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PUBLIC SERVICE COMMISSION

May 22, 2008

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: PSC Case No. 2008-00161

Dear Ms. Stumbo:

In accordance with the Commission's Order in Case No. 2008-00161, dated May 16, 2008, enclosed herewith are an original and six (6) copies of the Inter-County Energy Cooperative Corporation tariff sheet for the Demand-Side Management Direct Load Control Program which shows the effective date and approval by authority of the Order.

Inter-County Energy Cooperative Corporation is requesting an effective date of June 2, 2008. Please return a stamped copy of this tariff to me.

If you have any questions about this filing, please feel free to contact me.

Sincerely,

James L. Jacobus President/CEO

Enclosures

CC: All Parties of Record

COMMOWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In The Matter of:

PUBLIC SERVICE COMMISSION

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR A PERMANENT DEMAND-SIDE MANAGEMENT DIRECT LOAD CONTROL PROGRAM

CASE NO. 2008-00161

INTER-COUNTY ENERGY COOPERATIVE CORPORATION

James L. Jacobus, being duly sworn, states that he has supervised the preparation of the retail tariff to offer the Direct Load Control of Water Heaters Program and the Direct Load Control of Air Conditioners Program to residential customers in the service territories of Inter-County Energy Cooperative Corporation for submission to the Public Service Commission of Kentucky in the above-referenced case dated May 16, 2008 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief.

James L.(Jacobus, President/cEO

Inter-County Energy Cooperative Corporation

Subscribed and sworn to before me by James. L. Jacobus as President/CEO of Inter-County Energy Cooperative Corporation this <u>22nd</u> day of May, 2008.

NOTARY PUBLIC
STATE OF KENTUCKY

COUNTY OF BOYLE

My Commission Expires

15, 2009

FOR ENTIRE TERRITORY SERVED

CLASSIFICATION OF SERVICE

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 Inter-County Energy Cooperative Corporation. Availability may be denied where, in the judgment of the Inter-County Energy Cooperative Corporation, installation of the load control equipment is impractical.

Eligibility

To qualify for these Programs, the participant must be located in the service territory of Inter-County Energy Cooperative Corporation 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

Inter-County Energy Cooperative Corporation will provide an incentive to the participants in this program. Inter-County Energy Cooperative Corporation 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: May 22, 2008

DATE EFFECTIVE: Service Rendered On and After June 2, 2008

ISSUED BY 100

ISSUED BY AUTHORITY OF AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00161 DATED MAY 16, 2008

President/CEO

FOR ENTIRE TERRITORY SERVED

Incentive - Direct Load Control of Air-Conditioners Program

Inter-County Energy Cooperative Corporation will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, Inter-County Energy Cooperative Corporation 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 Inter-County Energy Cooperative Corporation, 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.

Months Hours Applicable for Demand Billing - EST

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 15 minutes, or by adjusting the temperature setting on the thermostat) to reduce demand on the system.

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

Months

Hours Applicable for Demand Billing - EST

FOR ENTIRE TERRITORY SERVED

May through September

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

Terms and Conditions

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

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CERTIFICATE OF SERVICE LIST FOR CASE NO. 2008-00161

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