

SALT RIVER ELECTRIC

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May 22, 2008

RECEIVED

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PUBLIC SERVICE COMMISSION

Ms. Stephanie L. Stumbo Executive Director Kentucky Public Service Commission PO 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 are an original and six (6) copies of Salt River Electric Cooperative Corporation's tariff sheet for the Demand-Side Management Direct Load Control Program which shows the effective date and approval by authority of the Order.

Salt River Electric 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 contact this office.

Sincerely,

Larry Hicks

President and CEO

Enclosures

For Entire Territory Served P.S.C. No. 10
Original Sheet No. 167
Canceling P.S.C. No.
Original Sheet No.

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 Salt River Electric Cooperative Corporation (Salt River Electric). Availability may be denied where, in the judgment of the Salt River 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 Salt River 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

Salt River Electric will provide an incentive to the participants in this program. Salt River 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 May 22, 2008 DATE EFFECTIVE: June 2, 2008

ISSUED BY TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00161 Dated May 16, 2008

For Entire Territory Served P.S.C. No. 10
Original Sheet No. 168
Canceling P.S.C. No.
Original Sheet No.

Incentive - Direct Load Control of Air-Conditioners Program

Salt River Electric will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, Salt River 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 Salt River Electric will provide and install at no cost a digital thermostat for the participants. 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
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.

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

May through September 10:00 a.m. to 10:00 p.m.

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

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ISSLIED BY

TITLE President & Chief Executive Officer

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