other   | 31,424            | 31,583             |                   | 3,000             |
| 16. Interest on Long-Term Debt                                    | 414,790           | 1,302,819          | 1,050,000         | 148,045           |
| 17. Interest Charged to Construction - Credit                     |                   |                    |                   |                   |
| 18. Interest Expense - Other                                      | 11,476            | 63,293             | 60,000            | 11,065            |
| 19. Other Deductions  | 7,659             | 5,085              | 10,000            |                   |
| <b>20. Total Cost of Electric Service (12 thru 19)</b>            | <b>27,430,278</b> | <b>28,175,015</b>  | <b>28,426,893</b> | <b>2,551,913</b>  |
| <b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b> | <b>(265,411)</b>  | <b>(1,860,890)</b> | <b>172,861</b>    | <b>(70,451)</b>   |
| 22. Non Operating Margins - Interest                              | 29,437            | 39,931             | 30,000            | 20,568            |
| 23. Allowance for Funds Used During Construction                  |                   |                    |                   |                   |
| 24. Income (Loss) from Equity Investments                         |                   |                    |                   |                   |
| 25. Non Operating Margins - Other                                 |                   |                    |                   |                   |
| 26. Generation and Transmission Capital Credits                   |                   |                    |                   |                   |
| 27. Other Capital Credits and Patronage Dividends                 | 85,987            | 131,352            | 32,000            |                   |
| 28. Extraordinary Items   |                   |                    |                   |                   |
| <b>29. Patronage Capital or Margins (21 thru 28)</b>              | <b>(150,087)</b>  | <b>(1,663,187)</b> | <b>234,861</b>    | <b>(49,883)</b>   |

|   |                              |
|---|------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION         |
|   | PERIOD ENDED<br>October 2014 |
| INSTRUCTIONS - See help in the online application   |                              |

| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT |                  |                  |   |                  |                  |
|---|------------------|------------------|---|------------------|------------------|
| ITEM  | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected                           | 260              | 282              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                                 | 62               | 57               | 6. Miles Distribution Overhead          | 2,014,111        | 1,091,000        |
| 3. Total Services in Place                          | 21,439           | 21,665           | 7. Miles Distribution - Underground     | 16,111           | 15,664           |
| 4. Idle Services<br>(Exclude Seasonals)             | 3,885            | 3,903            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,030,222        | 2,106,664        |

| PART C. BALANCE SHEET                                    |            |  |             |
|--|------------|--|-------------|
| ASSETS AND OTHER DEBITS                                  |            | LIABILITIES AND OTHER CREDITS  |             |
| 1. Total Utility Plant in Service                        | 88,010,518 | 30. Memberships  | 226,980     |
| 2. Construction Work in Progress                         | 910,227    | 31. Patronage Capital  | 42,404,822  |
| 3. Total Utility Plant (1 + 2)                           | 88,920,645 | 32. Operating Margins - Prior Years                                      | (1,475,261) |
| 4. Accum. Provision for Depreciation and Amort.          | 36,501,856 | 33. Operating Margins - Current Year                                     | (1,703,538) |
| 5. Net Utility Plant (3 - 4)                             | 52,418,749 | 34. Non-Operating Margins  | 39,931      |
| 6. Non-Utility Property (Net)                            | 0          | 35. Other Margins and Equities   | (1,309,670) |
| 7. Investments in Subsidiary Companies                   | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,183,264  |
| 8. Invest. in Assoc. Org. - Patronage Capital            | 19,281,517 | 37. Long-Term Debt - RUS (Net)   | 2,584,766   |
| 9. Invest. in Assoc. Org. - Other - General Funds        | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 29,336,059  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds    | 635,174    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects         | 0          | 40. Long-Term Debt Other (Net)   | 1,089,809   |
| 12. Other Investments                                    | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds  | 0          | 42. Payments - Unapplied   |             |
| 14. Total Other Property & Investments<br>(6 thru 13)    | 19,916,691 | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 30,511,634  |
| 15. Cash - General Funds                                 | 758,912    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                  | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,478,441   |
| 17. Special Deposits                                     | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,478,441   |
| 18. Temporary Investments                                | 1,210,494  | 47. Notes Payable  |             |
| 19. Notes Receivable (Net)                               | 0          | 48. Accounts Payable   | 2,230,844   |
| 20. Accounts Receivable - Sales of Energy (Net)          | 5,246,695  | 49. Consumers Deposits   | 2,404,111   |
| 21. Accounts Receivable - Other (Net)                    | 28,342     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                             | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other            | 2,082,155  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 43,621     | 53. Other Current and Accrued Liabilities                                | 1,030,200   |
| 25. Other Current and Accrued Assets                     | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 5,699,435   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)     | 8,370,221  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                    | 0          | 56. Other Deferred Credits   | 346,117     |
| 28. Other Deferred Debits                                | 478,340    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 41,184,081  |
| 29. Total Assets and (Other) Debits<br>(5+14+26 thru 28) | 81,184,001 |  |             |

|   |   |
|---|---|
| <p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/><br/>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application</p>  | <p>PERIOD ENDED<br/>October 2023</p>        |
| <p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>   |   |
| <p>CFC Long Term Variable Interest Rate for October, 2023, 7.25%</p>  |   |

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

FY 2024

PERIOD ENDED November 2023

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.

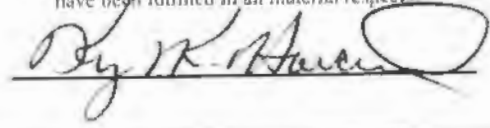
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**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.



01/25/2024  
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                        | 30,601,867        | 29,662,148         | 31,474,411        | 3,548,023        |
| 2. Power Production Expense                                       |                   |                    |                   |                  |
| 3. Cost of Purchased Power  | 20,508,378        | 19,966,759         | 20,857,440        | 2,333,566        |
| 4. Transmission Expense   |                   |                    |                   |                  |
| 5. Regional Market Expense  |                   |                    |                   |                  |
| 6. Distribution Expense - Operation                               | 1,761,844         | 1,909,131          | 1,952,995         | 251,258          |
| 7. Distribution Expense - Maintenance                             | 3,250,077         | 3,709,169          | 3,477,309         | 275,123          |
| 8. Customer Accounts Expense                                      | 610,852           | 691,621            | 626,331           | 56,421           |
| 9. Customer Service and Informational Expense                     | 49,282            | 19,614             | 70,972            | (1,053)          |
| 10. Sales Expense   | 13,168            | 8,664              |                   | 375              |
| 11. Administrative and General Expense                            | 982,812           | 1,106,186          | 1,019,777         | 116,469          |
| <b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>  | <b>27,176,413</b> | <b>27,411,144</b>  | <b>27,706,824</b> | <b>3,032,166</b> |
| 13. Depreciation and Amortization Expense                         | 2,536,639         | 2,637,412          | 2,552,000         | 244,165          |
| 14. Tax Expense - Property & Gross Receipts                       |                   |                    |                   |                  |
| 15. Tax Expense - Other   | 34,424            | 34,583             |                   | 3,000            |
| 16. Interest on Long-Term Debt                                    | 510,495           | 3,419,528          | 1,155,000         | 116,709          |
| 17. Interest Charged to Construction - Credit                     |                   |                    |                   |                  |
| 18. Interest Expense - Other                                      | 11,314            | 72,074             | 66,000            | 8,791            |
| 19. Other Deductions  | 7,309             | 5,535              | 11,000            | 450              |
| <b>20. Total Cost of Electric Service (12 thru 19)</b>            | <b>30,277,794</b> | <b>31,580,276</b>  | <b>31,490,824</b> | <b>3,405,261</b> |
| <b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b> | <b>324,073</b>    | <b>(4,718,128)</b> | <b>(16,413)</b>   | <b>142,762</b>   |
| 22. Non Operating Margins - Interest                              | 29,437            | 45,551             | 30,000            | 5,620            |
| 23. Allowance for Funds Used During Construction                  |                   |                    |                   |                  |
| 24. Income (Loss) from Equity Investments                         |                   |                    |                   |                  |
| 25. Non Operating Margins - Other                                 |                   |                    |                   |                  |
| 26. Generation and Transmission Capital Credits                   |                   |                    |                   |                  |
| 27. Other Capital Credits and Patronage Dividends                 | 85,867            | 157,352            | 32,000            |                  |
| 28. Extraordinary Items   |                   |                    |                   |                  |
| <b>29. Patronage Capital or Margins (21 thru 28)</b>              | <b>439,397</b>    | <b>(1,315,225)</b> | <b>45,587</b>     | <b>146,362</b>   |



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

November 2014

INSTRUCTIONS See help in the online application

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 311              | 320              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 84               | 85               | 6. Miles Distribution Overhead          | 1,075.40         | 1,084.00         |
| 3. Total Services in Place              | 1,480            | 1,682            | 7. Miles Distribution Underground       |                  | 18.64            |
| 4. Idle Services<br>(Exclude Seasonals) | 2,890            | 2,874            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,092.19         | 2,117.68         |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS                                |            | LIABILITIES AND OTHER CREDITS  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 88,184,894 | 30. Memberships  | 227,010     |
| 2. Construction Work in Progress                       | 970,188    | 31. Patronage Capital  | 42,404,822  |
| 3. Total Utility Plant (1 + 2)                         | 89,155,082 | 32. Operating Margins - Prior Years                                      | (1,475,261) |
| 4. Accum. Provision for Depreciation and Amort.        | 36,665,498 | 33. Operating Margins - Current Year                                     | (1,560,776) |
| 5. Net Utility Plant (3 - 4)                           | 52,471,674 | 34. Non-Operating Margins  | 45,551      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,303,593) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 38,337,753  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,281,517 | 37. Long-Term Debt - RUS (Net)   | 2,025,153   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 23,336,059  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,174    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 2,051,339   |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 19,916,791 | 43. Total Long-Term Debt<br>(37 thru 42)                                 | 32,412,451  |
| 15. Cash - General Funds                               | 406,266    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,485,813   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,485,813   |
| 18. Temporary Investments                              | 1,215,114  | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 2,788,786   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 6,077,731  | 49. Consumers Deposits   | 2,393,490   |
| 21. Accounts Receivable - Other (Net)                  | 28,167     | 50. Current Maturities Long-Term Debt                                    | 0           |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,090,000  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 90,085     | 53. Other Current and Accrued Liabilities                                | 996,396     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 1,178,196   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 8,909,093  | 55. Regulatory Liabilities   | 345,445     |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 0           |
| 28. Other Deferred Debits                              | 462,712    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 41,760,444  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 81,664,144 |  |             |



|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS See help in the online application.  | PERIOD ENDED<br>November 2023      |
| <b>PART D. NOTES TO FINANCIAL STATEMENTS</b>  |                                    |
| CFC Long Term Variable Interest Rate For November, 2023, 7.25%  |                                    |

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

BORROWER DESIGNATION KY0056

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

PERIOD ENDED December 2023

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.

Kerry Howard

3/19/2024

DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH<br>(d) |
|--|------------------|------------------|---------------|-------------------|
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |                   |
| 1. Operating Revenue and Patronage Capital             | 34,923,291       | 33,685,308       | 34,950,893    | 3,823,160         |
| 2. Power Production Expense                            |                  |                  |               |                   |
| 3. Cost of Purchased Power                             | 23,218,603       | 22,444,020       | 22,666,511    | 2,477,261         |
| 4. Transmission Expense                                |                  |                  |               |                   |
| 5. Regional Market Expense                             |                  |                  |               |                   |
| 6. Distribution Expense - Operation                    | 1,915,994        | 2,104,832        | 2,130,543     | 195,701           |
| 7. Distribution Expense - Maintenance                  | 3,620,978        | 3,940,837        | 3,793,433     | 231,668           |
| 8. Customer Accounts Expense                           | 684,358          | 746,294          | 685,457       | 54,673            |
| 9. Customer Service and Informational Expense          | 54,232           | 21,473           | 77,428        | 1,859             |
| 10. Sales Expense                                      | 15,924           | 9,485            |               | 821               |
| 11. Administrative and General Expense                 | 1,068,192        | 1,208,571        | 1,112,489     | 102,385           |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 30,578,281       | 30,475,512       | 30,465,861    | 3,064,368         |
| 13. Depreciation and Amortization Expense              | 2,771,734        | 2,882,776        | 2,784,000     | 245,364           |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |                   |
| 15. Tax Expense - Other                                | 37,424           | 37,583           |               | 3,000             |
| 16. Interest on Long-Term Debt                         | 586,146          | 1,574,801        | 1,260,000     | 155,273           |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |                   |
| 18. Interest Expense - Other                           | 12,341           | 81,681           | 72,000        | 9,607             |
| 19. Other Deductions                                   | 7,908            | 6,285            | 12,000        | 750               |
| 20. Total Cost of Electric Service (12 thru 19)        | 33,993,834       | 35,058,638       | 34,593,861    | 3,478,362         |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 929,457          | (1,373,330)      | 357,032       | 344,798           |
| 22. Non Operating Margins - Interest                   | 29,437           | 51,360           | 30,000        | 5,809             |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |                   |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |                   |
| 25. Non Operating Margins - Other                      |                  |                  |               |                   |
| 26. Generation and Transmission Capital Credits        | 820,307          | 402,409          |               | 402,409           |
| 27. Other Capital Credits and Patronage Dividends      | 85,887           | 165,567          | 32,000        | 8,215             |
| 28. Extraordinary Items                                |                  |                  |               |                   |
| 29. Patronage Capital or Margins (21 thru 28)          | 1,865,088        | (753,994)        | 419,032       | 761,231           |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

KY0056

PERIOD ENDED

December 2023

INSTRUCTIONS - See help in the online application.

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

| ITEM                                    | YEAR-TO-DATE     |                  | ITEM                                    | YEAR-TO-DATE     |                  |
|---|------------------|------------------|---|------------------|------------------|
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected               | 349              | 344              | 5. Miles Transmission                   |                  |                  |
| 2. Services Retired                     | 89               | 55               | 6. Miles Distribution - Overhead        | 2,075.38         | 2,084.29         |
| 3. Total Services in Place              | 21,510           | 21,704           | 7. Miles Distribution - Underground     | 17.10            | 18.74            |
| 4. Idle Services<br>(Exclude Seasonals) | 3,942            | 3,944            | 8. Total Miles Energized<br>(5 + 6 + 7) | 2,092.48         | 2,103.03         |

**PART C. BALANCE SHEET**

**ASSETS AND OTHER DEBITS**

**LIABILITIES AND OTHER CREDITS**

|  |            |  |             |
|--|------------|--|-------------|
| 1. Total Utility Plant in Service                      | 88,718,917 | 30. Memberships  | 226,975     |
| 2. Construction Work in Progress                       | 844,590    | 31. Patronage Capital  | 42,404,822  |
| 3. Total Utility Plant (1 + 2)                         | 89,563,507 | 32. Operating Margins - Prior Years                                      | (1,475,261) |
| 4. Accum. Provision for Depreciation and Amort.        | 36,887,393 | 33. Operating Margins - Current Year                                     | (805,354)   |
| 5. Net Utility Plant (3 - 4)                           | 52,676,114 | 34. Non-Operating Margins  | 51,360      |
| 6. Non-Utility Property (Net)                          | 0          | 35. Other Margins and Equities   | (1,297,516) |
| 7. Investments in Subsidiary Companies                 | 0          | 36. Total Margins & Equities (30 thru 35)                                | 39,105,026  |
| 8. Invest. in Assoc. Org. - Patronage Capital          | 19,692,141 | 37. Long-Term Debt - RUS (Net)   | 1,703,892   |
| 9. Invest. in Assoc. Org. - Other - General Funds      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 28,174,342  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds  | 635,175    | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0           |
| 11. Investments in Economic Development Projects       | 0          | 40. Long-Term Debt Other (Net)   | 894,735     |
| 12. Other Investments                                  | 0          | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0           |
| 13. Special Funds                                      | 0          | 42. Payments - Unapplied   | 0           |
| 14. Total Other Property & Investments<br>(6 thru 13)  | 20,327,316 | 43. Total Long-Term Debt<br>(37 thru 42)                                 | 30,772,969  |
| 15. Cash - General Funds                               | 279,875    | 44. Obligations Under Capital Leases - Noncurrent                        | 0           |
| 16. Cash - Construction Funds - Trustee                | 0          | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 4,493,793   |
| 17. Special Deposits                                   | 0          | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 4,493,793   |
| 18. Temporary Investments                              | 1,221,923  | 47. Notes Payable  | 0           |
| 19. Notes Receivable (Net)                             | 0          | 48. Accounts Payable   | 3,807,527   |
| 20. Accounts Receivable - Sales of Energy (Net)        | 6,729,393  | 49. Consumers Deposits   | 2,386,026   |
| 21. Accounts Receivable - Other (Net)                  | 93,007     | 50. Current Maturities Long-Term Debt                                    | 1,417,244   |
| 22. Renewable Energy Credits                           | 0          | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0           |
| 23. Materials and Supplies - Electric & Other          | 1,149,650  | 52. Current Maturities Capital Leases                                    | 0           |
| 24. Prepayments  | 248,749    | 53. Other Current and Accrued Liabilities                                | 710,667     |
| 25. Other Current and Accrued Assets                   | 0          | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 8,321,464   |
| 26. Total Current and Accrued Assets<br>(15 thru 25)   | 9,722,597  | 55. Regulatory Liabilities   | 0           |
| 27. Regulatory Assets                                  | 0          | 56. Other Deferred Credits   | 335,376     |
| 28. Other Deferred Debits                              | 302,601    | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 83,028,628  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28) | 83,028,628 |  |             |

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><b>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application.  | PERIOD ENDED<br>December 2023      |

**PART D. NOTES TO FINANCIAL STATEMENTS**

Audited Information January - October, 2023

Unaudited Information November - December, 2023

CFC Long Term Variable Interest Rate For December, 2023 7.25%

|   |  |
|---|--|
| <p>UNITED STATES DEPARTMENT OF AGRICULTURE<br/>RURAL UTILITIES SERVICE<br/>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION<br/>KY0056</p> |
| <p>INSTRUCTIONS - See help in the online application.</p>   | <p>PERIOD ENDED<br/>December 2023</p>  |
| <p><b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b></p>  |  |
|   |  |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION KY0056

PERIOD ENDED December 2023

INSTRUCTIONS - See help in the online application.

**PART E. CHANGES IN UTILITY PLANT**

| PLANT ITEM   | BALANCE<br>BEGINNING OF YEAR<br>(a) | ADDITIONS<br>(b) | RETIREMENTS<br>(c) | ADJUSTMENTS AND<br>TRANSFERS<br>(d) | BALANCE<br>END OF YEAR<br>(e) |
|--|-------------------------------------|------------------|--------------------|-------------------------------------|-------------------------------|
| 1. Distribution Plant                                  | 78,446,685                          | 4,630,033        | 968,125            |                                     | 82,108,593                    |
| 2. General Plant                                       | 4,476,399                           | 357,788          |                    |                                     | 4,834,187                     |
| 3. Headquarters Plant                                  | 1,670,658                           | 105,479          |                    |                                     | 1,776,137                     |
| 4. Intangibles   | 0                                   |                  |                    |                                     | 0                             |
| 5. Transmission Plant                                  | 0                                   |                  |                    |                                     | 0                             |
| 6. Regional Transmission and Market<br>Operation Plant | 0                                   |                  |                    |                                     | 0                             |
| 7. All Other Utility Plant                             | 0                                   |                  |                    |                                     | 0                             |
| 8. Total Utility Plant in Service (1 thru 7)           | 84,593,742                          | 5,093,300        | 968,125            |                                     | 88,718,917                    |
| 9. Construction Work in Progress                       | 858,311                             | (13,721)         |                    |                                     | 844,590                       |
| 10. Total Utility Plant (8 + 9)                        | 85,452,053                          | 5,079,579        | 968,125            |                                     | 89,563,507                    |

**PART F. MATERIALS AND SUPPLIES**

| ITEM        | BALANCE<br>BEGINNING OF YEAR<br>(a) | PURCHASED<br>(b) | SALVAGED<br>(c) | USED (NET)<br>(d) | SOLD<br>(e) | ADJUSTMENT<br>(f) | BALANCE<br>END OF YEAR<br>(g) |
|-------------|-------------------------------------|------------------|-----------------|-------------------|-------------|-------------------|-------------------------------|
| 1. Electric | 1,115,808                           | 1,245,412        | 110,785         | 1,336,376         | 36,056      | 5,235             | 1,104,808                     |
| 2. Other    | 51,784                              | 171,267          |                 | 178,209           |             |                   | 44,842                        |

**PART G. SERVICE INTERRUPTIONS**

| ITEM                 | AVERAGE MINUTES PER CONSUMER BY CAUSE |                    |                |                  | TOTAL<br>(e) |
|----------------------|---------------------------------------|--------------------|----------------|------------------|--------------|
|                      | POWER SUPPLIER<br>(a)                 | MAJOR EVENT<br>(b) | PLANNED<br>(c) | ALL OTHER<br>(d) |              |
| 1. Present Year      | 20.100                                | 217.100            | 59.000         | 88.100           | 384.300      |
| 2. Five-Year Average | 16.000                                | 584.100            | 59.500         | 112.600          | 772.200      |

**PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS**

|   |        |                          |           |
|---|--------|--------------------------|-----------|
| 1. Number of Full Time Employees          | 41     | 4. Payroll - Expensed    | 1,751,163 |
| 2. Employee - Hours Worked - Regular Time | 85,463 | 5. Payroll - Capitalized | 932,158   |
| 3. Employee - Hours Worked - Overtime     | 6,431  | 6. Payroll - Other       | 512,138   |

**PART I. PATRONAGE CAPITAL**

| ITEM                               | DESCRIPTION   | THIS YEAR<br>(a) | CUMULATIVE<br>(b) |
|------------------------------------|---|------------------|-------------------|
| 1. Capital Credits - Distributions | a. General Retirements  |                  |                   |
|                                    | b. Special Retirements  |                  |                   |
|                                    | c. Total Retirements (a + b)  |                  |                   |
| 2. Capital Credits - Received      | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power                        |                  |                   |
|                                    | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System |                  |                   |
|                                    | c. Total Cash Received (a + b)  |                  |                   |

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

|                            |           |                                   |           |
|----------------------------|-----------|-----------------------------------|-----------|
| 1. Amount Due Over 60 Days | \$ 44,777 | 2. Amount Written Off During Year | \$ 80,182 |
|----------------------------|-----------|-----------------------------------|-----------|

**ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM**

|                                       |    |                                   |    |
|---------------------------------------|----|-----------------------------------|----|
| 1. Anticipated Loan Delinquency %     |    | 4. Anticipated Loan Default %     |    |
| 2. Actual Loan Delinquency %          |    | 5. Actual Loan Default %          |    |
| 3. Total Loan Delinquency Dollars YTD | \$ | 6. Total Loan Default Dollars YTD | \$ |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION  
KY0056

INSTRUCTIONS - See help in the online application

PERIOD ENDED  
December 2023

**PART K. kWh PURCHASED AND TOTAL COST**

| No | ITEM<br>(a)                                 | SUPPLIER<br>CODE<br>(b) | RENEWABLE<br>ENERGY<br>PROGRAM<br>NAME<br>(c) | RENEWABLE<br>FUEL<br>TYPE<br>(d) | kWh<br>PURCHASED<br>(e) | TOTAL<br>COST<br>(f) | AVERAGE<br>COST<br>(Cents/kWh)<br>(g) | INCLUDED IN<br>TOTAL COST -<br>FUEL COST<br>ADJUSTMENT<br>(h) | INCLUDED IN<br>TOTAL COST -<br>WHEELING<br>AND OTHER<br>CHARGES<br>(i) |
|----|---|-------------------------|---|----------------------------------|-------------------------|----------------------|---------------------------------------|---|--|
| 1  | East Kentucky<br>Power Coop, Inc<br>KY00591 | 5580                    |   |                                  | 271,792,674             | 22,432,609           | 8.25                                  | 2,766,319   | 400,848  |
| 2  | *Other Renewable<br>Supplier (DC)           | 800585                  | Starshine Energy                              | Solar -<br>photovoltaic          | 285,282                 | 11,411               | 4.00                                  |   |  |
|    | <b>Total</b>                                |                         |   |                                  | 272,077,956             | 22,444,020           | 8.25                                  | 2,766,319   | 400,848  |

|  |                 |                                    |
|--|-----------------|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT<br/>         ELECTRIC DISTRIBUTION</b> |                 | BORROWER DESIGNATION<br><br>KY0056 |
| INSTRUCTIONS - See help in the online application  |                 | PERIOD ENDED<br>December 2023      |
| <b>PART K. kWh PURCHASED AND TOTAL COST</b>  |                 |                                    |
| <b>No</b>  | <b>Comments</b> |                                    |
| 1  |                 |                                    |
| 2  |                 |                                    |



| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION |                       | BORROWER DESIGNATION<br>KY0056 |                         |
|---|-----------------------|--------------------------------|-------------------------|
| INSTRUCTIONS - See help in the online application.  |                       | PERIOD ENDED<br>December 2023  |                         |
| <b>PART L. LONG-TERM LEASES</b>   |                       |                                |                         |
| No  | NAME OF LESSOR<br>(a) | TYPE OF PROPERTY<br>(b)        | RENTAL THIS YEAR<br>(c) |
| <b>TOTAL</b>  |                       |                                |                         |

|  |                                       |
|--|---------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT<br/>         ELECTRIC DISTRIBUTION</b> | <b>BORROWER DESIGNATION</b><br>KY0056 |
| <b>INSTRUCTIONS - See help in the online application.</b>  | <b>PERIOD ENDED</b><br>December 2023  |

**PART M. ANNUAL MEETING AND BOARD DATA**

|  |                                       |  |  |
|--|---------------------------------------|--|--|
| 1. Date of Last Annual Meeting<br>6/13/2023          | 2. Total Number of Members<br>12,513  | 3. Number of Members Present at Meeting<br>204                         | 4. Was Quorum Present?<br>Y                    |
| 5. Number of Members Voting<br>by Proxy or Mail<br>0 | 6. Total Number of Board Members<br>8 | 7. Total Amount of Fees and Expenses<br>for Board Members<br>\$ 59,041 | 8. Does Manager Have<br>Written Contract?<br>Y |

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

|   |                                    |
|---|------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br><br>KY0056 |
|---|------------------------------------|

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|--|-------------------------------|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2023 |
|--|-------------------------------|

**PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

| No | ITEM   | BALANCE END OF<br>YEAR<br>(a) | INTEREST<br>(Billed This Year)<br>(b) | PRINCIPAL<br>(Billed This Year)<br>(c) | TOTAL<br>(Billed This Year)<br>(d) |
|----|--|-------------------------------|---------------------------------------|--|------------------------------------|
| 1  | Rural Utilities Service (Excludes RUS Economic Development Loans)  | 1,703,892                     | 127,371                               | 250,146                                | 377,517                            |
| 2  | National Rural Utilities Cooperative Finance Corporation           | 894,735                       | 19,270                                | 154,093                                | 173,363                            |
| 3  | CoBank, ACB  |                               |                                       |  |                                    |
| 4  | Federal Financial Bank   | 28,174,342                    | 1,466,947                             | 810,701                                | 2,277,648                          |
| 5  | RUS - Economic Development Loans                                   |                               |                                       |  |                                    |
| 6  | Payments Unapplied   |                               |                                       |  |                                    |
| 7  | Principal Payments Received from Ultimate Recipients of IRP Loans  |                               |                                       |  |                                    |
| 8  | Principal Payments Received from Ultimate Recipients of REDL Loans |                               |                                       |  |                                    |
| 9  | Principal Payments Received from Ultimate Recipients of EE Loans   |                               |                                       |  |                                    |
|    | <b>TOTAL</b>   | <b>30,772,969</b>             | <b>1,613,588</b>                      | <b>1,214,940</b>                       | <b>2,828,528</b>                   |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

KY0056

PERIOD ENDED

December 2023

INSTRUCTIONS - See help in the online application.

PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY

| CLASSIFICATION  | CONSUMER SALES & REVENUE DATA | DECEMBER<br>(a) | AVERAGE NO. CONSUMERS SERVED<br>(b) | TOTAL YEAR TO DATE<br>(c) |
|---|-------------------------------|-----------------|-------------------------------------|---------------------------|
| 1. Residential Sales (excluding seasonal)                                   | a. No. Consumers Served       | 16,735          | 16,638                              |                           |
|   | b. kWh Sold                   |                 |                                     | 177,962,895               |
|   | c. Revenue                    |                 |                                     | 25,004,171                |
| 2. Residential Sales - Seasonal   | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 3. Irrigation Sales   | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 4. Comm. and Ind. 1000 KVA or Less  | a. No. Consumers Served       | 1,083           | 1,083                               |                           |
|   | b. kWh Sold                   |                 |                                     | 39,014,054                |
|   | c. Revenue                    |                 |                                     | 5,075,779                 |
| 5. Comm. and Ind. Over 1000 KVA   | a. No. Consumers Served       | 8               | 7                                   |                           |
|   | b. kWh Sold                   |                 |                                     | 42,761,836                |
|   | c. Revenue                    |                 |                                     | 2,991,903                 |
| 6. Public Street & Highway Lighting   | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 7. Other Sales to Public Authorities  | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 8. Sales for Resale - RUS Borrowers   | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 9. Sales for Resale - Other   | a. No. Consumers Served       |                 |                                     |                           |
|   | b. kWh Sold                   |                 |                                     |                           |
|   | c. Revenue                    |                 |                                     |                           |
| 10. Total No. of Consumers (lines 1a thru 9a)                               |                               | 17,826          | 17,728                              |                           |
| 11. Total kWh Sold (lines 1b thru 9b)                                       |                               |                 |                                     | 259,738,785               |
| 12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c) |                               |                 |                                     | 33,071,853                |
| 13. Transmission Revenue  |                               |                 |                                     |                           |
| 14. Other Electric Revenue  |                               |                 |                                     | 613,455                   |
| 15. kWh - Own Use   |                               |                 |                                     | 133,494                   |
| 16. Total kWh Purchased   |                               |                 |                                     | 272,077,956               |
| 17. Total kWh Generated   |                               |                 |                                     |                           |
| 18. Cost of Purchases and Generation  |                               |                 |                                     | 22,444,020                |
| 19. Interchange - kWh - Net   |                               |                 |                                     |                           |
| 20. Peak - Sum All kW Input (Metered)<br>Non-coincident ___ Coincident ___  |                               |                 |                                     | 70,537                    |

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION KY0056

PERIOD ENDED December 2023

INSTRUCTIONS - See help in the online application.

**PART P. ENERGY EFFICIENCY PROGRAMS**

| CLASSIFICATION                            | ADDED THIS YEAR         |                        |                                | TOTAL TO DATE           |                        |                                |
|---|-------------------------|------------------------|--------------------------------|-------------------------|------------------------|--------------------------------|
|   | No. of Consumers<br>(a) | Amount Invested<br>(b) | Estimated MMBTU Savings<br>(c) | No. of Consumers<br>(d) | Amount Invested<br>(e) | Estimated MMBTU Savings<br>(f) |
| 1. Residential Sales (excluding seasonal) | 1,280                   | 1,250                  | 238                            | 1,280                   |                        | 238                            |
| 2. Residential Sales - Seasonal           |                         |                        |                                |                         |                        |                                |
| 3. Irrigation Sales                       |                         |                        |                                |                         |                        |                                |
| 4. Comm. and Ind. 1000 KVA or Less        |                         |                        |                                |                         |                        |                                |
| 5. Comm. and Ind. Over 1000 KVA           |                         |                        |                                |                         |                        |                                |
| 6. Public Street and Highway Lighting     |                         |                        |                                |                         |                        |                                |
| 7. Other Sales to Public Authorities      |                         |                        |                                |                         |                        |                                |
| 8. Sales for Resale - RUS Borrowers       |                         |                        |                                |                         |                        |                                |
| 9. Sales for Resale - Other               |                         |                        |                                |                         |                        |                                |
| <b>10. Total</b>                          | <b>1,280</b>            | <b>1,250</b>           | <b>238</b>                     | <b>1,280</b>            |                        | <b>238</b>                     |

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION  
INVESTMENTS, LOAN GUARANTEES AND LOANS

BORROWER DESIGNATION  
KY0056

PERIOD ENDED  
December 2023

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)**

| No        | DESCRIPTION<br>(a)                             | INCLUDED<br>(\$)<br>(b) | EXCLUDED<br>(\$)<br>(c) | INCOME OR LOSS<br>(\$)<br>(d) | RURAL<br>DEVELOPMENT<br>(e) |
|-----------|--|-------------------------|-------------------------|-------------------------------|-----------------------------|
| <b>2</b>  | <b>Investments in Associated Organizations</b> |                         |                         |                               |                             |
|           | Totals   | 1,167,022               | 19,160,294              |                               |                             |
| <b>6</b>  | <b>Cash - General</b>                          |                         |                         |                               |                             |
|           | Totals   |                         | 279,875                 |                               |                             |
| <b>8</b>  | <b>Temporary Investments</b>                   |                         |                         |                               |                             |
|           | Totals   |                         | 1,221,923               |                               |                             |
| <b>9</b>  | <b>Accounts and Notes Receivable - NET</b>     |                         |                         |                               |                             |
|           | Totals   | 93,007                  |                         |                               |                             |
| <b>11</b> | <b>TOTAL INVESTMENTS (1 thru 10)</b>           | 1,260,029               | 20,662,092              |                               |                             |

|  |   |
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| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b><br><b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b> | BORROWER DESIGNATION<br>KY0056<br><br>PERIOD ENDED<br>December 2023 |
|--|---|

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

| PART Q. SECTION II. LOAN GUARANTEES |                                       |                      |                                |                             |                             |
|-------------------------------------|---------------------------------------|----------------------|--------------------------------|-----------------------------|-----------------------------|
| No                                  | ORGANIZATION<br>(a)                   | MATURITY DATE<br>(b) | ORIGINAL AMOUNT<br>(\$)<br>(c) | LOAN BALANCE<br>(\$)<br>(d) | RURAL<br>DEVELOPMENT<br>(e) |
|                                     | <b>TOTAL</b>                          |                      |                                |                             |                             |
|                                     | TOTAL (Included Loan Guarantees Only) |                      |                                |                             |                             |

|  |                                |
|--|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT</b><br><b>ELECTRIC DISTRIBUTION</b><br><b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b> | BORROWER DESIGNATION<br>KY0056 |
|  | PERIOD ENDED<br>December 2023  |

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

| SECTION III. RATIO   |        |
|--|--------|
| RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT<br>[Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report] | 1.41 % |

| SECTION IV. LOANS |                                     |                      |                                |                             |                             |
|-------------------|-------------------------------------|----------------------|--------------------------------|-----------------------------|-----------------------------|
| No                | ORGANIZATION<br>(a)                 | MATURITY DATE<br>(b) | ORIGINAL AMOUNT<br>(\$)<br>(c) | LOAN BALANCE<br>(\$)<br>(d) | RURAL<br>DEVELOPMENT<br>(e) |
| 1                 | Employees, Officers, Directors      |                      |                                |                             |                             |
| 2                 | Energy Resources Conservation Loans |                      |                                |                             |                             |
| <b>TOTAL</b>      |                                     |                      |                                |                             |                             |



**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 24**

**807 KAR 5:001 Section 16(4)(t)**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:*

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;*
- 2. An explanation of how the allocator for the test period was determined; and*
- 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.*

**Response:**

Licking Valley had no amounts charged or allocated to it by an affiliate or general or home office, and Licking Valley did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years.

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 25**

**807 KAR 5:001 Section 16(4)(u)  
Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*If the utility provides gas, electric, water or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.*

**Response:**

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibits JW-3 through JW-8.

**Case No. 2024-00211  
Application-Exhibit 25  
No Attachment**

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 26**

**807 KAR 5:001 Section 16(5)(a)**  
**Sponsoring Witnesses: Sandra N. Bradley and John Wolfram**

**Description of Filing Requirement:**

*A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.*

**Response:**

Please see the Direct Testimony of John Wolfram provided at Exhibit 10. Specifically, the detailed income statement reflecting the impact of all proposed adjustments can be found in Exhibit JW-2, page 3. The balance sheet reflecting the impact of all proposed adjustments can be found in Exhibit JW-2, page 2.

**Case No. 2024-00211**  
**Application-Exhibit 26**  
*No Attachment*

**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 27**

**807 KAR 5:001 Section 16(5)(b)**  
**Sponsoring Witnesses: John Wolfram**

**Description of Filing Requirement:**

*The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.*

**Response:** Licking Valley does not propose any pro forma adjustment for or reflecting plant additions.

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 28**

**807 KAR 5:001 Section 16(5)(c)  
Sponsoring Witnesses: John Wolfram**

**Description of Filing Requirement:**

*For each proposed pro forma adjustment reflecting plant additions, the following information ... [refer to items 1. – 8.]*

**Response:**

Licking Valley does not propose any pro forma adjustments for plant additions. Please see Exhibit 10 of the Application, the Direct Testimony of John Wolfram.

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 29**

**807 KAR 5:001 Section 16(5)(d)  
Sponsoring Witnesses: Sandra V. Bradley and John Wolfram**

**Description of Filing Requirement:**

*The operating budget for each month of the period encompassing the pro forma adjustments.*

**Response:**

Please see attached operating budget.



**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00211  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 30**

**807 KAR 5:001 Section 16(5)(e)  
Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2.



**Licking Valley Rural Electric Cooperative Corporation**  
**Case No. 2024-00211**  
**General Adjustments of Rates**  
**Filing Requirements/Exhibit List**

**Exhibit 31**

**Case No. 2008-00408**  
**Order entered July 24, 2012**  
**Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*“Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options. In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission’s IRP regulation (8097 KAR 5:058).”*

**Response:** In coordination with East Kentucky Power Cooperative, Inc. (“EKPC”), Licking Valley offered the following DSM programs: (1) SimpleSave-AC and Water Heater; (2) Touchstone Energy Home – DSM; (3) Button-Up Weatherization Program – DSM; (4) Heat Pump Retrofit Program – DSM; (5) SimpleSaver-Thermostat; and (6) Energy Star Manufactured Home.

Licking Valley continued to offer Demand-Side Management/Energy Efficiency programs to its members during the test year with the assistance of EKPC. In the test year, Licking Valley paid out \$39,006.00 to its members for these programs, but was reimbursed in full by EKPC, and thus, there was no impact to the test year expenses.

**Case No. 2024-00211**  
**Application-Exhibit 31**  
*No Attachment*

**Licking Valley Rural Electric Cooperative Corporation  
Case No. 2024-00212  
General Adjustments of Rates  
Filing Requirements/Exhibit List**

**Exhibit 32**

**Case No. 2012-00428  
Order entered July 24, 2012  
Sponsoring Witness: Sandra N. Bradley**

**Description of Filing Requirement:**

*A discussion of Smart Grid Investments.*

**Response:**

Please see the Direct Testimony of Sandra N. Bradley, provided at Exhibit 9.

**Case No. 2024-00212  
Application-Exhibit 32  
*No Attachment***