

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		

SECOND 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 July 13, 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 their 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 response to Item 1 of the First Data Request of Commission Staff (“Staff’s First Request”), the revised Home Energy Assistance Program (“HEAP”) Evaluation Report (“HEAP Report”), pages 5 and 6.

a. In both tables on these pages, all entries in the “Subsidies Distributed” column show negative amounts, evidently to represent the distribution of funds collected, with the exception of April 2007, which shows a positive \$1,530. Explain why April 2007 shows a positive amount, which would appear to indicate an inflow of cash.

b. In both tables on these pages, all entries in the “CAK Administrative Costs” column show negative amounts, evidently to represent the distribution of funds to CAK, with the exception of September 2008, which shows a positive \$15,700. Explain why September 2008 shows a positive amount, which would appear to indicate an inflow of cash.

2. Refer to the first full paragraph on page 16 of the revised HEAP Report filed in response to Item 1 of Staff's First Request. Clarify whether the June 2007 report attributed to RLW Analytics, Inc. titled "Target Energy Efficiency Program 2006-2007 Load Impact Evaluation Report" is an earlier version of the report of the same title, identified as "Final Report" and dated June 27, 2008, which was filed by Kentucky Power in Case No. 2008-00350.¹

3. Refer to page 2 of 2 of the response to Item 2.a. of Staff's First Request regarding the costs incurred by CAK to administer the HEAP. With the cessation of the 100 percent match provided by Kentucky Power during the program's first two years, the amount allowable for annual administrative costs is reduced by one-half. Identify and describe the administrative functions eliminated or reduced due to this reduction.

4. Refer to the response to Item 3.b. of Staff's First Request.

a. Provide the amounts contributed by Kentucky Power in each of the past three calendar years to each of the organizations identified in the response.

b. Provide the calculations of the equity returns shown for Kentucky Power for each of the past three calendar years and indicate whether the equity balance used in the calculation was year-end or an average for the year.

c. Show the calculations of the equity returns Kentucky Power would have realized for each of the past three calendar years if it had provided no match to the HEAP and made no contributions to the organizations identified in the response.

5. Refer to the response to Item 4 of Staff's First Request.

¹ Case No. 2008-00350, *Kentucky Power Company* (Ky. PSC Nov. 25, 2008).

a. The audits of CAK for the fiscal years ended June 30, 2007 and June 30, 2008 were performed by different auditors. Explain how CAK selects its independent auditors and why it chose different auditors for its two most recent fiscal year audits.

b. Refer to page 17 of 46 of Attachment A and page 35 of 47 of Attachment B and pages 5 and 6 of the HEAP Report provided in response to Item 1 of Staff's First Request.

(1) For the fiscal years ended June 30, 2007 and June 30, 2008, the Statements of Activity in Attachments A and B show "Payments to Subrecipients" of \$5,475 and \$23,080, respectively. Explain what these payments represent.

(2) The "Subsidies Distributed" column on pages 5 and 6 of the HEAP Report shows amounts of \$119,329 and \$549,480, respectively, for the 2006-2007 and 2007-2008 program years. Explain what these amounts represent and how, aside from the dollar amounts, this item differs from what is identified as "Payments to Subrecipients" referred to in part (1) of this request.



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cc: All Parties

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