

DATA REQUEST

- AG 1_1** Refer to KPCo's Response to Staff 1-7. Provide the number of available slots in the KPCo HEA program for each of the past 5 years.
- a. Explain how much of any increase in slots for each of the past 5 years is due to rolling unexpended funds from one program year to the next.
 - b. Explain whether KPCo increased the number of slots in the HEA program for any reason other than having unexpended funds. If so, fully describe any such reason.

RESPONSE

- a. Please see KPCO_R_AG_1_1_Attachment1.

It is important to note that the amount of rollover funds available for distribution in an upcoming program year is calculated using a three-step process. First, actual HEAP surcharge receipts and matching Kentucky Power funds for the twelve months ending August 31 of the prior program year are summed. Second, the amount of HEAP benefits and actual administrative costs paid for the twelve months ending August 31 of the prior program year are likewise summed. The rollover amount is then calculated by subtracting the sum of the benefits and administrative costs paid from the sum of the surcharge and contribution receipts. This calculated rollover amount is then added to the forecast for the upcoming program of program receipts (both surcharge and Company contribution) less forecasted administrative costs to calculate the net funds available for distribution in the upcoming program year.

KPCO_R_AG_1_1_Attachment1 shows a "negative rollover" from program year 2014-2015 of 109 slots for use in program year 2015-2016. This negative rollover principally resulted from the use of a 13-month period ending September 30, 2015 (in lieu of the 12 months ended August 31, 2015) in calculating the funds available for rollover. Prior to 2018 benefits were paid over the course of seven months each program year. September was one of the seven months prior to 2018 in which benefits were paid. In any month, such as September 2015, in which benefits are paid, benefits and administrative expenses paid in that month exceeded surcharge revenues and Company contributions in the same month. The inclusion of September 2015, in which outflows exceeded inflows in the rollover calculation, yielded the negative rollover from program year 2014-2015 into program year 2015-2016. This aberration was trued up in the calculation of the 2015-2016 program year rollover for use in the 2016-2017 program year.

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b. By Order dated January 18, 2018 in Case No. 2017-00179 the Commission increased the HEAP customer surcharge from \$0.15 per residential meter to \$0.30 per residential meter. The Company match was increased to \$0.30 per residential meter.

By Order dated October 30th 2018 in Case No. 2018-00311 the Company's HEAP surcharge was expanded to support the new THAW program. Subsequently, the HEART program was allocated 75 percent of the HEAP surcharge receipts and the matching Kentucky Power contribution. The THAW program is allocated 25 percent of the monthly HEAP surcharge receipts as well as the matching Kentucky Power contribution. Additionally, the Order established the HEART (Donation) program which is funded through customer donations and a Company match up to \$20,000 annually.

Witness: Brian K. West

HEART

Program Year	No. of Slots Attributable to Rollover From Prior Program Year		
	Electric Slots	Non-Electric Slots	All
2018-2019	279	97	376
2017-2018 Post 2017-00179	195	68	263
2017-2018 Pre-2017-00179	163	57	220
2016-2017	142	49	192
2015-2016	-81	-28	-109
2014-2015	251	87	338

THAW*

Program Year	No. of Slots Attributable to Rollover** From Prior Program Year		
	Electric Funds	Non-Electric Funds	All
2018-2019	\$ 41,346.24	\$ 7,296.40	\$ 48,642.64 ***

* THAW was approved per Commission Order dated October 30, 2018 in Case No. 2018-00311.

** Rollover funds are split based on spread between HEART and THAW despite THAW not having been in operation the previous year.

*** THAW benefit amount varies by participant up to \$175 per program year.

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AG 1_2 Refer to KPCo's Response to Staff 1-9. If neither KPCo nor its administrator measure how applicants learned of the HEA program, explain how KPCo ensures that customers who may qualify for the HEA program have been sufficiently engaged and educated on the available benefits, and how each it gauges the effectiveness of its communication efforts.

RESPONSE

Please see the Company's response to the KPSC 1_8 regarding its measures to engage and educate customers who may qualify for its home energy assistance.

The Company does not formally measure the effectiveness of its HEA program communications. Participants could be questioned during the application process as to how they learned of the HEA programs. Incorporating this procedure into the application process would increase the administrative burden on the community action agencies. The reliability of the results of such an informal process is uncertain. Although a formal survey could be undertaken, the cost of a more formal survey would reduce the funds available for distribution to customers.

Witness: Stevi N. Cobern

VERIFICATION

The undersigned, Brian K. West, 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.




Brian K. West

Commonwealth of Kentucky)
)
County of Boyd)

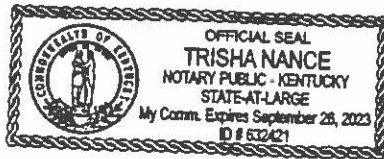
Case No. 2019-00366

Subscribed and sworn before me, a Notary Public, by Brian K. West this
2nd day of January, 2020.



Notary Public

My Commission Expires 9-26-2023



VERIFICATION

The undersigned, Stevi N. Cobern, being duly sworn, deposes and says she is a Customer Services Coordinator Associate for Kentucky Power, that she 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 her information, knowledge, and belief.

Stevi N. Cobern

Stevi N. Cobern

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2019-00366

Subscribed and sworn before me, a Notary Public, by Stevi N. Cobern this
2nd day of January, 2020.

Trisha Nance

Notary Public

My Commission Expires 9-26-2023

