

August 1, 2017

Via Electronic Filing and U.S. Mail

Mr. John S. Lyons
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: *In the Matter of: Application of Cumberland Valley Electric, Inc.
for a General Adjustment of Rates*
PSC Case No. 2016-00169

Executive Director Lyons:

Accompanying this letter in electronic medium is a copy of the Expense Reduction Plan and Report of Cumberland Valley Electric, Inc. ("Cumberland Valley"), dated and verified this same date by Mr. Ted Hampton, Cumberland Valley's President and Chief Executive Officer. This filing is made in compliance with the Order entered by the Commission in the above-styled case on February 6, 2017, and specifically ordering paragraph number 6 thereof.

Pursuant to the Order, the leadership of Cumberland Valley has conducted an extensive, formal evaluation of the cooperative's expenses and, as a result, has identified a number of opportunities to implement cost reduction strategies. The document enclosed herewith details the processes employed by Cumberland Valley and summarizes the cooperative's plan to reduce its costs consistent with principles of prudent utility management. Included as part of the enclosed report/plan is a discussion of the advantages and disadvantages of a merger between Cumberland Valley and another electric utility, as required by the Commission in its Order of February 6, 2017.

Please note that the filenames of the documents hereby submitted electronically are:

This Letter: CVE_Read1st_080117
Expense Reduction Plan/Report: CVE_Expense Reduction Report_080117

One (1) original and six (6) copies of the Expense Reduction Plan and Report are enclosed with this letter in the paper-medium submission made via U.S. mail.

In accordance with 807 KAR 5:001, Section 8, this is to certify that the electronically filed documents (including this "Read1st" letter and the enclosure) are true and accurate copies of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on August 1, 2017; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; that the original of the

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documents transmitted electronically will be filed with the Commission in paper medium within two (2) business days from the date of the electronic filing; and that attached to the top of the paper medium submission is a copy in paper medium of the electronic notification from the Commission confirming receipt of electronic submission.

Please do not hesitate to contact me if you have any questions or concerns.

Respectfully submitted,



Mark David Goss

CC (with enclosure):

Hon. Rebecca W. Goodman
Hon. Kent Chandler
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Enclosures