



EAST KENTUCKY POWER COOPERATIVE

September 28, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

SEP 28 2007

PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2007-00266

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and seven copies of the Responses of East Kentucky Power Cooperative, Inc., to the Commission Staff's Second Data Request, dated September 19, 2007.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE FOR CONTINUATION OF THE)
TOUCHSTONE ENERGY MANUFACTURED HOME)
PROGRAM)

CASE NO. 2007-00266

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SEP 28 2007

PUBLIC SERVICE
COMMISSION

CERTIFICATE

STATE OF KENTUCKY)

)

COUNTY OF CLARK)

William A. Bosta, 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 Second Data Requests in the above-referenced case dated September 19, 2007, 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.

William A. Bosta

Subscribed and sworn before me on this 28th day of September, 2007.

Peggy S. Griffin
Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE FOR CONTINUATION OF THE) CASE NO.
TOUCHSTONE ENERGY MANUFACTURED HOME) 2007-00266
PROGRAM)

RESPONSES TO COMMISSION STAFF'S SECOND DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED SEPTEMBER 19, 2007

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2007-00266

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED
HOME PROGRAM**

COMMISSION STAFF'S SECOND DATA REQUEST DATED 9/19/07

East Kentucky Power Cooperative, Inc. (EKPC) hereby submits responses to the Commission Staff's Second Data Request dated September 19, 2007. Each response with its associated supportive reference materials is individually tabbed.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2007-00266

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED
HOME PROGRAM
SECOND DATA REQUEST RESPONSE**

**COMMISSION STAFF'S SECOND DATA REQUEST DATED 9/19/07
REQUEST 1**

**RESPONSIBLE PARTY: William A. Bosta/Jeffrey E. Hohman
COMPANY: East Kentucky Power Cooperative, Inc.**

REQUEST 1. Refer to the Response to Commission Staff's First Data Request dated August 27, 2007, Item 1, page 2 of 9. If EKPC will be rebating \$250 per participant to the member system for the member system to flow this rebate through to the participant, explain in detail how this strategy will help achieve the increased participants projected on page 3 of 9.

RESPONSE 1. The original proposal under this program was for the rebate to flow from EKPC to the retail customer. The expected number of participants, as described in the response to Item 2 herein, was based on this process.

EKPC understands that this process has not resulted in the level of participants anticipated. EKPC believes that the proposed change, that allows existing customers to qualify for a \$150 rebate if they replace an existing inefficient furnace with a new, highly efficient heat pump, will offer greater opportunities to succeed in this market.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2007-00266

CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED

HOME PROGRAM

SECOND DATA REQUEST RESPONSE

COMMISSION STAFF'S SECOND DATA REQUEST DATED 9/19/07

REQUEST 2

RESPONSIBLE PARTY: William A. Bosta/Jeffrey E. Hohman

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 2. Refer to the Response to Commission Staff's First Data Request dated August 27, 2007, Item 1, page 3 of 9. Provide the methodology and sources of information that support the growth in manufactured homes for years 1 through 5 for new customers of 70, 130, 180, 240, and 300.

RESPONSE 2. The data in question were developed in 2002 for use in East Kentucky Power Cooperative's original application to the Commission for approval of the Touchstone Energy Manufactured Home Program. It was projected that this program would serve 300 customers over a five-year period, or an average of 60 manufactured homes per year. The information that supported this projection consisted of the size of the annual market for manufactured homes in the EKPC service territory. At that time (2002), the number of new manufactured homes being sold in the EKPC service territory was in the range of 3,000 – 4,000 per year. The estimate of 60 new participants per year on average represented a penetration rate of 1.7% of the market. This was deemed to be a modest, yet realistic penetration rate for a new DSM program being introduced to the market.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2007-00266

**CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED
HOME PROGRAM**

SECOND DATA REQUEST RESPONSE

COMMISSION STAFF'S SECOND DATA REQUEST DATED 9/19/07

REQUEST 3

RESPONSIBLE PARTY: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 3. Identify the member systems participating in this program. By the name of each participating member system include the number of customers that have participated in the program for each year since the program began.

RESPONSE 3.

Member System	2003	2004	2005	2006	Totals
Blue Grass Energy			5*		5
Nolin RECC	1		1		2
Owen Electric				1	1
South Kentucky RECC			2		2
Taylor County RECC			1		1
Totals	1	0	9	1	11

*Please note that the five Touchstone Energy Manufactured Home participants shown for Blue Grass Energy above were included in the annual report to the Commission. Upon recent examination of the records, it was determined that these were actually manufactured homes that had been retrofitted with energy efficient equipment rather than new manufactured homes.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2007-00266

CONTINUATION OF TOUCHSTONE ENERGY MANUFACTURED

HOME PROGRAM

SECOND DATA REQUEST RESPONSE

COMMISSION STAFF'S SECOND DATA REQUEST DATED 9/19/07

REQUEST 4

RESPONSIBLE PARTY: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 4. Provide an accounting of EKPC's payments to each participating member system related to participation in this program for each year since the program began.

RESPONSE 4.

Member System	Rebates paid by EKPC				Totals
	2003	2004	2005	2006	
Blue Grass Energy			\$750*		\$750
Nolin RECC	\$125		\$125		\$250
Owen Electric				\$150	\$150
South Kentucky RECC			\$250		\$250
Taylor County RECC			\$125		\$125
Totals	\$125	\$0	\$1,250	\$150	\$1,525

*Please note that the rebates paid by EKPC for Blue Grass Energy participants were for Manufactured Homes which had been retrofitted with energy efficient equipment rather than for a new manufactured home.