

In the Matter of:

JOINT APPLICATION OF BIG SANDY)
RURAL ELECTRIC COOPERATIVE)
ENERGY COOPERATIVE, INC.,)
GRAYSON RURAL ELECTRIC)
COOPERATIVE CORPORATION,)
AND JACKSON ENERGY)
COOPERATIVE FOR AN ORDER)
PILOT PROGRAM TITLED THE "KY)
ENERGY RETROFIT RIDER")

RECEIVED

JUN 30 2011

PUBLIC SERVICE
COMMISSION

CASE NO. 2010-00089

Semi Annual Reporting

Big Sandy Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., Grayson Rural Electric Cooperative Corporation, and Jackson Energy Cooperative (collectively "Joint Applicants") hereby file their first report on the approved pilot program pursuant to the Commission's December 16th Order.

Program Development Update

The Joint Applicants launched the KERR pilot (marketed as HowSmartKY) in April after a few months of additional program development after approval of the tariff rider application. Specifically, the Joint Applicants and the Mountain Association for Community Economic Development (MACED) undertook the following activities:

- *Development of Energy assessment protocol (i.e., steps and procedures for consistent assessment) developed, adopted, and auditors fully trained.*

MACED staff contributed early to the discussions that lead to the adoption of BPI BA as the standard for assessments in both KHP and KERR.

In November, two of MACED's staff were certified as Building Analysts through BCTC. MACED staff worked diligently over many weeks to coordinate with KCTCS a training event for Cooperative staff, resulting in a course being offered in early March. Four Cooperatives sent ten employees to JCTC for the course and certification. The availability of BPI certification opportunities proved to be a significant timing challenge.

The BPI Standard pertains to health/safety issues for the most part. MACED recognized early that there are two other primary components to successful assessments as well – customer interaction and cost-effective efficiency measures. MACED and the coops continue to on refining resources for customer interaction, beginning with the pre-screen, through initial interaction, the assessment and moving forward.

- *Selection of energy assessment and retrofit proposal generating software.*

MACED has tentatively adopted the Green Energy Compass/Surveyor package for conducting the assessments in order to better integrate KERR customers with Ky Home Performance. To date, MACED staff has provided significant input into the development and testing of Surveyor.

MACED staff has also developed a standalone Excel workbook for generating the Efficiency Report (Conservation Plan) and Customer Agreements required for the KERR program.

MACED is tracking ongoing usage post-retrofit. This data-pool will allow us to check Surveyor's accuracy at savings projections, which we will share with the Public Service Commission. If patterns emerge of inconsistent projections, we are also cataloging all of the input variables so that we can test other energy models against the Green Energy Suite.

- *Launching of Database that will track customer usage, energy assessment data, and investment repayment; and report data to the Kentucky Home Performance data system.*

MACED staff has developed and launched its web-based Project Management System, which integrates with utility billing systems, Green Energy Compass and MACED's internal loan management software. The database is designed as a project management system, so that data is captured at each step of the process – billing history, assessment, workscope, usage post-retrofit, repayment and financing. This integrated approach provides a powerful tool for the utilities to utilize for project management and eliminates the need for data to be manually entered or recorded as a separate function.

- *Preparation to carry out KERR, including customer selection, frequently asked questions and responses, and procedural guidelines to ensure execution is smooth and participation is maximized.*

Each of the Coops have outlined their initial method of customer recruitment/selection. Additionally, as a group, they have lined out consistent pre-screening criteria which is encapsulated in a quick-reference sheet for customer service representatives to use for directing calls about the program or high-bill complaints. MACED staff is providing support in orienting customer service about the program as necessary.

A FAQ has been developed and circulated as well as an informational one-pager about the program. These are currently being compiled into a reference binder along with information on working with KHP, best practices in efficiency improvements, and assessment guidelines and cheat sheets.

The approval of the program by the PSC has generated national inquiries about program design from the Center for Working Families (NY), Center for Wisconsin Strategy, UNC – Environmental Finance Center, and the Environmental and Energy Study Institute. All are advising utilities or legislative bodies on

program design for Energy Efficiency programs. The US Department of Energy has recently invited MACED staff to sit on a national summit panel to discuss the program design.

The first assessments began in April, with the first completed retrofit achieved in June. The Joint Applicants are refining the program over the summer and expect to be ready to increase program participation through the upcoming heating season.


Data Report

	Big Sandy	Fleming Mason	Grayson	Jackson	TOTAL
Number of homes that have completed an energy assessment	0	4	16	6	26
Number of homes that have completed a retrofit	0	0	0	2	2
New participants this period	0	0	0	2	2
Average Monthly Payment	N/A	N/A	N/A	\$21.00	\$21.00
Average Estimated Savings	N/A	N/A	N/A	\$24.00	\$24.00
Actual Savings	N/A	N/A	N/A	N/A	-
Defaults	N/A	N/A	N/A	0	-

Attachments

- Copies of Assessments performed during period (2)
- List of approved contractors



A Touchstone Energy Cooperative 

The undersigned, Joni Hazelrigg, as Chief Financial Officer of Fleming-Mason Energy Cooperative, Inc., being first duly sworn, states that the responses to requested data in an order dated December 16, 2010, herein are true to the best of my knowledge and belief formed after reasonable inquiry.

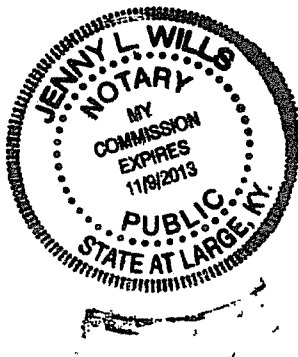
Dated: June 29, 2011

Fleming-Mason Energy
Cooperative, Inc.

By: Joni Hazelrigg
Joni Hazelrigg, CFO

Subscribed, sworn to, and acknowledged before me by Joni Hazelrigg, as CFO for Fleming-Mason Energy Cooperative, Inc., on this 29th day of June, 2011.

Notary Public: Jenny L. Wills
My commission expires: 11-9-13



The undersigned, Don M. Combs, as Manage of Finance & Accounting of Grayson RECC, being first duly sworn, states that the responses to requested data in an order dated December 16, 2010, herein are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: June 16, 2011

Grayson RECC

By: 

Don M. Combs
Manager of Finance & Accounting

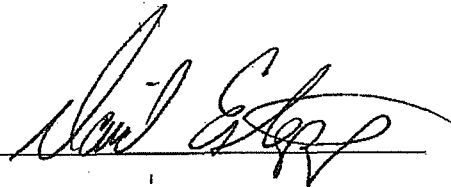
Subscribed, sworn to, and acknowledged before me by
Don Combs, as MANAGER - FINANCE for GRAYSON RECC on behalf of
said Corporation this 29th day of June, ~~2010~~.2011.

Marsha A. Shacker
Notary Public State-at-large, KY
My Commission Expires 1-9-2014

The undersigned, David Estep, as President & General Manager of Big Sandy RECC, being first duly sworn, states that the responses to requested data in an order dated December 16, 2010, herein are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: June 16, 2011

Big Sandy RECC

By: 

David Estep
President & General Manager

Subscribed, sworn to, and acknowledged before me by David Estep as
Pres. & Genl Manager for Big Sandy RECC on behalf of said Corporation this
27th day of June, 2011.

The undersigned, Rodney Chrisman, as Manager of Economic Development and Community Relations of Jackson Energy Cooperative, being first duly sworn, states that the responses to requested data in an order dated June 29, 2011, herein are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: June 29, 2011

Jackson Energy Cooperative

By: 
Rodney Chrisman

Manager of Economic Development and Community Relations

Subscribed, sworn to, and acknowledged before me by Rodney Chrisman, as Manager of Economic Development and Community Relations for Jackson Energy Cooperative on behalf of said Corporation this 29th day of June, 2011.

Corrie Reid
Notary Public
Commission expires
7-30-2012



Location ID:	204119
Name:	Joshua Ward
Owner:	N/A
Assessor:	Roger Medlock
Date:	4/27/2011

ver. 4/5/2011

How Your Home Uses Energy

<i>model baseline</i>	Elec	Gas	Propane	Wood/Coal
Heating	6,490 kWh	kBTU	kBTU	kBTU
Cooling	270 kWh			
Base	12,000 kWh	kBTU	kBTU	
Total (yr)	18,760 kWh	0 kBTU	0 kBTU	- kBTU
<i>actual usage</i>	19,000 kWh	kBTU	kBTU	kBTU

Your home uses energy for heating, cooling, and base load (which is everything that is not heating or cooling).

How Your Home Could Save Energy

- Replace existing Electricity Air Source Heat Pump
- Replace existing Air Source Heat Pump - Ducted, for cooling, with new Air Source Heat Pump - Ducted.
- Install Floor insulation 6"
- Improve 1,582 sq. ft. of attic floor insulation from 9 inches to 12 inches.
-
-
-
-
-
-

<u>Savings from Baseline:</u>	<u>Savings from Actuals</u>	<u>Conversions to Fuel</u>	<u>Current Rates</u>	<u>Projected Savings (yr)</u>
2024 kWh (Elec)	2,264 kWh (Elec)	2,264 kWh	0.12 /kWh	\$272
kBTU (Gas)	- kBTU (Gas)	0 therms	/Therm	\$0
kBTU (Propane)	- kBTU (Propane)	0 Gal	/Gal	\$0

Projected Avg Energy Savings (mo) \$23
before monthly HowSmart Charge

Financing

\$ 4,824.82	Cost of Improvements (est):		
\$ 550.00	Customer Contribution	\$ 2,809.86	Utility Contribution
\$ 500.00	Rebates - Utility	\$2,788	<i>Not to Exceed Amount (90% of Savings)</i>
\$ 964.96	Kentucky Home Performance		
	Tax Credits - Federal	@ 3%	
	Weatherization Program	over 15	years
	Other	\$20	Monthly Charge
	Other	90%	<i>of projected savings</i>
	Other		

Next Steps

1. Sign Purchase Agreement
2. Select contractor and schedule the job
3. Energy Specialist returns to inspect completed work
4. Savings begin and installments charge appears on utility bill.

If, after operation, any of the upgrades fail, the Utility will reevaluate the work.

Acceptance:

I understand that:

Values on previous page are estimates only and are not a guarantee of savings. Energy savings are a best-effort estimation calculated using a computer model. The model takes into account previous usage and characteristics of the house to determine usage and potential savings. Actual savings will vary depending on behavior, weather events, maintenance of the efficiency improvements, and future utility rates.

The Utility has explained what I can do to reduce my energy consumption including, but no limited to: thermostat and other equipment settings, the impact of lighting changes, and additional appliance or home investments not covered under How\$martKY.

Value of the improvements (cost of work) is an estimate and will be verified with the selected contractor. Final monthly charge will be determined at the time of contractor selection. If final project cost is more than the "not to exceed" amount, then customer may opt out of the installation.

Non-payment of the charge will be treated like non-payment of the utility bill potentially resulting in disconnection of service.

The Kentucky Energy Retrofit Rider (marketed as How\$martKY) is a voluntary utility tariff that amortizes the cost of the efficiency improvement over the course of fifteen years or 75% of the expected life of the improvement (whichever is less) at a fixed interest rate. The expected cumulative cost to the customer over the course of the payback period of the improvements is as follows:

	<u>Estimate</u>	<u>Not to Exceed</u>	
Fixed Monthly Charge	\$20	\$20	
Capital Investment	\$2,810	\$2,788	<i>Payback Period (years)</i> <u>15</u>
Project Management Fee (5%)	\$140	\$139	<i>Cost of Capital</i> <u>3%</u>
Total Interest over life of payback	<u>\$717</u>	<u>\$740</u>	
Total Cost over life of payback	\$3,667	\$3,668	

Account Holder: _____
print name

Owner: _____
print name

Date: _____

Date: _____





Location ID:	203749
Name:	Dorothy Smith
Owner:	N/A
Assessor:	Roger Medlock
Date:	4/7/2011

ver. 4/5/2011

How Your Home Uses Energy

<i>model baseline</i>	Elec	Gas	Propane	Wood/Coal
Heating	6,910 kWh	kBTU	kBTU	kBTU
Cooling	423 kWh			
Base	6,910 kWh	kBTU	kBTU	
Total (yr)	12,800 kWh	0 kBTU	0 kBTU	- kBTU
<i>actual usage</i>	12,800 kWh	kBTU	kBTU	kBTU

Your home uses energy for heating, cooling, and base load (which is everything that is not heating or cooling).

How Your Home Could Save Energy

- Replace existing Electricity Air Source Heat Pump
- Replace existing Air Source Heat Pump - Ducted, for cooling, with new Air Source Heat Pump - Ducted.
- Reduce the house air leakage from 1199 CFM50 to 1086 CFM50.
- Improve 1,164 sq. ft. of attic floor insulation from 6 inches to 12 inches.
- Install 1.0 programmable thermostat(s).
- Reduce Duct Leakage from 100 to 25 cfm25
-
-
-
-

<u>Savings from Baseline:</u>	<u>Savings from Actuals:</u>	<u>Conversions to Fuel</u>	<u>Current Rates</u>	<u>Projected Savings (yr)</u>
2498 kWh (Elec)	2,498 kWh (Elec)	2,498 kWh	0.12 /kWh	\$300
kBTU (Gas)	- kBTU (Gas)	0 therms	/Therm	\$0
kBTU (Propane)	- kBTU (Propane)	0 Gal	/Gal	\$0

Projected Avg Energy Savings (mo) \$25
before monthly HowSmart Charge

Financing

\$ 5,155.55	Cost of Improvements (est):		
\$ 500.00	Customer Contribution	\$ 3,080.44	Utility Contribution
\$ 544.00	Rebates - Utility	\$3,076	<i>Not to Exceed Amount (90% of Savings)</i>
\$ 1,031.11	Kentucky Home Performance		
	Tax Credits - Federal	@ 3%	
	Weatherization Program	over 15	years
	Other	\$22	Monthly Charge
	Other	89%	<i>of projected savings</i>
	Other		

Next Steps

1. Sign Purchase Agreement
2. Select contractor and schedule the job
3. Energy Specialist returns to inspect completed work
4. Savings begin and installments charge appears on utility bill.

If, after operation, any of the upgrades fail, the Utility will reevaluate the work.

Acceptance:

I understand that:

Values on previous page are estimates only and are not a guarantee of savings. Energy savings are a best-effort estimation calculated using a computer model. The model takes into account previous usage and characteristics of the house to determine usage and potential savings. Actual savings will vary depending on behavior, weather events, maintenance of the efficiency improvements, and future utility rates.

The Utility has explained what I can do to reduce my energy consumption including, but no limited to: thermostat and other equipment settings, the impact of lighting changes, and additional appliance or home investments not covered under How\$martKY.

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	<u>Estimate</u>	<u>Not to Exceed</u>	
Fixed Monthly Charge	\$22	\$22	
Capital Investment	\$3,080	\$3,076	<i>Payback Period (years)</i> <u>15</u>
Project Management Fee (5%)	\$154	\$154	<i>Cost of Capital</i> <u>3%</u>
Total Interest over life of payback	<u>\$786</u>	<u>\$816</u>	
Total Cost over life of payback	\$4,021	\$4,047	

Account Holder: _____
print name

Owner: _____
print name

Date: _____

Date: _____



KERR Approved Contractor List as of 6/15/2011

Big Sandy

TBD

Fleming Mason

TBD

Grayson

All Temp Heating and Cooling

Howards Construction

Frontier Housing

Jackson

Comfort Pro Heating and Air

Virgil Creech

Leo Jones and Sons