

CUMBERLAND VALLEY ELECTRIC, INC.  
CASE NO, 2005-00187

STATEMENT OF OPERATIONS

	Revenue Adjustments		Expense Adjustments						
	Actual Test Year	Normalized for Current Base Rates	Normalized Purchased Power	Normalized Interest Expense					
	1	2	3	4					
	Year End # of Consumers	5	6	7					
	8	9	10	11					
Operating Revenue									
Base Rates	28,510,045	(266,585)	94,367						
Fuel Adjustment	-								
Other Revenue	869,646								
Total Operating Revenue	29,379,691	(266,585)	94,367						
Purchased Power									
Base Rates	21,362,665		68,856		(183,647)				
Fuel Adjustment	-								
Green Power	244								
Total Purchased Power	21,362,909		68,856		(183,647)				
Gross Margin	8,016,782	(266,585)	25,511		183,647				
Distribution Expenses									
Distribution Operations	1,126,484								
Distribution Maintenance	1,812,547								
Consumer Accounts	958,114								
Customer Service	147,917								
Sales	-								
Administrative & General	1,097,455								
Depreciation	2,012,606					288,207			
Taxes-Property	-								
Taxes-other	30,111								
Interest on Long Term Debt	874,856						140,234		
Interest Expense - Other	45,173								
Other Deductions	9,736								
Total Distribution Expenses	8,114,999	-	-		288,207	140,234	134,053	9,940	16,013
Total Cost of Electric	29,477,908	(266,585)	68,856		(183,647)	288,207	134,053	9,940	16,013
Operating Margin	(98,217)	(266,585)	25,511		183,647	(288,207)	(140,234)	(9,940)	(16,013)
Non-operating Margins-Interest	111,423								
Non-operating Margins-Other	-								
Capital Credits	-								
G&T	39,243								
Other	-								
Net Margins	52,449	(266,585)	25,511		183,647	(288,207)	(140,234)	(9,940)	(16,013)

CUMBERLAND VALLEY ELECTRIC, INC.  
CASE NO, 2005-00187

STATEMENT OF OPERATIONS

	Expense Adjustments				Total Adjustments	Adjusted Statement of Operations	Amount of Increase in Revenue	Adjusted Statement of Operations with Increase
	Donations	Rate Case Expense	Non-Recurring Expenses	Property Taxes				
Operating Revenue								
Base Rates					(172,218)	28,337,827	1,394,876	29,732,702
Fuel Adjustment					-	-	-	-
Other Revenue					-	869,646	-	869,646
Total Operating Revenue	-	-	-	-	(172,218)	29,207,473	1,394,876	30,602,348
Purchased Power								
Purchased Power Base Rates					(114,791)	21,247,874	-	21,247,874
Fuel Adjustment					-	-	-	-
Green Power					-	244	-	244
Total Purchased Power	-	-	-	-	(114,791)	21,248,118	-	21,248,118
Gross Margin	-	-	-	-	(57,427)	7,959,355	1,394,876	9,354,231
Distribution Expenses								
Distribution Operations					-	-	-	-
Distribution Maintenance					38,385	1,164,869	-	1,164,869
Consumer Accounts					61,763	1,874,310	-	1,874,310
Customer Service					32,648	990,762	-	990,762
Sales					5,040	152,957	-	152,957
Administrative & General					-	895,720	-	895,720
Depreciation					(79,066)	2,300,813	-	2,300,813
Taxes-Property					3,249	-	-	-
Taxes-other					-	30,111	-	30,111
Interest on Long Term Debt					-	1,015,090	-	1,015,090
Interest Expense - Other					140,234	45,173	-	45,173
Other Deductions	(9,736)	20,000			10,264	20,000	-	20,000
Total Distribution Expenses	(9,736)	20,000	(79,066)	15,226	374,807	8,489,806	-	8,489,806
Total Cost of Electric	(9,736)	20,000	(79,066)	15,226	260,016	29,737,924	-	29,737,924
Operating Margin	9,736	(20,000)	79,066	(15,226)	(432,234)	(530,451)	1,394,876	864,424
Non-operating Margins-Interest					-	-	-	-
Non-operating Margins-Other					-	111,423	-	111,423
Capital Credits					-	-	-	-
G&T					-	-	-	-
Other					-	39,243	-	39,243
Net Margins	9,736	(20,000)	79,066	(15,226)	(432,234)	(379,785)	1,394,876	1,015,090

Cumberland Valley Electric Cooperative  
Case No. 2005-00187  
Balance Sheet  
December 31, 2004

Exhibit T  
Schedule 2  
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<u>ASSETS</u>	<u>2004</u>
Electric Plant:	
In service	\$61,817,626
Under construction	62,085
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	61,879,711
Less accumulated depreciation	22,505,132
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	39,374,579
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Investments	10,375,406
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Current Assets:	
Cash and temporary investments	157,514
Note receivable	25,000
Accounts receivable, net	4,531,681
Other receivables	0
Material and supplies	311,979
Prepayments	0
Other current assets	16,034
	<hr/>
	5,042,208
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Past service pension costs	825,768
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Total Assets	\$55,617,961
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<u>MEMBERS' EQUITIES AND LIABILITIES</u>	
Margins and Equities:	
Memberships	\$402,600
Patronage capital	23,061,457
Other equities	51,129
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	23,515,186
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Long Term Debt	26,201,231
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Accumulated Operating Provisions	1,231,087
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Current Liabilities:	
Accounts payable	2,898,713
Consumer deposits	785,533
Accrued expenses	965,846
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	4,650,092
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Consumer advances for construction	20,365
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Total Members' Equities and Liabilities	\$55,617,961
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Cumberland Valley Electric Cooperative  
Case No. 2005-00187  
Statement of Cash Flows  
December 31, 2004

Exhibit T  
Schedule 3  
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	<u>2004</u>
Cash Flows from Operating Activities:	
Net margins	\$52,449
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation	
Charged to expense	2,012,606
Charged to clearing accounts	197,916
Patronage capital credits	(39,243)
Accumulated postretirement benefits	56,886
Net change in current assets and liabilities:	
Receivables	(460,339)
Material and supplies	(46,754)
Prepayments	93
Past service pension costs	117,973
Accounts payables	487,109
Consumer deposits and advances	6,863
Accrued expenses	<u>(70,168)</u>
Net cash provided by operating activities	<u>2,315,391</u>
 Cash Flows from Investing Activities:	
Plant additions	(4,025,127)
Salvage recovered from plant retired	64,245
Additional investments, net of receipts	<u>6,521</u>
Net cash used for investing activities	<u>(3,954,361)</u>
 Cash Flows from Financing Activities:	
Net increase in memberships	6,285
Retirement of patronage capital	(237,435)
Other equities	1,372
Repayment of note payable	-
Additional long-term borrowings	2,200,000
Payments on long-term debt	(1,061,086)
Use of cushion of credit	<u>(51,272)</u>
Net cash provided by financing activities	<u>857,864</u>
 Net increase in cash	(781,106)
 Cash balances - beginning	<u>938,620</u>
 Cash balances - ending	<u><u>\$157,514</u></u>