

LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



October 03, 2011

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

Subject: Section DSM-5, Commercial & Industrial Advanced Lighting Program
Section DSM-6, Industrial Compressed Air Program

Case No. 2011-00148

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and four copies of updated Demand Side Management (DSM) tariffs for Licking Valley Rural Electric Cooperative Corporation. These tariffs reference demand side programs: Section DSM-5, Commercial & Industrial Advanced Lighting Program and DSM-6, Industrial Compressed Air Program, for service rendered on and after September 30, 2011.

Very truly yours,

Kerry K. Howard
General Manager/CEO

KKH:mn

Enclosures

Licking Valley Rural Electric
Cooperative Corporation

For All Counties Served
P.S.C. No. 34
First Revised Sheet No. 28
Canceling PSC No. 34
Original Sheet No. 28

Section DSM-5

Commercial & Industrial Advanced Lighting Program

Purpose

The Commercial & Industrial Advanced Lighting Program is an energy efficiency program that encourages commercial and industrial customers to install high efficiency lamps and ballasts in their facilities.

Availability

This program is available to commercial and industrial facilities located in all service territory served by EKPC.

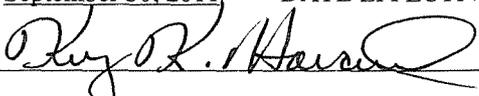
Eligibility

To qualify for the Commercial & Industrial Advanced Lighting Program the customer must be on a retail commercial or industrial rate. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to the Member System. No empty buildings, inactive warehouses, or inactive storage areas shall qualify. The business must be open or have its normal lighting load on for at least 50 hours per week. Retrofits of parking lot lighting, provided on photocell control, are eligible.

Rebate

EKPC and its Member Systems will provide an incentive to the customer of \$213 for each kW of lighting load reduction for businesses open 50 hours a week or more. EKPC will reimburse the Member System an additional \$320 for each kW of lighting load reduction, which is to compensate for lost revenue. For commercial customers, rebates are limited to \$15,000 per upgrade (total of both customer and distribution system rebates) for any facility. For industrial customers, rebates are limited to \$30,000 per upgrade (total of both customer and distribution system rebates) for any facility.

DATE OF ISSUE September 30, 2011 DATE EFFECTIVE: Service rendered on and after September 30, 2011

ISSUED BY  TITLE General Manager\CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2011-00148 Dated September 30, 2011. For All Counties Served

Licking Valley Rural Electric
Cooperative Corporation

Section DSM-5 (cont.)

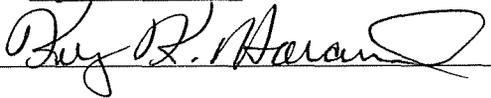
Term

The Commercial & Industrial Advanced Lighting Program is an ongoing program.

Verification Procedure

Qualifying lighting must be identified or documented by EKPC or Member System staff prior to retrofitting. After the customer completes the retrofit, EKPC or Member System staff must verify the installed lighting retrofit. Demand and energy savings will be calculated based on lighting information gathered during the visits. EKPC will utilize the manufacturer's lighting fixture specifications and known measurements to calculate the savings; rebates under this tariff will be paid after these verification procedures are complete.

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For All Counties Served

Licking Valley Rural Electric
Cooperative Corporation

Section DSM-6

Industrial Compressed Air Program

Purpose

The Industrial Advanced Compressed Air Program is a program designed to reduce electricity consumption through a comprehensive approach to efficient production and delivery of compressed air in industrial facilities. The program includes (1) training of plant staff; (2) a detailed system assessment of the plant's compressed air system including written findings and recommendations; and (3) incentives for capital-intensive improvements.

Availability

This program is available to commercial and industrial facilities using electric compressed air applications located in all service territory served by EKPC.

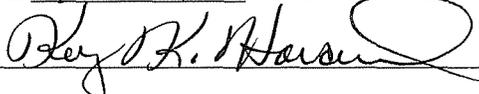
Eligibility

To qualify for the Industrial Compressed Air Program, the customer must be on a retail industrial rate and must be a manufacturing operation with a compressed air system that is turned on during all the operating hours of the facility. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to the Member System.

Rebate

If the customer reduces at least 60% of the compressed air leaks (CFMs), EKPC will reimburse through the Member System to the customer the cost of the original compressed air leakage audit up to \$5,000. The combination of the Member System lost revenue payment and the reimbursement of the compressed air leakage audit costs are limited to \$15,000 for any facility.

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Licking Valley Rural Electric
Cooperative Corporation

Section DSM-6 (con't)

Term

The Industrial Compressed Air Program is an ongoing program.

Verification Procedures

Determination of the amount of leakage reduction:

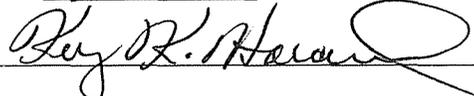
1. The leakage reduction will be determined by the measured reduction in compressed air leakage.
2. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the customer and EKPC. The report will contain an estimate of the amount of excess load in kW that the leaks are causing. The report will include a detail of leaks detected. The detail of leaks and the excess kW load will be based on the criteria for leak reporting.
3. Upon completion of repairs to the system, a follow-up ultrasonic compressed air leakage audit will be conducted for the documented leaks to measure the difference in the kW leakage load. The follow-up audit report will show the net kW leakage saved and results provided to the customer and EKPC. A lost revenue reimbursement will be paid to the Member System based on the difference in the kW leakage load and the cost of the original air-leakage audit will be reimbursed to the customer if a 60% reduction in CFMs air leakage is achieved.

Criteria for leak reporting:

1. The criteria for reporting leaks shall be at the discretion of the auditor. At a minimum the report must detail the leak location, decibels measured, CFM of air leakage, and kW leakage load for each leak and summed for the facility.
 2. The basic rule is that leaks that do not exceed 30 decibels in ultrasonic noise will not be reported or counted in the leakage kW load.
 3. Exceptions to the 30 decibels rule are as follows:
 - a. In a quiet environment with a minimal amount of compressed air, the minimum will drop to between 15 to 20 decibels.
 - b. In a high noise environment, especially with robotic welding, the minimum will be raised to 40 to 50 decibels.
 - c. Distance is also a factor. A 25 decibel leak in a trunk pipe in a 20-foot ceiling, in a noisy environment, will be documented and added to the leakage kW according to the distance.
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