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April 11, 2019

Ms. Gwen R. Pinson
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

APR 12 2019

PUBLIC SERVICE
COMMISSION

RE: 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, South Kentucky's response to the Initial Request for Information dated March 28, 2019.

Sincerely,

A handwritten signature in black ink that reads 'Michelle D. Herrman'.

Michelle Herrman
VP of Finance

MH:jcg

Enclosures

RECEIVED

APR 12 2019

PUBLIC SERVICE COMMISSION

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 PULASKI)

Michelle Herrman, being duly sworn, states that she has supervised the preparation of the response of South Kentucky Rural Electric Cooperative Corporation, 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 11 day of April, 2019

Michelle D. Herrman
Michelle Herrman

Subscribed and sworn before me this 11 day of April, 2019

Ashley Kerr
Notary Public

My Commission expires 8/31/19



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
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: Michelle Herrman

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 who fully complied with each DSM program and received incentives 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 South Kentucky'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 
 South Kentucky RECC

January 01, 2014 to December 31, 2014

Measure	# Participants	EKPC Paid		Reimbursed Total Cost
		Rebates + Co-op Admin	Lost Revenue Amount	
Commercial	3	\$25,320	\$2,630	\$27,951
C&I Lighting Upgrade	3	\$25,320	\$2,630	\$27,951
Residential	10,315	\$248,224	\$159,494	\$407,718
Button Up - Level I	189	\$95,954	\$36,005	\$131,959
CFL	8,550	\$7,695	\$0	\$7,695
ETS	12	\$6,000	\$0	\$6,000
Heat Pump Retrofit	114	\$88,240	\$99,014	\$187,254
HVAC Duct Sealing	13	\$3,835	\$2,665	\$6,500
LED	1	\$0	\$0	\$0
TSE Home (Performance)	32	\$29,900	\$12,580	\$42,480
TSE Home (Prescriptive)	22	\$16,600	\$9,230	\$25,830
Direct Load Control	1,382	\$0	\$0	\$0
Total	10,318	\$273,544	\$162,124	\$435,669

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

Kentucky's Touchstone Energy Cooperatives 

South Kentucky RECC

January 01, 2015 to December 31, 2015

Measure	# Participants	EKPC Paid		Reimbursed Total Cost
		Rebates + Co-op Admin	Lost Revenue Amount	
Commercial	14	\$49,554	\$76,935	\$126,489
C&I Lighting Upgrade	13	\$44,554	\$66,935	\$111,489
Compressed Air Audit	1	\$5,000	\$10,000	\$15,000
Residential	12,177	\$433,445	\$386,416	\$819,861
Appliance Recycling Freezer	28	\$3,346	\$2,250	\$5,596
Appliance Recycling Refrigerator	53	\$7,087	\$5,130	\$12,217
Button Up - Level I	219	\$105,787	\$56,720	\$162,508
CFL	10,000	\$9,000	\$0	\$9,000
Energy Audit - Billing Insights Audit	188	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	177	\$56,700	\$75,590	\$132,290
ENERGY STAR Clothes Washer	153	\$11,475	\$8,130	\$19,605
ENERGY STAR Dishwasher	180	\$9,000	\$1,965	\$10,965
ENERGY STAR Freezer	37	\$1,850	\$335	\$2,185
ENERGY STAR Heat Pump Water Heater	20	\$6,000	\$3,470	\$9,470
ENERGY STAR MANUFACTURED HOME	2	\$3,800	\$4,800	\$8,600
ENERGY STAR Refrigerator	217	\$21,700	\$2,925	\$24,625
Heat Pump Retrofit	176	\$158,650	\$205,951	\$364,601
HVAC Duct Sealing	10	\$2,950	\$2,050	\$5,000
LED-Promotional	274	\$0	\$0	\$0
TSE Home (Performance)	22	\$20,900	\$9,900	\$30,800
TSE Home (Prescriptive)	16	\$15,200	\$7,200	\$22,400
Direct Load Control	405	\$0	\$0	\$0
Total	12,191	\$482,999	\$463,352	\$946,350

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

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

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

Kentucky's Touchstone Energy[®] Cooperatives 

South Kentucky RECC


January 01, 2016 to December 31, 2016

Measure	# Participants	EKPC Paid		Reimbursed
		Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	23	\$81,274	\$104,003	\$185,276
C&I Lighting Upgrade	23	\$81,274	\$104,003	\$185,276
Residential	9,531	\$780,484	\$756,309	\$1,536,793
Appliance Recycling Freezer	23	\$2,646	\$1,620	\$4,266
Appliance Recycling Refrigerator	99	\$13,744	\$9,810	\$23,554
Button Up - Level I	202	\$84,574	\$43,758	\$128,332
Button Up - Level III	1	\$1,600	\$1,025	\$2,625
CFL	7,000	\$6,300	\$0	\$6,300
Energy Audit - Billing Insights Audit	275	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	160	\$52,200	\$69,280	\$121,480
ENERGY STAR Central Air Conditioner	2	\$600	\$585	\$1,185
ENERGY STAR Clothes Washer	202	\$14,775	\$11,410	\$26,185
ENERGY STAR Dishwasher	243	\$12,100	\$4,190	\$16,290
ENERGY STAR Freezer	52	\$2,600	\$550	\$3,150
ENERGY STAR Heat Pump Water Heater	32	\$9,300	\$4,235	\$13,535
ENERGY STAR MANUFACTURED HOME	13	\$24,700	\$31,200	\$55,900
ENERGY STAR Refrigerator	305	\$29,900	\$5,395	\$35,295
Heat Pump Retrofit	350	\$496,780	\$559,216	\$1,055,996
HVAC Duct Sealing	7	\$2,065	\$1,435	\$3,500
LED-Promotional	269	\$0	\$0	\$0
TSE Home (Performance)	14	\$13,300	\$6,300	\$19,600
TSE Home (Prescriptive)	14	\$13,300	\$6,300	\$19,600
Direct Load Control	268	\$0	\$0	\$0
Total	9,554	\$861,758	\$860,312	\$1,722,070

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

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

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

Kentucky's Touchstone Energy Cooperatives 

South Kentucky RECC

January 01, 2017 to December 31, 2017

Measure	# Participants	EKPC Paid		Reimbursed Total Cost
		Rebates + Co-op Admin	Lost Revenue Amount	
Commercial	44	\$126,807	\$190,381	\$317,188
C&I Lighting Upgrade	44	\$126,807	\$190,381	\$317,188
Residential	9,851	\$864,028	\$806,481	\$1,670,509
Appliance Recycling Freezer	24	\$2,801	\$1,710	\$4,511
Appliance Recycling Refrigerator	101	\$14,325	\$10,080	\$24,405
Button Up - Level I	235	\$106,047	\$56,358	\$162,405
Energy Audit - Billing Insights Audit	50	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	231	\$77,100	\$76,500	\$153,600
ENERGY STAR Central Air Conditioner	2	\$600	\$200	\$800
ENERGY STAR Clothes Washer	255	\$17,250	\$9,200	\$26,450
ENERGY STAR Dishwasher	291	\$14,300	\$7,270	\$21,570
ENERGY STAR Freezer	44	\$2,050	\$490	\$2,540
ENERGY STAR Heat Pump Water Heater	34	\$8,400	\$2,310	\$10,710
ENERGY STAR MANUFACTURED HOME	7	\$13,300	\$16,800	\$30,100
ENERGY STAR Refrigerator	341	\$32,000	\$32,105	\$64,105
Heat Pump Retrofit	349	\$510,300	\$564,363	\$1,074,663
HVAC Duct Sealing	14	\$5,605	\$3,895	\$9,500
LED	7,500	\$6,750	\$0	\$6,750
LED-Promotional	49	\$0	\$0	\$0
TSE Home (Performance)	20	\$19,000	\$9,000	\$28,000
TSE Home (Prescriptive)	36	\$34,200	\$16,200	\$50,400
Direct Load Control	268	\$0	\$0	\$0
Total	9,895	\$990,835	\$996,862	\$1,987,697

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

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

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



South Kentucky Annual Report

January 01, 2018 to December 31, 2018

Measure	# Participants	EKPC Paid		Reimbursed Total Cost
		Rebates + Co-op Admin	Lost Revenue Amount	
Commercial	37	\$76,959	\$115,563	\$192,521
C&I Lighting Upgrade	37	\$76,959	\$115,563	\$192,521
Residential	10,095	\$409,050	\$376,088	\$785,138
Appliance Recycling Freezer	16	\$2,230	\$1,350	\$3,580
Appliance Recycling Refrigerator	60	\$9,573	\$6,300	\$15,873
Button Up - Level I	146	\$64,307	\$34,093	\$98,401
Button Up - Level III	1	\$1,600	\$1,025	\$2,625
Energy Audit - Billing Insights Audit	12	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	298	\$93,300	\$104,325	\$197,625
ENERGY STAR Central Air Conditioner	4	\$300	\$100	\$400
ENERGY STAR Clothes Washer	221	\$13,500	\$7,415	\$20,915
ENERGY STAR Dishwasher	237	\$11,400	\$2,880	\$14,280
ENERGY STAR Freezer	56	\$2,000	\$505	\$2,505
ENERGY STAR Heat Pump Water Heater	25	\$4,500	\$1,980	\$6,480
ENERGY STAR MANUFACTURED HOME	20	\$38,000	\$48,000	\$86,000
ENERGY STAR Refrigerator	330	\$27,500	\$22,000	\$49,500
Heat Pump Retrofit	120	\$110,390	\$135,315	\$245,705
LED	8,500	\$7,650	\$0	\$7,650
LED-Promotional	17	\$0	\$0	\$0
TSE Home (Performance)	6	\$5,700	\$2,700	\$8,400
TSE Home (Prescriptive)	18	\$17,100	\$8,100	\$25,200
Direct Load Control	8	\$0	\$0	\$0
Total	10,132	\$486,009	\$491,651	\$977,660

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

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

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

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
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: Michelle Herrman

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 South Kentucky's Response to Commission Staff's Initial Request for Information, Item 1. The amounts labeled "Reimbursed Total Cost" represent all DSM costs reimbursed to South Kentucky by EKPC except for advertising. The column labeled "Reimbursed Total Cost," has been brought forward in the attached tables in response to this question 2. Advertising costs were excluded entirely from the tables provided in the response to Item 1.

Unreimbursed costs include South Kentucky's share of advertising costs,¹ administrative cost,² and low energy light bulbs.³ Employee time and associated costs by each individual DSM program are not segregated within our accounting system. Additionally, costs associated with completed member DSM incentives are not separately tracked from uncompleted member DSM incentives, where a member may not fully complete the requirements for submission of the DSM incentive under the program guidelines. Therefore, the presentation of South Kentucky's total cost in the attached tables are based on the average employee time and costs associated for completed participant incentives only associated with each DSM program for the years 2014, 2015, 2016, 2017, and 2018 as shown below.

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

² EKPC reimbursed South Kentucky a fixed amount for each DSM program administered. For example, during 2018 EKPC reimbursed South Kentucky \$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 South Kentucky with paying a portion of the cost incurred to administer the programs. Administrative cost included employee wages, benefits, transportation, and communication expenses attributed to the DSM programs.


³ EKPC reimbursed South Kentucky \$.90 cents per bulb since 2014. South Kentucky paid the cost that exceeded reimbursement.

Kentucky's Touchstone Energy Cooperatives 

South Kentucky RECC
January 01, 2014 to
December 31, 2014

Measure	Reimbursed "Total Cost"	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$27,951	\$0	\$2,043	\$0	\$29,994
C&I Lighting Upgrade	\$27,951		\$2,043		\$29,994
Residential	\$407,718	\$0	\$48,898	\$6,413	\$463,029
Button Up - Level I	\$131,959		\$12,343		\$144,302
CFL	\$7,695		\$0	\$6,413	\$14,108
ETS	\$6,000		\$0		\$6,000
Heat Pump Retrofit	\$187,254		\$12,005		\$199,259
HVAC Duct Sealing	\$6,500		\$1,954		\$8,454
LED	\$0		\$0		\$0
TSE Home (Performance)	\$42,480		\$12,349		\$54,829
TSE Home (Prescriptive)	\$25,830		\$8,490		\$34,320
Direct Load Control	\$0		\$1,758		\$1,758
Total	\$435,669	\$0	\$50,941	\$6,413	\$493,023
Advertising	\$11,535	\$3,845	\$0	\$0	\$15,380
DSM Mix of Programs	\$11,535	\$3,845			\$15,380
Total	\$447,204	\$3,845	\$50,941	\$6,413	\$508,403

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

Kentucky's Touchstone Energy Cooperatives 
South Kentucky RECC

January 01, 2015 to
December 31, 2015

Measure	Reimbursed "Total Cost"	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$126,489	\$0	\$10,768	\$0	\$137,257
C&I Lighting Upgrade	\$111,489		\$9,999		\$121,488
Compressed Air Audit	\$15,000		\$769		\$15,769
Residential	\$819,861	\$0	\$80,814	\$7,500	\$908,175
Appliance Recycling Freezer	\$5,596		\$393		\$5,989
Appliance Recycling Refrigerator	\$12,217		\$744		\$12,961
Button Up - Level I	\$162,508		\$20,702		\$183,210
CFL	\$9,000		\$0	\$7,500	\$16,500
Energy Audit - Billing Insights Audit	\$0		\$0		\$0
ENERGY STAR Air Source Heat Pump	\$132,290		\$4,968		\$137,258
ENERGY STAR Clothes Washer	\$19,605		\$2,147		\$21,752
ENERGY STAR Dishwasher	\$10,965		\$2,526		\$13,491
ENERGY STAR Freezer	\$2,185		\$519		\$2,704
ENERGY STAR Heat Pump Water Heater	\$9,470		\$281		\$9,751
ENERGY STAR MANUFACTURED HOME	\$8,600		\$0		\$8,600
ENERGY STAR Refrigerator	\$24,625		\$3,045		\$27,670
Heat Pump Retrofit	\$364,601		\$23,677		\$388,278
HVAC Duct Sealing	\$5,000		\$1,795		\$6,795
LED-Promotional	\$0		\$0		\$0
TSE Home (Performance)	\$30,800		\$10,419		\$41,219
TSE Home (Prescriptive)	\$22,400		\$7,577		\$29,977
Direct Load Control	\$0		\$2,021		\$2,021
Total	\$946,350	\$0	\$91,582	\$7,500	\$1,045,433
Advertising	\$21,112	\$7,037			\$28,150
DSM mix of programs	\$8,348	\$2,783			\$11,130
Appliance Recycling	\$269	\$90			\$359
TSE Home	\$189	\$63			\$252
Button-Up	\$5,678	\$1,893			\$7,570
ES Appliance	\$6,629	\$2,210			\$8,839
Total	\$967,463	\$7,037	\$91,582	\$7,500	\$1,073,582

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

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

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

Kentucky's Touchstone Energy Cooperatives 

South Kentucky RECC


January 01, 2016 to
December 31, 2016

Measure	Reimbursed "Total Cost"	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$185,276	\$0	\$20,101	\$0	\$205,377
C&I Lighting Upgrade	\$185,276		\$20,101		\$185,276
Residential	\$1,536,793	\$0	\$115,604	\$4,900	\$1,657,297
Appliance Recycling Freezer	\$4,266		\$352		\$4,618
Appliance Recycling Refrigerator	\$23,554		\$1,514		\$25,068
Button Up - Level I	\$128,332		\$23,175		\$151,508
Button Up - Level III	\$2,625		\$137		\$2,762
CFL	\$6,300		\$0	\$4,900	\$11,200
Energy Audit - Billing Insights Audit	\$0		\$0		\$0
ENERGY STAR Air Source Heat Pump	\$121,480		\$4,895		\$126,375
ENERGY STAR Central Air Conditioner	\$1,185		\$61		\$1,246
ENERGY STAR Clothes Washer	\$26,185		\$3,090		\$29,275
ENERGY STAR Dishwasher	\$16,290		\$3,717		\$20,007
ENERGY STAR Freezer	\$3,150		\$795		\$3,945
ENERGY STAR Heat Pump Water Heater	\$13,535		\$489		\$14,024
ENERGY STAR MANUFACTURED HOME	\$55,900		\$0		\$55,900
ENERGY STAR Refrigerator	\$35,295		\$4,665		\$39,960
Heat Pump Retrofit	\$1,055,996		\$54,155		\$1,110,151
HVAC Duct Sealing	\$3,500		\$1,398		\$4,898
LED-Promotional	\$0		\$0		\$0
TSE Home (Performance)	\$19,600		\$7,479		\$27,079
TSE Home (Prescriptive)	\$19,600		\$7,479		\$27,079
Direct Load Control	\$0		\$2,203		\$2,203
Total	\$1,722,070	\$0	\$135,705	\$4,900	\$1,862,674
Advertising	\$23,968	\$7,989	\$0	\$0	\$31,957
Appliance Recycling	\$269	\$90			\$359
Button-Up	\$413	\$138			\$550
ES Appliance	\$2,625	\$875			\$3,500
DSM mix of programs	\$20,661	\$6,887			\$27,548
Total	\$1,746,038	\$7,989	\$135,705	\$4,900	\$1,894,632

Notes: Direct Load Control costs are for participants in the year.

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

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

Kentucky's Touchstone Energy Cooperatives 
South Kentucky RECC


January 01, 2017 to
December 31, 2017

Measure	Reimbursed "Total Cost"	Unreimbursed Advertising	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$317,188	\$0	\$38,325	\$0	\$355,513
C&I Lighting Upgrade	\$317,188		\$38,325		\$355,513
Residential	\$1,670,509	\$0	\$136,880	\$7,650	\$1,815,039
Appliance Recycling Freezer	\$4,511		\$362		\$4,873
Appliance Recycling Refrigerator	\$24,405		\$1,525		\$25,929
Button Up - Level I	\$162,405		\$26,208		\$188,614
Energy Audit - Billing Insights Audit	\$0		\$0		\$0
ENERGY STAR Air Source Heat Pump	\$153,600		\$6,974		\$160,574
ENERGY STAR Central Air Conditioner	\$800		\$60		\$860
ENERGY STAR Clothes Washer	\$26,450		\$3,849		\$30,299
ENERGY STAR Dishwasher	\$21,570		\$4,393		\$25,963
ENERGY STAR Freezer	\$2,540		\$664		\$3,204
ENERGY STAR Heat Pump Water Heater	\$10,710		\$513		\$11,223
ENERGY STAR MANUFACTURED HOME	\$30,100		\$0		\$30,100
ENERGY STAR Refrigerator	\$64,105		\$5,148		\$69,253
Heat Pump Retrofit	\$1,074,663		\$52,882		\$1,127,545
HVAC Duct Sealing	\$9,500		\$2,751		\$12,251
LED	\$6,750		\$0	\$7,650	\$14,400
LED-Promotional	\$0		\$0		\$0
TSE Home (Performance)	\$28,000		\$10,492		\$38,492
TSE Home (Prescriptive)	\$50,400		\$18,885		\$69,285
Direct Load Control	\$0		\$2,174		\$2,174
Total	\$1,987,697	\$0	\$175,205	\$7,650	\$2,170,552
Advertising	\$13,783	\$4,594	\$0	\$0	\$18,378
Appliance Recycling	\$360	\$120			\$480
Billing Insights	\$360	\$120			\$480
Button-Up	\$435	\$145			\$580
ES Appliance	\$491	\$164			\$655
DSM mix of programs	\$12,137	\$4,046			\$16,182
Total	\$2,001,480	\$4,594	\$175,205	\$7,650	\$2,188,930

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

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

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Kentucky's Touchstone Energy Cooperatives 
 South Kentucky Annual Report

January 01, 2018 to
 December 31, 2018

Measure	Reimbursed "Total Cost"	Unreimbursed Admin.	Unreimbursed Bulbs	Total
Commercial	\$192,521	\$33,451	\$0	\$225,973
C&I Lighting Upgrade	\$192,521	\$33,451		\$225,973
Residential	\$785,138	\$79,736	\$4,590	\$869,464
Appliance Recycling Freezer	\$3,580	\$257		\$3,837
Appliance Recycling Refrigerator	\$15,873	\$965		\$16,837
Button Up - Level I	\$98,401	\$18,575		\$116,976
Button Up - Level III	\$2,625	\$156		\$2,781
Energy Audit - Billing Insights Audit	\$0	\$0		\$0
ENERGY STAR Air Source Heat Pump	\$197,625	\$9,582		\$207,207
ENERGY STAR Central Air Conditioner	\$400	\$129		\$529
ENERGY STAR Clothes Washer	\$20,915	\$3,553		\$24,468
ENERGY STAR Dishwasher	\$14,280	\$3,810		\$18,090
ENERGY STAR Freezer	\$2,505	\$900		\$3,405
ENERGY STAR Heat Pump Water Heater	\$6,480	\$402		\$6,882
ENERGY STAR MANUFACTURED HOME	\$86,000	\$0		\$86,000
ENERGY STAR Refrigerator	\$49,500	\$5,305		\$54,805
Heat Pump Retrofit	\$245,705	\$20,067		\$265,772
LED	\$7,650	\$0	\$4,590	\$12,240
LED-Promotional	\$0	\$0		\$0
TSE Home (Performance)	\$8,400	\$3,430		\$11,830
TSE Home (Prescriptive)	\$25,200	\$10,290		\$35,490
Direct Load Control	\$0	\$2,315		\$2,315
Total	\$977,660	\$113,187	\$4,590	\$1,095,437

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

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

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

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
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 3

RESPONSIBLE PARTY: Michelle Herrman

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 the need for a new DSM program, 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.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2019-00060

DEMAND-SIDE MANAGEMENT

RESPONSE TO INFORMATION REQUEST

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

REQUEST 4

RESPONSIBLE PARTY: Michelle Herrman

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: South Kentucky 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.

The following two pages have sample screen shots from our website.

South Kentucky Rural Electric Cooperative Corporation

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[Home](#) |
 [Online Bill-Pay](#) |
 [About the Co-op](#) |
 [Energy Efficiency](#) |
 [Programs & Services](#) |
 [Contact Us](#)

Button-Up

The two best things you can do to lower your heating and cooling costs are to increase the amount of insulation in your home and stop outside air from getting inside your home. Button-Up will help you increase your home's efficiency and your comfort while cutting your electric bills. Your home must be at least two years old and use electricity as the primary heat source. Call our energy advisors, and they will make an appointment to come to your home and point out areas where the efficiency of your home can be improved. A blower door test will be done before you make recommended improvements and then again afterwards to determine the exact amount of your incentive payment. Call your local energy advisor at your [local South Kentucky Rural Electric office](#) to see how much you could get back for making improvements!



Touchstone Energy Home

Build your new home to our Touchstone Energy Home Standards to lower your annual heating/cooling costs. You may also qualify to receive an incentive if you build and install a geothermal system, or if you install a high-efficiency air-to-air heat pump. Call your local energy advisor to find out about the incentives and to get a copy of the Touchstone Energy Home Specifications to be sure your home will qualify. The house must be completed before a blower door test can be performed to verify that the house meets the standard.


Contact your [local South Kentucky Rural Electric office](#) for all the details and requirements for both of these programs.

SimpleSaver

SimpleSaver is a program in which South Kentucky RECC members can earn up to \$20 in bill credits annually (\$5 for each central air conditioning unit during June, July, August, and September) for each central air conditioner enrolled. [Click here](#) to enroll in SimpleSaver or contact a local energy advisor to learn more.

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Home
Online Bill-Pay
About the Co-op
Energy Efficiency
Programs & Services
Contact Us

Resistant Heat to Heat Pump

If you are changing your heating system from ceiling cable, baseboard, or electric furnace to a high-efficiency heat pump of a minimum current energy conservation standard established by the Federal Department of Energy, you can qualify for an incentive payment. To qualify, your primary source of heat must be electric resistant heat, and the heat source must be two years old. If you are purchasing a new manufactured home and putting in a high-efficiency heat pump, you will also qualify for an incentive.

Equipment Type	Rebate
Centrally Ducted Systems: Current Energy Conservation Standard established by the Federal Department of Energy "DOE"	\$500
Current ENERGY STAR® level equipment or greater	\$750
Mini Split System: Ducted or Ductless Mini-splits ENERGY STAR® Level equipment or greater	\$250

Call your South Kentucky RECC energy advisor for more information.

Billingsights

The *Billingsights* tool located in the right column on our home page, or [here](#), allows South Kentucky RECC members to view energy use and costs by using your billing history, actual weather data and some information about your home. It'll show you how you can lower your energy costs and become more energy efficient. It only takes about 10 minutes to complete.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2019-00060
DEMAND-SIDE MANAGEMENT
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KENTUCKY POWER COOPERATIVE, INC.'S COOPERATIVES
DATED MARCH 28, 2019**

REQUEST 5

RESPONSIBLE PARTY: Michelle Herrman

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: In addition to the DSM programs referred to in Request 2 above, South Kentucky provides Energy Audits and Electrical Thermal Storage (ETS) DSM programs to residential and small commercial Members. To provide these programs, South Kentucky employs Energy Advisors who perform, among other duties, energy audits and provide information concerning ETS 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.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Number of Audits	408	443	426	301	295
Estimated Costs	\$69,732	\$87,030	\$91,190	\$63,600	\$66,390

The table below lists the cost of the ETS Program for years 2014 through 2018. EKPC discontinued incentives to members in 2014. Subsequently, our member participation has declined since 2014. EKPC provides no reimbursement for these costs.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
ETS Program Cost	(\$19,345)	(\$1,631)	\$960	\$1,358	(\$3,277)

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2019-00060
DEMAND-SIDE MANAGEMENT
RESPONSE TO INFORMATION REQUEST

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

REQUEST 6

RESPONSIBLE PARTY: Michelle Herrman

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: South Kentucky offers the Community Assistance Resources for Energy Savings (“CARES”) low-income program. The CARES tariff is located on Sheet No. T-42 thru T-44 of South Kentucky’s tariffs approved by the PSC on November 1, 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.