

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CUMBERLAND)
VALLEY ELECTRIC, INC. TO ADJUST) CASE NO. 2000-359
ITS RATES)

O R D E R

On July 17, 2000, Cumberland Valley Electric, Inc. ("Cumberland Valley") applied for authority to adjust its rates pursuant to Administrative Regulation 807 KAR 5:011, Section 10, Non-recurring Charges. Cumberland Valley specifically proposed to increase its cable television pole attachment and anchor ("CATV") charges and its miscellaneous service charges to be effective with service rendered on and after October 1, 2000. The Commission Staff notified Cumberland Valley on August 1, 2000 that, because it proposed to increase CATV charges, which are not non-recurring charges, the application would need to be re-filed pursuant to 807 KAR 5:001, Section 10, General Rate Applications. Cumberland Valley subsequently re-filed its application on August 18, 2000 as a general rate application.

In its revised application Cumberland Valley requests permission to deviate from many of the filing requirements contained in the 807 KAR 5:001, Section 10, requirements that were specified in the application. Cumberland Valley offers three reasons to support its request for deviation: (1) the proposed adjustments in rates affect only its CATV and miscellaneous service charges; (2) it is not requesting a general adjustment in rates; and

(3) the increases in revenues resulting from the proposed rate changes do not result in increasing Cumberland Valley's margins to the point of exceeding the Times Interest Earned Ratio ("TIER") allowed in its most recent general rate case. Cumberland Valley provided notice to its customers of the increase in charges in the September 2000 issue of Kentucky Living magazine.

On September 28, 2000, the Kentucky Cable Telecommunications Association ("KCTA") filed a motion to intervene in this proceeding. It appears to the Commission that such intervention is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

The Commission therefore finds that:

1. KCTA's request to intervene should be granted.
2. Pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date.
3. Cumberland Valley's request for deviation from certain filing requirements contained in 807 KAR 5:001, Section 10, should be granted.

IT IS HEREBY ORDERED that:

1. The motion of KCTA to intervene is granted.
2. KCTA shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

3. Should KCTA file documents of any kind with the Commission in the course of these proceedings, KCTA shall also serve a copy of said documents on all other parties of record.

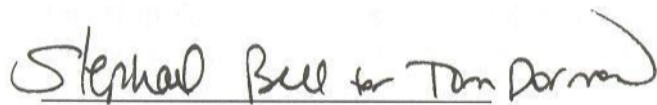
4. Cumberland Valley's proposed rates are hereby suspended for five months from October 1, 2000, up to and including February 28, 2001.

5. Cumberland Valley's request to deviate from the requirements of 807 KAR 5:001, Section 10, as set forth in its revised application, is granted.

Done at Frankfort, Kentucky, this 29th day of September, 2000.

By the Commission

ATTEST:


Executive Director