

April 12, 2019

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

**RE: PSC Case No. 2019-00060**

Dear Ms. Pinson,

Please find enclosed an 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.

Sincerely,

  
Charles G. Williamson III  
VP, Finance and CFO

Enclosures

RECEIVED

APR 12 2019

PUBLIC SERVICE  
COMMISSION



**BLUE GRASS ENERGY COOPERATIVE  
PSC CASE NO. 2019-00060  
DEMAND-SIDE MANAGEMENT  
RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO 15 OF EAST  
KENTUCKY POWER COOPERATIVE, INC.'S COOPERATIVES  
DATED MARCH 28, 2019**

**REQUEST 1**

**RESPONSIBLE PARTY: Charles G. Williamson III**

**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 Blue Grass Energy'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.

Kentucky's Touchstone Energy Cooperatives 

## Blue Grass Energy

January 01, 2014 to  
December 31, 2014

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	5	\$7,526	\$6,824	\$14,350
C&I Lighting Upgrade	4	\$6,206	\$2,024	\$8,230
Compressed Air Audit	1	\$1,320	\$4,800	\$6,120
Residential	5,331	\$200,143	\$93,698	\$293,841
Button Up - Level I	79	\$39,838	\$6,057	\$45,895
CFL	4,000	\$3,600	\$0	\$3,600
Heat Pump Retrofit	30	\$25,720	\$26,316	\$52,036
HVAC Duct Sealing	48	\$14,885	\$10,865	\$25,750
TSE Home (Performance)	126	\$116,100	\$50,460	\$166,560
Direct Load Control	1,048			
<b>Total</b>	<b>5,336</b>	<b>\$207,668</b>	<b>\$100,522</b>	<b>\$308,190</b>

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

## Blue Grass Energy January 01, 2015 to December 31, 2015

Measure	# Customers	Rebate + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	5	\$24,512	\$36,826	\$61,338
C&I Lighting Upgrade	5	\$24,512	\$36,826	\$61,338
Residential	6,358	\$461,652	\$299,232	\$760,884
Appliance Recycling Freezer	52	\$6,345	\$4,320	\$10,665
Appliance Recycling Refrigerator	143	\$19,900	\$14,310	\$34,210
Button Up - Level I	281	\$105,890	\$56,125	\$162,016
Button Up - Level III	1	\$1,600	\$1,025	\$2,625
CFL	3,696	\$3,326	\$0	\$3,326
Energy Audit - Audit Estimator	2	\$0	\$0	\$0
Energy Audit - Billing Insights Audit	144	\$0	\$0	\$0
Energy Audit - Energy Insights Audit	3	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	117	\$41,100	\$51,865	\$92,965
ENERGY STAR Central Air Conditioner	25	\$8,100	\$2,710	\$10,810
ENERGY STAR Clothes Washer	223	\$16,725	\$12,680	\$29,405
ENERGY STAR Dishwasher	369	\$18,450	\$4,770	\$23,220
ENERGY STAR Freezer	16	\$800	\$140	\$940
ENERGY STAR Heat Pump Water Heater	12	\$3,900	\$3,915	\$7,815
ENERGY STAR MANUFACTURED HOME	1	\$1,900	\$2,400	\$4,300
ENERGY STAR Refrigerator	319	\$31,900	\$3,900	\$35,800
Heat Pump Retrofit	53	\$42,200	\$60,487	\$102,687
HVAC Duct Sealing	77	\$22,715	\$15,785	\$38,500
LED-Promotional	205	\$0	\$0	\$0
TSE Home (Performance)	143	\$135,850	\$64,350	\$200,200
TSE Home (Prescriptive)	1	\$950	\$450	\$1,400
Direct Load Control	475			
<b>Total</b>	<b>6,363</b>	<b>\$486,164</b>	<b>\$336,058</b>	<b>\$822,222</b>

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

Kentucky's Touchstone Energy Cooperatives 

Blue Grass Energy  
January 01, 2016 to  
December 31, 2016

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	11	\$39,748	\$59,716	\$99,464
C&I Lighting Upgrade	11	\$39,748	\$59,716	\$99,464
Residential	8,759	\$661,916	\$405,762	\$1,067,678
Appliance Recycling Freezer	52	\$6,161	\$3,870	\$10,031
Appliance Recycling Refrigerator	229	\$31,706	\$22,320	\$54,026
Button Up - Level I	441	\$126,740	\$73,712	\$200,452
Button Up - Level II	1	\$1,290	\$795	\$2,085
Button Up - Level III	1	\$1,600	\$1,025	\$2,625
CFL	5,000	\$4,500	\$0	\$4,500
Energy Audit - Billing Insights Audit	171	\$0	\$0	\$0
Energy Audit - Energy Insights Audit	12	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	166	\$56,100	\$67,635	\$123,735
ENERGY STAR Central Air Conditioner	40	\$13,200	\$4,310	\$17,510
ENERGY STAR Clothes Washer	378	\$27,825	\$19,850	\$47,675
ENERGY STAR Dishwasher	592	\$29,600	\$8,820	\$38,420
ENERGY STAR Freezer	45	\$2,250	\$350	\$2,600
ENERGY STAR Heat Pump Water Heater	23	\$6,300	\$5,015	\$11,315
ENERGY STAR Refrigerator	472	\$46,400	\$10,475	\$56,875
Heat Pump Retrofit	50	\$49,270	\$59,455	\$108,725
HVAC Duct Sealing	75	\$24,190	\$16,810	\$41,000
LED	204	\$184	\$0	\$184
LED-Promotional	131	\$0	\$0	\$0
TSE Home (Performance)	246	\$233,650	\$110,870	\$344,520
TSE Home (Prescriptive)	1	\$950	\$450	\$1,400
Direct Load Control	429			
<b>Total</b>	<b>8,770</b>	<b>\$701,664</b>	<b>\$465,478</b>	<b>\$1,167,142</b>

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

Kentucky's Touchstone Energy Cooperatives 

Blue Grass Energy  
January 01, 2017 to  
December 31, 2017

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	17	\$67,053	\$100,652	\$167,706
C&I Lighting Upgrade	17	\$67,053	\$100,652	\$167,706
Residential	7,443	\$517,080	\$312,362	\$829,442
Appliance Recycling Freezer	40	\$4,873	\$3,060	\$7,933
Appliance Recycling Refrigerator	186	\$25,998	\$18,000	\$43,998
Button Up - Level I	89	\$35,843	\$17,710	\$53,553
CFL	1,000	\$900	\$0	\$900
Energy Audit - Billing Insights Audit	67	\$0	\$0	\$0
Energy Audit - Energy Insights Audit	4	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	242	\$74,700	\$67,590	\$142,290
ENERGY STAR Central Air Conditioner	52	\$14,100	\$5,075	\$19,175
ENERGY STAR Clothes Washer	367	\$25,650	\$15,220	\$40,870
ENERGY STAR Dishwasher	546	\$26,750	\$7,260	\$34,010
ENERGY STAR Freezer	56	\$2,150	\$790	\$2,940
ENERGY STAR Heat Pump Water Heater	25	\$4,200	\$4,985	\$9,185
ENERGY STAR Refrigerator	559	\$53,100	\$35,100	\$88,200
Heat Pump Retrofit	29	\$29,040	\$34,807	\$63,847
HVAC Duct Sealing	3	\$885	\$615	\$1,500
LED	3,600	\$3,240	\$0	\$3,240
LED-Promotional	76	\$0	\$0	\$0
TSE Home (Performance)	227	\$215,650	\$102,150	\$317,800
Direct Load Control	275			
<b>Total</b>	<b>7,460</b>	<b>\$584,133</b>	<b>\$413,014</b>	<b>\$997,147</b>

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

Kentucky's Touchstone Energy® Cooperatives 

Blue Grass Energy  
January 01, 2018 to  
December 31, 2018

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	17	\$55,289	\$83,036	\$138,325
C&I Lighting Upgrade	17	\$55,289	\$83,036	\$138,325
Residential	5,690	\$499,905	\$296,251	\$796,156
Appliance Recycling Freezer	26	\$3,390	\$1,980	\$5,370
Appliance Recycling Refrigerator	155	\$23,443	\$14,940	\$38,383
Button Up - Level I	65	\$27,744	\$14,177	\$41,922
CARES HEAT PUMP ELIGIBLE	3	\$3,893	\$1,800	\$5,693
CARES HEAT PUMP IN-ELIGIBLE	1	\$850	\$600	\$1,450
Energy Audit - Billing Insights Audit	16	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	241	\$65,400	\$66,475	\$131,875
ENERGY STAR Central Air Conditioner	54	\$16,500	\$5,475	\$21,975
ENERGY STAR Clothes Washer	342	\$19,875	\$12,435	\$32,310
ENERGY STAR Dishwasher	436	\$19,950	\$7,745	\$27,695
ENERGY STAR Freezer	46	\$1,600	\$765	\$2,365
ENERGY STAR Heat Pump Water Heater	38	\$4,500	\$4,700	\$9,200
ENERGY STAR Refrigerator	439	\$35,700	\$19,670	\$55,370
Heat Pump Retrofit	23	\$21,570	\$25,829	\$47,399
HVAC Duct Sealing	2	\$590	\$410	\$1,000
LED	3,500	\$3,150	\$0	\$3,150
LED-Promotional	12	\$0	\$0	\$0
TSE Home (Performance)	265	\$251,750	\$119,250	\$371,000
Direct Load Control	26	\$0	\$0	\$0
<b>Total</b>	<b>5,707</b>	<b>\$555,195</b>	<b>\$379,287</b>	<b>\$934,481</b>

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

**BLUE GRASS ENERGY COOPERATIVE  
PSC CASE NO. 2019-00060  
DEMAND-SIDE MANAGEMENT  
RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO 15 OF EAST  
KENTUCKY POWER COOPERATIVE, INC.'S COOPERATIVES  
DATED MARCH 28, 2019**

**REQUEST 2**

**RESPONSIBLE PARTY: Charles G. Williamson III**

**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 Blue Grass Energy's Response to Commission Staff's Initial Request for Information, Item 1. The amounts labeled "Total Cost" represent all DSM costs reimbursed to Blue Grass Energy by EKPC except for advertising. Advertising costs are excluded entirely from the tables provided in response to Item 1.

Unreimbursed costs include Blue Grass Energy's share of advertising costs<sup>1</sup> administrative costs,<sup>2</sup> and its share of low energy light bulbs.<sup>3</sup> The calculation of Blue Grass Energy's total cost of providing each DSM program for the years 2014, 2015, 2016, 2017, and 2018 are shown in the tables that follow.

Kentucky's Touchstone Energy Cooperatives 

**Blue Grass Energy**  
January 01, 2014 to  
December 31, 2014

Measure	Reimbursed Total Cost	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bullbs	Total
Commercial	\$14,350	\$0	\$2,473	\$0	\$16,822
C&I Lighting Upgrade	\$8,230		\$1,798		\$10,028
Compressed Air Audit	\$6,120		\$674		\$6,794
Residential	\$293,841	\$0	\$555	\$3,000	\$297,396
Button-Up - Level I	\$45,895		\$3,049		\$48,944
CFL	\$3,600			\$3,000	\$6,600
Heat Pump Retrofit	\$52,036		\$2,358		\$54,394
HVAC Duct Sealing	\$25,750		\$8,630		\$34,380
TSE Home (Performance)	\$166,560		(\$13,482)		\$153,078
Direct Load Control					\$0
<b>Total</b>	<b>\$308,190</b>	<b>\$0</b>	<b>\$3,028</b>	<b>\$3,000</b>	<b>\$314,218</b>
Advertising	\$26,335	\$15,778	\$0	\$0	\$42,113
DSM - multiple programs	\$26,335	\$15,778			\$42,113
<b>Total</b>	<b>\$334,525</b>	<b>\$15,778</b>	<b>\$3,028</b>	<b>\$3,000</b>	<b>\$356,331</b>

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

<sup>1</sup> EKPC reimbursed BGenery 75 percent of DSM advertising costs capped at a fixed limit based on the number of meters serviced by BGenery. 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 BGenery for television, radio, newspaper, and other advertisements specific to DSM programs. Advertising costs do not include an allocation of the cost of BGenery's social media, Kentucky Living magazine, and other communication outlets where DSM programs are continuously promoted.

<sup>2</sup> EKPC reimbursed BGenery a fixed amount for each DSM program administered. For example, during 2018 EKPC reimbursed BGenery \$130 for each Level 1 Button Up program completed during the year while the reimbursement amount for each Level 1 Button Up with Air Sealing was \$230. The reimbursements are intended to assist BGenery with paying a portion of the costs incurred to administer the programs. Administrative costs include employee wages, benefits, transportation, and communication expenses attributed to the DSM programs.

<sup>3</sup> EKPC reimbursed BGenery \$.90 cents per bulb since 2014. BGenery paid the cost that exceeded reimbursement.

Kentucky's Touchstone Energy Cooperatives 

Blue Grass Energy  
January 01, 2015 to  
December 31, 2015

Measure	Total Cost	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$61,338	\$0	\$2,316	\$0	\$63,654
C&I Lighting Upgrade	\$61,338		\$2,316		\$63,654
Residential	\$760,884	\$0	\$19,414	\$2,772	\$783,071
Appliance Recycling Freezer	\$10,665				\$10,665
Appliance Recycling Refrigerator	\$34,210				\$34,210
Button-Up - Level I	\$162,016		\$12,288		\$174,304
Button-Up - Level III	\$2,625		\$31		\$2,656
CFL	\$3,326			\$2,772	\$6,099
Energy Audit - Audit Estimator	\$0				\$0
Energy Audit - Billing Insights Audit	\$0				\$0
Energy Audit - Energy Insights Audit	\$0				\$0
ENERGY STAR Air Source Heat Pump	\$92,965				\$92,965
ENERGY STAR Central Air Conditioner	\$10,810				\$10,810
ENERGY STAR Clothes Washer	\$29,405				\$29,405
ENERGY STAR Dishwasher	\$23,220				\$23,220
ENERGY STAR Freezer	\$940				\$940
ENERGY STAR Heat Pump Water Heater	\$7,815				\$7,815
ENERGY STAR MANUFACTURED HOME	\$4,300				\$4,300
ENERGY STAR Refrigerator	\$35,800				\$35,800
Heat Pump Retrofit	\$102,687		\$4,438		\$107,125
HVAC Duct Sealing	\$38,500		\$14,371		\$52,871
LED-Promotional	\$0				\$0
TSE Home (Performance)	\$200,200		(\$11,714)		\$188,486
TSE Home (Prescriptive)	\$1,400				\$1,400
Direct Load Control					\$0
<b>Total</b>	<b>\$822,222</b>	<b>\$0</b>	<b>\$21,730</b>	<b>\$2,772</b>	<b>\$846,725</b>
Advertising	\$9,684	\$10,727	\$0	\$0	\$20,411
Appliance Recycling	\$4,144	\$1,381			\$5,525
Button-Up	\$574	\$191			\$765
Energy Star Appliance	\$4,966	\$1,655			\$6,621
DSM- multiple programs		\$7,500			\$7,500
<b>Total</b>	<b>\$831,906</b>	<b>\$10,727</b>	<b>\$21,730</b>	<b>\$2,772</b>	<b>\$867,136</b>

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

Kentucky's Touchstone Energy Cooperatives 

Blue Grass Energy  
January 01, 2016 to  
December 31, 2016

Measure	Total Cost	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$99,464	\$0	\$5,213	\$0	\$104,677
C&I Lighting Upgrade	\$99,464		\$5,213		\$104,677
Residential	\$1,067,678	\$0	\$24,736	\$3,520	\$1,095,934
Appliance Recycling Freezer	\$10,031				\$10,031
Appliance Recycling Refrigerator	\$54,026				\$54,026
Button-Up - Level I	\$200,452		\$21,045		\$221,497
Button-Up - Level II	\$2,085		\$37		\$2,122
Button-Up - Level III	\$2,625		\$37		\$2,662
CFL	\$4,500			\$3,520	\$8,020
Energy Audit - Billing Insights Audit	\$0				\$0
Energy Audit - Energy Insights Audit	\$0				\$0
ENERGY STAR Air Source Heat Pump	\$123,735				\$123,735
ENERGY STAR Central Air Conditioner	\$17,510				\$17,510
ENERGY STAR Clothes Washer	\$47,675				\$47,675
ENERGY STAR Dishwasher	\$38,420				\$38,420
ENERGY STAR Freezer	\$2,600				\$2,600
ENERGY STAR Heat Pump Water Heater	\$11,315				\$11,315
ENERGY STAR Refrigerator	\$56,875				\$56,875
Heat Pump Retrofit	\$108,725		\$4,386		\$113,111
HVAC Duct Sealing	\$41,000		\$14,397		\$55,397
LED	\$184				\$184
LED-Promotional	\$0				\$0
TSE Home (Performance)	\$344,520		(\$15,166)		\$329,354
TSE Home (Prescriptive)	\$1,400				\$1,400
Direct Load Control					\$0
<b>Total</b>	<b>\$1,167,142</b>	<b>\$0</b>	<b>\$29,949</b>	<b>\$3,520</b>	<b>\$1,200,611</b>
Advertising	\$6,715	\$12,812	\$0	\$0	\$19,527
Appliance Recycling	\$375	\$125			\$500
Button-Up	\$375	\$125			\$500
Energy Star Appliance	\$2,051	\$684			\$2,735
Billing Insights	\$2,884	\$961			\$3,845
TSE Home	\$1,030	\$343			\$1,373
DSM- multiple programs		\$10,574			\$10,574
<b>Total</b>	<b>\$1,173,857</b>	<b>\$12,812</b>	<b>\$29,949</b>	<b>\$3,520</b>	<b>\$1,220,138</b>

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

Kentucky's Touchstone Energy Cooperatives 

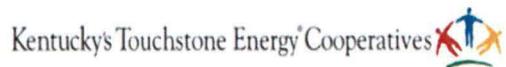
Blue Grass Energy  
January 01, 2017 to  
December 31, 2017

Measure	Total Cost	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$167,706	\$0	\$8,266	\$0	\$175,972
C&I Lighting Upgrade	\$167,706		\$8,266		\$175,972
Residential	\$829,442	\$0	(\$764)	\$3,672	\$832,350
Appliance Recycling Freezer	\$7,933				\$7,933
Appliance Recycling Refrigerator	\$43,998				\$43,998
Button-Up - Level I	\$53,553		\$4,658		\$58,211
CFL	\$900				\$900
Energy Audit - Billing Insights Audit	\$0				\$0
Energy Audit - Energy Insights Audit	\$0				\$0
ENERGY STAR Air Source Heat Pump	\$142,290				\$142,290
ENERGY STAR Central Air Conditioner	\$19,175				\$19,175
ENERGY STAR Clothes Washer	\$40,870				\$40,870
ENERGY STAR Dishwasher	\$34,010				\$34,010
ENERGY STAR Freezer	\$2,940				\$2,940
ENERGY STAR Heat Pump Water Heater	\$9,185				\$9,185
ENERGY STAR Refrigerator	\$88,200				\$88,200
Heat Pump Retrofit	\$63,847		\$2,678		\$66,525
HVAC Duct Sealing	\$1,500		\$594		\$2,094
LED	\$3,240			\$3,672	\$6,912
LED-Promotional	\$0				\$0
TSE Home (Performance)	\$317,800		(\$8,694)		\$309,106
Direct Load Control					\$0
<b>Total</b>	<b>\$997,147</b>	<b>\$0</b>	<b>\$7,502</b>	<b>\$3,672</b>	<b>\$1,008,322</b>
Advertising	\$13,808	\$4,603	\$0	\$0	\$18,411
Appliance Recycling	\$3,525	\$1,175			\$4,700
Button-Up	\$3,375	\$1,125			\$4,500
Energy Star Appliance	\$3,495	\$1,165			\$4,660
Billing Insights	\$3,413	\$1,138			\$4,551
<b>Total</b>	<b>\$1,010,955</b>	<b>\$4,603</b>	<b>\$7,502</b>	<b>\$3,672</b>	<b>\$1,026,733</b>

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



Blue Grass Energy  
January 01, 2018 to  
December 31, 2018

Measure	Total Cost	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bullbs	Total
Commercial	\$138,325	\$0	\$8,447	\$0	\$146,772
C&I Lighting Upgrade	\$138,325		\$8,447		\$146,772
Residential	\$796,156	\$0	\$1,517	\$1,890	\$799,564
Appliance Recycling Freezer	\$5,370				\$5,370
Appliance Recycling Refrigerator	\$38,383				\$38,383
Button Up - Level I	\$41,922		\$3,661		\$45,583
CARES HEAT PUMP ELIGIBLE	\$5,693		\$73		\$5,766
CARES HEAT PUMP IN-ELIGIBLE	\$1,450		\$24		\$1,474
Energy Audit - Billing Insights Audit	\$0				\$0
ENERGY STAR Air Source Heat Pump	\$131,875				\$131,875
ENERGY STAR Central Air Conditioner	\$21,975				\$21,975
ENERGY STAR Clothes Washer	\$32,310				\$32,310
ENERGY STAR Dishwasher	\$27,695				\$27,695
ENERGY STAR Freezer	\$2,365				\$2,365
ENERGY STAR Heat Pump Water Heater	\$9,200				\$9,200
ENERGY STAR Refrigerator	\$55,370				\$55,370
Heat Pump Retrofit	\$47,399		\$2,216		\$49,615
HVAC Duct Sealing	\$1,000		\$407		\$1,407
LED	\$3,150			\$1,890	\$5,040
LED-Promotional	\$0				\$0
TSE Home (Performance)	\$371,000		(\$4,863)		\$366,137
Direct Load Control	\$0				\$0
<b>Total</b>	<b>\$934,481</b>	<b>\$0</b>	<b>\$9,964</b>	<b>\$1,890</b>	<b>\$946,336</b>
Advertising	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$934,481</b>	<b>\$0</b>	<b>\$9,964</b>	<b>\$1,890</b>	<b>\$946,336</b>

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

In addition to the DSM programs referred to above, Blue Grass Energy provides an Energy Audit program to residential and small commercial Members. To provide this program, Blue Grass Energy employs Energy Advisors who perform, among other duties, energy audits at the request of the Member. 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.

	2014	2015	2016	2017	2018
Number of Audits	151	132	145	104	79
Estimated Costs	\$33,945	\$30,576	\$34,359	\$25,284	\$19,627

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KENTUCKY POWER COOPERATIVE, INC.'S COOPERATIVES  
DATED MARCH 28, 2019**

**REQUEST 3**

**RESPONSIBLE PARTY:** Charles G. Williamson III

**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 with 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.

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**REQUEST 4**

**RESPONSIBLE PARTY: Charles G. Williamson III**

**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:** Blue Grass Energy 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, Twitter, Instagram and Pinterest. Since the Commission's order in case 2019-00060, dated February 27, 2019, Blue Grass Energy has removed all DSM programs from its website, as well as any printed promotional material with the exception of Simple Saver (Direct Load Control) and Touchstone Energy Home. Blue Grass Energy will promote programs by word of mouth as needed when talking to members until PSC approval at which time promotional materials will be developed and printed.

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## SimpleSaver

The SimpleSaver program is another way that we are working to keep your electricity affordable and our environment healthy. We will pay you up to \$20 annually for each central air conditioner you enroll. You will receive this bill credit each and every year you remain in the program.

Plus you may receive a sign-on bonus of up to \$20.

Why are we willing to pay you? Because limiting electric use at peak times during the summer and winter delays the construction of expensive new power plants and helps keep your energy costs affordable. Managing peak load also decreases Kentucky's carbon footprint and gives all of us more time to explore affordable sources of renewable energy.

With SimpleSaver, being energy smart pays.

To enroll, [click here](#) or call 1-800-305-5493.



If you need help using our Website or have any questions, contact us by email  or calling 888-546-4243.

ANY OFFICE, ANY TIME: 1-888-546-4243



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## Touchstone Energy Home - New Construction

This program is for new homes.

Combine the efficiency of electric heating and cooling with high insulation standards when building a new home, and you have the basis for the Touchstone Energy Home. Blue Grass Energy provides home testing and computer analysis



including a free energy rating using the Home Energy Rating System (HERS Index) to each qualifying participant at no charge to the member. A HERS rating is valued at up to \$600.

When standards are met, a certificate will be issued stating the home meets Touchstone Energy standards. The benefits of a Touchstone Energy Home include energy-efficient design from blueprints, RESNET HERS Index certificate, IECC code compliance, greater home comfort and pride in home ownership.



Join more than 14,000 of your friends and neighbors who are already enjoying the benefits of SimpleSaver. With one simple call or click you can help the environment and earn energy bill credits.

Our SimpleSaver program can annually credit your electric bill up to \$30 or more. Join today

**1-800-305-5493**  
[www.simplesaver.coop](http://www.simplesaver.coop)

and you may be eligible for an additional \$20 sign-on bonus.

Do it because it's smart. Do it because it's simple.  
Do it because it's the right thing to do.

*Being energy smart pays.*

 **Blue Grass Energy**  
A Touchstone Energy Cooperative   
*Making life better, the cooperative way®*

[www.bgenergy.com](http://www.bgenergy.com)

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**REQUEST 5**

**RESPONSIBLE PARTY: Charles G. Williamson III**

**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:** Blue Grass Energy offers no traditional DSM programs, which provide rebates or incentives to participants, other than the programs listed and discussed in Blue Grass Energy's Response to Commission Staff's Initial Request for Information, Items 1 and 2.

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**REQUEST 6**

**RESPONSIBLE PARTY: Charles G. Williamson III**

**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:** Blue Grass Energy offers the Community Assistance Resources for Energy Savings (“CARES”) low-income program. The CARES tariff is located on Sheet No. pages 178-181 of Blue Grass Energy’s tariffs approved by the PSC on November 5, 2015. Below is the program description provided by EKPC as listed in the EKPC 2019 IRP – Exhibit DSM-5, Page 3 of 11.

**CARES Low-Income Weatherization Program**

**Program Description**

EKPC’s Community Assistance Resources for Energy Savings (CARES) Low Income Program provides an incentive to enhance the weatherization and energy efficiency services provided to its residential retail members by the Kentucky Community Action Agency’s (CAA) network of not for profit community action agencies.

EKPC and its owner-members provide an incentive to the CAA implementing the project on behalf of the retail member.

EKPC's program has two primary objectives. First, EKPC's incentive will enable the CAA to install more measures in each home. Second, the additional incentive from EKPC will assist CAA in weatherizing more homes.

Two types of homes are eligible for incentives:

Heat Pump Eligible Homes are single family or multi-family residential dwellings that use electricity for their primary source of heat. The EKPC incentive can be used to upgrade the home to an air source heat pump as well as to install weatherization improvements including insulation, air sealing, duct sealing, and a water heater blanket.

Heat Pump ineligible homes are single family or multi-family residential dwellings that do not use electricity for their primary source of heat, but do cool their home with central or window unit air conditioners. The EKPC incentive can be used to install weatherization improvements.

The maximum incentive per household is \$2,000.

### **Target Market**

The homeowner must be a residential retail member of one of EKPC's 16 owner-members.

The household must qualify for weatherization and energy efficiency services according to the guidelines of the Weatherization Assistance Program administered by the local CAA. Household income cannot exceed the designated poverty guidelines established by the CAA.