

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF)	CASE NO.
CUMBERLAND VALLEY ELECTRIC,)	2010-00499
INC. FROM NOVEMBER 1, 2008)	
THROUGH OCTOBER 31, 2010)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Cumberland Valley Electric, Inc. ("Cumberland Valley") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Cumberland Valley to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested person advised the Commission of his or her intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Cumberland Valley has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Cumberland Valley, has been authorized to transfer (roll-in) to its base

energy rates a negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.¹

3. Cumberland Valley should be authorized to transfer (roll-in) to its base energy rates a negative 6.67 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Cumberland Valley through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

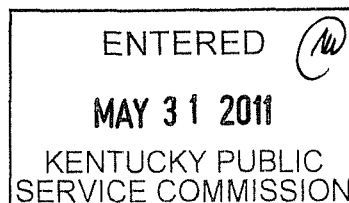
2. Cumberland Valley shall deduct 6.67 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

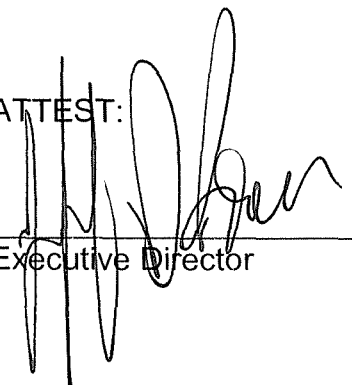
3. The rates in the Appendix to this Order are approved for service rendered by Cumberland Valley on and after June 1, 2011, the effective date of East Kentucky's change in rates.

¹ Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Cumberland Valley shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00499 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Cumberland Valley Electric, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE I
HOME, FARM, SCHOOLS AND CHURCHES

Energy Charge per kWh	\$.08563
Marketing Rate	\$.05138

SCHEDULE II
SMALL COMMERCIAL AND SMALL POWER

<u>Single Phase:</u>		
First 3,000 kWh	\$.09519
Over 3,000 kWh	\$.08880
<u>Three Phase:</u>		
First 3,000 kWh	\$.09519
Over 3,000 kWh	\$.08880

SCHEDULE III
ALL ELECTRIC SCHOOLS

Energy Charge per kWh	\$.07915
-----------------------	----	--------

SCHEDULE IV
LARGE POWER INDUSTRIAL

Energy Charge per kWh	\$.05058
-----------------------	----	--------

SCHEDULE IV-A
LARGE POWER RATE 50 TO 2,500 kW

Energy Charge per kWh	\$.06078
-----------------------	----	--------

SCHEDULE V
LARGE POWER 1,000 TO 2,500 kW

Energy Charge per kWh	\$.05639
-----------------------	-----------

SCHEDULE V-A
LARGE POWER INDUSTRIAL

Energy Charge per kWh	\$.04908
-----------------------	-----------

SCHEDULE VI
SECURITY LIGHTS

Rate per Month:

Mercury Vapor Lamps

175 Watt	\$ 8.25
----------	---------

400 Watt	\$ 12.28
----------	----------

Sodium Lamps

100 Watt Open Bottom	\$ 8.27
----------------------	---------

100 Watt Colonial Post	\$ 9.32
------------------------	---------

100 Watt Directional Flood	\$ 10.03
----------------------------	----------

400 Watt Directional Flood	\$ 15.95
----------------------------	----------

400 Watt Cobra Head	\$ 15.95
---------------------	----------

Ted Hampton
Manager
Cumberland Valley Electric, Inc.
Highway 25E
P. O. Box 440
Gray, KY 40734