



EAST KENTUCKY POWER COOPERATIVE

February 28, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

FEB 28 2007

PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2006-00547

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case, an original and five copies of the Responses of East Kentucky Power Cooperative, Inc. to the Commission Staff Data Request dated February 14, 2007.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

RECEIVED

FEB 28 2007

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE FOR CONTINUATION OF)
TOUCHSTONE ENERGY HOME REBATE) CASE NO.
PROGRAM) 2006-00547**

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED FEBRUARY 14, 2007**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07**

East Kentucky Power Cooperative, Inc. (EKPC) hereby submits responses to the Commission Staff's First Data Request dated February 14, 2007. Each response with its associated supportive reference materials is individually tabbed.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 1

RESPONSIBLE PERSON: Jeff Hohman

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 1. Concerning the "Touchstone Energy Home" program:

REQUEST 1a. What safeguards has EKPC established that will ensure that those participants receiving rebates have met all the program's requirements?

RESPONSE 1a. EKPC provides the cooperatives with the Touchstone Energy Home Specification Booklet. This template is used by the Member Cooperatives to insure that all program requirements have been met. In addition, each home is inspected by the Energy Advisor at the local cooperative. The specifications require that each home pass a blower door test prior to certification. Several site visits are made during the building process to assure that the insulation and air sealing measures required by the Touchstone Energy Home standards or Energy Star standards have been met.

REQUEST 1b. What procedures are used to ensure that only one incentive payment is paid to a single address?

RESPONSE 1b. The Member Cooperatives keep records of all DSM activities at each residence (meter). The information that is registered on this database comes from the distribution cooperative. In addition, EKPC is the HERS (Home Energy Rating System) Provider for all of our members so any house that is rated is reported to EKPC and that information is reported to Kentucky Department of Energy. Also, EKPC keeps a database of all DSM-related rebates paid to the members. The Touchstone Energy Home Rebate is included in that database.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 2

RESPONSIBLE PERSON: Jeff Hohman

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 2. Concerning the electric heat pump program:

REQUEST 2a. What validation procedures did EKPC establish to ensure that the installed electric heat pump met the "Energy Star" standards for that participant?

RESPONSE 2a. The Energy Advisor obtains the model number and serial number from the indoor air handler and the condenser, and each unit is cross-referenced using the Air-conditioning and Refrigeration Institutes website (ARI.org). ARI.org provides the SEER (Seasonal Energy Efficiency Ratio) rating and the HSPF (Heating Season Performance Factor) to ensure that the heat pump meets the Energy Star SEER rating.

REQUEST 2b. What procedures are used to ensure that only one incentive payment is paid to a single address?

RESPONSE 2b. The Member Cooperatives keep records of all DSM activities for each residence (meter). The information that is registered on this database comes from the distribution cooperative.

The Member System tracks all rebates for each DSM program. In the case of an electric heat pump, the model number, serial number, manufacturer, SEER rating and HSPF are recorded.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 3

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 3. Refer to EKPC's Integrated Resource Plan, Case No. 2006-00471,1 and specifically the section on DSM – 2 Touchstone Energy Home program. What are EKPC's plans on maintaining the DSM – 2 Touchstone Energy Home program participants' information?

RESPONSE 3. EKPC will maintain participants' information throughout the duration of the program. In addition, EKPC will retain information for purposes of the Integrated Resource Plan.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 4

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 4. Concerning the recovery of program costs:

a. While preparing the application in this case, did EKPC give any consideration to seeking cost recovery of the program costs as provided under KRS 278.285? Explain the response.

b. If EKPC does not plan to seek recovery of the DSM program costs, explain in detail why EKPC decided against seeking cost recovery under KRS 278.285.

RESPONSE 4a,b. No. Due to the relatively low level of dollars and the need to limit the number of separate surcharges to our members, the decision was made to absorb the costs of the program and not request a separate DSM surcharge. Under the cooperative model and our approach, Member Systems will see the effect of these costs through margins from EKPC. However, their retail customers will not pay directly for such costs through a DSM surcharge.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 5

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 5. Has EKPC pursued other means to fund this rebate program (i.e., Federal Grants, Corporate Sponsorships, etc)?

RESPONSE 5. No.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 6

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 6. Provide a breakdown of customer participation, by member-company, which includes how many customers have received rebates and the amount of those rebates.

RESPONSE 6. Information is provided on page 2 of this response.

2004				
Member System	Number of Participants	Rebates paid by EKPC	Rebates paid by Member	Total Rebates paid to Customers
Clark Energy	1	\$300	\$300	\$600
Grayson RECC	5	\$2,500	\$2,500	\$5,000
Inter-County ECC	3	\$1,050	\$1,050	\$2,100
Jackson Energy	8	\$2,575	\$2,575	\$5,150
Nolin RECC	3	\$900	\$900	\$1,800
Owen Energy	2	\$450	\$450	\$900
Salt River RECC	1	\$375	\$375	\$750
South KY RECC	21	\$3,850	\$3,850	\$7,700
Totals	44	\$12,000	\$12,000	\$24,000

2005				
Member System	Number of Participants	Rebates paid by EKPC	Rebates paid by Member	Total Rebates paid to Customers
Blue Grass Energy	36	\$300	\$300	\$600
Clark Energy	1	\$300	\$300	\$600
Grayson RECC	5	\$2,500	\$2,500	\$5,000
Inter-County ECC	6	\$2,250	\$2,250	\$4,500
Jackson Energy	28	\$9,725	\$9,725	\$19,450
Owen Energy	4	\$1,500	\$1,500	\$3,000
Salt River RECC	21	\$7,875	\$7,875	\$15,750
Shelby Energy	1	\$200	\$200	\$400
South KY RECC	29	\$5,050	\$5,050	\$10,100
Totals	131	\$29,700	\$29,700	\$59,400

2006				
Member System	Number of Participants	Rebates paid by EKPC	Rebates paid by Member	Total Rebates paid to Customers
Blue Grass Energy	60	\$0	\$0	\$0
Clark Energy	6	\$1,800	\$1,800	\$3,600
Grayson RECC	5	\$2,500	\$2,500	\$5,000
Inter-County ECC	15	\$5,300	\$5,300	\$10,600
Jackson Energy	26	\$9,150	\$9,150	\$18,300
Owen Energy	12	\$4,500	\$4,500	\$9,000
Salt River RECC	65	\$23,850	\$23,850	\$47,700
Shelby Energy	9	\$2,250	\$2,250	\$4,500
South KY RECC	34	\$5,700	\$5,700	\$11,400
Taylor County RECC	4	\$1,175	\$1,175	\$2,350
Totals	236	\$56,225	\$56,225	\$112,450

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 7

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 7. Provide any workpapers associated with the determination of energy savings attributable to this program to date, and expected savings in the future.

RESPONSE 7. Information is provided on page 2 of this response. Note that the projected energy savings is based on those participants in the program through December 31, 2006. EKPC has not included a projection of the number of participants beyond that date.

Calculation of estimated energy savings from Touchstone Energy Home Program
Based on actual participants through December 2006

Program Year	2004	2005	2006	
No. of New participants	44	131	236	
Estimated annual energy savings per participant	5,100 kWh			
Estimated Savings to date:				Savings from all participants (MWh)
2004	112,200			112
2005	224,400	334,050 *		558
2006	224,400	668,100	601,800 *	1,494
Expected savings in future:				
2007	224,400	668,100	1,203,600	2,096
2008	224,400	668,100	1,203,600	2,096
2009	224,400	668,100	1,203,600	2,096
2010	224,400	668,100	1,203,600	2,096
2011	224,400	668,100	1,203,600	2,096
2012	224,400	668,100	1,203,600	2,096
2013	224,400	668,100	1,203,600	2,096
2014	224,400	668,100	1,203,600	2,096
2015	224,400	668,100	1,203,600	2,096
2016	224,400	668,100	1,203,600	2,096
2017	224,400	668,100	1,203,600	2,096
2018	224,400	668,100	1,203,600	2,096
2019	224,400	668,100	1,203,600	2,096
2020	224,400	668,100	1,203,600	2,096
2021	224,400	668,100	1,203,600	2,096
2022	224,400	668,100	1,203,600	2,096
2023	224,400	668,100	1,203,600	2,096
2024	112,200	668,100	1,203,600	1,984
2025	0	334,050	1,203,600	1,538
Total Savings to date (through December 2006):				2,165 MWh
Total Expected Savings in future:				39,155 MWh

*Reflects one-half year of savings.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00547

**CONTINUATION OF TOUCHSTONE ENERGY HOME REBATE PROGRAM
RESPONSE TO FIRST DATA REQUEST**

COMMISSION STAFF'S FIRST DATA REQUEST DATED 2/14/07

REQUEST 8

RESPONSIBLE PERSON: William A. Bosta

COMPANY: East Kentucky Power Cooperative, Inc.

REQUEST 8. Provide total dollar amount of rebates paid by EKPC since June 1, 2006.

RESPONSE 8. The total dollar amount paid by EKPC for new participants from June 1, 2006 through December 31, 2006 is \$36,525.