

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

SHEET NO. 61

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

**RATES AND CHARGES**

**Commercial/Industrial Compressed Air Program**

**Purpose**

The Commercial/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 included (1) training of plant staff; (2) a detailed system assessment (audit) of the plant's compressed air system including written findings and recommendations;

**Availability**

This program is available to commercial and industrial facilities using electric compressed air applications located in all service territory served by Farmers RECC.

**Eligibility**

To qualify for the Commercial/Industrial Compressed Air Program, the customer must be on a retail commercial/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 Farmers RECC.

**Rebate**

If the customer reduces at least 60% of the compressed air leaks (CFMs) determined by an audit performed by Envision Energy Services, a subsidiary of East Kentucky Power Cooperative. Farmers RECC will reimburse to the customer the cost of the original compressed air leakage audit up to \$5,000.

DATE OF ISSUE: November 30, 2011 DATE EFFECTIVE: Service Rendered on or after September 30, 2011

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

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2011-00148 Dated: September 30, 2011

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| <b>KENTUCKY<br/>PUBLIC SERVICE COMMISSION</b>  |
| <b>JEFF R. DEROUEN<br/>EXECUTIVE DIRECTOR</b>  |
| <b>TARIFF BRANCH</b>                           |
| <u>Brent Kirtley</u>                           |
| <b>EFFECTIVE<br/>9/30/2011</b>                 |
| <b>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</b> |

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**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**RATES AND CHARGES**

**Commercial/Industrial Compressed Air Program**

**Audit Criteria**

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.

**Term**

The Industrial Compressed Air Program is an ongoing program contingent upon our wholesale power supplier East Kentucky Power Cooperative being an active participant in the program.

**Verification Procedures**

Determination of the amount of leakage reduction:

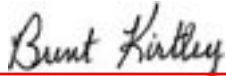
1. The leakage reduction will be determined by the measured reduction in compressed air leakage.

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Case No. 2011-00148 Dated: September 30, 2011

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| KENTUCKY<br>PUBLIC SERVICE COMMISSION   |
| <del>OFFERED FOR</del><br>EXECUTIVE DIRECTOR  |
| STAFF BRANCH  |
|  |
| EFFECTIVE:<br><b>9/30/2011</b>  |
| PURSUANT TO 807 KAR 5:011 SECTION 9 (1)   |

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**RATES AND CHARGES**

**Commercial/Industrial Compressed Air Program**

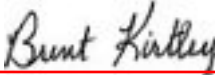
2. The leakage reduction will be determined by the measured reduction in compressed air leakage.
3. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the customer and EKPC. The report will contain an estimate of the amount of excess load in kW that the leaks are causing. The report will include a detail of leaks detected. The detail of leaks and the excess kW load will be based on the criteria for leak reporting.
4. 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 and Farmers RECC.
4. 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.
5. 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.
6. Exceptions to the 30 decibels rule are as follows:
  - d. In a quiet environment with a minimal amount of compressed air, the minimum will drop to between 15 to 20 decibels.
  - e. In a high noise environment, especially with robotic welding, the minimum will be raised to 40 to 50 decibels.
  - f. 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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| <b>KENTUCKY<br/>PUBLIC SERVICE COMMISSION</b>   |
| <b>JEFF DEBOEN<br/>EXECUTIVE DIRECTOR</b>   |
| <b>TARIFF BRANCH</b>  |
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| <b>EFFECTIVE<br/>9/30/2011<br/>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</b>            |