

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC  
ATTORNEYS AT LAW

David M. Sullivan  
Jesse T. Mountjoy  
Frank Stainback  
James M. Miller  
Michael A. Fiorella  
Allen W. Holbrook  
R. Michael Sullivan  
Bryan R. Reynolds\*  
Tyson A. Kamuf  
Mark W. Starnes  
C. Ellsworth Mountjoy  
Mary L. Moorhouse

\*Also Licensed in Indiana

July 30, 2012

**Via Federal Express**

Jeff DeRouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

JUL 30 2012

PUBLIC SERVICE  
COMMISSION

Re: *In the Matter of: Notice and Application of Big Rivers  
Electric Corporation for a General Adjustment in Rates,  
PSC Case No. 2011-00036*

Dear Mr. DeRouen:

Enclosed on behalf of Big Rivers Electric Corporation are an original and ten copies of its biannual Demand Side Management Report pursuant to ordering paragraph 9 of the Public Service Commission's November 17, 2011, Order in the above referenced matter. A copy of this letter and a copy of the report have been served on each of the persons on the attached service list.

Sincerely,



Tyson Kamuf

TAK/ej  
Enclosures

cc: Mark A. Bailey  
Albert Yockey  
Service List

Telephone (270) 926-4000  
Telecopier (270) 683-6694

St. Ann Building  
PO Box 727  
Owensboro, Kentucky  
42302-0727

www.westkylaw.com

SERVICE LIST  
BIG RIVERS ELECTRIC CORPORATION  
PSC CASE NO. 2011-00036

Dennis G. Howard, II, Esq.  
Lawrence W. Cook, Esq.  
Assistant Attorneys General  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

Gregory J. Starheim  
President and CEO  
Kenergy Corp.  
3111 Fairview Drive  
P.O. Box 1389  
Owensboro, Kentucky 42302-1389

Michael L. Kurtz, Esq.  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OH 45202  
**COUNSEL FOR KENTUCKY  
INDUSTRIAL UTILITY CUSTOMERS,  
INC.**

G. Kelly Nuckols  
President and CEO  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
P.O. Box 4030  
Paducah, KY 42002-4030

David C. Brown, Esq.  
Stites & Harbison  
1800 Providian Center  
400 West Market Street  
Louisville, KY 40202  
**COUNSEL FOR ALCAN PRIMARY  
PRODUCTS CORPORATION**

Burns E. Mercer  
President/CEO  
Meade County R.E.C.C.  
1351 Highway 79  
P.O. Box 489  
Brandenburg, KY 40108-0489

J. Christopher Hopgood, Esq.  
Dorsey, King, Gray, Norment & Hopgood  
318 Second Street  
Henderson, KY 42420  
**COUNSEL FOR KENERGY CORP.**

Melissa D. Yates  
Denton & Keuler, LLP  
555 Jefferson Street  
P.O. Box 929  
Paducah, KY 42002-0929  
**COUNSEL FOR JACKSON PURCHASE  
ENERGY CORPORATION**



Your Touchstone Energy® Cooperative 

**Big Rivers Electric Corporation  
Demand Side Management  
(DSM) Report  
July 31, 2012**

**Provided to the Kentucky Public Service Commission  
Pursuant to Ordering Paragraph No. 9  
of  
The Commission's Order dated November 17, 2011  
in  
Case No. 2011-00036**

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
July 31, 2012**

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**Program Summary**

Big Rivers Electric Corporation has taken a proactive approach to advance the goal of Strategy 1 of the 2008 Governor’s Intelligent Energy Choices plan “to improve the efficiency of Kentucky’s homes, buildings, industries and transportation fleet by establishing a goal of offsetting at least 18 percent of Kentucky’s projected 2025 energy demand.”

The purpose of this DSM report is to provide descriptions and data about DSM programs currently being offered.

**DSM/Energy Efficiency Programs**

1. Residential Lighting Replacement Program (CFL distribution)
2. Residential ENERGY STAR® Clothes Washer Replacement
3. Residential ENERGY STAR® Refrigerator Replacement
4. Residential ENERGY STAR® Heating, Ventilation and Air Conditioning (HVAC) Program
5. Residential Weatherization Program - Primary Heating Electric
6. Residential Weatherization Program - Primary Heating Gas
7. Residential Touchstone Energy® New Home Construction Program
8. Residential and Commercial HVAC & Refrigeration Tune-Up Program
9. Commercial/Industrial High Efficiency Lighting Replacement Program
10. Commercial/Industrial General Energy Efficiency Program

The June 2012 Year-to-Date (“YTD”) DSM Program Results are shown in the table at the top of the following page.

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| <b>Big Rivers Electric Corporation<br/>Demand Side Management/Energy Efficiency Program Results<br/>June 2012 Year-to-Date</b> |                      |                      |
|--|----------------------|----------------------|
| <b>DSM Program</b>   | <b>Total Measure</b> | <b>Total Spend</b>   |
| Residential Lighting Replacement Program (CFL distribution)  | 18,172               | \$ 26,355.00         |
| Residential ENERGY STAR® Appliances  |                      |                      |
| ENERGY STAR® Clothes Washer Replacement  | 129                  | 12,900.00            |
| ENERGY STAR® Refrigerator Replacement  | 83                   | 8,300.00             |
| Residential ENERGY STAR® Heating, Ventilation and Air Conditioning (HVAC) Program  | 22                   | 8,650.00             |
| Residential Weatherization Program – Primary Heating Electric  | 0                    | 0.00                 |
| Residential Weatherization Program – Primary Heating Gas   | 0                    | 0.00                 |
| Residential Touchstone Energy® New Home Construction Program   | 8                    | 7,250.00             |
| Residential and Commercial HVAC & Refrigeration Tune-Up Program  | 82                   | 2,375.00             |
| Commercial/Industrial High Efficiency Lighting Replacement Program   | 83 kW                | 29,166.00            |
| Commercial/Industrial General Energy Efficiency Program  | 0                    | 0.00                 |
| Promotional Expense  |                      | 12,687.43            |
| <b>Total</b>   |                      | <b>\$ 107,683.43</b> |

In March of 2012, Big Rivers made a tariff filing seeking formal Commission approval to implement the DSM programs. In April, the Commission issued an order finding that an investigation of the proposed DSM tariffs was necessary to determine their reasonableness. The Commission suspended the DSM tariffs for one day and allowed them to become effective subject to change prospectively. The investigation is in progress in Case No. 2012-00142.

The 2012 Energy Efficiency programs are underway in two of three of Big Rivers’ Member Cooperatives. Meade County Rural Electric Cooperative Corporation (“MCRECC”) has been offering the programs since January. Kenergy Corp. (“Kenergy”) began program offerings in May 2012. Jackson Purchase Energy Corporation (“Jackson Purchase”) is awaiting the Commission’s approval of its DSM tariffs to begin programs.

While progress on program implementation has been made, the programs are still in a “ramp up” stage. Many of the programs have significant lead times, such as commercial programs, new home construction and residential weatherization. Big Rivers and its Member Cooperatives expect the implementation of these programs to accelerate in the last half of 2012, or later depending upon the final outcome of the Big Rivers DSM Tariff filing in Case No. 2012-00142.

**Big Rivers Electric Corporation  
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**2012 Budget**

The table on the following page shows the 2012 energy efficiency program targets and the spending levels for each program. This table also quantifies the deemed impact of each target on energy consumption and peak kW. Appendix A of this report shows the year-to-date results from June 2012 and descriptions of each program.

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**Big Rivers 2012 DSM/Energy Efficiency Program Targets**

|   | Annual kWh       |      | Winter kW        |      | Summer kW        |      | Unit Quantity | Total Annual kWh Savings |         | Total Winter kW Savings |             | Total Summer kW Savings |     | Target Spend 2012 |
|---|------------------|------|------------------|------|------------------|------|---------------|--------------------------|---------|-------------------------|-------------|-------------------------|-----|-------------------|
|   | Savings Per Unit | Unit | Savings Per Unit | Unit | Savings Per Unit | Unit |               | Savings                  | kWh     | kW Savings              | kW Savings  | kWh                     | kWh |                   |
| <b>Residential Programs</b>                 |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Residential Lighting Program                |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| CFL bulbs                                   | 31               |      | 0.007            |      | 0.003            |      | 57,143        | 1,752,004                | 408.0   | 179.2                   | \$100,000   |                         |     |                   |
| <b>Residential Efficient Appliances</b>     |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Clothes Washer Rebate                       | 224              |      | 0.007            |      | 0.026            |      | 400           | 89,600                   | 2.8     | 10.4                    | \$40,000    |                         |     |                   |
| Energy Star Refrigerator + Recycling        | 1,084            |      | 0.076            |      | 0.089            |      | 400           | 433,600                  | 30.4    | 35.6                    | \$40,000    |                         |     |                   |
| <b>HVAC Program</b>                         |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Dual Fuel                                   | 3,448            |      | 7.066            |      | 0.146            |      | 50            | 172,400                  | 353.3   | 7.3                     | \$25,000    |                         |     |                   |
| Air Source Heat Pump                        | 692              |      | 0.000            |      | 0.146            |      | 35            | 24,220                   | 0.0     | 5.1                     | \$7,000     |                         |     |                   |
| Geothermal                                  | 3,658            |      | 4.453            |      | 0.365            |      | 24            | 87,792                   | 106.9   | 8.8                     | \$18,000    |                         |     |                   |
| <b>Weatherization Program</b>               |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Stick-Built Home                            | 6,980            |      | 4.950            |      | 0.890            |      | 75            | 523,500                  | 371.3   | 66.8                    | \$150,000   |                         |     |                   |
| Manufactured Home                           | 4,680            |      | 2.200            |      | 0.300            |      | 25            | 117,000                  | 55.0    | 7.5                     | \$50,000    |                         |     |                   |
| <b>New Construction</b>                     |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Gas Heat                                    | 2,435            |      | 0.260            |      | 0.580            |      | 48            | 116,880                  | 12.5    | 27.8                    | \$36,000    |                         |     |                   |
| Air Source Heat Pump                        | 4,922            |      | 2.700            |      | 0.580            |      | 20            | 98,430                   | 54.0    | 11.6                    | \$20,000    |                         |     |                   |
| Dual Fuel Heat Pump (w/ Gas)                | 8,370            |      | 9.766            |      | 0.580            |      | 20            | 167,390                  | 195.3   | 11.6                    | \$24,000    |                         |     |                   |
| Geothermal Heat Pump                        | 8,580            |      | 7.150            |      | 0.799            |      | 10            | 85,795                   | 71.5    | 8.0                     | \$20,000    |                         |     |                   |
| Tune-Up                                     |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| HVAC Tune-Up                                | 636              |      | 0.000            |      | 0.304            |      | 1,320         | 839,520                  | 0.0     | 400.9                   | \$33,000    |                         |     |                   |
| <b>Commercial/Industrial (C/I) Programs</b> |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| C&I Lighting                                |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Lighting Projects                           | 12               |      | 0.0029           |      | 0.0027           |      | 543           | 2,219,784                | 543.0   | 507.3                   | \$190,000   |                         |     |                   |
| C&I Products                                |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| Misc. Efficient Projects                    | 7                |      | 0.0005           |      | 0.0029           |      | 86            | 213,452                  | 16.1    | 86.0                    | \$30,000    |                         |     |                   |
| <b>Tune-Up</b>                              |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| HVAC Tune-Up*                               | 5,268            |      | 0.000            |      | 1.200            |      | 340           | 1,791,120                | 0.0     | 408.0                   | \$17,000.00 |                         |     |                   |
| * Assumed 6 tons/unit                       |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
| <b>Total DSM Program Savings</b>            |                  |      |                  |      |                  |      |               |                          |         |                         |             |                         |     |                   |
|   |                  |      |                  |      |                  |      |               | 8,732,487                | 2,220.1 | 1,781.8                 | \$869,600   |                         |     |                   |

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The 2012 budget for energy efficiency programs totals \$1,000,000. The program incentives listed in the above table total approximately \$800,000. The additional \$200,000 is budgeted for promotion of the programs through websites, radio, print media and standard communication tools such as Kentucky Living or Member Cooperative newsletters. Depending on the retail member response to the programs, the promotional funds may be rolled back into the incentive programs to increase the impact of the most popular programs.

Program budgets will remain flexible and react to retail member response to each program. Member Cooperatives will be able to adjust or shift budgets to successful programs. Program requirements specified in individual program plans are minimum standards; Member Cooperatives may establish more stringent requirements at their discretion.

Member Cooperatives will collect required documentation and submit an invoice, with a summary spreadsheet for each program, to Big Rivers for reimbursement monthly. The invoice will contain the following information for each incentive paid:

1. Date
2. Account Number
3. Name
4. Service Address
5. City
6. Zip Code
7. Incentive Description Details
8. Incentive Amount

Each program will have a separate summary spreadsheet. Multiple program summary spreadsheets may be combined on the same invoice. Promotional reimbursement requires a copy of the advertisement used in printed media. Radio advertising should be submitted with a script.

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**Appendix A:  
DSM Program Plans**

# Big Rivers Electric Corporation Demand Side Management ("DSM") Report July 31, 2012

## Big Rivers June 2012 YTD Energy Efficiency Program Summary

| <b>Residential Programs</b>                 |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
|---|------------------|------|------------------|------|------------------|------|------------------|--------------------------|-------------|-------------------------|-------------|---------------------|
|   | Annual kWh       |      | Winter kW        |      | Summer kW        |      | Unit Quantity    | Total Annual kWh Savings |             | Total Summer kW Savings |             | Spend YTD June 2012 |
|   | Savings Per Unit | Unit | Savings Per Unit | Unit | Savings Per Unit | Unit |                  | Savings                  | kWh Savings | kW Savings              | kWh Savings |                     |
| <b>Residential Lighting Program</b>         |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| CFL bulbs                                   | 31               |      | 0.007            |      | 0.003            |      | 18,172           | 557,154                  | 129.7       | 57.0                    |             | \$26,355            |
| <b>Residential Efficient Appliances</b>     |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Clothes Washer Rebate                       | 224              |      | 0.007            |      | 0.026            |      | 129              | 28,896                   | 0.9         | 3.4                     |             | \$12,900            |
| Energy Star Refrigerator + Recycling        | 1,084            |      | 0.076            |      | 0.089            |      | 83               | 89,972                   | 6.3         | 7.4                     |             | \$8,300             |
| <b>HVAC Program</b>                         |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Dual Fuel                                   | 3,448            |      | 7.066            |      | 0.146            |      | 5                | 17,240                   | 35.3        | 0.7                     |             | \$2,500             |
| Air Source Heat Pump                        | 692              |      | 0.000            |      | 0.146            |      | 12               | 8,304                    | 0.0         | 1.8                     |             | \$2,400             |
| Geothermal                                  | 3,658            |      | 4.453            |      | 0.365            |      | 5                | 18,290                   | 22.3        | 1.8                     |             | \$3,750             |
| <b>Weatherization Program</b>               |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Stick-Built Home                            | 6,980            |      | 4.950            |      | 0.890            |      | 0                | 0                        | 0.0         | 0.0                     |             | \$0                 |
| Manufactured Home                           | 4,680            |      | 2.200            |      | 0.300            |      | 0                | 0                        | 0.0         | 0.0                     |             | \$0                 |
| <b>New Construction</b>                     |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Gas Heat                                    | 2,435            |      | 0.260            |      | 0.580            |      | 7                | 17,045                   | 1.8         | 4.1                     |             | \$5,250             |
| Air Source Heat Pump                        | 4,922            |      | 2.700            |      | 0.580            |      | 0                | 0                        | 0.0         | 0.0                     |             | \$0                 |
| Dual Fuel Heat Pump (w/ Gas)                | 8,370            |      | 9.766            |      | 0.580            |      | 0                | 0                        | 0.0         | 0.0                     |             | \$0                 |
| Geothermal Heat Pump                        | 8,580            |      | 7.150            |      | 0.799            |      | 1                | 8,580                    | 7.2         | 0.8                     |             | \$2,000             |
| <b>Tune-Up</b>                              |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| HVAC Tune-Up                                | 636              |      | 0.000            |      | 0.304            |      | 69               | 43,884                   | 0.0         | 21.0                    |             | \$1,725             |
| <b>Commercial/Industrial (C/I) Programs</b> |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
|   | Annual kWh       |      | Winter kW        |      | Summer kW        |      | Total kW Reduced | Total Annual kWh Savings |             | Total Summer kW Savings |             | Spend YTD June 2012 |
|   | Savings Per Unit | Unit | Savings Per Unit | Unit | Savings Per Unit | Unit |                  | Savings                  | kWh Savings | kW Savings              | kWh Savings |                     |
| <b>C&amp;I Lighting</b>                     |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Lighting Projects                           | 12               |      | 0.0028           |      | 0.0027           |      | 83               | 339,304                  | 83.0        | 77.5                    |             | \$29,166            |
| <b>C&amp;I Products</b>                     |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| Misc. Efficient Projects                    | 0                |      | 0.0000           |      | 0.0000           |      | 0                | 0                        | 0.0         | 0.0                     |             | \$0                 |
| <b>Tune-Up</b>                              |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| HVAC Tune-Up*                               | 5,268            |      | 0.000            |      | 1.200            |      | 13               | 68,484                   | 0.0         | 15.6                    |             | \$650.00            |
| <i>* Assumed 6 tons/unit</i>                |                  |      |                  |      |                  |      |                  |                          |             |                         |             |                     |
| <b>Total DSM Program Savings:</b>           |                  |      |                  |      |                  |      |                  |                          | 1,197,152   | 286.5                   | 191.0       | \$94,995            |

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**Program: Residential Lighting Replacement Program (CFL Distribution)**

**Overview**

This program promotes an increased use of ENERGY STAR® rated Compact Fluorescent Light ("CFL") lamps among the retail members of Big Rivers' Member Cooperatives by providing reimbursement to Member Cooperatives for CFL lamps distributed to their retail members.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will reimburse the Member Cooperatives for the purchase of CFL lamps that the Member Cooperative buys and distributes to its retail members for use in the Member Cooperative's service area. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase from the CFL supplier and of the distribution to retail members. Big Rivers will also reimburse a Member's reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$100,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Residential ENERGY STAR® Clothes Washer Replacement Program**

**Overview**

This program promotes an increased use of ENERGY STAR® rated clothes washing machines.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will provide an incentive payment of \$100 for each ENERGY STAR® rated clothes washer that is purchased and installed in the Member Cooperative’s system. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase and installation from a legitimate retail appliance supplier. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$40,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
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**Program: Residential ENERGY STAR® Refrigerator Replacement Program**

**Overview**

This program promotes an increased use of ENERGY STAR® rated refrigerators and the removal from operation of existing older, low-efficiency refrigerators.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will provide an incentive payment of \$100 for each ENERGY STAR® rated refrigerator that is purchased and installed in the Member Cooperative’s system. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase and installation of the new appliance, and the removal of the old appliance from legitimate retail appliance suppliers. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$40,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Residential ENERGY STAR® Heating, Ventilation and Air Conditioning ("HVAC") Program**

**Overview**

This program promotes an increased use of high efficiency HVAC systems among the retail members of the member cooperatives by providing reimbursement to member cooperative members for upgrading their HVAC systems beyond contractor grade minimums to one of three ENERGY STAR® rated HVAC systems.

**Target Participants**

Target participants of this program for Big Rivers include its three member cooperatives. The target end users are the retail members of the member cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will reimburse the member cooperatives for the HVAC efficiency upgrades by a retail member on the member cooperative’s system. Member cooperatives must submit invoices to Big Rivers and must include proper documentation. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

The following is the program administrative process:

1. The retail consumer will provide a receipt of installation and purchase of equipment from a licensed contractor dated within the eligibility timeframe of the program selected by the member cooperative.
2. The member cooperative will be responsible for verification of installation.
3. The initial incentives shall be the following per replacement unit installed:
  - Geothermal                   \$750
  - Dual Fuel                    \$500
  - Air Source                    \$200

**Annual Budget**

The 2012 budget for this program is \$50,000. Budget levels for future years may vary based upon the experience gained after program implementation.

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**Program: Residential ENERGY STAR® Heating, Ventilation and Air Conditioning (“HVAC”) Program (*continued*)**

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Residential Weatherization Programs – Primary Heating Electric and Primary Heating Gas**

**Overview**

This program promotes the implementation of weatherization measures among the retail members of the member cooperatives by providing reimbursement to member cooperatives for undertaking weatherization improvements at their homes.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives. This program is available to any retail residential member of the Member Cooperative taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff, with an all-electric home to maximize the benefit of the program.

**Member Incentives**

Sherlock Homes is a weatherization contractor headquartered in Bloomington Indiana, which has been performing weatherization projects for Hoosier Energy for the last two years with tremendous success. To-date Sherlock Homes has weatherized nearly 2,000 site-built and manufactured homes in Indiana.

Big Rivers will provide 50% of the cost of the weatherization for residential members with an electric primary heating system (Primary Heating Electric), or 25% of the cost for members with a non-electric primary heating system (Primary Heating Gas). Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$200,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Residential Touchstone Energy® New Home Construction Program**

**Overview**

This program provides incentives to home owners and builders to use energy efficient building standards as outlined in the Touchstone Energy® certification program, which requires a Home Energy Rating System (“HERS”) rating of 85 or lower.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

The incentive is based on the HVAC system installed in the retail member’s Touchstone Energy® Certified Home. The following incentives apply:

|   |         |
|---|---------|
| Geothermal Heat Pump (ground coupled heat pump) | \$2,000 |
| Air Source Heat Pump                            | \$1,000 |
| Dual Fuel Heat Pump (ASHP w/ Gas back-up)       | \$1,200 |
| Gas Heat  | \$ 750  |

The Member Cooperative will provide a copy of the original certification document and the analysis form used to determine the HERS score and a copy of the receipt from a licensed HVAC contractor specifying the HVAC system installed in the home of the retail member. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$100,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Residential and Commercial HVAC & Refrigeration Tune-Up Program**

**Overview**

This program promotes the initiation of annual maintenance on heating and air conditioning equipment among the retail members of the Member Cooperatives by providing reimbursement to Member Cooperative retail members that have their heating and cooling systems professionally cleaned and serviced.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the residential and commercial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will offer incentives to Member Cooperatives for retail member homeowners and commercial businesses that have their heating and cooling systems professionally cleaned and serviced.

Member Cooperatives will receive a \$25 incentive for each residential unit and \$50 for each commercial unit that is cleaned and serviced.

For retail members with multiple units, each incentive paid will require an individual receipt from a licensed HVAC contractor.

Member Cooperatives must submit invoices to Big Rivers and must include proper documentation. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$50,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Commercial / Industrial High Efficiency Lighting Replacement Program**

**Overview**

This program provides an incentive to commercial and industrial retail member consumers for whom service is taken under Big Rivers’ RDS tariff to upgrade poorly designed and low efficiency lighting systems.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the commercial and industrial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service ("RDS") tariff.

**Member Incentives**

The following are the project steps:

1. The lighting contractor, supplier, electrical contractor or electrician will provide to the retail member the documented changes made to the facility lighting system. The retail member will also be required to provide an invoice for materials and installation services associated with the project.
2. The Member Cooperative will verify the installation of the new lighting system and collect a copy of the specification of the lighting system conversion impact, signed by the retail member, with the following information:
  - Lamp and ballast (or fixture) specifications prior to conversion including total wattage
  - New fixture specifications including total wattage
  - Estimated hours of operation
  - Estimated kWh saved per year
  - Total kW demand reduction
3. The Member Cooperative shall submit an invoice to Big Rivers with copies of individual lighting project specification documents with the following information:
  - Member Name
  - Account Number
  - Service Address
  - kW Reduction Total
  - Annual Hours of Operation
  - Incentive Amount

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**Program: Commercial / Industrial High Efficiency Lighting Replacement Program (*continued*)**

4. The initial incentive shall be set at \$350 per kW reduction. This amount will be evaluated continuously and adjusted depending on reaction by retail members qualifying.

Each of the incentive payments will require the fixture/lamp change be verified by the Member Cooperative personnel or third party. A worksheet is provided to determine the change in demand of the lighting system. The retail member will also be required to provide the project costs for planning purposes. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$190,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

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**Program: Commercial / Industrial General Energy Efficiency Program**

**Overview**

This program provides an incentive to retail commercial and industrial retail member-consumers served under the Big Rivers RDS tariff to upgrade all aspects of cost effective energy efficiency achievable in individual facilities.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the commercial and industrial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

The requirements of the program are:

1. The retail member, contractor, supplier, electrical contractor or electrician will provide to the retail member the documented changes made to the facility equipment resulting in the demand reduction. The retail member will also be required to provide an invoice for materials and installation services associated with the project.
2. The Member Cooperative will verify the installation of the new equipment and collect a copy of the specification of the equipment conversion impact, signed by the retail member, with the following information:
  - Equipment specifications of existing equipment, including total wattage
  - Replacement equipment specifications, including total wattage
  - Estimated hours of operation
  - Estimated kWh saved per year
  - Total kW demand reduction
3. The Member Cooperative shall submit an invoice to Big Rivers with copies of individual project specification documents and a printed summary excel spreadsheet with the following information:
  - Member Name
  - Account Number
  - Service Address
  - kW Reduction Total
  - Annual Hours of Operation
  - Incentive Amount

**Program: Commercial / Industrial General Energy Efficiency Program**

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*(continued)*

4. The initial incentive shall be set at \$350 per kW reduction with a maximum incentive of \$10,000 per project unless approved by Big Rivers on an individual basis. This amount will be assessed continuously and adjusted depending on reaction by retail commercial members qualifying under this program.

Each of the incentive payments will require that equipment changes be verified by a Member Cooperative’s personnel or third party. A worksheet is provided to determine the change in demand resulting in equipment upgrades. The retail member will also be required to provide the project costs for planning purposes. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$30,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.