CUMBERLAND VALLEY ELECTRIC, INC.

Direct Load Control Program – Commercial

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling EKPC to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

The Direct Load Control Program is available to commercial customers in the service territories of Cumberland Valley Electric and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Cumberland Valley Electric, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of Cumberland Valley Electric and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program Cumberland Valley Electric may require that a rental property agreement be executed between the Member System and the owner of the rented commercial property.

Program Incentives

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.



DATE OF ISSUE June	20.	2013
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DATE EFFECTIVE July 20, 2013

ISSUED BY

President & Chief Executive Officer

KENTUCKY PUBLIC SERVICE COMMISSION		
JEFF R. DEROUEN EXECUTIVE DIRECTOR		
TARIFF BRANCH		
Bunt Kirtley		
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CUMBERLAND VALLEY ELECTRIC, INC.

(continued)

<u>Air Conditioners.</u> The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Cumberland Valley Electric will reimburse the participating commercial member at the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

<u>Water Heaters.</u> Cumberland Valley Electric will reimburse the participating commercial member \$10.00 per water heater annually. The participant will receive this credit regardless of whether the water heater is actually controlled.

Time Period for Direct Load Control Program

<u>Air Conditioners.</u> A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR or AMI.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months May through September Hours Applicable for Demand Billing - EPT (T) 10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of six hours during the May through September months indicated below and for a maximum time (T) period of four hours during the October through April months indicated below.

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Hours Applicable for Demand Billing - EPT

6:00 a.m. to 12:00 noon

4:00 p.m. to 10:00 p.m.

10:00 a.m. to 10:00 p.m.

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(continued)

EKPC will cycle the water heaters only during the hours listed below.

Months October through April

May through September

Terms and Conditions

1. 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 the Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.

2. EKPC on behalf of Cumberland Valley Electric, will install, own, and maintain the load management devices controlling the participant's air conditioner unit 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.

3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.

4. If a participant decides to withdraw from the program, Cumberland Valley Electric will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.



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