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October 8, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

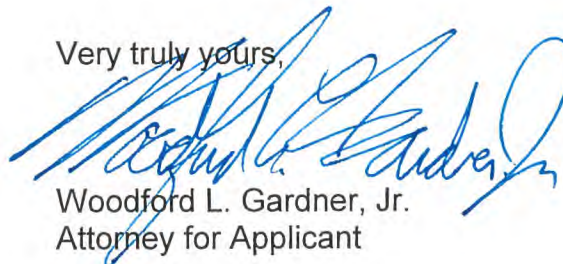
Re: Case No. 2014-00281

Dear Mr. Derouen:

We enclose for filing the original and 10 copies of the Commission Staff's Second Request for Information in the Application of Farmers Rural Electric Cooperative Corporation for an Order Approving Kentucky Energy Retrofit Rider Permanent Tariff.

Thank you for your assistance in this mater.

Very truly yours,



Woodford L. Gardner, Jr.
Attorney for Applicant

Enclosures

RECEIVED

OCT 09 2014

PUBLIC SERVICE
COMMISSION

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00281
RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Request 1.

Refer to Item 9 of Farmers' responses to Commission Staff's First Request for Information ("Staff's First Request"). Farmers expects that it will complete 25 projects in the first year and 25 projects in the second year. It also expects that the average monthly savings per customer will be \$50.00 per month, and over the first two years, it will see savings of 200,000 kWh.

Request 1a.

Provide the average number of kWh saved per month by a member whose monthly savings are \$50.00.

Response 1a.

The average number of kWh saved by a member whose monthly savings are \$50.00 would be 455 kWh per month.

Request 1b.

Reconcile the response to part a. above with the 200,000 kWh to be saved over the first two years of the program if 25 projects are completed in the first year, and 25 are completed in the second year.

Response 1b.

The savings projections relative to the number of retrofits to be completed in the first two years take into account the fact that the program will require some time initially to establish systems, inform members, and develop a qualified contractor base to perform the retrofits. The savings projections conservatively assume that the rate of retrofit completions will accelerate over the first two years but that savings for those retrofits completed in the latter part of the initial two years will not have contributed as much to the overall savings due to being counted for a shorter period of time.

Witness: William T. Prather

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Request 1. (continued)

Request 1c.

Provide any updates to response 9 of Staff's First Request, if needed.

Response 1c.

To more accurately reflect the anticipated acceleration over two years of the rate of retrofit completions, we would like to revise Response 9.1 as follows:

"1. Farmers RECC in comparison to other four participating cooperatives in the KER program expects to complete fifty (50) retrofits in the first two years of the program."

Witness: William T. Prather