

Goss ■ Samford PLLC



Attorneys at Law

August 20, 2012

RECEIVED

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

AUG 20 2012

PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2012-00149

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's Second Request for Information, dated August 3, 2012. Also enclosed are an original and ten redacted copies of the responses of EKPC to Sonia McElroy and Sierra Club's Supplemental Requests for Information, dated August 3, 2012, along with EKPC's Petition for Confidential Treatment of Information, which applies to the response to Request 23. One copy of the designated confidential portion of the response is enclosed in a sealed envelope.

Very truly yours,

on behalf of
Mark David Goss

CC: Parties of Record

RECEIVED

AUG 20 2012

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**2012 INTEGRATED RESOURCE PLAN OF EAST
KENTUCKY POWER COOPERATIVE, INC.**

**) CASE NO.
) 2012-00149**

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED AUGUST 3, 2012**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2012-00149

**PUBLIC SERVICE COMMISSION'S SECOND REQUEST
FOR INFORMATION DATED 08/02/12**

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the information requests of Public Service Commission Staff's ("PSC") in this case dated August 3, 2012. Each response with its associated supportive reference materials is individually tabbed.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

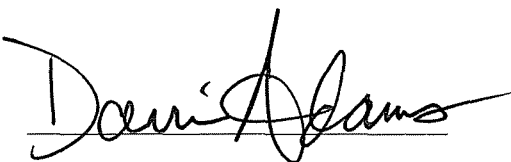
In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2012-00149

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Darrin Adams, 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's Second Request for Information in the above-referenced case dated August 3, 2012, 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.



Subscribed and sworn before me on this 20th day of August, 2012.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2012-00149

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Scott Drake, 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's Second Request for Information in the above-referenced case dated August 3, 2012, 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.



Subscribed and sworn before me on this 20th day of August, 2012.



Notary Public

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

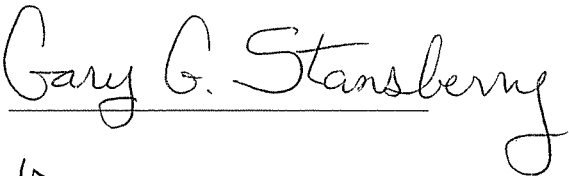
In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2012-00149

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Gary G. Stansberry, 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's Second Request for Information in the above-referenced case dated August 3, 2012, 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.



Subscribed and sworn before me on this 20th day of August, 2012.



Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00149
SECOND REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED
08/03/12**

REQUEST 1

RESPONSIBLE PERSON: Scott Drake and Jamie Bryan Hall

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to the first paragraph on page 6 of EKPC's Integrated Resource Plan ("IRP") and page 8 in Volume 1 of the Technical Appendix ("TA").

Request 1a. Describe EKPC's current evaluation, measurement, and verification procedures and what it believes is lacking in those procedures.

Response 1a. Currently, EKPC employs a variety of evaluation, measurement and verification ("EM&V") procedures to determine the energy and demand savings for its existing demand-side management ("DSM") programs. These procedures include end use metering and data logging, building simulation modeling, engineering algorithms employing field data, typical savings as a percent of consumption verified by field data and engineering calculations, simple engineering calculations, and deemed savings.

EKPC desires to move to a more formal measurement and verification process instead of relying on deemed savings; however, EKPC is concerned with the significant cost of a formal EM&V process. Therefore, EKPC is considering retaining the services of an outside firm for guidance on proper EM&V and deemed savings mixtures.

Request 1b. The footnote on page 8 of TA-Volume 1, states that “Historical energy impacts for DSM and interruptible loads are not directly metered and therefore are estimated.” Explain how the DSM impacts are currently estimated

Response 1b. Historical demand-side management impacts to energy are estimated based on the number of participants and an average load shape for each program.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00149
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED
08/03/12**

REQUEST 2

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Refer to the last sentence on page 3 of TA-Volume 2, which states that the new DSM programs will require an investment of just over \$256 million by EKPC, its member cooperatives, and participating customers in order to produce the projected savings. Explain how the \$256 million investment was determined.

Response 2. This \$256 million investment represents the present value of the costs in the Total Resource Cost test for the portfolio of new DSM programs in this IRP. In other words, it is the present value of the year by year EKPC program costs, the member cooperative program costs, and the participating customer costs summed across all new DSM programs.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00149
SECOND REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED
08/03/12**

REQUEST 3

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Refer to pages 2-3 of Exhibit DSM-4 of TA-Volume 2. The participant cost sections of the programs listed on these pages include state and federal tax credits. Explain whether these are the only programs for which state or federal tax credits are available to the participant. If not, explain why other programs that qualify for state or federal tax credits did not have the credits included as part of the participant cost.

Response 3. The programs referenced on pages 2-3 of Exhibit DSM-4 of TA-Volume 2 are the ENERGY STAR Residential Central Air Conditioning program and the Geothermal Retrofit program. The participant cost calculations factor in the applicable state and/or Federal tax credits. There are two other programs for which state or federal tax credits are available to the participant; these are the Commercial Lighting program and the Touchstone Energy New Construction Home program. The credits for the Commercial Lighting program are included as part of the participant cost calculation. The tax credit is no longer applied to the participant cost for the Touchstone Energy home because the field experience shows that builders are unable to claim the credit in most circumstances.

