



Kentucky Power
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KentuckyPower.com

HAND DELIVERED

September 8, 2016

RECEIVED
SEP 8 2016
PUBLIC SERVICE
COMMISSION

Talina Mathews, Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case Nos. 2015-00271 and 2014-00271
(To be retained in the Company's General Correspondence file)

Dear Ms. Mathews,

In accordance with the Commission's Orders in Case Nos. 2014-00271 and 2015-00271, Kentucky Power hereby files its DSM update on the level of direct expenditures for the month of July 2016.

If there are any questions please contact me at 502-696-7010.

Sincerely,

John A. Rogness III
Director, Regulatory Services

Attachments

Kentucky Power Company
Summary of Demand Side Management Expenses
Month Ended: July 2016

July expenditures of \$541,704 are below the budgeted amount of \$632,446 with a negative variance of \$90,742. Commercial program expenditures were \$21,177 above budget and residential program expenditures were \$111,918 below budget. Year-to-date, 2015 DSM/EE expenditures are \$398,395 below the budgeted amount. Commercial program expenditures are \$138,869 below budget and residential program expenditures are \$259,527 below budget.

Due to contracts and set-up work, the Express Install program was not able to launch until July. Projects are scheduled to begin in August, with the expectation of meeting budget and participation targets by the end of the year.

The Commercial Incentive Prescriptive Custom program (CIPC) was \$81,656 above budget for July having 124 customer projects or 62% of the YTD program participation goal completed through July.

The Residential Efficient Products program was \$80,784 below budget for July. This was mainly due to a timing issue from when the Company was invoiced by the contractor. Invoices not received in July will be reflected in the August expense month. Overall, Customer demand for energy efficient lighting and appliances offered through the program remain high as represented by YTD paid incentives to customers totaling 69% of the annual customer incentive goal..

The Whole House Energy Efficiency program is at 55% of completed home energy audits and HVAC measures completed YTD are at 97% of the annual target.

The Targeted Energy Efficiency weatherization program for low income customers was \$7,135 lower than the target budget for the month, but the program is trending toward an increase in homes being weatherized by participating Community Action Agencies. In addition, the program has provided a significant quantity of upgraded high efficiency heat systems for low income customer site built and mobile homes, totaling 24 units through June 2016. Lower than forecast program performance through July is primarily due to agency utilization of LIHEAP, funds that have been available through the Weatherization Assistance Program.

ACTUAL EXPENSE:	January	February	March	April	May	June	July	YTD July
Program Expense								
Commercial								
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,289.26
Commercial High Efficiency Heat Pump/Air Conditioning	\$0.00	-\$2,550.00	\$0.00	\$0.00	\$0.00	\$4,250.00	\$0.00	\$1,700.00
General Administrative and Promotion	\$967.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$967.50
School Energy Manager	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00
Appliance Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Express Install	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$0.00	\$0.00	\$3,592.46	\$7,782.96
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$1,062.00	\$810.00	\$139.50	\$2,011.50
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$205,572.44	\$180,587.67	\$166,987.52	\$883,336.41
Commercial Total	\$17,732.43	\$268,300.19	\$0.00	\$64,053.42	\$206,634.44	\$185,647.67	\$370,719.48	\$1,113,087.63
Residential								
Residential Efficients Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$76,127.66	\$126,316.12	\$13,473.88	\$664,843.61
Mobile Home High Efficiency Heat Pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mobile Home New Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
High Efficiency Heat Pump	\$0.00	\$300.00	-\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Targeted Energy Efficiency	\$3,395.73	\$13,083.77	\$8,731.29	\$3,434.98	\$17,076.68	\$37,047.78	\$23,071.48	\$105,841.71
Modified Energy Fitness	\$151.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$151.20
Community Outreach Compact Fluorescent	\$0.00	\$0.00	\$5,970.43	\$0.00	\$0.00	\$5,694.88	\$0.00	\$11,665.31
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$0.00	-\$5,832.65	\$1,800.00	\$1,800.00
General Administrative and Promotion	\$967.50	\$1,623.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,202.62	\$5,793.12
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$0.00	\$50,250.00	\$0.00	\$494,500.00
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$385.00	\$55.00	\$10,967.08	\$12,565.64
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	-\$7,150.00	\$14,261.18	\$7,672.08	\$2,424.41	\$41,457.67
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$154,195.43	\$290,731.12	\$116,045.18	\$916,727.32
Residential Total	\$21,187.11	\$352,010.64	\$770,882.00	\$166,300.90	\$262,045.95	\$511,934.33	\$170,984.65	\$2,255,345.58
Program Expense Total	\$38,919.54	\$620,310.83	\$770,882.00	\$230,354.32	\$468,680.39	\$697,582.00	\$541,704.13	\$3,368,433.21

Budget - Case 2015-00271:	January	February	March	April	May	June	July	August	September	October	November	December	2016 Forecast
FORECAST EXPENSE													
Commercial													
Commercial Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Administrative and Promotion Commercial	\$6,958	\$6,958	\$25,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$88,500
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$1,000	\$1,000	\$1,000	\$203,000
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$392,831
New Construction	\$0	\$0	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$0	\$0	\$71,370
Retro-Commissioning	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$205,342
CI Prescriptive Custom	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$1,023,984
Commercial Total	\$142,121	\$142,121	\$169,543	\$149,543	\$149,543	\$149,543	\$348,543	\$149,543	\$149,543	\$150,543	\$141,621	\$141,621	\$1,984,827
Residential													
Residential Efficient Products	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,008	\$1,130,845
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$20,138	\$352,410
Modified Energy Fitness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Compact Fluorescent Lighting	\$0	\$5,001	\$10,002	\$6,668	\$6,668	\$10,002	\$5,251	\$10,252	\$6,668	\$5,001	\$1,917	\$250	\$67,660
Energy Education for Students	\$1,248	\$2,366	\$3,111	\$3,483	\$1,248	\$1,248	\$1,248	\$1,248	\$1,248	\$6,091	\$5,719	\$3,111	\$31,368
General Administrative and Promotion Residential	\$8,292	\$8,292	\$31,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$109,500
Residential Home Performance	\$808	\$808	\$445,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058	\$804,700
Appliance Recycling	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$10,229	\$95,869
New Manufactured Homes	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$171,500
Whole House Efficiency	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$121,748	\$1,486,638
Residential Total	\$279,152	\$285,271	\$758,767	\$286,655	\$284,320	\$337,904	\$282,803	\$287,904	\$334,570	\$287,496	\$284,040	\$321,625	\$4,030,508
FORECAST EXPENSE Total	\$421,273	\$427,392	\$928,310	\$436,098	\$433,863	\$487,447	\$632,446	\$437,447	\$484,113	\$438,039	\$425,661	\$463,247	\$6,015,335

	January	February	March	April	May	June	July	YTD July
Variance								
Commercial								
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$0	\$0	\$0	\$17,289
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	\$0	\$4,250	\$0	\$1,700
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$5,458	-\$5,458	-\$5,458	-\$60,241
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$229,035
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$8,921	-\$8,921	-\$5,329	-\$36,823
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$16,050	-\$16,302	-\$16,972	-\$117,771
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	\$120,240	\$95,256	\$81,656	\$286,012
Commercial Total	-\$124,389	\$126,179	-\$169,543	-\$85,489	\$57,092	\$36,105	\$21,177	-\$138,869
Residential								
Residential Efficient Products	-\$77,718	\$89,388	\$65,302	-\$5,078	-\$18,130	\$32,058	-\$80,784	\$5,038
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$300	-\$300	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$13,130	\$6,841	-\$7,135	-\$105,604
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$0	\$0	\$0	\$151
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$6,668	-\$4,307	-\$5,251	-\$31,927
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$1,248	-\$7,081	\$552	-\$12,151
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$6,792	-\$6,792	-\$3,589	-\$69,749
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$5,658
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$7,400	-\$7,730	\$3,182	-\$41,932
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$30	-\$6,620	-\$11,867	-\$58,584
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$57,291	\$31,933	\$168,469	-\$6,217	\$60,889
Residential Total	-\$257,965	\$66,740	\$12,115	-\$120,255	-\$22,274	\$174,030	-\$111,918	-\$259,527
FORECAST EXPENSE Total	-\$382,354	\$192,919	-\$157,428	-\$205,744	\$34,818	\$210,135	-\$90,742	-\$398,395