




Cumberland Valley Electric

A Touchstone Energy Cooperative 

October 13, 2008

Ms. Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40601-0615

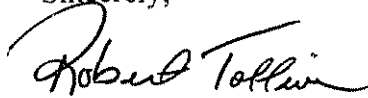
RECEIVED  
OCT 15 2008  
PUBLIC SERVICE  
COMMISSION

Re: Case No. 2008-00161

Dear Ms. Stumbo:

Please find enclosed for filing with the Commission, pursuant to the order dated October 2, 2008 in Case No. 2008-00161, an original and ten copies of Cumberland Valley Electric's tariff for the Demand Side Management Direct Load Control Program, with an effective date of October 2, 2008. Please return a stamped copy of the tariff.

Sincerely,



Robert Tolliver  
Office Manager

Enclosures

Ted Hampton • President & CEO

P.O. Box 440 • Gray, KY 40734

Phone: (606) 528-2677 • (606) 546-9295 • 1-800-513-2677 • FAX: (606) 528-8458

**Direct Load Control of Water Heaters Program**

**Direct Load Control of Air-Conditioners Program**

**Purpose**

The Direct Load Control of Water Heaters and Air Conditioners will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently and defer the construction of new generation.

**Availability**

Both the Direct Load Control of Water Heaters Program and the Direct Load Control of Air Conditioners Program are available to residential customers in the service territories of Cumberland Valley Electric. Availability may be denied where, in the judgment of the Cumberland Valley Electric, installation of the load control equipment is impractical.

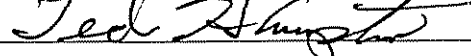
**Eligibility**

To qualify for these Programs, the participant must be located in the service territory of Cumberland Valley Electric and have central air conditioning or heat pump units and/or 40-gallon (minimum) electric water heating units. The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

**Incentive - Direct Load Control of Water Heaters Program**

Cumberland Valley Electric will provide an incentive to the participants in this program. Cumberland Valley Electric will credit the residential power bill of the participant \$10.00 per water heater each year. The participant will receive this credit regardless of whether the water heater is cycled during the month.

DATE OF ISSUE: October 13, 2008 DATE EFFECTIVE: Service rendered on and after October 2, 2008

ISSUED BY  TITLE: President & Chief Executive Officer

Cumberland Valley Electric

**Incentive - Direct Load Control of Air-Conditioners Program**

Cumberland Valley Electric will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, Cumberland Valley Electric will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September). Two, alternatively, EKPC, on behalf of Cumberland Valley Electric, will provide and install at no cost a digital thermostat for the participant. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is controlled during the month.

**Time Period for the Direct Load Control of Water Heaters Program**

A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

East Kentucky Power Cooperative ("EKPC") will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

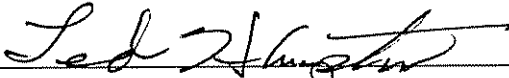
**Time Period for the Direct Load Control of Air Conditioners**

A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified (by cycling the unit off for periods of time up to 7.5 minutes of each 15-minute interval, or by adjusting the temperature setting on the thermostat up to two degrees) to reduce demand on the system.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

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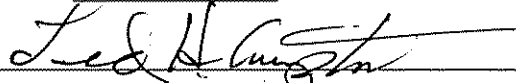
Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2008-00161 Dated: October 2, 2008

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**Terms and Conditions**

1. If a participant decides to withdraw from the program(s) or change to another load control option, Cumberland Valley Electric will endeavor to implement the change as soon as possible.
2. Prior to the installation of load control devices, Cumberland Valley Electric may inspect the participant's electrical equipment to insure good repair and working condition, but Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.
3. EKPC, on behalf of Cumberland Valley Electric, will install, own, and maintain the load management devices controlling the participant's air conditioner or water heater. The participant must allow Cumberland Valley Electric, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Cumberland Valley Electric to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Cumberland Valley Electric's option, result in discontinuance of credits under this tariff until such time as Cumberland Valley Electric is able to gain the required access.

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