

Cumberland Valley Electric, Inc.
Case No. 2016-00169
Attorney General's First Request for Information

11. Reference the Cumberland Valley Application generally to answer the following:

- A. Provide a list of each Cumberland Valley salaried employee's job title with salary, overtime if any, percent pay increase for each of the past five years, and also include all benefits, bonuses, awards, etc.

Response:

Attached is the list with title and salary for the past five years for salaried employees. There was no overtime. All employees participate in company provided benefits. All salaried employees received a Christmas bonus.

- B. Provide a list of each Cumberland Valley hourly employee's job title with salary, overtime if any, percent pay increase for each of the past five years, and also include all benefits, bonuses, awards, etc.

Response:

Attached is the list with title and salary for the past five years for hourly employees. All employees participate in company provided benefits. All hourly employees received a Christmas bonus.

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- C. Provide a list of each Cumberland Valley BOD's job title with salary, overtime if any, percent pay increase for each of the past five years, and also include all benefits, bonuses, awards, etc.

Response:

Vernon Shelley, Chairman

Roger Vanover, Vice Chairman

Lansford Lay, Secretary-Treasurer

Kermit Creech, Director

Chester Davis, Director

Elbert Hampton, Director

Kevin Moses, Director

Board members do not receive a salary, overtime, or bonuses. Director benefits include health, dental and director life. Directors typically receive a modest Christmas gift on an annual basis.

- D. Provide a list of each Cumberland Valley officer's job title with salary, overtime if any, percent pay increase for each of the past five years, and also include all benefits, bonuses, awards, etc.

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Response:

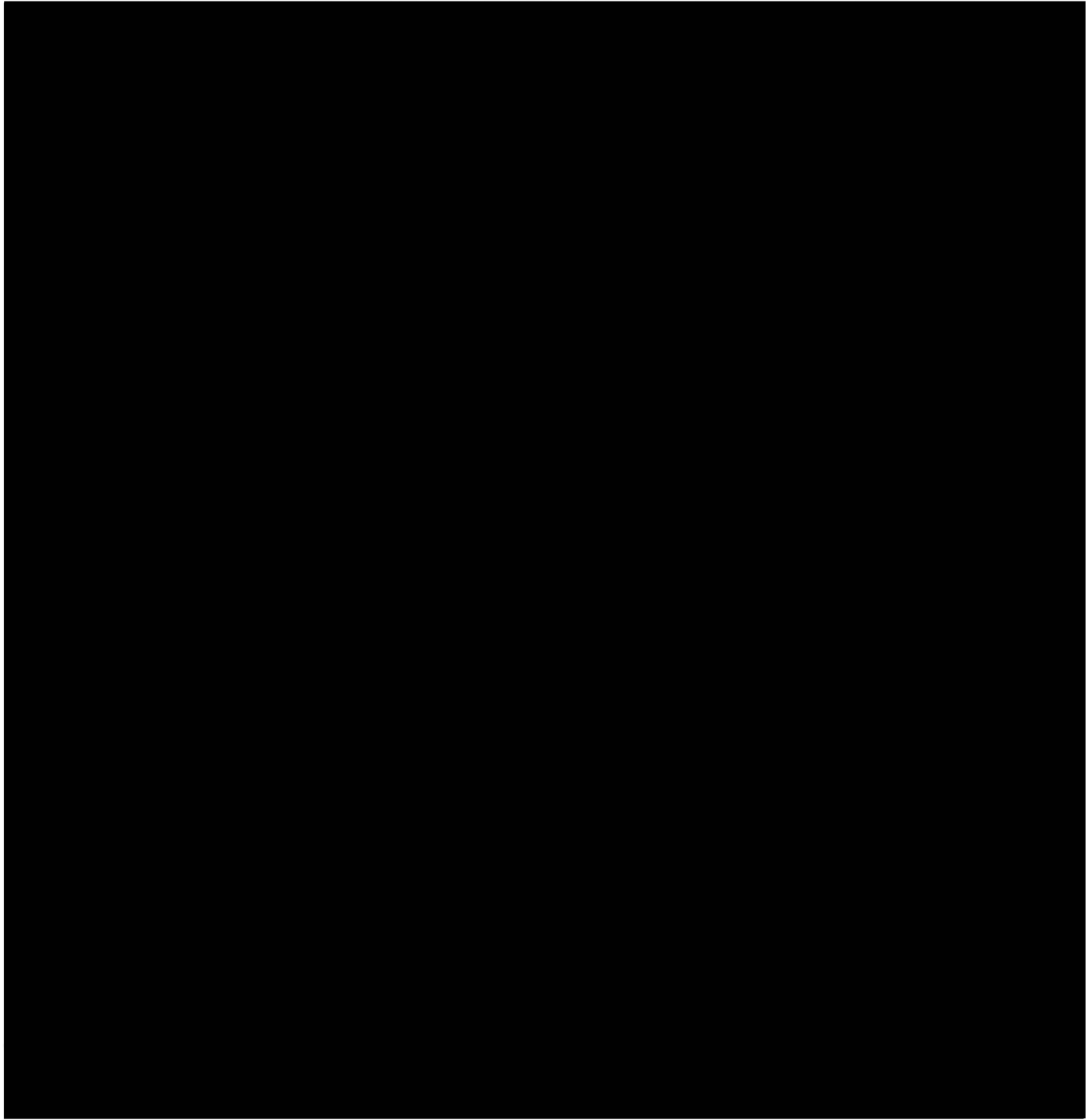
Attached is the list with title and salary for the past five years for officers. There was no overtime. All employees participate in company provided benefits. All officers received a Christmas bonus.

Cumberland Valley Electric
Case No. 2016-00169
AG Initial Request for Information

CONFIDENTIAL

Question #11

| <u>Job Title</u> | <u>Wage Rate</u> | | | | | <u>Percent Increase</u> | | | | |
|------------------|------------------|---------------|---------------|---------------|---------------|-------------------------|---------------|---------------|---------------|---------------|
| | <u>9/1/11</u> | <u>9/1/12</u> | <u>9/1/13</u> | <u>9/1/14</u> | <u>9/1/15</u> | <u>9/1/11</u> | <u>9/1/12</u> | <u>9/1/13</u> | <u>9/1/14</u> | <u>9/1/15</u> |
| Officers | | | | | | | | | | |
| Manager | \$ 78.87 | \$ 81.24 | \$ 83.68 | \$ 86.61 | \$ 88.77 | 6.9% | 3.0% | 3.0% | 3.5% | 2.5% |



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Attorney General's Second Request for Information

5. Reference Cumberland Valley's response to AG 1-11(a), (b), and (d). The answers are inadequate and do not respond to the questions originally posed. Provide a detailed list for all Cumberland Valley employees, including the President and CEO, that provides the total yearly salaries or yearly wages, overtime if any, percent pay increase for each of the past five years, and include all benefits, bonuses, awards, etc. For example, if a Christmas bonus was received, provide the monetary amount of the Christmas bonus for each employee.

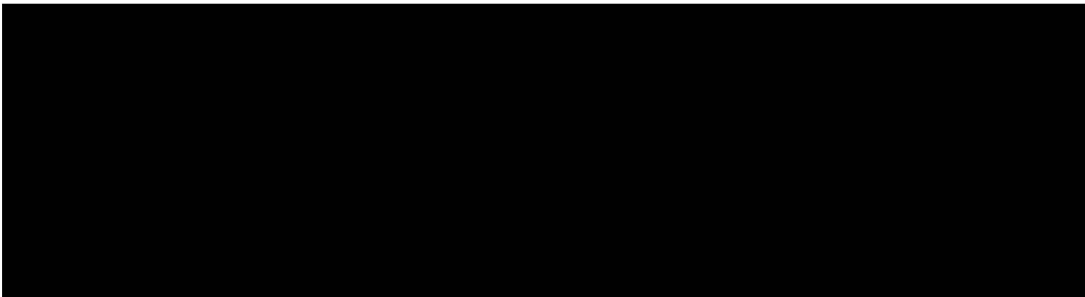
Response:

Cumberland Valley has attached the requested information as pages 2 – 7 of this item.

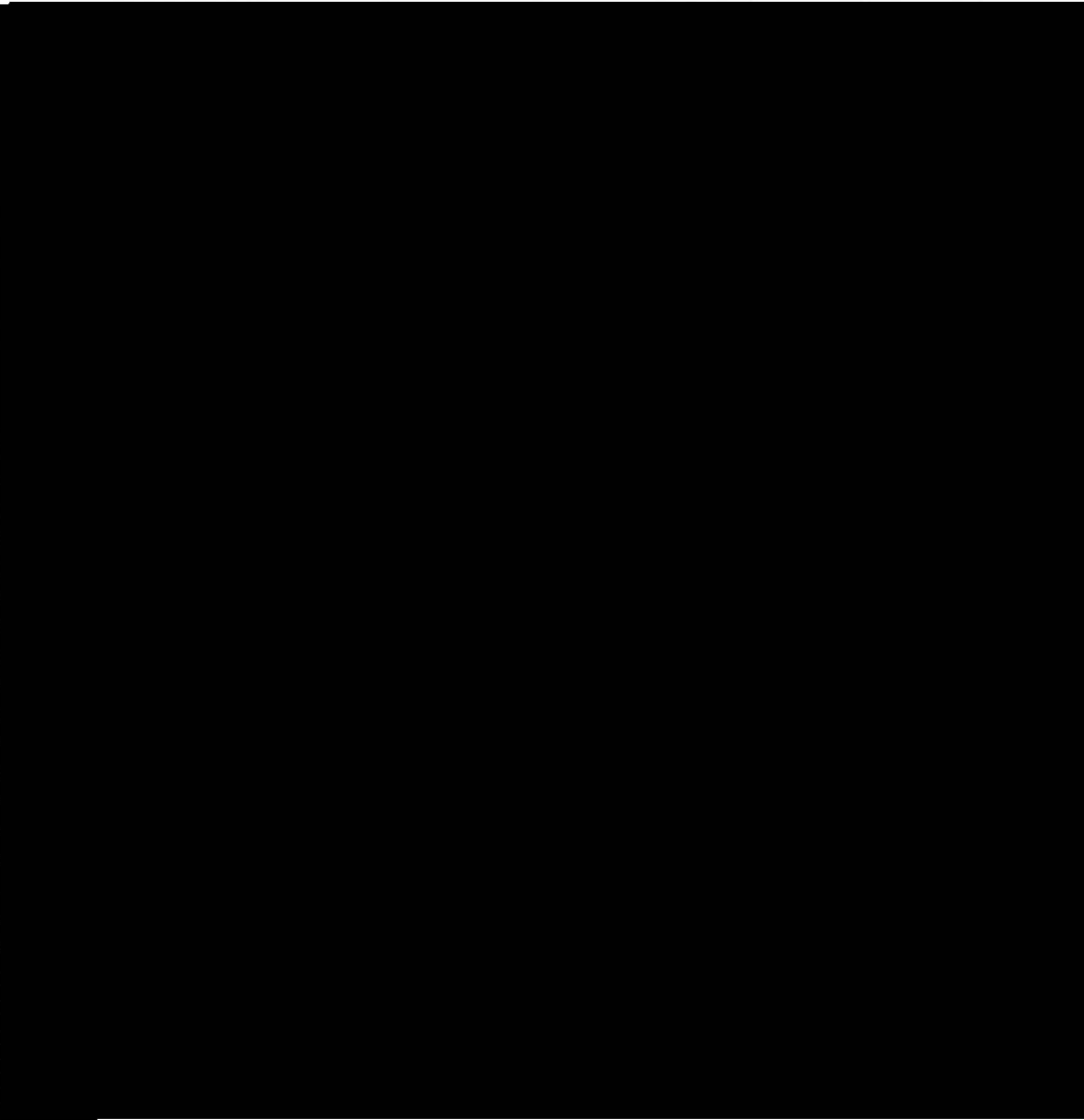
The company furnishes some health and safety items referenced in the union contract that are not considered benefits.

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Attorney General's Second Request for Information
Salary/Wage, Benefits, Bonus Annual Amount

| <u>Employee</u> | <u>2011</u> | | | | | | |
|-----------------|-------------|----------|-----------------|-----------------|-----------|--------|-----|
| | Regular | Overtime | Health Benefits | Dental Benefits | Life Ins. | 401(k) | R&S |

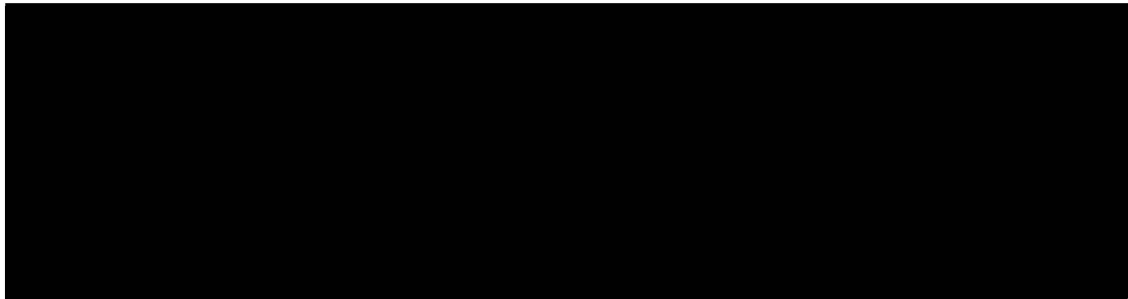


| | | | | | | | | |
|----|--------------|------|--------------|-----------|-----------|-------------|-------------|------|
| 11 | \$160,357.76 | \$ - | \$ 12,433.92 | \$ 833.16 | \$ 746.88 | \$ 8,017.92 | \$55,890.00 | \$ - |
|----|--------------|------|--------------|-----------|-----------|-------------|-------------|------|

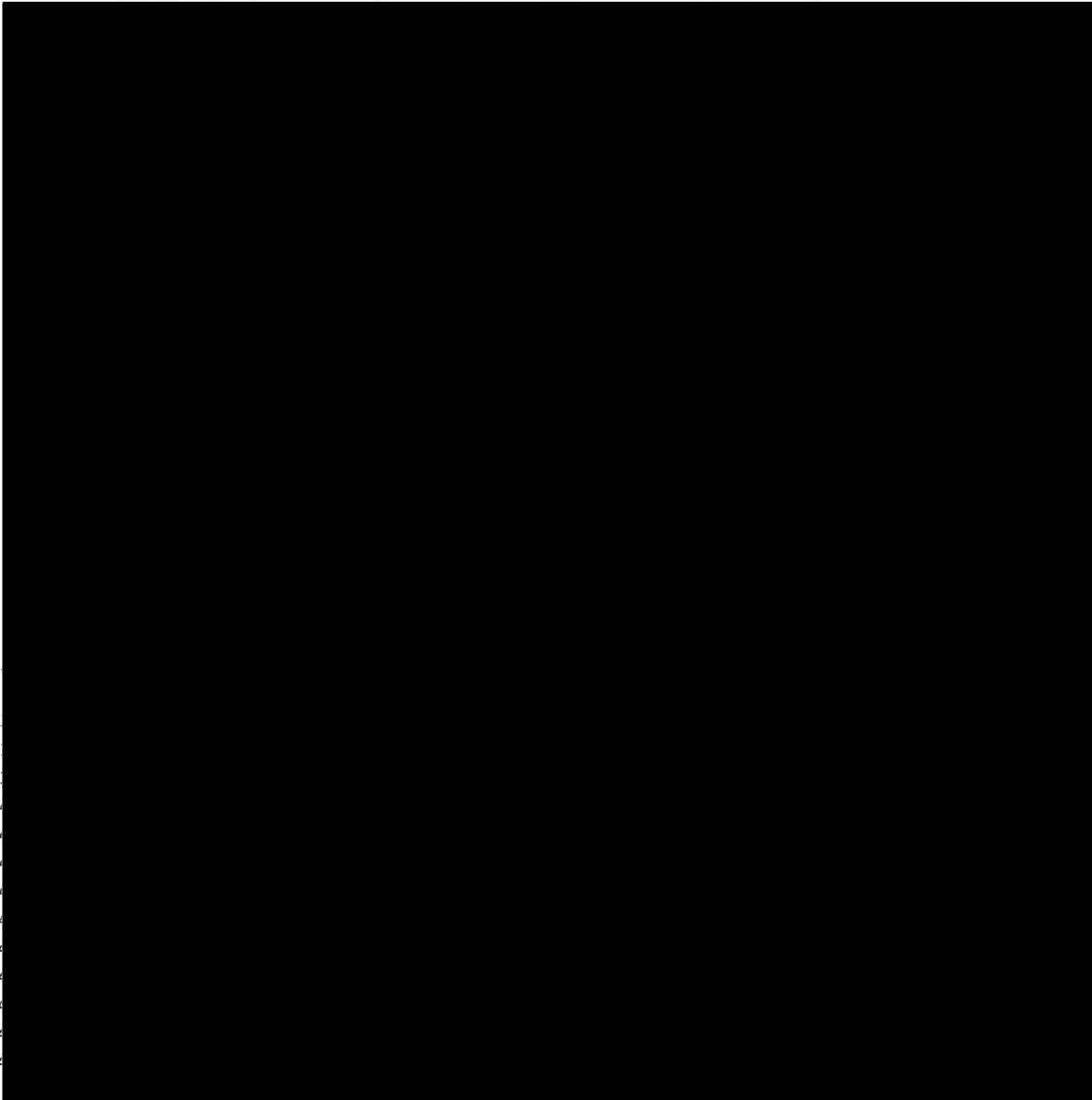


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Salary/Wage, Benefits, Bonus Annual Amount

| <u>Employee</u> | <u>2012</u> | | | | | | |
|-----------------|-------------|----------|-----------------|-----------------|-----------|--------|-----|
| | Regular | Overtime | Health Benefits | Dental Benefits | Life Ins. | 401(k) | R&S |



| | | | | | | | | |
|----|--------------|------|--------------|-----------|-----------|-------------|--------------|------|
| 11 | \$165,696.88 | \$ - | \$ 11,378.16 | \$ 847.68 | \$ 773.04 | \$ 8,284.80 | \$ 58,338.24 | \$ - |
|----|--------------|------|--------------|-----------|-----------|-------------|--------------|------|



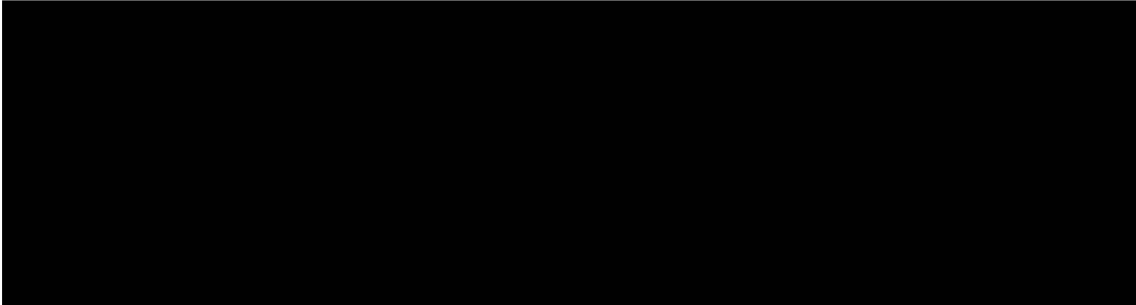
Cumberland Valley Electric
Case No. 2016-00169
Attorney General's Second Request for Information
Salary/Wage, Benefits, Bonus Annual Amount

| Employee | 2014 | | | | | | | |
|----------|---------------|----------|-----------------|-----------------|-----------|-------------|--------------|-----------------|
| | Regular | Overtime | Health Benefits | Dental Benefits | Life Ins. | 401(k) | R&S | Christmas Bonus |
| | | | | | | | | |
| 11 | \$ 176,077.84 | \$ - | \$11,888.54 | \$ 921.00 | \$ 932.76 | \$ 8,803.92 | \$ 44,408.40 | \$ 200.00 |

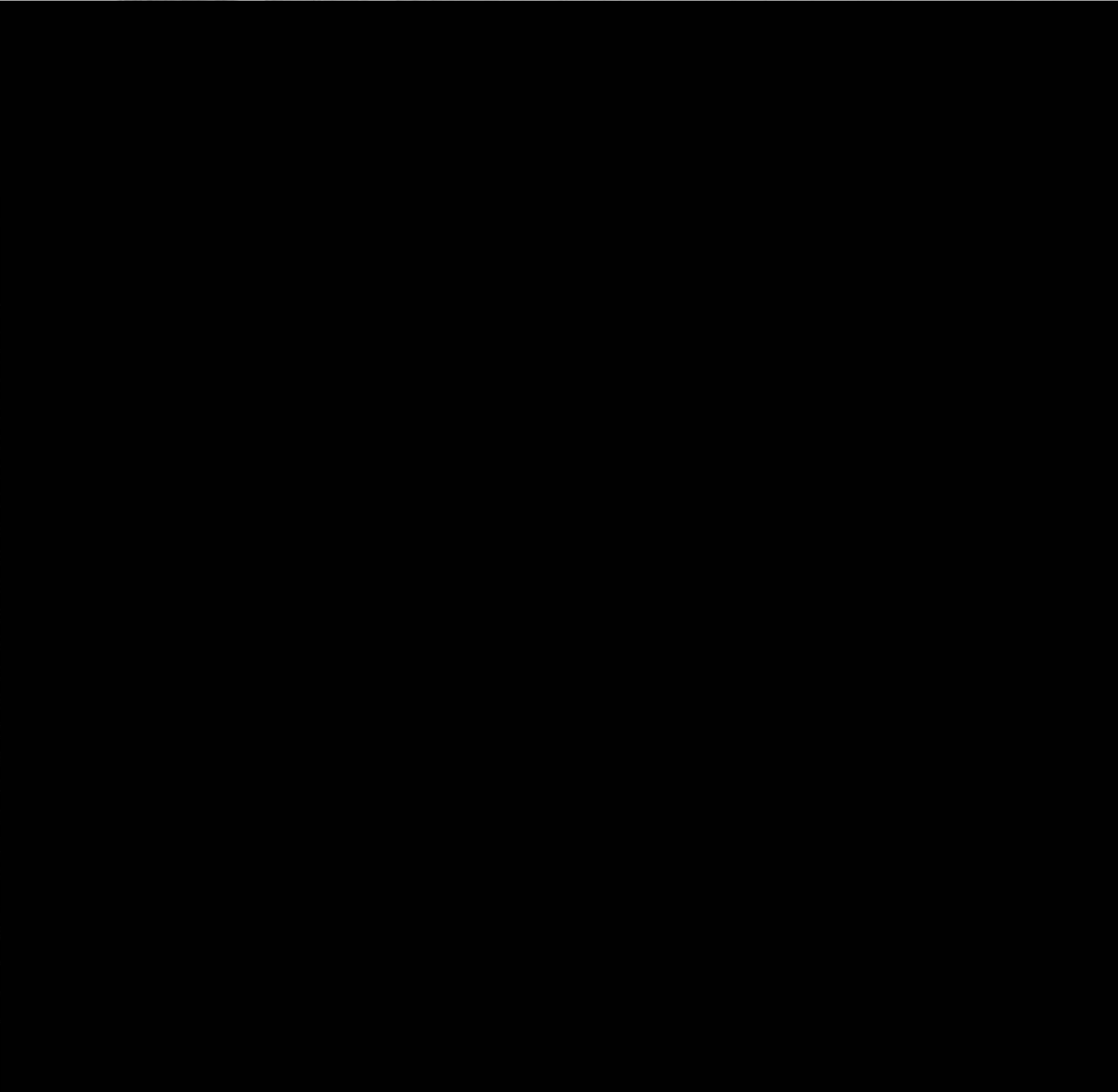


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Salary/Wage, Benefits, Bonus Annual Amount

Employee _____ 2015 _____
Regular Overtime Health Benefits Dental Benefits Life Ins. 401(k) R&S Christmas Bonus



11 \$ 181,640.08 \$ - \$ 12,316.92 \$ 892.56 \$ 905.94 \$ 9,082.00 \$ 52,870.72 \$ 200.00



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| Employee | Percent Increase | | | | |
|----------|------------------|--------|--------|--------|--------|
| | 9/1/11 | 9/1/12 | 9/1/13 | 9/1/14 | 9/1/15 |
| 1 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 2 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 3 | 7.1% | 3.0% | 3.0% | 3.5% | 3.5% |
| 4 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 5 | 20.8% | 3.0% | 3.0% | 3.5% | 3.5% |
| 6 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 7 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 8 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 9 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 10 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 11 | 6.9% | 3.0% | 3.0% | 3.5% | 2.5% |
| 12 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 13 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 14 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 15 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 16 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 17 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 18 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 19 | 3.5% | 2.2% | 3.0% | 3.5% | 3.5% |
| 20 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 21 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 22 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 23 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 24 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 25 | 3.5% | 1.3% | 3.0% | 3.5% | 3.5% |
| 26 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 27 | 3.5% | 4.7% | 3.0% | 3.5% | 3.5% |
| 28 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 29 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 30 | 3.5% | 3.0% | 3.0% | 3.5% | 5.3% |
| 31 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 32 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 33 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 34 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 35 | 3.5% | 3.0% | 3.0% | 7.9% | 3.5% |
| 36 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 37 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 38 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 39 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 40 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 41 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 42 | 3.5% | 3.0% | 4.7% | 3.5% | 3.5% |
| 43 | 3.5% | 3.0% | 3.0% | 3.5% | 18.9% |
| 44 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 45 | 3.5% | 3.0% | 3.0% | 3.5% | 3.5% |
| 46 | 15.2% | 3.0% | 3.0% | 8.3% | 3.5% |
| 47 | n/a | 0.0% | 21.7% | 18.9% | 3.5% |
| 48 | n/a | n/a | 3.0% | 3.5% | 3.5% |
| 49 | n/a | n/a | n/a | 3.5% | 3.5% |

Cumberland Valley Electric, Inc.
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Attorney General's Second Request for Information

9. Reference Cumberland Valley's response to AG 1-17.
- a. Provide the total monetary amount that Cumberland Valley pays per month in health insurance premiums for the test year period.

Response:

Cumberland Valley has provided the requested information on page 6 of this item.

- b. Provide an explanation and justification as to why Cumberland Valley finds it reasonable to pay 100% of the health insurance premium costs of its employees/retirees.

Response:

See response to Commission Staff's Third Request for Information Item 27.

- c. In order to keep costs down, why has Cumberland Valley not implemented an employee/retiree contribution for health insurance premiums?

Response:

See response to Commission Staff's Third Request for Information Item 27.

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- d. Provide the total monetary amount that Cumberland Valley pays per month in dental insurance premiums for the test year period.

Response:

Cumberland Valley has provided the request information on page 6 of this item.

- e. Provide an explanation and justification as to why Cumberland Valley finds it reasonable to pay 100% of the dental insurance premium for an employee, and roughly 66% of the dental insurance premium for an employee and spouse, employee and children, and employee and family.

Response:

See response to Commission Staff's Third Request for Information Item 27.

- f. In order to keep costs down, why has Cumberland Valley not raised the employee contribution for dental insurance premiums?

Response:

See response to Commission Staff's Third Request for Information Item 27.

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- g. Provide an explanation and justification as to why Cumberland Valley finds it reasonable to pay 100% of the life insurance premium costs of its employees.

Response:

See response to Commission Staff's Third Request for Information Item 27.

- h. Provide an explanation and justification as to why Cumberland Valley finds it reasonable to pay 100% of the long term disability insurance premium costs of its employees/retirees.

Response:

See response to Commission Staff's Third Request for Information Item 27.

- i. Provide a detailed description of the R&S Retirement plan and an explanation of how the plan operates. Include Cumberland Valley's monetary contribution for each employee per month, employee contributions per month, how Cumberland Valley determines the amount of the contribution, etc.

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Response:

CVE participates in the NRECA sponsored plan. Refer to Exhibit N, pages 13-14 of the Application for an explanation of the Plan. NRECA determines the amount of contributions. Cumberland Valley has provided the requested monetary contribution per month on page 7 of this item. The plan is not designed to require any employee contribution.

- j. Provide an explanation and justification as to why Cumberland Valley finds it reasonable to pay 100% of the R&S Retirement costs of its employees/retirees.

Response:

See response to Commission Staff's Third Request for Information Item 27 and Attorney General's Second Request for Information Item 9 i.

- k. Provide an explanation and justification for Cumberland Valley to pay 100% of the 401 (k) fees for its employees.

Response:

See response to Commission Staff's Third Request for Information Item 27.

Cumberland Valley Electric, Inc.
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1. Provide a detailed description of the 401(k) plan and an explanation of how the plan operates. Be sure to include Cumberland Valley's monetary contribution for each employee per month, employee contributions per month, how Cumberland Valley determines the amount of the contribution, etc.

Response:

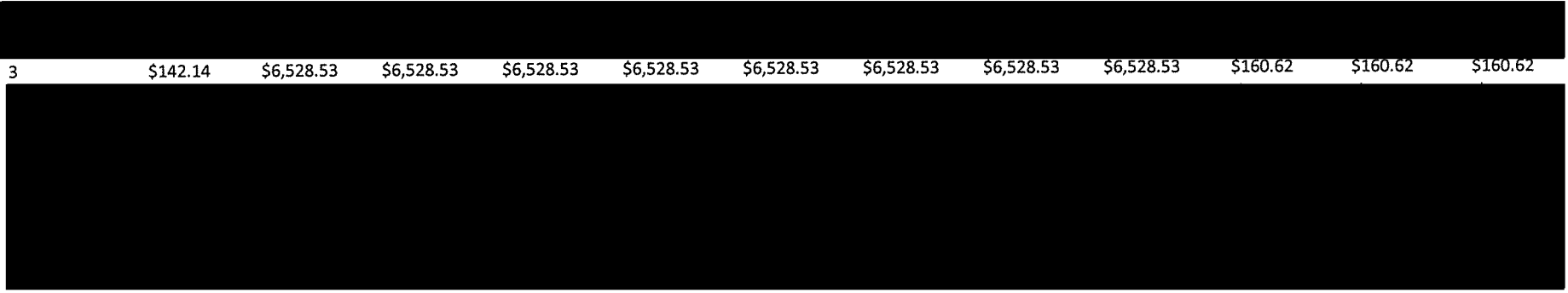
Cumberland Valley participates in the NRECA sponsored plan. Refer to Exhibit N, page 14 of the Application for an explanation of the Plan. The employee is not required to contribute but has the option to contribute to his/her 401(k). Cumberland Valley's monetary contributions are provided on pages 8-9 of this item.

Cumberland Valley Electric, Inc.
Dec. 2014 - Nov. 2015
Monthly Health & Dental Insurance Premiums Paid

| <u>Month</u> | <u>Health Ins.</u> | <u>Dental Ins.</u> |
|--------------|--------------------|--------------------|
| Dec-14 | \$74,430.99 | \$5,099.35 |
| Jan-15 | \$73,630.23 | \$4,942.62 |
| Feb-15 | \$73,474.28 | \$4,942.62 |
| Mar-15 | \$73,287.66 | \$4,942.62 |
| Apr-15 | \$72,919.47 | \$4,980.54 |
| May-15 | \$73,286.54 | \$4,755.94 |
| Jun-15 | \$72,709.15 | \$4,868.24 |
| Jul-15 | \$71,674.04 | \$4,681.56 |
| Aug-15 | \$71,192.84 | \$4,793.86 |
| Sep-15 | \$71,192.84 | \$4,793.86 |
| Oct-15 | \$70,679.52 | \$4,793.86 |
| Nov-15 | \$70,312.45 | \$4,793.86 |

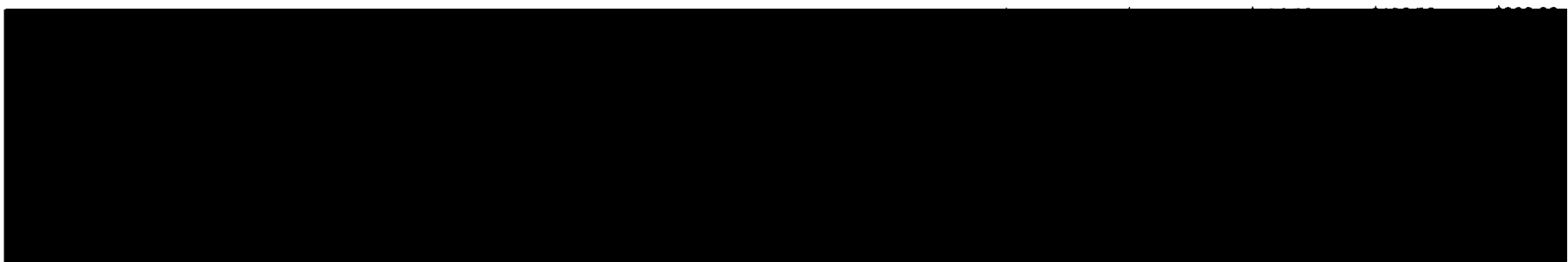
R&S Retirement Plan Dec. 2014 - Nov. 2015

| Employee | <u>Dec. 2014</u> <u>CVE</u> <u>Contribution</u> | <u>Jan. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Feb. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Mar. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Apr. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>May. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Jun. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Jul. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Aug. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Sept. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Oct. 2015</u> <u>CVE</u> <u>Contribution</u> | <u>Nov. 2015</u> <u>CVE</u> <u>Contribution</u> |
|----------|---|---|---|---|---|---|---|---|---|--|---|---|
| 3 | \$142.14 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$6,528.53 | \$160.62 | \$160.62 | \$160.62 |

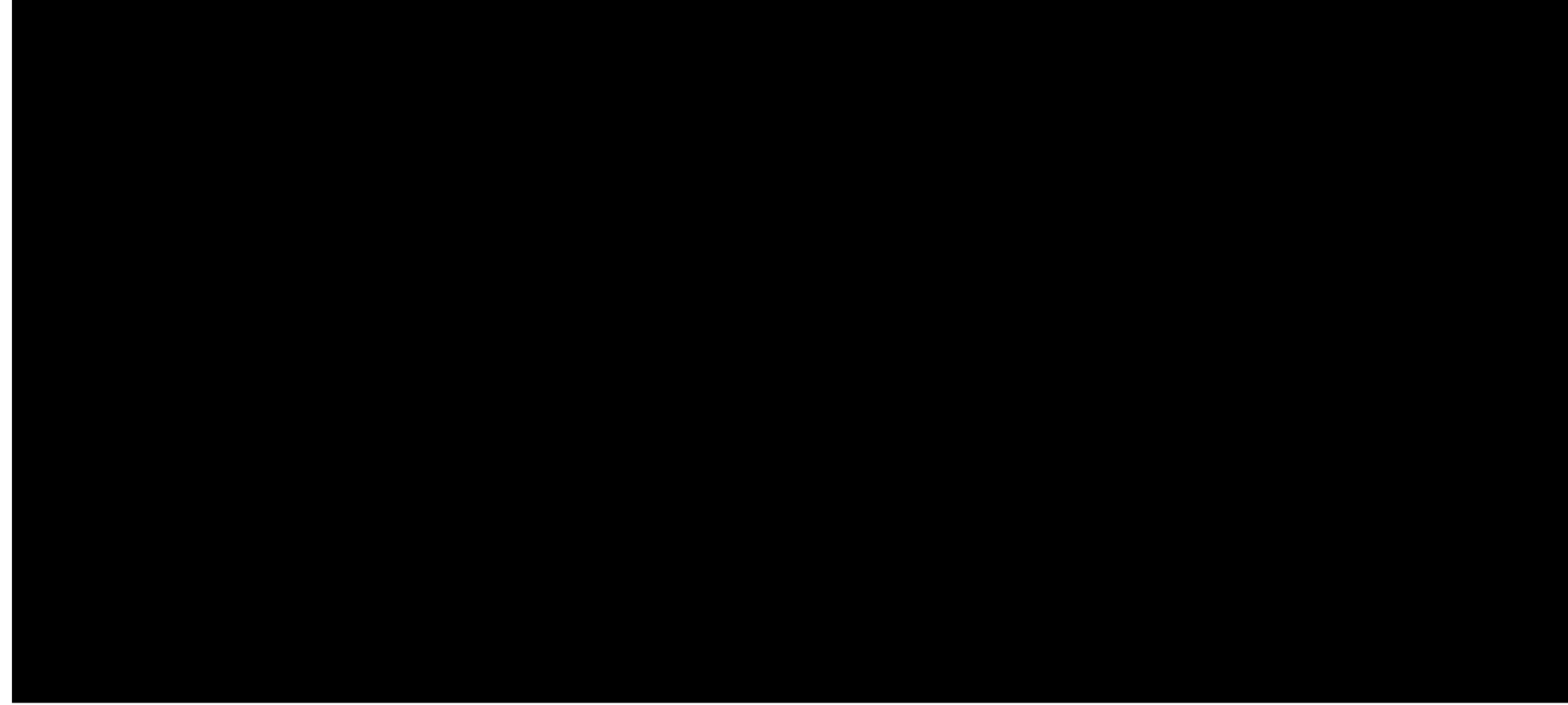


401(k) Dec. 2014 - Nov. 2015

| | Dec. 2014 | Jan. 2015 | Feb. 2015 | Mar. 2015 | Apr. 2015 | May. 2015 | Jun. 2015 | Jul. 2015 | Aug. 2015 | Sept. 2015 | Oct. 2015 | Nov. 2015 |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> |
| <u>Employee</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> |



| | | | | | | | | | | | | |
|----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 11 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$750.58 | \$769.34 | \$769.34 | \$769.34 |
|----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|



401(k) Dec. 2014 - Nov. 2015

| | Dec. 2014 | Jan. 2015 | Feb. 2015 | Mar. 2015 | Apr. 2015 | May. 2015 | Jun. 2015 | Jul. 2015 | Aug. 2015 | Sept. 2015 | Oct. 2015 | Nov. 2015 |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> | <u>CVE</u> |
| <u>Employee</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Contribution</u> |

