

Kentucky Power Company  
KPSC Case No. 2018-00311  
Commission Staff's First Request For Information  
Dated October 1, 2018

**DATA REQUEST**

KPSC 1-1                      Refer to the application, paragraph 11 . Identify the five participating community action agencies and the number of program slots allocated to each of the Participating Agency.

**RESPONSE**

- (a)     Northeast Kentucky Community Action Agency, Inc.;
- (b)     Middle Kentucky Community Action Partnership, Incorporated;
- (c)     Big Sandy Area Community Action Program;
- (d)     Gateway Community Action Agency; and
- (e)     LKLP Community Action Council, Inc.

Please refer to KPCO\_R\_KPSC\_1\_1\_Attachment1.pdf for slots allocated to the participating agencies.

Witness:                      Matthew A. Horeled

**Kentucky Power Company**  
**2018-2019 Home Energy Assistance in Reduced Temperatures (HEART)**  
**Pro-Rata Calculation for Available Slots for Counties in KPCO Service Territory**  
**Based upon Number of Heating and Non-Heating Residential Customers**

County	Agency Serving County	Heating Sector			Non-Heating Sector			Total No. of HEAP Slots
		No. of Residential Heating Customers	Percentage of Total Residential Heating Customers	No. of Heating Slots	No. of Residential Non-Heating Customers	Percentage of Total Residential Non-Heating Customers	No. of Non-Heating Slots	
BOYD	Northeast Kentucky	9,202	10.90%	167	10,538	20.79%	112	279
CARTER	Northeast Kentucky	4,862	5.76%	88	2,139	4.22%	23	111
ELLIOTT	Northeast Kentucky	14	0.02%	0	11	0.02%	0	0
GREENUP	Northeast Kentucky	6,014	7.12%	109	6,584	12.99%	70	179
LAWRENCE	Northeast Kentucky	3,860	4.57%	70	2,175	4.29%	23	93
	<b>Northeast Kentucky Totals</b>	<b>23,952</b>	<b>28.37%</b>	<b>435</b>	<b>21,447</b>	<b>42.31%</b>	<b>227</b>	<b>663</b>
ROWAN	Gateway CSO	561	0.66%	10	333	0.66%	4	14
MORGAN	Gateway CSO	657	0.78%	12	251	0.50%	3	15
	<b>Gateway CSO Totals</b>	<b>1,218</b>	<b>1.44%</b>	<b>22</b>	<b>584</b>	<b>1.15%</b>	<b>6</b>	<b>28</b>
FLOYD	Big Sandy CAP	6,771	8.02%	123	5,599	11.05%	59	182
JOHNSON	Big Sandy CAP	3,376	4.00%	61	2,297	4.53%	24	86
MAGOFFIN	Big Sandy CAP	1,649	1.95%	30	620	1.22%	7	37
MARTIN	Big Sandy CAP	2,393	2.83%	44	1,479	2.92%	16	59
PIKE	Big Sandy CAP	19,281	22.84%	351	7,892	15.57%	84	434
	<b>Big Sandy CAP Totals</b>	<b>33,470</b>	<b>39.65%</b>	<b>609</b>	<b>17,887</b>	<b>35.29%</b>	<b>189</b>	<b>798</b>
BREATHITT	Middle KY River	2,774	3.29%	50	1,376	2.71%	15	65
OWSLEY	Middle KY River	7	0.01%	0	4	0.01%	0	0
	<b>Middle KY River Totals</b>	<b>2,781</b>	<b>3.29%</b>	<b>50</b>	<b>1,380</b>	<b>2.72%</b>	<b>15</b>	<b>65</b>
LESLIE	LKLP	3,479	4.12%	63	1,000	1.97%	11	74
KNOTT	LKLP	3,783	4.48%	69	2,706	5.34%	29	97
LETCHER	LKLP	7,263	8.60%	132	2,115	4.17%	22	154
PERRY	LKLP	8,472	10.04%	154	3,573	7.05%	38	192
	<b>LKLP Totals</b>	<b>22,997</b>	<b>27.24%</b>	<b>418</b>	<b>9,394</b>	<b>18.53%</b>	<b>100</b>	<b>518</b>
<b>Totals</b>		<b>84,418</b>	<b>100.00%</b>	<b>1,535</b>	<b>50,692</b>	<b>100.00%</b>	<b>537</b>	<b>2,072</b>

No. of slots available this year

1,535

537

\* excluding Bell, Clay & Lewis counties

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**DATA REQUEST**

KPSC 1-2                      Refer to the application, paragraph 21 (b), regarding eligibility of the Home Energy Assistancess in Reduced Temperatures program (HEART Program) being limited to those Kentucky Power customers who are current in their payments or who are no more than 59 days in arrears. Explain the rationale behind this eligibility requirement.

**RESPONSE**

HEART is designed to provide assistance to those customers who can most benefit from the amounts credited under the program. The credits are intended to reduce the amounts owed by customers sufficiently so that customers receiving the benefit can stay current or otherwise comply with a payment plan that is in place through use of the HEART benefits or application of a combination of HEART benefits and other resources available to the customer.

Customers with substantial past due amounts are unlikely to be able to stay current or comply with any payment plans even with the benefit because of the limited amount of the benefits credited under the program. Fifty-nine days was selected as a reasonable proxy for the level of indebtedness beyond which the benefits would be insufficient to achieve the program goal.

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**DATA REQUEST**

KPSC 1-3                      Refer to the application, paragraph 22. Refer also to paragraph 10 of the application regarding the number of participants in the home energy assistance program. Explain why the number of electric heating and non-electric heating participants is expected to decrease from 1,845 and 641 to 1,535 and 537, respectively, since the beginning of 2017 to the beginning of 2019.

**RESPONSE**

The reduction in HEART program slots reflects the allocation of 25 percent of program funds to THAW.

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**DATA REQUEST**

KPSC 1-4                      Refer to the application, paragraph 24(c), regarding eligibility of the Temporary Heating Assistance in Winter program (THAW Program) being limited to, among other things, those Kentucky Power customers who's account at any residential address have not been more than 59 days past due at the time of the application for THAW benefits. Explain the rationale behind this eligibility requirement.

**RESPONSE**

Please see the Company's response to KPSC 1-2. This limitation takes on additional importance in the case of the THAW program with the \$175 cap on total benefits available.

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**DATA REQUEST**

KPSC 1-5                      Refer to the application, paragraph 25. Provide the process for identifying Low Income Home Energy Assistance Program (LIHEAP Program) and other operational details of the LIHEAP Program as currently used by Kentucky Power and Community Action Kentucky, Inc.

**RESPONSE**

Local community action agencies conduct outreach activities to notify the public about the availability of the LIHEAP program and the eligibility requirements. The methods are adapted to meet local needs, but may involve notification on radio, newspaper, television, press releases, flyers, posters, and through posting on social media and websites. CAK and the Cabinet for Health and Family Services may also make public announcements via similar venues. CAK operates a toll-free information number to provide clients with information about the program and to direct them to their local CAA.

Utilities, fuel providers, and local community organizations such as churches and other non-profits also are provided with program information so that they can refer people to their local community action agency.

Upon contact with the CAA, a case worker will identify the client's needs and evaluate the client's eligibility. Depending on the circumstances, the client may be enrolled in one or more assistance programs, such as LIHEAP and weatherization programs. If additional needs are present, the client may also be referred to providers of childcare, employment, health care, and transportation services.

If the client is a Kentucky Power customer and meets the eligibility requirements, the case worker may, subject to the client's needs and funding availability, enroll the client in the Company's home energy assistance program.

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**DATA REQUEST**

KPSC 1-6

Refer to the application, paragraph 28. Confirm that the proposed voluntary cost assistance program (Donation HEART Program) will be funded by special contributions from Kentucky Power customers as set forth in KRS 278.287(5). Further, confirm that the Donation HEART Program will not be funded by via voluntary monthly customer contributions as provided pursuant to KRS 278.287(4).

**RESPONSE**

The Company confirms both statements.

Witness: Matthew A. Horeled

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**DATA REQUEST**

KPSC 1-7                      Refer to the application, paragraph 29. Explain why Kentucky Power the benefits associated with the proposed Donation HEART Program will not begin until January 2020.

**RESPONSE**

A lead time is required to implement the program following Commission approval. Further, benefits are payable only through March 15 of each year. KRS 278.287(7). Thus, the 2019 "window" for receiving, processing, and paying the benefits is limited.

Implementing the program beginning January 2020 will provide sufficient time for the Company to publicize the program, receive donations, and to match the donations, and for the local community action agencies to establish the necessary processes to screen applicants and award benefits.

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**DATA REQUEST**

KPSC 1-8                      Refer to the application, paragraph 30, regarding disbursements of benefits under the Donation HEART Program being from January 1 through March 15 of each year in conformity with KRS 278.287(6). However, KRS 278.287(7) actually provides that additional disbursements from the voluntary energy cost assistance fund can be made from January 1 through March 15 of each year in the event there are additional funds available after the annual disbursements are made in November and December of each year as required under KRS 278.287(6). Explain how the disbursements under the Donation HEART Program will comport with the requirements of KRS 278.287(6) and (7).

**RESPONSE**

KRS 278.287(6) employs the permissive “may.” Subsection (6) thus allows but does not compel that donated funds be disbursed beginning in November of each year. *See e.g., Alexander v. S & M Motors, Inc.*, 28 S.W.3d 303, 305 (Ky. 2000) (“We, therefore, read the statute [providing ‘the court *may award*, to the prevailing party, in addition to the relief provided in this section, reasonable attorney's fees and costs’] to authorize, but not mandate, an award of attorney fees and costs in an action brought under the Kentucky Consumer Protection Act.”) If the General Assembly had intended that donated funds must be disbursed beginning in November and December it could and would have so provided by legislating that: “(6) Annual disbursements from the fund *shall* be made in November and December of each year ....”

KRS 278.287(7) likewise authorizes funds to be disbursed from January through March 15 even absent earlier disbursements. Funds not disbursed in November and December because there is no program for doing so are just as “available” as funds left undisbursed from a program providing benefits in November and December. Indeed, to read KRS 278.287(7) to mean that the only funds that can be disbursed in January through March are those funds that were available but not disbursed in November and December would mean that funds received in January and February would be unavailable to be disbursed in March. Statutes should not be construed to bring about an illogical result. *Commonwealth ex rel. Conway v. Thompson*, 300 S.W.3d 152, 175 (Ky. 2009).

Reading the two subsections together to permit funds to be disbursed in November and December *or* in January through March 15 (or both) gives effect to both subsections without diminishing either. The subsections of a single statute such as KRS 278.287 should be considered *in pari materia* so as to give effect to both without allowing one to override the other. *Boyd v. Alexander*, 284 S.W.3d 85, 88 (Ky. 1955).

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Finally, construing the two subsections as providing for separate and non-contingent disbursement periods is fully consistent with their codification as separate subsections and the imposition of the additional eligibility requirements found in KRS 278.287(7)(f).

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**DATA REQUEST**

KPSC 1-9                      When is the program year for the HEART and THAW Programs?

**RESPONSE**

The program year for both programs is October 1 through September 30 of the following year.

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**DATA REQUEST**

KPSC 1-10

KRS 278.287(10) directs the Commission to require utilities that administers a voluntary energy cost assistance fund and provide service to retail customers to develop and implement a mechanism for soliciting and receiving contributions to such fund. Explain whether Kentucky Power has developed such a mechanism.

**RESPONSE**

Contributions will be solicited through a legend on each customer's monthly bill where the customer can choose to make a contribution and specify the amount. Solicitations will be made via electronic bill inserts for customers who utilize auto-pay or paperless billing. Auto-pay and paperless customers will have an online option, via their normal payment process, to make a contribution.

Additionally, the Company anticipates promoting the new voluntary contribution option on the Company's website and via a news release in traditional and social media.

All contributions will be received through normal payment channels and maintained in a segregated account to be used only for the Donation HEART program.

Witness:           Matthew A. Horeled

**VERIFICATION**

The undersigned, Matthew A. Horeled, being duly sworn, deposes and says he is the Director of Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Matthew A. Horeled  
Matthew A. Horeled

Commonwealth of Kentucky )  
  )  
County of Boyd                                    )     Case No. 2018-00311

Subscribed and sworn before me, a Notary Public, by Matthew A. Horeled this  
11 day of October, 2018.

Trisha M. Young Blum  
Notary Public

My Commission Expires 3-18-19

