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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 JOHNSON )**

Natasha Wiley, being duly sworn, states that she has supervised the preparation of the response of Big Sandy Rural Electric Cooperative, Inc. 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<sup>th</sup> day of April, 2019

Natasha Wiley  
Natasha Wiley

Subscribed and sworn before me this 11<sup>th</sup> day of April, 2019

[Signature]  
Notary Public

My Commission expires February 22, 2023

**BIG SANDY RURAL ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2019-00060**  
**DEMAND-SIDE MANAGEMENT**  
**RESPONSE TO INFORMATION REQUEST**


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

**REQUEST 1**

**RESPONSIBLE PARTY:** **Natasha Wiley**

**Request 1:** For each Distribution Cooperative, provide the number of participants in each Demand-Side Management (DSM) program offered by year in each of the past five years.

**Response 1:** The number of participants for the years 2014, 2015, 2016, 2017, and 2018 are shown in the tables that follow along with other pertinent information for each program. Note that the amounts listed in the column labeled as "Total Cost" represents the cost of Big Sandy Rural Electric'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 

## Big Sandy RECC

January 01, 2014 to

December 31, 2014

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	2	\$3,649	\$0	\$3,649
C&I Lighting Upgrade	2	\$3,649	\$0	\$3,649
Residential	4,129	\$24,026	\$21,196	\$45,222
Button Up - Level I	5	\$1,676	\$494	\$2,170
CFL	4,000	\$3,600	\$0	\$3,600
Heat Pump Retrofit	23	\$17,570	\$19,882	\$37,452
HVAC Duct Sealing	3	\$1,180	\$820	\$2,000
Direct Load Control	98			
<b>Total</b>	<b>4,131</b>	<b>\$27,675</b>	<b>\$21,196</b>	<b>\$48,871</b>

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

Big Sandy Recc  
January 01, 2015 to  
December 31, 2015

Measure	# Customers	Rebate + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	5	\$9,003	\$13,526	\$22,529
C&I Lighting Upgrade	5	\$9,003	\$13,526	\$22,529
Residential	4,041	\$49,414	\$48,985	\$98,398
Appliance Recycling Freezer	9	\$1,058	\$720	\$1,778
Appliance Recycling Refrigerator	27	\$3,629	\$2,610	\$6,239
Button Up - Level I	7	\$3,052	\$1,607	\$4,659
CFL	3,750	\$3,375	\$0	\$3,375
Energy Audit - Audit Estimator	4	\$0	\$0	\$0
Energy Audit - Billing Insights Audit	12	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	19	\$6,600	\$8,250	\$14,850
ENERGY STAR Central Air Conditioner	2	\$600	\$200	\$800
ENERGY STAR Clothes Washer	30	\$2,250	\$1,620	\$3,870
ENERGY STAR Dishwasher	19	\$950	\$205	\$1,155
ENERGY STAR Freezer	9	\$450	\$95	\$545
ENERGY STAR Refrigerator	40	\$4,000	\$610	\$4,610
Heat Pump Retrofit	30	\$23,450	\$33,068	\$56,518
LED-Promotional	25	\$0	\$0	\$0
Direct Load Control	58			
<b>Total</b>	<b>4,046</b>	<b>\$58,417</b>	<b>\$62,511</b>	<b>\$120,928</b>

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

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

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

Big Sandy RECC  
January 01, 2016 to December  
31, 2016

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	4	\$9,105	\$13,665	\$22,770
C&I Lighting Upgrade	4	\$9,105	\$13,665	\$22,770
Residential	2,592	\$51,484	\$53,282	\$104,766
Appliance Recycling Freezer	4	\$530	\$360	\$890
Appliance Recycling Refrigerator	10	\$1,326	\$900	\$2,226
Button Up - Level I	6	\$3,048	\$1,553	\$4,601
Energy Audit - Billing Insights Audit	9	\$0	\$0	\$0
Energy Audit - Energy Insights Audit	6	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	24	\$7,800	\$9,750	\$17,550
ENERGY STAR Clothes Washer	30	\$2,250	\$1,595	\$3,845
ENERGY STAR Dishwasher	15	\$750	\$190	\$940
ENERGY STAR Freezer	2	\$100	\$20	\$120
ENERGY STAR MANUFACTURED HOME	1	\$1,900	\$2,400	\$4,300
ENERGY STAR Refrigerator	29	\$2,900	\$450	\$3,350
Heat Pump Retrofit	31	\$28,130	\$35,654	\$63,784
HVAC Duct Sealing	2	\$590	\$410	\$1,000
LED	2,400	\$2,160	\$0	\$2,160
LED-Promotional	11	\$0	\$0	\$0
Direct Load Control	12			
<b>Total</b>	<b>2,596</b>	<b>\$60,589</b>	<b>\$66,947</b>	<b>\$127,536</b>

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

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

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

Big Sandy RECC  
January 01, 2017 to December 31,  
2017

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount
Commercial	3	\$10,721	\$16,093
C&I Lighting Upgrade	3	\$10,721	\$16,093
Residential	3,127	\$33,130	\$29,477
Appliance Recycling Freezer	2	\$184	\$90
Appliance Recycling Refrigerator	12	\$1,653	\$1,170
Button Up - Level I	4	\$1,452	\$624
CARES HEAT PUMP ELIGIBLE	1	\$2,100	\$600
Energy Audit - Billing Insights Audit	8	\$0	\$0
ENERGY STAR Air Source Heat Pump	9	\$2,400	\$2,625
ENERGY STAR Central Air Conditioner	2	\$0	\$0
ENERGY STAR Clothes Washer	23	\$1,650	\$1,045
ENERGY STAR Dishwasher	8	\$350	\$65
ENERGY STAR Freezer	9	\$450	\$100
ENERGY STAR Heat Pump Water Heater	2	\$300	\$385
ENERGY STAR MANUFACTURED HOME	4	\$7,600	\$9,600
ENERGY STAR Refrigerator	25	\$2,300	\$880
Heat Pump Retrofit	10	\$9,990	\$12,293
LED	3,000	\$2,700	\$0
LED-Promotional	2	\$0	\$0
Direct Load Control	6		
<b>Total</b>	<b>3,130</b>	<b>\$43,851</b>	<b>\$45,570</b>

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

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

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

Big Sandy RECC  
January 01, 2018 to December  
31, 2018

Measure	# Customers	Rebates + Co-op Admin	Lost Revenue Amount	Total Cost
Commercial	1	\$4,139	\$6,218	\$10,357
C&I Lighting Upgrade	1	\$4,139	\$6,218	\$10,357
Residential	2,108	\$20,613	\$17,091	\$37,704
Appliance Recycling Freezer	1	\$50	\$0	\$50
Appliance Recycling Refrigerator	9	\$1,353	\$900	\$2,253
CARES HEAT PUMP ELIGIBLE	1	\$2,100	\$600	\$2,700
Energy Audit - Billing Insights Audit	5	\$0	\$0	\$0
ENERGY STAR Air Source Heat Pump	14	\$1,800	\$1,875	\$3,675
ENERGY STAR Clothes Washer	22	\$1,125	\$495	\$1,620
ENERGY STAR Dishwasher	14	\$650	\$40	\$690
ENERGY STAR Freezer	6	\$250	\$50	\$300
ENERGY STAR Heat Pump Water Heater	5	\$300	\$385	\$685
ENERGY STAR MANUFACTURED HOME	2	\$3,800	\$4,800	\$8,600
ENERGY STAR Refrigerator	20	\$1,800	\$1,065	\$2,865
Heat Pump Retrofit	6	\$5,290	\$6,676	\$11,966
HVAC Duct Sealing	1	\$295	\$205	\$500
LED	2,000	\$1,800	\$0	\$1,800
LED-Promotional	2	\$0	\$0	\$0
<b>Total</b>	<b>2,109</b>	<b>\$24,752</b>	<b>\$23,309</b>	<b>\$48,061</b>

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

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

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

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DATED MARCH 28, 2019**

**REQUEST 2**

**RESPONSIBLE PARTY:** *Natasha Wiley*

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



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

Big Sandy Rural Electric			
Advertising			
	Reimbursed Costs	Unreimbursed Costs	Total
2014	\$ 4,500.00	\$ 1,500.00	\$ 6,000.00
2015	\$ 4,500.00	\$ 1,500.00	\$ 6,000.00
2016	\$ 7,513.50	\$ 2,504.50	\$ 10,018.00
2017	\$ 3,375.00	\$ 1,125.00	\$ 4,500.00
2018	\$ -	\$ -	\$ -
Light Bulbs			
	Reimbursed Costs	Unreimbursed Costs	Total
2014	\$ 3,600.00	\$ 3,600.00	\$ 7,200.00
2015	\$ 3,375.00	\$ 3,375.00	\$ 6,750.00
2016	\$ 2,160.00	\$ 2,160.00	\$ 4,320.00
2017	\$ 2,700.00	\$ 2,700.00	\$ 5,400.00
2018	\$ 1,080.00	\$ 1,080.00	\$ 4,236.00

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

<sup>2</sup> EKPC reimbursed Big Sandy Rural Electric \$.90 cents per bulb since 2014. Big Sandy Rural Electric paid the cost that exceeded reimbursement.

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**REQUEST 3**

**RESPONSIBLE PARTY:** **Natasha Wiley**

**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 need for a new DSM programs, participation levels of existing programs are reviewed to assist in determining the need to continue cost-effective programs. Both the DSM Steering Committee and the owner-member CEOs expressed a desired to continue cost-effective residential programs that assist their members having high bills due to energy-inefficient housing.

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**REQUEST 4**

**RESPONSIBLE PARTY:** **Natasha Wiley**

**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:** Big Sandy Rural Electric employs several methods of Member communications, including Member newsletters within *Kentucky Living* magazine; its website; and social media outlets, including: Facebook, Twitter, and Pinterest. Since the Commission's order in case 2019-00060, dated February 27, 2019, Big Sandy Rural has updated its website to reflect revised DSM programs. Big Sandy Rural Electric will continue to promote the revised DSM programs through the resources mentioned above.

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**REQUEST 5**

**RESPONSIBLE PARTY:** *Natasha Wiley*

**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:** Big Sandy Rural Electric offers no additional DSM programs, which provide rebates or incentives to participants, other than the programs listed and discussed in Big Sandy Rural Electric's Response to Commission Staff's Initial Request for Information, Items 1 and 2.

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**REQUEST 6**

**RESPONSIBLE PARTY:** Natasha Wiley

**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:** Big Sandy Rural Electric offers the Community Assistance Resources for Energy Savings (“CARES”) low-income program. The CARES tariff is located on Sheet No. page 133 A and 133 B of Big Sandy Rural Electric’s tariffs approved by the PSC on November 5, 2015. Below is the program description provided by EKPC as listed in the EKPC 2019 IRP – Exhibit DSM-5, Page 3 of 11.

**CARES Low-Income Weatherization Program**

**Program Description**

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

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

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

Two types of homes are eligible for incentives:

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

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

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

### **Target Market**

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

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