



SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

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RECEIVED

SEP 05 2018

PUBLIC SERVICE
COMMISSION

September 4, 2018

Ms. Gwen R. Pinson
Executive Director
KY Public Service Commission
PO Box 615
Frankfort KY 40602-0615

Re: Case No. 2018-00251
TARIFF FILING OF SALT RIVER ELECTRIC
COOPERATIVE CORPORATION TO DISCONTINUE
ITS RESIDENTIAL MARKETING RATE

Dear Ms. Pinson

Enclosed are the original and ten copies of Salt River Electric Cooperative Corporation's Responses to Commission Staff's First Request for Information by Order dated August 21, 2018, in the above-named case.

If you have any questions about these responses, please contact this office.

Sincerely,

TIM SHARP
President and CEO

Enclosures

RECEIVED

SEP 05 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF SALT RIVER ELECTRIC)	
COOPERATIVE CORPORATION TO)	CASE NO.
DISCONTINUE ITS RESIDENTIAL)	2018-00251
MARKETING RATE)	

SALT RIVER ELECTRIC COOPERATIVE CORPORATION'S
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION DATED AUGUST 21, 2018

The undersigned, Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, being duly sworn, responds to the Commission's first request for information herein as follows:

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SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp

Request No. 1 Confirm that customers currently being served under the Residential Marketing Rate are still receiving the 40 percent discounted rate for the electricity the Electric Thermal Storage (ETS) heater uses.

Response: Yes.

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp

Request No. 2 State whether there were any discussions of moving customers affected by the proposed discontinuance of the Residential Marketing Rate to Salt River Electric's Farm and Home Service (Time of Day) Schedule A-5-TOD. If so, explain why this option was not proposed.

Response: This option is available to all members. However due to the structure of the Time of Day rate, it may not be the best option for those affected. Each member will have to make that determination based upon their individual usage patterns. Salt River Electric is willing to advise any member who requests this rate. Although, the decision to be put on this rate would ultimately reside with the member

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp

Request No. 3 Provide a copy of the contract customers signed when applying for service under the Residential Marketing Rate.

Response: Contracts were not required to be signed when members went on this rate

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Chuck Filiatreau

Request No. 4 Provide the amount spent on repairs for ETS heaters from 2013 to date.

Response: \$24,465.42

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: **Chuck Filiatreau**

Request No. 5 Confirm that ETS heaters are no longer manufactured. If this cannot be confirmed, provide the manufacturer and the cost of the unit and installation.

Response: **Steffes Corporation still manufactures the ETS heaters. They are sold only to their utility partners and they offer no sales to the general public.**

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: **Chuck Filiatreau**

Request No. 6 Explain if ETS heater parts for repairs are available.

Response: **ETS parts are available and sold through Steffes to their utility partners or licensed electrical contractors.**

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: **Chuck Filiatreau**

Request No. 7 If an ETS heater requires service, does Salt River service the unit or is the customer responsible for having the unit serviced by a third party?

Response: **Salt River Electric will no longer be responsible for servicing the unit. The member will be responsible for hiring a third party for service in the future.**

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp

Request No. 8 Refer to the May 7, 2018 letter to Gwen R. Pinson.

a. Salt River Electric states that the Residential Marketing Rate has not been effective since East Kentucky Power Cooperative changed its rate structure. Explain what Salt River Electric means when saying the rate has not been effective.

Response: The original design of the rate was focused primarily on marginal cost recovery. Although, marginal cost has been recovered during the period, Salt River is concerned that fixed costs are not being adequately recovered on these installations

b. Salt River Electric indicated that it had not been able to resolve certain concerns of one of its customers. State whether those concerns have now been resolved.

Response: Salt River Electric has had no further communication with this member. Our attempts to contact him were unsuccessful

c. For the members that did not respond to the January 1, 2017 letter sent to customers, provide the following:

1. Confirm that these customers are still eligible for the \$1,000 high-efficiency heat pump rebate.

Response: ETS members converting to a 15 SEER heat pump with an HSPF rating of 8.5 or higher will qualify for a \$1,000 rebate for as long as the existing heat pump retrofit tariff is in place

2. Explain what Salt River will do with the ETS heater for those customers.

Response: Salt River Electric will remove the meter and install a blank cover for the meter base. The ETS heater was purchased by the member, and it will be the member's responsibility for disposition of the unit

d. If a member does not wish to keep the ETS heater, provide whose cost it will be to remove the meter, install a blank cover, and seal off the meter base.

Response: Salt River Electric will provide this service at no cost to the member

e. Salt River Electric states that for those members who choose to keep the ETS heater, Salt River will remove the time clock.

(1) Explain whether the time clock must be removed.

Response: The time clock does not have to be removed

(2) Provide whose cost it will be to remove the time clock.

Response: Salt River Electric will remove the time clock at no cost to the member if the member so elects

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp

Request No. 9 Provide a list of those contractors who will continue to service the ETS heater after January 1, 2019.

Response: Salt River Electric does not have a list of contractors. Service can be provided by any licensed electrical or licensed HVAC contractor

SALT RIVER ELECTRIC COOPERATIVE, CORP.

PSC CASE NO 2018-00251

DISCONTINUE ITS RESIDENTIAL
MARKETING RATE

FIRST DATA REQUEST RESPONSE DATED 08/21/2018

RESPONSIBLE PARTY: Tim Sharp, Chuck Filiatreau & Kay Lewis

Request No. 10 Refer to the January 1, 2017 letter mailed to Salt River's members regarding the ETS units.

- a. Provide the number of members who have requested the \$1,000 rebate to date.

Response: Ten (10)

- b. Provide the number of members Salt River Electric estimates will request the \$1,000 rebate.

Response: Salt River Electric expects that fewer than 100 members will elect to request the rebate.

- c. Provide the cost of the mini-Split heat pump and installation.

Response: Salt River Electric does not sell or install mini-split heat pumps. Average installation costs from licensed HVAC contractors in our region are expected to range from \$2,500 to \$5,500

- d. Provide the average cost of a heat pump with a SEER rating of 15 or higher, the average cost of installation, and the average cost of any additional ductwork.

Response: There are many factors in determining the cost of installation for heat pumps. In our region, we have seen cost ranging from \$4,500 to \$10,000 per unit depending on size, efficiency, and required ductwork installation

- e. Salt River Electric states if the member elects to keep the ETS heater after January 1, 2019, the member will be required to have an electrician wire the heater so that the electricity it uses goes through the house meter.

- (1) Provide who is responsible for the cost of the electrician.

Response: For members with subtractive metering installation, Salt River Electric will remove the ETS meter and install TESCO line to load jumpers, install a blank cover, and seal the meter base at no cost to the member.

For members who have a second service to ETS only, there are two options:

1. The member would be responsible for having an electrician wire the heater so that the electricity it uses goes through the house meter.

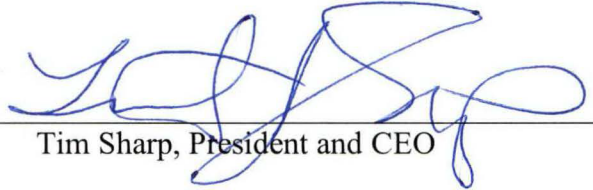
2. The member could elect to move to the Schedule A-5T Farm and Home Service-Taxable Rate with no additional wiring needed

(2) Provide how Salt River Electric will notify the customer for the removal of the meter currently installed in the ETS heater.

Response: Salt River Electric will notify the member by mail

I, Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, hereby certify that the above responses to the Commission's first request for information are true and accurate to the best of my knowledge and belief formed after a reasonable inquiry.

SALT RIVER ELECTRIC COOPERATIVE CORP.



Tim Sharp, President and CEO

STATE OF KENTUCKY

COUNTY OF NELSON

Subscribed and sworn to before me this 4th day of September, 2018, by Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, to be his voluntary act and deed and that of Salt River Electric Cooperative Corporation.



Notary Public KY State at Large
My Commission Expires: 03/21/2019
I.D. No. 529547