

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Adjustment of Rates)
of Cumberland Valley Electric, Inc)

Case No. 2016-00169

APPLICATION

Cumberland Valley Electric, Inc (herein designated as “Cumberland Valley”) hereby makes application for an adjustment of rates, as follows:

1. Cumberland Valley informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of nine (9) counties in Kentucky and does hereby propose to adjust rates, effective **July 25, 2016** in conformity with the attached schedule. In this proposed adjustment of rates, Cumberland Valley is proposing to increase its electric rates and one nonrecurring charge by \$1,998,262. [807 KAR 5:001, Section 14]
2. The name and post office address of the applicant is Cumberland Valley Electric, Inc, PO Box 440 Gray, KY 40734. Cumberland Valley’s email address is psc@cumberlandvalley.coop. [807 KAR 5:001, Section 14(1)].
3. The Articles of Incorporation and all amendments thereto for Cumberland Valley are included in Case No. 7772 [807 KAR 5:001, Section 14(2)]. Cumberland Valley was incorporated July 12, 1940.
4. The application is supported by a twelve-month historical test period ending November 30, 2015 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 16(1)(a)1].
5. Cumberland Valley states the reasons the rate adjustment is required pursuant to 807 KAR Section 16(1)(b)1 are as follows:
 - a. Cumberland Valley’s last filed an increase in rates in Case No. 2014-00159. Since then, Cumberland Valley has incurred increases in the cost of power, materials, equipment, labor, taxes, and other fixed and variable costs.
 - b. The financial condition of Cumberland Valley has deteriorated significantly during the test year while it is not meeting its mortgage requirements.

- c. Cumberland Valley had a Times Interest Earned Ratio (“TIER”) of 5.48X [a TIER of 0.56X excluding G&T capital credits], for the test year ending November 30, 2015 and Operating Times Interest Earned Ratio (“OTIER”) of 0.12. Cumberland Valley is required under its mortgage agreement to maintain both a Net TIER of 1.25 and an OTIER of 1.10, based on an average of two best out of the three most current years.
 - d. Cumberland Valley requests this rate adjustment in order to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.
6. The Board of Directors of Cumberland Valley at its meeting on **March 17, 2016**, received the current financial condition of Cumberland Valley and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a motion directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Cumberland Valley. A copy of the motion is attached as Exhibit F.
 7. Cumberland Valley is neither a limited partnership nor a limited liability company [807 KAR 5:001, Section 14(3) and Section 14(4)]. Cumberland Valley is authorized to do business in Kentucky.
 8. Cumberland Valley files with this application a Certificate of Good Standing date within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 14(2)].
 9. Cumberland Valley does not conduct business under an assumed name [807 KAR 5:001, Section 16(1)(b)2].
 10. The proposed tariff is attached as Revised Exhibit B in a form that complies with 807 KAR 5:011 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 16(1)(b)3].
 11. The proposed tariff changes, identified in compliance with 807 KAR 5:011, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Revised Exhibit C [807 KAR 5:001, Section 16(1)(b)4a].
 12. Cumberland Valley has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 17 by publishing a notice once a week for three (3) consecutive weeks in prominent manner in newspapers of general

circulation in Cumberland Valley's Service Territory, the first publication to be made no later than June 23, 2016 the date the revised application is filed with the Commission. A copy of the notice is attached as Revised Exhibit D [807 KAR 5:001, Section 16(1)(b)5]

13. Cumberland Valley filed with the Commission a written notice of intent to file a rate application at least 30 days prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Office of the Attorney General ("OAG"), Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 16(2) and 807 KAR 5:001, Section 16(2)(a) and Section 16(2)(c)].
14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Revised Exhibit J. [807 KAR 5:001, Section (16)(4)(a)].
15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 16(4)(b)].
16. A statement estimating the effect the new rates will have upon the revenues of Cumberland Valley, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 16(4)(d)].
17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Revised Exhibits I [807 KAR 5:001, Section 16(4)(e)].
18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Revised Exhibit J [807 KAR 5:001, Section 16(4)(g)].
19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [807 KAR 5:001, Section 16(4)(h)].
20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 16(4)(i)].

21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 16(4)(j)].
22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 16(4)(k)].
23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Cumberland Valley and no audit reports exist [807 KAR 5:001, Section 16(4)(l)].
24. No Federal Energy Regulatory Commission Form 1 exists for Cumberland Valley [807 KAR 5:001, Section 16(4)(m)].
25. Cumberland Valley performed a depreciation study and is including the study in Exhibit 22 [807 KAR 5:001, Section 16(4)(n)].
26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 16(4)(o)].
27. No stock or bond offerings have been made by Cumberland Valley [807 KAR 5:001, Section 16(4)(p)].
28. Annual Reports to members for 2015 and 2014 are attached as Exhibit P [807 KAR 5:001, Section 16(4)(q)].
29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 16(4)(r)].
30. No Securities and Exchange Commission Annual Reports exist as to Cumberland Valley because it is not regulated by that regulated body [807 KAR 5:001, Section 16(4)(s)].
31. Cumberland Valley had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 16(4)(t)].
32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Revised Exhibit R [807 KAR 5:001, Section 16(4)(u)].

33. Cumberland Valley is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 16(4)(v)].
34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Revised Exhibit S [807 KAR 5:001, Section 16(5)(a)].
35. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Cumberland Valley [807 KAR 5:001, Section 16(5)(b) and Section 16(5)(c)].
36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (16)(8)(d)].
37. Additional financial exhibits required by 807 KAR 5:001, Section 16, financial information covering twelve (12) month historical test period ending November 30, 2015, and other information required to be filed is attached by exhibits, as follows:

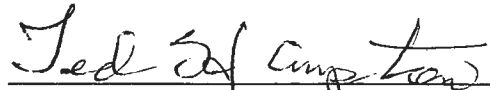
Exhibit U	By-Laws
Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet
Exhibit W	Schedule showing monthly comparison of balance sheet accounts from test year to preceding year.
Exhibit X	Monthly comparison on income statement accounts from test year to proceeding year
Exhibit Y	Trial Balance at end of test year
Exhibit Z	Capital structure
Exhibit 1	Adjustments for salaries and wages
Exhibit 2	Adjustments for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for long term and short term interest
Exhibit 5	Adjustment for Retirement and Security (R&S)
Exhibit 6	Adjustment for advertising
Exhibit 7	Adjustment for donations
Exhibit 8	Adjustment for professional fees
Exhibit 9	Adjustment for director expenses
Exhibit 10	Adjustment for miscellaneous expenses
Exhibit 11	Adjustment for rate case costs
Exhibit 12	Adjustment for G&T capital credits

- Exhibit 13 Adjustment for purchase power
- Exhibit 14 Adjustment for normalized revenue
- Exhibit 15 Adjustment for end of year customers
- Exhibit 16 KAEC Statistical Comparison
- Exhibit 17 Capitalization policies and employee benefits
- Exhibit 18 Equity Management Plan
- Exhibit 19 Wage and Salary Survey
- Exhibit 20 Non-recurring Charges Adjustment
- Exhibit 21 Depreciation Study

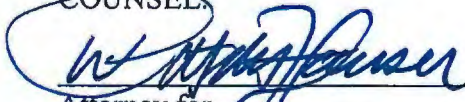
WHEREFORE, CUMBERLAND VALLEY ELECTRIC applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

Dated: June 21st, 2016.

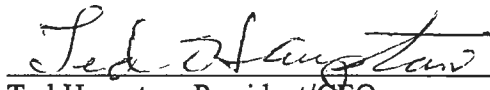
Cumberland Valley Electric


 Ted Hampton, President/CEO

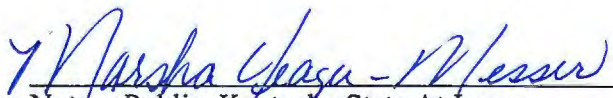
COUNSEL:


 Attorney for
 Cumberland Valley Electric

I, Ted Hampton, President/CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.


 Ted Hampton, President/CEO
 Cumberland Valley Electric

Subscribed and sworn to before me by Ted Hampton as President/CEO of Cumberland Valley Electric this 21st day of June, 2016.


 Notary Public, Kentucky State At Large

My Commission Expires: 2-25-18

FOR ALL AREAS SERVED
PSC KY NO. 4
NINETH REVISED SHEET NO. 2
CANCELLING PSC KY NO. 4
EIGHTH REVISED SHEET NO. 2

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Rates for Residential, Schools and Churches - Schedule I

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Residential, Schools and Churches.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge	\$14.10 Per month per customer
ALL KWH	\$0.08636

(I)
(I)
(D)

MINIMUM CHARGE

1. The minimum charge under the above rate shall be \$5.00 net where 5 KVA or less of transformer capacity is required. Each customer who requires more than 5 KVA of transformer capacity shall pay, in addition to the minimum, .75 on each additional KVA or fraction thereof required.
2. For seasonal load, water pumps, barns, camps, mobile homes, and similar type consumers, the customer must pay no less than \$60.00 annually and the Cooperative may bill such in advance.

SPECIAL RULES

Service under this schedule is limited to individual motors up to and including ten horsepower (10 H.P.)

TERMS OF PAYMENT

Customer bill will be due by the fifteenth of each month.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY *Te & A Kingston*
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
FIRST REVISED SHEET NO. 3
CANCELLING PSC KY NO. 4
ORIGINAL SHEET NO. 3

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Rates for Residential, Schools and Churches - Schedule I

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

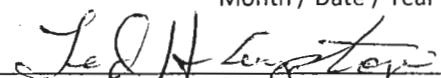
This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981 in Administrative Case No. 240 and as approved by the Commission order of March 31, 1981.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED
PSC KY NO. 4
FIRST REVISED SHEET NO. 4
CANCELLING PSC KY NO. 4
ORIGINAL SHEET NO. 4

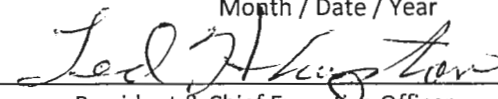
RESERVED FOR FUTURE USE

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH REVISED SHEET NO. 5
CANCELING PSC KY NO. 4
SIXTH REVISED SHEET NO. 5

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Small Commercial and Small Power - Schedule II

APPLICABLE

Entire Territory served.

AVAILABILITY OF SERVICE

Available to all commercial and small power service under 50 KW.

TYPE OF SERVICE

SINGLE PHASE

ENERGY CHARGE: Customer charge \$15.00 per month per customer		(1)
First 3,000 KWH	\$0.09519	
Over 3,000 KWH	\$0.08905	(1)

THREE PHASE WHERE AVAILABLE

DEMAND CHARGE: Per KW of billing demand \$4.22		
ENERGY CHARGE: Customer charge \$25.00 per month per customer		(1)
First 3,000 KWH	\$0.09519	
Over 3,000 KWH	\$0.08905	(1)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the Consumer for any period of 15 consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$5.00 where 5 KVA or less transformer capacity is required. Each customer who requires more than 5 KVA of transformer capacity shall pay in addition to the above minimum, .75 on each additional KVA or fraction thereof required.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY *Leah Houghton*
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH REVISED SHEET NO. 7
CANCELING PSC KY NO. 4
SIXTH REVISED SHEET NO. 7

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

All Three Phase Schools and Churches - Schedule III

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all public or non-profit private schools and churches whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, three phase service, present facilities permitting and at the following nominal voltages: Three phase, 120/240, 120/280Y, 240/480, 277/480Y volts.

RATE

Customer Charge \$45.00 Per month per customer	(I)
All KWH \$0.08040	(I)

MINIMUM CHARGE

The minimum annual charge will be not less than \$0.75 per KVA of required transformer capacity as determined by the Cooperative.

TERM OF CONTRACT

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power".

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH REVISED SHEET NO. 9
CANCELING PSC KY NO.4
SIXTH REVISED SHEET NO. 9

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Large Power – Industrial Schedule IV

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 2500 KW for lighting and/or heating and/or power.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE

The electric service furnished under this Schedule will be 60 cycle alternating current and at available nominal voltage.

RATE

Customer Charge: \$100.00 Per customer per month

DEMAND CHARGE: Per KW of billing demand \$6.55

ENERGY CHARGE:

All KWH

\$0.05112

(1)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for a period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH REVISED SHEET NO. 12
CANCELING PSC KY NO. 4
SIXTH REVISED SHEET NO. 12

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Large Power Rate – 50 KW to 2,500 KW. Schedule IV-A

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 50 KW for lighting and/or heating and/or power up to 2,500 KW.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this Schedule.

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60 cycle alternating current and at available nominal voltage.

RATE

Customer Charge: \$65.00 Per month per customer

DEMAND CHARGE: Per KW of billing demand \$4.22

ENERGY CHARGE:

All KWH \$0.06078

(I)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for a period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR ALL AREAS SERVED
PSC KY NO. 4
NINETH REVISED SHEET NO. 23
CANCELLING PSC KY NO. 4
EIGHTH REVISED SHEET NO. 23

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Outdoor Lighting – Security Lights Schedule VI

AVAILABILITY

Available to all consumers of the Cooperative for dusk to dawn outdoor lighting in close proximity to existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

Mercury Vapor Lamps

1) 175 Watt	APPROX. LUMENS 7,000	\$ 9.42 Per Lamp Per Month	(l)
2) 400 Watt	APPROX. LUMENS 22,000	\$13.90 Per Lamp Per Month	(l)

Other Lamps

3) 100 Watt OPEN BOTTOM	APPROX. LUMENS 9,500	\$ 9.44 Per Lamp Per Month	(l)
4) 100 Watt COLONIAL POST	APPROX. LUMENS 9,500	\$ 10.61 Per Lamp Per Month	(l)
5) 100 Watt DIRECTIONAL FLOOD	APPROX. LUMENS 9,500	\$11.40 Per Lamp Per Month	(l)
6) 400 Watt DIRECTIONAL FLOOD	APPROX. LUMENS 50,000	\$17.98 Per Lamp Per Month	(l)
7) 400 Watt COBRA HEAD	APPROX. LUMENS 50,000	\$17.98 Per Lamp Per Month	(l)

LED Lighting

8) OPEN BOTTOM	APPROX. LUMENS 6,200	\$9.15 Per Lamp Per Month	(l)
9) COBRA HEAD	APPROX. LUMENS 13,650	\$15.43 Per Lamp Per Month	(l)
10) DIRECTIONAL	APPROX. LUMENS 18,800	\$18.89 Per Lamp Per Month	(l)

CONDITIONS OF SERVICE

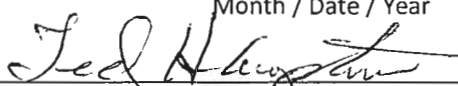
1. The Cooperative shall furnish, install, operate and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing secondary pole.
2. The lighting equipment shall remain the property of the Cooperative. The Consumer shall protect the lighting equipment from deliberate damage.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
ORIGINAL SHEET NO. 2.1

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

(N)

Rates for Residential, Schools and Churches - Schedule I Time of Day (TOD)

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Residential, Schools and Churches eligible for Schedule I. Consumers must remain on this rate schedule for one (1) year.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge	\$20.00 Per month per customer
ENERGY CHARGE:	
On-Peak Per kWh	\$0.10161
Off-Peak Per kWh	\$0.06000

<u>Months</u>	<u>On Peak Hours-EPT</u>	<u>Off Peak Hours-EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.

MINIMUM CHARGE

- The minimum charge under the above rate shall be the current customer charge listed above.
- For seasonal load, water pumps, barns, camps, mobile homes, and similar type consumers, the customer must pay no less than twelve (12) times the monthly customer charge. Cooperative may bill such in advance.

SPECIAL RULES

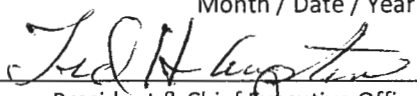
Service under this schedule is limited to individual motors up to and including ten horsepower (10 H.P.)

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
ORIGINAL SHEET NO. 2.2

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

(N)

Rates for Residential, Schools and Churches - Schedule I Time of Day (TOD)

TERMS OF PAYMENT

Customer bill will be due by the due date printed on each monthly bill.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981 in Administrative Case No. 240 and as approved by the Commission order of March 31, 1981.

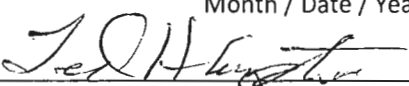


DATE OF ISSUE June 23, 2016

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DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
ORIGINAL SHEET NO. 2.3

CUMBERLAND VALLEY ELECTRIC, INC.

(N)

Inclining Block Rate- Schedule VII

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Single Phase Residential, Schools, Churches and Single Phase Small Commercial.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge: \$9.90

Energy Charge:

<u>Block</u>	<u>Energy Charge</u>
First 200 per kWh	.08842
Next 300 per kWh	.09342
Over 500 per kWh	.09842

MINIMUM CHARGE

5. The minimum charge under the above rate shall be the current customer charge listed above.
6. For seasonal load, water pumps, barns, camps, mobile homes, and similar type consumers, the customer must pay no less than twelve (12) times the monthly customer charge. Cooperative may bill such in advance.

SPECIAL RULES

Service under this schedule is limited to individual motors up to and including ten horsepower (10 H.P.)

DATE OF ISSUE June 23, 2016

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President & Chief Executive Officer

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IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
ORIGINAL SHEET NO. 2.4

CUMBERLAND VALLEY ELECTRIC, INC.

(N)

Inclining Block Rate- Schedule VII

TERMS OF PAYMENT

Customer bill will be due by the due date printed on each monthly bill.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981 in Administrative Case No. 240 and as approved by the Commission order of March 31, 1981.



DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
FIRST REVISED SHEET NO. 32
CANCELLING PSC KY NO. 4
ORIGINAL SHEET NO. 32

CUMBERLAND VALLEY ELECTRIC, INC.

21. BILLING

Members will receive statement for electric service monthly on a date to be determined by the Board of Directors for service rendered for a thirty-day period ending the same day of the preceding month. All statements are due and payable upon receipt and shall be paid at the office or the Cooperative within fifteen (15) days from date of bill. Failure to receive electrical statement will not release the member from payment obligation. Should the statement not be paid as above, the Cooperative may, after ten (10) days written notice, discontinue service to that member provided such service shall not be discontinued before twenty-seven (27) days after the mailing date of the original bill. Should it become necessary for the Cooperative's representative to call at the Consumer's premises or other locations for the purpose of collecting a delinquent account or to disconnect for non-payment, a charge of twenty-five dollars (\$25.00) will be made to the member account for the extra service rendered due and payable at time such delinquent account is collected. If service is disconnected for non-payment, an additional charge of twenty-five dollars (\$25.00) will be made for reconnecting service due and payable at the time of such reconnection.

In some instances, solely at the discretion of Cumberland Valley Electric, a remote disconnect switch will be installed. If service is disconnected for non-payment with the switch, a fee of twenty five dollars (\$25.00) will be applied to the member's account for the extra service rendered, due and payable at the time such delinquent account is collected. An additional fee of twenty five dollars (\$25.00) will be added for reconnecting the service with the remote switch. If, prior to discontinuance of service, there is delivered to Cumberland Valley Electric or its employees empowered to discontinue service a written certificate signed by a physician, a registered nurse, or a public health officer that in the opinion of their certifier, discontinuance of service will aggravate an existing illness or infirmity on the premises, service shall not be discontinued until the affected member can make arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member, in writing, of the existence of local, state and federal programs providing for the payment of utility bills under certain conditions and of the offices to contact for such possible assistance as per 807 KAR 5:006 Section 15.

(1)

(1)

22. BUDGET PAYMENT PLAN

The Cooperative has a budget payment plan available for its residential customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly or bimonthly billings for actual usage. The monthly budget payment will be determined by the Cooperative based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
FIRST REVISED SHEET NO. 33
CANCELLING PSC KY NO. 4
ORIGINAL SHEET NO. 33

CUMBERLAND VALLEY ELECTRIC, INC.

22. BUDGET PAYMENT PLAN CONT'D

The normal budget year is the twelve (12) months determined as shown below:

<u>Customer</u>	<u>Budget Year</u>	<u>Settlement Month</u>
All Residential Customers	May-June	June

The customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

If customer fails to pay bills as rendered under the budget payment plan, the company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

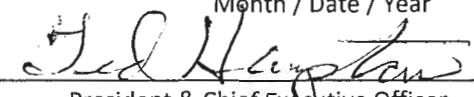
Failure to receive a bill in no way exempts customer from the provision of these terms and conditions.

When the Cooperative is unable to read a meter after reasonable effort, the customer will be billed at the average of the three immediately preceding monthly or bimonthly bills and the billing adjusted when the meter is read.

Fuel clause adjustments (+-) are in addition to the minimum.

DATE OF ISSUE June 23, 2016
Month / Date / Year

DATE EFFECTIVE July 25, 2016
Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4
SECOND REVISED SHEET NO. 79
CANCELLING PSC KY NO. 4
FIRST REVISED SHEET NO. 79

CUMBERLAND VALLEY ELECTRIC, INC.

PREPAY SERVICE

STANDARD RIDER:

Cumberland Valley Electric's Prepay Service ("Prepay") is an optional rider to Rate Schedule 1 – Residential Service as defined by the Cooperative.

AVAILABILITY:

All Rate Schedule 1 - Residential services, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, accounts greater than 200 Amp Service and three-phase accounts within the territory served by Cumberland Valley Electric.

MONTHLY RATE:

Consumer Facility Charge:	\$ 14.10 (\$0.47 per day)	(I)
Energy Charge per kWh:	\$ 0.08636	(I)
Prepay Service Fee:	\$ 3.00 (\$0.10 per day)	

TERMS & CONDITIONS:

Members who qualify as defined above in "Availability" may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

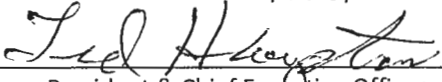
1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff, without the Prepay rider.
2. Members should have internet access or the ability to receive electronic communications, including texting services to participate in the voluntary Prepay service.
3. Any member choosing to enroll in Prepay shall sign a Prepay Service Agreement ("Agreement"). The Agreement shall remain in effect until the member notifies Cumberland Valley Electric, in writing, to cancel the Agreement.
4. Upon written cancellation of the Agreement, the member shall be subject to the conditions of the applicable tariff, without the Prepay rider. In accordance with Cumberland Valley Electric's current Rules and Regulations, this may require a security deposit to be paid by the member at the time of cancellation of the Prepay service.

DATE OF ISSUE June 23, 2016

Month / Date / Year

DATE EFFECTIVE July 25, 2016

Month / Date / Year

ISSUED BY 
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED
PSC KY NO. 4
NINETH ~~EIGHTH~~ REVISED SHEET NO. 2
CANCELLING PSC KY NO. 4
EIGHTH ~~SEVENTH~~ REVISED SHEET NO. 2

CLASSIFICATION OF SERVICE

Rates for Residential, Schools and Churches- Schedule I

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Residential, Schools and Churches.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge ~~\$8.73~~ \$14.10 per month per customer
ALL KWH ~~\$0.08563~~ \$0.08636

(I)
(I)

~~MARKETING RATE:~~

~~Available to Consumers eligible for Tariff Schedule I~~

~~The electric power and energy furnished under this section shall be separately metered for each point of delivery. This retail marketing rate applies only to programs which are expressly approved by the Commission to be offered under the Marketing Rate. The current use of this marketing rate is for Electric Thermal Storage Units.~~

~~Marketing rate for all KWH per month
\$0.05138 per kWh~~

~~This rate is only applicable during the below listed OFF-PEAK hours: _____~~

~~MONTHS~~

~~OCTOBER thru APRIL~~

~~MAY thru SEPTEMBER~~

~~OFF-PEAK HOURS-EPT~~

~~12:00-NOON TO 5:00 P.M.~~

~~10:00 P.M. TO 7:00 A.M.~~

~~10:00 p.m. TO 10:00 A.M.~~

DATE OF ISSUE June 23, 2016 ~~January 16, 2015~~ _____

Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~January 16, 2015~~ _____

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00159 _____ DATED: January 16, 2015 _____

FOR ALL AREAS SERVED
PSC KY NO. 4

FIRST REVISED SHEET NO. 3-~~ORIGINAL SHEET NO. 3~~

CUMBERLAND VALLEY ELECTRIC, INC.

MINIMUM CHARGE

1. The minimum charge under the above rate shall be \$5.00 net where 5 KVA or less of transformer capacity is required. Each customer who requires more than 5 KVA of transformer capacity shall pay, in addition to the minimum, .75 on each additional KVA or fraction thereof required.
2. For seasonal load, water pumps, barns, camps, mobile homes, and similar type consumers, the customer must pay no less than \$60.00 annually and the Cooperative may bill such in advance.

SPECIAL RULES

Service under this schedule is limited to individual motors up to and including ten horsepower (10 H.P.)

TERMS OF PAYMENT

Customer bill will be due by the fifteenth of each month.

DATE OF ISSUE June 23, 2016 ~~August 21, 2006~~

Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~August 21, 2006~~

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005-00187 DATED August 21, 2006

FOR ALL AREAS SERVED
PSC KY NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

~~FIRST REVISED SHEET NO. 4~~ ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

Rates for Residential, Schools and Churches- Schedule I

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981 in Administrative Case No. 240 and as approved by the Commission order of March 31, 1981.

DATE OF ISSUE June 23, 2016 ~~August 21, 2006~~

Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~August 21, 2006~~

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005-00187 DATED August 21, 2006

CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH ~~SIXTH~~ REVISED SHEET NO. 5
~~CANCELING PSC KY NO. 4~~
SIXTH ~~FIFTH~~ REVISED SHEET NO. 5

CLASSIFICATION OF SERVICE

Small Commercial and Small Power- Schedule II

APPLICABLE

Entire Territory served.

AVAILABILITY OF SERVICE

Available to all commercial and small power service under 50 KW.

TYPE OF SERVICE

SINGLE PHASE

ENERGY CHARGE: Customer charge	\$8.96 \$15.00 per month per customer	(I)
First 3,000 KWH	\$0.09519	
Over 3,000 KWH	\$0.08880 \$0.08905	(I)

THREE PHASE WHERE AVAILABLE

DEMAND CHARGE: Per KW of billing demand	\$4.22	
ENERGY CHARGE: Customer charge	\$8.96 \$25.00 per month per customer	(I)
First 3,000 KWH	\$0.09519	
Over 3,000 KWH	\$0.08880 \$0.08905	(I)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the Consumer for any period of 15 consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$5.00 where 5 KVA or less transformer capacity is required. Each customer who requires more than 5 KVA of transformer capacity shall pay in addition to the above minimum, .75 on each additional KVA or fraction thereof required.

DATE OF ISSUE	June 23, 2016 January 16, 2015
	Month / Date / Year
DATE EFFECTIVE	July 25, 2016 January 16, 2015
	Month / Date / Year

ISSUED BY _____
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2014-00159 DATED: January 16, 2015

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH ~~SIXTH~~ REVISED SHEET NO. 7
CANCELING PSC KY NO. 4
SIXTH ~~FIFTH~~ REVISED SHEET NO. 7

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

All Three Phase Schools and Churches- Schedule III

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all public or non-profit private schools and churches whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, three phase service, present facilities permitting and at the following nominal voltages: Three phase, 120/240, 120/280Y, 240/480, 277/480Y volts.

RATE

Customer Charge ~~\$25.00~~ \$45.00 per month per customer (I)

All KWH ~~\$0.07915~~ \$0.08040 (I)

MINIMUM CHARGE

The minimum annual charge will be not less than \$0.75 per KVA of required transformer capacity as determined by the Cooperative.

TERM OF CONTRACT

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power".

DATE OF ISSUE June 23 2016 ~~January 16, 2015~~

Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~January 16, 2015~~

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00159 DATED January 16, 2015

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH ~~SIXTH~~ REVISED SHEET NO. 9
CANCELING PSC KY NO.4
SIXTH ~~FIFTH~~ REVISED SHEET NO. 9

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Large Power – Industrial Schedule IV

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 2500 KW for lighting and/or heating and/or power.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE

The electric service furnished under this Schedule will be 60 cycle alternating current and at available nominal voltage.

RATE

Customer Charge: ~~\$50.00~~-\$100.00 Per customer per month

DEMAND CHARGE: Per KW of billing demand \$6.55

ENERGY CHARGE:

All KWH

\$0.05112

(1)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for a period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE June 23, 2016 ~~January 16, 2015~~

Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~January 16, 2015~~

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00159 DATED: January 16, 2015

FOR ALL AREAS SERVED
PSC KY NO. 4
SEVENTH ~~SIXTH~~ REVISED SHEET NO. 12
CANCELING PSC KY NO. 4
SIXTH ~~FIFTH~~ REVISED SHEET NO. 12

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Large Power Rate – 50 KW to 2,500 KW. Schedule IV-A

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 50 KW for lighting and/or heating and/or power up to 2,500 KW.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this Schedule.

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60 cycle alternating current and at available nominal voltage.

RATE

Customer Charge: ~~\$40.00~~ \$65.00 Per month per customer
DEMAND CHARGE: Per KW of billing demand \$4.22
ENERGY CHARGE:
All KWH \$0.06078

(I)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for a period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE June 23, 2016 ~~January 16, 2015~~
Month / Date / Year
DATE EFFECTIVE July 25, 2016 ~~January 16, 2015~~
Month / Date / Year

ISSUED BY _____
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2014-00159 DATED January 16, 2015

FOR ALL AREAS SERVED
PSC KY NO. 4
NINETH ~~EIGHTH~~ REVISED SHEET NO. 23
CANCELLING PSC KY NO. 4
EIGHTH ~~SEVENTH~~ REVISED SHEET NO. 23

CUMBERLAND VALLEY ELECTRIC, INC.

CLASSIFICATION OF SERVICE

Outdoor Lighting – Security Lights Schedule VI

AVAILABILITY

Available to all consumers of the Cooperative for dusk to dawn outdoor lighting in close proximity to existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

Mercury Vapor Lamps

- | | | | |
|-------------|-----------------------|---|-----|
| 1) 175 Watt | APPROX. LUMENS 7,000 | \$8.57 \$9.42 Per Lamp Per Month | (I) |
| 2) 400 Watt | APPROX. LUMENS 22,000 | \$12.76 \$13.90 Per Lamp Per Month | (I) |

Other Lamps

- | | | | |
|-------------------------------|-----------------------|---|-----|
| 3) 100 Watt OPEN BOTTOM | APPROX. LUMENS 9,500 | \$8.59 \$ 9.44 Per Lamp Per Month | (I) |
| 4) 100 Watt COLONIAL POST | APPROX. LUMENS 9,500 | \$9.68 \$ 10.61 Per Lamp Per Month | (I) |
| 5) 100 Watt DIRECTIONAL FLOOD | APPROX. LUMENS 9,500 | \$10.42 \$11.40 Per Lamp Per Month | (I) |
| 6) 400 Watt DIRECTIONAL FLOOD | APPROX. LUMENS 50,000 | \$16.57 \$17.98 Per Lamp Per Month | (I) |
| 7) 400 Watt COBRA HEAD | APPROX. LUMENS 50,000 | \$16.57 \$17.98 Per Lamp Per Month | (I) |

LED Lighting

- | | | | |
|-----------------|-----------------------|---|-----|
| 8) OPEN BOTTOM | APPROX. LUMENS 6,200 | \$8.32 \$9.15 Per Lamp Per Month | (I) |
| 9) COBRA HEAD | APPROX. LUMENS 13,650 | \$14.19 \$15.43 Per Lamp Per Month | (I) |
| 10) DIRECTIONAL | APPROX. LUMENS 18,800 | \$17.42 \$18.89 Per Lamp Per Month | (I) |

CONDITIONS OF SERVICE

- The Cooperative shall furnish, install, operate and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing secondary pole.
- The lighting equipment shall remain the property of the Cooperative. The Consumer shall protect the lighting equipment from deliberate damage.

DATE OF ISSUE June 23, 2016 ~~August 1, 2015~~
Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~September 1, 2015~~
Month / Date / Year

ISSUED BY _____
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

CUMBERLAND VALLEY ELECTRIC, INC.

21. BILLING

Members will receive statement for electric service monthly on a date to be determined by the Board of Directors for service rendered for a thirty-day period ending the same day of the preceding month. All statements are due and payable upon receipt and shall be paid at the office or the Cooperative within fifteen (15) days from date of bill. Failure to receive electrical statement will not release the member from payment obligation. Should the statement not be paid as above, the Cooperative may, after ten (10) days written notice, discontinue service to that member provided such service shall not be discontinued before twenty-seven (27) days after the mailing date of the original bill. Should it become necessary for the Cooperative's representative to call at the Consumer's premises or other locations for the purpose of collecting a delinquent account or to disconnect for non-payment, a charge of twenty-five dollars (\$25.00) will be made to the member account for the extra service rendered due and payable at time such delinquent account is collected. If service is disconnected for non-payment, an additional charge of twenty-five dollars (\$25.00) will be made for reconnecting service due and payable at the time of such reconnection.

In some instances, solely at the discretion of Cumberland Valley Electric, a remote disconnect switch will be installed. If service is disconnected for non-payment with the switch, a fee of twenty five dollars (\$25.00) ~~twenty dollars (\$20.00)~~ will be applied to the member's account for the extra service rendered, due and payable at the time such delinquent account is collected. An additional fee of twenty five dollars (\$25.00) ~~twenty dollars (\$20.00)~~ will be added for reconnecting the service with the remote switch. If, prior to discontinuance of service, there is delivered to Cumberland Valley Electric or its employees empowered to discontinue service a written certificate signed by a physician, a registered nurse, or a public health officer that in the opinion of their certifier, discontinuance of service will aggravate an existing illness or infirmity on the premises, service shall not be discontinued until the affected member can make arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member, in writing, of the existence of local, state and federal programs providing for the payment of utility bills under certain conditions and of the offices to contact for such possible assistance as per 807 KAR 5:006 Section 15.

(l)

(l)

22. BUDGET PAYMENT PLAN

The Cooperative has a budget payment plan available for its residential customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly or bimonthly billings for actual usage. The monthly budget payment will be determined by the Cooperative based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year.

DATE OF ISSUE June 23, 2016 ~~May 25, 2007~~
Month / Date / Year
DATE EFFECTIVE July 25, 2016 ~~July 16, 2007~~
Month / Date / Year

ISSUED BY _____
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2007-00205 DATED: July 16, 2007

FOR ALL AREAS SERVED
PSC KY NO. 4

FIRST REVISED SHEET NO. 33 ~~ORIGINAL SHEET NO. 33~~

CUMBERLAND VALLEY ELECTRIC, INC.

22. BUDGET PAYMENT PLAN CONT'D

The normal budget year is the twelve (12) months determined as shown below:

<u>Customer</u>	<u>Budget Year</u>	<u>Settlement Month</u>
All Residential Customers	May-June	June

The customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

If customer fails to pay bills as rendered under the budget payment plan, the company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provision of these terms and conditions.

When the Cooperative is unable to read a meter after reasonable effort, the customer will be billed at the average of the three immediately preceding monthly or bimonthly bills and the billing adjusted when the meter is read.

Fuel clause adjustments (+-) are in addition to the minimum.

DATE OF ISSUE June 23, 2016 ~~March 1, 2001~~
Month / Date / Year

DATE EFFECTIVE July 25, 2016 ~~March 1, 2001~~
Month / Date / Year

ISSUED BY _____
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED: _____

FOR ALL AREAS SERVED
PSC KY NO. 4

SECOND REVISED SHEET NO. 79 ~~FIRST REVISED SHEET NO. 79~~

CANCELLING PSC KY NO. 4

CUMBERLAND VALLEY ELECTRIC, INC

FIRST REVISED SHEET NO. 79 ~~ORIGINAL SHEET NO. 79~~

PREPAY SERVICE

STANDARD RIDER:

Cumberland Valley Electric's Prepay Service ("Prepay") is an optional rider to Rate Schedule 1 – Residential Service as defined by the Cooperative.

AVAILABILITY:

All Rate Schedule 1 - Residential services, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, accounts greater than 200 Amp Service and three-phase accounts within the territory served by Cumberland Valley Electric.

MONTHLY RATE:

Consumer Facility Charge:	\$ 14.10 (\$0.47 per day)	[\$ 5.74 (\$0.191 per day)]	(1)
Energy Charge per kWh:		\$.08636 -\$ 0.08563	(1)
Prepay Service Fee:		\$ 3.00 (\$0.10 per day)	

TERMS & CONDITIONS:

Members who qualify as defined above in "Availability" may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff, without the Prepay rider.
2. Members should have internet access or the ability to receive electronic communications, including texting services to participate in the voluntary Prepay service.
3. Any member choosing to enroll in Prepay shall sign a Prepay Service Agreement ("Agreement"). The Agreement shall remain in effect until the member notifies Cumberland Valley Electric, in writing, to cancel the Agreement.
4. Upon written cancellation of the Agreement, the member shall be subject to the conditions of the applicable tariff, without the Prepay rider. In accordance with Cumberland Valley Electric's current Rules and Regulations, this may require a security deposit to be paid by the member at the time of cancellation of the Prepay service.

DATE OF ISSUE _____ June 23, 2016 ~~January 16, 2015~~

Month / Date / Year

DATE EFFECTIVE _____ July 25, 2016 ~~January 15, 2015~~

Month / Date / Year

ISSUED BY _____

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00159 DATED: January 16, 2015

Official Notice

Cumberland Valley Electric, Inc., with its principal office at Gray, Kentucky and with its address at 6219 North U.S. Highway 25E, Gray, Kentucky 40734, intends to file with the Kentucky Public Service Commission in Case No. 2016-00169 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the member-consumers of Cumberland Valley Electric. The proposed effective date of these new rates is July 25, 2016 and these rates are to be filed with the Commission on June 23, 2016.

The present and proposed rates for each Customer Classification are provided below:

	Rates	
	Present	Proposed
Schedule I - Residential, Schools and Churches		
Customer Charge	\$ 8.73	\$ 14.10
Energy Charge per kWh	\$ 0.08563	\$ 0.08636
Marketing Rate - All kWh	\$ 0.05138	Rate Discontinued
Cumberland Valley is proposing that the Schedule I - Marketing Rate be discontinued and replaced by a TOD rate, at customer's request.		
Schedule II - Small Commercial and Small Power Service		
Single Phase		
Customer Charge	\$ 8.96	\$ 15.00
First 3,000 kWh per kWh	\$ 0.09519	\$ 0.09519
Over 3,000 kWh per kWh	\$ 0.08880	\$ 0.08905
Schedule II - Small Commercial and Small Power Service		
Three Phase		
Customer Charge	\$ 8.96	\$ 25.00
First 3,000 kWh per kWh	\$ 0.09519	\$ 0.09519
Over 3,000 kWh per kWh	\$ 0.08880	\$ 0.08905
Demand Charge per kW	\$ 4.22	\$ 4.22
Schedule III - Three Phase Schools and Churches		
Customer Charge	\$ 25.00	\$ 45.00
Energy Charge per kWh	\$ 0.07915	\$ 0.08040
Schedule IV - Large Power Industrial		
Customer Charge	\$ 50.00	\$ 100.00
Energy Charge per kWh	\$ 0.05112	\$ 0.05112
Demand Charge per kW	\$ 6.55000	\$ 6.55000
Schedule IV-A - Large Power Rate 50 kW -2500 kW		
Customer Charge	\$ 40.00	\$ 65.00
Energy Charge per kWh	\$ 0.06078	\$ 0.06078
Demand Charge per kW	\$ 4.22	\$ 4.22
Schedule VI - Outdoor Lights and Security Lights		
175W MV	8.57	\$ 9.42
400W MV	12.76	\$ 13.90
100W Open Bottom	8.59	\$ 9.44
100W Colonial Post	9.68	\$ 10.61
100W Direct. Flood	10.42	\$ 11.40
400W Direct. Flood	16.57	\$ 17.98
400W Cobra Head	16.57	\$ 17.98
LED Open Bottom	8.32	\$ 9.15
LED Cobra Head	14.19	\$ 15.43
LED Directional	17.42	\$ 18.89
Schedule I - Prepaid Service		
Customer Charge	\$ 8.73	\$ 14.10
Energy Charge per kWh	\$ 0.08563	\$ 0.08636
Prepaid Fee	\$ 3.00	\$ 3.00
Nonrecurring Charges		
Remote Disconnect Charge	\$ 20.00	\$ 25.00
Remote Reconnect Charge	\$ 20.00	\$ 25.00

The amount of the change requested in dollar amounts and percentage change for each customer classification is presented below:

	Increase	
	Dollar	Percent
Schedule I - Residential, Schools and Churches	\$ 1,628,748	5.81%
Schedule II -Small Commercial Single Phase	97,406	6.49%
Schedule II -Small Commercial Three Phase	27,657	3.30%
Schedule III - Three Phase Schools and Churches	31,374	2.47%
Schedule IV - Large Power Industrial	750	0.07%
Schedule IV-A - Large Power Rate 50 kW -2500 kW	24,600	0.36%
Schedule VI - Outdoor Lights and Security Lights	128,675	9.43%
Schedule I - Prepaid Service	11,179	6.57%
Schedule I - Marketing Rate	25,802	68.08%
	1,976,191	4.80%
Nonrecurring Charge - Remote Disconnect & Reconnect	22,450	25.00%

The amount of the average usage and the effect upon the average bill for each customer classification is provided below:

	Average Usage kWh	Increase	
		Dollar	Percent
Schedule I - Residential, Schools and Churches	1,147	\$ 6.21	5.81%
Schedule II -Small Commercial Single Phase	907	\$ 6.10	6.49%
Schedule II -Small Commercial Three Phase	4,470	\$ 16.72	3.30%
Schedule III - Three Phase Schools and Churches	27,500	\$ 54.37	2.47%
Schedule IV - Large Power Industrial	1,096,680	\$ 50.00	0.07%
Schedule IV-A - Large Power Rate 50 kW -2500 kW	92,377	\$ 25.00	0.36%
Schedule VI - Outdoor Lights and Security Lights	84	\$ 0.97	9.43%
Schedule I - Prepaid Service	939	\$ 6.06	6.57%
Schedule I - Marketing Rate	953	\$ 33.34	68.08%
	Average Number		
Nonrecurring Charge - Remote Disconnect & Remote Reconnect	374	\$ 5.00	25.00%

New Rates Classes Proposed

	Rates	
	Present	Proposed
Residential Time of Day (TOD) Rate		
Customer Charge	\$	20.00
On-Peak Energy Charge per kWh		0.10161
Off-Peak Energy Charge per kWh		0.06000
Inclining Block Rate		
Customer Charge	\$	9.90
First 200 kWh		0.08842
Next 300		0.09342
Over 500		0.09842

A person may examine this application at the offices of Cumberland Valley Electric located at 6219 North U.S. Highway 25E, Gray, KY. A person may examine the application at commission's offices located at 211 Sower Boulevard, Frankfort, KY, Monday through Friday 8:00 a.m. to 4:00 p.m., through the commission's Web site at <http://psc.ky.gov>.

Comments regarding this application may be submitted to the Kentucky Public Service Commission through its Web site or by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

The rates proposed in this application are the rates proposed by Cumberland Valley Electric. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application.

Cumberland Valley Electric
Case No. 2016-00169
Average Bill for Residential Rate Class
Schedule I - Residential, Schools and Churches

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$ 8.73	\$ 14.10
Energy Charge per kWh	\$ 0.08563	\$0.08636

<u>kWh Usage</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>	
	<u>Rate</u>	<u>Rate</u>	<u>Amount</u>	<u>Percent</u>
0	\$ 8.73	\$ 14.10	\$ 5.37	61.5%
25	10.87	16.26	\$ 5.39	49.6%
50	13.01	18.42	\$ 5.41	41.6%
100	17.29	22.74	\$ 5.44	31.5%
150	21.57	27.05	\$ 5.48	25.4%
200	25.86	31.37	\$ 5.52	21.3%
250	30.14	35.69	\$ 5.55	18.4%
300	34.42	40.01	\$ 5.59	16.2%
350	38.70	44.33	\$ 5.63	14.5%
400	42.98	48.64	\$ 5.66	13.2%
450	47.26	52.96	\$ 5.70	12.1%
500	51.55	57.28	\$ 5.74	11.1%
600	60.11	65.92	\$ 5.81	9.7%
700	68.67	74.55	\$ 5.88	8.6%
800	77.23	83.19	\$ 5.95	7.7%
900	85.80	91.82	\$ 6.03	7.0%
1,000	94.36	100.46	\$ 6.10	6.5%
1,100	102.92	109.10	\$ 6.17	6.0%
1,200	111.49	117.73	\$ 6.25	5.6%
1,300	120.05	126.37	\$ 6.32	5.3%
1,400	128.61	135.00	\$ 6.39	5.0%
1,500	137.18	143.64	\$ 6.47	4.7%
1,750	158.58	165.23	\$ 6.65	4.2%
2,000	179.99	186.82	\$ 6.83	3.8%
2,250	201.40	208.41	\$ 7.01	3.5%
2,500	222.81	230.00	\$ 7.20	3.2%
2,750	244.21	251.59	\$ 7.38	3.0%
3,000	265.62	273.18	\$ 7.56	2.8%
<u>Average Monthly Usage</u>				
1147	106.95	113.15	\$ 6.21	5.8%

**Cumberland Valley Electric
Case No. 2016-00169
Billing Analysis**

Exhibit J
Page 2 of 12
Witness: James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule I	Customer Charge	262,406	2,188,761	5.82%	\$ 8.73	\$ 2,290,804	8.17%	\$ 14.10	\$ 3,699,925	\$ 1,409,120
Residential, Schools Churches	Energy kWh	300,860,320	\$ 25,762,669	94.18%	0.08563	\$ 25,762,669	91.83%	\$ 0.08636	\$ 25,982,297	\$ 219,628
			\$ 27,951,430	100.00%		\$ 28,053,474	\$ 1		\$ 29,682,222	\$ 1,628,748
Fuel Adjustment Clause			(1,090,772)							
Environmental Surcharge			3,165,909							
			<u>\$ 30,026,567</u>							
Average Customer	Amount					106.91		\$	113.12	
	Increase							\$	6.21	
	Percent								5.81%	
				0.08905						

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
Page 3 of 12
Witness L. James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Prepaid Service	Customer Charge	1,846	\$ 20,882		\$ 8.73	\$ 16,116		\$ 14.10	\$ 26,029	\$ 9,913
	Prepay Charge	1,846			\$ 3.00	\$ 5,538		\$ 3.00	\$ 5,538	\$ -
	Energy kWh	1,734,061	\$ 148,417		0.08563	\$ 148,488		0.08636	\$ 149,754	\$ 1,265.86
			\$ 169,300			\$ 170,141			\$ 181,320	\$ 11,179
Fuel Adjustment Clause			(6,287)							
Environmental Surcharge			19,176							
			182,189							
Average Customer	Amount					\$ 92.17			\$ 98.22	
	Increase								\$ 6.06	
	Percent								6.57%	

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
Page 4 of 12
Witness L. James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule 1	Customer Charge	-								
Marketing Rate	Energy kWh	737,631	37,815		0.05138	37,899		\$ 0.08636	\$ 63,702	\$ 25,802
Power										
Fuel Adjustment Clause			-2,674							
Environmental Surcharge			4,283							
			<u>39,424</u>							
Average Customer	Amount					\$ 48.97			\$ 82.30	
	Increase								\$ 33.34	
	Percent								68.08%	

Cumberland Valley Electric
Case No. 2016-00169
Billing Analysis

Exhibit J
Page 5 of 12
WitnessL James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule II	Customer Charge	15,967	\$ 136,334	9.13%	\$ 8.96	\$ 143,064	9.53%	\$ 15.00	239,505	\$ 96,441
KVA Charge	Minimum	4,085	\$ 3,064	0.21%	\$ 0.75	\$ 3,064	0.20%	0.75	3,064	\$ -
Commercial & Small	Energy kWh									\$ -
Power Single Phase	First 3000	10,626,321	1,011,519	67.71%	0.09519	\$ 1,011,519	67.41%	0.09519	1,011,519	\$ -
	Over 3000	3,862,542	342,994	0.00%	0.08880	\$ 342,994	22.86%	0.08905	343,959	\$ 966
			\$ 1,493,911	100.00%		\$ 1,500,642	100.00%		\$ 1,598,048	\$ 97,406
Fuel Adjustment Clause			-52,390							
Environmental Surcharge			169,207							
			\$ 1,610,728							
Average Customer	Amount					\$ 93.98			\$ 100.08	
	Increase								\$ 6.10	
	Percent								6.49%	

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
Page 6 of 12
Witness L James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule II	Customer Charge	1,654	14,130	1.69%	\$ 8.96	14,820	1.77%	\$ 25.00	41,350	26,530.16
KVA Charge	Minimum	26,539	19,904	2.38%	\$ 0.75	19,904	2.38%	\$ 0.75	19,904	-
Commercial & Small Power Three Phase	Demand Charge	30,254	127,674	15.26%	4.22	127,674	15.25%	\$ 4.22	127,674	-
	Energy kWh			0.00%						-
	First 3000	2,887,110	274,824	0.00%	0.09519	274,824	32.82%	0.09519	274,824	-
	Over 3000	4,506,034	400,136	47.82%	0.08880	400,136	47.79%	0.08905	401,262	1,126.51
			<u>836,667</u>	<u>67%</u>		<u>837,357</u>	<u>100.00%</u>		<u>865,014</u>	<u>27,657</u>
Fuel Adjustment Clause			-26,804							
Environmental Surcharge			94,765							
			<u>\$ 904,628</u>							
Average Customer	Amount					\$ 506.26			\$ 522.98	
	Increase								\$ 16.72	
	Percent								3.30%	

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**Cumberland Valley Electric
Case No. 2016-00169
Billing Analysis**

Exhibit J
Page 7 of 12
Witness L. James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule III	Customer Charge	577	\$ 12,563		\$ 25.00	\$ 14,425	1.14%	\$ 45.00	25,965	\$ 11,540
KVA Charge	Minimum	-	\$ 976.00		\$ 0.75	\$ -	0.00%	\$ 0.75	-	\$ -
Three Phase Schools and Churches	Energy kWh	15,867,403	1,255,905	100%	0.07915	\$ 1,255,905	98.86%	0.08040	1,275,739	\$ 19,834
			\$ 1,269,444	100%		\$ 1,270,330	100.00%		\$ 1,301,704	\$ 31,374
Fuel Adjustment Clause			-57,527							
Environmental Surcharge			143,783							
			\$ 1,355,700							
Average Customer	Amount					\$ 2,201.61			\$ 2,255.99	
	Increase								\$ 54.37	
	Percent								2.47%	

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
Page 8 of 12
WitnessL James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule IV	Customer Charge	15	\$ 522.41	0.00%	50	\$ 750.00	0.07%	\$ 100.00	\$ 1,500	\$ 750
Large Power -	Demand kW	46,071	301,766	29.30%	6.55	\$ 301,766	26.39%	\$ 6.55	\$ 301,766	\$ -
Industrial	Energy kWh	16,450,200	836,854	70.70%	0.05112	\$ 840,934	73.54%	\$ 0.05112	\$ 840,934	\$ -
			<u>\$ 1,139,143</u>	100.00%		<u>\$ 1,143,450</u>			<u>\$ 1,144,200</u>	<u>\$ 750</u>
Fuel Adjustment Clause			-59,640							
Environmental Surcharge			129,025							
			<u>\$ 1,208,528</u>							
Average Customer	Amount					\$ 76,230.03			\$ 76,280	
	Increase								50.00	
	Percent								0.07%	

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
Page 9 of 12
Witness L. James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule IV-A	Customer Charge	984	\$ 34,244	0.50%	\$ 40.00	\$ 39,360	0.58%	\$ 65.00	63,960	\$ 24,600
KVA Charge	Minimum	12,660	\$ 9,495	0.14%	0.75	\$ 9,495	0.14%	\$ 0.75	9,495	\$ -
Large Power -	Demand kW	293,370	1,238,022	18.19%	4.22	\$ 1,238,022	18.17%	\$ 4.22	1,238,022	\$ -
Industrial	Energy kWh	90,899,192	5,524,853	81.17%	0.06078	\$ 5,524,853	81.11%	\$ 0.06078	5,524,853	\$ -
			<u>6,806,613</u>	<u>100%</u>		<u>6,811,729</u>	<u>100.00%</u>		<u>6,836,329</u>	<u>24,600</u>
Fuel Adjustment Clause			-329,556							
Environmental Surcharge		269,419	770,949							
			7,248,006							
Average Customer	Amount					\$ 6,922.49			\$ 6,947.49	
	Increase								25.00	
	Percent								0.36%	

Cumberland Valley Electric

Case No. 2016-00169

Billing Analysis

Exhibit J
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Witness: James Adkins

Rate Class	Billing Determinants		Actual Test Year		Normalized Test Year			Proposed Test Year		
	Type	Quantity	Revenue	Percent	Rates	Revenue	Percent	Rates	Revenue	Increase
Schedule VI	175W MV	86,822	726,753		8.57	744,065	54.54%	\$ 9.42	817,855	73,790
Outdoor Lights -	400W MV	0			12.76	-	0.00%	\$ 13.90	-	-
Security Lights	100W Open Bott	17,189	144,445		8.59	147,654	10.82%	\$ 9.44	162,287	14,633
	100W Colonial P.	0			9.68	-	0.00%	\$ 10.61	-	-
	100W Direct. Flo	332	3,384		10.42	3,459	0.25%	\$ 11.40	3,785	325
	400W Direct. Flo	11,874	195,458		16.57	196,752	14.42%	\$ 17.98	213,493	16,741
	400W Cobra Hea	16,404	262,881		16.57	271,814	19.92%	\$ 17.98	294,942	23,128
	LED Open Bottor	69	574		\$ 8.32	574	0.04%	\$ 9.15	632	57
	LED Cobra Head	0			\$ 14.19	-	0.00%	\$ 15.43		
	LED Directional	0			\$ 17.42	-	0.00%	\$ 18.89		
		<u>132,690</u>	<u>1,333,495</u>	<u>100.00%</u>		<u>1,364,318</u>	<u>100.00%</u>		<u>1,492,993</u>	<u>128,675</u>
Fuel Adjustment Clause		11,079,691	-39,546							
Environmental Surcharge			<u>149,005</u>							
			<u>1,442,954</u>							
Average Customer	Amount					\$ 10.28			\$ 11.25	
	Increase								\$ 0.97	
	Percent								9.43%	

**Cumberland Valley Electric, Inc.
Gray, KY**

Case No. 2016-00169

COST OF SERVICE STUDY

Test Year -

Twelve Months Ending November 2015

Prepared: March 2016

J. Adkins

OUTLINE

Schedule

- A Test Year - Actual & Adjusted**
- B Functionalization of Expenses**
- C Funtionalization Footnotes**
- D Rate Base Functionalized**
- E Classification of Expenses**
- F Determination of Demand & Consumer Related Plant Investments**
- G Allocation of Costs**
- H Demand & Energy Allocators**
- I Consumer Allcators**
- J Unbundled Statement of Operations**
- K Increase Amounts by Rate Class & Rate Design**
- L Rate Base for Each Rate Class**

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
ACTUAL TEST YEAR EXPENSES WITH ADJUSTMENTS

		Test Year Adjustments							
Acct No.	Description	Actual \$\$\$\$	Adjustment 1, 2 & 5	Adjustment 3	Adjustment 4, 6, & 7	Adjustment 8, 9, 10, & 11	Adjustment 12	Adjustment 13 & 15	Pro Forma \$\$\$\$
555	Demand Charges	6,986,348							6,986,348
	Energy Charges	26,406,018						(2,818,449)	23,587,569
	Load Center Charges	722,360						(17,184)	705,176
	Total Purchased Power	34,114,726	-	-	-	-	-	(2,835,633)	31,279,093
580	Operations Supv & Eng	-							-
582	Station Expense	5,629	27						5,656
583	Overhead Line Exp.	622,602	2,960						625,562
584	Underground Line Exp	46,746	222						46,968
586	Meter Expense	448,223	2,131						450,354
587	Consumer Installations	118,166	562						118,728
588	Misc. Distribution Exp	162,367	772						163,139
589	Rents	7,500	36	(1,138)					6,398
	Total Operations	1,411,233	6,709	(1,138)	-	-	-	-	1,416,804
590	Maint Supv & Eng	-							-
592	Maint of Station Equip	-							-
593	Maint. Overhead Lines	2,547,433	19,029						2,566,463
594	Maint of Underground Lines	-	-						-
595	Maint Line Transformers	13,072	98						13,170

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
ACTUAL TEST YEAR EXPENSES WITH ADJUSTMENTS

		Test Year Adjustments							
Acct	Description	Actual \$\$\$\$	Adjustment 1, 2 & 5	Adjustment 3	Adjustment 4, 6, & 7	Adjustment 8, 9, 10, & 11	Adjustment 12	Adjustment 13 & 15	Pro Forma \$\$\$\$
596	Maint of St Lg & Signal Sys	-	-						-
597	Maintenance of Meters	137,635	1,028						138,663
598	Maint Misc Distrib Plant	183,389	1,370	(2,034)					182,725
									-
	Total Distribut Maintenance	2,881,530	21,525	(2,034)	-	-	-	-	2,901,021
									-
902	Meter Reading Expense	173,508	1,625	(523)					174,610
903	Cons Recds & Collections	1,661,185	15,554						1,676,738
904	Uncollectible Accounts	176,961	1,657						178,618
									-
	Total Consumer Accounts	2,011,654	18,835	(523)					2,029,966
									-
908	Customer Assist. Expense	75,190	1,075						76,265
909	Customer Information Exp	39,864	570	(432)					40,002
									-
	Total Customer Service	115,054	1,645	(432)					116,267
									-
	Total of Above	40,534,196	48,714	(4,127)	-	-	-	(2,835,633)	37,743,150
									-
920	Administrative Salaries	875,442	13,423						888,865
921	Office Supplies	111,055							111,055
923	Outside Services	71,607				17,788			89,395
928	Regulatory Comm Expenses	10,691							10,691
925	Injuries & Damages	-							-
929	Duplicate Charges	(42,650)							(42,650)

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
ACTUAL TEST YEAR EXPENSES WITH ADJUSTMENTS

Revised Exhibit R
Page 5 of 40
Witness: Jim Adkins
Schedule A

Acct	Description	Actual \$\$\$\$	Test Year Adjustments						Pro Forma \$\$\$\$
			Adjustment 1, 2 & 5	Adjustment 3	Adjustment 4, 6, & 7	Adjustment 8, 9, 10, & 11	Adjustment 12	Adjustment 13 & 15	
930.1	Director Fees	179,483				(68,173)			111,310
930.1	General Advertising Exp	75,546			(1,144)				74,402
930.2	Misc. General Exp-Other	87,210				(2,169)			85,041
930.3	Capital Credits	13							13
930.4	Annual Meetings	25,840							25,840
932	Maintenance of General Plant	117,369		(742)					116,627
									-
	Total Admin & General	1,511,605	13,423	(742)	(1,144)	(52,554)	-	-	1,470,588
									-
403	Deprec. Distribution Plant	3,299,174		219,610					3,518,784
403	Deprec. General Plant	186,245							186,245
									-
	Total Depreciation	3,485,419	-	219,610	-	-	-	-	3,705,029
									-
408	Taxes Other Than Income Tax	56,395							56,395
426.1	Donations	6,181			(6,181)				0
426.1	Donations - Scholarships	4,500			(4,500)				-
423.1	Donations - dues	1,950			(1,950)				0
									-
	Total Miscellaneous	69,027	-	-	(12,631)	-	-	-	56,396
									-
	Total Interest on LTD	506,126			344,521				850,646
									-
	Total Short Term Interest	3,796							3,796
									-
	Total Costs	46,110,168	62,137	214,741	330,746	(52,554)	-	(2,835,633)	43,829,605

CUMBERLAND VALLEY ELECTRIC, INC.
Case No. 2016-00169

Revised Exhibit R
Page 6 of 40
Witness: James Adkins
Schedule B

Functionalization of Revenue Requirements

		Allocation	Pro Forma	Power	Substa-	
Acct	Description	<u>Basis</u>	<u>\$\$\$\$</u>	<u>Supply</u>	<u>Station</u>	<u>Lines</u>
No.						
555	Demand Charges	Direct Assign	6,986,348	6,986,348		
	Energy Charges	Direct Assign	23,587,569	23,587,569	-	
	Load Center Charges	Direct Assign	705,176	705,176		
	Total Purchased Power		31,279,093	31,279,093		
580	Operations Supv & Eng	Prop. Exp(b)	-			
582	Station Expense	Direct Assign	5,656		5,656	
583	Overhead Line Exp.	Plant Bal (a)	625,562			551,027
584	Underground Line Exp	Plant Bal (a)	46,968			41,372
586	Meter Expense	Direct Assign	450,354			
587	Consumer Installations	Direct Assign	118,728			
588	Misc. Distribution Exp	Prop. Exp(b)	163,139		740	77,484
589	Rents	Prop. Exp(b)	6,398		29	3,039
	Total Operations		1,416,804	-	6,424	672,922
			-			
590	Maint Supv & Eng	Prop. Exp(b)	-			
			-			
592	Maint of Station Equip	Direct Assign	-			
593	Maint. Overhead Lines	Plt Bal (a)	2,566,463			2,260,674
594	Maint of Underground Lines	Plt Bal (a)	-			
595	Maint Line Transformers	Direct Assign	13,170			
596	Maint of St Lg & Signal Sys	Direct Assign	-			

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Functionalization of Revenue Requirements

Acct No.	Description	Allocation Basis	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
555	Demand Charges	Direct Assign					
	Energy Charges	Direct Assign					
	Load Center Charges	Direct Assign					
	Total Purchased Power						
580	Operations Supv & Eng	Prop. Exp(b)					
582	Station Expense	Direct Assign					
583	Overhead Line Exp.	Plant Bal (a)		74,534			
584	Underground Line Exp	Plant Bal (a)		5,596			
586	Meter Expense	Direct Assign			450,354		
587	Consumer Installations	Direct Assign					118,728
588	Misc. Distribution Exp	Prop. Exp(b)		10,481	58,905		15,529
589	Rents	Prop. Exp(b)	-	411	2,310		609
	Total Operations		-	91,022	511,569	-	134,866
590	Maint Supv & Eng	Prop. Exp(b)					
592	Maint of Station Equip	Direct Assign					
593	Maint. Overhead Lines	Plt Bal (a)		305,789			
594	Maint of Underground Lines	Plt Bal (a)		-			
595	Maint Line Transformers	Direct Assign	13,170				
596	Maint of St Lg & Signal Sys	Direct Assign					

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Functionalization of Revenue Requirements

		Allocation	Pro Forma	Power	Substa-	
Acct	Description	Basis	\$\$\$\$	Supply	Station	Lines
No.						
597	Maintenance of Meters	Direct Assign	138,663			
598	Maint Misc Distrib Plant	Prop. Exp {c}	182,725			151,964
	Total Distribut Maintenance		2,901,021	-		2,412,637
901	Supervision	Direct Assign				
902	Meter Reading Expense	Direct Assign	174,610			
903	Cons Recds & Collections	Direct Assign	1,676,738			
904	Uncollectible Accounts	Direct Assign	178,618			
	Total Consumer Accounts		2,029,966			-
908	Customer Assist. Expense	Direct Assign	76,265			
909	Customer Information Exp	Direct Assign	40,002			
	Total Customer Service		116,267	-	-	-
	Total of Above		37,743,150	31,279,093	6,424	3,085,559
920	Administrative Salaries	Prop. Exp(d)	888,865		883	424,291
921	Office Supplies	Prop. Exp(d)	111,055		110	53,011
923	Outside Services	Prop. Exp(d)	89,395		89	42,672
928	Regulatory Comm Expenses	Prop. Exp(d)	10,691		11	5,103
925	Injuries & Damages	Prop. Exp(d)	-		-	-
929	Duplicate Charges	Prop. Exp(d)	(42,650)		(42)	(20,359)
930.1	Director Fees	Prop. Exp(d)	111,310		111	53,133

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Functionalization of Revenue Requirements

Acct No.	Description	Allocation Basis	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
597	Maintenance of Meters	Direct Assign			138,663		
598	Maint Misc Distrib Plant	Prop. Exp {c}	885	20,555	9,321		
	Total Distribut Maintenance		14,055	326,344	147,984	-	-
901	Supervision	Direct Assign					
902	Meter Reading Expense	Direct Assign				174,610	
903	Cons Recds & Collections	Direct Assign				1,676,738	
904	Uncollectible Accounts	Direct Assign				178,618	
	Total Consumer Accounts		-	-		2,029,966	-
908	Customer Assist. Expense	Direct Assign				76,265	
909	Customer Information Exp	Direct Assign				40,002	
	Total Customer Service		-	-		116,267	-
	Total of Above		14,055	417,367	659,553	2,146,233	134,866
920	Administrative Salaries	Prop. Exp(d)	1,933	57,392	90,694	295,126	18,545
921	Office Supplies	Prop. Exp(d)	241	7,171	11,331	36,873	2,317
923	Outside Services	Prop. Exp(d)	194	5,772	9,121	29,681	1,865
928	Regulatory Comm Expenses	Prop. Exp(d)	23	690	1,091	3,550	223
925	Injuries & Damages	Prop. Exp(d)	-	-	-	-	-
929	Duplicate Charges	Prop. Exp(d)	(93)	(2,754)	(4,352)	(14,161)	(890)
930.1	Director Fees	Prop. Exp(d)	242	7,187	11,357	36,958	2,322

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Functionalization of Revenue Requirements

		Allocation	Pro Forma	Power	Substa-	
Acct	Description	Basis	\$\$\$\$	Supply	Station	Lines
No.						
930.1	General Advertising Exp	Prop. Exp(d)	74,402		74	35,515
930.2	Misc. General Exp-Other	Prop. Exp(d)	85,041		85	40,594
930.3	Capital Credits	Prop. Exp(d)	13		0	6
930.4	Annual Meetings	Prop. Exp(d)	25,840		26	12,334
932	Maintenance of General Plant	Prop. Exp(d)	116,627		116	55,671
	Total Admin & General		1,470,588		1,462	701,972
			-			
403	Deprec. Distribution Plant	Net Plant	3,518,784		27,118	2,279,515
403	Deprec. General Plant	Net Plant	186,245		1,435	120,652
	Total Depreciation		3,705,029	-	28,553	2,400,167
			-			
408	Taxes Other Than Income Tax	Rate Base	56,395		435	36,535
426.1	Donations	Rate Base	0		0	0
426.1	Donations - Scholarships	Rate Base	-			
423.1	Donations - dues		0			
	Total Miscellaneous		56,396	-	435	36,536
			-			
	Total Interest on LTD		850,646	-	6,557	551,087
			-			
	Total Short Term Interest	Rate Base	3,796	-	29	2,459
			-			
	Total Costs		43,829,605	31,279,093	43,460	6,777,779

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Functionalization of Revenue Requirements

Acct No.	Description	Allocation Basis	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
930.1	General Advertising Exp	Prop. Exp(d)	162	4,804	7,592	24,703	1,552
930.2	Misc. General Exp-Other	Prop. Exp(d)	185	5,491	8,677	28,236	1,774
930.3	Capital Credits	Prop. Exp(d)	0	1	1	4	0
930.4	Annual Meetings	Prop. Exp(d)	56	1,668	2,637	8,579	539
932	Maintenance of General Plant	Prop. Exp(d)	254	7,530	11,900	38,723	2,433
	Total Admin & General		3,198	94,952	150,050	488,273	30,682
403	Deprec. Distribution Plant	Net Plant	372,575	308,312	260,916	93,030	177,319
403	Deprec. General Plant	Net Plant	19,720	16,319	13,810	4,924	9,385
	Total Depreciation		392,295	324,630	274,726	97,954	186,704
408	Taxes Other Than Income Taxe	Rate Base	5,972	4,942	4,181	1,488	2,842
426.1	Donations	Rate Base	0	0	0	0	0
426.1	Donations - Scholarships	Rate Base					
423.1	Donations - dues						
	Total Miscellaneous		5,972	4,942	4,181	1,488	2,842
	Total Interest on LTD		90,085	74,536	63,071	22,440	42,871
	Total Short Term Interest	Rate Base	402	333	281	100	191
	Total Costs		506,006	916,759	1,151,862	2,756,488	398,157

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FUNCTIONALIZATION OF REVENUE REQUIREMENTS

FOOTNOTES

[c] Expense Proportion									
		Lines	Transformers	Services	Meters	Total			
593	Maint. Overhead Lines	2,260,674	-	305,789	-	2,566,463			
594	Maint of Underground Li		-	-	-	-			
595	Maint Line Transformers	-	13,170		-	13,170			
596	Maint of St Lg & Signal Sy	-	-	-	-	-			
597	Maintenance of Meters	-	-	-	138,663	138,663			
	Total	2,260,674	13,170	305,789	138,663	2,718,296			
	Percent	83.17%	0.48%	11.25%	5.10%	100.00%			
[d] Expense Proportion									
		Station	Lines	Transformers	Services	Meters	Consumer	Lighting	Total
	Total Operations	6,424	672,922	-	91,022	511,569	-	134,866	1,416,804
	Total Distribut Maintena	-	2,412,637.35	14,054.90	326,344.27	147,984.16	-	-	2,901,021
	Total Consumer Account	-	-	-	-	-	2,029,966		2,029,966
	Total Customer Service	-	-	-	-	-	116,267	-	116,267
	Total	6,424	3,085,559	14,055	417,367	659,553	2,146,233	134,866	6,464,057
	Percent	0.10%	47.73%	0.22%	6.46%	10.20%	33.20%	2.09%	100.00%

CUMBERLAND VALLEY ELECTRIC, INC.
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NET INVESTMENT RATE BASE

								Consumer	
								Meters & Accounting	Outdoor
	Description	\$\$\$	Stations	Lines	Transformers	Services	Consumer	Services	Lighting
360	Land & Land Rights	5,488		5,488					
362	Station Equipment	768,921	768,921						
364	Poles, Towers and Fixtures	29,674,571		29,674,571					-
365	Overhead Conductor	27,905,005		27,905,005					
366	Underground Conduit			-					
367	UG Conductor	3,889,519		3,889,519					
368	Line Transformers	10,656,531			10,656,531				
369	Services	8,314,588				8,314,588			-
370	Meters	6,656,001					6,656,001		
371	Install. On Consumer Prem.	4,912,562							4,912,562
373	Street Ltg & Signal Systems	-							
	Total Distribution Plant	92,783,185	768,921	61,474,582	10,656,531	8,314,588	6,656,001	-	4,912,562
			0.83%	66.26%	11.49%	8.96%	7.17%	0.00%	5.29%
	Total General Plant	8,027,220	7,978	3,831,721	17,454	518,296	819,048	2,665,243	167,480
			0.1%	47.7%	0.2%	6.5%	10.2%	33.2%	2.1%
	Total Utility Plant	100,810,405	776,899	65,306,303	10,673,984	8,832,884	7,475,050	2,665,243	5,080,042
	Accum. Depreciation	36,032,638	277,687	23,342,416	3,815,200	3,157,136	2,671,805	952,637	1,815,758
	Net Plant	64,777,767	499,212	41,963,887	6,858,785	5,675,749	4,803,244	1,712,606	3,264,284
		101,039,800	0.77%	64.78%	10.59%	8.76%	7.41%	2.64%	5.04%
	CWIP	229,395	1,901	151,988	26,347	20,557	16,456	-	12,146
		65,007,162	501,114	42,115,876	6,885,132	5,696,305	4,819,701	1,712,606	3,276,430
	Plus								
	Cash Working Capital	991,384	7,640	642,232	104,969	86,864	73,511	26,210	49,958
	Materials & Supplies	412,083	3,176	266,953	43,632	36,106	30,556	10,895	20,766
	Prepayments	412,083	3,176	266,953	43,632	36,106	30,556	10,895	20,766
	Minus: Consumer Advances	83,281	690	55,179	9,565	7,463	5,974	-	4,409
	Net Investment Rate Base	66,739,431	514,415	43,236,834	7,067,800	5,847,919	4,948,348	1,760,605	3,363,509
	Percentage		0.77%	64.78%	10.59%	8.76%	7.41%	2.64%	5.04%

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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct No.	Description	Pro Forma \$\$\$\$	Power Supply			Distribution	Lines
			Demand	Energy	Load Center	Station	Demand
555	Demand Charges	6,986,348	6,986,348				
	Energy Charges	23,587,569	-	23,587,569			
	Load Center Charges	705,176			705,176		
	Total Purchased Power	31,279,093	6,986,348	23,587,569	705,176		
580	Operations Supv & Eng	-					-
582	Station Expense	5,656				5,656	
583	Overhead Line Exp.	625,562	1,670,864				252,640
584	Underground Line Exp	46,968					18,968
586	Meter Expense	450,354					
587	Consumer Installations	118,728					
588	Misc. Distribution Exp	163,139				740	35,526
589	Rents	6,398				29	1,393
	Total Operations	1,416,804				6,424	308,527
590	Maint Supv & Eng	-					
592	Maint of Station Equip	-					
593	Maint. Overhead Lines	2,566,463					1,036,495
594	Maint of Underground Lines	-					
595	Maint Line Transformers	13,170					
596	Maint of St Lg & Signal Sys	-					
597	Maintenance of Meters	138,663					
598	Maint Misc Distrib Plant	182,725					69,674

CUMBLERLAND VALLEY ELECTRIC
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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct No.	Description	Pro Forma \$\$\$\$	Lines Consumer	Transformers Demand	Consumer	Services Consumer	Meters Consumer	Cons & Acct Consumer	Outdoor Lighting
555	Demand Charges	6,986,348							
	Energy Charges	23,587,569							
	Load Center Charges	705,176							
	Total Purchased Power	31,279,093							
580	Operations Supv & Eng	-		-		-	-	-	
582	Station Expense	5,656							
583	Overhead Line Exp.	625,562	298,387			74,534			
584	Underground Line Exp	46,968	22,403			5,596			
586	Meter Expense	450,354					450,354		
587	Consumer Installations	118,728							118,728
588	Misc. Distribution Exp	163,139	41,958			10,481	58,905		15,529
589	Rents	6,398	1,645	-		411	2,310		609
	Total Operations	1,416,804	364,394	-		91,022	511,569		134,866
590	Maint Supv & Eng	-							
592	Maint of Station Equip	-							
593	Maint. Overhead Lines	2,566,463	1,224,179			305,789			
594	Maint of Underground Lines	-				-			
595	Maint Line Transformers	13,170		9,991	3,178				
596	Maint of St Lg & Signal Sys	-							
597	Maintenance of Meters	138,663					138,663		
598	Maint Misc Distrib Plant	182,725	82,290	672	214	20,555	9,321	-	-

CUMBLERLAND VALLEY ELECTRIC
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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct	Description	-	Pro Forma \$\$\$\$	Power Supply			Distribution	Lines
				Demand	Energy	Load Center	Station	Demand
	Total Distribut Maintenance		2,901,021	-	-	-	-	1,106,168
901	Supervision		174,610					
902	Meter Reading Expense		174,610					
903	Cons Recds & Collections		1,676,738	94,681				
904	Uncollectible Accounts		178,618					
	Total Consumer Accounts		2,029,966					-
			-					
908	Customer Assist. Expense		76,265					
909	Customer Information Exp		40,002					
	Total Customer Service		116,267	-		-		-
	Total of Above		37,743,150	6,986,348	23,587,569	705,176	6,424	1,414,695
920	Administrative Salaries		888,865				883	194,533
921	Office Supplies		111,055				110	24,305
923	Outside Services		89,395				89	19,565
928	Regulatory Comm Expenses		10,691				11	2,340
925	Injuries & Damages		-				-	-
929	Duplicate Charges		(42,650)				(42)	(9,334)
930.1	Director Fees		111,310				111	24,361

CUMBLERLAND VALLEY ELECTRIC
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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct	Description	Pro Forma \$\$\$\$	Lines Consumer	Transformers		Services	Meters	Cons & Acct	Outdoor
				Demand	Consumer	Consumer	Consumer	Consumer	Lighting
	Total Distribut Maintenance	2,901,021	1,306,469	10,663	3,392	326,344	147,984	-	-
901	Supervision	174,610							
902	Meter Reading Expense	174,610						174,610	
903	Cons Recds & Collections	1,676,738						1,676,738	
904	Uncollectible Accounts	178,618						178,618	
	Total Consumer Accounts	2,029,966		-	-	-	-	2,029,966	-
908	Customer Assist. Expense	76,265						76,265	
909	Customer Information Exp	40,002						40,002	
	Total Customer Service	116,267		-	-	-	-	116,267	-
	Total of Above	37,743,150	1,670,864	10,663	3,392	417,367	659,553	2,146,233	134,866
920	Administrative Salaries	888,865	229,758	1,466	466	57,392	90,694	295,126	18,545
921	Office Supplies	111,055	28,706	183	58	7,171	11,331	36,873	2,317
923	Outside Services	89,395	23,107	147	47	5,772	9,121	29,681	1,865
928	Regulatory Comm Expenses	10,691	2,763	18	6	690	1,091	3,550	223
925	Injuries & Damages	-	-	-	-	-	-	-	-
929	Duplicate Charges	(42,650)	(11,024)	(70)	(22)	(2,754)	(4,352)	(14,161)	(890)
930.1	Director Fees	111,310	28,772	184	58	7,187	11,357	36,958	2,322

CUMBLERLAND VALLEY ELECTRIC
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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct	Description	Pro Forma \$\$\$\$	Power Supply			Distribution	Lines
			Demand	Energy	Load Center	Station	Demand
930.11	General Advertising Exp	74,402				74	16,283
930.2	Misc. General Exp-Other	85,041				85	18,612
930.3	Capital Credits	13				0	3
930.4	Annual Meetings	25,840				26	5,655
932	Maintenance of General Plant	116,627				116	25,525
							#REF!
	Total Admin & General	1,470,588				1,462	321,846
		-					-
403	Deprec. Distribution Plant	3,518,784				27,118	1,045,133
403	Deprec. General Plant	186,245				1,435	55,318
	Total Depreciation	3,705,029	-	-	-	28,553	1,100,450
		-					
408	Taxes Other Than Income Taxes	56,395				435	16,751
426.1	Donations	0				0	0
426.11	Donations - Scholarships	-					-
423.12	Donations - dues	0					-
	Total Miscellaneous	56,396	-	-	-	435	16,751
		-					-
	Total Interest on LTD	850,646	-			6,557	252,668
		-					-
	Total Short Term Interest	3,796	-			29	1,127
		-					-
	Total Costs	43,829,605	6,986,348	23,587,569	705,176	43,460	3,107,539

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CLASSIFICATION OF FUNCTIONALIZED COSTS

Acct	Description	Pro Forma \$\$\$\$	Lines	Transformers		Services	Meters	Cons & Acct	Outdoor
			Consumer	Demand	Consumer	Consumer	Consumer	Consumer	Lighting
930.11	General Advertising Exp	74,402	19,232	123	39	4,804	7,592	24,703	1,552
930.2	Misc. General Exp-Other	85,041	21,982	140	45	5,491	8,677	28,236	1,774
930.3	Capital Credits	13	3	0	0	1	1	4	0
930.4	Annual Meetings	25,840	6,679	43	14	1,668	2,637	8,579	539
932	Maintenance of General Plant	116,627	30,146	192	61	7,530	11,900	38,723	2,433
			#REF!						
	Total Admin & General	1,470,588	380,125	2,426	772	94,952	150,050	488,273	30,682
		-	-						
403	Deprec. Distribution Plant	3,518,784	1,234,382	282,654	89,921	308,312	260,916	93,030	177,319
403	Deprec. General Plant	186,245	65,334	14,961	4,759	16,319	13,810	4,924	9,385
	Total Depreciation	3,705,029	1,299,716	297,614	94,681	324,630	274,726	97,954	186,704
		-							
408	Taxes Other Than Income Taxes	56,395	19,784	4,531	1,441	4,942	4,181	1,488	2,842
426.1	Donations	0	0	0	0	0	0	0	0
426.11	Donations - Scholarships	-	-						
423.12	Donations - dues	0	-						
	Total Miscellaneous	56,396	19,784	4,531	1,441	4,942	4,181	1,488	2,842
		-	-						
	Total Interest on LTD	850,646	298,420	68,343	21,742	74,536	63,071	22,440	42,871
		-	-						
	Total Short Term Interest	3,796	1,332	305	97	333	281	100	191
		-	-						
	Total Costs	43,829,605	3,670,241	383,881	122,125	916,759	1,151,862	2,756,488	398,157

CUMBERLAND VALLEY ELECTRIC, INC.
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Schedule F

Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 364 - Poles						
<u>Pole</u>		<u>Investment</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Size</u>	
30.00		4,684,595	13,980	335.09	25.00	
35.00		1,216,604	8,267	147.16	35.00	
40.00		8,757,707	18,467	474.24	40.00	
45.00		3,082,724	5,788	532.61	45.00	
50.00		1,047,257	1,568	667.89	50.00	
55.00		390,394	410	952.18	55.00	
60.00		106,419	87	1,223.20	60.00	
65.00		63,077	58	1,087.54	65.00	
70.00		17,987	21	856.50	70.00	
75.00		13,697	2	6,848.68	75.00	
Total for Sample		19,380,462	48,648			
X Variable - (Size)		11.01				
Zero Intercept		(29.91)				
Use Minimum Size Pole				147.16		
Number of poles				48,648.00		
Consumer Related Investment				7,159,231.75		
Total Investment for sample				19,380,462.16		
Percent Customer Related				36.94%		
Percent Demand Related				63.06%		

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Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 365 - Overhead Conductor						
<u>Conductor</u>	<u>Investment</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Amps</u>		
6ACWC	689	12,164	\$ 0.0566	140		
8ACWC	8,355	154,482	\$ 0.0541	100		
4 HD CU	22,935	206,906	\$ 0.1108	170		
6HD CU	8,876	107,987	\$ 0.0822	128		
1/0 ACSR	1,830,598	4,427,885	\$ 0.4134	242		
2/0 ACSR	117,654	527,534	\$ 0.2230	276		
4/0 ACSR	1,598,035	2,199,887	\$ 0.7264	357		
2 ACSR	6,485,603	12,712,740	\$ 0.5102	184		
4 ACSR	2,030,455	6,419,782	\$ 0.3163	140		
#336.4 ACSR	880,426	918,426	\$ 0.9586	519		
3/0 ACSR	23,425	2,259,903	\$ 0.0104	315		
397.5 MCM AL	110	267	\$ 0.4114	576		
Aerial Cable	83,323	72,029	\$ 1.1568	268		
4/0 Aerial Cable	4,242	7,885	\$ 0.5380	268		
Aerial Cable 2	8,106	1,430	\$ 5.6688	128		
2 SP Cable	200	838	\$ 0.2385	128		
1/0 SP Cable	7,470	950	\$ 7.8632	172		
266.8 MCM-CU	9,351	44,109	\$ 0.2120	308		
4/0 SP Cable	70,292	23,880	\$ 2.9436	268		
Total for Sample	13,190,145	30,099,084	\$ 0.4382			
X Variable - (Size)	0.00081					
Zero Intercept	0.25236					
Total Amount of Conductor in Feet		30,099,084				
Use Zero Intercept		0.25236				
Minimum Size Investment -Consumer Related		7,595,792.21	57.59%			
Demand Related		5,594,353	42.41%			
Investment in Conductor		13,190,145.06	100.00%			

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Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 367 - Underground Conductor						
<u>Conductor</u>	<u>Investment</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Amps</u>		
Cable , UG Duplex, 600V	2,769	373	7.42	70		
2 URD Triplex	227,471	53,184	4.28	120		
4 URD Triplex	4,567	570	8.01	90		
350 URD Triplex	156,635	29,635	5.29	320		
1/0 URD Conc	33,664	13,213	2.55	155		
2/0 URD Triplex	882,420	248,394	3.55	180		
4/0 URD Triplex	942,695	292,874	3.22	240		
350 URD Quad	5,462	746	7.32	320		
2 URD CONC	756,273	172,891	4.37	119		
2 URD SOL	56,982	28,826	1.98	168		
Total for Sample	3,068,939	840,706	3.65			
X Variable - (Size)	-0.00386					
Zero Intercept	4.32554					
Total Amount of Conductor in Feet		840,706				
Use Minimum Size		1,97675				
Minimum Size Investment -Consumer Related		1,661,863.38	54.15%			
Demand Related		1,407,075	45.85%			
Investment in Conductor		3,068,938.58	100.00%			
Breakdown of Lines into Demand Related and Consumer Related Components						
	Total Sample Investment	Percent Consumer	Amount Consumer	Percent Demand	Amount Demand	
Underground Conductor	3,068,939	54.15%	1,661,863.38	45.85%	1,407,075	
Overhead Conductor	13,190,145	57.59%	7,595,792.21	42.41%	5,594,353	
Poles	19,380,462	36.94%	7,159,231.75	63.06%	12,221,230	
	22,449,400.74		8,821,095.14		13,628,305.60	
Percentage Allocations For Overhead Lines			39.29%		60.71%	

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Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 368-Transformers						
Pole	Investment	Number of Units	Unit Cost	Predicted Value	Size	
1.5KVA CSP	22,260	213.00	104.51	1.50		
3.KVA CSP	73,018	542.00	134.72	3.00		
5KVA CSP	150,249	881.00	170.54	5.00		
7.5KVA CSP	7,132	32.00	222.88	7.50		
10KVA CSP	1,031,822	4,548.00	226.87	10.00		
15KVA CSP	2,552,394	8,743.00	291.94	15.00		
25KVA CSP	2,097,274	4,013.00	522.62	25.00		
50 KVA CSP	279,152	337.00	828.35	50.00		
10 KVA	23,236	60.00	387.26	10.00		
15 KVA	425,502	660.00	644.70	15.00		
25 KVA	184,988	280.00	660.67	25.00		
37.5 KVA	21,794	46.00	473.79	37.50		
50 KVA	328,841	415.00	792.39	50.00		
75 KVA CSP	1,645	2.00	822.71			
500 KVA URD	40,445	8.00	5,055.66			
50R BARE COST	4,610	2.00	2,304.79			
300 KVA URD	15,475	4.00	3,868.82			
1667 KVA AUTO CONV	4,159	3.00	1,386.17			
2000 KVA 3PH PAD MT	16,504	4.00	4,125.96			
75KVA	12,457	13.00	958.27			
100KVA	177,408	132.00	1,344.00			
167 KVA	160,099	87.00	1,840.22			
250 KVA	57,539	22.00	2,615.40			
333 KVA	175,919	51.00	3,449.40			
500 KVA	21,706	3.00	7,235.32			
500 KVA 3PH PAD MT	79,745	11.00	7,249.53			
1500 KVA PAD MT	9,265	1.00	9,265.00			
500 KVA URD	39,937	8.00	4,992.06			
750-1000 KVA 3PH PAD MT	79,109	8.00	9,888.68			
1500 KVA PAD MT	9,265	1.00	9,265.00			
Total Sample Investment	8,102,950	21,130	383.48			
X Variable - (Size)	15.65					
Zero Intercept	67.3766					
Number of Transformers			20,770.00			
Zero Intercept			67.38			
Consumer Related Investment			1,399,412.26			
Demand Related Investment			5,798,250.94			
Percentage of Investment Consumer Related			24.14%			
Percentage of Investment Demand Related			75.86%			

REVENUE REQUIREMENTS FOR EACH RATE CLASS

	A	B	C	D	E
1					Schedule I
2		Catengory		Enviro	Residential,
3			Amount	Watts	Schl & Chur
4		Purchased Power Costs			
5		<u>Demand</u>	6,986,348		5,059,147
6		Load Center Charges	705,176		470,409
7		Total Purchased Power Demand	7,691,524		5,529,556
8					
9		<u>Energy</u>	23,587,569	656	15,493,534
10					
11		Distribution Costs			
12		<u>Demand Related</u>			
13		Stations	43,460		28,991
14		Lines	3,107,539		2,072,979
15		Transformers	383,881		256,080
16		Total Demand Related	3,534,880		2,358,050
17					
18		<u>Consumer Related</u>			
19		Lines	3,670,241		3,415,399
20		Transformers	122,125		105,965
21		Services	916,759		788,645
22		Meters	1,151,862		1,000,580
23		Consumer Svc			
24		& Accouting	2,756,488		2,149,035
25		Total Consumer Related	8,617,475		7,459,624
26					
27		Outdoor Lighting	398,157		
28					
29		Total Costs	43,829,604	656	30,840,765
30					
31					
32		Purchased Power Demand Costs	7,691,524		5,529,556
33		Purchased Power Energy Costs	23,587,569	656	15,493,534
34		Distribution Demand Costs	3,534,880		2,358,050
35		Distribution Consumer Costs	8,617,475		7,459,624
36		Distribution Outdoor Lighting	398,157		
37					
38			43,829,604	656	30,840,765

REVENUE REQUIREMENTS FOR EACH RATE CLASS

	B	C	F	G	H	I
1			Schedule I	Schedule II	Schedule II	Schedule III
2	Category		Marketing	Sml Com	Sml Com	3 Phase Schl
3		Amount	Rate	1 Phase	3 Phase	& Churches
4	Purchased Power Costs					
5	Demand	6,986,348		139,657	218,267	241,749
6	Load Center Charges	705,176		18,494	18,922	29,036
7	Total Purchased Power Demand	7,691,524	-	158,151	237,188	270,784
8						
9	Energy	23,587,569	37,988	746,171	380,744	817,165
10						
11	Distribution Costs					
12	Demand Related					
13	Stations	43,460	-	1,140	1,166	1,789
14	Lines	3,107,539	-	81,500	83,383	127,954
15	Transformers	383,881	-	10,068	10,301	15,806
16	Total Demand Related	3,534,880	-	92,707	94,850	145,549
17						
18	Consumer Related					
19	Lines	3,670,241	-	205,857	21,702	7,441
20	Transformers	122,125	-	8,218	1,551	1,686
21	Services	916,759	-	70,839	26,501	6,097
22	Meters	1,151,862	4,042	60,308	53,933	2,180
23	Consumer Svc					
24	& Accouting	2,756,488	5,064	215,882	45,517	13,265
25	Total Consumer Related	8,617,475	9,106	561,105	149,205	30,668
26						
27	Outdoor Lighting	398,157				
28						
29	Total Costs	43,829,604	47,093	1,558,134	861,987	1,264,167
30						
31						
32	Purchased Power Demand Costs	7,691,524	-	158,151	237,188	270,784
33	Purchased Power Energy Costs	23,587,569	37,988	746,171	380,744	817,165
34	Distribution Demand Costs	3,534,880	-	92,707	94,850	145,549
35	Distribution Consumer Costs	8,617,475	9,106	561,105	149,205	30,668
36	Distribution Outdoor Lighting	398,157				
37						
38		43,829,604	47,093	1,558,134	861,987	1,264,167

REVENUE REQUIREMENTS FOR EACH RATE CLASS

	B	C	J	K	L	M
1			Schedule IV	Schedule IV-A	Schedule VI	
2	Category		Large Power	Large Power	Outdoor	
3		Amount	2500 kW Plus	50-2500 kW	Lights	Total
4	Purchased Power Costs					
5	<u>Demand</u>	6,986,348	132,976	1,107,059	87,495	6,986,348
6	Load Center Charges	705,176	19,794	134,106	14,414	705,176
7	Total Purchased Power Demand	7,691,524	152,770	1,241,165	101,909	7,691,524
8						
9	<u>Energy</u>	23,587,569	847,179	4,681,273	582,859	23,587,569
10						
11	Distribution Costs					
12	<u>Demand Related</u>					
13	Stations	43,460	1,220	8,265	888	43,460
14	Lines	3,107,539	87,228	590,974	63,521	3,107,539
15	Transformers	383,881	10,776	73,004	7,847	383,881
16	Total Demand Related	3,534,880	99,224	672,243	72,256	3,534,880
17						
18	<u>Consumer Related</u>					
19	Lines	3,670,241	155	12,246	7,441	3,670,241
20	Transformers	122,125	406	4,162	137	122,125
21	Services	916,759	121	9,579	14,977	916,759
22	Meters	1,151,862	385	30,434	-	1,151,862
23	Consumer Svc					
24	& Accouting	2,756,488	1,040	56,506	270,178	2,756,488
25	Total Consumer Related	8,617,475	2,108	112,927	292,732	8,617,475
26						
27	Outdoor Lighting	398,157			398,157	398,157
28						
29	Total Costs	43,829,604	1,101,281	6,707,609	1,447,912	43,829,604
30						
31						
32	Purchased Power Demand Costs	7,691,524	152,770	1,241,165	101,909	7,691,524
33	Purchased Power Energy Costs	23,587,569	847,179	4,681,273	582,859	23,587,569
34	Distribution Demand Costs	3,534,880	99,224	672,243	72,256	3,534,880
35	Distribution Consumer Costs	8,617,475	2,108	112,927	292,732	8,617,475
36	Distribution Outdoor Lighting	398,157			398,157	398,157
37						-
38		43,829,604	1,101,281	6,707,609	1,447,912	43,829,604

CUMBERLAND VALLEY ELECTRIC, INC.
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Demand Related Costs and Energy Related Costs Allocators

C. Monthly Peak Demands for Each Rate Class										
	Schedule 1 Residential	Schedule 1 Residential	Schedule II Commercial	Schedule II Small Power	Schedule III Three Phase	Schedule IV Large Power	Schedule IV-A Large Power	Schedule VI Outdoor Lights		
<u>Month</u>	<u>Schls & Chur</u>	<u>ETS</u>	<u>No Demand</u>	<u>W/Demand</u>	<u>Schls & Chur</u>	<u>Industrial</u>	<u>Rate</u>	<u>Security Lights</u>	<u>Total</u>	
December	74,329	-	4,235	2,772	4,840	4,256	21,889	2,458	114,779	
January	104,562	-	4,261	3,334	5,230	4,071	21,202	2,461	145,121	
February	122,387	-	4,157	4,145	5,246	4,241	20,547	2,462	163,185	
March	91,285	-	2,678	3,097	4,749	4,759	22,615	2,456	131,639	
April	61,056	-	4,248	2,806	4,860	4,193	22,869	2,458	102,490	
May	69,422	-	1,949	3,396	5,382	3,494	23,661	2,469	109,773	
June	67,625	-	2,236	3,087	4,408	3,403	23,567	2,471	106,797	
July	75,830	-	3,762	3,628	4,156	2,515	23,997	2,478	116,366	
August	75,737	-	2,012	3,400	5,213	2,401	24,955	2,484	116,202	
September	84,224	-	1,982	3,525	5,608	2,407	24,371	2,490	124,607	
October	71,560	-	3,159	2,717	5,096	2,391	24,209	2,492	111,624	
November	70,286	-	3,390	3,042	4,980	2,614	22,166	2,492	108,970	
Total	968,303	-	38,069	38,949	59,768	40,745	276,048	29,671	1,451,553	
Percent	66.71%	0.00%	2.62%	2.68%	4.12%	2.81%	19.02%	2.04%	100.00%	
Used to allocate distribution demand related costs to appropriate rate classes										

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Schedule H

Demand Related Costs and Energy Related Costs Allocators

A. Energy Sales										
	Allocation is proportional on actual sales to end use customers									
	Schedule 1	Schedule 1	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI		
	Residential	Residential	Commercial	Small Power	Three Phase	Large Power	Large Power	Outdoor Lights		Total
Month	<u>Schls & Chur</u>	<u>ETS</u>	<u>No Demand</u>	<u>W/Demand</u>	<u>Schls & Chur</u>	<u>Industrial</u>	<u>Rate</u>	<u>Security Lights</u>		
January	29,103,214	119,674	1,173,456	597,612	1,335,021	1,956,600	7,091,903	938,854		42,316,334
February	36,498,522	160,352	1,362,903	645,799	1,584,899	1,602,000	7,788,431	942,844		50,585,750
March	42,781,729	192,039	1,498,154	638,848	1,610,651	1,728,000	8,013,886	941,164		57,404,471
April	27,076,069	117,757	1,171,325	608,159	1,270,416	1,591,200	6,203,863	940,954		38,979,743
May	19,397,048	50,227	1,148,740	649,327	1,240,462	1,648,800	7,381,378	941,374		32,457,356
June	17,973,045	12,568	1,053,649	640,603	1,207,283	1,335,600	7,373,376	942,354		30,538,478
July	21,815,204	935	1,176,442	635,825	1,192,677	1,242,000	8,091,828	939,624		35,094,535
August	25,916,196	1,013	1,366,439	613,644	1,033,766	993,600	8,044,206	941,724		38,910,588
September	21,823,413	877	1,205,115	639,367	1,356,211	1,083,600	8,153,421	947,534		35,209,538
October	18,538,351	1,351	1,145,361	620,866	1,527,049	1,062,000	7,882,800	946,526		31,724,304
November	18,105,995	19,832	1,119,258	551,711	1,264,542	1,058,400	7,416,068	947,772		30,483,578
December	21,831,534	61,006	1,068,021	551,383	1,244,426	1,148,400	7,458,032	947,002		34,309,804
Total	300,860,320	737,631	14,488,863	7,393,144	15,867,403	16,450,200	90,899,192	11,317,726		458,014,479
Percent	65.69%	0.16%	3.16%	1.61%	3.46%	3.59%	19.85%	2.47%		100.00%
Used to allocate purchased power energy costs to retail rate classes. Wholesale energy costs for rate classes LP1 And LP2 are directly assigned.										

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Demand Related Costs and Energy Related Costs Allocators

B. Wholesale Billing CP Contributions										
	Schedule 1	Schedule 1	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI		
	Residential	Residential	Commercial	Small Power	Three Phase	Large Power	Large Power	Outdoor Lights		<u>Total</u>
<u>Month</u>	<u>Schls & Chur</u>	<u>ETS</u>	<u>No Demand</u>	<u>W/Demand</u>	<u>Schls & Chur</u>	<u>Industrial</u>	<u>Rate</u>	<u>Security Lights</u>		
December	71,427	-	2,699	2,772	4,363	2,109	16,674	2,458		102,502
January	104,561	-	4,261	3,334	3,052	2,305	17,965	2,461		137,939
February	122,387	-	4,157	4,145	3,377	2,105	18,684	2,462		157,317
March	91,285	-	2,678	3,092	3,044	2,851	19,023	2,456		124,429
April	48,528	-	1,490	2,594	3,313	1,922	14,532	-		72,379
May	42,781	-	861	3,334	2,505	913	13,286	-		63,680
June	58,638	-	1,368	2,811	2,998	2,083	16,622	-		84,520
July	62,936	-	522	3,370	3,767	1,860	14,041	-		86,496
August	60,428	-	1,226	2,884	3,741	1,629	12,757	-		82,665
September	58,628	-	1,140	2,853	4,070	2,046	12,604	-		81,341
October	49,849	-	1,355	2,717	3,196	1,298	13,607	2,482		74,504
November	84,960	-	1,884	3,042	3,497	1,389	17,607	2,492		114,871
Total	856,408	-	23,641	36,948	40,923	22,510	187,402	14,811		1,182,643
Percent	72.41%	0.00%	2.00%	3.12%	3.46%	1.90%	15.85%	1.25%		100.00%
Used to allocate wholesale power demand costs to rate classes. Wholesale power demand is billed on basis of CP demand.										
2,458	2,461	2,462	2,456	2,458	2,463	2,471	2,478	2,484	2,490	2,492

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Demand Related Costs and Energy Related Costs Allocators

C. Monthly Peak Demands for Each Rate Class										
		Schedule 1	Schedule 1	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
		Residential	Residential	Commercial	Small Power	Three Phase	Large Power	Large Power	Outdoor Lights	Total
Month		Schls & Chur	ETS	No Demand	W/Demand	Schls & Chur	Industrial	Rate	Security Lights	
December		74,329	-	4,235	2,772	4,840	4,256	21,889	2,458	114,779
January		104,562	-	4,261	3,334	5,230	4,071	21,202	2,461	145,121
February		122,387	-	4,157	4,145	5,246	4,241	20,547	2,462	163,185
March		91,285	-	2,678	3,097	4,749	4,759	22,615	2,456	131,639
April		61,056	-	4,248	2,806	4,860	4,193	22,869	2,458	102,490
May		69,422	-	1,949	3,396	5,382	3,494	23,661	2,469	109,773
June		67,625	-	2,236	3,087	4,408	3,403	23,567	2,471	106,797
July		75,830	-	3,762	3,628	4,156	2,515	23,997	2,478	116,366
August		75,737	-	2,012	3,400	5,213	2,401	24,955	2,484	116,202
September		84,224	-	1,982	3,525	5,608	2,407	24,371	2,490	124,607
October		71,560	-	3,159	2,717	5,096	2,391	24,209	2,492	111,624
November		70,286	-	3,390	3,042	4,980	2,614	22,166	2,492	108,970
Total		968,303	-	38,069	38,949	59,768	40,745	276,048	29,671	1,451,553
Percent		66.71%	0.00%	2.62%	2.68%	4.12%	2.81%	19.02%	2.04%	100.00%
Used to allocate distribution demand related costs to appropriate rate classes										

CUMBERLAND VALLEY ELECTRIC, INC.

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Consumer Related Costs Allocators

A. Lines (poles and conduit)

	Number of Consumers	Allocation Percent
Schedule I - Residential	22,033	93.06%
Schedule I - Prepaid		0.00%
Schedule I - Marketing ETS	0	0.00%
Schedule II - Small Commercial (kWh)	1,328	5.61%
Schedule II - Small Commercial (kW)	140	0.59%
Schedule III - 3 Phase Schools & Churches	48	0.20%
Schedule IV - Large Power Industrial	1	0.00%
Schedule IV-A - Large Power Rate	79	0.33%
Schedule VI - Outdoor & Security Lights	48	0.20%
	<u>23,677</u>	<u>1.0000</u>

B. Transformers

Rate Class	Number of Consumers	Minimum Transformer Cost	Relative Cost	Weight	Allocation Percent
Schedule I - Residential	22,033	227	0.14	3,017.29	86.768%
Schedule I - Prepaid					0.000%
Schedule I - Marketing ETS	-	-	-	-	0.000%
Schedule II - Small Commercial (kWh)	1,328	292	0.18	234.02	6.730%
Schedule II - Small Commercial (kW)	140	523	0.32	44.16	1.270%
Schedule III - 3 Phase Schools & Churches	48	1,657	1.00	48.00	1.380%
Schedule IV - Large Power Industrial	1	19,154	11.56	11.56	0.332%
Schedule IV-A - Large Power Rate	79	2,485	1.50	118.50	3.408%
Schedule VI - Outdoor & Security Lights	48	135	0.08	3.90	0.112%
	<u>23,677</u>			<u>3,477.43</u>	<u>100.0%</u>

CUMBERLAND VALLEY ELECTRIC, INC.

Case No. 2016-00169

Consumer Related Costs Allocators

C. Services

Rate Class	# of Consume	Minim Service Cost	Relative Cost	Weight	Allocation Percent
Schedule I - Residential	22,033	195.27	0.28	6,208.81	86.03%
Schedule I - Prepaid					
Schedule I - Marketing ETS	-	-	-	-	0.00%
Schedule II - Small Commercial (kWh)	1,328	291.00	0.42	557.70	7.73%
Schedule II - Small Commercial (kW)	140	291.00	1.49	208.64	2.89%
Schedule III - 3 Phase Schools & Churches	48	692.93	1.00	48.00	0.67%
Schedule IV - Large Power Industrial	1	661.47	0.95	0.95	0.01%
Schedule IV-A - Large Power Rate	79	661.47	0.95	75.41	1.04%
Schedule VI - Outdoor & Security Lights	11,080	7.37	0.01	117.91	1.63%
	<u>34,709</u>			<u>7,217.42</u>	<u>1.00</u>

D. Meters

Rate Class	# of Consume	Minimum Meter Cost	Relative Cost	Weight	Allocation Percent
Schedule I - Residential	22,033	36.00	1.00	22,033.00	86.87%
Schedule I - Prepaid					
Schedule I - Marketing ETS	89	36.00	1.00	89.00	0.35%
Schedule II - Small Commercial (kWh)	1,328	36.00	1.00	1,328.00	5.24%
Schedule II - Small Commercial (kW)	140	305.38	8.48	1,187.62	4.68%
Schedule III - 3 Phase Schools & Churches	48	36.00	1.00	48.00	0.19%
Schedule IV - Large Power Industrial	1	305.38	8.48	8.48	0.03%
Schedule IV-A - Large Power Rate	79	305.38	8.48	670.16	2.64%
Schedule VI - Outdoor & Security Lights	-	-	-	-	
	<u>23,718</u>			<u>25,364.26</u>	<u>1.00</u>

CUMBERLAND VALLEY ELECTRIC, INC.

Case No. 2016-00169

E. Consumer & Accounting Services Consumer Related Costs Allocators

Rate Class	Number of Consumers	Relative Weight Meter Reads	Relative Weight Cons Rcds	Relative Weight Cust Asst	Combined Relative Weights	Weight	Allocation Percent
Schedule I - Residential Schedule 1 - Prepaid	22,033	1.00	4.00	1.00	6.00	132,198	77.96%
Schedule I - Marketing ETS	89	1.00	1.00	1.50	3.50	312	0.18%
Schedule II - Small Commercial (kWh)	1,328	1.00	6.00	3.00	10.00	13,280	7.83%
Schedule II - Small Commercial (kW)	140	2.00	10.00	8.00	20.00	2,800	1.65%
Schedule III - 3 Phase Schools & Churches	48	1.00	8.00	8.00	17.00	816	0.48%
Schedule IV - Large Power Industrial	1	4.00	20.00	40.00	64.00	64	0.04%
Schedule IV-A - Large Power Rate	79	4.00	20.00	20.00	44.00	3,476	2.05%
Schedule VI - Outdoor & Security Lights	11,080	-	1.00	0.50	1.50	16,620	9.80%
						<u>169,565.50</u>	<u>1.00</u>

	Meter Reading			Consumer Records		
	Factor	Weight	Relative Weight	Factor	Weight	Relative Weight
Schedule I - Residential Schedule 1 - Prepaid	1.00	1.00	1.00	4.00	1.00	4.00
Schedule I - Marketing ETS	1.00	1.00	1.00	1.00	1.00	1.00
Schedule II - Small Commercial (kWh)	1.00	1.00	1.00	3.00	2.00	6.00
Schedule II - Small Commercial (kW)	2.00	1.00	2.00	5.00	2.00	10.00
Schedule III - 3 Phase Schools & Churches	1.00	1.00	1.00	4.00	2.00	8.00
Schedule IV - Large Power Industrial	4.00	1.00	4.00	10.00	2.00	20.00
Schedule IV-A - Large Power Rate	4.00	1.00	4.00	10.00	2.00	20.00
Schedule VI - Outdoor & Security Lights	-	1.00	-	1.00	1.00	1.00

CUMBERLAND VALLEY ELECTRIC, INC.

Case No. 2016-00169

Consumer Related Costs Allocators

	Consumer Assistance		Relative
	Factor	Weight	Weight
Schedule I - Residential	1.00	1.00	1.00
Schedule 1 - Prepaid			
Schedule I - Marketing ETS	1.00	1.50	1.50
Schedule II - Small Commercial (kWh)	1.00	3.00	3.00
Schedule II - Small Commercial (kW)	2.00	4.00	8.00
Schedule III - 3 Phase Schools & Churches	2.00	4.00	8.00
Schedule IV - Large Power Industrial	2.00	20.00	40.00
Schedule IV-A - Large Power Rate	2.00	10.00	20.00
Schedule VI - Outdoor & Security Lights	0.50	1.00	0.50

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
REVENUE FROM RATES MATCHED WITH REVENUE REQUIREMENTS

Revised Exhibit R
Page 36 of 40
Witness: James Adkins]
Schedule J

			Enviro	Schedule I	Schedule 1	Schedule II	Schedule II
			Watts	Residential	Residential.	Single Phase	Three Phase
		Total		Residential	Market - ETS	Commercial	Commercial
Normalized Revenue from Rates		\$41,190,121	780	28,223,615	37,899	1,500,642	837,357
Wholesale Demand Costs							
Generation		6,986,348		5,059,147	-	139,657	218,267
Distribution Substation		705,176		470,409	-	18,494	18,922
Total Wholesale Demand		7,691,524	-	5,529,556	-	158,151	237,188
Wholesale Energy Costs		23,587,569	656	15,493,534	37,988	746,171	380,744
Total Wholesale Costs		31,279,093	656	21,023,090	37,988	904,322	617,933
Gross Margin							
Gross Margin		9,911,028	124	7,200,524	(88)	596,320	219,425
Distribution Demand Costs							
Station		43,460		28,991	-	1,140	1,166
Lines		3,107,539		2,072,979	-	81,500	83,383
Transformers		383,881		256,080	-	10,068	10,301
Total Distribution Demand		3,534,880		2,358,050	-	92,707	94,850
Distribution Consumer							
Lines		3,670,241		3,415,399	-	205,857	21,702
Transformers		122,125		105,965	-	8,218	1,551
Services		916,759		788,645	-	70,839	26,501
Meters		1,151,862		1,000,580	4,042	60,308	53,933
Consumer Services		2,756,488	-	2,149,035	5,064	215,882	45,517
Lighting		398,157		-			
Total Distribution Consumer		9,015,632	-	7,459,624	9,106	561,105	149,205
Total Distribution Costs							
Total Distribution Costs		12,550,511	-	9,817,674	9,106	653,812	244,055
Margin before Other Revenue							
Margin before Other Revenue		(2,639,484)	124	(2,617,150)	(9,194)	(57,493)	(24,630)
Allocation of Other Elec. Revenue							
Allocation of Other Elec. Revenue		1,642,794		1,533,911	-	92,454	9,747
Allocation of Misc. Revenue							
Allocation of Misc. Revenue		220,289	-	205,688	-	12,397	1,307
Net Margin							
Net Margin		(776,400)	124	(877,551)	(9,194)	47,359	(13,577)

**CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169**

REVENUE FROM RATES MATCHED WITH REVENUE REQUIREMENTS

Revised Exhibit B
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Witness: James Adkins]
Schedule J

	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
	Three Phase	Schedule IV	Schedule IV-A	Schedule VI	
	Schl, Churches	Over 2500 kW	50-2500 kW	Lighting	Total
Normalized Revenue from Rates	1,270,330	1,143,450	6,811,729	1,364,318	41,190,121
Wholesale Demand Costs					
Generation	241,749	132,976	1,107,059	87,495	6,986,348
Distribution Substation	29,036	19,794	134,106	14,414	705,176
Total Wholesale Demand	270,784	152,770	1,241,165	101,909	7,691,524
Wholesale Energy Costs	817,165	847,179	4,681,273	582,859	23,587,568
Total Wholesale Costs	1,087,950	999,949	5,922,439	684,767	31,279,093
Gross Margin	182,380	143,502	889,291	679,551	9,911,028
Distribution Demand Costs					
Station	1,789	1,220	8,265	888	43,460
Lines	127,954	87,228	590,974	63,521	3,107,539
Transformers	15,806	10,776	73,004	7,847	383,881
Total Distribution Demand	145,549	99,224	672,243	72,256	3,534,880
Distribution Consumer					-
Lines	7,441	155	12,246	7,441	3,670,241
Transformers	1,686	406	4,162	137	122,125
Services	6,097	121	9,579	14,977	916,759
Meters	2,180	385	30,434	-	1,151,862
Consumer Services	13,265	1,040	56,506	270,178	2,756,488
Lighting		-		398,157	398,157
Total Distribution Consumer	30,668	2,108	112,927	690,889	9,015,632
Total Distribution Costs	176,218	101,332	785,170	763,145	12,550,511
Margin before Other Revenue	6,163	42,170	104,121	(83,594)	(2,639,483)
Allocation of Other Elec. Revenue	3,342	-	-	3,342	1,642,794
Allocation of Misc. Revenue	448	-	-	448	220,289
Net Margin	9,953	42,170	104,121	(79,805)	(776,400)

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
INCREASE FOR EACH RATE CLASS

Revised Exhibit R
Page 38 of 40
Witness: James Adkins
Schedule K

	Enviro- Watts	Schedule I Residential	Schedule 1 ETS	Schedule II Commercial 1 Phase	Schedule II Commercial 3 Phase
Revenue Requirements					
Total Costs	\$ 656	\$ 30,840,765	\$ 47,093	\$ 1,558,134	\$ 861,987
Plus Margin Requirements	-	918,587	370	53,032	22,995
Revenue Requirements	\$ 656	\$ 31,759,352	\$ 47,463	\$ 1,611,166	\$ 884,982
Minus Revenue from Rates	780	28,223,615	37,899	1,500,642	837,357
Increase Amount	(124)	3,535,737	9,564	110,524	47,625
Less: Other Revenue	-	1,739,599	-	104,851	11,054
Net Increase Amount	(124)	1,796,138	9,564	5,673	36,571
Less: Increases -Rate Classes		\$1,639,927		97,406	27,657
Under (Over) Recovery	\$ (124)	\$ 156,211	\$ 9,564	\$ (91,733)	\$ 8,915
Statement of Operations with					
Revenue from Rates	780	28,223,615	37,899	1,500,642	837,357
Rate Increase	\$ -	\$ 1,639,927	\$ -	\$ 97,406	\$ 27,657
Purchased Power Costs	656	21,023,090	37,988	904,322	617,933
Gross Margins	124	8,840,451	(88)	693,726	247,081
Distribution Costs	-	9,817,674	9,106	653,812	244,055
Margins before Other Rev.	124	(977,223)	(9,194)	39,914	3,027
Plus Other Revenue	-	1,739,599	-	104,851	11,054
Net Margins with Increase	\$ 124	\$ 762,376	\$ (9,194)	\$ 144,765	\$ 14,080
Interest Expense	-	651,480	263	37,611	16,308
TIER	-	2.17	(34.02)	4.85	1.86
OTIER		1.85	(34.02)	4.52	1.78
Rate Base		50,258,206	20,597	2,807,309	1,310,940
Return on Rate Base		2.81%	-43.36%	6.50%	2.32%

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2016-00169
INCREASE FOR EACH RATE CLASS

Revised Exhibit R
Page 39 of 40
Witness: James Adkins
Schedule K

	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
	3 Phase Schl. Etc			Lighting	Total
Revenue Requirements					
Total Costs	\$ 1,264,167	\$ 1,101,281	\$ 6,707,609	\$ 1,447,912	\$ 43,829,604
Plus Margin Requirements	21,313	13,140	94,381	75,594	\$ 1,199,411
Revenue Requirements	\$ 1,285,480	\$ 1,114,421	\$ 6,801,989	\$ 1,523,506	\$ 45,029,015
Minus Revenue from Rates	1,270,330	1,143,450	6,811,729	1,364,318	41,190,121
Increase Amount	15,150	(29,030)	(9,740)	159,188	3,838,895
Less: Other Revenue	3,790	-	-	3,790	1,863,083
Net Increase Amount	11,361	(29,030)	(9,740)	155,399	1,975,811
Less: Increases -Rate Class	31,374	750	24,600	128,675	\$ 1,975,812
Under (Over) Recovery	\$ (20,014)	\$ (29,780)	\$ (34,340)	\$ 26,724	\$ (1)
Statement of Operations with					
Revenue from Rates	1,270,330	1,143,450	6,811,729	1,364,318	41,190,121
Rate Increase	\$ 31,374	\$ 750	\$ 24,600	\$ 128,675	\$ 1,975,812
Purchased Power Costs	1,087,950	999,949	5,922,439	684,767	31,279,093
Gross Margins	213,755	144,252	913,891	808,225	11,886,841
Distribution Costs	176,218	101,332	785,170	763,145	12,550,511
Margins before Other Rev.	37,537	42,920	128,721	45,080	(663,671)
Plus Other Revenue	3,790	-	-	3,790	1,863,083
Net Margins with Increase	\$ 41,327	\$ 42,920	\$ 128,721	\$ 48,870	\$ 1,199,413
Interest Expense	15,116	9,319	66,937	53,613	850,646
TIER	3.73	5.61	2.92	1.91	2.41
OTIER	3.70	5.61	2.92	1.90	2.15
Rate Base	1,330,346	826,909	5,921,905	4,263,217	66,739,431
Return on Rate Base	4.24%	6.32%	3.30%	2.40%	3.07%

CUMBERLAND VALLEY ELECTRIC, INC,

Revised Exhibit R____
 Witness: James Adkins
 Schedule L

Case No. 2016-00169

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Unbundled Rate Base

			Schedule I	Schedule I	Schedule II	Schedule II	Schedule III	Schedule IV	Schedule IV-A	Schedule VI	
			Residential,	Marketing	Sml Com	Sml Com	3 Phase Schl	Large Power	Large Power	Outdoor	
	Amount		Schl & Chur	Rate	1 Phase	3 Phase	& Churches	2500 kW Plus	50-2500 kW	Lights	Total
Function	Classification										
Stations											
	Demand	514,415	343,156	-	13,491	13,803	21,181	14,440	97,828	10,515	514,415
Lines		43,236,834									
	Demand	26,247,684	17,509,324	-	688,382	704,295	1,080,754	736,771	4,991,634	536,525	26,247,684
	Consumer	16,989,149	15,809,517	-	952,891	100,455	34,442	718	56,686	34,442	16,989,149
Transformer		7,067,800									
	Demand	5,361,981	4,414,354	-	188,907	40,905	113,695	66,217	489,692	48,210	5,361,981
	Consumer	1,705,819	1,480,100	-	114,794	21,664	23,546	5,671	58,129	1,915	1,705,819
Services											
	Consumer	5,847,919	5,030,690	-	451,876	169,050	38,892	773	61,103	95,534	5,847,919
Meters											
	Consumer	4,948,348	4,298,448	17,363	259,081	231,695	9,364	1,655	130,742	-	4,948,348
Consumer Acct & Serv.		1,760,605	1,372,617	3,234	137,887	29,073	8,473	665	36,091	172,566	1,760,605
Outdoor Lighting		3,363,509								3,363,509	3,363,509
Total		66,739,431	50,258,206	20,597	2,807,309	1,310,940	1,330,346	826,909	5,921,905	4,263,217	66,739,431

Cumberland Valley Electric
Case No. 2016-00169
Balance Sheet, Adjusted
November 30, 2015

Revised Exhibit S
page 1 of 4
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
Assets and Other Debits			
Electric Plant:			
In service	100,581,010		100,581,010
Under construction	229,395		229,395
	<u>100,810,405</u>		<u>100,810,405</u>
Less accumulated depreciation	36,032,638	219,610	36,252,248
	<u>64,777,767</u>	<u>(219,610)</u>	<u>64,558,157</u>
Investments	<u>24,798,652</u>		<u>24,798,652</u>
Current Assets:			
Cash and temporary investments	5,070,910		5,070,910
Accounts receivable, net	3,493,030		3,493,030
Material and supplies	407,597		407,597
Prepayments and current assets	86,055		86,055
	<u>9,057,592</u>		<u>9,057,592</u>
Deferred debts and net change in assets	<u>1,606,161</u>	<u>(824,847)</u>	<u>781,314</u>
Total	<u>100,240,172</u>	<u>(1,044,457)</u>	<u>99,195,715</u>
Liabilities and Other Credits			
Margins and Equities			
Memberships	434,550		434,550
Patronage capital	42,534,953	(1,044,457)	41,490,496
	<u>42,969,503</u>	<u>(1,044,457)</u>	<u>41,925,046</u>
Long Term Debt	<u>47,923,913</u>		<u>47,923,913</u>
Accumulated Operating Provisions	<u>3,538,956</u>		<u>3,538,956</u>
Current Liabilities:			
Short term borrowings	-		-
Accounts payable	3,152,263		3,152,263
Consumer deposits	1,223,581		1,223,581
Accrued expenses	1,348,675		1,348,675
	<u>5,724,519</u>		<u>5,724,519</u>
Deferred credits	<u>83,281</u>		<u>83,281</u>
Total	<u>100,240,172</u>	<u>(1,044,457)</u>	<u>99,195,715</u>

Cumberland Valley Electric

Revised Exhibit S

Case No. 2016-00169

page 2 of 4

Statement of Operations, Adjusted

Witness: Jim Adkins

	<u>Actual</u> <u>Test Year</u>	<u>Normalized</u> <u>Adjustments</u>	<u>Normalized</u> <u>Test Year</u>	<u>Proposed</u> <u>Increase</u>	<u>Proposed</u> <u>Test Year</u>
Operating Revenues:					
Base rates	41,038,599	151,522	\$41,190,121	\$1,975,812	\$43,165,932
Fuel and surcharge	2,982,174	(2,982,174)	0		0
Other electric revenue	1,646,269	(25,925)	1,620,344	22,450	1,642,794
	<u>45,667,042</u>	<u>(2,856,577)</u>	<u>42,810,465</u>	<u>1,998,262</u>	<u>44,808,727</u>
Operating Expenses:					
Cost of power:					
Base rates	31,296,277	(17,184)	31,279,093		31,279,093
Fuel and surcharge	2,818,449	(2,818,449)	-		-
Distribution - operations	1,411,233	5,571	1,416,804		1,416,804
Distribution - maintenance	2,881,530	19,491	2,901,021		2,901,021
Consumer accounts	2,011,653	18,312	2,029,965		2,029,965
Customer service	115,054	1,213	116,267		116,267
Sales	-	-	-		-
Administrative and general	1,511,605	(41,017)	1,470,588		1,470,588
	<u>42,045,801</u>	<u>(2,832,063)</u>	<u>39,213,738</u>	<u>-</u>	<u>39,213,738</u>
Total operating expenses	<u>42,045,801</u>	<u>(2,832,063)</u>	<u>39,213,738</u>	<u>-</u>	<u>39,213,738</u>
Depreciation	3,485,419	219,610	3,705,029		3,705,029
Taxes - other	56,395	-	56,395		56,395
Interest on long-term debt	506,126	344,521	850,647		850,647
Interest expense - other	3,795	-	3,795		3,795
Other deductions	12,632	(12,632)	-		-
	<u>46,110,168</u>	<u>(2,280,564)</u>	<u>43,829,604</u>	<u>-</u>	<u>43,829,604</u>
Total cost of electric svc	<u>46,110,168</u>	<u>(2,280,564)</u>	<u>43,829,604</u>	<u>-</u>	<u>43,829,604</u>
Utility operating margins	<u>(443,126)</u>	<u>(576,012)</u>	<u>(1,019,139)</u>	<u>1,998,262</u>	<u>979,123</u>
Nonoperating margins, interest	124,232	-	124,232		124,232
Nonoperating margins, other	-	-	-		-
G & T capital credits	2,489,156	(2,489,156)	-		-
Other capital credits	96,057	-	96,057		96,057
	<u>2,266,319</u>	<u>(3,065,168)</u>	<u>(798,850)</u>	<u>1,998,262</u>	<u>1,199,412</u>
Net Margins	<u>2,266,319</u>	<u>(3,065,168)</u>	<u>(798,850)</u>	<u>1,998,262</u>	<u>1,199,412</u>
TIER, total	5.48		0.06		2.41
TIER, exclude G&T	0.56				

Cumberland Valley Electric
Case No. 2016-00169
Summary of Adjustments to Test Year

Revised Exhibit S
page 3 of 4
Witness: Jim Adkins

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	
	Payroll		R & S		Professional			Misc		Rate	G & T	Purchase	Non-	Normalize		Additional	Total
	Salaries	Taxes	Deprec	Interest	Retirement	Advertising	Donations	Fees	Directors	Expenses	Case	Capital Cr	Power	recurring	Revenue	Revenue	
Operating Revenues:																	
Base rates															\$ 151,522		151,522
Fuel and surcharge															(2,982,174)		(2,982,174)
Other electric revenue														22,450		(25,925)	(3,475)
	0	0	0	0	0	0	0	0	0	0	0	0	0	22,450	(2,830,652)	(25,925)	(2,834,127)
Operating Expenses:																	
Cost of power:																	
Base rates													(17,184)				(17,184)
Fuel and surcharge													(2,818,449)				(2,818,449)
Distribution - operations	4,320	462	(1,138)		1,927												5,571
Distribution - maintenanc	13,860	1,482	(2,034)		6,183												19,491
Consumer accounts	12,128	1,297	(523)		5,410												18,312
Customer service	1059	113	(432)		473												1,213
Sales	0	0	0		0												0
Administrative and gener	8,643	924	(742)		3,856	(1,144)		(17,212)	(68,173)	(2,169)	35,000						(41,017)
Total operating expense:	40,010	4,278	(4,869)	0	17,849	(1,144)	0	(17,212)	(68,173)	(2,169)	35,000	0	(2,835,633)	0	0	0	(2,832,063)
Depreciation			219,610														219,610
Taxes - other																	0
Interest on long-term debt				344,521													344,521
Interest expense - other																	0
Other deductions							(12,632)										(12,632)
Total cost of electric ser	40,010	4,278	214,741	344,521	17,849	(1,144)	(12,632)	(17,212)	(68,173)	(2,169)	35,000	0	(2,835,633)	0	0	0	(2,280,564)
Utility operating margin	(40,010)	(4,278)	(214,741)	(344,521)	(17,849)	1,144	12,632	17,212	68,173	2,169	(35,000)	0	2,835,633	22,450	(2,830,652)	(25,925)	(553,562)
Nonoperating margins, interest																	0
Nonoperating margins, other																	0
G & T capital credits												(2,489,156)					(2,489,156)
Patronage capital credits																	0
	0	0	0	0	0	0	0	0	0	0	0	(2,489,156)	0	0	0	0	(2,489,156)
Net Margins	(40,010)	(4,278)	(214,741)	(344,521)	(17,849)	1,144	12,632	17,212	68,173	2,169	(35,000)	(2,489,156)	2,835,633	22,450	(2,830,652)	(25,925)	(3,042,718)

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Cumberland Valley Electric
Case No. 2016-00169
Proposed Revenues

Margins for a TIER of 2.41X	1,199,412
Normalized margins	<u>(798,850)</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.41x	<u><u>\$1,998,262</u></u>