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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

December 2, 2011

PARTIES OF RECORD

Re: Case No. 2011-00300

Application of Kentucky Power Company for Collaborative Demand-Side Management Programs and for Authority to Implement a Tariff to Recover Costs and Net Lost Revenues and Receive Incentives Associated with the Implementation of the Kentucky Power Company Collaborative Demand-Side Management Programs

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502-564-3940, Extension 256.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".


Jeff Derouen
Executive Director

QN/kar

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File – Case No. 2011-00300

FROM: Quang D. Nguyen, Staff Attorney 

DATE: December 2, 2011

RE: Application of Kentucky Power Company for Collaborative Demand-Side Management Programs and for Authority to Implement a Tariff to Recover Costs and Net Lost Revenues and Receive Incentives Associated with the Implementation of the Kentucky Power Company Collaborative Demand-Side Management Programs

Pursuant to Commission Staff's notice, an informal conference was held at the Commission's offices on November 21, 2011 in Frankfort, Kentucky. A list of the attendees is attached to this memorandum.

The purpose of the informal conference was to discuss certain outstanding issues relating to this matter. Attached to this memorandum are the clarifying questions that Commission Staff posed to Kentucky Power. The questions were discussed at the informal conference¹ and Kentucky Power agreed to provide written responses to these questions on or before December 12, 2011.

There being no further discussions, the informal conference was adjourned.

¹ Item No. 10 concerning the date of the first billing cycle for the revenue months of January and February 2012 was not discussed during the informal conference, but added subsequently by Commission Staff after the informal conference adjourned.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR COLLABORATIVE DEMAND-)	
SIDE MANAGEMENT PROGRAMS AND FOR)	CASE NO.
AUTHORITY TO IMPLEMENT A TARIFF TO)	2011-00300
RECOVER COSTS AND NET LOST REVENUES)	
AND RECEIVE INCENTIVES ASSOCIATED)	
WITH THE IMPLEMENTATION OF THE)	
KENTUCKY POWER COMPANY)	
COLLABORATIVE DEMAND-SIDE)	
MANAGEMENT PROGRAMS)	

November 21, 2011

Please sign in:

NAME	REPRESENTING
<u>Quang D. Nguyen</u>	<u>PSC</u>
<u>Jim Livers</u>	<u>PSC</u>
<u>Bob Russell</u>	<u>PSC</u>
<u>Shannon Listebarger</u>	<u>KPCo</u>
<u>LILA MUNSEY</u>	<u>KPCo</u>
<u>MARK R OVERSTREET</u>	<u>STT & HARRISON Re Ky.P.Co</u>
<u>JEFF JOHNSON</u>	<u>PSC</u>
<u>JENNIFER HANS</u>	<u>CAG</u>
_____	_____
_____	_____
_____	_____

Case No 2011-00300
Kentucky Power Company DSM Application
Informal Conference Information Requests

1. Refer to the Joint Application (“Application”) cover letter (“Letter”), page 1 of 3.
 - a. Explain why the Commercial High Efficiency Heat Pump/Air Conditioner Program is requesting a decrease from 120 to 65 participants.
 - b. Explain what Kentucky Power is doing to encourage customer participation.
2. Refer to the Application Status Report on page 19, explain why the budget was revised for the Commercial High Efficiency Heat Pump/Air Conditioner Program was increased for evaluation expense from \$2,000 to \$5,350, when proposed annual participation is being decreased.
3. Refer to the Letter, page 1 of 3.
 - a. Explain why the Residential and Small Commercial Load Management Program is requesting a decrease from 1,040 to 550 participants.
 - b. Explain what is Kentucky Power doing to encourage customer participation?
4. Explain why the vendor contract was signed June 1, 2011, when the program was approved in Case No. 2010-00198.¹

¹ Case No. 2010-00198, Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of Kentucky Power Company Collaborative Demand-Side Management Programs, and for Authority to Recover Costs, Net Lost Revenues and Receive Incentives Associated with the Implementation of One Combined Residential/Commercial and One Commercial Demand-Side Management Program Beginning August 2, 2010 (Ky. PSC Oct. 15, 2010).

5. Refer to the initial information request Item No. 30.
 - a. Explain why there are no actual participants in the Residential and Small Commercial Load Management Program as of September 14, 2011.
 - b. Explain what Kentucky Power is doing to encourage customer participation.
6. Explain whether there will be enough participation and information in the Residential and Small Commercial Load Management Program to perform a thorough evaluation in 2012 as to this pilot program that was approved in Case No. 2010-00198.²
7. Refer to the initial information request Item No. 30.
 - a. Explain whether there will be enough participation, since there are only 20 actual participants as of September 14, 2011, and information in the Commercial Incentives Program to perform a thorough evaluation in 2012 as to this pilot program that was approved in Case No. 2010-00198.³
 - b. Explain what Kentucky Power is doing to encourage customer participation.
8. Explain whether the Attorney General ("AG") abstained in this application filing since the AG has filed information requests.
9. Explain how the cost for evaluation from the external vendor for programs with very little or no participation was priced.
10. Provide the date of the first billing cycle for the revenue months of January 2012 and February 2012.

² Id.

³ Id.