RE: Demand Load Management (DLM) Program

To Whom It May Concern:

The Demand Load Management (DLM) Program will start on June 19. 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 1* for 3 phase accounts and in *Figure 2* for single phase accounts. 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. All single phase commercial accounts will see an estimated demand charge of $8.40 per KW as well as your customer charge of $21 per month. There will also be normal energy charges per kWh for your respective rates. You will see a $6.00 per KW credit, as shown in the examples below. AEC is committed to our members and we will continue providing this program to you as long as feasible.

Peak day hours are observed anytime between the hours of 4:00 p.m. and 6:00 p.m., Central Daylight Savings Time, on any day (excluding 4th of July and Labor Day) from June 20 through September 9. 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. These calls may only be made after 1:00 p.m.

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 processing 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.

The Three peaking times			**CP** Demand set during peak hours	**NCP** Demand set during non-peak hours
5-6 PM	**5-6 PM**	**5-6 PM**		
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 NCP demand of 73 is multiplied by $8.40. The result would be $613.20 per month or $7,358.40 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 $6.00. The credit amount for the difference will be (39 KW x $6.00) = $234.00 per month or $2808.00 per year.

Finally to show where this program pays off.

$ 7358.40 total paid in demand if not on the DLM program
$(2808.00) savings per year on the DLM Program
$ 4550.40 total paid for demand while on the DLM program

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

Peak day history:

DLM 2016, 6 total days were called, 3 peak days were 7/23/16 from 5-6 PM, 7/22/16 from 5-6 PM, and 7/21/16 from 5-6 PM
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

Figure 2

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

The Three peaking times			**CP**	**NCP**
5-6 PM	**5-6 PM**	**5-6 PM**	Demand set during peak hours	Demand set during non-peak hours
20	20	20		
20	20	20		
20	20	20		
20	20	20		
20 +	20 +	20	= 60 / 3 = **20 KW**	40 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 20 KW during the peaking time frame. During this month the consumer hit us with a non-coincidental peak (NCP) of 40 KW, which we will not be utilizing in our calculation.

If this consumer was **not** on the DLM Program he would be paying 35 KW x $8.40 plus 5 KW x $2.00, which is $304.00 per month or $3,648.00 per year, just for demand alone.
If the consumer is **on** the DLM program the NCP demand of 40 is multiplied by $8.40. The result would be $336.00 per month or $4,032.00 per year. We take the difference of your NCP minus your CP, which in this case is (40 KW – 20 KW) = 20 KW and multiply it by $6.00. The credit amount for the difference will be (20 KW x $6.00) = $120.00 per month or $1,440.00 per year.

Finally, to show where this program pays off.

$ 3,648.00 total paid in demand if not on the DLM program
$(1,440.00) savings per year on the DLM Program
$ 2,208.00 total paid for demand while on the DLM program

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

Peak day history:

DLM 2016, 6 total days were called, 3 peak days were 7/23/16 from 5-6 PM, 7/22/16 from 5-6 PM, and 7/21/16 from 5-6 PM
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