



October 3, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: East Kentucky Power Cooperative, Inc. Section DSM-8 - Appliance Recycling Program
(New)

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above- referenced tariff.

East Kentucky Power Cooperative, Inc. ("EKPC") is expanding its Demand-Side Management ("DSM") program offerings by introducing the Appliance Recycling Program, a common DSM program for utilities across Kentucky and the United States, where energy-inefficient refrigerator and freezers are picked up and recycled. The EKPC DSM Steering Committee ("Steering Committee"), a committee of EKPC and owner-member cooperative ("owner-member") staff, determined that appliance pickup and recycling is a worthwhile DSM program. Subsequently, the Steering Committee requested and received approval from EKPC executive staff and owner-member CEOs to develop and fund said program pending Commission approval.

Please find attached the California Tests results and the program assumption sheet. The Total Resource Cost (TRC) is over 2.0 while the Rate Impact Measures (RIM) for EKPC is below 1.0. The EKPC RIM is lower than usual because of program design - the Steering Committee felt that consistency with the Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E-KU) program would provide simplicity to the customers across Kentucky and help lower public confusion about program incentive levels. The Steering Committee recommended that we offer the \$50 incentive level per recycled appliance to match the incentive offered by LG&E-KU. While the rebate level designed to drive participation in the appliance recycling program is generous, it results in a lower RIM for EKPC.

The tariff details the end-use cooperative member ("end-use member") incentive level per qualifying appliance type as well as the \$90 transfer payment to the owner-member to offset lost revenues. Also attached for your reference are the detailed program guidelines, which will be available on each participating owner-member's website.

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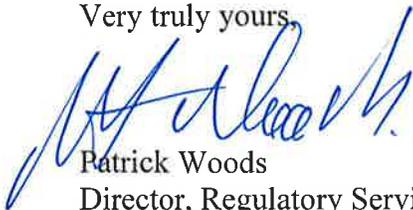
Mr. Jeff Derouen
October 3, 2014
Page Two

EKPC issued a Request for Proposals (“RFP”) to companies considered qualified to oversee and implement this program. All proposals have been evaluated and EKPC is ready to contract with the successful company. That company’s associated program costs are accurately reflected in the TRC and RIM calculations previously mentioned. Because this program is basically a duplication of the LG&E-KU appliance recycling program, the successful company will provide EKPC and the 16 owner-member cooperatives with the same appliance recycling services being provided to LG&E-KU.

Pursuant to KRS 278.180 EKPC must give at least 30-days’ notice to the Commission. Therefore, the proposed effective date of this program will be November 3, 2014. Pursuant to 807 KAR 5:011, EKPC has posted the requisite notice at its office located at 4775 Lexington Road, Winchester, Kentucky and will post the requisite notice on its website, no later than five (5) business days from today’s date, which will include a hyperlink to the Commission’s website where the tariff can be found. EKPC has also given written notice to its 16 owner-members by mailing a copy of the notice and proposed tariff to each of them, on this date.

Please contact me if you have any questions.

Very truly yours,



Patrick Woods
Director, Regulatory Services

Enclosures