COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY )
TO AMEND ITS DEMAND-SIDE MANAGEMENT )
PROGRAM AND FOR AUTHORITY TO IMPLEMENT A ) CASE NO. 2012-00367
TARIFF TO RECOVER COSTS AND NET LOST REVENUES )
AND TO RECEIVE INCENTIVES ASSOCIATED WITH THE)
IMPLEMENTATION OF THE PROGRAMS )

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Kentucky Power Co. ["KPCo"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness(es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for KPCO with an electronic version of these data requests, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts

thereof) and if the original is not available, the best copy available. These terms include all information regardless of the medium or media in which they are recorded (including electronic media and e-mail), in any written, graphic or other tangible form including, but not necessarily limited to: all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards / records, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company:

(a) please identify: (i) the person by whom it was destroyed and/or transferred; (ii) the transferee; and (iii) the person authorizing the destruction or transfer; and

(b) state: (i) the time, place, and method of destruction or transfer; and, (ii) the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL

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*Certificate of Service and Filing*

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Lila P. Munsey
Manager, Regulatory Services
Kentucky Power
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Frankfort, KY 40601

Mark R. Overstreet
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P.O. Box 634
Frankfort, KY 40602-0634

this 27 day of September, 2012

Assistant Attorney General

Application of Kentucky Power Company Regarding Collaborative
Demand-Side Management Programs
Case No. 2012-00367
Attorney General's Initial Data Requests

1. Reference Exhibit C of Kentucky Power Company's ("KPCo") Application in the above-referenced matter. Based on the figures provided for the existing adjustment clause factor, please provide in dollar amounts on a monthly basis the current charge paid by the average monthly usage customer for each relevant class (residential and commercial) under the existing Tariff Demand-Side Management ("DSM") Clause ("DSM-C").

    a. If the Commission approves the revised Tariff DSM-C, as proposed, what would be the resulting charge, in dollar amounts on a monthly basis, which the average monthly usage customer in each relevant class would pay?
    b. Please provide the cost difference from the current year DSM-C sought to be recovered by the Application.

2. Reference Application, cover letter at p. 2 and the Status Report filed in Case 2012-00051. Regarding the Targeted Energy Efficiency program, for which the forecasted participant levels were reduced, did KPCo consider increasing the amount of program dollars spent per participant house in addition to reducing the number of participants?

    a. If not, would KPCo consider revising the program to increase the amount of program dollars spent per participant house in order to address the reduced funding opportunities available to Community Action Kentucky ("CAK") through the Department of Energy?
    b. Would an increase to the amount of program dollars spent per participant house increase or decrease the cost-effectiveness and quantifiable benefits of the program?
    c. Would KPCo consider evaluating the cost-effectiveness using the National Energy Audit Tool (NEAT) household assessments performed by CAK and its partners? If not, please explain the barriers to using this data and KPCo's reasoning?
    d. What other obstacles, if any, exist to revising the program as proposed in question (a)?
    e. How would revising the program as proposed in question (a), if considered, impact the proposed/revised Tariff DSM-C?

3. Regarding the Mobile Home New Construction program, has KPCo analyzed whether the $50 sales incentive would be more cost-effective and provide more quantifiable benefit to the program if offered directly to the salesperson after the

filing of all necessary program paperwork, rather than to the mobile home dealership?

a. If not, would KPCo consider analyzing the obstacles and possible benefits that such a strategic change may have for the program?

4. Regarding the Community Outreach Compact Fluorescent Lamp ("CFL") and Residential Efficient Products Programs, what consideration has KPCo given the phase-out and/or efficiency requirements under the Energy Independence and Security Act of 2007 (EISA)?

    a. Reference the Application at Tab 1, p. 9. Under the provisions of EISA, what need is there to "influence residential customers to purchase and use compact fluorescent lighting in their homes?"
    b. As part of the marketing, education and promotional activities for the Community Outreach CFL Program and/or Residential Efficient Products Program, is KPCo educating consumers regarding the proper and safe recycling and/or disposal of CFL bulbs as it relates to the mercury content?
    c. If the answer to (b) is yes, does this education include identifying retailers and other locations where CFL bulbs may be properly recycled and/or disposed?

5. Regarding both the Community Outreach CFL Program and Residential Efficient Products Program, reference Application at Tab 5, pp. 30-31. Does KPCo plan to adopt the recommendation of the Program Evaluation to begin offering incentives for light-emitting diodes ("LED") lighting in addition to and/or in lieu of CFL bulbs? If no, why not?

6. Regarding the Residential Efficient Products Program, reference Application at Tab 5, pp. 31. Does KPCo plan to adopt the recommendation of the Program Evaluation to offer other residential products, including weatherizing caulk or foam, smart strips, Energy Star® appliances, etc.? If no, why not?

7. Regarding the Residential Efficient Products Program, reference Application at Tab 5, pp. 31. Does KPCo plan to adopt the recommendation of the Program Evaluation to increase marketing and promotion to independent retailers? If no, why not?

8. Has KPCo and/or the DSM collaborative considered revising the Energy Education for Students Program?

    a. If so, please provide complete details regarding any proposed changes.
    b. Has the company explored with the National Energy Education Development Project ("NEED") additional options for engaging students that would correlate and more directly involve parents, who are the residential customers making any ultimate decisions regarding energy efficiency purchases and practices?

9. Regarding KPCo's application for a one year extension of the Pilot Residential Load Management program, reference Application at Tab 4. Please explain the barriers to participation as related to the load management technology's reliance on cellular wireless signals.

    a. Is it correct that the load management technology may only be used on a network that carries the Verizon Wireless signal? Please explain in detail.
    b. What effect does sporadic signal or other temporary loss of signal have on the Pilot Residential Load Management Program for those who have Verizon and opt for the program?
    c. What percentage of KPCo residential customers are served within a network carrying the Verizon Wireless signal?
    d. What percentage of KPCo residential customers are served by another network or networks? Please identify the other providers.
    e. Was this technological incompatibility identified before the pilot program was approved by the Commission? If not, why?
    f. What proactive steps does KPCo plan to implement during the one (1) year extension to correct any technological compatibility issues in order to extend the pilot program to more residential customers?

10. Regarding the Residential and Small Commercial Load Management Pilot Program, reference Application at Tab 4 at p. iii. Why were the majority of the programs expenditures (91%) attributed to administrative costs?

    a. Please provide a more detailed breakdown of the administrative costs for the program referenced above, or if already provide, please identify where in the application that a cost breakdown may be found.
    b. If the pilot program is extended for one (1) year, please explain how KPCo proposes to mitigate administrative costs. For example, has KPCo considered or would it consider re-negotiating with the program vendor

to require the vendor to bear the costs for additional marketing of the program?

11. Regarding the Commercial Incentive Program, reference Application at Tab 2, the Program Evaluation. Please confirm that the program evaluation found that the program was not cost-effective during calendar year 2011.

    a. Reference p. v. of the Evaluation. Please confirm that the program met only 20% (18 actual projects of 88 budgeted projects) of its participation goal.
    b. Reference p. v. of the Evaluation. Please explain why a local representative was not hired until September 2011, more than a year after the program was approved.
    c. Reference p. vi. of the Evaluation. If granted a three (3) year extension as proposed, how does KPCo plan to either meet participation goals or reduce administrative costs, as deemed "vital" to achieving an acceptable level of cost-effectiveness?

12. Please provide the minutes of the meeting of the DSM Collaborative at which the current by-laws were adopted.

    a. If the DSM Collaborative updated the current by-laws after October 18, 2012, please provide a copy of the most recently updated and current by-laws.

13. Please provide a list of all current contractors, consultants, and firms under contract with KPCo to support the current DSM programs, including for which programs these contracts relate.

14. Please provide, in electronic format with formulas intact and cells unprotected, the kWh impacts by participant for each program.

15. Please provide, in electronic format with formulas intact and cells unprotected, Exhibit C.