

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CUMBERLAND VALLEY ELECTRIC,)	
INC. FOR AUTHORIZATION TO BORROW \$4,058,113)	
FROM THE NATIONAL COOPERATIVE SERVICES)	CASE NO.
CORPORATION AND EXECUTE NECESSARY NOTE)	2010-00378
AND TO PREPAY RURAL UTILITIES SERVICE)	
5 PERCENT NOTES OF THE SAME AMOUNT)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO
CUMBERLAND VALLEY ELECTRIC, INC.

Cumberland Valley Electric, Inc. ("Cumberland Valley"), pursuant to 807 KAR 5:001, is to file with the Commission an original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. Responses shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Cumberland Valley shall make timely amendment to any response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Cumberland Valley fails or refuses to furnish all or part of the requested information, Cumberland Valley shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in another proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

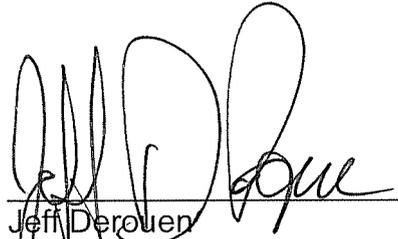
1. Refer to Cumberland Valley's application at page 2. Paragraph 7 states that Cumberland Valley seeks to borrow from the National Cooperative Services Corporation ("NCSC") a total of \$4,058,113.

a. State whether Cumberland Valley inquired with the National Rural Utilities Cooperative Finance Corporation ("CFC") or CoBank, ACB ("CoBank") with respect to refinancing the Rural Utilities Services ("RUS") 5 percent notes.

b. If the response to 1.a. is affirmative, explain why Cumberland Valley chose NCSC over CFC or CoBank for its refinancing of the RUS 5 percent notes. If the response is negative, explain why Cumberland Valley made no such inquiry.

2. The NCSC website states that NCSC's mission "is to . . . provide specialized financing and related financial services to benefit electric cooperatives and their partners." The website indicates that NCSC provides: (1) financing in support of for-profit subsidiaries of electric cooperatives; (2) business solutions to help cooperatives run their businesses more efficiently; (3) transitional and permanent financing for acquisitions and other special projects; and (4) financing for cooperative partners.

- a. Explain how the refinancing proposed by Cumberland Valley in this instance fits into one of the four categories identified on the NCSC website.
- b. Explain whether the proposed refinancing through NCSC should be viewed as an indicator that Cumberland Valley intends to use NCSC in future financing applications.



Jeff Derouen
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DATED OCT 25 2010

cc: Parties of Record

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