

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TWO-YEAR REVIEW OF KENTUCKY POWER)	CASE NO.
COMPANY'S HOME ENERGY ASSISTANCE)	2009-00117
PROGRAM)	

FIRST DATA REQUEST OF COMMISSION STAFF TO
KENTUCKY POWER COMPANY AND COMMUNITY ACTION KENTUCKY

Kentucky Power Company ("Kentucky Power") and Community Action Kentucky, Inc. ("CAK"), pursuant to 807 KAR 5:001, are to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before June 16, 2009. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Kentucky Power and CAK shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power and CAK fail or refuse to furnish all or part of the requested information, Kentucky Power and CAK shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the table at the bottom of page 5 of the Home Energy Assistance Program (“HEAP”) Evaluation Report (“Report”) filed on March 31, 2009. In the second column, August 2008 is the last month which includes an amount for “Residential HEAP Billed.” Explain why there are no amounts shown for the months of September and October 2008.

2. Refer to the July 28, 2006 Agreement (“Agreement”) filed in Case No. 2006-00373¹ by Kentucky Power and CAK (formerly Kentucky Association for Community Action, Inc.), Section II, Paragraph A, which states that the costs incurred by CAK to administer the HEAP would not exceed 10 percent of the HEAP funds collected during the life of the program, and to the tables on page 5 of the Report.

a. Explain whether “funds collected during the life of the program” is meant to include the amounts contributed by Kentucky Power.

¹ Case No. 2006-00373, Joint Application of Kentucky Power Company and Kentucky Association for Community Action, Inc. for the Establishment of a Home Energy Assistance Program (Ky. PSC Dec. 14, 2006).

b. The tables reflect total administrative costs for CAK from April 2006 through July 2008 of \$65,431, with expenditures totaling this amount reported in five specific months. Provide descriptions of the specific expenditures made in May 2006, June 2006, October 2007, December 2007, and July 2008.

3. Refer to the tables on page 5 of the Report, which show that Kentucky Power matched the HEAP funds collected from its customers for the 24 months ending March of 2008, and to pages 6-9 of the Commission's March 14, 2006 Order in Case No. 2005-00341.²

a. In its March 14, 2006 Order, the Commission said that it "applauds Kentucky Power's decision to contribute shareholder funds to match the ratepayer funding for the HEAP account for the first 2 years of the program." The Order went on to say that the "Commission encourages Kentucky Power to continue its shareholder match of ratepayer HEA funds beyond the first 2 years of the program." Describe, in detail, the extent of discussions between CAK and Kentucky Power concerning whether Kentucky Power would consider continuing to contribute matching funds after the first two years of the program.

b. Explain why, with annual revenues of \$600 million and net income of \$30 million, on average, for the past three calendar years, Kentucky Power chose not to continue its \$175,000 shareholder match beyond the first two years of the program.

4. Refer to the Agreement, Section III, Paragraph B, which states that an annual audit will be performed that will include a detailed accounting of all expenses

² Case No. 2005-00341, General Adjustment of Electric Rates of Kentucky Power Company (Ky. PSC March 14, 2006).

associated with the administration of the program and which will be filed with the Commission.

a. Explain whether these annual audits have been performed and whether they have been filed with the Commission.

b. If the audits have been filed with the Commission, provide the case number(s) under which they were filed and the dates they were filed. If the audits have not been filed with the Commission, (1) explain why they were not filed as called for in the Agreement and (2) provide copies of the audits in response to this request.



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cc: All Parties

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