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July 9, 2012

VIA FEDEX

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sauer Boulevard  
Frankfort, KY 40601

RECEIVED

JUL 10 2012

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2012-00143

Dear Mr. Derouen:

Enclosed for filing are the original and 10 copies of Response of Kenergy Corp. to Third Data Request of Commission Staff in above case.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood  
Attorney for Kenergy Corp.

JCH/cds

Encls.

COPY/w/encls.: Attorney General, Utility & Rate Intervention Division  
Mr. Sandy Novick, Kenergy Corp.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the matter of:**

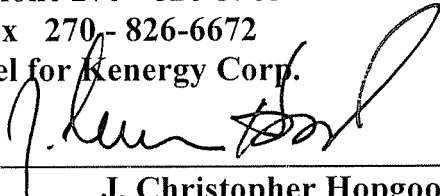
<b>TARIFF FILING OF KENERGY CORP. TO</b>	)	<b>Case No.</b>
<b>IMPLEMENT DEMAND-SIDE MANAGEMENT</b>	)	<b>2012-00143</b>
<b>PROGRAMS</b>	)	

**RESPONSE OF KENERGY CORP. TO THIRD DATA REQUEST**  
**OF COMMISSION STAFF**

Following is Kenergy Corp.'s response to Commission Staff's Third Request for Information dated June 29, 2012.

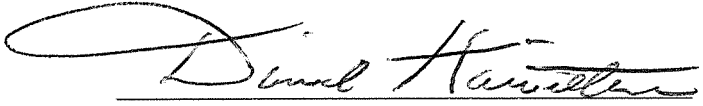
**DORSEY, KING, GRAY, NORMENT & HOPGOOD**  
318 Second Street  
Henderson, Kentucky 42420  
Telephone 270 - 826-3965  
Telefax 270 - 826-6672  
counsel for Kenergy Corp.

By \_\_\_\_\_

  
J. Christopher Hopgood

**VERIFICATION**

The undersigned David Hamilton hereby verifies that the information set forth in the following Responses of Kenergy Corp. to Third Data Request of Commission Staff is true and correct to the best of my information, knowledge and belief.

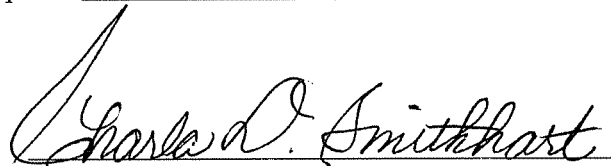
  
David Hamilton  
Kenergy Corp.

STATE OF KENTUCKY

COUNTY OF HENDERSON

The foregoing was signed, acknowledged and sworn to before me by  
DAVID HAMILTON, Member Services Director of KENERGY CORP., this 9th day  
of July, 2012.

My commission expires September 29, 2013

  
Notary Public, State of Kentucky at Large

(seal)

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2  
3  
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7

**KENERGY CORP.  
RESPONSE TO COMMISSION STAFF'S  
THIRD REQUEST FOR INFORMATION**

**CASE NO. 2012-00143**

8 **Item 1)** Refer to Kenergy's proposed tariff, pages 55 and 56, the Residential  
9 Weather Normalization tariffs. The Member Incentive sections of these pages state that  
10 Kenergy will provide a certain percentage of the cost of weatherization improvements  
11 and the Terms and Conditions section states that Kenergy will contract with a third-party  
12 contractor that performs weatherization projects, pay the contractor \$150 for the initial  
13 audit, and pay \$3 per installed CFL bulb and \$10 per installed low-flow aerator and/or  
14 shower head. However, in the Residential Weatherization Program tariffs filed by Big  
15 Rivers Electric Corporation ("Big Rivers"),<sup>1</sup> Kenergy's wholesale supplier, it states that  
16 Big Rivers will provide a certain percentage of the cost of weatherization improvements  
17 and that Big Rivers will contract with a third-party contractor that performs  
18 weatherization projects, pay the contractor \$150 for the initial audit, and pay \$3 per  
19 installed CFL bulb and \$10 per installed low-flow aerator and/or shower head. State  
20 which entity is responsible for the items listed. If the responsible party is Big Rivers,  
21 provide revised tariff pages 55, 55A, 56 and 56A.

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<sup>1</sup> See Case No. 2012-00142, Tariff Filing of Big Rivers Electric Corporation to Implement Demand-Side Management Programs, filed March 16, 2012.

1 **RESPONSE:**

2           **See attached revised tariffs which show that Big Rivers is responsible for the**  
3           **cost.**

4

5           **WITNESS: David Hamilton**



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Original SHEET NO. 55
CANCELLING PSC NO. 2
SHEET NO.

CLASSIFICATION OF SERVICE
Residential Weatherization Program – Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning

Residential Weatherization Program-Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning

Purpose

This program promotes increased implementation of weatherization improvements among residential customers whose primary heating source is non-electric with electric-sourced air conditioning by paying an incentive to eligible residential customers who undertake and complete residential weatherization improvements in accordance with this program.

Availability

A DSM program's rates, terms and conditions are available to residential customers subject to the limitations and eligibility requirements of this program and to the rules and regulations of this tariff.

Eligibility

A residential customer served by Kenergy Corp., who undertakes and completes weatherization improvements, in accordance with this program, and has a primary heat source that is non-electric and electric-sourced air conditioning.

Member Incentives

Big Rivers Electric Corporation, on behalf of Kenergy Corp., will provide 25% of the cost of approved residential weatherization improvements performed in accordance with this program.

Terms & Conditions

- 1. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will contract with a third-party contractor ("Contractor") that performs weatherization projects for electric utilities.
2. Kenergy Corp. will promote the program and submit residential customer names to Contractor.
3. Contractor will contact the residential customers from the names provided and manage the weatherization process.
4. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will pay the Contractor \$150 for the initial audit.

DATE OF ISSUE April 23, 2012
Month / Date / Year
DATE EFFECTIVE May 18, 2012
Month / Date / Year
ISSUED BY Sanford Novick
(Signature of Officer)
TITLE President & CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Original SHEET NO. 55A
CANCELLING PSC NO. 2
SHEET NO.

CLASSIFICATION OF SERVICE
Residential Weatherization Program - Primary Heating Source Non-Electric

5. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will also pay \$3 per installed CFL bulb and \$10 per installed low-flow aerator, and/or low-flow shower head, if the water heater is electric, as part of the initial audit. Reimbursement will be limited to the following:

- CFL Bulbs Twenty (20) per Residential Customer's residence
Low-Flow Aerator Two (2) per Residential Customer's residence
Low-Flow Shower Head One (1) per Residential Customer's residence

Evaluation, Measurement and Verification

Big Rivers Electric Corporation, on behalf of Kenergy Corp., will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

DATE OF ISSUE April 23, 2012
DATE EFFECTIVE May 18, 2012
ISSUED BY Sanford Knick
TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Original SHEET NO. 56

CANCELLING PSC NO. 2

SHEET NO.

CLASSIFICATION OF SERVICE

Residential Weatherization Program – Primary Heating Source Electric and Electric-Sourced Air Conditioning

Residential Weatherization Program-Primary Heating Source Electric and Electric-Sourced Air Conditioning

Purpose

This program promotes increased implementation of weatherization improvements among residential customers whose primary heating source is electric with electric-sourced air conditioning by paying an incentive to eligible residential customers who undertake and complete residential weatherization improvements in accordance with this program.

Availability

A DSM program’s rates, terms and conditions are available to residential customers subject to the limitations and eligibility requirements of this program and to the rules and regulations of this tariff.

Eligibility

A residential customer served by Kenergy Corp., who undertakes and completes weatherization improvements, in accordance with this program, and has a primary heat source that is electric and electric-sourced air conditioning.

Member Incentives

Big Rivers Electric Corporation, on behalf of Kenergy Corp., will provide 50% of the cost of approved residential weatherization improvements performed in accordance with this program.

Terms & Conditions

- 1. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will contract with a third-party contractor (“Contractor”) that performs weatherization projects for electric utilities.
2. Kenergy Corp. will promote the program and submit residential customer names to Contractor.
3. Contractor will contact the residential customers from the names provided and manage the weatherization process.
4. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will pay the Contractor \$150 for the initial audit.

DATE OF ISSUE April 6, 2012
Month / Date / Year

DATE EFFECTIVE May 1, 2012,
Month / Date / Year

ISSUED BY Sanford Kowick
(Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. DATED





Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Original SHEET NO. 56A
CANCELLING PSC NO. 2
SHEET NO.

CLASSIFICATION OF SERVICE
Residential Weatherization Program - Primary Heating Source Electric

5. Big Rivers Electric Corporation, on behalf of Kenergy Corp., will also pay \$3 per installed CFL bulb and \$10 per installed low-flow aerator, and/or low-flow shower head, if the water heater is electric, as part of the initial audit, limited to the following:

- CFL Bulbs Twenty (20) per Residential Customer's residence
Low-Flow Aerator Two (2) per Residential Customer's residence
Low-Flow Shower Head One (1) per Residential Customer's residence

Evaluation, Measurement and Verification

Big Rivers Electric Corporation, on behalf of Kenergy Corp., will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

DATE OF ISSUE April 6, 2012
Month / Date / Year
DATE EFFECTIVE May 1, 2012
Month / Date / Year
ISSUED BY Sanford H. Quirk
(Signature of Officer)
TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED