

April 5, 2017

Via Electronic Filing and USPS

Dr. Talina Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: *In the Matter of: Application of Cumberland Valley Electric, Inc.
for a General Adjustment of Rates*
PSC Case No. 2016-00169

Dr. Mathews:

Accompanying this letter in electronic medium are copies of: (i) the minutes of a special meeting of the Board of Directors of Cumberland Valley Electric, Inc. ("Cumberland Valley") held February 23, 2017; and (ii) certain Resolutions adopted by the Board of Directors of Cumberland Valley during said special meeting. This filing is made in compliance with the Order entered by the Commission in the above-styled case on February 6, 2017, and specifically ordering paragraph number 5 thereof.

Pursuant to the Order, the leadership of Cumberland Valley has conducted an extensive evaluation of the cooperative's health and dental insurance expenses for its ten (10) salaried/management employees, primarily examining the extent to which said employees should be required to contribute to their insurance coverage. Numerous scenarios (*i.e.*, respective employer/employee contribution percentages) were considered and discussed as part of this process. Ultimately, and in keeping with the general principle of gradualism embraced by the Commission in recent rate-adjustment decisions, Cumberland Valley has determined that its salaried employees' contribution to health insurance premiums (for both individual and family coverages) should steadily increase over the next thirty-six (36) months from 0% to 12.5%, ultimately resulting in annual savings to Cumberland Valley totaling approximately \$17,900.00 and total savings over the next forty-eight (48) months of \$50,448.91.¹ Cumberland Valley has also determined that its salaried employees' contribution to both individual and family dental insurance coverage should be 40%, effective April 1, 2017.

¹ Cumberland Valley's savings estimates for the near term assume premiums for health and dental insurance will remain constant. Of course, as premiums increase so too does the total insurance expense avoided by Cumberland Valley as a result of enlarging salaried employee contributions. In addition, Cumberland Valley's Board of Directors may, in the future, adjust the implementation schedule to better align the salaried employees' contribution increases with re-pricings of the cooperative's health and dental insurance premiums.

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This letter and the enclosures are intended to satisfy all aspects of ordering paragraph number 5 of the Commission's Order entered February 6, 2017, including both the required "report" and the required "evidence of implementation." To the extent additional information or documents are desired, Cumberland Valley respectfully requests direction from the Commission or its Staff as to the form/content of any future filing in this respect.

Please note that the filenames of the documents hereby submitted electronically are:

This Letter: CVE_Read1st_040517
Meeting Minutes: CVE_Minutes_040517
Board Resolutions: CVE_Resolutions_040517

One (1) original and six (6) copies of the minutes and the Resolutions are enclosed with this letter in the paper-medium submission made via U.S. mail.

In accordance with 807 KAR 5:001, Section 8, this is to certify that the electronically filed documents (including this "Read1st" letter and the enclosures) are true and accurate copies of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on April 5, 2017; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; that the original of the documents transmitted electronically will be filed with the Commission in paper medium within two (2) business days from the date of the electronic filing; and that attached to the top of the paper medium submission is a copy in paper medium of the electronic notification from the Commission confirming receipt of electronic submission.

Please do not hesitate to contact me if you have any questions or concerns.

Respectfully submitted,



Mark David Goss

CC (with enclosures):

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Enclosures