



October 8, 2008

Ms. Stephanie L. Stumbo
Executive Director
Public Service Commission
Post Office Box 615
211 Sower Boulevard
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2008-00161

Dear Ms. Stumbo:

Please find enclosed for filing with the Commission, pursuant to the order dated October 2, 2008 in the above-referenced case, an original and ten copies of the East Kentucky Power Cooperative, Inc., tariff for its Revised Rate Schedule- Section DSM-3, with an effective date of October 2, 2008.

Very truly yours,

A handwritten signature in cursive script that reads 'Charles A. Lile'.

Charles A. Lile
Corporate Counsel

Enclosures

Cc: Service List

EAST KENTUCKY POWER COOPERATIVE, INC.

Section DSM - 3

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 EKPC. Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

Eligibility

To qualify for these Programs, the participant must be located in the service territory of a participating Member System 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

EKPC and participating Member Systems will provide an incentive to the participants in this program. EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will annually credit the residential power bill of the participant \$10.00 per water heater. The participant will receive this credit regardless of whether the water heater is cycled.

DATE OF ISSUE October 2, 2008 DATE EFFECTIVE: Service rendered on and after October 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 October 2, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

Incentive - Direct Load Control of Air-Conditioners Program

EKPC and participating Member Systems will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, EKPC will reimburse the participating Member System \$20.00 annually per air conditioner (\$5 per summer months, June, July, August, and September). The participating Member System will, in turn, 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 will provide and install at no cost one or more digital thermostats as needed for control purposes. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is controlled during any program 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.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
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 7.5 minutes of each 15-minute interval, or by adjusting the temperature setting on the thermostat up to two degrees) 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.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
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, the Member Systems will endeavor to implement the change as soon as possible.
2. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
3. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
4. Participants in the Pilot program from Big Sandy RECC and Blue Grass Energy will have the opportunity to participate in this program. Equipment already installed on the premises may be used as part of this program.

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