

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
CUMBERLAND VALLEY ELECTRIC, INC.	)	
FOR A GENERAL ADJUSTMENT OF	)	Case No. 2020-00264
RATES PURSUANT TO STREAMLINED	)	
PROCEDURE PILOT PROGRAM	)	
ESTABLISHED IN CASE NO. 2018-00407	)	

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**APPLICATION**

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Comes now Cumberland Valley Electric, Inc. (“Cumberland Valley”), by counsel, pursuant to KRS 278.180, 807 KAR 5:001 Sections 8, 14 and 16, the Commission’s Orders entered December 11, 2018, March 26, 2019 and December 20, 2019 in Case No. 2018-00407,<sup>1</sup> and other applicable law, and for its Application requesting a general adjustment of its existing rates, respectfully states as follows:

1. Cumberland Valley is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Cumberland Valley is engaged in the business of distributing retail electric power to approximately 23,682 members in the Kentucky counties of Bell, Clay, Harlan, Knox, Laurel, Leslie, Letcher, McCreary and Whitley.

2. Pursuant to 807 KAR 5:001 Section 14(1), Cumberland Valley’s mailing address is P.O. Box 440, Gray, Kentucky 40734, and its electronic mail address is psc@cumberlandvalley.coop. This Application, including the Exhibits attached hereto and

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<sup>1</sup> See *In the Matter of A Review of the Rate Case Procedures for Electric Distribution Cooperatives*, Order, Case No. 2018-00407 (Ky. P.S.C. Dec. 11, 2018).

incorporated herein, contain fully the facts on which Cumberland Valley's request for relief is based, and an Order from the Commission granting the rate adjustment proposed herein is requested, consistent with KRS 278.180 and other applicable law.

3. Pursuant to 807 KAR 5:001 Section 14(2), Cumberland Valley states that it incorporated in Kentucky on July 12, 1940, and attests that it is presently a Kentucky corporation in good standing.

4. Cumberland Valley's existing general rates went into effect on February 6, 2017, following their approval by the Commission in Case No. 2016-00169, *In the Matter of: Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates*. Since that time Cumberland Valley's costs have increased at a greater rate than its energy sales and revenue despite management supervision to minimize cost escalation. As set forth in the testimony of Cumberland Valley's President/CEO, Ted Hampton, the streamlined rate case procedure is appropriate for Cumberland Valley.

5. In order to improve vital financial metrics, Cumberland Valley's Board of Directors, in conjunction with its management, has determined that a general adjustment of retail rates is necessary and advisable. Consistent with KRS 278.030(1), Cumberland Valley seeks Commission approval to demand, collect and receive fair, just and reasonable rates for the services it provides; specifically, Cumberland Valley seeks approval to increase its annual revenues by \$921,195, or 2.25%, to achieve a Times Interest Earned Ratio ("TIER") of 1.91, which equates to an Operating Times Interest Earned Ratio ("OTIER") of 1.66. Included in this request Cumberland Valley seeks approval to increase its monthly Residential Customer Charge by \$5.00 from \$12.00 to \$17.00, while contemporaneously decreasing its Residential Energy Charge by \$0.00138 per kWh (from \$0.08341 to \$0.08203). Cumberland Valley bases its proposed rates on a twelve-

month historical test period ending December 31, 2019, which is the same period covered by its most recent annual report filed with the Commission on February 28, 2020. These rates are appropriately adjusted for known and measurable changes, as well as the factors set forth in the Commission's Orders of March 26, 2019 and December 20, 2019 in Case No. 2018-00407, and Cumberland Valley proposes that its revised tariff schedules become effective as of October 23, 2020.

6. Further support for Cumberland Valley's requested relief is set forth throughout this Application and its Exhibits, particularly in the testimony of the following witnesses:

a. Mr. Ted Hampton, Cumberland Valley's Manager, who offers testimony at Exhibit 7 describing, *inter alia*, Cumberland Valley's business and existing retail electric distribution system, the events that preceded the filing of this case, and the need to revise existing rates to ensure that Cumberland Valley may continue to provide safe, reliable retail electric service to its owner-members. Mr. Hampton may be contacted at ted.hampton@cumberlandvalley.coop, 606-528-2677 or P.O. Box 440,, Gray, Kentucky 40734;

b. Mr. Robert Tolliver, Cumberland Valley's Office Manager, who offers testimony at Exhibit 8 discussing, *inter alia*, Cumberland Valley's financial health, its expenses, and certain of its relevant practices and policies, as well as the necessity of the rate relief requested in this proceeding. Mr. Tolliver may be contacted at Robert.Tolliver@cumberlandvalley.coop, 606-528-2677 or P.O. Box 440, Gray, Kentucky 40734; and

c. Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, who offers testimony at Exhibit 9 describing, *inter alia*, Cumberland Valley's rate classes, the calculation of Cumberland Valley's revenue requirement, the pro forma adjustments to the test period results, the results of a 2020 Cost of Service Study and its process, the proposed allocation of the revenue

increase to the rate classes, and the rate design, proposed rates, and estimated billing impact by rate class. Mr. Wolfram may be contacted at [johnwolfram@catalystcllc.com](mailto:johnwolfram@catalystcllc.com), 502-599-1739, or Catalyst Consulting LLC, 3308 Haddon Road, Louisville, Kentucky 40241.

7. Cumberland Valley has initiated this proceeding because its existing retail rates do not provide sufficient revenue to ensure the requisite financial strength going forward. While it is Cumberland Valley's goal to keep rates as low as possible for its members, the reasonable and prudently incurred expense of providing safe and reliable service must be recovered through rates. In addition, prudent management and lender requirements demand that healthy financial benchmarks be maintained. Based on the facts and figures presented herein, Cumberland Valley respectfully requests that the rates and rate design it proposes in this case be approved by the Commission at the earliest possible date.

8. Cumberland Valley's request is limited to seeking adjustments in revenue requirements and rate design and does not include any request for a certificate of public convenience and necessity or changes in its tariff beyond those necessary to reflect changes in rates.

9. Cumberland Valley is submitting this Application electronically per the requirements of 807 KAR 5:001 Section 8 and has contemporaneously electronically submitted a copy to the Kentucky Attorney General, Office of Rate Intervention, at the following address: [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

10. Members of Commission Staff may contact Cumberland Valley's witnesses directly, without counsel present, to seek clarification of certain factual information contained in the Application or in responses to requests for information.

11. As evidenced by this Application and the Exhibits attached hereto, Cumberland Valley satisfies all the prerequisites for use of the Commission's Streamlined Procedure Pilot Program and requests that the Commission so find and administer all aspects of the case under the procedures articulated in the Orders of December 11, 2018, March 26, 2019 and December 20, 2019 in Case No. 2018-00407.<sup>2</sup>

12. The preparation, filing and administration of this request for substantial rate relief necessitates, inter alia, the expenditure of money by Cumberland Valley for financial, rate and legal consultants. Cumberland Valley is entitled to and requests the Commission to allow recovery of all such reasonable expenses in its new rates amortized over a period of three (3) years.

WHEREFORE, Cumberland Valley respectfully requests an Order from the Commission:

- (1) Granting the procedural relief requested by entering an Order accepting Cumberland Valley's Application for filing under the Streamlined Procedure Pilot Program;
- (2) Granting the substantive rate relief requested herein;
- (3) Granting recovery of reasonable rate case expenses in rates amortized over a period of three (3) years, or such other period which the Commission finds reasonable; and
- (4) Granting Cumberland Valley any and all other relief to which it may appear entitled.

This 23<sup>rd</sup> day of September, 2020.

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<sup>2</sup> Appended hereto is a Table of Contents detailing both the filing requirements applicable to this Application and Cumberland Valley's satisfaction thereof, consistent with relevant regulation and the Commission's Orders establishing the Streamlined Procedure Pilot Program.

Respectfully submitted,



Mark David Goss

L. Allyson Honaker

GOSS SAMFORD, PLLC

2365 Harrodsburg Road, Suite B-325

Lexington, Kentucky 40504

mdgoss@gosssamfordlaw.com

allyson@gosssamfordlaw.com

(859) 368-7740

*Counsel for Cumberland Valley Electric, Inc.*



**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**

**Table of Contents**

**Streamlined Rate Adjustment Procedure Pilot Program - Filing Requirements / Exhibit List**

*(Historical Test Period: Twelve Months Ending 12/31/2019)*

<b>Exhibit No.</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness(es)</b>
<b>1</b>	807 KAR 5:001 § 16(1)(b)(1)	Statement of the reason the rate adjustment is required	Ted Hampton
-	807 KAR 5:001 § 16(1)(b)(2)	<i>Waived - Certificate of assumed name or statement that one is not necessary</i>	
<b>2</b>	807 KAR 5:001 § 16(1)(b)(3)	Proposed tariff sheets	Robert Tolliver
<b>3</b>	807 KAR 5:001 § 16(1)(b)(4)	Proposed tariff sheets with proposed changes identified	Robert Tolliver
<b>4</b>	807 KAR 5:001 § 16(1)(b)(5)	Statement that compliant notice to customers has been given, with a copy of the notice	Ted Hampton
-	807 KAR 5:001 § 16(1)(b)(6)	<i>Not Applicable - Utility is not a water district</i>	
<b>5</b>	807 KAR 5:001 § 16(2) and KRS 278.180	Notice to the Kentucky Public Service Commission of intent to adjust rates	Ted Hampton
<b>6</b>	807 KAR 5:001 § 16(4)(a)	Complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment	John Wolfram
<b>7</b>	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Hampton)	Ted Hampton
<b>8</b>	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Tolliver)	Robert Tolliver
<b>9</b>	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Wolfram)	John Wolfram
-	807 KAR 5:001 § 16(4)(c)	<i>Not applicable - Utility has gross annual revenues greater than \$5 million</i>	
<b>10</b>	807 KAR 5:001 § 16(4)(d)	Statement estimating the effect that each new rate will have upon the revenues of the utility, including the total amount of revenues resulting from the increase or decrease and percentage increase or decrease	John Wolfram
<b>11</b>	807 KAR 5:001 § 16(4)(e)	Effect upon the average bill for each customer classification to which the proposed rate change will apply	John Wolfram
-	807 KAR 5:001 § 16(4)(f)	<i>Not applicable - Utility is not an incumbent local exchange company</i>	
<b>12</b>	807 KAR 5:001 § 16(4)(g)	Detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class	John Wolfram
<b>13</b>	807 KAR 5:001 § 16(4)(h)	Summary of the utility's determination of its revenue requirements	John Wolfram
<b>14</b>	807 KAR 5:001 § 16(4)(i)	Reconciliation of the rate base and capital used to determine its revenue requirements	John Wolfram
-	807 KAR 5:001 § 16(4)(j)	<i>Waived - Current chart of accounts if more detailed than the Uniform System of Accounts</i>	
-	807 KAR 5:001 § 16(4)(k)	<i>Waived - Independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls</i>	
-	807 KAR 5:001 § 16(4)(l)	<i>Waived - Most recent Federal Energy Regulatory Commission audit report</i>	
-	807 KAR 5:001 § 16(4)(m)	<i>Waived - Most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone)</i>	
-	807 KAR 5:001 § 16(4)(n)	<i>Waived if depreciation schedule on file with the Commission is the most recent version - see Exhibit 29</i>	
-	807 KAR 5:001 § 16(4)(o)	<i>Waived - List of all 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 the utility's application</i>	
-	807 KAR 5:001 § 16(4)(p)	<i>Waived / Not applicable - Utility has made no stock or bond offerings</i>	
-	807 KAR 5:001 § 16(4)(q)	<i>Waived - Annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date</i>	
-	807 KAR 5:001 § 16(4)(r)	<i>Waived - Monthly managerial reports providing financial results of operations for the twelve (12) months in the test period</i>	
-	807 KAR 5:001 § 16(4)(s)	<i>Waived - Utility's annual report on Form 10-K (most recent two (2) years), any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as information becomes available</i>	
<b>15</b>	807 KAR 5:001 § 16(4)(t)	Affiliate charges, allocations, and payments with description, explanation, and demonstration of reasonableness (including a detailed description of the method and amounts allocated or charged to the utility by the affiliate, an explanation of how the allocator for the test period was determined and all facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the test period was reasonable).	Robert Tolliver
<b>16</b>	807 KAR 5:001 § 16(4)(u)	Cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period (less than 5 years old)	John Wolfram

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**

**Table of Contents**

**Streamlined Rate Adjustment Procedure Pilot Program - Filing Requirements / Exhibit List**

*(Historical Test Period: Twelve Months Ending 12/31/2019)*

<b>Exhibit No.</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness(es)</b>
-	807 KAR 5:001 § 16(4)(v)	<i>Not applicable - Utility is not a local exchange carrier</i>	
<b>17</b>	807 KAR 5:001 § 16(5)(a)	Detailed income statement and balance sheet reflecting the impact of all proposed adjustments	John Wolfram
-	807 KAR 5:001 § 16(5)(b)	<i>Waived - Most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions</i>	
-	807 KAR 5:001 § 16(5)(c)	<i>Waived - Detail regarding pro forma adjustments reflecting plant additions</i>	
-	807 KAR 5:001 § 16(5)(d)	<i>Waived - Operating budget for each month of the period encompassing the pro forma adjustments</i>	
<b>18</b>	807 KAR 5:001 § 16(5)(e)	Number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers	John Wolfram
<b>19</b>	Case No. 2008-00408 July 24, 2012 Order	Consideration of cost-effective energy efficiency resources and impact of such resources on test year	Robert Tolliver
<b>20</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	Narrative statement discussing any changes that have occurred for the Distribution Cooperative since the effective date of its last general base rate adjustment	Ted Hampton
<b>21</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	The estimated dates for drawdowns of unadvanced loan funds at test-year-end and the proposed uses of these funds	Robert Tolliver
<b>22</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A general statement identifying any electric property or plant held for future use	Robert Tolliver
<b>23</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	The calculation of normalized depreciation expense (test-year-end plant account-balance multiplied by depreciation rate)	John Wolfram
<b>24</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	Any changes that occurred during the test year to the Distribution Cooperative's written policies on the compensation of its attorneys, auditors, and all other professional service providers, indicating the effective date and reason for these changes	Robert Tolliver
<b>25</b>	Case No. 2018-00407, December 20, 2019 Order	A schedule of the Distribution Cooperative's standard directors' fees, per diems and other compensation in effect during the test year, including a description of the any charges that occurred during the test year to the Distribution Cooperatives' written polices specifying the compensation of directors, indicating the effective date and reason for any change	Robert Tolliver and John Wolfram
<b>26</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A schedule reflecting the salaries and other compensation of each executive officer for the test year and two preceding calendar years. Include the percentage of annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries for the test year for those persons whom they replaced	Robert Tolliver
<b>27</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	An analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account by the following categories: industry association dues, debt-serving expenses, institutional advertising, conservation advertising, rate department load studies, director's fees and expenses, dues and subscriptions, and miscellaneous. Include all detailed supporting work papers. At a minimum, the work papers should show the date, vendor, reference (e.g., voucher number), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than \$100	Robert Tolliver and John Wolfram

**Cumberland Valley Electric Inc.**  
**Case No. 2020-00264**

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<b>Exhibit No.</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness(es)</b>
<b>28</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	An analysis of Account No. 426, Other Income Deductions, for the test period. Include a complete breakdown of this account by the following categories: donations, civic activities, political activities, and other. Include detailed supporting work papers. At a minimum, the work papers should show the date, vendor, reference (e.g., voucher number), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250	Robert Tolliver and John Wolfram
<b>29</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A statement explaining whether the depreciation rates reflected in the filing are identical to those most recently approved by the Commission. If identical, identify the case in which they were approved. If not, provide the depreciation study that supports the rates reflected in the filing	Robert Tolliver and John Wolfram
<b>30</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A copy of all exhibits and schedules that were prepared for the rate application in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible	John Wolfram
<b>31</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	The distribution cooperative's TIER, OTIER, and debt service coverage ratio, as calculated by the RUS, for the test year and the five most recent calendar years, including the data used to calculate each ratio	Robert Tolliver
<b>32</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by the distribution cooperative. All income statements accounts should show activity for 12 months. The application should show the balance in each control account and all underlying subaccounts per the company books	Robert Tolliver
<b>33</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A schedule comparing balances for each balance sheet account or subaccount included in the Distribution Cooperative's chart of accounts for each month of the test year to the same month of the 12-month period immediately preceding the test year	Robert Tolliver
<b>34</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A schedule comparing each income statement account or subaccount included in the Distribution Cooperative's chart of accounts for each month of the of the test year to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity of each month, rather than the cumulative balances at the end of the particular month	Robert Tolliver
<b>35</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A schedule showing employee health, dental, vision, and life insurance premium contributions by coverage type, including the cost split of each identified premium between the employee and the Distribution Cooperative	Robert Tolliver
<b>36</b>	Case No. 2018-00407, Orders entered on December 11, 2018, March 26, 2019 and December 20, 2019	A schedule showing anticipated and incurred rate case expenses, with supporting documentation. This should be updated regularly.	Robert Tolliver

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 1**

**807 KAR 5:001 Sec. 16(1)(b)(1)**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*A statement of the reason the adjustment is required*

**Response:**

Cumberland Valley's Application generally, and specifically the written testimony provided at Exhibits 7 through 9, underscores the necessity of the adjustment requested by Cumberland Valley in this proceeding. Since Cumberland Valley's most recent general rate adjustment went into effect nearly four (4) years ago, Cumberland Valley has experienced increased expenses in most areas of its operations. It has been able to offset many of these costs through prudent changes in its employee benefits, including health, dental and 401(k), retiree health benefits, cost reductions and efficiencies gained through the implementation of the new AMI system and office communication systems, however, essentially flat customer and load growth have resulted in financial metrics that are below what is necessary in several recent years. Moreover, Cumberland Valley's existing rates do not align with its cost of providing service, which makes its margins more susceptible to volatility. Without an adjustment of its rates, Cumberland Valley's undesirable and insufficient rate structure will continue and thus put at risk

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

not only the cooperative's contractual relationships with its lenders, but also the safe and reliable service its members deserve and expect.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 2**

**807 KAR 5:001 Sec. 16(1)(b)(3)**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011  
with an effective date not less than thirty (30) days from the date the application is filed*

**Response:**

Please see attached.

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	\$17.00 Per month per customer
ALL KWH	\$0.08203

(I)  
(R)

MINIMUM CHARGE

1. The minimum charge under the above rate shall be the current customer charge listed above.
2. 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.)

TERMS OF PAYMENT

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

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DATE OF ISSUE September 23, 2020  
Month / Date / Year

DATE EFFECTIVE October 23, 2020  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2020-00264 DATED: \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

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**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:	\$ 17.00 (\$0.57 per day)	(i)
Energy Charge per kWh:	\$ 0.08203	(R)
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.

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DATE OF ISSUE September 23, 2020

Month / Date / Year

DATE EFFECTIVE October 23, 2020

Month / Date / Year

ISSUED BY \_\_\_\_\_  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2020-00264 DATED: \_\_\_\_\_

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 3**

**807 KAR 5:001 Sec. 16(1)(b)(4)**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: (a) the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or (b) a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions*

**Response:**

Please see attached.

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	\$17.00 Per month per customer	(I)
ALL KWH	\$0.08203	(R)

MINIMUM CHARGE

1. The minimum charge under the above rate shall be the current customer charge listed above.
2. 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.)

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

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ISSUED BY \_\_\_\_\_  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2020-00264 DATED: \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

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**PREPAY SERVICE**

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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:	\$ 17.00 (\$0.57 per day)	(i)
Energy Charge per kWh:	\$ 0.08203	(R)
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**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.

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DATE OF ISSUE September 23, 2020

Month / Date / Year

DATE EFFECTIVE October 23, 2020

Month / Date / Year

ISSUED BY \_\_\_\_\_  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2020-00264 DATED: \_\_\_\_\_

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	<del>\$12.00</del> \$ 17.00 Per month per customer
ALL KWH	<del>\$0.08341</del> \$.08203

(I)  
(R)

MINIMUM CHARGE

1. The minimum charge under the above rate shall be the current customer charge listed above.
2. 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.)

TERMS OF PAYMENT

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

DATE OF ISSUE                     ~~January 6, 2020~~ September 23, 2020                      
 Month / Date / Year

DATE EFFECTIVE                     ~~February 1, 2020~~ October 23, 2020                      
 Month / Date / Year

ISSUED BY \_\_\_\_\_  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO.           ~~2019-00008~~ 2020-00264           DATED:           ~~December 26, 2019~~

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:	<del>\$ 12.00 (\$0.40 per day)</del> \$17.00 (.57 per day)	(I)
Energy Charge per kWh:	<del>\$ 0.08341</del> \$0.08203	(R)
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 January 6, 2020 September 23, 2020

Month / Date / Year

DATE EFFECTIVE February 1, 2020 October 23, 2020

Month / Date / Year

ISSUED BY \_\_\_\_\_

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2019-00008 2020-00264 DATED: December 26, 2019

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 4**

**807 KAR 5:001 Sec. 16(1)(b)(5)**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*A statement that notice has been given in compliance with Section 17 of 807 KAR 5:001 with a copy of the notice*

**Response:**

Cumberland Valley has given notice (and continues to give notice) in compliance with 807 KAR 5:001 Section 17, as well as in compliance with the Commission's Orders entered December 11, 2018, March 26, 2019 and December 20, 2019, in Case No. 2018-00407. Specifically, as of the date Cumberland Valley submitted this Application to the Commission, Cumberland Valley has: (i) posted at its place of business a copy of the full notice required by the relevant regulation; (ii) posted to its website a copy of the full notice required by the relevant regulation and a hyperlink to the location on the Commission's website where the case documents are available; (iii) posted to its social media accounts (Facebook and Twitter) a link to its website where a copy of the full notice required by the relevant regulation published may be found; (iv) published a copy of the abbreviated notice permitted by the Commission's December 20, 2019 Order in newspapers of general circulation in its service territory and will continue to publish for three consecutive weeks. Cumberland Valley will file Proof of Notice within forty-five (45) days of the submission of its Application, as required by 807 KAR 5:001, Section 17(3). A copy of both the full notice and the abbreviated notice are attached.

NOTICE

Cumberland Valley Electric, Inc. (“Cumberland Valley”) intends to propose a general adjustment of its existing rates by filing an application with the Kentucky Public Service Commission (“KPSC”) on September 23, 2020, in Case No. 2020-00264. The application will request that the proposed rates become effective October 23, 2020. Cumberland Valley intends to propose an adjustment only to Schedule I Residential, Schools & Churches customers. The present and proposed rates for each customer class to which the proposed rates will apply are set forth below:

<b>Rate Class</b>	<b>Code</b>	<b>Present</b>	<b>Proposed</b>
<u>Sch I - Residential, Schools &amp; Churches</u>	R		
Customer Charge (\$ per month)		12.00	17.00
Prepay Fee (\$ per month)		3.00	3.00
Energy Charge (\$ per kWh)		0.08341	0.08203
<u>Sch I - Res TOD</u>	TOD		
Customer Charge (\$ per month)		20.00	20.00
Energy Charge On Peak (\$per kWh)		0.09758	0.09758
Energy Charge Off Peak (\$ per kWh)		0.05592	0.05592
<u>Sch II - Small Commercial Small Power</u>	C1		
Customer Charge (\$ per month)		14.00	14.00
Energy Charge 1st 3000 (\$ per kWh)		0.08792	0.08792
Energy Charge >3000 (\$ per kWh)		0.08431	0.08431
<u>Sch II - Small Commercial Small Power</u>	C2		
Customer Charge (\$ per month)		25.55	25.55
Energy Charge 1st 3000 (\$ per kWh)		0.08792	0.08792
Energy Charge >3000 (\$ per kWh)		0.08431	0.08431
Demand Charge (\$ per kW)		4.22	4.22
<u>Sch VII - Inclining Block Rate</u>	IB		
Customer Charge (\$ per month)		9.90	9.90
Energy Charge 1st 200 (\$ per kWh)		0.08434	0.08434
Energy Charge Next 300 (\$ per kWh)		0.08934	0.08934
Energy Charge 500+ (\$ per kWh)		0.09434	0.09434
<u>Sch III - All 3Phase Schools &amp; Churches</u>	E1		
Customer Charge (\$ per month)		45.00	45.00
Energy Charge (\$ per kWh)		0.07574	0.07574
<u>Sch IV-A - Large Power 50-2500 kW</u>	L1		
Customer Charge (\$ per month)		65.00	65.00
Energy Charge (\$ per kWh)		0.05670	0.05670
Demand Charge (\$ per kW)		4.22	4.22
<u>Sch VI - Outdoor Lighting - Security Lights</u>	S		
001 - 175W MV		\$9.03	\$9.03
002 - 100W Sod Open B		\$9.05	\$9.05
003 - 100W Sod Dir Flood		\$11.04	\$11.04
004 - 175W MH Dir		\$9.03	\$9.03
005 - 400W Sod Cobra		\$17.43	\$17.43
006 - 400W Sod Dir		\$17.43	\$17.43
008 - LED Open Bottom 6200 L		\$8.94	\$8.94
009 - LED Cobra Head 13,650 L		\$15.18	\$15.18
010 - LED Dir 18,800 L		\$18.61	\$18.61
5 - 400W MH Dir		\$17.43	\$17.43

The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply is set forth below:

<b>Rate Class</b>	<b>Increase</b>	
	<b>Dollars</b>	<b>Percent</b>
Sch I - Residential, Schools & Churches	\$921,195	3.11%
Sch I - Res TOD	\$0	0.00%
Sch II - Small Commercial Small Power	\$0	0.00%
Sch II - Small Commercial Small Power	\$0	0.00%
Sch VII - Inclining Block Rate	\$0	0.00%
Sch III - All 3Phase Schools & Churches	\$0	0.00%
Sch IV-A - Large Power 50-2500 kW	\$0	0.00%
Sch VI - Outdoor Lighting - Security Lights	\$0	0.00%
<b>Total</b>	<b>\$921,195</b>	<b>2.25%</b>

The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply is set forth below:

<b>Rate Class</b>	<b>Average</b>	<b>Increase</b>	
	<b>Usage (kWh)</b>	<b>Dollars</b>	<b>Percent</b>
Sch I - Residential, Schools & Churches	1,111	\$3.47	3.11%
Sch I - Res TOD	719	\$0	0.00%
Sch II - Small Commercial Small Power	899	\$0	0.00%
Sch II - Small Commercial Small Power	4,905	\$0	0.00%
Sch VII - Inclining Block Rate	46	\$0	0.00%
Sch III - All 3Phase Schools & Churches	28,452	\$0	0.00%
Sch IV-A - Large Power 50-2500 kW	102,955	\$0	0.00%
Sch VI - Outdoor Lighting - Security Lights	n/a	\$0	0.00%
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>2.25%</b>

A person may examine the application and any related documents Cumberland Valley has filed with the KPSC: (i) at the utility's principal office address of 6219 North U.S. Hwy. 25 East, Gray, Kentucky 40734, during normal business hours; (ii) at the KPSC's offices located at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or (iii) through the Public Service Commission's website at <http://psc.ky.gov>. Additional information and links may also be accessed via Cumberland Valley's website (<http://www.cumberlandvalley.coop/>) and social media (Twitter @CVECoop and Facebook: <https://www.facebook.com/CumberlandValleyElectric/>)

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. The Commission is required to take action on Cumberland Valley's application within 75 days of its filing. Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The rates contained in this notice are the rates proposed by Cumberland Valley but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

## NOTICE

Cumberland Valley Electric, Inc. (“Cumberland Valley”) intends to propose a general adjustment of its existing rates by filing an application with the Kentucky Public Service Commission (“KPSC”) on September 23, 2020 in Case No. 2020-00264. The application will request that the proposed rates become effective October 23, 2020.

Cumberland Valley intends to propose an adjustment only to certain rates. The present and proposed rates for each customer classification to which the proposed rates will apply are set forth below:

<b>Rate Class</b>	<b>Code</b>	<b>Rates</b>	
		<b>Present</b>	<b>Proposed</b>
<b>Sch I - Residential, Schools &amp; Churches</b>	<b>R</b>		
Customer Charge (\$ per month)		12.00	17.00
Prepay Fee (\$ per month)		3.00	3.00
Energy Charge (\$ per kWh)		0.08341	0.08203
<u>No changes are proposed to any other Rate Schedules.</u>			

### **No revisions are proposed to any other charges or Rate Schedules.**

The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply is set forth below:

<b>Rate Class</b>	<b>Increase</b>	
	<b>Dollars</b>	<b>Percent</b>
Sch I - Residential, Schools & Churches	\$921,195	3.11%
Sch I - Res TOD	\$0	0.00%
Sch II - Small Commercial Small Power	\$0	0.00%
Sch II - Small Commercial Small Power	\$0	0.00%
Sch VII - Inclining Block Rate	\$0	0.00%
Sch III - All 3Phase Schools & Churches	\$0	0.00%
Sch IV-A - Large Power 50-2500 kW	\$0	0.00%
Sch VI - Outdoor Lighting - Security Lights	\$0	0.00%
<b>Total</b>	<b>\$921,195</b>	<b>2.25%</b>

Additional information, links, and a copy of Cumberland Valley’s full notice concerning its proposed rate adjustment can be found at Cumberland Valley’s principal offices (6219 North U.S. Hwy 25 East, Gray, Kentucky 40734), its website (<http://www.cumberlandvalley.coop/>), and via social media (Twitter: @CVECoop and Facebook: <https://www.facebook.com/CumberlandValleyElectric/> )

A person may submit a timely written request for intervention to the KPSC, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. The KPSC’s phone number is (502) 564-3940 and its website is <http://psc.ky.gov>. The Commission is required to take action on Cumberland Valley’s application within 75 days of its filing. The rates contained in this notice are the rates proposed by Cumberland Valley but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 5**

**807 KAR 5:001 Sec. 16(2) / KRS 278.180**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*Notice of intent. A utility with gross annual revenues greater than \$5,000,000 shall notify the commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.*

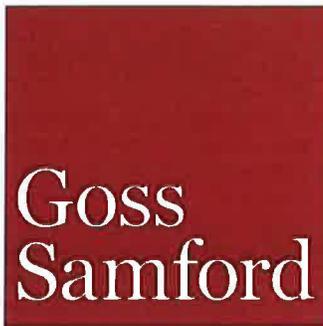
*(a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.*

*(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.*

*(c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention a copy of the notice of intent or send by electronic mail in a portable document format, to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).*

**Response:**

Cumberland Valley, by counsel, notified the Commission in writing of its intent to file a rate application using a historical test year by letter dated August 5, 2020. A copy of this letter (in portable document format) was also sent by electronic mail to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov). Please see attached.



ATTORNEYS AT LAW | PLLC

**Mark David Goss**  
mdgoss@gosssamfordlaw.com  
(859) 368-7740

August 5, 2020

*Via Email*

Mr. Kent Chandler  
Acting Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: *IN THE MATTER OF: THE ELECTRONIC APPLICATION OF CUMBERLAND VALLEY ELECTRIC, INC. FOR A GENERAL ADJUSTMENT OF RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM ESTABLISHED IN CASE NO. 2018-00407*; Case No. 2020-00\_\_\_\_\_

Dear Mr. Chandler:

Please be advised that this law firm represents Cumberland Valley Electric, Inc. ("CVE") in connection with the above-referenced matter. In accordance with 807 KAR 5:001 Section 16(2), please accept this correspondence as written notification from CVE to the Kentucky Public Service Commission that, no sooner than thirty (30) days and no later than sixty (60) from your receipt of this letter, CVE intends to file an application requesting a general adjustment of its existing rates pursuant to the streamlined procedure pilot program outlined in the Commission's Orders entered December 11, 2018, March 26, 2019 and December 20, 2019 in Case No. 2018-00407. Consistent with those Orders and 807 KAR 5:001 Section 16(2)(a), CVE states that its rate application will be supported by a historical test year ended December 31, 2019.

Finally, please find enclosed a completed Notice of Election of Use of Electronic Filing Procedures. I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mark David Goss".

Mark David Goss

cc: Attorney General's Office of Rate Intervention  
via email: [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov)

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 6**

**807 KAR 5:001 Sec. 16(4)(a)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment*

**Response:**

A complete description and qualified explanation for all proposed rate adjustments are contained in the Application and Exhibits filed by Cumberland Valley. Please also see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 7**

**807 KAR 5:001 Sec. 16(4)(b)**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Cumberland Valley provides written testimony from three (3) witnesses:

- Mr. Ted Hampton, Cumberland Valley's President and Chief Executive Officer, whose testimony is included with this Exhibit 7;
- Mr. Robert Tolliver, Cumberland Valley's Office Manager, whose testimony is included at Exhibit 8; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included at Exhibit 9.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
CUMBERLAND VALLEY ELECTRIC, INC.	)	
FOR A GENERAL ADJUSTMENT OF	)	Case No. 2020-00264
RATES PURSUANT TO STREAMLINED	)	
PROCEDURE PILOT PROGRAM	)	
ESTABLISHED IN CASE NO. 2018-00407	)	

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**DIRECT TESTIMONY OF TED HAMPTON, PRESIDENT AND CHIEF  
EXECUTIVE OFFCER, ON BEHALF OF CUMBERLAND VALLEY ELECTRIC, INC.**

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**Filed: September23, 2020**



1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Ted Hampton. I am the President and Chief Executive Officer of  
3 Cumberland Valley Electric, Inc. (“Cumberland Valley” or the “Cooperative”).  
4 My business mailing address is P.O. Box 440, Gray, Kentucky 40734;

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE**  
6 **AND EDUCATIONAL BACKGROUND.**

7 A. I hold a Bachelor Degree in Education from Cumberland College. I assumed my  
8 current position of President and CEO of Cumberland Valley Electric in 1964.  
9 During my 56 years of managing Cumberland Valley I have been on various boards  
10 and committees. I am the longest serving President and CEO in Kentucky  
11 distribution cooperative history. In 2016 I received the NRECA Regional Service  
12 Award for my many years of service to the electric cooperative industry.

13 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT CUMBERLAND**  
14 **VALLEY.**

15 A. As the Chief Executive Officer, I oversee all departments at Cumberland Valley  
16 and lead a highly capable and experienced management team responsible for all  
17 aspects of the operational and financial success of the Cooperative. Among others,  
18 my duties are to ensure that the Cooperative’s daily activities are completed  
19 consistent with good business practices, established policies, legal and regulatory  
20 oversight and the strategic direction provided by Cumberland Valley’s Board of  
21 Directors.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
23 **PROCEEDING?**

1 A. The purpose of my testimony is first to provide a general overview of the  
2 Cooperative's business and existing retail electric distribution system. I will also  
3 describe the events that preceded the filing of this case, the Cooperative's financial  
4 and operational condition and the reasons behind our need to adjust existing rates  
5 to ensure the continued provision of safe, reliable retail electric service to our  
6 members.

7 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

8 A. Yes. Attached to my testimony and labeled Exhibit TH-1 is a Resolution of  
9 Cumberland Valley's Board of Directors dated August 13, 2020, pursuant to which  
10 Cumberland Valley's management was authorized and directed to prepare and  
11 submit the Application my testimony supports.

12 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE'S BUSINESS.**

13 A. Cumberland Valley is a not-for-profit, member-owned rural electric cooperative  
14 corporation established under KRS Chapter 279 with its headquarters in Gray,  
15 Kentucky. The Cooperative provides retail electric service to approximately  
16 23,682 members in all or a portion of Bell, Clay, Harlan, Knox, Laurel, Leslie,  
17 Letcher, McCreary and Whitley Counties. The Cooperative is one of sixteen (16)  
18 Owner-Members of East Kentucky Power Cooperative, Inc. ("EKPC"), which  
19 serves as the wholesale electricity provider for the Cooperative. Cumberland  
20 Valley owns and maintains approximately 2,685 miles of distribution lines  
21 connecting 18 substations. During the test year in this case, Cumberland Valley's  
22 average residential customer used approximately 1,149 kWh of electricity per

1 month. As of December 31, 2019, Cumberland Valley had 22,064 residential  
2 customers and 1,618 commercial and industrial customers.

3 **Q. WHEN DID CUMBERLAND VALLEY LAST SEEK A GENERAL**  
4 **ADJUSTMENT OF ITS RATES?**

5 A. Cumberland Valley filed its last general rate case on June 6, 2016 with the rates  
6 becoming effective on February 6, 2017.<sup>1</sup> In that case the Commission approved  
7 an increase in the monthly residential customer charge from \$8.73 to \$12.00,  
8 additional revenues of \$1,679,680 based upon a TIER of 2.00X resulting in net  
9 income of \$903,629. This increase in revenues equated to an Operating TIER of  
10 1.76.<sup>2</sup>

11 **Q. WHY DOES CUMBERLAND VALLEY FEEL THE NEED TO SEEK THIS**  
12 **RATE ADJUSTMENT?**

13 A. Since the 2016 rate case was concluded Cumberland Valley has experienced  
14 increased expenses in many areas of its business. These increases have been  
15 mitigated to some degree by cost reductions in categories such as employee benefits  
16 (that include health, dental and 401k), retiree health benefits cost reductions and  
17 efficiencies gained through the implementation of our new AMI system and office  
18 communication systems.. Despite these measures, stagnant customer and load  
19 growth directly related to the poor economy in our service territory have resulted  
20 in financial measures that are below what is needed to keep pace with costs and  
21 insuring financial integrity. In addition, as in the 2016 case, Cumberland Valley's

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<sup>1</sup> Case No. 2016-00169, *In the Matter of: Application of Cumberland Valley Electric, Inc., for a General Adjustment of Rates.*

<sup>2</sup> *Id.*, Order, February 6, 2017, at 18.

1 existing rate structure does not align with its cost of providing service, resulting in  
2 margins that are more susceptible to volatility. The requested increase is necessary  
3 to ensure Cumberland Valley is able to maintain its loan covenants and provide safe  
4 and reliable service to its owner-members. A detailed discussion of important cost-  
5 containment measures employed since the 2016 rate case and their effectiveness is  
6 provided in the testimony of Robert Tolliver, Cumberland Valley's Office  
7 Manager, who is responsible for Finance and Administration, Human Resources  
8 and Information Technology.

9 **Q. PLEASE DESCRIBE IN DETAIL IMPORTANT CHANGES THAT HAVE**  
10 **OCCURRED AT THE COOPERATIVE SINCE THE EFFECTIVE DATE**  
11 **OF ITS LAST GENERAL BASE RATE ADJUSTMENT.**

12 A. As I'm sure the Commission is well aware, southeastern Kentucky has been in the  
13 midst of an economic crisis for over a decade now. With many of the communities  
14 Cumberland Valley serves never fully recovering from the Great Recession in  
15 2008, the new economic reality of the area has been reflected in Cumberland  
16 Valley's energy sales during this time. When comparing 2010's energy sales to  
17 2019, Cumberland Valley has experienced a 14% decline in residential sales and a  
18 36% decline in Commercial and Industrial sales that resulted in a 22% overall  
19 decline in total energy sales. Since the approval of Cumberland Valley's last rate  
20 adjustment in 2017, economic conditions in its service territory have continued to  
21 be challenging. Member growth has continued to be stagnant and large power  
22 energy sales have continued to decline, being down 20% when comparing 2017 to  
23 2019.

1 During this erosion of energy sales, Cumberland Valley has been diligent in  
2 monitoring staffing levels to adapt to its new economic reality, while at the same  
3 time providing safe and reliable electrical service to our members. Cumberland  
4 Valley currently staffs 49 full time employees down from a recent high of 55 full  
5 time employees in 2010. Going forward management will continue to evaluate any  
6 opportunities to gain efficiencies and reduce cost in regards to its staffing levels.

7 In Case No. 2018-00056, Cumberland Valley requested and received a Certificate  
8 of Public Convenience and Necessity to install a new Advanced Metering  
9 Infrastructure (“AMI”) system. At a cost of \$4,713,104, the project is ongoing and  
10 is in the final stages with completion and full implementation expected in  
11 December 2020. The AMI system allows Cumberland Valley to be more efficient  
12 in managing customer accounts while also providing those same customers with  
13 expanded service offerings such as faster and more efficient remote disconnects  
14 and reconnects and faster outage restoration.

15 **Q. HOW AND WHEN DID THE COOPERATIVE’S BOARD OF DIRECTORS**  
16 **DETERMINE THAT A RATE ADJUSTMENT WAS NECESSARY?**

17 A. Cumberland Valley’s Board of Directors is regularly apprised of the Cooperative’s  
18 financial performance by management. For the past several months leading up to  
19 this filing the Board and management, along with our rate consultant, Mr. Wolfram,  
20 have discussed the several factors mentioned in the testimony. Ultimately, the  
21 Board concluded that given the Commission’s desire for gradual rate adjustments  
22 more frequently as opposed to larger adjustments occurring more infrequently, and  
23 the need to maintain the Cooperative’s financial health, a modest increase was

1 required which continued the strategy of more closely aligning rates with true cost  
2 of service begun in the 2016 rate case.

3 **Q. DID THE COOPERATIVE'S BOARD OF DIRECTORS APPROVE AND**  
4 **AUTHORIZE THE FILING OF THE APPLICATION IN THIS CASE?**

5 A. Yes. By formal Resolution of the Board of Directors dated August 13, 2020, the  
6 management of Cumberland Valley was directed to seek the rate relief requested in  
7 this case. As stated in my answer above, the Board Resolution was the culmination  
8 of an ongoing deliberative process involving expert financial and legal guidance  
9 and extensive examination of the Cooperative's financial condition. I believe the  
10 Application and supporting documents filed in this case strongly support the  
11 necessary rate relief Cumberland Valley now seeks.

12 **Q. WHY SHOULD THE COMMISSION GRANT THE COOPERATIVE'S**  
13 **REQUESTED RELIEF?**

14 A. Cumberland Valley's request will help ensure that its financial integrity is  
15 maintained in order to provide its member-owners with adequate, efficient and  
16 reliable power at a fair, just and reasonable cost. The requested 2.25% rate increase  
17 is within both the Commission's guideline of a 0.75% increase for each 12 months  
18 since its most recent base rate increase ( $0.75 \times 3 \text{ years} = 2.25\%$ ), and an Operating  
19 TIER of no greater than 1.85. Moreover, the Commission is correctly concerned  
20 about rate shock to customers and the requested rate increase comports with  
21 principals of rate gradualism. Finally, given that our system is overwhelmingly  
22 composed of residential customers, the move towards a more cost-based customer  
23 charge accompanied by a contemporaneous reduction in the energy charge is

1 measured and appropriate. Cumberland Valley's request in this case is reasonable,  
2 necessary and supported by sound cost of service analyses and I respectfully request  
3 that the Commission so find.

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A. Yes.

**Case No. 2020-00264**  
**Application Exhibit 7**

**Direct Testimony of**  
**Ted Hampton**  
**Exhibit TH-1**

**CUMBERLAND VALLEY ELECTRIC, INC.  
BOARD RESOLUTION**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
CUMBERLAND VALLEY ELECTRIC, INC. AUTHORIZING THE  
COOPERATIVE'S APPLICATION TO THE PSC FOR AN  
ADJUSTMENT TO ITS RESIDENTIAL ELECTRIC RATE AND  
FACILITY CHARGE**

**WHEREAS**, Cumberland Valley Electric, Inc. (CVE) is owned by the members it serves, and its purpose is to provide safe, efficient, and reliable electric service at rates and on terms that are fair, just, and reasonable; and

**WHEREAS**, the leadership and management of CVE have determined that due to the cooperative's present financial condition it has become necessary to seek additional revenue from CVE's residential rate and facility charge and that such course of action is thoughtful and required at this time; and

**WHEREAS**, the board of directors and management has obtained, and reviewed the recommendations of Mr. John Wolfram, who made a presentation to the board on August 13, 2020 which recommended that CVE request a rate increase;

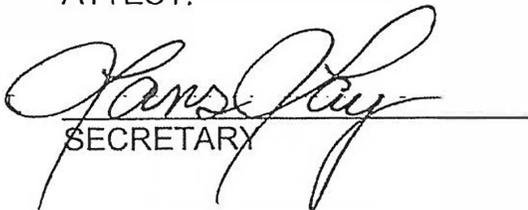
**NOW THEREFORE, BE IT RESOLVED** by the board of directors of Cumberland Valley Electric, Inc., that Cumberland Valley Electric, Inc. hereby authorizes and directs its management to prepare and submit an application to the Kentucky Public Service Commission under its streamlined rate adjustment process seeking an adjustment to both (A) its base residential electric rate and (B) its residential facility charge, the facility charge to be adjusted to an amount no greater than Seventeen Dollars (\$17.00), and the overall adjustments to result in an increase not exceeding Two and Twenty-Five Hundredths Percent (2.25%) of the cooperative's electric revenue, with such adjustment to be effective as soon as the Kentucky Public Service Commission may order; and

**BE IT FURTHER RESOLVED** that the management of Cumberland Valley Electric, Inc. is authorized to take any and all actions necessary or advisable in connection with the application for the rate and facility charge adjustments hereby authorized and approved.

Introduced upon motion made by Director, Kevin Moses, second by Director, Damon Lewis, and passed by majority vote of the board of directors of Cumberland Valley Electric, Inc. in duly assembled session at its regular meeting this 13th day of August, 2020.

  
CHAIRMAN OF THE BOARD

ATTEST:

  
SECRETARY

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 8**

**807 KAR 5:001 Sec. 16(4)(b)**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Cumberland Valley provides written testimony from three (3) witnesses:

- Mr. Ted Hampton, Cumberland Valley's President and Chief Executive Officer, whose testimony is included with this Exhibit 7;
- Mr. Robert Tolliver, Cumberland Valley's Office Manager, whose testimony is included at Exhibit 8; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included at Exhibit 9.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
CUMBERLAND VALLEY ELECTRIC, INC.	)	
FOR A GENERAL ADJUSTMENT OF	)	Case No. 2020-00264
RATES PURSUANT TO STREAMLINED	)	
PROCEDURE PILOT PROGRAM	)	
ESTABLISHED IN CASE NO. 2018-00407	)	

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**DIRECT TESTIMONY OF ROBERT D. TOLLIVER, OFFICE MANAGER,**  
**ON BEHALF OF CUMBERLAND VALLEY ELECTRIC, INC.**

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**Filed: September 23, 2020**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF )  
CUMBERLAND VALLEY ELECTRIC, INC. )  
FOR A GENERAL ADJUSTMENT OF ) Case No. 2020-00264  
RATES PURSUANT TO STREAMLINED )  
PROCEDURE PILOT PROGRAM )  
ESTABLISHED IN CASE NO. 2018-00407 )

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**VERIFICATION OF ROBERT TOLLIVER**

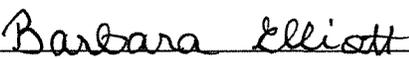
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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF KNOX )

Robert Tolliver, Office Manager of Cumberland Valley Electric, Inc., being duly sworn, states that he has supervised the preparation of his Direct Testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Robert Tolliver

The foregoing Verification was signed, acknowledged and sworn to before me this 18<sup>th</sup> day of September, 2020, by Robert Tolliver.

  
\_\_\_\_\_  
Notary Commission No. 616281  
Commission expiration: 2-13-23

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Robert D. Tolliver, Office Manager of Cumberland Valley Electric,  
3 Inc. (“Cumberland Valley” or “Cooperative”). My business mailing address is P.O.  
4 Box 440, Gray, Kentucky 40734.

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**  
6 **PROFESSIONAL EXPERIENCE.**

7 A. I have a Bachelor of Science in Business Administration from the University of  
8 the Cumberlands and several hours toward an MBA from Morehead State  
9 University. I have been employed by Cumberland Valley for thirty years.

10 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT THE COOPERATIVE.**

11 A. In my role as Office Manager, I am responsible for Finance and Administration,  
12 Human Resources and the Information Technology activities for Cumberland  
13 Valley.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
15 **PROCEEDING?**

16 A. The purpose of my testimony is first to provide a general overview of the financial  
17 health of Cumberland Valley including a discussion of notable financial metrics,  
18 certain expense categories and a discussion of important cost-containment  
19 measures employed since the 2016 rate case and their effectiveness. I will also  
20 describe the Cooperative’s debt portfolio, depreciation practices, labor expenses,  
21 and various other relevant matters. Finally, I will summarize and underscore  
22 the necessity of the rate relief requested by Cumberland Valley in this proceeding.  
23

1 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

2 A. Yes. Attached to my testimony is Exhibit RDT-1, a detailed summary of  
3 Cumberland Valley's relevant historical metrics, and Exhibit RDT-2, a copy of  
4 Cumberland Valley's 2019 Audited Financial Statements.

5 **Q. ARE YOU FAMILIAR WITH THE APPLICATION AND SUPPORTING**  
6 **EXHIBITS FILED BY CUMBERLAND VALLEY IN THIS CASE?**

7 A. Yes, I am familiar with the documents filed in support of the Application and have  
8 been closely involved in compiling and analyzing the necessary information with  
9 Cumberland Valley's expert consultant, Mr. John Wolfram of Catalyst Consulting  
10 LLC, so that he could complete his Cost of Service Study ("COSS"). Examples of  
11 the types of information I have reviewed and provided to Mr. Wolfram included  
12 income and expense data for the test year, customer usage data for Cumberland  
13 Valley's rate classes, and various categories of information utilized to prepare all  
14 pro forma adjustments and COSS reports and exhibits.

15 **Q. PLEASE GENERALLY DESCRIBE THE RELIEF SOUGHT BY**  
16 **CUMBERLAND VALLEY IN THIS PROCEEDING.**

17 A. Cumberland Valley is requesting to increase its rates in order to earn an additional  
18 \$921,195 annually, which yields an Operating TIER of 1.66. This proposed rate  
19 increase is then allocated to increase the customer charge for our Schedule 1 -  
20 Residential, Schools & Churches customer class ("Schedule 1") from \$12.00 to  
21 \$17.00 per month while also reducing our per KWh energy charge for Schedule 1  
22 customers from \$0.08341 to \$0.08203. Cumberland Valley is not proposing any  
23 changes to rates for any other customer classes.

1 **Q. WHY IS CUMBERLAND VALLEY REQUESTING THIS PARTICULAR**  
2 **ALLOCATION OF THE REVENUE REQUIREMENT?**

3 A. Cumberland Valley is requesting the allocation of the revenue requirement in this  
4 way to more accurately reflect the cost to the Cooperative to serve those customers.  
5 This is described in detail in Mr. Wolfram’s testimony.

6 **Q. IS THE COOPERATIVE’S APPLICATION SUPPORTED BY A**  
7 **HISTORICAL TEST YEAR?**

8 A. Yes, the test year in this case consists of the twelve (12) month period ending  
9 December 31, 2019.

10 **Q. WHY WAS THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER**  
11 **31, 2019 CHOSEN AS THE HISTORICAL TEST YEAR?**

12 A. Calendar Year 2019 was chosen as the relevant historical test year for a couple of  
13 reasons. First, the Commission’s Orders entered December 11, 2018, March 26,  
14 2019 and December 20, 2019 in Case No. 2018-00407 require that any proceeding  
15 filed pursuant to the Streamlined Procedure Pilot Program “may only be based on  
16 a historical test year that corresponds with the [cooperative’s] most recent annual  
17 report on file with the Commission.”<sup>1</sup> Additionally, Cumberland Valley chose  
18 Calendar Year 2019 as its proposed test year because that period reasonably reflects  
19 the most recent performance of the Cooperative, when adjusted for appropriate  
20 known and measurable changes, as contemplated by relevant law and precedent.

21

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<sup>1</sup> See Order, Case No. 2018-00407, Appendix A, p. 3 (Ky. P.S.C. Dec. 20, 2019).

1 **Q. PLEASE GENERALLY DESCRIBE THE LOAD SERVED BY THE**  
2 **COOPERATIVE.**

3 A. Cumberland Valley serves a retail load of approximately 109 MW, based upon  
4 coincident peak during the test year. As stated in Mr. Hampton's testimony,  
5 Cumberland Valley's customer base is primarily residential. As of December 31,  
6 2019, Cumberland Valley's residential load accounted for approximately 72% of  
7 the Cooperative's total energy usage and represented approximately 75% of total  
8 revenue from energy sales. Although declining in recent years Cumberland Valley  
9 also serves a number of commercial customer loads. Cumulatively, those  
10 commercial customers account for approximately 28% of Cumberland Valley's  
11 total energy usage and represent approximately 25% of revenue from energy sales.  
12 A detailed discussion of Cumberland Valley's various rate classes, including an  
13 examination of the costs and revenues associated with each, is included in the  
14 testimony of John Wolfram, which is Exhibit 9 to the Application.

15 **Q. PLEASE GENERALLY DESCRIBE HOW THE COOPERATIVE'S LOAD**  
16 **AND CUSTOMER BASE HAVE CHANGED IN RECENT YEARS.**

17 A. During the past ten years Cumberland Valley's service territory has been devastated  
18 by the loss of large industry, more specifically the coal industry. This has resulted  
19 in a substantial decline in energy sales across Cumberland Valley's residential and  
20 commercial revenue classes. In 2010 residential kWh sales were 354,767,363,  
21 while residential kWh sales in 2019 were 303,935,848 which equates to a 14%  
22 decline. Cumberland Valley's commercial and industrial ("C&I") energy sales  
23 illustrate an even more acute problem. In 2010 C&I kWh sales were 190,388,653

1 while in 2019 they were 120,841,481, which is a 36% decline. This worrying  
2 trend seems to be continuing into 2020 with C&I sales down 16% through July,  
3 when compared to that same time period in 2019. The precipitous drop in C&I  
4 energy sales does not appear to be at an end for Cumberland Valley. The  
5 decline in residential sales is mirrored in the loss of members Cumberland  
6 Valley has experienced over the past 10 years. Cumberland Valley's number  
7 of residential members is down 251 since 2010. The one bright spot is the  
8 growth Cumberland Valley is experiencing in our Commercial 50kVa or less  
9 revenue class, adding 165 since 2010. Unfortunately, the growth in this one  
10 class has not offset the loss of members and decline in sales across other revenue  
11 **Q.** classes.

12 **PLEASE GENERALLY DESCRIBE ANY NOTABLE TRENDS IN THE**  
13 **A. COOPERATIVE'S REVENUES AND MARGINS IN RECENT YEARS.**

14 Cumberland Valley has seen a significant downward trajectory of revenues  
15 and margins over the past ten years from load reductions caused by the collapse  
16 of the coal industry and population loss in our service territory. Also more  
17 efficient lighting and devices used in residential and commercial structures have  
18 contributed to this downward trajectory. Exhibit RDT-1 summarizes revenues,  
19 margins and other key financial metrics for the last ten years. The Exhibit

20 **Q.** highlights many of the trends that I have discussed within my testimony.

21 **HAVE CUMBERLAND VALLEY'S OPERATIONAL EXPENSES**

22 **A. INCREASED IN RECENT YEARS?**

23 As stated in Mr. Hampton's testimony, Cumberland Valley's last rate increase  
took effect on February 6, 2017. Although we have worked hard to cut  
operating

1 expenses, we have still seen increases in labor, depreciation, and materials.

2 **DISCUSS IMPORTANT COST-CONTAINMENT MEASURES WHICH**

3 **Q. CUMBERLAND VALLEY HAS EMPLOYED SINCE THE 2016 RATE**  
4 **CASE WAS CONCLUDED AND THE EXTENT OF THEIR**  
5 **EFFECTIVENESS?**

6 In the 2016 rate case<sup>2</sup> the Commission expressed concern on several items of

7 A. expense and directed Cumberland Valley to address them. The general expense  
8 categories garnering most of the Commission’s attention were: wages and salaries;  
9 retirement benefits; employee contribution toward other benefits; and, directors’  
10 fees and expenses. I would like to summarize the measures taken by Cumberland  
11 Valley following the conclusion of the 2016 rate case to address these expense  
12 categories:

13 \* Wages and Salaries—In the 2016 rate case the Commission  
14 expressed its concern that Cumberland Valley’s salaried employees had historically  
15 received pay raises virtually identical to raises received by its union employees in  
16 the Cooperative’s negotiated collective bargaining agreement. The final order  
17 required that “[f]uture rate applications filed by Cumberland Valley will be required to  
18 include a formal study that provides local wage and benefit information for the  
19 geographic area where Cumberland Valley operates and must include state data  
20 where available.”<sup>3</sup> In addition, the Commission was interested to see that any

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<sup>2</sup> Case No. 2016-00169, *In the Matter of: Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates.*

<sup>3</sup> *Id.* at 8.

1 wage increases for salaried employees be based on evaluation and performance  
2 standards.<sup>4</sup> During the intervening years between the conclusion of the 2016 rate  
3 case and the test year Cumberland Valley directed its wage and salary consultant to  
4 follow the Commission’s directive and develop a plan taking into account the  
5 employment market within its service territory as well as in its state and region.  
6 The result is a current plan which Cumberland Valley believes meets the  
7 Commission’s concerns. Moreover, salaried employees’ wage increases are no  
8 longer given in lock-step with union employees and are based upon reasonable  
9 evaluation and performance metrics.

10 \* Retirement Benefits—As of the 2016 rate case Cumberland Valley  
11 contributed to both a defined-benefit pension plan for salaried employees and  
12 401(k) plans for both salaried and union employees, and employee contributions to  
13 the 401(k) plans are not required.<sup>5</sup> On this issue the Commission stated “The  
14 Commission believes all employees should have a retirement benefit, but finds it  
15 excessive and not reasonable that Cumberland Valley continues to contribute to  
16 both a defined-benefit pension plan as well as a 401(k) plan for salaried  
17 employees.”<sup>6</sup> Subsequent to the 2016 rate case, Cumberland Valley reduced  
18 employer contribution to 401k for salaried employees from 5% to 2% effective  
19 March 1, 2018. All employer contribution for 401k for salaried employees ceased  
20 as of June 1, 2020.

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<sup>4</sup> *Id. at 6.*

<sup>5</sup> *Id. at 9.*

<sup>6</sup> *Id. at 10.*

1           \*       Employee Contributions Toward Other Benefits—As of the 2016  
2 rate case Cumberland Valley paid 100 percent of the monthly premiums for health  
3 insurance for its salaried employees, their spouses, and dependents. In addition, it  
4 paid 100 percent of supplemental Medicare insurance premiums for retirees and  
5 their spouses. It also paid 100 percent of the monthly premiums for dental  
6 insurance for its salaried employees and 50 percent of a family member’s portion.  
7 It also paid 100 percent of the monthly premiums for life insurance for its salaried  
8 employees. The Commission expressed concern that Cumberland Valley’s  
9 salaried employees should bear part of the burden for these benefits consistent with  
10 a majority of other local, state and national employers which required such  
11 employee contributions: “The Commission expects Cumberland Valley to increase  
12 its efforts to reign in expenses for employee benefits by re-establishing a policy of  
13 limiting Cumberland Valley’s contribution to health insurance premiums and  
14 requiring that employees pay some portion of the premium. This finding is limited  
15 to salaried employees, because only the salaried employees receive a benefit  
16 package that is determined solely by, and within the sole control of, the Cumberland  
17 Valley Board of Directors, with input from Cumberland Valley executive staff”<sup>7</sup>  
18 Very soon following the conclusion of the 2016 rate case Cumberland Valley  
19 imposed a change in how the benefit premiums were paid and required that its  
20 salaried employees begin contributing reasonable sums toward their benefits  
21 premiums. Below is a chart which summarizes these changes:  
22

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<sup>7</sup> *Id. at 11-12.*

Percentage of Benefit Premiums Paid by Salaried Employees		
Effective Date	Medical	Dental
4/1/2017	5%	40%
4/1/2018	7.5%	40%
4/1/2019	10%	40%
4/1/2020	12.5%	40%

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\* DIRECTORS' FEES AND EXPENSES—From the 2016 rate case and post-order information requested and provided it became very clear to Cumberland Valley that the Commission was concerned about extra benefits which Cumberland Valley's directors received in the form of health and other types of insurance. In the years following the 2016 rate case final order Cumberland Valley's Board of Directors tackled the difficult problem of reducing health and other benefits to themselves and to legacy directors which had been promised and upon which they relied. This problem was especially acute for a handful of directors and former directors who could not easily find substitute health insurance due to age and pre-existing medical conditions. After much discussion and consideration of options Cumberland Valley's Board of Directors resolved to consolidate three prior board policies, "Insurance for Directors", "Benefits for Directors" and "Director's Emeritus", into a single omnibus board policy on the subject of directors' benefits. On January 9, 2020, the new "Insurance and Other Benefits and Payments for Directors" policy was adopted and became effective on April 1, 2020, which mandated that current and former directors shall begin making

1 self-contributions to the cost of premiums for health, dental, accidental death and  
2 disability, and life insurance using a phased-approach so as not to cause a sudden  
3 and unexpected expense and to allow for the financial planning for additional self-  
4 contributions in the years of 2020, 2021 and 2022. The board policy provides that  
5 after December 31, 2022, all Cooperative-provided health, dental, accidental death  
6 & disability and life insurance will cease. Of course, the test year in this case will  
7 not capture these changes. However, Cumberland Valley's Cost of Service Study  
8 supporting this rate adjustment does account for the changes by way of appropriate  
9 adjustments to expense.

10 In summary, from reading the final order in the 2016 rate case, Cumberland Valley  
11 immediately acted upon the Commission's concerns about several categories of  
12 recurring operational expenses. It set about to study each expense category closely  
13 and after considered analysis and internal discussion, took meaningful steps to  
14 reduce costs as much as possible in those areas. Cumberland Valley is optimistic  
15 that it is on the right path for consistent future cost savings in these and other similar  
16 categories.

17 **Q. PLEASE DESCRIBE THE COOPERATIVE'S EXISTING DEBT**  
18 **PORTFOLIO.**

19 A. Cumberland Valley is currently a borrower from RUS, FFB, CoBank and NCSC.  
20 As of December 31, 2019, the outstanding principal balance on Cumberland  
21 Valley's long-term debt is \$44.5 million. Of this amount 62% is at fixed interest  
22 rates with a blended rate of 2.76%, and 38% is at variable interest rates with a  
23 blended rate of 1.92%. The maturity dates of this debt is approximately between

1 3 months and 30 years. For its short-term borrowing needs Cumberland Valley has  
2 a \$5 million line of credit with CFC and a \$1 million (Convertible to \$5 million)  
3 line of credit with CoBank. In addition, Cumberland Valley has a \$1 million Rural  
4 Economic Development Loan (“REDL”) from RUS. As the Commission is aware,  
5 this loan is borrowed by Cumberland Valley through RUS, but the proceeds of the  
6 loan support economic development initiatives in our service territory. As of  
7 December 31, 2019, the balance of the REDL Loan was \$954,000 at 0% interest.

8 **Q. WHAT EFFORTS HAS THE COOPERATIVE TAKEN TO REDUCE ITS**  
9 **INTEREST EXPENSE?**

10 A. Cumberland Valley has historically taken advantage of any and all refinancing  
11 opportunities that made good financial sense for our cooperative. These decisions  
12 over the years are reflected in our composite interest rate of 2.44% that is currently  
13 the lowest in the state of Kentucky and one of the lowest in the nation as  
14 reported in Cooperative Finance Cooperation (“CFC”) 2018 Key Ratio Trend  
15 Analysis. A detailed summary of Cumberland Valley’s current debt portfolio is  
16 provided in its 2019 audited financial statement attached hereto as Exhibit

17 **Q. RDT-2.**

18 **DOES THE COOPERATIVE PROPOSE TO ADJUST ITS**

19 **A. DEPRECIATION RATES AS PART OF THIS PROCEEDING?** Cumberland  
20 Valley does not propose to adjust its depreciation rates as part of this proceeding.  
21 Cumberland Valley’s last depreciation study was completed in 2015 and that  
study was filed with the Commission as part of Case No. 2016-00169.<sup>8</sup>

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<sup>8</sup> *In the Matter of: Application of Cumberland Valley Electric, Inc for a General Adjustment of Rates, Case No. 2016-00169, Responses to Request for Information, (Ky. P.S.C. June 21, 2016).*

1 **Q. WHEN DID THE COOPERATIVE LAST RETIRE CAPITAL CREDITS OF**  
2 **ITS MEMBERS?**

3 A. Cumberland Valley's last general retirement of capital credits was in 2012. The  
4 capital credit retired amount was \$413,935.24 and it was for one-half the year of  
5 1987.

6 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE'S**  
7 **WORKFORCE.**

8 A. As of December 31, 2019, Cumberland Valley employed a skilled workforce  
9 consisting of 49 individuals (of those, 47 are full-time employees and 2 are part-  
10 time employees). The Cooperative has 10 salaried and 39 hourly employees. A  
11 collective bargaining agreement exists between Cumberland Valley and its hourly  
12 employees which expires August 31, 2022.

13 **Q. PLEASE PROVIDE ADDITIONAL DETAIL WITH RESPECT TO THE**  
14 **COOPERATIVE'S LABOR EXPENSES, INCLUDING THE BENEFITS**  
15 **OFFERED TO EMPLOYEES.**

16 A. Cumberland Valley's employees are offered a fair yet competitive general  
17 compensation package in order to attract and retain a workforce sufficiently  
18 qualified to provide safe, reliable and cost-effective service to the Cooperative's  
19 customers. Cumberland Valley offers the followings benefits to its employees:  
20 health care, dental, life insurance, long-term disability and a retirement plan.  
21 In terms of contributions to these plans, all Cumberland Valley employees  
22 contribute to health care premium costs. Non-union employees contribute 12.5%  
23 while union employees contribute approximately 9.5%. As for its 401k plan  
Cumberland

1 Valley contributes 10% to union employees and provides no contribution to non-  
2 union employees.

3 **Q. HAS THE COOPERATIVE TAKEN ANY STEPS IN RECENT YEARS TO**  
4 **READJUST HOW MUCH EMPLOYEES CONTRIBUTE TOWARDS ANY**  
5 **EMPLOYMENT BENEFITS THEY RECEIVE?**

6 A. As discussed throughout my testimony Cumberland Valley has taken multiple steps  
7 to reduce labor expenses by having employees contribute to the cost of various  
8 benefits.

9 \* MEDICAL (SALARIED EMPLOYEES) – Cumberland Valley  
10 required non-union employees to start contributing to their medical insurance  
11 premiums beginning April 1, 2017. Over the next four years Cumberland Valley  
12 has increased the contribution rate from 5% to 12.5%. The chart below details the  
13 effective date and the contribution rate during those four years.

Medical Premium Contribution Rate by Salaried Employees				
Effective Date	April 1, 2017	April 1, 2018	April 1, 2019	April 1, 2020
Contribution Rate	5%	7.5%	10%	12.5%

14  
15 \* MEDICAL (UNION EMPLOYEES) – Union employee  
16 contribution for medical premiums have been negotiated during the renewal of  
17 union contracts in 2017 and 2019. These contribution rates were negotiated as a  
18 fixed amount and the chart below displays the contributions as a percentage.

19  
20

Medical Premium's Contribution Rate for Union Employees				
Effective Date	Sept. 1, 2017	Sept. 1, 2018	Sept. 1, 2019	Sept. 1, 2020
Contribution Rate <sup>9</sup>	6.8%	7%	10%	9.5%

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\* DENTAL (SALARIED EMPLOYEES) – Cumberland Valley made changes to salaried employees contribution rates for dental coverage effective April 1, 2017. The contribution rate for employees covered under the Single dental plan changed from contributing 0% to 40%. The contribution rate for employees covered under the Family dental plan changed from 33.8% to 40%.

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\* 401k (SALARIED EMPLOYEES) – Cumberland Valley reduced the amount it contributed to salaried employees' 401k effective March 1, 2018 from 5% to 2%. This contribution amount changed again effective June 1, 2020, when the contribution rate changed from 2% to 0%.

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**Q. HOW DOES THE COOPERATIVE DETERMINE WHETHER AND WHEN WAGE INCREASES SHOULD BE AWARDED TO EMPLOYEES?**

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A. Cumberland Valley's salary scale was developed and is periodically updated according to current market analysis by an experienced third-party wage and salary consultant. Decisions on whether wage adjustments should occur, and in what amounts, are made annually based upon employee performance and evaluations.

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Cumberland Valley has worked very hard to insure that its wage scale reflects

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<sup>9</sup> Union Contributions to Medical Premiums is based on a flat dollar amount, when expressed as a percentage this amount could change based on fluctuations in premiums throughout the year

1 current market conditions and that employees as a group are fairly, but not overly,  
2 paid.

3 **Q. HAS THE COOPERATIVE TAKEN ACTIONS TO LIMIT OR REDUCE**  
4 **ITS LABOR EXPENSES?**

5 A. Yes. As discussed elsewhere in my testimony, employees fairly contribute to their  
6 healthcare premium costs, and other cost-containment measures affecting labor  
7 expense have been taken.

8 **Q. WHY IS IT IMPORTANT THAT THE COOPERATIVE MAINTAIN A**  
9 **STRONG FINANCIAL CONDITION?**

10 A. As the Commission is aware, Cumberland Valley is owned by the Members it  
11 serves. While it is always our goal to keep rates as low as possible, the expense of  
12 providing safe and reliable service must be recovered; additionally, prudent  
13 management and fairness demand that rates be designed in a way that better aligns  
14 cost-causers with cost-payers, which is what Cumberland Valley's proposed rates  
15 seek to accomplish gradually. In recent distribution cooperative rate cases, the  
16 Commission has made comments regarding the timing of seeking rate adjustments  
17 and that companies should not wait until a financial emergency arises before  
18 seeking rate relief. In this case, Cumberland Valley is asking the Commission to  
19 approve a modest rate increase in order to bolster its overall financial condition to  
20 prevent just such an emergency from developing and to gradually move towards  
21 better aligning the cost-causers with the cost-payers.

22 **Q. PLEASE DESCRIBE THE REVISED RATES PROPOSED BY THE**  
23 **COOPERATIVE FOR ITS RESIDENTIAL CUSTOMERS.**

1 A. Cumberland Valley is proposing to increase the monthly residential customer  
2 charge from \$12.00 to \$17.00 per month, with a simultaneous decrease to the per  
3 kWh energy charge from \$0.08341 to \$0.08203. This will result in an increase of  
4 \$3.47 or 3.11% on the monthly bill for Cumberland Valley's average residential  
5 member. This is discussed in further detail in the Direct Testimony of Mr.  
6 Wolfram.

7 **Q. BESIDES SCHEDULE 1 – RESIDENTIAL, SCHOOLS AND CHURCHES**  
8 **RATES, WHAT OTHER RATE CHANGES DOES THE COOPERATIVE**  
9 **PROPOSE?**

10 A. Cumberland Valley does not propose to adjust any of the other rates it charges.

11 **Q. DID THE COOPERATIVE CONSIDER ITS LOW-INCOME CUSTOMERS**  
12 **WHEN DESIGNING ITS PROPOSED RATES?**

13 A. Yes. While Cumberland Valley's responsibility is to its membership as a whole,  
14 the Cooperative did consider how its proposed rates and rate design may impact  
15 low-income customers. The Cooperative maintains that low-income customers  
16 usually have higher kWh usage than other residential customers. This was the case  
17 in 2019; the average kWh usage for all members in 2019 was 1,149 kWh per month,  
18 while the average for those members receiving energy assistance in 2019 was 1,322  
19 kWh per month, or 15 percent higher. For this reason, the proposed reduction in  
20 the energy charge will benefit low-income customers. Overall, the proposed rate  
21 change will result in a 3.11 percent or \$3.47 increase on average. Ultimately,  
22 Cumberland Valley concluded that its rate design should seek to more accurately  
23 and appropriately recover the costs of operating its distribution system; as a result,

1 all customers, including low-income customers, will benefit from a rate design that  
2 better aligns cost-causers with cost-payers, avoids monthly bill volatility, and  
3 allows the Cooperative to operate under a more predictable and accurate budget.

4 **Q. OTHER THAN ADJUSTMENTS TO RATES, DOES THE COOPERATIVE**  
5 **PROPOSE ANY OTHER TARIFF CHANGES AS PART OF THIS**  
6 **PROCEEDING?**

7 A. No. Consistent with the Commission's guidance for streamlined rate case  
8 proceedings, Cumberland Valley does not include any requests to change its tariff  
9 beyond that necessary to reflect changes in rates.

10 **Q. ARE ADJUSTMENTS NECESSARY TO ENSURE THE TEST YEAR**  
11 **ACCURATELY REFLECTS THE COOPERATIVE'S INCOME AND**  
12 **EXPENSES?**

13 A. Yes. These adjustments are part of the COSS and can be found in the Direct  
14 Testimony of Mr. Wolfram at Exhibit 9 to the Application. All of the adjustments  
15 proposed by Cumberland Valley are reasonable, reflect known and measurable  
16 changes to the test year, and are necessary to ensure that the Cooperative's rates are  
17 based on accurate and appropriate data. Moreover, the pro forma adjustments made  
18 to the test year are entirely consistent with the Commission's directives in its Orders  
19 entered in Case No. 2018-00407 concerning items that must be excluded from  
20 cooperative revenue requirements in a Streamlined Proceeding.

21 **Q. DOES CUMBERLAND VALLEY REQUEST THAT THE COMMISSION**  
22 **ALLOW RECOVERY OF RATE CASE EXPENSE?**

1 A. Yes. Cumberland Valley requests that the Commission include in its final order an  
2 allowance for recovery of reasonable rate case expense, and that such recovery be  
3 amortized over a period of three (3) years.

4 **Q. WHY SHOULD THE COMMISSION GRANT CUMBERLAND VALLEY'S**  
5 **REQUESTED RELIEF?**

6 A. As discussed throughout this filing, the rate relief sought by Cumberland Valley in  
7 this case is critical to ensure that its financial integrity is maintained in order to  
8 provide its owner-members with reliable power at a reasonable cost. The requested  
9 2.25% rate increase has been specifically designed to account for Cumberland  
10 Valley's cost of service to the various customer classes it serves. As the COSS  
11 indicates, the requested increase does not fully resolve the mismatch, however, the  
12 rate relief sought does manifest Cumberland Valley's philosophy of moving  
13 towards appropriate cost recovery in a gradual fashion. Cumberland Valley's  
14 request in this case is reasonable, necessary and supported by sound cost of service  
15 analyses. This case presents an excellent opportunity for the Commission to apply  
16 the streamlined rate case procedure.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes.

**Case No. 2020-00264**  
**Application Exhibit 8**

**Direct Testimony of**  
**Robert Tolliver**  
**Exhibit RDT-1**

	kWh Sales			Electric Revenue			Margins		Ratios			
	Residential	C&I	Total	Residential	C&I	Total	Net	Operating	TIER	OTIER	Equity to Assets	DSC
2010	354,767,363	190,388,653	545,156,016	32,537,708	14,856,595	47,394,303	\$ 3,465,120.26	\$ 1,687,182.11	7.11	3.99	40.52%	3.04
2011	317,070,693	190,179,928	507,250,621	31,460,868	16,000,457	47,461,326	\$ 3,687,971.91	\$ 801,027.60	9.21	2.80	42.24%	2.70
2012	300,398,334	172,763,661	473,161,995	30,386,944	14,843,715	45,230,659	\$ 2,473,447.00	\$ (123,203.16)	6.79	0.73	43.16%	2.54
2013	314,849,109	150,390,282	465,239,391	31,849,912	13,169,411	45,019,323	\$ 3,031,856.08	\$ (101,791.94)	9.56	0.73	43.02%	2.84
2014	324,558,624	153,655,318	478,213,942	32,804,899	13,414,761	46,219,660	\$ 2,735,612.77	\$ 28,538.94	8.85	1.13	44.23%	2.83
2015	306,952,853	145,197,739	452,150,592	31,119,699	12,383,904	43,503,604	\$ 2,017,372.57	\$ (426,379.73)	4.60	0.27	44.08%	2.34
2016	306,232,937	134,243,425	440,476,362	30,994,240	11,404,363	42,398,603	\$ 1,646,421.83	\$ (755,327.77)	2.89	0.15	45.12%	2.12
2017	285,648,585	127,597,784	413,246,369	30,187,671	10,795,631	40,983,303	\$ 1,551,552.98	\$ 433,925.00	2.59	1.46	46.90%	2.19
2018	316,052,178	132,869,974	448,922,152	32,881,443	11,196,627	44,078,070	\$ 2,731,701.19	\$ 848,816.05	3.49	1.79	48.72%	2.57
2019	303,935,848	120,841,481	424,777,329	31,446,828	10,240,541	41,687,370	\$ 2,343,493.52	\$ 345,789.97	2.93	1.29	48.80%	2.33

**Case No. 2020-00264**  
**Application Exhibit 8**

**Direct Testimony of**  
**Robert Tolliver**  
**Exhibit RDT-2**

Kentucky 57  
Cumberland Valley Electric, Inc.  
Gray, Kentucky  
Audited Financial Statements  
May 31, 2019 and 2018

Alan M. Zumstein  
Certified Public Accountant  
1032 Chetford Drive  
Lexington, Kentucky 40509

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**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147  
[zumstein@windstream.net](mailto:zumstein@windstream.net)

MEMBER  
• AMERICAN INSTITUTE OF CPA'S  
• KENTUCKY SOCIETY OF CPA'S  
• AICPA DIVISION FOR FIRMS

**Independent Auditor's Report**

To the Board of Directors  
Cumberland Valley Electric, Inc.  
Gray, Kentucky

**Report on the Financial Statements**

I have audited the accompanying financial statements of Cumberland Valley Electric, Inc., which comprise the balance sheets as of May 31, 2019 and 2018, and the related statements of revenue and comprehensive income, changes in equities, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Directors  
Cumberland Valley Electric, Inc.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cumberland Valley Electric, Inc. as of May 31, 2019 and 2018, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated July 18, 2019, on my consideration of Cumberland Valley Electric, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Alan M. Zumstein*

Alan M. Zumstein, CPA  
July 18, 2019

Cumberland Valley Electric, Inc.  
Balance Sheets, May 31, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Electric Plant, at original cost:		
In service	\$ 108,180,516	\$ 106,190,824
Under construction	599,940	387,623
	<u>108,780,456</u>	<u>106,578,447</u>
Less accumulated depreciation	44,484,286	42,174,694
	<u>64,296,170</u>	<u>64,403,753</u>
Investments in Associated Organizations	<u>32,918,895</u>	<u>30,269,289</u>
Current Assets:		
Cash and cash equivalents	5,639,323	3,314,345
Accounts receivable, less allowance for 2019 of \$393,976 and 2018 of \$292,497	2,614,776	3,182,555
Other receivables	447,538	71,289
Material and supplies, at average cost	1,213,808	438,685
Other current assets	686,947	707,225
	<u>10,602,392</u>	<u>7,714,099</u>
Accelerated Pension Payments	<u>554,025</u>	<u>615,009</u>
Total	<u>\$ 108,371,482</u>	<u>\$ 103,002,150</u>
 <u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 440,495	\$ 438,990
Patronage capital	49,483,307	47,389,598
Other equities	2,315,598	2,309,432
Accumulated other comprehensive income	(616,024)	(668,644)
	<u>51,623,376</u>	<u>49,469,376</u>
Long Term Debt	<u>45,012,110</u>	<u>42,051,508</u>
Accumulated Postretirement Benefits	<u>3,921,284</u>	<u>3,796,740</u>
Current Liabilities:		
Accounts payable	2,676,052	2,664,005
Current portion of long term debt	2,000,000	1,960,000
Consumer deposits	1,023,559	1,056,861
Accrued expenses	1,995,341	1,937,272
	<u>7,694,952</u>	<u>7,618,138</u>
Consumer Advances	<u>119,760</u>	<u>66,388</u>
Total	<u>\$ 108,371,482</u>	<u>\$ 103,002,150</u>

The accompanying notes are an integral part of the financial statements.

Cumberland Valley Electric, Inc.  
Statements of Revenue and Comprehensive Income  
for the years ended May 31, 2019 and 2018

	2019	2018
Operating Revenues		
Sale of electric energy	\$ 42,209,701	\$ 43,609,509
Other electric revenues	1,627,835	1,689,438
	43,837,536	45,298,947
Operating Expenses:		
Cost of power	30,491,242	31,795,454
Distribution - operations	1,635,854	1,565,500
Distribution - maintenance	2,767,777	2,224,768
Consumer accounts	1,750,310	1,842,890
Customer services	73,162	45,995
Administrative and general	1,683,545	1,604,202
Depreciation, excluding \$174,459 in 2019 and \$215,282 in 2018 charged to clearing accounts	3,961,129	3,891,763
Taxes	55,226	56,070
Interest on long-term debt	1,175,264	1,036,437
Other interest	19,704	9,532
Other deductions	15,337	15,172
Total cost of electric service	43,628,550	44,087,783
Operating margins	208,986	1,211,164
Nonoperating Margins		
Interest income	195,930	145,475
Others	-	-
	195,930	145,475
Patronage Capital Credits		
G & T capital credits	1,624,710	891,227
Other capital credits assigned	64,083	100,663
	1,688,793	991,890
Net Margins	2,093,709	2,348,529
Other comprehensive income		
Accumulated postretirement benefits	52,620	52,620
Net Comprehensive Income	\$ 2,146,329	\$ 2,401,149

The accompanying notes are an integral part of the financial statements.

Cumberland Valley Electric, Inc.  
Statement of Changes in Members' Equities  
for the years ended May 31, 2018 and 2019

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Other Equities</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Members' Equities</u>
Balance - May 31, 2017	\$ 438,640	\$ 45,041,069	\$ 2,303,962	\$ (721,264)	\$ 47,062,407
Comprehensive income:					
Net margins		2,348,529			2,348,529
Postretirement benefit obligation					
Amortization				52,620	
Adjustments				-	52,620
Total comprehensive income				<u>52,620</u>	<u>2,401,149</u>
Net change in memberships	350				350
Refunds of capital credits		-			-
Other equities			5,470		5,470
					<u>5,470</u>
Balance - May 31, 2018	438,990	47,389,598	2,309,432	(668,644)	49,469,376
Comprehensive income:					
Net margins		2,093,709			2,093,709
Postretirement benefit obligation					
Amortization				52,620	
Adjustments				-	52,620
Total comprehensive income				<u>52,620</u>	<u>2,146,329</u>
Net change in memberships	1,505				1,505
Refunds of capital credits		-			-
Other equities			6,166		6,166
					<u>6,166</u>
Balance - May 31, 2019	<u>\$ 440,495</u>	<u>\$ 49,483,307</u>	<u>\$ 2,315,598</u>	<u>\$ (616,024)</u>	<u>\$ 51,623,376</u>

The accompanying notes are an integral part of the financial statements.

Cumberland Valley Electric, Inc.  
Statements of Cash Flows  
for the years ended May 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Net margins	\$ 2,093,709	\$ 2,348,529
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	3,961,129	3,891,763
Charged to clearing accounts	174,459	215,282
Patronage capital credits in income	(1,688,793)	(991,890)
Accumulated postretirement benefits	177,164	152,459
Past service pension costs	60,984	60,984
Change in assets and liabilities:		
Receivables	191,530	(316,343)
Material and supplies	(775,123)	(24,145)
Other assets	20,278	(40,753)
Payables	12,047	254,099
Consumer deposits and advances	20,070	(106,746)
Accrued expenses	58,069	153,886
	4,305,523	5,597,125
Cash Flows from Investing Activities:		
Plant additions	(3,576,533)	(2,743,722)
Plant removal costs	(551,473)	(354,659)
Salvage recovered from retired plant	100,001	24,803
Receipts from other investments, net	(960,813)	40,707
	(4,988,818)	(3,032,871)
Cash Flows from Financing Activities:		
Net increase in memberships	1,505	350
Increase in other equities	6,166	5,470
Refund of capital credits	-	-
Advances of long term debt	5,000,000	-
Principal payments on long term debt	(1,916,455)	(1,938,992)
Advance payments on long term debt	(82,943)	(78,922)
	3,008,273	(2,012,094)
Net increase in cash	2,324,978	552,160
Cash and cash equivalents, beginning of year	3,314,345	2,762,185
Cash and cash equivalents, end of year	\$ 5,639,323	\$ 3,314,345
Supplemental cash flows information:		
Interest paid on long-term debt	\$ 1,138,578	\$ 1,009,068

The accompanying notes are an integral part of the financial statements.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements

**Note 1. Summary of Significant Accounting Policies**

Cumberland Valley Electric, Inc. (“Cumberland Valley”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

**Electric Plant** Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation for distribution plant. Gain or loss is recognized on disposition of general plant items. Electric plant consists of:

	<u>2019</u>	<u>2018</u>
Distribution plant	\$100,218,142	\$98,300,513
General plant	<u>7,962,374</u>	<u>7,890,311</u>
Total	<u>\$108,180,516</u>	<u>\$106,190,824</u>

**Depreciation** Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 2.39% to 6.70%, with a composite rate of 3.77% for distribution plant. General plant rates are as follows:

Structures and improvements	2.5%
Transportation equipment	11.3%
Office furniture and equipment	5.0%
Other general plant	4.0% - 6.0%

**Cash and Cash Equivalents** Cumberland Valley considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

**Off Balance Sheet Risk** Cumberland Valley has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) at various time during the month. These financial institutions have strong credit ratings and management believes that the credit risk related to the accounts is minimal. Cumberland Valley uses Insured Cash Sweep (“ICS”) services for FDIC coverage for all accounts.

**Advertising** Cumberland Valley expenses advertising costs as incurred.

**Revenue** Cumberland Valley records revenue as billed to its consumers based on monthly meter-reading cycles. All consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Cumberland Valley’s sales are concentrated in a nine county area of southeastern Kentucky. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at May 31, 2019 or 2018.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements**Note 1. Summary of Significant Accounting Policies, continued**

**Taxes** Cumberland Valley is required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. Cumberland Valley's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

**Cost of Power** Cumberland Valley is one of sixteen (16) members of East Kentucky Power Cooperative ("East Kentucky"). Under a wholesale power agreement, Cumberland Valley is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky. The power bill includes a fuel adjustment and environmental surcharge component that is passed on to Cumberland Valley's customers using a methodology prescribed by the Commission.

**Fair Value Measurements** FASB ASC 820, *Fair Value Measurements and Disclosures*, requires Cumberland Valley to disclose estimated fair values of its financial instruments. Fair value estimates, methods, and assumptions are set forth below for Cumberland Valley's financial instruments.

The carrying amounts of Cumberland Valley's cash and cash equivalents, receivables, inventories, accounts payable, and accrued expenses and liabilities approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets are not considered financial instruments because they represent activities specifically related to Cumberland Valley. Long term debt cannot be traded in the market, and is specifically for electric cooperatives and a value other than its outstanding principal cannot be determined.

Cumberland Valley may, and also does, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. These investments are classified as held-to-maturity in accordance with provisions of the *Financial Instruments Topic* of FASB ASC 320. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2019 and 2018.

**Comprehensive Income** Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of the accumulated postretirement benefit obligation.

**Income Tax Status** Cumberland Valley is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Cumberland Valley include no provision for income taxes. Cumberland Valley's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes Cumberland Valley has no uncertain tax positions resulting in an accrual of tax expense or benefit. Cumberland Valley recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Cumberland Valley did not recognize any interest or penalties during the years ended May 31, 2019 and 2018. Cumberland Valley's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements**Note 1. Summary of Significant Accounting Policies, continued**

**Estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Risk Management** Cumberland Valley is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

**Subsequent Events** Management has evaluated subsequent events through July 18, 2019, the date the financial statements were available to be issued. There were no significant subsequent events to report.

**Note 2. Investments in Associated Organizations and Others**

Cumberland Valley records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates ("CTCs") of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 3% and 5% and are scheduled to mature at varying times from 2020 to 2080. The remaining investments are mostly patronage capital allocated from East Kentucky, CFC, and others.

Cumberland Valley has an economic development loan are through RUS at no interest to an industrial authority and is secured by either/or a portion of the assets pledged by the industrial authority, or guaranty from a local bank.

**Note 3. Patronage Capital**

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Cumberland Valley may distribute the difference between 25% and the payments made to such estates. At May 31, 2019, the equities and margins were 48% of total assets.

Patronage capital consisted of:

	<u>2019</u>	<u>2018</u>
Assigned to date	\$53,133,610	\$50,537,424
Assignable margins	490,613	1,128,607
Prior deficits	(663,710)	(799,225)
Retirements to date	<u>(3,477,206)</u>	<u>(3,477,208)</u>
Total	<u>\$49,483,307</u>	<u>\$47,389,598</u>

**Note 4. Long Term Debt**

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank (FFB), National Bank for Cooperatives (CoBank), CFC, and National Cooperative Services Corporation (NCSC) which is an affiliate of CFC, under a joint mortgage agreement.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements**Note 4. Long Term Debt**, continued

First mortgage notes consist of:

	<u>2019</u>	<u>2018</u>
RUS, 1.75%	\$744,342	\$2,852,479
Advance payments, earns 5% interest	<u>(1,711,029)</u>	<u>(1,628,086)</u>
	(966,687)	1,224,393
Economic Development Loan, 0%	1,000,000	-
FFB, 2.161% to 2.865%	42,822,667	40,135,549
CoBank 2.41% to 4.29%	3,452,346	1,697,707
NCSC, 4.0% to 4.30%	<u>703,784</u>	<u>953,859</u>
	47,012,110	44,011,508
Less current portion	<u>2,000,000</u>	<u>1,960,000</u>
Long term portion	<u><u>\$45,012,110</u></u>	<u><u>\$42,051,508</u></u>

The long term debt payable is due in quarterly and monthly installments of varying amounts through 2039. During 2010, \$3,839,834 of RUS loans were refinanced with lower interest rate notes from NCSC. During 2019 \$2,023,762 of RUS loans were refinanced with lower interest rate notes from CoBank. Cumberland Valley has loan funds available from FFB in the amount of \$13,889,000 at May 31, 2019. These funds will be used for future plant additions. RUS assesses a fee of 125 basis points to administer the FFB loans. The Economic Development note is dated November 2018 for a ten (10) year period with monthly principal payments of \$9,260.

As of May 31, 2019, annual current principal due for the next five years are as follows: 2020 - \$2,000,000; 2021 - \$2,070,000; 2022 - \$2,090,000; 2022 - \$1,940,000; 2023 - \$1,950,000.

**Note 5. Short Term Borrowings**

Cumberland Valley has executed short term line of credit agreements with both CFC and CoBank in the amount of \$5,000,000 and \$1,000,000, respectively. At May 31, 2019 Cumberland Valley had repaid all advances against this line of credit.

**Note 6. Pension Plan**

All eligible employees of Cumberland Valley participate in the NRECA Retirement and Security Plan ("R&S Plan"), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor's identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Cumberland Valley's contributions to the R&S Plan in 2019 and 2018 represent less than 5 percent of the total contributions made to the plan by all participating employers. Cumberland Valley made contributions to the plan of \$335,032 in 2019 and \$314,241 in 2018. There have been no significant changes that affect the comparability of 2019 and 2018.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements**Note 6. Pension Plan, continued**

In the R&S Plan, a “zone status” determination is not required, and therefore not determined, under the Pension Protection Act (“PPA”) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was over 85 percent funded at January 1, 2019 and 2018 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the Committee approved an option to allow participating cooperatives in the Retirement Security (“R&S”) Plan ( a defined benefit multiemployer pension plan) to make a prepayment and reduce future required contributions. The prepayment amount is a cooperative share, as of January 1, 2014, of future contributions required to fund the R&S Plan’s unfunded value of benefits earned to date using Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative’s annual R&S Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, changes in interest rates, asset returns and other plan experience different from that expected, plan assumptions changes, and other factors may have an impact on the differential in billing rates and the 15 year period.

Two prepayment options were available to participating cooperatives:

1. Use current assets to make the prepayment over a period of not more than 4 years, or,
2. Borrow funds sufficient to make the prepayment in a lump sum, with the prepayment of the borrowed amount determined by the loan’s amortization schedule.

On February 14, 2013, RUS issued a memorandum to all of its borrowers regarding the proper accounting treatment of the R&S Plan prepayment. RUS stipulated that the prepayment shall be recorded as a long term prepayment in Account 186, Miscellaneous Deferred Debits. This prepaid expense shall be amortized to Account 926, Employee Pensions and Benefits, over a ten year period. Alternatively, RUS borrowers may calculate the amortization period by subtracting the cooperative’s average age of its workforce as provided by NRECA from the cooperative’s normal retirement age under the R&S Plan, up to a maximum period of 20 years. If the entity chooses to finance the prepayment, interest expense associated with the loan shall be recorded in the year incurred as is required under the RUS Uniform System of Accounts (“USoA”).

Section 6.13(e) of the RUS Loan Contract limits the amount of unsecured debt that a borrower may incur to 15% on Net Utility Plant if the equity level of the borrower, after considering such unsecured debt, is below 30% of its Total Assets, unless the borrower obtains RUS consent. RUS will consider any unsecured debt associated with the R&S Plan prepayment to be “Permitted Debt” and accordingly, it will be excluded from the application of Section 6.13(e). During May, 2013, the Corporation made a prepayment of \$914,847 to the R&S Plan. The amount is being amortized over 15 years.

**Note 7. Savings Plan**

Cumberland Valley sponsors a Retirement Savings Plan available to all eligible employees. The plan allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. Cumberland Valley makes contributions of 10% for non-salaried employees and 5% (reduced to 2% effective March 2019) for salaried employees of the participant’s base compensation. Contributions for both plans were \$237,926 for 2019 and \$258,588 for 2018, and vest immediately.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements**Note 8. Postretirement Benefits**

Cumberland Valley sponsors a defined benefit plan that provides medical insurance coverage for retired employees and their spouses. Cumberland Valley pays all the premiums for retirees and their dependents. For measurement purposes, an annual rate of increase of 7.0% in 2019, then decreasing by 0.25% per year until 3% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 4.50% in 2019 and 2018. There have been no significant changes that affect the comparability of 2019 and 2018.

The funded status of the plan is as follows:

	<u>2019</u>	<u>2018</u>
Projected benefit obligation	(\$3,921,284)	(\$3,796,740)
Plan assets at fair value	-	-
Total	<u>(\$3,921,284)</u>	<u>(\$3,796,740)</u>

The components of net periodic postretirement benefit cost are as follows:

	<u>2019</u>	<u>2018</u>
Benefit obligation at beginning of year	<u>\$3,796,740</u>	<u>\$3,696,901</u>
Components of net periodic benefit cost:		
Service cost	49,724	54,773
Interest cost	<u>173,656</u>	<u>168,607</u>
Net periodic benefit cost	223,380	223,380
Benefits paid	(98,836)	(123,541)
Actuarial gain/loss	<u>0</u>	<u>-</u>
Benefit obligation at end of year	<u>\$3,921,284</u>	<u>\$3,796,740</u>

Amounts included in accumulated comprehensive income:

Unrecognized actuarial gain (loss)	(\$616,024)	(\$668,644)
Effect of 1% increase in the health care trend:		
Postemployment benefit obligation	\$4,175,000	
Net periodic benefit cost	\$237,900	

Projected retiree benefit payments for the next five years are expected to be as follows: 2020 - \$99,000; 2021 - \$97,000; 2022 - \$95,000; 2023 - \$90,000; 2024 - \$89,000.

**Note 9. Environmental Contingency**

Cumberland Valley from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Cumberland Valley to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Cumberland Valley's financial position or its future cash flows.

Cumberland Valley Electric, Inc.  
Notes to Financial Statements

**Note 10. Commitments**

Cumberland Valley has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to two years.

**Note 11. Related Party Transactions**

Several of the Directors of Cumberland Valley and its President & CEO are on the Boards of Directors of various associated organizations.

**Note 12. Labor Force**

Approximately 80% of Cumberland Valley's labor force is subject to a collective bargaining agreement. A two (2) year agreement was negotiated and approved for the period May 2, 2017 to August 31, 2019 between Cumberland Valley and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.

**Note 13. Contingencies**

Cumberland Valley, on occasion, is involved in litigation arising in the normal course of business. Presently, there are no such litigations pending.

**Note 14. Rate Matters**

During February 2017, the PSC approved a rate increase in the amount of approximately \$1,680,000, or 3% of base revenues.

\* \* \* \* \*

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147  
[zumstein@windstream.net](mailto:zumstein@windstream.net)

MEMBER  
• AMERICAN INSTITUTE OF CPA'S  
• KENTUCKY SOCIETY OF CPA'S  
• AICPA DIVISION FOR FIRMS

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Cumberland Valley Electric, Inc.  
Gray, Kentucky

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cumberland Valley Electric, Inc., which comprise the balance sheets as of May 31, 2019 and 2018, and the related statements of revenue and comprehensive income, members' equities and cash flows for the years then ended, and related notes to the financial statements, and have issued my report thereon dated July 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Cumberland Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cumberland Valley's internal control. Accordingly, I do not express an opinion on the effectiveness of Cumberland Valley's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cumberland Valley's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations,

To the Board of Directors  
Cumberland Valley Electric, Inc.

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alan M. Zumstein*

Alan M. Zumstein, CPA  
July 18, 2019

ALAN M. ZUMSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147  
[zumstein@windstream.net](mailto:zumstein@windstream.net)

MEMBER  
• AMERICAN INSTITUTE OF CPA'S  
• KENTUCKY SOCIETY OF CPA'S  
• AICPA DIVISION FOR FIRMS

Independent Auditor's Report on Compliance with Aspects of Contractual  
Agreements and Regulatory Requirements for Electric Borrowers

Board of Directors  
Cumberland Valley Electric, Inc.  
Gray, Kentucky

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cumberland Valley Electric, Inc. ("the Cooperative"), which comprise the balance sheet as of May 31, 2019, and the related statements of revenue and comprehensive income, patronage capital, and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated July 18, 2019. In accordance with *Government Auditing Standards*, we have also issued my report dated July 18, 2019, on my consideration of the Cooperative's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and my schedule of findings and recommendations related to my audit have been furnished to management.

In connection with my audit, nothing came to my attention that caused me to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2019, insofar as they relate to accounting matters as enumerated below. However, my audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had I performed additional procedures, other matters may have come to my attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with my audit, I noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;

Board of Directors  
Cumberland Valley Electric, Inc.

- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements ("See RUS Bulletin 183-1, Depreciation Rates and Procedures");
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits, which are listed below; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

The deferred debits are as follows:

Accelerated pension payments	<u>\$554,025</u>
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The deferred credits are as follows:

Consumer advances for construction	<u>\$119,760</u>
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The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees. Accordingly, this report is not suitable for any other purpose.

*Alan Zumstein*

Alan M. Zumstein, CPA  
July 18, 2019

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 9**

**807 KAR 5:001 Sec. 16(4)(b)**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.*

**Response:**

In support of its Application, Cumberland Valley provides written testimony from three (3) witnesses:

- Mr. Ted Hampton, Cumberland Valley's President and Chief Executive Officer, whose testimony is included with this Exhibit 7;
- Mr. Robert Tolliver, Cumberland Valley's Office Manager, whose testimony is included at Exhibit 8; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included at Exhibit 9.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
CUMBERLAND VALLEY ELECTRIC, INC.	)	
FOR A GENERAL ADJUSTMENT OF	)	Case No. 2020-00264
RATES PURSUANT TO STREAMLINED	)	
PROCEDURE PILOT PROGRAM	)	
ESTABLISHED IN CASE NO. 2018-00407	)	

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**DIRECT TESTIMONY OF**  
**JOHN WOLFRAM**  
**PRINCIPAL, CATALYST CONSULTING LLC**  
**ON BEHALF OF CUMBERLAND VALLEY ELECTRIC, INC.**

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**Filed: September 23, 2020**



**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

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**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

**I. INTRODUCTION**

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**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

A. I am testifying on behalf of Cumberland Valley Electric, Inc. (“Cumberland Valley” or “Cooperative”).

**Q. BRIEFLY DESCRIBE YOUR EDUCATION AND WORK EXPERIENCE.**

A. I received a Bachelor of Science degree in Electrical Engineering from the University of Notre Dame in 1990 and a Master of Science degree in Electrical Engineering from Drexel University in 1997. I founded Catalyst Consulting LLC in June 2012. I have developed cost of service studies and rates for numerous electric and gas utilities, including electric distribution cooperatives, generation and transmission cooperatives, municipal utilities and investor-owned utilities. I have performed economic analyses, rate mechanism reviews, special rate designs, and wholesale formula rate reviews. From March 2010 through May 2012, I was a Senior Consultant with The Prime Group, LLC. I have also been employed by the parent companies of Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), by the PJM Interconnection, and by the Cincinnati Gas & Electric Company. A more detailed description of my qualifications is included in Exhibit JW-1.

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**  
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 **A.** Yes. I have testified in numerous regulatory proceedings before this Commission.  
4 A listing of my testimony in other proceedings is included in Exhibit JW-1.

5

6 **II. PURPOSE OF TESTIMONY**

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 **A.** The purpose of my testimony is to: (i) describe Cumberland Valley’s compliance  
9 with the streamlined rate filing procedures; (ii) describe Cumberland Valley’s rate  
10 classes, (iii) describe the calculation of Cumberland Valley’s revenue requirement;  
11 (iv) explain the pro forma adjustments to the test period results; (v) describe the  
12 Cost of Service Study (“COSS”) process and results; (vi) present the proposed  
13 allocation of the revenue increase to the rate classes; (vii) describe the rate design,  
14 proposed rates, and estimated billing impact by rate class, and (viii) support certain  
15 filing requirements from 807 KAR 5:001.

16 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

17 **A.** Yes. I have prepared the following exhibits to support my testimony:

18 Exhibit JW-1 – Qualifications of John Wolfram

19 Exhibit JW-2 – Revenue Requirements & Pro Forma Adjustments

20 Exhibit JW-3 – COSS: Summary of Results

21 Exhibit JW-4 – COSS: Functionalization & Classification

22 Exhibit JW-5 – COSS: Allocation to Rate Classes & Returns

23 Exhibit JW-6 – COSS: Billing Determinants

1 Exhibit JW-7 – COSS: Purchased Power, Meters, & Services

2 Exhibit JW-8 – COSS: Zero Intercept Analysis

3 Exhibit JW-9 – Present & Proposed Rates

4

5 **III. RATE FILING PROCEDURE**

6 **Q. IS CUMBERLAND VALLEY FILING THIS CASE UNDER THE RATE**  
7 **CASE PROCEDURE FOR ELECTRIC DISTRIBUTION COOPERATIVES**  
8 **DESCRIBED IN CASE NO. 2018-00407?**

9 A. Yes. As described in the Application, Cumberland Valley is filing this case under  
10 the procedures set forth in the Commission’s Order dated December 20, 2019 in  
11 Case No. 2018-00407 (“Streamlined Rate Order”). For convenience I will refer to  
12 this procedure as the “streamlined” rate filing procedure or process.

13 **Q. DOES CUMBERLAND VALLEY COMPLY WITH ALL OF THE**  
14 **REQUIREMENTS SET FORTH IN THE COMMISSION’S ORDER ON**  
15 **THE STREAMLINED PROCEDURE?**

16 A. Yes. Cumberland Valley meets all of the elements of the streamlined process set  
17 forth in the Commission’s order. These requirements are discussed in the body of  
18 the order and are enumerated in Appendix A to the order.

19 Appendix A sets forth the Prerequisites for Use of the Streamlined Process.  
20 Cumberland Valley complies with each of these items. The requirements of the  
21 other parts of Appendix A are also met; I will describe how Cumberland Valley  
22 complies with the “Excluded Items for Ratemaking Purposes” in Part E later in my  
23 testimony.

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**IV. CLASSES OF SERVICE**

**Q. PLEASE DESCRIBE THE CUSTOMER CLASSES SERVED BY CUMBERLAND VALLEY.**

A. Cumberland Valley currently has members taking service pursuant to eight major rate classifications. These include Residential Schools & Churches, Residential Time of Day, Small Commercial Small Power (single phase and three phase), Inclining Block Rate, All three-phase Schools and Churches, Large Power, and Lighting. Cumberland Valley’s residential members comprise 70% of test year energy usage and 73% of test year revenues from energy sales, as shown in Table 1.

**Q. DOES THE DATA IN TABLE 1 RECONCILE PRECISELY WITH THE DATA IN CUMBERLAND VALLEY’S RUS FORM 7 AND THE ANNUAL FINANCIAL REPORT FILED WITH THE COMMISSION?**

A. The data does not reconcile perfectly, but it is extremely close. The reason for this is that the data in Table 1 represents my reproduction of Cumberland Valley’s 2019 billing data by rate class. I made certain adjustments to the cooperative’s actual booked amounts, *e.g.* moving kWh associated with lighting from other rate classes to the lighting class, etc., as needed to perform the cost of service study. However, all of the totals in Table 1 reconcile to the RUS Form 7 numbers within 0.6 percent--in other words, they are between 99.4 percent and 100 percent accurate.

**Table 1. Rate Class Data (2019)**

Rate Class	Members	kWh	%	Revenue	%
------------	---------	-----	---	---------	---

Sch I - Residential, Schools & Churches	22,144	295,253,522	69.51%	\$30,074,337	72.14%
Sch I - Res TOD	12	103,542	0.02%	\$10,495	0.03%
Sch II - Small Commercial Small Power	1,343	14,497,102	3.41%	\$1,612,359	3.87%
Sch II - Small Commercial Small Power	168	9,892,526	2.33%	\$1,179,307	2.83%
Sch VII - Inclining Block Rate	22	12,154	0.00%	\$4,044	0.01%
Sch III - All 3Phase Schools & Churches	43	14,567,275	3.43%	\$1,204,220	2.89%
Sch IV-A - Large Power 50-2500 kW	65	80,510,446	18.95%	\$6,058,039	14.53%
Sch VI - Outdoor Lighting - Security Lights	N/A	9,940,762	2.34%	\$1,543,986	3.70%
<b>TOTAL</b>	<b>23,797</b>	<b>424,777,329</b>	<b>100%</b>	<b>\$41,686,788</b>	<b>100%</b>

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**V. REVENUE REQUIREMENT**

4

**Q. PLEASE DESCRIBE HOW CUMBERLAND VALLEY’S PROPOSED REVENUE INCREASE WAS DETERMINED.**

5

6

A. Cumberland Valley is proposing a general adjustment in rates using a historical test period. The proposed revenue increase was determined first by analyzing the revenue deficiency based on financial results for the test period after the application of certain pro forma adjustments described herein. The revenue deficiency was determined as the difference between (i) Cumberland Valley’s net margins for the adjusted test period without reflecting a general adjustment in rates (after accounting for a roll-in of the wholesale Fuel Adjustment Clause (“FAC”) approved by the Commission in Docket No. 2019-00003) and (ii) the cap of the lower of (a) an OTIER of 1.85 and (b) to the overall rate increase of three times 0.75 percent,

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1 or 2.25 percent, based on the three years that have transpired since Cumberland  
2 Valley's last base rate change, pursuant to the requirements of the Streamlined Rate  
3 Order. Based on the adjusted test year under the OTIER cap, the revenue deficiency  
4 is \$1,131,738. However, pursuant to the annual rate increase cap, the increase is  
5 limited to an overall increase of 2.25 percent, or \$921,714. Due to rate rounding,  
6 Cumberland Valley's request is for an increase of \$921,195, which yields an  
7 OTIER of 1.66.

8 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THE RATE CASE**  
9 **APPLICATION?**

10 A. The historical test period for the filing is the 12 months ended December 31, 2019.

11 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS HOW**  
12 **CUMBERLAND VALLEY'S REVENUE DEFICIENCY IS CALCULATED?**

13 A. Yes. Exhibit JW-2 shows the calculation of Cumberland Valley's revenue deficiency.

14 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY CALCULATION IN**  
15 **EXHIBIT JW-2 IN DETAIL.**

16 A. The purpose of Exhibit JW-2 is to calculate the difference between Cumberland  
17 Valley's net margin for the adjusted test year and the margin necessary for  
18 Cumberland Valley to achieve the lower of a 1.85 OTIER or a 2.25 percent overall  
19 increase, pursuant to the limits established in the Streamlined Rate Order. Page 1 of  
20 the exhibit presents revenues and expenses for Cumberland Valley for the actual test  
21 year, the actual test year adjusted to reflect the FAC Roll-In, the proposed pro forma  
22 adjustments, the adjusted test year at present rates, and the adjusted test year at

1 proposed rates. The revenues include total sales of electric energy and other electric  
2 revenue.

3 Expenses are tabulated next. The Total Cost of Electric Service is shown on  
4 line 22. Total Cost of Electric Service includes operation expenses, maintenance  
5 expenses, depreciation and amortization expenses, taxes, interest expenses on long-  
6 term debt, other interest expenses, and other deductions. Utility Operating Margins  
7 are calculated by subtracting Total Cost of Electric Service from Total Operating  
8 Revenue. Non-operating margins and capital credits are added to Utility Operating  
9 Margins to determine Cumberland Valley's Net Margins.

10 The TIER, OTIER, Margins at Target TIER, and Revenue Deficiency  
11 amounts are calculated at the bottom of page 1 of Exhibit JW-2.

12 **Q. WHAT IS THE OTIER FOR CUMBERLAND VALLEY FOR THE**  
13 **ADJUSTED TEST YEAR?**

14 A. Exhibit JW-2 shows on Line 35, Column (5) that the OTIER for the adjusted test  
15 year is 0.85.

16 **Q. WHAT IS THE REVENUE DEFICIENCY CALCULATED IN EXHIBIT**  
17 **JW-2?**

18 A. Based on an overall OTIER of 1.85, Cumberland Valley has a net margin  
19 requirement of \$1,131,738. Because the adjusted net margin before applying the  
20 TIER is \$104,785 and the margin requirement is \$1,236,523, Cumberland Valley's  
21 total revenue deficiency at an OTIER of 1.85 is \$ 1,131,738.

22 **Q. IS CUMBERLAND VALLEY REQUESTING THE FULL REVENUE**  
23 **DEFICIENCY AS AN INCREASE IN MEMBER RATES?**

1 A. No. Cumberland Valley is required to limit the increase it seeks in this proceeding  
2 to 2.25 percent overall. This results in a total revenue increase of \$921,714. See  
3 Exhibit JW-2, Column 3, Line 50. Due to rate rounding, Cumberland Valley is  
4 requesting an increase of \$921,195. This is calculated on the last two lines of  
5 Exhibit JW-2. This amount is used in the COSS and in the design of new rates that  
6 I describe later in my testimony.

7 Cumberland Valley believes the request should be approved as filed, but if  
8 the Commission does make any downward adjustments, Cumberland Valley  
9 respectfully requests that it also consider the difference between the revenue  
10 requirement at the 1.85 OTIER and the 2.25 percent cap. At the filed rates, a  
11 downward adjustment of \$210,543 could be made (i.e. \$1,131,738 less \$921,195)  
12 without impacting Cumberland Valley's overall requested rate increase.

13

14 **VI. PRO FORMA ADJUSTMENTS**

15 **Q. PLEASE BROADLY DESCRIBE THE NATURE OF THE PRO FORMA**  
16 **ADJUSTMENTS MADE TO CUMBERLAND VALLEY'S ELECTRIC**  
17 **OPERATIONS FOR THE TEST YEAR SHOWN IN EXHIBIT JW-2.**

18 A. Cumberland Valley has made adjustments which remove revenues and expenses  
19 that are addressed in other rate mechanisms, are ordinarily excluded from rates, or  
20 are non-recurring on a prospective basis, consistent with standard Commission  
21 practices, or are to be excluded at the direction of the Commission in Case No.  
22 2018-00407. The pro forma adjustments are listed in Exhibit JW-2 on page 2 and

1 are detailed starting on page 5 of the exhibit. The pro forma adjustments are  
2 summarized below for convenience.

3 **Table 2. Pro Forma Adjustments**

<b>Reference Schedule</b>	<b>Pro Forma Adjustment Item</b>
1.01	Fuel Adjustment Clause
1.02	Environmental Surcharge
1.03	Rate Case Expenses
1.04	Year-End Customer Normalization
1.05	Depreciation Expense Normalization
1.06	Donations, Advertising, Dues, & Other
1.07	Miscellaneous Expenses
1.08	Directors Expense
1.09	Retirement Plan Contributions
1.10	Wages & Salaries
1.11	Professional Services
1.12	G&T Capital Credits
1.13	Payroll Tax
1.14	Interest
1.15	Life Insurance Premiums

4  
5 **Q. DID YOU PREPARE A DETAILED INCOME STATEMENT AND**  
6 **BALANCE SHEET RELECTING THE IMPACT OF ALL PROPOSED**  
7 **ADJUSTMENTS?**

8 A. Yes. These are included in Exhibit JW-2 pages 3 and 4.

9 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
10 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.01.**

11 A. This adjustment has been made to account for the fuel cost expenses and revenues  
12 included in the FAC for the test period. Consistent with Commission practice, FAC  
13 expenses and revenues included in the test year have been eliminated.

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
2 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.02.**

3 A. This adjustment has been made to remove Environmental Surcharge ("ES")  
4 revenues and expenses because these are addressed by a separate rate mechanism.  
5 This is consistent with the Commission's practice of eliminating the revenues and  
6 expenses associated with full-recovery cost trackers.

7 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
8 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.03.**

9 A. This adjustment estimates the rate case costs amortized over a 3-year period for  
10 inclusion in the revenue requirement, consistent with standard Commission  
11 practice.

12 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
13 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.04.**

14 A. This adjustment adjusts the test year expenses and revenues to reflect the number  
15 of customers at the end of the test year. The numbers of customers served at the end  
16 of the test period for some rate classes differed from the average number of  
17 customers for the test year. The change in revenue is calculated by applying the  
18 average revenue per kWh for each rate class to the difference between average  
19 customer count and test-year-end customer count (at average kWh/customer) for  
20 each class. The change in operating expenses was calculated by applying an  
21 operating ratio to the revenue adjustment, consistent with the approach accepted by  
22 the Commission for other utilities in rate proceedings (*e.g.* Case Nos. 2020-00104,  
23 2019-00053, 2012-00221 & 2012-00222, and 2017-00374).

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
2 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.05.**

3 A. This adjustment normalizes depreciation expenses by replacing test year actual  
4 expenses with test year-end balances (less any fully depreciated items) at approved  
5 depreciation rates, consistent with typical Commission practice and with the  
6 requirements of the Commission in the Streamlined Rate Order.

7 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
8 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.06.**

9 A. This adjustment eliminates donations, promotional advertising, and dues expenses  
10 pursuant to 807 KAR 5:016, consistent with Commission practice. Also please see  
11 Application Exhibit 28.

12 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
13 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.07.**

14 A. This adjustment removes non-recurring items from the test year. These are very  
15 minor items but are removed consistent with Commission practice.

16 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
17 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.08.**

18 A. This adjustment removes certain Director expenses, including costs for directors  
19 attending EKPC / KAEC / NRECA annual meeting(s), training, or tours when the  
20 director is not the Cumberland Valley representative for the respective  
21 organization. Expenses that are not fully removed for rate-making purposes include  
22 the costs of attending NRECA director training/education seminars (especially for  
23 new directors). These seminars help directors to meet their fiduciary duties to the

1 membership by educating them on industry issues. Also included is Liability  
2 Insurance that protects the directors for decisions they make on a routine basis. Also  
3 please see Application Exhibit 27.

4 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
5 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.09.**

6 A. This adjustment normalizes test year utility contributions to NRECA Retirement &  
7 Security Program and NRECA Savings Plan 401(k) based on most recent  
8 contribution rates.

9 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
10 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.10.**

11 A. This adjustment normalizes employee wages and salaries to account for changes  
12 due to wage increases, departures, or new hires for a standard year of 2,080 hours.  
13 The exhibit shows adjustment data for salaried, hourly, and bargaining-unit  
14 employee based on regular time, overtime, and other/vacation payout time adjusted  
15 to 2019 year-end wage rates.

16 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
17 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.11.**

18 A. This adjustment removes certain outside professional services costs from the test  
19 period, consistent with Commission practice.

20 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
21 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.12.**

1 A. This adjustment removes the G&T Capital Credits from East Kentucky Power  
2 Cooperative (“EKPC”) from the test period, consistent with standard Commission  
3 practice.

4 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
5 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.13.**

6 A. This adjustment normalizes test year payroll taxes for FICA, Medicare, FUTA and  
7 SUTA based on most recent effective rates.

8 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
9 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.14.**

10 A. This adjustment normalizes the interest on Long-Term Debt. Test year cost of debt  
11 is normalized to annualized cost rate (by multiplying the test year end debt amounts  
12 by the interest rate in effect at the end of the test year for each loan).

13 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**  
14 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.15.**

15 A. This adjustment removes Life insurance premiums for coverage above the lesser of  
16 an employee's annual salary or \$50,000 from the test period.

17 **Q. DID CUMBERLAND VALLEY INCLUDE AN ADJUSTMENT TO**  
18 **OPERATING EXPENSES TO REFLECT HEALTHCARE INSURANCE**  
19 **PREMIUMS ADJUSTED FOR EMPLOYEE CONTRIBUTIONS BASED**  
20 **ON THE NATIONAL AVERAGE FOR COVERAGE TYPE, CONSISTENT**  
21 **WITH THE STREAMLINED RATE ORDER?**

1 A. No. Cumberland Valley did not include this adjustment because it is not required  
2 pursuant to the Streamlined Rate Order; the employee health care insurance  
3 premium contribution is not zero. See Application Exhibit 35.

4 **Q. DID CUMBERLAND VALLEY INCLUDE AN ADJUSTMENT FOR**  
5 **WEATHER NORMALIZATION?**

6 A. No. Cumberland Valley does not incorporate weather normalization for its base  
7 rates.

8

9 **VII. COST OF SERVICE STUDY**

10 **Q. DID YOU PREPARE A COSS FOR CUMBERLAND VALLEY BASED ON**  
11 **FINANCIAL AND OPERATING RESULTS FOR THE TEST YEAR?**

12 A. Yes. I prepared a fully allocated, embedded COSS based on pro forma operating  
13 results for the test year. The objective in performing the COSS is to assess  
14 Cumberland Valley's overall rate of return on rate base and to determine the relative  
15 rates of return that Cumberland Valley is earning from each rate class. Additionally,  
16 the COSS provides an indication of whether each class is contributing its  
17 appropriate share towards Cumberland Valley's cost of providing service.

18 **Q. WHAT PROCEDURE WAS USED IN PERFORMING THE COSS?**

19 A. The three traditional steps of an embedded COSS – functionalization, classification,  
20 and allocation – were utilized. The COSS was prepared using the following  
21 procedure: (1) costs were functionalized to the major functional groups; (2) costs  
22 were classified as energy-related, demand-related, or customer-related; and then (3)  
23 costs were allocated to the rate classes.

1 **Q. IS THIS A STANDARD APPROACH USED IN THE ELECTRIC UTILITY**  
2 **INDUSTRY?**

3 A. Yes.

4 **Q. HAS THIS APPROACH BEEN USED IN PREVIOUS CASES BEFORE**  
5 **THIS COMMISSION?**

6 A. Yes. The same approach has been employed and accepted in several cases filed by  
7 other utilities in Kentucky, including rate cases noted in Exhibit JW-1.

8 **Q. IN THE COST OF SERVICE MODEL, HOW ARE COSTS**  
9 **FUNCTIONALIZED AND CLASSIFIED?**

10 A. Cumberland Valley's test-year costs are functionalized and classified according to  
11 the practices specified in *The Electric Utility Cost Allocation Manual* published by  
12 the National Association of Regulatory Utility Commissioners ("NARUC") dated  
13 January, 1992. Costs are functionalized to the categories of power supply,  
14 transmission, station equipment, primary and secondary distribution plant,  
15 customer services, meters, lighting, meter reading and billing, and load  
16 management.

17 **Q. IS THE COSS UNBUNDLED?**

18 A. Yes. This unbundling distinguishes between the functionally-classified costs  
19 components-- i.e. purchased power demand, purchased power energy, distribution  
20 demand, and distribution customer – which allows the development of rates based  
21 on these separate cost components.

22 **Q. HOW WERE COSTS CLASSIFIED AS ENERGY-RELATED, DEMAND-**  
23 **RELATED OR CUSTOMER-RELATED?**

1 A. Costs are classified according to how they vary. Costs classified as *energy-related*  
2 vary with the amount of kilowatt-hours consumed. Costs classified as *demand-*  
3 *related* vary with the capacity needs of customers, such as the amount of  
4 transmission or distribution equipment necessary to meet a customer’s needs, or  
5 other elements that are related to facility size. Transmission lines and distribution  
6 substation transformers are examples of costs typically classified as demand costs.  
7 Costs classified as *customer-related* include costs incurred to serve customers  
8 regardless of the quantity of electric energy purchased or the peak requirements of  
9 the customers; these costs vary with the number of customers. These include the  
10 cost of the minimum system necessary to provide a customer with access to the  
11 electric grid. Costs related to Distribution Poles, Lines and Line Transformers were  
12 split between demand-related and customer-related using either the “zero-  
13 intercept” method or the “minimum system” method, which I explain further below.  
14 Customer Services, Meters, Lighting, Meter Reading, Billing, Customer Account  
15 Service, and Load Management costs were classified as customer-related.

16 **Q. WHAT METHODS ARE COMMONLY USED TO CLASSIFY**  
17 **DISTRIBUTION PLANT?**

18 A. Two commonly used methods for determining demand/customer splits of  
19 distribution plant are the “minimum system” method and the “zero-intercept”  
20 method. In the minimum system approach, “minimum” standard poles, conductor,  
21 and line transformers are selected and the minimum system is obtained by pricing  
22 all of the applicable distribution facilities at the unit cost of the minimum size plant.  
23 The minimum system determined in this manner is then classified as customer-

1 related and allocated on the basis of the number of customers in each rate class. All  
2 costs in excess of the minimum system are classified as demand-related. The theory  
3 here is that in order for a utility to serve even the smallest customer, it would have  
4 to install a minimum-sized system. Therefore, the costs associated with the  
5 minimum system are related to the number of customers that are served, instead of  
6 the demand imposed by those customers on the system.

7 In preparing this study, the “zero-intercept” method was used to determine  
8 the customer components of overhead conductor, underground conductor, and line  
9 transformers. Because the zero-intercept method uses linear regression and is less  
10 subjective than the minimum system approach, the zero-intercept method is  
11 preferred over the minimum system method when the necessary data are available.  
12 With the zero-intercept method, one is not forced to choose a minimum size pole,  
13 conductor or line transformer to determine the customer component. In the zero-  
14 intercept method, a theoretical “zero-size” conductor or line transformer is the  
15 absolute minimum system.

16 **Q. IS THE ZERO-INTERCEPT METHOD A STANDARD APPROACH**  
17 **GENERALLY ACCEPTED WITHIN THE ELECTRIC UTILITY**  
18 **INDUSTRY?**

19 A. Yes. The NARUC *Electric Utility Cost Allocation Manual* identifies the zero-  
20 intercept (or “minimum intercept”) as one of two standard methodologies for  
21 classifying distribution fixed costs. The manual states on page 92 that the zero-  
22 intercept method “requires considerably more data and calculation than the

1 minimum-size method. In most instances, it is more accurate, although the  
2 differences may be relatively small.”

3 **Q. WHEN THE MINIMUM SYSTEM METHOD IS APPLIED, DOES THE**  
4 **ALLOCATION OF COSTS TO THE DISTRIBUTION CUSTOMER**  
5 **CLASSIFICATION EQUAL ZERO?**

6 A. No. Both the zero intercept method and the minimum system method allocate some  
7 costs to the Distribution Demand classification and other costs to the Distribution  
8 Customer classification.

9 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**  
10 **THE ZERO-INTERCEPT ANALYSIS?**

11 A. Yes. The zero-intercept analysis for poles, overhead conductor, underground  
12 conductor, and line transformers are included in Exhibit JW-8.

13 **Q. DID THE ZERO INTERCEPT PROVIDE REASONABLE RESULTS?**

14 A. The zero-intercept method provided reasonable results for overhead conductor,  
15 underground conductor, and line transformers. The zero intercept analysis did not  
16 provide reasonable results for poles, so for this category, the minimum system  
17 method was applied. See Exhibit JW-8.

18 **Q. PLEASE EXPLAIN WHY THE ZERO INTERCEPT METHOD DID NOT**  
19 **RETURN REASONABLE RESULTS FOR POLES AND WHY USE OF THE**  
20 **MINIMUM SYSTEM METHOD IS APPROPRIATE.**

21 A. When applied to poles, towers and fixtures in Account 364, the zero intercept  
22 method yielded a negative zero intercept. This is not meaningful and indicates that  
23 the linear regression of data from the company records does not provide a

1 reasonable result. The use of the zero intercept method is the preferred method;  
2 however, when the zero-intercept method produces anomalous results, such as in  
3 this case, then the minimum system method is accepted and follows the guidelines  
4 set forth in the NARUC *Electric Utility Cost Allocation Manual*. The Commission  
5 supports the NARUC guidelines and the use of the minimum system in the absence  
6 of usable results in the zero-intercept method. (See *In the Matter of: Electronic*  
7 *Application Of Jackson Purchase Energy Corporation For A General Adjustment*  
8 *In Existing Rates*, Case No. 2019-00053, Order dated June 20, 2019, page 15.)

9 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**  
10 **THE FUNCTIONALIZATION AND CLASSIFICATION STEPS OF THE**  
11 **COSS?**

12 A. Yes. Exhibit JW-4 shows the results of the first two steps of the COSS –  
13 functionalization and classification.

14 **Q. IN THE COST OF SERVICE MODEL, ONCE COSTS ARE**  
15 **FUNCTIONALIZED AND CLASSIFIED, HOW ARE THESE COSTS**  
16 **ALLOCATED TO THE CUSTOMER CLASSES?**

17 A. Once costs for all of the major accounts are functionalized and classified, the  
18 resultant cost matrix for the major groupings (e.g., Plant in Service, Rate Base,  
19 Operation and Maintenance Expenses) is then transposed and allocated to the  
20 customer classes using allocation vectors. The results of the class allocation step of  
21 the COSS are included in Exhibit JW-5.

1 **Q. HOW ARE ENERGY-RELATED, CUSTOMER-RELATED AND**  
2 **DEMAND-RELATED COSTS ALLOCATED TO THE RATE CLASSES IN**  
3 **THE COSS?**

4 A. Power supply energy-related costs are allocated on the basis of total test year kWh  
5 sales to each customer class. Power supply and transmission demand-related costs  
6 are allocated using a 12CP methodology, to mirror the basis of cost allocation used  
7 in the applicable EKPC wholesale tariff. With the 12CP methodology, these  
8 demand-related costs are allocated on the basis of the demand for each rate class at  
9 the time of EKPC's system peak (also known as "Coincident Peak" or "CP") for  
10 each of the twelve months. Customer-related costs are allocated on the basis of the  
11 average number of customers served in each rate class during the test year.  
12 Distribution demand-related costs are allocated on the basis of the relative demand  
13 levels of each rate class. Specifically, the demand cost component is allocated by  
14 the maximum class demands for primary and secondary voltage and by the sum of  
15 individual customer demands for secondary voltage. The customer cost component  
16 of customer services is allocated on the basis of the average number of customers  
17 for the test year. Meter costs were allocated by relating the costs associated with  
18 various types of meters to the class of customers for whom these meters were  
19 installed. The demand analysis is provided in Exhibit JW-6. The purchased power,  
20 meter, and service analyses are provided in Exhibit JW-7.

21 **Q. HOW IS THE TARGET MARGIN INCORPORATED INTO THE COSS?**

22 A. The COSS first determines results on an actual or unadjusted basis. The COSS then  
23 takes into account the pro forma adjustments and a target margin. The target margin

1 is based on the rate of return on rate base that will yield the target revenue  
2 requirement.

3 **Q. PLEASE SUMMARIZE THE RESULTS OF THE COSS.**

4 A. The results of the COSS are provided in Exhibit JW-3 on page 1. The following  
5 table summarizes the rates of return for each customer class in the study. The Pro  
6 Forma Rate of Return on Rate Base was calculated by dividing the net utility  
7 operating margin (including the pro forma adjustments) by the net cost rate base  
8 for each customer class. The Unitized Pro Forma Return on Rate Base is the  
9 previous column normalized to a total return on rate base equal to one (1.00).

10

11

**Table 3. COSS Results: Rates of Return**

#	Rate	Pro Forma Return on Rate Base	Unitized Pro Forma Return on Rate Base
1	Sch I - Residential, Schools & Churches	(0.54%)	(0.34)
2	Sch I - Res TOD	(3.78%)	(2.41)
3	Sch II - Small Commercial	2.99%	1.91
4	Sch II - Small Power	43.55%	27.80
5	Sch VII - Inclining Block Rate	(5.54%)	(3.53)
6	Sch III - All 3Ph Schools & Churches	12.26%	7.82
7	Sch IV-A - Large Power 50-2500 kW	8.55%	5.45
8	Sch VI - Lighting	13.23%	8.44
9	TOTAL	1.57%	1.00

12

13 The negative values for pro forma rate of return on rate base indicate that expenses  
14 exceed revenues. Also, any rate class for which the rate of return is greater than the  
15 total system rate of return is providing a subsidy to the other rate classes; any class

1 with a rate of return that is less than the total system rate of return is receiving a  
2 subsidy.

3 **Q. DOES THE COSS PROVIDE INFORMATION CONCERNING THE UNIT**  
4 **COSTS INCURRED BY CUMBERLAND VALLEY TO PROVIDE**  
5 **SERVICE UNDER EACH RATE SCHEDULE?**

6 A. Yes. Customer-related, demand-related and energy-related costs for each rate class  
7 are shown in Exhibit JW-3 page 2 and at the end of Exhibit JW-5. Customer-related  
8 costs are stated as a cost per member per month. Energy-related costs are stated as  
9 a cost per kWh. For rate classes with a demand charge, demand-related costs are  
10 stated as a cost per kW per month. (For rate classes without a demand charge, the  
11 demand-related costs are incorporated into the per kWh charge.)

12 **Q. BASED ON THE COSS, DO CUMBERLAND VALLEY'S EXISTING**  
13 **RATES APPROPRIATELY REFLECT THE COST OF PROVIDING**  
14 **SERVICE TO EACH RATE CLASS?**

15 A. No. The wide range of rates of return for the rate classes indicates that existing rates  
16 foster a relatively high degree of subsidization between the rate classes. The  
17 unbundled costs within each rate class indicate an imbalance within the current rate  
18 structure between the recovery of fixed costs and variable costs, particularly within  
19 the residential class.

20 **Q. WHAT GUIDANCE DOES THE COSS PROVIDE FOR RATE DESIGN?**

21 A. First, the COSS indicates that rates for the residential class are insufficient and  
22 should be increased.

1           Second, the COSS supports a fixed monthly charge of \$25.53 for the  
2 residential class. This is shown on Exhibit JW-3, page 2. Since the current charge  
3 is \$12.00 per month, the fixed customer charge should be increased. This is a  
4 significant issue for Cumberland Valley because the current charge is so far below  
5 cost-based rates. This means that the current rate structure places too little recovery  
6 of fixed costs in the fixed charge, which results in significant under-recovery of  
7 fixed costs, particularly when members embrace conservation or energy efficiency  
8 or otherwise reduce overall consumption. At bottom, this is a fundamental  
9 challenge facing Cumberland Valley from a cost recovery standpoint, particularly  
10 because residential members make up the vast majority of Cumberland Valley's  
11 membership, and it is essential for Cumberland Valley's financial well-being to  
12 address this issue.

13  
14           **VIII. ALLOCATION OF THE PROPOSED INCREASE**

15   **Q. PLEASE SUMMARIZE HOW CUMBERLAND VALLEY PROPOSES TO**  
16   **ALLOCATE THE REVENUE INCREASE TO THE CLASSES OF**  
17   **SERVICE.**

18   A. Cumberland Valley relied on the results of the COSS as a guide to determine the  
19 allocation of the proposed revenue increase to the classes of service. Generally, a  
20 utility would allocate the revenue increase in greater proportion to the rate classes  
21 whose returns are more negative and in less proportion to those classes whose return  
22 are less negative. In this case, the revenue increase is entirely allocated to the  
23 residential class.

1 **Q. DID CUMBERLAND VALLEY ALLOCATE ANY PORTION OF THE**  
 2 **REQUESTED INCREASE TO THE RESIDENTIAL TIME OF DAY OR**  
 3 **INCLINING BLOCK RATE SCHEDULES?**

4 A. No. The Residential TOD schedule only serves 12 members and the Inclining  
 5 Block schedule only serves 22 members, compared to over 22,000 members served  
 6 on the residential rate schedule. These two schedules combined comprise only 0.02  
 7 percent of Cumberland Valley’s overall annual consumption and 0.04 percent of  
 8 Cumberland Valley’s annual revenue. For this reason, even though the COSS  
 9 indicates a negative rate of return for both classes, Cumberland Valley considered  
 10 the effect of any increases to these classes *de minimis*.

11 **Q. What is the proposed base rate revenue increase for each rate class?**

12 A. Cumberland Valley is proposing the base rate revenue increases in the following  
 13 table.

14 **Table 4. Proposed Base Rate Increases**

Rate Class	Increase	
	Dollars	Percent
Sch I - Residential, Schools & Churches	\$921,195	3.11%
Sch I - Res TOD	0	0%
Sch II - Small Commercial	0	0%
Sch II - Small Power	0	0%
Sch VII - Inclining Block Rate	0	0%
Sch III - All 3Ph Schools & Churches	0	0%
Sch IV-A - Large Power 50-2500 kW	0	0%
Sch VI - Lighting	0	0%
TOTAL	\$921,195	2.25%

15

1 **IX. PROPOSED RATES**

2 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE**  
3 **RECONSTRUCTION OF CUMBERLAND VALLEY'S TEST-YEAR**  
4 **BILLING DETERMINANTS?**

5 A. Yes. The reconstruction of Cumberland Valley's billing determinants is shown on  
6 Exhibit JW-9.

7 **Q. WHAT ARE THE PROPOSED CHARGES FOR CUMBERLAND**  
8 **VALLEY'S RESIDENTIAL RATE CLASS?**

9 A. Cumberland Valley is proposing to increase the residential customer charge from  
10 \$12.00 to \$17.00 per month, and to decrease the energy charge from \$0.08341  
11 to \$0.08203 per kWh.

12 **Q. HOW WERE THE PROPOSED RATES CALCULATED?**

13 A. The rates were calculated such that two constraints were met. The first constraint  
14 was that the total incremental revenue resulting from the proposed rates must equal  
15 the revenue deficiency (as close as possible with rounding). The second was that  
16 the combination of revisions to the customer charge and the energy charge for each  
17 rate class must achieve a reasonable overall revenue increase for the class,  
18 consistent with the guidance from the COSS and with the principle of gradualism.

19 **Q. HOW WAS THE PROPOSED RESIDENTIAL FACILITY CHARGE OF**  
20 **\$17.00 DETERMINED?**

21 A. Cumberland Valley's residential facility charge is currently \$12.00 per month. The  
22 cost of service study shows that the actual cost per month per customer is \$25.53.  
23 Cumberland Valley proposes to increase that charge from \$12.00 to \$17.00 per

1 month because this increase closes 37 percent of the gap between the current rate  
 2 and the cost-based rate. In other words the proposed rate change moves slightly  
 3 more than one-third (1/3) of the way toward cost-based rates. This movement is  
 4 consistent with the ratemaking principle of gradualism.

5 **Q. HOW WAS THE PROPOSED RESIDENTIAL ENERGY CHARGE**  
 6 **REDUCTION DETERMINED?**

7 A. Because the proposed increase to the monthly facility charge generates revenue in  
 8 excess of the overall target 2.25 percent increase, the residential energy charge was  
 9 reduced by the increment required to allow Cumberland Valley to achieve the  
 10 overall target increase (with rounding).

11 **Q. DO THE PROPOSED RATES GENERATE THE EXACT TARGET**  
 12 **REVENUE INCREASE OF \$921,714?**

13 A. No, but it is extremely close. Due to rate rounding, the proposed rates generate  
 14 \$921,195 which varies by \$519 from the exact revenue deficiency for the test  
 15 period, based on test year consumption.

16 **Q. WHAT IS THE PROPOSED AVERAGE BILLING INCREASE FOR EACH**  
 17 **RATE CLASS?**

18 A. Cumberland Valley is proposing the average billing increases in the following  
 19 table.

20 **Table 5. Proposed Average Billing Increases**

Rate Class	Average Usage (kWh)	Increase	
		Dollars	Percent
Sch I - Residential, Schools & Churches	1,111	\$3.47	3.11%
Sch I - Res TOD	719	\$0.00	0.00%
Sch II - Small Commercial	899	\$0.00	0.00%

Sch II - Small Power	4,905	\$0.00	0.00%
Sch VII - Inclining Block Rate	46	\$0.00	0.00%
Sch III - All 3Ph Schools & Churches	28,452	\$0.00	0.00%
Sch IV-A - Large Power 50-2500 kW	102,955	\$0.00	0.00%
Sch VI - Lighting	N/A	\$0.00	0.00%
<b>TOTAL</b>	N/A	N/A	2.25%

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**Q. WILL THE RATES PROPOSED BY CUMBERLAND VALLEY IN THIS PROCEEDING ELIMINATE ALL INTER-CLASS SUBSIDIZATION?**

A. No. The proposed rates move Cumberland Valley’s rate structures in the direction of cost-based rates without fully adopting those rates. This is consistent with the ratemaking principle of gradualism and will allow the avoidance of rate shock while still making some movement to improve the price signal to members consistent with how Cumberland Valley actually incurs costs. See Table 6.

**Table 6. COSS Results:  
Rates of Return Before and After Rate Revisions**

#	Rate	Current		Proposed	
		Pro Forma ROR	Unitized	Pro Forma ROR	Unitized
1	Residential	(0.54%)	(0.34)	1.09%	0.38
2	Res TOD	(3.78%)	(2.41)	(3.78%)	(1.30)
3	Small Comm	2.99%	1.91	2.99%	1.03
4	Small Power	43.55%	27.80	43.55%	14.98
5	Inclining Block	(5.54%)	(3.53)	(5.54%)	(1.90)
6	All 3Ph S/C	12.26%	7.82	12.26%	4.22
7	Large Power	8.55%	5.45	8.55%	2.94
8	Lighting	13.23%	8.44	13.23%	4.55

9	TOTAL	1.57%	1.00	2.91%	1.00
---	-------	-------	------	-------	------

1

2 **Q. IS CUMBERLAND VALLEY PROPOSING CHANGES TO THE**  
3 **MISCELLANEOUS SERVICE CHARGES IN THIS CASE?**

4 A. No.

5 **Q. IS CUMBERLAND VALLEY PROPOSING CHANGES TO THE**  
6 **LIGHTING SCHEDULE IN THIS CASE?**

7 A. No.

8

9 **X. FILING REQUIREMENTS**

10 **Q. HAVE YOU REVIEWED THE ANSWERS PROVIDED IN THE FILED**  
11 **EXHIBITS WHICH ADDRESS CUMBERLAND VALLEY’S**  
12 **COMPLIANCE WITH THE HISTORICAL PERIOD FILING**  
13 **REQUIREMENTS UNDER 807 KAR 5:001 AND ITS VARIOUS**  
14 **SUBSECTIONS?**

15 A. Yes. I hereby incorporate and adopt those portions of exhibits for which I am  
16 identified as the sponsoring witness as part of this Direct Testimony.

17

18 **XI. CONCLUSION**

19 **Q. DO YOU HAVE ANY CLOSING COMMENTS?**

20 A. Yes. Cumberland Valley’s rates of return in the COSS clearly demonstrate that the  
21 proposed increase in base rates is necessary for Cumberland Valley’s financial  
22 health. Cumberland Valley’s revenue deficiency, based on a target OTIER of 1.85,

1 is \$1,131,738 or 2.93%. By virtue of the Streamlined Rate Order, Cumberland  
2 Valley is capped at a 2.25 percent overall increase, which limits its request to  
3 \$921,714; with rate rounding, Cumberland Valley is requesting an increase of  
4 \$921,195, which yields an OTIER of 1.66. This increase is necessary to meet the  
5 financial obligations described in the company witness testimony. The proposed  
6 rates are designed to produce revenues that achieve the revenue requirement. In  
7 particular, the increase in customer charges is needed to begin moving the rate  
8 structure towards cost-based rates, in order to reduce the revenue erosion that  
9 results from having too great a portion of utility fixed cost recovery embedded in  
10 the variable charge. The Commission has recognized in recent orders that for an  
11 electric cooperative that is strictly a distribution utility, there is a need for a means  
12 to guard against the revenue erosion that often occurs due to the decrease in sales  
13 volumes that accompanies poor regional economics, changes in weather patterns,  
14 and the implementation or expansion of demand-side management and energy-  
15 efficiency programs. For Cumberland Valley at this juncture, this is certainly the  
16 case. The proposed rates are just and reasonable and should be approved as filed.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A.** Yes, it does.

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-1**

## **JOHN WOLFRAM**

### **Summary of Qualifications**

Provides consulting services to investor-owned utilities, rural electric cooperatives, and municipal utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, tariffs and special contracts, formula rates, and other analyses.

### **Employment**

#### **CATALYST CONSULTING LLC**

Principal

June 2012 – Present

Provide consulting services in the areas of tariff development, regulatory analysis, economic development, revenue requirements, cost of service, rate design, and other utility regulatory areas.

Provide utility clients assistance regarding regulatory policy and strategy; project management support for utilities involved in complex regulatory proceedings; process audits; state and federal regulatory filing development; cost of service development and support; the development of special rates, including economic development rates, to achieve strategic objectives; the development of rate alternatives for use with customers; and energy efficiency program development.

Prepare retail and wholesale rate schedules and/or filings submitted to the Federal Energy Regulatory Commission (“FERC”), state regulators, and/or Boards of Directors for electric and gas utilities.

#### **THE PRIME GROUP, LLC**

Senior Consultant

March 2010 – May 2012

#### **LG&E and KU, Louisville, KY**

(Louisville Gas & Electric Company and Kentucky Utilities Company)

Director, Customer Service & Marketing (2006 - 2010)

Manager, Regulatory Affairs (2001 - 2006)

Lead Planning Engineer, Generation Planning (1998 - 2001)

Power Trader, LG&E Energy Marketing (1997 - 1998)

1997 - 2010

#### **PJM INTERCONNECTION, LLC, Norristown, PA**

Project Lead – PJM OASIS Project

Chair, Data Management Working Group

1990 - 1993; 1994 - 1997

#### **CINCINNATI GAS & ELECTRIC COMPANY, Cincinnati, OH**

Electrical Engineer - Energy Management System

1993 - 1994

### **Education**

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990

Master of Science Degree in Electrical Engineering, Drexel University, 1997

Leadership Louisville, 2006

## **Associations**

Senior Member, Institute of Electrical and Electronics Engineers (“IEEE”)  
IEEE Power Engineering Society

## **Expert Witness Testimony & Proceedings**

FERC: Submitted direct testimony for DATC Path 15, LLC in FERC Docket No. ER20-1006 regarding a proposed wholesale transmission rate.

Submitted direct testimony for Tucson Electric Power Company in FERC Docket No. ER19-2019 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cheyenne Light, Fuel & Power Company in FERC Docket No. ER19-697 regarding a proposed Transmission Formula Rate.

Supported Kansas City Power & Light in FERC Docket No. ER19-1861-000 regarding revisions to fixed depreciation rates in the KCP&L SPP Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket No. ER19-269-000 regarding revisions to fixed depreciation rates in the Westar SPP Transmission Formula Rate.

Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar’s Open Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.

Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.

Supported Intermountain Rural Electric Association and Tri-State G&T in FERC Docket No. ER12-1589 regarding revisions to Public Service of Colorado’s Transmission Formula Rate.

Supported Intermountain Rural Electric Association in FERC Docket No. ER11-2853 regarding revisions to Public Service of Colorado’s Production Formula Rate.

Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.

Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.

Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric and gas utilities.

Kansas: Submitted report for Westar Energy, Inc. in Docket No. 21-WCNE-103-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-WSEE-328-RTS regarding overall rate design, prior rate case settlement commitments, lighting tariffs, an Electric Transit rate schedule, Electric Vehicle charging tariffs, and tariff general terms and conditions.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-KG&E-303-CON regarding the Evaluation, Measurement and Verification ("EM&V") of an energy efficiency demand response program offered pursuant to a large industrial customer special contract.

Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.

Kentucky: Submitted direct testimony on behalf of Taylor County R.E.C.C. in Case No. 2020-00278 regarding the cost support and tariff changes for the implementation of a Prepay Metering Program.

Submitted direct testimony and responses to data requests on behalf of Meade County R.E.C.C. in Case No. 2020-00131 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Clark Energy Cooperative in Case No. 2020-00104 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2019-00435 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct testimony and responses to data requests on behalf of Jackson Energy Cooperative in Case No. 2019-00066 regarding revenue requirements, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2019-00053 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and data request responses on behalf of Big Rivers Electric Corporation in Case No. 2018-00146 regarding ratemaking issues associated with the anticipated termination of contracts regarding the operation of an electric generating plant owned by the City of Henderson, Kentucky.

Submitted direct testimony on behalf of fifteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2018-00050 regarding the economic evaluation of and potential cost shift resulting from a proposed member purchased power agreement.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2017-00374 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of

electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

Virginia: Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

### **Presentations**

“Revisiting Rate Design Strategies” presented to APPA Public Power Forward Summit, November 2019.

“Utility Rates at the Crossroads” presented to APPA Business & Financial Conference, September 2019.

“New Developments in Kentucky Rate Filings” presented to Kentucky Electric Cooperatives Accountants' Association Summer Meeting, June 2019.

“Electric Rates: New Approaches to Ratemaking” presented to CFC Statewide Workshop for Directors, January 2019.

“The Great Rate Debate: Residential Demand Rates” presented to CFC Forum, June 2018.

“Benefits of Cost of Service Studies” presented to Tri-State Electric Cooperatives Accountants' Association Spring Meeting, April 2017.

“Proper Design of Utility Rate Incentives” presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

“Utility Hot Topics and Economic Development” presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

“Emerging Rate Designs” presented to CFC Independent Borrowers Executive Summit, November 2016.

“Optimizing Economic Development” presented to Grand River Dam Authority Municipal Customer Annual Meeting, September 2016.

“Tomorrow's Electric Rate Designs, Today” presented to CFC Forum, June 2016.

“Reviewing Rate Class Composition to Support Sound Rate Design” presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

“Taking Public Power Economic Development to the Next Level” presented to APPA/Area Development's Public Power Consultants Forum, March 2016.

“Ratemaking for Environmental Compliance Plans” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2015.

“Top Utility Strategies for Successful Attraction, Retention & Expansion” presented to APPA/Area Development’s Public Power Consultants Forum, March 2015.

“Economic Development and Load Retention Rates” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2013.

“Rates for Distributed Generation” presented to 2010 Electric Cooperative Rate Conference, October 2010.

“What Utilities Can Do to Advance Energy Efficiency in Kentucky” panel session of Second Annual Kentucky Energy Efficiency Conference, October 2007.

### **Articles**

“FERC Formula Rate Resurgence” *Public Utilities Fortnightly*, Vol. 158, No. 9, July 2020, 34-37.

“Economic Development Rates: Public Service or Piracy?” *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-2**

**CUMBERLAND VALLEY ELECTRIC**  
**Statement of Operations & Revenue Requirement**  
**For the 12 Months Ended December 31, 2019**

Line #	Description (1)	Actual Test Year (2)	Test Year w FAC Roll-In (3)	Pro Forma Adjustments (4)	Pro Forma Test Yr (5)	Proposed Rates (6)
1	<u>Operating Revenues</u>					
2	Total Sales of Electric Energy	41,687,370	40,965,065	(2,317,638)	38,647,426	39,568,621
3	Other Electric Revenue	1,674,872	1,674,872	-	1,674,872	1,674,872
4	Total Operating Revenue	43,362,242	42,639,937	(2,317,638)	40,322,299	41,243,494
5						
6	<u>Operating Expenses:</u>					
7	Purchased Power	29,927,607	29,927,607	(2,365,710)	27,561,897	27,561,897
8	Distribution Operations	1,492,530	1,492,530	-	1,492,530	1,492,530
9	Distribution Maintenance	2,779,225	2,779,225	-	2,779,225	2,779,225
10	Customer Accounts	1,678,694	1,678,694	-	1,678,694	1,678,694
11	Customer Service	52,996	52,996	-	52,996	52,996
12	Sales Expense	-	-	-	-	-
13	A&G	1,730,239	1,730,239	(205,971)	1,524,268	1,524,268
14	Total O&M Expense	37,661,290	37,661,290	(2,571,681)	35,089,610	35,089,610
15						
16	Depreciation	4,038,211	4,038,211	148,136	4,186,346	4,186,346
17	Taxes - Other	58,193	58,193	(1,689)	56,505	56,505
18	Interest on LTD	1,216,523	1,216,523	(88,192)	1,128,331	1,128,331
19	Interest - Other	26,992	26,992	-	26,992	26,992
20	Other Deductions	15,242	15,242	-	15,242	15,242
21						
22	Total Cost of Electric Service	43,016,452	43,016,452	(2,513,426)	40,503,026	40,503,026
23						
24	Utility Operating Margins	345,790	(376,515)	195,787	(180,728)	740,467
25						
26	Non-Operating Margins - Interest	221,194	221,194	-	221,194	221,194
27	Income(Loss) from Equity Investments	-	-	-	-	-
28	Non-Operating Margins - Other	-	-	-	-	-
29	G&T Capital Credits	1,712,191	1,712,191	(1,712,191)	-	-
30	Other Capital Credits	64,318	64,318	-	64,318	64,318
31						
32	Net Margins	2,343,494	1,621,189	(1,516,404)	104,785	1,025,980
33						
34	Cash Receipts from Lenders	8,071	8,071	-	8,071	8,071
35	OTIER	1.29	0.70		0.85	1.66
36	TIER	2.93	2.33		1.09	1.91
37	TIER excluding GTCC	1.52	0.93		1.09	1.91
38						
39	Target OTIER	1.85	1.85		1.85	
40	Margins at Target OTIER	3,023,677	3,023,677		1,236,523	
41	Revenue Requirement	46,040,129	46,040,129		41,739,549	
42	Revenue Deficiency (Excess)	680,184	1,402,489		1,131,738	
43						
44	Total Sales of Electric Energy	41,687,370	40,965,065		38,647,426	
45	Needed Sales of Electric Energy	42,367,553	42,367,553		39,779,165	
46	Increase	680,184	1,402,489		1,131,738	
47	Increase	1.63%	3.42%		2.93%	
48						
49	Cap on Increase	2.25%	2.25%		2.25%	
50	Capped Increase Amount	937,966	921,714		921,714	
51						
52	Permissible Increase		921,714		921,714	
53	Permissible Increase		2.25%		2.25%	
54						
55	Proposed Increase \$		\$ 921,195			\$ 921,195
56	Proposed Increase %		2.25%			2.25%

**CUMBERLAND VALLEY ELECTRIC**  
**Summary of Pro Forma Adjustments**

Reference Schedule #	Item (1)	Revenue (2)	Expense (3)	Non- Operating Income (4)	Net Margin (5)
1.01	Fuel Adjustment Clause	1,797,927	1,862,349	-	(64,422)
1.02	Environmental Surcharge	(4,026,453)	(4,179,275)	-	152,822
1.03	Rate Case Expenses	-	20,892	-	(20,892)
1.04	Year-End Customer Normalization	(89,112)	(48,784)	-	(40,329)
1.05	Depreciation Expense Normalization	-	148,136	-	(148,136)
1.06	Donations, Advertising, Dues, & Other	-	(232,524)	-	232,524
1.07	Miscellaneous Expenses	-	(2,164)	-	2,164
1.08	Directors Expense	-	(3,523)	-	3,523
1.09	Retirement Plan Contributions	-	21,516	-	(21,516)
1.10	Wages & Salaries	-	34,316	-	(34,316)
1.11	Professional Services	-	(26,162)	-	26,162
1.12	G&T Capital Credits	-	-	(1,712,191)	(1,712,191)
1.13	Payroll Tax	-	(1,689)	-	1,689
1.14	Interest	-	(88,192)	-	88,192
1.15	Life Insurance Premiums	-	(18,322)	-	18,322
				-	-
	Total	(2,317,638)	(2,513,426)	(1,712,191)	(1,516,404)

**CUMBERLAND VALLEY ELECTRIC**  
**Summary of Adjustments to Test Year Balance Sheet**

Line #	Description (1)	Actual Test Yr (2)	Pro Forma Adjs (3)	Pro Forma Test Yr (4)
1	<b>Assets and Other Debits</b>			
2	Total Utility Plant in Service	111,578,510	-	111,578,510
3	Construction Work in Progress	771,350	-	771,350
4	Total Utility Plant	112,349,860	-	112,349,860
5	Accum Provision for Depr and Amort	(45,709,364)	-	(45,709,364)
6	Net Utility Plant	66,640,496	-	66,640,496
7				
8	Investment in Assoc Org - Patr Capital	32,671,174	-	32,671,174
9	Investment in Assoc Org - Other Gen Fnd	-	-	-
10	Investment in Assoc Org - Non Gen Fnd	890,246	-	890,246
11	Other Investment	981,480	-	981,480
12	Total Other Prop & Investments	34,542,900	-	34,542,900
13				
14	Cash - General Funds	616,952	-	616,952
15	Cash - Construction Fund Trust	-	-	-
16	Special Deposits	4,300	-	4,300
17	Temporary Investments	-	-	-
18	Accts Receivable - Sales Energy (Net)	3,835,315	-	3,835,315
19	Accts Receivable - Other (Net)	1,612,801	-	1,612,801
20	Renewable Energy Credits	-	-	-
21	Material & Supplies - Elec & Other	1,468,079	-	1,468,079
22	Prepayments	38,118	-	38,118
23	Other Current & Accr Assets	9,626	-	9,626
24	Total Current & Accr Assets	7,585,191	-	7,585,191
25				
26	Other Regulatory Assets	-	-	-
27	Other Deferred Debits	518,451	-	518,451
28				
29	<b>Total Assets &amp; Other Debits</b>	<b>109,287,038</b>	<b>-</b>	<b>109,287,038</b>
30				
31	<b>Liabilities &amp; Other Credits</b>			
32	Memberships	(441,205)	-	(441,205)
33	Patronage Capital	(51,665,303)	-	(51,665,303)
34	Operating Margins - Current Year	(2,122,299)	-	(2,122,299)
35	Non-Operating Margins	(221,194)	-	(221,194)
36	Other Margins & Equities	939,882	-	939,882
37	Total Margins & Equities	(53,510,119)	-	(53,510,119)
38				
39	Long Term Debt - RUS (Net)	(678,295)	-	(678,295)
40	Long Term Debt - FFB - RUS GUAR	(40,252,611)	-	(40,252,611)
41	Long Term Debt - Other - RUS GUAR	(3,255,909)	-	(3,255,909)
42	Long Term Debt - Other (Net)	(862,214)	-	(862,214)
43	Long Term Debt - RUS -Econ Dev - Net	1,776,298	-	1,776,298
44	Total Long Term Debt	(43,272,731)	-	(43,272,731)
45				
46	Accum Operating Provisions	(4,009,602)	-	(4,009,602)
47				
48	Notes Payable	-	-	-
49	Accounts Payable	(3,329,829)	-	(3,329,829)
50	Consumer Deposits	(1,112,174)	-	(1,112,174)
51	Current Maturities Long-Term Debt	(2,136,088)	-	(2,136,088)
52	Current Maturities Long-Term Debt-Econ Dev	(91,743)	-	(91,743)
53	Other Current & Accr Liabilities	(1,592,111)	-	(1,592,111)
54	Total Current & Accr Liabilities	(8,261,945)	-	(6,034,114)
55				
56	Regulatory Liabilities	-	-	-
57	Other Deferred Credits	(232,641)	-	(232,641)
58	Total Liabilities & Other Credits	(109,287,038)	-	(107,059,207)
59				
60	Estimated Contrib in Aid of Construction			
61	Balance Beginning of Year	-	-	-
62	Amount Received This Year (Net)	192,359	-	192,359
63	Total Contributions in Aid of Construction	192,359	-	192,359

**CUMBERLAND VALLEY ELECTRIC**  
**Summary of Adjustments to Test Year Statement of Operations**

Reference Schedule >	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	TOTAL
Item >	Fuel Adjustment Clause	Environmental Surcharge	Rate Case Expenses	Year-End Customer Normalization	Depreciation Expense Normalization	Donations, Advertising, Dues, & Other	Miscellaneous Expenses	Directors Expense	Retirement Plan Contributions	Wages & Salaries	Professional Services	G&T Capital Credits	Payroll Tax	Interest	Life Insurance Premiums	
1																
2	<b>Operating Revenues:</b>															
3				(89,112)												(89,112)
4	1,797,927	(4,026,453)														(2,228,526)
5																0
6	1,797,927	(4,026,453)	0	(89,112)	0	0	0	0	0	0	0	0	0	0	0	(2,317,638)
7																
8	<b>Operating Expenses:</b>															
9																0
10				(48,784)												(48,784)
11	1,862,349	(4,179,275)														(2,316,926)
12																0
13																0
14																0
15																0
16																0
17			20,892			(232,524)	(2,164)	(3,523)	21,516	34,316	(26,162)				(18,322)	(205,971)
18	1,862,349	(4,179,275)	20,892	(48,784)	0	(232,524)	(2,164)	(3,523)	21,516	34,316	(26,162)	0	0	0	(18,322)	(2,571,681)
19																
20					148,136											148,136
21													(1,689)			(1,689)
22														(88,192)		(88,192)
23																0
24																0
25	1,862,349	(4,179,275)	20,892	(48,784)	148,136	(232,524)	(2,164)	(3,523)	21,516	34,316	(26,162)	0	(1,689)	(88,192)	(18,322)	(2,513,426)
26																
27	(64,422)	152,822	(20,892)	(40,329)	(148,136)	232,524	2,164	3,523	(21,516)	(34,316)	26,162	0	1,689	88,192	18,322	195,787
28																
29																0
29a																0
30																0
31												(1,712,191)				(1,712,191)
32																0
33	0	0	0	0	0	0	0	0	0	0	0	(1,712,191)	0	0	0	(1,712,191)
34																
35	(64,422)	152,822	(20,892)	(40,329)	(148,136)	232,524	2,164	3,523	(21,516)	(34,316)	26,162	(1,712,191)	1,689	88,192	18,322	(1,516,404)

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Fuel Adjustment Clause**

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ 37,208	\$ (231,423)
2	2019	Feb	\$ (202,845)	\$ (99,673)
3	2019	Mar	\$ (134,810)	\$ (177,236)
4	2019	Apr	\$ (126,731)	\$ (48,262)
5	2019	May	\$ (99,363)	\$ (120,451)
6	2019	Jun	\$ (115,842)	\$ (113,840)
7	2019	Jul	\$ (126,980)	\$ (185,390)
8	2019	Aug	\$ (174,014)	\$ (196,176)
9	2019	Sep	\$ (175,360)	\$ (208,841)
10	2019	Oct	\$ (204,185)	\$ (167,502)
11	2019	Nov	\$ (239,297)	\$ (264,080)
12	2019	Dec	\$ (235,709)	\$ (49,475)
13		TOTAL	\$ (1,797,927)	\$ (1,862,349)
14				
15		Test Year Amount	\$ (1,797,927)	\$ (1,862,349)
16				
17		Pro Forma Year Amount	\$ -	\$ -
18				
19		<u>Adjustment</u>	<u>\$ 1,797,927</u>	<u>\$ 1,862,349</u>

This adjustment removes the FAC revenues and expenses from the test period.

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Environmental Surcharge**

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ 459,023	\$ 408,909
2	2019	Feb	\$ 354,436	\$ 267,459
3	2019	Mar	\$ 254,988	\$ 286,877
4	2019	Apr	\$ 196,354	\$ 276,759
5	2019	May	\$ 264,176	\$ 299,648
6	2019	Jun	\$ 284,144	\$ 365,993
7	2019	Jul	\$ 393,573	\$ 408,379
8	2019	Aug	\$ 399,494	\$ 386,917
9	2019	Sep	\$ 361,244	\$ 300,767
10	2019	Oct	\$ 276,218	\$ 276,436
11	2019	Nov	\$ 344,152	\$ 399,926
12	2019	Dec	\$ 438,651	\$ 501,205
13		TOTAL	\$ 4,026,453	\$ 4,179,275
14				
15		Test Year Amount	\$ 4,026,453	\$ 4,179,275
16				
17		Pro Forma Year Amount	\$ -	\$ -
18				
19		Adjustment	\$ (4,026,453)	\$ (4,179,275)

This adjustment removes the Environmental Surcharge revenues and expenses from the test period.

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Rate Case Expenses**

Line #	Item (1)	Expense (2)
1	Legal - Goss Samford PLLC	\$ 40,000
2	Legal - W. Patrick Hauser, P.S.C.	\$ 750
3	Consulting - Catalyst Consulting LLC	\$ 15,000
4	Advertising	\$ 25,000
5	Supplies / Misc	\$ 1,000
6	Subtotal	\$ 81,750
7		
8	Total Amount	\$ 81,750
9	Amortization Period (Years)	\$ 3
10	Annual Amortization Amount	\$ 27,250
11		
12	Test Year Amount	\$ 6,358
13		
14	Pro Forma Year Amount	\$ 27,250
15		
16	<u>Adjustment</u>	<u>\$ 20,892</u>

This adjustment estimates the rate case costs amortized over a 3 year period, consistent with standard Commission practice.

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

Year-End Customers

Line #	Year	Month	Sch I -	Sch II - Small	Sch II - Small	Sch VII -	Sch III - All	Sch IV-A -	Total
			Residential, Schools & Churches	Commercial Small Power	Commercial Small Power	Inclining Block Rate	3Phase Schools & Churches	Large Power 50-2500 kW	
	(1)	(2)	R	C1	C2	IB	E1	L1	(9)
			(3)	(4)	(5)	(6)	(7)	(8)	
1	2019	Jan	22,144	1,319	166	23	47	66	
2	2019	Feb	22,120	1,322	168	23	47	65	
3	2019	Mar	22,142	1,320	167	23	47	64	
4	2019	Apr	22,091	1,336	168	22	47	65	
5	2019	May	22,125	1,342	171	22	47	63	
6	2019	Jun	22,155	1,343	173	21	47	62	
7	2019	Jul	22,128	1,356	175	21	47	65	
8	2019	Aug	22,168	1,348	168	21	36	64	
9	2019	Sep	22,188	1,360	167	21	36	66	
10	2019	Oct	22,201	1,357	165	21	37	67	
11	2019	Nov	22,201	1,358	165	21	37	68	
12	2019	Dec	22,066	1,358	164	21	37	67	
13	Average		22,144	1,343	168	22	43	65	
14	End of Period Increase over Avg		(78)	15	(4)	(1)	(6)	2	
15	Total kWh		295,253,522	14,497,102	9,892,526	12,154	14,567,275	80,510,446	
16	Average kWh		13,333	10,795	58,884	552	338,774	1,238,622	
17	Year-End kWh Adjustment		(1,040,001)	161,918	(235,536)	(552)	(2,032,643)	2,477,244	(669,569)
18	<b>Revenue Adjustment</b>								
19	Current Base Rate Revenue		\$ 27,850,878	\$ 1,487,174	\$ 1,054,061	\$ 3,593	\$ 1,126,365	\$ 5,681,208	
20	Average Revenue per kWh		\$ 0.09433	\$ 0.10258	\$ 0.10655	\$ 0.29562	\$ 0.07732	\$ 0.07056	
21	Year End Revenue Adj		\$ (98,102)	\$ 16,610	\$ (25,097)	\$ (163)	\$ (157,167)	\$ 174,806	(89,112)
22	<b>Expense Adjustment</b>								
23	Avg Adj Purchase Exp per kWh		0.07286	0.07286	0.07286	0.07286	0.07286	0.07286	
24	Year End Expense Adj		\$ (75,773)	\$ 11,797	\$ (17,161)	\$ (40)	\$ (148,095)	\$ 180,488	(48,784)
25									
26									
27									
28									
29									
30									
31									
32	Test Year Amount		\$ -	\$ -					\$ -
33	Pro Forma Year Amount		\$ (89,112)	\$ (48,784)					\$ (40,329)
34	Adjustment		\$ (89,112)	\$ (48,784)					\$ (40,329)
35									
36									
37									
38									
39	<b>For Expense Adjustment:</b>								
40	Total Purchased Power Expense				\$ 29,927,607				
41	Less Fuel Adjustment Clause				\$ (1,862,349)				
42	Less Environmental Surcharge				\$ 4,179,275				
43	Less Other Rate Mechanisms				\$ -				
44	Adjusted Purchased Power Expense				\$ 32,244,533				
45	Total Purchased Power kWh				442,563,458				

This adjustment adjusts the test year expenses and revenues to reflect the number of customers at the end of the test year.

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

**Depreciation**

Line #	Acct # (1)	Description (2)	Test Yr Ending Bal (3)	Fully Depr Items (4)	Rate (5)	Normalized Expense (6)	Test Year Expense (7)	Pro Forma Adj (8)
1		<u>Distribution Plant</u>						
2								
3	360.00	Land	5,485					
4	362.00	Station equipment	696,733	-	6.70%	46,681	46,672	9
5	364.00	Poles, towers & fixtures	32,800,741	-	3.90%	1,279,229	1,263,056	16,173
6	365.00	Overhead conductors & devices	30,548,820	-	3.27%	998,946	988,245	10,701
7	367.00	Underground conductor & devices	4,554,892	-	4.02%	183,107	179,774	\$ 3,333
8	368.00	Line transformers	10,965,700	-	2.39%	262,080	260,987	\$ 1,093
9	369.00	Services	8,837,379	-	4.14%	365,867	362,138	\$ 3,729
10	370.00	Meters	873,021	-	3.40%	29,683	32,101	\$ (2,419)
11	370.00	Meters - Solid State	7,847,633	-	6.70%	525,791	418,465	\$ 107,327
12	371.00	Installations on customer premises	6,363,723	-	4.89%	311,186	301,541	\$ 9,645
13		Subtotal	103,488,642	-		4,002,571	3,852,979	149,592
14								
15		<u>General Plant</u>						
16	389	Land	98,652					
17	390	Structures and improvements-R.S.	5,382		4.00%	215	215	\$ 0
18	390	Structures and improvements	2,250,795		2.86%	64,373	63,884	\$ 489
19	391	Office furn and eqt	894,674	40,037	4.99%	42,646	44,390	\$ (1,744)
20	394	Tools, shop and garage	98,943	39,371	6.66%	3,967	4,008	\$ (40)
21	395	Laboratory	87,712		4.00%	3,508	3,505	\$ 3
22	396	Power operated	303,904	136,626	6.00%	10,037	10,037	\$ 0
23	397	Communications	835,034	3,043	4.99%	41,516	40,696	\$ 820
24	398	Miscellaneous	461,006	93,534	5.56%	20,431	20,371	\$ 60
25								
26		Subtotal	4,937,449	312,611		186,695	187,106	(412)
27	A	Distribution & General Subtotal	108,426,091	312,611		4,189,266	4,040,086	149,180
28								
29		<u>Transportation Charged to Clearing</u>						
30	392	Transportation	3,053,663	1,652,432	11.24%	157,498	160,557	\$ (3,059)
31	B	Allocation of Clearing to O&M						\$ (1,044)
32								
33	A+B	<b>TOTAL</b>	111,479,754	1,965,043		4,346,764	4,200,643	<b>148,136</b>

34

This adjustment normalizes depreciation expenses by replacing test year actual expenses with test year end balances, less any fully depreciated items, at approved depreciation rates.

35

36

37 Allocation of Clearing to O&amp;M

Alloc

Depr \$

38

39 580-589 Operations 8.8% \$ (269)

40 590-598 Maintenance 17.0% \$ (519)

41 901-905 Consumer Accounts 3.0% \$ (92)

42 907-912 Customer Service 2.9% \$ (88)

43 920-935 Administrative &amp; General 2.5% \$ (75)

44 Subtotal 34.13% \$ (1,044)

45

46 Capital Balance Sheet Accounts 65.9% \$ (2,015)

47 Subtotal 65.9% \$ (2,015)

48

49 Total 100.0% \$ (3,059)

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

**Donations, Promotional Advertising, Dues & Other**

Line #	Item (1)	Account (2)	Expense (4)
1	DONATIONS	426.10 \$	4,192
2	DONATIONS-SCHOLARSHIPS	426.11 \$	9,000
3	DONATIONS-MEMBERSHIPS, DUES	426.12 \$	2,050
4	GENERAL ADVERTISING EXP	930.11 \$	1,273
5	MISC GENERAL EXPENSE-OTHER	930.20 \$	83,621
6	MISC GENERAL EXPENSE-KY LIVING	930.21 \$	109,258
7	MISC GEN EXP-CAPITAL CREDITS	930.30 \$	(1)
8	MISC GEN EXP-ANNUAL MEETING	930.40 \$	23,131
9	Test Year Amount	\$	232,524
10			
11	Pro Forma Year Amount	\$	-
12			
13	Adjustment	\$	(232,524)

This adjustment removes charitable donations, promotional advertising expenses, and dues from the revenue requirement consistent with standard Commission practices.

DATE	CHECK	VENDOR NAME	DEBIT	DESCRIPTION
14	<b>Acct: 426.10</b>			
15				
16				
17	01/23/19	77667 HARLAN CO HIGH	100.00	DONATION
18	02/14/19	77856 CORBIN HIGH SCHOOL	100.00	DONATION
19	03/05/19	78005 SPECIAL OLYMPICS KENTUCKY	145.00	SPECIAL OLYMPICS DONATION
20	03/14/19	78058 FLEMINGSBURG FIRST	25.00	MEMORIAL DONATION FOR J.E.S.
21	03/26/19	78100 WHITLEY CO HIGH SCHOOL	150.00	DONATION
22	03/27/19	78105 KCEOC COMM ACTION	200.00	DONATION
23	04/11/19	78232 NRECA INTERNATIONAL	500.00	DONATION
24	04/11/19	78258 KY STATE POLICE, POS	240.00	DONATION
25	04/23/19	78296 BLUE GRASS COUNCIL	250.00	VISIONARY AWARD DINNER
26	04/30/19	78391 WHITLEY CO BD OF ED	100.00	DONATION
27	05/31/19	78705 BARBOURVILLE HIGH SCHOOL	100.00	DONATION
28	06/13/19	78712 CORBIN HIGH SCHOOL	100.00	DONATION
29	06/30/19	79177 SOUTH KENTUCKY REC	1,000.00	SPONSOR
30	07/10/19	79235 WHITLEY COUNTY TOURISM BD	100.00	DONATION
31	08/07/19	79466 CORBIN HIGH SCHOOL	100.00	DONATION
32	08/31/19	79641 HARLAN COUNTY CHRISTIAN SCHOOL	132.00	DONATION
33	09/30/19	79851 TRI-CITY CHAMBER OF COMMERCE	250.00	TABLE SPONSOR
34	10/31/19	80096 CORBIN BASKETBALL	100.00	DONATION
35	11/20/19	80194 TRI-CITY CHAMBER OF COMMERCE	100.00	BANQUET TICKETS
36	11/30/19	80322 TRI-CITY CHAMBER OF COMMERCE	100.00	BANQUET
37	11/30/19	80328 KNOX CO CHAMBER OF COMMERCE	300.00	BANQUET
38		TOTAL	4,192.00	
39	<b>Acct: 426.11</b>			
40				
41	07/12/19	79241 UNION COLLEGE	500.00	SCHOLARSHIP
42	07/12/19	79242 UNIVERSITY OF KENTUCKY	500.00	SCHOLARSHIP
43	07/12/19	77243 SOMERSET COMMUNITY COLLEGE	500.00	SCHOLARSHIP
44	07/12/19	79248 EASTERN KENTUCKY UNIVERSITY	500.00	SCHOLARSHIP
45	07/12/19	79253 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
46	07/12/19	79252 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
47	07/12/19	79251 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
48	07/12/19	79264 UNIVERSITY OF PIKEVILLE	500.00	SCHOLARSHIP
49	07/12/19	79270 ALICE LLOYD COLLEGE	500.00	SCHOLARSHIP
50	12/05/19	80364 UNION COLLEGE	500.00	SCHOLARSHIP
51	12/05/19	80365 UNIVERSITY OF KENTUCKY	500.00	SCHOLARSHIP
52	12/05/19	80367 SOMERSET COMMUNITY COLLEGE	500.00	SCHOLARSHIP
53	12/05/19	80368 EASTERN KENTUCKY UNIVERSITY	500.00	SCHOLARSHIP
54	12/05/19	80371 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
55	12/05/19	80370 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
56	12/05/19	80369 UNIVERSITY OF THE CUMBERLANDS	500.00	SCHOLARSHIP
57	12/05/19	80377 ALICE LLOYD COLLEGE	500.00	SCHOLARSHIP
58	05/17/16	80380 UNIVERSITY OF PIKEVILLE	500.00	SCHOLARSHIP
59		TOTAL	9,000.00	

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

Donations, Promotional Advertising, Dues & Other

60	<b>Acct:</b>	<b>426.12</b>			
61					
62	01/14/19	77611	TRI-CITY CHAMBER OF COMMERCE	100.00	MEMBERSHIP
63	01/31/19	82477	SOUTHERN KY CHAMBER OF COMM	500.00	MEMBERSHIP
64	01/31/19	77832	KENTUCKY COUNCIL OF COOP INC	250.00	MEMBERSHIP
65	02/28/19	77956	KY ASSOC OF ELECT COOP	300.33	MEMBERSHIP
66	03/05/19	77981	KNOX CO CHAMBER OF COMMERCE	300.00	MEMBERSHIP
67	04/11/19	78253	TRI-CITIES HERITAGE DEVELOP	50.00	MEMBERSHIP
68	8/21/19	79507	LETCHER CO CHAMBER OF COMM	150.00	MEMBERSHIP
69	11/27/19	80235	KY ASSOC OF ELECT COOP	250.00	MEMBERSHIP
70	11/30/19	80347	KRUS	150.00	MEMBERSHIP
71			TOTAL	2,050.33	
72	<b>Acct:</b>	<b>930.11</b>			
73					
74	<u>DATE</u>	<u>CHECK</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
75	04/30/19	78444	WEKX-FM	140.00	RADIO SPOTS
76	04/30/19	78454	WEZJ/FM	140.00	RADIO SPOTS
77	04/30/19	78457	CHOICE RADIO CORP	160.00	RADIO SPOTS
78	04/30/19	78440	WKDP	168.00	RADIO SPOTS
79	07/10/19	79225	CHOICE RADIO CORP	270.00	RADIO SPOTS
80	09/30/19	79903	MOUNTAIN ADVOCATE	395.00	KNOX CO GUIDE 2019
81			TOTAL	1,273.00	
82	<b>Acct:</b>	<b>930.20</b>			
83					
84	<u>DATE</u>	<u>JOURNAL</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
85		431A	NRECA/KAEC	82,931.46	DUES-ALLOC MONTHLY WFJ 431A
86	6/30/19	7237A	NRTC	9.77	REC EDUCATION FUND ALLOCATION
87	09/30/19	7259A	NRUCFC	679.66	INTEGRITY FUND CONTRIBUTION
88			TOTAL	83,620.89	
89	<b>Acct:</b>	<b>930.21</b>			
90					
91	<u>DATE</u>	<u>CHECK</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
92	01/31/19	77758	KAEC	8,901.44	KY LIVING MAGAZINE
93	02/28/19	77956	KAEC	8,939.08	KY LIVING MAGAZINE
94	03/31/19	78157	KAEC	8,882.63	KY LIVING MAGAZINE
95	04/30/19	78375	KAEC	8,943.55	KY LIVING MAGAZINE
96	05/31/19	78623	KAEC	8,889.75	KY LIVING MAGAZINE
97	07/31/19	79430	KAEC	20,276.37	KY LIVING MAGAZINE JUNE/JULY
98	08/31/19	79606	KAEC	8,932.07	KY LIVING MAGAZINE
99	09/30/19	79837	KAEC	8,843.24	KY LIVING MAGAZINE
100	10/31/19	80190	KAEC	8,867.27	KY LIVING MAGAZINE
101	11/30/19	80304	KAEC	8,859.44	KY LIVING MAGAZINE
102	12/31/19	80516	KAEC	8,922.68	KY LIVING MAGAZINE
103			TOTAL	109,257.52	
104	<b>Acct:</b>	<b>930.30</b>			
105					
106	<u>DATE</u>	<u>JOURNAL</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
107					
108	10/31/19	7266B		-(.75)	ADJ PATRONAGE CC ALLOCATION
109			TOTAL	-(.75)	
110	<b>Acct:</b>	<b>930.40</b>			
111					
112	<u>DATE</u>	<u>JOURNAL</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
113		430A	SEE ANNUAL MEETING SUM	23,130.83	ANN MTG EXP MONTHLY WFJ 430A
114			TOTAL	23,130.83	

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Miscellaneous Expenses**

<u>Line #</u>	<u>Item (1)</u>	<u>Amount (2)</u>
1	Check 78738 VISA Prizes, Supplies & Misc.	1,063
2	Check 78526 Presentation of Flags	250
3	Check 78536 Singer for National Anthem	75
4	Check 79520 CVE Petty Cash Misc.	26
5	Delegates	750
6	<u>TOTAL</u>	<u>2,164</u>
7		
8	<u>Adjustment</u>	<u>(2,164)</u>

This adjustment removes costs related to Annual Meeting prizes, consistent with Commission practice.

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

**Directors Expenses**

#	Item	Davis	Vanover	Shelley	Hampton	Lay	Creech	Moses	Lewis	Tolliver	Ferguson
1	NRECA Regional Meeting (Atlanta, GA)							\$ (1,555.89)			
2	Reduction in Monthly Fees	\$ (675.00)	\$ (675.00)	\$ (9,000.00)	\$ (4,500.00)		\$ (675.00)			\$ (405.00)	\$ (405.00)
3	Health Insurance Paid by Directors					\$ (2,183.58)		\$ (1,609.92)		\$ (463.95)	\$ (231.93)
4	Dental Insurance Paid by Directors	\$ (159.21)		\$ (1,061.28)	\$ (159.21)	\$ (159.21)	\$ (1,061.28)	\$ (159.21)	\$ (159.21)	\$ (159.21)	\$ (159.21)
5	NRECA Life Paid by Directors			\$ (179.22)	\$ (27.09)	\$ (52.11)		\$ (52.11)	\$ (52.11)		
8	NRECA AD&D Paid by Directors			\$ (22.25)	\$ (3.69)	\$ (5.67)		\$ (5.67)	\$ (5.67)		
9	Changes in Board Fees			\$ 4,500.00	\$ 4,500.00	\$ 4,500.00		\$ 4,500.00	\$ 4,500.00		
10		\$ (834.21)	\$ (675.00)	\$ (5,762.75)	\$ (189.99)	\$ 2,099.43	\$ (1,736.28)	\$ 1,117.20	\$ 4,283.01	\$ (1,028.16)	\$ (796.14)
11											
12											
13											
14	<b>Items to be removed:</b>	<b>Amount</b>									
15	NRECA Regional Meetings (Moses)							(1,555.89)			
17	Reduction in Monthly Fees							(16,335.00)			
18	Health Insurance Paid by Directors							(4,489.38)			
19	Dental Insurance Paid by Directors							(3,237.03)			
20	NRECA Life Paid by Directors							(362.64)			
21	NRECA AD&D Paid by Directors							(42.95)			
22											
23	Total to be removed:	\$ (26,022.89)									
24											
25	<b>Items to be added:</b>	<b>Amount</b>									
26	Changes in Board Fees	\$ 22,500.00									
27											
28	Total to be added:	\$ 22,500.00									

Test Year Amount	\$ 142,981
Pro Forma Amount	\$ 139,458
<b>Adjustment</b>	<b>\$ (3,523)</b>

This adjustment removes certain Director expenses consistent with recent Commission orders and standard Commission practices.

**CUMBERLAND VALLEY ELECTRIC  
For the 12 Months Ended December 31, 2019**

**Retirement Plan & 401(k)**

R&S Rate: 32.87%  
Union 401(k): 10.00%

Line #	Employee			Retirement Cost		
	Count (1)	ID (2)	Note (3)	Normalized Wages (4)	Retirement Cost Rate (5)	Retirement Cost Accrual (6)
1	<b><u>Salary Employees</u></b>					
2	1	1201		118,726	32.87%	39,025
3	1	1211		75,005	32.87%	24,654
4	1	1218		116,522	32.87%	38,301
5	1	1224		74,589	32.87%	24,517
6	1	1226		188,344	32.87%	61,909
7	1	1227		109,242	32.87%	35,908
8	1	1228		88,442	32.87%	29,071
9	1	1239		80,350	32.87%	26,411
10	1	1245		126,069	32.87%	41,439
11	1	1247		109,242	32.87%	35,908
12	10	Subtotal		1,086,530		357,142
13						
14	<b><u>Hourly Employees</u></b>					
15	1	1202		67,267	10.00%	6,727
16	1	1203		49,566	10.00%	4,957
17	1	1204		67,267	10.00%	6,727
18	1	1205		67,267	10.00%	6,727
19	1	1206		46,010	10.00%	4,601
20	1	1207		66,768	10.00%	6,677
21	1	1208		49,566	10.00%	4,957
22	1	1209		49,566	10.00%	4,957
23	1	1210		49,566	10.00%	4,957
24	1	1212		67,267	10.00%	6,727
25	1	1213		67,267	10.00%	6,727
26	1	1214		67,267	10.00%	6,727
27	1	1215		67,267	10.00%	6,727
28	1	1216		67,267	10.00%	6,727
29	1	1217		49,566	10.00%	4,957
30	1	1219		67,267	10.00%	6,727
31	1	1220		66,768	10.00%	6,677
32	1	1221		49,566	10.00%	4,957
33	1	1222		49,566	10.00%	4,957
34	1	1223		68,390	10.00%	6,839
35	1	1225		51,251	10.00%	5,125
36	1	1229		67,267	10.00%	6,727
37	1	1230		62,962	10.00%	6,296
38	1	1231		49,566	10.00%	4,957
39	1	1232		68,390	10.00%	6,839
40	1	1233		67,267	10.00%	6,727
41	1	1235		62,962	10.00%	6,296
42	1	1236		49,566	10.00%	4,957

**CUMBERLAND VALLEY ELECTRIC  
For the 12 Months Ended December 31, 2019**

**Retirement Plan & 401(k)**

R&S Rate: 32.87%  
Union 401(k): 10.00%

Line #	Employee			Retirement Cost		
	Count (1)	ID (2)	Note (3)	Normalized Wages (4)	Retirement Cost Rate (5)	Retirement Cost Accrual (6)
43	1	1237		49,566	10.00%	4,957
44	1	1238		68,390	10.00%	6,839
45	1	1241		67,267	10.00%	6,727
46	1	1242		49,566	10.00%	4,957
47	1	1244		67,267	10.00%	6,727
48	1	1246		66,768	10.00%	6,677
49	1	1248		67,267	10.00%	6,727
50	1	1249		68,390	10.00%	6,839
51	1	1250		67,267	10.00%	6,727
52	1	1251	A	0	10.00%	-
53	1	1252	A	0	10.00%	-
54	1	1254	C	67,267	10.00%	6,727
55	1	1255	C	67,267	10.00%	6,727
58	43	Subtotal		2,385,822		238,582
60	53	TOTAL		3,472,352		595,725
62	Test Year Amount					561,886
64	Pro Forma Amount					595,725
66	Difference					33,838

**NOTES:** A - No longer employed C - Hired in 2020

This adjustment normalizes test year utility contributions to NRECA Retirement & Security Program and NRECA Savings Plan 401(k) based on most recent contribution rates.

		Alloc	Adjustment	
67	<b>Allocation to Accounts</b>			
69	580-589	Operations	8.14%	2,754
70	590-598	Maintenance	21.59%	7,306
71	901-905	Consumer Accounts	15.37%	5,200
72	907-910	Customer Service	1.89%	639
73	920-935	Administrative & General	16.60%	5,616
74	<b>Expense Adjustment &gt;</b>		63.59%	<b>21,516</b>
76	101-120	Utility Plant	26.96%	9,123
77	131-174	Current & Accrued Assets	3.18%	1,075
78	181-190	Deferred Debits	2.51%	850
79	231-283	Current & Accrued Liabilities	3.77%	1,274
80	Subtotal		36.41%	12,322
82	Total		100.00%	33,838

**CUMBERLAND VALLEY ELECTRIC  
For the 12 Months Ended December 31, 2019**

**Wages & Salaries**

Line #	Employee			Hours Worked		Actual Test Year Wages				2019 Wage Rate (12)	Pro Forma Wages at 2,080 Hours				Pro Forma Adjustment (18)
	Count (1)	ID (2)	Note (3)	Regular (4)	Overtime (5)	Regular (7)	Overtime (8)	Other (10)	Total (11)		Regular (13)	Overtime (14)	Other (16)	Total (17)	
1	1	1201		2,088.00	-	116,269	-	250	116,519	57.08	118,726	0	250	118,976	\$ 2,458
2	1	1211		2,088.00	-	70,283	-	250	70,533	36.06	75,005	0	250	75,255	\$ 4,722
3	1	1218		2,107.50	-	116,160	-	250	116,410	56.02	116,522	0	250	116,772	\$ 361
4	1	1224		2,088.00	-	73,054	-	250	73,304	35.86	74,589	0	250	74,839	\$ 1,535
5	1	1226		2,088.00	-	185,719	-	-	185,719	90.55	188,344	0	0	188,344	\$ 2,625
6	1	1227		2,088.00	-	107,725	-	250	107,975	52.52	109,242	0	250	109,492	\$ 1,517
7	1	1228		2,088.00	-	87,206	-	250	87,456	42.52	88,442	0	250	88,692	\$ 1,236
8	1	1239		2,088.00	-	78,683	-	250	78,933	38.63	80,350	0	250	80,600	\$ 1,668
9	1	1245		2,088.00	-	123,471	-	250	123,721	60.61	126,069	0	250	126,319	\$ 2,598
10	1	1247		2,078.00	-	107,725	-	250	107,975	52.52	109,242	0	250	109,492	\$ 1,517
11	10	<b>Subtotal</b>		<b>20,889.50</b>	<b>-</b>	<b>1,066,293</b>	<b>-</b>	<b>2,250</b>	<b>1,068,543</b>		<b>1,086,530</b>	<b>0</b>	<b>2,250</b>	<b>1,088,780</b>	\$ 20,236
12															
13		<b>Hourly Employees</b>													
14	1	1202		2,056.00	464.50	65,391	22,181	250	87,822	32.34	67,267	11,266	250	78,784	\$ (9,039)
15	1	1203		2,088.00	98.00	48,950	3,447	250	52,647	23.83	49,566	3,503	250	53,319	\$ 673
16	1	1204		2,088.00	672.50	66,426	32,001	250	98,678	32.34	67,267	32,623	250	100,140	\$ 1,462
17	1	1205		2,088.00	1,524.00	66,426	72,651	250	139,327	32.34	67,267	73,929	250	141,446	\$ 2,119
18	1	1206		2,088.00	36.50	45,435	1,187	250	46,872	22.12	46,010	1,211	250	47,471	\$ 599
19	1	1207		2,088.00	88.00	65,939	4,169	250	70,358	32.10	66,768	4,237	250	71,255	\$ 897
20	1	1208		2,088.00	69.75	48,950	2,454	250	51,654	23.83	49,566	2,493	250	52,310	\$ 655
21	1	1209		2,086.00	0.50	48,903	18	250	49,171	23.83	49,566	18	250	49,834	\$ 663
22	1	1210		2,088.00	9.75	48,950	342	250	49,542	23.83	49,566	349	250	50,165	\$ 623
23	1	1212		2,084.00	237.50	66,300	11,349	250	77,899	32.34	67,267	11,521	250	79,038	\$ 1,140
24	1	1213		2,056.00	538.50	65,391	25,708	250	91,349	32.34	67,267	26,123	250	93,640	\$ 2,291
25	1	1214		2,088.00	465.00	66,426	22,170	250	88,847	32.34	67,267	22,557	250	90,074	\$ 1,228
26	1	1215		2,088.00	1,083.00	66,426	51,597	250	118,273	32.34	67,267	52,536	250	120,054	\$ 1,781
27	1	1216		1,992.00	263.00	63,322	12,502	250	76,074	32.34	67,267	12,758	250	80,275	\$ 4,202
28	1	1217		2,088.00	9.50	48,950	334	250	49,533	23.83	49,566	340	250	50,156	\$ 623
29	1	1219		2,088.00	767.50	66,426	36,611	250	103,287	32.34	67,267	37,231	250	104,749	\$ 1,462
30	1	1220		2,056.00	419.50	64,912	19,922	250	85,084	32.10	66,768	20,199	250	87,217	\$ 2,133
31	1	1221		2,088.00	130.50	48,950	4,595	250	53,794	23.83	49,566	4,665	250	54,481	\$ 687
32	1	1222		2,086.00	29.75	48,902	1,043	250	50,195	23.83	49,566	1,063	250	50,880	\$ 685
33	1	1223		2,056.00	339.00	66,488	16,437	250	83,175	32.88	68,390	16,719	250	85,360	\$ 2,185
34	1	1225		2,088.00	391.50	50,613	14,240	250	65,103	24.64	51,251	14,470	250	65,971	\$ 868
35	1	1229		2,068.00	431.00	65,772	20,598	250	86,620	32.34	67,267	20,908	250	88,425	\$ 1,806



**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Wages & Salaries**

This adjustment normalizes wages and salaries to account for changes due to wage increases, promotions, retirements, terminations, or new hires for standard year of 2,080 hours.

	<u>Labor Expense Summary</u>	<u>Labor \$</u>	<u>Alloc</u>	<u>Adjustment</u>
70	580-589 Operations	\$ 336,628	8.14%	\$ 4,393
71	590-598 Maintenance	\$ 892,973	21.59%	\$ 11,652
72	901-905 Consumer Accounts	\$ 635,638	15.37%	\$ 8,294
73	907-910 Customer Service	\$ 78,126	1.89%	\$ 1,019
74	920-935 Administrative & General	\$ 686,474	16.60%	\$ 8,958
75	<b>Expense Adjustment &gt;</b>	\$ 2,629,840	63.59%	<b>\$ 34,316</b>
76	101-120 Utility Plant	\$ 1,115,103	26.96%	\$ 14,551
77	131-174 Current & Accrued Assets	\$ 131,391	3.18%	\$ 1,715
78	181-190 Deferred Debits	\$ 103,839	2.51%	\$ 1,355
79	231-283 Current & Accrued Liabilities	\$ 155,765	3.77%	\$ 2,033
80	Subtotal	\$ 1,506,099	36.41%	\$ 19,653
81	<b>Total</b>	<b>\$ 4,135,939</b>	<b>100.0%</b>	<b>\$ 53,969</b>

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

Professional Services

Line #	Date (1)	Check (2)	Item (3)	Amount (4)	Description (5)	To Be Removed (6)	Note (7)
1	01/03/19	77522	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
2	02/05/19	77781	W.PATRICK HAUSER	1,000.00	RETAINER FEE	-	
3	02/27/19	77890	KENNETH WAYNE BRYANT	1,920.00	ACCOUNTING SERVICES	-	
4	02/28/19	78046	GOSS-SAMFORD	2,603.50	LEGAL SERVICES	-	
5	03/05/19	77982	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
6	04/03/19	78180	W.PATRICK HAUSER	1,000.00	RETAINER FEE	-	
7	04/30/19	78400	FROST BROWN TODD	695.50	LEGAL SERVICES-CONT NEG	463.67	B
8	04/30/19	78461	GOSS-SAMFORD	1,236.50	LEGAL SERVICES	-	
9	05/01/19	78394	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
10	05/12/19	78476	ALAN M. ZUMSTEIN	1,850.00	ACCOUNTING SERVICES	-	
11	05/31/19	78689	GOSS-SAMFORD	1,635.00	LEGAL SERVICES	-	
12	06/05/19	78641	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
13	07/02/19	79168	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
14	07/25/19	79287	GOSS-SAMFORD	1,445.50	LEGAL SERVICES	-	
15	07/25/19	79290	INTANDEM, LLC	3,525.00	CONSULTING SERVICES	-	
16	08/02/19	79407	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
17	08/07/19	79462	APPLE LEGAL PLLC	726.45	LEGAL SERVICES	726.45	A
18	08/14/19	79483	GOSS-SAMFORD	5,782.90	LEGAL SERVICES	-	
19	08/28/19	79525	W. PATRICK HAUSER	12,198.13	LEGAL SERVICES	-	
20	08/28/19	79528	FROST BROWN TODD	1,391.00	LEGAL SERVICES	927.33	B
21	09/04/19	79624	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
22	09/27/19	79756	FROST BROWN TODD	21,777.47	LEGAL SERVICES	14,518.31	B
23	09/27/19	79762	GOSS-SAMFORD	2,448.80	LEGAL SERVICES	-	
24	10/02/19	79860	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
25	10/10/19	79912	W. PATRICK HAUSER	3,736.50	LEGAL SERVICES	-	
26	10/18/19	79936	FROST BROWN TODD	3,978.46	LEGAL SERVICES	2,652.31	B
27	10/31/19	80154	APPLE LEGAL PLLC	2,852.88	LEGAL SERVICES	-	
28	10/31/19	80190	KY ASSOC OF ELECT COOPS	3,844.62		3,844.62	A
29	11/05/19	80124	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
30	11/20/19	80201	FROST BROWN TODD	481.50	LEGAL SERVICES	321.00	B
31	11/20/19	80203	JAMES R. ADKINS	2,708.20	CONSULTING SERVICES	2,708.20	A
32	11/30/19	80205	ROBERT PREVATTE	2,000.00	2019 INTERNAL AUDIT	-	
33	12/03/19	80329	W. PATRICK HAUSER	1,000.00	RETAINER FEE	-	
34	12/26/19	80441	GOSS-SAMFORD	796.50	LEGAL SERVICES	-	
35	12/31/19	80622	GOSS-SAMFORD	2,389.50	LEGAL SERVICES	-	
36	09/12/19	79705	ALAN M. ZUMSTEIN	12,500.00	AUDIT	-	
37							
38			Test Year Amount	106,523.91		26,161.89	
39							
40			Pro Forma Amount	80,362.02			
41							
42			Adjustment	\$ (26,162)			

Notes

- A Removed 100%; non-recurring.  
 B Removed 2/3; related to union contract negotiation that occurs every three years

This adjustment removes certain outside professional services costs from the test period, consistent with Commission practice.

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**G&T Capital Credits**

Line #	Item (1)	Account (2)	Expense (3)
1	East Kentucky Power Cooperative	423.00	\$ 1,712,191
2			
3	Test Year Amount		\$ 1,712,191
4			
5	Pro Forma Year Amount		\$ -
6			
7	<u>Adjustment</u>		<u>\$ (1,712,191)</u>

This adjustment removes the G&T Capital Credits from the test period, consistent with Commission practice.

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

**Payroll Taxes**

Line #	Employee			Social Security		Medicare		Federal Unemployment		State Unemployment		Total	
	Count	ID	Note	Normalized Wages	Up To \$118,500	At 6.20%	All Wages	At 1.45%	Up To \$7,000	At 0.60%	Up To \$10,500	At 0.30%	(6)+(8)+(10)+(12)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	<b>Salary Employees</b>												
2	1	1201		118,976	118,500	7,347	118,976	1,725	7,000	42	10,500	32	9,146
3	1	1211		75,255	75,255	4,666	75,255	1,091	7,000	42	10,500	32	5,830
4	1	1218		116,772	116,772	7,240	116,772	1,693	7,000	42	10,500	32	9,007
5	1	1224		74,839	74,839	4,640	74,839	1,085	7,000	42	10,500	32	5,799
6	1	1226		188,344	118,500	7,347	188,344	2,731	7,000	42	10,500	32	10,151
7	1	1227		109,492	109,492	6,788	109,492	1,588	7,000	42	10,500	32	8,450
8	1	1228		88,692	88,692	5,499	88,692	1,286	7,000	42	10,500	32	6,858
9	1	1239		80,600	80,600	4,997	80,600	1,169	7,000	42	10,500	32	6,239
10	1	1245		126,319	118,500	7,347	126,319	1,832	7,000	42	10,500	32	9,252
11	1	1247		109,492	109,492	6,788	109,492	1,588	7,000	42	10,500	32	8,450
12	10	Subtotal		1,088,780	1,010,640	62,660	1,088,780	15,787	70,000	420	105,000	315	79,182
13													
14	<b>Hourly Employees</b>												
15	1	1202		78,784	78,784	4,885	78,784	1,142	7,000	42	10,500	32	6,100
16	1	1203		53,319	53,319	3,306	53,319	773	7,000	42	10,500	32	4,152
17	1	1204		100,140	100,140	6,209	100,140	1,452	7,000	42	10,500	32	7,734
18	1	1205		141,446	118,500	7,347	141,446	2,051	7,000	42	10,500	32	9,471
19	1	1206		47,471	47,471	2,943	47,471	688	7,000	42	10,500	32	3,705
20	1	1207		71,255	71,255	4,418	71,255	1,033	7,000	42	10,500	32	5,525
21	1	1208		52,310	52,310	3,243	52,310	758	7,000	42	10,500	32	4,075
22	1	1209		49,834	49,834	3,090	49,834	723	7,000	42	10,500	32	3,886
23	1	1210		50,165	50,165	3,110	50,165	727	7,000	42	10,500	32	3,911
24	1	1212		79,038	79,038	4,900	79,038	1,146	7,000	42	10,500	32	6,120
25	1	1213		93,640	93,640	5,806	93,640	1,358	7,000	42	10,500	32	7,237
26	1	1214		90,074	90,074	5,585	90,074	1,306	7,000	42	10,500	32	6,964
27	1	1215		120,054	118,500	7,347	120,054	1,741	7,000	42	10,500	32	9,161
28	1	1216		80,275	80,275	4,977	80,275	1,164	7,000	42	10,500	32	6,215
29	1	1217		50,156	50,156	3,110	50,156	727	7,000	42	10,500	32	3,910
30	1	1219		104,749	104,749	6,494	104,749	1,519	7,000	42	10,500	32	8,087
31	1	1220		87,217	87,217	5,407	87,217	1,265	7,000	42	10,500	32	6,746
32	1	1221		54,481	54,481	3,378	54,481	790	7,000	42	10,500	32	4,241
33	1	1222		50,880	50,880	3,155	50,880	738	7,000	42	10,500	32	3,966
34	1	1223		85,360	85,360	5,292	85,360	1,238	7,000	42	10,500	32	6,604
35	1	1225		65,971	65,971	4,090	65,971	957	7,000	42	10,500	32	5,120
36	1	1229		88,425	88,425	5,482	88,425	1,282	7,000	42	10,500	32	6,838
37	1	1230		69,863	69,863	4,332	69,863	1,013	7,000	42	10,500	32	5,418
38	1	1231		50,049	50,049	3,103	50,049	726	7,000	42	10,500	32	3,902
39	1	1232		103,436	103,436	6,413	103,436	1,500	7,000	42	10,500	32	7,986
40	1	1233		135,334	118,500	7,347	135,334	1,962	7,000	42	10,500	32	9,383
41	1	1235		65,595	65,595	4,067	65,595	951	7,000	42	10,500	32	5,092
42	1	1236		50,174	50,174	3,111	50,174	728	7,000	42	10,500	32	3,912
43	1	1237		50,469	50,469	3,129	50,469	732	7,000	42	10,500	32	3,934
44	1	1238		91,377	91,377	5,665	91,377	1,325	7,000	42	10,500	32	7,064
45	1	1241		69,312	69,312	4,297	69,312	1,005	7,000	42	10,500	32	5,376
46	1	1242		50,924	50,924	3,157	50,924	738	7,000	42	10,500	32	3,969
47	1	1244		142,198	118,500	7,347	142,198	2,062	7,000	42	10,500	32	9,482
48	1	1246		75,613	75,613	4,688	75,613	1,096	7,000	42	10,500	32	5,858
49	1	1248		71,568	71,568	4,437	71,568	1,038	7,000	42	10,500	32	5,548
50	1	1249		93,350	93,350	5,788	93,350	1,354	7,000	42	10,500	32	7,215
51	1	1250		87,600	87,600	5,431	87,600	1,270	7,000	42	10,500	32	6,775
52	1	1251	A	0	-	-	-	-	-	-	-	-	-
53	1	1234	B	27,415	27,415	1,700	27,415	398	7,000	42	10,500	32	2,171
54	1	1240	B	9,794	9,794	607	9,794	142	7,000	42	9,794	29	821
55	1	1243	B	27,478	27,478	1,704	27,478	398	7,000	42	10,500	32	2,176
56	1	1252	A	0	-	-	-	-	-	-	-	-	-
57	1	1254	C	67,267	67,267	4,171	67,267	975	7,000	42	10,500	32	5,219
58	1	1255	C	67,267	67,267	4,171	67,267	975	7,000	42	10,500	32	5,219
59	44	Subtotal		3,033,861	2,968,829	184,067	3,033,861	43,991	287,000	1,722	429,794	1,289	231,070
60													
61	54	TOTAL		4,122,641	3,979,469	246,727	4,122,641	59,778	357,000	2,142	534,794	1,604	310,252
62													
63		Test Year Amount				309,080	<---(6) + (8)			2,190		1,638	312,907
64													
65		Pro Forma Amount				306,505	<--- (6) + (8)			2,142		1,604	310,252
66													
67		Total Difference				(2,575)				(48)		(34)	(2,656)

**NOTES:**

A - No longer employed

B - Used Test Year Hours for Pro Forma Wages

C - Hired in 2020

**CUMBERLAND VALLEY ELECTRIC**  
**For the 12 Months Ended December 31, 2019**

**Payroll Taxes**

This adjustment normalizes test year payroll taxes for FICA, Medicare, FUTA and SUTA based on most recent effective rates.

<b>Allocation to Accounts</b>		<u>Alloc</u>	<u>Adjustment</u>
580-589	Operations	8.14%	(216)
590-598	Maintenance	21.59%	(573)
901-905	Consumer Accounts	15.37%	(408)
907-910	Customer Service	1.89%	(50)
920-935	Administrative & General	16.60%	(441)
<b>Expense Adjustment &gt;</b>		63.59%	<b>(1,689)</b>
101-120	Utility Plant	26.96%	(716)
131-174	Current & Accrued Assets	3.18%	(84)
181-190	Deferred Debits	2.51%	(67)
231-283	Current & Accrued Liabilities	3.77%	(100)
Subtotal		36.41%	(967)
Total		100.00%	<b>(2,656)</b>

**CUMBERLAND VALLEY ELECTRIC**  
For the 12 Months Ended December 31, 2019

**Interest on Long Term Debt**

Line #	Type of Debt Issued (1)	Note (2)	Date of Issue (3)	Date of Maturity (4)	Outstanding Amount (5)	Cost Rate to Maturity (6)	Pro Forma Interest Cost (7)	Test Year Interest Cost (8)	Pro Forma Adj (9)
1	<u>RUS Loans</u>								
2	1B300		Aug-00	Mar-35	\$ 719,823	1.375%	\$ 9,898	\$ 12,077	\$ (2,180)
3	Advance Payment unapplied					\$ (1,776,298)		\$ -	\$ -
4						\$ (1,056,476)	\$ 9,898	\$ 12,077	\$ (2,180)
5									
6	<u>FFB Loans</u>								
7	H0010	A	Mar-01	Jun-20	\$ 2,139,201	Var.	\$ 33,174	\$ 51,114	\$ (17,940)
8	H0015	A	Jul-03	Jun-20	\$ 2,569,177	Var.	\$ 39,842	\$ 61,388	\$ (21,546)
9	H0020	A	Jul-04	Jun-20	\$ 1,321,935	Var.	\$ 20,434	\$ 31,369	\$ (10,935)
10	H0025	A	Feb-05	Jun-20	\$ 1,201,759	Var.	\$ 18,576	\$ 28,518	\$ (9,941)
11	H0030	A	Oct-05	Jun-20	\$ 1,798,119	Var.	\$ 27,795	\$ 42,669	\$ (14,874)
12	H0035	A	Sep-06	Jun-20	\$ 1,223,446	Var.	\$ 18,912	\$ 29,032	\$ (10,121)
13	H0040	A	May-07	Jun-20	\$ 681,379	Var.	\$ 10,533	\$ 16,169	\$ (5,636)
14	H0045	A	Aug-08	Jun-20	\$ 2,881,271	Var.	\$ 44,406	\$ 67,861	\$ (23,455)
15	H0050	A	Nov-08	Jun-20	\$ 1,800,795	Var.	\$ 27,754	\$ 42,413	\$ (14,660)
16	H0055		Jan-10	Dec-42	\$ 2,190,439	2.286%	\$ 50,073	\$ 51,113	\$ (1,040)
17	H0060		Jul-11	Dec-42	\$ 3,058,321	2.286%	\$ 69,913	\$ 71,365	\$ (1,452)
18	H0065		Jul-12	Dec-42	\$ 1,868,463	2.377%	\$ 44,413	\$ 45,325	\$ (912)
19	H0070		Jan-13	Dec-46	\$ 2,637,861	2.452%	\$ 64,680	\$ 65,745	\$ (1,064)
20	H0075		Jun-13	Dec-46	\$ 1,670,645	2.452%	\$ 40,964	\$ 41,638	\$ (674)
21	H0080		Dec-13	Dec-46	\$ 1,758,574	2.452%	\$ 43,120	\$ 43,830	\$ (710)
22	H0085		Jul-14	Dec-46	\$ 2,637,971	2.452%	\$ 64,683	\$ 65,747	\$ (1,064)
23	H0090		Sep-15	Dec-46	\$ 2,727,484	2.807%	\$ 76,560	\$ 77,753	\$ (1,193)
24	H0095		Nov-15	Dec-46	\$ 2,555,526	2.818%	\$ 72,015	\$ 73,135	\$ (1,120)
25	H0100	A	Oct-16	Jun-20	\$ 1,101,038	Var.	\$ 16,942	\$ 25,829	\$ (8,887)
26	F0105		Feb-19	Jan-51	\$ 3,941,400	2.990%	\$ 117,848	\$ 105,070	\$ 12,778
27	F0110		Jan-20	Jun-20	\$ 3,000,000	1.688%	\$ 50,640	\$ -	\$ 50,640
28	F0115		Apr-20	Jun-20	\$ 4,000,000	0.148%	\$ 4,440	\$ -	\$ 4,440
29						\$ 48,764,804	\$ 957,718	\$ 1,037,085	\$ (79,367)
30	<u>CoBank Loans</u>								
31	2684885		Feb-13	May-31	\$ 1,149,669	3.680%	\$ 42,308	\$ 44,646	\$ (2,338)
32	2684924		Feb-13	Feb-22	\$ 190,284	2.590%	\$ 4,928	\$ 6,300	\$ (1,372)
33	2684943		Feb-13	Nov-20	\$ 37,599	2.410%	\$ 906	\$ 1,495	\$ (589)
34	3160644		Oct-18	Oct-31	\$ 1,885,112	4.290%	\$ 80,871	\$ 85,055	\$ (4,184)
35						\$ 3,262,663	\$ 129,014	\$ 137,497	\$ (8,483)
36	<u>NCSC Loans</u>								
37	2009		Nov-10	Aug-19	\$ -	4.000%	\$ -	\$ 2,926	\$ (2,926)
38	2010		Nov-10	Aug-20	\$ 199,055	4.150%	\$ 8,261	\$ 10,958	\$ (2,697)
39	2011		Nov-10	Aug-21	\$ 211,859	4.200%	\$ 8,898	\$ 8,898	\$ -
40	2012		Nov-10	Aug-22	\$ 164,699	4.300%	\$ 7,082	\$ 7,082	\$ -
41						\$ 575,614	\$ 24,241	\$ 29,865	\$ (5,624)
42									
43	<u>PPP Loans</u>								
44	88139074-00		May-20	May-22	\$ 1,119,202	1.000%	\$ 7,461	\$ -	\$ 7,461
45									
46									
47	Sub-Total					\$ 52,665,807	\$ 1,128,331	\$ 1,216,523	\$ (88,192)
48									
49	Annualized Cost Rate						2.142%	2.310%	
50									
51									
52	<u>Total Adjustment</u>								\$ (88,192)

**NOTES:** A Variable Rate Loans. Used 3rd, 4th Qtr 2019 and 1st, 2nd Qtr 2020 interest paid to calculated Pro Forma Interest Cost

This adjustment normalizes the interest on Long-Term Debt. Test year cost of debt is normalized to annualized cost rate (by multiplying the test year end debt amounts by the interest rate in effect at the end of the test year for each loan).



**CUMBERLAND VALLEY ELECTRIC  
For the 12 Months Ended December 31, 2019**

Life Insurance

	A	B	C	D	E	F	G	H
							(E * 3)	((G-F)/G)*C
Line #	Empl #	Note	Total Premium	Ending 2019 Rate	Ending 2019 Salary	Lesser of \$50k or Salary	Coverage - 3x Salary	Amount to Exclude
52	1254	B	\$ 989.04	32.34	\$ 67,267.20	\$ 50,000.00	\$ 201,801.60	\$ (743.99)
53	1255	B	\$ 989.04	32.34	\$ 67,267.20	\$ 50,000.00	\$ 201,801.60	\$ (743.99)
54	Subtotal		\$ 1,978.08					\$ (1,487.98)
55								
56	Total		\$ 44,489.16					\$ 30,793.75

**NOTES:** A - No longer employed B - Hired in 2020 (not included in 2019 amounts)

Allowed Total	\$	13,695
Test Year Amount	\$	42,511
Pro Forma Amount	\$	13,695
Difference	\$	(28,816)

This adjustment removes Life insurance premiums for coverage above the lesser of an employee's annual salary or \$50,000 from the test period.

Allocation to Accounts			Alloc	Adjustment
57	580-589	Operations	8.14%	(2,345)
58	590-598	Maintenance	21.59%	(6,221)
59	901-905	Consumer Accounts	15.37%	(4,429)
60	907-910	Customer Service	1.89%	(544)
61	920-935	Administrative & General	16.60%	(4,783)
62	<b>Expense Adjustment &gt;</b>		<b>63.59%</b>	<b>(18,322)</b>
63				
64	101-120	Utility Plant	26.96%	(7,769)
65	131-174	Current & Accrued Assets	3.18%	(915)
66	181-190	Deferred Debits	2.51%	(723)
67	231-283	Current & Accrued Liabilities	3.77%	(1,085)
68	Subtotal		36.41%	(10,493)
69				
70	Total		100.00%	(28,816)

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-3**

**CUMBERLAND VALLEY ELECTRIC**  
**Summary of Rates of Return by Class**

2019

#	Rate	Code	Pro Forma Operating Revenue	Pro Forma Operating Expenses	Margin	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
1	Sch I - Residential, Schools & Churches	R	\$ 29,252,504	\$ 29,557,478	\$ (304,974)	-0.54%	(0.34)
2	Sch I - Res TOD	TOD	\$ 10,560	\$ 11,528	\$ (969)	-3.78%	(2.41)
3	Sch II - Small Commercial Small Power	C1	\$ 1,601,717	\$ 1,516,138	\$ 85,579	2.99%	1.91
4	Sch II - Small Commercial Small Power	C2	\$ 1,084,978	\$ 786,431	\$ 298,547	43.55%	27.80
5	Sch VII - Inclining Block Rate	IB	\$ 5,008	\$ 6,751	\$ (1,743)	-5.54%	(3.53)
6	Sch III - All 3Phase Schools & Churches	E1	\$ 976,758	\$ 848,271	\$ 128,487	12.26%	7.82
7	Sch IV-A - Large Power 50-2500 kW	L1	\$ 5,863,247	\$ 5,604,534	\$ 258,713	8.55%	5.45
8	Sch VI - Outdoor Lighting - Security Lights	S	\$ 1,526,945	\$ 913,137	\$ 613,808	13.23%	8.44
9	Total		\$ 40,321,717	\$ 39,244,268	\$ 1,077,449	1.57%	1.00

<i>After Proposed Rate Revisions</i>							
#	Rate	Code	Share of Revenue	Share of kWh	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base	
1	Sch I - Residential, Schools & Churches	R	72.55%	69.51%	1.09%	0.38	
2	Sch I - Res TOD	TOD	0.03%	0.02%	-3.78%	(1.30)	
3	Sch II - Small Commercial Small Power	C1	3.97%	3.41%	2.99%	1.03	
4	Sch II - Small Commercial Small Power	C2	2.69%	2.33%	43.55%	14.98	
5	Sch VII - Inclining Block Rate	IB	0.01%	0.00%	-5.54%	(1.90)	
6	Sch III - All 3Phase Schools & Churches	E1	2.42%	3.43%	12.26%	4.22	
7	Sch IV-A - Large Power 50-2500 kW	L1	14.54%	18.95%	8.55%	2.94	
8	Sch VI - Outdoor Lighting - Security Lights	S	3.79%	2.34%	13.23%	4.55	
9	Total		100.0%	100.0%	2.91%	1.00	

**CUMBERLAND VALLEY ELECTRIC**  
**Summary of Cost-Based Rates**

			Cost-Based Rates		
#	Rate	Code	Customer \$/Month	Energy \$/KWH	Demand \$/KW
1	Sch I - Residential, Schools & Churches	R	25.53	0.08269	
2	Sch I - Res TOD	TOD	25.57	0.08298	
3	Sch II - Small Commercial Small Power	C1	25.57	0.08189	
4	Sch II - Small Commercial Small Power	C2	27.35	0.04657	7.85
5	Sch VII - Inclining Block Rate	IB	25.64	0.07389	
6	Sch III - All 3Phase Schools & Churches	E1	25.45	0.05942	
7	Sch IV-A - Large Power 50-2500 kW	L1	29.57	0.05052	6.35
8	Sch VI - Outdoor Lighting - Security Lights	S			

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-4**

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service</b>							
<b>Intangible Plant</b>							
301.00 ORGANIZATION	P301	PT&D	\$ -	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Production</b>							
310.00 LAND AND LAND RIGHTS	P310	F016	\$ -	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>							
350.00 LAND AND LAND RIGHTS	P350	F011	\$ -	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Plant in Service</b>										
<b>Intangible Plant</b>										
301.00 ORGANIZATION	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Production</b>										
310.00 LAND AND LAND RIGHTS	P310	F016	-	-	-	-	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
350.00 LAND AND LAND RIGHTS	P350	F011	-	-	-	-	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service (Continued)</b>							
<b>Distribution</b>							
360.00	LAND AND LAND RIGHTS	P360	F001	\$ 5,485	-	-	5,485
361.00	STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-
362.00	STATION EQUIPMENT	P362	F001	696,733	-	-	696,733
364.00	POLES, TOWERS AND FIXTURES	P364	F002	32,800,741	-	-	-
365.00	OVERHEAD CONDUCTORS AND DEVICE	P365	F003	30,548,820	-	-	-
366.00	UNDERGROUND CONDUIT	P366	F004	-	-	-	-
367.00	UNDERGROUND CONDUCTORS AND DEV	P367	F004	4,554,892	-	-	-
368.00	LINE TRANSFORMERS	P368	F005	10,965,700	-	-	-
369.00	SERVICES	P369	F006	8,837,379	-	-	-
370.00	METERS	P370	F007	8,720,654	-	-	-
371.00	INSTALLATIONS ON CONSUMERS PRE	P371	F013	6,363,723	-	-	-
372.00	LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-
373.00	STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-
	Total Distribution Plant	PDIST		\$ 103,494,127	\$ -	\$ -	\$ 702,218
	Total Transmission and Distribution Plant	PT&D		\$ 103,494,127	\$ -	\$ -	\$ 702,218
	Total Production, Transmission & Distribution Plant	PPT&D		\$ 103,494,127	\$ -	\$ -	\$ 702,218

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Plant in Service (Continued)</b>										
<b>Distribution</b>										
360.00	LAND AND LAND RIGHTS	P360	F001	-	-	-	-	-	-	-
361.00	STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-	-	-
362.00	STATION EQUIPMENT	P362	F001	-	-	-	-	-	-	-
364.00	POLES, TOWERS AND FIXTURES	P364	F002	20,640,134	12,160,607	-	-	-	-	-
365.00	OVERHEAD CONDUCTORS AND DEVICE	P365	F003	22,229,648	8,319,172	-	-	-	-	-
366.00	UNDERGROUND CONDUIT	P366	F004	-	-	-	-	-	-	-
367.00	UNDERGROUND CONDUCTORS AND DEV	P367	F004	285,222	4,269,670	-	-	-	-	-
368.00	LINE TRANSFORMERS	P368	F005	3,184,405	7,781,294	-	-	-	-	-
369.00	SERVICES	P369	F006	-	-	-	8,837,379	-	-	-
370.00	METERS	P370	F007	-	-	-	8,720,654	-	-	-
371.00	INSTALLATIONS ON CONSUMERS PRE	P371	F013	-	-	-	-	6,363,723	-	-
372.00	LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-	-	-
373.00	STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-	-	-	-
	Total Distribution Plant		PDIST	\$ 46,339,410	\$ 32,530,743	\$ -	\$ 8,837,379	\$ 8,720,654	\$ 6,363,723	\$ -
	Total Transmission and Distribution Plant		PT&D	\$ 46,339,410	\$ 32,530,743	\$ -	\$ 8,837,379	\$ 8,720,654	\$ 6,363,723	\$ -
	Total Production, Transmission & Distribution Plant		PPT&D	\$ 46,339,410	\$ 32,530,743	\$ -	\$ 8,837,379	\$ 8,720,654	\$ 6,363,723	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service (Continued)</b>							
<b>General Plant</b>							
389.00	LAND AND LAND RIGHTS	P389	PT&D	\$ 98,652	-	-	669
390.00	STRUCTURES AND IMPROVEMENTS	P390	PT&D	2,250,795	-	-	15,272
391.00	OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	894,674	-	-	6,070
392.00	TRANSPORTATION EQUIPMENT	P392	PT&D	3,053,663	-	-	20,719
393.00	STORES EQUIPMENT	P393	PT&D	-	-	-	-
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	98,943	-	-	671
395.00	LABORATORY EQUIPMENT	P395	PT&D	87,712	-	-	595
396.00	POWER OPERATED EQUIPMENT	P396	PT&D	303,904	-	-	2,062
397.00	COMMUNICATION EQUIPMENT	P397	PT&D	835,034	-	-	5,666
398.00	MISCELLANEOUS EQUIPMENT	P398	PT&D	461,006	-	-	3,128
399.00	OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-
	Total General Plant	PGP		\$ 8,084,383	\$ -	\$ -	\$ 54,853
	Total Plant in Service	TPIS		\$ 111,578,510	\$ -	\$ -	\$ 757,072
<b>Construction Work in Progress (CWIP)</b>							
	CWIP Production	CWIP1	PPROD	\$ -	-	-	-
	CWIP Transmission	CWIP2	PTRAN	-	-	-	-
	CWIP Distribution	CWIP3	PDIST	771,350	-	-	5,234
	CWIP General Plant	CWIP4	PGP	-	-	-	-
	CWIP Other	CWIP5	PDIST	-	-	-	-
	Total Construction Work in Progress	TCWIP		\$ 771,350	\$ -	\$ -	\$ 5,234
	Total Utility Plant			\$ 112,349,860	\$ -	\$ -	\$ 762,305

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management	
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	
<b>Plant in Service (Continued)</b>											
<b>General Plant</b>											
389.00	LAND AND LAND RIGHTS	P389	PT&D	44,171	31,009	-	8,424	8,313	6,066	-	-
390.00	STRUCTURES AND IMPROVEMENTS	P390	PT&D	1,007,792	707,480	-	192,196	189,657	138,399	-	-
391.00	OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	400,590	281,218	-	76,396	75,387	55,012	-	-
392.00	TRANSPORTATION EQUIPMENT	P392	PT&D	1,367,275	959,841	-	260,753	257,309	187,766	-	-
393.00	STORES EQUIPMENT	P393	PT&D	-	-	-	-	-	-	-	-
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	44,302	31,100	-	8,449	8,337	6,084	-	-
395.00	LABORATORY EQUIPMENT	P395	PT&D	39,273	27,570	-	7,490	7,391	5,393	-	-
396.00	POWER OPERATED EQUIPMENT	P396	PT&D	136,073	95,524	-	25,950	25,608	18,687	-	-
397.00	COMMUNICATION EQUIPMENT	P397	PT&D	373,886	262,472	-	71,304	70,362	51,345	-	-
398.00	MISCELLANEOUS EQUIPMENT	P398	PT&D	206,415	144,905	-	39,365	38,845	28,347	-	-
399.00	OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-	-	-	-
	Total General Plant	PGP		\$ 3,619,776	\$ 2,541,120	\$ -	\$ 690,327	\$ 681,209	\$ 497,098	\$ -	\$ -
	Total Plant in Service	TPIS		\$ 49,959,185	\$ 35,071,863	\$ -	\$ 9,527,706	\$ 9,401,863	\$ 6,860,821	\$ -	\$ -
<b>Construction Work in Progress (CWIP)</b>											
	CWIP Production	CWIP1	PPROD	-	-	-	-	-	-	-	-
	CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-	-	-	-
	CWIP Distribution	CWIP3	PDIST	345,371	242,454	-	65,866	64,996	47,429	-	-
	CWIP General Plant	CWIP4	PGP	-	-	-	-	-	-	-	-
	CWIP Other	CWIP5	PDIST	-	-	-	-	-	-	-	-
	Total Construction Work in Progress	TCWIP		\$ 345,371	\$ 242,454	\$ -	\$ 65,866	\$ 64,996	\$ 47,429	\$ -	\$ -
	Total Utility Plant			\$ 50,304,557	\$ 35,314,317	\$ -	\$ 9,593,571	\$ 9,466,858	\$ 6,908,250	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Rate Base</b>							
<b>Utility Plant</b>							
Plant in Service			\$ 111,578,510	\$ -	\$ -	\$ -	\$ 757,072
Construction Work in Progress (CWIP)			771,350	-	-	-	5,233.69
<b>Total Utility Plant</b>	<b>TUP</b>		\$ 112,349,860	\$ -	\$ -	\$ -	\$ 762,305
<b>Less: Accumulated Provision for Depreciation</b>							
Electric Plant Amortization	ADEPREPA	TUP	\$ -	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	(55,221)	-	-	-	(375)
Steam Production	ADEPRPP	PPROD	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-
Distribution	ADEPRD12	PDIST	45,764,585	-	-	-	310,517
Dist-Structures	ADEPRD1	P361	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	-	-	-	-	-
Dist-Services	ADEPRD8	P369	-	-	-	-	-
Dist-Meters	ADEPRD9	P370	-	-	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	-	-	-	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-
Accum Amtz - Electric Plant Acquisition		PGP	-	-	-	-	-
Accum Amtz - Electric Plant in Service		PGP	-	-	-	-	-
General Plant		PGP	-	-	-	-	-
<b>Total Accumulated Depreciation &amp; Amort</b>	<b>TADEPR</b>		\$ 45,709,364	\$ -	\$ -	\$ -	\$ 310,143
<b>Net Utility Plant</b>	<b>NTPLANT</b>		\$ 66,640,496	\$ -	\$ -	\$ -	\$ 452,163
<b>Working Capital</b>							
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 966,710	\$ -	\$ -	\$ -	\$ 1,270
Materials and Supplies (13-Month Avg)	M&S	TPIS	1,016,194	-	-	-	6,895
Prepayments (13-Month Average)	PREPAY	TPIS	136,889	-	-	-	929
<b>Total Working Capital</b>	<b>TWC</b>		\$ 2,119,793	\$ -	\$ -	\$ -	\$ 9,094
Less: Customer Deposits	CSTDEP	TPIS	\$ -	-	-	-	-
<b>Net Rate Base</b>	<b>RB</b>		\$ 68,760,289	\$ -	\$ -	\$ -	\$ 461,257

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Rate Base</b>										
<b>Utility Plant</b>										
Plant in Service			\$ 49,959,185	\$ 35,071,863	\$ -	\$ 9,527,706	\$ 9,401,863	\$ 6,860,821	\$ -	\$ -
Construction Work in Progress (CWIP)			345,371.32	242,454.23	-	65,865.69	64,995.73	47,429.33	-	-
<b>Total Utility Plant</b>	TUP		\$ 50,304,557	\$ 35,314,317	\$ -	\$ 9,593,571	\$ 9,466,858	\$ 6,908,250	\$ -	\$ -
<b>Less: Accumulated Provision for Depreciation</b>										
Electric Plant Amortization	ADEPREPA	TUP	-	-	-	-	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	(24,725)	(17,357)	-	(4,715)	(4,653)	(3,395)	-	-
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	-	-
Distribution	ADEPRD12	PDIST	20,491,055	14,384,932	-	3,907,845	3,856,230	2,814,006	-	-
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	-	-	-	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	-	-	-	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	-	-	-	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	-	-	-	-	-	-	-	-
Dist-Services	ADEPRD8	P369	-	-	-	-	-	-	-	-
Dist-Meters	ADEPRD9	P370	-	-	-	-	-	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	-	-	-	-	-	-	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant Acquisition		PGP	-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant in Service		PGP	-	-	-	-	-	-	-	-
General Plant		PGP	-	-	-	-	-	-	-	-
<b>Total Accumulated Depreciation &amp; Amort</b>	TADEPR		\$ 20,466,330	\$ 14,367,574	\$ -	\$ 3,903,129	\$ 3,851,576	\$ 2,810,611	\$ -	\$ -
<b>Net Utility Plant</b>	NTPLANT		\$ 29,838,227	\$ 20,946,743	\$ -	\$ 5,690,442	\$ 5,615,282	\$ 4,097,640	\$ -	\$ -
<b>Working Capital</b>										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 405,703	\$ 176,096	\$ -	\$ 26,954	\$ 81,785	\$ 3,917	\$ 270,985	\$ -
Materials and Supplies (13-Month Avg)	M&S	TPIS	455,000	319,415	-	86,773	85,627	62,484	-	-
Prepayments (13-Month Average)	PREPAY	TPIS	61,292	43,028	-	11,689	11,535	8,417	-	-
<b>Total Working Capital</b>	TWC		\$ 921,995	\$ 538,539	\$ -	\$ 125,416	\$ 178,947	\$ 74,818	\$ 270,985	\$ -
Less: Customer Deposits	CSTDEP	TPIS	-	-	-	-	-	-	-	-
<b>Net Rate Base</b>	RB		\$ 30,760,222	\$ 21,485,281	\$ -	\$ 5,815,858	\$ 5,794,229	\$ 4,172,458	\$ 270,985	\$ -

CUMBERLAND VALLEY ELECTRIC  
 Cost of Service Study  
 Functionalization and Classification  
 12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses</b>							
<b>Steam Power Production Operations Expense</b>							
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	\$ -	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>							
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses</b>										
<b>Steam Power Production Operations Expense</b>										
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>										
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-	-	-	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Purchased Power</b>							
555 PURCHASED POWER	OM555	OMPP	\$ 29,927,607	\$ 9,804,243	\$ 20,123,364	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-
Total Purchased Power	TPP		\$ 29,927,607	\$ 9,804,243	\$ 20,123,364	\$ -	\$ -
<b>Transmission Expenses</b>							
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Expense</b>							
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	\$ -	-	-	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	5,356	-	-	-	5,356
583 OVERHEAD LINE EXPENSES	OM583	P365	710,175	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	91,284	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-
586 METER EXPENSES	OM586	P370	364,075	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	137,465	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	176,975	-	-	-	1,201
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-
589 RENTS	OM589	PDIST	7,200	-	-	-	49
Total Distribution Operation Expense	OMDO		\$ 1,492,530	\$ -	\$ -	\$ -	\$ 6,605

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Purchased Power</b>										
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Expenses</b>										
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Expense</b>										
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	-	-	-	-	-	-	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	516,777	193,398	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	5,716	85,568	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	-	-	-	364,075	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	-	-	-	137,465	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	79,240	55,628	-	15,112	14,912	10,882	-	-
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	3,224	2,263	-	615	607	443	-	-
Total Distribution Operation Expense	OMDO		\$ 604,958	\$ 336,856	\$ -	\$ 153,192	\$ 379,594	\$ 11,325	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Distribution Maintenance Expense</b>							
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	\$ -	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	2,528,118	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	19,815	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	106,245	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	125,048	-	-	-	848
Total Distribution Maintenance Expense	OMDM		\$ 2,779,225	\$ -	\$ -	\$ -	\$ 848
Total Distribution Operation and Maintenance Expenses			4,271,756	-	-	-	7,454
Transmission and Distribution Expenses			4,271,756	-	-	-	7,454
Steam Production, Transmission and Distribution Expenses			4,271,756	-	-	-	7,454
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 34,199,363	\$ 9,804,243	\$ 20,123,364	\$ -	\$ 7,454
<b>Customer Accounts Expense</b>							
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	OM902	F009	128,544	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F009	1,478,149	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	72,000	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ 1,678,693	\$ -	\$ -	\$ -	\$ -
<b>Customer Service Expense</b>							
907 SUPERVISION	OM907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	52,996	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ 52,996	\$ -	\$ -	\$ -	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		6,003,445	-	-	-	7,454

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Distribution Maintenance Expense</b>										
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	1,839,651	688,467	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	-	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	5,754	14,061	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	106,245	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	55,990	39,306	-	10,678	10,537	7,689	-	-
Total Distribution Maintenance Expense	OMDM		\$ 1,901,395	\$ 741,833	\$ -	\$ 10,678	\$ 116,782	\$ 7,689	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			2,506,353	1,078,689	-	163,870	496,376	19,014	-	-
Transmission and Distribution Expenses			2,506,353	1,078,689	-	163,870	496,376	19,014	-	-
Steam Production, Transmission and Distribution Expenses			2,506,353	1,078,689	-	163,870	496,376	19,014	-	-
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 2,506,353	\$ 1,078,689	\$ -	\$ 163,870	\$ 496,376	\$ 19,014	\$ -	\$ -
<b>Customer Accounts Expense</b>										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	OM902	F009	-	-	-	-	-	-	128,544	-
903 RECORDS AND COLLECTION	OM903	F009	-	-	-	-	-	-	1,478,149	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	-	-	-	-	-	-	72,000	-
905 MISC CUST ACCOUNTS	OM905	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,678,693	\$ -
<b>Customer Service Expense</b>										
907 SUPERVISION	OM907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	-	-	-	-	-	-	52,996	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,996	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		2,506,353	1,078,689	-	163,870	496,376	19,014	1,731,689	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Administrative and General Expense</b>							
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	\$ 1,075,027	-	-	-	1,335
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	101,531	-	-	-	40
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	106,524	-	-	-	132
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	-	-	-	-	-
926 EMPLOYEE BENEFITS	OM926	LBSUB2	-	-	-	-	-
928 ASSOCIATED DUES	OM928	OMSUB2	6,358	-	-	-	8
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	(35,984)	-	-	-	(45)
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	360,262	-	-	-	447
931 RENTS AND LEASES	OM931	NTPLANT	-	-	-	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	116,521	-	-	-	791
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	-	-	-	-	-
Total Administrative and General Expense	OMAG		\$ 1,730,238	\$ -	\$ -	\$ -	\$ 2,708
Total Operation and Maintenance Expenses	TOM		\$ 37,661,290	\$ 9,804,243	\$ 20,123,364	\$ -	\$ 10,162
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 7,733,683	\$ -	\$ -	\$ -	\$ 10,162

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Administrative and General Expense</b>										
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	448,808	193,159	-	29,344	88,885	3,405	310,091	-
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	55,785	21,749	-	534	23,056	366	-	-
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	44,472	19,140	-	2,908	8,808	337	30,727	-
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	-	-	-	-	-	-	-	-
926 EMPLOYEE BENEFITS	OM926	LBSUB2	-	-	-	-	-	-	-	-
928 ASSOCIATED DUES	OM928	OMSUB2	2,654	1,142	-	174	526	20	1,834	-
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	(15,023)	(6,466)	-	(982)	(2,975)	(114)	(10,380)	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	150,404	64,731	-	9,834	29,787	1,141	103,917	-
931 RENTS AND LEASES	OM931	NTPLANT	-	-	-	-	-	-	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	52,172	36,625	-	9,950	9,818	7,165	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	-	-	-	-	-	-	-	-
Total Administrative and General Expense	OMAG		\$ 739,273	\$ 330,082	\$ -	\$ 51,761	\$ 157,905	\$ 12,320	\$ 436,189	\$ -
Total Operation and Maintenance Expenses	TOM		\$ 3,245,627	\$ 1,408,771	\$ -	\$ 215,630	\$ 654,281	\$ 31,333	\$ 2,167,878	\$ -
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 3,245,627	\$ 1,408,771	\$ -	\$ 215,630	\$ 654,281	\$ 31,333	\$ 2,167,878	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Other Expenses</b>							
<b>Depreciation Expenses</b>							
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	3,852,979	-	-	-	26,143
General Plant	DEPRGP	PGP	185,231	-	-	-	1,257
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-
AMORT Property Losses & Unrecover	DEPRLTP	PT&D	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-
Total Depreciation Expense	TDEPR		\$ 4,038,211	-	-	-	27,400
Property Taxes	PTAX	NTPLANT	\$ -	-	-	-	-
Other Taxes	OT	NTPLANT	\$ 58,193	-	-	-	395
Interest -- LTD	INTLTD	NTPLANT	\$ 1,216,523	-	-	-	8,254
Interest -- Other	INTOTH	NTPLANT	\$ 26,992	-	-	-	183
Donations	DONAT	NTPLANT	\$ -	-	-	-	-
Regulatory Liabilities	REGLIAB	NTPLANT	\$ -	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	\$ 15,242	-	-	-	103
<b>Total Other Expenses</b>	<b>TOE</b>		<b>\$ 5,355,162</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,335</b>
<b>Total Cost of Service (O&amp;M + Other Expenses)</b>			<b>\$ 43,016,452</b>	<b>\$ 9,804,243</b>	<b>\$ 20,123,364</b>	<b>\$ -</b>	<b>\$ 46,497</b>

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Other Expenses</b>										
<b>Depreciation Expenses</b>										
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	1,725,168	1,211,086	-	329,006	324,661	236,915	-	-
General Plant	DEPRGP	PGP	82,937	58,223	-	15,817	15,608	11,390	-	-
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-	-	-	-
AMORT Property Losses & Unrecover	DEPRLTP	PT&D	-	-	-	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		1,808,105	1,269,309	-	344,823	340,269	248,304	-	-
Property Taxes	PTAX	NTPLANT	-	-	-	-	-	-	-	-
Other Taxes	OT	NTPLANT	26,056	18,292	-	4,969	4,904	3,578	-	-
Interest -- LTD	INTLTD	NTPLANT	544,697	382,383	-	103,879	102,507	74,802	-	-
Interest -- Other	INTOTH	NTPLANT	12,086	8,484	-	2,305	2,274	1,660	-	-
Donations	DONAT	NTPLANT	-	-	-	-	-	-	-	-
Regulatory Liabilities	REGLIAB	NTPLANT	-	-	-	-	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	6,825	4,791	-	1,302	1,284	937	-	-
<b>Total Other Expenses</b>	TOE		\$ 2,397,769	\$ 1,683,259	\$ -	\$ 457,278	\$ 451,238	\$ 329,282	\$ -	\$ -
<b>Total Cost of Service (O&amp;M + Other Expenses)</b>			\$ 5,643,396	\$ 3,092,030	\$ -	\$ 672,908	\$ 1,105,519	\$ 360,615	\$ 2,167,878	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses - for Labor Allocator</b>							
<b>Steam Power Production Operations Expense</b>							
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	\$ -	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>							
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses - for Labor Allocator</b>										
<b>Steam Power Production Operations Expense</b>										
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>										
510 MAINENANCE SUPV AND ENGINEERING	LB510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-	-	-	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Purchased Power</b>							
555 PURCHASED POWER	LB555	OMPP	\$ -	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Labor Expenses</b>							
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Labor Expense</b>							
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	\$ -	-	-	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	100,427	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-
586 METER EXPENSES	LB586	P370	414,967	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	518	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	-	-	-	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 515,912	\$ -	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Purchased Power</b>										
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Labor Expenses</b>										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Labor Expense</b>										
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	-	-	-	-	-	-	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	73,078	27,349	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	-	-	-	-	414,967	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	518	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	-	-	-	-	-	-	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 73,078	\$ 27,349	\$ -	\$ 518	\$ 414,967	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Distribution Maintenance Labor Expense</b>							
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	\$ -	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	1,319,030	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	23,595	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	115,586	-	-	-	784
Total Distribution Maintenance Labor Expense	LBDM		\$ 1,458,211	\$ -	\$ -	\$ -	\$ 784
Total Distribution Operation and Maintenance Labor Expenses			1,974,123	-	-	-	784
Transmission and Distribution Labor Expenses			1,974,123	-	-	-	784
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 1,974,123	\$ -	\$ -	\$ -	\$ 784
<b>Customer Accounts Expense</b>							
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	LB902	F009	-	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F009	-	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Service Expense</b>							
907 SUPERVISION	LB907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		1,974,123	-	-	-	784

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Distribution Maintenance Labor Expense</b>										
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	959,826	359,203	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	23,595	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	51,754	36,332	-	9,870	9,740	7,107	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 1,011,580	\$ 395,535	\$ -	\$ 9,870	\$ 33,334	\$ 7,107	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses			1,084,658	422,883	-	10,388	448,301	7,107	-	-
Transmission and Distribution Labor Expenses			1,084,658	422,883	-	10,388	448,301	7,107	-	-
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 1,084,658	\$ 422,883	\$ -	\$ 10,388	\$ 448,301	\$ 7,107	\$ -	\$ -
<b>Customer Accounts Expense</b>										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	LB902	F009	-	-	-	-	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F009	-	-	-	-	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Service Expense</b>										
907 SUPERVISION	LB907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		1,084,658	422,883	-	10,388	448,301	7,107	-	-

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Administrative and General Expense</b>							
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	\$ -	-	-	-	-
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	-	-	-	-	-
926 EMPLOYEE BENEFITS	LB926	LBSUB2	-	-	-	-	-
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	-	-	-	-	-
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	-	-	-	-	-
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ -	\$ -	\$ -	\$ -	\$ -
Total Operation and Maintenance Expenses	TLB		\$ 1,974,123	\$ -	\$ -	\$ -	\$ 784
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 1,974,123	\$ -	\$ -	\$ -	\$ 784

CUMBERLAND VALLEY ELECTRIC  
 Cost of Service Study  
 Functionalization and Classification  
 12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Administrative and General Expense</b>										
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	-	-	-	-	-	-	-	-
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	-	-	-	-	-	-	-	-
926 EMPLOYEE BENEFITS	LB926	LBSUB2	-	-	-	-	-	-	-	-
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	-	-	-	-	-	-	-	-
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	-	-	-	-	-	-	-	-
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operation and Maintenance Expenses	TLB		\$ 1,084,658	\$ 422,883	\$ -	\$ 10,388	\$ 448,301	\$ 7,107	\$ -	\$ -
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 1,084,658	\$ 422,883	\$ -	\$ 10,388	\$ 448,301	\$ 7,107	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Functional Vectors</b>							
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	1.000000
Poles, Towers and Fixtures	F002		1.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		1.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		1.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		1.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		1.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		1.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		1.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		1.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		1.000000	0.000000	0.000000	1.000000	0.000000
Load Management	F012		1.000000	0.000000	0.000000	0.000000	0.000000
<b>Purchased Power Expenses</b>	OMPP		1.000000	0.327599	0.672401	-	-
Intallations on Customer Premises - Plant in Service	F013		1.00000	-	-	-	-
Intallations on Customer Premises - Accum Depr	F014		1.00000	-	-	-	-
Mapping	F015		1.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		1.000000	1.000000	0.000000	0.000000	0.000000
Production - Energy	F017		1.000000	0.000000	1.000000	0.000000	0.000000

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2018**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Functional Vectors</b>										
Station Equipment	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.629258	0.370742	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		0.727676	0.272324	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		0.062619	0.937381	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		0.290397	0.709603	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
<b>Purchased Power Expenses</b>										
	OMPP		-	-	-	-	-	-	-	-
Intallations on Customer Premises - Plant in Service	F013		-	-	-	-	-	1.00000	-	-
Intallations on Customer Premises - Accum Depr	F014		-	-	-	-	-	1.00000	-	-
Mapping	F015		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Energy	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-5**

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System		Sch I - Residential, Schools & Churches	Sch I - Res TOD	Sch II - Small Commercial	Sch II - Small Power C1	Sch II - Small Commercial	Sch II - Small Power C2		
					R	TOD						
<b>Plant in Service</b>												
<b>Production &amp; Purchase Power</b>												
Demand	PLPPD	PPDA	\$	-	\$	-	\$	-	\$	-		
Energy	PLPPE	PPEA		-	\$	-	\$	-	\$	-		
Total Purchase Power	PLPPT		\$	-	\$	-	\$	-	\$	-		
<b>Transmission</b>												
Demand	PLTD	TA1	\$	-	\$	-	\$	-	\$	-		
<b>Station Equipment</b>												
Demand	PLSED	SA1	\$	757,072	\$	569,419	\$	202	\$	30,675	\$	22,322
<b>Primary &amp; Secondary Distribution Plant</b>												
Demand	PLDPD	DA1	\$	49,959,185	\$	41,006,146	\$	14,302	\$	1,576,858	\$	674,824
Customer	PLDPC	C01		35,071,863	\$	32,400,139	\$	17,558	\$	1,965,019	\$	245,810
Total Primary Distribution Plant	PLD		\$	85,031,048	\$	73,406,285	\$	31,860	\$	3,541,877	\$	920,634
<b>Customer Services</b>												
Demand	PLCSD	CSA	\$	-	\$	-	\$	-	\$	-	\$	-
Customer	PLCSC	SERV		9,527,706	\$	8,846,621	\$	4,794	\$	536,534	\$	79,220
Total Customer Services			\$	9,527,706	\$	8,846,621	\$	4,794	\$	536,534	\$	79,220
<b>Meters</b>												
Customer	PLMC	C03	\$	9,401,863	\$	8,675,905	\$	4,702	\$	526,180	\$	90,078
<b>Lighting Systems</b>												
Customer	PLLSC	C04	\$	6,860,821	\$	-	\$	-	\$	-	\$	-
<b>Meter Reading, Billing and Customer Service</b>												
Customer	PLMRBC	C05	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Load Management</b>												
Customer	PLCSC	C06	\$	-	\$	-	\$	-	\$	-	\$	-
Total	PLT		\$	111,578,510	\$	91,498,229	\$	41,557	\$	4,635,267	\$	1,112,254

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Plant in Service</b>						
<b>Production &amp; Purchase Power</b>						
Demand	PLPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	PLPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PLPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	PLTD	TA1	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	PLSED	SA1	\$ 24	\$ 12,867	\$ 111,778	\$ 9,786
<b>Primary &amp; Secondary Distribution Plant</b>						
Demand	PLDPD	DA1	\$ 1,325	\$ 1,583,167	\$ 4,605,350	\$ 497,215
Customer	PLDPC	C01	\$ 32,189	\$ 62,916	\$ 95,105	\$ 253,126
Total Primary Distribution Plant	PLD		\$ 33,514	\$ 1,646,082	\$ 4,700,455	\$ 750,341
<b>Customer Services</b>						
Demand	PLCSD	CSA	\$ -	\$ -	\$ -	\$ -
Customer	PLCSC	SERV	\$ 8,789	\$ 20,277	\$ 31,471	\$ -
Total Customer Services			\$ 8,789	\$ 20,277	\$ 31,471	\$ -
<b>Meters</b>						
Customer	PLMC	C03	\$ 8,619	\$ 23,056	\$ 73,322	\$ -
<b>Lighting Systems</b>						
Customer	PLLSC	C04	\$ -	\$ -	\$ -	\$ 6,860,821
<b>Meter Reading, Billing and Customer Service</b>						
Customer	PLMRBC	C05	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>						
Customer	PLCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	PLT		\$ 50,947	\$ 1,702,282	\$ 4,917,026	\$ 7,620,948

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial Power		Sch II - Small Commercial Power	
				R	TOD		C1	C2		
<b>Net Utility Plant</b>										
<b>Production &amp; Purchase Power</b>										
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
Demand	NPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>										
Demand	NPSED	SA1	\$ 452,163	\$ 340,086	\$ 120	\$ 18,321	\$ 13,332			
<b>Primary Distribution Plant</b>										
Demand	NPPDP	DA1	\$ 29,838,227	\$ 24,491,005	\$ 8,542	\$ 941,782	\$ 403,040			
Customer	NPPDC	C01	\$ 20,946,743	\$ 19,351,050	\$ 10,486	\$ 1,173,612	\$ 146,811			
Total Primary Distribution Plant			\$ 50,784,970	\$ 43,842,056	\$ 19,028	\$ 2,115,394	\$ 549,850			
<b>Customer Services</b>										
Demand	NPCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	NPCSC	SERV	\$ 5,690,442	\$ 5,283,663	\$ 2,863	\$ 320,446	\$ 47,314			
Total Customer Services			\$ 5,690,442	\$ 5,283,663	\$ 2,863	\$ 320,446	\$ 47,314			
<b>Meters</b>										
Customer	NPMC	C03	\$ 5,615,282	\$ 5,181,702	\$ 2,808	\$ 314,262	\$ 53,800			
<b>Lighting Systems</b>										
Customer	NPLSC	C04	\$ 4,097,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>										
Customer	NPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>										
Customer	NPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	NPT		\$ 66,640,496	\$ 54,647,507	\$ 24,820	\$ 2,768,423	\$ 664,296			

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Net Utility Plant</b>						
<b>Production &amp; Purchase Power</b>						
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	NPTD	TA1	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	NPSED	SA1	\$ 14	\$ 7,685	\$ 66,760	\$ 5,845
<b>Primary Distribution Plant</b>						
Demand	NPDPD	DA1	\$ 791	\$ 945,550	\$ 2,750,555	\$ 296,963
Customer	NPDPC	C01	\$ 19,225	\$ 37,577	\$ 56,802	\$ 151,180
Total Primary Distribution Plant			\$ 20,017	\$ 983,126	\$ 2,807,357	\$ 448,143
<b>Customer Services</b>						
Demand	NPCSD	CSA	\$ -	\$ -	\$ -	\$ -
Customer	NPCSC	SERV	\$ 5,249	\$ 12,110	\$ 18,796	\$ -
Total Customer Services			\$ 5,249	\$ 12,110	\$ 18,796	\$ -
<b>Meters</b>						
Customer	NPMC	C03	\$ 5,148	\$ 13,770	\$ 43,792	\$ -
<b>Lighting Systems</b>						
Customer	NPLSC	C04	\$ -	\$ -	\$ -	\$ 4,097,640
<b>Meter Reading, Billing and Customer Service</b>						
Customer	NPMRBC	C05	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>						
Customer	NPCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	NPT		\$ 30,428	\$ 1,016,691	\$ 2,936,704	\$ 4,551,627

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System		Sch I - Residential, Schools & Churches	Sch I - Res TOD	Sch II - Small Commercial	Sch II - Small Power C1	Sch II - Small Commercial	Sch II - Small Power C2
					R	TOD				
<b>Net Cost Rate Base</b>										
<b>Production &amp; Purchase Power</b>										
Demand	RBPPD	PPDA	\$	-	\$	-	\$	-	\$	-
Energy	RBPPE	PPEA		-	\$	-	\$	-	\$	-
Total Purchase Power	RBPPT			-	\$	-	\$	-	\$	-
<b>Transmission</b>										
Demand	RBTD	TA1	\$	-	\$	-	\$	-	\$	-
<b>Station Equipment</b>										
Demand	RBSED	SA1	\$	461,257	\$	346,926	\$	123	\$	18,689
<b>Primary Distribution Plant</b>										
Demand	RBDPD	DA1	\$	30,760,222	\$	25,247,773	\$	8,806	\$	970,883
Customer	RBDPC	C01		21,485,281	\$	19,848,564	\$	10,756	\$	1,203,785
Total Primary Distribution Plant				52,245,504	\$	45,096,336	\$	19,562	\$	2,174,668
<b>Customer Services</b>										
Demand	RBCSD	CSA	\$	-	\$	-	\$	-	\$	-
Customer	RBCSC	SERV		5,815,858	\$	5,400,113	\$	2,926	\$	327,509
Total Customer Services				5,815,858	\$	5,400,113	\$	2,926	\$	327,509
<b>Meters</b>										
Customer	RBMC	C03	\$	5,794,229	\$	5,346,831	\$	2,897	\$	324,277
<b>Lighting Systems</b>										
Customer	RBLSC	C04	\$	4,172,458	\$	-	\$	-	\$	-
<b>Meter Reading, Billing and Customer Service</b>										
Customer	RBMRC	C05	\$	270,985	\$	252,121	\$	137	\$	15,291
<b>Load Management</b>										
Customer	RBCSC	C06	\$	-	\$	-	\$	-	\$	-
Total	RBT		\$	68,760,289	\$	56,442,328	\$	25,645	\$	2,860,434
				1.00		0.82		0.00		0.04
										0.01

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Net Cost Rate Base</b>						
<b>Production &amp; Purchase Power</b>						
Demand	RBPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	RBPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	RBPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	RBDT	TA1	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	RBSED	SA1	\$ 14	\$ 7,840	\$ 68,102	\$ 5,962
<b>Primary Distribution Plant</b>						
Demand	RBDPD	DA1	\$ 816	\$ 974,767	\$ 2,835,546	\$ 306,139
Customer	RBDPC	C01	\$ 19,719	\$ 38,543	\$ 58,262	\$ 155,067
Total Primary Distribution Plant			\$ 20,535	\$ 1,013,309	\$ 2,893,808	\$ 461,206
<b>Customer Services</b>						
Demand	RBCSD	CSA	\$ -	\$ -	\$ -	\$ -
Customer	RBCSC	SERV	\$ 5,365	\$ 12,377	\$ 19,210	\$ -
Total Customer Services			\$ 5,365	\$ 12,377	\$ 19,210	\$ -
<b>Meters</b>						
Customer	RBMC	C03	\$ 5,312	\$ 14,209	\$ 45,187	\$ -
<b>Lighting Systems</b>						
Customer	RBLSC	C04	\$ -	\$ -	\$ -	\$ 4,172,458
<b>Meter Reading, Billing and Customer Service</b>						
Customer	RBMRBC	C05	\$ 250	\$ 490	\$ 740	\$ 44
<b>Load Management</b>						
Customer	RBCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	RBT		\$ 31,477	\$ 1,048,225	\$ 3,027,049	\$ 4,639,669
			0.00	0.02	0.04	0.07

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial Power		Sch II - Small Commercial Power	
			Total System	R		C1	C2		
<b>Operation and Maintenance Expenses</b>									
<b>Production &amp; Purchase Power</b>									
Demand	OMPPD	PPDA	\$ 9,804,243	\$ 7,374,095	\$ 2,611	\$ 397,249	\$ 289,070		
Energy	OMPPE	PPEA	\$ 20,123,364	\$ 13,987,314	\$ 4,905	\$ 686,784	\$ 468,648		
Total Purchase Power	OMPPT		\$ 29,927,607	\$ 21,361,409	\$ 7,517	\$ 1,084,034	\$ 757,717		
<b>Transmission</b>									
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Station Equipment</b>									
Demand	OMSED	SOMA	\$ 10,162	\$ 7,643	\$ 3	\$ 412	\$ 300		
<b>Primary Distribution Plant</b>									
Demand	OMDPD	DOM	\$ 3,245,627	\$ 2,663,987	\$ 929	\$ 102,441	\$ 43,840		
Customer	OMDPC	C01	\$ 1,408,771	\$ 1,301,453	\$ 705	\$ 78,931	\$ 9,874		
Total Primary Distribution Plant			\$ 4,654,398	\$ 3,965,441	\$ 1,634	\$ 181,373	\$ 53,714		
<b>Customer Services</b>									
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -		
Customer	OMCSC	SERV	\$ 215,630	\$ 200,216	\$ 108	\$ 12,143	\$ 1,793		
Total Customer Services			\$ 215,630	\$ 200,216	\$ 108	\$ 12,143	\$ 1,793		
<b>Meters</b>									
Customer	OMMC	C03	\$ 654,281	\$ 603,761	\$ 327	\$ 36,617	\$ 6,269		
<b>Lighting Systems</b>									
Customer	OMLSC	C04	\$ 31,333	\$ -	\$ -	\$ -	\$ -		
<b>Meter Reading, Billing and Customer Service</b>									
Customer	OMMRBC	C05	\$ 2,167,878	\$ 2,016,966	\$ 1,093	\$ 122,326	\$ 15,302		
<b>Load Management</b>									
Customer	OMCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -		
Total	OMT		\$ 37,661,290	\$ 28,155,436	\$ 10,682	\$ 1,436,904	\$ 835,094		

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Operation and Maintenance Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	OMPPD	PPDA	\$ 306	\$ 166,633	\$ 1,447,550	\$ 126,731
Energy	OMPPE	PPEA	\$ 576	\$ 690,109	\$ 3,814,095	\$ 470,933
Total Purchase Power	OMPPT		\$ 881	\$ 856,741	\$ 5,261,644	\$ 597,664
<b>Transmission</b>						
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	OMSED	SOMA	\$ 0	\$ 173	\$ 1,500	\$ 131
<b>Primary Distribution Plant</b>						
Demand	OMDPD	DOM	\$ 86	\$ 102,851	\$ 299,189	\$ 32,302
Customer	OMDPC	C01	\$ 1,293	\$ 2,527	\$ 3,820	\$ 10,168
Total Primary Distribution Plant			\$ 1,379	\$ 105,379	\$ 303,009	\$ 42,469
<b>Customer Services</b>						
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -
Customer	OMCSC	SERV	\$ 199	\$ 459	\$ 712	\$ -
Total Customer Services			\$ 199	\$ 459	\$ 712	\$ -
<b>Meters</b>						
Customer	OMMC	C03	\$ 600	\$ 1,604	\$ 5,103	\$ -
<b>Lighting Systems</b>						
Customer	OMLSC	C04	\$ -	\$ -	\$ -	\$ 31,333
<b>Meter Reading, Billing and Customer Service</b>						
Customer	OMMRBC	C05	\$ 2,004	\$ 3,917	\$ 5,920	\$ 350
<b>Load Management</b>						
Customer	OMCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	OMT		\$ 5,063	\$ 968,273	\$ 5,577,889	\$ 671,948

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System		Sch I - Residential, Schools & Churches	Sch I - Res TOD	Sch II - Small Commercial	Sch II - Small Power C1	Sch II - Small Commercial	Sch II - Small Power C2
					R	TOD				
<b>Labor Expenses</b>										
<b>Production &amp; Purchase Power</b>										
Demand	LBPPD	PPDA	\$	-	\$	-	\$	-	\$	-
Energy	LBPPE	PPEA	\$	-	\$	-	\$	-	\$	-
Total Purchase Power	LBPPT		\$	-	\$	-	\$	-	\$	-
<b>Transmission</b>										
Demand	LBTD	TOMA	\$	-	\$	-	\$	-	\$	-
<b>Station Equipment</b>										
Demand	LBSED	SOMA	\$	784	\$	590	\$	0	\$	32
<b>Primary Distribution Plant</b>										
Demand	LBDPD	DOM	\$	1,084,658	\$	890,280	\$	311	\$	34,235
Customer	LBDPC	C01	\$	422,883	\$	390,669	\$	212	\$	23,693
Total Primary Distribution Plant			\$	1,507,541	\$	1,280,948	\$	522	\$	57,928
<b>Customer Services</b>										
Demand	LBCSD	SERV	\$	-	\$	-	\$	-	\$	-
Customer	LBCSC	SERV	\$	10,388	\$	9,646	\$	5	\$	585
Total Customer Services			\$	10,388	\$	9,646	\$	5	\$	585
<b>Meters</b>										
Customer	LBMC	C03	\$	448,301	\$	413,686	\$	224	\$	25,089
<b>Lighting Systems</b>										
Customer	LBLSC	C04	\$	7,107	\$	-	\$	-	\$	-
<b>Meter Reading, Billing and Customer Service</b>										
Customer	LBMRC	C05	\$	-	\$	-	\$	-	\$	-
<b>Load Management</b>										
Customer	LBCSC	C06	\$	-	\$	-	\$	-	\$	-
Total	LBT		\$	1,974,123	\$	1,704,870	\$	752	\$	83,635

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Labor Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	LBPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	LBPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	LBPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	LBTD	TOMA	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	LBSER	SOMA	\$ 0	\$ 13	\$ 116	\$ 10
<b>Primary Distribution Plant</b>						
Demand	LBDPD	DOM	\$ 29	\$ 34,372	\$ 99,986	\$ 10,795
Customer	LBDPC	C01	\$ 388	\$ 759	\$ 1,147	\$ 3,052
Total Primary Distribution Plant			\$ 417	\$ 35,131	\$ 101,133	\$ 13,847
<b>Customer Services</b>						
Demand	LBCSD	SERV	\$ -	\$ -	\$ -	\$ -
Customer	LBCSC	SERV	\$ 10	\$ 22	\$ 34	\$ -
Total Customer Services			\$ 10	\$ 22	\$ 34	\$ -
<b>Meters</b>						
Customer	LBMC	C03	\$ 411	\$ 1,099	\$ 3,496	\$ -
<b>Lighting Systems</b>						
Customer	LBLSC	C04	\$ -	\$ -	\$ -	\$ 7,107
<b>Meter Reading, Billing and Customer Service</b>						
Customer	LBMRC	C05	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>						
Customer	LBCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	LBT		\$ 837	\$ 36,265	\$ 104,779	\$ 20,964

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total		Sch I - Residential, Schools & Churches R	Sch I - Res TOD TOD	Sch II - Small Commercial Small Power C1		Sch II - Small Commercial Small Power C2			
			System									
<b>Depreciation Expenses</b>												
<b>Production &amp; Purchase Power</b>												
Demand	DPPPD	PPDA	\$	-	\$	-	\$	-	\$	-		
Energy	DPPPE	PPEA		-	\$	-	\$	-	\$	-		
Total Purchase Power	DPPPT			-	\$	-	\$	-	\$	-		
<b>Transmission</b>												
Demand	DPTD	TA1	\$	-	\$	-	\$	-	\$	-		
<b>Station Equipment</b>												
Demand	DPSED	SA1	\$	27,400	\$	20,608	\$	7	\$	1,110	\$	808
<b>Primary Distribution Plant</b>												
Demand	DPDPD	DA1	\$	1,808,105	\$	1,484,080	\$	518	\$	57,069	\$	24,423
Customer	DPDPC	C01		1,269,309	\$	1,172,615	\$	635	\$	71,117	\$	8,896
Total Primary Distribution Plant			\$	3,077,414	\$	2,656,695	\$	1,153	\$	128,186	\$	33,319
<b>Customer Services</b>												
Demand	DPCSD	SERV	\$	-	\$	-	\$	-	\$	-	\$	-
Customer	DPCSC	SERV		344,823	\$	320,174	\$	174	\$	19,418	\$	2,867
Total Customer Services			\$	344,823	\$	320,174	\$	174	\$	19,418	\$	2,867
<b>Meters</b>												
Customer	DPMC	C03	\$	340,269	\$	313,995	\$	170	\$	19,043	\$	3,260
<b>Lighting Systems</b>												
Customer	DPLSC	C04	\$	248,304	\$	-	\$	-	\$	-	\$	-
<b>Meter Reading, Billing and Customer Service</b>												
Customer	DPMRBC	C05	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Load Management</b>												
Customer	DPCSC	C06	\$	-	\$	-	\$	-	\$	-	\$	-
Total	DPT		\$	4,038,211	\$	3,311,472	\$	1,504	\$	167,758	\$	40,254

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Depreciation Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	DPPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	DPPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	DPPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	DPTD	TA1	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	DPSED	SA1	\$ 1	\$ 466	\$ 4,045	\$ 354
<b>Primary Distribution Plant</b>						
Demand	DPDPD	DA1	\$ 48	\$ 57,297	\$ 166,675	\$ 17,995
Customer	DPDPC	C01	\$ 1,165	\$ 2,277	\$ 3,442	\$ 9,161
Total Primary Distribution Plant			\$ 1,213	\$ 59,574	\$ 170,117	\$ 27,156
<b>Customer Services</b>						
Demand	DPCSD	SERV	\$ -	\$ -	\$ -	\$ -
Customer	DPCSC	SERV	\$ 318	\$ 734	\$ 1,139	\$ -
Total Customer Services			\$ 318	\$ 734	\$ 1,139	\$ -
<b>Meters</b>						
Customer	DPMC	C03	\$ 312	\$ 834	\$ 2,654	\$ -
<b>Lighting Systems</b>						
Customer	DPLSC	C04	\$ -	\$ -	\$ -	\$ 248,304
<b>Meter Reading, Billing and Customer Service</b>						
Customer	DPMRBC	C05	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>						
Customer	DPCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	DPT		\$ 1,844	\$ 61,608	\$ 177,955	\$ 275,815

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial		Sch II - Small Commercial	
				R	TOD		Power C1	Power C2		
<b>Property Taxes</b>										
<b>Production &amp; Purchase Power</b>										
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>										
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Primary Distribution Plant</b>										
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTDPC	C01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Services</b>										
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meters</b>										
Customer	PTMC	C03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lighting Systems</b>										
Customer	PTLSC	C04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>										
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>										
Customer	PTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PTT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Property Taxes</b>						
<b>Production &amp; Purchase Power</b>						
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	\$ -
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>						
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	\$ -
<b>Primary Distribution Plant</b>						
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	\$ -
Customer	PTDPC	C01	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ -	\$ -	\$ -	\$ -
<b>Customer Services</b>						
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	\$ -
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ -	\$ -	\$ -	\$ -
<b>Meters</b>						
Customer	PTMC	C03	\$ -	\$ -	\$ -	\$ -
<b>Lighting Systems</b>						
Customer	PTLSC	C04	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>						
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>						
Customer	PTCSC	C06	\$ -	\$ -	\$ -	\$ -
Total	PTT		\$ -	\$ -	\$ -	\$ -

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial		Sch II - Small Commercial	
				R			Power C1	Power C2		
<b>Other Taxes</b>										
<b>Production &amp; Purchase Power</b>										
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>										
Demand	OTSED	SOMA	\$ 395	\$ 297	\$ 0	\$ 16	\$ 12			
<b>Primary Distribution Plant</b>										
Demand	OTDPD	DOM	\$ 26,056	\$ 21,387	\$ 7	\$ 822	\$ 352			
Customer	OTDPC	C01	\$ 18,292	\$ 16,898	\$ 9	\$ 1,025	\$ 128			
Total Primary Distribution Plant			\$ 44,348	\$ 38,285	\$ 17	\$ 1,847	\$ 480			
<b>Customer Services</b>										
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OTCSC	SERV	\$ 4,969	\$ 4,614	\$ 3	\$ 280	\$ 41			
Total Customer Services			\$ 4,969	\$ 4,614	\$ 3	\$ 280	\$ 41			
<b>Meters</b>										
Customer	OTMC	C03	\$ 4,904	\$ 4,525	\$ 2	\$ 274	\$ 47			
<b>Lighting Systems</b>										
Customer	OTLSC	C04	\$ 3,578	\$ -	\$ -	\$ -	\$ -			
<b>Meter Reading, Billing and Customer Service</b>										
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -			
<b>Load Management</b>										
Customer	OTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -			
Total	OTT		\$ 58,193	\$ 47,720	\$ 22	\$ 2,418	\$ 580			

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Other Taxes</b>						
<b>Production &amp; Purchase Power</b>						
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	OTSED	SOMA	\$ 0	\$ 7	\$ 58	5
<b>Primary Distribution Plant</b>						
Demand	OTDPD	DOM	\$ 1	\$ 826	\$ 2,402	259
Customer	OTDPC	C01	\$ 17	\$ 33	\$ 50	132
Total Primary Distribution Plant			\$ 17	\$ 859	\$ 2,452	391
<b>Customer Services</b>						
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	-
Customer	OTCSC	SERV	\$ 5	\$ 11	\$ 16	-
Total Customer Services			\$ 5	\$ 11	\$ 16	-
<b>Meters</b>						
Customer	OTMC	C03	\$ 4	\$ 12	\$ 38	-
<b>Lighting Systems</b>						
Customer	OTLSC	C04	\$ -	\$ -	\$ -	3,578
<b>Meter Reading, Billing and Customer Service</b>						
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	OTCSC	C06	\$ -	\$ -	\$ -	-
Total	OTT		\$ 27	\$ 888	\$ 2,564	3,975

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial		Sch II - Small Commercial	
				R			Power C1	Power C2		
<b>Cost of Service Summary -- Unadjusted Results</b>										
<b>Operating Revenues</b>										
Total Sales of Electric Energy	REVUC	R01	\$ 41,686,788	\$ 30,074,337	\$ 10,495	\$ 1,612,359	\$ 1,179,307			
Other Electric Revenues		MISC SERV	\$ 1,674,872	\$ 1,555,144	\$ 843	\$ 94,317	\$ 13,926			
Total Operating Revenues	TOR		\$ 43,361,660	\$ 31,629,482	\$ 11,338	\$ 1,706,676	\$ 1,193,233			
<b>Operating Expenses</b>										
Operation and Maintenance Expenses			\$ 37,661,290	\$ 28,155,436	\$ 10,682	\$ 1,436,904	\$ 835,094			
Depreciation and Amortization Expenses			4,038,211	3,311,472	1,504	167,758	40,254			
Property Taxes		NPT	-	-	-	-	-			
Other Taxes			58,193	47,720	22	2,418	580			
Total Operating Expenses	TOE		\$ 41,757,694	\$ 31,514,628	\$ 12,208	\$ 1,607,079	\$ 875,929			
Utility Operating Margin	TOM		\$ 1,603,967	\$ 114,853	\$ (870)	\$ 99,597	\$ 317,304			
<b>Net Cost Rate Base</b>			\$ 68,760,289	\$ 56,442,328	\$ 25,645	\$ 2,860,434	\$ 685,463			
<b>Rate of Return</b>			<b>2.33%</b>	<b>0.20%</b>	<b>-3.39%</b>	<b>3.48%</b>	<b>46.29%</b>			
<b>Unitized Rate of Return</b>			<b>1.00</b>	<b>0.09</b>	<b>(1.45)</b>	<b>1.49</b>	<b>19.84</b>			

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate	Sch III - All 3Phase Schools & Churches	Sch IV-A - Large Power 50-2500 kW	Sch VI - Outdoor Lighting - Security Lights
			IB	E1	L1	S
<b>Cost of Service Summary -- Unadjusted Results</b>						
<b>Operating Revenues</b>						
Total Sales of Electric Energy	REVUC	R01	\$ 4,044	\$ 1,204,220	\$ 6,058,039	\$ 1,543,986
Other Electric Revenues		MISC SERV	\$ 1,545	\$ 3,564	\$ 5,532	\$ -
Total Operating Revenues	TOR		\$ 5,589	\$ 1,207,785	\$ 6,063,572	\$ 1,543,986
<b>Operating Expenses</b>						
Operation and Maintenance Expenses			\$ 5,063	\$ 968,273	\$ 5,577,889	\$ 671,948
Depreciation and Amortization Expenses			1,844	61,608	177,955	275,815
Property Taxes		NPT	-	-	-	-
Other Taxes			27	888	2,564	3,975
Total Operating Expenses	TOE		\$ 6,934	\$ 1,030,769	\$ 5,758,409	\$ 951,737
Utility Operating Margin	TOM		\$ (1,344)	\$ 177,016	\$ 305,163	\$ 592,249
<b>Net Cost Rate Base</b>			<b>\$ 31,477</b>	<b>\$ 1,048,225</b>	<b>\$ 3,027,049</b>	<b>\$ 4,639,669</b>
<b>Rate of Return</b>			<b>-4.27%</b>	<b>16.89%</b>	<b>10.08%</b>	<b>12.76%</b>
<b>Unitized Rate of Return</b>			<b>(1.83)</b>	<b>7.24</b>	<b>4.32</b>	<b>5.47</b>

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential,	Sch I - Res TOD	Sch II - Small	Sch II - Small	Sch II - Small
				Schools & Churches		Commercial	Small	Commercial
				R	TOD	C1	C1	Power C2
<b>Cost of Service Summary -- Adjusted Results</b>								
<b>Operating Revenues</b>								
Total Operating Revenue -- Actual			\$ 43,361,660	\$ 31,629,482	\$ 11,338	\$ 1,706,676	\$	\$ 1,193,233
Pro-Forma Adjustments:								
1 To Remove Fuel Adjustment Clause Revenue			\$ 1,797,927	\$ 1,278,594	\$ 408	\$ 64,763	\$	\$ 43,046
2 To Remove Environmental Surcharge Revenue			\$ (4,026,453)	\$ (3,041,072)	\$ (1,022)	\$ (163,282)	\$	\$ (110,474)
3 To Normalize Year-End Customers			\$ (89,112)	\$ (98,102)	\$ -	\$ 16,610	\$	\$ (25,097)
4 FAC Roll-In to Base Rates			\$ (722,305)	\$ (516,398)	\$ (165)	\$ (23,050)	\$	\$ (15,729)
# Proposed Rate Revisions			\$ -	\$ -	\$ -	\$ -	\$	\$ -
Total Pro Forma Adjustments			\$ (3,039,943)	\$ (2,376,978)	\$ (778)	\$ (104,959)	\$	\$ (108,254)
Total Pro-Forma Operating Revenue			\$ 40,321,717	\$ 29,252,504	\$ 10,560	\$ 1,601,717	\$	\$ 1,084,978
<b>Operating Expenses</b>								
Total Operating Expenses -- Actual	TOE		\$ 41,757,694	\$ 31,514,628	\$ 12,208	\$ 1,607,079	\$	\$ 875,929
Pro-Forma Adjustments:								
1 To Remove Fuel Expense Recoverable through the FAC	E01		\$ 1,862,349	\$ 1,308,809	\$ 459	\$ 62,615	\$	\$ 42,727
2a To Remove Expenses Recoverable through the ES (Energy)	12CP		\$ (2,716,529)	\$ (2,043,191)	\$ (724)	\$ (110,069)	\$	\$ (80,094)
2b To Remove Expenses Recoverable through the ES (Demand)	E01		\$ (1,462,746)	\$ (1,027,979)	\$ (361)	\$ (49,180)	\$	\$ (33,559)
3 Rate Case Expenses	RBT		\$ 20,892	\$ 17,149	\$ 8	\$ 869	\$	\$ 208
4 Year End Customers			\$ (48,784)	\$ (75,773)	\$ -	\$ 11,797	\$	\$ (17,161)
5 Depreciation Expense Normalization	RBT		\$ 148,136	\$ 121,598	\$ 55	\$ 6,162	\$	\$ 1,477
6 Donations, Advertising, Dues, & Other	RBT		\$ (232,524)	\$ (190,869)	\$ (87)	\$ (9,673)	\$	\$ (2,318)
7 Miscellaneous Expenses	RBT		\$ (2,164)	\$ (1,776)	\$ (1)	\$ (90)	\$	\$ (22)
8 Directors Expense	LBT		\$ (3,523)	\$ (3,042)	\$ (1)	\$ (149)	\$	\$ (39)
9 Retirement Plan Contributions	LBT		\$ 21,516	\$ 18,581	\$ 8	\$ 912	\$	\$ 240
10 Wages & Salaries	LBT		\$ 34,316	\$ 29,636	\$ 13	\$ 1,454	\$	\$ 383
11 Professional Services	RBT		\$ (26,162)	\$ (21,475)	\$ (10)	\$ (1,088)	\$	\$ (261)
13 Payroll Tax	RBT		\$ (1,689)	\$ (1,386)	\$ (1)	\$ (70)	\$	\$ (17)
14 Interest	RBT		\$ (88,192)	\$ (72,393)	\$ (33)	\$ (3,669)	\$	\$ (879)
15 Life Insurance Premiums	RBT		\$ (18,322)	\$ (15,040)	\$ (7)	\$ (762)	\$	\$ (183)
Total Pro Forma Adjustments			\$ (2,513,426)	\$ (1,957,151)	\$ (680)	\$ (90,941)	\$	\$ (89,498)
Total Pro-forma Operating Expenses			\$ 39,244,268	\$ 29,557,478	\$ 11,528	\$ 1,516,138	\$	\$ 786,431
<b>Utility Operating Margin -- Pro-Forma</b>			\$ 1,077,449	\$ (304,974)	\$ (969)	\$ 85,579	\$	\$ 298,547
<b>Net Cost Rate Base</b>			\$ 68,760,289	\$ 56,442,328	\$ 25,645	\$ 2,860,434	\$	\$ 685,463
Pro-forma Rate Base Adjustments <reserved>	RBT		\$ -	\$ -	\$ -	\$ -	\$	\$ -
Pro-forma Rate Base			\$ 68,760,289	\$ 56,442,328	\$ 25,645	\$ 2,860,434	\$	\$ 685,463
<b>Rate of Return</b>			1.57%	-0.54%	-3.78%	2.99%		43.55%
<b>Unitized Rate of Return</b>			1.00	(0.34)	(2.41)	1.91		27.80

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Cost of Service Summary -- Adjusted Results</b>						
<b>Operating Revenues</b>						
Total Operating Revenue -- Actual			\$ 5,589	\$ 1,207,785	\$ 6,063,572	\$ 1,543,986
Pro-Forma Adjustments:						
1 To Remove Fuel Adjustment Clause Revenue			\$ 75	\$ 63,007	\$ 347,219	\$ 815
2 To Remove Environmental Surcharge Revenue			\$ (474)	\$ (113,705)	\$ (594,338)	\$ (2,087)
3 To Normalize Year-End Customers			\$ (163)	\$ (157,167)	\$ 174,806	\$ -
4 FAC Roll-In to Base Rates			\$ (19)	\$ (23,162)	\$ (128,012)	\$ (15,770)
# Proposed Rate Revisions			\$ -	\$ -	\$ -	\$ -
Total Pro Forma Adjustments			\$ (581)	\$ (231,027)	\$ (200,324)	\$ (17,042)
Total Pro-Forma Operating Revenue			\$ 5,008	\$ 976,758	\$ 5,863,247	\$ 1,526,945
<b>Operating Expenses</b>						
Total Operating Expenses -- Actual	TOE		\$ 6,934	\$ 1,030,769	\$ 5,758,409	\$ 951,737
Pro-Forma Adjustments:						
1 To Remove Fuel Expense Recoverable through the FAC		E01	\$ 54	\$ 64,574	\$ 339,045	\$ 44,066
2a To Remove Expenses Recoverable through the ES (Energy)		12CP	\$ (85)	\$ (46,170)	\$ (401,082)	\$ (35,114)
2b To Remove Expenses Recoverable through the ES (Demand)		E01	\$ (42)	\$ (50,719)	\$ (266,296)	\$ (34,611)
3 Rate Case Expenses		RBT	\$ 10	\$ 318	\$ 920	\$ 1,410
4 Year End Customers			\$ (40)	\$ (148,095)	\$ 180,488	\$ -
5 Depreciation Expense Normalization		RBT	\$ 68	\$ 2,258	\$ 6,521	\$ 9,996
6 Donations, Advertising, Dues, & Other		RBT	\$ (106)	\$ (3,545)	\$ (10,236)	\$ (15,690)
7 Miscellaneous Expenses		RBT	\$ (1)	\$ (33)	\$ (95)	\$ (146)
8 Directors Expense		LBT	\$ (1)	\$ (65)	\$ (187)	\$ (37)
9 Retirement Plan Contributions		LBT	\$ 9	\$ 395	\$ 1,142	\$ 228
10 Wages & Salaries		LBT	\$ 15	\$ 630	\$ 1,821	\$ 364
11 Professional Services		RBT	\$ (12)	\$ (399)	\$ (1,152)	\$ (1,765)
13 Payroll Tax		RBT	\$ (1)	\$ (26)	\$ (74)	\$ (114)
14 Interest		RBT	\$ (40)	\$ (1,344)	\$ (3,882)	\$ (5,951)
15 Life Insurance Premiums		RBT	\$ (8)	\$ (279)	\$ (807)	\$ (1,236)
Total Pro Forma Adjustments			\$ (183)	\$ (182,498)	\$ (153,875)	\$ (38,600)
Total Pro-forma Operating Expenses			\$ 6,751	\$ 848,271	\$ 5,604,534	\$ 913,137
<b>Utility Operating Margin -- Pro-Forma</b>			\$ (1,743)	\$ 128,487	\$ 258,713	\$ 613,808
<b>Net Cost Rate Base</b>			\$ 31,477	\$ 1,048,225	\$ 3,027,049	\$ 4,639,669
Pro-forma Rate Base Adjustments <reserved>		RBT	\$ -	\$ -	\$ -	\$ -
Pro-forma Rate Base			\$ 31,477	\$ 1,048,225	\$ 3,027,049	\$ 4,639,669
<b>Rate of Return</b>			-5.54%	12.26%	8.55%	13.23%
<b>Unitized Rate of Return</b>			(3.53)	7.82	5.45	8.44

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential,	Sch I - Res TOD	Sch II - Small	Sch II - Small
				Schools & Churches R		Commercial Power C1	Commercial Small Power C2
<b>Allocation Factors</b>							
<b>Energy Allocation Factors</b>							
Energy Usage by Class	E01	Energy	1.000000	0.702773	0.000246	0.033622	0.022943
<b>Demand Allocation Factors</b>							
Purchase Power -- Average 12 CP	D01	12CP	1.000000	0.752133	0.000266	0.040518	0.029484
Station Equipment -- Maximum Class Demand	D02	NCP	1.000000	0.745671	0.000459	0.037634	0.027251
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	1.000000	0.745671	0.000459	0.037634	0.027251
Services	SERV		1.000000	0.928515	0.000503	0.056313	0.008315
Misc. Service Revenue	MISCERV		1.000000	0.928515	0.000503	0.056313	0.008315
Residential & Commercial Rev	RCRev		34,084,763	30,074,337	10,495	1,612,359	1,179,307
<b>Customer Allocation Factors</b>							
Primary Distribution Plant -- Average Number of Customers	C01	Cust01	1.000000	0.923821	0.000501	0.056028	0.007009
Customer Services -- Average Number of Customers	C02	Cust02	1.000000	0.923821	0.000501	0.056028	0.007009
Meter Costs -- Weighted Cost of Meters	C03		1.000000	0.922786	0.000500	0.055966	0.009581
Lighting Systems -- Lighting Customers	C04	Cust04	1.000000	-	-	-	-
Meter Reading and Billing -- Weighted Cost	C05	Cust05	1.000000	0.930387	0.000504	0.056427	0.007059
Load Management	C06	Cust06	1.000000	0.930387	0.000504	0.056427	0.007059
<b>Other Allocation Factors</b>							
Rev	R01		41,686,788	30,074,337	10,495	1,612,359	1,179,307
Energy	E01		424,777,329	295,253,522	103,542	14,497,102	9,892,526
Loss Factor			0.050	0.050	0.050	0.025	0.025
Energy Including Losses	Energy		442,238,349	310,793,181	108,992	14,868,823	10,146,181
Customers (Monthly Bills)			287,640	265,728	144	16,116	2,016
Average Customers (Bills/12)	Cust01		23,970	22,144	12	1,343	168
Average Customers (Lighting = Lights)	Cust02		23,970	22,144	12	1,343	168
Average Customers (Lighting =45 Lights per Cust)	Cust03		23,801	22,144	12	1,343	168
Lighting	Cust04		1	-	-	-	-
Average Customers	Cust05		23,801	22,144	12	1,343	168
Load Management	Cust06		23,801	22,144	12	1,343	168
Winter CP Demands	WCP		808,729	614,341	269	30,869	21,916
Summer CP Demands	SCP		234,027	169,950	9	11,382	8,828
12 Month Sum of Coincident Demands	12CP		1,042,756	784,291	278	42,250	30,745
Class Maximum Demands	NCP		129,015	96,203	59	4,855	3,516
Sum of the Individual Customer Demands	SICD		2,738,846	2,248,026	784	86,446	36,995

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Allocation Factors</b>						
<b>Energy Allocation Factors</b>						
Energy Usage by Class	E01	Energy	0.000029	0.034674	0.182052	0.023661
<b>Demand Allocation Factors</b>						
Purchase Power -- Average 12 CP	D01	12CP	0.000031	0.016996	0.147645	0.012926
Station Equipment -- Maximum Class Demand	D02	NCP	0.000039	0.025662	0.144171	0.019113
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	0.000039	0.025662	0.144171	0.019113
Services	SERV		0.000922	0.002128	0.003303	-
Misc. Service Revenue	MISCSERV		0.000922	0.002128	0.003303	-
Residential & Commercial Rev	R01	R01	4,044	1,204,220	-	-
<b>Customer Allocation Factors</b>						
Primary Distribution Plant -- Average Number of Customers	C01	Cust01	0.000918	0.001794	0.002712	0.007217
Customer Services -- Average Number of Customers	C02	Cust02	0.000918	0.001794	0.002712	0.007217
Meter Costs -- Weighted Cost of Meters	C03		0.000917	0.002452	0.007799	-
Lighting Systems -- Lighting Customers	C04	Cust04	-	-	-	1.000000
Meter Reading and Billing -- Weighted Cost	C05	Cust05	0.000924	0.001807	0.002731	0.000162
Load Management	C06	Cust06	0.000924	0.001807	0.002731	0.000162
<b>Other Allocation Factors</b>						
Rev	R01		4,044	1,204,220	6,058,039	1,543,986
Energy	E01		12,154	14,567,275	80,510,446	9,940,762
Loss Factor			0.050	0.050	-	0.050
Energy Including Losses	Energy		12,794	15,333,974	80,510,446	10,463,960
Customers (Monthly Bills)			264	516	780	2,076
Average Customers (Bills/12)	Cust01		22	43	65	173
Average Customers (Lighting = Lights)	Cust02		22	43	65	173
Average Customers (Lighting =45 Lights per Cust)	Cust03		22	43	65	3.84
Lighting	Cust04		-	-	-	1
Average Customers	Cust05		22	43	65	3.84
Load Management	Cust06		22	43	65	3.84
Winter CP Demands	WCP		25	13,761	114,069	13,479
Summer CP Demands	SCP		7	3,961	39,889	-
12 Month Sum of Coincident Demands	12CP		32	17,723	153,958	13,479
Class Maximum Demands	NCP		5	3,311	18,600	2,466
Sum of the Individual Customer Demands	SICD		73	86,792	252,473	27,258

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial		Sch II - Small Commercial		
				R			Power C1	Power C2			
<b>Allocation Factors (continued)</b>											
Transmission Residual Demand Allocator	TRDA		1,042,756	784,291		278	42,250		30,745		
Transmission Plant In Service		\$	-								
Customer Specific Assignment											
Transmission Residual	TRDA	\$	-	\$	-	\$	-	\$	-		
Transmission Total	TA1	\$	-	\$	-	\$	-	\$	-		
Transmission Plant Allocator	T01	TA1	-	-	-	-	-	-	-		
Transmission Residual Demand Allocator	TOMDA		1,042,756	784,291		278	42,250		30,745		
Transmission Plant In Service		\$	-								
Customer Specific Assignment		\$	-								
Transmission Residual	TOMDA	\$	-	\$	-	\$	-	\$	-		
Transmission Total	TOMA	\$	-	\$	-	\$	-	\$	-		
Transmission O&M Allocator	T02	TOMA	-	-	-	-	-	-	-		
Distribution Residual Demand Allocator	DDA		2,738,846	2,248,026		784	86,446		36,995		
Distribution Plant In Service		\$	46,339,410								
Customer Specific Assignment											
Distribution Residual	DOMDA	\$	46,339,410	\$	38,035,059.4	\$	13,265	\$	1,462,607	\$	625,929
Distribution Total	DT1	\$	46,339,410	\$	38,035,059.4	\$	13,265	\$	1,462,607	\$	625,929
Distribution Plant Allocator	DA1	DT1	1.000000	0.82079		0.00029	0.03156		0.01351		
Distribution Residual Demand Allocator	DOMDA		2,738,846	2,248,025.58		784	86,446		36,995		
Distribution Plant In Service		\$	46,339,410								
Customer Specific Assignment											
Distribution Residual	DOMDA	\$	46,339,410	\$	38,035,059.4	\$	13,265	\$	1,462,607	\$	625,929
Distribution Total	DOMA	\$	46,339,410	\$	38,035,059.4	\$	13,265	\$	1,462,607	\$	625,929
Distribution O&M Allocator	DOM	DOMA	1.000000	0.82079		0.00029	0.03156		0.01351		
Substation Residual Demand Allocator	SDA		1,042,756	784,291		278	42,250		30,745		
Substation Plant In Service		\$	702,218								
Customer Specific Assignment											
Substation Residual	SDA	\$	702,218	\$	528,162	\$	187	\$	28,453	\$	20,704
Substation Total	ST1	\$	702,218	\$	528,162	\$	187	\$	28,453	\$	20,704
Substation Plant Allocator	SA1	ST1	1.000000	0.75213		0.00027	0.04052		0.02948		
Substation Residual Demand Allocator	SOMDA		1,042,756	784,291		278	42,250		30,745		
Substation Plant In Service		\$	702,218								
Customer Specific Assignment											
Substation Residual	SOMDA	\$	702,218	\$	528,162	\$	187	\$	28,453	\$	20,704
Substation Total	STOM	\$	702,218	\$	528,162	\$	187	\$	28,453	\$	20,704
Substation O&M Allocator	SOMA	STOM	1.000000	0.75213		0.00027	0.04052		0.02948		

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Allocation Factors (continued)</b>						
Transmission Residual Demand Allocator	TRDA		32	17,723	153,958	13,479
Transmission Plant In Service						
Customer Specific Assignment						-
Transmission Residual	TRDA	TRDA	\$ -	\$ -	\$ -	\$ -
Transmission Total	TA1	TA1	\$ -	\$ -	\$ -	\$ -
Transmission Plant Allocator	T01	TA1	-	-	-	-
Transmission Residual Demand Allocator	TOMDA		32	17,723	153,958	13,479
Transmission Plant In Service						
Customer Specific Assignment						-
Transmission Residual	TOMDA	TOMDA	\$ -	\$ -	\$ -	\$ -
Transmission Total	TOMA	TOMA	\$ -	\$ -	\$ -	\$ -
Transmission O&M Allocator	T02	TOMA	-	-	-	-
Distribution Residual Demand Allocator	DDA		73	86,792	252,473	27,258
Distribution Plant In Service						
Customer Specific Assignment						-
Distribution Residual	DOMDA	DOMDA	\$ 1,229	\$ 1,468,459	\$ 4,271,671	\$ 461,189
Distribution Total	DT1	DT1	\$ 1,229	\$ 1,468,459	\$ 4,271,671	\$ 461,189
Distribution Plant Allocator	DA1	DT1	0.00003	0.03169	0.09218	0.00995
Distribution Residual Demand Allocator	DOMDA		73	86,792	252,473	27,258
Distribution Plant In Service						
Customer Specific Assignment						-
Distribution Residual	DOMDA	DOMDA	\$ 1,229	\$ 1,468,459	\$ 4,271,671	\$ 461,189
Distribution Total	DOMA	DOMA	\$ 1,229	\$ 1,468,459	\$ 4,271,671	\$ 461,189
Distribution O&M Allocator	DOM	DOMA	0.00003	0.03169	0.09218	0.00995
Substation Residual Demand Allocator	SDA		32	17,723	153,958	13,479
Substation Plant In Service						
Customer Specific Assignment						-
Substation Residual	SDA	SDA	\$ 22	\$ 11,935	\$ 103,679	\$ 9,077
Substation Total	ST1	ST1	\$ 22	\$ 11,935	\$ 103,679	\$ 9,077
Substation Plant Allocator	SA1	ST1	0.00003	0.01700	0.14765	0.01293
Substation Residual Demand Allocator	SOMDA		32	17,723	153,958	13,479
Substation Plant In Service						
Customer Specific Assignment						-
Substation Residual	SOMDA	SOMDA	\$ 22	\$ 11,935	\$ 103,679	\$ 9,077
Substation Total	STOM	STOM	\$ 22	\$ 11,935	\$ 103,679	\$ 9,077
Substation O&M Allocator	SOMA	STOM	0.00003	0.01700	0.14765	0.01293

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial Small Power	
				R	TOD		C1	C2
<b>Allocation Factors (continued)</b>								
Customer Services Demand	CSD		2,738,846	2,248,026		784	86,446	36,995
Customer Services Allocator	CSA	CSD	1.000000	0.82079		0.00029	0.03156	0.01351
Purchased Power Residual Demand Allocator	PPDRA		1,042,756	784,291		278	42,250	30,745
Purchased Power Demand Costs			\$ 9,804,243					
Customer Specific Assignment			\$ -	\$ -		\$ -	\$ -	\$ -
Purchased Power Demand Residual		PPDRA	\$ 9,804,243.419	\$ 7,374,095		\$ 2,611	\$ 397,249	\$ 289,070
Purchased Power Demand Total		PPDT	\$ 9,804,243	\$ 7,374,095		\$ 2,611	\$ 397,249	\$ 289,070
Purchased Power Demand Allocator	PPDA	PPDT	1.000000	0.75213		0.00027	0.04052	0.02948
Purchased Power Residual Energy Allocator	PPERA		424,777,329	295,253,522		103,542	14,497,102	9,892,526
Purchased Power Energy Costs			\$ 20,123,364					
Customer Specific Assignment			\$ -	\$ -		\$ -	\$ -	\$ -
Purchased Power Energy Residual		PPERA	\$ 20,123,364	\$ 13,987,314		\$ 4,905	\$ 686,784	\$ 468,648
Purchased Power Energy Total		PPET	\$ 20,123,364	\$ 13,987,314		\$ 4,905	\$ 686,784	\$ 468,648
Purchased Power Energy Allocator	PPEA	PPET	1.000000	0.69508		0.00024	0.03413	0.02329

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Allocation Factors (continued)</b>						
Customer Services Demand	CSD		73	86,792	252,473	27,258
Customer Services Allocator	CSA	CSD	0.00003	0.03169	0.09218	0.00995
Purchased Power Residual Demand Allocator	PPDRA		32	17,723	153,958	13,479
Purchased Power Demand Costs						
Customer Specific Assignment			\$ -	\$ -	\$ -	\$ -
Purchased Power Demand Residual		PPDRA	\$ 306	\$ 166,633	\$ 1,447,550	\$ 126,731
Purchased Power Demand Total	PPDT		\$ 306	\$ 166,633	\$ 1,447,550	\$ 126,731
Purchased Power Demand Allocator	PPDA	PPDT	0.00003	0.01700	0.14765	0.01293
Purchased Power Residual Energy Allocator	PPERA		12,154	14,567,275	80,510,446	9,940,762
Purchased Power Energy Costs						
Customer Specific Assignment			-	-	-	-
Purchased Power Energy Residual		PPERA	\$ 576	\$ 690,109	\$ 3,814,095	\$ 470,933
Purchased Power Energy Total	PPET		\$ 576	\$ 690,109	\$ 3,814,095	\$ 470,933
Purchased Power Energy Allocator	PPEA	PPET	0.00003	0.03429	0.18954	0.02340

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches		Sch I - Res TOD	Sch II - Small Commercial		Sch II - Small Commercial	
				R	TOD		Power C1	Power C2		
<b>Operating Expenses</b>										
Purchased Power Demand			\$ 9,804,243	\$ 7,374,095		\$ 2,611	\$ 397,249		\$ 289,070	
Purchased Power Energy			\$ 20,123,364	\$ 13,987,314		\$ 4,905	\$ 686,784		\$ 468,648	
Transmission Demand			\$ -	\$ -		\$ -	\$ -		\$ -	
Distribution Demand			\$ 5,117,745	\$ 4,198,002		\$ 1,464	\$ 161,871		\$ 69,734	
Distribution Customer			\$ 6,712,342	\$ 5,955,217		\$ 3,227	\$ 361,175		\$ 48,477	
Total			\$ 41,757,694	\$ 31,514,628		\$ 12,208	\$ 1,607,079		\$ 875,929	
<b>Pro-Forma Operating Expenses</b>										
Purchased Power Demand			\$ 7,087,715	\$ 5,330,904		\$ 1,888	\$ 287,181		\$ 208,975	
Purchased Power Energy			\$ 20,474,182	\$ 14,192,371		\$ 5,004	\$ 712,017		\$ 460,655	
Transmission Demand			\$ -	\$ -		\$ -	\$ -		\$ -	
Distribution Demand			\$ 5,053,842	\$ 4,146,515		\$ 1,441	\$ 159,230		\$ 69,124	
Distribution Customer			\$ 6,628,529	\$ 5,887,687		\$ 3,196	\$ 357,711		\$ 47,677	
Total			\$ 39,244,268	\$ 29,557,478		\$ 11,528	\$ 1,516,138		\$ 786,431	
Target			\$ 2,513,426							
Variance			\$ -							
<b>Rate Base</b>										
Production & Purchased Power Demand			\$ -	\$ -		\$ -	\$ -		\$ -	
Production & Purchased Power Energy			\$ -	\$ -		\$ -	\$ -		\$ -	
Transmission Demand			\$ -	\$ -		\$ -	\$ -		\$ -	
Distribution Demand			\$ 31,221,479	\$ 25,594,699		\$ 8,929	\$ 989,572		\$ 429,093	
Distribution Customer			\$ 37,538,810	\$ 30,847,629		\$ 16,717	\$ 1,870,862		\$ 256,369	
Total			\$ 68,760,289	\$ 56,442,328		\$ 25,645	\$ 2,860,434		\$ 685,463	
<b>Revenue Requirement Calculated at a Rate of Return of</b>										
			<b>2.91%</b>							
Production & Purchased Power Demand			\$ 7,087,715	\$ 5,330,904		\$ 1,888	\$ 287,181		\$ 208,975	
Production & Purchased Power Energy			\$ 20,474,182	\$ 14,192,371		\$ 5,004	\$ 712,017		\$ 460,655	
Transmission Demand			\$ -	\$ -		\$ -	\$ -		\$ -	
Distribution Demand			\$ 5,961,852	\$ 4,890,882		\$ 1,700	\$ 188,009		\$ 81,603	
Distribution Customer			\$ 7,720,264	\$ 6,784,824		\$ 3,682	\$ 412,121		\$ 55,133	
Total			\$ 41,244,013	\$ 31,198,981		\$ 12,274	\$ 1,599,328		\$ 806,366	
Target			\$ 41,244,013							
Variance			\$ -							

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Operating Expenses</b>						
Purchased Power Demand			\$ 306	\$ 166,633	\$ 1,447,550	\$ 126,731
Purchased Power Energy			\$ 576	\$ 690,109	\$ 3,814,095	\$ 470,933
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 136	\$ 161,620	\$ 473,870	\$ 51,047
Distribution Customer			\$ 5,916	\$ 12,408	\$ 22,894	\$ 303,027
Total			\$ 6,934	\$ 1,030,769	\$ 5,758,409	\$ 951,737
<b>Pro-Forma Operating Expenses</b>						
Purchased Power Demand			\$ 221	\$ 120,463	\$ 1,046,467	\$ 91,617
Purchased Power Energy			\$ 547	\$ 555,869	\$ 4,067,332	\$ 480,388
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 106	\$ 160,716	\$ 471,262	\$ 45,448
Distribution Customer			\$ 5,877	\$ 11,223	\$ 19,473	\$ 295,684
Total			\$ 6,751	\$ 848,271	\$ 5,604,534	\$ 913,137
Target Variance						
<b>Rate Base</b>						
Production & Purchased Power Demand			\$ -	\$ -	\$ -	\$ -
Production & Purchased Power Energy			\$ -	\$ -	\$ -	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 830	\$ 982,606	\$ 2,903,649	\$ 312,101
Distribution Customer			\$ 30,647	\$ 65,618	\$ 123,400	\$ 4,327,569
Total			\$ 31,477	\$ 1,048,225	\$ 3,027,049	\$ 4,639,669
<b>Revenue Requirement Calculated at a Rate of Return of</b>						
		2.91%				
Production & Purchased Power Demand			\$ 221	\$ 120,463	\$ 1,046,467	\$ 91,617
Production & Purchased Power Energy			\$ 547	\$ 555,869	\$ 4,067,332	\$ 480,388
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 130	\$ 189,293	\$ 555,708	\$ 54,525
Distribution Customer			\$ 6,768	\$ 13,131	\$ 23,062	\$ 421,542
Total			\$ 7,666	\$ 878,756	\$ 5,692,569	\$ 1,048,072
Target Variance						

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches R	Sch I - Res TOD	Sch II - Small Commercial Power C1	Sch II - Small Commercial Power C2
<b>Operating Expenses-Unit Costs</b>							
Production & Purchased Power Demand (per KWH or KW)				0.01806	0.01823	0.01981	5.65
Purchased Power Energy (per KWH)				0.04807	0.04833	0.04911	0.04657
Transmission Demand (per KWH or KW)				-	-	-	-
Distribution Demand (per KWH or KW)				0.01404	0.01391	0.01098	1.87
Distribution Customer (per Customer)				22.16	22.20	22.20	23.65
<b>Rate Base-Unit Costs</b>							
Production & Purchased Power Demand (per KWH or KW)				-	-	-	-
Purchased Power Energy (per KWH)				-	-	-	-
Transmission Demand (per KWH or KW)				-	-	-	-
Distribution Demand (per KWH or KW)				0.08669	0.08623	0.06826	11.60
Distribution Customer (per Customer)				116.09	116.09	116.09	127.17

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Operating Expenses-Unit Costs</b>						
Production & Purchased Power Demand (per KWH or KW)			0.01817	0.00827	4.14	0.00922
Purchased Power Energy (per KWH)			0.04501	0.03816	0.05052	0.04833
Transmission Demand (per KWH or KW)			-	-	-	-
Distribution Demand (per KWH or KW)			0.00871	0.01103	1.87	0.00457
Distribution Customer (per Customer)			22.26	21.75	24.97	142.43
<b>Rate Base-Unit Costs</b>						
Production & Purchased Power Demand (per KWH or KW)			-	-	-	-
Purchased Power Energy (per KWH)			-	-	-	-
Transmission Demand (per KWH or KW)			-	-	-	-
Distribution Demand (per KWH or KW)			0.06830	0.06745	11.50	0.03140
Distribution Customer (per Customer)			116.09	127.17	158.21	2,084.57

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches R	Sch I - Res TOD TOD	Sch II - Small Commercial Power C1	Sch II - Small Commercial Power C2
<b>Unit Revenue Requirement @ Current Class Revenues</b>	Various			-0.54%	-3.78%	2.99%	43.55%
<b>Production &amp; Purchased Power</b>							
Production & Purchased Power Demand (Per KWH or KW)				0.018055	0.018232	0.019810	5.65
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.048068	0.048325	0.049114	0.046566
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-
<b>Transmission Demand</b>							
Transmission Demand (Per KWH or KW)				-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-
<b>Distribution Demand</b>							
Distribution Demand (Per KWH or KW)				0.014044	0.013914	0.010984	1.87
Distribution Demand Margin (Per KWH or KW)				(0.000468)	(0.003257)	0.002042	0.02
Total Distribution Demand (Per KWH or KW)				0.013576	0.010656	0.013026	1.89
<b>Distribution Customer</b>							
Distribution Customer (Per Customer Per Month)				22.16	22.20	22.20	23.65
Distribution Customer Margin (Per Customer Per Month)				(0.63)	(4.39)	3.47	55.39
Total Distribution Customer (Per Customer Per Month)				21.53	17.81	25.67	79.04

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Unit Revenue Requirement @ Current Class Revenues</b>	Various		-5.54%	12.26%	8.55%	13.23%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			0.018174	0.008269	4.14	0.009216
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	-
Production & Purchased Power Energy (Per KWH)			0.045013	0.038159	0.050519	0.048325
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	-
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	-
Transmission Demand Margin (Per KWH or KW)			-	-	-	-
Total Transmission Demand (Per KWH or KW)			-	-	-	-
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.008712	0.011033	1.87	0.004572
Distribution Demand Margin (Per KWH or KW)			<u>(0.003782)</u>	<u>0.008268</u>	<u>0.98</u>	<u>0.004154</u>
Total Distribution Demand (Per KWH or KW)			0.004930	0.019301	2.85	0.008725
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			22.26	21.75	24.97	142.43
Distribution Customer Margin (Per Customer Per Month)			<u>(6.43)</u>	<u>15.59</u>	<u>13.52</u>	<u>275.78</u>
Total Distribution Customer (Per Customer Per Month)			15.83	37.34	38.49	418.21

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches R	Sch I - Res TOD TOD	Sch II - Small Commercial Small Power C1	Sch II - Small Commercial Small Power C2
<b>Unit Revenue Requirement @ Total System Rate of Return</b>	1.57%			1.57%	1.57%	1.57%	1.57%
<b>Production &amp; Purchased Power</b>							
Production & Purchased Power Demand (Per KWH or KW)				0.018055	0.018232	0.019810	5.65
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.048068	0.048325	0.049114	0.046566
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-
<b>Transmission Demand</b>							
Transmission Demand (Per KWH or KW)				-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-
<b>Distribution Demand</b>							
Distribution Demand (Per KWH or KW)				0.014044	0.013914	0.010984	1.87
Distribution Demand Margin (Per KWH or KW)				0.001358	0.001351	0.001070	0.18
Total Distribution Demand (Per KWH or KW)				0.015402	0.015265	0.012053	2.05
<b>Distribution Customer</b>							
Distribution Customer (Per Customer Per Month)				22.16	22.20	22.20	23.65
Distribution Customer Margin (Per Customer Per Month)				1.82	1.82	1.82	1.99
Total Distribution Customer (Per Customer Per Month)				23.98	24.01	24.02	25.64

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Unit Revenue Requirement @ Total System Rate of Return</b>	1.57%		1.57%	1.57%	1.57%	1.57%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			0.018174	0.008269	4.14	0.009216
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	-
Production & Purchased Power Energy (Per KWH)			0.045013	0.038159	0.050519	0.048325
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	-
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	-
Transmission Demand Margin (Per KWH or KW)			-	-	-	-
Total Transmission Demand (Per KWH or KW)			-	-	-	-
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.008712	0.011033	1.87	0.004572
Distribution Demand Margin (Per KWH or KW)			0.001070	0.001057	0.18	0.000492
Total Distribution Demand (Per KWH or KW)			0.009783	0.012090	2.05	0.005064
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			22.26	21.75	24.97	142.43
Distribution Customer Margin (Per Customer Per Month)			1.82	1.99	2.48	32.66
Total Distribution Customer (Per Customer Per Month)			24.08	23.74	27.44	175.09

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Total System	Sch I - Residential, Schools & Churches R	Sch I - Res TOD TOD	Sch II - Small Commercial Small Power C1	Sch II - Small Commercial Small Power C2
<b>Unit Revenue Requirement @ Specified Rate of Return</b>	2.91%			2.91%	2.91%	2.91%	2.91%
<b>Production &amp; Purchased Power</b>							
Production & Purchased Power Demand (Per KWH or KW)				0.018055	0.018232	0.019810	5.65
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.048068	0.048325	0.049114	0.046566
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-
<b>Transmission Demand</b>							
Transmission Demand (Per KWH or KW)				-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-
<b>Distribution Demand</b>							
Distribution Demand (Per KWH or KW)				0.014044	0.013914	0.010984	1.87
Distribution Demand Margin (Per KWH or KW)				0.002521	0.002508	0.001985	0.34
Total Distribution Demand (Per KWH or KW)				0.016565	0.016421	0.012969	2.21
<b>Distribution Customer</b>							
Distribution Customer (Per Customer Per Month)				22.16	22.20	22.20	23.65
Distribution Customer Margin (Per Customer Per Month)				3.38	3.38	3.38	3.70
Total Distribution Customer (Per Customer Per Month)				25.53	25.57	25.57	27.35

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

Description	Name	Allocation Vector	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Unit Revenue Requirement @ Specified Rate of Return</b>	2.91%		2.91%	2.91%	2.91%	2.91%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			0.018174	0.008269	4.14	0.009216
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	-
Production & Purchased Power Energy (Per KWH)			0.045013	0.038159	0.050519	0.048325
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	-
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	-
Transmission Demand Margin (Per KWH or KW)			-	-	-	-
Total Transmission Demand (Per KWH or KW)			-	-	-	-
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.008712	0.011033	1.87	0.004572
Distribution Demand Margin (Per KWH or KW)			0.001986	0.001962	0.33	0.000913
Total Distribution Demand (Per KWH or KW)			0.010699	0.012994	2.20	0.005485
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			22.26	21.75	24.97	142.43
Distribution Customer Margin (Per Customer Per Month)			3.38	3.70	4.60	60.63
Total Distribution Customer (Per Customer Per Month)			25.64	25.45	29.57	203.05

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

<u>Description</u>	<u>Name</u>	<u>Allocation Vector</u>	<u>Total System</u>	<u>Sch I - Residential, Schools &amp; Churches R</u>	<u>Sch I - Res TOD</u>	<u>Sch II - Small Commercial Small Power C1</u>	<u>Sch II - Small Commercial Small Power C2</u>
<b><u>Summary of Cost-Based Charges</u></b>							
<b>At Current Class Rate of Return</b>			2.33%	0.20%	-3.39%	3.48%	46.29%
Customer Charge (\$/month)				21.53	17.81	25.67	79.04
Energy Charge (\$/kWh)				0.079699	0.077214	0.081950	0.046566
Demand Charge (\$/kW)				-	-	-	-
<b>At Current Total System Rate of Return</b>			1.57%	1.57%	1.57%	1.57%	1.57%
Customer Charge (\$/month)				23.98	24.01	24.02	25.64
Energy Charge (\$/kWh)				0.081526	0.081822	0.080977	0.046566
Demand Charge (\$/kW)				-	-	-	-
<b>At Specified Total System Rate of Return</b>			2.91%	2.91%	2.91%	2.91%	2.91%
Customer Charge (\$/month)				25.53	25.57	25.57	27.35
Energy Charge (\$/kWh)				0.082689	0.082979	0.081893	0.046566
Demand Charge (\$/kW)				-	-	-	7.85

**CUMBERLAND VALLEY ELECTRIC**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2018

<u>Description</u>	<u>Name</u>	<u>Allocation Vector</u>	Sch VII - Inclining Block Rate IB	Sch III - All 3Phase Schools & Churches E1	Sch IV-A - Large Power 50-2500 kW L1	Sch VI - Outdoor Lighting - Security Lights S
<b>Summary of Cost-Based Charges</b>						
<b>At Current Class Rate of Return</b>			-4.27%	16.89%	10.08%	12.76%
Customer Charge (\$/month)			15.83	37.34	38.49	418.21
Energy Charge (\$/kWh)			0.045013	0.038159	0.050519	0.066267
Demand Charge (\$/kW)			0.02	0.03	6.99	-
<b>At Current Total System Rate of Return</b>			1.57%	1.57%	1.57%	1.57%
Customer Charge (\$/month)			24.08	23.74	27.44	175.09
Energy Charge (\$/kWh)			0.045013	0.038159	0.050519	0.062605
Demand Charge (\$/kW)			0.03	0.02	6.19	-
<b>At Specified Total System Rate of Return</b>			2.91%	2.91%	2.91%	2.91%
Customer Charge (\$/month)			25.64	25.45	29.57	203.05
Energy Charge (\$/kWh)			0.073887	0.059423	0.050519	0.063026
Demand Charge (\$/kW)			-	-	6.35	-

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-6**

**CUMBERLAND VALLEY ELECTRIC**  
Summary of Billing Determinants and Demand Analysis

Rate Class	Code	Average Customers	kWh	Revenue	12 - Month Individual Customer Demand	Sum of Individual Customer Max Demand	Class Demand During Peak Month	Sum of Coincident Demands	Summer Coincident Demands	Winter Coincident Demands
Sch I - Residential, Schools & Churches	R	22,144	295,253,522	\$ 30,074,337	2,248,026	242,413	96,203	784,291	169,950	614,341
Sch I - Res TOD	TOD	12	103,542	\$ 10,495	784	149	59	278	9	269
Sch II - Small Commercial Small Power	C1	1,343	14,497,102	\$ 1,612,359	86,446	8,444	4,855	42,250	11,382	30,869
Sch II - Small Commercial Small Power	C2	168	9,892,526	\$ 1,179,307	36,995	3,340	3,516	30,745	8,828	21,916
Sch VII - Inclining Block Rate	IB	22	12,154	\$ 4,044	73	9	5	32	7	25
Sch III - All 3Phase Schools & Churches	E1	43	14,567,275	\$ 1,204,220	86,792	8,444	3,311	17,723	3,961	13,761
Sch IV-A - Large Power 50-2500 kW	L1	65	80,510,446	\$ 6,058,039	252,473	23,436	18,600	153,958	39,889	114,069
Sch VI - Outdoor Lighting - Security Lights	S	173	9,940,762	\$ 1,543,986	27,258	2,466	2,466	13,479	-	13,479
Total		23,970	424,777,329	\$ 41,686,788	2,738,846	288,700	129,015	1,042,756	234,027	808,729
Total excl Lighting		23,797								
	Reported	23,663	424,777,329	\$ 41,687,370						
	Variance	307	-	\$ (581)						
	Var w/o Lts	134								
	Var %	0.6%	0.0%	0.0%						

**CUMBERLAND VALLEY ELECTRIC**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Class</u>	<u>Code</u>	<u>Rate Class</u>	<u>Average Customers</u>	<u>kWh</u>	<u>Revenue</u>	<u>% KWH</u>	<u>% Revenue</u>
Sch I - Residential, Schools & Churches	R	Sch I - Residential, S	22,144	295,253,522	\$ 30,074,337	69.51%	72.14%
Sch I - Res TOD	TOD	Sch I - Res TOD	12	103,542	\$ 10,495	0.02%	0.03%
Sch II - Small Commercial Small Power	C1	Sch II - Small Comm	1,343	14,497,102	\$ 1,612,359	3.41%	3.87%
Sch II - Small Commercial Small Power	C2	Sch II - Small Comm	168	9,892,526	\$ 1,179,307	2.33%	2.83%
Sch VII - Inclining Block Rate	IB	Sch VII - Inclining Blo	22	12,154	\$ 4,044	0.00%	0.01%
Sch III - All 3Phase Schools & Churches	E1	Sch III - All 3Phase S	43	14,567,275	\$ 1,204,220	3.43%	2.89%
Sch IV-A - Large Power 50-2500 kW	L1	Sch IV-A - Large Pov	65	80,510,446	\$ 6,058,039	18.95%	14.53%
Sch VI - Outdoor Lighting - Security Lights	S	Sch VI - Outdoor Ligt	173	9,940,762	\$ 1,543,986	2.34%	3.70%
Total		Total	23,970	424,777,329	\$ 41,686,788	100.00%	100.00%
Total excl Lighting		Total excl Lighting	23,797				
	<u>Reported</u>						
	<u>Variance</u>						
	Var w/o Lts						
	Var %						

**CUMBERLAND VALLEY ELECTRIC**  
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<b>Sch I - Residential, Schools &amp; Churches</b>	<b>R</b>	22,144	22,120	22,142	22,091	22,125	22,155	22,128	22,168	22,188
Energy Usage (kWh)		32,463,936	29,924,902	26,962,201	17,685,882	18,575,131	19,955,856	24,466,369	25,857,646	21,782,231
Average Demand		43,634	41,562.36	36,240	24,564	24,967	26,822.39	36,408.29	34,755	30,253
Diversified Load Factor		45.36%	59.70%	38.89%	38.27%	42.61%	46.63%	55.09%	53.29%	48.66%
Non-Coincident Demand		96,203	69,619	93,191	64,192	58,589	57,519	66,095	65,220	62,174
Coincidence Factor		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Coincident Demand		86,583	62,657	83,872	57,773	52,730	51,767	59,485	58,698	55,956
Individual Customer Load Factor		18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Sum of Individual Customer Demands		242,413	230,902	201,331	136,465	138,703	149,013	202,268	193,083	168,073
<b>Sch I - Res TOD</b>	<b>TOD</b>	12	12	12	12	12	12	12	12	12
Energy Usage (kWh)		19,994	19,216	16,214	4,921	1,476	728	1,313	1,595	1,278
Average Demand		27	26.69	22	7	2	0.98	1.95	2	2
Diversified Load Factor		45.36%	59.70%	38.89%	38.27%	42.61%	46.63%	55.09%	53.29%	48.66%
Non-Coincident Demand		59	45	56	18	5	2	4	4	4
Coincidence Factor		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Coincident Demand		53	40	50	16	4	2	3	4	3
Individual Customer Load Factor		18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Sum of Individual Customer Demands		149	148	121	38	11	5	11	12	10
<b>Sch II - Small Commercial Small Power</b>	<b>C1</b>	1,319	1,322	1,320	1,336	1,342	1,343	1,356	1,348	1,360
Energy Usage (kWh)		1,299,890	1,247,402	1,161,625	1,011,283	1,118,423	1,162,357	1,305,133	1,377,675	1,289,014
Average Demand		1,747	1,732.50	1,561	1,405	1,503	1,562.31	1,942.16	1,852	1,790
Diversified Load Factor		40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Non-Coincident Demand		4,368	4,331	3,903	3,511	3,758	3,906	4,855	4,629	4,476
Coincidence Factor		85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Coincident Demand		3,713	3,682	3,318	2,985	3,194	3,320	4,127	3,935	3,804
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		7,596	7,533	6,788	6,107	6,536	6,793	8,444	8,051	7,784

**CUMBERLAND VALLEY ELECTRIC**  
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC Max Demand</u>	<u>During Peak Month</u>	<u>Sum of Coin Demand</u>	<u>Summer Coin Demand</u>	<u>Winter Coin Demand</u>
<b>Sch I - Residential, Schools &amp; Churches</b>	<b>R</b>	22,201	22,201	22,066	22,144					
Energy Usage (kWh)		19,249,811	26,027,014	32,302,543	295,253,522					
Average Demand		25,873	36,149	43,417	33,705					
Diversified Load Factor		44.28%	39.17%	49.39%						
Non-Coincident Demand		58,437	92,284	87,913	871,435		96,203			
Coincidence Factor		90.00%	90.00%	90.00%						
Coincident Demand		52,593	83,055	79,122	784,291			784,291	169,950	614,341
Individual Customer Load Factor		18.00%	18.00%	18.00%						
Sum of Individual Customer Demands		143,741	200,826	241,208	2,248,026	242,413				
<b>Sch I - Res TOD</b>	<b>TOD</b>	12	12	12	12					
Energy Usage (kWh)		3,158	14,081	19,568	103,542					
Average Demand		4	20	26	12					
Diversified Load Factor		44.28%	39.17%	49.39%						
Non-Coincident Demand		10	50	53	309		59			
Coincidence Factor		90.00%	90.00%	90.00%						
Coincident Demand		9	45	48	278			278	9	269
Individual Customer Load Factor		18.00%	18.00%	18.00%						
Sum of Individual Customer Demands		24	109	146	784	149				
<b>Sch II - Small Commercial Small Power</b>	<b>C1</b>	1,357	1,358	1,358	1,343					
Energy Usage (kWh)		1,107,069	1,123,362	1,293,869	14,497,102					
Average Demand		1,488	1,560	1,739	1,655					
Diversified Load Factor		40.00%	40.00%	40.00%						
Non-Coincident Demand		3,720	3,901	4,348	49,706		4,855			
Coincidence Factor		85.00%	85.00%	85.00%						
Coincident Demand		3,162	3,315	3,696	42,250			42,250	11,382	30,869
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		6,470	6,784	7,561	86,446	8,444				

**CUMBERLAND VALLEY ELECTRIC**  
Summary of Billing Determinants and Demand Analysis

<b>Rate Schedule</b>	<b>Code</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
<b>Sch II - Small Commercial Small Power</b>	<b>C2</b>	166	168	167	168	171	173	175	168	167
Energy Usage (kWh)		832,128	844,171	725,442	756,834	836,029	916,662	969,632	980,920	876,179
Average Demand		1,118	1,256	975	1,051	1,124	1,273	1,303	1,318	1,217
Diversified Load Factor		37.50%	37.50%	37.50%	37.50%	37.50%	37.50%	37.50%	37.50%	37.50%
Non-Coincident Demand		2,983	3,350	2,600	2,803	2,997	3,395	3,475	3,516	3,245
Coincidence Factor		85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Coincident Demand		2,535	2,847	2,210	2,383	2,547	2,886	2,954	2,988	2,758
Individual Customer Load Factor		38.06%	39.56%	31.89%	34.63%	36.39%	38.51%	39.02%	40.33%	38.38%
Sum of Individual Customer Demands		2,939	3,176	3,058	3,036	3,088	3,306	3,340	3,269	3,171
<b>Sch VII - Inclining Block Rate</b>	<b>IB</b>	23	23	23	22	22	21	21	21	21
Energy Usage (kWh)		1,018	1,110	1,008	804	627	688	1,159	1,068	1,215
Average Demand		1	1.54	1	1	1	0.92	1.72	1	2
Diversified Load Factor		45.36%	59.70%	38.89%	38.27%	42.61%	46.63%	55.09%	53.29%	48.66%
Non-Coincident Demand		3	3	3	3	2	2	3	3	3
Coincidence Factor		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Coincident Demand		3	2	3	3	2	2	3	2	3
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		6	7	6	5	4	4	7	6	7
<b>Sch III - All 3Phase Schools &amp; Churches</b>	<b>E1</b>	47	47	47	47	47	47	47	36	36
Energy Usage (kWh)		1,327,131	1,354,470	1,181,526	1,098,771	1,250,176	1,117,353	1,099,113	1,298,693	1,398,274
Average Demand		1,784	1,881.21	1,588	1,526	1,680	1,501.82	1,635.58	1,746	1,942
Diversified Load Factor		55.36%	69.70%	48.89%	48.27%	52.61%	56.63%	65.09%	63.29%	58.66%
Non-Coincident Demand		3,222	2,699	3,248	3,162	3,194	2,652	2,513	2,758	3,311
Coincidence Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Coincident Demand		1,611	1,350	1,624	1,581	1,597	1,326	1,256	1,379	1,655
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		7,756	8,179	6,905	6,635	7,306	6,530	7,111	7,589	8,444
<b>Sch IV-A - Large Power 50-2500 kW</b>	<b>L1</b>	66	65	64	65	63	62	65	64	66
Energy Usage (kWh)		6,730,876	7,483,809	6,481,678	6,973,093	6,943,203	7,021,922	6,707,183	7,063,889	6,544,276
Average Demand		9,047	11,137	8,712	9,685	9,332	9,753	9,015	9,494	9,089
Diversified Load Factor		54.60%	65.17%	52.38%	53.52%	53.25%	55.45%	48.47%	55.86%	53.43%
Non-Coincident Demand		16,571	17,090	16,632	18,097	17,524	17,588	18,600	16,997	17,011
Coincidence Factor		75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Coincident Demand		12,428	12,817	12,474	13,573	13,143	13,191	13,950	12,748	12,758
Individual Customer Load Factor		44.60%	55.17%	42.38%	43.52%	43.25%	45.45%	38.47%	45.86%	43.43%
Sum of Individual Customer Demands		20,287	20,187	20,557	22,255	21,576	21,458	23,436	20,703	20,928
<b>Sch VI - Outdoor Lighting - Security Lights</b>	<b>S</b>	170	171	174	176	174	174	173	171	172
Energy Usage (kWh)		839,326	835,442	833,362	835,826	838,039	830,717	828,511	824,397	824,317
Average Demand		1,128	1,160.34	1,120	1,161	1,126	1,116.56	1,232.90	1,108	1,145
Diversified Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Non-Coincident Demand		2,256	2,321	2,240	2,322	2,253	2,233	2,466	2,216	2,290
Coincidence Factor		100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coincident Demand		2,256	2,321	2,240	-	-	-	-	-	-
Individual Customer Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sum of Individual Customer Demands		2,256	2,321	2,240	2,322	2,253	2,233	2,466	2,216	2,290

**CUMBERLAND VALLEY ELECTRIC**

Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC</u> <u>Max Demand</u>	<u>During</u> <u>Peak Month</u>	<u>Sum of</u> <u>Coin Demand</u>	<u>Summer</u> <u>Coin Demand</u>	<u>Winter</u> <u>Coin Demand</u>
<b>Sch II - Small Commercial Small Power</b>	<b>C2</b>	165	165	164	168					
Energy Usage (kWh)		739,713	706,485	708,331	9,892,526					
Average Demand		994	981	952	1,129					
Diversified Load Factor		37.50%	37.50%	37.50%						
Non-Coincident Demand		2,651	2,617	2,539	36,170		3,516			
Coincidence Factor		85.00%	85.00%	85.00%						
Coincident Demand		2,254	2,224	2,158	30,745			30,745	8,828	21,916
Individual Customer Load Factor		31.99%	34.66%	35.59%						
Sum of Individual Customer Demands		3,108	2,831	2,675	36,995	3,340				
<b>Sch VII - Inclining Block Rate</b>	<b>IB</b>	21	21	21	22					
Energy Usage (kWh)		903	1,410	1,144	12,154					
Average Demand		1	2	2	1					
Diversified Load Factor		44.28%	39.17%	49.39%						
Non-Coincident Demand		3	5	3	36		5			
Coincidence Factor		90.00%	90.00%	90.00%						
Coincident Demand		2	4	3	32			32	7	25
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		5	9	7	73	9				
<b>Sch III - All 3Phase Schools &amp; Churches</b>	<b>E1</b>	37	37	37	43					
Energy Usage (kWh)		1,172,682	1,151,973	1,117,113	14,567,275					
Average Demand		1,576	1,600	1,501	1,663					
Diversified Load Factor		54.28%	49.17%	59.39%						
Non-Coincident Demand		2,904	3,254	2,528	35,445		3,311			
Coincidence Factor		50.00%	50.00%	50.00%						
Coincident Demand		1,452	1,627	1,264	17,723			17,723	3,961	13,761
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		6,853	6,956	6,528	86,792	8,444				
<b>Sch IV-A - Large Power 50-2500 kW</b>	<b>L1</b>	67	68	67	65					
Energy Usage (kWh)		6,276,226	6,234,691	6,049,600	80,510,446					
Average Demand		8,436	8,659	8,131	9,191					
Diversified Load Factor		49.35%	53.02%	51.65%						
Non-Coincident Demand		17,093	16,333	15,742	205,277		18,600			
Coincidence Factor		75.00%	75.00%	75.00%						
Coincident Demand		12,820	12,250	11,806	153,958			153,958	39,889	114,069
Individual Customer Load Factor		39.35%	43.02%	41.65%						
Sum of Individual Customer Demands		21,436	20,129	19,521	252,473	23,436				
<b>Sch VI - Outdoor Lighting - Security Lights</b>	<b>S</b>	173	174	169	173					
Energy Usage (kWh)		817,153	819,469	814,203	9,940,762					
Average Demand		1,098	1,138	1,094	1,135					
Diversified Load Factor		50.00%	50.00%	50.00%						
Non-Coincident Demand		2,197	2,276	2,189	27,258		2,466			
Coincidence Factor		100.00%	100.00%	100.00%						
Coincident Demand		2,197	2,276	2,189	13,479			13,479	-	13,479
Individual Customer Load Factor		50.00%	50.00%	50.00%						
Sum of Individual Customer Demands		2,197	2,276	2,189	27,258	2,466				

**CUMBERLAND VALLEY ELECTRIC**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Sales		43,514,299	41,710,522	37,363,056	28,367,414	29,563,104	31,006,283	35,378,413	37,405,883	32,716,784
Metered CP		109,182	85,716	105,792	78,312	73,218	72,494	81,779	79,754	76,939
Purchases		49,983,784	37,470,875	40,189,840	28,900,164	32,035,323	32,619,526	38,382,774	37,509,811	34,124,465
Calculated CP		109,182	85,716	105,792	78,312	73,218	72,494	81,779	79,754	76,939
Difference		(0)	(0)	(0)	(0)	(0)	(0)	0	0	(0)

**CUMBERLAND VALLEY ELECTRIC**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC</u> <u>Max Demand</u>	<u>During</u> <u>Peak Month</u>	<u>Sum of</u> <u>Coin Demand</u>	<u>Summer</u> <u>Coin Demand</u>	<u>Winter</u> <u>Coin Demand</u>
Sales		29,366,715	36,078,485	42,306,371	424,777,329					
Metered CP		74,488	104,797	100,285	1,042,756					
Purchases		29,698,624	40,073,231	41,575,041	442,563,458	96%				
Calculated CP		74,488	104,797	100,285	1,042,756	100%				
Difference		(0)	(0)	(0)	0					

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-7**

**CUMBERLAND VALLEY ELECTRIC**  
**Purchased Power**

#	Item	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	TOTAL
1														
2	Billing Demand (kW)	109,182	85,716	105,792	78,312	73,218	72,494	81,779	79,754	76,939	74,488	104,797	100,285	1,042,756
3	Energy (kWh)	49,983,784	37,470,875	40,189,840	28,900,164	32,035,323	32,619,526	38,382,774	37,509,811	34,124,465	29,698,624	40,073,231	41,575,041	442,563,458
4	Demand Charge	657,274	516,012	636,869	471,438	440,775	436,416	492,310	480,120	463,171	448,416	630,879	603,715	6,277,395
5	Energy Charge	2,300,867	1,724,400	1,849,036	1,331,810	1,517,582	1,547,607	1,824,096	1,784,459	1,625,170	1,369,610	1,843,309	1,914,890	20,632,836
6	Metering Point	2,448	2,448	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	30,816
7	Sub/Wheeling Charge	56,317	56,317	59,609	59,609	59,609	59,609	59,609	59,609	59,609	59,609	59,609	59,609	708,724
8	Fuel Adjustment Clause	(231,423)	(99,673)	(177,236)	(48,262)	(120,451)	(113,840)	(185,390)	(196,176)	(208,841)	(167,502)	(264,080)	(49,475)	(1,862,349)
9	Environmental Surcharge	408,909	267,459	286,877	276,759	299,648	365,993	408,379	386,917	300,767	276,436	399,926	501,205	4,179,275
10	<b>SUBTOTAL</b>	<b>3,194,392</b>	<b>2,466,963</b>	<b>2,657,747</b>	<b>2,093,946</b>	<b>2,199,755</b>	<b>2,298,377</b>	<b>2,601,596</b>	<b>2,517,521</b>	<b>2,242,468</b>	<b>1,989,161</b>	<b>2,672,235</b>	<b>3,032,536</b>	<b>29,966,697</b>
11	Direct Load Control	(2,829)	(2,829)	(2,829)	(2,829)	(2,823)	(2,823)	(2,823)	(2,816)	(2,816)	(2,816)	(2,814)	(2,825)	(33,872)
12	Direct Load Surcharge	(415)	(344)	(342)	(431)	(445)	(535)	(526)	(511)	(436)	(455)	(495)	(559)	(5,494)
13	Direct Load Total Charge	(3,244)	(3,173)	(3,171)	(3,260)	(3,268)	(3,358)	(3,349)	(3,327)	(3,252)	(3,271)	(3,309)	(3,384)	(39,366)
14	Green Power KWH	1,200	1,200	1,200	1,200	800	800	800	800	800	800	700	700	11,000
15	Green Power Charge	30	30	30	30	20	20	20	20	20	20	18	18	276
16	Panel Production Credit	(1)	-	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(1)	(8)	(21.00)
17	<b>TOTAL</b>	<b>3,191,177</b>	<b>2,463,820</b>	<b>2,654,605</b>	<b>2,090,715</b>	<b>2,196,506</b>	<b>2,295,038</b>	<b>2,598,266</b>	<b>2,514,212</b>	<b>2,239,234</b>	<b>1,985,908</b>	<b>2,668,943</b>	<b>3,029,162</b>	<b>29,927,586</b>
18														
19														
20	SubTotal Demand \$	\$ 990,008	\$ 753,975	\$ 891,278	\$ 719,068	\$ 703,740	\$ 743,832	\$ 828,125	\$ 801,555	\$ 726,886	\$ 695,829	\$ 961,030	\$ 1,001,723	9,817,049
21	SubTotal Energy \$	\$ 2,204,384	\$ 1,712,988	\$ 1,766,469	\$ 1,374,878	\$ 1,496,015	\$ 1,554,545	\$ 1,773,471	\$ 1,715,966	\$ 1,515,582	\$ 1,293,332	\$ 1,711,205	\$ 2,030,813	20,149,648
22	SubTotal \$	\$ 3,194,392	\$ 2,466,963	\$ 2,657,747	\$ 2,093,946	\$ 2,199,755	\$ 2,298,377	\$ 2,601,596	\$ 2,517,521	\$ 2,242,468	\$ 1,989,161	\$ 2,672,235	\$ 3,032,536	29,966,697
23	Variance \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
24	SubTotal Demand %	0.31	0.31	0.34	0.34	0.32	0.32	0.32	0.32	0.32	0.35	0.36	0.33	<b>0.33</b>
25	SubTotal Energy %	0.69	0.69	0.66	0.66	0.68	0.68	0.68	0.68	0.68	0.65	0.64	0.67	<b>0.67</b>
26														
27	Estimated ES Demand Share	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	<b>67%</b>
28	Estimated ES Energy Share	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	<b>33%</b>

**CUMBERLAND VALLEY ELECTRIC**  
**Meter Costs**

#	Rate	Rate Code	Installed Meters	Avg Meter Cost	Total Cost	Allocation Factor
1	Sch I - Residential, Schools & Churches	R	22,144	\$ 300	\$ 6,652,943	92.28%
2	Sch I - Res TOD	TOD	12	\$ 300	\$ 3,605	0.05%
3	Sch II - Small Commercial Small Power	C1	1,343	\$ 300	\$ 403,491	5.60%
4	Sch II - Small Commercial Small Power	C2	168	\$ 411	\$ 69,075	0.96%
5	Sch VII - Inclining Block Rate	IB	22	\$ 300	\$ 6,610	0.09%
6	Sch III - All 3Phase Schools & Churches	E1	43	\$ 411	\$ 17,680	0.25%
7	Sch IV-A - Large Power 50-2500 kW	L1	65	\$ 865	\$ 56,226	0.78%
8	Sch VI - Outdoor Lighting - Security Lights	S	173	\$ -	\$ -	0.00%
9	<b>Total</b>		<b>23,970</b>	<b>\$ 300.78</b>	<b>\$ 7,209,630</b>	<b>100.00%</b>

**CUMBERLAND VALLEY ELECTRIC**  
**Service Costs**

#	Rate	Rate Code	Average Number of Services	Average Service Cost	Total Cost	Allocation Factor
1	Sch I - Residential, Schools & Churches	R	22,144	\$ 820	\$ 18,163,616	92.85%
2	Sch I - Res TOD	TOD	12	\$ 820	\$ 9,843	0.05%
3	Sch II - Small Commercial Small Power	C1	1,343	\$ 820	\$ 1,101,596	5.63%
4	Sch II - Small Commercial Small Power	C2	168	\$ 968	\$ 162,653	0.83%
5	Sch VII - Inclining Block Rate	IB	22	\$ 820	\$ 18,046	0.09%
6	Sch III - All 3Phase Schools & Churches	E1	43	\$ 968	\$ 41,631	0.21%
7	Sch IV-A - Large Power 50-2500 kW	L1	65	\$ 994	\$ 64,615	0.33%
8	Sch VI - Outdoor Lighting - Security Lighting	S	173	\$ -	\$ -	0.00%
9	<b>Total</b>		<b>23,970</b>	<b>\$ 816.10</b>	<b>\$ 19,561,999</b>	<b>100.00%</b>

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-8**

**CUMBERLAND VALLEY ELECTRIC**  
**Zero Intercept & Minimum System Analyses**

**Account 364 - Poles, Towers & Fixtures**

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
25' and 30' POLES	30	\$ 5,102,183.25	14,059	362.91	43,030.74	118.57	3,557.12
35' POLE	35	1,281,036.07	8,082	158.50	14,249.58	89.90	3,146.50
40' POLE	40	9,576,902.30	19,037	503.07	69,410.60	137.97	5,518.99
45' POLE	45	3,395,348.93	6,007	565.23	43,808.22	77.50	3,487.72
50' POLE	50	1,132,779.22	1,617	700.54	28,170.22	40.21	2,010.60
55' POLE	55	405,424.06	420	965.30	19,782.67	20.49	1,127.16
60' POLE	60	116,523.13	95	1,226.56	11,955.02	9.75	584.81
65' POLE	65	78,310.50	60	1,305.18	10,109.84	7.75	503.49
70' POLE	70	17,986.51	21	856.50	3,924.98	4.58	320.78
75' POLE	75	13,697.35	2	6,848.68	9,685.49	1.41	106.07
<b>TOTAL</b>		<b>\$ 21,120,191.32</b>	<b>49,400</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	19.71665
Zero Intercept (\$ per Unit)	(311.48298)
R-Square	0.9417

**LINEST Array**

19.71665	(311.48298)
6.47160	245.68961
0.94169	8,677.57566

**Plant Classification**

Total Number of Units	49,400
Zero Intercept (\$/Unit)	\$ (311.48)
Minimum System (\$/Unit)	\$ 158.50
Use Min System (M) or Zero Intercept (Z)?	M
Zero Intercept or Min System Cost (\$)	\$ 7,830,139
Total Cost of Sample	\$ 21,120,191
Percentage of Total	0.3707
Percentage Classified as Customer-Related	37.07%
Percentage Classified as Demand-Related	62.93%

**CUMBERLAND VALLEY ELECTRIC**  
**Zero Intercept & Minimum System Analyses**

**Account 365 - Overhead Conductors and Devices**

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
6 ACWC	26.25	1,632.33	12,057	0.14	14.87	109.80	2,882.47
8 ACWC	16.51	4,989.55	87,095	0.06	16.91	295.12	4,872.11
4 HD CU	41.74	22,934.89	206,906	0.11	50.42	454.87	18,986.24
6 HD CU	26.25	8,732.77	106,191	0.08	26.80	325.87	8,554.40
2 ACSR	66.37	6,957,337.88	14,079,230	0.49	1,854.19	3,752.23	249,035.51
4 ACSR	41.74	649,627.05	2,258,511	0.29	432.27	1,502.83	62,728.30
1/0 ACSR	105.53	1,854,161.17	4,429,828	0.42	880.96	2,104.72	222,110.64
2/0 ACSR	133.07	117,654.22	527,534	0.22	161.99	726.32	96,652.24
3/0 ACSR	167.80	23,425.39	104,188	0.22	72.57	322.78	54,162.76
4/0 ACSR	211.60	1,609,647.46	2,200,454	0.73	1,085.11	1,483.39	313,885.90
266.8 MCU-CU	266.80	9,350.82	44,109	0.21	44.52	210.02	56,033.72
336.4 AL	336.40	3,447,948.46	2,032,972	1.70	2,418.22	1,425.82	479,646.95
397.5 MCM AL	397.50	109.84	267	0.41	6.72	16.34	6,495.20
AERIAL CABLE	105.53	99,150.89	77,006	1.29	357.30	277.50	29,284.53
4/0 AERIAL CABLE	211.60	4,242.37	7,885	0.54	47.78	88.80	18,789.56
AERIAL CABLE 2	66.37	8,106.39	1,430	5.67	214.37	37.82	2,509.80
2 SP CABLE	66.37	6,665.84	938	7.11	217.65	30.63	2,032.70
1/0 SP CABLE	105.53	7,470.00	950	7.86	242.36	30.82	3,252.65
4/0 SP CABLE	211.60	70,292.09	23,880	2.94	454.87	154.53	32,698.88
<b>TOTAL</b>		<b>\$ 14,903,479.41</b>	<b>26,201,431</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	0.00391
Zero Intercept (\$ per Unit)	0.15490
R-Square	0.9248

**LINEST Array**

0.00391	0.15490
0.00056	0.07439
0.92479	229.95489

**Plant Classification**

Total Number of Units	26,201,431
Zero Intercept (\$/Unit)	\$ 0.15
Minimum System (\$/Unit)	\$ 0.06
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 4,058,573
Total Cost of Sample	\$ 14,903,479
Percentage of Total	0.2723
Percentage Classified as Customer-Related	27.23%
Percentage Classified as Demand-Related	72.77%

**CUMBERLAND VALLEY ELECTRIC**  
**Zero Intercept & Minimum System Analyses**

**Account 367 - Underground Conductors and Devices**

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
2 URD TRIPLEX	66.37	230,651.36	83,468	2.76	798.35	288.91	19,174.84
4 URD TRIPLEX	41.74	5,310.85	745	7.13	194.57	27.29	1,139.28
350 URD TRIPLEX	350.00	222,188.94	38,965	5.70	1,125.60	197.40	69,088.44
1/0 URD CONC	105.53	183,398.64	39,727	4.62	920.14	199.32	21,033.85
4/0 URD CONC	211.59	33,664.31	13,213	2.55	292.87	114.95	24,322.04
2/0 URD TRIPLEX	133.07	1,142,408.46	292,655	3.90	2,111.75	540.98	71,988.75
4/0 URD TRIPLEX	211.59	1,040,976.14	309,553	3.36	1,871.00	556.37	117,724.47
350 URD QUAD	350.00	16,956.02	2,084	8.14	371.43	45.65	15,977.80
2 URD CONC	66.37	833,215.91	193,822	4.30	1,892.59	440.25	29,219.54
2 URD SOL	66.37	61,921.51	29,947	2.07	357.82	173.05	11,485.46
<b>TOTAL</b>		<b>\$ 3,770,692.14</b>	<b>1,004,179</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	0.00161
Zero Intercept (\$ per Unit)	3.51987
R-Square	0.9652

**LINEST Array**

0.00161	3.51987
0.00351	0.57029
0.96525	252.54621

**Plant Classification**

Total Number of Units	1,004,179
Zero Intercept (\$/Unit)	\$ 3.52
Minimum System (\$/Unit)	\$ 2.07
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 3,534,575
Total Cost of Sample	\$ 3,770,692
Percentage of Total	0.9374
Percentage Classified as Customer-Related	93.74%
Percentage Classified as Demand-Related	6.26%

**CUMBERLAND VALLEY ELECTRIC**  
**Zero Intercept & Minimum System Analyses**

**Account 368 - Line Transformers**

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs			NARUC CAM	
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5	Incl?	Qty
10 KVA CONV.	10.00	23,235.62	60	387.26	2,999.71	7.75	77.46	1	60
15 KVA CONV.	15.00	469,613.64	713	658.64	17,587.17	26.70	400.53	1	713
25 KVA CONV.	25.00	255,533.24	352	725.95	13,619.97	18.76	469.04	1	352
37.5 KVA CONV.	37.50	21,794.30	46	473.79	3,213.39	6.78	254.34	1	46
50 KVA CONV.	50.00	334,415.92	417	801.96	16,376.42	20.42	1,021.03	1	417
75 KVA CONV.	75.00	11,499.18	12	958.27	3,319.53	3.46	259.81	0	-
100 KVA CONV.	100.00	169,343.51	126	1,344.00	15,086.32	11.22	1,122.50	0	-
167 KVA CONV.	167.00	156,418.29	85	1,840.22	16,965.95	9.22	1,539.66	0	-
250 KVA CONV.	250.00	57,538.89	22	2,615.40	12,267.33	4.69	1,172.60	0	-
333 KVA CONV.	333.00	172,470.01	50	3,449.40	24,390.94	7.07	2,354.67	0	-
500 KVA CONV.	500.00	21,705.96	3	7,235.32	12,531.94	1.73	866.03	0	-
500 KVA 3PH PAD MT	500.00	79,744.88	11	7,249.53	24,043.99	3.32	1,658.31	0	-
750KVA, 1000KVA 3PH PAD MT	750.00	79,109.43	8	9,888.68	27,969.41	2.83	2,121.32	0	-
1500 KVA PAD MT	1,500.00	9,265.00	1	9,265.00	9,265.00	1.00	1,500.00	0	-
1.5 KVA CSP	1.50	22,260.23	213	104.51	1,525.25	14.59	21.89	1	213
3 KVA CSP	3.00	72,479.61	538	134.72	3,124.82	23.19	69.58	1	538
5 KVA CSP	5.00	144,791.56	849	170.54	4,969.23	29.14	145.69	1	849
7.5 KVA CSP	7.50	6,909.14	31	222.88	1,240.92	5.57	41.76	1	31
10 KVA CSP	10.00	934,267.93	4,118	226.87	14,558.89	64.17	641.72	1	4,118
15 KVA CSP	15.00	3,655,432.69	8,721	419.15	39,143.14	93.39	1,400.79	1	8,721
25 KVA CSP	25.00	2,158,199.32	4,040	534.21	33,954.78	63.56	1,589.02	1	4,040
50 KVA CSP	50.00	273,582.74	326	839.21	15,152.35	18.06	902.77	1	326
75 KVA CSP	75.00	1,645.42	2	822.71	1,163.49	1.41	106.07	0	-
500 KVA URD	500.00	40,445.31	8	5,055.66	14,299.58	2.83	1,414.21	0	-
300 KVA URD	300.00	15,475.28	4	3,868.82	7,737.64	2.00	600.00	0	-
1667 AUTO CONVERSION TRANSFORMER	1,667.00	4,158.51	3	1,386.17	2,400.92	1.73	2,887.33	0	-
2000 KVA 3PH PADMOUNT	2,000.00	16,503.85	4	4,125.96	8,251.93	2.00	4,000.00	0	-
<b>TOTAL</b>		<b>\$ 9,207,839.46</b>	<b>20,763</b>						<b>20,424</b>

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	6.09273
Zero Intercept (\$ per Unit)	319.91340
R-Square	0.8100

**LINEST Array**

6.09273	319.91340
1.08464	55.72844
0.80998	7,378.12528

**Plant Classification**

Total Number of Units	*	20,424
Zero Intercept (\$/Unit)	\$	319.91
Minimum System (\$/Unit)	\$	104.51
Use Min System (M) or Zero Intercept (Z)?		Z
Zero Intercept or Min System Cost (\$)	\$	6,533,911
Total Cost of Sample	\$	9,207,839
Percentage of Total		0.7096
Percentage Classified as Customer-Related		70.96%
Percentage Classified as Demand-Related		29.04%

\* Only single-phase up to 50 KVA should be included in the Customer-related component per NARUC CAM

**CUMBERLAND VALLEY ELECTRIC**  
**Zero Intercept & Minimum System Analyses**

<u>Descripton</u>	<u>Acct</u>	<u>Demand</u>	<u>Customer</u>	<u>Method</u>
Poles, Towers and Fixtures	364	0.6293	0.3707	M
Overhead Conductors and Devices	365	0.7277	0.2723	Z
Underground Conductors and Devices	367	0.0626	0.9374	Z
Line Transformers	368	0.2904	0.7096	Z

**Case No. 2020-00264**  
**Application Exhibit 9**

**Direct Testimony of**  
**John Wolfram**  
**Exhibit JW-9**

**Cumberland Valley Electric  
Present and Proposed Rates**

Rate Class			Rates				Revenues					
Classification	Code	Billing Unit	Test Year Rate	Present Rate	Proposed Rate	Incr (Decr) Over Pres	Test Year Revenue	Present Revenue	Proposed Revenue	Increase \$	Increase %	Increase Avg Bill
1 Sch I - Residential, Schools & Churches	R	Customer Charge (\$ per month)	12.00	12.00	17.00	5.00	\$ 30,082,809	\$ 29,613,356	\$ 30,534,551	\$ 921,195	3.11%	\$ 3.47
		Prepay Fee (\$ per month)	3.00	3.00	3.00	-						
		Energy Charge (\$ per kWh)	0.08500	0.08341	0.08203	(0.00138)						
2 Sch I - Res TOD	TOD	Customer Charge (\$ per month)	20.00	20.00	20.00	-	\$ 10,683	\$ 10,518	\$ 10,518	\$ -	0.00%	\$ -
		Energy Charge On Peak (\$ per kWh)	0.09917	0.09758	0.09758	-						
		Energy Charge Off Peak (\$ per kWh)	0.05751	0.05592	0.05592	-						
3 Sch II - Small Commercial Small Power	C1	Customer Charge (\$ per month)	14.00	14.00	14.00	-	\$ 1,611,442	\$ 1,588,392	\$ 1,588,392	\$ -	0.00%	\$ -
		Energy Charge 1st 3000 (\$ per kWh)	0.08951	0.08792	0.08792	-						
		Energy Charge >3000 (\$ per kWh)	0.08590	0.08431	0.08431	-						
4 Sch II - Small Commercial Small Power	C2	Customer Charge (\$ per month)	25.55	25.55	25.55	-	\$ 1,174,291	\$ 1,158,562	\$ 1,158,562	\$ -	0.00%	\$ -
		Energy Charge 1st 3000 (\$ per kWh)	0.08951	0.08792	0.08792	-						
		Energy Charge >3000 (\$ per kWh)	0.08590	0.08431	0.08431	-						
		Demand Charge (\$ per kW)	4.22	4.22	4.22	-						
5 Sch VII - Inclining Block Rate	IB	Customer Charge (\$ per month)	9.90	9.90	9.90	-	\$ 4,011	\$ 3,992	\$ 3,992	\$ -	0.00%	\$ -
		Energy Charge 1st 200 (\$ per kWh)	0.08593	0.08434	0.08434	-						
		Energy Charge Next 300 (\$ per kWh)	0.09093	0.08934	0.08934	-						
		Energy Charge 500+ (\$ per kWh)	0.09593	0.09434	0.09434	-						
6 Sch III - All 3Phase Schools & Churches	E1	Customer Charge (\$ per month)	45.00	45.00	45.00	-	\$ 1,200,225	\$ 1,177,063	\$ 1,177,063	\$ -	0.00%	\$ -
		Energy Charge (\$ per kWh)	0.07733	0.07574	0.07574	-						
7 Sch IV-A - Large Power 50-2500 kW	L1	Customer Charge (\$ per month)	65.00	65.00	65.00	-	\$ 6,065,624	\$ 5,937,612	\$ 5,937,612	\$ -	0.00%	\$ -
		Energy Charge (\$ per kWh)	0.05829	0.05670	0.05670	-						
		Demand Charge (\$ per kW)	4.22	4.22	4.22	-						
8 Sch VI - Outdoor Lighting - Security Lights	S	Various					\$ 1,558,545	\$ 1,542,775	\$ 1,542,775	\$ -	0.00%	\$ -
<b>TOTAL</b>							\$ 41,707,630	\$ 41,032,270	\$ 41,953,465	\$ 921,195	2.25%	

Cumberland Valley Electric  
 Sch I - Residential, Schools & Churches  
 R

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>		
All Members	254,051	\$ 12.00	\$ 3,048,612	\$ 12.00	\$ 3,048,612	254,051	\$ 17.00	\$ 4,318,867	
Prepay Members	11,678	\$ 15.00	\$ 175,170	\$ 15.00	\$ 175,170	11,678	\$ 20.00	\$ 233,560	
<b>Energy Charge</b>									
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>		
All Hours	295,253,522	\$0.08500	\$ 25,096,549	\$0.08341	\$ 24,627,096	295,253,522	\$0.08203	\$ 24,219,646	
	Avg	1,111							
<b>Other</b>									
FAC			\$ (1,278,594)		\$ (1,278,594)			\$ (1,278,594)	
ES			\$ 3,041,072		\$ 3,041,072			\$ 3,041,072	
Min Bill			\$ -		\$ -			\$ -	
OL			\$ -		\$ -			\$ -	
<b>Total Rate Revenue</b>			<u>\$ 30,082,809</u>		<u>\$ 29,613,356</u>			<u>\$ 30,534,551</u>	
<b>Revenue Per Books</b>			\$ 30,074,337					\$ 921,195	
<b>Difference</b>			\$ 8,472		\$ (469,453)			3.1%	
<b>Percent Difference</b>			0.03%		-1.56%			<b>Avg Incr/(Decr) Per Customer Per Month</b>	
								\$ 3.47	

Cumberland Valley Electric  
 Sch I - Res TOD  
 TOD

	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
Test Year	<u>Customers</u> 144	<u>per Customer</u> \$ 20.00	\$ 2,880	<u>per Customer</u> \$ 20.00	\$ 2,880	Annual	<u>Customers</u> 144	<u>per Customer</u> \$ 20.00	\$ 2,880
<b>Energy Charge</b>									
On Peak	<u>kWh</u> 29,638	<u>Per kWh</u> \$0.09917	\$ 2,939	<u>Per kWh</u> \$0.09758	\$ 2,892	All Hours	<u>kWh</u> 29,638	<u>Per kWh</u> \$0.09758	\$ 2,892
Off Peak	73,904	\$0.05751	\$ 4,250	\$0.05592	\$ 4,133	All Hours	73,904	\$0.05592	\$ 4,133
	<i>Avg</i> 103,542	0.06943							
	719								
<b>Other</b>						<b>Other</b>			
FAC			\$ (408)	\$ (408)		FAC			\$ (408)
ES			\$ 1,022	\$ 1,022		ES			\$ 1,022
Min Bill			\$ -	\$ -		Min Bill			\$ -
OL			\$ -	\$ -		OL			\$ -
<b>Total Rate Revenue</b>			<u>\$ 10,683</u>	<u>\$ 10,518</u>		<b>Total Rate Revenue</b>			<u>\$ 10,518</u>
<b>Revenue Per Books</b>			\$ 10,495			<b>Difference from Present Rates</b>			\$ -
<b>Difference</b>			\$ 188	\$ (165)		<b>Percent Change from Present Rates</b>			0%
<b>Percent Difference</b>			1.79%	-1.57%		<b>Avg Incr/(Decr) Per Customer Per Month</b>			\$ -

Cumberland Valley Electric  
 Sch II - Small Commercial Small Power  
 C1

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>		
Test Year	16,119	\$ 14.00	\$ 225,666	\$ 14.00	\$ 225,666	Annual	16,119 \$ 14.00	\$ 225,666	
<b>Energy Charge</b>									
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>		
1st Block	10,874,517	\$0.08951	\$ 973,378	\$0.08792	\$ 956,088	All Hours	10,874,517 \$0.08792	\$ 956,088	
2nd Block	3,622,586	\$0.08590	\$ 311,180	\$0.08431	\$ 305,420	All Hours	3,622,586 \$0.08431	\$ 305,420	
	<i>14,497,103</i>	<i>0.08861</i>							
	<i>Avg</i>	<i>899</i>							
<b>Other</b>						<b>Other</b>			
FAC			\$ (64,763)	\$ (64,763)		FAC		\$ (64,763)	
ES			\$ 163,282	\$ 163,282		ES		\$ 163,282	
Min Bill			\$ 2,699	\$ 2,699		Min Bill		\$ 2,699	
OL			\$ -	\$ -		OL		\$ -	
<b>Total Rate Revenue</b>			<u>\$ 1,611,442</u>	<u>\$ 1,588,392</u>		<b>Total Rate Revenue</b>		<u>\$ 1,588,392</u>	
<b>Revenue Per Books</b>			\$ 1,612,359			<b>Difference from Present Rates</b>		\$ -	
<b>Difference</b>			\$ (917)	\$ (23,050)		<b>Percent Change from Present Rates</b>		0%	
<b>Percent Difference</b>			-0.06%	-1.43%		<b>Avg Incr/(Decr) Per Customer Per Month</b>		\$ -	

Cumberland Valley Electric  
 Sch II - Small Commercial Small Power  
 C2

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
Test Year	<i>Customers</i> 2,017	<i>per Customer</i> \$ 25.55	\$ 51,534	<i>per Customer</i> \$ 25.55	\$ 51,534	Annual	<i>Customers</i> 2,017	<i>per Customer</i> \$ 25.55	\$ 51,534
<b>Energy Charge</b>									
Block 1	<i>kWh</i> 3,425,696	<i>Per kWh</i> \$0.08951	\$ 306,634	<i>Per kWh</i> \$0.08792	\$ 301,187	All Hours	<i>kWh</i> 3,425,696	<i>Per kWh</i> \$0.08792	\$ 301,187
Block 2	6,466,860	\$0.08590	\$ 555,503	\$0.08431	\$ 545,221	All Hours	6,466,860	\$0.08431	\$ 545,221
Avg	9,892,556	0.08715							
	4,905								
<b>Demand Charge</b>									
NCP	<i>kW</i> 36,995	<i>Per kW</i> \$4.22	\$ 156,119	<i>Per kW</i> \$4.22	\$ 156,119	Contract	<i>kW</i> 36,995	<i>Per kW</i> \$4.22	\$ 156,119
<b>Other</b>									
FAC			\$ (43,046)		\$ (43,046)	FAC		\$ (43,046)	
ES			\$ 110,474		\$ 110,474	ES		\$ 110,474	
Min Bill			\$ 37,072		\$ 37,072	Min Bill		\$ 37,072	
OL			\$ -		\$ -	OL		\$ -	
<b>Total Rate Revenue</b>			<u>\$ 1,174,291</u>		<u>\$ 1,158,562</u>	<b>Total Rate Revenue</b>			<u>\$ 1,158,562</u>
<b>Revenue Per Books</b>			\$ 1,179,307			<b>Difference from Present Rates</b>			\$ -
<b>Difference</b>			\$ (5,016)		\$ (15,729)	<b>Percent Change from Present Rates</b>			0%
<b>Percent Difference</b>			-0.43%		-1.33%	<b>Avg Incr/(Decr) Per Customer Per Month</b>			\$ -

Cumberland Valley Electric  
Sch VII - Inclining Block Rate  
IB

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>		
Test Year	260	\$ 9.90	\$ 2,574	\$ 9.90	\$ 2,574	260	\$ 9.90	\$ 2,574	
<b>Energy Charge</b>									
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>		
Block 1	9,535	\$0.08593	\$ 819	\$0.08434	\$ 804	9,535	\$0.08434	\$ 804	
Block 2	2,400	\$0.09093	\$ 218	\$0.08934	\$ 214	2,400	\$0.08934	\$ 214	
Block 3	-	\$0.09593	\$ -	\$0.09434	\$ -	-	\$0.09434	\$ -	
Avg	11,935	0.08694							
	46								
<b>Other</b>									
FAC			\$ (75)	\$ (75)				\$ (75)	
ES			\$ 474	\$ 474				\$ 474	
Min Bill			\$ -	\$ -				\$ -	
OL			\$ -	\$ -				\$ -	
<b>Total Rate Revenue</b>			<u>\$ 4,011</u>	<u>\$ 3,992</u>				<u>\$ 3,992</u>	
<b>Revenue Per Books</b>			\$ 4,044					\$ -	
<b>Difference</b>			\$ (33)	\$ (19)				0%	
<b>Percent Difference</b>			-0.82%	-0.47%				\$ -	
<b>Customer Charge</b>									
Annual									
<b>Energy Charge</b>									
All Hours									
All Hours									
All Hours									
<b>Other</b>									
FAC								\$ (75)	
ES								\$ 474	
Min Bill								\$ -	
OL								\$ -	
<b>Total Rate Revenue</b>								<u>\$ 3,992</u>	
<b>Difference from Present Rates</b>								\$ -	
<b>Percent Change from Present Rates</b>								0%	
<b>Avg Incr/(Decr) Per Customer Per Month</b>								\$ -	

Cumberland Valley Electric  
 Sch III - All 3Phase Schools & Churches  
 E1

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
<b>Customer Charge</b>								
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>	
Test Year	512	\$ 45.00	\$ 23,040	\$ 45.00	\$ 23,040	512	\$ 45.00	\$ 23,040
<b>Energy Charge</b>								
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>	
All Hours	14,567,275	\$0.07733	\$ 1,126,487	\$0.07574	\$ 1,103,325	14,567,275	\$0.07574	\$ 1,103,325
	Avg	28,452						
<b>Other</b>								
FAC			\$ (63,007)		\$ (63,007)			\$ (63,007)
ES			\$ 113,705		\$ 113,705			\$ 113,705
Min Bill			\$ -		\$ -			\$ -
OL			\$ -		\$ -			\$ -
<b>Total Rate Revenue</b>			<u>\$ 1,200,225</u>		<u>\$ 1,177,063</u>			<u>\$ 1,177,063</u>
<b>Revenue Per Books</b>			\$ 1,204,220					\$ -
<b>Difference</b>			\$ (3,996)		\$ (23,162)			0%
<b>Percent Difference</b>			-0.33%		-1.92%			
						<b>Avg Incr/(Decr) Per Customer Per Month</b>		\$ -

Cumberland Valley Electric  
 Sch IV-A - Large Power 50-2500 kW  
 L1

	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
Test Year	<u>Customers</u> 782	<u>per Customer</u> \$ 65.00	\$ 50,830	<u>per Customer</u> \$ 65.00	\$ 50,830	Annual	<u>Customers</u> 782	<u>per Customer</u> \$ 65.00	\$ 50,830
<b>Energy Charge</b>									
All Hours	<u>kWh</u> 80,510,446	<u>Per kWh</u> \$0.05829	\$ 4,692,954	<u>Per kWh</u> \$0.05670	\$ 4,564,942	All Hours	<u>kWh</u> 80,510,446	<u>Per kWh</u> \$0.05670	\$ 4,564,942
	Avg 102,955								
<b>Demand Charge</b>									
NCP	<u>kW</u> 252,473	<u>Per kW</u> \$4.22	\$ 1,065,436	<u>Per kW</u> \$4.22	\$ 1,065,436	NCP	<u>kW</u> 252,473	<u>Per kW</u> \$4.22	\$ 1,065,436
<b>Other</b>									
FAC			\$ (347,219)		\$ (347,219)	FAC			\$ (347,219)
ES			\$ 594,338		\$ 594,338	ES			\$ 594,338
Min Bill			\$ 9,285		\$ 9,285	Min Bill			\$ 9,285
OL			\$ -		\$ -	OL			\$ -
<b>Total Rate Revenue</b>			<u>\$ 6,065,624</u>		<u>\$ 5,937,612</u>	<b>Total Rate Revenue</b>			<u>\$ 5,937,612</u>
<b>Revenue Per Books</b>			\$ 6,058,039			<b>Difference from Present Rates</b>			\$ -
<b>Difference</b>			\$ 7,585		\$ (128,012)	<b>Percent Change from Present Rates</b>			0%
<b>Percent Difference</b>			0.13%		-2.11%	<b>Avg Incr/(Decr) Per Customer Per Month</b>			\$ -

Cumberland Valley Electric  
 Sch VI - Outdoor Lighting - Security Lights  
 S

Description	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Lights</b>	Total kWh	<i>Annual Lights</i>	<i>Per Light</i>		<i>Per Light</i>	<i>Annual Lights</i>	<i>Per Light</i>		
001 - 175W MV	4,190,900	60,036	9.14 \$	548,729	9.03 \$	542,125	60,036	9.03 \$	542,125
002 - 100W Sod Open B	1,020,600	14,636	9.16 \$	134,066	9.05 \$	132,456	14,636	9.05 \$	132,456
003 - 100W Sod Dir Flood	51,940	742	11.15 \$	8,273	11.04 \$	8,192	742	11.04 \$	8,192
004 - 175W MH Dir	50,470	730	9.14 \$	6,672	9.03 \$	6,592	730	9.03 \$	6,592
005 - 400W Sod Cobra	1,569,820	11,249	17.65 \$	198,545	17.43 \$	196,070	11,249	17.43 \$	196,070
006 - 400W Sod Dir	462,840	3,328	17.65 \$	58,739	17.43 \$	58,007	3,328	17.43 \$	58,007
008 - LED Open Bottom 6200 L	679,992	28,454	8.98 \$	255,517	8.94 \$	254,379	28,454	8.94 \$	254,379
009 - LED Cobra Head 13,650 L	706,608	12,658	15.27 \$	193,288	15.18 \$	192,148	12,658	15.18 \$	192,148
010 - LED Dir 18,800 L	2,156	28	18.73 \$	524	18.61 \$	521	28	18.61 \$	521
5 - 400W MH Dir	1,207,780	8,664	17.65 \$	152,920	17.43 \$	151,014	8,664	17.43 \$	151,014
Total	9,943,106	140,525	\$	1,557,273	\$	1,541,503	140,525	\$	1,541,503
FAC			\$	(815)	\$	(815)	FAC	\$	(815)
ES			\$	2,087	\$	2,087	ES	\$	2,087
<b>Total Rate Revenue</b>				<u>\$ 1,558,545</u>		<u>\$ 1,542,775</u>	<b>Total Rate Revenue</b>		<u>\$ 1,542,775</u>
<b>Revenue Per Books</b>			\$	1,543,986			<b>Difference from Present Rates</b>	\$	-
<b>Difference</b>			\$	14,559	\$	(15,770)	<b>Percent Change from Present Rates</b>		0%
<b>Percent Difference</b>				0.94%		-1.02%	<b>Avg Incr/(Decr) Per Light Per Month</b>	\$	-

**Cumberland Valley Electric**  
**Reconciliation of Actual vs. Calculated Billings**

<b>Customer Class</b>	<b>Rate Code</b>	<b>kWh</b>	<b>Revenue Per Books</b>	<b>Test Year Rate Calculated Billings</b>	<b>Difference</b>	<b>Percentage Difference</b>
Sch I - Residential, Schools & Churches	R	295,253,522	\$ 30,074,337	\$ 30,082,809	\$ 8,472	0.03%
Sch I - Res TOD	TOD	103,542	\$ 10,495	\$ 10,683	\$ 188	1.79%
Sch II - Small Commercial Small Power	C1	14,497,103	\$ 1,612,359	\$ 1,611,442	\$ (917)	-0.06%
Sch II - Small Commercial Small Power	C2	9,892,556	\$ 1,179,307	\$ 1,174,291	\$ (5,016)	-0.43%
Sch VII - Inclining Block Rate	IB	11,935	\$ 4,044	\$ 4,011	\$ (33)	-0.82%
Sch III - All 3Phase Schools & Churches	E1	14,567,275	\$ 1,204,220	\$ 1,200,225	\$ (3,996)	-0.33%
Sch IV-A - Large Power 50-2500 kW	L1	80,510,446	\$ 6,058,039	\$ 6,065,624	\$ 7,585	0.13%
Sch VI - Outdoor Lighting - Security Lights	S	9,943,106	\$ 1,543,986	\$ 1,558,545	\$ 14,559	0.94%
		<u>424,779,485</u>	<u>\$ 41,686,788</u>	<u>\$ 41,707,630</u>	<u>\$ 20,841</u>	<u>0.05%</u>
	Billing Total	424,779,485	41,686,788	41,707,630		
	Reported Total	424,777,329	41,687,371	41,687,371		
	Difference	(2,156)	583	(20,258)		
	Difference	0.00%	0.00%	-0.05%		

**Cumberland Valley Electric**  
**Monthly Base Rate Increase by KWH**  
**Residential**

#	Monthly kWh	Present Base Rates			Proposed Base Rates			Increase	
		Customer	Energy	Total	Customer	Energy	Total	\$	%
		\$ 12.00	\$ 0.08341		\$ 17.00	\$ 0.08203			
1	-	\$ 12.00	\$ -	\$ 12.00	\$ 17.00	\$ -	\$ 17.00	\$ 5.00	41.7%
2	100	\$ 12.00	\$ 8.34	\$ 20.34	\$ 17.00	\$ 8.20	\$ 25.20	\$ 4.86	23.9%
2	200	\$ 12.00	\$ 16.68	\$ 28.68	\$ 17.00	\$ 16.41	\$ 33.41	\$ 4.72	16.5%
3	300	\$ 12.00	\$ 25.02	\$ 37.02	\$ 17.00	\$ 24.61	\$ 41.61	\$ 4.59	12.4%
4	400	\$ 12.00	\$ 33.36	\$ 45.36	\$ 17.00	\$ 32.81	\$ 49.81	\$ 4.45	9.8%
2	500	\$ 12.00	\$ 41.71	\$ 53.71	\$ 17.00	\$ 41.02	\$ 58.02	\$ 4.31	8.0%
3	600	\$ 12.00	\$ 50.05	\$ 62.05	\$ 17.00	\$ 49.22	\$ 66.22	\$ 4.17	6.7%
4	700	\$ 12.00	\$ 58.39	\$ 70.39	\$ 17.00	\$ 57.42	\$ 74.42	\$ 4.03	5.7%
5	800	\$ 12.00	\$ 66.73	\$ 78.73	\$ 17.00	\$ 65.62	\$ 82.62	\$ 3.90	4.9%
6	900	\$ 12.00	\$ 75.07	\$ 87.07	\$ 17.00	\$ 73.83	\$ 90.83	\$ 3.76	4.3%
7	1,000	\$ 12.00	\$ 83.41	\$ 95.41	\$ 17.00	\$ 82.03	\$ 99.03	\$ 3.62	3.8%
8	1,100	\$ 12.00	\$ 91.75	\$ 103.75	\$ 17.00	\$ 90.23	\$ 107.23	\$ 3.48	3.4%
9	1,200	\$ 12.00	\$ 100.09	\$ 112.09	\$ 17.00	\$ 98.44	\$ 115.44	\$ 3.34	3.0%
10	1,300	\$ 12.00	\$ 108.43	\$ 120.43	\$ 17.00	\$ 106.64	\$ 123.64	\$ 3.21	2.7%
11	1,400	\$ 12.00	\$ 116.77	\$ 128.77	\$ 17.00	\$ 114.84	\$ 131.84	\$ 3.07	2.4%
12	1,500	\$ 12.00	\$ 125.12	\$ 137.12	\$ 17.00	\$ 123.05	\$ 140.05	\$ 2.93	2.1%
13	1,600	\$ 12.00	\$ 133.46	\$ 145.46	\$ 17.00	\$ 131.25	\$ 148.25	\$ 2.79	1.9%
14	1,700	\$ 12.00	\$ 141.80	\$ 153.80	\$ 17.00	\$ 139.45	\$ 156.45	\$ 2.65	1.7%
15	1,800	\$ 12.00	\$ 150.14	\$ 162.14	\$ 17.00	\$ 147.65	\$ 164.65	\$ 2.52	1.6%
16	1,900	\$ 12.00	\$ 158.48	\$ 170.48	\$ 17.00	\$ 155.86	\$ 172.86	\$ 2.38	1.4%
17	2,000	\$ 12.00	\$ 166.82	\$ 178.82	\$ 17.00	\$ 164.06	\$ 181.06	\$ 2.24	1.3%
18	2,100	\$ 12.00	\$ 175.16	\$ 187.16	\$ 17.00	\$ 172.26	\$ 189.26	\$ 2.10	1.1%
19	2,200	\$ 12.00	\$ 183.50	\$ 195.50	\$ 17.00	\$ 180.47	\$ 197.47	\$ 1.96	1.0%
20	2,300	\$ 12.00	\$ 191.84	\$ 203.84	\$ 17.00	\$ 188.67	\$ 205.67	\$ 1.83	0.9%
21	2,400	\$ 12.00	\$ 200.18	\$ 212.18	\$ 17.00	\$ 196.87	\$ 213.87	\$ 1.69	0.8%
22	2,500	\$ 12.00	\$ 208.53	\$ 220.53	\$ 17.00	\$ 205.08	\$ 222.08	\$ 1.55	0.7%
23	2,600	\$ 12.00	\$ 216.87	\$ 228.87	\$ 17.00	\$ 213.28	\$ 230.28	\$ 1.41	0.6%
24	2,700	\$ 12.00	\$ 225.21	\$ 237.21	\$ 17.00	\$ 221.48	\$ 238.48	\$ 1.27	0.5%
25	2,800	\$ 12.00	\$ 233.55	\$ 245.55	\$ 17.00	\$ 229.68	\$ 246.68	\$ 1.14	0.5%
26	2,900	\$ 12.00	\$ 241.89	\$ 253.89	\$ 17.00	\$ 237.89	\$ 254.89	\$ 1.00	0.4%
27	3,000	\$ 12.00	\$ 250.23	\$ 262.23	\$ 17.00	\$ 246.09	\$ 263.09	\$ 0.86	0.3%
AVG	1,111	\$ 12.00	\$ 92.68	\$ 104.68	\$ 17.00	\$ 91.14	\$ 108.14	\$ 3.47	3.3%

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 10**

**807 KAR 5:001 Sec. 16(4)(d)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease*

**Response:**

Please see the table below. Please also see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-9 thereof.

<b>Rate Class</b>	<b>Increase</b>	
	<b>Dollars</b>	<b>Percent</b>
R Residential	\$921,195	3.11%
Total Impact to Cumberland Valley's Revenues	\$921,195	2.25%

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 11**

**807 KAR 5:001 Sec. 16(4)(e)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply*

**Response:**

Please see the table below. Please also see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-9 thereof.

<b>Rate Class</b>	<b>Average</b>	<b>Increase</b>	
	<b>Usage (kWh)</b>	<b>Dollars</b>	<b>Percent</b>
Sch I - Residential, Schools & Churches	1,111	\$3.47	3.11%
Sch I - Res TOD	719	\$0.00	0.00%
Sch II - Small Commercial Small Power	899	\$0.00	0.00%
Sch II - Small Commercial Small Power	4,905	\$0.00	0.00%
Sch VII - Inclining Block Rate	46	\$0.00	0.00%
Sch III - All 3Phase Schools & Churches	28,452	\$0.00	0.00%
Sch IV-A - Large Power 50-2500 kW	102,955	\$0.00	0.00%
Sch VI - Outdoor Lighting - Security Lights	n/a	\$0.00	0.00%
Total	n/a	\$0.00	2.25%

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 12**

**807 KAR 5:001 Sec. 16(4)(g)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-9 thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 13**

**807 KAR 5:001 Sec. 16(4)(h)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A summary of the utility'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*

**Response:**

The revenue requirement in this case is determined on the basis of achieving an overall increase of 2.25 percent, consistent with the Streamlined Rate Pilot Program established pursuant to the Commission's Orders in Case No. 2018-00407. Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 14**

**807 KAR 5:001 Sec. 16(4)(i)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A reconciliation of the rate base and capital used to determine its revenue requirements*

**Response:**

Revenue requirements were determined on the basis of achieving an overall increase of 2.25 percent. Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 thereof. The rate base is calculated as part of the cost of service study (“COSS”); this is provided on pages 7 and 8 of Exhibit JW-4.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 15**

**807 KAR 5:001 Sec. 16(4)(t)**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:*

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;*
- 2. An explanation of how the allocator for the test period was determined; and*
- 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.*

**Response:**

Cumberland Valley does not have any affiliates.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 16**

**807 KAR 5:001 Sec. 16(4)(u)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*If the utility provides gas, electric, water, or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibits JW-3 through JW-8 thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 17**

**807 KAR 5:001 Sec. 16(5)(a)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 at pages 3 and 4 thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 18**

**807 KAR 5:001 Sec. 16(5)(e)**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 (Reference Schedule 1.04) thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 19**

**Case No. 2008-00408**  
**Order entered July 24, 2012**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*“Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options. In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission’s IRP regulation (807 KAR 5:058).”*

**Response:**

In coordination with East Kentucky Power Cooperative, Inc. (“EKPC”), Cumberland Valley has offered several DSM programs over the years. However, in Case No. 2019-00060, Cumberland Valley proposed to modify several of its DSM programs and to eliminate others in order to rebalance its DSM portfolio. In that docket, the Commission approved Cumberland Valley’s request to modify: (1) DSM Direct Load Control Program – Residential; (2) DSM Direct Load Control Program – Commercial; (3) DSM Button-Up Weatherization Program; (4) DSM Heat Pump Retrofit Program; and (5) DSM Touchstone Energy Home.<sup>1</sup> The Commission also approved Cumberland Valley’s request to eliminate the following DSM programs: (1) DSM-3 HVAC Duck Sealing Program; (2) DSM-5 Commercial & Industrial Advanced Lighting Program;

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<sup>1</sup> See Order, Case No. 2019-00060 (Ky. P.S.C. Nov. 26, 2019).

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

(3) DSM-6, Industrial Compressed Air Program; (4) Appliance Recycling Program; and (5) ENERGY STAR® Appliances Program.<sup>2</sup> At the same time the Commission approved a new DSM program, ENERGY STAR® Manufactured Home Program.

Cumberland Valley continued to offer Demand-Side Management/Energy Efficiency programs to its members during the test year with the assistance of EKPC. In the test year, Cumberland Valley paid out \$77, 569 to its members for these programs, but was reimbursed in full by EKPC, and thus, there was no impact to the test year expenses.

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<sup>2</sup> See Order, Case No. 2019-000060 (Ky. P.S.C. Feb. 27, 2019).

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 20**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Ted Hampton**

**Description of Filing Requirement:**

*A narrative statement discussing what changes have occurred for the Distribution Cooperative since the effective date of its last general rate adjustment*

**Response:**

Cumberland Valley's service territory has been in the midst of an economic crisis for over a decade. With many of the communities Cumberland Valley serves never fully recovering from the Great Recession in 2008, the new economic reality of the area has been reflected in Cumberland Valley's energy sales during this time. When comparing 2010's energy sales to 2019, Cumberland Valley has experienced a 14% decline in residential sales, a 36% decline in Commercial and Industrial sales that resulted in a 22% decline in total energy sales. Since the approval of Cumberland Valley's last rate adjustment in 2017, economic conditions have continued to be challenging. Member growth has continued to be stagnant and large power energy sales have continued to decline, being down 20% when comparing 2017-2019. During this erosion in energy sales, Cumberland Valley has been diligent in monitoring staffing levels to adapt to its new economic reality, while at the same time providing safe and reliable electrical service to our members. Cumberland Valley currently staffs 49 full time employees down from a recent high of

**Case No. 2020-00264**  
**Application - Exhibit 20**  
*No Attachment*

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

55 full time employees in 2010. Going forward, management will continue to evaluate any opportunities to gain efficiencies and reduce cost in regards to its staffing levels. In Case No. 2018-00056, Cumberland Valley requested and received a Certificate of Public Convenience and Necessity to install a new AMI system. Full implementation of the AMI system is expected in December 2020. This system allows Cumberland Valley to be more efficient in managing customer accounts while also providing those same customers with expanded service offerings such as faster and more efficient remote disconnects and reconnects and faster outage restoration. Please also refer to the testimony of Mr. Hampton and Mr. Tolliver.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 21**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*The estimated dates for drawdowns of unadvanced loan funds at test-year-end and the proposed uses of these funds*

**Response:**

At the conclusion of the test year, Cumberland Valley had \$7 million in unadvanced loan funds available. Cumberland Valley drew \$3 million of FFB loan funds in January, 2020 and drew another \$4 million of FFB loan funds in March 2020. Cumberland Valley does not anticipate the need to draw down any more funds in 2020. Loan funds are drawn to cover costs of Cumberland Valley's construction work plan.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 22**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A general statement identifying any electric property or plant held for future use*

**Response:**

Cumberland Valley has no electric property or plant held for future use.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 23**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*The calculation of normalized depreciation expense (test-year end plant account balance multiplied by depreciation rate)*

**Response:**

Please see the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 (Reference Schedule 1.05) thereof.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 24**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*Any changes that occurred during the test year to the Distribution Cooperative's written policies on the compensation of its attorneys, auditors, and all other professional service providers, indicating the effective date and reason for these changes*

**Response:**

There were no changes to any of these policies during the test year.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 25**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver and John Wolfram**

**Description of Filing Requirement:**

*A schedule of the Distribution Cooperative's standard directors' fees, per diems, and other compensation in effect during the test year. Include a description of any changes that occurred during the test year to the Distribution Cooperative's written policies specifying the compensation of directors, indicating the effective date and reason for any change.*

**Response:**

A schedule of Cumberland Valley's directors' fees, per diems, and other compensation in effect during the test year is included in the testimony of John Wolfram provided at Exhibit 9 and, in particular, Exhibit JW-2 (Schedule 1.08) thereof. There were no changes that occurred during the test year to Cumberland Valley's written policies specifying the compensation of its directors.

**Director Fee Schedule**

Regular Meeting Fee	\$500 per meeting
Special Meeting Fee	\$500 per meeting
Director Per Diem	\$300 per day

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 26**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A schedule reflecting the salaries and other compensation of each executive officer for the test year and two preceding calendar years. Include the percentage of annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries for the test year for those persons whom they replaced*

**Response:**

Please see attached. Cumberland Valley's sole executive officer is its President/Chief Executive Officer. The principal responsibility of this position is to oversee all departments and ensure all cooperative activities are completed in accordance with good business practices and consistent with the direction provided by Cumberland Valley's Board of Directors (to whom the President/Chief Executive Officer reports). Each of Cumberland Valley's employees ultimately reports to the President/Chief Executive Officer, and the employees that directly report to the President/Chief Executive Officer include the Office Manager, Manager of Engineering, Superintendent and Director of Marketing and Economic Development.

<b>Employee</b>	<b>Title</b>	<b>Effective Date</b>	<b>Percentage</b>	<b>Pay Rate</b>	<b>Annualized Salary</b>	<b>Bonus</b>	<b>Vehicle Compensation</b>	<b>Total Compensation</b>
1226	PRESIDENT/CEO	9/1/2019	2%	\$ 90.55	\$ 188,335.20	\$ -	\$ 741.14	\$ 189,076.34
		9/1/2018	0%	\$ 88.77	\$ 184,642.32	\$ -	\$ 860.81	\$ 185,503.13
		9/1/2017	0%	\$ 88.77	\$ 184,642.32	\$ 200.00	\$ 981.04	\$ 185,823.36

Direct reports to CEO:

Office Manager

Manager of Engineering

Director of Marketing and Economic Development

Superintendent

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 27**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver and John Wolfram**

**Description of Filing Requirement:**

*An analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account by the following categories: industry association dues, debt-serving expenses, institutional advertising, conservation advertising, rate department load studies, director's fees and expenses, dues and subscriptions, and miscellaneous. Include all detailed supporting workpapers. At a minimum, the workpapers should show the date, vendor, reference (e.g., voucher number), dollar amount, and a brief description of each expenditure. A detailed analysis is not required for amounts of less than \$100*

**Response:**

Please see the Direct Testimony of John Wolfram provided at Exhibit 9 to Cumberland Valley's Application and, in particular, Exhibit JW-2, Reference Schedule 1.07 thereof. Also, please see attached.

**Cumberland Valley  
Summary of Account 930 Exclusions**

<b>ACCT</b>	<b>Total</b>	<b>Include</b>	<b>Exclude</b>	
930.10	\$ 142,980.91	\$ 116,958.02	\$ 26,022.89	Directors Expense
930.11	\$ 1,273.00	\$ -	\$ 1,273.00	General Advertising Expense
930.20	\$ 83,620.89	\$ -	\$ 83,620.89	Misc. General Expense - Other
930.21	\$ 109,257.52	\$ -	\$ 109,257.52	Misc. General Expense - KY Living
930.30	\$ (0.75)	\$ -	\$ (0.75)	Misc. General Expense - Capital Credits
930.40	\$ 23,130.83	\$ -	\$ 23,130.83	Misc. General Expense - Annual Meeting
	\$ 360,262.40	\$ 116,958.02	\$ 243,304.38	

## Cumberland Valley - 930.10 Directors Expense

Date	Vendor Name	Reference	Invoice	Amount	Include	Exclude
1/3/2019	TOLLIVER, DELNO	ADV TO MGR JANUARY 2019	13191	\$ 300.00	\$ 300.00	
1/3/2019	FERGUSON, ROY	ADV TO MGR JANUARY 2019	13192	\$ 300.00	\$ 300.00	
1/3/2019	CREECH, KERMIT A	ADV TO MGR JANUARY 2019	13193	\$ 500.00	\$ 500.00	
1/3/2019	DAVIS, CHESTER A	ADV TO MGR JANUARY 2019	13194	\$ 500.00	\$ 500.00	
1/3/2019	VANOVER, ROGER D	ADV TO MGR JANUARY 2019	131910	\$ 500.00	\$ 500.00	
1/3/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19011077	\$ 144.88	\$ 144.88	
1/3/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE JANUARY 2019	13195	\$ 1,008.72	\$ 1,008.72	
1/3/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE JANUARY 2019	13196	\$ 551.23	\$ 551.23	
1/3/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE JANUARY 2019	13198	\$ 1,551.23	\$ 1,551.23	
1/3/2019	JAMES D LEWIS	REG BD MEET & MILEAGE JANUARY 2019	13199	\$ 565.40	\$ 565.40	
1/3/2019	MOSES, KEVIN R	REG BD MEET JANUARY 2019	13197	\$ 500.00	\$ 500.00	
1/8/2019	DELTA DENTAL OF KENTUCKY, INC.	GROUP INSURANCE	302769	\$ 353.76	\$ 353.76	
1/9/2019	ARC ADMINISTRATORS	ADMIN FEES 1/19	19191	\$ 265.16	\$ 265.16	
1/9/2019	EAST KY POWER MEDICAL	MEDICAL	19192	\$ 2,422.38	\$ 2,422.38	
1/20/2019	VISA	BOARD MEETING FOOD	20190130065911	\$ 123.21	\$ 123.21	
1/23/2019	MOSES, KEVIN R	NRECA REG MEET ATLANTA, GA	123199	\$ 1,555.89		\$ 1,555.89
1/31/2019		INSURANCE SPREAD		\$ 679.00	\$ 679.00	
2/5/2019	TOLLIVER, DELNO	ADV TO MGR FEB 1019	25191	\$ 300.00	\$ 300.00	
2/5/2019	FERGUSON, ROY	ADV TO MGR FEB 19	25192	\$ 300.00	\$ 300.00	
2/5/2019	CREECH, KERMIT A	ADV TO MGR FEB 19	25193	\$ 500.00	\$ 500.00	
2/5/2019	DAVIS, CHESTER A	ADV TO MGR FEB 19	25194	\$ 500.00	\$ 500.00	
2/5/2019	VANOVER, ROGER D	ADV TO MGR FEB 19	251910	\$ 500.00	\$ 500.00	
2/5/2019	DELTA DENTAL OF KENTUCKY, INC.	GROUP INSURANCE	306895	\$ 353.76	\$ 353.76	
2/5/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19021077	\$ 191.48	\$ 191.48	
2/5/2019	MOSES, KEVIN R	REG BD MEET	25197	\$ 500.00	\$ 500.00	
2/5/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE FEB 19	25195	\$ 1,009.84	\$ 1,009.84	
2/5/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE FEB 19	25196	\$ 557.81	\$ 557.81	
2/5/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE FEB 19	25198	\$ 1,557.81	\$ 1,557.81	
2/5/2019	JAMES D LEWIS	REG BD MEET & MILEAGE FEB 19	25199	\$ 573.80	\$ 573.80	
2/6/2019	EAST KY POWER MEDICAL	MEDICAL	26195	\$ 2,422.38	\$ 2,422.38	
2/12/2019	ARC ADMINISTRATORS	MEDICAL	2121911	\$ 265.16	\$ 265.16	
2/28/2019		INSURANCE SPREAD		\$ 679.00	\$ 679.00	
3/5/2019	ARC ADMINISTRATORS	ADMIN BILLING	351917	\$ 265.16	\$ 265.16	
3/5/2019	TOLLIVER, DELNO	ADV TO MGR FEB 19	351918	\$ 300.00	\$ 300.00	
3/5/2019	CREECH, KERMIT A	ADV TO MGR FEB 19	351920	\$ 500.00	\$ 500.00	
3/5/2019	DAVIS, CHESTER A	ADV TO MGR FEB 19	351921	\$ 500.00	\$ 500.00	
3/5/2019	VANOVER, ROGER D	ADV TO MGR FEB 19	351927	\$ 500.00	\$ 500.00	
3/5/2019	FERGUSON, ROY	ADV TO MGR FEB 19	351919	\$ 300.00	\$ 300.00	
3/5/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19031076	\$ 191.48	\$ 191.48	
3/5/2019	DELTA DENTAL OF KENTUCKY, INC.	GROUP INSURANCE DENTAL	313780	\$ 589.60	\$ 589.60	
3/5/2019	EAST KY POWER MEDICAL	MEDICAL	351912	\$ 2,422.38	\$ 2,422.38	
3/5/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE FEB 19	351922	\$ 1,009.28	\$ 1,009.28	
3/5/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE FEB 19	351923	\$ 554.52	\$ 554.52	
3/5/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE FEB 19	351925	\$ 1,554.52	\$ 1,554.52	
3/5/2019	JAMES D LEWIS	REG BD MEET & MILEAGE FEB 19	351926	\$ 569.60	\$ 569.60	
3/5/2019	MOSES, KEVIN R	REG BD MEET FEB 19	351924	\$ 500.00	\$ 500.00	
3/19/2019	MARSHA YEAGER MESSER	MILEAGE BD FOOD	319195	\$ 20.88	\$ 20.88	
3/19/2019	VISA	BOARD MEETING FOOD	20190404094443	\$ 163.18	\$ 163.18	
3/19/2019	VISA	BOARD MEETING FOOD	20190404095725	\$ 240.83	\$ 240.83	
3/31/2019		INSURANCE SPREAD		\$ 679.00	\$ 679.00	
3/31/2019		KEYING OF KEVIN MOSES INVOICE		\$ 6,286.67	\$ 6,286.67	
4/3/2019	TOLLIVER, DELNO	ADV TO MGR APRIL 19	431913	\$ 300.00	\$ 255.00	\$ 45.00
4/3/2019	CREECH, KERMIT A	ADV TO MGR APRIL 19	431915	\$ 500.00	\$ 425.00	\$ 75.00
4/3/2019	DAVIS, CHESTER A	ADV TO MGR APRIL 19	431916	\$ 500.00	\$ 425.00	\$ 75.00
4/3/2019	VANOVER, ROGER D	ADV TO MGR APRIL 19	431922	\$ 500.00	\$ 425.00	\$ 75.00
4/3/2019	FERGUSON, ROY	ADV TO MGR APRIL 2019	431914	\$ 300.00	\$ 255.00	\$ 45.00
4/3/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19041077	\$ 191.48	\$ 165.09	\$ 26.39
4/3/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE APRIL 19	431917	\$ 1,009.28	\$ 509.28	\$ 500.00
4/3/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE APRIL 19	431918	\$ 554.52	\$ 554.52	
4/3/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE APRIL 19	431920	\$ 1,554.52	\$ 554.52	\$ 1,000.00

4/3/2019	JAMES D LEWIS	REG BD MEET & MILEAGE APRIL 19	431921	\$	569.60	\$	569.60	
4/3/2019	MOSES, KEVIN R	REG BD MEET APRIL 19	431919	\$	500.00	\$	500.00	
4/4/2019	ARC ADMINISTRATORS	ADMIN FEES	44196	\$	265.16	\$	265.16	
4/4/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	319449	\$	471.68	\$	112.01	\$ 359.67
4/4/2019	EAST KY POWER MEDICAL	MEDICAL	44195	\$	2,422.38	\$	1,923.56	\$ 498.82
4/18/2019	VISA	BOARD MEETING FOOD	20190501135449	\$	187.17	\$	187.17	
4/23/2019	MARSHA YEAGER MESSER	MILEAGE	42319	\$	10.44	\$	10.44	
4/30/2019		INSURANCE SPREAD		\$	679.00	\$	679.00	
5/1/2019	TOLLIVER, DELNO	ADV TO MGR MAY 2019	51191	\$	300.00	\$	255.00	\$ 45.00
5/1/2019	FERGUSON, ROY	ADV TO MGR MAY 2019	51192	\$	300.00	\$	255.00	\$ 45.00
5/1/2019	CREECH, KERMIT A	ADV TO MGR MAY 2019	51193	\$	500.00	\$	425.00	\$ 75.00
5/1/2019	DAVIS, CHESTER A	ADV TO MGR MAY 2019	51194	\$	500.00	\$	425.00	\$ 75.00
5/1/2019	VANOVER, ROGER D	ADV TO MGR MAY 2019	511910	\$	500.00	\$	425.00	\$ 75.00
5/1/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	325807	\$	471.68	\$	112.01	\$ 359.67
5/1/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19051077	\$	191.48	\$	144.08	\$ 47.40
5/1/2019	EAST KY POWER MEDICAL	MEDICAL	511918	\$	2,422.38	\$	1,923.56	\$ 498.82
5/1/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE MAY 2019	51195	\$	1,009.28	\$	509.28	\$ 500.00
5/1/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE MAY 2019	51196	\$	554.52	\$	554.52	
5/1/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE MAY 2019	51198	\$	1,554.52	\$	554.52	\$ 1,000.00
5/1/2019	JAMES D LEWIS	REG BD MEET & MILEAGE MAY 2019	51199	\$	569.60	\$	569.60	
5/1/2019	MOSES, KEVIN R	REG BD MEET MAY 2019	51197	\$	500.00	\$	500.00	
5/2/2019	ARC ADMINISTRATORS	MEDICAL	5219	\$	265.16	\$	265.16	
5/19/2019	VISA	NRECA SUMMER SCHOOL	20190530081857	\$	3,515.47	\$	3,515.47	
5/31/2019	GENERAL INFORMATION SERVICES, INC.	BACKGROUND CHECK	2019050886	\$	48.00	\$	48.00	
5/31/2019		INSURANCE SPREAD		\$	679.00	\$	679.00	
6/5/2019	TOLLIVER, DELNO	ADV TO MGR JUNE 2019	65191	\$	300.00	\$	255.00	\$ 45.00
6/5/2019	FERGUSON, ROY	ADV TO MGR JUNE 2019	65192	\$	300.00	\$	255.00	\$ 45.00
6/5/2019	CREECH, KERMIT A	ADV TO MGR JUNE 2019	65193	\$	500.00	\$	425.00	\$ 75.00
6/5/2019	DAVIS, CHESTER A	ADV TO MGR JUNE 2019	65194	\$	500.00	\$	425.00	\$ 75.00
6/5/2019	VANOVER, ROGER D	ADV TO MGR JUNE 2019	651910	\$	500.00	\$	425.00	\$ 75.00
6/5/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	330677	\$	471.68	\$	112.01	\$ 359.67
6/5/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE JUNE 2019	65195	\$	1,009.28	\$	509.28	\$ 500.00
6/5/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE JUNE 2019	65196	\$	554.52	\$	554.52	
6/5/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE JUNE 2019	65198	\$	1,554.52	\$	554.52	\$ 1,000.00
6/5/2019	JAMES D LEWIS	REG BD MEET & MILEAGE JUNE 2019	65199	\$	569.60	\$	569.60	
6/5/2019	MOSES, KEVIN R	REG BD MEET JUNE 2019	65197	\$	500.00	\$	500.00	
6/6/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19061077	\$	191.48	\$	144.08	\$ 47.40
6/6/2019	EAST KY POWER MEDICAL	MEDICAL	66192	\$	2,422.38	\$	1,923.56	\$ 498.82
6/6/2019	ARC ADMINISTRATORS	MEDICAL	20190612134108	\$	265.16	\$	265.16	
6/18/2019	LAY, LANSFORD H	EKPC ANNUAL MEETING	618194	\$	300.00	\$	300.00	
6/18/2019	VISA	VISA STATEMENT	20190625104713	\$	1,709.88	\$	1,709.88	
6/19/2019	MARSHA YEAGER MESSER	MILEAGE	619191	\$	9.28	\$	9.28	
6/25/2019	JAMES D LEWIS	NRECA SUMMER SCHOOL	625192	\$	2,784.60	\$	2,784.60	
6/30/2019		INSURANCE SPREAD		\$	679.00	\$	679.00	
7/2/2019	TOLLIVER, DELNO	ADV TO MGR JULY 2019	72191	\$	300.00	\$	255.00	\$ 45.00
7/2/2019	FERGUSON, ROY	ADV TO MGR JULY 2019	72192	\$	300.00	\$	255.00	\$ 45.00
7/2/2019	CREECH, KERMIT A	ADV TO MGR JULY 2019	72193	\$	500.00	\$	425.00	\$ 75.00
7/2/2019	DAVIS, CHESTER A	ADV TO MGR JULY 2019	72194	\$	500.00	\$	425.00	\$ 75.00
7/2/2019	VANOVER, ROGER D	ADV TO MGR JULY 2019	721910	\$	500.00	\$	425.00	\$ 75.00
7/2/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE JULY 2019	72195	\$	1,009.28	\$	509.28	\$ 500.00
7/2/2019	LAY, LANSFORD H	REG BD MEETING & MILEAGE JULY 2019	72196	\$	554.52	\$	554.52	
7/2/2019	SHELLEY, VERNON	REG BD MEETING & MILEAGE JULY 2019	72198	\$	1,554.52	\$	554.52	\$ 1,000.00
7/2/2019	JAMES D LEWIS	REG BD MEETING & MILEAGE JULY 2019	72199	\$	569.60	\$	569.60	
7/2/2019	MOSES, KEVIN R	REG BD MEETING JULY 2019	72197	\$	500.00	\$	500.00	
7/3/2019	ARC ADMINISTRATORS	ADMIN FEES	73192	\$	265.16	\$	265.16	
7/3/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL	337693	\$	471.68	\$	112.01	\$ 359.67
7/3/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19071077	\$	191.48	\$	144.08	\$ 47.40
7/3/2019	EAST KY POWER MEDICAL	MEDICAL	73193	\$	2,422.38	\$	1,923.56	\$ 498.82
7/19/2019	VISA	VISA STATEMENT	20190806110933	\$	204.14	\$	204.14	
7/31/2019		INSURANCE SPREAD		\$	679.00	\$	679.00	
8/2/2019	VANOVER, ROGER D	ADV TO MGR AUG 19	821913	\$	500.00	\$	425.00	\$ 75.00
8/2/2019	DAVIS, CHESTER A	ADV TO MGR AUG 19	82197	\$	500.00	\$	425.00	\$ 75.00
8/2/2019	TOLLIVER, DELNO	ADV TO MGR AUGUST 19	82194	\$	300.00	\$	255.00	\$ 45.00
8/2/2019	FERGUSON, ROY	ADV TO MGR AUGUST 19	82195	\$	300.00	\$	255.00	\$ 45.00

8/2/2019	CREECH, KERMIT A	ADV TO MGR AUGUST 19	82196	\$	500.00	\$	425.00	\$	75.00
8/2/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	342715	\$	471.68	\$	112.01	\$	359.67
8/2/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19081077	\$	191.48	\$	144.08	\$	47.40
8/2/2019	EAST KY POWER MEDICAL	MEDICAL	82192	\$	2,422.38	\$	1,923.56	\$	498.82
8/2/2019	JAMES D LEWIS	REG BD MEET & MILEAGE AUG 19	821912	\$	569.60	\$	569.60		
8/2/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE AUG 19	82198	\$	1,009.28	\$	509.28	\$	500.00
8/2/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE AUG 19	82199	\$	554.52	\$	554.52		
8/2/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE AUG 19	821911	\$	1,554.52	\$	554.52	\$	1,000.00
8/2/2019	MOSES, KEVIN R	REG BD MEET AUG 19	821910	\$	500.00	\$	500.00		
8/7/2019	ARC ADMINISTRATORS	ADMIN FEES	87198	\$	265.16	\$	265.16		
8/14/2019	MARSHA YEAGER MESSER	MILEAGE	814196	\$	9.28	\$	9.28		
8/31/2019	VISA	BOARD MEETING FOOD	93194	\$	178.94	\$	178.94		
8/31/2019		INSURANCE SPREAD		\$	679.00	\$	679.00		
9/4/2019	TOLLIVER, DELNO	ADV TO MGR SEPT 2019	94191	\$	300.00	\$	255.00	\$	45.00
9/4/2019	FERGUSON, ROY	ADV TO MGR SEPT 2019	94192	\$	300.00	\$	255.00	\$	45.00
9/4/2019	CREECH, KERMIT A	ADV TO MGR SEPT 2019	94193	\$	500.00	\$	425.00	\$	75.00
9/4/2019	DAVIS, CHESTER A	ADV TO MGR SEPT 2019	94194	\$	500.00	\$	425.00	\$	75.00
9/4/2019	VANOVER, ROGER D	ADV TO MGR SEPT 2019	941910	\$	500.00	\$	425.00	\$	75.00
9/4/2019	DELTA DENTAL OF KENTUCKY, INC.	GROUP INSURANCE	348716	\$	471.68	\$	112.01	\$	359.67
9/4/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19091077	\$	191.48	\$	144.08	\$	47.40
9/4/2019	EAST KY POWER MEDICAL	MEDICAL	941916	\$	2,422.38	\$	1,923.56	\$	498.82
9/4/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE SEPT 2019	94195	\$	1,009.28	\$	509.28	\$	500.00
9/4/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE SEPT 2019	94196	\$	554.52	\$	554.52		
9/4/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE SEPT 2019	94198	\$	1,554.52	\$	554.52	\$	1,000.00
9/4/2019	JAMES D LEWIS	REG BD MEET & MILEAGE SEPT 2019	94199	\$	569.60	\$	569.60		
9/4/2019	MOSES, KEVIN R	REG BD MEET SEPT 2019	94197	\$	500.00	\$	500.00		
9/5/2019	ARC ADMINISTRATORS	ARC ADMIN	SEPTINV19	\$	265.16	\$	265.16		
9/30/2019		INSURANCE SPREAD		\$	679.00	\$	679.00		
10/2/2019	ARC ADMINISTRATORS	ADMIN BILLING	1021914	\$	265.16	\$	265.16		
10/2/2019	TOLLIVER, DELNO	ADV TO MGR OCT 2019	102191	\$	300.00	\$	255.00	\$	45.00
10/2/2019	FERGUSON, ROY	ADV TO MGR OCT 2019	102193	\$	300.00	\$	255.00	\$	45.00
10/2/2019	CREECH, KERMIT A	ADV TO MGR OCT 2019	102194	\$	500.00	\$	425.00	\$	75.00
10/2/2019	DAVIS, CHESTER A	ADV TO MGR OCT 2019	102195	\$	500.00	\$	425.00	\$	75.00
10/2/2019	VANOVER, ROGER D	ADV TO MGR OCTOBER 2019	1021911	\$	500.00	\$	425.00	\$	75.00
10/2/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE OCTOBER 2019	102196	\$	1,009.28	\$	509.28	\$	500.00
10/2/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE OCTOBER 2019	102197	\$	554.52	\$	554.52		
10/2/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE OCTOBER 2019	102199	\$	1,554.52	\$	554.52	\$	1,000.00
10/2/2019	JAMES D LEWIS	REG BD MEET & MILEAGE OCTOBER 2019	1021910	\$	569.60	\$	569.60		
10/2/2019	MOSES, KEVIN R	REG BD MEET OCTOBER 2019	102198	\$	500.00	\$	500.00		
10/3/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	RIS0002450633	\$	471.68	\$	112.01	\$	359.67
10/3/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19101076	\$	191.48	\$	144.08	\$	47.40
10/3/2019	EAST KY POWER MEDICAL	MEDICAL	103193	\$	2,422.38	\$	1,923.56	\$	498.82
10/31/2019		INSURANCE SPREAD		\$	679.00	\$	679.00		
11/5/2019	VANOVER, ROGER D	ADV TI MGR NOVEMBER 2019	1151910	\$	500.00	\$	425.00	\$	75.00
11/5/2019	TOLLIVER, DELNO	ADV TO MGR NOVEMBER 2019	115191	\$	300.00	\$	255.00	\$	45.00
11/5/2019	FERGUSON, ROY	ADV TO MGR NOVEMBER 2019	115192	\$	300.00	\$	255.00	\$	45.00
11/5/2019	CREECH, KERMIT A	ADV TO MGR NOVEMBER 2019	115193	\$	500.00	\$	425.00	\$	75.00
11/5/2019	DAVIS, CHESTER A	ADV TO MGR NOVEMBER 2019	115194	\$	500.00	\$	425.00	\$	75.00
11/5/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	361677	\$	471.68	\$	112.01	\$	359.67
11/5/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19111076	\$	191.48	\$	144.08	\$	47.40
11/5/2019	ARC ADMINISTRATORS	GROUP INSURANCE NOVEMBER 19	1151914	\$	265.16	\$	265.16		
11/5/2019	EAST KY POWER MEDICAL	MEDICAL NOVEMBER 2019	1151913	\$	2,422.38	\$	1,923.56	\$	498.82
11/5/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE NOVEMBER 2019	115195	\$	1,009.28	\$	509.28	\$	500.00
11/5/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE NOVEMBER 2019	115196	\$	554.52	\$	554.52		
11/5/2019	SHELLEY, VERNON	REG BD MEET & MILEAGE NOVEMBER 2019	115198	\$	1,554.52	\$	554.52	\$	1,000.00
11/5/2019	JAMES D LEWIS	REG BD MEET & MILEAGE NOVEMBER 2019	115199	\$	569.60	\$	569.60		
11/5/2019	MOSES, KEVIN R	REG BD MEET NOVEMBER 2019	115197	\$	500.00	\$	500.00		
11/18/2019	VISA	VISA STATEMENT	20191205085059	\$	176.85	\$	176.85		
11/20/2019	MARSHA YEAGER MESSER	MILEAGE FOOD BOARD MEETINGS	11201911	\$	27.84	\$	27.84		
11/20/2019	MOSES, KEVIN R	NRECA REGIONAL MEET LOUISVILLE, KY	1120194	\$	1,388.78	\$	1,388.78		
11/30/2019	VISA	VISA STATEMENT	1251911	\$	200.05	\$	200.05		
11/30/2019		INSURANCE SPREAD		\$	679.00	\$	679.00		
12/3/2019	TOLLIVER, DELNO	ADV TO MGR DEC 2019	123194	\$	300.00	\$	255.00	\$	45.00
12/3/2019	FERGUSON, ROY	ADV TO MGR DEC 2019	123195	\$	300.00	\$	255.00	\$	45.00

12/3/2019	CREECH, KERMIT A	ADV TO MGR DEC 2019	123196	\$	500.00	\$	425.00	\$	75.00
12/3/2019	DAVIS, CHESTER A	ADV TO MGR DEC 2019	123197	\$	500.00	\$	425.00	\$	75.00
12/3/2019	VANOVER, ROGER D	ADV TO MGR DEC 2019	1231913	\$	500.00	\$	425.00	\$	75.00
12/3/2019	HAMPTON, ELBERT R	REG BD MEET & MILEAGE DEC 2019	123198	\$	1,009.28	\$	509.28	\$	500.00
12/3/2019	LAY, LANSFORD H	REG BD MEET & MILEAGE DEC 2019	123199	\$	554.52	\$	554.52		
12/3/2019	JAMES D LEWIS	REG BD MEET & MILEAGE DEC 2019	1231912	\$	569.60	\$	569.60		
12/3/2019	MOSES, KEVIN R	REG BD MEET DEC 2019	1231910	\$	500.00	\$	500.00		
12/3/2019	SHELLEY, VERNON	REG BD MET & MILEAGE DEC 2019	1231911	\$	1,554.52	\$	554.52	\$	1,000.00
12/4/2019	ARC ADMINISTRATORS	ADMIN FEE	1241910	\$	265.16	\$	265.16		
12/4/2019	DELTA DENTAL OF KENTUCKY, INC.	DENTAL INSURANCE	368541	\$	471.68	\$	112.01	\$	359.67
12/4/2019	NRECA GROUP BENEFITS TRUST	GROUP INSURANCE	19121077	\$	191.48	\$	144.08	\$	47.40
12/4/2019	EAST KY POWER MEDICAL	MEDICAL	1241911	\$	2,422.38	\$	1,923.56	\$	498.82
12/19/2019	VISA	VISA STATEMENT	20200103092100	\$	182.93	\$	182.93		
12/31/2019		CORR POSTING ARC ADMIN		\$	9.68	\$	9.68		
12/31/2019		INSURANCE SPREAD		\$	679.00	\$	679.00		
				<b>\$</b>	<b>142,980.91</b>	<b>\$</b>	<b>116,958.02</b>	<b>\$</b>	<b>26,022.89</b>

**Cumberland Valley - 930.11 General Advertising Expense**

<b>Date</b>	<b>Vendor Name</b>	<b>Reference</b>	<b>Invoice</b>	<b>Amount</b>	<b>Include</b>	<b>Exclude</b>
4/30/2019	WEZJ/FM	RADIO SPOTS	56193	\$ 140.00	\$	140.00
4/30/2019	WEKX - FM	RADIO SPOTS	56192	\$ 140.00	\$	140.00
4/30/2019	CHOICE RADIO CORPORATION	RADIO SPOTS	56194	\$ 160.00	\$	160.00
4/30/2019	W K D P	RADIO SPOTS	19040095	\$ 168.00	\$	168.00
7/10/2019	CHOICE RADIO CORPORATION	SPOTS	710195	\$ 270.00	\$	270.00
9/30/2019	MOUNTAIN ADVOCATE MEDIA	KNOX CO GUIDE 2019	94607	\$ 395.00	\$	395.00
				<b>\$ 1,273.00</b>	<b>\$ -</b>	<b>\$ 1,273.00</b>

## Cumberland Valley - 930.20 Misc. General Expense - Other

<b>Date</b>	<b>Vendor</b>	<b>Reference</b>	<b>Invoice</b>	<b>Amount</b>	<b>Include</b>	<b>Exclude</b>
1/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
2/28/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
3/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
4/30/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
5/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
6/30/2019		REC ED FD ALLOCATIONS NRTC-18		\$ 9.77		\$ 9.77
6/30/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
7/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
8/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
9/30/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
9/30/2019		REC INTEGRITY FD CONTRIBUTION CFC		\$ 679.66		\$ 679.66
10/31/2019		TO EXPENSE ASSOC COOP DU		\$ 7,342.54		\$ 7,342.54
11/30/2019		TO EXPENSE ASSOC COOP DU		\$ 4,753.03		\$ 4,753.03
12/31/2019		TO EXPENSE ASSOC COOP DU		\$ 4,753.03		\$ 4,753.03
				<b>\$ 83,620.89</b>	<b>\$ -</b>	<b>\$ 83,620.89</b>

## Cumberland Valley - 930.21 Misc. General Expense KY Living

Date	Vendor Name	Reference	Invoice	Amount	Include	Exclude
1/31/2019	KY ASSOC OF ELECT COOP	MAGAZINES, TRAINING, DUES	11615343	\$ 8,901.44		\$ 8,901.44
2/28/2019	KY ASSOC OF ELECT COOP	ANNUAL DUES, CHAMBER DUES, MAG	11616224	\$ 8,939.08		\$ 8,939.08
3/31/2019	KY ASSOC OF ELECT COOP	MAGAZINES, POSTAGE, ETC	11617734	\$ 8,882.63		\$ 8,882.63
4/30/2019	KY ASSOC OF ELECT COOP	MAGS,POSTAGE, ETC	11619309	\$ 8,943.55		\$ 8,943.55
5/31/2019	KY ASSOC OF ELECT COOP	MAGAZINES AND CLASS	11620214	\$ 8,889.75		\$ 8,889.75
7/31/2019	KY ASSOC OF ELECT COOP	JUNE & JULY MAGS	11622872	\$ 20,276.37		\$ 20,276.37
8/31/2019	KY ASSOC OF ELECT COOP	AUG MAGAZINES	11625343	\$ 8,932.07		\$ 8,932.07
9/30/2019	KY ASSOC OF ELECT COOP	SEPT 19 MAGAZINES	11652921	\$ 8,843.24		\$ 8,843.24
10/31/2019	KY ASSOC OF ELECT COOP	MAGS SEPT & OCT 2019 ETC	11628522	\$ 8,867.27		\$ 8,867.27
11/30/2019	KY ASSOC OF ELECT COOP	KY MAGS , ETC	11629824	\$ 8,859.44		\$ 8,859.44
12/31/2019	KY ASSOC OF ELECT COOP	MAGAZINES, POSTAGE, MEETING	11631451	\$ 8,922.68		\$ 8,922.68
				<b>\$ 109,257.52</b>	<b>\$ -</b>	<b>\$ 109,257.52</b>

**Cumberland Valley - 930.30 Misc. General Expense Capital Credits**

<b>Date</b>	<b>Vendor Name</b>	<b>Reference</b>	<b>Invoice</b>	<b>Amount</b>	<b>Include</b>	<b>Exclude</b>
10/31/2019		ADJ PATRONAGE CC ALLOCATION FOR 2018		\$ (0.75)		\$ (0.75)

## Cumberland Valley - 930.40 Misc. General Expense Annual Meeting

<b>Date</b>	<b>Vendor Name</b>	<b>Reference</b>	<b>Invoice</b>	<b>Amount</b>	<b>Include</b>	<b>Exclude</b>
1/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
2/28/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
3/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
4/30/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
5/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
6/30/2019		WRITE OFF ANNUAL MEETING		\$ 2,120.00		\$ 2,120.00
7/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,400.00		\$ 2,400.00
8/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,400.00		\$ 2,400.00
9/30/2019		WRITE OFF ANNUAL MEETING		\$ 2,400.00		\$ 2,400.00
10/31/2019		WRITE OFF ANNUAL MEETING		\$ 2,400.00		\$ 2,400.00
11/30/2019		WRITE OFF ANNUAL MEETING		\$ 405.42		\$ 405.42
12/31/2019		WRITE OFF ANNUAL MEETING		\$ 405.41		\$ 405.41
				<b>\$ 23,130.83</b>	<b>\$ -</b>	<b>\$ 23,130.83</b>

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 28**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver and John Wolfram**

**Description of Filing Requirement:**

*An analysis of Account No. 426, Other Income Deductions, for the test period. Include a complete breakdown of this account by the following categories: donations, civic activities, political activities, and other. Include detailed supporting workpapers. At a minimum, the workpapers should show the date, vendor, reference (e.g., voucher number), dollar amount, and a brief description of each expenditure. A detailed analysis is not required for amounts of less than \$250*

**Response:**

Please see the Direct Testimony of John Wolfram provided at Exhibit 9 to Cumberland Valley's Application and, in particular, Exhibit JW-2, Reference Schedule 1.06 thereof. Also, please see attached. All of the listed amounts in Account 426.10 are donations and have been removed for ratemaking purposes.

## Cumberland Valley - 426.10 Donations

Date	Vendor Name	Reference	Invoice	Check #	Amount
1/23/2019	HARLAN COUNTY HIGH SCHOOL	DONATIONS	1231913	77667 \$	100.00
2/14/2019	CORBIN HIGH SCHOOL	DONATION	21419	77856 \$	100.00
3/5/2019	SPECIAL OLYMPICS KENTUCKY	SPECIAL OLYMPICS	3519	78005 \$	145.00
3/14/2019	FLEMINGSBURG FIRST UNITED METHODIST CH	MEMORIAL DONATION FOR J. E. SMITH, JR	31419	78058 \$	25.00
3/26/2019	WHITLEY CO HIGH SCHOOL BASKETBALL	DONATION	326197	78100 \$	150.00
3/27/2019	KCEOC COMM ACTION AGENCY	DONATION	327197	\$	200.00
3/27/2019	KCEOC COMM ACTION AGENCY	void ck #78090	327197	\$	(200.00)
3/27/2019	KCEOC COMM ACTION AGENCY	DONATION	3271911	78105 \$	200.00
4/11/2019	KY STATE POLICE, POST 10 TROOPER ISLAND	DONATION	20190411181911	78258 \$	240.00
4/11/2019	NRECA INTERNATIONAL FOUNDATION	DONATION	20190411181956	78232 \$	500.00
4/23/2019	BLUE GRASS COUNCIL, BSA	VISIONARY AWARD DINNER	423196	78296 \$	250.00
4/30/2019	WHITLEY CO BD OF EDUCATION	DONATION	511930	78391 \$	100.00
5/31/2019	BARBOURVILLE HIGH SCHOOL	DONATION	612191	78705 \$	100.00
6/13/2019	CORBIN HIGH SCHOOL DANCE TEAM	DONATION	613194	78712 \$	100.00
6/30/2019	SOUTH KENTUCKY RECC	SPONSOR	721920	79177 \$	1,000.00
7/10/2019	WHITLEY COUNTY TOURISM BOARD	DONATIONS	710199	79235 \$	100.00
8/7/2019	CORBIN HIGH SCHOOL GIRLS GOLF TEAM	DONATIONS	8719	79466 \$	100.00
8/31/2019	HARLAN COUNTY CHRISTIAN SCHOOL	SPONSOR LIGHT DISPLAY	941913	79641 \$	132.00
9/30/2019	TRI-CITY CHAMBER OF COMMERC	TABLE SPONSOR	1021913	79851 \$	250.00
10/31/2019	CORBIN BASKETBALL	DONATION	1031191	80096 \$	100.00
11/20/2019	TRI-CITY CHAMBER OF COMMERC	BANQUET TICKETS	1120193	80194 \$	100.00
11/30/2019	KNOX CO CHAMBER OF COMMERCE	BANQUET	124192	80328 \$	300.00
11/30/2019	TRI-CITY CHAMBER OF COMMERC	BANQUET	124193	80322 \$	100.00
				<b>\$</b>	<b>4,192.00</b>

## Cumberland Valley - 426.11 Scholarships

<b>Date</b>	<b>Vendor Name</b>	<b>Reference</b>	<b>Invoice</b>	<b>Check #</b>	<b>Amount</b>
7/12/2019	EASTERN KENTUCKY UNIVERSITY	SCHOLARSHIP ALEXA A TORAK	712193	79248 \$	500.00
7/12/2019	UNIVERSITY OF KENTUCKY	SCHOLARSHIP ALEXANDRA GREER	712196	79242 \$	500.00
7/12/2019	UNION COLLEGE	SCHOLARSHIP DANE IMEL	712195	79241 \$	500.00
7/12/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP ELAINA MCKNIGHT	712191	79252 \$	500.00
7/12/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP EMILY FOSTER	712192	79251 \$	500.00
7/12/2019	UNIVERSITY OF PIKEVILLE	SCHOLARSHIP HALEY CORNETT	712197	79264 \$	500.00
7/12/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP KAITLYN HARMON	71219	79253 \$	500.00
7/12/2019	SOMERSET COMMUNITY COLLEGE	SCHOLARSHIP SADIE WARREN	712194	79243 \$	500.00
7/16/2019	ALICE LLOYD COLLEGE	SCHOLARSHIP MADISON NANTZ	716192	79270 \$	500.00
12/5/2019	EASTERN KENTUCKY UNIVERSITY	SCHOLARSHIO ALEXA A TORAK	125197	80368 \$	500.00
12/5/2019	UNIVERSITY OF KENTUCKY	SCHOLARSHIP ALEXANDRA GREER	125192	80365 \$	500.00
12/5/2019	UNION COLLEGE	SCHOLARSHIP DANE IMEL	125194	80364 \$	500.00
12/5/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP ELAINA MCKNIGHT	125195	80369 \$	500.00
12/5/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP EMILY FOSTER	125121	80371 \$	500.00
12/5/2019	VISA	SCHOLARSHIP HALEY CORNETT	12512	\$	500.00
12/5/2019	UNIVERSITY OF THE CUMBERLANDS	SCHOLARSHIP KAITLYN HARMON	125193	80370 \$	500.00
12/5/2019	ALICE LLOYD COLLEGE	SCHOLARSHIP MADISON NANTZ	125196	80377 \$	500.00
12/5/2019	SOMERSET COMMUNITY COLLEGE	SCHOLARSHIP SADIE WILSON	125198	80367 \$	500.00
12/5/2019	VISA	SCHOLARSHIP HALEY CORNETT	12512	\$	(500.00)
12/5/2019	UNIVERSITY OF PIKEVILLE	SCHOLARSHIP HALEY CORNETT	12512	80380 \$	500.00
				<b>\$</b>	<b>9,000.00</b>

**Cumberland Valley - 426.12 Memberships, Dues**

<b>Date</b>	<b>Vendor Name</b>	<b>Reference</b>	<b>Invoice</b>	<b>Check #</b>	<b>Amount</b>
1/14/2019	TRI-CITY CHAMBER OF COMMERC	MEMBERSHIP 2019	114194	77611 \$	100.00
1/31/2019	SOUTHERN KY CHAMBER OF COMMERC	MEMBERSHIP SOUTHERN KY CHAMBER	5086	77774 \$	500.00
1/31/2019	KENTUCKY COUNCIL OF COOP INC	MEMBERSHIP DUES 2019	212196	77832 \$	250.00
2/28/2019	KY ASSOC OF ELECT COOP	ANNUAL DUES, CHAMBER DUES, MAGAZINES	11616224	77956 \$	300.23
3/5/2019	KNOX CO CHAMBER OF COMMERCE	2019 MEMBERSHIP DUES	35196	77981 \$	300.00
4/11/2019	TRI-CITIES HERITAGE DEV	MEMBERSHIP	20190411182044	78253 \$	50.00
8/21/2019	LETCHER CO CHAMBER OF COMMEC	MEMBERSHIP DUES 2019-2020	821194	79507 \$	150.00
11/27/2019	KY ASSOCIATION FOR ECONOMIC DEV	2020 MEMBERSHIP DUES	11271919	80235 \$	250.00
11/30/2019	KRUS	VOTING MEMBERSHIP 2020	12319	80347 \$	150.00
					<b>\$ 2,050.23</b>

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 29**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver and John Wolfram**

**Description of Filing Requirement:**

*A statement explaining whether the depreciation rates reflected in this filing are identical to those most recently approved by the Commission. If identical, identify the case in which they were approved. If not, provide the depreciation study that supports the rates reflected in this filing*

**Response:**

The depreciation rates reflected in Cumberland Valley's filing all originate from the last depreciation study that was performed by JDS Consulting, LLC in 2015. This study was submitted to the Commission as part of Cumberland Valley's last filing for an adjustment of rates, Case No. 2016-00169. Cumberland Valley is not proposing any adjustment of depreciation rates as part of this filing. Also please see the Direct Testimony of John Wolfram provided at Exhibit 9 to Cumberland Valley's Application, and specifically Exhibit JW-2 (Reference Schedule 1.05 thereof).

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 30**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: John Wolfram**

**Description of Filing Requirement:**

*A copy of all exhibits and schedules that were prepared for the rate application in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible*

**Response:**

The requested information has been uploaded via the Commission's electronic filing system.

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 31**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*The Distribution Cooperative's TIER, OTIER, and debt service coverage ratio, as calculated by the RUS, for the test year and the five most recent calendar years, including the data used to calculate each ratio*

**Response:**

Please see attached. Cumberland Valley has provided the requested ratios for the test year and the preceding five (5) calendar years.

		<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>A</b>	<b>Interest/LTD</b>	\$ 1,216,523	\$ 1,097,187	\$ 975,622	\$ 870,468	\$ 560,381	\$ 348,543
<b>B</b>	<b>Margins</b>	\$ 2,343,494	\$ 2,731,701	\$ 1,551,553	\$ 1,646,422	\$ 2,017,373	\$ 2,735,613
<b>C</b>	<b>TIER (A+B)/A</b>	2.93	3.49	2.59	2.89	4.60	8.85
<b>D</b>	<b>Operating Margins</b>	\$ 345,790	\$ 848,816	\$ 433,925	\$ (755,328)	\$ (426,380)	\$ 28,539
<b>E</b>	<b>OTIER (A+D)/A</b>	1.28	1.77	1.44	0.13	0.24	1.08
<b>F</b>	<b>Depreciation</b>	\$ 4,038,211	\$ 3,930,845	\$ 3,837,419	\$ 3,616,753	\$ 3,509,699	\$ 3,246,850
<b>G</b>	<b>Debt Service</b>	\$ 3,262,649	\$ 3,020,962	\$ 2,903,376	\$ 2,893,179	\$ 2,597,978	\$ 2,237,853
<b>H</b>	<b>DSC (A+B+F)/G</b>	2.33	2.57	2.19	2.12	2.34	2.83

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 32**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by the Distribution Cooperative. All income statements accounts should show activity for 12 months. The application should show the balance in each control account and all underlying subaccounts per the company books*

**Response:**

Please see attached.

CUMBERLAND VALLEY RECC

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General Ledger  
Summary Trial Balance

Page 1

Period Ending: DEC 2019

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	100.0	VOID CHECKS	0.00	0.00	0.00	0.00	0.00	0.00
0	107.2	CONST WORK IN PROGRESS	632,746.48	-43,718.29	41,235.50	0.00	589,028.19	0.00
0	107.3	CONST WK IN PROG SPEC EQUIP	0.00	0.00	0.00	0.00	0.00	0.00
0	107.51	WK IN PROG-RADIO TOWER @ FR	23,111.16	0.00	0.00	0.00	23,111.16	0.00
0	107.53	WK IN PROG-RADIO TOWER @ RO	0.00	0.00	0.00	0.00	0.00	0.00
0	107.69	WK IN PROG-MITEL PHONE SYSTE	0.00	80,216.43	0.00	0.00	80,216.43	0.00
0	107.7	WK IN PROG-DISPATCH ROOM	0.00	78,994.59	0.00	0.00	78,994.59	0.00
0	108.6	ACCUM PROV-DEPR OF DIST PT	-38,493,145.67	-1,941,920.69	127,668.25	0.00	0.00	40,435,066.36
0	108.7	ACCUM PROV-DEPR OF TRANS	-2,862,997.10	-120,946.09	0.00	13,129.54	0.00	2,983,943.19
0	108.71	ACCUM PROV-DEPR OF COMMUN	-361,979.00	-40,696.44	0.00	3,461.06	0.00	402,675.44
0	108.72	ACCUM PROV-DEPR OR GRAY OFF	-1,168,221.46	-47,905.40	0.00	4,002.35	0.00	1,216,126.86
0	108.73	ACCUM PROV-DEPR FOR OTHER	-641,299.54	-85,473.31	3,080.46	0.00	0.00	726,772.85
0	108.8	RETIREMENT WORK IN PROGRESS	53,006.46	2,214.20	0.00	1,704.60	55,220.66	0.00
0	123.11	PATRON CAPITAL-EAST KY RECC	30,045,162.84	1,641,740.87	1,712,191.29	0.00	31,686,903.71	0.00
0	123.12	PATRON CAPITAL-KY RECC-KAEC	79,268.13	3,968.00	0.00	0.00	83,236.13	0.00
0	123.13	PATRON CAPITAL-NRTC	0.00	0.00	0.00	0.00	0.00	0.00
0	123.14	PATRON CAPITAL-STATEWIDE RE	274,318.96	-4,395.00	0.00	0.00	269,923.96	0.00
0	123.15	PATRON CAPITAL-ASSOC COOP-C	194,014.19	-13,593.25	0.00	0.00	180,420.94	0.00
0	123.16	PATRON CAPITAL-NISC	141,736.82	7,174.64	13,098.97	0.00	148,911.46	0.00
0	123.17	PATRON CAPITAL-FEDERATED IN	247,204.09	15,077.00	0.00	4,093.00	262,281.09	0.00
0	123.18	PATRON CAPITAL-COBANK	27,722.50	5,380.72	0.00	0.00	33,103.22	0.00
0	123.19	PATRON CAPITAL-CRC	4,990.00	1,403.00	0.00	0.00	6,393.00	0.00
0	123.22	INVEST IN CAP TERM CERT CFC	842,146.00	0.00	0.00	0.00	842,146.00	0.00
0	123.23	OTHER INVEST IN ASSOC ORGAN	2,000.00	0.00	0.00	0.00	2,000.00	0.00
0	123.24	INVEST-ENVISION	10,000.00	0.00	0.00	0.00	10,000.00	0.00
0	123.25	INVEST-COBANK	1,000.00	0.00	0.00	0.00	1,000.00	0.00
0	123.26	INVEST-ASSOC COMP E KY MEMB	100.00	0.00	0.00	0.00	100.00	0.00
0	123.29	INVEST-CRC	10,000.00	0.00	0.00	0.00	10,000.00	0.00
0	123.3	INVEST-CFC MBR CAP SECURITIE	25,000.00	0.00	0.00	0.00	25,000.00	0.00
0	124.1	OTHER INVESTMENTS-ECON DEV	1,000,000.00	-18,520.00	0.00	9,260.00	981,480.00	0.00
0	128.0	OTHER SPEC FDS-DEFERR COMP	71,643.06	0.00	0.00	0.00	71,643.06	0.00
0	128.1	SPEC FDS RESERVE-DEFERR COM	-71,643.06	0.00	0.00	0.00	0.00	71,643.06
0	131.11	CASH-HARLAN NATIONAL BANK	0.00	0.00	0.00	0.00	0.00	0.00
0	131.12	CASH-GENERAL COMMERCIAL	698,932.24	-275,650.83	0.00	85,871.64	423,281.41	0.00
0	131.13	CASH-COMMERCIAL BANK CUMB	33,602.65	-19,568.24	0.00	894.36	14,034.41	0.00
0	131.14	CASH PAYROLL COMMERCIAL	0.00	0.00	0.00	0.00	0.00	0.00
0	131.15	CASH-E ACCOUNT-COMMERCIAL	539,923.36	-364,536.96	0.00	80,846.24	175,386.40	0.00
0	131.18	CASH-HOMETOWN BANK	0.00	0.00	0.00	0.00	0.00	0.00
0	131.19	CASH-CUMBERLAND VALLEY NA	0.00	0.00	0.00	0.00	0.00	0.00

CUMBERLAND VALLEY RECC

09/10/2020 5:08:46 pm

# General Ledger Summary Trial Balance

## Period Ending: DEC 2019

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	131.21	CASH REA CONST FUND COMMER	0.00	0.00	0.00	0.00	0.00	0.00
0	131.24	CASH-CUST DEPOSIT-FORCHT BA	0.00	0.00	0.00	0.00	0.00	0.00
0	131.25	CASH-CAPITAL CREDITS COMME	0.00	0.00	0.00	0.00	0.00	0.00
0	131.3	CASH-GENERAL-FORCHT BANK	0.00	0.00	0.00	0.00	0.00	0.00
0	131.31	CASH-PAYROLL-FORCHT BANK	0.00	0.00	0.00	0.00	0.00	0.00
0	131.32	CASH-E ACCOUNT-FORCHT BANK	0.00	0.00	0.00	0.00	0.00	0.00
0	131.34	CASH-RUS CONST FUND-FORCHT	0.00	0.00	0.00	0.00	0.00	0.00
0	131.4	TRANSFER OF CASH	0.00	0.00	0.00	0.00	0.00	0.00
0	134.0	SPECIAL DEPOSITS	4,000.00	0.00	0.00	0.00	4,000.00	0.00
0	134.1	SPEC DEPOSIT-WATER DEPOSIT T	300.00	0.00	0.00	0.00	300.00	0.00
0	135.0	WORKING FUNDS	4,650.00	-400.00	0.00	0.00	4,250.00	0.00
0	136.0	TEMPORARY CASH INVESTMENTS	0.00	0.00	0.00	1,735,000.00	0.00	0.00
0	142.0	CONSUMER ACCOUNTS	4,313,800.86	-130,242.02	641,846.78	0.00	4,183,558.84	0.00
0	142.99	UNCLASSIFIED AR ADJUSTMENT	0.00	0.00	0.00	0.00	0.00	0.00
0	143.0	OTHER ACCOUNTS RECEIVABLE	1,103,109.64	509,687.52	1,173,044.76	0.00	1,612,797.16	0.00
0	143.1	ACCTS REC-TRACKING WO	0.00	0.00	0.00	0.00	0.00	0.00
0	143.2	ACCTS REC JACKSON ENERGY	0.00	0.00	0.00	0.00	0.00	0.00
0	143.3	OTH ACCTS REC TRAV EX	0.00	0.00	0.00	0.00	0.00	0.00
0	143.35	DLC CREDIT EKP	0.00	0.00	0.00	0.00	0.00	0.00
0	143.46	ACCTS REC-BERKELEY ELECTRIC	0.00	0.00	0.00	0.00	0.00	0.00
0	143.47	ACCTS REC-NOLIN	34,261.11	-34,261.11	0.00	0.00	0.00	0.00
0	143.49	ACCTS REC-PLANTERS EMC	0.00	0.00	0.00	0.00	0.00	0.00
0	143.51	ACCTS REC-LICKING VALLEY	0.00	0.00	0.00	0.00	0.00	0.00
0	143.54	ACCTS REC-NORTHERN VIRGINIA	0.00	0.00	0.00	0.00	0.00	0.00
0	143.55	ACCTS REC-ONEIDA	0.00	0.00	0.00	0.00	0.00	0.00
0	143.56	ACCTS REC-BIG SANDY RECC	0.00	0.00	0.00	0.00	0.00	0.00
0	143.57	ACCTS REC-CLARK ENERGY	0.00	0.00	0.00	0.00	0.00	0.00
0	143.61	ACCTS REC-OCONEE EMC	0.00	0.00	0.00	0.00	0.00	0.00
0	143.62	ACCTS REC-RENEWABLE SOLAR	-0.28	4.12	0.23	0.00	3.84	0.00
0	143.63	ACCTS REC - OKEFENOKE EMC	0.00	0.00	0.00	0.00	0.00	0.00
0	143.64	ACCTS REC - FOUR COUNTY	0.00	0.00	0.00	0.00	0.00	0.00
0	143.8	ACCTS REC-APPALACHIAN ELECT	0.00	0.00	0.00	0.00	0.00	0.00
0	144.2	ACCUM PROV UNCOLL CONS ACC	4,062,098.38	52,781.48	0.00	1,445.07	4,114,879.86	0.00
0	144.21	ACCURAL OF BAD DEBTS	-4,391,123.84	-72,000.00	0.00	0.00	0.00	4,463,123.84
0	154.0	MATERIALS-SUPPLIES-ELEC	407,968.40	1,050,820.32	10,498.09	0.00	1,458,788.72	0.00
0	154.1	MATERIALS-SUPPLIES-FUEL	5,943.50	3,346.45	0.00	3,574.09	9,289.95	0.00
0	154.99	UNINVOICED MATERIAL	-10,031.84	10,031.84	0.00	0.00	0.00	0.00
0	163.0	STORES EXPENSE-CLEARING	0.00	0.00	0.00	0.00	0.00	0.00
0	165.11	PREP INS FEDERATED-WKMANS C	0.00	0.00	0.00	3,778.10	0.00	0.00

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# General Ledger Summary Trial Balance

## Period Ending: DEC 2019

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	165.12	PREP INS FEDERATED-VARIOUS	26,530.00	224.00	0.00	8,925.00	26,754.00	0.00
0	165.13	PREP INS FEDERATED-AUTO	8,747.00	70.00	0.00	2,940.00	8,817.00	0.00
0	165.14	PREPAID INS FEDERATED-DIRECT	2,547.00	0.00	0.00	849.00	2,547.00	0.00
0	165.2	OTHER PREPAYS-EMPLOYEE RETI	0.00	0.00	0.00	0.00	0.00	0.00
0	165.22	OTHER PREPAYS-R&S	0.00	0.00	0.00	27,241.22	0.00	0.00
0	165.4	PREPAID GPS FOR TRUCKS	0.00	0.00	0.00	0.00	0.00	0.00
0	165.5	PREPAID FOR UNIFORMS	0.00	0.00	0.00	0.00	0.00	0.00
0	171.0	INT AND DIVIDEND RECEIC CFC	9,521.22	105.21	3,208.81	0.00	9,626.43	0.00
0	172.0	RENTS RECEIVABLE	0.00	0.00	0.00	896,500.00	0.00	0.00
0	182.3	OTHER REGULATORY ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
0	184.1	TRANS EXPENSE-CLEARINGS	0.00	0.00	0.00	0.00	0.00	0.00
0	184.2	OFFICE EXP-CLEARING	0.00	0.00	0.00	0.00	0.00	0.00
0	184.3	CREDIT UNION	0.00	0.00	0.00	0.00	0.00	0.00
0	184.4	BENEFITS EXP-CLEARING	0.00	0.00	0.00	0.00	0.00	0.00
0	186.2	MISC DEF DEBITS-DUE OTHER CO	0.00	0.00	0.00	4,753.03	0.00	0.00
0	186.3	MISC DEF DEBITS-RS PREPAYMEN	579,435.00	-60,984.00	0.00	5,082.00	518,451.00	0.00
0	200.1	MEMBERSHIPS ISSUES	-439,200.00	-2,005.00	625.00	0.00	0.00	441,205.00
0	200.2	MEMBERSHIPS SUBS BUT UNISSU	0.00	0.00	0.00	0.00	0.00	0.00
0	201.1	PATRONS CAPITAL CREDITS	-46,924,701.69	-2,558,307.58	0.00	0.00	0.00	49,483,009.27
0	201.2	PATRONAGE CAPITAL ASSIGNAB	0.00	0.00	0.00	2,558,308.33	0.00	0.00
0	208.0	DONATED CAPITAL	-129,556.65	-6,207.25	0.00	0.00	0.00	135,763.90
0	215.0	ACCUM OTHER COMPREHENSIVE	637,949.00	-52,620.00	0.00	4,385.00	585,329.00	0.00
0	217.0	Capital Credit Unclaimed	-2,178,461.85	442.73	0.00	0.00	0.00	2,178,019.12
0	217.1	Capital Credit Retire No check	-4,274.30	0.00	0.00	0.00	0.00	4,274.30
0	219.1	OPERATING MARGINS	-2,558,308.33	436,008.91	436,008.91	0.00	0.00	2,122,299.42
0	219.2	NONOPERATING MARGINS	-173,392.86	-47,801.24	0.00	47,801.24	0.00	221,194.10
0	219.3	PRIOR PERIOD LOSSES	663,709.69	-173,392.86	0.00	173,392.86	490,316.83	0.00
0	224.12	OTHER LONG TERM DEBT-CFC	0.00	0.00	0.00	0.00	0.00	0.00
0	224.14	OTHER LONG TERM DEBT-NCSC	-828,268.73	252,655.35	0.00	0.00	0.00	575,613.38
0	224.15	OTHER LONG TERM DEBT-COBAN	-3,585,923.72	323,260.40	27,463.56	0.00	0.00	3,262,663.32
0	224.16	RUS ECON DEV NOTES EXECUTED	-1,000,000.00	46,042.93	27,694.31	0.00	0.00	953,957.07
0	224.17	RUS NOTES EXECUTED-ECON DEV	0.00	0.00	0.00	0.00	0.00	0.00
0	224.18	OTHER LONG TERM DEBT-SBA/PP	0.00	0.00	0.00	0.00	0.00	0.00
0	224.3	LONG-TERM DEBT-CONST NOTE E	-761,350.24	41,527.48	3,718.82	0.00	0.00	719,822.76
0	224.35	L-T DEBT-FFB CONST NOTE EXEC	-57,036,443.15	1,382,638.91	358,521.26	0.00	0.00	55,653,804.24
0	224.4	REA NOTES EXECUTED-CONST DE	0.00	0.00	0.00	0.00	0.00	0.00
0	224.45	FFB NOTES EXECUTED-CONST DE	17,889,000.00	-4,000,000.00	0.00	0.00	13,889,000.00	0.00
0	224.6	ADV PMTS UNAPPLIED - L-T DEBT	1,690,191.15	86,107.31	22,107.61	0.00	1,776,298.46	0.00
0	228.3	ACCUM PROV FOR PENS & BEN	-3,861,261.65	-148,339.69	0.00	12,612.68	0.00	4,009,601.34

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# General Ledger Summary Trial Balance

## Period Ending: DEC 2019

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	232.1	ACCOUNTS PAYABLE-GENERAL	-3,521,409.30	195,437.04	738,235.45	0.00	0.00	3,325,972.26
0	232.3	ACCTS PAYABLE-GARNISHMENT	0.00	0.00	0.02	0.00	0.00	0.00
0	232.32	ACCTS PAYABLE-UNIONDUES	0.00	0.00	0.00	0.00	0.00	0.00
0	232.33	ACCTS PAYABLE-DENTAL	0.00	0.00	39.82	0.00	0.00	0.00
0	232.34	ACCTS PAYABLE-401K LOANS	0.00	0.00	0.00	0.00	0.00	0.00
0	232.35	ACCTS PAY-MEDICAL	0.00	0.00	0.00	0.00	0.00	0.00
0	232.37	ACCTS PAYABLE-FLOWER FUND	-4,183.22	326.97	79.94	0.00	0.00	3,856.25
0	232.42	ACCTS PAYABLE-EQUITY LIFE	0.00	0.00	0.00	0.00	0.00	0.00
0	232.43	ACCTS PAYABLE-NRECA Life	0.00	0.00	0.00	0.00	0.00	0.00
0	232.44	ACCTS PAYABLE-AMERICAN LIFE	0.00	0.00	0.00	0.00	0.00	0.00
0	232.45	ACCTS PAYABLE-ALLSTATE	0.00	0.00	0.00	0.00	0.00	0.00
0	232.46	ACCTS PAYABLE-COMMUNITY A	0.00	0.00	0.00	0.00	0.00	0.00
0	232.47	ACCTS PAY-EKP AID TO RETRAIN	0.00	0.00	0.00	0.00	0.00	0.00
0	232.48	ACCTS PAY-MASA	0.00	0.00	0.00	0.00	0.00	0.00
0	233.0	NOTES PAY TO ASSOC CO-CFC LO	0.00	0.00	0.00	0.00	0.00	0.00
0	233.1	NOTES PAY TO ASSOC CO-COBAN	0.00	0.00	0.00	0.00	0.00	0.00
0	235.0	CONSUMER DEPOSITS	-1,007,574.00	-100,600.00	0.00	105,800.00	0.00	1,108,174.00
0	235.1	CONSUMER DEPOSITS-CATV	-4,000.00	0.00	0.00	0.00	0.00	4,000.00
0	236.1	ACC PROPERTY TAXES	-66,071.18	45,555.32	196,520.36	0.00	0.00	20,515.86
0	236.2	ACC US SOC SEC TAX-UNEMPLO	-84.00	84.00	0.01	0.00	0.00	0.00
0	236.3	ACC US SOC SEC TAX-FICA	0.00	0.00	0.00	0.00	0.00	0.00
0	236.4	ACC ST SS TAX-UNEMPLOYMENT	-70.74	70.74	0.00	48.56	0.00	0.00
0	236.5	ACC ST SALES TAX-CONSUMERS	-18,054.88	7,833.39	0.00	349.96	0.00	10,221.49
0	236.51	ACC STATE SALES TAX-OTHER	-762.89	397.06	3,564.86	0.00	0.00	365.83
0	236.52	ACC ST SALES TAX-TENNESSEE	0.00	0.00	0.00	0.00	0.00	0.00
0	236.54	ACCR FRANCHISE TAX-CUMBERL	-342.87	30.92	0.00	311.95	0.00	311.95
0	236.65	ACCR SCHOOL TAX	-127,407.58	5,527.72	0.00	18,977.98	0.00	121,879.86
0	237.1	INT ACC-REA CONST OBLIGATION	0.00	0.00	0.00	0.00	0.00	0.00
0	237.15	INT ACC - FFB CONST OBLIGATIO	0.00	0.00	172,342.16	0.00	0.00	0.00
0	237.2	INTEREST ACCRUED CFC	0.00	0.00	0.00	0.00	0.00	0.00
0	237.25	INTEREST ACCRUED NCSC	-3,074.78	832.27	0.00	2,242.51	0.00	2,242.51
0	237.26	INTEREST ACCRUED COBANK	0.00	0.00	0.00	0.00	0.00	0.00
0	237.4	ACCR CFC INTEREST-LINE OF CRE	0.00	0.00	0.00	0.00	0.00	0.00
0	237.6	ACC INT ON CONSUMER DEPOSIT	-834.60	-423.87	21,924.96	0.00	0.00	1,258.47
0	238.99	CAPITAL CREDIT HOLDING ACCO	0.00	0.00	0.00	0.00	0.00	0.00
0	241.0	TAX COLL PAYABLE-FED INCOME	0.00	0.00	0.00	0.00	0.00	0.00
0	241.1	TAX COLL PAYABLE-STATE INC	-7,973.05	7,973.05	0.00	0.00	0.00	0.00
0	241.15	TAX COLL PAYABLE-WHITLEY OC	-1,231.84	246.60	0.00	336.61	0.00	985.24
0	241.17	TAX COLL PAYABLE-LESLIE OCC	-33.84	-0.06	0.00	33.90	0.00	33.90

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Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	241.2	TAX COLL PAYABLE-KNOX OCCU	-5,817.51	-280.21	0.00	2,080.92	0.00	6,097.72
0	242.31	OTH CURR-ACC LIAB=SICK LEAV	-1,180,504.25	-325.39	0.00	1,672.92	0.00	1,180,829.64
0	242.32	OTH CURR-ACC LIAB - VACATION	-217,002.66	-30,366.08	0.00	30,366.08	0.00	247,368.74
0	242.51	OTH CURR-ACC LIAB=OUTSIDE SE	0.00	0.00	0.00	1,125.00	0.00	0.00
0	242.52	OTH CURR-ACC LIAB-ANNUAL ME	0.00	0.00	0.00	4,455.41	0.00	0.00
0	242.99	PAYROLL CLEARING	0.00	0.00	0.00	0.00	0.00	0.00
0	252.3	ADV CONST REFUNDABLE	-12,789.90	-5,599.00	0.00	0.00	0.00	18,388.90
0	253.3	OTH DEFERR CR-ADV FOR CONST	-86,317.80	-92,460.75	0.00	123,268.82	0.00	178,778.55
0	253.5	ADV FOR CONST-LONNIE COLLET	-5,189.75	0.00	0.00	0.00	0.00	5,189.75
0	253.51	ADV FOR CONST-CONNIE BENNET	-1,142.00	0.00	0.00	0.00	0.00	1,142.00
0	253.52	ADV FOR CONST-RONALD CANAD	-2,800.00	0.00	0.00	0.00	0.00	2,800.00
0	253.53	ADV FOR CONST-BRETT BOWMAN	-373.10	0.00	0.00	0.00	0.00	373.10
0	253.54	ADV FOR CONST-JOHN GARRISON	-4,576.00	0.00	0.00	0.00	0.00	4,576.00
0	253.55	ADV FOR CONST-NATHAN DEATO	-8,905.60	0.00	0.00	0.00	0.00	8,905.60
0	253.56	ADV FOR CONST-SETH WILSON A	-5,148.00	0.00	0.00	0.00	0.00	5,148.00
0	253.57	ADV FOR CONST-RAY FRASURE M	-3,080.00	0.00	0.00	0.00	0.00	3,080.00
0	253.58	ADV FOR CONST - RICHARD CREE	-4,259.20	0.00	0.00	0.00	0.00	4,259.20
0	360.1	LAND RIGHTS	5,485.38	0.00	0.00	0.00	5,485.38	0.00
0	362.0	STATION EQUIPMENT	169,341.17	0.00	0.00	0.00	169,341.17	0.00
0	362.01	TS2 STATION EQUIPMENT	538,348.71	-10,956.50	0.00	0.00	527,392.21	0.00
0	364.0	POLES-TOWERS-FIXTURES	32,038,118.35	762,622.56	52,465.07	0.00	32,800,740.91	0.00
0	365.0	OVERHEAD COND AND DEVICES	29,993,579.28	555,240.68	42,619.58	0.00	30,548,819.96	0.00
0	367.0	UNDERGROUND COND AND DEVI	4,391,494.72	163,397.65	12,255.76	0.00	4,554,892.37	0.00
0	368.0	LINE TRANSFORMERS	10,909,538.74	56,160.96	0.00	12,686.83	10,965,699.70	0.00
0	369.0	SERVICES	8,720,014.16	117,364.94	17,259.89	0.00	8,837,379.10	0.00
0	370.0	METERS	950,389.53	-77,368.67	0.00	78,411.48	873,020.86	0.00
0	370.01	2-3 WIRE METERS-SOLID STATE	494,635.83	-201,214.50	0.00	201,214.50	293,421.33	0.00
0	370.02	DEMAND METERS-SOLID STATE	91,444.22	-25,540.92	0.00	25,540.92	65,903.30	0.00
0	370.1	TURTLES	15,661.85	0.00	0.00	0.00	15,661.85	0.00
0	370.11	TURTLE II	3,592,995.18	0.00	0.00	0.00	3,592,995.18	0.00
0	370.12	METER W/DISCONNECT SWITCH	364,888.12	0.00	0.00	0.00	364,888.12	0.00
0	370.13	METER W/TS2	400,299.09	0.00	0.00	0.00	400,299.09	0.00
0	370.14	METER COMBO (W/TS2 & DISCON	457,402.53	-58,429.32	0.00	61,874.34	398,973.21	0.00
0	370.15	REMOTE SERVICE SWITCHES	350,162.61	-36,108.18	0.00	0.00	314,054.43	0.00
0	370.2	METERS-AMI	0.00	2,401,436.43	0.00	303.66	2,401,436.43	0.00
0	371.0	INSTALL ON CONSUMERS PREMIS	6,036,629.40	327,093.19	54,916.32	0.00	6,363,722.59	0.00
0	389.1	LAND RTS-GEN PLT-OFF SITE GRA	38,421.74	0.00	0.00	0.00	38,421.74	0.00
0	389.2	LAND CUMBERLAND OFFICE	60,230.09	0.00	0.00	0.00	60,230.09	0.00
0	390.0	STRUCTURES CUMBER. RADIO SH	5,381.58	0.00	0.00	0.00	5,381.58	0.00

# General Ledger Summary Trial Balance

## Period Ending: DEC 2019

Div	Account	Description	----- Current Month Balance -----				----- Year-To-Date Balance -----	
			Balance Forward	YTD Trans	Debit	Credit	Debit	Credit
0	390.1	STRUCTURES-IMPROVE-GRAY OF	1,180,353.89	5,889.90	0.00	0.00	1,186,243.79	0.00
0	390.15	STRUCTURES-IMPROVE-GRAY EN	185,660.91	0.00	0.00	0.00	185,660.91	0.00
0	390.17	STRUCT-IMPROV GRAY TRANS BL	86,660.95	0.00	0.00	0.00	86,660.95	0.00
0	390.18	STRUCT-IMPROV GRAY TRANS #2	156,932.79	32,690.21	0.00	0.00	189,623.00	0.00
0	390.19	STRUCT-GENERATOR BLDG-GRA	33,473.47	0.00	0.00	0.00	33,473.47	0.00
0	390.2	STRUCTURES CUMBERLAND OFFI	455,427.21	25,625.00	0.00	0.00	481,052.21	0.00
0	390.21	STRUCTURES CUMBERLAND GAR	82,699.02	0.00	0.00	0.00	82,699.02	0.00
0	391.0	OFFICE FURN AND EQUIP	883,323.59	11,350.62	0.00	10,973.41	894,674.21	0.00
0	392.0	TRANSPORTATION EQUIPMENT	3,008,691.59	44,971.54	0.00	0.00	3,053,663.13	0.00
0	394.0	TOOLS-SHOP-GARAGE EQUIP	98,942.97	0.00	0.00	0.00	98,942.97	0.00
0	395.0	LABORATORY EQUIPMENT	87,712.10	0.00	0.00	0.00	87,712.10	0.00
0	396.0	POWER OPERATED EQUIPMENT	303,903.89	0.00	0.00	0.00	303,903.89	0.00
0	397.0	COMMUNICATIONS EQUIPMENT	736,699.23	98,334.33	0.00	0.00	835,033.56	0.00
0	398.0	MISCELLANEOUS EQUIPMENT	456,264.72	4,741.20	0.00	182.50	461,005.92	0.00
0	403.6	DEPT EXP-DISTRIBUTION PLANT	0.00	3,852,979.48	332,924.79	0.00	3,852,979.48	0.00
0	403.7	DEPT EXP-GENERAL PLANT	0.00	185,231.06	15,538.86	0.00	185,231.06	0.00
0	408.0	TAXES-OTHER THAN INCOME TA	0.00	58,193.28	0.00	0.00	58,193.28	0.00
0	415.0	REVENUE FROM MERCHANDISIN	0.00	0.00	0.00	0.00	0.00	0.00
0	416.0	COSTS AND EXP OF MERCHANDIS	0.00	0.00	0.00	0.00	0.00	0.00
0	419.1	INTEREST INCOME NISC	0.00	0.00	0.00	0.00	0.00	0.00
0	419.2	DIVIDEND INCOME - CRC	0.00	-400.00	0.00	0.00	0.00	400.00
0	419.3	INT DIV INCOME-P AND P INVEST	0.00	-182,288.46	0.00	26,539.95	0.00	182,288.46
0	419.4	INTEREST AND DIVIDEND INC CF	0.00	-38,505.64	0.00	3,208.81	0.00	38,505.64
0	421.0	MISCELLANEOUS NONOPERATIN	0.00	0.00	0.00	0.00	0.00	0.00
0	423.0	GEN-TRANS COOP CAPITAL CREDI	0.00	-1,712,191.29	0.00	1,712,191.29	0.00	1,712,191.29
0	424.0	OTH CAP CR-PATRON CAP ALLOC	0.00	-64,318.16	0.00	13,098.97	0.00	64,318.16
0	426.1	DONATIONS	0.00	4,192.00	0.00	0.00	4,192.00	0.00
0	426.11	DONATIONS-SCHOLARSHIPS	0.00	9,000.00	4,500.00	0.00	9,000.00	0.00
0	426.12	DONATIONS-MEMBERSHIPS, DUE	0.00	2,050.23	0.00	0.00	2,050.23	0.00
0	427.1	INT ON REA CONST LOAN	0.00	12,077.08	665.20	0.00	12,077.08	0.00
0	427.15	INT ON FFB CONST LOAN	0.00	1,037,084.91	73,123.05	0.00	1,037,084.91	0.00
0	427.2	INT ON OTHER LONG TERM DEBT	0.00	0.00	0.00	0.00	0.00	0.00
0	427.25	INT ON OTHER LONG TERM DEBT	0.00	29,864.55	2,242.51	0.00	29,864.55	0.00
0	427.26	INT ON OTHER LONG TERM DEBT-	0.00	137,496.85	10,861.86	0.00	137,496.85	0.00
0	431.0	INTEREST EXP-OTHER	0.00	26,992.28	2,444.28	0.00	26,992.28	0.00
0	431.1	INT EXP-CFC LINE OF CREDIT	0.00	0.00	0.00	0.00	0.00	0.00
0	440.1	RESIDENTIAL SALES-RURAL FAR	0.00	-31,446,563.60	0.00	3,300,091.45	0.00	31,446,563.60
0	440.11	RESIDENTIAL SALES-ENVIROWAT	0.00	-283.25	0.00	19.25	0.00	283.25
0	442.1	COMM-INDUST SALE-SMALL	0.00	-3,192,970.59	0.00	256,973.44	0.00	3,192,970.59

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# General Ledger Summary Trial Balance

## Period Ending: DEC 2019

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	442.2	COMM-INDUST SALES-LARGE	0.00	-7,047,552.07	0.00	538,081.33	0.00	7,047,552.07
0	450.0	FORFEITED DISCOUNTS	0.00	-460,644.38	0.00	39,789.48	0.00	460,644.38
0	451.0	MISC SERVICE REVENUES	0.00	-96,125.00	0.00	6,995.00	0.00	96,125.00
0	454.0	RENT FROM ELECTRIC PROPERTY	0.00	-1,117,203.02	0.00	157,145.59	0.00	1,117,203.02
0	456.0	OTHER ELEC REVENUES	0.00	-900.00	0.00	50.00	0.00	900.00
0	555.0	PURCHASED POWER	0.00	29,927,607.00	3,029,170.00	0.00	29,927,607.00	0.00
0	582.0	STATION EQUIPMENT	0.00	5,355.60	446.30	0.00	5,355.60	0.00
0	583.0	OVERHEAD LINE EXPENSE	0.00	710,174.96	62,435.05	0.00	710,174.96	0.00
0	584.0	UNDERGROUND LINE EXP	0.00	91,284.29	4,889.72	0.00	91,284.29	0.00
0	586.0	METER EXPENSES	0.00	364,075.15	158,257.10	0.00	364,075.15	0.00
0	587.0	CONSUMER INSTALL EXPENSES	0.00	137,465.25	11,108.10	0.00	137,465.25	0.00
0	588.0	MISC DISTRIBUTION EXPENSE	0.00	176,974.96	13,205.91	0.00	176,974.96	0.00
0	589.0	RENTS	0.00	7,200.00	0.00	0.00	7,200.00	0.00
0	592.0	MAINT OF STATION EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
0	593.0	MAINT OF OVERHEAD LINES	0.00	1,473,610.13	124,306.05	0.00	1,473,610.13	0.00
0	593.01	RIGHT OF WAY CUTTING	0.00	1,044,868.99	78,479.59	0.00	1,044,868.99	0.00
0	593.02	RIGHT OF WAY MATERIALS	0.00	9,181.80	58.67	0.00	9,181.80	0.00
0	593.03	RIGHT-OF-WAY BUSHHOGGING	0.00	456.76	0.00	0.00	456.76	0.00
0	593.05	PCB MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
0	593.07	SNOW STORM	0.00	0.00	0.00	0.00	0.00	0.00
0	593.09	STORM	0.00	0.00	0.00	0.00	0.00	0.00
0	595.0	MAINT OF LINE TRANSFORMERS	0.00	19,814.91	991.34	0.00	19,814.91	0.00
0	597.0	MAINTENANCE OF METERS	0.00	106,244.90	0.00	52,653.51	106,244.90	0.00
0	597.1	MAINT OF METERS-METER TEST F	0.00	0.00	0.00	0.00	0.00	0.00
0	598.0	MAINT OF MISC DISTR PLANT	0.00	125,047.65	8,314.00	0.00	125,047.65	0.00
0	902.0	METER READING EXPENSES	0.00	128,544.11	3,261.76	0.00	128,544.11	0.00
0	903.0	CONSUMER RECORDS-COLLECT E	0.00	1,478,396.95	127,223.99	0.00	1,478,396.95	0.00
0	903.07	CONSUMER RECORDS-SNOW STO	0.00	0.00	0.00	0.00	0.00	0.00
0	903.1	CONS REC-COLL EXP-OVER-UNDE	0.00	-247.49	5.00	0.00	0.00	247.49
0	904.0	UNCOLLECTIBLE ACCOUNTS	0.00	72,000.00	0.00	0.00	72,000.00	0.00
0	908.0	CUSTOM ASSIST EXP	0.00	52,995.66	0.00	4,045.17	52,995.66	0.00
0	909.0	INFO AND INST ADV EXP	0.00	0.00	0.00	0.00	0.00	0.00
0	920.0	ADMIN AND GENERAL SALARIES	0.00	1,075,026.78	108,909.39	0.00	1,075,026.78	0.00
0	921.0	OFFICE SUPPLIES AND EXPENSES	0.00	101,530.67	16,872.19	0.00	101,530.67	0.00
0	923.0	OUTSIDE SERVICES EMPLOYED	0.00	106,523.91	5,311.00	0.00	106,523.91	0.00
0	928.0	REGULATORY COMM EXPENSES	0.00	6,358.06	0.00	0.00	6,358.06	0.00
0	929.0	DUPLICATE CHARGES	0.00	-35,983.98	0.00	4,562.79	0.00	35,983.98
0	930.1	MISC GENERAL EXP-DIRECTORS E	0.00	142,980.91	10,510.23	0.00	142,980.91	0.00
0	930.11	GENERAL ADVERTISING EXP	0.00	1,273.00	0.00	0.00	1,273.00	0.00

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**General Ledger  
Summary Trial Balance**

**Period Ending: DEC 2019**

Div	Account	Description	Balance Forward	YTD Trans	----- Current Month Balance -----		----- Year-To-Date Balance -----	
					Debit	Credit	Debit	Credit
0	930.2	MISC GENERAL EXPENSE-OTHER	0.00	83,620.89	4,753.03	0.00	83,620.89	0.00
0	930.21	MISC GENERAL EXPENSE-KY LIVI	0.00	109,257.52	8,922.68	0.00	109,257.52	0.00
0	930.3	MISC GEN EXP-CAPITAL CREDITS	0.00	-0.75	0.00	0.00	0.00	0.75
0	930.4	MISC GEN EXP-ANNUAL MEETING	0.00	23,130.83	405.41	0.00	23,130.83	0.00
0	932.0	MAINT OF GEN PLANT	0.00	116,520.80	9,687.31	0.00	116,520.80	0.00
0	998.0	998 Clearing	0.00	0.00	0.00	0.00	0.00	0.00
0	998.1	Profit Clearing Operating	0.00	2,122,299.42	2,122,299.42	0.00	2,122,299.42	0.00
0	998.2	Profit Clearing Non Operating	0.00	221,194.10	221,194.10	0.00	221,194.10	0.00
0	999.0	999 Clearing	0.00	0.00	0.00	0.00	0.00	0.00

<b>Balance Forward:</b>	0.00
<b>YTD Transactions:</b>	0.00
<b>Current Month Debit Balance:</b>	12,487,554.70
<b>Current Month Credit Balance:</b>	12,487,554.70
<b>Current Month Balance:</b>	0.00
<b>Current Year Debit Balance:</b>	221,723,511.32
<b>Current Year Credit Balance:</b>	221,723,511.32
<b>Current Year Balance:</b>	0.00
<b>Current Year Profit/Loss:</b>	-2,343,493.52

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# General Ledger Summary Trial Balance

## PARAMETERS ENTERED:

**Division:** All  
**Account:** All  
**Account Type:** All  
**Status:** Active  
**Sort By:** Acct/Div  
**Primary Accounts Only:** No  
**Period:** DEC 2019  
**Format:** Summary  
**Accounts With Zero YTD Balance:** Yes

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 33**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A schedule comparing balances for each balance sheet account or subaccount included in the Distribution Cooperative's chart of accounts for each month of the test year to the same month of the 12-month period immediately preceding the test year*

**Response:**

Please see attached.

ACCOUNT	BEGINNING													ENDING BALANCE	
	BALANCE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19		
100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107.20	632,746.48	113,102.25	128,284.01	32,452.39	294,614.84	-624,370.99	13,418.32	-8,694.34	20,137.53	-82,109.59	-56,352.10	84,563.89	41,235.50	589,028.19	
107.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
107.51	23,111.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,111.16	
107.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
107.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,108.22	0.00	0.00	0.00	40,108.21	0.00	80,216.43	
107.70	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	21,409.26	7,307.27	1,466.40	47,611.66	0.00	0.00	78,994.59	
108.60	-38,493,145.67	-106,541.97	-229,254.55	-141,691.49	-253,178.75	-192,154.12	-231,348.87	-165,621.05	-216,704.27	-115,516.20	-164,608.79	-252,968.88	127,668.25	-40,435,066.36	
108.70	-2,862,997.10	-13,486.15	-13,486.15	-13,486.15	-21,536.15	34,437.41	-13,223.39	-13,218.28	-13,904.18	-13,654.43	-13,129.54	-13,129.54	-13,129.54	-2,983,943.19	
108.71	-361,979.00	-3,273.22	-3,273.22	-3,273.22	-3,273.22	-3,392.63	-3,447.09	-3,460.22	-3,460.22	-3,460.22	-3,461.06	-3,461.06	-3,461.06	-402,675.44	
108.72	-1,168,221.46	-3,949.65	-3,988.33	-3,988.33	-3,988.33	-3,988.33	-3,988.33	-4,002.35	-4,002.35	-4,002.35	-4,002.35	-4,002.35	-4,002.35	-1,216,126.86	
108.73	-641,299.54	-7,985.08	-7,956.74	-8,034.58	-8,051.06	-8,051.76	-8,057.05	-8,057.05	-8,057.05	-8,084.27	-8,098.04	-8,121.09	3,080.46	-726,772.85	
108.80	53,006.46	8,904.58	8,357.37	-13,154.97	3,083.28	10,006.04	11,619.48	-11,975.97	8,405.90	-23,088.54	-7,413.78	9,175.41	-1,704.60	55,220.66	
123.11	30,045,162.84	0.00	0.00	0.00	0.00	0.00	-70,450.42	0.00	0.00	0.00	0.00	0.00	1,712,191.29	31,686,903.71	
123.12	79,268.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,968.00	0.00	0.00	0.00	83,236.13	
123.13	0.00													0.00	
123.14	274,318.96	0.00	0.00	0.00	0.00	-4,395.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	269,923.96	
123.15	194,014.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-13,593.25	0.00	0.00	0.00	180,420.94	
123.16	141,736.82	0.00	-5,924.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,098.97	148,911.46	
123.17	247,204.09	0.00	0.00	19,170.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4,093.00	262,281.09	
123.18	27,722.50	0.00	0.00	5,380.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,103.22	
123.19	4,990.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,403.00	0.00	0.00	0.00	6,393.00	
123.22	842,146.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	842,146.00	
123.23	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	
123.24	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	
123.25	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	
123.26	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	
123.29	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	
123.30	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	
124.10	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,260.00	0.00	-9,260.00	981,480.00	
128.00	71,643.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71,643.06	
128.10	-71,643.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-71,643.06	
131.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.12	698,932.24	-292,463.33	155,518.06	52,957.53	84,075.53	-354,253.04	89,547.30	-68,726.00	-216,269.06	303,447.67	-90,432.26	146,818.41	-85,871.64	423,281.41	
131.13	33,602.65	-23,882.20	4,543.34	-3,270.70	12,646.84	1,757.21	-13,709.91	5,797.69	-804.50	70,015.25	-75,384.51	3,617.61	-894.36	14,034.41	
131.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.15	539,923.36	-376,042.41	125,190.39	-33,651.65	66,937.98	-36,748.61	-29,001.61	-134,991.58	220,290.85	106,058.69	-247,401.44	55,668.67	-80,846.24	175,386.40	
131.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
131.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
134.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	
134.10	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	
135.00	4,650.00	0.00	0.00	-400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,250.00	
136.00	0.00	370,000.00	3,950,000.00	655,000.00	-325,000.00	325,000.00	-975,000.00	-250,000.00	-1,250,000.00	-1,075,000.00	555,000.00	-245,000.00	-1,735,000.00	0.00	





ACCOUNT	BEGINNING													ENDING BALANCE
	BALANCE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	
241.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
241.10	-7,973.05	7,973.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,898.25	-7,898.25	0.00	0.00
241.15	-1,231.84	794.41	-402.56	-330.61	820.43	-365.61	-372.91	599.74	-366.56	-372.52	888.21	-308.81	-336.61	-985.24
241.17	-33.84	33.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-33.90	-33.90
241.20	-5,817.51	3,783.62	-1,919.63	-1,882.26	3,838.25	-2,087.17	-2,047.92	3,868.86	-2,037.69	-2,065.48	4,299.43	-1,949.30	-2,080.92	-6,097.72
242.31	-1,180,504.25	-793.02	-6,332.82	49,629.07	-2,392.63	2,395.42	-5,013.22	531.88	-2,302.32	-31,416.87	1,688.30	-4,646.26	-1,672.92	-1,180,829.64
242.32	-217,002.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-30,366.08	-247,368.74
242.51	0.00	-1,000.00	-1,000.00	-1,000.00	-1,000.00	-1,000.00	-1,000.00	-1,000.00	-1,000.00	11,375.00	-1,125.00	-1,125.00	-1,125.00	0.00
242.52	0.00	-2,120.00	-1,370.00	-2,120.00	-2,120.00	84.00	9,197.94	10,435.24	-2,374.05	-2,400.00	-2,352.30	-405.42	-4,455.41	0.00
242.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
252.30	-12,789.90	0.00	0.00	0.00	-6,160.00	561.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-18,388.90
253.30	-86,317.80	-4,917.14	17,420.27	0.00	4,917.14	3,000.00	0.00	20,599.86	-20,986.63	0.00	10,774.57	0.00	-123,268.82	-178,778.55
253.50	-5,189.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,189.75
253.51	-1,142.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,142.00
253.52	-2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2,800.00
253.53	-373.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-373.10
253.54	-4,576.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4,576.00
253.55	-8,905.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8,905.60
253.56	-5,148.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,148.00
253.57	-3,080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3,080.00
253.58	-4,259.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4,259.20
360.10	5,485.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,485.38
362.00	169,341.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	169,341.17
362.01	538,348.71	-12,000.00	1,043.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	527,392.21
364.00	32,038,118.35	68,265.37	36,720.67	66,053.83	33,439.95	93,933.28	71,632.07	69,515.54	86,249.82	93,786.16	43,148.69	47,412.11	52,465.07	32,800,740.91
365.00	29,993,579.28	54,024.34	18,639.91	33,746.15	18,334.23	52,537.93	42,516.47	54,765.67	36,165.26	95,380.28	70,703.31	35,807.55	42,619.58	30,548,819.96
367.00	4,391,494.72	8,401.87	37,193.29	4,999.22	20,956.30	3,227.00	13,043.81	13,002.06	11,403.18	7,501.64	23,578.74	7,834.78	12,255.76	4,554,892.37
368.00	10,909,538.74	4,712.55	0.00	-14,668.27	5,422.55	0.00	18,901.69	-17,552.79	22,261.94	5,881.17	23,244.24	20,644.71	-12,686.83	10,965,699.70
369.00	8,720,014.16	-6,861.01	-5,391.99	-6,559.49	23,087.53	-637.09	12,207.80	13,649.82	26,082.85	11,058.94	23,157.82	10,309.87	17,259.89	8,837,379.10
370.00	950,389.53	-221.79	0.00	0.00	0.00	0.00	1,264.60	0.00	0.00	0.00	0.00	0.00	-78,411.48	873,020.86
370.01	494,635.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-201,214.50	293,421.33
370.02	91,444.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-25,540.92	65,903.30
370.10	15,661.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,661.85
370.11	3,592,995.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,592,995.18
370.12	364,888.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	364,888.12
370.13	400,299.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400,299.09
370.14	457,402.53	0.00	0.00	28,348.80	0.00	0.00	0.00	0.00	0.00	-24,903.78	0.00	0.00	-61,874.34	398,973.21
370.15	350,162.61	-26,746.80	0.00	0.00	-5,349.36	0.00	0.00	-4,012.02	0.00	0.00	0.00	0.00	0.00	314,054.43
370.20	0.00	0.00	0.00	0.00	0.00	37,609.79	59,727.29	0.00	1,068,864.48	0.00	137,441.05	1,098,097.48	-303.66	2,401,436.43
371.00	6,036,629.40	33,809.48	7,590.05	33,035.92	25,215.36	25,800.34	11,411.06	24,877.07	21,378.52	5,120.76	53,032.28	30,906.03	54,916.32	6,363,722.59
389.10	38,421.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,421.74
389.20	60,230.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,230.09
390.00	5,381.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,381.58
390.10	1,180,353.89	0.00	0.00	0.00	0.00	0.00	0.00	5,889.90	0.00	0.00	0.00	0.00	0.00	1,186,243.79
390.15	185,660.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	185,660.91
390.17	86,660.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86,660.95
390.18	156,932.79	16,437.30	16,252.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	189,623.00
390.19	33,473.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,473.47
390.20	455,427.21	0.00	0.00	25,625.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	481,052.21
390.21	82,699.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82,699.02
391.00	883,323.59	0.00	0.00	0.00	3,960.35	172.16	1,272.48	0.00	0.00	8,963.53	2,414.73	5,540.78	-10,973.41	894,674.21

ACCOUNT	BEGINNING													ENDING BALANCE
	BALANCE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	
392.00	3,008,691.59	0.00	0.00	0.00	0.00	-47,660.80	0.00	0.00	82,636.54	9,995.80	0.00	0.00	0.00	3,053,663.13
394.00	98,942.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	98,942.97
395.00	87,712.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,712.10
396.00	303,903.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	303,903.89
397.00	736,699.23	53,180.00	0.00	0.00	0.00	28,703.29	13,092.06	3,157.34	0.00	0.00	201.64	0.00	0.00	835,033.56
398.00	456,264.72	0.00	0.00	4,923.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-182.50	461,005.92

ACCOUNT	BEGINNING													ENDING BALANCE
	BALANCE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	
100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107.20	543,570.41	-37,988.17	-1,613.26	-3,624.04	-173,207.26	60,485.32	-68,183.37	23,710.45	-14,841.07	88,695.93	14,092.07	2,297.78	199,351.69	632,746.48
107.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	18,111.16	23,111.16
107.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
108.60	-36,077,477.69	-228,413.19	-243,039.32	-210,183.74	-240,073.45	-220,903.91	-127,462.89	-197,726.19	-156,128.02	-225,956.48	-156,697.37	-236,806.23	-172,277.19	-38,493,145.67
108.70	-2,817,349.87	-18,291.35	-18,291.35	-17,681.21	-16,566.66	-42,100.59	151,398.46	-14,485.30	-14,273.78	-13,542.47	-13,742.41	-13,672.76	-14,397.81	-2,862,997.10
108.71	-325,358.60	-3,049.40	-3,049.40	-3,049.40	-3,049.40	-3,049.40	-3,049.40	-3,049.40	-3,049.40	-3,064.65	-3,056.57	-3,051.99	-3,051.99	-361,979.00
108.72	-1,121,389.01	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,901.56	-3,906.32	-3,910.53	-1,168,221.46
108.73	-548,671.70	-8,232.76	-8,208.76	-7,987.68	-7,987.68	-7,998.75	-8,035.50	-8,067.44	-8,067.44	-4,121.88	-7,972.68	-7,962.19	-7,985.08	-641,299.54
108.80	34,923.93	-4,970.17	13,242.84	6,670.86	-10,180.96	6,581.44	-12,461.31	1,478.84	4,375.33	11,713.05	-7,163.42	12.16	8,783.87	53,006.46
123.11	28,420,452.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,624,710.10	30,045,162.84
123.12	79,268.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79,268.13
123.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
123.14	273,508.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	810.00	0.00	0.00	0.00	274,318.96
123.15	194,014.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	194,014.19
123.16	128,552.13	0.00	-5,414.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,599.26	141,736.82
123.17	223,070.09	0.00	0.00	33,899.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,765.00	247,204.09
123.18	23,034.39	0.00	0.00	4,688.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,722.50
123.19	3,970.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,020.00	0.00	0.00	0.00	4,990.00
123.22	842,146.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	842,146.00
123.23	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
123.24	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
123.25	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
123.26	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
123.29	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
123.30	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
124.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	1,000,000.00
128.00	71,643.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71,643.06
128.10	-71,643.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-71,643.06
131.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.12	-214,258.80	549,306.53	711,662.26	-585,063.56	90,775.22	-119,260.57	-54,186.82	399,101.59	18,593.73	-249,602.53	78,761.25	71,418.54	1,685.40	698,932.24
131.13	203,466.05	-164,790.80	-286.21	-2,813.98	-7,612.18	-8,595.46	4,730.64	73,781.73	-70,127.68	-7,097.69	-6,512.44	5,362.19	14,098.48	33,602.65
131.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.15	1,179,406.08	-665,100.24	249,947.43	-227,923.06	-120,058.77	-123,404.96	221,446.99	-214,801.53	158,888.86	-179,106.08	-5,464.40	32,446.01	233,647.03	539,923.36
131.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
131.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
134.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
134.10	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
135.00	4,650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,650.00
136.00	0.00	350,000.00	-350,000.00	1,625,000.00	670,000.00	265,000.00	-660,000.00	-400,000.00	190,000.00	-440,000.00	255,000.00	15,000.00	-1,520,000.00	0.00





ACCOUNT	BEGINNING													ENDING BALANCE
	BALANCE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	
241.00	0.00	0.00	0.00	0.00	0.00	0.00	-5.00	5.00	0.00	0.00	0.00	0.00	0.00	
241.10	-7,768.85	7,768.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7,973.05	
241.15	-1,133.15	736.18	-339.01	-394.43	697.24	-446.96	-507.80	862.37	-457.56	-465.23	1,023.54	-426.99	-380.04	
241.17	-29.24	29.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-33.84	
241.20	-5,430.57	3,559.11	-1,716.10	-1,813.20	3,539.60	-1,921.42	-1,946.87	3,695.98	-1,940.88	-1,855.60	3,918.14	-1,945.90	-1,959.80	
242.31	-1,138,388.16	1,019.59	1,062.53	-1,130.22	1,387.79	1,690.67	-3,978.96	-5,888.47	-3,694.69	-22,762.57	-2,558.68	-3,184.88	-4,078.20	
242.32	-192,927.61	-0.01	0.02	-0.01	-0.01	0.01	-0.01	0.01	-0.01	0.02	0.00	0.00	-24,075.06	
242.51	0.00	-980.00	-980.00	-980.00	-980.00	-980.00	-980.00	-980.00	10,972.00	-1,028.00	-1,028.00	-1,028.00	-1,028.00	
242.52	0.00	-2,300.00	-2,300.00	-1,800.00	-2,300.00	89.07	8,830.07	9,111.42	-1,866.00	-1,866.00	-1,866.00	-1,866.00	-1,866.56	
242.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
252.30	-14,100.90	0.00	0.00	0.00	0.00	561.00	750.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.30	0.00	0.00	0.00	-277,433.11	260,058.76	0.00	0.00	-13,245.16	-2,316.66	-2,910.56	-72,007.35	-3,000.00	24,536.28	
253.50	-5,189.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.51	-1,142.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.52	-2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.53	-373.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.54	-4,576.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.55	-8,905.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.56	-5,148.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.57	0.00	0.00	-3,080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
253.58	0.00	0.00	0.00	0.00	-4,259.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
360.10	5,485.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
362.00	169,341.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
362.01	548,348.71	0.00	0.00	0.00	0.00	0.00	-10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
364.00	31,374,771.93	26,565.62	36,994.45	45,230.58	26,910.58	58,313.69	60,848.68	101,057.31	72,293.11	75,537.73	80,506.65	75,041.48	4,046.54	
365.00	29,582,579.61	15,647.95	26,252.70	31,308.17	13,699.44	40,357.52	39,012.14	62,380.14	50,678.60	50,404.24	43,286.13	29,940.39	8,032.25	
367.00	4,200,648.80	12,891.94	-426.80	19,158.53	10,242.56	27,500.16	35,745.60	4,554.09	9,762.10	20,424.44	16,750.53	14,948.26	19,294.51	
368.00	10,729,328.74	33,520.30	8,068.64	-15,143.60	22,035.39	4,715.07	20,455.28	13,703.70	63,924.92	1,097.69	-17,455.34	21,260.20	24,027.75	
369.00	8,567,197.95	19,947.25	11,152.90	19,118.78	18,749.87	7,277.12	1,343.41	10,716.66	7,165.67	9,308.10	9,246.84	29,193.30	9,596.31	
370.00	954,685.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4,295.90	
370.01	505,822.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-11,187.02	
370.02	93,336.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,891.98	
370.10	15,661.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
370.11	3,592,995.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
370.12	364,888.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
370.13	400,299.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
370.14	441,001.77	0.00	0.00	0.00	0.00	0.00	29,691.00	0.00	0.00	0.00	0.00	0.00	-13,290.24	
370.15	350,162.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
370.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
371.00	5,675,174.62	111,998.80	44,965.65	26,761.45	20,041.68	4,926.13	40,690.27	17,345.20	5,005.25	-1,442.46	44,076.38	31,288.00	15,798.43	
389.10	38,421.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
389.20	60,230.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.00	5,381.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.10	1,180,353.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.15	185,660.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.17	86,660.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.18	153,165.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,997.68	1,769.16	
390.19	33,473.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.20	455,427.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
390.21	82,699.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
391.00	814,171.55	2,983.20	0.00	24,380.00	0.00	2,662.21	8,835.15	15,364.55	0.00	-709.61	0.00	4,775.12	10,861.42	

ACCOUNT	BEGINNING														ENDING BALANCE
	BALANCE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18		
392.00	3,005,306.70	87,925.20	0.00	0.00	0.00	0.00	0.00	-165,888.94	0.00	1,844.39	-636.00	0.00	0.00	80,140.24	3,008,691.59
394.00	98,942.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	98,942.97
395.00	87,712.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,712.10
396.00	303,903.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	303,903.89
397.00	733,034.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,665.00	0.00	0.00	0.00	0.00	736,699.23
398.00	447,814.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,449.79	0.00	0.00	456,264.72

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 34**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A schedule comparing each income statement account or subaccount included in the Distribution Cooperative's chart of accounts for each month of the of the test year to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity of each month, rather than the cumulative balances at the end of the particular month*

**Response:**

Please see attached.

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2019**

Div	Account	Description	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	Total
<b>Line:</b>	1. Operating Revenue and Patronage Capital														
0 440.1		RESIDENTIAL SALES-RURAL FARM	3,534,499.54	3,050,732.30	2,773,347.98	1,941,106.44	2,082,328.83	2,204,855.69	2,656,532.58	2,755,518.51	2,378,819.03	2,081,874.19	2,686,857.06	3,300,091.45	31,446,563.60
0 440.11		RESIDENTIAL SALES-ENVIROWATTS	27.50	27.50	27.50	27.50	22.00	22.00	22.00	22.00	22.00	22.00	22.00	19.25	283.25
0 442.1		COMM-INDUST SALE-SMALL	294,352.37	273,033.45	249,577.84	233,768.09	260,471.03	272,095.72	300,085.81	297,778.56	279,751.56	238,310.66	236,772.06	256,973.44	3,192,970.59
0 442.2		COMM-INDUST SALES-LARGE	638,824.15	625,382.11	555,663.24	581,783.47	608,326.63	601,506.59	602,875.25	620,254.27	593,885.33	543,368.26	537,601.44	538,081.33	7,047,552.07
0 450.0		FORFEITED DISCOUNTS	50,823.24	53,675.70	43,392.78	42,492.91	29,308.85	28,484.53	31,894.46	37,641.31	39,419.44	36,234.37	27,487.31	39,789.48	460,644.38
0 451.0		MISC SERVICE REVENUES	7,775.00	8,605.00	6,165.00	8,310.00	7,985.00	7,555.00	5,055.00	8,255.00	8,535.00	12,330.00	8,560.00	6,995.00	96,125.00
0 454.0		RENT FROM ELECTRIC PROPERTY	81,500.00	81,500.00	101,385.81	81,500.00	81,500.00	101,385.81	81,500.00	81,500.00	101,385.81	85,400.00	81,500.00	157,145.59	1,117,203.02
0 456.0		OTHER ELEC REVENUES	350.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	900.00
		<b>Total 1. Operating Revenue and Patronage Capital:</b>	<b>4,608,151.80</b>	<b>4,093,006.06</b>	<b>3,729,610.15</b>	<b>2,889,038.41</b>	<b>3,069,992.34</b>	<b>3,215,955.34</b>	<b>3,678,015.10</b>	<b>3,801,019.65</b>	<b>3,401,868.17</b>	<b>2,997,589.48</b>	<b>3,578,849.87</b>	<b>4,299,145.54</b>	<b>43,362,241.91</b>
<b>Line:</b>	3. Cost of Purchased Power														
0 555.0		PURCHASED POWER	3,191,178.00	2,463,820.00	2,654,606.00	2,090,716.00	2,196,507.00	2,295,039.00	2,598,267.00	2,514,214.00	2,239,236.00	1,985,910.00	2,668,944.00	3,029,170.00	29,927,607.00
		<b>Total 3. Cost of Purchased Power:</b>	<b>3,191,178.00</b>	<b>2,463,820.00</b>	<b>2,654,606.00</b>	<b>2,090,716.00</b>	<b>2,196,507.00</b>	<b>2,295,039.00</b>	<b>2,598,267.00</b>	<b>2,514,214.00</b>	<b>2,239,236.00</b>	<b>1,985,910.00</b>	<b>2,668,944.00</b>	<b>3,029,170.00</b>	<b>29,927,607.00</b>
<b>Line:</b>	6. Distribution Expense - Operation														
0 582.0		STATION EQUIPMENT	446.30	446.30	446.30	446.30	446.30	446.30	446.30	446.30	446.30	446.30	446.30	446.30	5,355.60
0 583.0		OVERHEAD LINE EXPENSE	66,278.29	66,300.44	62,923.50	59,219.36	59,924.50	53,890.89	58,410.61	53,160.85	58,610.33	54,601.71	54,419.43	62,435.05	710,174.96
0 584.0		UNDERGROUND LINE EXP	7,753.00	6,774.75	8,556.07	8,077.28	7,587.48	7,886.46	8,196.72	9,363.59	7,934.83	7,665.31	6,599.08	4,889.72	91,284.29
0 586.0		METER EXPENSES	41,697.89	30,890.90	30,972.59	35,105.34	37,509.90	25,323.93	41,805.68	-68,962.04	41,439.04	43,659.29	-53,624.47	158,257.10	364,075.15
0 587.0		CONSUMER INSTALL EXPENSES	14,058.16	9,306.10	11,748.55	9,565.72	14,541.86	9,800.07	9,306.10	11,808.25	10,181.66	14,826.58	11,214.10	11,108.10	137,465.25
0 588.0		MISC DISTRIBUTION EXPENSE	12,148.74	11,333.51	14,277.83	27,009.43	13,236.59	10,854.67	12,732.98	17,435.89	15,517.10	15,783.50	13,438.81	13,205.91	176,974.96
0 589.0		RENTS	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	1,500.00	4,800.00	-1,800.00	0.00	7,200.00
		<b>Total 6. Distribution Expense - Operation:</b>	<b>143,882.38</b>	<b>125,052.00</b>	<b>128,924.84</b>	<b>139,423.43</b>	<b>133,246.63</b>	<b>108,202.32</b>	<b>130,898.39</b>	<b>24,452.84</b>	<b>135,629.26</b>	<b>141,782.69</b>	<b>30,693.25</b>	<b>250,342.18</b>	<b>1,492,530.21</b>
<b>Line:</b>	7. Distribution Expense - Maintenance														
0 593.0		MAINT OF OVERHEAD LINES	125,248.79	136,546.51	104,217.97	111,599.70	117,236.15	153,842.61	202,402.49	127,865.11	92,351.32	108,764.95	69,228.48	124,306.05	1,473,610.13
0 593.01		RIGHT OF WAY CUTTING	97,596.16	77,635.43	85,328.71	158,503.76	25,886.28	75,641.95	73,020.99	101,757.74	78,508.20	114,693.64	77,816.54	78,479.59	1,044,868.99
0 593.02		RIGHT OF WAY MATERIALS	27.97	0.00	456.15	0.00	1,710.46	482.71	2,557.06	2,220.33	15.00	875.13	778.32	58.67	9,181.80
0 593.03		RIGHT-OF-WAY BUSHHOGGING	0.00	0.00	0.00	0.00	114.38	70.05	0.00	177.73	0.68	23.82	70.10	0.00	456.76
0 595.0		MAINT OF LINE TRANSFORMERS	0.00	0.00	0.00	193.10	2,000.44	4,706.81	0.00	2,839.74	8,508.91	574.57	0.00	991.34	19,814.91
0 597.0		MAINTENANCE OF METERS	5,745.15	3,856.80	4,836.13	13,519.26	7,664.54	6,723.56	5,524.54	31,295.24	16,309.36	41,968.18	21,455.65	-52,653.51	106,244.90
0 598.0		MAINT OF MISC DISTR PLANT	11,248.49	11,777.14	14,078.73	8,022.61	10,144.62	9,205.19	11,784.54	10,220.50	9,459.80	11,225.29	9,566.74	8,314.00	125,047.65
		<b>Total 7. Distribution Expense - Maintenance:</b>	<b>239,866.56</b>	<b>229,815.88</b>	<b>208,917.69</b>	<b>291,838.43</b>	<b>164,756.87</b>	<b>250,672.88</b>	<b>295,289.62</b>	<b>276,376.39</b>	<b>205,153.27</b>	<b>278,125.58</b>	<b>178,915.83</b>	<b>159,496.14</b>	<b>2,779,225.14</b>

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2019**

Div	Account	Description	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	Total
<b>Line:</b>	8.	Customer Accounts Expense													
	0 902.0	METER READING EXPENSES	5,641.33	5,577.34	35,525.88	12,693.72	10,302.19	6,331.75	14,079.62	10,543.11	13,793.45	6,483.73	4,310.23	3,261.76	128,544.11
	0 903.0	CONSUMER RECORDS-COLLECT EXP	123,599.72	116,572.94	122,339.67	121,006.61	121,392.90	101,236.99	130,605.61	122,896.54	134,523.32	130,165.12	126,833.54	127,223.99	1,478,396.95
	0 903.1	CONS REC-COLL EXP-OVER-UNDER	-5.00	0.00	0.00	-20.00	-200.00	20.00	19.89	-100.09	0.00	9.00	23.71	5.00	-247.49
	0 904.0	UNCOLLECTIBLE ACCOUNTS	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	0.00	0.00	0.00	0.00	0.00	0.00	72,000.00
		<b>Total 8. Customer Accounts Expense:</b>	141,236.05	134,150.28	169,865.55	145,680.33	143,495.09	119,588.74	144,705.12	133,339.56	148,316.77	136,657.85	131,167.48	130,490.75	1,678,693.57
<b>Line:</b>	9.	Customer Service and Informational Expense													
	0 908.0	CUSTOM ASSIST EXP	-27,351.91	8,482.86	7,586.44	7,127.45	18,147.48	-1,010.45	8,234.59	16,218.85	19,213.70	-97.54	489.36	-4,045.17	52,995.66
		<b>Total 9. Customer Service and Informational Expense:</b>	-27,351.91	8,482.86	7,586.44	7,127.45	18,147.48	-1,010.45	8,234.59	16,218.85	19,213.70	-97.54	489.36	-4,045.17	52,995.66
<b>Line:</b>	11.	Administrative and General Expense													
	0 920.0	ADMIN AND GENERAL SALARIES	87,922.35	88,967.75	87,750.00	87,853.05	80,487.15	87,815.69	84,407.99	87,175.24	98,144.46	84,343.05	91,250.66	108,909.39	1,075,026.78
	0 921.0	OFFICE SUPPLIES AND EXPENSES	8,486.43	8,219.26	8,673.03	7,490.62	5,587.46	5,716.47	6,787.44	6,575.18	10,253.90	7,917.21	8,951.48	16,872.19	101,530.67
	0 923.0	OUTSIDE SERVICES EMPLOYED	2,000.00	6,523.50	2,000.00	3,932.00	5,485.00	2,000.00	6,970.50	22,098.48	26,351.27	16,537.46	7,314.70	5,311.00	106,523.91
	0 928.0	REGULATORY COMM EXPENSES	979.70	0.00	0.00	0.00	0.00	2,140.86	0.00	3,237.50	0.00	0.00	0.00	0.00	6,358.06
	0 929.0	DUPLICATE CHARGES	-4,958.14	-5,078.29	-3,984.56	-3,009.17	-1,335.24	-1,638.91	-1,954.51	-1,938.52	-1,963.67	-1,555.63	-4,004.55	-4,562.79	-35,983.98
	0 930.1	MISC GENERAL EXP-DIRECTORS EX	11,820.86	10,211.04	17,147.10	10,515.23	13,881.09	15,121.38	10,521.76	10,505.84	10,317.62	10,317.62	12,111.14	10,510.23	142,980.91
	0 930.11	GENERAL ADVERTISING EXP	0.00	0.00	0.00	608.00	0.00	0.00	270.00	0.00	395.00	0.00	0.00	0.00	1,273.00
	0 930.2	MISC GENERAL EXPENSE-OTHER	7,342.54	7,342.54	7,342.54	7,342.54	7,342.54	7,352.31	7,342.54	7,342.54	8,022.20	7,342.54	4,753.03	4,753.03	83,620.89
	0 930.21	MISC GENERAL EXPENSE-KY LIVING	8,901.44	8,939.08	8,882.63	8,943.55	8,889.75	0.00	20,276.37	8,932.07	8,843.24	8,867.27	8,859.44	8,922.68	109,257.52
	0 930.3	MISC GEN EXP-CAPITAL CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.75	0.00	0.00	-0.75
	0 930.4	MISC GEN EXP-ANNUAL MEETING	2,120.00	2,120.00	2,120.00	2,120.00	2,120.00	2,120.00	2,400.00	2,400.00	2,400.00	2,400.00	405.42	405.41	23,130.83
	0 932.0	MAINT OF GEN PLANT	18,187.07	8,725.66	7,396.16	6,883.55	8,128.28	7,856.45	6,104.19	15,606.51	10,573.20	8,627.89	8,744.53	9,687.31	116,520.80
		<b>Total 11. Administrative and General Expense:</b>	142,802.25	135,970.54	137,326.90	132,679.37	130,586.03	128,484.25	143,126.28	161,934.84	173,337.22	144,796.66	138,385.85	160,808.45	1,730,238.64
<b>Line:</b>	12.	<b>Total Operation &amp; Maintenance Expense (2 thru 11)</b>	3,831,613.33	3,097,291.56	3,307,227.42	2,807,465.01	2,786,739.10	2,900,976.74	3,320,521.00	3,126,536.48	2,920,886.22	2,687,175.24	3,148,595.77	3,726,262.35	37,661,290.22
<b>Line:</b>	13.	Depreciation & Amortization Expense													
	0 403.6	DEPT EXP-DISTRIBUTION PLANT	315,609.42	316,135.98	316,413.82	316,977.59	317,399.63	318,171.82	318,964.50	319,537.31	325,993.43	326,664.83	328,186.36	332,924.79	3,852,979.48
	0 403.7	DEPT EXP-GENERAL PLANT	15,207.95	15,218.29	15,296.13	15,312.61	15,432.72	15,492.47	15,519.62	15,519.62	15,546.84	15,561.45	15,584.50	15,538.86	185,231.06
		<b>Total 13. Depreciation &amp; Amortization Expense:</b>	330,817.37	331,354.27	331,709.95	332,290.20	332,832.35	333,664.29	334,484.12	335,056.93	341,540.27	342,226.28	343,770.86	348,463.65	4,038,210.54
<b>Line:</b>	15.	Tax Expense - Other													
	0 408.0	TAXES-OTHER THAN INCOME TAXE	0.00	0.00	0.00	0.00	0.00	58,193.28	0.00	0.00	0.00	0.00	0.00	0.00	58,193.28
		<b>Total 15. Tax Expense - Other:</b>	0.00	0.00	0.00	0.00	0.00	58,193.28	0.00	0.00	0.00	0.00	0.00	0.00	58,193.28

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2019**

Div	Account	Description	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	Total
<b>Line:</b>	16. Interest on Long-Term Debt														
	0 427.1	INT ON REA CONST LOAN	1,131.60	1,017.56	1,121.38	1,152.26	1,111.26	1,070.52	1,172.02	1,096.04	864.68	853.04	821.52	665.20	12,077.08
	0 427.15	INT ON FFB CONST LOAN	79,289.26	79,289.26	101,856.52	86,811.68	86,811.68	99,048.06	90,890.47	90,890.47	76,732.30	86,171.08	86,171.08	73,123.05	1,037,084.91
	0 427.25	INT ON OTHER LONG TERM DEBT NC	3,074.78	2,461.60	2,870.39	2,870.39	2,251.05	2,663.94	2,663.94	2,038.43	2,455.44	2,455.44	1,816.64	2,242.51	29,864.55
	0 427.26	INT ON OTHER LONG TERM DEBT-C	12,116.99	12,038.17	10,811.42	11,882.18	11,396.81	11,745.20	11,247.20	11,569.45	11,483.67	11,029.31	11,314.59	10,861.86	137,496.85
		<b>Total 16. Interest on Long-Term Debt:</b>	<b>95,612.63</b>	<b>94,806.59</b>	<b>116,659.71</b>	<b>102,716.51</b>	<b>101,570.80</b>	<b>114,527.72</b>	<b>105,973.63</b>	<b>105,594.39</b>	<b>91,536.09</b>	<b>100,508.87</b>	<b>100,123.83</b>	<b>86,892.62</b>	<b>1,216,523.39</b>
<b>Line:</b>	18. Interest Expense - Other														
	0 431.0	INTEREST EXP-OTHER	2,220.15	2,238.06	2,244.03	2,253.92	2,251.28	2,242.75	2,225.85	2,230.91	2,220.92	2,210.58	2,209.55	2,444.28	26,992.28
		<b>Total 18. Interest Expense - Other:</b>	<b>2,220.15</b>	<b>2,238.06</b>	<b>2,244.03</b>	<b>2,253.92</b>	<b>2,251.28</b>	<b>2,242.75</b>	<b>2,225.85</b>	<b>2,230.91</b>	<b>2,220.92</b>	<b>2,210.58</b>	<b>2,209.55</b>	<b>2,444.28</b>	<b>26,992.28</b>
<b>Line:</b>	19. Other Deductions														
	0 426.1	DONATIONS	100.00	100.00	520.00	1,090.00	100.00	1,100.00	100.00	232.00	250.00	100.00	500.00	0.00	4,192.00
	0 426.11	DONATIONS-SCHOLARSHIPS	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	4,500.00	9,000.00
	0 426.12	DONATIONS-MEMBERSHIPS, DUES	850.00	300.23	300.00	50.00	0.00	0.00	0.00	150.00	0.00	0.00	400.00	0.00	2,050.23
		<b>Total 19. Other Deductions:</b>	<b>950.00</b>	<b>400.23</b>	<b>820.00</b>	<b>1,140.00</b>	<b>100.00</b>	<b>1,100.00</b>	<b>4,600.00</b>	<b>382.00</b>	<b>250.00</b>	<b>100.00</b>	<b>900.00</b>	<b>4,500.00</b>	<b>15,242.23</b>
<b>Line:</b>	<b>20. Total Cost of Electric Service (12 thru 19)</b>		<b>4,261,213.48</b>	<b>3,526,090.71</b>	<b>3,758,661.11</b>	<b>3,245,865.64</b>	<b>3,223,493.53</b>	<b>3,410,704.78</b>	<b>3,767,804.60</b>	<b>3,569,800.71</b>	<b>3,356,433.50</b>	<b>3,132,220.97</b>	<b>3,595,600.01</b>	<b>4,168,562.90</b>	<b>43,016,451.94</b>
<b>Line:</b>	<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>		<b>346,938.32</b>	<b>566,915.35</b>	<b>-29,050.96</b>	<b>-356,827.23</b>	<b>-153,501.19</b>	<b>-194,749.44</b>	<b>-89,789.50</b>	<b>231,218.94</b>	<b>45,434.67</b>	<b>-134,631.49</b>	<b>-16,750.14</b>	<b>130,582.64</b>	<b>345,789.97</b>
<b>Line:</b>	22. Non Operating Margins - Interest														
	0 419.2	DIVIDEND INCOME - CRC	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
	0 419.3	INT DIV INCOME-P AND P INVEST	2,708.91	3,388.73	28,974.13	11,713.96	12,345.76	34,245.51	12,363.67	12,230.55	28,082.75	5,202.03	4,492.51	26,539.95	182,288.46
	0 419.4	INTEREST AND DIVIDEND INC CFC	3,208.81	3,208.81	3,208.81	3,191.27	3,191.27	3,191.27	3,191.27	3,191.27	3,296.43	3,208.81	3,208.81	3,208.81	38,505.64
		<b>Total 22. Non Operating Margins - Interest:</b>	<b>6,317.72</b>	<b>6,597.54</b>	<b>32,182.94</b>	<b>14,905.23</b>	<b>15,537.03</b>	<b>37,436.78</b>	<b>15,554.94</b>	<b>15,421.82</b>	<b>31,379.18</b>	<b>8,410.84</b>	<b>7,701.32</b>	<b>29,748.76</b>	<b>221,194.10</b>
<b>Line:</b>	26. Generation and Transmission Capital Credits														
	0 423.0	GEN-TRANS COOP CAPITAL CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,712,191.29	1,712,191.29
		<b>Total 26. Generation and Transmission Capital Credits:</b>	<b>0.00</b>	<b>1,712,191.29</b>	<b>1,712,191.29</b>										
<b>Line:</b>	27. Other Capital Credits and Patronage Dividends														
	0 424.0	OTH CAP CR-PATRON CAP ALLOC	0.00	0.00	40,597.79	0.00	0.00	3,907.40	0.00	0.00	6,714.00	0.00	0.00	13,098.97	64,318.16
		<b>Total 27. Other Capital Credits and Patronage Dividends:</b>	<b>0.00</b>	<b>0.00</b>	<b>40,597.79</b>	<b>0.00</b>	<b>0.00</b>	<b>3,907.40</b>	<b>0.00</b>	<b>0.00</b>	<b>6,714.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,098.97</b>	<b>64,318.16</b>
<b>Line:</b>	<b>29. Patronage Capital or Margins (21 thru 28)</b>		<b>353,256.04</b>	<b>573,512.89</b>	<b>43,729.77</b>	<b>-341,922.00</b>	<b>-137,964.16</b>	<b>-153,405.26</b>	<b>-74,234.56</b>	<b>246,640.76</b>	<b>83,527.85</b>	<b>-126,220.65</b>	<b>-9,048.82</b>	<b>1,885,621.66</b>	<b>2,343,493.52</b>
<b>Line:</b>	<b>Operating - Margin</b>		<b>346,938.32</b>	<b>566,915.35</b>	<b>11,546.83</b>	<b>-356,827.23</b>	<b>-153,501.19</b>	<b>-190,842.04</b>	<b>-89,789.50</b>	<b>231,218.94</b>	<b>52,148.67</b>	<b>-134,631.49</b>	<b>-16,750.14</b>	<b>1,855,872.90</b>	<b>2,122,299.42</b>
<b>Line:</b>	<b>Non Operating - Margin</b>		<b>6,317.72</b>	<b>6,597.54</b>	<b>32,182.94</b>	<b>14,905.23</b>	<b>15,537.03</b>	<b>37,436.78</b>	<b>15,554.94</b>	<b>15,421.82</b>	<b>31,379.18</b>	<b>8,410.84</b>	<b>7,701.32</b>	<b>29,748.76</b>	<b>221,194.10</b>

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2019**

**PARAMETERS ENTERED:**

**Period:** DEC 2019

**Division:** All

**Format:** Detail

**Round To Whole Dollars:** No

**Departments:** No

**Accounts With Zero Balance:** No

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2018**

Div	Account	Description	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	Total
<b>Line:</b>	1. Operating Revenue and Patronage Capital														
0 440.1		RESIDENTIAL SALES-RURAL FARM	4,241,502.83	3,187,246.22	2,946,795.82	2,237,868.52	2,251,095.60	2,384,400.41	2,743,938.85	2,425,383.06	2,370,172.95	1,971,613.77	2,777,331.11	3,343,900.09	32,881,249.23
0 440.11		RESIDENTIAL SALES-ENVIROWATTS	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	330.00
0 442.1		COMM-INDUST SALE-SMALL	309,754.00	278,248.74	256,736.08	239,209.88	267,960.24	283,409.31	300,759.24	286,377.19	283,462.36	247,879.55	258,382.11	279,329.85	3,291,508.55
0 442.2		COMM-INDUST SALES-LARGE	701,135.50	704,345.50	657,130.59	625,409.89	667,121.40	710,516.10	684,928.56	639,174.16	646,948.54	604,875.42	618,756.36	644,639.86	7,904,981.88
0 450.0		FORFEITED DISCOUNTS	61,305.83	66,647.15	43,357.58	41,350.17	34,678.52	31,470.55	36,772.40	43,894.40	33,833.93	35,943.73	30,442.16	41,364.31	501,060.73
0 451.0		MISC SERVICE REVENUES	7,505.00	6,030.00	8,955.00	10,830.00	11,440.00	7,030.00	8,925.00	7,675.00	7,820.00	10,815.00	7,820.00	6,860.00	101,705.00
0 454.0		RENT FROM ELECTRIC PROPERTY	82,000.00	82,000.00	91,800.13	82,000.00	82,000.00	101,885.81	82,000.00	82,000.00	101,885.81	82,000.00	82,000.00	98,578.02	1,050,149.77
0 456.0		OTHER ELEC REVENUES	56.47	45.90	45.94	46.57	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	594.88
		<b>Total 1. Operating Revenue and Patronage Capital:</b>	<b>5,403,287.13</b>	<b>4,324,591.01</b>	<b>4,004,848.64</b>	<b>3,236,742.53</b>	<b>3,314,373.26</b>	<b>3,518,789.68</b>	<b>3,857,401.55</b>	<b>3,484,581.31</b>	<b>3,444,201.09</b>	<b>2,953,204.97</b>	<b>3,774,809.24</b>	<b>4,414,749.63</b>	<b>45,731,580.04</b>
<b>Line:</b>	3. Cost of Purchased Power														
0 555.0		PURCHASED POWER	4,138,614.00	2,768,238.00	2,580,372.00	2,285,289.00	2,293,902.00	2,606,667.00	2,523,160.00	2,377,408.00	2,287,017.00	2,155,845.00	2,748,307.00	3,196,011.00	31,960,830.00
		<b>Total 3. Cost of Purchased Power:</b>	<b>4,138,614.00</b>	<b>2,768,238.00</b>	<b>2,580,372.00</b>	<b>2,285,289.00</b>	<b>2,293,902.00</b>	<b>2,606,667.00</b>	<b>2,523,160.00</b>	<b>2,377,408.00</b>	<b>2,287,017.00</b>	<b>2,155,845.00</b>	<b>2,748,307.00</b>	<b>3,196,011.00</b>	<b>31,960,830.00</b>
<b>Line:</b>	6. Distribution Expense - Operation														
0 582.0		STATION EQUIPMENT	461.68	461.68	461.68	461.68	461.68	461.68	461.68	461.68	461.68	461.68	461.68	461.68	5,540.16
0 583.0		OVERHEAD LINE EXPENSE	57,443.00	72,443.25	62,581.27	59,607.03	59,229.54	55,262.36	58,062.56	64,939.78	64,797.63	65,140.56	57,046.05	68,839.06	745,392.09
0 584.0		UNDERGROUND LINE EXP	6,035.11	3,416.57	6,328.54	5,373.14	5,713.54	6,239.14	3,027.73	7,806.20	9,153.23	3,038.23	3,287.23	14,753.69	74,172.35
0 586.0		METER EXPENSES	42,472.62	36,963.19	39,710.09	35,887.56	38,120.64	30,200.06	32,557.82	35,539.66	40,583.14	45,997.95	44,345.84	73,257.65	495,636.22
0 587.0		CONSUMER INSTALL EXPENSES	10,876.10	15,223.05	10,242.12	9,416.37	11,061.31	12,189.67	10,944.04	11,673.70	11,655.93	9,161.97	12,379.29	9,161.97	133,985.52
0 588.0		MISC DISTRIBUTION EXPENSE	10,514.51	12,244.36	10,983.61	12,874.29	12,198.65	10,997.75	13,321.52	16,509.90	11,156.74	14,733.79	11,831.13	15,299.76	152,666.01
0 589.0		RENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00	1,500.00	3,000.00	0.00	0.00	7,200.00
		<b>Total 6. Distribution Expense - Operation:</b>	<b>127,803.02</b>	<b>140,752.10</b>	<b>130,307.31</b>	<b>123,620.07</b>	<b>126,785.36</b>	<b>115,350.66</b>	<b>118,375.35</b>	<b>139,630.92</b>	<b>139,308.35</b>	<b>141,534.18</b>	<b>129,351.22</b>	<b>181,773.81</b>	<b>1,614,592.35</b>
<b>Line:</b>	7. Distribution Expense - Maintenance														
0 593.0		MAINT OF OVERHEAD LINES	120,136.93	107,855.30	84,625.75	130,971.70	142,774.74	141,487.92	175,426.76	137,664.50	136,823.18	103,968.77	109,727.20	122,662.03	1,514,124.78
0 593.01		RIGHT OF WAY CUTTING	50,150.70	64,207.30	55,751.47	53,569.24	81,770.14	75,995.38	59,700.72	102,505.74	63,409.12	76,958.10	87,263.86	68,209.74	839,491.51
0 593.02		RIGHT OF WAY MATERIALS	0.00	22.05	2,164.04	772.29	1,261.53	1,994.35	2,353.98	1,177.90	958.23	426.13	135.35	7.50	11,273.35
0 593.03		RIGHT-OF-WAY BUSHHOGGING	0.00	0.00	0.00	0.00	6,627.20	1,318.28	2,373.64	0.00	57.87	0.00	0.00	0.00	10,376.99
0 595.0		MAINT OF LINE TRANSFORMERS	-525.00	0.00	0.00	0.00	1,061.02	103.06	0.00	4,143.73	1,125.00	0.00	7,072.49	1,540.00	14,520.30
0 597.0		MAINTENANCE OF METERS	5,472.21	4,929.35	6,117.76	4,351.82	8,138.53	4,286.87	6,788.56	8,644.54	6,181.26	4,029.10	5,616.85	23,111.28	87,668.13
0 597.1		MAINT OF METERS-METER TEST FEE	-60.00	0.00	30.00	0.00	0.00	0.00	-30.00	0.00	0.00	0.00	0.00	0.00	-60.00
0 598.0		MAINT OF MISC DISTR PLANT	12,831.75	10,265.39	10,803.83	10,134.00	9,954.85	9,983.78	10,324.44	13,519.63	10,685.35	11,714.17	15,448.67	15,686.58	141,352.44

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2018**

Div	Account	Description	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	Total
		<b>Total 7. Distribution Expense - Maintenance:</b>	188,006.59	187,279.39	159,492.85	199,799.05	251,588.01	235,169.64	256,938.10	267,656.04	219,240.01	197,096.27	225,264.42	231,217.13	2,618,747.50
<b>Line:</b>		8. Customer Accounts Expense													
	0 902.0	METER READING EXPENSES	7,264.74	16,719.65	36,762.33	11,695.93	19,441.82	8,293.76	13,888.41	12,107.52	13,909.45	12,952.22	6,885.48	4,162.95	164,084.26
	0 903.0	CONSUMER RECORDS-COLLECT EXP	123,533.95	138,421.68	131,965.67	129,764.42	127,055.44	125,375.36	118,100.88	123,918.28	110,838.92	115,927.74	131,638.75	133,905.08	1,510,446.17
	0 903.1	CONS REC-COLL EXP-OVER-UNDER	0.00	0.00	75.54	120.00	10.12	-130.40	20.00	0.00	140.00	0.00	-33.79	-17.50	183.97
	0 904.0	UNCOLLECTIBLE ACCOUNTS	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	144,000.00
		<b>Total 8. Customer Accounts Expense:</b>	142,798.69	167,141.33	180,803.54	153,580.35	158,507.38	145,538.72	144,009.29	148,025.80	136,888.37	140,879.96	150,490.44	150,050.53	1,818,714.40
<b>Line:</b>		9. Customer Service and Informational Expense													
	0 908.0	CUSTOM ASSIST EXP	1,231.88	10,472.86	871.84	14,065.03	-4,778.40	12,223.01	-6,229.05	9,122.33	5,993.76	9,347.49	-550.44	25,205.04	76,975.35
	0 909.0	INFO AND INST ADV EXP	0.00	0.00	0.00	0.00	2,487.81	4,033.03	0.00	0.00	25.00	0.00	0.00	0.00	6,545.84
		<b>Total 9. Customer Service and Informational Expense:</b>	1,231.88	10,472.86	871.84	14,065.03	-2,290.59	16,256.04	-6,229.05	9,122.33	6,018.76	9,347.49	-550.44	25,205.04	83,521.19
<b>Line:</b>		11. Administrative and General Expense													
	0 920.0	ADMIN AND GENERAL SALARIES	78,178.37	78,881.10	77,547.38	72,925.80	75,052.75	72,807.25	82,770.14	86,006.07	87,597.40	86,699.85	85,645.78	110,958.19	995,070.08
	0 921.0	OFFICE SUPPLIES AND EXPENSES	8,464.24	8,691.22	6,899.25	7,391.26	5,788.85	-7,350.03	19,718.41	6,912.36	6,206.29	7,393.08	6,567.47	19,297.02	95,979.42
	0 923.0	OUTSIDE SERVICES EMPLOYED	2,980.00	1,268.59	10,367.32	18,249.77	10,764.85	4,822.86	5,827.65	3,823.78	2,226.16	4,028.00	5,627.89	2,028.00	72,014.87
	0 928.0	REGULATORY COMM EXPENSES	0.00	0.00	0.00	1,769.40	26,081.65	16,880.66	9,126.86	5,519.57	681.50	827.00	0.00	647.13	61,533.77
	0 929.0	DUPLICATE CHARGES	-6,363.15	-4,706.33	-3,239.82	-3,585.89	-1,352.61	-1,903.91	-2,060.52	-1,521.92	-1,783.64	-1,834.32	-2,762.10	-4,114.45	-35,228.66
	0 930.1	MISC GENERAL EXP-DIRECTORS EX	10,418.24	9,840.96	10,422.50	11,514.35	10,172.19	22,203.91	9,626.32	9,529.46	10,044.03	10,153.77	10,118.03	10,162.94	134,206.70
	0 930.11	GENERAL ADVERTISING EXP	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
	0 930.2	MISC GENERAL EXPENSE-OTHER	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	7,338.82	6,656.82	6,656.81	86,701.83
	0 930.21	MISC GENERAL EXPENSE-KY LIVING	8,922.87	8,941.66	8,906.16	8,940.64	8,880.52	11,878.80	8,967.27	8,885.77	8,872.18	8,839.27	8,849.70	8,938.04	109,822.88
	0 930.3	MISC GEN EXP-CAPITAL CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.61
	0 930.4	MISC GEN EXP-ANNUAL MEETING	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00	1,866.00	1,866.00	1,866.00	1,866.00	1,866.56	25,430.56
	0 932.0	MAINT OF GEN PLANT	8,540.05	8,140.34	9,754.48	12,144.29	9,326.23	7,133.99	9,302.59	13,395.29	9,395.99	18,352.00	10,403.77	7,872.46	123,761.48
		<b>Total 11. Administrative and General Expense:</b>	120,779.44	120,696.36	130,296.09	138,988.44	155,353.25	136,112.35	152,917.54	141,755.20	132,444.73	143,663.47	132,973.36	164,313.31	1,670,293.54
<b>Line:</b>		<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	4,719,233.62	3,394,580.04	3,182,143.63	2,915,341.94	2,983,845.41	3,255,094.41	3,189,171.23	3,083,598.29	2,920,917.22	2,788,366.37	3,385,836.00	3,948,570.82	39,766,698.98
<b>Line:</b>		13. Depreciation & Amortization Expense													
	0 403.6	DEPT EXP-DISTRIBUTION PLANT	309,601.53	310,365.69	310,763.65	311,235.15	311,582.98	311,974.87	312,775.67	313,424.27	313,974.10	314,447.41	315,094.64	315,581.36	3,750,821.32
	0 403.7	DEPT EXP-GENERAL PLANT	15,183.72	15,159.72	14,938.64	14,938.64	14,949.71	14,986.46	15,018.40	15,018.40	15,030.70	14,930.81	14,920.50	14,947.60	180,023.30
		<b>Total 13. Depreciation &amp; Amortization Expense:</b>	324,785.25	325,525.41	325,702.29	326,173.79	326,532.69	326,961.33	327,794.07	328,442.67	329,004.80	329,378.22	330,015.14	330,528.96	3,930,844.62
<b>Line:</b>		15. Tax Expense - Other													

CUMBERLAND VALLEY RECC

GENERAL LEDGER  
TRAILING 12 MONTH INCOME STATEMENT

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AS OF DEC 2018

Div	Account	Description	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	Total
0	408.0	TAXES-OTHER THAN INCOME TAXE	0.00	0.00	0.00	0.00	0.00	55,226.22	0.00	0.00	0.00	0.00	0.00	0.00	55,226.22
		<b>Total 15. Tax Expense - Other:</b>	0.00	0.00	0.00	0.00	0.00	55,226.22	0.00	0.00	0.00	0.00	0.00	0.00	55,226.22
<b>Line:</b>		16. Interest on Long-Term Debt													
0	427.1	INT ON REA CONST LOAN	10,528.12	8,903.69	9,811.81	10,085.63	9,099.89	9,068.46	9,963.41	9,613.97	9,822.88	8,155.56	449.99	1,133.60	96,637.01
0	427.15	INT ON FFB CONST LOAN	65,365.57	65,365.57	74,675.57	68,468.90	68,468.90	84,279.17	73,738.99	73,738.99	80,722.11	76,066.70	76,066.70	85,734.37	892,691.54
0	427.25	INT ON OTHER LONG TERM DEBT NC	3,877.47	3,283.97	3,679.64	3,679.64	3,080.48	3,479.92	3,479.92	2,875.09	3,278.31	3,278.31	2,667.73	3,074.78	39,735.26
0	427.26	INT ON OTHER LONG TERM DEBT-C	5,192.52	5,156.25	4,628.36	5,078.06	4,859.61	4,995.41	4,790.31	4,905.50	4,859.02	4,660.37	7,189.66	11,808.51	68,123.58
		<b>Total 16. Interest on Long-Term Debt:</b>	84,963.68	82,709.48	92,795.38	87,312.23	85,508.88	101,822.96	91,972.63	91,133.55	98,682.32	92,160.94	86,374.08	101,751.26	1,097,187.39
<b>Line:</b>		18. Interest Expense - Other													
0	431.0	INTEREST EXP-OTHER	1,271.07	1,263.65	1,261.42	1,253.38	1,248.90	1,238.70	1,226.30	1,218.22	1,213.09	1,203.37	1,200.00	1,197.23	14,795.33
0	431.1	INT EXP-CFC LINE OF CREDIT	0.00	0.00	0.00	0.00	-1,005.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,005.52
		<b>Total 18. Interest Expense - Other:</b>	1,271.07	1,263.65	1,261.42	1,253.38	243.38	1,238.70	1,226.30	1,218.22	1,213.09	1,203.37	1,200.00	1,197.23	13,789.81
<b>Line:</b>		19. Other Deductions													
0	426.1	DONATIONS	100.00	200.00	290.00	350.00	150.00	345.00	100.00	200.00	382.00	1,025.00	300.00	25.00	3,467.00
0	426.11	DONATIONS-SCHOLARSHIPS	4,500.00	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	4,500.00	13,500.00
0	426.12	DONATIONS-MEMBERSHIPS, DUES	400.00	800.00	0.00	0.00	299.97	0.00	0.00	0.00	0.00	150.00	400.00	0.00	2,049.97
		<b>Total 19. Other Deductions:</b>	5,000.00	1,000.00	290.00	350.00	449.97	345.00	4,600.00	200.00	382.00	1,175.00	700.00	4,525.00	19,016.97
<b>Line:</b>		<b>20. Total Cost of Electric Service (12 thru 19)</b>	5,135,253.62	3,805,078.58	3,602,192.72	3,330,431.34	3,396,580.33	3,740,688.62	3,614,764.23	3,504,592.73	3,350,199.43	3,212,283.90	3,804,125.22	4,386,573.27	44,882,763.99
<b>Line:</b>		<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	268,033.51	519,512.43	402,655.92	-93,688.81	-82,207.07	-221,898.94	242,637.32	-20,011.42	94,001.66	-259,078.93	-29,315.98	28,176.36	848,816.05
<b>Line:</b>		22. Non Operating Margins - Interest													
0	419.2	DIVIDEND INCOME - CRC	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
0	419.3	INT DIV INCOME-P AND P INVEST	1,543.22	2,327.59	22,717.49	4,713.72	5,397.71	26,762.26	4,816.16	4,360.89	25,927.28	4,997.64	4,345.97	26,787.71	134,697.64
0	419.4	INTEREST AND DIVIDEND INC CFC	3,208.81	3,208.81	3,103.55	3,191.27	3,191.27	3,191.27	3,191.27	3,191.27	3,191.27	3,208.81	3,208.81	3,208.81	38,295.22
		<b>Total 22. Non Operating Margins - Interest:</b>	5,152.03	5,536.40	25,821.04	7,904.99	8,588.98	29,953.53	8,007.43	7,552.16	29,118.55	8,206.45	7,554.78	29,996.52	173,392.86
<b>Line:</b>		26. Generation and Transmission Capital Credits													
0	423.0	GEN-TRANS COOP CAPITAL CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,624,710.10	1,624,710.10
		<b>Total 26. Generation and Transmission Capital Credits:</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,624,710.10	1,624,710.10
<b>Line:</b>		27. Other Capital Credits and Patronage Dividends													
0	424.0	OTH CAP CR-PATRON CAP ALLOC	0.00	0.00	61,297.45	0.00	0.00	0.00	0.00	0.00	4,885.47	0.00	0.00	18,599.26	84,782.18
		<b>Total 27. Other Capital Credits and Patronage Dividends:</b>	0.00	0.00	61,297.45	0.00	0.00	0.00	0.00	0.00	4,885.47	0.00	0.00	18,599.26	84,782.18
<b>Line:</b>		<b>29. Patronage Capital or Margins (21 thru 28)</b>	273,185.54	525,048.83	489,774.41	-85,783.82	-73,618.09	-191,945.41	250,644.75	-12,459.26	128,005.68	-250,872.48	-21,761.20	1,701,482.24	2,731,701.19

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2018**

<b>Div Account</b>	<b>Description</b>	<b>JAN 2018</b>	<b>FEB 2018</b>	<b>MAR 2018</b>	<b>APR 2018</b>	<b>MAY 2018</b>	<b>JUN 2018</b>	<b>JUL 2018</b>	<b>AUG 2018</b>	<b>SEP 2018</b>	<b>OCT 2018</b>	<b>NOV 2018</b>	<b>DEC 2018</b>	<b>Total</b>
<b>Line:</b>	<b>Operating - Margin</b>	268,033.51	519,512.43	463,953.37	-93,688.81	-82,207.07	-221,898.94	242,637.32	-20,011.42	98,887.13	-259,078.93	-29,315.98	1,671,485.72	2,558,308.33
<b>Line:</b>	<b>Non Operating - Margin</b>	5,152.03	5,536.40	25,821.04	7,904.99	8,588.98	29,953.53	8,007.43	7,552.16	29,118.55	8,206.45	7,554.78	29,996.52	173,392.86

CUMBERLAND VALLEY RECC

**GENERAL LEDGER**  
**TRAILING 12 MONTH INCOME STATEMENT**

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**AS OF DEC 2018**

**PARAMETERS ENTERED:**

**Period:** DEC 2018

**Division:** All

**Format:** Detail

**Round To Whole Dollars:** No

**Departments:** No

**Accounts With Zero Balance:** No

**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00104**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 35**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A schedule showing employee health, dental, vision, and life insurance premium contributions by coverage type, including the cost split of each identified premium between the employee and the Distribution Cooperative*

**Response:**

Please see attached.





**Cumberland Valley Electric, Inc.**  
**Case No. 2020-00264**  
**Streamlined Rate Adjustment Procedure Pilot Program**  
**Filing Requirements / Exhibit List**

**Exhibit 36**

**Case No. 2018-00407**  
**Orders entered December 11, 2018, March 26, 2019 and December 20, 2019**  
**Sponsoring Witness: Robert Tolliver**

**Description of Filing Requirement:**

*A schedule showing anticipated and incurred rate case expenses, with supporting documentation. This information should be updated during the proceeding.*

**Response:**

Please see attached.

**Estimated Rate Case Expenses**

Legal Services	\$ 40,750.00
Consulting/COS Study	\$ 15,000.00
Expenses/Costs	\$ 1,000.00
Customer Notice	\$ 25,000.00
	<u>\$ 81,750.00</u>

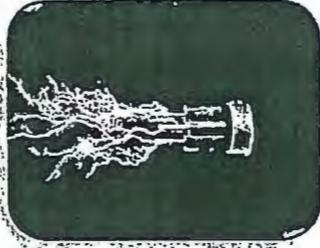
**Incurred Rate Case Expenses**

Date	Reference	Amount	Name
1/31/2020	CONSULTING SUPPORT	\$ 1,387.50	CATALYST CONSULTING LLC
1/31/2020	LEGAL SERVICES	\$ 1,564.00	GOSS-SAMFORD
2/28/2020	CONSULTING SUPPORT	\$ 555.00	CATALYST CONSULTING LLC
3/25/2020	LEGAL SERVICES	\$ 1,312.90	GOSS-SAMFORD
5/31/2020	CONSULTING SERVICES	\$ 647.50	CATALYST CONSULTING LLC
6/16/2020	LEGAL SERVICES	\$ 59.00	GOSS-SAMFORD
6/30/2020	CONSULTING SERVICES	\$ 555.00	CATALYST CONSULTING LLC
7/31/2020	CONSULTING SERVICES	\$ 1,480.00	CATALYST CONSULTING LLC
8/19/2020	LEGAL SERVICES	\$ 1,564.08	GOSS-SAMFORD
8/31/2020	CONSULTING SERVICES	\$ 2,497.50	CATALYST CONSULTING LLC
		<u>\$ 11,622.48</u>	

**Summary Incurred Rate Case Expenses**

Legal Services/Rate Case	\$ 4,499.98
Consulting/COS Study/Rate Case	\$ 7,122.50
	<u>\$ 11,622.48</u>

*OK Lead*



# CATALYST

## CONSULTING LLC

3308 Haddon Road  
 Louisville, KY 40241  
 (502) 599-1739  
 johnwolfram@catalystcllc.com

**INVOICE**

<b>Date:</b> February 1, 2020	<b>Invoice #:</b> 202012
<b>Client:</b>  Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b>  2019 Cost of Service & Rate Review Case No. _____  For Services Provided in January 2020

Item	Description	Qty	Rate	Amt
1	Consulting Services John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Update all models with 2019 data. Calls or emails with CVE staff and counsel on same.	7.5 Hours	\$185.00	\$ 1,387.50
<b>TOTAL</b>				<b>\$ 1,387.50</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

*Lead*

**CUMBERLAND VALLEY RECC**  
 Vend # 38719  
 By PO # \_\_\_\_\_  
 App. By & Date BPC 2/7/20  
  
 DATE REC'D FEB 07 2020  
  
 Date Paid 2-10-20  
 Check # 80780  
 Account # 928.00 - 1,387.50  
 Acct. Date 1/31/20  
 Due Date 2/7/20

**Goss Samford, PLLC**  
Suite B-325  
2365 Harrodsburg Road  
Lexington, KY 40504  
Telephone: 859-368-7740

February 07, 2020

Invoice No. 4720

Cumberland Valley Electric, Inc.  
Attn: Ted Hampton, President & CEO  
6219 U.S. Highway 25 East  
Gray, KY 40734

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Client Number: 0700 Cumberland Valley Electric, Inc.  
Matter 1008 Cumberland Valley - 2020 Rate Adjustment  
For Services Rendered Through 1/31/2020.

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<b>Fees</b>				
<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
1/7/2020	MDG	Review of lengthy email exchanges between J. Wolfram and R. Tolliver re possible Streamlined Rate Case; telephone conference with R. Tolliver re same.	1.00	\$295.00
1/10/2020	MDG	Email exchanges with J. Wolfram and R. Tolliver re streamlined rate case approval.	0.30	\$88.50
1/15/2020	MDG	Telephone conference with J. Wolfram; email exchange with R. Tolliver re need to convene conference call to discuss possible CVE rate case filing and procedures.	1.00	\$295.00
1/16/2020	MDG	Multiple email exchanges with R. Tolliver, et al., re scheduling of conference call to discuss possible CVE rate case filing.	0.40	\$118.00
1/17/2020	MDG	Telephone conference with R. Tolliver re setting date for conference call re possible rate case filing and discussion of FAC tariff issue.	0.20	\$59.00
1/30/2020	MDG	Review prior emails concerning revenues, etc., and participate in telephone conference call with CVE rate case team to discuss next steps in case; post-call review and consultation with A. Honaker re case notice requirements.	1.30	\$383.50

Continued On Next Page

Client Number: 0700  
Matter Number: 1008

2/7/2020  
Page: 2

1/30/2020 LAH

Conference with M. Goss re streamline rate case; review PSC Order re streamline case; participate in telephone conference call with CVE rate case team to discuss next steps in case; post-call conference with M. Goss re reviewing notice requirements; review notice requirements and compose email to team re same.

1.30 \$325.00

Billable Hours / Fees: 5.50 \$1,564.00

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### Timekeeper Summary

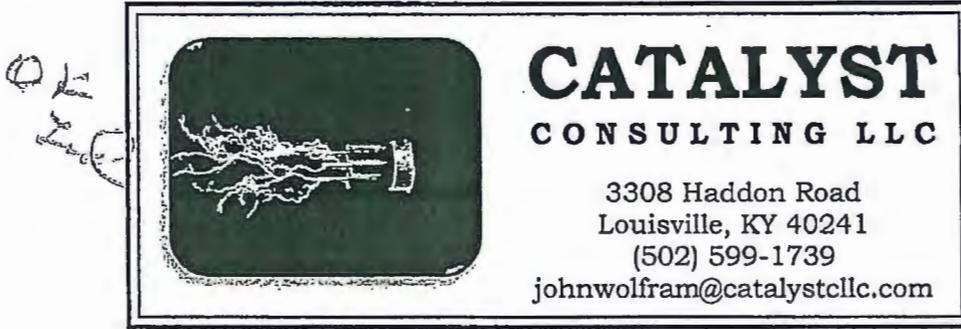
Timekeeper MDG worked 4.20 hours at \$295.00 per hour, totaling \$1,239.00.

Timekeeper LAH worked 1.30 hours at \$250.00 per hour, totaling \$325.00.

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### Current Invoice Summary

Prior Balance:	\$0.00
Payments Received:	\$0.00
Unpaid Prior Balance:	<u>\$0.00</u>
Current Fees:	\$1,564.00
Advanced Costs:	\$0.00
<b>TOTAL AMOUNT DUE:</b>	<b><u><u>\$1,564.00</u></u></b>



**INVOICE**

<b>Date:</b> March 1, 2020	<b>Invoice #:</b> 200210
<b>Client:</b> Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b> 2019 Cost of Service & Rate Review Case No. _____  For Services Provided in February 2020

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Update models and begin pro forma adjustment calculations. Calls or emails with CVE staff and counsel on same.	3.0 Hours	\$185.00	\$ 555.00
<b>TOTAL</b>					<b>\$ 555.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

*Keyed*

**CUMBERLAND VALLEY RECC**

Vend # 38719  
 By PO # -  
 App. By & Date BPC 3/1/20

DATE REC'D MAR 04 2020

Date Paid 3-4-20  
 Check # 80972  
 Account # 928.00 - 555.00  
 Acct. Date 2/28/20  
 Due Date 3/4/20

**Goss Samford, PLLC**  
Suite B-325  
2365 Harrodsburg Road  
Lexington, KY 40504  
Telephone: 859-368-7740

March 06, 2020  
Invoice No. 4778

Cumberland Valley Electric, Inc.  
Attn: Ted Hampton, President & CEO  
6219 U.S. Highway 25 East  
Gray, KY 40734

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Client Number: 0700 Cumberland Valley Electric, Inc.  
Matter: 1008 Cumberland Valley - 2020 Rate Adjustment  
For Services Rendered Through 2/29/2020.

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**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
2/10/2020	MDG	Receipt and review of pro forma adjustment spreadsheet sent by J. Wolfram for consideration in preparation of possible rate case.	0.70	\$206.50
2/11/2020	MDG	Telephone conference with R. Tolliver, et al., to discuss strategy for filing streamlined rate case at KPSC.	0.80	\$236.00
2/11/2020	LAH	Telephone conference with R. Tolliver, et al., to discuss strategy for filing streamlined rate case at KPSC.	0.80	\$200.00
2/18/2020	MDG	Begin review of Grayson RECC management audit order and compare to CVE 2016 rate case; copy and begin review of post-order activities in 2016 rate case; telephone consultation with R. Tolliver.	2.20	\$649.00
<b>Billable Hours / Fees:</b>			<b>4.50</b>	<b>\$1,291.50</b>

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**Timekeeper Summary**

Timekeeper LAH worked 0.80 hours at \$250.00 per hour, totaling \$200.00.  
Timekeeper MDG worked 3.70 hours at \$295.00 per hour, totaling \$1,091.50.

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**Cost Detail**

Continued On Next Page

Client Number: 0700  
Matter Number: 1008

3/6/2020  
Page: 2

<u>Date</u>	<u>Description</u>	<u>Amount</u>
1/30/2020	Telephone conference charges.	\$9.64
2/11/2020	Photocopies of the 2016 rate case materials for the 2020 rate case.	\$11.76
	<b>Total Costs</b>	<b>\$21.40</b>

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**Payment Detail**

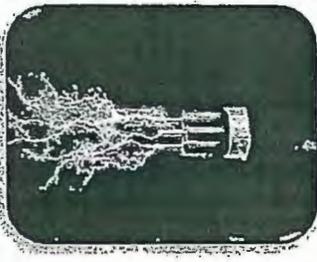
<u>Date</u>	<u>Description</u>	<u>Amount</u>
2/21/2020	Check Number 80822 against Inv# 4720	(\$1,564.00)
	<b>Total Payments Received:</b>	<b>(\$1,564.00)</b>

---

**Current Invoice Summary**

<b>Prior Balance:</b>	\$1,564.00	
<b>Payments Received:</b>	(\$1,564.00)	<b>Last Payment: 2/21/2020</b>
<b>Unpaid Prior Balance:</b>	\$0.00	
<b>Current Fees:</b>	\$1,291.50	
<b>Advanced Costs:</b>	\$21.40	
<b>TOTAL AMOUNT DUE:</b>	<b>\$1,312.90</b>	

OK  
 Led



# CATALYST

## CONSULTING LLC

3308 Haddon Road  
 Louisville, KY 40241  
 (502) 599-1739  
 johnwolfram@catalystllc.com

### INVOICE

<b>Date:</b> June 1, 2020	<b>Invoice #:</b> 200513
<b>Client:</b>  Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b>  2019 Cost of Service & Rate Review Case No. _____  For Services Provided in May 2020

Item	Description	Qty	Rate	Amt
1	Consulting Services John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Review model and address questions on pro forma adjustment. Calls or emails with CVE staff on same.	3.5 Hours	\$185.00	\$ 647.50
<b>TOTAL</b>				<b>\$ 647.50</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

Keyed

**CUMBERLAND VALLEY RECC**

Vend # 38719  
 By PO # \_\_\_\_\_  
 App. By & Date BPC 6/2/20

DATE REC'D JUN 02 2020

Date Paid 6-3-20  
 Check # 81554  
 Account # 928.00 - 647.50  
 Acct. Date 5/31/20  
 Due Date 6/2/20

**Goss Samford, PLLC**  
Suite B-325  
2365 Harrodsburg Road  
Lexington, KY 40504  
Telephone: 859-368-7740

June 09, 2020

Invoice No. 4969

Cumberland Valley Electric, Inc.  
Attn: Ted Hampton, President & CEO  
6219 U.S. Highway 25 East  
Gray, KY 40734

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Client Number: 0700 Cumberland Valley Electric, Inc.  
Matter 1008 Cumberland Valley - 2020 Rate Adjustment  
For Services Rendered Through 5/31/2020.

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**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
5/26/2020	MDG	Email exchange with B. Chaney to discuss estimated rate case expense for inclusion in pro forma adjustments for streamlined case.	0.20	\$59.00
<b>Billable Hours / Fees:</b>			<u>0.20</u>	<u>\$59.00</u>

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**Timekeeper Summary**

Timekeeper MDG worked 0.20 hours at \$295.00 per hour, totaling \$59.00.

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**Payment Detail**

<u>Date</u>	<u>Description</u>	<u>Amount</u>
3/30/2020	Check Number 81048 against Inv# 4778	(\$1,291.50)
3/30/2020	Check Number 81048 against Inv# 4778	(\$21.40)
<b>Total Payments Received:</b>		<u>(\$1,312.90)</u>

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Continued On Next Page

Client Number: 0700  
Matter Number: 1008

6/9/2020  
Page: 2

### Current Invoice Summary

Prior Balance:	\$1,312.90	
Payments Received:	(\$1,312.90)	Last Payment: 3/30/2020
Unpaid Prior Balance:	<u>\$0.00</u>	
Current Fees:	\$59.00	
Advanced Costs:	\$0.00	
<b>TOTAL AMOUNT DUE:</b>	<b><u><u>\$59.00</u></u></b>	



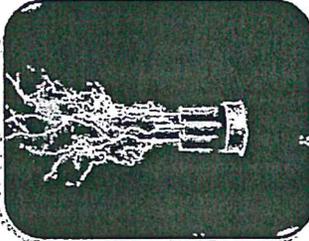
**INVOICE**

<b>Date:</b> July 1, 2020	<b>Invoice #:</b> 200612
<b>Client:</b>  Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b>  2019 Cost of Service & Rate Review Case No. _____  For Services Provided in June 2020

	<b>Item</b>	<b>Description</b>	<b>Qty</b>	<b>Rate</b>	<b>Amt</b>
1	Consulting Services	John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Review proposed pro forma adjustments. Update cost of service and rate models. Calls or emails with CVE staff on same.	3.0 Hours	\$185.00	\$ 555.00
<b>TOTAL</b>					<b>\$ 555.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

*Handwritten:* b/c  
 and  
 JWC

	<h1>CATALYST</h1> <h2>CONSULTING LLC</h2>
	3308 Haddon Road Louisville, KY 40241 (502) 599-1739 johnwolfram@catalystllc.com

### INVOICE

<b>Date:</b> August 1, 2020	<b>Invoice #:</b> 200714
<b>Client:</b>  Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b>  2019 Cost of Service & Rate Review Case No. _____  For Services Provided in July 2020

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Review updated revenue requirement. Revise pro forma adjustments. Update cost of service and rate models. Calls or emails with CVE staff on same.	8.0 Hours	\$185.00	\$ 1,480.00
<b>TOTAL</b>					<b>\$ 1,480.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

*Handwritten signature:* [Signature]

CUMBERLAND VALLEY RECC

Vend # 38719

By PO # -

App. By & Date BPC 8/3/20

DATE REC'D AUG 03 2020

Date Paid 8-5-20

Check # 82218

Account # 928.00 - 1,480.00

Acct. Date 7/31/20

Due Date 8/3/20

**Goss Samford, PLLC**  
Suite B-325  
2365 Harrodsburg Road  
Lexington, KY 40504  
Telephone: 859-368-7740

August 08, 2020

Invoice No. 5057

Cumberland Valley Electric, Inc.  
Attn: Ted Hampton, President & CEO  
6219 U.S. Highway 25 East  
Gray, KY 40734

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Client Number: 0700 Cumberland Valley Electric, Inc.  
Matter 1008 Cumberland Valley - 2020 Rate Adjustment  
For Services Rendered Through 7/31/2020.

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<b>Fees</b>				
<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
7/21/2020	MDG	Email exchange and telephone conference with R. Tolliver re status of possible rate case and stranded asset issue; agree to schedule a telephone conference call to discuss.	0.50	\$147.50
7/23/2020	MDG	Telephone conference with P. Hauser to discuss meeting; review several past case orders: 2016 rate case, 2018 AMI case, and make notes for meeting; participate in telephonic meeting with CVE team, J. Wolfram, P. Hauser and A. Zumstein to discuss streamlined rate case and stranded asset issues.	2.30	\$678.50
7/23/2020	LAH	Review emails from M. Goss re table of contents for exhibits for streamlined rate case; email same to M. Goss; prepare for and participate in telephone conference with P. Hauser, J. Wolfram, et. al. re discuss streamlined rate case and stranded asset issues.	1.40	\$350.00
7/29/2020	MDG	Telephone consultation with P. Hauser to discuss issues memoranda sent by R. Tolliver.	0.40	\$118.00
7/30/2020	MDG	Receipt and review of issue memoranda sent by R. Tolliver; telephone and email exchanges with R. Tolliver, P. Hauser, et al., to schedule discussion time.	0.80	\$236.00
<b>Billable Hours / Fees:</b>			<b>5.40</b>	<b>\$1,530.00</b>

Continued On Next Page

Client Number: 0700  
Matter Number: 1008

8/8/2020  
Page: 2

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### Timekeeper Summary

Timekeeper MDG worked 4.00 hours at \$295.00 per hour, totaling \$1,180.00.

Timekeeper LAH worked 1.40 hours at \$250.00 per hour, totaling \$350.00.

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### Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
7/23/2020	Telephone conference charges.	\$34.08
	<b>Total Costs</b>	<b>\$34.08</b>

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### Payment Detail

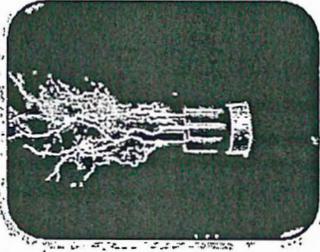
<u>Date</u>	<u>Description</u>	<u>Amount</u>
6/22/2020	Check Number 81606 against Inv# 4969	(\$59.00)
	<b>Total Payments Received:</b>	<b>(\$59.00)</b>

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### Current Invoice Summary

Prior Balance:	\$59.00	
Payments Received:	(\$59.00)	Last Payment: 6/22/2020
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$1,530.00	
Advanced Costs:	\$34.08	
<b>TOTAL AMOUNT DUE:</b>	<b>\$1,564.08</b>	

*OK, Lead*

	<h1>CATALYST</h1> <h2>CONSULTING LLC</h2>
	3308 Haddon Road Louisville, KY 40241 (502) 599-1739 johnwolfram@catalystcllc.com

**INVOICE**

<b>Date:</b> September 1, 2020	<b>Invoice #:</b> 200812
<b>Client:</b> Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734  Attn: Robert Tolliver	<b>Project:</b> 2019 Cost of Service & Rate Review Case No. 2020-00264  For Services Provided in August 2020

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2019 Cost of Service & Rate Review. Present at 8/13 BOD meeting. Prepare final models. Prepare notice data. Calls or emails with CVE staff and counsel on same.	13.5 Hours	\$185.00	\$ 2,497.50
<b>TOTAL</b>					<b>\$ 2,497.500</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

*Keyed*

CUMBERLAND VALLEY RECC  
 Vend # 38719  
 By PO #             
 App. By & Date BPC 9/2/20  
 DATE REC'D SEP 02 2020  
 Date Paid 9-2-20  
 Check # 82381  
 Account # 928.00 - 2497.50  
 Acct. Date 8/31/20  
 Due Date 9/2/20