


CUMBERLAND VALLEY ELECTRIC

PSC CASE 2006-00477
FILING FOR PASS-THROUGH OF EAST
KENTUCKY POWER COOPERATIVE, INC.
WHOLESALE RATE ADJUSTMENT
IN PSC CASE NO. 2006-00472

FILED 1/29/07



Cumberland Valley Electric

A Touchstone Energy Cooperative 

January 29, 2007

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

JAN 29 2007

PUBLIC SERVICE
COMMISSION

Re: Cumberland Valley Electric Pass-Through of East Kentucky Power Cooperative,
Inc. Wholesale Rate Adjustment- PSC Case No. 2006-00477

Dear Ms. O'Donnell:

Cumberland Valley Electric ("Cumberland Valley") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:


1. Cumberland Valley's Proposed Tariffs are attached as Exhibit I.
2. The name and filing address of the filing cooperative is:
Cumberland Valley Electric
Highway 25E
P.O. Box 440
Gray, KY 40734
3. In accordance with the provisions of KRS 278.455(2), Cumberland Valley hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.
4. A comparison of the current and proposed rates of Cumberland Valley is attached as Exhibit II.
5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Cumberland Valley was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C"

Ted Hampton • President & CEO

P.O. Box C • Cumberland, KY 40823
Phone: (606) 589-4421 • 1-800-589-4421 • FAX: (606) 589-5297



Cumberland Valley Electric

A Touchstone Energy Cooperative 

Ms. Elizabeth O'Donnell

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January 29, 2007

industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E" customer class. Cumberland Valley, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C" rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

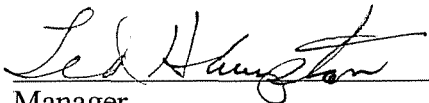
6. A certification that a copy of this filing has have been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Cumberland Valley. A copy of this notice is attached as Exhibit V.

Cumberland Valley hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

CUMBERLAND VALLEY ELECTRIC



Manager

Ted Hampton • President & CEO

P.O. Box C • Cumberland, KY 40823
Phone: (606) 589-4421 • 1-800-589-4421 • FAX: (606) 589-5297

EXHIBIT I

Page 1 of 8

Form for filing Rate Schedules

For Entire Territory Served
Community, Town, or City

P.S.C. NO.4

CUMBERLAND VALLEY ELECTRIC, INC.
Gray, Ky. 40734

Second Revised SHEET NO. 2
Canceling First Revised SHEET No. 2

CLASSIFICATION OF SERVICE

Rates For Residential, Schools and Churches Schedule 1

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Residential, Schools and Churches.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge \$5.00 Per month per customer
ALL KWH .06845 I

MARKETING RATE:

Available to Consumers eligible for Tariff Schedule 1

The electric power and energy furnished under this section shall be separately metered for each point of delivery. This retail marketing rate applies only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Ky. Power Cooperatives Wholesale Power Rate Schedule A.

Marketing rate for all kwh per month
PER KWH .04266 I

This rate is only applicable during the below listed OFF-PEAK hours:

<u>MONTHS</u>	<u>OFF-PEAK HOURS-EST</u>
OCTOBER thru APRIL	12:00 NOON TO 5:00 P.M.
	10:00 P.M. TO 7:00 A.M.
MAY thru SEPTEMBER	10:00 p.m. TO 10:00 A.M.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____

TITLE: Manager

Form for filing Rate Schedules

For Entire Territory Served
Community, Town or City

CUMBERLAND VALLEY ELECTRIC, INC
Gray, Ky. 40734

P.S.C. NO. 4
First Revised SHEET NO. 5
Canceling ORIGINAL SHEET NO. 5

CLASSIFICATION OF SERVICE

Small Commercial and Small Power
APPLICABLE

Schedule II

Entire Territory served.

AVAILABILITY OF SERVICE

Available to all commercial and small power service under
50 KW.

TYPE OF SERVICE

(N) SINGLE PHASE

ENERGY CHARGE: Customer charge \$5.00 per month per
customer

First 3,000 KWH	\$.07678	I
Over 3,000 KWH	\$.07121	I

(N) THREE PHASE WHERE AVAILABLE

DEMAND CHARGE: Per KW of billing demand \$3.68

ENERGY CHARGE: Customer charge \$5.00 per month per
customer

First 3,000 KWH	\$.07678	I
Over 3,000 KWH	\$.07121	I

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand
established by the Consumer for any period of 15
consecutive minutes during the month for which the bill is
rendered, as indicated or recorded by a demand meter.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be
\$5.00 where 5 KVA or less transformer capacity is required.
Each customer who requires more than 5 KVA of transformer
capacity shall pay in addition to the above minimum, .75 on
each additional KVA or fraction thereof required.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____

TITLE: Manager

EXHIBIT I
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Form for filing Rate Schedules

For Entire Territory Served

Community, Town or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

First Revised SHEET NO. 7

Gray, Ky. 40734

Canceling ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

All Three Phase Schools and Churches Schedule III

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all public or non-profit private schools and churches whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, three phase service, present facilities permitting and at the following nominal voltages: Three phase, 120/240, 120/208Y, 240/480, 277/480Y volts.

RATE

All KWH

\$.06281 I

MINIMUM CHARGE

The minimum annual charge will be not less than \$.75 per KVA of required transformer capacity as determined by the Cooperative.

TERM OF CONTRACT

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power".

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____

TITLE: Manager

EXHIBIT I

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Form for filing Rate Schedules

For Entire Territory Served
Community, Town or City

CUMBERLAND VALLEY ELECTRIC, INC.
Gray, Ky. 40734

P.S.C. NO. 4
First Revised SHEET NO. 9
Canceling ORIGINAL SHEET NO. 9

CLASSIFICATION OF SERVICE

Large Power- Industrial

Schedule IV

APPLICABLE

In all Territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 2500 KW for lighting and/or heating and/or power.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE

The electric service furnished under this Schedule will be 60 cycle alternating current and at available nominal voltage.

RATE

DEMAND CHARGE: Per KW of billing demand \$5.71

ENERGY CHARGE:

ALL KWH

\$.03793 I

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for a period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____

TITLE: Manager

EXHIBIT I

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Form for filing Rate Schedules

For Entire Territory Served
Community, Town, or City
P.S.C. No. 4

CUMBERLAND VALLEY ELECTRIC, INC.
Gray, Ky. 40734

First Revised SHEET NO. 15
Canceling ORIGINAL SHEET No. 15

CLASSIFICATION OF SERVICE

Large Power Rate - 1000 kw to 2,500 kw

Schedule V

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers willing to contract for a kilowatt demand of 1,000 kw to 2,500 KW with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

CONDITIONS

The consumer shall execute an "Industrial Power Agreement" with the Seller under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60 cycle alternating current and at available nominal voltage.

MONTHLY RATE

<u>Consumer Charge:</u>	\$ 535.00	
<u>Demand Charge:</u>	\$ 7.29 per kw of contract demand	I
	\$ 9.72 per kw for all billing	I
	demand in excess of contract demand	
<u>Energy Charge:</u>	\$ 0.03902 per KWH	

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____

TITLE: Manager

EXHIBIT I

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Form for filing Rate Schedules

For Entire Territory Served
Community, Town, or City
P.S.C. No. 4
First Revised SHEET NO. 19
Canceling ORIGINAL SHEET NO. 19

CUMBERLAND VALLEY ELECTRIC, INC.
Gray, Ky. 40734

CLASSIFICATION OF SERVICE

Large Power - Industrial

Schedule V-A

APPLICABLE

In all Territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers willing to contract for a kilowatt demand in excess of 2500 kw with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

CONDITIONS

The consumer shall execute an "Industrial Power Agreement" with the Seller of a service under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

CHARACTER OF SERVICE

The electric service furnished under this Schedule will be 60 cycle alternating current and at available nominal voltage.

RATES PER MONTH

<u>Consumer Charge:</u>	\$	1,069.00	
<u>DEMAND CHARGE;</u>	\$	7.29 per kw of contract demand	I
	\$	9.72 per kw for all billing demand in excess of contract demand	I
<u>Energy Charge:</u>	\$.03266 PER KWH	

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY; _____

TITLE: Manager

EXHIBIT I
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Form for filing Rate Schedules

For Entire Territory Served
Community, Town or City
P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.
Gray, Ky. 40734

Second Revised SHEET NO. 23
Canceling First Revised SHEET NO. 23

CLASSIFICATION OF SERVICE

Outdoor Lighting-Security Lights Schedule VI

AVAILABILITY

Available to all consumers of the Cooperative for dusk to dawn outdoor lighting in close proximity to existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

Mercury Vapor Lamps

1)	175 Watt	\$ 6.78 Per Lamp Per Month I
2)	400 Watt	\$ 9.25 Per Lamp Per Month I

Other Lamps

1)	100 Watt OPEN BOTTOM	\$ 6.73 Per Lamp Per Month I
2)	100 Watt COLONIAL POST	\$ 7.68 Per Lamp Per Month I
3)	100 Watt DIRECTIONAL FLOOD	\$ 8.31 Per Lamp Per Month I
4)	400 Watt DIRECTIONAL FLOOD	\$ 13.03 Per Lamp Per Month I
5)	400 Watt COBRA HEAD	\$ 13.03 Per Lamp Per Month I

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, operate, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing secondary pole.
2. The lighting equipment shall remain the property of the Cooperative. The Consumer shall protect the lighting equipment from deliberate damage.
3. The Consumer shall allow authorized representatives of the Cooperative to enter upon the Consumer's premises and to trim trees and shrubs as necessary for maintenance of the lighting equipment and for removal of lighting equipment upon termination of service under this schedule.

Date of Issue: January 29, 2007

Date Effective: April 1, 2007

Issued By: _____

Title: Manager

EXHIBIT II
Page 1 of 1

The present and proposed rates structures of Cumberland Valley Electric, Inc are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Sch I: Residential, Schools & Churches		
Customer charge per month	\$5.00	\$5.00
All kWh	\$0.06447	\$0.06845
Off-peak marketing rate	\$0.03868	\$0.04266
Sch II: Small Commercial & Small Power		
Single phase customer charge per month	\$5.00	\$5.00
Single phase energy charge – First 3,000 kWh	\$0.07280	\$0.07678
Single phase energy charge – Over 3,000 kWh	\$0.06723	\$0.07121
Three phase customer charge per month	\$5.00	\$5.00
Three phase demand charge per kW	\$3.68	\$3.68
Three phase energy charge – First 3,000 kWh	\$0.07280	\$0.07678
Three phase energy charge – Over 3,000 kWh	\$0.06723	\$0.07121
Sch III: All Three Phase Schools & Churches		
All kWh	\$0.05883	\$0.06281
Sch IV: Large Power – Industrial		
Demand charge per kW	\$5.71	\$5.71
All energy per kWh	\$0.03395	\$0.03793
Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW		
Demand charge per kW	\$3.68	\$3.68
Energy charge per kWh	\$0.04283	\$0.04681
Sch V: 1,000 to 2,500 kW		
Consumer charge	\$535.00	\$535.00
Demand charge per kW - Contract	\$5.39	\$7.29
Demand charge per kW – Excess	\$7.82	\$9.72
Energy charge per kWh	\$0.03902	\$0.03902
Sch V-A: Large Power – Industrial		
Consumer charge	\$1,069.00	\$1,069.00
Demand charge per kW - Contract	\$5.39	\$7.29
Demand charge per kW – Excess	\$7.82	\$9.72
Energy charge per kWh	\$0.03266	\$0.03266
Sch VI: Outdoor Lighting – Security Lights (rate per month)		
Mercury Vapor Lamps		
175 watt	\$6.50	\$6.78
400 watt	\$8.87	\$9.25
Other Lamps (rate per month)		
100 watt Open Bottom	\$6.50	\$6.73
100 watt Colonial Flood	\$7.42	\$7.68
100 watt Directional Flood	\$8.03	\$8.31
400 watt Directional Flood	\$12.47	\$13.03
400 watt Cobra Head	\$12.47	\$13.03

Cumberland Valley					
Billing Analysis					
for the 12 months ended September 30, 2006					
	Total	Total	Total	\$ Increase	% Increase
Residential	25,016,773	26,221,229.09	1,204,456	4.81%	
H-1	60,756	65,509	4,753	7.82%	
C-1	1,166,415	1,218,025	51,610	4.42%	
C-2	920,886	958,179	37,293	4.05%	
E-1	919,688	970,697	51,008	5.55%	
P-1	2,714,200	2,889,228	175,028	6.45%	
L-1	7,066,926	7,473,058	406,131	5.75%	
Street Lighting and Security Lights	960,202	1,001,818	41,616	4.33%	
	38,825,846	40,797,742	1,971,896	5.08%	

EXHIBIT III
Page 2 of 6

Cumberland Valley								
Billing Analysis								
for the 12 months ended September 30, 2006								
Schedule 1								
Residential								
R-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	261,679	\$5.00	\$1,308,395	261,679	\$5.00	\$1,308,395	\$0	0.00%
							\$0	#DIV/0!
Energy charge per kWh	302,483,213	\$ 0.06447	19,501,093	302,483,213	\$0.06845	20,705,549	\$1,204,456	6.18%
							\$0	#DIV/0!
Total from base rates			20,809,488			22,013,944	\$1,204,456	5.79%
							\$0	#DIV/0!
Fuel adjustment			2,496,508			2,496,508	\$0	0.00%
Environmental surcharge			1,710,777			1,710,777	\$0	0.00%
Total revenues			\$25,016,773			\$26,221,229	\$1,204,456	4.81%
Average Bill			\$95.60			\$100.20	\$4.60	4.81%
Cumberland Valley								
Billing Analysis								
for the 12 months ended September 30, 2006								
Schedule 2								
H-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	1,102	\$0.00	\$0	1,102	\$0.00	\$0	\$0	#DIV/0!
							\$0	#DIV/0!
Energy charge per kWh	1,193,612	\$ 0.03868	46,169	1,193,612	\$0.04266	50,922	\$4,753	10.29%
							\$0	#DIV/0!
Total from base rates			46,169			50,922	\$4,753	10.29%
							\$0	#DIV/0!
Fuel adjustment			10,792			10,792	\$0	0.00%
Environmental surcharge			3,796			3,796	\$0	0.00%
Total revenues			\$60,756			\$65,509	\$4,753	7.82%
Average Bill			\$55.13			\$59.45	\$4.31	7.82%

EXHIBIT III
Page 3 of 6

Cumberland Valley								
Billing Analysis								
for the 12 months ended September 30, 2006								
Schedule 3								
C-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	14,343	\$5.00	\$ 71,715	14,343	\$5.00	\$ 71,715	\$0	0.00%
Demand Charge	0.00	\$3.68	\$ -	0	\$3.68	-	\$0	#DIV/0!
Energy charge per kWh							\$0	#DIV/0!
0-3000 kWh	6,661,730	\$0.07280	484,974	6,661,730	\$0.07678	511,500	\$26,526	5.47%
>3000	6,299,426	\$0.06723	423,510	6,299,426	\$0.07121	448,594	\$25,084	5.92%
Total from base rates			980,199			1,031,809	\$51,610	5.27%
Fuel adjustment			105,632			105,632	\$0	0.00%
Environmental surcharge			80,584			80,584	\$0	0.00%
Total revenues			1,166,415			1,218,025	\$51,610	4.42%
Average Bill			\$ 81.32			\$ 84.92	\$ 3.60	4.42%

Cumberland Valley								
Billing Analysis								
for the 12 months ended September 30, 2006								
Schedule 4								
C-2								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	1,567	\$5.00	\$ 7,835	1,567	\$5.00	\$ 7,835	\$0	0.00%
Demand Charge	37,570.80	\$3.68	\$ 138,261	37,571	\$3.68	138,261	\$0	0.00%
Energy charge per kWh							\$0	#DIV/0!
0-3000 kWh	796,335	\$0.07280	57,973	796,335	\$0.07678	61,144	\$3,171	5.47%
>3000	8,569,268	\$0.06723	576,112	8,569,268	\$0.07121	610,234	\$34,122	5.92%
Total from base rates			780,181			817,473	\$37,293	4.78%
Fuel adjustment			76,566			76,566	\$0	0.00%
Environmental surcharge			64,140			64,140	\$0	0.00%
Total revenues			920,886			958,179	\$37,293	4.05%
Average Bill			\$ 587.67			\$ 611.47	\$ 23.80	4.05%

EXHIBIT III
Page 4 of 6

Cumberland Valley Billing Analysis for the 12 months ended September 30, 2006								
Schedule 5								
E-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	398	\$0.00	\$0	398	\$0.00	\$0	\$0	#DIV/0!
							\$0	#DIV/0!
Energy charge per kWh	12,810,104	\$ 0.05883	753,618	12,810,104	\$0.06281	804,627	\$51,008	6.77%
							\$0	#DIV/0!
Total from base rates			753,618			804,627	\$51,008	6.77%
							\$0	#DIV/0!
Fuel adjustment			104,114			104,114	\$0	0.00%
Environmental surcharge			61,956			61,956	\$0	0.00%
Total revenues			\$919,688			\$970,697	\$51,008	5.55%
Average Bill			\$2,310.77			\$2,438.94	\$128.16	5.55%

Cumberland Valley Billing Analysis for the 12 months ended September 30, 2006								
Schedule 6								
P-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	24	\$0.00	\$0	24	\$0.00	\$0	\$0	#DIV/0!
							\$0	#DIV/0!
Demand Charge	119,000.56	\$5.71	\$679,493	119,001	\$5.71	\$679,493.21	\$0	0.00%
							\$0	#DIV/0!
Energy Charge							\$0	#DIV/0!
All kWh	43,956,000	\$0.03395	1,492,306	43,956,000	\$0.03793	1,667,334	\$175,028	11.73%
Total Baseload Charges			\$2,171,799			\$2,346,828	\$175,028	8.06%
Fuel adjustment			363,853			363,853	\$0	0.00%
Environmental surcharge			178,547			178,547	\$0	0.00%
Total Revenues			\$2,714,200			\$2,889,228	\$175,028	6.45%
Average Bill			\$ 113,091.65			\$ 120,384.49	7,292.84	6.45%

EXHIBIT III
Page 5 of 6

Cumberland Valley								
Billing Analysis								
for the 12 months ended September 30, 2006								
Schedule 7								
L-1								
	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	24	\$0.00	\$0	24	\$0.00	\$0	\$0	#DIV/0!
Demand Charge	377,399.65	\$3.68	\$1,388,831	377,400	\$3.68	\$1,388,830.69	\$0	0.00%
Energy Charge							\$0	#DIV/0!
All kWh	101,994,465	\$0.04283	4,368,423	101,994,465	\$0.04681	4,774,554	\$406,131	9.30%
Total Baseload Charges			\$5,757,254			\$6,163,385	\$406,131	7.05%
Fuel adjustment			836,361			836,361	\$0	0.00%
Environmental surcharge			473,312			473,312	\$0	0.00%
Total Revenues			\$7,066,926			\$7,473,058	\$406,131	5.75%
Average Bill			\$ 294,455.26			\$ 311,377.40	16,922.14	5.75%

Cumberland Valley
Billing Analysis
for the 12 months ended September 30, 2006

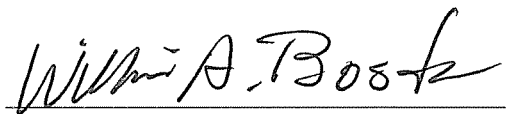
Street Lighting and Security Lights
Outdoor Lighting

kWh	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues	Billing Determinants	Total kWh			Rate	Annualized Revenues
175 WATT MERCURY VAPOR	70	108,828	\$6.50	\$707,382.00	108,828	7,617,960	\$6.78	737,716	30,334	4.29%
400 WATT MERCURY VAPOR	0	0	\$8.87	\$0.00	0	0	\$9.25	0	0	#DIV/0!
100 WATT HIGH PRESSURE SODIUM OPEN BOT	0	0	\$6.50	\$0.00	0	0	\$6.73	0	0	#DIV/0!
100 WATT HIGH PRESSURE SODIUM COLONIAL	0	0	\$7.42	\$0.00	0	0	\$7.68	0	0	#DIV/0!
100 WATT HIGH PRESSURE SODIUM DIRECTION	70	252	\$8.03	\$2,023.56	252	17,640	\$8.31	2,094	70	3.47%
400 WATT HIGH PRESSURE SODIUM DIRECTION	140	9,648	\$12.47	\$120,310.56	9,648	1,350,720	\$13.03	125,689	5,378	4.47%
400 WATT HIGH PRESSURE SODIUM COBRA HE	140	10,464	\$12.47	\$130,486.08	10,464	1,464,960	\$13.03	136,319	5,833	4.47%
		129,192		\$960,202.20	129,192	10,451,280		1,001,818	41,616	4.33%

CUMBERLAND VALLEY ELECTRIC

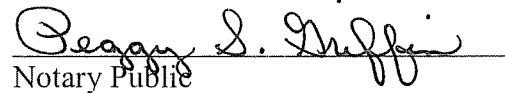
CASE NO. 2006-00477

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



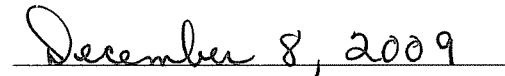
William A. Bosta
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.



Notary Public

My Commission expires



NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Cumberland Valley Electric, Inc. of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on January 29, 2007, Case No. 2006-00477. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Cumberland Valley Electric, Inc. The amount and percent of increase by rate class are listed below.

<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
Sch I: Residential, Schools & Churches	\$1,209,209	4.82%
Sch II: Small Commercial & Small Power	\$88,903	4.26%
Sch III: All Three Phase Schools & Churches	\$51,008	5.55%
Sch IV: Large Power – Industrial	\$175,028	6.45%
Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW	\$406,131	5.75%
Sch VI: Outdoor Lighting – Security Lights	\$41,616	4.33%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent</u>
Sch I: Residential, Schools & Churches	\$4.60	4.82%
Sch II: Small Commercial & Small Power	\$5.59	4.26%
Sch III: All Three Phase Schools & Churches	\$128.16	5.55%
Sch IV: Large Power – Industrial	\$7,292.84	6.45%
Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW	\$16,922.14	5.75%
Sch VI: Outdoor Lighting – Security Lights	\$0.32	4.33%

The present and proposed rates structures of Cumberland Valley Electric, Inc are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Sch I: Residential, Schools & Churches		
Customer charge per month	\$5.00	\$5.00
All kWh	\$0.06447	\$0.06845
Off-peak marketing rate	\$0.03868	\$0.04266
Sch II: Small Commercial & Small Power		
Single phase customer charge per month	\$5.00	\$5.00
Single phase energy charge – First 3,000 kWh	\$0.07280	\$0.07678
Single phase energy charge – Over 3,000 kWh	\$0.06723	\$0.07121
Three phase customer charge per month	\$5.00	\$5.00
Three phase demand charge per kW	\$3.68	\$3.68
Three phase energy charge – First 3,000 kWh	\$0.07280	\$0.07678
Three phase energy charge – Over 3,000 kWh	\$0.06723	\$0.07121
Sch III: All Three Phase Schools & Churches		
All kWh	\$0.05883	\$0.06281

Sch IV: Large Power – Industrial

Demand charge per kW	\$5.71	\$5.71
All energy per kWh	\$0.03395	\$0.03793

Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW

Demand charge per kW	\$3.68	\$3.68
Energy charge per kWh	\$0.04283	\$0.04681

Sch V: 1,000 to 2,500 kW

Consumer charge	\$535.00	\$535.00
Demand charge per kW - Contract	\$5.39	\$7.29
Demand charge per kW – Excess	\$7.82	\$9.72
Energy charge per kWh	\$0.03902	\$0.03902

Sch V-A: Large Power – Industrial

Consumer charge	\$1,069.00	\$1,069.00
Demand charge per kW - Contract	\$5.39	\$7.29
Demand charge per kW – Excess	\$7.82	\$9.72
Energy charge per kWh	\$0.03266	\$0.03266

Sch VI: Outdoor Lighting – Security Lights (rate per month)

Mercury Vapor Lamps		
175 watt	\$6.50	\$6.78
400 watt	\$8.87	\$9.25
Other Lamps (rate per month)		
100 watt Open Bottom	\$6.50	\$6.73
100 watt Colonial Flood	\$7.42	\$7.68
100 watt Directional Flood	\$8.03	\$8.31
400 watt Directional Flood	\$12.47	\$13.03
400 watt Cobra Head	\$12.47	\$13.03

The rates contained in this notice are the rates proposed by Cumberland Valley Electric, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Cumberland Valley Electric, Inc. at the following address:

Cumberland Valley Electric, Inc
Highway 25E
Gray, KY 40734
(606) 589-4421

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.