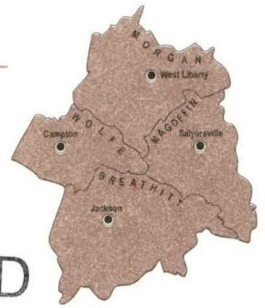




LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



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APR 29 2015

PUBLIC SERVICE
COMMISSION

KERRY K. HOWARD
General Manager/CEO

April 27, 2015

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort KY 40602-0615

RE: KY Energy Retrofit Rider Permanent Tariff
Comprehensive plan for consumer education and information about third-party contractors.
Case Number: 2015-00012
Dated: April 09, 2015

Dear Mr. Derouen:

Please find enclosed a comprehensive plan for consumer education and information about third party contractor selection criteria as requested in Case Number 2015-00012, order dated April 09, 2015 #4.

Should you have any questions or need further information, please let me know.

Sincerely,

Kerry K. Howard
General Manager/CEO

Enclosures

Discussion Page 6 – Case No. 2015-00012 “the Commission will require Licking Valley RECC to file a comprehensive plan addressing how they would educate and inform their customers about all aspects of the program, including, but not limited to, behavioral awareness, product information, and those obligations the customers would be assuming as a participant in the KER Rider program. This comprehensive plan should also include a checklist of items to be reviewed with each participating customer, as well as a signed customer acknowledgement that the items on the checklist have been reviewed with the customer.”

4. By June 30, 2015, Licking Valley shall file with the Commission a comprehensive plan for consumer education and information as described in the discussion above and the set of criteria upon which a third-party contractor is selected to be included on Licking Valley’s contractors list.

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RESPONSE:

(Part A) Behavior

During the course of the Assessment, the Energy Specialist will identify Energy Conservation opportunities with the customer in addition to Energy Efficiency improvements. Examples include:

- Hot water heaters should be set at 115-120 degree to maximize efficiency of the tank.
- The EPA recommends that thermostats should be set no higher than 70 in the winter and 78 or above in the summer.
- Turning the temperature down on your A/C doesn’t make the house cool any quicker, but it does waste more energy.
- Turn off lights – a single 100W bulb costs a penny an hour to leave on. An overhead fixture may have three bulbs in it.

Licking Valley RECC has a well-developed set of online and print resources through our Simple Savings and Together We Save programs which we will share with customers in addition to items reviewed in person with the Energy Specialist.

The Energy Specialist will also explain the “rebound” effect.

Licking Valley RECC and MACED are aware of the emerging application of targeted messaging to Energy Conservation Behavior. As research on best practices in this area becomes available, How\$martKY will customize messaging by segment to optimize impacts for the customer and minimize energy use.

Product information

The installer will provide instruction on the maintenance and operation of any equipment installed.

Obligations

Review of the Conservation Plan provides another education forum in which Energy Specialists will explain the difference between heating and base load, the impacts of the EE measures, where additional behavioral savings might be realized, and what the obligations of the program are.

The Conservation Plan also provides a clear explanation of how the charge is calculated and the term of the pay-back. During review, the Energy Assessor will review that disconnection is the recourse for non-payment the same as any other portion of the utility bill.

Licking Valley RECC's customer service division will have the capacity to answer questions arising after installation about the bill, the charge, and whom to contact about concerns.

Checklist/Signature Page

After review, the Conservation Plan will be signed. It includes a checklist of items that the customer affirms that they understand at the time of signing.

Discussion Page 6 – Case No. 2015-00012 – “To ensure a transparent process concerning the inclusion of third-party contractors in Licking Valley’s contractor list, Licking Valley should file with the Commission the set of criteria upon which a third-party contractor is selected to be included in each of the Joint Applicant’s contractor’s lists. In addition, any customer requesting a contractor who is not currently on Licking Valley’s contractors list shall be directed by Licking Valley to have the contractor contact Licking Valley about being placed on the list. Lastly, to protect against any appearance of bias in the selection of independent contractors, Licking Valley should include a copy of its independent contractor list in its annual status report.

RESPONSE:

(Part B) The Coops have agreed to a joint list of Threshold Criteria for listing on the Contractor List

- 1) Executed Master Contractor Agreement with the Coop
- 2) Licensed as required by state, local, or professional bodies
- 3) Good standing with any participating Coops
- 4) Participation in part-day training/orientation hosted by the Coops
- 5) Insurability Requirements:
 - Contractor shall purchase and maintain a minimum of \$1 million of such comprehensive general liability and other insurance which will provide protection from claims arising from the result of Contractor's performance on any Retrofit project.
 - Contractor shall also maintain insurance coverage consistent with requirements of any regulatory or licensing body associated with the services provided.

While the threshold criterion is designed to allow for easy inclusion on the list, it does not guarantee selection for work. Criteria such as price, experience, and Utility Member preference will decide the Contractor selected.