

Mark David Goss
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August 5, 2011

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PUBLIC SERVICE
COMMISSION

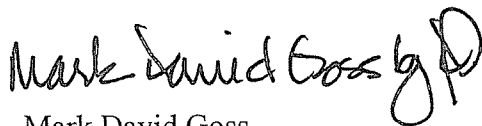
Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: PSC Case No. 2011-00148

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and six copies East Kentucky Power Cooperative, Inc. and certain member systems' responses to Commission Staff's First Information Request dated April 29, 2011.

Very truly yours,



Mark David Goss

Cc: Parties of Record

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	

**RESPONSES TO COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.**

DATED APRIL 29, 2011

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

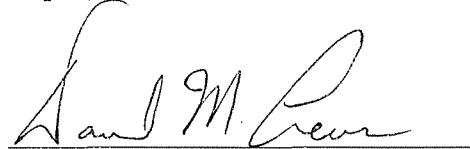
IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	

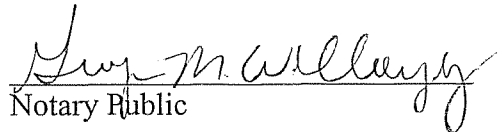
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

David M. Crews, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 5th day of August, 2011.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F. Wood

Subscribed and sworn before me on this 5th day of August, 2011.

Greg M. Wilber
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

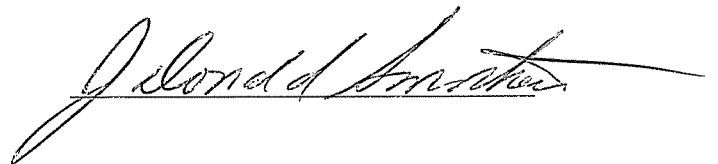
IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	


CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF JESSAMINE)

J. Donald Smothers, being duly sworn, states that he has supervised the preparation of the responses of Blue Grass Energy Cooperative Corporation to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 2 day of August, 2011.


 Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	

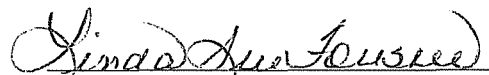
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF BARREN)

William T. Prather, being duly sworn, states that he has supervised the preparation of the responses of **Farmers Rural Electric Cooperative Corporation** to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 7th day of August, 2011.


Notary Public ID# 446566
My Commission Expires 7-30-2015

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

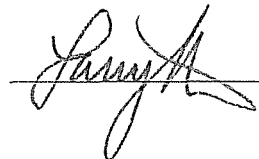
IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES)	

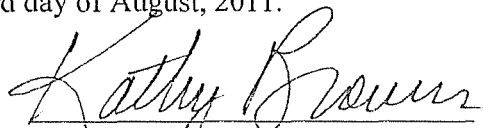
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF NELSON)

Larry Hicks, being duly sworn, states that he/she has supervised the preparation of the responses of Salt River Electric Cooperative Corporation to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of his/her knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 3rd day of August, 2011.



Notary Public
Exp. 12-16-14

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE)
MANAGEMENT TARIFFS BY EAST KENTUCKY) CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS) 2011-00148
MEMBER DISTRIBUTION COOPERATIVES)

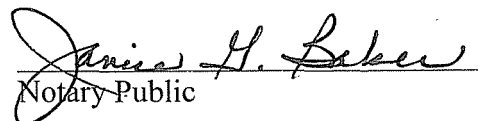
CERTIFICATE

STATE OF KENTUCKY)
COUNTY OF Pulaski)

D. Stephen Johnson, being duly sworn, states that he/she has supervised the preparation of the responses of South Kentucky Rural Electric Cooperative Corporation to the Public Service Commission Staff's Requests for Information contained in the Appendix in the above-referenced case dated April 29, 2011, and that the matters and things set forth therein are true and accurate to the best of his/her knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 4th day of August, 2011.



Notary Public

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2011-00148
APPENDIX
FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11
REQUEST 1

RESPONSIBLE PARTY: David M. Crews
COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to East Kentucky's Dual Fuel Program tariff, Section DSM-4, which provides for rebates of \$2,500 from East Kentucky to its member distribution cooperatives for each retail customer that meets the heating replacement criteria. Was it East Kentucky's intent that the full \$2,500 rebate would be passed on by the distribution cooperatives to the qualifying retail customer? If no, explain in detail the reasons why the full amount will not be passed on to the retail customer. The explanation should include the following:

- a. An analysis of how the rebate amount of \$2,500 was determined;
- b. The projected costs to each distribution cooperative to participate in the Dual Fuel Program;
- c. The potential savings to each distribution cooperative from each retail customer that qualifies for a rebate; and
- d. An analysis of the number of retail customers that will participate in the Dual Fuel Program at varying rebate levels to the retail customer of \$300 up to \$2,500.

Response 1. Please note that EKPC has recently undertaken and completed a comprehensive reevaluation of the necessity, effectiveness and likely utilization of the Dual Fuel Program tariff. This reevaluation has resulted in EKPC filing a Motion to Withdraw Dual Fuel Tariff (Section

DSM-4), on August 2, 2011. This Motion to Withdraw is currently pending before the Commission.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 2

RESPONSIBLE PARTY: David M. Crews

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Refer to the March 31, 2011 tariff filing, Attachment 1, Page 1 of 2. At the bottom of the page, under the section titled "Rebates," does the statement "Co-op to participant \$3000" mean that East Kentucky's intent is for the retail participant to receive a \$3,000 rebate from the supplying distribution cooperative? If no, explain the meaning of the quoted phrase. Clark Energy, Cumberland Valley, Nolin, Owen Electric, Shelby Energy, and Taylor County shall respond to the following question.

Response 2. Please note that EKPC has recently undertaken and completed a comprehensive reevaluation of the necessity, effectiveness and likely utilization of the Dual Fuel Program tariff. This reevaluation has resulted in EKPC filing a Motion to Withdraw Dual Fuel Tariff (Section DSM-4), on August 2, 2011. This Motion to Withdraw is currently pending before the Commission.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 3

RESPONSIBLE PARTY: David M. Crews

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Clark Energy, Cumberland Valley, Nolin, Owen Electric, Shelby Energy, and Taylor County shall respond to the following question. Explain in detail why the full amount of the \$2,500 rebate received from East Kentucky under the Dual Fuel Program will not be passed on to the participating retail customer. The explanation should include an analysis of costs incurred by the distribution cooperative to participate in the program.

Response 3. Please note that EKPC has recently undertaken and completed a comprehensive reevaluation of the necessity, effectiveness and likely utilization of the Dual Fuel Program tariff. This reevaluation has resulted in EKPC filing a Motion to Withdraw Dual Fuel Tariff (Section DSM-4), on August 2, 2011. This Motion to Withdraw is currently pending before the Commission.

The member systems have filed a letter in support of EKPC's motion.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

**COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11
REQUEST 4**

RESPONSIBLE PARTY: **Ann F. Wood**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. Please note that EKPC has recently undertaken and completed a comprehensive reevaluation of the necessity, effectiveness and likely utilization of the Dual Fuel Program tariff. This reevaluation has resulted in EKPC filing a Motion to Withdraw Dual Fuel Tariff (Section DSM-4), on August 2, 2011. This Motion to Withdraw is currently pending before the Commission.

The member systems have filed a letter in support of EKPC's motion.

Please see the member systems' responses to Request 4 as follows:

Blue Grass Energy Cooperative Corporation - Page 2 of 6

Farmers Rural Electric Cooperative Corporation - page 3 of 6

Fleming-Mason Energy Cooperative - page 4 of 6

Salt River Electric Cooperative Corporation - page 5 of 6

South Kentucky Rural Electric Cooperative Corporation - page 6 of 6

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 4

RESPONSIBLE PARTY: J. Donald Smothers

COMPANY: Blue Grass Energy Cooperative Corporation

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. Blue Grass Energy did not file tariffs for Section DSM-5 and Section DSM-6 as proposed by East Kentucky Power Cooperative, Inc. at this time. Blue Grass Energy agrees with DSM programs and is in the process of cost justifying each rebate program to meet the needs of Blue Grass Energy and its members. Upon completion of the cost analysis, if it shows that these programs are cost effective and beneficial to its members, Blue Grass Energy will file tariffs in the near future.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 4

RESPONSIBLE PARTY: William T. Prather

COMPANY: Farmers Rural Electric Cooperative Corporation

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. Farmers Rural Electric Cooperative Corporation ("Farmers") has full intentions to file a tariff to offer these demand side management ("DSM") programs to our members. In the development of its wholesale tariff, EKPC used average numbers for member distribution power costs, administration and promotion costs. Farmers has not yet completed its analysis and determination as to what degree its unique costs may vary from those EKPC system average costs. Farmers already offers an array of energy efficiency programs to its members and plans to offer these programs too. Farmers had originally planned to file a tariff with the Commission as soon as possible, but now that the Commission has opened this case, Farmers may await the finalization of the case so that we may better understand the Commission's perspective and expectations.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 4

RESPONSIBLE PARTY: Joni Hazelrigg

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. Fleming-Mason has historically participated in demand side management programs offered through East Kentucky Power and plans to continue to do so. Fleming-Mason has not filed individual tariffs for each of these programs in the past and has always passed the full amount of the rebates offered by EKPC on to our participating member. Fleming-Mason intends to evaluate future programs offered through EKPC and participate in programs that offer the most benefit to our members. At this time, Fleming-Mason is evaluating the proposed DSM-5 and DSM-6 tariffs, and will file individual tariffs if required by the Commission to do so.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 4

RESPONSIBLE PARTY: Larry Hicks

COMPANY: Salt River Electric Cooperative Corporation

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. Salt River Electric Cooperative Corporation (Salt River) plans to perform an analysis of East Kentucky Power Cooperative's DSM tariffs after they are approved by the Public Service Commission. This analysis will include, but will not be limited to, whether these DSM programs are in the interest of Salt River's member-owners.

If these programs prove to be in the interest of Salt River's member-owners, Salt River will then decide on the mechanical and administrative resources to manage the programs. This may result in changes in the amount of the incentive to members who participate in these programs. Then Salt River will file the appropriate tariffs before we pay any incentives.

If Salt River determines that the programs are not in the interest of its member-owners, Salt River will not file a tariff.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2011-00148

APPENDIX

FIRST INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 04/29/11

REQUEST 4

RESPONSIBLE PARTY: D. Stephen Johnson

COMPANY: South Kentucky Rural Electric Cooperative Corporation

Request 4. Blue Grass, Farmers, Fleming-Mason, Salt River, and South Kentucky shall respond to the following question. Explain in detail why you have not filed a tariff to adopt and offer to your retail customers the programs set forth by East Kentucky in its proposed tariffs designated as Section DSM-4, Section DSM-5, and Section DSM-6.

Response 4. South Kentucky has participated in DSM type programs since the early 1980's. South Kentucky was in the process of preparing and filing a rate case with the Public Service Commission at the time responses were needed in EKPC's tariff filing. South Kentucky did not have the necessary time to determine if the DSM programs in EKPC's tariff filing were beneficial to South Kentucky's membership. Once it is determined if an EKPC DSM program is beneficial to South Kentucky's members and South Kentucky is required to file a DSM tariff, then South Kentucky will do so.