

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CUMBERLAND)	CASE NO.
VALLEY ELECTRIC, INC. FOR A RATE)	2024-00388
ADJUSTMENT PURSUANT TO 807 KAR 5:078)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO CUMBERLAND VALLEY ELECTRIC, INC.

Cumberland Valley Electric, Inc. (Cumberland Valley Electric), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 29, 2025. The Commission directs Cumberland Valley Electric to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Cumberland Valley Electric shall make timely amendment to any prior response if Cumberland Valley Electric obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Cumberland Valley Electric fails or refuses to furnish all or part of the requested information, Cumberland Valley Electric shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Cumberland Valley Electric shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Exhibit 4, Inclining Block Rate Schedule VII. Confirm whether the First 200 per kWh energy charge of ".109924" is a typographical error. If confirmed, provide the corrected tariff line. If not confirmed, explain why the information does not match the tariff on file.

2. Refer to the Application, Direct Testimony of John Wolfram (Wolfram Direct Testimony), Exhibit JW-3 page 1. Explain how the Pro Forma Rate of Return on Rate Base for the Small Commercial C2 rate class remains 27.83 percent after rate revisions.

3. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-6, page 1, and JW-9, pages 2-9. Provide the following:

a. Explain the difference in the kWh used for each rate class in the Billing Determinants and the kWh used for each rate class in the test year Billing Units.

b. Explain how the proposed kWh Billing Units are calculated. Provide the calculation.

c. Explain the difference in the number of customers used for the TOD, C1, C2, IB, and L1 classes in the Billing Determinants and the number of customers used for the same classes in the test year Billing Determinants.

d. Explain how the proposed number of customers is determined.

4. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-6, page 1 and JW-9, page 10. Explain the difference between the kWh used for the C1, C2, IB, E1, L1, and S classes for the Billing Determinants and the kWh used for the same classes in the Reconciliation of Actual vs. Calculated Billings.

5. Refer to the Application, Direct Testimony of Robert Tolliver (Tolliver Direct Testimony). Page 7.

a. Provide Cumberland Valley Electric's target annual number of miles of right-of-way trimmed per year.

b. If Cumberland Valley Electric has not met its annual targets, explain why not. Additionally, explain whether the U.S. Department of Energy's Office of Clean

Energy Demonstrations (OCED) grant will assist in achieving Cumberland Valley Electric's target miles.

c. State if Cumberland Valley Electric has had any increase in Right-of-Way Expense since the test year. If so, state the reason(s) for any increase and the amount of increase for 2024.

d. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost expended, individually, for each calendar year 2020, 2021, 2022, 2023, and 2024.

e. Provide the expected cost of right-of-way maintenance in 2025.

6. Refer to the Application, Tolliver Direct Testimony, page 6.

a. Provide the contract between Cumberland Valley Electric and Co-Bank.

b. Identify the year that this line of credit was established.

c. If the line of credit is more than two years old, explain whether the line of credit has been renewed and if so, when.

d. If the line of credit is more than one year old, identify any time the line of credit had a \$0 balance owed by month and year.

7. Refer to Cumberland Valley Electric's Response to Deficiency Order at 2.

a. Provide any usage data from the large customer whose service was energized on April 4, 2025.

b. Provide any updates related to this customer, and whether Cumberland Valley Electric is able to propose an adjustment based on the revenues from this customer. Consider this an ongoing request.

8. Provide a detailed explanation of how Cumberland Valley Electric intends to manage its financial resources and maintain its statutorily required duty to provide adequate service despite its projected shortfall of \$542,143.

9. Provide the total number of overtime hours, by month, recorded for employees during the fiscal years 2019 through the present month of 2025. In this response, identify how many of those hours were union employees and non-union employees, as well as provide a summary of the reasons for the overtime.

10. Explain whether overtime hours will be reduced as the result of fulfillment of vacant positions. If so, calculate and provide the impact of the expected reduction in overtime hours to the test year.

11. Refer to the Application, Exhibit JW-2, Schedule 1.09.

a. Provide an explanation for the columns labeled "Other".

b. Provide an explanation detailing the distinction between Overtime hours and Double Time hours. Include in the response the written qualifications or policies for Double Time hours. If not written, then provide an explanation.

c. Confirm that employees listed in lines 1-11 are salaried employees. If this cannot be confirmed, provide a description for those employees similar to the description found in line 14.

d. Confirm that employees listed in lines 35-57 are hourly employees. If this cannot be confirmed, provide a description for those employees similar to the description found in line 14.

e. Confirm there is a calculation error in line 67, columns 15 and 20. If confirmed, provide the corrected information. If not confirmed, explain the calculations in those columns.

f. Provide an explanation for lines 3 and 25 having zero pro forma Regular hours.

12. Refer to the Application, Tolliver Direct Testimony, page 8, lines 4-7. Refer also to the Application, Exhibit JW-2, Schedule 1.09.

a. Provide support for Wages and Salaries Expense being calculated based on an employee level of 57 employees, with 8 employees no longer employed, considering Cumberland Valley Electric employees 44 employees.

b. Provide the number of employees Cumberland Valley Electric needs to be fully staffed.

13. Refer to the Application, Exhibits 12, 13, 14, 16, and 17. Provide the same exhibits and schedules updated for the calendar year ending December 31, 2024.

14. Refer to the Application, Exhibit 27.

a. Confirm that the premium amounts listed are for the test year 2023.

b. Provide the same premium information listed for the calendar year ending December 31, 2024.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED MAY 15 2025

cc: Parties of Record

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