



A unit of American Electric Power

Kentucky Power
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KentuckyPower.com

HAND DELIVERED

October 26, 2016

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

RECEIVED

OCT 26 2016

PUBLIC SERVICE
COMMISSION

RECEIVED

OCT 26 2016

PUBLIC SERVICE
COMMISSION

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 September 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: September 2016

September expenditures of \$574,044 are above the budgeted amount of \$484,113 with a positive variance of \$89,931. Commercial program expenditures were \$33,185 above budget and residential program expenditures were \$56,746 above budget. Year-to-date, 2016 DSM/EE expenditures are \$248,795 below the budgeted amount. Commercial program expenditures are \$72,631 below budget and residential program expenditures are \$176,164 below budget.

While the Express Install program is still below budget for the year by \$256,977, the program was above budget for September by \$4,777. In addition to active promotion by local program staff, promotional letters were mailed to customers in August and September. Additional letters are planned to be mailed in October and November. Although the Express Install program is currently under budget, implementation contractors are working diligently to achieve the annual target goal.

The Residential Efficient Products program is above budget by \$76,314, and is still forecasted to meet or exceed the overall annual target goal. Customer demand for energy efficient lighting and appliances offered through the program remain high as represented by YTD paid incentives to customers totaling \$573,141.

Due to more robust participation than originally anticipated, the Commercial Incentive Prescriptive Custom program (CIPC) is \$403,904 above budget for the year, completing 157 customer projects or 79% of the annual target goal.

The Whole House Energy Efficiency program is above budget by \$102,999. Completed audits and installed services are at 73% of the annual target.

The Appliance Recycling program is currently below budget by \$55,575 mainly due to vendor invoices which are pending payment for July, August, and September. Program participation continues to trend positively with the quantity of recycled units through September at 61% of the annual target.

While the Targeted Energy Efficiency program was \$501 below budget for September, it is beginning to trend positively. Community Action's utilization of LIHEAP funds through July had been a contributor for reduced performance with the program. Kentucky Power is continuing to work with Community Action Agencies to support robust performance in the program.

**Kentucky Power Company
Demand Side Management**

ACTUAL EXPENSE:	January	February	March	April	May	June	July	August	September	YTD
Program Expense										
Commercial										
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$0.00	\$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	\$0.00	\$0.00	\$1,700.00
General Administrative and Promotion										
Commercial	\$967.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$891.00	\$1,353.58	\$3,212.08
School Energy Manager	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$200,000.00
Appliance Recycling	\$0.00	\$0.00	\$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	\$37,496.31	\$37,496.31
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$0.00	\$0.00	\$3,592.46	\$21,953.28	\$14,594.42	\$44,330.66
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$1,062.00	\$810.00	\$139.50	\$339.00	\$139.50	\$2,490.00
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$205,572.44	\$180,587.67	\$166,987.52	\$159,411.51	\$129,144.24	\$1,171,892.16
Commercial Total	\$17,732.43	\$268,300.19	\$0.00	\$64,053.42	\$206,634.44	\$185,647.67	\$370,719.48	\$182,594.79	\$182,728.05	\$1,478,410.47
Residential										
Residential Efficient Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$76,127.66	\$126,316.12	\$13,473.88	\$105,170.90	\$154,620.13	\$924,634.64
Mobile Home High Efficiency Heat Pump	\$0.00	\$0.00	\$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	\$0.00	\$0.00
High Efficiency Heat Pump	\$0.00	\$300.00	-\$300.00	\$0.00	\$0.00	\$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	\$16,318.00	\$29,705.11	\$151,864.82
Modified Energy Fitness	\$151.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$151.20
Community Outreach Compact										
Fluorescent Lighting	\$0.00	\$0.00	\$5,970.43	\$0.00	\$0.00	\$5,694.88	\$0.00	\$0.00	\$11,850.30	\$23,515.61
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$0.00	-\$5,832.65	\$1,800.00	\$0.00	\$13,500.30	\$15,300.30
General Administrative and Promotion										
Residential	\$967.50	\$1,623.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,202.62	\$2,600.00	\$3,061.58	\$11,454.70
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$0.00	\$50,250.00	\$0.00	\$0.00	\$50,250.00	\$544,750.00
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$385.00	\$55.00	\$10,967.08	\$1,074.00	\$854.00	\$14,493.64
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	\$7,150.00	\$14,261.18	\$7,672.08	\$2,424.41	\$19,589.00	\$10,608.40	\$71,655.07
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$154,195.43	\$290,731.12	\$116,045.18	\$169,768.86	\$116,865.99	\$1,203,362.17
Residential Total	\$21,187.11	\$352,010.64	\$770,882.00	\$166,300.90	\$262,045.95	\$511,934.33	\$170,984.65	\$314,520.76	\$391,315.81	\$2,961,182.15
Program Expense Total	\$38,919.54	\$620,310.83	\$770,882.00	\$230,354.32	\$468,680.39	\$697,582.00	\$541,704.13	\$497,115.55	\$574,043.86	\$4,439,592.62

Budget - Case 2015-00271:	January	February	March	April	May	June	July	August	September
FORECAST EXPENSE									
Commercial									
Commercial Incentive	\$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
General Administrative and Promotion Commercial	\$6,958	\$6,958	\$25,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0
Appliance Recycling	\$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
New Construction	\$0	\$0	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921
Retro-Commissioning	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112
CI Prescriptive Custom	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332
Commercial Total	\$142,121	\$142,121	\$169,543	\$149,543	\$149,543	\$149,543	\$349,543	\$149,543	\$149,543
Residential									
Residential Efficients Products	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$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
Modified Energy Fitness	\$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
Energy Education for Students	\$1,248	\$2,366	\$3,111	\$3,483	\$1,248	\$1,248	\$1,248	\$1,248	\$1,248
General Administrative and Promotion Residential	\$8,292	\$8,292	\$31,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792
Residential Home Performance	\$808	\$808	\$445,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058
Appliance Recycling	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785
New Manufactured Homes	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292
Whole House Efficiency	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263
Residential Total	\$279,152	\$285,271	\$758,767	\$286,555	\$284,320	\$337,904	\$282,903	\$287,904	\$334,570
FORECAST EXPENSE Total	\$421,273	\$427,392	\$928,310	\$436,098	\$433,863	\$487,447	\$632,446	\$437,447	\$484,113

Variance	January	February	March	April	May	June	July	August	September
Commercial									
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	\$0	\$4,250	\$0	\$0	\$0
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$5,458	-\$5,458	-\$5,458	-\$4,567	-\$4,105
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appliance Recycling	\$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	\$4,777
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$8,921	-\$8,921	-\$5,329	\$13,032	\$5,673
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$16,050	-\$16,302	-\$16,972	-\$16,773	-\$16,972
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	\$120,240	\$95,256	\$81,656	\$74,080	\$43,812
Commercial Total	-\$124,389	\$126,179	-\$169,543	-\$85,489	\$57,092	\$36,105	\$21,177	\$33,052	\$33,185
Residential									
Residential Efficients Products	-\$77,718	\$89,388	\$65,302	-\$5,078	-\$18,130	\$32,058	-\$80,784	\$10,913	\$60,362
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$300	-\$300	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$13,130	\$6,841	-\$7,135	-\$13,889	-\$501
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$6,668	-\$4,307	-\$5,251	-\$10,252	\$5,182
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$1,248	-\$7,081	\$552	-\$1,248	\$12,252
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$6,792	-\$6,792	-\$3,589	-\$4,192	-\$3,730
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$7,400	-\$7,730	\$3,182	-\$6,711	-\$6,931
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$30	-\$6,620	-\$11,867	\$5,297	-\$3,683
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$57,291	\$31,933	\$168,469	-\$6,217	\$47,506	-\$5,397
Residential Total	-\$257,965	\$66,740	\$12,115	-\$120,255	-\$22,274	\$174,030	-\$111,918	\$26,617	\$56,746
Variance Total	-\$382,354	\$192,919	-\$157,428	-\$205,744	\$34,818	\$210,135	-\$90,742	\$59,669	\$89,931