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JUL 21 2015

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K. Timothy Kline\*\*

July 20, 2015

Via Federal Express

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: Big Rivers Electric Corporation's DSM Tariff Filing,  
Case No. 2015-00118

Dear Mr. Derouen:

Enclosed for filing are an original and three (3) copies of Big Rivers Electric Corporation's responses to the Public Service Commission Staff's second request for information in the above-referenced matter. I certify that on this date, a copy of this letter and a copy of the responses were served on all parties of record by first-class mail.

Sincerely,



Tyson Kamuf

TAK/lm  
Enclosures

cc. DeAnna Speed

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**ORIGINAL**



Your Touchstone Energy® Cooperative 

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JUL 21 2015

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

THE TARIFF FILING OF	)	
BIG RIVERS ELECTRIC CORPORATION	)	Case No.
TO REVISE AND IMPLEMENT DEMAND-	)	2015-00118
SIDE MANAGEMENT PROGRAMS	)	

Responses to the Commission Staff's Second Request for Information  
dated  
July 7, 2015

FILED: July 21, 2015

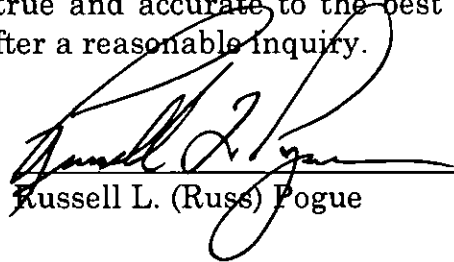
**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**

**THE TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
TO REVISE AND IMPLEMENT  
DEMAND-SIDE MANAGEMENT PROGRAMS  
CASE NO. 2015-00118**

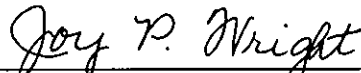
**VERIFICATION**

I, Russell L. (Russ) Pogue, verify, state, and affirm that I prepared or supervised the preparation of my responses to data requests filed with this Verification, and that those responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

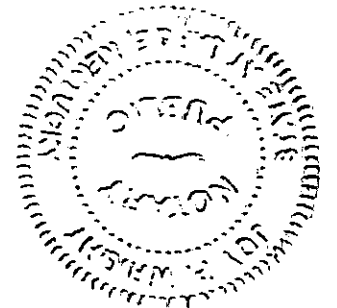
  
Russell L. (Russ) Pogue

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Russell L. (Russ) Pogue on this the 17 day of July, 2015.

  
Notary Public, Ky. State at Large  
My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
My Commission Expires: July 3, 2018  
ID 513528



**BIG RIVERS ELECTRIC CORPORATION**

**THE TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
TO REVISE AND IMPLEMENT  
DEMAND-SIDE MANAGEMENT PROGRAMS  
CASE NO. 2015-00118**

**Response to the Commission Staff's Second Request for Information  
dated  
July 7, 2015**

**July 21, 2015**

1 **Item 1)** *Refer to Big Rivers' response to the Commission Staff's First*  
2 *Request for Information ("Staff's First Request"), Item 1.d.*

3

4 *a. The maximum reimbursement amount is \$1,480 for electric-*  
5 *heated homes in the DSM-13 Residential Weatherization A*  
6 *La Carte Program ("DSM-13"), and \$3,190 for the DSM-05*  
7 *Residential Weatherization Program Electric Heat ("DSM-*  
8 *05"). The maximum reimbursement amount is \$730 for gas-*  
9 *heated homes in the DSM-13 program and \$1,465 for gas-*  
10 *heated homes in the DSM-10 Residential Weatherization*  
11 *Program Non-Electric Heat ("DSM-10"). Provide the*  
12 *breakdown of items included in the \$2,500 and \$1,000 in*  
13 *Weatherization Measures listed for DSM-5 and DSM-10,*  
14 *respectively, compared to DSM-13.*

15 *b. Since a Member cannot participate in both DSM-05 and*  
16 *DSM-13 or both DSM-10 and DSM-13, explain whether Big*  
17 *Rivers will add those non duplicate items, specifically CFL*  
18 *Bulbs, Low-Flow Aerator, and Low-Flow Shower Head, to*  
19 *the menu of choices for DSM-13.*

20

21

22 **Response)**

23 *a. Weatherization measures undertaken in the DSM-5 Program and*  
24 *DSM-10 Program are based on current conditions in each*

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1 individual home. These weatherization measures may include air  
2 sealing of the building envelope, duct sealing, attic insulation, and  
3 insulation of the remaining thermal boundary. As such, there are  
4 no specific amounts reserved for each of these weatherization  
5 measures within the \$2,500 of the DSM-05 Program and the  
6 \$1,000 of the DSM-10 Program.

7 b. Energy efficient lights, which could include CFL bulbs, are  
8 included in the site visit component of the DSM-13 Program. (See  
9 footnote a. of item 4 under Terms & Conditions of Original Sheet  
10 No. 23.02.) Low-Flow Aerators and Low-Flow Shower Heads are  
11 not included in the DSM-13 Program. At this time, Big Rivers  
12 does not plan on including these measures in the DSM-13  
13 Program.

14

15

16 **Witness)** Russell L. Pogue

17

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1 **Item 2)** *Refer to the response to Staff's First Request, Item 4.a. Explain*  
2 *whether the "up to" language will be included in the tariffs of Big Rivers'*  
3 *Member cooperatives, or if such language is intended to allow the*  
4 *Members to establish their own amounts "up to" the threshold.*

5

6 **Response)** The Member Cooperatives may add the "up to" language to their  
7 respective tariffs to mirror Big Rivers tariff language; this language insertion  
8 would allow the Members to establish their own, respective thresholds at any level  
9 below the "up to" amount. Currently, Kenergy Corp. is the only Big Rivers  
10 Member that has chosen to pursue the language change in its tariff.

11

12

13 **Witness)** Russell L. Pogue

14

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1 **Item 3)** *Refer to the response to Staff's First Request, Item 4.b. To*  
2 *adjust incentive levels to meet demand, explain whether the Member*  
3 *cooperatives will have to file tariff changes.*

4

5 **Response)** It is Big Rivers' belief that Big Rivers and its Member Cooperatives  
6 will be able to adjust incentive levels without filing a tariff change as long as the  
7 incentive level does not exceed the "up to" amount in the Commission-approved  
8 tariff.

9

10

11 **Witness)** Russell L. Pogue

12

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1 **Item 4)** *Big Rivers' existing DSM program tariffs (P.S.C. KY No. 27,*  
2 *Original, Sheet Nos. 2.01 through 23) include language stating that*  
3 *Members' promotional programs and their costs must be pre-approved by*  
4 *Big Rivers in order to qualify for reimbursement. This language was*  
5 *removed from the proposed tariff pages, but was included parenthetically*  
6 *in "DSM Tariffs - Incentives to Member Cooperatives." State whether the*  
7 *language was intentionally removed and explain why. If the deletion was*  
8 *unintentional, provide revised tariff pages showing inclusion of the*  
9 *language.*

10

11 **Response)** The pre-approval requirement for promotional activities was deemed  
12 unnecessary by Big Rivers management and was removed at the request of one of  
13 the Member Cooperatives. However, when that change was made, Big Rivers  
14 inadvertently failed to revise the schedule entitled *DSM Tariff - Incentives to*  
15 *Member Cooperatives*. Attached hereto is a revised schedule reflecting that  
16 change, *i.e.*, showing 'No' in the Proposed Rate column for the line items entitled  
17 'Pre-Approval of Reasonable Promotional Costs.'

18

19

20 **Witness)** Russell L. Pogue

21



**Big Rivers Electric Corporation**  
**DSM Tariffs - Incentives to Member Cooperatives**  
**Revision** Filed : July 21, 2015

Tariff	Program	Current Rate	Proposed <sup>1</sup> Rate	Increase (Decrease) \$	Increase (Decrease) %
1	DSM-01 High Efficiency Lighting Replacement (Rural Customers) <i>Pre-Approval of Reasonable Promotional Costs</i>	Cost of Bulbs Yes	Cost of Bulbs <i>No</i>		
2	DSM-02 ENERGY STAR® Clothes Washer Replacement Incentive <i>Pre-Approval of Reasonable Promotional Costs</i>	\$100 Yes	\$100 <i>No</i>	\$0	0%
3	DSM-03 ENERGY STAR® Refrigerator Replacement Incentive <i>Pre-Approval of Reasonable Promotional Costs</i>	\$100 Yes	\$100 <i>No</i>	\$0	0%
4	DSM-04 Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Geothermal Dual Fuel Air Source <i>Pre-Approval of Reasonable Promotional Costs</i>	\$750 \$500 \$200 Yes	\$750 \$500 \$200 <i>No</i>	\$0 \$0 \$0	0% 0% 0%
5	DSM-05 Residential Weatherization Initial Site Visit (Formerly Initial Audit) <sup>2</sup> Installed CFL (limit of 20) Installed Low-Flow Aerator (limit of 2) Installed Low-Flow Shower Head (limit of 1) Diagnostic Audit Upon Completion of Weatherization Process <sup>2</sup> Diagnostic Audit If Weatherization Process Isn't Completed <sup>2</sup> 50% of Total Implemented Weatherization Measures Total Maximum Implemented Weatherization Measures <sup>3</sup> <i>Pre-Approval of Reasonable Promotional Costs</i>	\$150 \$3 \$10 \$10 \$450 \$350 No \$2,500 Yes	\$150 \$3 \$10 \$10 \$450 \$350 No \$2,500 <i>No</i>	\$0 \$0 \$0 \$0 \$0 \$0 \$0	0% 0% 0% 0% 0% 0% 0%

**Big Rivers Electric Corporation**  
**DSM Tariffs - Incentives to Member Cooperatives**  
Revision Filed : July 21, 2015

Tariff	Program	Current Rate	Proposed <sup>1</sup> Rate	Increase (Decrease) \$	Increase (Decrease) %
6	DSM-06 Touchstone Energy® New Home Geothermal Heat Pump Air Source Heat Pump Dual Fuel Heat Pump Gas Heat <i>Pre-Approval of Reasonable Promotional Costs</i>	\$2,000	\$2,000	\$0	0%
		\$1,000	\$1,000	\$0	0%
		\$1,200	\$1,200	\$0	0%
		\$750	\$750	\$0	0%
		Yes	No		
7	DSM-07 Residential and Commercial HVAC & Refrigeration Tune-Up Residential Unit Commercial Unit <i>Pre-Approval of Reasonable Promotional Costs</i>	\$25	\$25	\$0	0%
		\$50	\$50	\$0	0%
		Yes	No		
8	DSM-08 Commercial / Industrial High Efficiency Lighting Replacement Incentive <i>Pre-Approval of Reasonable Promotional Costs</i>	\$350 per kW Yes	\$350 per kW No	\$0	0%
9	DSM-09 Commercial / Industrial General Energy Efficiency Maximum Incentive Per Project <i>Pre-Approval of Reasonable Promotional Costs</i>	\$350 per kW	\$350 per kW	\$0	0%
		\$25,000 Yes	\$25,000 No	\$0	0%
10	DSM-10 Residential Weatherization Program – Primary Heating Source Non-Electric Initial Site Visit (Formerly Initial Audit) <sup>2</sup> Diagnostic Audit Upon Completion of Weatherization Program Installed CFL (limit of 20) Installed Low-Flow Aerator (limit of 2) Installed Low-Flow Shower Head (limit of 1) 25% of Eligible Improvements Total Maximum Implemented Weatherization Measures <sup>3</sup> <i>Pre-Approval of Reasonable Promotional Costs</i>	\$150	\$150	\$0	0%
		\$225	\$225	\$0	0%
		\$3	\$3	\$0	0%
		\$10	\$10	\$0	0%
		\$10	\$10	\$0	0%
		No	No		
		\$1,000 Yes	\$1,000 No	\$0	0%

**Big Rivers Electric Corporation**  
**DSM Tariffs - Incentives to Member Cooperatives**  
Revision Filed : July 21, 2015

Tariff	Program	Current Rate	Proposed <sup>1</sup> Rate	Increase (Decrease) \$	Increase (Decrease) %
11 DSM-11	Commercial High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") <i>Pre-Approval of Reasonable Promotional Costs</i> Note: 1 ton = 12,000 btu/hour nominal capacity	\$75 per ton Yes	\$75 per ton No	\$0	0%
12 DSM-12	High Efficiency Outdoor Lighting Replacement Each High Efficiency LED or Induction Outdoor Lamp	\$70 per lamp	\$70 per lamp	\$0	0%
13 DSM-13	Residential Weatherization Program – A La Carte Program				
	Initial Site Visit (Formerly Initial Audit)	\$0	\$200	\$200	100%
	Duct Sealing (Electric Heating)	\$0	\$500	\$500	100%
	Duct Sealing (Non - Electric Heating)	\$0	\$250	\$250	100%
	Additional Measures				
	Attic Insulation (Electric Heating)	\$0	\$500	\$500	100%
	Attic Insulation (Non - Electric Heating)	\$0	\$250	\$250	100%
	Floor/Crawl Space Insulation (Electric Heating)	\$0	\$250	\$250	100%
	Floor/Crawl Space Insulation (Non - Electric Heating)	N/A	N/A		
	Smart/Programmable Thermostat (Electric Heating)	\$0	\$30	\$30	100%
	Smart/Programmable Thermostat (Non - Electric Heating)	\$0	\$30	\$30	100%
	<i>Pre-Approval of Reasonable Promotional Costs</i>	Yes	No		

- Note(s):**
1. - Unless otherwise noted, the proposed rate only involves the insertion of the phrase "up to" prior to the listed amount.
  2. - These amounts are set by contract with an independent, third party contractor. Therefore, f/n 1 **does not** apply.
  3. - This maximum amount includes the contracted amounts listed in f/n 1.

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**July 21, 2015**

1 *Item 5) Refer to Kenergy Corp.'s ("Kenergy") response to Commission*  
2 *Staff's First Request for Information in Case No. 2015-00119,<sup>1</sup> Item 2.*  
3 *Kenergy states, "Funding levels will be determined by member*  
4 *participation in each program and adjusted periodically in order to stay*  
5 *within the annual budget for energy efficiency programs funded by Big*  
6 *Rivers Electric Corporation."*

7

8 *a. Explain how often either Kenergy or Big Rivers reviews the*  
9 *number of participants and the amount of incentives paid*  
10 *for purposes of adjusting funding levels.*

11 *b. Provide the level of participation or funding that triggers*  
12 *such a review.*

13

14 **Response)**

15 a. Both Big Rivers and each Member Cooperative review  
16 participation levels and spend monthly. Funding levels for each  
17 program may be adjusted by the Member Cooperatives at any  
18 time throughout the calendar year.

19 b. Big Rivers does not have a predetermined participation level or  
20 funding level that triggers a review of program incentives. See  
21 the response to sub-part a.

22

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<sup>1</sup> Case No. 2015-00119, *The Tariff Filing of Kenergy Corp. to Revise and Implement Demand-Side Management Programs* (filed June 16, 2015).

**BIG RIVERS ELECTRIC CORPORATION**

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**July 21, 2015**

1

2 Witness) Russell L. Pogue

3