

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

COMMISSION STAFF'S SECOND INFORMATION REQUEST TO
KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 28, 2011. 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 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 fails or refuses to furnish all or part of the requested information, it 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.

1. Refer to Kentucky Power's response to Commission Staff's First Information Request ("Staff's First Request"), Item 2. e. It states, "EM&V expenses for AEPSC EE/DR services were charged directly to the applicable DSM programs. AEPSC charges to support Kentucky power DSM programs in general are recovered through base rates. Through June 30, 2011, the following expenses were directly charged by AEPSC EE/DR for program EM&V services and included with the evaluation category identified with each program in the status report:

<u>Program</u>	<u>*Cost</u>
TEE	\$ 6,922
MHHP	\$ 5,748
MHNC	\$ 6,150
MEF	\$ 4,393
EEFS	\$ 6,081
COCFL	\$ 9,605
HEHP	<u>\$11,849</u>
Total	\$50,748

*Additional EM&V costs were pending and will be recorded for program reporting after June 30, 2011."

a. Confirm that Kentucky Power is recovering through base rates Demand Side Management (“DSM”) program evaluation costs in the amount of \$50,748 on an annual basis.

b. Explain whether Kentucky Power’s position is that only DSM program evaluation costs in excess of \$50,748 should flow through the DSM surcharge factor.

c. Explain whether Kentucky Power’s position is that, in years when no DSM program evaluations are performed, there should be a \$50,748 credit flow through the DSM surcharge factor.

2. Refer to the response to Item 14 of Staff’s First Request.

a. State whether the HVAC-related field data is in the AEP Customer Information System (“CIS”).

b. If the answer to part a. of this request is no, explain whether Kentucky Power plans to add fields to the CIS for the HVAC-related field data.

3. The application requests approval of a three-year extension, through 2014, of six DSM programs: Targeted Energy Efficiency, Community Outreach CFL, Energy Education for Students, Mobile Home Heat Pump, Mobile Home New Construction, and High Efficiency Heat Pump. The response to Item 36 of Staff’s First Request included the lost revenue factor calculations for all residential and commercial programs, except for the Residential and Commercial Load Management and Commercial Incentives programs. It was noted that the calculations were based on the twelve months ending June 30, 2011.

a. Confirm whether the lost revenue factors for all residential and commercial DSM programs should have been included in the response to Item 36 or if

only the factors for the six programs requested to be extended through 2014 should have been included.

b. If the answer to part a. of this request is only the six residential programs requested to be extended through 2014, confirm that the lost revenue factors for those programs should be the same for the first six months' actual, third quarter, and fourth quarter of 2011, in a manner similar to the calculated kWh impacts and incentives per participant.

c. If the answer to part b. of this request is yes, confirm that the lost revenue factor, kWh impacts per participant, and the incentive per participant for the remaining programs, excluding the Residential and Commercial Load Management and Commercial Incentive programs, should be based on the assumptions provided in Case No. 2011-00055.¹

d. If the answer is yes to parts b. and c. of this request, explain whether that results in the need to file a revised Status Report and revised Exhibit C.

4. Refer to the response to Item 37.a. of Staff's First Request. Provide an explanation and calculation of the embedded costs to reduce emissions included in the avoided capacity and avoided energy numbers used in the benefit/cost analyses.

5. a. Provide in electronic format, with formulas intact and unprotected, the spreadsheets and/or workpapers which show how the efficiency incentive amount of \$2,380.66 per participant was calculated for the Commercial Incentives program.

¹ Case No. 2011-00055, Joint Application Pursuant to 1994 House Bill No. 501 for Approval of Kentucky Power Company Collaborative Demand-Side Management Programs, and for Authority to Implement a Tariff to Recover Costs, Net Lost Revenues and Receive Incentives Associated with the Implementation of the Kentucky Power Company Collaborative Demand-Side Management Programs (Ky. PSC May 25, 2011).

b. Explain why there was no efficiency incentive proposed in Case No. 2011-00055 for the Commercial Incentive program.

6. Provide an explanation for why the Targeted Energy Efficiency–Non-Electric program is no longer cost-effective.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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cc: Parties of Record

Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Lila P Munsey
Manager, Regulatory Services
Kentucky Power
101A Enterprise Drive
Frankfort, KENTUCKY 40601