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Linda Breathitt
Commissioner

October 5, 2012

PARTIES OF RECORD

Re: Case No. 2012-00356
Tariff of Jackson Purchase Energy Corporation to Implement Demand-Side
Management Programs

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502-564-3940, Extension 256.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director


QN/kar

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney 

DATE: October 3, 2012

RE: Case No. 2012-00356
Tariff of Jackson Purchase Energy Corporation to Implement Demand-Side Management Programs

Pursuant to a Staff Notice dated September 28, 2102, an informal conference was held at the Commission's offices on October 3, 2012. A list of the attendees is attached hereto.

The purpose of the conference was to discuss any potential issues relating to this case. Because Jackson Purchase Energy Corporation ("Jackson Purchase") is proposing to implement only seven of the ten demand-side management ("DSM") programs being offered by Big Rivers Electric Corporation ("Big Rivers"), Jackson Purchase's wholesale power supplier, Commission Staff inquired as to the reasons why Jackson Purchase decided to not include the following Big Rivers' DSM programs as part of its proposed DSM portfolio: (1) Residential Weatherization Program; (2) Commercial/Industrial General Energy Efficiency Program; and (3) Residential Weatherization Program – Primary Heating Source Non-Electric.

Regarding the residential weatherization programs, Jackson Purchase indicated that its board of directors is taking a wait and see approach due to very low participation levels during the pilot phase. Jackson Purchase further indicated that the potential contractor that it would retain to conduct the energy assessment and audit is located in Indianapolis, Indiana and advised that there would need to have a higher level of participation in order for the contractor's services to be cost-effective. Although Jackson Purchase has identified several other more local contractors who are certified in weatherization, the company indicated that it will, for the time being, monitor the progress of the weatherization program efforts of Meade County Rural Electric Cooperative Corporation and Kenergy Corp. and continue to increase the level of participation in its own service territory before making a final decision on whether to implement the weatherization programs.

Concerning the commercial and industrial general energy efficiency program, Jackson Purchase stated that it is now considering to implement this particular program given that Big Rivers is now willing to perform the energy audit. Jackson Purchase informed that it did not have the internal labor expertise to conduct such an energy

audit, but that since Big Rivers is now willing to perform this function Jackson Purchase would consider implementing the program.

There being no further discussions, the informal conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF JACKSON PURCHASE) CASE NO.
ENERGY CORPORATION TO IMPLEMENT) 2012-00356
DEMAND-SIDE MANAGEMENT PROGRAMS)

October 3, 2012

Please sign in:

NAME	REPRESENTING
<u>Quang D. Nguyen</u>	<u>PSC</u>
<u>Bob Russell</u>	<u>PSC</u>
<u>JEFF JOHNSON</u>	<u>PSC</u>

Via Teleconference

<u>Kelly Nuckols</u>	<u>Jackson Purchase</u>
<u>David Denton</u>	<u>Jackson Purchase</u>
<u>Chuck Williamson</u>	<u>Jackson Purchase</u>
<u>Izel White</u>	<u>Jackson Purchase</u>
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