

Shelby Energy Cooperative, Inc

Section DSM – 3(a)

Direct Load Control Program – Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, 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.

The Direct Load Control Program is available to residential customers in the service territory of Shelby Energy Cooperative and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

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

Eligibility

To qualify for this Program, the participant must be located in the service territory of Shelby Energy Cooperative and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented residence.

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8/1/2009
PURSUANT TO 807 KAR 0011
SECTION 9 (1)
By [Signature]
Executive Director

e Officer

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

Shelby Energy Cooperative, Inc

Program Incentives

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

Water Heaters. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. Shelby Energy Cooperative will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative 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).

Alternative Two. EKPC, on behalf of Shelby Energy Cooperative, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through Shelby Energy Cooperative, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

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By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Pool Pumps. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

Time Periods for Direct Load Control Program.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

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.

Air Conditioners and Heat Pumps. 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 to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

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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Pool Pumps. A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

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Executive Director

For All Counties Served

P.S.C. No. 5

Original Sheet No. 99

Shelby Energy Cooperative, Inc

Terms and Conditions

1. 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.

2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow Shelby Energy Cooperative, or their representative, 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.

3. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.

4. If a participant decides to withdraw from the program or change incentive alternatives, Shelby Energy Cooperative will endeavor to implement the change as soon as possible.

5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

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