

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF)	CASE NO.
CUMBERLAND VALLEY ELECTRIC, INC.)	2005-00187

O R D E R

On December 15, 2005, the Commission cancelled the previously scheduled hearing in this matter and directed that the hearing would be rescheduled by subsequent Order. By this Order we schedule the hearing and establish the parameters therefor.

At the request of the Office of the Attorney General ("AG"), the Commission issued subpoenas for, and scheduled the depositions of, certain present and former employees of Cumberland Valley Electric, Inc. ("Cumberland") for December 19-20, 2005. With the exception of one, the depositions were held as scheduled. On January 13, 2006, the AG filed a list of witnesses he reserved the right to call at hearing. Cumberland filed the names of the witnesses it reserved the right to call.

Having reviewed the depositions and being otherwise sufficiently advised, the Commission finds that allegations of inappropriate management and operation of Cumberland were raised at the depositions. While the Commission does not take these allegations lightly, it appears that many of them concern activities that happened outside the test year. As a result, the allegations affect neither the test-year expenses nor the rates that are to be established at the conclusion of this proceeding. Therefore, we find

that the testimony and cross-examination of witnesses at the hearing should be limited to the issues that are relevant to the rates being established herein. The Commission will determine the appropriate actions, if any, that should be taken regarding the management and operations of Cumberland when this case is concluded.

IT IS THEREFORE ORDERED that:

1. A hearing shall be held in this matter on April 11, 2006, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. Cumberland shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, it shall forward a duplicate of the notice and request to the Commission.

3. All testimony and cross-examination shall be limited to the test-year expenses and any appropriate adjustments thereto.

4. Neither opening statements nor summarization of direct or rebuttal testimonies shall be permitted.

Done at Frankfort, Kentucky, this 14th day of March, 2006.

By the Commission

ATTEST:



Executive Director