

CANCELLED  
JAN 01 2013  
KENTUCKY PUBLIC  
SERVICE COMMISSION

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 59

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE DSM - 5  
INDUSTRIAL COMPRESSED AIR PROGRAM

Availability

Available to industrial customers using electric compressed air applications.

Purpose

The Industrial 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.

Eligibility

To qualify for the Industrial Compressed Air Program the industrial customers 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 operation for at least two years prior to January 1, 2011, and be current on its power bill payment to the Cooperative.

Terms and Conditions

If the customer reduces at least 60% of the compressed air leaks (CFMs), EKPC will reimburse through the Cooperative to the customer the cost of the original compressed air leakage audit up to \$5,000. The combination of reimbursement by EKPC to the Cooperative for lost revenue and the reimbursement of the compressed air leakage audit costs are limited to \$15,000 for any facility.

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.
2. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the customer, the Cooperative and EKPC. 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 will be based on the criteria for leak reporting.

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN CASE NO. 2011-00148 DATED September 30, 2011

Date of Issue: October 3, 2011

Date Effective: Sep

Issued By: *Donald Schaefer* President & CEO

JEFF R. DEROUEN

EXECUTIVE DIRECTOR

TARIFF BRANCH

EFFECTIVE

9/30/2011

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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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 customer, the Cooperative and EKPC. A lost revenue reimbursement will be paid to the Cooperative by EKPC based on the difference in the kW leakage load and the cost of the original air-leakage audit will be reimbursed to the customer if a 60% reduction in CFMs air leakage is achieved.

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 and 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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