

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 103

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

CANCELLING P.S.C. KY. NO. 9

SHEET NO. _____

RATES AND CHARGES

Section DSM – 3(b)

Direct Load Control Program – Commercial

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

The Direct Load Control Program is available to commercial customers in the service territories of Farmers Rural Electric Cooperative Corporation (“Farmers RECC”) and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Farmers RECC, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of Farmers RECC and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Farmers RECC may require that a rental property agreement be executed between the Member System and the owner of the rented commercial property.

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DATE EFFECTIVE: 06-15-2013

ISSUED BY William S. Partridge
TITLE: President & Chief Executive Officer

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

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| KENTUCKY PUBLIC SERVICE COMMISSION |
| JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| TARIFF BRANCH <i>Brent Kirtley</i> |
| EFFECTIVE 6/15/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |

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Program Incentives

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Farmers RECC will reimburse the participating commercial member at the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. Farmers RECC will reimburse the participating commercial member \$10.00 per water heater annually. The participant will receive this credit regardless of whether the water heater is actually controlled.

Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit 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 or AMI.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months
May through September

Hours Applicable for Demand Billing - EPT
10:00 a.m. to 10:00 p.m.

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TITLE: President & Chief Executive Officer

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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. |

Terms and Conditions

1. Prior to the installation of load control devices, Farmers RECC may inspect the participant's electrical equipment to insure good repair and working condition, but Farmers RECC shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Farmers RECC, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Farmers RECC, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Farmers RECC to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Farmers RECC's option, result in discontinuance of credits under this tariff until such time as Farmers RECC is able to gain the required access.

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3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.

4. If a participant decides to withdraw from the program, Farmers RECC will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

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