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June 8, 2012

RECEIVED

JUN 08 2012

PUBLIC SERVICE
COMMISSION


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

Re: *Tariff Filing of Big Rivers Electric Corporation
to Implement Demand-Side Management Programs,
Case No. 2012-00142*

Dear Mr. DeRouen:

Enclosed on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and eight copies of Big Rivers' responses to the Public Service Commission's ("Commission") First Request for Information, along with an original and ten copies of a petition for confidential treatment. A copy of this letter, a copy of the responses, and a copy of the petition have been served on all parties of record.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Albert Yockey

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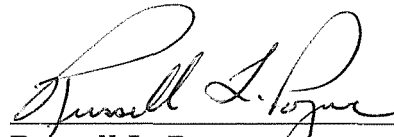
BIG RIVERS ELECTRIC CORPORATION

**TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO
IMPLEMENT DEMAND-SIDE MANAGEMENT PROGRAMS**

CASE NO. 2012-00142

VERIFICATION

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



Russell L. Pogue

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

8th SUBSCRIBED AND SWORN TO before me by Russell L. Pogue on this the
day of June, 2012.



Notary Public, Ky. State at Large
My Commission Expires 1-12-13

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

| | | |
|---|---|-------------------|
| TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO IMPLEMENT DEMAND- SIDE MANAGEMENT PROGRAMS |) | Case No. |
| |) | 2012-00142 |
| |) | |

**Response to Commission Staff's
Initial Request for Information
Dated May 25, 2012**

FILED: June 8, 2012

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO
IMPLEMENT DEMAND-SIDE MANAGEMENT PROGRAMS
CASE NO. 2012-00142**

**Response to Commission Staff's
Initial Request for Information
Dated May 25, 2012**

June 8, 2012

1 **Item 1)** *Refer to Big Rivers' new tariff sheets ("Tariff Sheet") PSC KY.*
2 *No. 24, Sheet Nos. 2.01 to 2.15, Member Incentives. For each of the*
3 *Demand-Side Management ("DSM") programs, explain how each of the*
4 *member incentives was determined.*

5

6 **Response)** The Demand Side Management ("DSM") / Energy Efficiency ("EE")
7 Working Group began meeting in 2009 to evaluate, design and implement
8 functional and cost-effective DSM programs that reduced both winter and summer
9 peak demand as well as reduced energy consumption. Made up of staff from the
10 three Member Cooperatives and Big Rivers, the Working Group met with other
11 utilities, contractors and vendors in a parallel process with the development of Big
12 Rivers' 2010 Integrated Resource Plan ("2010 IRP") submitted on November 15,
13 2010, *In the Matter Of: 2010 Integrated Resource Plan of Big Rivers Electric*
14 *Corporation, Case No. 2010-00443.*

15 The starting point for each of the programs was the result of the
16 DSM Potential Study (Appendix B of the 2010 IRP). The DSM/EE Working
17 Group used the results of the DSM Potential Study for each program, along with
18 their experience and the expertise of a number of vendors, to evaluate the
19 incentive amount to be offered. The determination of incentives for each
20 individual program is described below:

21

22

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1. High Efficiency Lighting Program

Big Rivers has reimbursed the Member Cooperatives for the cost of Compact Fluorescent Lamps (“CFLs”) since 2003. The 100% reimbursement is a continuation of previous incentives for CFLs to the Member Cooperatives, provides a high benefit-to-cost ratio, and is consistent with the CFL distribution programs of other utilities.

2. Energy Star Clothes Washer Replacement Program

The \$100 incentive mirrors the incentive offered by the 2010 Kentucky Energy Efficient Appliance Rebate Program offered by the Kentucky Department for Energy Development and Independence using stimulus funding from the US Department of Energy. The incentive amount was also suggested by the analysis of GDS Associates, Big Rivers’ third party consultant for the DSM Potential Study in the 2010 Big Rivers IRP. During the 2011 pilot, 71 retail members participated in the incentive program, which was deemed successful by the DSM/EE Working Group.

3. Energy Star Refrigerator Replacement Program

This program combines two measures, both of which are required for a retail member to earn the \$100 incentive. First,

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1 the customers must purchase a new Energy Star rated
2 refrigerator, and second, the existing unit must be recycled. The
3 benefit-to-cost ratio for the combined measures was quite high
4 with a TRC of 2.6, a UCT of 3.4 and a Participant Test of 4.3.
5 The DSM/EE Working Group set the incentive at \$100 to be
6 consistent with the Clothes Washer Replacement Program for
7 administrative efficiency. The pilot program attracted 29
8 participants.

9 4. Residential High Efficiency Heating, Ventilation and Air
10 Conditioning Program

11 The incentives for this program were determined by the
12 DSM/EE Working Group to encourage retail members to
13 evaluate and purchase higher efficiency options for residential
14 HVAC including Energy Star Geothermal, Air-source and Dual
15 Fuel system. The Geothermal and Dual Fuel system incentives
16 were set at \$750 and \$500 due to their high TRC and UCT
17 ratios, while the air source was set at \$200 to encourage
18 homeowners to upgrade to a higher efficiency unit. A concerted
19 effort was made to offer energy efficient options to members who
20 have access to natural gas and to those who do not.

21 5. Residential Weatherization Program

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1 The weatherization program design was modeled on a program
2 in Indiana, which implemented weatherization for more than
3 2,000 all-electric homes, 100% paid for by the utility. The
4 DSM/EE Working Group concluded that paying 50% of the cost
5 of appropriate weatherization measures would motivate retail
6 members to participate, while maintaining strong benefit to cost
7 ratios for the program. For members with non-electric heating
8 systems (the DSM-10 program), the incentive was reduced to
9 25% and the list of eligible measures was reduced to maintain
10 an appropriate cost to benefit ratio.

11 6. Touchstone Energy New Home Program

12 The original incentive was set at \$1,000 per home in the pilot
13 program. After evaluating the results of the pilot, the DSM/EE
14 Working Group determined the incentive levels for the new
15 construction program should be adjusted depending on the
16 primary HVAC system selected. The original analysis assumed
17 the participants in the pilot program would reflect the overall
18 demographic of the retail membership, but the pilot program
19 showed that participants were primarily large tract developers
20 and that 95% of the homes heated primarily with natural gas.
21 As a result, the incentive for gas-heated homes was reduced and

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1 the incentives for dual fuel and heat pump homes were adjusted
2 upward.

3 7. Residential and Commercial HVAC & Refrigeration Tune-Up
4 Program

5 The incentives for this program were suggested by the Member
6 Cooperatives with substantial HVAC experience and tried in the
7 2011 pilot project, and the DSM/EE Working Group concluded
8 those incentives would be appropriate to motivate retail
9 members to participate. The participation rate was good, with
10 418 units over a two month period, and the incentive level was
11 well accepted among participants.

12 8. Commercial / Industrial High Efficiency Lighting Replacement
13 Incentive Program

14 The incentive for this program was determined by surveying
15 and evaluating programs in Kentucky and other states. The
16 incentive was set at approximately 35% of the estimated capital
17 cost of new gas-fired generation capacity (*i.e.*, 35% of \$1100).
18 Members of the DSM/EE Working Group contacted pilot
19 participants and regional lighting contractors and were satisfied
20 that the incentive level would attract participants.

21 9. Commercial / Industrial General Energy Efficiency Program

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1 This incentive was set to match the lighting incentive based on
2 KW reduction and is set at approximately 35% of the estimated
3 capital cost of new gas-fired generation.

4

5 **Witness)** Russell L. Pogue

6

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1 **Item 2)** *Refer to Big Rivers' Tariff Sheet PSC KY. No. 24, Sheet Nos.*
2 *2.01 to 2.15, Evaluation, Measurement and Verification. The Tariff Sheet*
3 *states, "Big Rivers will initiate a process of evaluation, measurement, and*
4 *verification for the program. The process will ensure the quality and*
5 *effectiveness of the program and optimal use of the resources." Explain*
6 *the process of evaluation, measurement, and verification to be used by Big*
7 *Rivers to ensure the quality and effectiveness of the program and optimal*
8 *use of the resources of the DSM programs.*

9
10 **Response)** The process of Evaluation, Measurement, and Verification ("EM&V")
11 includes monthly program-by-program reporting by the Member Cooperatives.
12 The monthly reports must include the following information for each incentive
13 (with the exception of the Residential Lighting Program and the Weatherization
14 Programs, which are outlined further below) to be reimbursed:

15

- 16 1. Date,
- 17 2. Account Number,
- 18 3. Name,
- 19 4. Service Address,
- 20 5. City,
- 21 6. Zip Code,
- 22 7. Incentive Description Details, and

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1 8. Incentive Amount.

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Witness) Russell L. Pogue

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1 **Item 3)** *Refer to Big Rivers' Tariff Sheet PSC KY. No. 24, Sheet Nos.*
2 *2.07 to 2.08. Explain whether this program includes electric water*
3 *heaters.*

4

5 **Response)** The program will not provide incentives to purchase or replace water
6 heaters; however, the program will include water flow restrictors to reduce hot
7 water consumption and will provide water heater blankets for those homes with
8 electric water heaters.

9

10

11 **Witness)** Russell L. Pogue

12

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1 **Item 4)** *Refer to Big Rivers' Tariff Sheet PSC KY. No. 24, Sheet Nos.*
2 *2.09 to 2.10. Explain why Gas Heat is included as of part of the Member*
3 *Incentives, when Big Rivers is an electric energy-only provider.*

4

5 **Response)** This program is intended to improve whole-house efficiency, and a
6 home with gas heat can still provide electric energy efficiency benefits to Big
7 Rivers and its Member Cooperatives. The Touchstone Energy home is based on
8 the evaluation and certification rating of 85 or below from a Home Energy Rating
9 System (HERS) rater. The benefit to the electric utility in the case of a home
10 heated by natural gas is the reduction achieved from lighting, from air
11 conditioning and from electric water heating. Therefore, for a home with non-
12 electric heating, the benefit to the utility (and therefore the incentive) is smaller.

13

14

15 **Witness)** Russell L. Pogue

16

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1 **Item 5)** *Refer to Big Rivers' Tariff Sheet PSC KY. No. 24, Sheet Nos.*
2 *2.12 to 2.13. Explain whether there is a maximum incentive for the*
3 *Member Incentives.*

4

5 **Response)** There is currently no maximum. Big Rivers will monitor this as
6 program participation grows and, if appropriate, will propose revisions to the
7 tariff sheet to implement incentive caps prospectively.

8

9

10 **Witness)** Russell L. Pogue

11

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1 **Item 6)** *On January 30, 2012, Big Rivers filed a response (“Response to*
2 *ordering paragraph 9”) to a Commission Order in Case No. 2011-00036,*
3 *ordering paragraph 9. Ordering paragraph 9 stated, “Big Rivers shall*
4 *file reports on its DSM and energy efficiency programs with the*
5 *commission as described in this Order at six-month intervals, with the*
6 *first report to be filed no later than January 31, 2012.” Included in the*
7 *response were the 2012 Budget and the Total Resource Cost (“TRC”)*
8 *Ratios.*

- 9
- 10 *a. Provide for each of the nine programs, in electronic*
11 *format with formulas intact and unprotected, the*
12 *cost/benefit calculations to support the TRC ratios.*
- 13 *b. Explain whether there were any other California Tests*
14 *performed for each of the nine programs by Big Rivers*
15 *besides the TRC and, if so, provide by program the results*
16 *of those tests.*

17

18 **Response)**

- 19 *a. Please see the file (GDS Cost-Ben Model v2 3 (BigRivers-*
20 *2012DSMPrograms).xslm) provided on the confidential CD,*
21 *which is being filed under a petition for confidential treatment.*
- 22 *b. All of the California tests were performed for the nine programs.*
23 *The results of those tests are included in the file provided in*
24 *response to part a. On each program tab (e.g. the tab labeled*

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1 "Program 1") the test results are all included in the section
2 entitled "Screening Results."

3

4

5 **Witness)** Russell L. Pogue

6

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1 **Item 7)** *Refer to the Response to ordering paragraph 9.*

2

3 *a. Explain how the programs were included for the 2012*
4 *budget.*

5 *b. Explain whether there were any programs considered but*
6 *not chosen because they were not cost-effective, or*
7 *eliminated for some other reason.*

8 *c. Explain why some of the 2011 pilot programs are not*
9 *included in the 2012 budget.*

10

11 **Response)**

12 a. Budget amounts for individual programs were selected by the
13 DSM/EE Working Group based on experience from the group
14 members and input from contactors and consultants.

15 b. More than 200 measures and programs were initially evaluated
16 in the DSM Potential Study (Appendix B of the 2010 IRP) and
17 were screened on the basis of cost effectiveness. The result was
18 a set of prospective programs that were wide-ranging and cost
19 effective.

20 c. Two pilot programs were not provided as DSM programs. First,
21 the Poultry Facility pilot was determined to be appropriately
22 addressed as part of the commercial lighting program and not as
23 a separate program. Second, the Energy Efficient Outdoor
24 Lighting pilot was not intended to be developed into a retail
25 program, but instead was intended to demonstrate potential

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1 replacements for the metal halide lamp being used as a
2 replacement for the retired mercury vapor lamp because the
3 lamps showed a great deal of potential for energy savings.
4 Member Cooperatives continue to evaluate the LED lamps and
5 induction lamps as part of their routine lighting provision.

6

7

8 **Witness)** Russell L. Pogue

9

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1 **Item 8)** *On April 20, 2012, Big Rivers filed a supplemental tariff*
2 *("Supplemental Tariff") that included Standard Electric Rate Schedules -*
3 *Terms and Conditions and a new additional tariff sheet ("Additional*
4 *Tariff Sheet") PSC KY. No. 24, Sheet Nos. 2.16 to 2.17 for DSM program,*
5 *DSM-10, Residential Weatherization Program-Primary Heating Source*
6 *Non-Electric. Refer to the Response to ordering paragraph 9. The 2012*
7 *budget did not include DSM-10, Residential Weatherization Program-*
8 *Primary Heating Source Non-Electric. Provide the 2012 budget amount*
9 *for DSM-10, Residential Weatherization Program-Primary Heating Source*
10 *Non-Electric.*

11

12 **Response)** The \$200,000 budget for the weatherization program will include all
13 weatherization projects for 2012, including the DSM-10 Residential
14 Weatherization Program-Primary Heating Source Non-Electric program.

15

16

17 **Witness)** Russell L. Pogue

18

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1 **Item 9) The Supplement Tariff includes TRC and Utility Cost Test**
2 **("UCT") ratios for DSM-10, Residential Weatherization Program-Primary**
3 **Heating Source Non-Electric for different types of measurements.**

4

- 5 a. **Provide the overall TRC and UCT ratios for this program.**
6 b. **Explain whether any other California Tests were**
7 **performed, and if so, provide the results of those tests.**

8

9 **Response)**

- 10 a. Please see the file (GDS Cost-Ben Model v2 3 (BigRivers-GasWx
11 v2).xslm) provided on the confidential CD, which is being filed
12 under a petition for confidential treatment.
13 b. Yes, all California Tests were performed in the GDS Cost-Ben
14 Model above. The results of those tests are included in the file
15 provided in response to part a. On each program tab (e.g. the
16 tab labeled "Program 1") the test results are all included in the
17 section entitled "Screening Results."

18

19

20 **Witness) Russell L. Pogue**

21

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1 **Item 10)** *Refer to Big Rivers' Tariff Sheet PSC KY. No. 24, Sheet No.*
2 *2.17, Evaluation, Measurement and Verification. Explain the process of*
3 *evaluation, measurement, and verification to be used by Big Rivers to*
4 *ensure the quality and effectiveness of the program and optimal use of the*
5 *resources of this DSM program.*

6

7 **Response)** The Weatherization Program contractor will provide extensive step-
8 by-step documentation on individual projects available through the contractor's
9 project management website. See the attached Weatherization Program
10 Guidelines.

11

12 **Witness)** Russell L. Pogue

13

Big Rivers Weatherization Program

Summary

The goal of the energy auditing program is to help members determine cost effective energy efficiency improvements that should be considered in their homes.

Step 1: Paid by Big Rivers \$150.00

- **1st Site Energy audit:** This audit will help determine what potential energy improvements should be considered. Included in this audit is:
 - ✓ Building evaluation concerning general health and safety issues, and general heat waste opportunities for improvement.
 - ✓ Audit report detailing opportunities for improvement.
 - ✓ Client Education regarding energy improvements and why they should be considered.
 - ✓ Client Education regarding rebates currently offered by the co-op
 - ✓ Installation of up to 20 CFL's, 2 aerators, and 1 shower head. (additional fees apply)

Step 2: Paid by Big Rivers Contribution & Client \$450.00

- **Diagnostic Audit:** This audit requires diagnostic testing to evaluate how leaky the building is, how well the air ducting is performing, and Combustion Analysis Testing. Included in this audit is:
 - ✓ Building evaluation concerning general health and safety issues.
 - ✓ Confirmation of General Heat Waste opportunities.
 - ✓ Recommended Work Scope.
 - ✓ Anticipated Cost of Improvements

Step 3: Paid by Big Rivers Contribution & Client

- **Weatherization Management:** If the client elects to have weatherization measures implemented Sherlock Homes will manage the weatherization process for the client. Estimates provided will be honored provided that unexpected issues do not arise. Contractors assigned to implement the weatherization are trained by Sherlock Homes, and are part of the *Weatherization Pro* network. This process includes
 - ✓ Review and detailing approved work scopes.
 - ✓ Scheduling the contractor.
 - ✓ Final audit including diagnostic testing to confirm repairs have been implemented properly.
 - ✓ Client acceptance form indicating that they are satisfied with the improvements.
 - ✓ Billing.

Step 4:

- **Payment:** Big Rivers will pay 100% of the cost associated with the 1st site visit and 50% of the cost associated with the Diagnostic Audit, Project Management, Final Audit, and installed weatherization measures. Big Rivers contribution shall average \$2,000.00 for per weatherized home. The property owner will pay all remaining costs.
 - ✓ Acceptable payment methods from the property owner can include but may not be limited to check, or credit card. (6% discount applies if this option is selected)
 - ✓ Energy Loan from AFC First 12 months same as cash. (No discount applies)
 - ✓ Payment shall be due in full upon satisfactory completion of the weatherization measures, a signed Weatherization Completion form from the home owner and contractor, and the completion of the Final audit if necessary.

Weatherization Program Specifics

Client Recruitment

- Potential weatherization clients primarily come from 2 sources.
 - ✓ Working relationships with local utility companies that share customer data.
 - ✓ Information gathered from a web based sign up tool.
 - (Option maybe available in the future)

Intake and Eligibility

- Eligibility is based on parameters established by the utility company. Eligibility may include but may not be limited to:
 - ✓ Type of heating or cooling, (electric, gas, etc.)
 - ✓ Type of occupancy, (owner or non-owner occupied)
 - Note: If dwelling is a non-owner occupied, the owner must be notified and necessary authorization from the owner gained prior to weatherization.
 - Note: Vacation or secondary homes are eligible.
- Eligibility is confirmed by mail, and phone prior to a site visits.

Preliminary data and documents

- Upon determining a client's eligibility the following program documents and data is collected.
 - ✓ Intake form
 - ✓ 1st site Scheduling form
 - ✓ 1st site visit trip sheet
 - ✓ Last 12 months utility information if available

Initial Site Visit—Auditor

- Determine if building is viable to weatherize.
- Determine if the structure is eligible to weatherize.
- Determine if the (working) conditions are acceptable.
- “Walk through” inspection to survey special problems.
- Complete a *Moisture Assessment form* indicating if the property will proceed to weatherization or be deferred. This form must be signed and dated by the auditor and client. The most common reasons for deferral include but may not be limited to:
 - ✓ Suspected mold in excess of 10-SqFt.
 - ✓ Excessive and uncontrolled standing water in any part of the dwelling or below it.
 - ✓ Active plumbing leaks in water supply lines or sanitary sewer drain lines.
 - ✓ Structural un-soundness of the dwelling. Incomplete building envelope.
 - ✓ Excessive animal feces or pests (insects or rodents, not children) anywhere in a potential Wx work area.
 - ✓ Excessive clutter anywhere in a potential Wx work area that the client will not or cannot remove prior to the Auditor’s visit.
 - ✓ Extensive suspected lead paint deterioration / flaking.
- Complete a *Client Consent form* signed and dated by the client.
- If a non-vented gas log is in use:
 - ✓ Complete a non-vented gas log form indicating that the gas log can be disconnected or
 - ✓ Complete a non-vented gas log form indicating that the log will be used for emergency heat only.
- Communicate obvious problems to client.
- Clearly explain client responsibilities.

- Educate the client. The education may include but may not be limited to:
 - ✓ Importance of keeping up the monthly furnace filters changes.
 - ✓ CFL installation and Lo-Flow aerator/showerhead use will save significant energy costs over time.
 - ✓ Insulating water lines near the water heater will save significant energy costs over time.
 - ✓ Setting back the thermostat at night or while away from home will save significant energy over time.
 - ✓ Maintaining good drainage conditions around the building will help prevent deterioration of the building components.
 - ✓ Maintaining the building claddings and/or skirting will help to prevent deterioration of the installed weatherization components
 - ✓ Providing the client with the EPA pamphlets *Renovate Right*, and *Mold and Moisture in your Home*.
- Complete the client interview form.
- Install CFL bulbs, aerators, and shower heads. The number of bulbs should be limited to 20 and should only be installed in high traffic or high use areas. The number of aerators and shower heads should be limited to 2 and 1 respectively. All debris generated from the replacement should be removed from the property. A completed bulb form must be filled out indicating what items were installed.
- Make sure client knows what the program process is and who to expect next and what they will be doing.
- Collect necessary information to complete the site visit report including but not limited.
 - Drawing the floor plan
 - Collecting the window and door information
 - Determining the Minimum Ventilation Rate
 - Determining weatherization opportunities
- The 1st site visit maybe combined with combustion Safety & Efficiency Analysis and Building Shell analysis if appropriate.

Initial Site Visit Review

- Confirm that the building should or should not proceed to weatherization.
- Confirm that necessary documentation has been completed by the 1st site auditor. This information shall include but is not limited to:
 - ✓ Completed Moisture Assessment form
 - ✓ Completed Client Consent Form
 - ✓ Completed Client Interview
 - ✓ Completed bulb and aerator form
 - ✓ Floor Plans
 - ✓ Calculated MVR
 - ✓ Information regarding the Base load of the building if applicable
 - ✓ Recommendations for weatherization
- Complete the necessary Data Base information. This information includes but is not limited to:
 - ✓ Bulbs, Aerators, Shower Heads Form
 - ✓ 1st site visit form
- Make necessary changes in the 1st site visit report to insure that all necessary information is completed.
- Compose a reduced version of the 1st site visit report for distribution to appropriate parties.
- Distribute the 1st site visit report to appropriate parties.
- Update the daily status sheet.

Scheduling auditor

- Upon determining a client's eligibility for an audit the following program documents and data is collected.
 - ✓ Auditor Trip Sheet
 - ✓ Auditor Form
 - ✓ Scheduling Auditor Form
- The audit will be scheduled with the client
- Necessary information will be provided to the auditor which may include but may not be limited to:
 - ✓ Auditor Trip Sheet
 - ✓ Auditor Form
 - ✓ Client Consent Form
 - ✓ Moisture Assessment Form
 - ✓ Floor Plan
 - ✓ 1st site visit report

Building Shell Analysis— Auditor

- If not completed at the 1st site visit complete a *Client Consent form* signed and dated by the client.
- Modify the Moisture assessment form as needed. If modified the form must be signed and dated by the client and auditor.
- If a non-vented gas log is in use:
 - ✓ Complete a non-vented gas log form indicating that the gas log can be disconnected or
 - ✓ Complete a non-vented gas log form indicating that the log will be used for emergency heat only.
- Lead Safe Work Practices Policy:
 - The auditor must determine that Wx services should be provided for a client in one of two ways (for pre-1978homes).
 1. Either presume the paint is lead-based paint or...
 2. Perform a lead inspection and test the paint to determine it is or is not lead-based paint by using a Niton XRF device.
- Perform initial building diagnostics.
- If applicable perform a Worst-case depressurization draft test and determine if appropriate to begin shell work.
- Blower door test and determine initial CFM50.
- Determine Minimum Ventilation Rate.
- Perform Pressure Pan Tests on the ducts.
- Perform zone-to-zone pressure diagnostics.
- Visually inspect crawl space and attic.
- Note special problems.
- Determine pressure boundary and thermal boundary.
- If pressure boundary or thermal boundary is incomplete, develop strategy to complete.
- If pressure boundary or thermal boundary is misaligned, develop strategy to align.
- Locate bypasses and identify location.
- The auditor shall continue the client education, informing the client of energy saving opportunities.
- Complete the audit report. The audit report must include the following:
 - ✓ Completed Duct leakage and house leakage information
 - ✓ Complete the pressure boundary information
 - ✓ Complete the recommended work scope
- Complete the preliminary pricing for the weatherization.

Gas Appliance Combustion Appliance Safety & Efficiency Analysis—Auditor, Crew or Contractor

•For specific procedures, refer to *Sherlock Homes Best Efforts Manual*:

All combustion appliance issues must be completed prior to shell work beginning.

- Perform appropriate Heating System Inspection Procedure on heating system and water heater, which includes "Worst Case "Draft Test.
- Perform initial Cook Stove Procedure.
- Determine if appliances or air delivery system require modification.
- Determine if modification is feasible.
- Follow "best practice" theory in creating specifications that result in safety, reliability and efficiency.
- Follow programs policies and procedures for modification of all furnaces, water heaters and cook stoves.
- Once corrections are complete, inspect and determine whether additional modifications are necessary.
- Determine if appliances require replacement.
- Determine if replacement is allowable and affordable.
- Follow program policies and procedures for replacement of all furnaces, water heaters and cook stoves.
- If furnace is to be replaced, Follow program procurement policy.
- Size according to Manual J.
- Replace with most appropriately sized unit.
- Inspect furnace using "Furnace Inspection Form" or water heater using water heater inspection form. Accept or reject replacement.

Audit Review & Work Scope Implementation

- **Sherlock Homes staff will review the audit report.** The review includes but is not limited to:
 - Confirming the completeness of the audit information.
 - Making necessary adjustments in work scope items to meet the goals of the program.
 - Making necessary adjustments in the pricing information to insure the recommended measures fall within the budgetary constraints of the program.
 - Making recommendations to the client, about items they may want to consider, that are outside the budgetary constraints of the program.
 - Works scope items for totally electrically heated homes shall include
 - ✓ Air Sealing
 - ✓ Duct Sealing
 - ✓ Insulate un-insulated walls
 - ✓ Insulate attics with R19 or less to R38
 - ✓ Insulate Ducts outside the thermal boundary
 - ✓ Insulate Rim Joists
 - ✓ Insulate Foundation Wall
 - Works scope items for Gas and dual fuel heated homes shall be limited to:
 - ✓ Major Air Sealing
 - ✓ Duct Sealing
 - ✓ Insulate attics with R11 or less
 - Making recommendations to the client, about items they may want to consider, that are outside the budgetary constraints of the program.
 - Developing a final work scope
 - Developing a final pricing sheet.
 - Complete the necessary Data Base information. This information includes but may not be limited to:
 - ✓ Bulbs, Aerators, Shower Heads Form
 - ✓ 1st site visit form
 - ✓ Auditor Form
 - ✓ Audit Review/Scheduling Contractor Form
 - ✓ Contractor Trip Sheet
 - ✓ Indicate on the Contractor Complete Interim/Exit Scheduling Form if a final audit is needed and an approximate date the final audit could be performed on.
- Discuss the work scope and pre-weatherization information with the client.
- Schedule the weatherization with the client.

Scheduling the Contractor:

- Sherlock Homes will match work scope with capabilities of contractor/crew. Upon scheduling, the contractor will be notified about the project via a web based management tool. The information posted to the contractor will include but may not be limited to:
 - ✓ Final work scope
 - ✓ Final pricing Sheet
 - ✓ Floor Plan
 - ✓ Contractor trip sheet
 - ✓ Any special instruction regarding the work scope or client.
- Sherlock Homes will Stress with the contractor the importance of Daily Safety Test Out procedures if required.
- Sherlock Homes will discuss with the contractor any flexibility that maybe available regarding the project.
- Sherlock Homes will be available as a technical resource for contractor/crew while the project is in progress.
- The contractor should continue client education by letting client know what to expect during the weatherization process, and informing the client how to maintain the installed measures.
- If contractor/crew disturbs a painted surface not specified on the original work scope, lead safe work practices must be used.
- The contractor must use Sherlock Homes *Best Efforts Manual* and the *BPI Standards* when implementing weatherization measures. Deviations from these standards must receive approval from Sherlock Homes.
- Sherlock Homes will notify the appropriate program managers of the date and time of the weatherization, and provide access to the final work scope related to the weatherization project.

- Upon completion of the weatherization the contractor shall:**
 - ✓ Leave in a readily accessible area, a copy of the final work scope indicating the weatherization measures implemented. Documentation should also be left regarding conditions that limited or prevented weatherization measures.
 - ✓ Produce photo documentation of each installed weatherization measure.
 - ✓ Produce a signed and dated Contractor/Client weatherization completion form, indicating that the measures were installed satisfactorily.
 - ✓ Upload all necessary documentation including, photo documentation, a signed and dated contractor/client weatherization completion form, and billing information to the web based management tool.

**Contractor/Client Weatherization Completion Form
Sherlock Homes Inspection Service Inc.**

Address:

Date:

The work listed in the final work scope has been completed by the weatherization program.

The home has been left in satisfactory condition

CLIENT APPROVAL

Signature of Client:

Print Name:

Telephone:

Contractor acknowledgement

Signature of Contractor:

Print Name:

Final audits:

- **Final audits** may be scheduled on weatherization projects when:
 - ✓ A significant reduction in house leakage is anticipated.
 - ✓ A significant reduction in duct leakage is anticipated.
 - ✓ In the managers opinion, the cost or the number of tasks associated with the weatherization warrants review of the project

The final Inspection shall include:

- ✓ Complete the inspection column of Heating System Inspection Form which includes final worst-case depressurization draft test if applicable.
- ✓ Perform final blower door & pressure pan tests.
- ✓ Visually inspect completed work.
- ✓ Specify adjustments as necessary.
- ✓ Specify additional work as necessary.
- ✓ Review completed work with client.
- ✓ Explain future responsibilities of the client.
- ✓ Discuss/demonstrate any maintenance procedures that may be necessary (furnace filter, etc.)
- ✓ Complete a Weatherization Final Inspection form, signed and dated by the client and auditor.
- ✓ Leave appropriate paperwork with client.
- ✓ Wrap up client education. Discuss any warranties that may exist.
- ✓ Complete the final audit report, documenting:
 - The work that has been completed
 - Final Blower door and pressure pan readings
 - Photo documentation of each work scope item

Final Audit and billing process:

- Upon completion of the final audit or receipt or contractor/client weatherization completion form the information will be reviewed. The review may include but may not be limited to:
 - ✓ Review of the final audit to insure all necessary information has been documented.
 - ✓ Review of the final pricing sheet and billing from the contractor to insure that billing falls within the parameters of the program.
 - ✓ Make available to the appropriate authorities a copy of the final audit report.
- If appropriate documentation is not present, the auditor or contractor will be asked to provide the necessary documentation. The process will not continue until all necessary documentation has been provided.
- Failed final audits, unless otherwise authorized by Sherlock Homes, will require a return trip by the contractor to the project. Upon completion of necessary repairs the contractor must document the following:
 - ✓ Photo documentation of each repaired weatherization measure.
 - ✓ Produce a signed and dated Contractor/Client weatherization completion form, indicating that the measures were installed/repaired satisfactorily.
 - ✓ Upload all necessary documentation including, photo documentation, a signed and dated contractor/client weatherization completion form, and billing information via the web based management tool.
 - ✓ Upon satisfactory completion and receipt of documentation the project maybe scheduled for a final audit revisit. If Sherlock Homes determines that a revisit is not required the project may continue through the billing process.
 - ✓ If Sherlock Home determines a final audit revisit is necessary, the project will not continue through the billing process until the final audit revisit is completed. Once it is determined that the weatherization has been satisfactorily completed, the project may continue through the billing process.

- If a final audit is not required the following information will be reviewed and documented.
 - ✓ Review of the completed work scope items as documented by the contractor.

This information may include the following:

 - Contractors' Final work scope indicating the weatherization measures implemented.
 - Contractors' information regarding conditions that limited or prevented weatherization measures.
 - Contractors' Photo documentation of each installed weatherization measure.
 - Contractor/Client weatherization completion form, indicating that the measures were installed satisfactorily.
 - ✓ If appropriate documentation is not present, the contractor will be asked to provide the necessary documentation. The process will not continue until all necessary documentation has been provided.
 - ✓ Review of the final pricing sheet and billing from the contractor to insure that the billing falls within the parameters of the program.
 - ✓ Compile a Final Result report with the appropriate contractor documentation.
 - Make available to the appropriate authorities a copy of the final audit report.

- Final billing information may include but may not be limited to the following.
 - ✓ Transmittal invoice
 - ✓ Measure's invoice
 - ✓ Contractor's invoice
 - ✓ PDF of the final audit

- The necessary billing information will be transmitted to the appropriate authority.

Other Forms

BIG RIVERS ELECTRIC CORPORATION WEATHERIZATION PROGRAM

MOISTURE ASSESSMENT FINDINGS

Client Name & Address: _____ File # _____

Client Address: _____

The purpose of this Weatherization Program is to increase the energy efficiency of dwellings, reduce their total residential expenditures, and improve the health and safety of the building and its occupants. The moisture assessment, as part of overall building analyses, documents existing moisture issues before weatherization was performed and identifies issues that must be addressed by the property owner before work can begin on the dwelling.

Items checked on this form have been identified as potential issues in your home.

1. MOISTURE AREAS

- Existing conditions (check all that apply)
- Damp atmosphere in house
- Client complains of allergy-like symptoms
- Visible mold growth (if yes - go to #2)
- Evidence of water penetrating the home (stains, moist areas)
- Evidence of conditions that might allow water in the home (poor grading, bad flashing, bad/missing gutters)
- Actual construction defect or deterioration that allows water into the home (roof, decks, windows concrete slabs, lack of vapor barrier)
- Plumbing defects (leaking drains, pipes or toilet seals, missing caulk on sinks or tubs)
- HVAC problems (dirty, moist filters, poor condensation drainage)
- Dryer vented indoors, inadequate ventilation for a kitchen, bath or other high moisture area
- Any source of condensation

2. MOLD/MILDEW AREAS

- Existing Mold/ Mildew Total sqft _____
- Primary bath
- Second bath
- Kitchen
- Laundry area
- Basement walls
- Basement shower stall
- Crawlspace
- Exterior walls
- Attic/Ceilings
- Other

3. UNSANITARY CONDITIONS (may cause odors, viruses or bacteria in house)

- Insect pests in work area
- Excessive animal feces/carcasses in work area
- Excessive bird/bat feces/carcasses in attic
- Raw sewage in house/basement/crawlspace
- Additional

Comments: _____

These are the existing conditions as of the date below

- Weatherization **will / will not** be able to proceed due to items identified on this form.
- Home owner **does / does not** agree to make the necessary repairs. Home owner will notify and provide proper documentation that the repairs have been completed.

Client Signature _____ Date _____
Representative _____ (812) 339-5987 X 203 _____
Phone Number _____ Date _____

FOR APPEALS ONLY: Repair confirmation

The moisture assessment findings completed by the Building Analyst on _____ **do / do not** reflect current moisture issues found in the dwelling on _____. Any changes to the original assessment have been noted and initialed by the appropriate auditor above. The Home **is / is not** ready for immediate weatherization.

Auditor _____ Date _____

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**CLIENT CONSENT FORM
RELEASE OF LIABILITY AND WAIVER OF CLAIMS**

NOTICE: The health and safety of the building, the occupants, or the weatherization staff shall not be compromised by any retrofit material, technique or practice. To ensure health and safety, relevant assessments will be conducted as part of all building analysis. Some weatherization activities may create dust or other airborne particles, including but not limited to insulation, mold, or lead. All measures installed in the building will alleviate and/or not promote the growth of new airborne particles.

FOR AND IN CONSIDERATION of Big Rivers Electric Corporation, any participating Member Cooperative, and Sherlock Homes Inspection Service Inc., its agents and employees assisting in the provision of weatherization services to our dwelling, I/WE DO HEREBY RELEASE Big Rivers Electric Corporation, any participating Member Cooperative, and Sherlock Homes Inspection Service Inc., and its agents or employees from any and all liability for losses, damages, costs, personal injury, death, or other claims because of, or in relation to the installation, location, or malfunction of measures performed. I understand that by participating in this program measures performed becomes my personal property and it is my responsibility to maintain and repair installed measures to keep the building systems in working condition.

My signature below denotes that I fully understand the above waiver and its release of liability. I have chosen to go forward with the weatherization process, accepting any and all risks of injury or damages.

Signature

Printed Name

Date

RECEIPT ACKNOWLEDGEMENT

Please initial where applicable

_____ I have received a copy of the EPA pamphlet, "Renovate Right, Important Lead Hazard Information for Families, Child Care Providers and Schools", informing me of the potential risk of lead hazard exposure from these activities to be performed on my dwelling. I confirm that I have received the lead pamphlet before weatherization work began on my home.

_____ I have received a copy of the EPA pamphlet, "Mold, Moisture, and Your Home", informing me of the potential risks of mold and high moisture levels in my home.

_____ I have also received a copy of the moisture assessment form that was completed on my home.

_____ Compact fluorescent light bulbs have been installed in my home by Sherlock Homes Inspection Service Inc. All bulbs and fixtures are in good working order. Number of bulbs installed _____

My signature below denotes that I fully understand the above receipt.

Signature

Printed Name

Date

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Contract for Weatherization Services

I. Parties

This contract is made and entered into on _____ and specifies the terms of the agreement between _____, homeowners, and *Sherlock Homes Inspection Service Inc./Weatherization Pros.*

II. The Contract Documents

The contract documents include the terms of this contract and, by reference, the documents listed below:

1. Approved Final Work Scope

III. The Scope of the Work

Sherlock Homes Inspection Service Inc./Weatherization Pros will schedule with an approved weatherization pro contractor a date and time to implement the client approved Final Work Scope measures. The contractor will furnish all the labor, materials, and equipment necessary to complete the alterations and improvements described in the Approved Final Work Scope; (the "Work").

IV. Change Orders

All change orders must be in writing and signed by all the parties. The owners agree that changes resulting in the furnishing of additional labor or materials will be paid for prior to the commencement of the extra work. The owners agree that either of them may sign a change order, and that signature will be binding on both.

VI. Insurance and Risk of Loss

The owners agree to maintain insurance covering the replacement cost of the improvement under contract in the event of loss through fire, casualty, storm or other disasters, and theft of materials from the site. The Weatherization contractor will maintain workers' compensation insurance and liability insurance to protect the owners from liability claims for damages because of bodily injury, including death, and from liability for damages to property arising out of a contractor's performance of the Work.

VII. Access

The property owner will allow free access to work areas for workers and vehicles. Driveways will be kept clear for the movement of vehicles during work hours.

VIII. Site Conditions

The property owners acknowledge that this contract is based upon the Auditor's observation of conditions at the time of the Diagnostic Audit. Conditions which could not be known by a reasonable inspection, such as termite damage, hidden water damage, hidden code violations, or other concealed conditions, may require extra labor or materials, which are not part of this contract. If such hidden conditions are discovered, the weatherization contractor will notify the property owner and will attempt to reach an agreement for a change order to this contract that addresses those problems if necessary.

IX. Final Inspections and/or Weatherization Completion Form

Upon notification by the weatherization contractor of completion of the work, the owners and the weatherization contractor will inspect the work performed, and sign the weatherization completion form indicating that the work described in the Final Work Scope has been satisfactorily completed.

Sherlock Homes Inspection Service Inc./Weatherization Pro's may perform a Final Audit to confirm results. Final Audits are generally performed when improvement in house leakage or duct leakage can be anticipated.

X. Payment

Big Rivers Electric Corporation will pay 50% of the fees associated with the weatherization process including but not limited to energy auditing fees, and installed weatherization measures. The 50% contribution shall not exceed \$2000.00.

The property owner will pay all remaining cost associated with the approved Final Work Scope. Acceptable payment methods can include but may not be limited to Check, credit card, or Energy Loan from AFC First.

Payment shall be due in full upon satisfactory completion of the weatherization measures and a signed Weatherization Completion form from the home owner and contractor.

XII. Standards of Practice

All weatherization work performed will meet or exceed the standards of the Building Performance Institute.

XIII. Dispute Resolution

All the parties will cooperate with each other to resolve conflicts informally. In the event that is not possible, the conflict will be decided according to the Construction Industry Rules of the American Arbitration Association, and the laws of the state where the project is located. The arbitrator will award reasonable costs and expenses, including attorney fees, to the prevailing party.

XIV. Signatures

We, the undersigned, have read and understood this entire contract, including documents attached by reference. We acknowledge that this document constitutes the entire agreement between the parties.

Dated: _____

Signed: _____

Sherlock Homes Inspection Service Inc./Weatherization Pro's

Dated: _____

Signed: _____

Signed: _____

Owner

Contract Documents:

- Diagnostic Audit
- Approved Final Work Scope
- Weatherization Completion Form
- AFC First Energy Loan Approval if applicable

BIG RIVERS ELECTRIC CORPORATION

**TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO
IMPLEMENT DEMAND-SIDE MANAGEMENT PROGRAMS
CASE NO. 2012-00142**

**Response to Commission Staff's
Initial Request for Information
Dated May 25, 2012**

June 8, 2012

1 **Item 11)**

- 2 a. *Explain the staffing organization within Big Rivers that*
3 *will implement the DSM and energy efficiency programs.*
4 *Identify the individuals responsible for DSM*
5 *implementation.*
6 b. *Explain whether there are any external groups or*
7 *individuals involved in the DSM planning and*
8 *implementation.*

9
10 **Response)**

- 11 a. At Big Rivers, the Manager of Marketing and Member Relations
12 is responsible for the organization, planning, implementation
13 and tracking of the DSM and energy efficiency programs. This
14 individual reports directly to the Vice President of
15 Governmental Relations & Enterprise Risk Management &
16 Strategic Planning at Big Rivers. The Manager of Marketing
17 and Member Relations also coordinates the implementation
18 activities closely with internal Big Rivers staff in the
19 Accounting, Energy Services, and Regulatory Affairs areas, as
20 well as with numerous employees at the Member Cooperatives.
21 The Manager of Marketing and Member Relations is Mr. Russell
22 L. Pogue; the Vice President of Governmental Relations &
23 Enterprise Risk Management & Strategic Planning is Mr. Albert
24 M. Yockey.

BIG RIVERS ELECTRIC CORPORATION

**TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO
IMPLEMENT DEMAND-SIDE MANAGEMENT PROGRAMS
CASE NO. 2012-00142**

**Response to Commission Staff's
Initial Request for Information
Dated May 25, 2012**

June 8, 2012

1 b. Yes. The DSM/EE Working Group described in the response to
2 Item 1 is involved in the DSM planning and implementation
3 process on an-going basis. Currently, the group is comprised of
4 Mr. Pogue and representatives of Big Rivers' Member
5 Cooperatives (Jackson Purchase Energy Corporation, Kenergy
6 Corp., and Meade County Rural Electric Cooperative
7 Corporation).
8
9
10 Witness) Russell L. Pogue
11

BIG RIVERS ELECTRIC CORPORATION

**TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO
IMPLEMENT DEMAND-SIDE MANAGEMENT PROGRAMS
CASE NO. 2012-00142**

**Response to Commission Staff's
Initial Request for Information
Dated May 25, 2012**

June 8, 2012

1 **Item 12)**

- 2 a. *Explain whether all three of Big Rivers' member*
3 *cooperatives are involved in the planning and*
4 *implementation of the DSM programs.*
5 b. *If so, explain whether there is any possible reason, due to*
6 *the customer base of any of the three member cooperatives,*
7 *that any cooperative may be prevented from offering any*
8 *of the DSM programs.*

9

10 **Response)**

- 11 a. Yes; all three of Big Rivers' Member Cooperatives are involved
12 in the planning and implementation of the DSM/EE programs.
13 Please see the responses to Items 1 and 11.
14 b. Big Rivers is not aware of any reason, due to the customer base
15 of any of the three Member Cooperatives, that any cooperative
16 may be prevented from offering any of the DSM programs.

17

18

19 **Witness)** Russell L. Pogue

20

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

JUN 08 2012

PUBLIC SERVICE
COMMISSION

In the Matter of:

Tariff Filing of Big Rivers Electric)
Corporation to Implement Demand-Side) Case No. 2012-00142
Management Programs)

**PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL
PROTECTION**

1. Big Rivers Electric Corporation ("Big Rivers") hereby petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 7 and KRS 61.878, to grant confidential protection to certain information Big Rivers is filing with its responses to the Commission Staff's First Request for Information.

2. The information Big Rivers seeks to protect (the "Confidential Information") is being filed electronically on a CD. One (1) copy of CD is attached to this petition and is marked confidential. Big Rivers is also filing ten (10) copies of this petition with the Confidential Information redacted (*i.e.*, without the CD). 807 KAR 5:001 Sections 7(2)(a)(2), 7(2)(b).

3. There are no parties to this proceeding upon whom a copy of this petition with the Confidential Information redacted needs to be served. 807 KAR 5:001 Section 7(2)(c).

4. The Confidential Information is not publicly available, is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information, and is not disseminated to others without a legitimate need to know and act upon the information.

5. If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will

1 notify the Commission and have its confidential status removed. 807 KAR 5:001 Section
2 7(9)(a).

3 6. As discussed below, the Confidential Information is entitled to confidential
4 protection based upon KRS 61.878(1)(c)(1), which protects “records confidentially disclosed to
5 an agency or required by an agency to be disclosed to it, generally recognized as confidential or
6 proprietary, which if openly disclosed would permit an unfair commercial advantage to
7 competitors of the entity that disclosed the records.” KRS 61.878(1)(c)(1).

8 **I. Big Rivers Faces Actual Competition**

9 7. Big Rivers competes in the wholesale power market to sell energy excess to its
10 members’ needs. Big Rivers’ ability to successfully compete in the wholesale power market is
11 dependent upon a combination of its ability to get the maximum price for the power sold, and
12 keeping the cost of producing that power as low as possible. Fundamentally, if Big Rivers’ cost
13 of producing a kilowatt hour increases, its ability to sell that kilowatt hour in competition with
14 other utilities is adversely affected. As is well documented in multiple proceedings before this
15 Commission, Big Rivers’ margins are derived almost exclusively from its off-system sales.

16 8. Big Rivers also competes for reasonably priced credit in the credit markets, and
17 its ability to compete is directly impacted by its financial results. Any event that adversely
18 affects Big Rivers’ margins will adversely affect its financial results and potentially impact the
19 price it pays for credit. As was described in the proceeding before this Commission in the Big
20 Rivers unwind transaction case, Big Rivers expects to be in the credit markets on a regular basis
21 in the future.¹

¹ See Order dated March 6, 2009, *In the Matter of: Joint Application of Big Rivers, E.ON, LG&E Energy Marketing, Inc., and Western Kentucky Energy Corporation for Approval to Unwind Lease and Power Purchase Transactions*, PSC Case No. 2007-00455, pages 27-30 and 37-39.

1 **II. The Confidential Information is Generally Recognized as Confidential or**
2 **Proprietary**
3

4 9. The Confidential Information for which Big Rivers seeks confidential treatment
5 under KRS 61.878(1)(c)(1) is generally recognized as confidential or proprietary under Kentucky
6 law.

7 10. The Confidential Information includes two Excel files, both of which have tabs
8 containing Big Rivers’ “Avoided Costs.” Big Rivers’ projected avoided energy costs are
9 revealed on those tabs as well as in other tabs. Additionally, cells throughout the files make
10 calculations using the avoided cost numbers. These items reveal Big Rivers’ projections of
11 market power prices.

12 11. Knowledge of such projected data would give Big Rivers’ suppliers and
13 competitors an unfair competitive advantage. Public disclosure of the Confidential Information
14 will give Big Rivers’ suppliers, buyers, and competitors insight into Big Rivers’ view of future
15 market power prices, which would indicate the prices at which Big Rivers is willing to buy or
16 sell power.

17 12. Information about a company’s detailed inner workings is generally recognized as
18 confidential or proprietary. *See, e.g., Hoy v. Kentucky Indus. Revitalization Authority*, 907
19 S.W.2d 766, 768 (Ky. 1995) (“It does not take a degree in finance to recognize that such
20 information concerning the inner workings of a corporation is ‘generally recognized as
21 confidential or proprietary’”). Moreover, the Commission has previously granted confidential
22 treatment to similar information. *See, e.g.,* letters from the Commission dated July 28, 2011, and
23 December 20, 2011, in *In the Matter of: Application of Big Rivers Electric Corporation for a*
24 *General Adjustment in Rates*, PSC Case No. 2011-00036 (granting confidential treatment to
25 multi-year forecast); letter from the Commission dated December 21, 2010, in *In the Matter of:*

1 *The 2010 Integrated Resource Plan of Big Rivers Electric Corporation*, PSC Case No. 2010-
2 00443 (granting confidential treatment to market price projections, among other things).

3 **III. Disclosure of the Confidential Information Would Permit an Unfair Commercial**
4 **Advantage to Big Rivers' Competitors**
5

6 13. Disclosure of the Confidential Information would permit an unfair commercial
7 advantage to Big Rivers' competitors. As discussed above, Big Rivers faces actual competition
8 in the wholesale power market and in the credit market. It is likely that Big Rivers would suffer
9 competitive injury if that Confidential Information was publicly disclosed.

10 14. As noted above, the Confidential Information reveals Big Rivers' projections of
11 power prices. If that information is publicly disclosed, potential power suppliers would have
12 insight into the prices Big Rivers is willing to pay and could manipulate the bidding process,
13 leading to higher prices for Big Rivers and impairing its ability to compete in the wholesale
14 power and credit markets. In PSC Case No. 2003-00054, the Commission granted confidential
15 protection to bids submitted to Union Light Heat & Power ("ULH&P"). ULH&P argued, and
16 the Commission implicitly accepted, that if the bids it received were publicly disclosed,
17 contractors on future work could use the bids as a benchmark, which would likely lead to the
18 submission of higher bids. Order dated August 4, 2003, in *In the Matter of: Application of the*
19 *Union Light, Heat and Power Company for Confidential Treatment*, PSC Case No. 2003-00054.
20 The Commission also implicitly accepted ULH&P's further argument that the higher bids would
21 lessen ULH&P's ability to compete with other gas suppliers. *Id.* Similarly, potential power
22 suppliers manipulating Big Rivers' bidding process would lead to higher costs to Big Rivers and
23 would place it at an unfair competitive disadvantage in the wholesale power market and credit
24 markets.

