

RICHARDSON GARDNER & ALEXANDER

ATTORNEYS-AT-LAW
117 EAST WASHINGTON STREET
GLASGOW, KENTUCKY 42141-2696
writer's e-mail: w/g@rgba-law.com

BOBBY H. RICHARDSON
WOODFORD L. GARDNER, JR.
T. RICHARD ALEXANDER II

(270) 651-8884
(270) 651-2116
FAX (270) 651-3662

November 13, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Farmers Rural Electric Cooperative Corporation, DSM Program - 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.

Farmers Rural Electric Cooperative Corporation ("Farmers") is expanding its DSM program offerings by introducing the Appliance Recycling Program, a common DSM program for utilities across Kentucky and the United States, where old energy-inefficient refrigerator and freezers are picked up and recycled. The EKPC DSM Steering Committee ("Steering Committee"), a committee of EKPC 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.

Because 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 its end-use cooperative members ("end-use members") and help lower public confusion about program incentive levels, it recommended that Farmers offer a \$50 incentive per recycled appliance to match the incentive offered by LG&E-KU. The tariff details Farmers' incentive level per qualifying appliance type. Also attached for your reference are the detailed program guidelines, which will be available on Farmers' website.

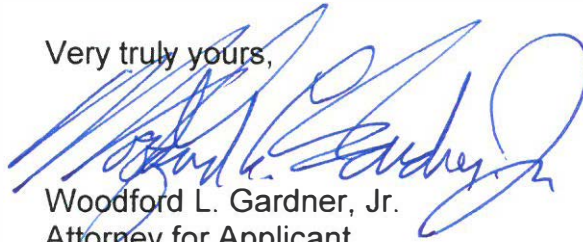
EKPC issued a Request for Proposals to companies considered qualified to oversee this program. All proposals have been evaluated and EKPC is ready to contract with the successful company. Farmers will implement this program per the guidelines established by EKPC. As stated, this program is basically a duplication of the LG&E-KU appliance recycling program. The successful company will provide Farmers with the same appliance recycling services being provided to LG&E-KU.

Mr. Jeff Derouen
November 13, 2014
Page 2

Pursuant to KRS 278.180 Farmers must give at least 30-days' notice to the Commission. Therefore, the proposed effective date of this program will be December 15, 2014. Pursuant to 807 KAR 5:011, Farmers has posted the requisite notice at its office located at 504 South Broadway, Glasgow, Kentucky 42141 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. Pursuant to 807 KAR 5:011 Section 8, Farmers provided notice of this proposed tariff to its end-use members by publishing same in Kentucky Living Magazine on December 2, 2014.

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Woodford L. Gardner, Jr.", is written over the typed name and title.

Woodford L. Gardner, Jr.
Attorney for Applicant

Enclosures

Guidelines for Appliance Recycling Program

PROGRAM DESCRIPTION:

Farmers Rural Electric's Appliance Recycling Program ("ARP") is designed to promote the retirement and recycling of inefficient appliances from residential homes by offering a turn-in incentive for working equipment. Qualifying residential end-use cooperative members ("end-use members") are eligible to have their old, inefficient refrigerator or freezer removed at no cost and will be rewarded with a \$50 incentive per appliance. Refrigerators and freezers removed from homes in this program will be properly recycled in an environmentally responsible manner.

AVAILABILITY:

This program is available to all residential end-use members of Farmers Rural Electric.

ELIGIBILITY:

The ARP is available to end-use members of Farmers Rural Electric and must meet the following guidelines:

- Must be a residential end-use member of Farmers Rural Electric.
- End-use member must own the appliance(s) being turned in for recycling.
- Qualifying refrigerators and freezers must be full-size (Must be between 7.75 and 30 cubic feet capacity).
- Qualifying refrigerators and freezers must be plugged in, operational, working and cooling when collection team arrives.
- Appliance must be empty and have a clear path for removal.
- Appliance must be picked up from the service address on the end-use member's billing account
- At the request of the end-use member, the pick-up driver may recycle non-qualifying units while recycling a qualifying unit. The driver may choose to recycle any additional non-qualifying units at no cost to the end-use member; however, there will be no end-use member rebate for the pick-up of any non-qualifying unit. No pick-up will be scheduled solely for non-qualifying units. Non-qualifying units are appliances having refrigerants that are either non-working refrigerators or freezers or non-qualifying appliances (i.e. window air conditioners, etc.).
- End-use members may recycle up to 2 qualifying units per metered account per calendar year

LANDLORD/TENANT RELATIONSHIPS:

Notwithstanding the forgoing, a landlord who owns a qualifying appliance that is used by a tenant who is an end-use member of Farmers Rural Electric shall also be eligible to participate in the ARP program regardless of whether said landlord is also an end-use member of Farmers Rural Electric. A landlord may be eligible for a maximum of 2 incentives per metered tenant end-user's account per calendar year.

PARTICIPATION PROCESS:

End-use members seeking to have a qualifying appliance picked up and recycled may enroll in the program through the following process.

1. End-use member calls a toll-free number or schedules online via a portal on Farmers Rural Electric's website. The portal will be developed and managed by the contractor.
2. End-use member provides their account information to contractor's Customer Service Representative ("CSR") or via website. Contractor will verify eligibility.
3. If and when eligibility is confirmed by the contractor, the contractor schedules a pick up date/time and assigns a work order # to that job:
 - Contractor will provide a convenient selection of appointment times for appliance pick-up: Tuesday thru Saturday from 8:00 a.m. to 6:00 p.m. (Early

morning and evening hours can be arranged when lighting permits, particularly between the summer and fall equinox)

- Day prior to pick-up, contractor CSR calls the end-use member to remind them of the scheduled pick-up and that the unit must be working and cool.
- Day of pick-up, driver calls end-use member approximately 30 minutes prior to arrival
- Person at end-use member address must be 18 or older
- Contractor ensures appliance is eligible – working and cool, 7.75- 30 CF
- End-use member signs pickup acknowledgment and driver permanently disables appliance
- Within four (4) weeks, contractor issues the rebate check printed with Farmers Rural Electric's logo.

PAYMENTS:

Qualifying end-use members will receive \$50 per qualifying unit recycled.

TERM:

The ARP program is an ongoing program.

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.005

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Appliance Recycling Program

PURPOSE

The Appliance Recycling Program (“ARP”) offers an incentive for the removal and recycling of old energy-inefficient refrigerators and freezers resulting in lower energy consumption at the participating residences.

AVAILABILITY

This program is available in all territories served by Farmers Rural Electric.

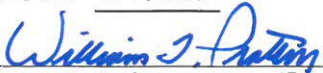
ELIGIBILITY

This program is targeted to existing single-family, multi-family, and manufactured homes that currently have old energy-inefficient refrigerators or freezers. The residential end-use cooperative member (“end-use member”) may be eligible for this incentive by offering an existing refrigerator or freezer, subject to detailed eligibility requirements, to be picked-up and recycled. Detailed eligibility requirements are available at Farmers Rural Electric and on Farmers Rural Electric’s website. General eligibility requirements are:

- Must be a residential end-use member of Farmers Rural Electric
- End-use member must own the appliance(s) being turned in for recycling.
- End-use member must be eligible for the incentive – maximum 2 per metered account per calendar year
- Appliance must be between 7.75 and 30 cubic feet
- Appliance must be plugged in, operational, working and cooling when collection team arrives
- Appliance must be empty and have a clear path for removal
- Appliance must be picked up from the service address on the end-use member’s billing account

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.006

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Appliance Recycling Program (cont.)

LANDLORD/TENANT RELATIONSHIPS

Notwithstanding the forgoing, a landlord who owns a qualifying appliance that is used by a tenant who is an end-use member of Farmers Rural Electric shall also be eligible to participate in the ARP program regardless of whether said landlord is also an end-use member of Farmers Rural Electric. A landlord may be eligible for a maximum of 2 incentives per metered tenant end-user's account per calendar year.

PAYMENT

The end-use member will receive a \$50 incentive (rebate) per qualifying appliance from either Farmers Rural Electric or its designated ARP contractor.

TERM

The program is an ongoing program.

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

RICHARDSON GARDNER & ALEXANDER

ATTORNEYS-AT-LAW
117 EAST WASHINGTON STREET
GLASGOW, KENTUCKY 42141-2696
writer's e-mail: wlg@rgba-law.com

BOBBY H. RICHARDSON
WOODFORD L. GARDNER, JR.
T. RICHARD ALEXANDER II

(270) 651-8884
(270) 651-2116
FAX (270) 651-3662

November 13, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Farmers Rural Electric Cooperative Corporation, DSM Program, ENERGY STAR® Appliances Program (New)

Dear Mr. Derouen:

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

Farmers Rural Electric Cooperative Corporation ("Farmers") is expanding its Demand-Side Management ("DSM") program offerings by introducing the ENERGY STAR® appliance program, a common DSM rebate program offered by utilities across Kentucky and the United States that offers incentives to purchase applicable ENERGY STAR® appliances. The EKPC DSM Steering Committee ("Steering Committee"), a committee of EKPC and owner-member cooperative ("owner-member") staff, has determined that the ENERGY STAR® appliance program is a worthwhile DSM program. Subsequently, the Steering Committee received approval from EKPC executive staff and owner-member CEOs to develop and fund said program pending Commission approval.

Because 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 its end-use cooperative members ("end-use members") and help lower public confusion about program incentive levels, it recommended that Farmers offer rebate levels for each applicable appliance type that match the rebates offered by LG&E- KU.

The tariff details the end-use cooperative member ("end-use member") incentive (rebate) levels per ENERGY STAR® appliance type as well as the transfer payment to the owner-member to cover lost revenues. Also, attached for your reference, are the detailed program guidelines, which will be available on each participating owner-member's website. As stated in the guidelines, the end-use member who wishes to apply for an ENERGY STAR® appliance rebate may do so by completing the rebate application that can be: 1) downloaded from their owner-member's website, 2) filled-out through an online portal on their owner-member's website, or 3) in person at their owner-member's office. The

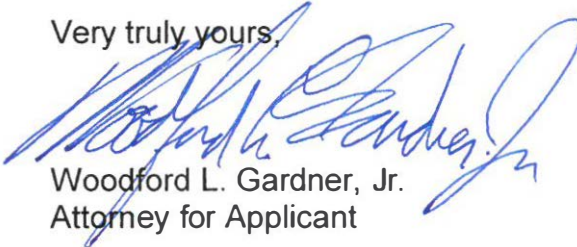
Mr. Jeff Derouen
November 13, 2014
Page 2

appliance verification as a qualifying ENERGY STAR® appliance, the end-use member qualifications per the program guidelines, and the incentive(rebate) payment will be handled by a 3rd party contractor. EKPC issued an RFP for these services as part of the RFP issued for the Appliance Recycling Program (Section DSM – 8: Appliance Recycling Program), and the same contractor will provide services for both the Appliance Recycling Program and the ENERGY STAR® appliance program.

Pursuant to KRS 278.180 Farmers must give at least 30-days' notice to the Commission. Therefore, the proposed effective date of this program will be December 15, 2014. Pursuant to 807 KAR 5:011, Farmers has posted the requisite notice at its office located at 504 South Broadway, Glasgow, Kentucky 42141 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. Pursuant to 807 KAR 5:011 Section 8, Farmers provided notice of this proposed tariff to its end-use members by publishing same in Kentucky Living Magazine on December 2, 2014.

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Woodford L. Gardner, Jr.", is written over the typed name and title.

Woodford L. Gardner, Jr.
Attorney for Applicant

Enclosures

ENERGY STAR® APPLIANCES PROGRAM GUIDELINES

PROGRAM DESCRIPTION:

Farmers Rural Electric's Energy Star Appliance Program ("ESAP") provides an incentive to residential end-use cooperative members ("end-use members") to purchase and install ENERGY STAR® certified appliances.

AVAILABILITY:

This program is available to all residential end-use members of Farmers Rural Electric Cooperative Corporation.

PAYMENTS:

Residential end-use members of Farmers Rural Electric will receive the following incentive for installing ENERGY STAR® certified appliances:

Refrigerator	\$100
Freezer	\$50
Dishwasher	\$50
Clothes Washer	\$75
Heat Pump Water Heater	\$300
ASHP Upgrade (specify)	\$300
Air Conditioning (Central)	\$300

ELIGIBILITY:

Residential end-use members of Farmers Rural Electric may receive an incentive for appliances that meet the following guidelines:

- Product must be certified by EPA as an ENERGY STAR® Appliance. Eligible models can be found on ENERGYSTAR.GOV.
- Product must be purchased after December 15, 2014.
- Product must be fully installed and operational.
- Rebate application must be completed and original receipt or copy must be provided for verification.
- Receipt must include the following information:
 - Retailer's Name
 - Itemized listing of product(s), including description(s), manufacturer(s), model number(s) or other identifying information. The receipt information must match the product information from the rebate application.
 - Purchase price and proof that full payment was made
 - Purchase date and date of delivery or installment (if installed by a contractor)

- For new construction, a Farmers Rural Electric energy advisor (“energy advisor”) may enter the rebate application on behalf of the end-use member. For an application entered by the energy advisor, the application must be accompanied by a picture of the appliance model number and serial number. Rebate applications for new constructions, without a receipt, will only be accepted through an energy advisor.

Refrigerators & Freezers

- Refrigerators must be greater than 7.75 cubic feet in capacity.
- End-use members may apply for one ENERGY STAR® certified refrigerator and one ENERGY STAR® certified freezer rebate per calendar year per member metered account. A maximum of two rebates within this appliance category (Refrigerators and Freezers) will be allowed per metered account.

Dishwashers

- End-use members may apply for one ENERGY STAR® certified dishwasher rebate per premise/location per calendar year. A maximum of two rebates within this appliance category (Dishwashers) will be allowed per premise/location.

Clothes Washers

- End-use members may apply for one ENERGY STAR® certified clothes washer rebate per calendar year per metered account. A maximum of two rebates within this appliance category (Clothes Washers) will be allowed per metered account.

Heat Pump Water Heaters

- End-use members may apply for two ENERGY STAR® certified heat pump water heater rebates per calendar year per premise/location. A maximum of four rebates within this appliance category (Heat Pump Water Heaters) will be allowed per premise/location.

Air Conditioners and Heat Pumps

- Rebate application must be completed, signed and returned with an original or copy of the receipt and the AHRI certificate obtained from the HVAC installer.
 - AHRI certificate must list model numbers for the condenser unit (outside unit) and evaporator coil (indoor unit).
- End-use members may apply for up to three ENERGY STAR® certified heat pump or air conditioner rebates per calendar year per premise/location. A maximum of six rebates within this appliance category (Air Conditioners and Heat Pumps) will be allowed per premise/location.

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.001

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

ENERGY STAR® Appliances Program

PURPOSE

The Farmers Rural Electric ENERGY STAR® Appliances Program offers an incentive for reducing the energy consumed by household appliances. The end-use cooperative member ("end-use member") may qualify for this incentive (rebate) by purchasing an ENERGY STAR® qualifying appliance type listed in this tariff.

AVAILABILITY

This program is available in all territories served by Farmers Rural Electric.

ELIGIBILITY

This program is targeted to new single or multi-family homes, existing single or multi-family homes or manufactured homes purchasing ENERGY STAR® appliances. Eligibility requirements are detailed below and are available at Farmers Rural Electric and on the Farmers Rural Electric's website.

- Product must be certified by EPA as an ENERGY STAR® Appliance. Eligible models can be found on ENERGYSTAR.GOV.
- Product must be purchased after December 15, 2014
- Product must be fully installed and operational.
- Rebate application must be completed and original receipt or copy must be provided for verification.

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY William J. Priddy

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.002

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

ENERGY STAR® Appliances Program (Cont.)

- Receipt must include the following information:
 - Retailer's Name
 - Itemized listing of product(s), including description(s), manufacturer(s), model number(s) or other identifying information. The receipt information must match the product information from the rebate application.
 - Purchase price and proof that full payment was made
 - Purchase date and date of delivery or installment (if installed by a contractor)
 - For new construction, a Farmers Rural Electric energy advisor ("energy advisor") may enter the rebate application on behalf of the end-use member. For an application entered by the energy advisor, the application must be accompanied by a picture of the appliance model number and serial number. Rebate applications for new constructions, without a receipt, will only be accepted through an energy advisor.

Refrigerators & Freezers

- Refrigerators must be greater than 7.75 cubic feet in capacity.
- End-use members may apply for one ENERGY STAR® certified refrigerator and one ENERGY STAR® certified freezer rebate per calendar year per member metered account. A maximum of two rebates within this appliance category (Refrigerators and Freezers) will be allowed per metered account.

Dishwashers

- End-use members may apply for one ENERGY STAR® certified dishwasher rebate per premise/location per calendar year. A maximum of two rebates within this appliance category (Dishwashers) will be allowed per premise/location.

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY William J. Prater
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.003

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

ENERGY STAR® Appliances Program (Cont.)

Clothes Washers

- End-use members may apply for one ENERGY STAR® certified clothes washer rebate per calendar year per metered account. A maximum of two rebates within this appliance category (Clothes Washers) will be allowed per metered account.

Heat Pump Water Heaters

- End-use members may apply for two ENERGY STAR® certified heat pump water heater rebates per calendar year per premise/location. A maximum of four rebates within this appliance category (Heat Pump Water Heaters) will be allowed per premise/location.

Air Conditioners and Heat Pumps

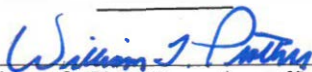
- Rebate application must be completed, signed and returned with an original or copy of the receipt and the AHRI certificate obtained from the HVAC installer.
 - AHRI certificate must list model numbers for the condenser unit (outside unit) and evaporator coil (indoor unit).
- End-use members may apply for up to three ENERGY STAR® certified heat pump or air conditioner rebates per calendar year per premise/location. A maximum of six (6) rebates within this appliance category (Air Conditioners and Heat Pumps) will be allowed per premise/location.

LANDLORD/TENANT RELATIONSHIPS:

Notwithstanding the forgoing, a landlord who rents to a tenant who is an end-use member of Farmers Rural Electric shall also be eligible to participate in the ESAP program regardless of whether said landlord is also an end-use member of Farmers Rural Electric. A landlord may be eligible for the same number of incentives per calendar year as a metered tenant end-use member.

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 97.004

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

ENERGY STAR® Appliances Program (Cont.)

PAYMENTS

Farmers Rural Electric will provide an incentive (rebate) payment to the end-use member as noted in the following table:

Appliances	End-Use Member Rebate
Refrigerator	\$100
Freezer	\$50
Dishwasher	\$50
Clothes Washer	\$75
Heat Pump Water Heater	\$300
Air Source Heat Pump	\$300
Air Conditioner (Central)	\$300

TERM

The program is an ongoing program.

DATE OF ISSUE: 11-14-2014

DATE EFFECTIVE: 12-15-2014

ISSUED BY *William J. Patton*
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____