

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION PURSUANT TO 1994 HOUSE )  
BILL NO. 501 FOR THE APPROVAL OF KENTUCKY )  
POWER COMPANY'S COLLABORATIVE DEMAND-SIDE )  
MANAGEMENT PROGRAMS, AND FOR AUTHORITY ) Case No.  
TO IMPLEMENT A TARIFF TO RECOVER COSTS, ) 2009-00337  
NET LOST REVENUES AND RECEIVE INCENTIVES )  
ASSOCIATED WITH THE IMPLEMENTATION OF THE )  
KENTUCKY POWER COMPANY COLLABORATIVE )  
DEMAND-SIDE MANAGEMENT PROGRAMS )

FIRST DATA REQUEST OF COMMISSION STAFF  
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and four copies of the following information, with a copy to all parties of record. The information requested herein is due no later than October 28, 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 shall make timely amendment to any prior response if it obtains 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to page 2 of the Demand-Side Management Status Report (“Report”) and Schedule C, pages 15C, 16A, and 16B. Page 2 of the Report states that “[t]he efficiency incentive is the product of the number of participants for the month and the efficiency rate (\$/participant).” Kentucky Power calculates the efficiency incentive on pages 16A and 16B of Schedule C. The efficiency incentive is then carried forward to page 16B.

a. Refer to page 16A. Explain how the amounts in column 7, 2009 Values, were determined. Provide supporting calculations.

b. Explain how the method used by Kentucky Power satisfies the definition of “efficiency incentive” as defined on page 91 of the Joint Application of

Kentucky Power's Demand-Side Management Programs in Case No. 1995-00427,<sup>1</sup> dated September 27, 1995, which states that the efficiency incentive is 15 percent of the estimated net savings associated with the programs.

2. Refer to pages 17-19 of the Report. Page 19 states that, for the High Efficiency Heat Pump – Mobile Home, the 2009 projected participant level is 110 and the budgetary level is \$49,500, or approximately \$450 per participant. Page 17 shows a participant level through June 2009 of 61. Page 18 shows costs through June 2009 of \$47,309, or approximately \$775 per participant. Explain why the actual costs are higher than the budgeted costs for this program.

3. Refer to pages 20-22 of the Report. Page 22 states that, for the Mobile Home New Construction, the 2009 projected participant level is 185 and the budgetary level is \$101,750, or approximately \$550 per participant. Page 20 shows a participant level through June 2009 of 88. Page 21 shows costs through June 2009 of \$79,131, or approximately \$900 per participant. Explain why the actual costs are higher than the budgeted costs for this program.

4. Refer to pages 23-25 of the Report. Page 25 states that, for the Modified Energy Fitness, the 2009 projected participant level is 800 and the budgetary level is \$304,000, or approximately \$380 per participant. Page 23 shows a participant level through June 2009 of 425. Page 24 shows costs through June 2009 of \$236,643, or

---

<sup>1</sup> Case No. 1995-00427, Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of the Kentucky Power Company ("KPCO") Collaborative Demand-Side Management Programs, and for Authority for KPCO to Implement a Tariff to Recover Costs, Net Lost Revenues, and Receive Incentives Associated with the Implementation of the KPCO Collaborative Demand-Side Management Programs (Ky. PSC Dec. 4, 1995).

approximately \$557 per participant. Explain why the actual costs are higher than the budgeted costs for this program.

5. Refer to pages 26 and 28 of the Report. Page 26 shows that there were 61 non-resistance heat participants through June 2009. Page 28 states that the budgetary level of participants for 2009 is 50. Explain whether promotional efforts decrease when the budgetary level of participants is reached in any given year.

6. Refer to page 34 of the Report. This page states that, for the Energy Education for Students Program, the projected participant and budgetary levels for 2009 are 3,500 and \$40,200, respectively. In Case No. 2008-00349,<sup>2</sup> the 2009 participant and budgetary levels were stated at 1,200 and \$22,000, respectively. Explain the discrepancy in these amounts.

7. Refer to Schedule C, pages 2–15C. Should column 3 be titled “Total Actual Program Costs” rather than “Total Estimated Program Costs?” If no, explain.

8. Refer to Schedule C, pages 13B and 14A. Explain why the KWH/participant in column 5 changed from page 13B to 14A.

9. Refer to Schedule C, page 15A.

a. Refer to column 5. For Kentucky Power’s newest programs, the High Efficiency Heat Pump, Energy Education for Students Program, and the

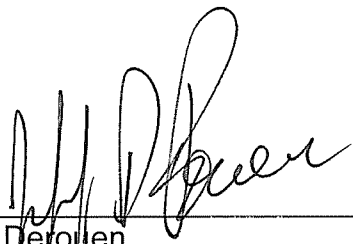
---

<sup>2</sup> Case No. 2008-00349, Joint Application Pursuant to 1994 House Bill No. 501 for Approval of Kentucky Power Company Collaborative Demand-Side Management Programs, and for Authority to Recover Costs, Net Lost Revenues and Receive Incentives Associated with Implementation of Three New Residential Demand-Side Management Programs Beginning January 1, 2009 (Ky. PSC Feb. 24, 2009).

Community Outreach Program, provide the calculations for the KWH/participant shown in column 5.

b. Refer to column 7. For Kentucky Power's newest programs, the High Efficiency Heat Pump, Energy Education for Students Program, and the Community Outreach Program, provide the calculations for the \$/kWh shown in column 7.

10. Refer to Schedule C, pages 15A–17. Page 17 provides energy sales information for 2009. Line 6 on page 17 is titled "Less Loss Revenue Impacts." For the residential sector, the amount shown on this line is 11,420,681 kWh. Explain why this amount does not reconcile with the total from column 6 on pages 15A–15C of 5,573,227 (2,668,898 + 1,439,519 + 1,464,810).



---

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

DATED OCT 15 2009

cc: Parties of Record

Errol K Wagner  
Director Regulatory Services  
American Electric Power  
101A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602