



Cumberland Valley Electric

A Touchstone Energy Cooperative

RECEIVED

SEP 18 2014

PUBLIC SERVICE
COMMISSION

September 18, 2014

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Re: Application of Cumberland Valley Electric Cooperative
Corporation for an Adjustment of Rates
Case No. 2014-00159

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the responses to the Commission's Order "Commission Staff's Third Request for Information to Cumberland Valley Electric Cooperative Corporation." dated September 8, 2014.

Please contact me at should you have any questions regarding this filing.

Respectfully submitted,

W. Patrick Hauser
P.O. Box 1900
Barbourville, Kentucky 40906
606-546-3811
phauser@barbourville.com
Attorney for Cumberland Valley Electric, Inc.

Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 18 2014

PUBLIC SERVICE
COMMISSION

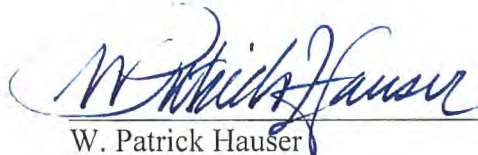
In the Matter of adjustment of Rates
Of Cumberland Valley Electric Cooperative
Corporation

Case No. 2014-00159

APPLICANT'S RESPONSES TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

The applicant, Cumberland Valley Electric Cooperative Corporation, makes the following responses to the "Commission Staff's Third Request for Information", as follows:

1. The witnesses who are prepared to answer questions concerning each request are Jim Adkins, Robert Tolliver and Barbara Elliott.
2. Robert Tolliver, Office Manager of Cumberland Valley Electric, Inc is the person supervising the preparation of the responses on behalf of the applicant.
3. The responses and Exhibits are attached hereto and incorporated by reference herein.



W. Patrick Hauser
P.O. Box 1900
Barbourville, Kentucky 40906
606-546-3811
phauser@barbourville.com
Attorney for Cumberland Valley Electric, Inc.

The undersigned, Robert Tolliver, as Office Manager of Cumberland Valley Electric, Inc, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: September 18th, 2014

CUMBERLAND VALLEY ELECTRIC, INC

By: Robert Tolliver
ROBERT TOLLIVER, OFFICE MANAGER

Subscribed, sworn to, and acknowledged before me by Robert Tolliver, as Office Manager for Cumberland Valley Electric, Inc on behalf of said Corporation this 18 day of September, 2014.

Haren Dale Miller
Notary Public, Kentucky State At Large

My Commission Expires: 4-11-2018

The undersigned, Jim Adkins, as Consultant for Cumberland Valley Electric, Inc, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: September 18th, 2014

By: James R. Adkins
JIM ADKINS, CONSULTANT

Subscribed, sworn to, and acknowledged before me by Jim Adkins, as Consultant for Cumberland Valley Electric, Inc on behalf of said Corporation this 18 day of September, 2014.

Karen Dale Miller
Notary Public, Kentucky State At Large

My Commission Expires: 4-11-2018

The undersigned, Barbara Elliott, as Accounting Supervisor of Cumberland Valley Electric, Inc, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: September 18, 2014

CUMBERLAND VALLEY ELECTRIC, INC

By: Barbara Elliott
BARBARA ELLIOTT, ACCOUNTING SUPERVISOR

Subscribed, sworn to, and acknowledged before me by Barbara Elliott, as Accounting Supervisor for Cumberland Valley Electric, Inc on behalf of said Corporation this 18 day of September, 2014.

Haren Dale Miller
Notary Public, Kentucky State At Large

My Commission Expires: 4-11-2018

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Q1: Refer to the response to Item 11 of Commission Staff's Second Request for Information (Staff's Second Request"). The response confirms that the Services total of \$8,010,317 was included in the calculation of Poles and Conductors in footnote 1 on page 9 of 33 of Exhibit R of the application. However, the response states that Cumberland Valley cannot confirm that it should not be included.

- a. Explain why Services would be included in both Poles and Conductors and Services when determining the allocation of Lines Expenses between Lines and Services based on plant investment.

RESPONSE:

Services should be included in order to allocate some of the expenses for services that are included in the Account No. 383, 384, 393 and 394 to the service function. Plant investment has been chosen as the better methodology for this allocation. The USDA Uniform Systems of Accounts – Electric states that expenses for the operations and maintenance expenses for services or related to Account 369 should be charged to these accounts. So it seems proper to develop an allocation of these expenses between lines and services.

- b. Regardless of the response to part a. above, provide a revised cost of service study ("COSS") that removes the \$8,010,317 from the Poles and conductors total when allocating Lines Expenses between Lines and Services. This change should be made to the revised COSS which was filed in response to Item 9 of Staff's Second request. This second revised COSS should be filed in both paper copy and Excel spreadsheet format.

RESPONSE:

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Attached is a revised COSS where Account No. 583, 584, 593 and 594 are not allocated to the Service function. The revised COSS is provided in paper format and in a electronic version in CD ROM enclosed in the original copy to the PSC.

**CUMBERLAND VALLEY
ELECTRIC**

**COST OF SERVICE STUDY
REVISED**

September 16, 2014

CASE NO. 2014-00159

April - May 2014 - J. Adkins

CUMBERLAND VALLEY ELECTRIC
CASE NO 2014-00159
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

TEST YEAR EXPENSES									
Acct No.	Description	Actual Test Year	Adjustments 1, 2, 5 & 6	Adjustments 3, 7 & 8	Adjustments 9, 10 & 11	Adjustments 12 & 13	Purchased		Adjusted Test Year
							Power Adjustment (a)	Margins Adjustment	
555	Purchased Power								
	Demand Charges	-							-
	Energy Charges	-							-
	Renewable Resource Energy	-							-
	Total Purchased Power	35,772,176					(4,394,432)	-	31,377,744
580	Operations Supv & Eng	-							-
581	Load Dispatching	-							-
582	Station Expense	5,345							5,345
583	Overhead Line Exp.	630,416	3,121						633,537
584	Underground Line Exp	36,067							36,067
585	Street Lights	-							-
586	Meter Expense	457,235	10,477						467,712
587	Consumer Installations	113,872	42						113,914
588	Misc. Distribution Exp	160,557	33	(893)					159,697
589	Rents	1,500							1,500
	Total Dist. Operations	1,404,992	13,674	(893)	-	-	-	-	1,417,773
590	Maint Supv & Eng	-							-
592	Maint of Station Equip	-							-
593	Maint. Overhead Lines	2,353,694	30,474						2,384,168
594	Maint of Underground Lines	-							-
595	Maint Line Transformers	45,231	61						45,291
596	Maint of Street Lights	-							-
597	Maintenance of Meters	122,356	2,030						124,386
598	Maintenance of Security Lights	-							-
598	Maint Misc Distrib Plant	138,751	3,405	(1,597)					140,559
	Total Dist. Maint.	2,660,031	35,970	(1,597)	-	-	-	-	2,694,404
901	Supervision	-							-
902	Meter Reading Expense	215,438	3,662						219,100
903	Cons Recds & Collections	1,512,538	32,460	(410)					1,544,588
904	Uncollectible Accounts	144,000							144,000
	Total Consum Accts	1,871,976	36,121	(410)	-	-	-	#	1,907,687

CUMBERLAND VALLEY ELECTRIC
CASE NO 2014-00159
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

907	Customer Information								
908	Customer Accounting	115,455	2,959						118,414
909	Consumer Information	38,215		(339)					37,876
910	Mis. Customer Information	-							-
912	Key Accounts Expneses	-							-
	Total Customer Serv.	153,670	2,959	(339)				#	156,290
920	Administrative Salaries	749,441	21,551						770,992
921	Office Supplies	103,036							103,036
923	Outside Services	52,389							52,389
924	Property Ins	-							-
925	Injuries & Damages	-							-
926	Employ Pensions & Benef	-							-
928	Regulatory Exp	-							-
929	Duplicate Charges	(42,883)							(42,883)
930	Misc General Exp	410,258	209	(17,164)	(86,674)				306,628
931	Rents	-							-
935	Maintenance of Gen. Plant	97,652	869	(582)					97,939
	Total Admin & General	1,369,893	22,628	(17,746)	(86,674)			#	1,288,101
403.6	Deprec. Distribution Plant	2,946,757		299,724					3,246,481
403.7	Deprec. General Plant	168,513		(37,517)					130,996
	Total Depreciation	3,115,270	-	262,207				#	3,377,477
408	Taxes other than Property Taxes	51,441							51,441
408.7	Misc. Taxes								-
426	Contributions	10,671		(10,671)					0
	Total Miscellaneous	62,112	-	(10,671)				#	51,441
427.1	Interest - RUS Constuc	188,213		-	288,054				476,267
427.11	Interest - CoBank	67,245			102,916				170,161
427.2	Interest - CFC	98,884			151,338				250,222
	Total Interest on LTD	354,342	-	-	542,308			#	896,650
431	Other Interest Expense	813							813
431.1	Interest on Consumer Deposits	2,363							2,363
	Total ST Interest	3,176	-	-	-			#	3,176

CUMBERLAND VALLEY ELECTRIC
CASE NO 2014-00159
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

Total Costs	46,767,637	111,353	230,551	(86,674)	(4,394,432)	-	43,170,743
Margin Requirements	354,342				-	542,308	896,650
Total Revenue Require.	47,121,979	111,353	230,551	(86,674)	(4,394,432)	542,308	44,067,393
Less: Misc Income							
450 Forfeited Discounts	513,016						513,016
451 Misc Service Revenue	150,085						150,085
452 Return Check Charge	-						-
454 Rent from Electric Prop.	979,726				23,512		1,003,238
456 Other Electric Revenue	3,695				(44,894)		(41,199)
Total Misc Income	1,646,522	-	-	-	(21,382)	-	1,625,140
Less: Other Income							
415 Net Revenue from Merchandising	-						-
417 Revenue - Nonutility Operations	-						-
419 Interest Income	121,888						121,888
420 Maintenance Income and Expense	-						-
421 Misc. Non-operating Income	-						-
424 G&T Capital Credits	2,957,019				(2,957,019)		-
424 Other Capital Credits	54,741						54,741
Total Other Income	3,133,648	-	-	-	(2,957,019)	-	176,629
Revenue Requirements							
from Rates	42,341,808	111,353	230,551	(86,674)	2,978,401	(4,394,432)	42,265,623
TIER	2.00						2.00

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Schedule R
Exhibit 1.1
Page 5 of 39
Witness: Jim Adkins

PAYROLL INFORMATION

			1	2	6	5			
			Wages & Salaries	Payroll Tax	FAS 106	R&S Retirement	Health Insurance		Total
		Amount	Percent	Adj.	Adj.	Adj.	Adj.	Adj.	
583.00	Overhead line	65,842	2.80%	1,142	53	948	978	0	3,121
586.00	Meter	221,002	9.41%	3,835	178	3,181	3,284	0	10,477
587.00	Customer installations	896	0.04%	16	1	13	13	0	42
588.00	Miscellaneous distribution	699	0.03%	12	1	10	10	0	33
593.00	Overhead line	642,796	27.37%	11,153	516	9,252	9,551	0	30,474
595.00	Transformers	1,278	0.05%	22	1	18	19	0	61
597.00	Maintenance of meters	42,827	1.82%	743	34	616	636	0	2,030
598.00	Miscellaneous maintenance	71,832	3.06%	1,246	58	1,034	1,067	0	3,405
902.00	Meter reading	77,235	3.29%	1,340	62	1,112	1,148	0	3,662
903.00	Consumer records	684,695	29.15%	11,880	550	9,855	10,174	0	32,460
908.00	Consumer information	62,417	2.66%	1,083	50	898	927	0	2,959
912.00	Demonstration and selling	0	0.00%	-	0	0	0	0	0
920.00	Administrative	454,590	19.35%	7,888	365	6,543	6,755	0	21,551
930.00	Miscellaneous	4,400	0.19%	76	4	63	65	0	209
935.00	Maintenance general plant	18,325	0.78%	318	15	264	272	0	869
	Total	2,348,834	100%	40,755	1,887	33,809	34,902	0	111,353

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 2
Page 6 of 39
Witness: Jim Adkins

FUNCTIONALIZATION SUMMARY

Expense	Purchased Power	Stations	Lines	Transformers	Services	Meters	Consumer Services & Accounting	Outdoor Lighting	Total
Purchased Power	31,377,744								31,377,744
Distribution Operations		6,031	673,443	-	82,060	527,711	-	128,527	1,417,773
Distribution Maintenance		-	2,515,388	47,784	-	131,232	-	-	2,694,404
Consumer Accounts							1,907,687		1,907,687
Customer Service							156,290		156,290
Administrative & General		2	680,898	12,931	23	35,665	558,546	37	1,288,101
Depreciation		27,754	2,203,121	373,622	296,098	252,427	56,802	167,654	3,377,477
Miscellaneous		406	33,309	5,490	4,335	3,751	1,695	2,455	51,441
Interest on Long Term Debt		7,255	583,180	97,804	77,401	66,366	20,817	43,826	896,650
Short Term Interest		26	2,066	346	274	235	74	155	3,176
Total Costs	31,377,744	41,473	6,691,403	537,978	460,192	1,017,388	2,701,912	342,653	43,170,743
Margin Requirements	-	7,255	583,180	97,804	77,401	66,366	20,817	43,826	896,650
Revenue Requirements	31,377,744	48,728	7,274,583	635,782	537,593	1,083,754	2,722,728	386,479	44,067,393

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Acct No.	Description	Expenses	FUNCTIONALIZATION								Alloc. Basis		
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting		Total	
555	Purchased Power												
	Demand Charges	7,412,934	7,412,934									7,412,934	
	Energy Charges	23,964,150	23,964,150									23,964,150	
	Green Power	660	660									660	
	Total Purchased Power	31,377,744	31,377,744	-	-	-	-	-	-	-	-	31,377,744	DA
580	Operations Supv & Eng	-										-	
581	Load Dispatching	-										-	DA
582	Station Expense	5,345		5,345								5,345	DA
583	Overhead Line Exp.	633,537			564,725		68,813					633,537	DA
584	Underground Line Exp	36,067			32,150		3,917					36,067	DA
585	Street Lights	-										-	DA
586	Meter Expense	467,712						467,712				467,712	DA
587	Consumer Installations	113,914								113,914		-	2
588	Misc. Distribution Exp	159,697		679	75,856		9,243	59,441		14,477		159,697	
589	Rents	1,500		6	713		87	558		136		1,500	
		1,417,773		6,031	673,443		82,060	527,711		128,527		1,417,773	
590	Maint Supv & Eng	-										-	3
592	Maint of Station Equip	-										-	DA
593	Maint. Overhead Lines	2,384,168			2,384,168							2,384,168	DA
594	Maint of Underground Lines	-										-	
595	Maint Line Transformers	45,291				45,291						45,291	DA
596	Maint of Street Lights	-										-	
597	Maintenance of Meters	124,386						124,386				124,386	DA
598	Maintenance of Security Lights	-										-	3
598	Maint Misc Distrib Plant	140,559			131,220	2,493		6,846				140,559	
		2,694,404			2,515,388	47,784		131,232				2,694,404	
	Supervision	-										-	
901	Meter Reading Expense	219,100							219,100			219,100	DA
902	Cons Recds & Collections	1,544,588							1,544,588			1,544,588	DA
903	Uncollectible Accounts	144,000							144,000			144,000	DA
904	Total Consum Accts	1,907,687							1,907,687			1,907,687	DA
906	Customer Information	-										-	
907	Customer Accounting	118,414							118,414			118,414	DA
908	Consumer Information	37,876							37,876			37,876	DA
909	Mis. Customer Information	-										-	
910	Key Accounts Expenses	-										-	
912	Total Customer Serv.	156,290							156,290			156,290	DA

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Exhibit R
Schedule 2
Page 8 of 37
Witness: Jim Adkins

Acct No.	Description	Expenses Adjusted Test Year	FUNCTIONALIZATION								Alloc. Basis	
			Purchased Power	Stations	Lines	Trans- formers	Services	Meters	Consumer Services & Accounting	Security Lighting		Total
920	Administrative Salaries	770,992		1	407,551	7,740	14	21,347	334,317	22	770,992	7
921	Office Supplies	103,036		0	54,465	1,034	2	2,853	44,678	3	103,036	7
923	Outside Services	52,389		0	27,693	526	1	1,451	22,717	1	52,389	7
924	Property Ins	-			-	-	-	-	-	-	-	7
925	Injuries & Damages	-			-	-	-	-	-	-	-	7
926	Employ Pensions & Benef	-			-	-	-	-	-	-	-	7
928	Regulatory Exp	-			-	-	-	-	-	-	-	7
929	Duplicate Charges	(42,883)		(0)	(22,668)	(430)	(1)	(1,187)	(18,595)	(1)	(42,883)	7
930	Misc General Exp	306,628		0	162,086	3,078	6	8,490	132,960	9	306,628	7
931	Rents	-			-	-	-	-	-	-	-	7
935	Maintenance of Gen. Plant	97,939		0	51,771	983	2	2,712	42,468	3	97,939	4
	Total Admin & General	1,288,101	-	2	680,898	12,931	23	35,665	558,546	37	1,288,101	4 Gen Plt
	Deprec. Distribution Plant	3,246,481		27,754	2,133,875	372,307	296,095	248,800	-	167,650	3,246,481	6
403.6	Deprec. General Plant	130,996		0	69,245	1,315	2	3,627	56,802	4	130,996	6
403.7	Total Depreciation	3,377,477		27,754	2,203,121	373,622	296,098	252,427	56,802	167,654	3,377,477	
	Taxes other than Property Tax	51,441										
408	Misc. Taxes	-										
408.7	Contributions	0										
426	Total Miscellaneous	51,441		406	33,309	5,490	4,335	3,751	1,695	2,455	51,441	Tot Plt
	Interest - RUS Constuc	476,267										
427.1	Interest - CoBank	170,161										
427.1	Interest - CFC	250,222										
427.2	Total Interest on LTD	896,650	-	7,255	583,180	97,804	77,401	66,366	20,817	43,826	896,650	5
	Other Interest Expense	813										
431	Interest on Consumer Deposits	2,363										
	Total ST Interest	3,176		26	2,066	346	274	235	74	155	3,176	Rate Base
	Total Costs	43,170,743	31,377,744	41,473	6,691,403	537,978	460,192	1,017,388	2,701,912	342,653	43,170,743	
	Margin Requirements	896,650	-	7,255	583,180	97,804	77,401	66,366	20,817	43,826	896,650	
	Total Revenue Require.	44,067,393	31,377,744	48,728	7,274,583	635,782	537,593	1,083,754	2,722,728	386,479	44,067,393	

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES

1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.	\$\$\$	%			
	Poles and Conductor	65,738,393	89.14%			
	Services	8,010,317	10.86%			
	Total	73,748,710	100.00%			
2	<u>Allocation of Dist. Oper. Supervision & Miscellaneous Expenses</u>	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Miscell. Exp.</u>	<u>Rents</u>
	Load Dispatching	-	0.00%	-	-	-
	Station Expense	5,345	0.43%	-	679	6
	Overhead Line Exp.	596,874	47.50%	-	75,856	713
	Underground Line Exp	-	0.00%	-	-	-
	Services	72,730	5.79%	-	9,243	87
	Meter Expense	467,712	37.22%	-	59,441	558
	Consumer Installations	113,914	9.07%	-	14,477	136
		-	0.00%	-	-	-
		1,256,576	100%	-	159,697	1,500
				-	159,697	1,500
3	<u>Allocation of Dist. Maint. Supervision & Miscellaneous Expenses</u>	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Misc. Exp.</u>	
	Stations	-	0.00%	-	-	
	Lines	2,384,168	93.36%	-	131,220	
	Transformers	45,291	1.77%	-	2,493	
	Services	-	0.00%	-	-	
	Meters	124,386	4.87%	-	6,846	
	Security Lighting	-	0.00%	-	-	
	Street Lighting	-	0.00%	-	-	
		2,553,845	100%	-	140,559	
				-	140,559	
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent					
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent					
6	Depreciation Expense Allocation Comes from the Net Plant Percent in Rate Base					

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES

7 Admin & General Expense Allocation except General Plant							Consumer	Security	
Acct.	Description	Stations	Lines	Trans- formers	Services	Meters	Services & Accounting	Lighting	Total
580	Operations Supv & Eng	-	-	-	-	-	-	-	-
581	Load Dispatching	-	-	-	-	-	-	-	-
582	Station Expense	5,345	-	-	-	-	-	-	5,345
583	Overhead Line Exp.	-	564,725	-	68,813	-	-	-	633,537
584	Underground Line Exp	-	32,150	-	3,917	-	-	-	36,067
585	Street Lights	-	-	-	-	-	-	-	-
586	Meter Expense	-	-	-	-	467,712	-	-	467,712
587	Consumer Installations	-	-	-	-	-	-	113,914	113,914
588	Misc. Distribution Exp	679	75,856	-	9,243	59,441	-	14,477	159,697
589	Rents	6	713	-	87	558	-	136	1,500
		<u>6,031</u>	<u>673,443</u>	<u>-</u>	<u>82,060</u>	<u>527,711</u>	<u>-</u>	<u>128,527</u>	<u>1,417,773</u>
590	Maint Supv & Eng	-	-	-	-	-	-	-	-
592	Maint of Station Equip	-	-	-	-	-	-	-	-
593	Maint. Overhead Lines	-	2,384,168	-	-	-	-	-	2,384,168
594	Maint of Underground Lines	-	-	-	-	-	-	-	-
595	Maint Line Transformers	-	-	45,291	-	-	-	-	45,291
596	Maint of Street Lights	-	-	-	-	-	-	-	-
597	Maintenance of Meters	-	-	-	-	124,386	-	-	124,386
598	Maintenance of Security Lights	-	131,220	2,493	-	6,846	-	-	140,559
	Maint Misc Distrib Plant	-	2,515,388	47,784	-	131,232	-	-	2,694,404
	Supervision								
901	Meter Reading Expense						219,100		219,100
902	Cons Recds & Collections						1,544,588		1,544,588
903	Uncollectible Accounts						144,000		144,000
904	Total Consum Accts						<u>1,907,687</u>		<u>1,907,687</u>
	Customer Information								
906	Customer Information						-		-
907	Customer Accounting						118,414		118,414
908	Consumer Information						37,876		37,876
909	Mis. Customer Information						-		-
910	Key Accounts Expenses						-		-
	Total Customer Serv.						<u>156,290</u>		<u>156,290</u>
	Total all Expenses	6	2,516,100	47,784	87	131,791	2,063,977	136	4,759,881
	Functions as % of Total	0.00%	52.86%	1.00%	0.00%	2.77%	43.36%	0.00%	100.00%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RATE BASE

Exhibit R
Schedule 2.2
Page 11 of 39
Witness: Jim Adkins

Plant Account	Description	\$\$\$\$	Distribution Plant Balances						Consumer & Accounting Services	Outdoor Lighting
			Stations	Lines	Transformers	Services	Meters			
301	Organization	-								
360	Land and Land Rights	5,485		5,485						
362	Station Equipment	750,823	750,823							
364	Poles, Towers & Fixtures	27,528,688		27,528,688						
365	Overhead Conductor & Devices	26,557,329		26,557,329						
367	Underground Conductor	3,636,573		3,636,573						
368	Line Transformers	10,072,076			10,072,076					
369	Services	8,010,317				8,010,317				
370	Meters	6,730,828					6,730,828			
371	Security Lights	4,535,460							4,535,460	
373	Street Lights	-								
	Total Distribution Plant	87,827,579	750,823	57,228,076	10,072,076	8,010,317	6,730,828	-	4,535,460	
	Distribution Plant Percent	100.00%	0.9%	65.7%	11.5%	9.1%	7.7%	0.0%	5.2%	
	Total General Plant	7,223,917	10	3,818,604	72,520	132	200,014	3,132,431	206	
	General Plant Percent	100.00%	0.0%	52.9%	1.0%	0.0%	2.8%	43.4%	0.0%	
	Total Utility Plant	95,051,496	750,832	61,546,680	10,144,596	8,010,449	6,930,842	3,132,431	4,535,666	
	Utility Plant Percent	100.00%	0.79%	64.75%	10.67%	8.43%	7.29%	3.30%	4.77%	
	Accum. Depreciation									
	Distribution Plant	29,583,974	252,908	19,445,212	3,392,693	2,698,207	2,267,222	-	1,527,731	
	General Plant	3,917,059	5	2,070,579	39,323	71	108,455	1,698,513	112	
	Net Plant	61,550,464	497,919	40,030,888	6,712,580	5,312,170	4,555,165	1,433,918	3,007,823	
	Net Plant Percent	100.00%	0.81%	65.04%	10.91%	8.63%	7.40%	2.33%	4.89%	
	CWIP	297,749	2,545	195,707	34,146	27,156	22,819	-	15,376	
	Subtotal	61,848,213	500,464	40,226,595	6,746,726	5,339,326	4,577,984	1,433,918	3,023,199	
	Plus									
	Cash Working Capital	911,086	7,372	592,578	99,386	78,654	67,438	21,123	44,535	
	Materials & Supplies	740,992	5,996	481,947	80,831	63,969	54,848	17,180	36,220	
	Prepayments	175,484	1,420	114,136	19,143	15,149	12,989	4,069	8,578	
	Minus: Consumer Advances	87,549	748	57,545	10,040	7,985	6,709	-	4,521	
	Net Investment Rate Base	63,588,226	514,504	41,357,712	6,936,046	5,489,114	4,706,550	1,476,289	3,108,011	
	Rate Base Percent	100.00%	0.81%	65.04%	10.91%	8.63%	7.40%	2.32%	4.89%	

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RATE BASE

Exhibit R
Schedule 2.2
Page 12 of 39
Witness: Jim Adkins

CLASSIFICATION OF RATE BASE						
	Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting		Total
Stations		514,504				514,504
Lines	13,855,867	27,501,844				41,357,712
Transformers	1,990,827	4,945,218				6,936,046
Services	5,489,114					5,489,114
Meters	4,706,550					4,706,550
Consumer & Accounting Svc	1,476,289					1,476,289
Outdoor Lighting				3,108,011		3,108,011
	27,518,648	32,961,567	-	3,108,011		63,588,226

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RATE BASE

ALLOCATION TO RATE CLASSES						
Function	Classifi- cation	Amount	Schedule I	Schedule I	Schedule II	Schedule II
			Residential Schools & Church	Marketing ETS Rate	Small Commercial No Demand	Small Commercial With Demand
Stations	Demand	514,504	332,010	-	16,163	13,686
Lines	Consumer	13,855,867	12,902,423	-	769,641	81,690
Lines	Demand	27,501,844	17,746,959	-	863,973	731,534
Transformers	Consumer	1,990,827	1,804,968	-	139,325	34,284
Transformers	Demand	4,945,218	4,475,632	-	239,960	46,058
Services	Consumer	5,489,114	5,035,074	273	350,104	26,526
Meters	Consumer	4,706,550	4,102,627	1,484	244,725	186,170
Consumer & Accounting		-				
Services	Consumer	1,476,289	1,260,536	86	75,192	11,971
Outdoor Lighting	Lighting	3,108,011				
		63,588,226	47,660,230	1,843	2,699,084	1,131,920

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RATE BASE

Exhibit R
Schedule 2.2
Page 14 of 39
Witness: Jim Adkins

ALLOCATION TO RATE CLASSES						
Function	Classifi- cation	Amount	Schedule III	Schedule IV	Schedule IVA	Schedule VI
			3 Phase School & Church	Large Power 2500 kW Plus	Large Power 50 - 2500 kW	Outdoor Lighting
Stations	Demand	514,504	23,383	30,839	86,644	11,780
Lines	Consumer	13,855,867	26,841	1,751	46,680	26,841
Lines	Demand	27,501,844	1,249,892	1,648,443	4,631,373	629,670
Transformers	Consumer	1,990,827	11,265	-	-	985
Transformers	Demand	4,945,218	128,435	-	-	55,133
Services	Consumer	5,489,114	8,716	-	-	68,421
Meters	Consumer	4,706,550	61,170	3,989	106,383	-
Consumer & Accounting		-				
Services	Consumer	1,476,289	2,622	257	6,841	118,785
Outdoor Lighting	Lighting	3,108,011		-	-	3,108,011
		63,588,226	1,512,324	1,685,279	4,877,921	4,019,626

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 3
Page 15 of 39
Witness: Jim Adkins

SUMMARY OF CLASSIFICATION OF EXPENSES

	Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting	Total
Purchased Power	-	7,413,594	23,964,150	-	31,377,744
Stations		48,728			48,728
Lines	2,437,167	4,837,416	-	-	7,274,583
Transformers	182,486	453,296	-	-	635,782
Services	537,593	-	-	-	537,593
Meters	1,083,754	-		-	1,083,754
Consumer Services					-
& Accounting	2,722,728	-	-		2,722,728
Lighting				386,479	386,479
	6,963,729	12,753,035	23,964,150	386,479	44,067,393

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 3
Page 16 of 39
Witness: Jim Adkins

CLASSIFICATION OF EXPENSES

<u>Expense</u>	<u>2</u> <u>Lines</u>	<u>Consumer</u> <u>Related</u> <u>Costs</u>	<u>Demand</u> <u>Related</u> <u>Costs</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	673,443	225,620	447,823	673,443
Distribution Maintenance	2,515,388	842,718	1,672,670	2,515,388
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	680,898	228,118	452,780	680,898
Depreciation	2,203,121	738,101	1,465,020	2,203,121
Miscellaneous	33,309	11,159	22,149	33,309
Interest on Long Term Debt	583,180	195,380	387,800	583,180
Short Term Interest	2,066	692	1,374	2,066
Total Costs	6,691,403	2,241,787	4,449,616	6,691,403
Margin Requirements	583,180	195,380	387,800	583,180
Revenue Requirements	7,274,583	2,437,167	4,837,416	7,274,583
<u>Expense</u>	<u>3</u> <u>Transformers</u>	<u>Consumer</u> <u>Related</u> <u>Costs</u>	<u>Demand</u> <u>Related</u> <u>Costs</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	47,784	13,715	34,069	47,784
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	12,931	3,712	9,220	12,931
Depreciation	373,622	107,239	266,383	373,622
Miscellaneous	5,490	1,576	3,914	5,490
Interest on Long Term Debt	97,804	28,072	69,732	97,804
Short Term Interest	346	99	247	346
Total Costs	537,978	154,414	383,564	537,978
Margin Requirements	97,804	28,072	69,732	97,804
Revenue Requirements	635,782	182,486	453,296	635,782
		<u>Energy</u> <u>Related</u> <u>Costs</u>	<u>Demand</u> <u>Related</u> <u>Costs</u>	
Purchased Power	31,377,744	23,964,150	7,413,594	31,377,744

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 3
Page 17 of 39
Witness: Jim Adkins

CLASSIFICATION OF EXPENSES

Expense	Consumer Related Costs			
	<u>Services</u>	<u>Meters</u>	<u>Consumer Services & Accounting</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	82,060	527,711	-	609,771
Distribution Maintenance	-	131,232	-	131,232
Consumer Accounts	-	-	1,907,687	1,907,687
Customer Service	-	-	156,290	156,290
Administrative & General	23	35,665	558,546	594,234
Depreciation	296,098	252,427	56,802	605,327
Miscellaneous	4,335	3,751	1,695	9,781
Interest on Long Term Debt	77,401	66,366	20,817	164,585
Short Term Interest	274	235	74	583
Total Costs	460,192	1,017,388	2,701,912	4,179,491
Margin Requirements	77,401	66,366	20,817	164,585
Revenue Requirements	537,593	1,083,754	2,722,728	4,344,076
	<u>Stations</u>	<u>Lighting</u>		
Expense				
Purchased Power		-		
Distribution Operations	6,031	128,527		
Distribution Maintenance	-	-		
Consumer Accounts	-	-		
Customer Service	-	-		
Administrative & General	2	37		
Depreciation	27,754	167,654		
Miscellaneous	406	2,455		
Interest on Long Term Debt	7,255	43,826		
Short Term Interest	26	155		
Total Costs	41,473	342,653		
Margin Requirements	7,255	43,826		
Revenue Requirements	48,728	386,479		

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 364 - POLES				
1. Actual Data				
Poles	Size	Investment	Number of Units	Unit Cost
25 & 30'	30	4,400,399.42	14,150	\$ 310.98
35'	35	1,176,336.94	8,410	\$ 139.87
40'	40	7,972,258.67	18,185	\$ 438.40
45'	45	2,877,326.02	5,696	\$ 505.15
50'	50	974,246.16	1,537	\$ 633.86
55'	55	337,101.67	400	\$ 842.75
60'	60	95,779.67	85	\$ 1,126.82
65'	65	45,413.26	56	\$ 810.95
70'	70	19,138	22	\$ 869.91
75'	75	257	1	\$ 257.25
		-	-	
Subtotal		17,898,257	48,542	
All other items		0		
Total Investment in Poles		17,898,257		
2. Determination of Demand and Consumer Related Investment				
Use minimum size pole - 35 ft				139.8700
Number of poles				48,542
Consumer Related Investment				6,789,570
Total Investment in poles				17,898,257
Percent Customer Related				37.93%
Percent Demand Related				62.07%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

ACCOUNT 365 - CONDUCTOR

1. Actual Data

Conductor	Investment	Number of Units	Unit Cost	Amps
6ACWC	833	14,483	\$ 0.0575	120
8 ACWC	8,740	162,152	\$ 0.0539	
4 HD CU	22,936	206,906	\$ 0.1109	
6 HD CU	8,876	107,987	\$ 0.0822	
2 ACSR	6,334,933	13,605,997	\$ 0.4656	184
4 ACSR	650,273	2,260,737	\$ 0.2876	
1/0 ACSR	1,808,873	4,464,110	\$ 0.4052	230
2/0 ACSR	116,824	527,459	\$ 0.2215	
3/0 ACSR	23,425	104,188	\$ 0.2248	324
4/0 ACSR	1,551,716	2,188,918	\$ 0.7089	340
226.8 MCM-CU	9,350.82	44,109	0.2120	
336.4 MCM	3,287,747	1,985,036	\$ 1.6563	510
395.5 MCM AL	110	267	\$ 0.4114	
AERIAL CABLE	80,927	71,319	\$ 1.1347	
4/0 AERIAL CABLE	4,242	7,885	\$ 0.5380	
AERIAL CABLE 2	836	200	\$ 4.1823	
1/0 SP CABLE	7,470	950	\$ 7.8632	
4/0 CABLE	70,292	23,880	\$ 2.9436	
OH SPACER CABLE 556	618,451	585,554	\$ 1.0562	
SUBTOTAL	14,606,856	26,362,137	\$ 0.5541	
All other OH Conductor Invest.	-			
TOTAL	26,557,329		1	

2. Demand and Consumer Investment Percents

Use Exponential Curve	
Formula	$y=b*m^x$
Intercept	0.15554
X Variable 1	1.00394
Use zero intercept	0.15554
Amount of Conduit	26,362,137
Consumer Related Investment	4,100,456
Total Investment in conductor	14,606,856
Percent Customer Related	28.07%
Percent Demand Related	71.93%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

DEMAND AND CONSUMER RELATED INVESTMENTS

Data for Exponential Curve				
Conductor		Per Unit Cost		Wire Size
6 ACWC	\$	0.06		120
2 ACSR	\$	0.47		180
1/0 ACSR	\$	0.41		230
3/0 ACSR	\$	0.22		324
4/0 ACSR	\$	0.71		340
336.4 MCM	\$	1.66		530
				-

14,606,856

Breakdown of Lines into Demand Related and Consumer Related Components

Acct No.	Investment	Consumer-Related		Demand-Related	
		Percent	Amount	Percent	Amount
364.00	17,898,257	37.93%	6,789,569.56	62.07%	11,108,687
365.00	14,606,856	28.07%	4,100,456.04	71.93%	10,506,400
	32,505,113		10,890,025.59		21,615,088
%	100.00%		33.50%		66.50%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 3.1
Page 21 of 39
Witness: Jim Adkins

DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 368 - TRANSFORMERS				
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost
Various	0	-	-	-
10 KVA CONV	10	60	23,236	387.26
15 KVA CONV	15	176	79,595	452.25
25 KVA CONV	25	219	124,346	567.79
37.5 KVA CONV	37.5	47	22,268	473.79
50 KVA CONV	50	415	328,841	792.39
75 KVA CONV	75	13	12,457	958.27
100 KVA CONV	100	132	177,408	1,344.00
167 KVA CONV	167	88	161,939	1,840.22
250 KVA CIBVE	250	22	57,539	2,615.40
333 KVA CONV	333	51	175,919	3,449.40
500 KVA CONV	500	2	21,706	10,852.98
500 KVA 3PH PAD	500	11	79,745	7,249.53
750 - 1000 KVA 3PH PAD	750	7	66,566	9,509.48
1500 KVA PAD	1500	1	9,265.00	9,265.00
1.5 KVA CSP	1.5	213	22,260.23	104.51
3 KVA CSP	3	542	73,018.49	134.72
5 KVA CSP	5	893	152,295.32	170.54
7.5 KVA CSP	7.5	32	7,132.02	222.88
10 KVA CSP	10	4,694	1,064,945.05	226.87
15 KVA CSP	15	8,675	3,444,823.82	397.10
25 KVA CSP	25	3,991	2,044,954.57	512.39
50 KVA CSP	50	334	266,572.83	798.12
75 KVA CSP	75	2	1,645.42	822.71
500 KVA URD	500	2	40,445.31	20,222.66

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

DEMAND AND CONSUMER RELATED INVESTMENTS

Total	20,622	8,458,923	410.19
-------	--------	-----------	--------

2. Demand and Consumer Investment Percents

Regression Equation		
Zero Intercept	\$	117.74
Slope - X Variable	\$	12.84
Use Intercept		117.74
Number of Transformers		20,622
Consumer Related Investment		2,427,933
Total Investment in transformers		8,458,923.40
Percent Customer Related		28.70%
Percent Demand Related		71.30%

ACCOUNT 368 - TRANSFORMERS

3. Data for Regression Line			
Transformer	Size kVa		Unit Cost
5 kVA		5.00	222.88
10 kVa		10.00	228.90
15 kVa		15.00	398.19
25 kVa		25.00	515.27
37.5 kVa		37.50	473.79
50 kVa		50.00	794.95

CLASSIFICATION OF EXPENSES BY RATE CLASS

Schedule I - Residential, Farm & Church								
Expense	Stations	Lines		Transformers		Services	Meters	Cons Acctg
		Demand	Cons.	Demand	Cons.			
Purchased Power								
Distribution Operations	3,892	288,980	210,095	-	-	75,272	459,998	-
Distribution Maintenance	-	1,079,375	784,729	30,834	12,435	-	114,393	-
Consumer Accounts	-	-	-	-	-	-	-	1,628,887
Customer Service	-	-	-	-	-	-	-	133,449
Administrative & General	1	292,179	212,421	8,344	3,365	22	31,088	476,917
Depreciation	17,910	945,379	687,311	241,088	97,228	271,606	220,037	48,501
Miscellaneous	262	14,293	10,391	3,543	1,429	3,977	3,270	1,447
Interest on Long Term Debt	4,682	250,248	181,935	63,110	25,452	70,999	57,851	17,775
Short Term Interest	17	886	644	224	90	251	205	63
Total Costs	26,763	2,871,340	2,087,526	347,142	139,998	422,126	886,841	2,307,039
Margin Requirements	4,682	250,248	181,935	63,110	25,452	70,999	57,851	17,775
Revenue Requirements	31,444	3,121,588	2,269,462	410,252	165,450	493,125	944,692	2,324,814
							886,841	

CLASSIFICATION OF EXPENSES BY RATE CLASS

Schedule 1 - Marketing Rate (ETS)								
Expense	Lines			Transformers		Services	Meters	Cons Acctg
	Stations	Demand	Cons.	Demand	Cons.			
Purchased Power								-
Distribution Operations	-	-	-	-	-	4	166	-
Distribution Maintenance	-	-	-	-	-	-	41	-
Consumer Accounts	-	-	-	-	-	-	-	110
Customer Service	-	-	-	-	-	-	-	9
Administrative & General	-	-	-	-	-	0	11	32
Depreciation	-	-	-	-	-	15	80	3
Miscellaneous	-	-	-	-	-	0	1	0
Interest on Long Term Debt	-	-	-	-	-	4	21	1
Short Term Interest	-	-	-	-	-	0	0	0
Total Costs	-	-	-	-	-	23	321	157
Margin Requirements	-	-	-	-	-	4	21	1
Revenue Requirements	-	-	-	-	-	27	342	158

CLASSIFICATION OF EXPENSES BY RATE CLASS

Expense	Rate II - Small Commercial w/Demand							
	Stations	Lines		Transformers		Services	Meters	Cons Acctg
		Demand	Cons.	Demand	Cons.			
Purchased Power								
Distribution Operations	160	11,912	1,330	-	-	397	20,874	-
Distribution Maintenance	-	44,492	4,968	317	236	-	5,191	-
Consumer Accounts	-	-	-	-	-	-	-	15,470
Customer Service	-	-	-	-	-	-	-	1,267
Administrative & General	0	12,044	1,345	86	64	0	1,411	4,529
Depreciation	738	38,969	4,352	2,481	1,847	1,431	9,985	461
Miscellaneous	11	589	66	36	27	21	148	14
Interest on Long Term Debt	193	10,315	1,152	649	483	374	2,625	169
Short Term Interest	1	37	4	2	2	1	9	1
Total Costs	1,103	118,357	13,217	3,572	2,659	2,224	40,243	21,910
Margin Requirements	193	10,315	1,152	649	483	374	2,625	169
Revenue Requirements	1,296	128,673	14,369	4,222	3,143	2,598	42,869	22,079

CLASSIFICATION OF EXPENSES BY RATE CLASS

Schedule III - 3 Phase Schools and Churches								
Expense	Lines			Transformers		Services	Meters	Cons Acctg
	Stations	Demand	Cons.	Demand	Cons.			
Purchased Power								
Distribution Operations	274	20,352	437	-	-	130	6,859	-
Distribution Maintenance	-	76,019	1,632	885	78	-	1,706	-
Consumer Accounts	-	-	-	-	-	-	-	3,389
Customer Service	-	-	-	-	-	-	-	278
Administrative & General	0	20,578	442	239	21	0	464	992
Depreciation	1,261	66,582	1,430	6,918	607	470	3,281	101
Miscellaneous	18	1,007	22	102	9	7	49	3
Interest on Long Term Debt	330	17,625	378	1,811	159	123	863	37
Short Term Interest	1	62	1	6	1	0	3	0
Total Costs	1,885	202,224	4,343	9,962	874	731	13,223	4,799
Margin Requirements	330	17,625	378	1,811	159	123	863	37
Revenue Requirements	2,215	219,849	4,721	11,773	1,033	854	14,085	4,836

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
 Schedule 4
 Page 28 of 39
 Witness: Jim Adkins

ALLOCATION OF REVENUE REQUIREMENTS							
Function	Classifi- cation	Amount	Green Power	Schedule I	Schedule I	Schedule II	Schedule II
				Residential, School & Church	Marketing Rate	Small Commer- cial - No Demar	Small Commer- cial - W/Demand
Purchased Power	Demand	7,364,866		5,110,867	-	117,521	215,673
Purchased Power	Meters&Sus	48,728		31,444	-	1,531	1,296
Purchased Power	Energy	23,964,150		15,654,542	43,195	744,479	364,493
Stations	Demand	48,728		31,444	-	1,531	1,296
Lines	Consumer	2,437,167		2,269,462	-	135,375	14,369
Lines	Demand	4,837,416		3,121,588	-	151,968	128,673
Transformers	Consumer	182,486		165,450	-	12,771	3,143
Transformers	Demand	453,296		410,252	-	21,996	4,222
Services	Consumer	537,593		493,125	27	34,289	2,598
Meters	Consumer	1,083,754		944,692	342	56,352	42,869
Consumer Services & Accounting	Consumer	2,722,728		2,324,814	158	138,677	22,079
Lighting	Lighting	386,479					
Revenue Requirements		44,067,393		30,557,680	43,721	1,416,489	800,709
ALLOCACTION SUMMARY							
		Amount		Schedule I	Schedule I	Schedule II	Schedule II
				Residential, School & Church	Marketing Rate	Small Commer- cial - No Demar	Small Commer- cial - W/Demand
Consumer Related		6,963,729		6,197,543	526	377,464	85,057
Demand Related		12,753,035		8,705,596	-	294,546	351,159
Energy Related		23,964,150		15,654,542	43,195	744,479	364,493
Lighting		386,479					
Revenue Requirements		44,067,393		30,557,680	43,721	1,416,489	800,709

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4
Page 29 of 39
Witness: Jim Adkins

ALLOCATION OF REVENUE REQUIREMENTS						
Function	Classification	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	-
		3 Phase Schood & Churches	Large Power 2500 kW Plus	Large Power 50-2500 kW	Outdoor Lighting	Total
Purchased Power	Demand	239,457	332,443	1,283,529	65,376	7,364,866
Purchased Power	Meters&Sus	2,215	2,921	8,206	1,116	48,728
Purchased Power	Energy	874,264	1,555,474	4,147,950	579,752	23,964,150
Stations	Demand	2,215	2,921	8,206	1,116	48,728
Lines	Consumer	4,721	308	8,211	4,721	2,437,167
Lines	Demand	219,849	289,952	814,632	110,755	4,837,416
Transformers	Consumer	1,033	-	-	90	182,486
Transformers	Demand	11,773	-	-	5,054	453,296
Services	Consumer	854	-	-	6,701	537,593
Meters	Consumer	14,085	919	24,496	-	1,083,754
Consumer Services & Accounting	Consumer	4,836	473	12,617	219,075	2,722,728
Lighting	Lighting	-	-	-	386,479	386,479
Revenue Requirements		1,375,301	2,185,409	6,307,847	1,380,235	44,067,393
ALLOCATION SUMMARY						
		Schedule III	Schedule IV	Schedule IV-A	Schedule VI	-
		3 Phase Schood & Churches	Large Power 2500 kW Plus	Large Power 50-2500 kW	Outdoor Lighting	Total
Consumer Related		25,529	1,700	45,324	230,588	6,963,729
Demand Related		475,507	628,236	2,114,573	183,416	12,753,035
Energy Related		874,264	1,555,474	4,147,950	579,752	23,964,150
Lighting		-	-	-	386,479	386,479
Revenue Requirements		1,375,301	2,185,409	6,307,847	1,380,235	44,067,393

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4
Page 30 of 39
Witness: Jim Adkins

COST TO SERVE				
COST OF RESULTS	Schedule I	Schedule I	Schedule II	Schedule II
	Residential, School & Church	Marketing Rate	Small Commer- al - No Demar	Small Commer- ial - W/Demand
<u>Billing Determinants</u>				
Customer Charges	265,245		15,633	1,727
Demand kW	2,358,992		126,477	38,733
Energy kWh	303,966,144	838,809	14,478,749	7,078,107
<u>Cost to Serve by Rate Class</u>				
Customer Charges	\$ 23.37		\$ 24.15	\$ 49.25
Demand kW	\$ 3.69		\$ 2.33	\$ 9.07
Energy kWh	\$ 0.05150	0.05212	\$ 0.05142	\$ 0.05150

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4
Page 31 of 39
Witness: Jim Adkins

COST TO SERVE				
COST OF RESULTS	Schedule III	Schedule IV	Schedule IV-A	Schedule VI
	3 Phase School & Churches	Large Power 2500 kW Plus	Large Power 50-2500 kW	Outdoor Lighting
<u>Billing Determinants</u>				
Customer Charges	548	33	923	136,989
Demand kW	67695	96,652	260,376	29,059
Energy kWh	16,989,450	30,205,800	80549209	11,103,122
<u>Cost to Serve by Rate Class</u>				
Customer Charges	\$ 46.59	\$ 51.50	\$ 49.10	\$ 4.50
Demand kW	\$ 7.02	\$ 6.50	\$ 8.12	\$ 53.81
Energy kWh	\$ 0.05146	\$ 0.05150	\$ 0.05150	\$ 0.05222

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4.1
Page 32 of 39
Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

RETAIL ENERGY SALES - kWh									
Month	Schedule I Residential, School & Church	Schedule I Marketing Rate	Schedule II Small Commer- cial - No Demand	Schedule II Small Commer- cial - W/Demand	Schedule III 3 Phase School & Churches	Schedule IV Large Power 2500 kW Plus	Schedule IV-A Large Power 50-2500 kW	Schedule VI Outdoor Lighting	Total Energy Sales - kWh
January	37,700,174	178,747	1,436,178	550,070	1,525,190	3,094,200	6,272,953	924,493	51,682,005
February	31,443,810	157,904	1,229,800	579,676	1,670,824	2,736,000	6,970,357	925,047	45,713,417
March	30,529,097	142,940	1,198,034	530,694	1,450,553	2,849,400	5,639,878	924,493	43,265,089
April	21,769,268	78,131	1,069,088	579,064	1,380,698	3,344,400	6,471,310	921,999	35,613,958
May	18,147,731	27,282	1,089,671	563,048	1,313,749	3,070,800	6,400,187	921,584	31,534,052
June	21,063,064	1,683	1,198,506	652,695	1,117,325	2,826,000	6,982,542	926,432	34,768,247
July	22,473,294	928	1,223,391	689,275	1,158,199	2,059,200	6,763,192	924,216	35,291,695
August	22,927,158	792	1,284,085	679,498	1,552,174	2,165,400	7,327,366	926,986	36,863,458
September	20,224,245	991	1,192,847	659,890	1,618,738	1,992,600	7,026,551	925,462	33,641,324
October	18,533,801	19,474	1,102,086	586,537	1,354,836	1,992,600	6,790,550	926,016	31,305,900
November	24,519,978	86,374	1,092,318	484,645	1,376,113	2,062,800	6,971,866	927,471	37,521,565
December	34,664,524	143,563	1,341,069	523,015	1,458,973	2,012,400	6,932,457	928,925	48,004,926
	303,996,144	838,809	14,457,073	7,078,107	16,977,372	30,205,800	80,549,209	11,258,223	465,360,737
Percentage	65.32%	0.18%	3.11%	1.52%	3.65%	6.49%	17.31%	2.42%	100.0%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4.1
Page 33 of 39
Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

MONTHLY CONTRIBUTION TO EKPC COINCIDENT DEMAND - KW									
Month	Schedule I Residential, School & Church	Schedule I Marketing Rate	Schedule II Small Commer- cial - No Demand	Schedule II Small Commer- cial - W/Demand	Schedule III 3 Phase School & Churches	Schedule IV Large Power 2500 kW Plus	Schedule IV-A Large Power 50-2500 kW	Schedule VI Outdoor Lighting	Total Demand kW
January	80,009	-	1,394	3,195	4,554	3791	17,906	2406	113,255
February	79,063	-	1,462	2,560	2,684	3048	13,507	2407	104,731
March	77,487	-	2,352	3,330	3,389	2694	16,483	2411	108,146
April	52,159	-	1,845	2,723	2,218	5868	17,847	0	82,660
May	43,416	-	1,152	2,808	2,635	5708	15,246	0	70,965
June	58,573	-	1,131	2,219	2,242	5325	14,988	0	84,478
July	58,422	-	298	2,470	2,168	4455	15,042	0	82,855
August	54,386	-	610	2,614	3,378	3835	15,627	0	80,450
September	52,346	-	1,383	2,734	3,647	4880	15,814	0	80,804
October	54,025	-	668	2,198	2,547	3351	15,154	0	77,943
November	72,069	-	2,254	2,311	2,375	2306	14,784	0	96,099
December	74,014	-	2,834	2,739	3,582	3912	17,454	2446	106,981
	755,969	-	17,383	31,901	35,419	49,173	189,852	9,670	1,089,367
Allocation %	69.40%	0.00%	1.60%	2.93%	3.25%	4.51%	17.43%	0.89%	100%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4.1
Page 34 of 39
Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

MONTHLY PEAK DEMANDS FOR EACH RATE CLASS KW									
Month	Schedule I Residential, School & Church	Schedule I Marketing Rate	Schedule II Small Commer- cial - No Demand	Schedule II Small Commer- cial - W/Demand	Schedule III 3 Phase School & Churches	Schedule IV Large Power 2500 kW Plus	Schedule IV-A Large Power 50-2500 kW	Schedule VI Outdoor Lighting	Total Demand kW
January	80,009		4,206	3,195	5,517	8,022	15405	2406	118,760
February	79,523		4,151	2,560	5,173	6,289	14072	2407	114,175
March	77,487		4,462	3,330	5,037	7,357	16158	2411	116,242
April	53,158		4,905	2,723	4,996	7,405	15622	2404	91,213
May	53,420		2,033	2,808	4,614	7,874	16545	2406	89,700
June	62,991		2,205	2,781	3,428	6,927	17798	2425	98,555
July	73,516		2,832	2,947	3,571	5,434	18545	2424	109,269
August	61,460		2,393	2,614	5,046	5,187	19827	2430	98,957
September	61,591		2,185	3,100	5,253	5,245	19616	2428	99,418
October	68,149		3,994	2,504	4,980	5,356	20136	2433	107,552
November	73,697		2,705	2,459	4,926	5,496	19972	2439	111,694
December	74,014		3,801	2,739	5,141	5,483	20040	2446	113,664
	819,015	-	39,872	33,760	57,682	76,075	213,736	29,059	1,269,199
Lines	64.53%	0.00%	3.14%	2.66%	4.54%	5.99%	16.84%	2.29%	100%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159

Exhibit R
Schedule 4.1
Page 35 of 39
Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

									1,269,199
SUM OF THE PEAK DEMANDS FOR EACH CUSTOMER WITHIN THE RATE CLASS - KW									
Month	Schedule I Residential, School & Church	Schedule I Marketing Rate	Schedule II Small Commer- cial - No Demand	Schedule II Small Commer- cial - W/Demand	Schedule III 3 Phase School & Churches	Schedule IV Large Power 2500 kW Plus	Schedule IV-A Large Power 50-2500 kW	Schedule VI Outdoor Lighting	Total Demand kW
January	211,005	651	10,197	2,006	6,422	9,022	18,540	2406	260,249
February	199,272	651	10,789	2,032	6,044	7,289	17,368	2407	245,852
March	208,551	630	11,151	2,094	5,898	8,357	19,865	2411	258,957
April	198,421	637	11,341	2,082	5,899	8,405	19,341	2404	248,530
May	189,854	546	11,480	2,049	5,608	8,874	20,509	2406	241,326
June	178,420	203	9,122	1,735	4,035	7,927	21,339	2425	225,206
July	181,339	133	9,171	1,766	4,146	6,434	22,483	2424	227,896
August	180,962	112	9,488	1,914	5,590	6,187	23,408	2430	230,091
September	175,837	147	9,757	1,960	5,727	6,245	23,283	2428	225,384
October	206,231	560	12,322	2,260	5,930	6,356	23,832	2433	259,924
November	212,161	679	10,596	2,226	6,309	6,496	24,747	2439	265,653
December	216,939	693	11,063	2,152	6,087	6,483	23,770	2446	269,633
	2,358,992	-	126,477	24,276	67,695	-	-	29,059	2,606,499
	90.50%	0.00%	4.85%	0.93%	2.60%	0.00%	0.00%	1.11%	100.00%

CUMBERLAND VALLEY ELECTRIC
CASE NO, 2014-00159

Exhibit R
Schedule 4.2
Page 36 of 39
Witness: Jim Adkins

ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)		Factor	Number of Consumers	Relative Weight	Allocation Percent
I	Residential, School and Church	1.00	22,112	22,112.00	93.12%
IA	Residential ETS	1.00	0	-	0.00%
II	Small Commercial w/no Demand	1.00	1,319	1,319.00	5.55%
II	Small Commercial w/Demand	1.00	140	140.00	0.59%
III	3 Phase Scholls and Churches	1.00	46	46.00	0.19%
IV	Large Power - 2500 kW and Larger	1.00	3	3.00	0.01%
IV-A	Large Power - 50- 2500 kW	1.00	80	80.00	0.34%
VI	Outdoor Lighting	1.00	46	46.00	0.19%
			23,746	23,746	100.0%

B. Transformers		1	2	3	4	5	6
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent
I	Residential, School and Church	15 KVA	\$ 398.19	1.00	22,112	22,112	90.66%
IA	Residential ETS	-	\$ -	-	-	-	0.00%
II	Small Commercial w/no Demand	25 KVA	515.27	1.29	1,319	1,707	7.00%
II	Small Commercial w/Demand	3-15 KVA	\$ 1,194.58	3.00	140	420	1.72%
III	3 Phase Scholls and Churches	3-15 KVA	1,194.58	3.00	46	138	0.57%
IV	Large Power - 2500 kW and Larger	-	-	-	3.00	-	0.00%
IV-A	Large Power - 50- 2500 kW	-	-	-	80.00	-	0.00%
VI	Outdoor Lighting	1.5 KVA	104.51	0.26	46.00	12	0.05%
					23,746.00	24,388.89	100.0%

CUMBERLAND VALLEY ELECTRIC
CASE NO, 2014-00159

Exhibit R
Schedule 4.2
Page 37 of 39
Wintess: Jim Adkins

ALLOCATION OF CONSUMER RELATED COSTS

C. Services								
		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
I	Residential, School and Church	2 Triplex	\$ 2.58	100	258.26	22,112	5,710,646	91.73%
IA	Residenital ETS	2 Triplex	\$ 2.58	15	38.74	8	310	0.005%
II	Small Commercial w/no Demand	2/0 Triplex	\$ 3.01	100	301.05	1,319	397,079	6.38%
II	Small Commercial w/Demand	2/0 Quad	\$ 4.30	50	214.89	140	30,085	0.48%
III	3 Phase Scholls and Churches	2/0 Quad	\$ 4.30	50	214.89	46	9,885	0.16%
IV	Large Power - 2500 kW and Larger					3		0.00%
IV-A	Large Power - 50- 2500 kW					80		0.00%
VI	Outdoor Lighting	4 Triplex	\$ 0.47	15	6.98	11,113	77,602	1.25%
		#REF!						
						34,821.00	6,225,606.53	100.00%
D. Meters								
		1	2	3	4	5	6	
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent	
I	Residential, School and Church	2-3 Wire	43.67	1.00	22,112	22,112.00	87.168%	
IA	Residenital ETS	2-3 Wire	43.67	1.00	8	8.00	0.032%	
II	Small Commercial w/no Demand	2-3 Wire	43.67	1.00	1,319	1,319.00	5.200%	
II	Small Commercial w/Demand	Demand	313.00	7.17	140	1,003.41	3.956%	
III	3 Phase Scholls and Churches	Demand	313.00	7.17	46	329.69	1.300%	
IV	Large Power - 2500 kW and Larger	Demand	313.00	7.17	3	21.50	0.085%	
IV-A	Large Power - 50- 2500 kW	Demand	313.00	7.17	80	573.37	2.260%	
VI	Outdoor Lighting					-	0.000%	
					23,708.00	25,366.97	100.0%	

CUMBERLAND VALLEY ELECTRIC
CASE NO, 2014-00159

Exhibit R
Schedule 4.2
Page 38 of 39
Wintess: Jim Adkins

ALLOCATION OF CONSUMER RELATED COSTS

E. Consumer & Accounting Services							
Rate Class	Factor	Multiplier	Consumers Records	Total	Allocation Percent		
I Residential, School and Church	4	1.00	4	22,112	88,448	85.39%	
IA Residential ETS	3	0.25	1	8	6	0.01%	
II Small Commercial w/no Demand	4	1.00	4	1,319	5,276	5.09%	
II Small Commercial w/Demand	6	1.00	6	140	840	0.81%	
III 3 Phase Scholls and Churches	4	1.00	4	46	184	0.18%	
IV Large Power - 2500 kW and Larger	6	1.00	6	3	18	0.02%	
IV-A Large Power - 50- 2500 kW	6	1.00	6	80	480	0.46%	
VI Outdoor Lighting	3	0.25	1	11,113	8,335	8.05%	
-							
					103,587	100.00%	

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
SUMMARY RESULTS OF COST OF SERVICE STUDY

Exhibit R
Schedule 6
Page 39 of 39
Witness: Jim Adkins

	Schedule I	Schedule I	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
	Residential,	Marketing	Sml Com	Sml Com	3 Phase Schl	Large Power	Large Power	Outdoor	
	Schl & Chur	Rate	1 Phase	3 Phase	& Churches	2500 kW Plus	50-2500 kW	Lights	Total
Revenue from Rates	27,553,696	43,098	1,442,770	820,602	1,344,715	2,160,882	5,994,568	\$ 1,300,158	\$ 40,660,489
Less Purchased Power Costs						-			
Demand	5,142,312	-	119,052	216,969	241,671	335,364	1,291,735	66,491	7,413,594
Energy	15,654,542	43,195	744,479	364,493	874,264	1,555,474	4,147,950	579,752	23,964,150
Total	20,796,854	43,195	863,531	581,462	1,115,936	1,890,837	5,439,686	646,243	31,377,744
Gross Margin	6,756,843	(97)	579,239	239,140	228,779	270,045	554,882	653,914	9,282,745
Less Distribution Costs						-			
Demand Related						-			
Stations	31,444	-	1,531	1,296	2,215	2,921	8,206	1,116	48,728
Lines	3,121,588	-	151,968	128,673	219,849	289,952	814,632	110,755	4,837,416
Transformers	410,252	-	21,996	4,222	11,773	-	-	5,054	453,296
Total Distribution Related	3,563,284	-	175,494	134,191	233,836	292,872	822,838	116,925	5,339,440
Consumer Related						-			
Lines	2,269,462	-	135,375	14,369	4,721	308	8,211	4,721	2,437,167
Transformers	165,450	-	12,771	3,143	1,033	-	-	90	182,486
Services	493,125	27	34,289	2,598	854	-	-	6,701	537,593
Meters	944,692	342	56,352	42,869	14,085	919	24,496	-	1,083,754
Consumer Svc						-			-
& Accouting	2,324,814	158	138,677	22,079	4,836	473	12,617	219,075	2,722,728
Outdoor Lighting	-	-	-	-	-	-	-	386,479	386,479
Total Consumer Related	6,197,543	526	377,464	85,057	25,529	1,700	45,324	617,067	7,350,209
Total Distribution Costs	9,760,827	526	552,958	219,248	259,365	294,572	868,162	733,991	12,689,649
Margins from Rate Revenue	(3,003,984)	(623)	26,281	19,893	(30,586)	(24,527)	(313,280)	(80,077)	(3,406,904)
Other Revenue	1,222,269	-	64,001	36,402	59,651	95,856	265,916	57,674	1,801,769
Over (Under) Recovery	(1,781,715)	(623)	90,281	56,294	29,065	71,328	(47,363)	(22,402)	(1,605,135)

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

Q2: Refer to the response to Item 12 of Staff's Second Request and page 10 of 33 of the revised COSS. The correction does not appear to have been made, as the row for Account 589, Rents, shows the total of the accounts above. Include a correction when filing the second revised COSS requested in Item 1.b. above.

RESPONSE:

The above correction has been made.

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

Q3: Refer to the response to Item 13 of Staff's Second Request and pages 13, 22, and 23 of the revised COSS. The correction does not appear to have been made, as page 13 does not include Schedule IV-A and Schedule VI which are included on pages 22 and 23. Include a correction when filing the second revised COSS requested in Item 1.b. above.

RESPONSE:

The complete schedule on page 13 was not printed out from the electronic copy for the responses to the Staff's Second Data Request. Correction has been made and is contained in the R2COSS filed as a part of these responses.

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

- Q4: Refer to the response to Item 20 of Staff's Second Request, page 2 of 2.
- a. Explain why Margins Before Other Revenue does not reconcile with Margins Before Other Revenue shown on page 33 of 33 of the Revised COSS filed in response to Item 9 of Staff's Second Request.

RESPONSE:

These schedules have two different purposes. The schedule on page 33 of 33 in Exhibit R provides data and information based on revenue requirements which is the sum of costs plus margin requirements. Its purpose is to determine how current rates meets, exceeds or falls short of current revenue requirements. Additionally, it has the purpose of helping determine rate design amounts and level.

- b. Provide a revised schedule that reflects all corrections made in response to these requests.

RESPONSE:

Please page 2 of this response for the reconciliation of the two referenced schedules.

	Schedule I	Schedule I	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
	Residential,	Marketing	Sml Com	Sml Com	3 Phase Schl	Large Power	Large Power	Outdoor	
	Schl & Chur	Rate	1 Phase	3 Phase	& Churches	2500 kW Plus	50-2500 kW	Lights	Total
Revenue from Rates	27,553,696	43,098	1,442,770	820,602	1,344,715	2,160,882	5,994,568	\$ 1,300,158	\$ 40,660,489
Less Purchased Power Costs						-			
Demand	5,142,240	-	119,075	216,965	241,690	335,386	1,291,727	66,512	7,413,594
Energy	15,654,542	43,195	744,479	364,493	874,264	1,555,474	4,147,950	579,752	23,964,150
Total	20,796,782	43,195	863,554	581,458	1,115,955	1,890,859	5,439,677	646,264	31,377,744
Gross Margin	6,756,915	(97)	579,216	239,144	228,760	270,023	554,891	653,894	9,282,745
Less Distribution Costs						-			
Demand Related						-			
Stations	32,400	-	1,577	1,336	2,282	3,009	8,455	1,150	50,209
Lines	3,113,581	-	151,578	128,343	219,285	289,208	812,542	110,471	4,825,008
Transformers	407,997	-	21,875	4,199	11,708	-	-	5,026	450,804
Total Distribution Related	3,553,978	-	175,030	133,877	233,275	292,217	820,998	116,647	5,326,021
Consumer Related						-			
Lines	2,263,641	-	135,028	14,332	4,709	307	8,190	4,709	2,430,916
Transformers	164,540	-	12,701	3,125	1,027	-	-	90	181,483
Services	511,600	28	35,573	2,695	886	-	-	6,952	557,734
Meters	1,049,228	380	62,587	47,612	15,644	1,020	27,207	-	1,203,678
Consumer Svc						-			-
& Accouting	2,195,935	149	130,989	20,855	4,568	447	11,917	206,930	2,571,792
Outdoor Lighting	-	-	-	-	-	-	-	418,025	418,025
Total Consumer Related	6,184,945	556	376,879	88,620	26,834	1,774	47,314	636,706	7,363,628
Total Distribution Costs	9,738,922	556	551,909	222,497	260,109	293,992	868,311	753,353	12,689,649
Margins from Rate Revenue	(2,982,008)	(654)	27,307	16,648	(31,348)	(23,969)	(313,421)	(99,459)	(3,406,904)
Other Revenue	1,222,269	-	64,001	36,402	59,651	95,856	265,916	57,674	1,801,769
Over (Under) Recovery	(1,759,738)	(654)	91,307	53,049	28,303	71,887	(47,505)	(41,785)	(1,605,135)
Margins in above amounts	674,555	27	38,026	16,064	21,349	23,746	68,788	54,097	896,650
Other Revenue (1)	(2,307,453)	(627)	65,333	32,712	(10,000)	(223)	(244,633)	(45,363)	(2,510,254)

(1) Equals the amounts for Margins before other Revenue listed in the Response to Item 20 page 2 of 2 of the Commission Staff's Second Request

Witness: Barbara Elliot

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q5: Refer to the response to Item 21.c. of Commission Staff's Second Information Request ("Staff's Second Request") and Exhibit 6 of the application. The response indicates that Account 186.30 Misc Def Debits – R&S Prepayment increased by \$884,000. Exhibit 6 states that Cumberland Valley made an accelerated payment of \$914,847 to its retirement plan. Reconcile these two amounts.

RESPONSE:

An accelerated payment was made in the amount of \$914,847 which is being amortized monthly over 15 years per RUS guidance. The monthly amortization amount is \$5,082 and the total amount amortized during 2013 is \$30,492 which leaves a remaining balance at the 2013 test period of \$884,355.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q6: Refer to the response to Item 23.a.1 of Staff's Second Request. If construction on the Gray office remodel project was completed in September 2013, explain why the total cost of \$380,089 was not transferred to a permanent asset account as of December 31, 2013.

RESPONSE:

The total cost of \$380,089 was transferred to a permanent asset as of January 31, 2014. The final invoices were not received and paid until November 2013. The WIP account was left open just to make sure all work was completed before closing the account.

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q7: Refer to the response to Item 25.f. of Staff's Second Request. The response shows that Cumberland Valley has noted three account numbers for its meters: 370, 370.1, and 370.11.

- a. Are these separate accounts, or are 370.1 and 370.11 divisions of account 370?

RESPONSE:

Account 370.1 and account 370.11 are divisions of account 370. Account 370.1 is for TS1 modules that are installed in some meters and account 370.11 is for TS2 modules that are installed in some meters. The TS1/TS2 modules are installed to make the meter AMI compatible. The TS1 modules are being replaced by the TS2 modules. We currently have only 275 TS1 modules. At the end of 2013, we previously reported 33,686 TS2 modules but the correct number is 33,286.

- b. Provide the number of meters by metering type, such as, electromechanical (with and without added indicating and communication modules) or electronic with such modules included in the design.

RESPONSE:

Cumberland Valley currently has 16,436 mechanical meters with modules and 11,943 solid state meters with modules. We have no meters with modules built into the design.

- c. According to Cumberland Valley's 2013 Annual Financial Report, p. 34, Cumberland Valley has 23,659 billed customers. Explain why the number of meters noted in 370 accounts exceeds 33,000.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

RESPONSE:

At the end of our 2013 test year, we had 1,415 demand meters and 30,397 2-3 wire meters. The 23,659 billed customers is the average number of customers receiving service during 2013 but the actual number of billed customers at the end of 2013 was 23,712. We have several meters on hand during the year for connecting a new service, replacing a meter that is not working properly, routine yearly meter change outs, meters at a testing facility, meters in the process of being junked, meters used for our accounts and disconnected meters remaining in the field that may be reconnected in the future.

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q8: Refer to the response to Item 28.a. of Staff's Second Request. Provide revised pages 4 and 5 in the same format as the response to Staff's Second Request, Item 6, to include columns for annualized interest cost and test-year interest cost. The test-year interest costs should reflect the corrected amount as noted in Cumberland Valley's response to Item 28.f.

RESPONSE:

Please see page 2 of this Item.

Cumberland Valley Electric
Case No. 2014-00159
Schedule of Long-Term Debt (Ongoing Request)

<u>Type of Debt Issued</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>8/28/2014</u>	<u>Cost Rate to Maturity</u>	<u>Annualized Cost Col (d)x(g)</u>	<u>Test Year Interest Cost</u>
			<u>Outstanding Amount</u>			
RUS loans						
1B290	Dec-97	Jun-32	1,221,283.60	5.375%	65,644	68,128
1B295	Nov-98	Jun-32	1,197,700.05	5.000%	59,885	62,103
1B300	Aug 00	Mar-35	957,754.94	0.250%	2,394	2,517
Advance Payment			(1,345,722.62)			
			<u>2,031,015.97</u>		<u>127,923</u>	<u>132,748</u>
FFB loans						
H0010	Mar 01	Sep-14	2,853,290.07	0.032%	913	5,038
H0015	Jul 03	Sep-14	3,426,797.32	0.032%	1,097	6,051
H0020	Jul 04	Sep-14	1,684,751.77	0.032%	539	2,957
H0025	Feb-05	Sep-14	1,531,592.49	0.032%	490	2,688
H0030	Oct-05	Sep-14	2,291,628.90	0.032%	733	4,022
H0035	Sep-06	Sep-14	1,559,232.16	0.032%	499	2,737
H0040	May 07	Sep-14	868,388.98	0.032%	278	1,534
H0045	Aug 08	Sep-14	3,486,526.97	0.032%	1,116	6,676
H0050	Nov-08	Sep-14	2,179,079.34	0.032%	697	3,798
H0055	Jan-10	Sep-14	2,614,866.50	0.032%	837	4,557
H0060	Jul-11	Sep-14	3,650,913.01	0.032%	1,168	6,363
H0065	Jul-12	Sep-14	2,205,706.67	0.032%	706	3,844
F0070	Jan-13	Sep-14	3,000,000.00	0.032%	960	2,526
F0075	Jun-13	Sep-14	1,900,000.00	0.032%	608	1,600
F0080	Dec-13	Sep-14	2,000,000.00	0.032%	640	1,074
F0085*	Jul-14	Dec-14	3,000,000.00	0.053%	1,590	0
			<u>38,252,774.18</u>		<u>12,871</u>	<u>55,465</u>
*FFB Loan for \$3,000,000 on July 22, 2014						
NCSC loans						
2003	Oct-10	Aug-13	0.00	2.300%	0	4,662
2004	Nov-10	Aug-14	83,436.16	2.700%	2,253	9,027
2005	Nov-10	Aug-15	301,948.87	3.050%	9,209	10,635
2006	Nov-10	Aug-16	320,665.49	3.350%	10,742	12,405
2007	Nov-10	Aug-17	202,674.75	3.600%	7,296	8,425
2008	Nov-10	Aug-18	253,479.96	3.800%	9,632	11,123
2009	Nov-10	Aug-19	248,981.06	4.000%	9,959	11,500
2010	Nov-10	Aug-20	264,048.38	4.150%	10,958	12,654
2011	Nov-10	Aug-21	211,859.16	4.200%	8,898	10,275
2012	Nov-10	Aug-22	164,699.46	4.300%	7,082	8,178
			<u>2,051,793.29</u>		<u>76,030</u>	<u>98,884</u>
CoBank loans						
628T01	Feb-13	May-31	1,542,225.87	3.680%	56,754	45,236
628T02	Feb-13	Feb-22	615,650.66	2.590%	15,945	13,344
628T03	Feb-13	Nov-20	240,643.34	2.410%	5,800	4,935
628T04	Feb 13	May-16	89,984.24	1.860%	1,674	1,780
628T05	Feb-13	Nov-13	0.00	1.960%	0	1,950
			<u>2,488,504.11</u>		<u>80,172</u>	<u>67,245</u>
Total Long Term Debt			<u>44,824,087.55</u>		<u>296,997</u>	<u>354,342</u>
Annualized cost rate [Total Annualized Cost Col./Total Outstanding Amount]					0.66%	
Actual test year cost rate [Total Test Year Interest Cost/Total Outstanding Amount]						0.79%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

Q9: Refer to the response to Item 28.e. of Staff's Second Request. Provide the corrected copy of page 3 of 4 of Exhibit S which was not included in Cumberland Valley's response.

RESPONSE:

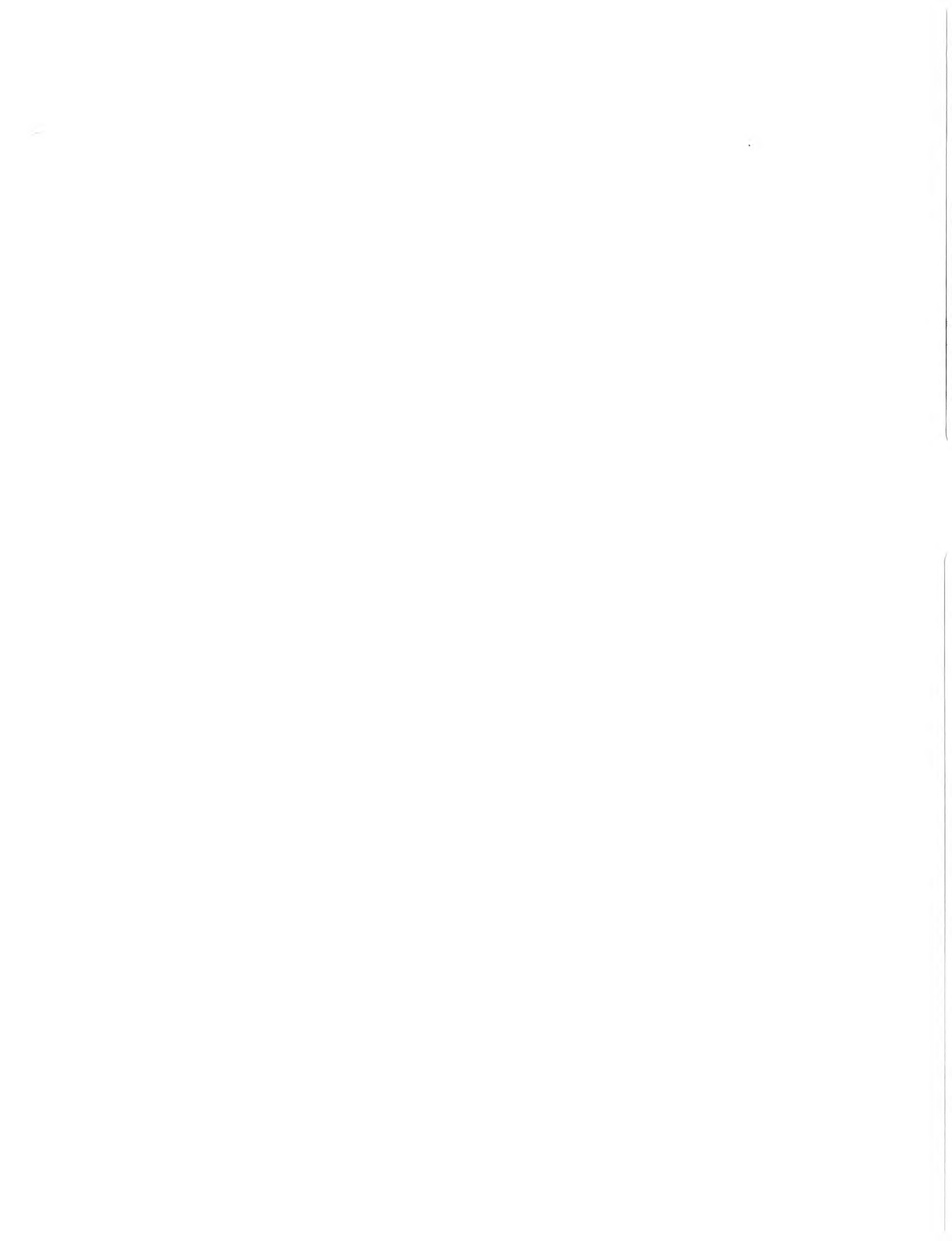
A corrected copy of page 3 of 4 of Exhibit S is provided on page 2 of this response.

Cumberland Valley Electric
Case No. 2014-00159
Summary of Adjustments to Test Year

Exhibit S
page 3 of 4
Witness: Jim Adkins

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 13	Adj 14	Adj 15	
	Salaries	Payroll Taxes	Deprec	Interest	R & S Retirement	FAS 106	Donations	Professional Fees	Directors	Misc Expenses	Rate Case	G & T Capital Cr	CATV	Purchase Power	Revenue	Additional Revenue	Total
Operating Revenues:																	
Base rates																	0
Fuel and surcharge															(4,358,835)		(4,358,835)
Other electric revenue													23,512			(44,894)	(21,382)
	0	0	0	0	0	0	0	0	0	0	0	0	23,512	0	(4,358,835)	(44,894)	(4,380,217)
Operating Expenses:																	
Cost of power:																	
Base rates														0			0
Fuel and surcharge														(4,394,432)			(4,394,432)
Distribution - operations	5,005	232	(893)		4,286	4,152											12,781
Distribution - maintenanc	13,165	610	(1,597)		11,274	10,921											34,373
Consumer accounts	13,220	612	(410)		11,322	10,967											35,711
Customer service	1083	50	(339)		927	898											2,620
Sales	0	0			0	0											0
Administrative and gener	8,282	383	(582)		7,093	6,870		(17,164)	(111,074)	(600)	25,000						(81,792)
Total operating expense	40,755	1,887	(3,821)	0	34,902	33,809	0	(17,164)	(111,074)	(600)	25,000	0	0	(4,394,432)	0	0	(4,390,738)
Depreciation			262,207														262,207
Taxes - other																	0
Interest on long-term debt				542,308													542,308
Interest expense - other																	0
Other deductions							(10,671)										(10,671)
Total cost of electric ser	40,755	1,887	258,386	542,308	34,902	33,809	(10,671)	(17,164)	(111,074)	(600)	25,000	0	0	(4,394,432)	0	0	(3,596,894)
Utility operating margin	(40,755)	(1,887)	(258,386)	(542,308)	(34,902)	(33,809)	10,671	17,164	111,074	600	(25,000)	0	23,512	4,394,432	(4,358,835)	(44,894)	(783,323)
Nonoperating margins, interest																	0
Nonoperating margins, other																	0
G & T capital credits												(2,957,019)					(2,957,019)
Patronage capital credits																	0
	0	0	0	0	0	0	0	0	0	0	0	(2,957,019)	0	0	0	0	(2,957,019)
Net Margins	(40,755)	(1,887)	(258,386)	(542,308)	(34,902)	(33,809)	10,671	17,164	111,074	600	(25,000)	(2,957,019)	23,512	4,394,432	(4,358,835)	(44,894)	(3,740,342)



Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q10: Refer to the response to Item 30.e.(1)(i) of Staff's Second request. Explain the discrepancy between the amortization amount of \$52,620 referenced in Item 30.e.(1) and the calculated amount of \$42,620 shown at the top of page 3 of 4.

RESPONSE:

These amortization amounts should be the same. This difference does not affect the accrual for either 2012 or the updated study for 2013.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q11: Refer to the response to Item 32.b. of Staff's Second Request. Explain why it was necessary to schedule a special board meeting rather than conduct this business at a regular monthly board meeting.

RESPONSE:

Cumberland Valley historically has always had this special meeting before the annual meeting to accept the nominations of the delegates and allow the board planning and preparation time for the annual meeting.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q12: Refer to the response to Item 32.c. of Staff's Second Request. Explain whether Cumberland Valley was aware that it has been Commission policy to allow expenses for attendance at KAEC or NRECA meetings for ratemaking purposes only for attendance by a cooperative's designated representative or by its designated alternate representative. Explain in detail why the Commission should allow such expenses for directors Vanover, Hampton and Moses in this case.

RESPONSE:

Cumberland Valley is aware of previous Commission policy. The meeting addressed in Item 32.c. of Staff's Second Request is the National Rural Electric Cooperative Association's Annual Meeting. Director training sessions are available at this meeting and it is a good opportunity for the director to obtain needed and required training. The Management Audit Report from 2007 recommended and required a policy for attendance of director training. Cumberland Valley feels the education and training of our directors should be allowed for ratemaking purposes.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q13: Refer to the response to Item 33.a., pages 3 and 4 of 4, of Staff's Second Request, and Exhibit 11 of the application. Provide revised pages 3 and 4 identifying the items removed for ratemaking purposes, which Exhibit 11 shows to be \$170 for Account 909.00, Informational Advertising, and \$1,595 for Account 930.11, General Advertising.

RESPONSE:

See pages 2 – 3 of this Item.

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Cumberland Valley Electric
Case No. 2014-00159
ACCT. 909.00 INFO AND INST ADVERTISING EXPENSE

CK DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT
1/31/2013	58312	KAEC	Kentucky Living Magazine	\$2,936.07
1/31/2013	58396	WCTT-FM	RADIO SAFETY ADS	\$275.00
2/28/2013	58618	KAEC	Kentucky Living Magazine	\$2,934.56
2/28/2013	58651	WCTT-FM	RADIO SAFETY ADS & INFO	\$450.00
3/31/2013	58831	KAEC	Kentucky Living Magazine	\$2,940.65
3/31/2013	58854	WCTT-FM	CVE CONTACT INFO ADS	\$175.00
4/30/2013	59187	KAEC	Kentucky Living Magazine	\$2,937.59
5/29/2013	59368	OLEIKA SHRINE CIRCUS	HALF PAGE AD	\$120.00 x
5/31/2013	59467	KAEC	Kentucky Living Magazine	\$2,935.39
6/30/2013	59882	KAEC	Kentucky Living Magazine	\$3,941.96
8/31/2013	60351	KAEC	Kentucky Living Magazine	\$5,854.98
9/24/2013	60492	WCHS BASKETBALL	1/4 PAGE PROGRAM AD	\$50.00 x
9/27/2013	60517	BORDER BOWL	PROGRAM AD	\$500.00
9/30/2013	60594	KAEC	Kentucky Living Magazine	\$2,909.73
10/31/2013	60833	KAEC	Kentucky Living Magazine	\$2,900.22
11/30/2013	61117	KAEC	Kentucky Living Magazine	\$2,905.63
11/30/2013	61072	TIMES TRIBUNE	SCAM ALERT	\$118.50
11/30/2013	61126	W K D P	SCAM ALERT	\$420.00
12/31/2013	61306	KAEC	Kentucky Living Magazine	\$2,909.56

38,214.84

Exclude for rate making purposes

170.00 x

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Cumberland Valley Electric
Case No. 2014-00159
ACCT. 930.11 GENERAL ADVERTISING EXPENSE

Exhibit 13
Page 3 of 3
Witness: Jim Adkins

CK DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT
1/31/2013	58312	KY ASSOC OF ELECT COOP	KY LIVING	\$5,872.13
1/31/2013	58354	MOUNTAIN ADVOCATE MEDIA	STATEMENT OF NON DISC	\$246.50
1/31/2013	58328	TIMES TRIBUNE	STATEMENT OF NON DISC	\$191.25
1/31/2013	58393	HARLAN DAILY ENTERPRISE	STATEMENT OF NON DISC	\$193.80
2/20/2013	58436	MOUNTAIN ADVOCATE MEDIA	BASKETBALL PREVIEW	\$50.00 x
2/21/2013	58440	TRI-CITY LITTLE LEAGUE, INC.	4X5 AD SIGN	\$100.00 x
2/28/2013	58618	KY ASSOC OF ELECT COOP	KY LIVING	\$5,869.12
3/6/2013	58690	WHITLEY COUNTY MIDDLE SCHOOL B	BILLBOARD	\$250.00 x
3/14/2013	58731	CUMBERLAND TOURIST COMMISSION	ADS ON FESTIVAL POSTERS	\$300.00 x
3/31/2013	58831	KY ASSOC OF ELECT COOP	KY LIVING	\$5,881.32
4/30/2013	59219	JELICO COMMUNITY HOSPITAL FOUN	FAIRWAY SPONSOR	\$300.00 x
4/30/2013	59187	KY ASSOC OF ELECT COOP	KY LIVING	\$5,875.19
5/31/2013	59510	MOUNTAIN ADVOCATE MEDIA	CONGRATS TO GRADUATES	\$75.00 x
5/31/2013	59467	KY ASSOC OF ELECT COOP	KY LIVING	\$5,870.77
6/30/2013	59843	NEWS JOURNAL	CONGRATS TO GRADUATES	\$100.00 x
6/30/2013	59882	KY ASSOC OF ELECT COOP	KY LIVING	\$7,884.05
7/31/2013	60133	W K D P	TRUCK SALE AD	\$350.00
7/31/2013	60054	RADIO STATION WYWY	TRUCK SALE AD	\$875.00
7/31/2013	60084	WEKX - FM	TRUCK SALE AD	\$144.00
7/31/2013	60106	WEZJ/FM	TRUCK SALE AD	\$144.00
8/31/2013	60351	KY ASSOC OF ELECT COOP	KY LIVING	\$11,709.96
9/30/2013	60681	TIMES TRIBUNE	CVE GENERAL INFO AD	\$349.00
9/30/2013	60594	KY ASSOC OF ELECT COOP	KY LIVING	\$5,819.47
10/31/2013	60833	KY ASSOC OF ELECT COOP	KY LIVING	\$5,800.44
11/20/2013	60954	MOUNTAIN ADVOCATE MEDIA	SCAM ALERT & VETERAN'S	\$216.32
11/30/2013	61117	KY ASSOC OF ELECT COOP	KY LIVING	\$5,811.35
11/30/2013	61072	TIMES TRIBUNE	BASKETBALL GOOD LUCK AD	\$125.00 x
12/18/2013	61177	LYNN CAMP HIGH SCHOOL	BANNER AD	\$100.00 x
12/31/2013	61350	MOUNTAIN ADVOCATE MEDIA	CHRISTMAS GREETINGS	\$195.00 x
12/31/2013	61306	KY ASSOC OF ELECT COOP	KY LIVING	\$5,819.14
				76,517.81

Exclude for rate-making purposes

1,595.00 x



Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q14: Refer to the response to Time 33.a., page 3 of 4 , of Staff's Second Request.

- a. Lines 9 through 11 show three payments for "Statement of No Disc" which total \$631.55. Provide a complete explanation for these expenditures and explain why they should be included for ratemaking purposes. Provide copies of each advertisement.

RESPONSE:

Cumberland Valley advertised a Statement of Non-Discrimination in three different newspapers at the beginning of 2013. These ads were placed in The Times Tribune, Mountain Advocate and Harlan Daily Enterprise. Cumberland Valley is instructed to publish a Statement of Non-Discrimination annually by Rural Utility Services (RUS) in order to satisfy RUS requirements to be a borrower. See pages 3 - 5 of this Item for copies of each advertisement that ran in 2013.

- b. Lines 24 through 27 show four payments to various broadcast media for "Truck Sale ad" which total \$1,513.00. Provide a complete explanation for these expenditures and why they should be included for ratemaking purposes. Provide details of each advertisement, including copies of the script, broadcast schedule and length.

RESPONSE:

Cumberland Valley periodically bids out and sales old trucks that have been removed from service. These trucks are beyond their useful service life and are sold through a competitive bid process. The advertising is a solicitation for bids on these vehicles and should be included for ratemaking purposes. The details of this advertisement was providing make, model and condition of trucks, how to place a sealed bid, where the vehicles were located for viewing and deadline for acceptance. The actual script

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

was left up to the individual radio stations. The solicitation ran on 6 different radio stations being broadcast 18 to 35 times per station.

- c. Line 29 shows a payment to *Times Tribune* in the amount of \$349.00. Provide a complete explanation for this expenditure and why it should be included for ratemaking purposes. Provide a copy of this advertisement.

RESPONSE:

This was a general advertisement of Cumberland Valley Electric's contact phone numbers and website address in the Southern Kentucky Chamber of Commerce Membership Directory. This information is important to current and future members of the cooperative. See page 6 of this Item for copy of the advertisement.

- d. Line 32 shows a payment to Mountain Advocate Media in the amount of \$216.32. Provide a complete explanation for this expenditure and why it should be included for ratemaking purposes. Provide a copy of this advertisement.

RESPONSE:

This advertisement expenditure was for two ads. The first ad was advertising a Scam Alert in Cumberland Valley's Service area. This was an attempt to notify our members of a local scam that had been brought to our attention and should be included for ratemaking purpose. The cost for this advertisement was \$118.32. The second ad was a tribute to veterans advertising Cumberland Valley's address and phone number. The amount of this ad was \$98.00. The two ads are attached in this Item page 7 -8.

Cumberland Valley ELECTRIC

Deadline Tuesdays at 12 p.m.

We accept all major credit cards,
checks, money orders & cash

PH 606-546-9225

Legal Notice

Legal Notice

Legal Notice

Legal Notice

Legal Notice

STATEMENT OF NONDISCRIMINATION

The Cumberland Valley Electric, Inc. is the recipient of Federal Financial Assistance from the Rural Utilities Service (RUS), an agency of the U. S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the rules of the U. S. Department of Agriculture.

"In accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, or disability (Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer."

Cumberland Valley Electric, Inc.
Highway 25E, P O Box 440
Gray, KY

Ted Hampton
Ted Hampton, Manager

**Attention Readers
& Advertisers!**

*NEW & Now FREE with your subscription
...Check this out!*

PH 606-546-9225

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

SAVING ON CAR TV-INTERNET

Save on Cash TV-Internet-Dish Service. Package start at \$48.00/mo for 12 months. Outside from ALL major wireless providers. Call Kooler today to learn more!
CALL 1-855-858-8884

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

NOTICE OF BOND RELEASE

In accordance with the provisions of KRS 520.012 it is hereby notified that (Doris Lynn Cook, Inc. 111 Mill Creek Road, Parkersville, KY 40363) intend to apply for a global bond release on permit number 048-2012, increments 6, 7, 8, 10, 11, 12, and 13 which was last renewed on 07-12-2008. The application covers an area of approximately 172.38 acres located 0.179 miles south of the community of Lippert in Harlan County. The parcel area is approximately 63 miles southeast from KY 72's Junction with US 421 and located along Osborne Creek and Upper Double Branch. The latitude is 36°-41'-24", the longitude is 83°-20'-38". The parcel area is located on the Harlan/Towson 1W U.S.E.D. 7-1/2 tracts quadrangle map. The total survey books currently filed for these increments are:

Increment No. 6	\$54,500.00
Increment No. 7	\$50,700.00
Increment No. 8	\$10,000.00
Increment No. 10	\$24,500.00
Increment No. 11	\$42,400.00
Increment No. 12	\$23,500.00
Increment No. 13	\$4,400.00

Of which approximately 60% is to be included in this application for Permit 048-2012. Declaration work thus far performed includes staking grid, grading, seeding, and mulching. Work was completed on October 2002. Written comments, objections, and request for a public hearing or informal conference must be filed with the cabinet, at Director of the Division of Mine Reclamation and Enforcement, #2 Hodgson Hollow Complex, Frankfort, Kentucky, 40601, by February 28, 2013. The initial advertisement of the application, a public hearing on application has been scheduled for February 29, 2013 @ 9:30 am. at the Department for Mine Reclamation and Enforcement's Mid-Southern Regional Office, 1904 Cumberland Avenue, Middlesboro, Kentucky 40446. The hearing will be cancelled if there is no request for a hearing or informal conference by February 28, 2013.

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

SAVING ON CAR TV-INTERNET

Save on Cash TV-Internet-Dish Service. Package start at \$48.00/mo for 12 months. Outside from ALL major wireless providers. Call Kooler today to learn more!
CALL 1-855-858-8884

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

NOTICE OF BOND RELEASE

In accordance with the provisions of KRS 520.012 it is hereby notified that (Doris Lynn Cook, Inc. 111 Mill Creek Road, Parkersville, KY 40363) intend to apply for a global bond release on permit number 048-2012, increments 6, 7, 8, 10, 11, 12, and 13 which was last renewed on 07-12-2008. The application covers an area of approximately 172.38 acres located 0.179 miles south of the community of Lippert in Harlan County. The parcel area is approximately 63 miles southeast from KY 72's Junction with US 421 and located along Osborne Creek and Upper Double Branch. The latitude is 36°-41'-24", the longitude is 83°-20'-38". The parcel area is located on the Harlan/Towson 1W U.S.E.D. 7-1/2 tracts quadrangle map. The total survey books currently filed for these increments are:

Increment No. 6	\$54,500.00
Increment No. 7	\$50,700.00
Increment No. 8	\$10,000.00
Increment No. 10	\$24,500.00
Increment No. 11	\$42,400.00
Increment No. 12	\$23,500.00
Increment No. 13	\$4,400.00

Of which approximately 60% is to be included in this application for Permit 048-2012. Declaration work thus far performed includes staking grid, grading, seeding, and mulching. Work was completed on October 2002. Written comments, objections, and request for a public hearing or informal conference must be filed with the cabinet, at Director of the Division of Mine Reclamation and Enforcement, #2 Hodgson Hollow Complex, Frankfort, Kentucky, 40601, by February 28, 2013. The initial advertisement of the application, a public hearing on application has been scheduled for February 29, 2013 @ 9:30 am. at the Department for Mine Reclamation and Enforcement's Mid-Southern Regional Office, 1904 Cumberland Avenue, Middlesboro, Kentucky 40446. The hearing will be cancelled if there is no request for a hearing or informal conference by February 28, 2013.

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

SAVING ON CAR TV-INTERNET

Save on Cash TV-Internet-Dish Service. Package start at \$48.00/mo for 12 months. Outside from ALL major wireless providers. Call Kooler today to learn more!
CALL 1-855-858-8884

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

RECREATION CENTER FOR RENT

RENT in Dayton, HUD approved, \$650 month, \$200 deposit. 275-1945.

FOR RENT: 1 BR Apartment

in Lovell. 273-3001.

Two

DOG WITNESS

The Herie
Ph. 608-678-2119
DOG WITNESS
Kath
608-696-0478

House for Sale

HOMES BY OWNER

BR, 2 bath, 2100+ sq. ft., 2.6-acre, Private Mountain Loc. Happy Top, Walling Creek, \$136,500. Call/Taxi Dwayne 608-222-1012.

FOR SALE: 3 BR, 1 BATH, house on Hwy. 522 w/1/2 ac. private, new carpets, hardwood, road call, \$45,500. FRILL. Call 664-3796 and leave message.

Apartment/Townhouses

FOR RENT: 1 BR 1/2 Bath

Walden, \$230 month. Call 664-373-1545, home 654-4345.

Miscellaneous

HYDROIZON

Asbestos Joint & Mould Parts Surface: Chemically proven alternative supplement helps reduce pain and enhance mobility by hydrolyzing ROSA-FACE for 30 days.

MEDICAL GUARANTEE

Medical Alert for Stroke-out monitoring, FREE Equipment, FREE Shipping, Nationwide Service 24/7. Medical Guardian Today 877-568-1913

MY COMPUTER WORKS

Computer problems? Virus, spyware, email, printer issues. Get it done. Local. No. 1. IT NOW Professional, U.S. based. 24/7. Call for immediate help. 1-877-417-7822

FRIDGE/BUY/Voice

High speed internet every-where by satellite. Working in 100+ countries. (satellite dish req.)
Narrow Band. Call NOW & GO FAST! 1-477-459-7040

NOTICE OF BOND RELEASE

In accordance with the provisions of KRS 520.012 it is hereby notified that (Doris Lynn Cook, Inc. 111 Mill Creek Road, Parkersville, KY 40363) intend to apply for a global bond release on permit number 048-2012, increments 6, 7, 8, 10, 11, 12, and 13 which was last renewed on 07-12-2008. The application covers an area of approximately 172.38 acres located 0.179 miles south of the community of Lippert in Harlan County. The parcel area is approximately 63 miles southeast from KY 72's Junction with US 421 and located along Osborne Creek and Upper Double Branch. The latitude is 36°-41'-24", the longitude is 83°-20'-38". The parcel area is located on the Harlan/Towson 1W U.S.E.D. 7-1/2 tracts quadrangle map. The total survey books currently filed for these increments are:

Increment No. 6	\$54,500.00
Increment No. 7	\$50,700.00
Increment No. 8	\$10,000.00
Increment No. 10	\$24,500.00
Increment No. 11	\$42,400.00
Increment No. 12	\$23,500.00
Increment No. 13	\$4,400.00

Of which approximately 60% is to be included in this application for Permit 048-2012. Declaration work thus far performed includes staking grid, grading, seeding, and mulching. Work was completed on October 2002. Written comments, objections, and request for a public hearing or informal conference must be filed with the cabinet, at Director of the Division of Mine Reclamation and Enforcement, #2 Hodgson Hollow Complex, Frankfort, Kentucky, 40601, by February 28, 2013. The initial advertisement of the application, a public hearing on application has been scheduled for February 29, 2013 @ 9:30 am. at the Department for Mine Reclamation and Enforcement's Mid-Southern Regional Office, 1904 Cumberland Avenue, Middlesboro, Kentucky 40446. The hearing will be cancelled if there is no request for a hearing or informal conference by February 28, 2013.

WALTER ENERGY

Mine Foreman Interviews

Jim Walter Resources, a global producer of high quality metallurgical coal located in Central Alabama, will be conducting superior interviews in Pikeville for its underground mining operations. These positions include: Section, Gentry, Maintenance, Belt, and Logwall Foreman. All positions must have state Foreman papers, Maintenance Foremen must have unexpired MSHA electrical cards, and Belt Foreman must have strong ventilation and repair experience.

Interviews will be held Jan. 29th & 30th from 8 AM to 4 PM at the Hampton Inn, 631 Hambley Blvd., Pikeville, KY.

Jim Walter Resources, a subsidiary of Walter Energy, offers an excellent compensation, relocation, and benefits package (Company-paid Pension, 401k, Stock Purchase, Medical, Dental, Vision, etc.). Our Brookwood operations are located near Tuscaloosa, 30 minutes from the University of Alabama campus and 50 minutes from Birmingham. Please bring an updated resume to the above event but if you cannot attend, you may send your resume to blackburn@walterenergy.com.

ASSISTANT PROPERTY MANAGER

Responsible for the day-to-day administration and implementation of those policies, procedures and programs that will ensure a well managed well maintained property. The Assistant Property Manager will be assigned to specified action areas at the discretion of the Property Manager and/or Sr. Property Manager. Send resume (charles.solinsky@aol.com)

CLASSIFIEDS

STATEMENT OF NONDISCRIMINATION

The Cumberland Valley Electric, Inc. is the recipient of Federal Financial Assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title IV of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination ACT OF 1975, as amended; and the rules of the U.S. Department of Agriculture in accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age or disability (Not all prohibited bases apply to all programs). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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

Review: 'Devil May Cry' an infernal thrill ride

Luca Kasten
Associated Press

At the beginning of "DmC: Devil May Cry" (Capcom, for the Xbox 360, PlayStation 3, \$59.99), demons run amok through a satanic amusement park. Arcades are ransacked from their foundations, rides spin out of control and a Ferris wheel breaks loose and rolls down the boardwalk.

It's practically a mission statement from "DmC" developer Ninja Theory: You want a funhouse? We'll show you a funhouse.

The U.K.-based studio, best known for 2010's superb "Enslaved: Odyssey to the West," has been under a lot of scrutiny since Japanese publisher Capcom awarded it the "Devil May Cry" franchise. Could European designers deliver the same kind of flamboyant mayhem fans loved about the series?

A few minutes under the blood-red

skies of "DmC" should put all those concerns to rest.

It's a rebirth of the entire "Devil" mythology, reintroducing hero Dante as a surly, brown-haired punk rather than the white-haired emo boy of the previous four games. Dante is a rebel, the offspring of an angel and a devil, and a demon with dreams of global domination wants him dead.

Dante has a few tools: his sword, Rebellion and his pistols, Ebony and Ivory. Holding down the left and right trigger buttons switches weapons between Angel and Devil modes; the angelic weapons deliver light damage from a distance, while the devilish ones cause deep burning up close. Dante also has a grappling hook that he can use to bring down flying foes or hurt his own body across chasms.

It's the combination of all those devices that makes the combat in "DmC" so lively. You can soften up

a monster with a few bullets, pull it toward you with the hook and finish it off with a huge axe blow. You up your attacks, and the enemies are so diverse that you can't just settle on one technique. And you're frequently rewarded with weapon upgrades that provide new ways to take the demons down.

Most of the action takes place in a parallel world called Limbo where the laws of physics don't necessarily apply. The ground shifts, walls collapse and chunks of pavement float in the sky. The unpredictable environments, often painted in garishly eye-searing colors, give Limbo the look of your craziest nightmares.

Not surprisingly, the story in "DmC" isn't exactly subtle. Dante's primary nemesis, Mundus, is bent on controlling humanity through addictive soft drinks and an insatiable media

empire. (His star performer sounds an awful lot like Rush Limbaugh.) Dante quickly discovers that his twin brother, Vergil, leads an Occupy Wall Street-like movement called the Order. If you like your back-and-slash action served with a side order of heavy-handed social commentary, you're in the right place.

More threesome is the punishing Aggrotech soundtrack, which is often accompanied by Dante screaming a certain four-letter word. And a few scenarios, such as a lengthy battle against an overgrown demon fetus, obliterate any boundaries of taste.

Still, if you have the stomach for it, seeing the gory grotesque of "DmC" is kind of endearing, and it never takes itself too seriously. Fans of the first four "Devil May Cry" games should celebrate, because Ninja Theory has revived the franchise with style. Three stars out of four.

Schools must provide sports for disabled, US says

Philip Elvitt
Associated Press

WASHINGTON (AP) — Students with disabilities must be given a fair shot to play on a traditional sports team or have their own leagues, the Education Department says.

Disabled students who want to play for their school could join traditional teams if officials can make "reasonable modifications" to accommodate them. If those adjustments would fundamentally alter a sport or give the student an advantage, the department is directing the school to create parallel athletic programs that have comparable standing to traditional programs.

"Sports can provide invaluable lessons in discipline, selflessness, passion and courage, and this guidance will help schools ensure that students with disabilities have an equal opportunity to benefit from the life lessons they can learn on the playing field or on the court," Education Secretary Arne Duncan said in a statement announcing the new guidance Friday. The groundbreaking order is reminiscent of the Title IX expansion of

athletic opportunities for girls and women four decades ago and could bring sweeping changes to school budgets and locker rooms for years to come.

Activists cheered the changes.

"This is a landmark moment for students with disabilities. This will do for students with disabilities what Title IX did for women," said Terri Lakowski, who for a decade led a coalition pushing for the changes. "This is a huge victory."

It's not clear whether the new guidelines will spark a sudden uptick in sports participation. There was a big increase in female participation in sports after Title IX guidance instructed schools to treat female athletes on par with male teams. That led many schools to cut some men's teams, arguing that it was necessary to be able to pay for women's teams.

Education Department officials emphasized they did not intend to change sports traditions dramatically or guarantee students with disabilities a spot on competitive teams. Instead, they insisted schools may not exclude students based on their disabilities if they can keep up with

their classmates.

Federal laws, including the 1973 Rehabilitation Act and the Individuals With Disabilities Education Act, require states to provide a free public education to all students and prohibit schools that receive federal money from discriminating against students with disabilities. Going further, the new directive from the Education Department's civil rights division explicitly tells schools and colleges that access to interscholastic, intramural and intercollegiate athletics is a right.

The department suggests minor accommodations to incorporate students with disabilities onto sports teams. For instance, track and field officials could use a visual cue for a deaf runner to begin a race.

Some states already offer such programs. Maryland, for instance, passed a law in 2008 that required schools to create equal opportunities for students with disabilities to participate in physical education programs and play on traditional athletic teams. And Minnesota awards state titles for disabled student athletes in six sports.

Increasingly, those with disabilities are finding spots on their schools' teams.

"I heard about some of the other people who joined their track teams outside of state," wanted to try to do that," said Casey Followay, 15, of Wooster, Ohio, who competes on his high school track team in a racing wheelchair.

Current rules require Followay to race on his own, without competitors running alongside him. He said he hopes the Education Department guidance will change that and he can compete against runners.

"It's going to give me the chance to compete against kids at my level," he said.

Some cautioned that progress would come in fits and starts initially.

"It is not easy," said Brad Hedrick, director of disability services at the University of Illinois at Urbana-Champaign and himself a hall-of-famer in the National Wheelchair Basketball Association. "In most places, you're beginning from an inertial position. But it is feasible and possible that a meaningful and viable programming can be created."

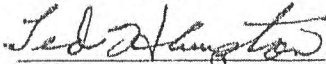
STATEMENT OF NONDISCRIMINATION

The Cumberland Valley Electric, Inc. is the recipient of Federal Financial Assistance from the Rural Utilities Service (RUS), an agency of the U. S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the rules of the U. S. Department of Agriculture.

"In accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, or disability (Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer."

Cumberland Valley Electric, Inc.
Highway 25E, P O Box 440
Gray, KY


Ted Hampton, Manager

LAUREL GARDENS



2200 Level Green Road • Corbin, KY 40701
(606) 528-3186

laurelgardens@bellsouth.net
www.laurelgardenskeavy.com

Also... Commercial & Residential Landscape Design & Installation

Item 14
Page 6 of 8
Witness: Robert J. Jolliver

David's

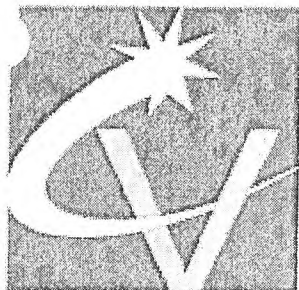
STEAKS • BUFFET • BAKERY

Private meeting rooms
Call ahead for To-Go service

We are the catering specialists!
Call for FREE ESTIMATES!

Established in 1985

125 W. Cumberland Gap PKWY • Corbin, KY 40701
606-528-0063 • www.davidssteakhouse.com



Cumberland Valley Electric, Inc.

A Touchstone Energy
Cooperative 

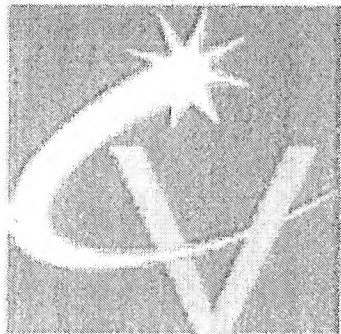
Cumberland Valley Electric
A Touchstone Energy Cooperative

PO Box 440
6219 North US Hwy 25E
Gray, Ky. 40734

Phone- 606 528 2677 • 800-513-2677 • Fax- 606-528-0158

Website- www.cumberlandvalley.coop

*Thank you for
your service!*



Cumberland Valley
Electric, Inc. A Buckeye Energy
Cooperative

6210 U.S. Hwy 25E • Gray, KY 40734

800-513-2677

*Thank you
defending our*

**DR. CYNTHIA CORN
DR. HANNAH HUFF
EYECARE OFFICE**

112 North Allison Ave • Barbo

Professional E
with Sty

We are Focused

Office Hours by Appo

(606) 546-1

We salute
you for
defending
our freedom
and way of
life.

Pope Lumber Since 1888 Best

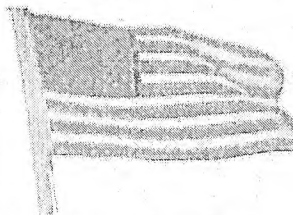
205 Old 25E • Barbourville, KY 40906

Phone: 546-4136

popelumber.doitbest.com

Mon-Fri 7:30 a.m. - 5 p.m. Sat 8:00 a.m. - 1 p.m.

*Thank You
Your Serv*



**KING EQUU
COMPA**

139 Old 2

Barbourville, K'

PH: 606-54

EX: 606-546



SALES • SERVICE • REPAIRS • PARTS • SUPPLIES • SAFETY GEAR

KCEOC issues scam alert

By Eddie Arnold

editor@mountainadvocate.com

Officials with KCEOC are warning Knox countians to beware of scammers posing as agency officials.

“The holiday season is a time of giving. It is the time of year when many people give annual donations to their favorite charities,” said Brandy Crase, adding that it has been estimated that around one-half of charitable gifts are made between Thanksgiving and Christmas. “Unfortunately, this generosity presents opportunity for scammers to falsely solicit donations by using the name of a charity.”

Crise said KCEOC Community Action Partnership would like to take the opportunity to thank donors who so generously contribute to our fight Against Poverty, and also wishes to warn citizens to not be fooled by scammers soliciting donations by using KCEOC’s name.

“While KCEOC Commu-



nity Action Partnership periodically asks for support from the community to keep anti-poverty initiatives running effectively, all requests will be made from authorized KCEOC staff in accordance to our Fundraising Policy,” she said. “Giving is an important part of the season, and it is our hope potential donors will not be discouraged by these scammers.”

Crise said the agency en-

courages everyone to stay informed and don’t be afraid to ask questions when solicitors call or visit. KCEOC Community Action Partnership is 501(c)3 organization and most donations are tax deductible. If you have any questions or concerns about a request you have received, or if you would like to learn more about giving opportunities, please call KCEOC’s Main Office at 606-546-3152.

POSSIBLE SCAM ALERT!

Cumberland Valley Electric Customers

It has been brought to our attention that some of our members may have received phone calls or visits to their home from someone trying to collect money. Cumberland Valley Electric will not come to your house and collect money. We do not collect money in the field. Cumberland Valley Electric will not call you and ask for your credit card number or bank information. If you receive any phone call or visit from someone claiming to be a Cumberland Valley Electric employee, do not supply any financial information. You may report any issues to Cumberland Valley Electric at 800-528-2677 or on our website at www.cumberlandvalley.coop.

*Again, from Mr. Hampton and all of us here at CVE,
we hope you have a safe and happy Thanksgiving.*

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q15: Refer to the response to Item 33.a., page 4 of 4, of Staff's Second Request.

- a. Lines 8, 10, and 12 show payments to WCTT-FM which total \$900.00 for various radio advertisements. Provide a complete explanation for these expenditures and why they should be included for ratemaking purposes. Provide details of each advertisement, including copies of the script, broadcast schedule and length.

RESPONSE:

These expenditures were for the Simple-Saver and Save-It DSM programs. These advertisements promote our load control and energy efficiency programs. The script is attached in the Item, pages 3-8 of 10 and all spots were 30 seconds in length and ran approximately 46 times over the span of a couple of months.

- b. Line 19 shows a payment to Border Bowl for \$500.00. Provide a complete explanation for this expenditure and why it should be included for ratemaking purposes. Provide a copy of this advertisement.

RESPONSE:

The payment of \$500 for the Border Bowl was for advertisement that was placed in the programs and handed out during the football game; it was also for sponsorship of the Border Bowl Linemen Award. The Border Bowl is an important event in our community and by sponsoring the award and running an ad it gave Cumberland Valley great exposure which was used to promote the importance of electrical safety. Cumberland Valley feels that promoting the importance of safety throughout our community is an important part of our commitment to our members and should be included for ratemaking purposes. The program ad is page 9 of 10 of this Item.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

- c. Lines 23 and 24 show payments to Times Tribune and WKDP which total \$538.50 for "Scam Alert". Provide a complete explanation for these expenditures and why they should be included for ratemaking purposes. Provide copies of each advertisement.

RESPONSE:

This expenditure was for two advertisements of scam alerts. This scam alert was someone calling or visiting a Cumberland Valley Electric member trying to get money or personal information by claiming to be an employee or associated with the cooperative. The print ad in the Times Tribune was for \$118.50 and the radio ad was to WKDP for \$420.00. See page 10 of 10 of this Item for copy of advertisement.

SP 2366

If you're like most folks, you only think of Cumberland Valley Electric when your power bill arrives. That's also when you probably want to tell them to Save It. And you should. Cumberland Valley Electric wants to help you save energy and money. I know because I work there. And I've helped all kinds of people figure out ways to Save It. Find out how Cumberland Valley Electric can help you Save It.

Cumberland Valley Electric, a Touchstone Energy Cooperative

CumberlandValley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop

SP 2367

Come on in sweetie. Grandma, it feels comfy in here. What did you do? I called up Cumberland Valley Electric and told them to Save It. You did What? I told them to Save It. They sent out a nice energy advisor to help me save energy and money. Easy peasy. Oh. I need to tell my followers they can Save It too! Followers? It's call the Twitter Sweetie, get with the program! Find out how you can save it.

Cumberland Valley Electric, a Touchstone Energy Cooperative

Cumberland Valley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop

SP 2368

What does it take to protect the environment for future generations, about 20 seconds? That's all it takes to enroll in Cumberland Valley Electric's simple Saver Program. Simple Saver helps you be more energy efficient and protects the environment plus it credits your electric bill \$20 dollars annually for each central air conditioner you enroll in the program and \$10 dollars for every electric water heater. Simple Saver, go green, get green. Just call 1-800-305-5493 to sign up.

Cumberland Valley Electric, a Touchstone Energy Cooperative

Cumberland Valley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop

SP 2369

If you are like most folks, you only think of Cumberland Valley Electric when your bill arrives. That's probably when you want to tell them to SAVE IT, and you should. They want to help you save energy and money. I know because I work there. I help members just like you add comfort to their home and cash to their wallet with programs like Button Up. Visit CumberlandValley.coop to find out how Button Up can help you Save It.

Cumberland Valley Electric, a Touchstone Energy Cooperative

CumberlandValley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop

SP 2370

Cumberland Valley Electric wants to reward our members. That's why we offer the Simple Saver Program. Simple Saver- save energy, help the environment and pocket the rewards. Sign up for simple Saver, to be more energy efficient, increase the reliability of power in your community and get cash back. Just call 1-800-305-5493 to sign up. That's 1-800-305-5493, Simple Saver, saving energy just got more rewarding.

Cumberland Valley Electric, a Touchstone Energy Cooperative

CumberlandValley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop

SP 2371

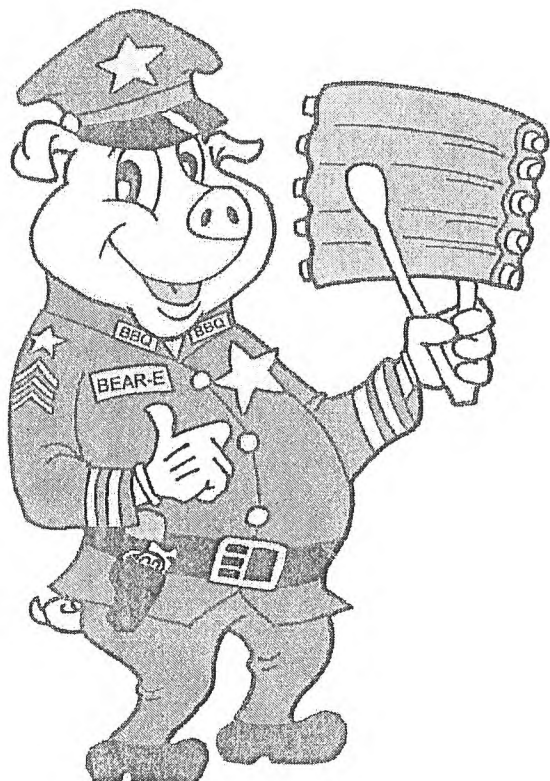
Now –a-days, we are all looking for ways to save money. That’s a given. But, did you know Cumberland Valley Electric wants to help us save energy so we can save money. Yep, they want to help us. I found that out when I called and told them to save it. That’s when they told me all about all the ways I can save energy and programs specifically designed to help me lower my energy costs.

Find out how Cumberland Valley Electric can help you save it.

Cumberland Valley Electric, a Touchstone Energy Cooperative

Cumberland Valley.coop

For additional information call Cumberland Valley Electric at, 1-800-513-2677 or visit our website at www.cumberlandvalley.coop



Smokey Bear's ^{Witness: Robert Tolliver} BBQ

Owned & Operated by
1989 WHS Graduate Barry Mays.

(606) 523-2233

Voted "BEST of the BEST" Year after Year!

- Homemade BBQ SAUCES*
- Hand Crafted BURGERS*
- Hand Breaded CATFISH*
- Fall of the Bone Baby Back RIBS*
- Slow & Smoked PULLED PORK*
- CHICKEN WINGS and much more!!!*

Dine In – Carry Out - Catering

www.smokeybearsbarbecue.com

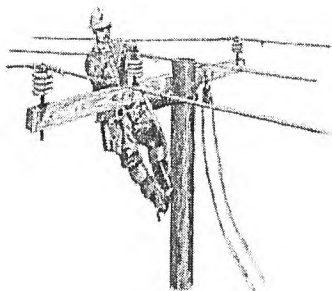
Monday – Friday: 11am to 8pm

Saturday: 11pm to 5pm

Located on American Greeting Card RD. beside Surplus Sales, You can see us from 25E!

Cumberland Valley Electric

Border Bowl Lineman Award



At CVE we know a little

About All-Star Linemen

"Safety First"

GOOD LUCK

KENTON BAKER



HealthKARE Solutions For Tomorrow



Ethel Hembree, of Redwood Lane Corbin, departed this life on Thursday, Nov. 7, 2013, at The Heritage, Corbin. She was 98 years, 6 months and 6 days of age. She was born on May 1, 1915 in Harlan County to the late Levi and Jane Greene.

She was also preceded in death by her husband, Charlie Hembree; one daughter,

great-grandmothers, Margaret Mason and Maude Dye; great-great grandmother, Flora Sizemore; great-great grandparents, Jess and Rotha Reeves; great-great grandmother, Cora Scaff.

Funeral service will be at 3 p.m. Sunday, Nov. 10, Vankirk-Grisell Funeral Home with the Rev. Bobby Lawson officiating. Burial will be at the Smith Cemetery at Faber.

The family will receive friends from 6-9 pm Saturday, Nov. 9, at the funeral home.

Messages of condolence may be written at vankirkgrisellfuneralhome.com

GARRETT TEAGUE JR.

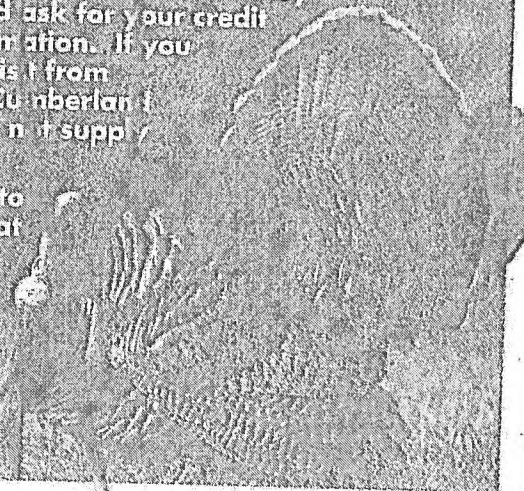
Garrett Gilbert Teague Jr., age 91, of Williamsburg, passed away Thursday Nov. 7, 2013 at Baptist Health Corbin in Corbin. He was born June 21, 1922 in Knox County, to the late Garrett Teague Sr. and the late Hila Lewellyn Teague. He was a graduate of University of Louisville Law School. He was past Commonwealth

Important Message for
Cumberland Valley Electric Customers

It has been brought to our attention that some of our members may have received phone calls or visits to their home from someone trying to collect money. Cumberland Valley Electric will not come to your house and collect money. We do not collect any money in the field. Cumberland Valley Electric will not call you and ask for your credit card number or bank information. If you receive any phone call or visit from someone claiming to be a Cumberland Valley Electric employee do not supply any financial information.

You may report any issues to Cumberland Valley Electric at 800-528-2677 or on our website at www.cumberlandvalley.coop

THANKSGIVING GREETINGS



Cumberland Valley Electric, Inc. A Touchstone Energy Cooperative

WANT TO SUBSCRIBE?

Call 606-528-2464 and ask for the circulation department.



CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

Q16: Refer to the response to Item 24 of Staff's Second Request. Exhibit 12 of the application estimates total rate case expense of \$75,000. The response to Item 34 shows an actual expense incurred to date of \$68,286.93. Provide a current estimate of the rate-case expense Cumberland Valley expects to incur in this proceeding.

RESPONSE:

Provided below is an update on the estimate of these expenses.

Estimate of Rate Case Expenses	
Legal Expenses	\$ 5,000
Consulting	85,000
Advertising	18,000
Supplies and Miscellaneous Expenses	5,000
Total	\$ 113,000

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q17: Refer to the response to Item 37 of Staff's Second Request.

- a. Refer to the response to Item 27.a. The response states that wiring costs are included in the cost of poles. Given this response, regardless of whether the issue has been addressed in previous cases, state whether Cumberland Valley believes it would be appropriate to reduce the weighted average cost by \$12.50 when calculating pole charges.

RESPONSE:

The \$12.50 for ground attachments is included in the 85% reduction for appurtenances. If CVE removes the \$12.50 from the pole costs, then it would have the effect of removing ground attachments twice. This is surely not what was intended in Administrative Case No. 251. The \$12.50 was the amount assigned to the cost of ground attachments included in the 85% reduction for appurtenances.

- b. Regardless of the response to part 1 above, provide a revised Exhibit 17 that reduces the weighted average poles costs by \$12.50 when calculating pole charges.

RESPONSE:

Pages 2 -4 of 4 of this Item are the calculation that removes to \$12.50 both in dollar amount and through the 85% reduction for appurtenances.

Cumberland Valley Electric
CATV Pole Attachments
as of December 31, 2013

Additional revenues generated

<u>Attachment Description</u>	Number	Rates		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole	2,382	\$3.58	\$5.07	\$8,528	\$12,077	\$3,549	29%
3 party Pole	19,302	2.98	3.86	\$57,520	\$74,506	\$16,986	23%
2 party Anchor	529	3.58	4.43	\$1,894	\$2,343	\$449	19%
3 party Anchor	0	2.36	2.92	\$0	\$0	\$0	0%
2 party Ground	0	0.26	0.21	\$0	\$0	\$0	0%
3 party Ground	0	0.16	0.13	\$0	\$0	\$0	0%
Total				\$67,942	\$88,926	\$20,984	24%

Cumberland Valley Electric
CATV Pole Attachments
as of December 31, 2013

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	8,410	\$1,176,337	
40' - 45' poles	23,881	\$10,849,585	
	<u>32,291</u>	<u>\$12,025,922</u>	<u>\$372.42</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' - 45' poles	<u>23,881</u>	<u>\$10,849,585</u>	<u>\$454.32</u>

3. Average cost of anchors

\$65.45

B. 1. Pole Charge:

a. Two party =	\$372.42	85%	\$12.50	13.53%	0.1224	\$5.07
b. Three party =	\$454.32	85%	\$12.50	13.53%	0.0759	\$3.86

2. Pole Charge, with ground attachments:

a. Two party =	\$372.42	85%	\$12.50	13.53%	0.1224	\$0.21
b. Three party =	\$454.32	85%	\$12.50	13.53%	0.0759	\$0.13

3. Anchor Charge:

a. Two party =	\$65.45			13.53%	0.50	\$4.43
b. Three party =	\$65.45			13.53%	0.33	\$2.92

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Cumberland Valley Electric has not made any adjustments or modifications to its CPR's during the current or previous several years.

Cumberland Valley Electric
CATV Pole Attachments
as of December 31, 2013

Fixed charges on investment from PSC Annual Report at December 31, 2013:

Total Distribution Expense	4,065,022	
Reference Page 14		
Customer Accounts Expense	1,871,976	
Reference Page 15		
Customer Service and Informational Expense	153,670	
Reference Page 15		
Administrative and General	1,369,893	
Reference Page 15		
Depreciation Expense	3,115,270	
Reference Page 13		
Taxes Other than Income Taxes	51,441	
Reference Page 13		
	<hr/>	
Sub total	10,627,272	
Divided by Total Utility Plant	95,051,496	11.18%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No. 2005-00187	3.54%	
Net plant ratio for distribution plant:		
Distribution plant	<u>87,827,579</u>	
Accumulated depreciation	<u>29,583,974</u>	33.7%
Rate of return (times 1 minus reserve ratio)		<u>2.35%</u>
Annual carrying charges		<u>13.53%</u>

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q18: Refer to the response to Item 41.b. of Staff's Second Request. The response shows that Cumberland Valley's property tax expense for 2012 and 2013 was \$637,115 and \$689,345 respectively. On page 2 of 6 of the response to Item 24 of Commission Staff's First Request for Information, property taxes for 2012 and 2013 are shown as \$646,347 and \$701,374 respectively. Explain the discrepancies in these amounts.

RESPONSE:

The previously reported amounts were in error. The correct amounts for property taxes are as follows:

2009	545,106
2010	592,552
2011	612,418
2012	646,347
2013	701,374

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2014-00159
RESPONSE TO COMMISSION STAFF'S THRID REQUEST FOR INFORMTION

Q19: Refer to the response to Item 44.b. of Staff's Second Request.

- a. Explain how Cumberland Valley would propose to recover the cost of the management audit that was expensed in 2007.

RESPONSE:

Cumberland Valley proposes to recover the cost of this management audit expense of \$72,367 as an adjustment to its test year expenses

- b. Provide a schedule supporting Cumberland Valley's proposed adjustment.

RESPONSE:

Cumberland Valley feels this expense should not be amortized and considered as an increase in expense for the test year.

Cumberland Valley Electric

Case No. 2014-00159

Commission Staff's Third Request for Information

Q20: Refer to Exhibit 2 of the application. Discuss any consideration Cumberland Valley gave to not granting any salary and wage increase for 2013 as a means to improve its financial position.

RESPONSE:

Cumberland Valley grants wages increases with its union employees through negotiation. The negotiation that resulted in the wage increase for 2013 was done in mid- year 2012, and at this point in time Cumberland Valley's financial position looked good. Salary employees are almost always given the same increase as union employees.

Cumberland Valley Electric
Case No. 2014-00159
Commission Staff's Third Request for Information

Q21: Refer to Exhibit 17 of the application and the September 17, 1982 Order in Administrative Case No. 251 (251 Order). Cumberland Valley used 35-foot, 40-foot, and 45-foot pole sizes in its weighted average costs calculation of two-party poles. Pages 10 and 11 of the 251 Order state, "For electric utilities, the average cost of a tow user pole will be assumed to be the weighted average cost of 35-foot and 40 foot poles..."

- a. Explain why Cumberland Valley used 45-foot poles in its weighted average cost calculation of two-party poles.

RESPONSE:

This was included in error. The 45-foot poles have been removed for two-party attachments, see b. below.

- b. Provide a revised Exhibit 17 which calculates the weighted average costs of two-party poles using 35-foot and 4-foot poles. This revised Exhibit 17 should include the revision requested in Item 17.b. above.

RESPONSE:

Attached are two responses, the first, on pages 2 and 3 of this Item is with 45-foot poles removed in the original calculation that has not removed the \$12.50, which is included in the 85% for appurtenances and the second, on pages 4 and 5 of this Item, with the \$12.50 removed twice, the \$12.50 plus the 85%.

Cumberland Valley Electric
 CATV Pole Attachments
 as of December 31, 2013

Additional revenues generated

<u>Attachment Description</u>	Number	Rates		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole	2,382	\$3.58	\$4.84	\$8,528	\$11,529	\$3,001	26%
3 party Pole	19,302	2.98	3.97	\$57,520	\$76,629	\$19,109	25%
2 party Anchor	529	3.58	4.43	\$1,894	\$2,343	\$449	19%
3 party Anchor	0	2.36	2.92	\$0	\$0	\$0	0%
2 party Ground	0	0.26	0.21	\$0	\$0	\$0	0%
3 party Ground	0	0.16	0.13	\$0	\$0	\$0	0%
Total				\$67,942	\$90,501	\$22,559	25%

Cumberland Valley Electric
CATV Pole Attachments
as of December 31, 2013

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	8,410	\$1,176,337	
40' poles	18,185	7,972,259	
	26,595	\$9,148,596	<u>\$344.00</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' poles	18,185	\$7,972,259	
45' poles	5,696	2,877,326	
	23,881	\$10,849,585	<u>\$454.32</u>

3. Average cost of anchors \$65.45

B. 1. Pole Charge:

a. Two party =	\$344.00	85%	13.53%	0.1224	\$4.84
b. Three party =	\$454.32	85%	13.53%	0.0759	\$3.97

2. Pole Charge, with ground attachments:

a. Two party =	\$344.00	85%	\$12.50	13.53%	0.1224	\$0.21
b. Three party =	\$454.32	85%	\$12.50	13.53%	0.0759	\$0.13

3. Anchor Charge:

a. Two party =	\$65.45		13.53%	0.50	\$4.43
b. Three party =	\$65.45		13.53%	0.33	\$2.92

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Cumberland Valley Electric has not made any adjustments or modifications to its CPR's during the current or previous several years.

Cumberland Valley Electric
 CATV Pole Attachments
 as of December 31, 2013

Additional revenues generated

<u>Attachment Description</u>	Number	Rates		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole	2,382	\$3.58	\$4.67	\$8,528	\$11,124	\$2,596	23%
3 party Pole	19,302	2.98	3.86	\$57,520	\$74,506	\$16,986	23%
2 party Anchor	529	3.58	4.43	\$1,894	\$2,343	\$449	19%
3 party Anchor	0	2.36	2.92	\$0	\$0	\$0	0%
2 party Ground	0	0.26	0.21	\$0	\$0	\$0	0%
3 party Ground	0	0.16	0.13	\$0	\$0	\$0	0%
Total				\$67,942	\$87,973	\$20,031	23%

Cumberland Valley Electric
CATV Pole Attachments
as of December 31, 2013

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	8,410	\$1,176,337	
40' poles	18,185	7,972,259	
	<u>26,595</u>	<u>\$9,148,596</u>	<u>\$344.00</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' poles	18,185	\$7,972,259	
45' poles	5,696	2,877,326	
	<u>23,881</u>	<u>\$10,849,585</u>	<u>\$454.32</u>

3. Average cost of anchors \$65.45

B. 1. Pole Charge:

a. Two party =	\$344.00	85%	\$12.50	13.53%	0.1224	\$4.67
b. Three party =	\$454.32	85%	\$12.50	13.53%	0.0759	\$3.86

2. Pole Charge, with ground attachments:

a. Two party =	\$344.00	85%	\$12.50	13.53%	0.1224	\$0.21
b. Three party =	\$454.32	85%	\$12.50	13.53%	0.0759	\$0.13

3. Anchor Charge:

a. Two party =	\$65.45			13.53%	0.50	\$4.43
b. Three party =	\$65.45			13.53%	0.33	\$2.92

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Cumberland Valley Electric has not made any adjustments or modifications to its CPR's during the current or previous several years.