

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF	)	
CUMBERLAND VALLEY ELECTRIC,	)	CASE NO. 2004-00471
INC. FROM NOVEMBER 1, 2002 TO	)	
OCTOBER 31, 2004	)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Cumberland Valley Electric, Inc. ("Cumberland Valley") for the two years ended October 31, 2004.

As part of this review, the Commission ordered Cumberland Valley to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Cumberland Valley has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

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

1. Cumberland Valley has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Cumberland Valley, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.<sup>1</sup>

3. Cumberland Valley should be authorized to transfer (roll-in) a 4.87 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 mills per kWh increase in EKPC's base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Cumberland Valley through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Cumberland Valley is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Cumberland Valley on and after June 1, 2005, the effective date of EKPC's change in rates.

4. Within 30 days of the date of this Order, Cumberland Valley shall file with the Commission revised tariff sheets setting out the approved rates.

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<sup>1</sup> Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of May, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00471 DATED May 24, 2005

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 in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE I  
HOME, FARM, SCHOOLS AND CHURCHES

Energy Charge	\$ .05832
Marketing Rate	\$ .03499

SCHEDULE II  
SMALL COMMERCIAL SINGLE PHASE

First 3,000 kWh	\$ .07280
Over 3,000 kWh	\$ .06723

SCHEDULE II  
SMALL COMMERCIAL THREE PHASE

First 3,000 kWh	\$ .07280
Over 3,000 kWh	\$ .06723

SCHEDULE III  
ALL ELECTRIC SCHOOLS

Energy Charge	\$ .05883
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SCHEDULE IV  
LARGE POWER INDUSTRIAL

Energy Charge	\$ .03395
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SCHEDULE IV-A  
LARGE POWER RATE 50 to 2,500 KW

Energy Charge	\$ .04283
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SCHEDULE V  
LARGE POWER 1,000 TO 2,500 KW

Energy Charge	\$ .03902
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SCHEDULE V-A  
LARGE POWER INDUSTRIAL

Energy Charge	\$ .03266
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SCHEDULE VI  
SECURITY LIGHTS

Rate per Month:

Mercury Vapor Lamps

175 Watt	\$ 5.94
400 Watt	\$ 8.11

Sodium Lamps

100 Watt Open Bottom	\$ 5.94
100 Watt Colonial Post	\$ 6.78
100 Watt Directional Flood	\$ 7.34
400 Watt Directional Flood	\$ 11.40
400 Watt Cobra Head	\$ 11.40