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March 14, 2014

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HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

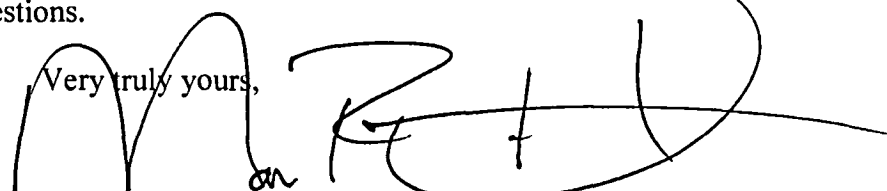
RECEIVED
MAR 14 2014
PUBLIC SERVICE
COMMISSION

RE: Case No. 2013-00487

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's responses to data requests propounded by Commission Staff and Sierra Club.

At the direction of counsel for Sierra Club, copies of the responses and the motion are being served by electronic transmission only to the persons indicated below. Please do not hesitate to contact me if you have any questions.

Very truly yours,

Mark R. Overstreet

MRO

cc: Jill Tauber
S. Laurie Williams
Joe Childers
Daniel Sawmiller

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

MAR 14 2014

**PUBLIC SERVICE
COMMISSION**

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)
REVENUES AND TO RECEIVE INCENTIVES)
ASSOCIATED WITH THE IMPLEMENTATION OF)
THE PROGRAMS)**


Case No. 2013-00487

**KENTUCKY POWER COMPANY RESPONSES TO
ALEXANDER DESHA AND SIERRA CLUB SUPPLEMENTAL
SET OF DATA REQUESTS**

March 14, 2014

VERIFICATION

The undersigned, Edgar J. Clayton, being duly sworn, deposes and says he is the Manager, Energy Efficiency & Consumer Programs for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief



Edgar J. Clayton

COMMONWEALTH OF KENTUCKY)
) CASE NO. 2013-00487
COUNTY OF BOYD)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Edgar J. Clayton, this the 5th day of March, 2014.



Notary Public

My Commission Expires: 3-20-2016

Kentucky Power Company

REQUEST

Referring to KPC's response to Sierra Club's initial request nos. 1.4 and 1.5 please state whether the estimated \$4,115,956 in total DSM program costs in 2014, as presented in Attachment 1 to the Company's response to request no. 1.5, constitutes the "Direct Program Expense(s)" for 2014, as that term is used in Company's response to Sierra Club initial requests no. 1.4. If not, please explain the difference between "DSM Program Costs" and "Direct Program Expense."

RESPONSE

The \$4,115,956 constitutes the direct program expense.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Please provide the Company's projected DSM energy savings for 2014 as a percentage of 2013 retail electricity sales.

RESPONSE

Please see Attachment 1 to this response.

WITNESS: E J Clayton

Year	Impact Savings (kWh) 2014	Impact Savings (kWh) 2013	Impact Savings (kWh) 2012	Impact Savings (kWh) 2011	Impact Savings (kWh) 2010	Impact Savings (kWh) 2009	2008
<u>Program - Residential</u>							
Targeted Energy Efficiency	173,657	123,059	297,500	263,978	455,844	320,260	
Mobile Home High Efficiency Heat Pump	289,589	288,406	343,103	276,093	226,299	142,048	
Mobile Home New Construction	125,785	128,943	155,055	138,956	221,335	192,229	
Modified Energy Efficiency	805,035	468,609	472,218	446,511	551,073	430,530	
High Efficiency Heat Pump	525,361	517,627	520,296	596,255	762,091	229,846	
Community Outreach CFL	609,173	642,295	694,270	626,392	133,036	67,032	
Energy Education for Students	185,995	208,233	202,694	195,610	20,698	14,117	
HVAC Diagnostic and Tune-up - Residential	63,320	83,649	173,435	270,795	1,019	n/a	
Residential Efficient Products	6,294,238	5,227,247	2,570,970	2,231,328	0	n/a	
<u>Program - Commercial</u>							
HVAC Diagnostic and Tune-up - Commercial	9,200	11,883	38,944	76,302	225	n/a	
Small Commercial Heat Pump/Air Conditioner	6,976	7,048	11,464	14,938	0	n/a	
Commercial Incentive	2,879,095	1,658,662	542,952	21,083	0	n/a	
Total	11,967,426	9,365,661	6,022,901	5,158,241	2,371,620	1,396,062	
Retail Electric Sales - kWh (Residential, Commercial, Industrial)		6,537,520,366	6,660,656,343	6,983,162,838	7,348,528,993	7,068,455,631	7,241,901,340
Percentage of DSM Energy Savings - %	0.18%	0.14%	0.09%	0.07%	0.03%	0.02%	

1. Impact Savings reported for DSM Status Reports.

Kentucky Power Company

REQUEST

Referring to the Company's response to Sierra Club's initial request no 1.11:

- a. Regarding 1.11(b), please provide the Request for Proposals (RFP), scope of work, or similar document(s) or communications (s) to which the AEG proposal is responsive.
- b. Regarding 1.11(d), please explain whether the scope of the DSM Market Potential Study is limited to meeting the increased funding levels required under the Commission's October 7, 2013 order in case no. 2012-00578.
- c. Regarding 1.11(e), please confirm that the DSM Market Potential Study will review the potential for energy savings in the industrial customer sector within the Company's service territory.

RESPONSE

- a. The Company has no written documentation. The request was made by phone contact with AEG.
- b. The scope of work is comprehensive and is not limited to funding levels defined by the Commission order. The study will review the potential for the entire service area and for all market segments.
- c. The DSM Market Potential Study will review the potential for energy savings in the industrial customer sector within the company's service territory.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

Referring to the Company's response to Sierra Club's initial request no. 1.12, please state whether the Company currently plans to submit new program proposals on or before August 15, 2014.

RESPONSE

Yes. The Company plans to submit new program proposals on or before August 15, 2014.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Referring to the Company's response to Sierra Club's initial request nos. 1.13 and 1.14, please explain how the Company will determine the manner in which it will increase its DSM spending to meet the 2015 level required under the Commission's October 7, 2013 Order in Case No. 2012-00578.

- a. If the DSM Market Potential Study is not finalized in time to inform the 2015 program plan, please explain the methodology the Company will use to determine how to allocate increased funding to existing programs or to develop new programs.
- b. Please describe how the Company plans to incorporate the results of the DSM Market Potential Study into its DSM Programs. By what date and through which DSM filing does the Company anticipate that its DSM Program will incorporate the results of the DSM Market Potential Study?

RESPONSE

The Company will consider recommendations from the ongoing program evaluations, opportunities for new cost effective programs, and expansion of existing programs as options for meeting the 2015 DSM spending.

- a. The Company does not anticipate that the DSM Market Potential Study will be completed in time for 2015 program plans. There is no specific methodology for determining how to allocate any DSM spending and the Company would evaluate current programs and new programs to determine which programs would receive the incremental funding for 2015.
- b. The results of the DSM Market Potential Study will be considered by the Company in its long term planning of the DSM Portfolio. Recommendations are expected to include options for DSM planning implemented in 2016 which would be included with the KPSC filing completed on or before August 15, 2015.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Please describe the role the Collaborative will play in the development of the DSM Market Potential Study.

- a. Please explain whether the Collaborative will have input on the methodologies used within the DSM Market Potential Study, and if so, what form that input will take.
- b. Please explain whether and how the Collaborative will have an opportunity to provide feedback regarding the analysis conducted during the Study.
- c. Please explain whether the Company will ask the Collaborative to approve a draft Study before it is finalized.

RESPONSE

The Collaborative serves as an advisory body to the Company in connection with the Company's development and evaluation of DSM programs. As the entity charged with the legal obligation to administer the DSM programs, as well as the provision of "adequate, efficient, and reasonable service," the Company retains the ultimate decision-making authority with respect to the study and DSM programs in general. In its advisory role, the Collaborative, and its members, will have the opportunity to participate in an interim and final review of the DSM Market Potential Study.

- a. Collaborative members will have the opportunity to comment on study methodologies through one or more of the following means: e-mails, scheduled conference calls, WebEx-style presentations, and at Collaborative meetings.
- b. Collaborative members will have the opportunity to comment on the analysis conducted during the study through one or more of the following means: e-mails, scheduled conference calls, WebEx-style presentations, and at Collaborative meetings.
- c. The Company anticipates the Collaborative will have the opportunity to take an advisory vote to approve the Study before it is finalized. Following the vote, the Company may file the Study with the results of the Collaborative vote noted.

WITNESS: E J Clayton