

RE: Demand Load Management (DLM) Program

To Whom It May Concern:

The Demand Load Management (DLM) Program will start on June 20. Western Farmers Electric Cooperative (WFEC) will continue to provide AEC notification of when WFEC is calling a peak day during the DLM season. As always this will take the guesswork out on AEC's behalf and allow the member owners fewer days that they will have to control.

We will be using the same format as in the past. You will find more information in *Figure 2*. All 3-phase accounts will see an estimated demand charge of \$8.40 per KW as well as your customer charge of \$50 per month. You will also have an energy charge of \$.06 for all KWH's. You will see a \$6.00 per KW credit, which in *Figure 1* you'll see an example and explanation. AEC is committed to our members and we will continue providing this program to you as long as feasible.

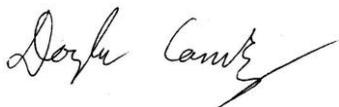
Peak day hours are observed between the hours of 4:00 p.m. and 6:00 p.m., Central Daylight Savings Time, on any day (excluding Sundays and holidays) from June 20 through September 9. The time frame stated allows the consumer to operate their load 22 hours a day on peak days. Consumers have the flexibility of calling our main office or signing up to receive a text to see if running during DLM time is permitted. The message will be updated by 1:00pm each day. AEC has provided the following toll-free #, which is 1-888-736-3837 then ask for ext. #123, or for a quicker response call 580-366-4582 ext. #123 and you will be informed by a recorded message whether or not it is a peak day.

If you have added any new accounts that may need to be on the DLM/Rate 8 program, please let us know and we will get a contract out to you.

All DLM accounts will be responsible for paying a \$40 annual meter read fee. This fee will be added to your January billing statement.

After you have reviewed this material, and you still have questions, please feel free to give me a call.

Sincerely,



Douglas Conrady

Figure 1

This is an **example** of a typical three phase motor load that elected to control their usage during the peaking time frame. As you will see, it paid off with substantial savings.

| <u>The Three peaking times</u> | | | <u>CP</u> | <u>NCP</u> |
|--------------------------------|---------------|---------------|------------------------------|----------------------------------|
| <u>5-6 PM</u> | <u>5-6 PM</u> | <u>5-6 PM</u> | Demand set during peak hours | Demand set during non-peak hours |
| 34 | 34 | 34 | | |
| 34 | 34 | 34 | | |
| 34 | 34 | 34 | | |
| 34 | 34 | 34 | | |
| 34 + | 34 + | 34 | = 102 / 3 = 34 KW | 73 KW |

For this particular consumer to load control, they lowered their demand 39 KW. Therefore the following occurred:

On a three-day average the consumer hit a coincident peak (CP) of 34 KW during the peaking time frame. During this month the consumer hit us with a non-coincidental peak (NCP) of 73 KW, which we will not be utilizing in our calculation.

If this consumer was not on the DLM Program he would be paying 73 KW x \$8.40, which is \$613.20 per month or \$7,358.40 per year, just for demand alone. If the consumer is on the DLM program the demand is reduced to 34 KW x \$8.40. The result would be \$285.60 per month or \$3427.20 per year. We take the difference of your NCP minus your CP, which in this case is (73 KW – 34 KW) = 39 KW and multiply it by \$2.40. The billed amount for the difference will be (39 KW x \$2.40) = \$93.60 per month or \$1123.20 per year.

Finally to show where this program pays off.

\$ 7358.40
 \$(3427.20)
\$(1123.20)
\$ 2808.00 savings per year

Note: This is only an example of what you may see. Results may vary with certain loads.

If this account totally controlled their load or hit us with zero (0) on these three days then they would have **saved** [\$7358.40 – {(73 KW x [\$8.40 – 6.00]) x 12}] = \$5256.00.

Peak day history:

- DLM 2015, 8 total days were called, 3 peak days were 7/24/15 from 4-5 PM, 8/07/15 from 5-6 PM, and 8/08/15 from 5-6 PM
- DLM 2014, 4 total days were called, 3 peak days were 8/22/14 from 5-6 PM, 7/26/14 from 4-5 PM, and 8/23/14 from 5-6 PM
- DLM 2013, 3 total days were called, 3 peak days were 8/05/13 from 5-6 PM, 8/06/13 from 5-6 PM, and 8/31/13 from 4-5 & 5-6 PM
- DLM 2012, 6 total days were called, 3 peak days were 8/01/12 from 5-6 PM, 8/02/12 from 5-6 PM, and 7/31/12 from 6-7 PM