

Kentucky Power Company

REQUEST

- a. Refer to Kentucky Power's Response to Item 4.b. Kentucky Power responded that the error was due to the incorrect transposition of 2014 program-to-date data and provided the revised Status Report. The referenced revised Status Report is for January-December 2015 and January-June 2016. Provide the revised 2014 report.

- b. Refer to Attachment 4, page 3 of 72. Year to date ("YTD") Total lost Revenues is reported as \$2,026,303. In the application, Exhibit 3, page 3 of 72 TD Total Lost Revenues is reported to be \$2,041,272.
 - (1) Confirm that this difference is a result of a change in YTD Lost Revenues for the Residential Efficient Products Program from \$839,802 in the application to \$824,833 in the revision.
 - (2) If such is confirmed, explain why Lost Revenues changed for the Residential Efficient Products Program.
 - (3) If such is not confirmed, reconcile this difference.

- c. Refer to Attachment 4, page 38 of 72. YTD Total Lost Revenues is reported as \$1,827,564. In the application, Exhibit 3, page 38 of 72, YTD Total Lost Revenues is reported to be \$1,838,723.
 - (1) Confirm that this difference is a result of a change in YTD Lost Revenues for the Residential Efficient Products Program from \$695,036 in the application to \$683,567 in the revision.
 - (2) If such is confirmed, explain why Lost Revenues changed for the Residential Efficient Products Program.
 - (3) If such is not confirmed, reconcile this difference.

RESPONSE

- a. The error occurred when data from the 2014 Status Report were copied to the 2015 Status Report. No revisions were made to the 2014 Status Report.
- b. (1 and 2). Confirmed. The change in the YTD Lost Revenue for Residential Efficient Products was due to a data input error.
- c. (1 and 2). The Company confirms the change between the YTD Total Lost Revenue of \$1,838,723 shown on Exhibit 3, page 38 of 72 of the Application, and the amount of \$1,827,254 shown at page 38 of 72 on KPCO_R_1_4_Attachment4 resulted from a change in the YTD Lost Revenue for the Residential Efficient Products. The change in the YTD Lost Revenue for Residential Efficient Products was due to a data input error.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Refer to Staff's Initial Request, Item 7.b. For each state with active DSM programs with participants classified as industrial, provide the number of participants per program, and state how DSM costs and lost revenues are collected. If costs are collected through an Industrial DSM surcharge or rider, provide the amount of such surcharges.

RESPONSE

Kentucky Power lacks the information required to provide "the number of participants classified as industrial per program." Industrial participants are not separately reported or identified in the jurisdictions in which other American Electric Power Company ("AEP") operating companies offer DSM programs. Instead commercial and industrial customers are reported on an aggregated basis.

Currently, all states in which AEP's operating companies offer DSM programs, except Tennessee, permit the use of a surcharge or rider to recover DSM/energy efficiency program costs. The manner of recovery (including calculation, form of recovery, etc.) vary significantly from state to state. In addition, these other jurisdictions do not provide for separate DSM riders or surcharges based on customer class.

Generally, the cost to be recovered is the sum of the program costs, the net lost distribution revenues, and the shared savings. The ongoing process to update the riders is usually received in an annual filing or extended year portfolio plan filing and varies state-by-state.

WITNESS: John A Rogness