


# Shelby Energy Cooperative

® Your Touchstone Energy® Partner 

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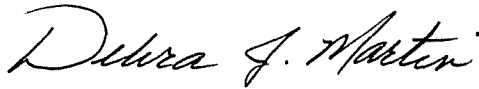
October 13, 2011

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and ten copies of additions to Shelby Energy Cooperatives, Inc. tariffs. These tariffs reference new demand side programs offered in 2011.

Sincerely,



Debra J. Martin  
President and CEO

Enclosures

DM/bsj

SHELBY ENERGY COOPERATIVE, INC.

**Section DSM-5**

(N)

**Commercial & Industrial Advanced Lighting Program**

**Purpose**

The Commercial & Industrial Advanced Lighting Program is an energy efficiency program that encourages commercial and industrial members to install high efficiency lamps and ballasts in their facilities.

**Availability**

This program is available to commercial and industrial facilities located in all service territory served by Shelby Energy Cooperative, Inc.

**Eligibility**

To qualify for the Commercial & Industrial Advanced Lighting Program the member must be on a retail commercial or industrial rate. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment. No empty buildings, inactive warehouses, or inactive storage areas shall qualify. The business must be open or have its normal lighting load on for at least 50 hours per week. Retrofits of parking lot lighting, provided on photocell control, are eligible.

**Rebate**

Shelby Energy Cooperative, Inc. will provide an incentive to the member of \$213 for each kW of lighting load reduction for businesses open 50 hours a week or more. For commercial members, rebates are limited to \$6,000 for any facility. For industrial members, rebates are limited to \$12,000 for any facility.

**Term**

The Commercial & Industrial Advanced Lighting Program is an ongoing program.

**Verification Procedure**

Qualifying lighting must be identified or documented by Shelby Energy Cooperative, Inc. and/or Envision Services prior to retrofitting. After the customer completes the retrofit, Shelby Energy Cooperative, Inc. staff must verify the installed lighting retrofit. Demand and energy savings will be calculated based on lighting information gathered during the visits. Shelby Energy Cooperative, Inc. will utilize the manufacturer's lighting fixture specifications and known measurements to calculate the savings; rebates under this tariff will be paid after these verification procedures are complete.

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DATE OF ISSUE October 13, 2011    DATE EFFECTIVE: September 30, 2011

ISSUED BY: *Debra J. Martin*    TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2011-00148    Dated: September 30, 2011

SHELBY ENERGY COOPERATIVE, INC.

**Section DSM-6**

(N)

**Industrial Compressed Air Program**

**Purpose**

The Industrial Advanced Compressed Air Program is a program designed to reduce electricity consumption through a comprehensive approach to efficient production and delivery of compressed air in industrial facilities. The program includes (1) training of plant staff; (2) a detailed system assessment of the plant's compressed air system including written findings and recommendations; and (3) incentives for capital-intensive improvements.

**Availability**

This program is available to commercial and industrial facilities using electric compressed air applications located in all service territory served by Shelby Energy Cooperative, Inc.

**Eligibility**

To qualify for the Industrial Compressed Air Program, the member must be on a retail industrial rate and must be a manufacturing operation with a compressed air system that is turned on during all the operating hours of the facility. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to Shelby Energy Cooperative, Inc.

**Rebate**

If the member reduces at least 60% of the compressed air leaks (CFMs), Shelby Energy Cooperative, Inc. will reimburse to the member the cost of the original compressed air leakage audit up to \$5,000.

**Term**

The Industrial Compressed Air Program is an ongoing program.

**Verification Procedures**

Determination of the amount of leakage reduction:

1. The leakage reduction will be determined by the measured reduction in compressed air leakage.

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Section DSM-6 (con't)

(N)

2. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the member and Shelby Energy Cooperative, Inc. The report will contain an estimate of the amount of excess load in kW that the leaks are causing. The report will include a detail of leaks detected. The detail of leaks and the excess kW load will be based on the criteria for leak reporting.
3. Upon completion of repairs to the system, a follow-up ultrasonic compressed air leakage audit will be conducted for the documented leaks to measure the difference in the kW leakage load. The follow-up audit report will show the net kW leakage saved and results provided to the member and Shelby Energy Cooperative, Inc.

Criteria for leak reporting:

1. The criteria for reporting leaks shall be at the discretion of the auditor. At a minimum the report must detail the leak location, decibels measured, CFM of air leakage, and kW leakage load for each leak and summed for the facility.
2. The basic rule is that leaks that do not exceed 30 decibels in ultrasonic noise will not be reported or counted in the leakage kW load.
3. Exceptions to the 30 decibels rule are as follows:
  - a. In a quiet environment with a minimal amount of compressed air, the minimum will drop to between 15 to 20 decibels.
  - b. In a high noise environment, especially with robotic welding, the minimum will be raised to 40 to 50 decibels.
  - c. Distance is also a factor. A 25 decibel leak in a trunk pipe in a 20-foot ceiling, in a noisy environment, will be documented and added to the leakage kW according to the distance.

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