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June 15, 2015

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JUN 16 2015

PUBLIC SERVICE
COMMISSION

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

RE: Case No. 2015-00119

Dear Mr. Derouen:

Enclosed for filing please find Kenergy's response to the Commission's First Request for Information (original plus 3 copies) in the above referenced matter.

Your assistance in this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "David Hamilton".

David Hamilton
Vice President – Member Services

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

CASE NO. 2015-00119

VERIFICATION

I, **DAVID HAMILTON**, verify, state and affirm that the data request responses filed with this verification and for which I am listed as a witness are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.



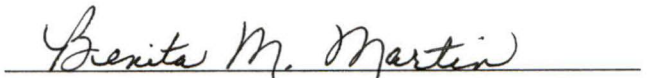
David Hamilton, Vice President – Member Services

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by **DAVID HAMILTON**, this 15th day of June, 2015.

My commission expires Oct. 16, 2016



Notary Public, State of Kentucky at Large

(seal)

**KENERGY CORP.
RESPONSE TO THE COMMISSION'S
FIRST REQUEST FOR INFORMATION**

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Item 1) Refer to Kenergy's currently approved tariffs, Sheet No. 55, Residential Weatherization Program – Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Non-Electric”) and to Sheet No. 56, Residential Weatherization Program – Primary Heating source Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Electric”). Also, refer to Kenergy's proposed Sheet No. 55, Pilot Residential Weatherization A La Carte Program and Sheet No. 56, which is now proposed to be reserved for Future Use.

- a) Explain whether Kenergy is seeking Commission approval to discontinue the existing Residential Weatherization Program – Non-Electric and Residential Weatherization Program – Electric programs, and if so, why it has decided to no longer offer them as currently approved.
- b) State whether Kenergy is planning to combine Schedule 55, Residential Weatherization Program – Non-Electric and Schedule 56, Residential Weatherization Program – Electric into the Pilot Residential Weatherization A La Carte Program, and if so, explain how.

Response a) Kenergy is seeking to discontinue the existing weatherization programs, Sheet No. 55, Residential Weatherization Program – Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Non-Electric”) and Sheet No. 56, Residential Weatherization Program – Primary Heating Source Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Electric”) and replace the two with the new proposed, Sheet No. 55, Pilot Residential Weatherization A La Carte Program.

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Kenergy's current approved tariffs, Sheet No. 55, Residential Weatherization Program – Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Non-Electric”) and Sheet No. 56, Residential Weatherization Program – Primary Heating Source Electric and Electric-Sourced Air Conditioning (“Residential Weatherization Program – Electric”) are being discontinued due to budget constraints.

Response b) The current Schedule 55, Residential Weatherization Program – Non-Electric and Schedule 56, Residential Weatherization Program – Electric are being discontinued and the new Schedule 55, Pilot Residential Weatherization A La Carte Program will include both electric and gas heated homes.

Witness) David Hamilton

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Item 2) Explain how Kenergy intends to determine the “up to” amount for the incentives of its various programs as proposed.

Response) Funding levels will be determined by member participation in each program and adjusted periodically in order to stay within the annual budget for energy efficiency programs funded by Big Rivers Electric Corporation.

Witness) David Hamilton

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Item 3) Refer to proposed Sheet No. 52, Residential and Commercial HVAC & Refrigeration Tune-Up Program, Member Incentives. Explain why the “up to” language is omitted for the \$50 commercial unit.

Response) The “up to” language applies to both residential and commercial HVAC tune-ups.

Witness) David Hamilton

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Item 4) Explain why Kenergy is proposing the Residential Weatherization A La Carte Program be approved as a pilot, when Big Rivers Electric Corporation (“Big Rivers”) is not proposing that this program be approved as a pilot in pending Case No. 2015-00118.

Response) This program was submitted by Kenergy as a pilot to determine its effectiveness. Big Rivers authorized an additional one-time allocation of \$150,000 to fund the pilot.

Witness) David Hamilton

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Item 5) Refer to Kenergy’s proposed Sheet No. 55, Pilot Residential Weatherization A La Carte Program, Member Incentives, that states, “Kenergy Corp. will provide a portion of the cost of approved residential weatherization improvements performed in accordance with this program including management costs. Kenergy’s total reimbursement shall not exceed the amounts outlines below in Terms and Conditions.” Also, refer to Big Rivers’ proposed tariff in Case No. 2015-00118, Sheet No. 19, Residential Weatherization Program-Primary Heating Source Non-Electric, Member Incentives, that states, “Big Rivers or the Member will reimburse the cost of an initial site visit, a portion of the diagnostic audit, and completed residential weatherization improvements performed in accordance with this program including project management costs. Big Rivers’ or the Member’s total reimbursement shall not exceed the amounts outlined below in Terms and Conditions. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program.” Explain in detail the differences between the two proposed Member Incentives, and why Kenergy’s proposed language does not mirror that of Big Rivers.

Response) Kenergy’s proposed Sheet 55, Residential Weatherization A La Carte Program Terms and Conditions do mirror the Big Rivers Residential Weatherization A La Carte Program, Sheet 23.02, in Case No. 2015-00118.

Witness) David Hamilton

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Item 6) Refer to Case No. 2015-00118, Big Rivers' proposed Sheet No. 23.01, Eligibility, which states, "Program eligibility is based on the home and not the number of HVAC systems per home." Explain why Kenergy does not have similar language regarding eligibility in its proposed Pilot Residential Weatherization A La Carte Program tariff provisions.

Response) The proposed weatherization incentive is only paid one time per home and is not paid based on the number of HVAC systems per home. Kenergy will add the language to mirror the Big Rivers tariff.

Witness) David Hamilton

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Item 7) Refer to Case No. 2015-00118, Big Rivers' proposed Sheet No. 23.02, Residential Weatherization A La Carte Program, Terms & Conditions, paragraph 4, which states, "Big Rivers or the Member will pay the Contractor up to \$200 for the initial site visit. This fee will include an audit report, customer educational materials, and energy efficient lights." Here the superscript "a" refers to the "energy efficient lights" note. Explain whether the same note is included in Kenergy's proposed Sheet No. 55A, paragraph 5, in error instead of in paragraph 4.

Response) Yes, it should be in paragraph 4.

Witness) David Hamilton

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Item 8) Refer to Case No. 2015-00118, Big Rivers' proposed Sheet No. 23.03, Terms & Conditions, paragraph 6, which states, "The Rural Member will be responsible for contracting the service and submitting documentation to the Member Cooperative." Explain why Kenergy does not have similar language in its Terms & Conditions, paragraph 6, of the proposed Pilot Residential Weatherization A La Carte Program.

Response) Kenergy believes the language in paragraph 7, sheet 55A, is sufficient to cover Kenergy's responsibility to Big Rivers Electric Corporation. However, if the Commission believes it is necessary, we can mirror the Big Rivers language.

Witness) David Hamilton

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Item 9) Refer to Case No. 2015-00118, Big Rivers' proposed Sheet No. 23.04, Terms & Conditions, paragraph 8, which states, "Big Rivers or the Member will complete all reimbursements upon completion of any of the above weatherization measures and submission of an application and required documentation." Explain why Kenergy does not have similar language in its Terms & Conditions of the proposed Pilot Residential Weatherization A La Carte Program.

Response) Kenergy agrees to put similar language in its proposed Pilot Residential Weatherization A La Carte Program.

Witness David Hamilton

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Item 10) Refer to Case No. 2015-00118, Big Rivers' proposed Sheet No. 23.04, Terms & Conditions, paragraph 9, that states, "To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a receipt of purchase and installation of a Qualified System from a licensed contractor, along with a certificate from the Member verifying installation of the Qualified System on the premises of a Rural Customer in the Member's service area." Explain why Kenergy does not have similar language in its Terms & Conditions of the proposed Pilot Residential Weatherization A La Carte Program.

Response) Kenergy does not believe that paragraph 9, in Big Rivers sheet 23.04, applies to the weatherization tariff. Kenergy believes this language was inadvertently copied and pasted from Big Rivers Electric Case No. 2015-00118, sheet 8, Terms & Conditions.

Witness) David Hamilton