For: Entire Territory Served P.S.C. No. 7

Original Sheet No. T-27

SOUTH KENTUCKY R.E.C.C. SOMERSET, KENTUCKY 42501

Touchstone Energy Home Program

Purpose

The Touchstone Energy Home Program ("Program") is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

Availability

This program is available in all service territory served by South Kentucky Rural Electric Cooperative Corporation.

Eligibility

To qualify as a Touchstone Energy Home under this program, the participating home must be located in the service territory of South Kentucky Rural Electric Cooperative Corporation and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

Rebate

East Kentucky Power Cooperative, Inc. ("EKPC") and South Kentucky Rural Electric Cooperative Corporation will provide an incentive to retail customers to build or purchase a Touchstone Energy home. South Kentucky Rural Electric Cooperative Corporation may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

Annual Reports

South Kentucky Rural Electric Cooperative Corporation, in coordination with East Kentucky Power Cooperative, Inc., will submit annual reports on the Program that contain the number of participants, the annual costs, including the costs of the rebates, and the status of the rebate provision. South Kentucky Rural Electric Cooperative Corporation, in coordination with EKPC, will file the first report by June 30, 2008, and annually thereafter.

Term

The Touchstone Energy Home Program will remain in effect through 2011. If South Kentucky Rural Electric Cooperative Corporation should decide to continue the entire program beyond 2011, an application for approval from the Kentucky Public Service Commission will be filed, in coordination with EKPC 6 months prior to the date of continuation.

DATE OF ISSUE November 20, 2009 DATE EFFECTIVE: Service rendered on and affect Garden 1, 2010

ISSUED BY Were Lenderson TITLE: President & Chief Executive Officer SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Case No. 2009-00250 Dated November 6, 2009

Executive Director

PUBLIC SERVICE COMMISSION