

October 10, 2014

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ELECTRONICALLY FILED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: **Case No. 2014-00271**

Dear Mr. Derouen:

This letter constitutes the Read1st file required by 807 KAR 5:001, Section 8(5):

(a) General Description of the Filing – Kentucky Power is electronically filing herewith:

- (i) The Read1st file required by 807 KAR 5:001, Section 8(5); and
- (ii) The Company's responses to Staff's First Set of Data Requests.


(b) Materials Not Included In The Electronic Filing – Kentucky Power is filing in paper format only:

(i) The paper medium copy of the electronic mail message required to be filed by 807 KAR 5:001, Section 13(12)(2)(b); and

(c) Attestation – The electronically-filed documents are a true representation of the original documents.

(d) Service – There are no parties to this proceeding who have been excused from electronic filing procedures [807 KAR 5:001, Section 8(7)(c)].

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Very truly yours,

Mark R. Overstreet

MRO

KENTUCKY POWER COMPANY

REQUEST

Refer to the Application, paragraph 5, which states:

Year-to-date through June 30, 2014 the Company has collected \$4,062,428 through the DSM factor and incurred \$2,029,197 in DSM program costs, lost revenues, and incentive payments. For the entirety of the Company offer of DSM/EE programs it has incurred, through June 30, 2014, \$27,528,107 in program costs, lost revenues, and incentive payments, and received \$27,299,102 in revenue through the DSM factor.

- a. Explain whether Page 5 of the revised Status Report, Exhibit 3 ("Amended Exhibit 3") of the Application, filed September 10, 2014, as part of the Second Motion To Amend Application, revises paragraph 5 of the Application.
- b. Refer to the Amended Exhibit 3 of the Application. Provide a Status Report with the proper attachment headings at the top of each page identifying this document as being part of the record in this proceeding.

RESPONSE

- a. Paragraph 5 of the Application should be revised to reflect the revisions to Amended Exhibit 3.

The following shows a revised paragraph 5 with the revisions from the Amended Exhibit 3:

Year-to-date through June 30, 2014 the Company collected \$3,464,453 through the DSM factor and incurred \$2,029,197 in DSM program costs, lost revenues, and incentive payments. For the entirety of the Company offer of DSM/EE programs it incurred, through June 30, 2014, \$30,257,411 in program costs, lost revenues, and incentive payments, and received \$30,763,555 in revenue through the DSM factor.

- b. Please see KPSC_1_1_Attachment1 for the copy of Exhibit 3 of the Application with the proper headings attached at the top of each page.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to the Direct Testimony of Ranie K. Wohnhas ("Wohnhas Testimony"), page 12, regarding the Community Outreach Compact Fluorescent Lamp ("CFL") Program, which states,

Kentucky Power will change the lamps being offered from 23 watt (the equivalent of a 100 watt incandescent lamp) to 16 watt (equivalent of a 60 watt incandescent lamp). (A similar change in the lamps being offering will be implemented in connection with the Energy Education for Students Program.) In addition, the Company proposes to increase the number of lamps being distributed.

- a. Explain why Kentucky Power is changing from the 23-watt lamps that are currently offered to 16-watt lamps.
- b. Explain whether this is Kentucky Power's decision alone, or whether Kentucky Power received comment from participants in the CFL Program or from members of its Demand-Side Management ("DSM") Collaborative.
- c. Explain whether changing from the 23-watt lamp to the proposed 16-watt lamp has any impact on the programs' cost effectiveness.

RESPONSE

- a. The change was made to reflect market demand. Customers typically use 60 watt incandescent bulbs, which are equivalent to a 13 watt CFL.

The change was recommended by the AEG program evaluation. The 23 watt CFL bulbs previously offered are equivalent to a 100 watt incandescent bulb. Due to the change in customer usage, we propose to distribute 13 watt CFLs that are equivalent to 60 watt incandescent bulbs.

- b. The program evaluation report and program recommendations were presented by Applied Energy Group at the DSM Collaborative meeting. Kentucky Power agreed with the program evaluation recommendation and recommended the program change at the DSM Collaborative meeting on July 31, 2014. The DSM Collaborative concurred.
- c. In Mr. Wohnhas' testimony on page 12, line 8, the reference to 16 watt should have been 13 watt.

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Based on a budgetary lighting proposal for a 13 watt CFL fixture which is proposed for implementation in 2015, the anticipated TRC (Total Resource Cost) ratio improves in 2015 to an estimated TRC value of 1.82.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to the Wohnhas Testimony, page 14, which states, "It will provide residential customers with financial incentives of \$40-\$55 in return for permitting the disposal of the units in an environmentally safe fashion by the program contractor." Explain how the financial incentives range of \$40 to \$55 was determined and explain what circumstances determine the amount of financial incentive a customer will receive.

RESPONSE

Based on its experience, and in light of the need of the program to be cost effective, the vendor recommended using a \$50 incentive for all participants to begin the program. The amount of program incentive will be reviewed with the program implementation contractor on a periodic basis to achieve the overall program goals including the annual unit harvest (refrigerator, freezer) and program budget.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 28, which states, "The planned savings per participant reflects the values utilized by KPCO in reports submitted to the Kentucky PSC." Provide the case number(s) in which these savings were provided to the Commission.

RESPONSE

The quoted sentence should have read, "The plan savings per **bulb** reflects the values utilized by KPCO in reports submitted to the Kentucky PSC." The KPCO planned gross savings per bulb shown on Figure 8 on page 29 were filed in Case No. 2012-00367. The engineering values represent calculations by AEG.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, Figure 8, page 29.

- a. Explain whether the KPCO Planned gross kWh savings per bulb will be used in the calculation of Demand Side Management ("DSM") rate components, and if so, provide when and how.
- b. Explain whether KPCO Planned kWh savings value has been determined for the light-emitting diode ("LED") bulb.

RESPONSE

- a. Gross savings per bulb will not be used. Please see response to KPSC 1-6.
- b. Yes. Please see Exhibit 2, Table 26, page 30.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, Tables 25 and 26, page 30. Explain whether Kentucky Power proposes to use the recommended gross energy savings and/or net energy savings in the calculation of DSM rate components, and if so, provide when and how.

RESPONSE

The Company used net energy savings in the calculation of the proposed DSM rate. Please see Exhibit 8, page 49 for the one-half year impact savings for standard CFL, Specialty CFL, and standard LED.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 32. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

The Company will implement both of AEG's recommendations. The Company continues to work with its vendors to evaluate its existing programs and new offerings.

Review Product Offerings

The Company has proposed in this filing a program expansion with six new products during 2015. The Company will continue to review its current product list and evaluate other products that may affect the program offerings with future program operation.

Existing Products:

- Standard CFL
- Specialty CFL
- LED

New Products:

- Specialty LED
- Energy Star Refrigerator
- Energy Star Freezer
- Energy Star Clothes Washer
- Energy Star Dehumidifier
- Energy Star Heat Pump Water Heater

Lighting products will continue to utilize an upstream incentive processing (price mark-down) methodology. Appliance products will utilize a downstream incentive processing methodology whereas the customer will receive the rebate.

Modify Reporting

Kentucky Power will use on-line access to product sales when it becomes available from the contractor.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 40, which states, "The majority of participants surveyed (74 percent) noted that they would install all four of the CFL bulbs received at the event immediately." Explain whether Kentucky Power can independently confirm this behavior on the part of customers, and whether the survey results influenced how lost revenues are calculated for this program.

RESPONSE

No. Kentucky Power has no additional customer surveys assessing this customer response other than the surveys developed by Applied Energy Group for the program evaluation.

The survey results include key customer information used to assess free-riders and spillover which affect the net to gross energy savings. The net energy impact savings is represented with the lost revenue calculation included with Exhibit C.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, Table 42, page 45. Explain whether Kentucky Power proposes to use the recommended gross energy savings and/or the net energy savings in the calculation of DSM rate components. If so, provide when and how.

RESPONSE

The Company used net energy savings in the calculation of the proposed DSM rate. Please see Exhibit 8, page 49 for the one-half year impact savings.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 47.

- a. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.
- b. Explain whether Kentucky Power has considered LED bulbs as part of this program.

RESPONSE

a. **Review Bulb Offerings**

The Company proposes switching to a 13 watt Energy Star CFL four pack beginning in 2015, replacing the existing 23 watt CFL four pack currently used with Company sponsored community events. The program participation is recommended for expansion to 5,500 participants beginning in 2015. Expansion of the program is dependent upon continued application of automated phone messaging used for customer notification on community events. The Company will continue to review opportunities for varied bulb quantities and bulb wattage issued on a per participant basis to maximize program performance.

Increase Program Awareness

Kentucky Power will continue to explore opportunities to develop new posters and cross promote DSM programs at Company sponsored events. Also, Kentucky Power will review opportunities for cellular texting to promote program events ensuring that Company policies are maintained regarding customer communication.

Consider Program Expansion

The company will continue to consider opportunities for program expansion and will evaluate feasibility based on cost effectiveness and resource availability. The Company may utilize a third party contractor for future program expansion.

- b. LED lamps were considered for the program, but were not recommended due to the significant increased cost of the bulbs compared to compact fluorescent lamps with comparatively low savings gains.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Provide the number of times, as well as when and where in 2014, that Kentucky Power staff held community outreach events and distributed CFL bulbs through the Community Outreach CFL Program.

RESPONSE

South Shore / McKell	Wednesday, March 19, 2014
Jenkins	Tuesday, April 08, 2014
Elkhorn City	Friday, May 02, 2014
Phelps	Tuesday, June 10, 2014
United Way - Ashland Event	Wednesday, June 25, 2014
Cooperative Extension Farm and Home Field Day	Friday, June 27, 2014
Louisa	Tuesday, July 15, 2014
Hyden	Friday, August 01, 2014
Pikeville	Tuesday, September 09, 2014

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 54, Table 48.

- a. With regard to the 23 schools that participated in the Student Energy Education Program in 2013-2014, provide for each school the name, location (including the county), and the number of four-bulb CFL packages distributed there.
- b. Provide the name of each school visited and the number of times that Kentucky Power staff and its program partner, the National Energy Education Development Project ("NEED"), visited the schools during the 2013-2014 school year.

RESPONSE

a-b. Please see KPSC_1_12_Attachment1 for this response.

Exhibit 2, Table 48, provides the number of schools that participated in the Student Energy Education Program during a calendar year and not a school year. The information provided in KPSC_1_12_Attachment1 reflects school participation numbers during a school year, instead of participation in a calendar year.

WITNESS: Ranie K. Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 57, which states, "Teacher recommendations included increasing publicity and making the program available to more students. One teacher noted that energy conservation is not a core subject in 7th grade and that more teachers and students may benefit from the program focusing on 6th grade, where energy conservation is a core subject."

- a. Provide the school grade currently targeted by the program and explain how the program can be targeted to more students.
- b. Explain whether Kentucky Power, NEED, or the school decides which grade to target for this program.

RESPONSE

- a. Seventh grade students are presently the target audience for the program. Expanding the program to other or multiple grade levels enhances program availability to schools teaching the science curriculum (i.e. sixth, seventh, or eighth grade).
- b. It is a combined decision between Kentucky Power, NEED, and the school system to determine the appropriate grade level for the energy efficiency education.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 62, Table 59. Explain whether Kentucky Power proposes to use the recommended gross energy savings and/or net energy savings in the calculation of DSM rate components, and if so, provide when and how.

RESPONSE

The Company used net energy savings in the calculation of the proposed DSM rate. Please see Exhibit 8, page 49 for the one-half year impact savings.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 64. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when those proposed recommendations will be implemented.

RESPONSE

Review Bulb Offerings

Similar to the Community Outreach program, the Company proposes to transition to the Energy Star 13 watt CFL four pack beginning 2015. The Company will continue to review opportunities for varied bulb quantities and bulb wattage issued on a per student basis to maximize program performance.

Consider Program Modifications

Kentucky Power will explore opportunities to adapt to the training/education curriculum which may be applicable at specific school or within specific school systems. This will be coordinated in conjunction with the existing educational services provider, National Energy Education Development Project, Inc. (NEED - existing contractor for education support services). The company may investigate other third party providers to support the education services.

The Company will explore opportunities in conjunction with NEED to improve program tracking and response with student forms which are returned with the parent signature.

Increase Teacher Engagement

The Company will explore opportunities in conjunction with NEED (or any successor education service contractor) to improve teacher/educator training in program workshops.

Existing activities to promote teacher/educator program training include:

- Pre-registration for classes
- Targeted email from NEED advertising workshop and encouraging attendance
- Targeted email from KPCO advertising workshop and encouraging attendance
- Modifying workshop locations to try and reach more teachers

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 66, which states that the Modified Energy Fitness ("MEF") Program is implemented by Honeywell International ("Honeywell"). Page 69 of Exhibit 2 states:

Honeywell submits each completed customer file to Kentucky Power and submits an invoice for services once a month. KPCO staff checks the customer file and Honeywell invoice for completeness. Honeywell conducts QA/QC [quality assurance/quality control] with a random sample of 10 percent of program participants every month, 2 percent site visits and 8 percent phone calls, as well as an email survey. The QA/QC is designed to determine participant experience and satisfaction with the program. Kentucky Power maintains the right to conduct inspections. KPCO program staff attended two customer audits in 2012 and one customer audit appointment in 2013.

- a. Provide the number of audits conducted by Honeywell for 2012 and 2013.
- b. Explain why Kentucky Power staff attended only two customer audits in 2012 and one customer audit in 2013, when page 66 indicates there were 2,106 participants in the MEF Program between January 1, 2012 and September 30, 2013.
- c. Provide the number of customer audits attended by Kentucky Power staff in 2014 and the number of customer audits Kentucky Power staff plans to attend in 2015.
- d. Explain how Kentucky Power staff assures QA/QC when reviewing monthly customer files and invoices, given that the company has attended a total of three on-site field audits in 2012 and 2013.

RESPONSE

- a. Honeywell performed an estimated 120 quality control checks in 2012. In 2013, Honeywell reported 106 quality control checks.
- b. The Company contracted with Honeywell to provide the quality assurance and quality control activities. The supplemental investigations by the Company were to spot check the work of Honeywell.
- c. Kentucky Power plans to attend two customer audits in 2014 and 2015.
- d. Monthly field reports are received from the program energy efficiency field auditors at Honeywell documenting a customer approved list of measures installed and services provided. The field reports are compared with the vendor monthly invoice to validate program services and measures.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 72, which states:

Honeywell has two field technicians that visit customer's homes to conduct audits, perform air infiltration diagnostic tests, and install energy conservation measures. Honeywell has ensured that the technicians optimally cover the service territory, with one technician residing in the northern area of Kentucky Power's service territory and one in the southwest area of the service territory. Additionally, a local supervisor assists with customer visits, distributes energy conservation measures and ensures program quality control.

Provide the average length of time it takes a Honeywell field technician to complete an on-site home visit.

RESPONSE

Honeywell reported that the field audits take on average 90 minutes to complete.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 78, which states, "After screening for outliers and applying other sample validation criteria, the participant sample was significantly reduced and did not represent the program population Therefore, AEG was unable to determine statistically significant results from the participant sample for the billing analysis."

- a. Explain what validation and outlier screening criteria were used to evaluate the participant sample.
- b. Provide the actions Kentucky Power has initiated or plans to initiate to ensure that participant data used in future evaluations will be sufficient for a billing analysis.

RESPONSE

- a. The following validation and outlier screening criteria were used to evaluate the participant sample:
 - Participants in the Modified Energy Fitness Program who did not have at least 12 months of billed energy usage data before and after the measure installation date were removed from the participant sample.
 - Participants whose individual average annual energy usage before or after the measure installation date was greater than two standard deviations from the participant sample average were removed from the program.
 - Participants who were unable to be cross-referenced with customer billing data using the billing account data were removed from the participant sample.
- b. The Company increased the participation levels, thereby helping ensure that statistically significant results are produced. Kentucky Power will also support more direct communication between the evaluation contractor and the program implementation contractor during the data validation process.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 81, Table 82. Explain whether Kentucky Power proposes to use the recommended gross energy savings and/or net energy savings in calculating DSM rate components, and if so, provide when and how.

RESPONSE

The Company used net energy savings in the calculation of the proposed DSM rate. Please see Exhibit 8, page 49 for the one-half year impact savings.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 83. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

Increase Technician Awareness of DSM Programs

Kentucky Power has provided training to technicians on cross promotions of DSM programs.

Modify Program Requirements

Kentucky Power accepts the recommendations permitting customers who have previously participated in the program, to participate in the Modified Energy Fitness Program after 5 years. The Company also accepted the recommendation to include non-all electric customers that have electric water heating. Kentucky Power will implement the program changes in 2015. The Company estimates overall program participation of 2,040 residential customers in 2015 using the modified eligibility requirements.

Increase Participation Goals

The program participation goal was increased to 2,000 residential customer home audits for program year 2014. The goal will increase to 2,040 residential home audits in 2015.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 83, which states, "AEG recommends that Kentucky Power consider modifying the program requirements to include non-all electric customers that have electric water heating. Typically electric water heating measures are cost-effective. Kentucky Power should work with Honeywell to determine which measures should be offered to electric water heating customers."

- a. Explain whether Kentucky Power has discussed with Honeywell what energy-conservation measures will be offered to non-electric customers.
- b. Provide any measures Kentucky Power is considering offering to non-electric customers Explain what criteria were used to determine the measures Kentucky Power is considering offering to to non-electric customers.
- c. Provide the proposed kWh savings per measure being considered.
- d. Provide the projected total resource cost ("TRC") of the non-all electric measures being considered.
- e. Explain how Kentucky Power plans to ensure that the projected levels of non-all electric customers are achieved.
- f. Explain how Kentucky Power plans to ensure that the program is not marketed to non-all electric customers who have received water-heating measures via the non-all electric portion of the Targeted Energy Efficiency ("TEE") program.

RESPONSE

- a. Yes.
- b. Kentucky Power will offer measures such as (1) energy efficient CFL lighting, (2) domestic hot water pipe insulation, (3) domestic hot water tank insulating wrap and (4) low flow showerheads for non-all electric customers that have electric water heating.

- c. The criteria used to determine these measures are that these specific measures listed will help reduce electric energy consumption in homes without electric heating but with electric water heating.
- d. The table below details the proposed KWh savings for each measure being considered.

	kWh per Unit
13W CFL	26.0
14W CFL	44.3
16W R30 CFL FLOODLIGHT	42.4
23W CFL	28.9
27W CFL	43.4
DELUXE NEON NIGHT LIGHT	0.024
HOT WATER PIPE INSULATION - 1/2"	16.48
HOT WATER PIPE INSULATION - 3/4"	24.66
LOW FLOW SHOWERHEAD	200
WATER HEATER WRAP	176.00

- e. Please see Exhibit 2, Table 85, page 83. Because all measure are consistent with what has been previously offered, the program TRC will be consistent with the prospective analysis presented in the report.
- f. The goals were determined to be reasonably achievable through collaboration with Honeywell. Kentucky Power also plans to increase promotion of the program.
- g. At this time, Kentucky Power is not planning to take steps to avoid marketing the MEF "non electric" program to former TEE "non electric" customers.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 88, which states, "Marketing activities are targeted towards Manufactured Home Dealers via telephone calls and inperson meetings. Participating Manufactured Home Dealers are encouraged to promote the program to eligible customers." Provide the number of times that Kentucky Power staff visited manufactured home dealers in 2012, 2013, and year-to-date in 2014.

RESPONSE

A total of 14 on site visits were made to manufactured home dealers in 2012. A total of 24 on site visits were made in 2013. Year-to-date, no on site visits have been made to mobile home dealers in 2014, but an estimate of a minimum of 17 telephone calls were made to dealers during the year to help promote the program and provide education and information to dealers.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 101, Table 104. Explain whether Kentucky Power proposes to use the recommended gross energy savings and/or net energy savings in calculating its DSM rate components, and if so, provide when and how.

RESPONSE

The Company used net energy savings in the calculation of the proposed DSM rate. Please see Exhibit 8, page 49 for the one-half year impact savings.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 101, which states, "AEG performed site inspections and installation verification on four completed projects to perform quality assurance/quality control, and verify application information. Proper installation was confirmed at all locations. However, the equipment installed at one location did not match the equipment listed on the application." Provide the number of times that Kentucky Power staff made on-site visits 2012, 2013, and year-to-date in 2014 to ensure proper installations related to the Mobile Home New Construction Program.

RESPONSE

A total of zero site inspections and installation verifications were completed in 2012, a total of two inspections in 2013, and zero year-to-date 2014. The Company plans two inspection and installation verifications in the fourth quarter of 2014.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, pages 102-103. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

Consider Hiring an Implementation Contractor

The program was included with a June 25, 2014 RFP for residential DSM programs. Following receipt and assessment of vendor proposals, this program option will be reviewed for cost effective performance with an implementation contractor. The Market Potential Study will provide key information regarding the potential savings for DSM HVAC programs which may influence the decision to use a third party implementation contractor for cost effective program administration. If the program can be administered effectively as a preferred option having cost effective performance, then a recommendation for future implementation will be developed for Collaborative review and potential regulatory filing. The Company anticipates making a decision with respect to this recommendation following its receipt and review of the Market Potential Study in mid-2015.

Program Application and Data Tracking

Kentucky Power will review and make improvements to the rebate forms as applicable for effective administration of the program. This improvement is target for completion first quarter 2015.

Update the Kentucky Power DSM Program Website

Completed August 2014 .

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 104, Table 109. Explain the declining goal for participation for both electric and non-all electric customers.

RESPONSE

The annual participation goals are established with community action agency input. The declining goals are a result of the CAAs loss of stimulus funds and reduced budgets. The reduced funding led to CAAs reducing the number of weatherization crews and thus reducing capacity and participation targets.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 105, which states, "The Kentucky Community Action Agencies ("Agencies") implement the program utilizing Kentucky Power funds and Federal Weatherization Assistance Program (WAP) funds. The Agencies are responsible for all program functions, including promotion and weatherization services." Provide by Agency the number of times that Kentucky Power staff visited each Agency in 2012, 2013, and year-to-date in 2014

RESPONSE

<u>Agency</u>	<u>2012</u>	<u>2013</u>	<u>YTD 2014</u>
Big Sandy CAA	1	2	
Gateway CAA	1		1
LKLP CAA	1	1	
Middle Kentucky CAA	1		
Northeast CAA	1		

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 111, Table 112. Explain what Kentucky Power is doing to improve customer participation with each of the local Agencies.

RESPONSE

The company has coordinated conference calls with Community Action Kentucky and the specific agencies to discuss program year to date performance, forecast participation in all electric, base-load customers and electric heat systems. In addition to program performance, opportunities for program enhancement are discussed. The company also uses email and phone for direct contact with agencies to review performance on a monthly basis. The company coordinated a conference call with the agencies and Applied Energy Group (AEG) to review multiple topics including opportunities and barriers with program performance.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 120, Table 137. By area, provide the number of times that Kentucky Power staff made QA/QC on-site visits in 2012, 2013, and year-to-date in 2014.

RESPONSE

Kentucky Power staff performed 4 QA/QC visits in 2012, 4 QA/QC visits in 2013, and zero visits year-to-date 2014. The Company plans on making 4 QA/QC visits during the fourth quarter of 2014.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 122, which states:

AEG recommends that Kentucky Power work with the Community Action Agencies to determine the mix of measures offered to customers and the Kentucky Power portion of the measure cost. For example, Kentucky Power is offering \$1,600 for the installation of a high efficiency heat pump. DSM Program staff should discuss with the Agencies to determine if the offering should be increased or decreased.

Also refer to the Wohnhas Testimony, page 12, that states, "the program will be modified to provide allowances for both non-working units and those working units that are 15 years or older," and to the table on page 13 of the Wohnhas Testimony.

- a. Explain why Kentucky Power is proposing to provide allowances for working units that are 15 years or older.
- b. Explain how Kentucky Power developed the criteria to offer the proposed incentives shown in the table on page 13 of the Wohnhas Testimony.
- c. Provide the projected kWh savings of the proposed Working Units (15 years or older) measures.
- d. Describe the effect the proposed incentives will have on the TRC of the program.
- e. Explain whether Kentucky Power discussed these proposed measures with the Agencies. If so, provide the date of each discussion, by Agency.

RESPONSE

- a. The average useful life of the units is estimated by AEG to be 18 years. The program evaluator indicated that early retirement of HVAC units operating beyond 15 years can result in additional energy savings of approximately 15% to 20%.
- b. The criteria were initially developed through joint discussion among the community action agencies, Kentucky Power, and the program evaluation contractor AEG. An analysis was performed to confirm the cost effectiveness of the criteria.

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- c. The program savings forecast for 2015 was based on participation quantities for existing program heat system upgrades, electric central furnace upgrades to high efficiency heat pump, and heat pump to heat pump replacement. The following savings are forecast for 2015:

Program Component	Participation	kWh
TEE-Heat Pump	18	188,825
TEE-ECF to Heat Pump	30	309,906
TEE-HP to HP	20	23,656

Projected energy savings are not differentiated for 15 year or older units.

- d. The program performance is expected to improve to a TRC value of 2.41.
- e. Yes. An invitation was issued to all agencies for Conference call with the following response:

December 5, 2013: AEG, Middle Kentucky, Gateway, LKLP, Community Action Kentucky, Big Sandy, Northeast.

July 1, 2014: LKLP, Community Action Kentucky, Big Sandy, Northeast.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 122. Explain which of the AEG proposed recommendations Kentucky Power may implement, and provide how are they to be implemented and when

RESPONSE

Review Program Offerings

Kentucky Power worked with the community action agencies in its service territory to increase the incentive in 2015, for replacement of central electric furnaces with high efficiency heat pumps. The Company also proposes a new incentive for replacing older inefficient heat pumps with high efficiency heat pumps.

Consider Customer Survey

The Company intends to implement the Customer Survey recommendation in 2015.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 158, Table 180.

- a. Explain the decline in participation for replacement of both resistance heat and heat pump, and provide the participation rate year-to-date 2014.
- b. Provide the number of visits Kentucky Power staff made to the heating, ventilation, and air conditioning ("HVAC") dealers in 2012, 2013, and year-to date in 2014 to discuss any or all of Kentucky Power's HVAC-related programs.
- c. Provide what actions or measures that Kentucky Power plan to take to increase participation in this program.

RESPONSE

- a. The number of resistance heat systems replaced increased by 4 from 170 to 174 between 2012 and 2013. While the number of heat pump replacements declined by 39. This decline falls within the normal variability in annual participation levels.

Year-to-date August 2014, Kentucky Power received 124 resistance heat applications and 306 heat pump replacement applications for a total of 430 applications.

- b. Kentucky Power staff performed 10 dealer visits in 2012, 32 visits in 2013 and 3 visits year-to-date 2014 to promote the HVAC related programs.
- c. Kentucky Power plans to send letters to dealers describing the program and program changes for 2015. A reminder flyer to dealers is planned for mid-year 2015. Kentucky Power plans to utilize radio advertisements and bill messages to market the program to Kentucky Power customers.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 196, which states:

The billing analysis results were assessed for statistical significance using a 95% confidence interval. While the results were statistically significant, the participant sample did not include a sufficient number of participants per program year to provide statistically significant billing analysis results by program year. Therefore, AEG was only able to provide statistically significant results at the total program level.

Also, refer to Figure 91, page 196 and Figure 92, page 197.

- a. Explain why the participant sample did not include a sufficient number of participants per program year to provide statistically significant billing analysis results by program year.
- b. Explain whether Kentucky Power is going to use the extrapolated 2,914 kWh Billing savings or the 4,874 kWh KPCO Planned savings in calculating its DSM rate components, and how and when are these savings to be used.
- c. Explain why there is such a disparity between the 2,914 kWh Billing savings and the 4,874 kWh KPCO Planned savings.

RESPONSE

- a. All participants were reviewed. To ensure an "apples to apples" comparison among participants, AEG excluded participants from the analysis who lacked twelve months of billing data following installation. This reduced the number of "qualifying" participants on a single year basis below the number required to produce statistically significant results at a 95% confidence interval. AEG concluded that combining the 2012 and 2013 program years was a reasonable alternative to two single-program year analyses and would produce statistically significant results at a 95% confidence level. A similar process was used with the 2011 program evaluation by combining the 2009 and 2010 program years.
- b. Kentucky Power did not use extrapolated gross savings or the planned savings for calculating DSM rate components. The net savings per participant of 1,668 kWh was used for calculating the DSM rate component. Please see Exhibit 8, page 49.

- c. The Company is unable to reconcile the differing values, and hence, unable to explain the disparity, because the 2011 program evaluation was not performed by AEG and the work scope for AEG's evaluation did not include detailed analysis of historical program evaluation reports.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 200, which states:

AEG conducted engineering and billing analyses of the Mobile Home High Efficiency Heat Pump Program to assess gross energy and demand savings based on IPMVP Options A and C. AEG recommends utilizing the 2012-2013 billing analysis savings per participant to determine program savings for program tracking purposes as well as PSC filings. The billing analysis is a more accurate determinant of savings due to the comparison of energy usage pre- and post-measure installation versus the engineering analysis which utilizes an assumed baseline.

Explain why AEG recommends utilizing the 2012-2013 billing analysis savings per participant to determine program savings for program tracking purposes and PSC filings, when AEG states on page 196 that the participant sample did not include a sufficient number of participants per program year to provide statistically significant billing analysis results by program year.

RESPONSE

To ensure an “apples to apples” comparison among participants, AEG excluded participants from the analysis who lacked twelve months of billing data following installation. This reduced the number of “qualifying” participants on a single year basis below the number required to produce statistically significant results at a 95% confidence interval. AEG concluded that combining the 2012 and 2013 program years was a reasonable alternative to two single-program year analyses and would produce statistically significant results at a 95% confidence level. A similar process was used with the 2011 program evaluation by combining the 2009 and 2010 program years.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, pages 202-204. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

Consider Hiring an Implementation Contractor

An Request for Proposal (RFP) for an implementation contractor. Following receipt and assessment of vendor proposals, the program will be reviewed for cost effectiveness.

Consider Program Modifications

Kentucky Power will explore opportunities to combine the customer and dealer rebate forms for improved administrative efficiency. Also, Kentucky Power will explore opportunities to merge the marketing and promotion of the program through mailers, bill inserts, Company web page, and other forms of messaging.

Kentucky Power proposes implementing the modification to the program measure mix beginning 2015. the proposed annual participation goals beginning 2015 include:

- Heat Pump to Heat Pump Replacement
 - 25 participants
- Central Electric Furnace to Heat Pump Replacement
 - 132 Tier 1 participants
 - 88 Tier 2 participants

Program Application and Data Tracking

Kentucky Power will review the program incentive/rebate forms to achieve improved administrative efficiency. Process improvements have been implemented and opportunities to improve the process for validating manual log entry with data tracking systems will be reviewed with a target of improving accuracy. Contracting administrative resources may be utilized if deemed cost effective with program performance.

Engage Participating HVAC Dealers

Kentucky Power will review and continue to improve frequency of dealer outreach and promotion of HVAC programs. Kentucky Power will seek to update dealer listing on the Company web page on a minimum semi-annual basis.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 203, which states, "Consider offering enhanced rebates for higher efficiency equipment. Of the customer applications that met program requirements, approximately forty percent systems installed exceeded the minimum program SEER and/or HSPF requirements." Also refer to Table 244 on page 203 of 329.

- a. Explain how Kentucky Power developed the criteria for the two different tiers and the proposed incentives.
- b. Provide the projected kWh savings of each of the proposed tier measures.
- c. State what effect the proposed incentives will have on the TRC of the program.
- d. Explain whether Kentucky Power discussed these proposed measures with HVAC dealers.

RESPONSE

- a. The tier criteria and proposed incentives are based on similar programs that are run by similar sized utilities and service territories. It has become standard practice to offer graduated incentives for higher efficiency measures in HVAC programs across the country. Offering differing incentives by tiers brings Kentucky Power in line with other utilities in the region and across the country.

b.

2015 Program Forecast	Participation	kWh
Mobile Home Heat Pump	245	412,722
MHHP Central Resistance to HP Tier 1	132	230,233
MHHP Central Resistance to HP Tier 2	88	170,421
MHHP HP to HP	25	12,067

- c. The 2015 TRC is estimated as 1.33 compared to a 2014 TRC of 1.13 based on the existing program measures.
- d. The recommendation to add tiered rebates was partially based on contractor feedback that some customers are moving to higher SEER units. The incentives play a significant role in customer participation. A tiered incentive approach was not discussed with contractors as the recommendation was developed after contractor interviews were completed.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, and the information provided on Tables 250, 253, and 281 on pages 214, 216, and 229, respectively. Explain Kentucky Power's plans for increasing participation and meeting program cost-effectiveness goals.

RESPONSE

Kentucky Power will continue to promote the program through dealer letters and dealer visits. Kentucky Power plans to utilize bill messages and bill inserts (depending on availability) and radio advertising. The Company will continue to explore opportunities to expand the program through the Market Potential Study review and third party contracting resources.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 223, Figure 101. Based on the program participation for 2012-2013, explain whether Kentucky Power has realized the KPCO Planned kWh gross savings for the program.

RESPONSE

The planned per participant savings were exceeded for Heat Pumps and were not achieved for central air conditioners.

WITNESS: Ranie K. Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, pages 229-230. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

Merge with the Commercial Incentive Program

Together, Kentucky Power and DNV GL, the existing contractor for the Commercial Incentive program are investigating a proposal to merge the administrative functions of the Small Commercial High Efficiency Heat Pump/Air Conditioner program with the Commercial Incentive program. The Company anticipates making a decision by the end of the first quarter of 2015. Kentucky Power plans to continue to promote the program through dealer letters, dealer visits as well as utilizing bill messages, bill inserts (depending on availability) and radio advertising.

Consider Program Modifications

The Company has not made a determination with respect to the recommendation. The Company anticipates making a decision by the end of the first quarter of 2015.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 230, which states, "Kentucky Power has not yet conducted an inspection to ensure qualifying systems are being installed." Explain whether Kentucky Power staff plans to make any on-site visits to perform QA/QC for systems installed.

RESPONSE

Kentucky Power plans 1 QA/QC inspection in the fourth quarter of 2014.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, pages 236-237, which states:

Kentucky Power program staff review completed projects and approve customer payment. DNV GL processes customer incentives and issues incentive checks. Kentucky Power maintains the right to conduct random inspections to verify the services are being performed properly and to determine customer satisfaction. No inspections have been conducted to-date. DNV GL conducted inspections of all Retrofit projects in 2012 and 52 percent of Retrofit projects in 2013.

Also refer to Table 286 on page 237.

- a. Explain the differences in the level of retrofit project inspections from 2012 to 2013.
- b. Explain whether Kentucky Power staff plans to make any on-site inspections to ensure QA/QC of the projects in this program.

RESPONSE

- a. The differences reflect the Commission's order in Case No. 2012-00367 approving a change in the number of inspections (15% to 20% of pre- and post installation projects).
- b. Yes. Kentucky Power staff plans to conduct at least two on site inspections for Commercial Incentive Projects in 2014.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, page 243, Table 293. Provide the level of participation year-to-date 2014 and explain Kentucky Power's plan to meet its participation goals for the Commercial Incentive Program.

RESPONSE

At the end of August 2014, the number of projects completed and approved by Kentucky Power was 62.

Kentucky Power's plan and actions to meet participation goals include the following:

- Hired an additional Outreach/Energy Engineer based in the Pikeville area to cover the southern part of the service area. The plan with this engineer is to increase customer contact and provide additional assistance to customers.
- A Program Manager has been assigned to manage the outreach / energy engineering team. The Program Manager is able to conduct local visits and direct the local energy engineering team.
- Increased local meetings with customers and trade allies to assist with the application process and increased promotion of the program.
- DNV GL committed to providing the services of an outreach professional to assist local Kentucky Power outreach staff in following up with customers who have expressed an interest in the program but have not yet delivered an application.
- Additional "Express" (Direct Install) contractors have been recruited for the program during the year.
- Implemented direct outreach to commercial customers.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 2 of the Application, pages 255-256. Explain which of the AEG proposed recommendations Kentucky Power may implement. Provide how and when they are to be implemented.

RESPONSE

Increase Program Marketing

The Company implemented the recommendations in 2014. These included:

- Direct mail promotions
- Training workshops advertised on multiple media channels including the Chamber of Commerce
- Increased customer contact through the addition of a program field representative
- Modified support staffing with the implementation contractor provides improved program management

Review Incentive Levels

Kentucky Power worked with DNV GL to modify program incentives while maintaining cost effective performance of the program.

Streamline Participation Process

The Company has reduced the average time to issue payment from final application date received.

DNV GL added a local field representative and completed other staffing modifications to increase customer contact and improve customer communication in an effort to reduce the number of cancelled projects.

Express Install Program

An RFP was issued for an implementation contractor that specialized in small commercial direct install programs. The Express Install program will be reviewed in 2015 for cost effective performance with an implementation contractor.

Merge the Small Commercial High Efficiency Heat Pump/Central Air Conditioner Program

Kentucky Power has requested from DNV GL a proposal to merge the administrative functions with the Commercial Incentive program. The program has also been included with an RFP for commercial DSM programs for AEP East Operating Companies. The proposals will be reviewed in 2015 as an option to determine if the contracting services can be implemented with the program(s) on a cost effective basis.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 4, which states, "The lost revenue, efficiency incentive and maximizing incentive for the period 1/1/2012 to 12/31/2012 are calculated using the revised values contained in Schedule C of this status report." Confirm that the dates 1/1/2012 to 12/31/2012 are correct, or whether a different time period should be referenced.

RESPONSE

The correct time period is 1/1/2014 to 6/30/2015.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, pages 7 and 23. Provide the projected total cost of the Market Potential Study.

RESPONSE

The projected total cost of the Market Potential Study is \$377,140.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 8, which states, "The YTD costs are \$76,328 for all-electric and \$2,528 for non-all-electric homes." Explain the \$2,528 cost for one non-all-electric home participant.

RESPONSE

The program administration and education expense total \$218. In addition, the Company incurred an evaluation expense of \$2,310. The cost of the evaluation is not directly proportional to the number of customers.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 9, which states, "The participant and expense forecast for 2014 is 220 and \$114,098 respectively," and also states, "The participant and expense forecast for 2015 is 245 and \$105,350 respectively." Explain why less expense is forecasted for 245 participants in 2015 than for 220 participants in 2014.

RESPONSE

The 2015 forecast uses the two tier incentive approach (\$300 and \$500) suggested by the AEG evaluation. The 2014 forecast used a single \$400 incentive. Most of the rebates for this program are expected to be \$300 based on customer equipment installed under the Mobile Home Heat Pump Program in 2014. In addition, the 2015 cost do not include evaluation expenses. The net effect is expected to be less total expense to the program even with the higher participation rate.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 13, which states, "The participant and expense forecast for 2014 is 5,000 customers and \$65,511 respectively," and also states, "The participant and expense forecast for 2015 is 5,500 Customers and \$40,981 respectively." Explain why less expense is forecasted for 5,500 participants in 2015 than for 5,000 customers in 2014

RESPONSE

Kentucky Power plans to offer 13 watt CFL equipment to customers in 2015 and the cost per unit is less than the 23 watt CFL equipment used in prior years. Even with the expected higher participation numbers in 2015, the total cost for 2015 with 13 watt lamps is less than 2014 expected costs.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 14, which states, "The participant and expense forecast for 2014 is 2,200 students and \$36,688 respectively," and also states, "The participant and expense forecast for 2015 is 2,200 students and \$22,393 respectively." Explain why there is less expense is forecasted for 2,200 students in 2015 than for 2,200 students in 2014.

RESPONSE

Kentucky Power plans to offer 13 watt CFL equipment to customers in 2015 and the cost per unit is less than the 23 watt CFL equipment used in prior years. The program will have no evaluation expense in 2015 compared with \$9,713 forecast for 2014.

WITNESS: Ranie K. Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 16. Provide the proposed incentives for the measures proposed in 2015.

RESPONSE

As forecast for filing:

Program	Incentive Cost per Unit
Residential Efficient Products	
Eff Prod CFL	\$1
Eff Prod Spec CFL	\$3
Eff Prod LED	\$7
Specialty LED	\$9
Energy Star Refrigerator	\$50
Energy Star Freezers	\$50
Energy Stars Clothes Washers	\$50
Energy Star Dehumidifier	\$25
Energy Star Heat Pump Water Heaters	\$300

WITNESS: Ranie K. Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Amended Exhibit 3 of the Application, page 25, which states, "The participant and expense forecast for 2014 is 5 central air conditioners and 10 heat pumps with a program budget of \$18,393," and also states, "The participant and expense forecast for 2015 is 5 central air conditioners and 10 heat pumps with a program budget of \$8,250." Explain why there is less expense forecasted for five central air conditioners and ten heat pumps in 2015 than for five central air conditioners and ten heat pumps in 2014.

RESPONSE

There is no evaluation expense in 2015 compared with \$9,481 forecast for 2014. In addition, the marketing expense in 2015 is \$1,000 compared with \$1,662 for 2014.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Refer to Exhibit 8 — Exhibit C of the Application, pages 49-50.

- a. Provide in electronic format, with formulas intact and cells unprotected, any assumptions or documentation to support the lost revenue factors.
- b. Refer to Exhibit 8 — Exhibit C of the Application, pages 49-50. Provide in electronic format, with formulas intact and cells unprotected, any assumptions or documentation to support the kWh saving used in the lost revenue calculation.

RESPONSE

- a. Please see KPSC_1_52_Attachment1 and KPSC_1_52_Attachment2 for documentation supporting the lost revenue factors.
- b. Please see KPSC_1_52_Attachment3 for supporting documentation to the kWh savings used in the lost revenue calculation.

WITNESS: Ranie K Wohnhas

Net Savings 2012 -2013 Existing Programs:

Program/Measure	Energy Savings per Participant (kWh)	Summer Demand Savings per Participant (kW)	Winter Demand Savings per Participant (kW)	Net Participant Benefits	KPCO Shared Benefits 15%
Residential Efficient Products	27.27	0.003	0.003	\$4.64	\$0.70
Standard CFL	24.97	0.003	0.003	\$4.50	\$0.67
Specialty CFL	34.22	0.004	0.004	\$5.99	\$0.90
LED	31.77	0.003	0.003	-\$19.38	na
Community Outreach	56	0.01	0.01	\$5.80	\$0.87
Student Energy Education	78	0.01	0.01	\$9.40	\$1.41
Modified Energy Fitness	798	0.15	0.1	\$103.93	\$15.59
Mobile Home New Construction	1,438	0.5	0.44	\$590.44	\$88.57
Targeted Energy Efficiency	2,037	0.64	0.45	\$935.68	\$140.35
All Electric Home	2,262	0.73	0.5	\$1,022.15	\$153.32
Non-All Electric Home	433	0.04	0.04	\$7.57	\$1.14
Residential HVAC Diagnostic & Tune-Up	284	0.02	0.04	-\$85.98	na
Heat Pump	284	0.02	0.04	-\$76.96	na
Central Air Conditioner	-	-	-	-\$124.59	na
Small Commercial HVAC Diagnostic & Tune-Up	668	0.04	0.1	-\$214.17	na
Heat Pump	668	0.04	0.1	-\$177.57	na
Central Air Conditioner	-	-	-	-\$313.12	na
Residential High Efficiency Heat Pump	891	0.02	0.5	\$142.79	\$21.42
Replace Resistance Heat	1,278	-0.04	0.82	\$173.13	\$25.97
Replace Heat Pump	775	0.13	0.28	\$72.69	\$10.90
Mobile Home High Efficiency Heat Pump	1,668	-0.05	1.08	\$98.67	\$14.80
Small Commercial High Efficiency Heat Pump/Air Conditioner Incentive	n/a	n/a	n/a	-\$327.35	na
Heat Pump Replacement	694.5	0.56	0.25	-\$154.61	na
Heat Pump, ≤36 kBtu/h	586	0.48	0.2	\$0.00	na
Heat Pump, 36 kBtu/h ≤65 kBtu/h	803	0.64	0.3	\$0.00	na
Air Conditioner Replacement	134.5	0.285	-	-\$6,395.17	na
Air Conditioner ≤36 kBtu/h	96	0.2	-	\$0.00	na
Air Conditioner 36 kBtu/h ≤65 kBtu/h	173	0.37	-	\$0.00	na
Commercial Incentive					na
Per Project	18,813	3.1	3	\$4,930.48	\$739.57
Per Participant	18,792	3.1	3	-	-

Estimated Net Savings New Programs or New Measures:

Program/Measure	Energy Savings per Participant (kWh)	Non-Coincident Peak kW	Net Participant Benefits	KPCO Shared Benefits 15%
Residential Home Performance	205	0.0294	\$3.61	\$0.54
Appliance Recycling	725	0.063	\$49.28	\$7.39
Residential Efficient Products				
Specialty LED	31	0.0035	\$5.04	\$0.76
Energy Star Refrigerator	9	0.0038	-\$8.02	na
Energy Star Freezers	14	0.0019	-\$19.50	na
Energy Stars Clothes Washers	59	0.0084	-\$60.73	na
Energy Star Dehumidifier	61	0.0140	\$0.46	\$0.07
Energy Star Heat Pump Water Heaters	1,433	0.0679	\$23.61	\$3.54

KENTUCKY POWER COMPANY

REQUEST

Provide Application Exhibit 8 — Exhibit C in electronic format, with formulas intact and cells unprotected, as required by the Commission's Order in Case No. 2012-00367. (See Footnote 1).

RESPONSE

Please see KPSC_1_53_Attachment1 for the electronic copy of Exhibit 8 - Schedule C.

WITNESS: Ranie K. Wohnhas

1) Case No. 2012-00367, 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 (Ky. PSC Feb. 22, 2013).

KENTUCKY POWER COMPANY

REQUEST

In total and by program, provide the cost of the AEG evaluation report.

RESPONSE

The year to date cost of the evaluation report for 2013 and 2014 by total cost and by program are listed in the table below.

Program	Total Program Costs
Commercial HVAC Diagnostics and Tune-up	\$10,705.62
Commercial High Efficiency HP/AC Upgrade	\$10,850.06
Commercial Incentive - projects	\$71,094.57
Targeted Energy Efficiency	\$24,306.36
High Efficiency Heat Pump - Mobile Home	\$15,210.54
Mobile Home New Construction	\$14,335.65
Modified Energy Fitness	\$34,306.10
High Efficiency Heat Pump	\$24,352.94
Community Outreach CFL	\$12,694.33
Energy Education for Students	\$11,129.22
Residential Efficient Products - units	\$32,870.37
Residential HVAC Diagnostic and Tune-up	\$13,810.89
Total	\$275,666.67

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

By program, provide a schedule of the proposed program costs for 2015.

RESPONSE

	Sum of First Half Year	Sum of Second Half Year	Forecast
Total Expense			
Commercial			
Commercial Incentive	610,150.99	856,419.66	1,466,570.65
Commercial High Efficiency Heat Pump/Air Conditioning	3,300.00	4,950.00	8,250.00
General Administrative and Promotion Commercial	111,548.00	0.00	111,548.00
School Energy Management	0.00	0.00	0.00
Commercial Total	724,998.99	861,369.66	1,586,368.65
Residential			
Residential Efficient Products	530,380.91	530,368.11	1,060,749.02
Mobile Home High Efficiency Heat Pump	55,659.09	49,690.91	105,350.00
Mobile Home New Construction	37,390.32	49,109.68	86,500.00
High Efficiency Heat Pump	150,300.00	146,450.00	296,750.00
Targeted Energy Efficiency	133,225.00	161,025.00	294,250.00
Modified Energy Fitness	379,111.41	462,638.99	841,750.40
Community Outreach Compact Fluorescent Lighting	18,108.89	22,872.41	40,981.30
Energy Education for Students	10,727.27	11,665.73	22,393.00
NEW Residential Home Performance	171,600.00	257,400.00	429,000.00
NEW Appliance Recycling	37,480.27	103,070.73	140,551.00
General Administrative and Promotion Residential	111,548.00	0.00	111,548.00
Residential Total	1,635,531.16	1,794,291.56	3,429,822.72
Total Expense Total	2,360,530.15	2,655,661.22	5,016,191.37

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY

REQUEST

Provide the date of the first cycle meter reading beginning with the revenue of November 2014 through March 2015.

RESPONSE

November 2014	October 28, 2014
December 2014	November 26, 2014
January 2015	December 31, 2014
February 2015	January 30, 2015
March 2015	March 2, 2015

WITNESS: Ranie K Wohnhas