



Cumberland Valley Electric

A Touchstone Energy Cooperative 

May 27, 2010 **RECEIVED**

**MAY 27 2010**

**PUBLIC SERVICE  
COMMISSION**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: Cumberland Valley Electric's Pass-Through of East Kentucky  
Power Cooperative, Inc. Wholesale Rate Adjustment  
PSC Case No. 2010-00171

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and 5 copies of Cumberland Valley Electric's Filing for Pass-Through of East Kentucky Power Cooperative, Inc. ("EKPC") Wholesale Rate Adjustment in Case No. 2010-00167. This filing includes the following information as required by 807 KAR 5:007:

1. The full name and filing address of the filing cooperative is: [807 KAR 5:007, Sections 1(2) and 2(2)]

Cumberland Valley Electric  
P.O. Box 440  
6219 U.S. Hwy 25E  
Gray, KY 40734

2. Cumberland Valley Electric's Proposed Tariffs reflecting the new rates specifying an effective date of July 1, 2010, the effective date of EKPC's wholesale rate change are attached as Exhibit 1. [807 KAR 5:007, Section 2(1)]
3. This filing is pursuant to the provisions of KRS 278.455(2). [807 KAR 5:007, Sections 1(3) and 2(2)]
4. A comparison of the current and proposed rates of Cumberland Valley Electric is attached as Exhibit 2. [807 KAR 5:007, Sections 1(4) and 2(2)].

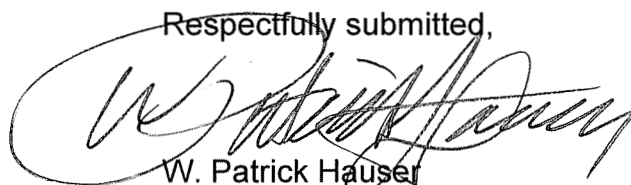
Ted Hampton • President & CEO

Mr. Jeff Derouen  
May 27, 2010  
Page 2

5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class. Cumberland Valley Electric hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect. [807 KAR 5:007, Sections 1(5)(a), 1(5)(b), and 2(2)]
6. A certification that one complete copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4. [807 KAR 5:007, Sections 1(6) and 2(2)]
7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to May 27, 2010, by publication in a newspaper of general circulation in the affected area of Cumberland Valley Electric. A copy of this notice is attached as Exhibit 5. [807 KAR 5:007, Sections 1(7)(b), 1(8), and 2(2)]
8. The notice attached as Exhibit 5 contains the required information pursuant to 807 KAR 5:007, Section 3.

Cumberland Valley Electric hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,



W. Patrick Hauser  
Counsel for Cumberland Valley Electric

WPH/dd

Enclosures



Form for filing Rate Schedules

For Entire Territory Served

Community, Town, or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

Fifth Revised SHEET NO. 2

Gray, Ky. 40734

Canceling Fourth Revised SHEET NO. 2

CLASSIFICATION OF SERVICE

Rates For Residential, Schools and Churches Schedule I

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all Residential, Schools and Churches.

TYPE OF SERVICE

Single phase at available voltages.

Customer Charge	\$5.78 Per month per customer	(I)
ALL KWH	\$0.09294	(I)

MARKETING RATE:

Available to Consumers eligible for Tariff Schedule 1

The electric power and energy furnished under this section shall be separately metered for each point of delivery. This retail marketing rate applies only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Ky. Power Cooperatives Wholesale Power Rate Schedule A.

Marketing rate for all kwh per month  
 \$0.05577 per kWh (I)

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

<u>MONTHS</u>	<u>OFF-PEAK HOURS-EST</u>
OCTOBER thru APRIL	12:00 NOON TO 5:00 P.M. 10:00 P.M. TO 7:00 A.M.
MAY thru SEPTEMBER	10:00 p.m. TO 10:00 A.M.

DATE OF ISSUE: May 27, 2010

DATE EFFECTIVE: Service rendered on and after July 1, 2010

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

TITLE: Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00171 Dated: \_\_\_\_\_

Form for filing Rate Schedules

For Entire Territory Served

Community, Town or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC

Fourth Revised SHEET NO. 5

Gray, Ky. 40734

Canceling Third Revised SHEET NO. 5

CLASSIFICATION OF SERVICE

Small Commercial and Small Power

Schedule II

APPLICABLE

Entire Territory served.

AVAILABILITY OF SERVICEAvailable to all commercial and small power service under  
50 KW.TYPE OF SERVICE

## SINGLE PHASE

ENERGY CHARGE: Customer charge \$5.78 per month per customer		(I)
First 3,000 KWH	\$0.10257	(I)
Over 3,000 KWH	\$0.09613	(I)

## THREE PHASE WHERE AVAILABLE

DEMAND CHARGE: Per KW of billing demand	\$4.25	(I)
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ENERGY CHARGE: Customer charge \$5.78 per month per customer		(I)
First 3,000 KWH	\$0.10257	(I)
Over 3,000 KWH	\$0.09613	(I)

DETERMINATION OF BILLING DEMAND

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

MINIMUM CHARGE

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

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Form for filing Rate Schedules

For Entire Territory Served

Community, Town or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

Fourth Revised SHEET NO. 7

Gray, Ky. 40734

Canceling Third Revised SHEET NO. 7

CLASSIFICATION OF SERVICE

All Three Phase Schools and Churches          Schedule III

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

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

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, three phase service, present facilities permitting and at the following nominal voltages: Three phase, 120/240, 120/208Y, 240/480, 277/480Y volts.

RATE

All KWH	\$0.08642	(I)
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MINIMUM CHARGE

The minimum annual charge will be not less than \$ .75 per KVA of required transformer capacity as determined by the Cooperative.

TERM OF CONTRACT

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

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Form for filing Rate Schedules

For Entire Territory Served

Community, Town or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

Fourth Revised SHEET NO. 9

Gray, Ky. 40734

Canceling Third Revised SHEET NO. 9

CLASSIFICATION OF SERVICE

Large Power- Industrial

Schedule IV

APPLICABLE

In all Territory served by the Seller.

AVAILABILITY

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

CONDITIONS

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

CHARACTER OF SERVICE

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

RATE

<u>DEMAND CHARGE:</u> Per KW of billing demand	\$6.60	(I)
<u>ENERGY CHARGE:</u> ALL KWH	\$0.05765	(I)

DETERMINATION OF BILLING DEMAND

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

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TITLE: Manager

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Form for filing Rate Schedules

For Entire Territory Served

Community, Town or City

P.S.C. NO. 4

CUMBERLAND VALLEY ELECTRIC, INC.

Fourth Revised SHEET NO. 12

Gray, Ky. 40734

Canceling Third Revised SHEET NO. 12

CLASSIFICATION OF SERVICE

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

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

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

CONDITIONS

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

CHARACTER OF SERVICE

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

	<u>RATE</u>	
<u>DEMAND CHARGE</u> : Per KW of billing demand	\$4.25	
<u>ENERGY CHARGE</u> : All KWH	\$0.06792	(I)

DETERMINATION OF BILLING DEMAND

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

DATE OF ISSUE: May 27, 2010

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TITLE: Manager

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Form for filing Rate Schedules

For Entire Territory Served

Community, Town, or City

P.S.C. No. 4

CUMBERLAND VALLEY ELECTRIC, INC.

Fourth Revised SHEET NO. 15

Gray, Ky. 40734

Canceling Third Revised SHEET No. 15

CLASSIFICATION OF SERVICE

Large Power Rate - 1000 kw to 2,500 kw

Schedule V

APPLICABLE

In all territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers willing to contract for a kilowatt demand of 1,000 kw to 2,500 KW with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

CONDITIONS

The consumer shall execute an "Industrial Power Agreement" with the Seller under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

CHARACTER OF SERVICE

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

MONTHLY RATE

<u>Consumer Charge:</u>	\$ 618.76	(I)
<u>Demand Charge:</u>	\$ 6.23 per kw of contract demand	(I)
	\$ 9.04 per kw for all billing	(I)
	demand in excess of contract demand	
<u>Energy Charge:</u>	\$ 0.06350 per KWH	(I)

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Form for filing Rate Schedules

For Entire Territory Served  
Community, Town, or City  
P.S.C. No. 4CUMBERLAND VALLEY ELECTRIC, INC.  
Gray, Ky. 40734Fourth Revised SHEET NO. 19  
Canceling Third Revised SHEET NO. 19CLASSIFICATION OF SERVICE

Large Power - Industrial

Schedule V-A

APPLICABLE

In all Territory served by the Seller.

AVAILABILITY

Available to all commercial and industrial consumers willing to contract for a kilowatt demand in excess of 2500 kw with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

CONDITIONS

The consumer shall execute an "Industrial Power Agreement" with the Seller of a service under this schedule. This agreement is subject to the approval of East Kentucky Power Cooperative.

CHARACTER OF SERVICE

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

RATES PER MONTH

Consumer Charge:	\$	1,236.37	(I)
<u>DEMAND CHARGE;</u>	\$	6.23 per kw of contract demand	(I)
	\$	9.04 per kw for all billing demand in excess of contract demand	(I)
<u>Energy Charge:</u>	\$	0.05614 PER KWH	(I)

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Form for filing Rate Schedules  
 CUMBERLAND VALLEY ELECTRIC, INC.  
 Gray, Ky. 40734

For Entire Territory Served  
 Community, Town or City  
 P.S.C. NO. 4  
 Fifth Revised SHEET NO. 23  
 Canceling Fourth Revised SHEET NO. 23

CLASSIFICATION OF SERVICE

Outdoor Lighting-Security Lights Schedule VI

AVAILABILITY

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

RATE PER LIGHT PER MONTH

Mercury Vapor Lamps

1)	175 Watt	\$ 8.78 Per Lamp Per Month	(I)
2)	400 Watt	\$12.84 Per Lamp Per Month	(I)

Other Lamps

1)	100 Watt OPEN BOTTOM	\$ 8.80 Per Lamp Per Month	(I)
2)	100 Watt COLONIAL POST	\$ 9.86 Per Lamp Per Month	(I)
3)	100 Watt DIRECTIONAL FLOOD	\$10.58 Per Lamp Per Month	(I)
4)	400 Watt DIRECTIONAL FLOOD	\$17.00 Per Lamp Per Month	(I)
5)	400 Watt COBRA HEAD	\$17.00 Per Lamp Per Month	(I)

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, operate, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing secondary pole.
2. The lighting equipment shall remain the property of the Cooperative. The Consumer shall protect the lighting equipment from deliberate damage.
3. The Consumer shall allow authorized representatives of the Cooperative to enter upon the Consumer's premises and to trim trees and shrubs as necessary for maintenance of the lighting equipment and for removal of lighting equipment upon termination of service under this schedule.

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**EXHIBIT 2**  
**Page 1 of 1**

The present and proposed rates structures of Cumberland Valley Electric, Inc are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
<b>Sch I: Residential, Schools &amp; Churches</b>		
Customer charge per month	\$5.50	\$5.78
All kWh	\$0.08848	\$0.09294
Off-peak marketing rate	\$0.05309	\$0.05577
<b>Sch II: Small Commercial &amp; Small Power</b>		
Single phase customer charge per month	\$5.50	\$5.78
Single phase energy charge – First 3,000 kWh	\$0.09765	\$0.10257
Single phase energy charge – Over 3,000 kWh	\$0.09152	\$0.09613
Three phase customer charge per month	\$5.50	\$5.78
Three phase demand charge per kW	\$4.05	\$4.25
Three phase energy charge – First 3,000 kWh	\$0.09765	\$0.10257
Three phase energy charge – Over 3,000 kWh	\$0.09152	\$0.09613
<b>Sch III: All Three Phase Schools &amp; Churches</b>		
All kWh	\$0.08227	\$0.08642
<b>Sch IV: Large Power – Industrial</b>		
Demand charge per kW	\$6.28	\$6.60
All energy per kWh	\$0.05488	\$0.05765
<b>Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW</b>		
Demand charge per kW	\$4.05	\$4.25
Energy charge per kWh	\$0.06466	\$0.06792
<b>Sch V: 1,000 to 2,500 kW</b>		
Consumer charge	\$589.07	\$618.76
Demand charge per kW - Contract	\$5.93	\$6.23
Demand charge per kW – Excess	\$8.61	\$9.04
Energy charge per kWh	\$0.06045	\$0.06350
<b>Sch V-A: Large Power – Industrial</b>		
Consumer charge	\$1,177.04	\$1,236.37
Demand charge per kW - Contract	\$5.93	\$6.23
Demand charge per kW – Excess	\$8.61	\$9.04
Energy charge per kWh	\$0.05345	\$0.05614
<b>Sch VI: Outdoor Lighting – Security Lights (rate per month)</b>		
Mercury Vapor Lamps		
175 watt	\$8.36	\$8.78
400 watt	\$12.22	\$12.84
Other Lamps (rate per month)		
100 watt Open Bottom	\$8.38	\$8.80
100 watt Colonial Flood	\$9.39	\$9.86
100 watt Directional Flood	\$10.07	\$10.58
400 watt Directional Flood	\$16.18	\$17.00
400 watt Cobra Head	\$16.18	\$17.00



Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009

	<u>Existing</u>	<u>% of Total</u>	<u>Proposed</u>	<u>% of Total</u>	<u>\$ Increase</u>	<u>% Increase</u>
Residential	\$ 29,116,817	64.41%	\$ 30,585,317	64.41%	\$ 1,468,500	5.04%
H-1	60,153	0.13%	63,189	0.13%	3,037	5.05%
C-1	1,311,831	2.90%	1,377,960	2.90%	66,129	5.04%
C-2	907,688	2.01%	953,277	2.01%	45,589	5.02%
E-1	1,474,304	3.26%	1,548,673	3.26%	74,369	5.04%
P-1	2,919,614	6.46%	3,067,321	6.46%	147,706	5.06%
L-1	8,143,923	18.01%	8,553,152	18.01%	409,229	5.02%
Street Lighting and Security Lights	1,272,307	2.81%	1,336,383	2.81%	64,076	5.04%
	<hr/>		<hr/>		<hr/>	<hr/>
	\$ 45,206,637	100.00%	\$ 47,485,273	100.00%	\$ 2,278,636	5.04%
FAC & ES	<hr/>		<hr/>			
	\$ 3,345,940		\$ 3,345,940			
Total	<hr/>		<hr/>		<hr/>	<hr/>
	\$ 48,552,577		\$ 50,831,213		\$ 2,278,636	4.69%
					<hr/>	
					\$ 2,278,636	
					(0)	

Note: In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was applied to each member system's 2009 actual billing determinants. The escalation factors used in this proceeding were an outcome of preliminary load forecast projections.

**Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule I  
Residential, Schools, Churches  
R-1**

	2009 Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	267,553	1.22%	270,817	\$ 5.50	\$ 1,489,494	5.12%	270,817	\$ 5.78	\$ 1,565,322	5.12%	\$ 75,828.76	5.09%
Energy charge per kWh	310,906,810	0.43%	312,243,709	\$0.08848	27,627,323	94.88%	312,243,709	\$0.09294	29,019,995	94.88%	1,392,672	5.04%
Total from base rates					<u>29,116,817</u>	100.00%			<u>30,585,317</u>	100.00%	1,468,500	5.04%
Fuel adjustment					284,945				284,945			
Environmental surcharge					<u>1,892,080</u>				<u>1,892,080</u>			
Total revenues					<u>\$ 31,293,842</u>		1,153		<u>\$ 32,762,342</u>		\$ 1,468,500	4.69%
Average Bill					\$ 115.55				\$ 120.98		\$ 5.42	4.69%

**Schedule I  
Marketing Rate  
H-1**

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	1,711	1.22%	1,732	\$ -	\$ -	0.00%	1,732	\$ -	\$ -	0.00%		
Energy charge per kWh	1,128,178	0.43%	1,133,029	\$0.05309	60,153	100.00%	1,133,029	\$0.05577	63,189	100.00%	\$ 3,037	5.05%
Total from base rates					<u>\$ 60,153</u>				<u>\$ 63,189</u>	100.00%	3,037	5.05%
Fuel adjustment					6,360				6,360			
Environmental surcharge					<u>4,372</u>				<u>4,372</u>			
Total revenues					<u>\$70,885</u>				<u>\$ 73,921</u>		3,037	4.28%
Average Bill					\$ 40.93				\$ 42.68		\$ 1.75	4.28%



**Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule II  
Small Commercial and Small Power  
C-1**

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	14,178	1.09%	14,333	\$ 5.50	\$ 78,832	6.01%	14,333	\$ 5.78	\$ 82,845	6.01%	\$ 4,013	5.09%
Demand Charge			0	\$	-	0.00%	0		-	0.00%		
Energy charge per kWh												
0-3000 kWh	6,519,244	2.09%	6,655,496	\$0.09765	649,909	49.54%	6,655,496	\$0.10257	682,654	49.54%	32,745	5.04%
>3000	6,240,747	2.09%	6,371,179	\$0.09152	583,090	44.45%	6,371,179	\$0.09613	612,461	44.45%	29,371	5.04%
Total from base rates					1,311,831	100.00%			1,377,960	100.00%	66,129	5.04%
Fuel adjustment					10,843				10,843			
Environmental surcharge					93,139				93,139			
Total revenues					<u>\$ 1,415,813</u>				<u>\$ 1,481,942</u>		66,129	4.67%
Average Bill					\$ 98.78				\$ 103.39		\$ 4.61	4.67%

**Schedule II  
Small Commercial and Small Power  
C-2**

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	1,733	1.09%	1,752	\$ 5.50	\$ 9,636	1.06%	1,752	\$ 5.78	\$ 10,127	1.06%	\$ 490.56	5.09%
Demand Charge	34,799		34,799	4.05	140,936	15.53%	34,799	4.25	147,896	15.51%	6,960	4.94%
Energy charge per kWh												
0-3000 kWh	958,372	2.09%	978,402	\$0.09765	95,541	10.53%	978,402	\$0.10257	100,355	10.53%	4,814	5.04%
>3000	7,080,763	2.09%	7,228,751	\$0.09152	661,575	72.89%	7,228,751	\$0.09613	694,900	72.90%	33,325	5.04%
Total from base rates					907,688	100.00%			953,277	100.00%	45,589	5.02%
Fuel adjustment					2,145				2,145		-	0.00%
Environmental surcharge					58,055				58,055		-	0.00%
Total revenues					<u>\$ 967,888</u>				<u>\$ 1,013,477</u>		45,589	4.71%
Average Bill					\$ 552.45				\$ 578.47		\$ 26.02	4.71%

**Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule III  
Three Phase Schools and Churches  
E-1**

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	467		467	\$ -	\$ -	0.00%	467	\$ -	\$ -	0.00%		
Energy charge per kWh	17,553,439	2.09%	17,920,306	\$0.08227	1,474,304	100.00%	17,920,306	\$0.08642	1,548,673	100.00%	##### ##	5.04%
Total from base rates					<u>1,474,304</u>	100.00%			<u>1,548,673</u>	100.00%	74,369	5.04%
Fuel adjustment					7,282				7,282		-	0.00%
Environmental surcharge					<u>93,413</u>				<u>93,413</u>		-	0.00%
Total revenues					<u>\$ 1,574,999</u>				<u>\$1,649,368</u>		74,369	4.72%
Average Bill					\$ 3,372.59				\$ 3,531.84		\$ 159.25	4.72%

**Schedule IV  
Large Power-Industrial  
P-1**

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	31		31	\$ -	\$ -	0.00%	31	\$ -	\$ -	0.00%		
Demand Charge	113,240	0.00%	113,240	6.28	711,147	24.36%	113,240	\$ 6.60	747,384	24.37%	\$ 36,237	5.10%
Energy Charge All kWh	39,306,255	2.38%	40,241,744	\$0.05488	2,208,467	75.64%	40,241,744	\$0.05765	2,319,937	75.63%	111,470	5.05%
Total Baseload Charges					<u>\$ 2,919,614</u>	100.00%			<u>\$ 3,067,321</u>	100.00%	147,706	5.06%
Fuel adjustment					33,006				33,006			
Environmental surcharge					<u>180,908</u>				<u>180,908</u>			
Total Revenues					<u>\$ 3,133,528</u>				<u>\$ 3,281,235</u>		147,706	4.71%
Average Bill					\$ 101,081.56				\$ 105,846.28		\$ 4,764.72	4.71%

Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009

Schedule IV-A  
Large Power 50 KW to 2500 KW  
L-1

	2009 Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	961		961	\$ -	\$ -	0.00%	961		\$0	0.00%		
Demand Charge	326,431	0.00%	326,431	4.05	1,322,046	16.23%	326,431	\$ 4.25	\$1,387,331.75	16.22%	\$65,286	4.94%
Energy Charge All kWh	103,051,215	2.38%	105,503,834	\$0.06466	6,821,878	83.77%	105,503,834	\$0.06792	7,165,820	83.78%	343,942	5.04%
Total Baseload Charges					<u>\$ 8,143,923</u>	100.00%			<u>\$ 8,553,152</u>	100.00%	409,229	5.02%
Fuel adjustment					83,653				83,653			
Environmental surcharge					<u>526,448</u>				<u>526,448</u>			
Total Revenues					<u>\$ 8,754,024</u>				<u>\$ 9,163,253</u>		409,229	4.67%
Average Bill					\$ 9,109.29				\$ 9,535.12		\$ 425.84	4.67%

Cumberland Valley  
Billing Analysis  
for the 12 months ended December 31, 2009

Street Lighting and Security Lights  
Outdoor Lighting

	Existing					Proposed					\$ Increase	% Increase	
	Number of Invoices	Total kWh	Current Rate	Annualized Revenues	% Total Revenue	Number of Invoices	Total kWh	Proposed Rate	Annualized Revenues	% Total Revenue			
175 WATT MERCURY VAPOR	70	101,664	7,116,480	\$ 8.36	\$ 849,911	66.80%	101,664	7,116,480	\$ 8.78	\$ 892,610	66.79%	\$ 42,699	5.02%
400 WATT MERCURY VAPOR	140	0	0	12.22	-	0.00%	0	0	12.84	-	0.00%	0	
100 WATT HIGH PRESSURE SODIUM OPEN BOTTOM	70	6,324	442,680	8.38	52,995	4.17%	6,324	442,680	8.80	55,651	4.16%	2,656	5.01%
100 WATT HIGH PRESSURE SODIUM COLONIAL POST	0	0	0	9.39	-	0.00%	0	0	9.86	-	0.00%	0	
100 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	0	300	0	10.07	3,021	0.24%	300	0	10.58	3,174	0.24%	153	5.06%
400 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	140	10,392	1,454,880	16.18	168,143	13.22%	10,392	1,454,880	17.00	176,664	13.22%	8,521	5.07%
400 WATT HIGH PRESSURE SODIUM COBRA HEAD	140	12,252	1,715,280	16.18	198,237	15.58%	12,252	1,715,280	17.00	208,284	15.59%	10,047	5.07%
Street & Security Lights Base Revenue	130,932	10,729,320		\$ 1,272,307	100.00%	130,932	10,729,320		\$ 1,336,383	100.00%	64,076	5.04%	
Surcharge				69,291					69,291				
Total Lighting Revenue				<u>\$ 1,341,597.86</u>					<u>\$ 1,405,673.90</u>		\$ 64,076	4.78%	
				\$ 10.25					\$ 10.74		\$ 0.49	4.78%	



**CUMBERLAND VALLEY ELECTRIC**

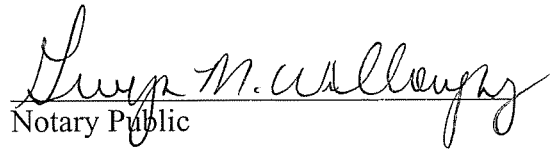
**CASE NO. 2010-00171**

I, Ann F. Wood, hereby certify that one complete copy of the materials filed with the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



Ann F. Wood  
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 27th day of May, 2010.

  
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
NOTARY ID #409352



**NOTICE OF PROPOSED RATE CHANGE**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Cumberland Valley Electric, Inc. of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on May 27, 2010, Case No. 2010-00171. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Cumberland Valley Electric, Inc. The amount and percent of increase by rate class are listed below.

<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
Sch I: Residential, Schools & Churches	\$1,468,500	4.69%
Sch I: H-1 Marketing Rate	\$3,037	4.28%
Sch II: C-1 Small Commercial	\$66,129	4.67%
Sch II: C-2 Small Commercial	\$45,589	4.71%
Sch III: All Three Phase Schools & Churches	\$74,369	4.72%
Sch IV: Large Power – Industrial	\$147,706	4.71%
Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW	\$409,229	4.67%
Sch VI: Outdoor Lighting – Security Lights	\$64,076	4.78%

The effects of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent</u>
Sch I: Residential, Schools & Churches	\$5.42	4.69%
Sch I: H-1 Marketing Rate	\$1.75	4.28%
Sch II: C-1 Small Commercial	\$4.61	4.67%
Sch II: C-2 Small Commercial	\$26.02	4.71%
Sch III: All Three Phase Schools & Churches	\$159.25	4.72%
Sch IV: Large Power – Industrial	\$4,764.72	4.71%
Sch IV-A: Lrg Pwr Rate 50 kW to 2,500 kW	\$425.84	4.67%
Sch VI: Outdoor Lighting – Security Lights	\$0.49	4.78%

The present and proposed rates structures of Cumberland Valley Electric, Inc are listed below:

<b>Rate Class</b>	<b>Present</b>	<b>Proposed</b>
<b>Sch I: Residential, Schools &amp; Churches</b>		
Customer charge per month	\$5.50	\$5.78
All kWh	\$0.08848	\$0.09294
Off-peak marketing rate	\$0.05309	\$0.05577
<b>Sch II: Small Commercial &amp; Small Power</b>		
Single phase customer charge per month	\$5.50	\$5.78
Single phase energy charge – First 3,000 kWh	\$0.09765	\$0.10257
Single phase energy charge – Over 3,000 kWh	\$0.09152	\$0.09613
Three phase customer charge per month	\$5.50	\$5.78
Three phase demand charge per kW	\$4.05	\$4.25
Three phase energy charge – First 3,000 kWh	\$0.09765	\$0.10257
Three phase energy charge – Over 3,000 kWh	\$0.09152	\$0.09613



Rate Class	Present	Proposed
<b>Sch III: All Three Phase Schools &amp; Churches</b>		
All kWh	\$0.08227	\$0.08642
<b>Sch IV: Large Power – Industrial</b>		
Demand charge per kW	\$6.28	\$6.60
All energy per kWh	\$0.05488	\$0.05765
<b>Sch IV-A: Large Power – Industrial</b>		
Demand charge per kW	\$4.05	\$4.25
All energy per kWh	\$0.06466	\$0.06792
<b>Sch V: 1,000 to 2,500 kW</b>		
Consumer charge	\$589.07	\$618.76
Demand charge per kW - Contract	\$5.93	\$6.23
Demand charge per kW – Excess	\$8.61	\$9.04
Energy charge per kWh	\$0.06045	\$0.06350
<b>Sch V-A: Large Power – Industrial</b>		
Consumer charge	\$1,177.04	\$1,236.37
Demand charge per kW - Contract	\$5.93	\$6.23
Demand charge per kW – Excess	\$8.61	\$9.04
Energy charge per kWh	\$0.05345	\$0.05614
<b>Sch VI: Outdoor, Security Lights – rate per month</b>		
Mercury Vapor Lamps		
175 watt	\$8.36	\$8.78
400 watt	\$12.22	\$12.84
Other Lamps (rate per month)		
100 watt Open Bottom	\$8.38	\$8.80
100 watt Colonial Flood	\$9.39	\$9.86
100 watt Directional Flood	\$10.07	\$10.58
400 watt Directional Flood	\$16.18	\$17.00
400 watt Cobra Head	\$16.18	\$17.00

The rates contained in this notice are the rates proposed by Cumberland Valley Electric, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Cumberland Valley Electric, Inc. at the following address:

Cumberland Valley Electric, Inc  
Highway 25E  
Gray, KY 40734  
(606) 589-4421

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.