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MAY 07 2019

PUBLIC SERVICE
COMMISSION

David S. Samford
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May 7, 2019

VIA HAND DELIVERY

Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Responses to Second Set of Data Requests, Case No. 2019-00059

Dear Ms. Pinson:

Enclosed, please find an original and four copies of the Response to the Commission's Second Set of Data Request, dated April 25, 2019, filed on behalf of East Kentucky Power Cooperative, Inc. in the above-styled matter. Please return a file-stamped copy of this filing to my office. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. S. Samford".

David S. Samford

Enc.

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MAY 07 2019

**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

DEMAND-SIDE MANAGEMENT FILING OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2019-00059

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.**

DATED APRIL 25, 2019

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

DEMAND-SIDE MANAGEMENT FILING OF EAST) CASE NO.
KENTUCKY POWER COOPERATIVE, INC.) 2019-00059

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

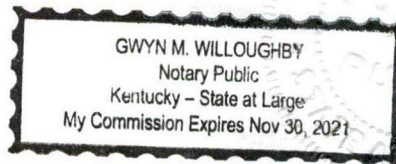
Scott Drake, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information in the above-referenced case dated April 25, 2019, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Scott Drake

Subscribed and sworn before me on this 7th day of May 2019.

Gwyn M. Willoughby # 590567

Notary Public



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2019-00059

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/25/19
REQUEST 1**

RESPONSIBLE PARTY: Scott Drake

Request 1. Refer to the response to Staff's Initial Request for Information, Item 9. Reconcile the amount in Table 9-C, Cost Savings from all programs, grand total of \$5,513,292 with the projected \$7.5 million savings stated in the application cover letter, page 3, paragraph 5.

Response 1. Upon review of the information contained in the January 30, 2019 cover letter, page 3, paragraph 5, EKPC has discovered an inadvertent error. While both the \$10.5 million and \$3.0 million amounts were referred to as "total DSM program expenditures", this was not the case. The \$10.5 million does include all total DSM program expenditures for 2017. However, the projected expenditures of \$3.0 million represented only transfer payments costs for the energy efficiency programs, and did not include administrative costs, promotional costs, or Direct Load Control program costs. The total of these three groups of costs was \$1.6 million. When compared on an "apples to apples" basis, the corrected difference between the total DSM program expenditures for 2017 and the projected DSM program expenditures is \$5.9 million (\$10.5 million net of \$1.6 million less \$3.0 million). EKPC regrets this oversight.

In the response to Staff's Initial Request for Information, Item 9, it should be noted that in the discussion of the programs to be modified, one program's cost savings attributable to tariff changes was not at 100%. This was the Heat Pump Retrofit program, where program cost savings attributable to tariff changes was only 64%. The remaining savings for this program were attributable to a reduction in program participation and EKPC forecasted a continuing reduction that was not associated with the tariff changes. The total cost savings for the Heat Pump Retrofit program, as shown on Table 9-B_4 were \$1,139,927. The savings not associated with the tariff changes would be approximately \$400,000 ($\$1,139,927 \times (1.00 - .64) = \$410,374$ or \$400,000). Subtracting this \$400,000 from the \$5.9 million corrected reduction equals \$5.5 million, which is approximately the same as the cost savings shown in Table 9-C.