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PUBLIC SERVICE
COMMISSION

April 5, 2019

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Boulevard
P O Box 615
Frankfort, KY 40602-0615

RE: PSC CASE NO: 2019-00060

Dear Ms. Pinson:

Please find enclosed an original and four copies for filing with the Commission in the above-referenced case, all pertinent information in the examination of the Demand-Side Management of Taylor County Rural Electric Cooperative Corporation of East Kentucky Power Cooperative, Inc.

Sincerely,

Ann Beard
Member Services
Taylor County Rural Electric
Cooperative Corporation

Enclosures

Taylor County R.E.C.C. is an equal opportunity provider & employer.

A Touchstone Energy® Cooperative

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APR 09 2019

**PUBLIC SERVICE
COMMISSION**

**TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION
P O BOX 100
CAMPBELLSVILLE, KY 42719-0100**

**DEMAND-SIDE MANAGEMENT FILING OF 15 OF
EAST KENTUCKY POWER COOPERATIVE, INC.'S COOPERATIVES
PUBLIC SERVICE COMMISSION
CASE NO. 2019-00060**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEMAND-SIDE MANAGEMENT FILING OF 15 OF)
EAST KENTUCKY POWER COOPERATIVE, INC.'S)
COOPERATIVES)

CASE NO.
2019-00060

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF TAYLOR)

Ann Beard, being duly sworn, states that she has supervised the preparation of the response of Taylor County RECC to the Public Service Commission Staff's Initial Request for Information in the Appendix dated March 28, 2019, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Witness my hand this 5th day of April, 2019

Ann Beard
Ann Beard

Subscribed and sworn before me this 5th day of April, 2019

Phyllis Rhodes #D.# 614597
Notary Public

My Commission expires 01/22/23

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
P O BOX 100
CAMPBELLSVILLE, KY 42719-0100
PSC CASE. 2019-00060**

WITNESS: Ann Beard

Request 1. For each Distribution Cooperative, provide the number of participants in each Demand-Side Management (DSM) program offered by year in each of the past five years.

Response 1. The number of participants for the years 2014, 2015, 2016, 2017, and 2018 are shown in the tables that follow along with other pertinent information for each program. Note that the amounts listed in the column labeled as “Total Cost” represents the cost of Taylor County RECC’s DSM programs that was reimbursed by East Kentucky Power Cooperative (“EKPC”) except for advertising costs. Reimbursed advertising costs are not included on the tables that follow.

Taylor RECC

January 01, 2014 to December 31, 2014

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	5	\$49,187	\$52,987	\$102,175
C&I Lighting Upgrade	5	\$49,187	\$52,987	\$102,175
Residential	1,678	\$41,018	\$25,691	\$66,708
Button Up - Level I	37	\$17,356	\$5,063	\$22,418
Button Up - Level II	1	\$1,290	\$795	\$2,085
Button Up - Level III	1	\$1,600	\$1,025	\$2,625
CFL	1,580	\$1,422	\$0	\$1,422
Heat Pump Retrofit	24	\$17,800	\$17,428	\$35,228
TSE Home (Performance)	1	\$950	\$450	\$1,400
TSE Home (Prescriptive)	3	\$600	\$930	\$1,530
Direct Load Control	31			
Total	1,683	\$90,205	\$78,678	\$168,883

Notes: Direct Load Control participants are new participants in the year.

Taylor County RECC
January 01, 2015 to December 31,
2015

Measure	# Customers	Rebate + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	2	\$11,230	\$16,872	\$28,102
C&I Lighting Upgrade	2	\$11,230	\$16,872	\$28,102
Residential	2,039	\$74,293	\$67,638	\$141,930
Appliance Recycling Freezer	8	\$969	\$630	\$1,599
Appliance Recycling Refrigerator	14	\$1,878	\$1,350	\$3,228
Button Up - Level I	24	\$9,231	\$4,511	\$13,742
CFL	1,500	\$1,350	\$0	\$1,350
ENERGY STAR Air Source Heat Pump	27	\$8,100	\$10,190	\$18,290
ENERGY STAR Central Air Conditioner	3	\$900	\$300	\$1,200
ENERGY STAR Clothes Washer	61	\$4,575	\$3,770	\$8,345
ENERGY STAR Dishwasher	49	\$2,450	\$630	\$3,080
ENERGY STAR Freezer	10	\$500	\$100	\$600
ENERGY STAR Heat Pump Water Heater	4	\$1,200	\$1,170	\$2,370
ENERGY STAR MANUFACTURED HOME	1	\$1,900	\$2,400	\$4,300
ENERGY STAR Refrigerator	67	\$6,700	\$755	\$7,455
Heat Pump Retrofit	36	\$30,740	\$40,032	\$70,772
TSE Home (Prescriptive)	4	\$3,800	\$1,800	\$5,600
Direct Load Control	231			
Total	2,041	\$85,523	\$84,510	\$170,032

Notes: Direct Load Control participants are new participants in the year.

Appliance Recycling Rebate + Co-op Admin includes 3rd party admin costs paid by EKPC.

LED- Promotional and auditing software paid by EKPC to a 3rd party

Taylor RECC

January 01, 2016 to December 31, 2016

Measure	# Customers	Rus Amount (Incentives + Admin)	Lost Revenue Amount	Total Transfer Payment
Commercial	10	\$120,362	\$180,769	\$301,130
C&I Lighting Upgrade	10	\$120,362	\$180,769	\$301,130
Residential	571	\$119,538	\$113,828	\$233,366
Appliance Recycling Freezer	4	\$448	\$270	\$718
Appliance Recycling Refrigerator	14	\$2,122	\$1,530	\$3,652
Button Up - Level I	38	\$16,724	\$8,838	\$25,561
ENERGY STAR Air Source Heat Pump	59	\$18,300	\$22,500	\$40,800
ENERGY STAR Central Air Conditioner	3	\$900	\$300	\$1,200
ENERGY STAR Clothes Washer	90	\$6,825	\$5,515	\$12,340
ENERGY STAR Dishwasher	90	\$4,500	\$1,455	\$5,955
ENERGY STAR Freezer	13	\$600	\$100	\$700
ENERGY STAR Heat Pump Water Heater	7	\$1,800	\$1,540	\$3,340
ENERGY STAR MANUFACTURED HOME	9	\$17,100	\$21,600	\$38,700
ENERGY STAR Refrigerator	100	\$9,900	\$1,585	\$11,485
Heat Pump Retrofit	42	\$39,370	\$48,145	\$87,515
TSE Home (Prescriptive)	1	\$950	\$450	\$1,400
Direct Load Control	101			
Total	581	\$239,900	\$294,596	\$534,496

Notes: Direct Load Control participants are new participants in the year.

Appliance Recycling Rebate + Co-op Admin includes 3rd party admin costs paid by EKPC.

LED- Promotional and auditing software paid by EKPC to a 3rd party

Taylor RECC

 January 01, 2017 to December 31,
 2017

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	5	\$4,250	\$6,385	\$10,635
C&I Lighting Upgrade	5	\$4,250	\$6,385	\$10,635
Residential	594	\$118,254	\$98,261	\$216,515
Appliance Recycling Freezer	11	\$1,561	\$1,170	\$2,731
Appliance Recycling Refrigerator	15	\$1,846	\$1,170	\$3,016
Button Up - Level I	23	\$9,272	\$4,637	\$13,909
ENERGY STAR Air Source Heat Pump	59	\$18,900	\$21,375	\$40,275
ENERGY STAR Central Air Conditioner	10	\$2,700	\$900	\$3,600
ENERGY STAR Clothes Washer	92	\$6,675	\$3,740	\$10,415
ENERGY STAR Dishwasher	121	\$5,950	\$1,440	\$7,390
ENERGY STAR Freezer	32	\$1,250	\$375	\$1,625
ENERGY STAR Heat Pump Water Heater	4	\$300	\$0	\$300
ENERGY STAR MANUFACTURED HOME	1	\$1,900	\$2,400	\$4,300
ENERGY STAR Refrigerator	151	\$14,300	\$5,945	\$20,245
Heat Pump Retrofit	41	\$45,050	\$51,059	\$96,109
TSE Home (Performance)	5	\$4,750	\$2,250	\$7,000
TSE Home (Prescriptive)	4	\$3,800	\$1,800	\$5,600
Direct Load Control	25			
Total	599	\$122,504	\$104,646	\$227,150

Notes: Direct Load Control participants are new participants in the year.

Appliance Recycling Rebate + Co-op Admin includes 3rd party admin costs paid by EKPC.

LED- Promotional and auditing software paid by EKPC to a 3rd party

Taylor Annual Report
January 01, 2018 to December 31, 2018

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	7	\$18,915	\$28,389	\$47,304
C&I Lighting Upgrade	7	\$18,915	\$28,389	\$47,304
Residential	1,757	\$92,555	\$76,197	\$168,753
Appliance Recycling Freezer	5	\$630	\$360	\$990
Appliance Recycling Refrigerator	7	\$1,063	\$720	\$1,783
Button Up - Level I	29	\$12,268	\$6,373	\$18,641
ENERGY STAR Air Source Heat Pump	71	\$16,500	\$18,000	\$34,500
ENERGY STAR Central Air Conditioner	16	\$3,000	\$900	\$3,900
ENERGY STAR Clothes Washer	104	\$6,075	\$3,630	\$9,705
ENERGY STAR Dishwasher	120	\$5,550	\$1,425	\$6,975
ENERGY STAR Freezer	26	\$1,100	\$245	\$1,345
ENERGY STAR Heat Pump Water Heater	16	\$1,500	\$1,520	\$3,020
ENERGY STAR MANUFACTURED HOME	3	\$5,700	\$7,200	\$12,900
ENERGY STAR Refrigerator	131	\$9,900	\$5,100	\$15,000
Heat Pump Retrofit	26	\$25,340	\$29,374	\$54,714
LED	1,200	\$1,080	\$0	\$1,080
TSE Home (Prescriptive)	3	\$2,850	\$1,350	\$4,200
Total	1,764	\$111,470	\$104,586	\$216,056

Notes: Direct Load Control participants are new participants in the year.
Appliance Recycling Rebate + Co-op Admin includes 3rd party admin costs paid by EKPC.
LED- Promotional and auditing software paid by EKPC to a 3rd party

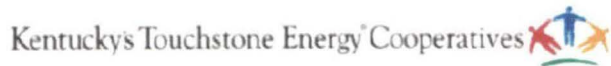
**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
P O BOX 100
CAMPBELLSVILLE, KY 42719-0100
PSC CASE. 2019-00060**

WITNESS: Ann Beard

Request 2. For each Distribution Cooperative, provide the total cost for each DSM program by year for the past five years and indicate the amount of the total cost that was reimbursed by East Kentucky Power Cooperative, Inc. (EKPC) and the amount not reimbursed by EKPC.

Response 2. Refer to the tables for 2014, 2015, 2016, 2017, and 2018 included with Taylor County RECC's Response to Commission Staff's Initial Request for Information, Item 1. The amounts labeled "Total Cost" represent all DSM costs reimbursed to Taylor County RECC by EKPC except for advertising. Advertising costs are excluded entirely from the tables provided in response to Item 1.

Unreimbursed costs include Taylor County RECC's share of advertising costs(1). The calculation of Taylor County RECC's total cost of providing each DSM program for the years 2014, 2015, 2016, 2017, and 2018 are shown in the tables that follow.



Taylor RECC

January 01, 2014 to December
31, 2014

Measure	Reimbursed "Total Cost"	Unreimbursed Costs	Total
Commercial	102,175	\$0	\$102,175
C&I Lighting Upgrade	102,175		\$102,175
Residential	66,708	\$0	\$66,708
Button Up - Level I	22,418		\$22,418
Button Up - Level II	2,085		\$2,085
Button Up - Level III	2,625		\$2,625
CFL	1,422		\$1,422
Heat Pump Retrofit	35,228		\$35,228
TSE Home (Performance)	1,400		\$1,400
TSE Home (Prescriptive)	1,530		\$1,530
Direct Load Control			
Total	168,883	\$0	\$168,883
Advertising	0	\$0	\$0
DSM - multiple programs	0	\$0	\$0
Total	168,883	\$0	\$168,883

(1)EKPC reimbursed Taylor County RECC 75 percent of DSM advertising costs capped at a fixed limit based on the number of meters serviced by Taylor County RECC. The 2014 cap was equal to \$.50 per meter served. The cap was \$.75 per meter during 2015, 2016, and 2017. EKPC discontinued advertising reimbursement after 2017.

Note that advertising costs reimbursable by EKPC include outgoing funds expended by Taylor County RECC for television, radio, newspaper, and other advertisements specific to DSM programs. Advertising costs do not include an allocation of the cost of Taylor County RECC's social media, Kentucky Living magazine, and other communication outlets where DSM programs are continuously promoted.

Taylor County RECC

January 01, 2015 to December 31, 2015

Measure	Reimbursed "Total Cost"	Unreimbursed Costs	Total
Commercial	\$28,102	\$0	\$28,102
C&I Lighting Upgrade	\$28,102		\$28,102
Residential	\$141,930	\$0	\$141,930
Appliance Recycling Freezer	\$1,599		\$1,599
Appliance Recycling Refrigerator	\$3,228		\$3,228
Button Up - Level I	\$13,742		\$13,742
CFL	\$1,350		\$1,350
ENERGY STAR Air Source Heat Pump	\$18,290		\$18,290
ENERGY STAR Central Air Conditioner	\$1,200		\$1,200
ENERGY STAR Clothes Washer	\$8,345		\$8,345
ENERGY STAR Dishwasher	\$3,080		\$3,080
ENERGY STAR Freezer	\$600		\$600
ENERGY STAR Heat Pump Water Heater	\$2,370		\$2,370
ENERGY STAR MANUFACTURED HOME	\$4,300		\$4,300
ENERGY STAR Refrigerator	\$7,455		\$7,455
Heat Pump Retrofit	\$70,772		\$70,772
TSE Home (Prescriptive)	\$5,600		\$5,600
Direct Load Control			
Total	\$170,032	\$0	\$170,032
Advertising	1,572	\$524	\$2,096
DSM - multiple programs	1,572	\$524	\$2,096
Total	171,604	\$524	\$172,128

Taylor RECC
January 01, 2016 to
December 31, 2016

Measure	Reimbursed "Total Cost"	Unreimbursed Costs	Total
Commercial	\$301,130	\$0	\$301,130
C&I Lighting Upgrade	\$301,130		\$301,130
Residential	\$233,366	\$0	\$233,366
Appliance Recycling Freezer	\$718		\$718
Appliance Recycling Refrigerator	\$3,652		\$3,652
Button Up - Level I	\$25,561		\$25,561
ENERGY STAR Air Source Heat Pump	\$40,800		\$40,800
ENERGY STAR Central Air Conditioner	\$1,200		\$1,200
ENERGY STAR Clothes Washer	\$12,340		\$12,340
ENERGY STAR Dishwasher	\$5,955		\$5,955
ENERGY STAR Freezer	\$700		\$700
ENERGY STAR Heat Pump Water Heater	\$3,340		\$3,340
ENERGY STAR MANUFACTURED HOME	\$38,700		\$38,700
ENERGY STAR Refrigerator	\$11,485		\$11,485
Heat Pump Retrofit	\$87,515		\$87,515
TSE Home (Prescriptive)	\$1,400		\$1,400
Direct Load Control			
Total	\$534,496	\$0	\$534,496
Advertising	0	\$0	\$0
DSM - multiple programs	0	\$0	\$0
Total	534,496	\$0	\$534,496

Taylor RECC
January 01, 2017 to
December 31, 2017

Measure	Reimbursed "Total Cost"	Unreimbursed Costs	Total
Commercial	\$10,635	\$0	\$10,635
C&I Lighting Upgrade	\$10,635		\$10,635
Residential	\$216,515	\$0	\$216,515
Appliance Recycling Freezer	\$2,731		\$2,731
Appliance Recycling Refrigerator	\$3,016		\$3,016
Button Up - Level I	\$13,909		\$13,909
ENERGY STAR Air Source Heat Pump	\$40,275		\$40,275
ENERGY STAR Central Air Conditioner	\$3,600		\$3,600
ENERGY STAR Clothes Washer	\$10,415		\$10,415
ENERGY STAR Dishwasher	\$7,390		\$7,390
ENERGY STAR Freezer	\$1,625		\$1,625
ENERGY STAR Heat Pump Water Heater	\$300		\$300
ENERGY STAR MANUFACTURED HOME	\$4,300		\$4,300
ENERGY STAR Refrigerator	\$20,245		\$20,245
Heat Pump Retrofit	\$96,109		\$96,109
TSE Home (Performance)	\$7,000		\$7,000
TSE Home (Prescriptive)	\$5,600		\$5,600
Direct Load Control			
Total	\$227,150	\$0	\$227,150
Advertising	0	\$0	\$0
DSM - multiple programs	0	\$0	\$0
Total	227,150	\$0	\$227,150

Taylor Annual Report
January 01, 2018 to
December 31, 2018

Measure	Reimbursed "Total Cost"	Unreimbursed Costs	Total
Commercial	\$47,304	\$0	\$47,304
C&I Lighting Upgrade	\$47,304		\$47,304
Residential	\$168,753	\$0	\$168,753
Appliance Recycling Freezer	\$990		\$990
Appliance Recycling Refrigerator	\$1,783		\$1,783
Button Up - Level I	\$18,641		\$18,641
ENERGY STAR Air Source Heat Pump	\$34,500		\$34,500
ENERGY STAR Central Air Conditioner	\$3,900		\$3,900
ENERGY STAR Clothes Washer	\$9,705		\$9,705
ENERGY STAR Dishwasher	\$6,975		\$6,975
ENERGY STAR Freezer	\$1,345		\$1,345
ENERGY STAR Heat Pump Water Heater	\$3,020		\$3,020
ENERGY STAR MANUFACTURED HOME	\$12,900		\$12,900
ENERGY STAR Refrigerator	\$15,000		\$15,000
Heat Pump Retrofit	\$54,714		\$54,714
LED	\$1,080		\$1,080
TSE Home (Prescriptive)	\$4,200		\$4,200
Total	\$216,056	\$0	\$216,056
Advertising	0	\$0	\$0
DSM - multiple programs	0	\$0	\$0
Total	216,056	\$0	\$216,056

In addition to the DSM programs referred to above, Taylor County RECC provides an Energy Audit DSM program to residential and small commercial Members. To provide this program, Taylor County RECC employs an Energy Advisor who performs, among other duties, energy audits at the request of the Member. Taylor County RECC did not track the number of energy audits performed during the years 2014 through 2018 or the estimated cost of those audits. EKPC provides no reimbursement for these costs.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
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PSC CASE. 2019-00060**

WITNESS: Ann Beard

Request 3. Provide the names of the members of EKPC's DSM Steering Committee, identify which Distribution Cooperative each member represents, and describe the process used to evaluate the cost-effectiveness and need for existing DSM programs offered by the respective Distribution Cooperatives.

Response 3. Alan Coffey (South Kentucky RECC), Barry Drury (Blue Grass Energy), Caralyne Pennington (Farmers RECC), Charlie Pasley (Clark Energy), Chuck Filiatreau (Salt River Electric), Jared Routh (Shelby Energy), Dan Hitchcock (Inter-County Energy), John May (Licking Valley RECC), Joni Hazelrigg (Fleming-Mason Energy), Natasha Wiley (Big Sandy RECC), Rich Prewitt (Cumberland Valley), Rick Ryan (Nolin RECC), Sandy Painter (Jackson Energy), Jack Scott Lawless (Owen Electric), Tina Preece (Grayson), Ann Beard (Taylor Co. RECC), Scott Drake (EKPC), Joe Settles (EKPC), Hank Smith (EKPC), Tom Castle (EKPC), Bill Blair (EKPC), Sha Phillips (EKPC), and Josh Littrell (EKPC).

The DSM Steering Committee reviews the DSM Potential Study performed by GDS Associates for each EKPC IRP. That study identifies all potential cost-effective DSM programs. John Farley, DSM consultant, also provides additional insight to DSM program cost-effectiveness evaluations. The DSM Steering Committee, based on their field experience working the membership, helps to identify the need for cost-effective programs. Although no formal process exists to determine need for a new DSM programs, participation levels of existing programs are reviewed to assist in determining the need to continue cost-effective programs. Both the DSM Steering Committee and the owner-member CEOs expressed a desired to continue cost-effective residential programs that assist their members having high bills due to energy-inefficient housing.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
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WITNESS: Ann Beard

Request 4. Provide a copy of all marketing materials and brochures currently used to promote each DSM program that each Distribution Cooperative proposes to continue.

Response 4. Taylor County RECC employs two methods of Member communications, including monthly Member newsletters within *Kentucky Living* magazine; and its website. Since the Commission's order in case 2019-00060, dated February 27, 2019, Taylor County RECC has updated its website to reflect revised DSM programs (see pages 2 thru 6 of this response). Taylor County RECC will continue to promote the revised DSM programs through the resources mentioned above.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
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PSC CASE. 2019-00060

WITNESS: Ann Beard

Request 5. For each Distribution Cooperative, provide a list and cost of any DSM programs that each Distribution Cooperative offers that EKPC does not offer, if any.

Response 5. Taylor County RECC does not offer any DSM programs that EKPC does not offer.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
P O BOX 100
CAMPBELLSVILLE, KY 42719-0100
PSC CASE. 2019-00060

WITNESS: Ann Beard

Request 6. For each Distribution Cooperative, provide a list of any DSM program targeted at low-income customers and provide a description of said programs.

Response 6. Taylor County RECC does not offer a program that is targeted at low-income customers.