

APR 1.1 2019

PUBLIC SERVICE COMMISSION

Farmers Rural Electric Cooperative Corporation COMMIS 504 S. Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142 • (270) 651-2191 • Fax (270) 651-7332

April 10, 2019

Ms. Gwen Pinson Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

Re: Case No. 2019-00060

Dear Ms. Pinson:

Attached for filing is the original and four copies of the Commission Staff's Initial Request for Information, dated March 28, 2019, regarding the Demand-Side Management Filing of 15 of East Kentucky Power Cooperative, Inc.'s Cooperatives.

The applicant, Farmers Rural Electric Cooperative Corporation, makes the following response as follows:

- 1. The witness who is prepared to answer questions concerning the request is William T. Prather.
- 2. William T. Prather, President & CEO of Farmers RECC, is the person supervising the preparation of the responses on behalf of the applicant.
- 3. The responses and exhibits are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

Very Truly Yours,

Jennie G. Phelps

Farmers RECC

Vice President, Finance & Accounting

Farmers RECC is an equal opportunity employer.

www.farmersrecc.com

A Touchstone Energy™ Cooperative XII



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In	The	Matter	Of:
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DEMAND-SIDE MANAGEMENT FILING OF 15 OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC'S COOPERATIVES)	2019-00060

CERTIFICATE

William T. Prather, being duly sworn, states that he has supervised the preparation of the response of Farmers Rural Electric Cooperative Corporation to the Public Service Commission Staff's Initial Request for Information to 15 of East Kentucky Power Cooperative, Inc.'s Cooperatives in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

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COMMONWEATLH OF KENTUCKY)		
COUNTY OF BARREN)		=

Subscribed and sworn to before me by William T. Prather, President & CEO of Farmers Rural Electric Cooperative Corporation this 10th day of April, 2019.

Notary Public

D: 160541

My Commission Expires: 6/22/2022

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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.

	Number of Customers								
Measure	Year 2014	Year 2015			Year 2018				
Commercial									
C&I Lighting Upgrade	3	4	4	5	1				
Compressed Air Audit	-	-	,	1					
Residential									
Appliance Recycling Freezer		3	13	7	7				
Appliance Recycling Refrigerator		. 11	36,	34	22				
Button Up - Level !	54	53	36	25	18				
Button Up - Level II	1	-	_	-,	-				
Button Up - Level III	1	-	_ 1	-					
CARES HEAT PUMP ELIGIBLE	(1	1	2					
CFL	200	200	-		_				
Energy Audit - Audit Estimator		4	-	-	-				
Energy Audit - Billing Insights Audit	-	63	11	4	5				
Energy Audit - Energy Insights Audit	-	-	78	19					
ENERGY STAR Air Source Heat Pump	-	13	19	17	46				
ENERGY STAR Central Air Conditioner		4	7	3	-				
ENERGY STAR Clothes Washer	-	46	64	60	, 66				
ENERGY STAR Dishwasher		60	71	55	69				
ENERGY STAR Freezer	-	6	9	13	14				
ENERGY STAR Heat Pump Water Heater	-	4	. 3	, 8	10				
ENERGY STAR MANUFACTURED HOME	-	_1	1	-	_				
ENERGY STAR Refrigerator	-	74	76	63	74				
Heat Pump Retrofit	8	14	50	29	.56				
HVAC Duct Sealing	130	136	69	18	20				
LED	-		500	600	750				
LED-Promotional	-	83	95	' <u>9</u>	4				
TSE Home (Performance)	1	. 1	1) -	1				
TSE Home (Prescriptive)	-	_	1	-	-				
Direct Load Control	269	114	109	16	6				
TOTAL	667	895	1,255	988	1,169				

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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. The amounts labeled "Total Cost" represent all DSM costs reimbursed to Farmers RECC. Unreimbursed costs include Farmers RECC's share of advertising costs and its share of low energy light bulbs.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 **RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST**

Kentucky's Touchstone Energy Cooperatives



Farmers RECC January 01, 2014 to December 31, 2014

Measure	#Customers	Rebates + Co-op Admin	Lost Revenue Amount	Reimbursed "Total Cost"	Unreimbursed	TOTAL
		(A)	(B)	(C)	(D)	(E)
Commercial	3	\$25,973	\$10,589	\$36,562	\$0	\$36,562
C&I Lighting Upgrade	3	\$25,973	\$10,589	\$36,562		\$36,562
Residential	664	\$94,734	\$39,602	\$134,336	\$180	\$134,516
Button Up - Level I	54	\$48,884	\$17,613	\$66,497		\$66,497
Button Up - Level II	1	\$1,290	\$795	\$2,085		\$2,085
Button Up - Level III	1	\$1,600	\$1,025	\$2,625		\$2,625
CFL	200	\$180	\$0	\$180	\$180	\$360
Heat Pump Retrofit	8	\$6,720	\$7,829	\$14,549		\$14,549
HVAC Duct Sealing	130	\$35,110	\$11,890	\$47,000		\$47,000
TSE Home (Performance)	1	\$950	\$450	\$1,400		\$1,400
Direct Load Control	269					
Total	667	基度表表		\$170,898	\$180	\$171,078
Adverstising				\$0	\$0	\$0
Total			THE RESERVE	\$170,898	\$180	\$171,078

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

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

Kentuckys Touchstone Energy Cooperatives
Farmers RECC
January 01, 2015 to December 31, 2015

sure	#Custor	ners	Rebate + Co-op Admin	Lost Revenue Amount	Reimbursed "Total Cost"	Unreimbursed	TOTAL
			(A)	(B)	(C)	(D)	(E) (c) ± (d)
Commercial		4	\$11,489	\$17,246	\$28,735	\$0	\$28,73
C&I Lighting Upgrade		4	\$11,489	\$17,246	\$28,735		\$28,73
Residential		891	\$126,345	\$85,810	\$212,156	\$0	\$212,15
Appliance Recycling Free	zer	3	\$395	\$270	\$665		\$60
Appliance Recycling Refi	igerator	11	\$1,443	\$990	\$2,433		\$2,43
Button Up - Level I		53	\$46,078	\$25,891	\$71,969		\$71,96
CARES HEAT PUMP ELIGIE	LE	1	\$1,100	\$600	\$1,700		\$1,70
CFL		200					:
Energy Audit - Audit Estir	nator	4	\$0	\$0	\$0		
Energy Audit - Billing Insi	ghts Audit	63	\$0	\$0	\$0		;
ENERGY STAR Air Source I	leat Pump	13	\$4,200	\$5,250	\$9,450		\$9,4
ENERGY STAR Central Air	Conditioner	4	\$1,200	\$400	\$1,600		\$1,6
ENERGY STAR Clothes Wa	sher	46	\$3,450	\$2,510	\$5,960		\$5,9
ENERGY STAR Dishwashe		60	\$3,000	\$715	\$3,715		\$3,7
ENERGY STAR Freezer		6	\$300	\$60	\$360		\$30
ENERGY STAR Heat Pump	Water Heater	4	\$1,200	\$1,540	\$2,740		\$2,7
ENERGY STAR MANUFACT	JRED HOME	1	\$1,900	\$2,400	\$4,300		\$4,30
ENERGY STAR Refrigerato	r	74	\$7,500	\$1,030	\$8,530		\$8,5
Heat Pump Retrofit		14	\$13,510	\$15,824	\$29,334		\$29,3
HVAC Duct Sealing		136	\$40,120	\$27,880	\$68,000		\$68,0
LED-Promotional		83	\$0	\$0	\$0		
TSE Home (Performance		1	\$950	\$450	\$1,400		\$1,4
Direct Load Control		114					
		895	\$137,834	\$103,056	\$240,891	\$0	\$240,8
Adverstising					\$16,845	\$5,615	\$22,4
DSM-multiple programs					\$7,858	\$2,619	\$10,4
Button Up					\$5,137	\$1,712	\$6,8
HVAC Duct Seal					\$3,851	\$1,284	\$5,13
		THE		THE RESERVE	\$257,736	\$5,615	\$263,3

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 **RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST**

Kentucky's Touchstone Energy Cooperatives



Farmers RECC January 01, 2016 to December 31, 2016

sure	# Customers	Rebate + Co-op Admin	Lost Revenue Amount	Reimbursed "Total Cost"	Unreimbursed	TOTAL
		(A)	(B)	(C)	(D)	(E)
Commercial	4	\$17,429	\$26,184	\$43,613	\$0	\$43,61
C&I Lighting Upgrade	4	\$17,429	\$26,184	\$43,613		\$43,61
Residential	1,251	\$134,552	\$111,402	\$245,954	\$1,435	\$247,38
Appliance Recycling Freezer	13	\$1,518	\$990	\$2,508		\$2,50
Appliance Recycling Refrigerator	36	\$4,907	\$3,510	\$8,417		\$8,41
Button Up - Level I	36	\$21,523	\$10,842	\$32,365		\$32,36
Button Up - Level III	1	\$1,600	\$1,025	\$2,625		\$2,62
CARES HEAT PUMP ELIGIBLE	1	\$2,100	\$600	\$2,700		\$2,70
Energy Audit - Billing Insights Audit	11	\$0	\$0	\$0		\$
Energy Audit - Energy Insights Audit	78	\$0	\$0	\$0		\$
ENERGY STAR Air Source Heat Pump	19	\$5,700	\$7,225	\$12,925		\$12,92
ENERGY STAR Central Air Conditioner	7	\$2,100	\$600	\$2,700		\$2,70
ENERGY STAR Clothes Washer	64	\$4,875	\$3,670	\$8,545		\$8,54
ENERGY STAR Dishwasher	71	\$3,550	\$695	\$4,245		\$4,24
ENERGY STAR Freezer	9	\$400	\$85	\$485		\$48
ENERGY STAR Heat Pump Water Heat	er 3	\$600	\$385	\$985		\$98
ENERGY STAR MANUFACTURED HOME	1	\$1,900	\$2,400	\$4,300		\$4,30
ENERGY STAR Refrigerator	76	\$7,400	\$1,410	\$8,810		\$8,81
Heat Pump Retrofit	50	\$52,200	\$61,895	\$114,095		\$114,09
HVAC Duct Sealing	69	\$21,830	\$15,170	\$37,000		\$37,00
LED	500	\$450	\$0	\$450	\$1,435	\$1,88
LED-Promotional	95	\$0	\$0	\$0		5
TSE Home (Performance)	1	\$950	\$450	\$1,400		\$1,40
TSE Home (Prescriptive)	1	\$950	\$450	\$1,400		\$1,40
Direct Load Control	109					
	1,255	\$151,981	\$137,586	\$289,568	\$1,435	\$291,00
Adverstising				\$6,942	\$2,314	\$9,25
Button Up				\$4,635	\$1,545	\$6,18
HVAC Duct Seal				\$2,306	\$769	\$3,07
	The Paris and the	Part of the last o	1 1 1 1 1 1	\$296,509	\$3,749	\$300,25

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

Kentucky's Touchstone Energy Cooperatives

Farmers RECC January 01, 2017 to December 31, 2017

sure		#Customers	Rebate + Co-op Admin	Lost Revenue Amount	Reimbursed "Total Cost"	Unreimbursed	TOTAL
			(A)	(B)	(C) (a) + (h)	(D)	(E) (c) +(d)
Con	nmercial	6	\$26,796	\$42,760	\$69,557	\$0	\$69,557
	C&I Lighting Upgrade	5	\$24,996	\$37,525	\$62,522		\$62,522
	Compressed Air Audit	1	\$1,800	\$5,235	\$7,035		\$7,035
Res	idential	982	\$87,812	\$71,100	\$158,911	\$612	\$159,523
	Appliance Recycling Freezer	7	\$687	\$360	\$1,047		\$1,047
	Appliance Recycling Refrigerator	34	\$4,968	\$3,600	\$8,568		\$8,568
	Button Up - Level I	25	\$15,311	\$7,864	\$23,175		\$23,175
	CARES HEAT PUMP ELIGIBLE	2	\$4,200	\$1,200	\$5,400		\$5,400
	Energy Audit - Billing Insights Audit	4	\$0	\$0	\$0		\$0
	Energy Audit - Energy Insights Audit	19	\$0	\$0	\$0		\$0
	ENERGY STAR Air Source Heat Pump	17	\$6,900	\$7,500	\$14,400		\$14,400
	ENERGY STAR Central Air Conditioner	3	\$600	\$200	\$800		\$800
	ENERGY STAR Clothes Washer	60	\$4,050	\$2,255	\$6,305		\$6,305
	ENERGY STAR Dishwasher	55	\$2,600	\$280	\$2,880		\$2,880
	ENERGY STAR Freezer	13	\$550	\$155	\$705		\$705
	ENERGY STAR Heat Pump Water Heater	8	\$1,500	\$1,155	\$2,655		\$2,655
	ENERGY STAR Refrigerator	63	\$5,900	\$3,690	\$9,590		\$9,590
	Heat Pump Retrofit	29	\$33,810	\$38,536	\$72,346		\$72,346
	HVAC Duct Sealing	18	\$6,195	\$4,305	\$10,500		\$10,500
	LED	600	\$540	\$0	\$540	\$612	\$1,152
	LED-Promotional	9	\$0	\$0	\$0		\$0
	Direct Load Control	16					\$0
ıl		988	\$114,608	\$113,860	\$228,468	\$612	\$229,080
Adv	verstising				\$4,727	\$1,576	\$6,303
	Button Up				\$4,465	\$1,488	\$5,953
	DSM-multiple programs				\$263	\$88	\$351
al	AND THE RESERVE OF THE PARTY OF			SERVICE STATE	\$233,195	\$2,188	\$235,383

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

Kentucky's Touchstone Energy Cooperatives

Farmers RECC
January 01, 2018 to December 31, 2018

Measure		# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Reimbursed "Total Cost"	Unreimbursed	TOTAL
			(A)	(B)	(c)	(D)	(E)
Cor	mmercial	1	\$12,000	\$18,000	\$30,000	\$0	\$30,000
	C&I Lighting Upgrade	1	\$12,000	\$18,000	\$30,000		\$30,000
Res	sidential	1,168	\$108,446	\$96,919	\$205,365	\$470	\$205,835
	Appliance Recycling Freezer	7	\$970	\$540	\$1,510		\$1,510
	Appliance Recycling Refrigerator	22	\$3,383	\$2,250	\$5,633		\$5,633
	Button Up - Level I	18	\$11,809	\$5,759	\$17,568		\$17,568
	Energy Audit - Billing Insights Audit	5	\$0	\$0	\$0		\$0
	ENERGY STAR Air Source Heat Pump	46	\$10,800	\$13,125	\$23,925		\$23,925
	ENERGY STAR Clothes Washer	66	\$3,975	\$2,335	\$6,310		\$6,310
	ENERGY STAR Dishwasher	69	\$3,150	\$410	\$3,560		\$3,560
	ENERGY STAR Freezer	14	\$450	\$125	\$575		\$575
	ENERGY STAR Heat Pump Water Heater	10	\$1,200	\$1,540	\$2,740		\$2,740
	ENERGY STAR Refrigerator	74	\$6,600	\$2,130	\$8,730		\$8,730
	Heat Pump Retrofit	56	\$58,290	\$63,950	\$122,240		\$122,240
	HVAC Duct Sealing	20	\$6,195	\$4,305	\$10,500		\$10,500
	LED	750	\$675	\$0	\$675	\$470	\$1,145
	LED-Promotional	4	\$0	\$0	\$0		\$0
	TSE Home (Performance)	1	\$950	\$450	\$1,400		\$1,400
	Direct Load Control	6	\$0	\$0	\$0		\$0
Total		1,169	\$120,446	\$114,919	\$235,365	\$470	\$235,835
Adv	verstising				\$0	\$0	\$0
Total		100			\$235,365	\$470	\$235,835

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

Response 2. (continued)

In addition to the DSM programs referred to above, Farmers RECC provides an Energy Audit DSM program to residential and small commercial members. To provide this program, in 2014 and 2015, Farmers RECC employed an Energy Advisor who performed, among other duties, energy audits at the request of the member. The Energy Advisor retired in October 2015. Therefore, in 2016, 2017 and 2018, a Third Party Contractor performed the audits on behalf of Farmers RECC. The table below lists the number of energy audits performed during the years 2014 through 2018 and the estimated cost of those audits. EKPC provides no reimbursement for these costs.

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	2017	<u>2018</u>
Number of Audits	137	113	98	46	48
Estimated Cost	\$69,533	\$56,142	\$73,500	\$28,235	\$28,000

PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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.

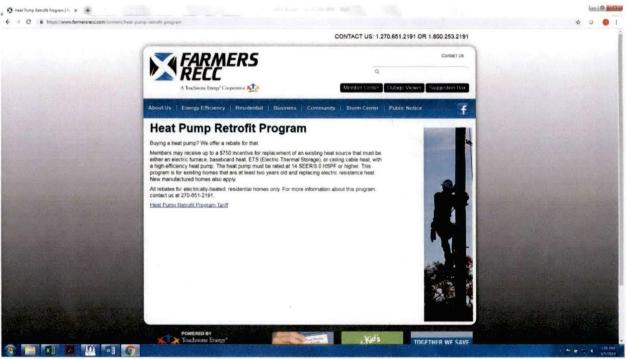
Response 4.

Farmers RECC employs several methods of Member communications, including monthly Member newsletters within *Kentucky Living* magazine; periodic e-mails and bill inserts; its website; and social media outlets, including: Facebook and Twitter. Since the Commission's order in case 2019-00060, dated February 27, 2019, Farmers RECC has updated its website to reflect revised DSM programs (see screenshot examples in this response). Farmers RECC will continue to promote the revised DSM programs through the resources mentioned above.

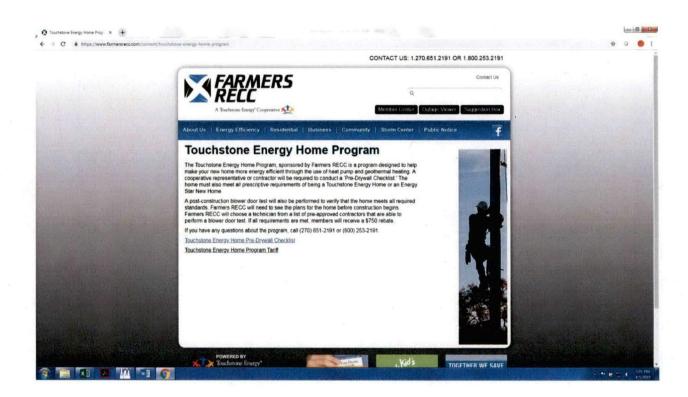


FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST





FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST



FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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.

Kentucky Energy Retrolift Rider (also known as How\$mart) – This program was approved by the Commission with an effective date of January 1, 2015. Tariff sheets are 111.001 – 111.021. The cost of the program is included within the loan contract that is ultimately paid by the member.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2019-00060 RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST

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.

Community Assistance Resources for Energy Savings Programs (C.A.R.E.S.) – This program was approved by the Commission with an effective date of October 1, 2015. Tariff sheets are 97.010 – 97.012. The CARES program provides an incentive to enhance the weatherization and energy efficiency services provides to its retail members by the Kentucky Community Action Agency network of not-for-profit community action agencies.