COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION PURSUANT TO 1994 HOUSE BILL NO. 501 FOR THE APPROVAL OF AMERICAN ELECTRIC POWER/KENTUCKY POWER COMPANY COLLABORATIVE DEMAND-SIDE MANAGEMENT PROGRAMS, AND FOR AUTHORITY TO IMPLEMENT A TARIFF TO RECOVER COSTS, NET LOST REVENUES AND RECEIVE INCENTIVES ASSOCIATED WITH THE IMPLEMENTATION OF THE AEP/KENTUCKY COLLABORATIVE DEMAND-SIDE MANAGEMENT PROGRAMS	)	CASE NO. 95-427

O R D E R

IT IS ORDERED that American Electric Power/Kentucky Power Company (AEP/Kentucky) shall file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information requested herein is due no later than 15 days from the date of this Order.

1. The filing of August 16, 1999 contains the evaluation reports on six demand-side management (DSM) programs offered by AEP/Kentucky. The Corporate

Planning and Budgeting Department of the AEP Service Corporation performed five of these evaluation reports. RLW Analytics, Inc. (RLW) prepared the evaluation reports for the Targeted Energy Efficiency (TEE) Program. The reports prepared by the AEP Service Corporation contained a section presenting the results of the four traditional DSM cost/benefit tests, while the RLW report did not include a similar presentation.

a. Explain why the AEP Service Corporation did not perform the evaluations of the TEE Program.

b. Explain how AEP/Kentucky and its DSM collaborative secured the services of RLW, and why RLW was the selected vendor.

c. Explain in detail why the RLW evaluation reports did not include a presentation of the results of the four traditional DSM cost/benefit tests for the TEE Program.

2. Provide the results of the following DSM cost/benefit tests for the TEE Program for the evaluation period. Include all supporting calculations, assumptions, and workpapers.

a. Total Resource Cost.

b. Rate Impact Measure.

c. Utility Cost.

d. Participant.

3. In its Order in the instant case dated October 27, 1998, the Commission approved the continued operation of AEP/Kentucky s residential and commercial DSM programs for an additional year, through calendar year 1999. If the Commission s

review and evaluation of AEP/Kentucky s August 16, 1999 filing requires such time as to preclude the Commission from issuing a final decision prior to the end of calendar year 1999, what are AEP/Kentucky s plans for the programs scheduled to terminate at the end of 1999?

4. If the Commission s final decision in this proceeding requires that one or more of the programs AEP/Kentucky proposes to continue be cancelled, what actions would be required by AEP/Kentucky and its DSM collaborative to cancel these programs and how much time would be required to accomplish those actions? Identify any costs that would be incurred in connection with the cancellation of any of the six programs that AEP/Kentucky proposes to continue. Where necessary, provide separate responses for individual programs.

Done at Frankfort, Kentucky, this 22nd day of October, 1999.

By the Commission

ATTEST:

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Executive Director