

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)	
CUMBERLAND VALLEY ELECTRIC, INC.)	
FOR PASS-THROUGH OF EAST KENTUCKY)	Case No. 2025-00218
POWER COOPERATIVE, INC.'S WHOLESALE)	
RATE ADJUSTMENT)	

CUMBERLAND VALLEY ELECTRIC, INC.'S
VERIFIED RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
ENTERED SEPTEMBER 3, 2025

Comes now Cumberland Valley Electric, Inc.'s ("Cumberland Valley"), by counsel, and does hereby tender its Verified Response to the Commission Staff's First Request for Information entered September 3, 2025.

Dated September 16, 2025

In the Matter of:

VERIFICATION OF ROBERT TOLLIVER

Commission expiration: 4-11-2026

VERIFICATION OF JOHN WOLFRAM

Commission expiration: April 9, 2025

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 1. Refer to Exhibit 4 of the Application

- a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.
- b. Reconcile Cumberland Valley Electric's allocation of the East Kentucky Power Cooperative, Inc. (EKPC) wholesale increase to the allocation assigned by EKPC to Cumberland Valley Electric and explain any variance shown in Exhibit 4.

Response 1(a): Please see Attachment 1-1.

Response 1(b): See Application Exhibit 4, page 1. Also see Attachment 1-1, Summary tab, last three lines and last column. The slight variance is the result of rounding the proposed per unit charges to the appropriate number of decimal places.

**ATTACHMENT
IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY**

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 2. Refer to the Direct Testimony of John Wolfram, Exhibit 7.

- a. Confirm that Cumberland Valley Electric's proposed rates reflect a strict proportional pass-through of EKPC's wholesale increase in accordance with KRS 278.455.
- b. If Cumberland Valley Electric considered any deviation from strict proportionality, identify and explain why no such deviation was proposed.
- c. Provide the class billing determinants used to support the proportional pass-through.

Response 2(a): Confirmed.

Response 2(b): Not applicable.

Response 2(c): Please see Application, Exhibit 4, column Billing Units, beginning on page 2.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 3. Refer to Case No. 2023-00014, which examined EKPC's fuel adjustment clause (FAC) adjustments and recovery.

- a. Provide a reconciliation between the \$0.01179 per kWh FAC roll-in incorporated in Exhibit 4 and Cumberland Valley Electric's FAC Form A filings filed after the August 30, 2024 Order in Case No. 2023-00014.
- b. Identify any differences between the billing analysis in Exhibit 4 and the FAC recovery amounts reported in Cumberland Valley Electric's semi-annual filings.
- c. Confirm that Cumberland Valley Electric will continue to apply monthly FAC adjustments filed under 807 KAR 5:056 on customer bills following implementation of the proposed pass-through rates.

Response 3(a): The FAC roll-in incorporated in Exhibit 4 reflects the adjustment specified in the Commission's Order in Case No. 2023-00014. The amount shown at the bottom of Exhibit 4 in the Present Rate column was moved from the FAC line to the base energy charge line for all rates on Exhibit 4 which include an energy charge. The amount is annualized such that the "Present Rate" reflects the movement of the ordered incremental energy charge from the FAC to base energy. This is evident in the Excel file provided in response to Item 1a, by comparing the energy charge and FAC in columns "2023 Revenue" and "Present Revenue" for each rate in Exhibit 4. (Note for Cumberland Valley the amount is \$0.01179 per kWh not \$0.01194 per kWh.)

Response 3(b): Not applicable.

Response 3(): Confirmed.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 4. Refer to Cumberland Valley Electric's current tariff.

- a. Describe how Cumberland Valley will implement the new rates for bills with service periods that straddle the effective date, consistent with its current billing cycle and tariff provisions.
- b. State whether any portion of the bill will be prorated, and if so, identify which components (customer, energy, demand, lighting) are prorated and which are not.
- c. Describe the allocation method used to split usage/charges between the pre- and post-effective-date portions (e.g., by calendar days, meter-read splits, interval-data allocation), and provide the formulas used. Identify any tariff provisions, internal policies/procedures, or billing-system constraints relied upon in making these billing calculations.

Response 4a. Cumberland Valley utilizes a composite rate for rate changes that become effective at some point during the billing cycle (or straddles the bill cycle). For example, if there are 30 days in the billing cycle and the new rates go into effect on the 6th day of that cycle, then the customer would have 5/30th or approximately 16.7% of the old rate and 25/30th or approximately 83.3% of the new rate. Cumberland Valley will then multiply and add the two together to arrive at the composite rate. See example below and attached spreadsheet PSC 1-4.

Old rate per kWh $.09694 \times 5/30 = .01616$

New rate per kWh $.09802 \times 25/30 = .08168$

Composite rate per kWh $= .01616 + .08168 = .09784$

Response 4b. Any rate that changes would have a composite rate calculated in the same manner as described in response to 4(a) above. This would include customer, energy, demand and lighting.

Response 4c. The allocation method would be calendar days in the billing cycle. See attached spreadsheet PSC 1-4 for formulas used.

**ATTACHMENT
IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY**

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 5. Confirm whether Cumberland Valley's unmetered lighting schedules (e.g., Schedule VI or similar) are billed on a per-light, per-month basis. If not confirmed, explain how unmetered lighting schedules are billed and identify which schedules would not be billed on a per-light, per-month manner.

- a. Provide the assumed monthly kWh per fixture by type used in the billing analysis and show how those assumptions translate into the proposed monthly charges.
- b. Explain how the FAC roll-in is reflected for unmetered lighting accounts.

Response 5. Confirmed.

Response 5(b): The billing analysis for lighting is based on the number of lights, not the assumed usage. The proposed charges reflect the proportional application of the increase to the present per-unit charges (which include the FAC roll-in approved by the Commission in Case No. 2023-00014).

Response 5(c): To incorporate the FAC roll-in for lighting, the annual lighting kWh was multiplied by the roll-in amount to determine the annual dollar amount to be moved from the FAC line to the lighting charges. This is shown in the Excel file provided in Item 1a by comparing the Total Base Rates and the FAC lines for Schedule SL in columns "2023 Revenue" and "Present Revenue."

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 6. Provide the line loss percentage currently being used for FAC calculations and explain how it reconciles with the Commission's May 6, 2024 Order in Case No. 2023-00014. In this response, confirm that Cumberland Valley's proposed pass-through rates incorporate the corrected methodology approved in that Order.

Response 6. The current 12-month rolling average for line loss is 4.3%. This amount was used to calculate the FAC for the month of September 2025 usage. Cumberland Valley's proposed pass-through rates and the methodology used comply with the final order in Case No. 2023-00014.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 7. Refer to Exhibit 6 and Exhibit 4 of the Application.

- a. Confirm whether the average bill increase reflected for the Large Power class(es) is correct. If not confirmed, explain the response.
- b. Reconcile this figure with the detailed billing analysis.

Response 7a. Confirmed.

Response 7b. The data in the billing analysis in Exhibit 4 is correct.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 8. Refer to Exhibit 4, page 3. Refer also to Exhibit 2, Present Tariffs, All Three Phase Schools and Churches. The present Energy charge is \$0.09027 per kWh on the tariff. However, the billing analysis shows a present energy charge of \$0.09030 per kWh. Explain and reconcile the discrepancy.

Response 8. The data in the billing analysis is correct.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 9. Refer to Exhibit 4, page 5. Refer also to Exhibit 2, Present Tariffs, Large Power Rate – 1,000 KW to 2,5000 KW. The proposed energy charge is \$0.06993 per kWh on the tariff. However, the billing analysis shows a proposed energy charge of \$0.0699 per kWh. Explain and reconcile the discrepancy.

Response 9. This is a display issue only; the correct value is \$0.06993.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 10. Refer to Exhibit 4, page 4. Refer also to Exhibit 2, Present Tariffs, Large Power Rate – Industrial Schedule V-B.

- a. The present energy charge is \$0.05154 per kWh on the tariff. However, the billing analysis shows a present energy charge of \$0.051570 per kWh. Explain and reconcile the discrepancy.
- b. The proposed energy charge is \$0.056868 per kWh on the tariff. However, the billing analysis shows a proposed energy charge of \$0.05687 per kWh. Explain and reconcile the discrepancy.

Response 10a. The value in Exhibit 4 is correct.

Response 10b. This is a display issue only; the correct value is \$0.05687.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 11. Refer to Exhibit 4, page 4. Refer also to Exhibit 2, Present Tariffs, Large Power Rate – Industrial Schedule V-C.

- a. The proposed demand charge is \$8.45 per kW on the tariff. However, the billing analysis shows a proposed demand charge of \$8.45326 per kW. Explain and reconcile the discrepancy.
- b. The present energy charge is \$0.054640 per kWh on the tariff. However, the billing analysis shows a present energy charge of \$0.054674 per kWh. Explain and reconcile the discrepancy.
- c. The proposed energy charge is \$0.061710 per kWh on the tariff. However, the billing analysis shows a present energy charge of \$0.06171 per kWh. Explain and reconcile the discrepancy.

Response 11a. This is a display issue only. The correct value is \$8.45 per kW.

Response 11b. The value in Exhibit 4 is correct.

Response 11c. This is a display issue only. The correct value is \$0.06171 per kWh.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 12. Refer to Exhibit 4, page 4, Lighting. Refer also to Exhibit 2, Present Tariffs, Outdoor Lighting – Security Lights.

- a. Refer to the 100 Watt Open Bottom rate. The present charge is \$10.20 per lamp per month on the tariff. However, the billing analysis shows a present charge of \$10.21 per lamp per month. Explain and reconcile the discrepancy.
- b. Refer to the 100 Watt Colonial Post rate. The present charge is \$11.42 per lamp per month on the tariff. However, the billing analysis shows a present charge of \$11.43 per lamp per month. Explain and reconcile the discrepancy.
- c. Refer to the 100 Watt Directional Flood rate. The present charge is \$12.26 per lamp per month on the tariff. However, the billing analysis shows a present charge of \$12.27 per lamp per month. Explain and reconcile the discrepancy.
- d. Refer to the 175 Watt Mercury Vapor Lamp rate. The present charge is \$10.18 per lamp per month on the tariff. However, the billing analysis shows a present charge of \$10.19 per lamp per month. Explain and reconcile the discrepancy.

Response 12(a)-(d). For each of these penny differences, the value in Exhibit 4 is correct.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 13. Refer to Exhibit 2, Prepay Service tariff. Refer also to Exhibit 4, Billing Analysis, generally. The Prepay Service rate changes are not included in the billing analysis. Provide an updated billing analysis showing the impact of the Prepay Service rate.

Response 13. Cumberland Valley does not have a pre-pay fee, and it is not included in Exhibit 4, Billing Analysis.

Cumberland Valley Electric, Inc.
Case No. 2025-00218
Commission Staff's First Request for Information

Request 14. Refer to Exhibit 4, Billing Analysis, page 4. Refer also to Exhibit 2, Present Tariffs, Outdoor Lighting – Security Lights. The billing analysis shows a lighting option labeled “400W MH Dir” for \$20.78 per light per month. Confirm whether this lighting option is the same as the 400 Watt Directional Flood option in the tariff. If confirmed, explain and reconcile the billing units for that lighting option. If not confirmed, provide the correct corresponding tariff information.

Response 14. Confirmed. These are the same rate. They are entered into the billing system multiple times for unknown reasons but presumably due to (a) slight variations in the fixtures/bulbs or (b) inconsistent data entry practices by different staff members over time. The total billing determinants is the sum of the billing data for the separately-listed items.