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April 11, 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**

**APR 11 2014**

**PUBLIC SERVICE  
COMMISSION**

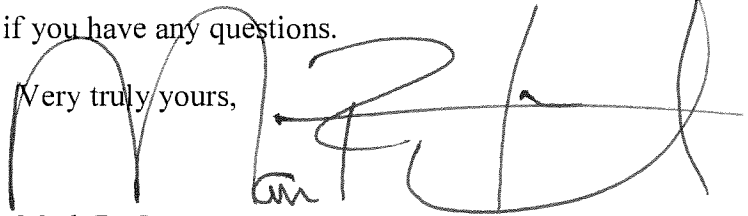
**RE: Case No. 2013-00487**

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and eight copies of Kentucky Power Company's response to data request propounded by Commission Staff on April 4, 2014.

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

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read 'MRO', is written over the typed name 'Mark R. Overstreet'.

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**

**APR 11 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  
COMMISSION STAFF'S THIRD SET OF DATA REQUESTS**

**April 11, 2014**

**Kentucky Power Company**

**REQUEST**

Refer to pages 2-3 of Alexander Desha and Sierra Club's Comments regarding Kentucky Power Company's DSM Application, which states:

Energy efficiency is the best resource option from a cost, risk and environmental perspective. Two recent studies show the tremendous value that energy efficiency resources provide. A 2014 study from the Lawrence Berkeley National Laboratory, associated with the U.S. Department of Energy, found that the national levelized cost of energy savings for electric utilities administering efficiency programs is just 2.1 cents per kilowatt-hour (kWh) (based on 2009-2011 data). Similarly, a 2014 report by the American Council for an Energy-Efficiency Economy (ACEEE) found that electric energy efficiency programs have an average cost of 2.8 cents per kWh (based on 2009-2012 data).

- a. Provide Kentucky Power's average cost of energy savings for the three-year period 2009-2011.
- b. Provide Kentucky Power's annual cost of energy savings for 2012 and 2013.
- c. Provide, by year, Kentucky Power's projected cost of energy savings from 2014-2018.

**RESPONSE**

- a. Kentucky Power's average cost of energy savings for the three-year period 2009-2011 was 2.7 cents/kWh.
- b. Please see table below for the annual cost of energy savings for 2012 and 2013.

|      |               |
|------|---------------|
| 2012 | 2.6 cents/kWH |
| 2013 | 1.9 cents/kWH |

- c. The 2014 projected cost of energy savings will be computed following the completion of Portfolio/Program Evaluations scheduled for filing in August 2014.

In addition, the projected cost of energy savings from 2015 through 2018 is dependent upon pending Portfolio/Program evaluations and the market potential study which is anticipated to begin in 2014.

**WITNESS:** E J Clayton

