

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

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 10 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

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 Shelby Energy Cooperative. Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

Eligibility

To qualify for these Programs, the participant must be located in the service territory of Shelby Energy Cooperative 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

Shelby Energy Cooperative will provide an incentive to the participants in this program. Shelby Energy Cooperative 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.

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ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer
PURSUANT TO 807 KAR 5:011

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PUBLIC SERVICE COMMISSION OF KENTUCKY	
<small>EFFECTIVE</small>	
<small>PURSUANT TO 807 KAR 5:011</small>	
By <u><i>Stephanie Hunter</i></u>	<small>Executive Director</small>

Shelby Energy Cooperative, Inc.

Incentive - Direct Load Control of Air-Conditioners Program

Shelby Energy Cooperative will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, Shelby Energy Cooperative 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 Shelby Energy Cooperative 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 15 minutes, or by adjusting the temperature setting on the thermostat) 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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By Stephanie Hunter
Executive Director

Shelby Energy Cooperative, Inc.

Terms and Conditions

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

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Executive Director