

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CUMBERLAND VALLEY)	
ELECTRIC, INC. TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2006-00477
SUPPLIER PURSUANT TO KRS 278.455(2))	

O R D E R

On January 29, 2007, Cumberland Valley Electric, Inc. ("Cumberland Valley") submitted an application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007 to pass-through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2006-00472.¹ Cumberland Valley filed an entry of appearance by its legal counsel on February 6, 2007, and the application was accepted as filed on that date.

On April 1, 2007 in Case No. 2006-00472, the Commission authorized, subject to refund, an interim \$19.0 million annualized increase in EKPC's wholesale revenues to be effective for service rendered on and after April 1, 2007. Therefore, pursuant to KRS 278.455 we authorized an interim increase in Cumberland Valley's revenues of \$863,878, effective for service rendered on and after April 1, 2007.

The Commission issued an Order this date in Case No. 2006-00472 approving the interim increase of \$19.0 million in annualized revenues as the final increase for EKPC. Consequently, the Commission finds that Cumberland Valley's April 1, 2007

¹ Case No. 2006-00472, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.

interim increase in revenues of \$863,878 should be approved as the final and permanent increase authorized in this proceeding.

In its July 25, 2007 Order in Case No. 2006-00514,² the Commission approved the transfer, or roll-in, of 6.41 mills per kWh from Cumberland Valley's Fuel Adjustment Clause to its base rates. The rates incorporating this roll-in were effective for service rendered on and after August 1, 2007. Cumberland Valley's base rates at the time of the roll-in reflected the \$863,878 interim increase in revenues approved by the Commission on April 1, 2007. As the Commission has found in this Order that the \$863,878 increase in revenues should be made permanent and no additional increase in revenues has been approved, no change or revision to Cumberland Valley's current rates will be necessary.

IT IS THEREFORE ORDERED that the April 1, 2007 interim increase in revenues of \$863,878 is approved as the final increase in revenues authorized in this proceeding. No change to Cumberland Valley's base rates is necessary.

Done at Frankfort, Kentucky, this 5th day of December, 2007.

By the Commission

ATTEST:



Executive Director

² Case No. 2006-00514, An Examination of the Application of the Fuel Adjustment Clause of Cumberland Valley Electric, Inc. from November 1, 2004 to October 31, 2006.