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July 13, 2015

RECEIVED

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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 Second Request for Information (original plus 3 copies) in the above referenced matter.

Your assistance in this matter is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "David Hamilton".

David Hamilton  
Vice President – Member Services

**KENERGY CORP.  
RESPONSE TO COMMISSION STAFF'S  
SECOND 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 13 day of July, 2015.

My commission expires Oct. 16, 2016

  
\_\_\_\_\_  
Notary Public, State of Kentucky at Large

(seal)

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

**CASE NO. 2015-00119**

1

2 **Item 1)** Refer to Kenergy's response to Item 2 of the Commission Staff's First Request for  
3 Information ("Staff's First Request").

4 a) Explain whether Kenergy believes the "up to" amount will seem vague to the member and if  
5 establishing a specific incentive amount that could be revised each year as the annual budget  
6 for energy efficiency programs is adjusted and approved would be better.

7 b) If Kenergy disagrees, explain how Kenergy proposes to communicate to a member the "up to"  
8 amount of incentive that it determines based on member participation.

9

10 **Response a)** Kenergy does not believe the "up to" amount will seem vague to the member. Any  
11 changes will be communicated to our members through the monthly *Member Matter* newsletter,  
12 Facebook, Twitter and through the Kenergy website. Kenergy currently tracks participation levels in  
13 each program on a monthly basis. The "up to" language allows Kenergy to adjust the incentive  
14 payment amounts to stay within budget. We propose to review each program and determine if the  
15 incentive amounts should be adjusted.

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17 **Response b)** See response to 1a.

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19 **Witness)** David Hamilton

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

**CASE NO. 2015-00119**

1

2 **Item 2)** Refer to Kenergy's response to Staff's First Request, Item 2. Kenergy states, "Funding  
3 levels will be determined by member participation in each program and adjusted periodically in order  
4 to stay within the annual budget for energy efficiency programs funded by Big Rivers Electric  
5 Corporation."

6 a) Explain how often either Kenergy or Big Rivers Electric Corporation reviews the number  
7 of participants and the amount of incentives paid for purposes of adjusting funding levels.

8 b) Provide the level of participation or funding that triggers such a review.

9

10 **Response a)** Kenergy and Big Rivers Electric Corporation monitors participation levels in each  
11 energy efficiency program on a monthly basis. The budget is proportionately allocated each month  
12 and persistent overspending would trigger a review. The budget is limited by Big Rivers Electric  
13 Corporation to \$500,000 annually to fund energy efficiency programs.

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15 **Response b)** See response to 2a.

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17 **Witness)** David Hamilton

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**KENERGY CORP.  
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**CASE NO. 2015-00119**

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**Item 3) a)** Explain whether the Pilot Residential Weatherization A La Carte Program offers the same weatherization measures as the Residential Weatherization Program – Primary Heating Source Non-Electric and Electric-Sourced Air Conditioning and the Residential Weatherization Program – Primary Heating Source Electric and Electric-Sourced Air Conditioning. If not, identify the differences and explain why there are differences.

**b)** Explain whether Kenergy will add the non-duplicate items, such as CFL Bulbs, Low-Flow Aerator, and Low-Flow Shower Head, to the menu of choices on the Pilot Residential Weatherization A La Carte Program.

**Response a)** The Pilot Residential Weatherization A La Carte Program does not offer the same weatherization measures as the existing weatherization programs. The Pilot Residential Weatherization A La Carte Program is comprised of only the most cost effective measures to provide weatherization to more members. **The proposed pilot weatherization programs provides:** Initial Site Visit (\$200 value), Audit and Audit Report, Member Education Materials, Energy Efficient Light Bulbs and Kenergy will pay “up to” \$500 for duct sealing in an electric heated home and “up to” \$250 for duct sealing a gas heated home.

**If additional weatherization measures are needed, Kenergy will pay “up to” the following amounts:**

<u>Measure</u>	<u>Electric Heated Home</u>	<u>Gas Heated Home</u>
Attic Insulation	\$500	\$250
Floor/Crawl Space Insulation	\$250	\$ 0
Smart/Programmable Thermostat	\$ 30	\$ 30

Note: If cost to seal ducts or install additional measures exceeds these amounts the member must pay the difference.

**KENERGY CORP.  
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**CASE NO. 2015-00119**

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Under the existing weatherization program for electric heated homes (Tariff No. 56), Kenergy will pay \$2,500 for the initial audit, weatherization measures, including CFL bulbs, Low-Flow Aerator and Low-Flow Shower Head.

Under the existing weatherization program for gas heated homes (Tariff No. 55), Kenergy will pay \$1,000 for the initial audit, weatherization measures, including CFL bulbs, Low-Flow Aerator and Low-Flow Shower Head.

The proposed pilot weatherization program does not include the low-flow aerator and the low-flow shower head.

**Response b)** Kenergy does not intend to add a low-flow aerator and low-flow shower head to the menu of choices for the Pilot Residential Weatherization A La Carte Program. The A La Carte Program does include energy efficient bulbs.

**Witness)** David Hamilton