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MAY 20 2013

PUBLIC SERVICE
COMMISSION

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May 20, 2013

HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
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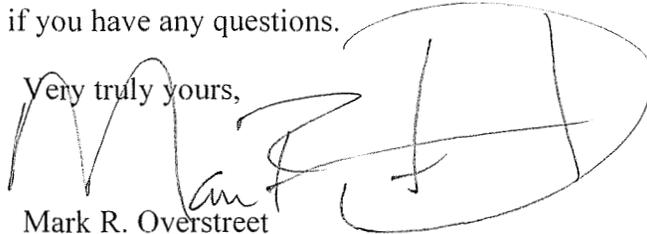
RE: **Case No. 2013-00138**

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of the Company's responses to Commission Staff's May 10, 2013 Data Requests.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Mark R. Overstreet

MRO

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

APPLICATION OF KENTUCKY POWER COMPANY)
TO AMEND ITS DEMAND-SIDE MANAGEMENT)
PROGRAM AND FOR AUTHORITY TO IMPLEMENT)
A TARIFF TO RECOVER COSTS AND NET LOST) Case No. 2013-00138
REVENUES AND TO RECEIVE INCENTIVES)
ASSOCIATED WITH THE IMPLEMENTATION OF)
THE PROGRAMS)

KENTUCKY POWER COMPANY RESPONSES TO
COMMISSION STAFF'S FIRST SET OF DATA REQUESTS

May 20, 2013

Kentucky Power Company

REQUEST

Refer to page 2 of the Application letter. Provide a list of Kentucky Power Demand-Side Management ("DSM") Collaborative ("Collaborative") members who were present and how they voted or abstained on the proposed DSM Status Report, Schedule C, and revisions to the tariff. Also, provide a list of Collaborative members, if any, not present.

RESPONSE

Please see Attachment 1 to this response.

WITNESS: E J Clayton

Kentucky Power
Demand-Side Management Collaborative Members
Voting Record for March 14, 2013 meeting

Attendance	Name	Organization	Vote at Meeting
Present	Michael Moynahan	Community Action Kentucky	Approve
Present	David Hall	Our Lady Bellefonte Hospital	Approve
Present	Bertha Daniels	Big Sandy Area Development District	Abstain
Present	Heather Napier	Office of the Attorney General	
Present	Jennifer Black Hans	Office of the Attorney General	Abstain
Present	E J Clayton	KY Power Co.	Approve
Conference Phone	Mike Howell	Big Sandy Community Action Agency	Approve
Conference Phone	Wanda Thacker	Big Sandy Community Action Agency	Approve
Conference Phone	Annie Thompson	LKLP Community Action Council, Inc	Approve
Not Present	Gary Brown	Kentucky Housing Corporation	Minutes Issued*
Not Present	David Carroll	Northeast KY Community Action Agency	Minutes Issued*
Not Present	Vacant Position	Links, Inc.	
Not Present	Greg Adams	Floyd County Schools	Minutes Issued*
Not Present	Wallace Rose	Gateway Community Action Agency	Minutes Issued*
Not Present	Darrell Shouse	Middle Kentucky Community Action Partnership, Inc.	Minutes Issued*

* Meeting minutes were issued March 15, 2013 to Collaborative members with no objection received. Collaborative By-Laws Article III, Decision Making, Section 1, Part a.

Kentucky Power Company

REQUEST

1. Refer to page 11 of the DSM Status Report and to page 19A-1 of Schedule C. There are no air conditioners budgeted to be serviced for 2013 for the Residential Heating Ventilation Air Conditioning (“HVAC”) Diagnostic and Tune-up program.
 - a. Explain why there is \$200 in program cost budgeted for the first half of 2013 for air conditioning (“AC”).
 - b. Provide the type(s) of costs the \$200 represents.

RESPONSE

- a. The \$200 cost budgeted in 2013 was for incentives requested and validated late in December 2012 but not paid before the end of the year. The payments to the customers and dealers were made in January 2013.
- b. The \$200 cost is allocated among two customer incentives of \$50 each, (totaling \$100) and two dealer incentives also of \$50 each (totaling \$100).

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to page 12 of the DSM Status Report and to pages 19A-1 and 19B-1 of Schedule C as to the Pilot Residential Load Management. Explain how the \$21,425 in estimated program costs budgeted for 2013 will be spent, including the use category and amount of each expense.

RESPONSE

The \$21,425 in estimated program cost is expected to be spent in the following categories:

Equipment/Vendor	\$21,325
Customer Incentives	\$100

The total Equipment/Vendor category includes estimated charges of \$7,825 for administration, equipment removal, maintenance, support, and licensing and services for data transfer during the completion and shutdown phase of the pilot, as well as equipment installation in 2012 that was not booked until 2013. The vendor project management fees of \$13,500 for services received in December 2012 are also included and were booked as expenses January 2013.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to page 17 of the DSM Status Report and to page 19A-2 of Schedule C. There are no air conditioners budgeted to be serviced for 2013 for the Commercial HVAC Diagnostic and Tune-up program.

- a. Explain why there is \$125 in program cost budgeted for the first half of 2013 for AC.
- b. Provide the type(s) of cost the \$125 represents.

RESPONSE

- a. The \$125 cost budgeted in 2013 was for incentives received late in December 2012 but not paid before the end of the year. The payment to the customer was made in January 2013.
- b. The \$125 cost is for one \$75 customer incentive and one \$50 dealer incentive.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to page 18 of the DSM Status Report and to page 19A-2 of Schedule C as to the Pilot Commercial Load Management program. Explain how the \$1,500 in estimated program costs budgeted for 2013 will be spent, including the use category and amount of each expense.

RESPONSE

The \$1,500 estimated program cost budgeted for 2013 consists of a project management charge that was classified in the use category of Equipment/Vendor in the DSM Status Report. These vendor project management services were provided in December 2012 and booked as expenses in January 2013.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to page 20 of the DSM Status Report and to pages 18A-2 and 18B-2 of Schedule C as to the Commercial Incentive program.

- a. State whether the 128 participants for 2012 represent individual commercial customers, the number of projects, and/or number of applications.
- b. Explain how the program costs were determined and expended for the Equipment/Vendor and Customer Incentives.

RESPONSE

- a. For 2012, the reported total of 128 "participants" represents completed projects and not participants. The table header on page 20 for the next Status Report will be revised to "New Completed Projects" versus "New Participants."
- b. The customer incentives of \$408,591 were issued to 57 customers in connection with 128 completed projects.

The Equipment/Vendor charges as reported with the Status Report represent:

Vendor Marketing/Promotion	\$ 83,233
Vendor Program Implementation	\$ 487,791
Vendor Education Services	\$ 90,592
December 2011 Program Implementation Services booked January 2013	\$ 22,049
Less: Performance Retention	<u>(\$56,793)</u>
Equipment/Vendor Total	\$ 626,872

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to page 20 of the DSM Status Report and to pages 19A-2 and 19B-2 of Schedule C as to the Commercial Incentive program.

- a. State whether the 200 participants for 2013 represent individual commercial customers, number of projects, and/or number of applications.
- b. Explain how the \$1,135,635 budgeted for 2013 will be spent, providing the cost category and amount of each expense.

RESPONSE

- a. For 2013, the 200 participants represents the number of projects expected to be completed. In addition there will be other projects that are ongoing.
- b. The budgeted amount of \$1,135,635 consists of:

Contractor Administration of \$425,685;
Customer Incentives of \$699,950; and
Promotional expenses of \$ 10,000.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Provide, in electronic format with formulas intact and cells unprotected, Exhibit C.

RESPONSE

Please see the enclosed CD for Exhibit C in electronic format with formulas intact and cells unprotected.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Provide the date of the first billing cycle for the revenue months from June 2013 to January 2014.

RESPONSE

Please see table below:

Billing Month	First Day of Billing Cycle
June 2013	May 30, 2013
July 2013	June 28, 2013
August 2013	July 30, 2013
September 2013	August 28, 2013
October 2013	September 27, 2013
November 2013	October 28, 2013
December 2013	November 26, 2013
January 2014	December 31, 2013

WITNESS: E J Clayton