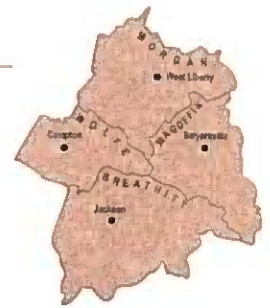




**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



KERRY K. HOWARD  
General Manager/CEO  
March 02, 2015

Mr. Jeff Derouen  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Case NO. 2015-00012  
1<sup>st</sup> Information Request

Dear Mr. Derouen:

Enclosed are an original and three copies of Licking Valley Rural Electric Cooperative Corporation's response as requested in Case No. 2015-00012, first information request.

Licking Valley RECC's application for approval of KY Energy Retrofit Rider permanent Tariff available to:

Schedule A – Residential, Farm, Small Community Hall & Church Service available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations and Available to members of the Cooperative for all community halls and churches with a transformer size of 25 KVA or less.

And for Schedule B – Commercial and Small Power Service available to commercial consumer, small schools, small industrial consumer, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less.

Please contact me if you have any questions.

Very truly yours,

Kerry K. Howard  
General Manager/CEO

Enclosure

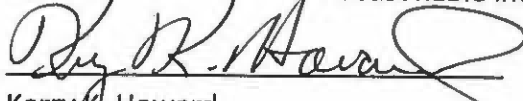
RECEIVED

MAR 6 2015

PUBLIC SERVICE  
COMMISSION

VERIFICATION

The undersigned, Kerry K. Howard, General Manager/CEO of Licking Valley Rural Electric Cooperative Corporation certifies that the response contained in this document are true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.


  
Kerry K. Howard

COMMONWEALTH OF KENTUCKY

COUNTY OF MORGAN

Subscribed and sworn to before me by Kerry K. Howard, General Manager/CEO of Licking Valley Rural Electric Cooperative Corporation to be his free act and deed this 2nd day of March 20145

(SEAL)

  
Notary Public

My Commission Expires:

05/29/2016

ID: 466856

Witness: Kerry K. Howard

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 1 - Refer to the second paragraph on the first page of the application ("Application"), which states, "Licking Valley RECC requests that Case Nos. 2010- 00089,""012-00484,""and 2013-00398,as well as the periodic reports on those cases that have been submitted semi-annually, be incorporated into the record of this case by reference." Confirm that Licking Valley is willing to comply with the same periodic reporting requirements ordered in these cases

*Response - Licking Valley RECC will comply with the same periodic reporting requirements ordered in those cases.*

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 2 -Refer to the last sentence in paragraph 9 of the Application, which states, "Commercial/small industrial accounts will have these options, plus an option for lighting improvements and upgrades."

- a. Describe the type of conservation plan ("Conservation Plan") Licking Valley is considering offering to its commercial and small industrial accounts that will become part of its Kentucky Energy Retrofit Rider ("KER Rider").

*Response: The conservation plan ("Conservation Plan") Licking Valley RECC will offer to its commercial and small power accounts will be Attachment 7 – Kentucky Retrofit Rider Conservation Plan of this Application.*

- b. Identify and describe the types of lighting improvements and upgrades that will be considered.

*Response:*

*Sample Retrofits for Schedule B—Commercial and Small Power Service:*

*Office lighting upgrades—retrofits from fluorescent T12 and standard T8 linear fluorescent lighting to high performance or reduced wattage T8 fluorescent lighting or T5 fluorescent lighting or linear Light Emitting Diodes (LED).*

*Retail lighting upgrades—retrofits from halogen spot lights to LED.*

*Convenience store lighting upgrades—retrofits from metal halide to LED.*

*Outdoor lighting upgrades—retrofits from high pressure sodium (HPS), mercury vapor (MV), and metal halide (MH) to LED.*

- c. Explain whether the Mountain Association for Community Economic Development ("MACED") partnership with Licking Valley will include commercial and small industrial accounts.

*Response: The Mountain Association for Community Economic Development ("MACED") partnership with Licking Valley RECC's will include Schedule B –*

LICKING VALLEY RURAL ELECTRIC  
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*Commercial and Small Power Service which is available to commercial consumers, small schools, small industrial consumers, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors of 25 KVA or less.*

- d. Explain whether commercial and small industrial accounts are covered under the KER Riders of other utilities with whom MACED has partnered.

***Response: Yes***

LICKING VALLEY RURAL ELECTRIC  
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PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 3 - Refer to paragraph 13 of the Application, which states:

The KER Rider has been designed to reduce financial risks at all stages of development. Licking Valley RECC will join the existing pooled Risk Mitigation Fund established for participating EKPC cooperatives whereby a portion of the project fee —currently assessed as five percent of the capitalized cost of projects —will be allocated to a shared fund in case of a total loss. Licking Valley RECC will notify the Commission if the balance of the fund falls below the amount designated in existing tariffs.

Explain whether there are separate Risk Mitigation Funds that have been established for residential and commercial/small industrial accounts.

*Response: A single Risk Mitigation Fund has been established to serve residential and commercial/small power accounts.*

LICKING VALLEY RURAL ELECTRIC  
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RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 4 - Refer to the sixth sentence in paragraph 15 of the Application, which states, "The projects created or saved 6 jobs." Describe the types of jobs created or saved by the projects discussed in the paragraph.

*Response: The types of jobs created or saved include, but are not limited to, HVAC professionals, insulation installers and other construction contractors.*

LICKING VALLEY RURAL ELECTRIC  
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RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 5 - Refer to Exhibit A of the Application, the KY Retrofit Purchase Agreement, at page 5, the last sentence of the first bulleted paragraph, which states, "Residential locations will have repayment terms of up to 15 years, while commercial property locations will have a maximum repayment term of 10 years and require loan security on investments greater than \$20,000."

- e. This section of the proposed KER Rider discusses residential and commercial property locations, but not small industrial property locations. Explain why.

*Response:*

*Exhibit A of the Application, the KY Retrofit Purchase Agreement, at page 5, the last sentence of the first bulleted paragraph, should read, "Residential locations will have repayment terms of up to 15 years, while commercial and small power property locations will have a maximum repayment term of 10 years and require loan security on investments greater than \$20,000."*

- f. Explain whether any type of security is requested for investments less than \$20,000.

*Response: No*

- g. Provide the maximum or ceiling investment amount for commercial and small industrial locations.

*Response:*

*The maximum or ceiling investment for commercial and small power locations is specified by the specific requirements of the Exhibit A – Kentucky Energy Retrofit Rider document. According to page 2, RETROFIT INVESTMENT AND REPAYMENT TERMS, #5 – "The Retrofit Project Charge must be less than ninety (90) percent of the estimated average savings associated with the investment." In addition, Exhibit A of the Application, the KY Retrofit Purchase Agreement, at page 5, the last sentence of the first bulleted paragraph states, "Residential locations will*



LICKING VALLEY RURAL ELECTRIC  
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*have repayment terms of up to 15 years, while commercial small power property locations will have a maximum repayment term of 10 years and require loan security on investments greater than \$20,000."*

*Therefore, the maximum or ceiling investment for commercial and small power locations is limited to a Conservation Plan cost which can be repaid in a maximum term of 10 years with a Retrofit Project Charge that must be less than ninety (90) percent of the estimated average savings associated with the investment.*

LICKING VALLEY RURAL ELECTRIC  
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RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 6 - Refer to the response to Item 8, page 4, Exhibit B, of the Application. Explain whether there is a check list for commercial and small industrial accounts/locations, and if one exists describe.

*Response: We have worked with each cooperative to design a check list for the cooperative's auditors to use when evaluating a potential residential, commercial or small power location.*

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 7 - Refer to Attachment 1 of the Application. Explain whether different How\$martKY Services and Fees forms will be used for residential locations and commercial/small industrial locations.

*Response: The Attachment 1 – How\$martKY™ Services and Fees form will be used for residential locations and commercial/small power locations.*

Witness: Kerry K. Howard

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

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RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 8 - Refer to Attachment 2 of the Application. Explain whether different UCC Financing Statement forms will be used for residential locations and commercial/small industrial locations.

*Response: The same UCC Financing Statement form will be used for residential locations and commercial and small power locations.*

Witness: Kerry K. Howard

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 9 - Refer to Attachment 7 of the Application. Explain whether there is a Kentucky Retrofit Rider Conservation Plan for commercial and small industrial locations, and if so, provide.

*Response: The Attachment 7 – Kentucky Retrofit Rider Conservation Plan form will be used for commercial and small power locations.*

LICKING VALLEY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC CASE NO. 2015-00012  
RESPONSE TO FIRST REQUEST FOR INFORMATION

Request 10 - Explain whether residential, commercial and small industrial customers with more than one location, can finance more than one Conservation Plan investment through MACED.

*Response: Residential, commercial and small power customers with more than one location can finance more than one Conservation Plan investment through MACED.*