

Big Sandy Rural Electric Cooperative Corporation
(NAME OF UTILITY)

Section DSM

Community Assistance Resources for Energy Savings Program

Purpose

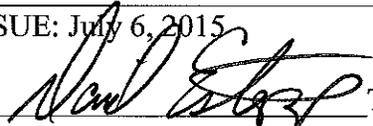
Big Sandy RECC's Community Assistance Resources for Energy Savings ("CARES") program provides an incentive to enhance the weatherization and energy efficiency services provided to its retail members ("end-use member") by the Kentucky Community Action Agency ("CAA") network of not-for-profit community action agencies. On behalf of the end-use member, Big Sandy RECC will pass along an East Kentucky Power Cooperative, Inc. ("EKPC)-provided incentive to the CAA. Big Sandy RECC's program has two primary objectives. First, the EKPC-provided incentive, passed along by Big Sandy RECC to the CAA, will enable the CAA to accomplish additional energy efficiency improvements in each home. Second, this incentive will assist the CAA in weatherizing more homes.

Availability

This U.S. Department of Energy's Weatherization Assistance Program is available to end-use members who qualify for weatherization and energy efficiency services through their local CAA in all service territories served by Big Sandy RECC.

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TITLE President & General Manager

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Case No. Dated

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Eligibility

HOMEOWNER QUALIFICATIONS

- A participant must be an end-use member of Big Sandy RECC.
- A participant must qualify for weatherization and energy efficiency services according to the guidelines of the U.S. Department of Energy's ("DOE") Weatherization Assistance Program administered by the local CAA. Household income cannot exceed the designated poverty guidelines administered by the CAA.
- A participant must dwell in either a Heat Pump-Eligible Home or a Heat Pump-Ineligible Home. For purposes of this tariff:

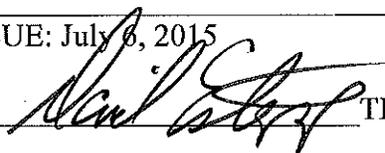
A Heat Pump-Eligible Home is a single family or multi-family individually metered residential dwelling that utilizes electricity as the primary source of heat or that switches from wood as its primary source of heat to an electric furnace; and

A Heat Pump-Ineligible Home is a single family or multi-family individually metered residential dwelling (that does not utilize electricity as the primary source of heat but cools the home with central or window unit air conditioners. Each Heat Pump-ineligible home must also have an electric water heater and use an average of 500 kWh monthly from November to March.

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Payments

HEAT PUMP ELIGIBLE HOMES

Big Sandy RECC will pass along an EKPC-provided incentive to the CAA at the rates detailed below. The maximum incentive possible per household is \$2,000, which can be reached by using any combination of the following improvements not to exceed their individual maximums:

- **HEAT PUMP:**
Upgrading from a low-efficiency electric heat source to a heat pump will be reimbursed at a rate of 100% of the total incremental cost (material + labor) up to a maximum of \$2,000 per household. Incremental cost is the additional cost of upgrading from a low-efficiency electric heat source to a heat pump above and beyond any costs associated with the electric furnace. The existing heat source must be electric (or switching from wood to electric) to qualify.

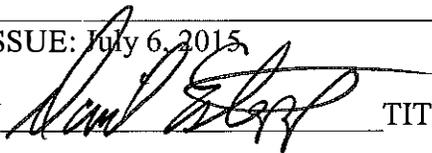
- **WEATHERIZATION IMPROVEMENTS:**
Any of the following weatherization improvements made to the home will be reimbursed at a rate of 50% of a CAAs' cost (material + labor), up to a maximum of \$1,000:
 - Insulation
 - Air sealing
 - Duct sealing, insulating, and repair
 - Water heater blanket

Health and safety measures completed at the home do not qualify for the incentive and documentation required from a CAA must adhere to the program guidelines. Quality assurance sampling will be conducted by Big Sandy RECC at a rate of 10%.

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HEAT PUMP INELIGIBLE HOMES

Big Sandy RECC will pass along an EKPC-provided incentive to the CAA at the rates detailed below. The maximum incentive possible per household is \$750, which can be reached by using any combination of the following improvements not to exceed the maximum:

- **WEATHERIZATION IMPROVEMENTS:**
Any of the following weatherization improvements made to the home will be reimbursed at a rate of 25% of a CAAs' cost (material + labor) up to a maximum of \$750:
 - Insulation
 - Air sealing
 - Duct sealing, insulating, and repair
 - Water heater blanket

Health and safety measures completed at the home do not qualify for the incentive and documentation required from a CAA must adhere to the program guidelines. Quality assurance sampling will be conducted by the owner-member at a rate of 10%.

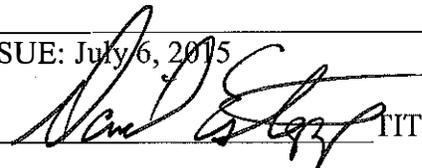
Term

The program is an ongoing program.

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