

**Goss
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August 2, 2018

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AUG 06 2018

PUBLIC SERVICE
COMMISSION

VIA U.S. MAIL

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: *In the Matter of: The Application of Cumberland Valley Electric, Inc. for Authorization to Borrow up to \$2,024,000 from CoBank and to Prepay USDA Rural Utilities Service Notes of the Same Amount*
Cure of Filing Deficiency – PSC Case No. 2018-00256

Executive Director Pinson:

Cumberland Valley Electric, Inc., is in receipt of your letter this same date describing a filing deficiency associated with the Application submitted on July 25, 2018, in the above-referenced matter.

In order to cure this deficiency, please find enclosed and accept for filing an original and ten (10) copies of an updated Exhibit 3, Page 1 to the Application. This page has been revised to specifically include a statement with respect to the absence of sinking fund provisions within the relevant mortgage.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,



|| M. Evan Buckley

Enclosure

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APPLICATION OF CUMBERLAND VALLEY ELECTRIC, INC.

EXHIBIT 3

FINANCIAL EXHIBIT – 807 KAR 5:001, SECTION 12

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Unless otherwise noted, the financial information contained in this Exhibit is for the twelve months ending or as of May 31, 2018, this is within the 90 day requirement of 807 KAR 5:001, section 12.

- Section 12(2)(a) CVE has no stock authorized.
- Section 12(2)(b) CVE has no stock issued or outstanding.
- Section 12(2)(c) CVE has no preferred stock issued.
- Section 12(2)(d) All of CVE's loans with RUS and CoBank are secured by the restated Mortgage and Security Agreement executed on December 1, 2016. See Exhibit 4 for a copy of the mortgage. CVE is the mortgagor, and RUS and CoBank are the mortgagees. The total debt limit is \$100,000,000.00. The current actual indebtedness is reflected on Page 4 of this Exhibit 3. The mortgage contains no sinking fund provisions.
- Section 12(2)(e) CVE has no bonds authorized or issued.
- Section 12(2)(f) Page 4 of this Exhibit 3 contains the required information with respect to each note outstanding.
- Section 12(2)(g) CVE has no other indebtedness.
- Section 12(2)(h) As CVE has no stock authorized, issued, or outstanding, no dividends have been paid during the five previous fiscal years.
- Section 12(2)(i) A detailed income statement (statement of operations) and balance sheet are provided, respectively, at Page 2 and Page 3 of this Exhibit 3.