

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP. TO ) CASE NO.  
IMPLEMENT DEMAND-SIDE MANAGEMENT ) 2012-00143  
PROGRAMS )

ORDER

On April 9, 2012, Kenergy Corp. ("Kenergy") submitted tariffs to adopt, on a permanent basis, eight demand-side management ("DSM") programs that were either new or had been previously offered on a pilot basis through December 31, 2011. Kenergy's proposed tariffs were designated as PSC No. 2, Sheets 47 through 54A, and Kenergy proposed that the DSM programs become effective on April 30, 2012. The tariffs mirror eight of the 10 DSM programs proposed by its wholesale supplier, Big Rivers Electric Corporation ("Big Rivers").<sup>1</sup> By Order dated April 16, 2012, the Commission initiated this matter, pursuant to KRS 278.260(1), to determine the reasonableness of Kenergy's DSM programs. In that Order, the Commission suspended the tariffs for one day and allowed them to become effective May 1, 2012, subject to change prospectively.

On April 24, 2012, Kenergy submitted a supplemental tariff proposing a ninth DSM program, weatherization for residential customers whose primary heat source is non-electric with electric-sourced air conditioning. Kenergy requested that this tariff,

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<sup>1</sup> Case No. 2012-00142, Tariff Filing of Big Rivers Electric Corporation to Implement Demand-Side Management Programs (Ky. PSC Aug. 22, 2012).

designated as PSC No. 2, Sheets 55 and 55A, be given the same treatment as the tariffs submitted earlier in this proceeding. The Commission ordered the supplemental tariff to be effective on and after May 18, 2012, subject to change prospectively.

On June 18, 2012, Kenergy submitted another supplemental tariff proposing a tenth DSM program, weatherization for residential customers whose primary heating source is electric with electric-sourced air-conditioning.<sup>2</sup> Kenergy's proposed tariff was designated as PSC No. 2, Sheets 56 and 56A. The Commission ordered the tariff be effective on and after July 9, 2012, subject to change prospectively.

Commission Staff issued, and Kenergy responded to, three requests for information. There were no intervenors in the case. The matter now stands submitted for a decision.

#### DISCUSSION

Kenergy is proposing the same 10 DSM programs proposed by Big Rivers in Case No. 2012-00142 as follows:

1. Sheet No. 47 - High Efficiency Lighting Replacement Program;
2. Sheet No. 48 - Energy Star Clothes Washer Replacement Incentive Program;
3. Sheet No. 49 - Energy Star Refrigerator Replacement Incentive Program;
4. Sheet Nos. 50 and 50A - Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program;
5. Sheet Nos. 51 and 51A - Touchstone Energy New Home Program;

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<sup>2</sup> This tariff was filed in response to Item 2 of Commission Staff's Second Request for Information.

6. Sheet No. 52 - Residential and Commercial HVAC & Refrigeration Tune-Up Program;

7. Sheet Nos. 53 and 53A - Commercial/Industrial High Efficiency Lighting Replacement Incentive Program;

8. Sheet Nos. 54 and 54A - Commercial/Industrial General Energy Efficiency Program;

9. Sheet Nos. 55 and 55A - Residential Weatherization Program--Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning; and

10. Sheet Nos. 56 and 56A - Residential Weatherization Program--Primary Heating Source Electric and Electric-Sourced Air Conditioning.

Kenergy's DSM tariffs were evaluated solely to determine whether they mirrored the Big Rivers' DSM tariffs. In response to Commission Staff's Requests for Information, Kenergy made various text changes to the tariffs and filed updated pages. Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. With the revisions filed by Kenergy in response to Commission Staff's Requests for Information, Kenergy's proposed tariffs mirror the DSM tariffs filed by Big Rivers and should be approved.

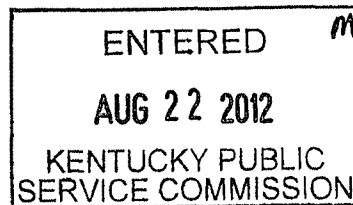
2. Conservation, EE, and DSM have become more important as there are more constraints placed upon generating utilities whose main source of energy is coal-based generation. In fact, Big Rivers has currently pending before the Commission a proposal seeking more than a quarter billion dollars for compliance purposes with

Environmental Protection Agency (“EPA”) regulations in Case No. 2012-00063.<sup>3</sup> Likewise with the release of its Roadmap<sup>4</sup> recently, EPA recognizes the value of EE and DSM as tools for partial compliance with the regulations. The Commission commends Kenergy for beginning to deploy these programs and encourages this effort, but it must make a greater effort to offer cost-effective DSM and other EE programs.

IT IS THEREFORE ORDERED that:

1. With the revisions filed by Kenergy in response to Commission Staff’s Requests for Information, Kenergy’s DSM tariffs are approved.
2. Within 20 days of the date of this Order, Kenergy shall file its revised DSM tariffs with the Commission as approved herein showing the date of issue and that they were issued by authority of this Order.

By the Commission



ATTEST:

  
Executive Director

<sup>3</sup> Case No. 2012-00063, Application of Big Rivers Electric Corporation for Approval of Its 2012 Environmental Compliance Plan, for Approval of Its Amended Environmental Cost Recovery Surcharge Tariff, for Certificates of Public Convenience and Necessity, and for Authority to Establish a Regulatory Account (filed Apr. 2, 2012).

<sup>4</sup> EPA’s Roadmap for Incorporating Energy Efficiency/Renewable Energy Policies and Program into State and Tribal Implementation Plans, dated July 2012.

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