

Grayson Rural Electric Cooperative Corporation

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December 17, 2008

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PUBLIC SERVICE
COMMISSION

Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P O Box 615
Frankfort, KY 40602-0615

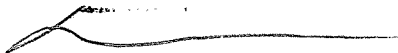
RE: Case No. 2008-00161

Dear Madam:

Please find attached a “corrected” original and six (6) copies of our rate schedule to implement EKPC’s revised “Section DSM-3” Rate Schedule and the provisions of 807 KAR 5:011, Section 3 and 6.

Please return a stamped copy of this tariff to us.

Sincerely,



Don M. Combs
Mgr. Finance & Accounting

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 Grayson Rural Electric. Availability may be denied where, in the judgment of the Grayson Rural 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 Grayson Rural 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

Grayson Rural Electric will provide an incentive to the participants in this program. Grayson Rural 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 October 20, 2008 DATE EFFECTIVE: Service rendered on and after October 2, 2008

ISSUED BY  TITLE President & Chief Executive Officer

Grayson Rural Electric

Incentive - Direct Load Control of Air-Conditioners Program

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

<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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ISSUED BY Carroll Helton 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


For All Counties Served
P.S.C. No. 4
Original Sheet No. 3

Grayson Rural Electric

Terms and Conditions

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

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