FORM FOR FILING RATE SCHEDULES Salt River Electric

FOR ENTIRE TERRITORY SERVED

P.S.C. KY. NO.

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1st Original Sheet No. 113-A

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Original Sheet No.

CLASSIFICATION OF SERVICE

TOUCHSTONE ENERGY HOME PROGRAM

Sch TEHP

APPLICABLE

In all territory served.

SERVICE COMMISSION

AVAILABILTY

TO qualify as a Touchstone Energy Home, the participating home must be located in the service territory of Salt River Electric and meet the Energy Star standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

PURPOSE

The Touchstone Energy Home 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).

REBATE

East Kentucky Power Cooperative, Inc. ("EKPC") and Salt River Electric will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Salt River Electric 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

Salt River Electric will submit annual reports on the program that contain the number of participants, the annual cost, including the costs of the rebates, and the status of the rebate program. Salt River Electric will file the first report by June 30, 2008, and annually thereafter if the program is continued beyond 2009.

TERM

Issued by:

The Touchstone Energy Home Program will remain in effect through 2009. If Salt River Electric should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

Date of Issue: Movemb#r 21, 2007

OF KENTUCKY Tate EffectiveFFSDE Thember 18, 2007

PUBLIC SERVICE COMMISSION

9/18/2007 Title: pBRSJANTTO 8079EAR 5:011

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Kentucky in Case No. 2006-00547

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