



Meade County RECC

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May 21, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission
21 1 Sower Boulevard
Frankfort, KY 40602

RECEIVED

MAY 22 2012

PUBLIC SERVICE
COMMISSION

Re: Case No. 2012-00153 DSM Tariff

Dear Mr. Derouen:

Please find enclosed for filing an original and six (6) copies of Meade County Rural Electric Cooperative Corporation's response to Commission Staff's First Request for Information in Case No. 2012-00153.

Respectfully submitted,

Burns Mercer
President / CEO

C: Thomas C. Brite, Attorney for Meade County RECC

RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
IN Case No. 2012-00153

Item 1. Refer to the proposed tariffs filed on March 20, 2012.

a. Refer to proposed Schedule 26, the High Efficiency Lighting Replacement Program. The "Member Incentives" section states that "[the Cooperative will provide to its eligible Customers CFL lamps obtained from Big Rivers." In the High Efficiency Lighting Replacement Program tariff filed by Big Rivers Electric Corporation ("Big Rivers"), the "Member Incentives" section states that "Big Rivers will reimburse a Member the cost of CFL lamps purchased and distributed by the Member to its eligible Rural Customers." In addition, the "Terms & Conditions" section of Big Rivers' proposed tariff states that "a Member must submit to Big Rivers a copy of a paid CFL supplier invoice." Given the language in Big Rivers' proposed tariff, explain why Meade's proposed tariff states that the CFL lamps will be obtained from Big Rivers.

Response:

Meade County will purchase the CFL lamps and invoice Big Rivers for reimbursement.

b. Refer to proposed Schedules 27 through 34. In the "Member Incentive" sections of each of these eight schedules, Meade specifies that it must first receive the corresponding incentive payment from Big Rivers before paying the incentive to its customer. Big Rivers' proposed Demand-Side Management program tariffs which correspond with Meade's schedules 27, 28, 29, 31, and 32 state that "Big Rivers will reimburse a Member an incentive payment. ..." Explain how Meade can be reimbursed" from Big Rivers as set out in Big Rivers' proposed tariffs if it must first receive the incentive payment from Big Rivers before providing the payment to its customers.

Response:

Big Rivers will reimburse the incentive to Meade County based on the required information submitted with the invoice.

c. Refer to proposed Schedule 30, the Residential Weatherization Program tariff. Paragraph 2 under the "Terms & Conditions" section states, "[the Cooperative will select eligible Customers' names to submit to Contractor." In the Big Rivers' Residential Weatherization Program proposed tariff, paragraph 2 of the "Terms & Conditions" section states that "[the Member will promote the program, and select Rural Customer names to submit to Contractor." Explain why the phrasing related to promotion of the program was excluded from Meade's proposed Schedule 30.

Response:

Big Rivers addressed the reimbursement of promotional costs to the Member Cooperatives. Promotional fees were not addressed in the Meade County tariff, because it is not pertinent to the retail member.

d. Refer to proposed Schedule 31, the Touchstone Energy New Home Program tariff. The "Purpose" section references "one of three specified types of Energy Star rated HVAC systems" that could be installed under this program. However, four types are listed in the "Customer Incentives" part of the tariff. Did Meade intend for the "Purpose" section to refer to "one of four specified types of Energy Star rated HVAC systems"? If no, explain.

Response: Yes. See attached revised tariff

FOR Entire territory served

 Community, Town or City
 P.S.C. No. _____
Original (Original) Sheet No. 46
 (Revised)
 _____ Cancellling P.S.C. No. _____
 (Original) Sheet No. _____
 (Revised)

**MEADE COUNTY RURAL ELECTRIC
 COOPERATIVE CORPORATION**

CLASSIFICATION OF SERVICE		RATE PER UNIT
Schedule 31	N	N
<u>Touchstone Energy® New Home Program</u>		
Purpose		
<p>This program promotes an increased use of energy efficient building standards as outlined in the Touchstone Energy® certification program, including installation of high efficiency ENERGY STAR® rated HVAC systems, by providing incentive payments to eligible Customers whose new home includes an HVAC system beyond contractor grade minimums that is one of four specified types of ENERGY STAR® rated HVAC systems (“Qualified System”).</p>		
Availability		
<p>Each DSM program offered by the Cooperative is sponsored by Big Rivers Electric Corporation through tariffs applicable to the Cooperative. Each Cooperative DSM program’s rates, terms and conditions are available to Customers of the Cooperative, subject to the limitations and eligibility requirements set forth in the Cooperative’s tariffs and the sponsoring tariff of Big Rivers.</p>		
Eligibility		
<p>Any Customer whose new Touchstone Energy® Certified residence includes a Qualified System.</p>		
Member Incentives		
<p>Provided that the Cooperative has first received the corresponding incentive payment from Big Rivers , the incentive paid for each residence for a Qualified System of one of the following types shall be:</p>		
Geothermal Heat Pump (ground coupled heat pump)	\$ 2,000	
Air Source Heat Pump	\$ 1,000	
Dual Fuel Heat Pump (ASHP w/Gas Backup)	\$ 1,200	
Gas Heat	\$ 750	
Terms & Conditions		
<p>To qualify for the incentive under this program, the Customer must submit to the Cooperative a copy of the original Touchstone Energy® Certified residence certification document and supporting documents, and a copy of the receipt or certification from a licensed HVAC contractor verifying installation of the Qualified System on the Customer’s premises.</p>		

DATE OF ISSUE March 16, 2012

 Month Day Year

DATE EFFECTIVE April 16, 2012

 Month Day Year

ISSUED BY Burns Mercer President / CEO

 Name of Officer Title Address

ISSUED BY AUTHORITY OF P.S.C.

ORDER NO. _____

**MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR Entire territory served

 Community, Town or City
 P.S.C. No. _____
 Original (Original) Sheet No. 47
 (Revised)
 Cancellling P.S.C. No. _____
 _____ (Original) Sheet No. _____
 (Revised)
 _____ (Revised)

CLASSIFICATION OF SERVICE		
Schedule 31 - Continued	N	RATE PER UNIT
<p>Evaluation, Measurement and Verification</p> <p>The Cooperate will follow 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.</p>	N	N

DATE OF ISSUE March 16, 2012

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ORDER NO. _____

Item 2. Provide Meade's plans for promoting the programs included in the proposed tariffs.

Response:

Touchstone Energy Home, Energy Star Washing Machine, Energy Star Refrigerator, Heat Pump Tune Up, Energy Star Heating and Cooling Replacement programs will periodically be promoted thru radio, newspaper, Kentucky Living Magazine insert and Meade County RECC website sources of media.

The residential weatherization program will be promoted through direct mailings to members.

Commercial lighting and general commercial energy efficiency will be promoted through direct mailings.

Witness: Timothy Gossett