

Kentucky Power Company
KPSC Case No. 2019-00366
Commission Staff's 1st Set of Data Requests
Dated October 28, 2019

DATA REQUEST

KPSC 1_1 Refer to Appendix C to this Order, which contains utility-specific HEA program eligibility criteria, funding and administration data, and annual budgets and disbursements. Confirm that the information in Appendix C applicable to your utility (Utility) is accurate or, if any information is not accurate, provide the updated information.

RESPONSE

Kentucky Power cannot confirm that the information regarding the Company is accurate. Please see attachment KPCO_R_KPSC_1_1_Attachment1 for updated Kentucky Power-specific HEA program eligibility criteria, funding and administration data, and annual budget and disbursement information.

The attachment mirrors Staff's tables. Information that the Company has updated is highlighted in green. The format of the sheet labeled "Appendix C, Pg1" columns "HEART" and "THAW" was modified to reflect the effect of the Commission's September 11, 2019 Order in Case No. 2019-00245.

An additional sheet labeled "Appendix C, Pg3 Detail" has also been provided. This sheet illustrates in depth the determination of program funds and the subsequent slots or funds available to the Company's HEA programs.

Witness: Brian K. West

FEBRUARY 24, 2020 SUPPLEMENTAL RESPONSE

Revised_KPCO_R_KPSC_1_1_Attachment1 makes two changes to the previously-filed attachment:

- Amends the "UPDATED INFORMATION" table on the "Appendix C Pg1" tab to reflect that not having service disconnected is a requirement for the THAW program.
- Updates the order of the notes to the table on the "Appendix C Pg3" tab to align each note with the column to which it applies.

Witness: Brian K. West

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KPSC 1_3 Describe in specific detail all aspects of the Utility's oversight of the agency that administers HEA applications.

RESPONSE

Kentucky Power exercises oversight of CAK by performing each of the following activities:

- Review and approve CAK's proposed annual budget.
- Provide annual training sessions directly to CAK's community action agencies.
- Collaborate with CAK to ensure file transfers are secure and working as intended.
- Keep abreast of program implementation by responding to general inquiries from HEART and THAW program participants.
- Review CAK invoices prior to making timely payment.
- Annual review of audit prepared by an independent certified public accountant.
- Review the transfer of slots and funds between community action agencies. CAK is required to notify Kentucky Power of each transfer within three business days of its occurrence.
- Quarterly meetings with CAK, or more frequently as needed, to discuss the status of the HEART and THAW programs.

More broadly, the Company also provides oversight by ensuring proper program administration through the following activities:

- Ensure the continued \$0.30 charge on each residential customer's monthly bill ("customer charge") to fund the HEART and THAW programs. The customer charge is recovered pursuant to Commission's Order in Case No. 2017-00179 and appears as a separate line item on each bill. The amount of the customer charge is subject to change pursuant to future Orders of the Commission.
- Ensure Donation HEART funds are segregated and disbursed in accordance with KRS 278.287.
- Prepare slots/funds for the upcoming HEA program year and provide to CAK at least 60 days prior to the beginning of the program year.

Witness: Brian K. West

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FEBRUARY 24, 2020 SUPPLEMENTAL RESPONSE

This response is supplemented to identify Ms. Cobern as a witness.

Witnesses: Brian K. West and Stevi N. Cobern

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KPSC 1_4 Explain in specific detail how the agency that administers the Utility's HEA application process is paid, e.g., a fixed amount per application, a percentage of budgeted or expended funds, or a lump sum.

RESPONSE

Kentucky Power reimburses CAK for CAK's actual reasonable costs, including new and increased IT costs, in administering the Company's residential energy assistance programs. Those costs are capped at seven percent of the total residential energy assistance program revenues (both customer contribution and Kentucky Power matching payment) for the HEART program and ten percent for the THAW program. In addition, Kentucky Power compensates CAK for IT costs that exceed the program caps if Kentucky Power deems them reasonable and necessary to comply with the applicable law or data exchange requirements. CAK also is required to provide the Company with a reasonable estimate of the anticipated costs before they are incurred.

Please see KPCO_R_KPSC_1_4_Attachment1 for a copy of the agreement governing Kentucky Power's reimbursement of CAK, which the Commission most recently reviewed and approved in its September 11, 2019 Order in Case No 2019-00245.

Witness: Brian K. West

FEBRUARY 24, 2020 SUPPLEMENTAL RESPONSE

This response is supplemented to add Ms. Cobern as a witness.

Witnesses: Brian K. West and Stevi N. Cobern

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KPSC 1_8 Describe in specific detail how the Utility's HEA programs are advertised or communicated to customers. Provide all marketing materials.

RESPONSE

For the 2018 and 2019 program years, the Company provided the following advertisements and communications to customers regarding its HEA programs:

- Customer handbooks are provided to local community action agencies, county judge executive offices, festivals, various community outreach events, and through individual interactions with Customer Service Representatives.¹
- Palm cards are provided to field employees during the fall and winter season for distribution.
- The Company provided a press release describing the program to all major media in its service territory during the 2018 program year.² This release was picked up by The Daily Independent and ran on December 10, 2018.
- Information is provided on the Company's website:
<https://www.kentuckypower.com/account/bills/assistance/> and
<https://www.kentuckypower.com/winterbills>
 - The first link provides a printable flyer regarding the HEART and THAW programs. The flyer also was included in a November 8, 2019 targeted email sent to approximately 11,000 residential customers who were past due on their electric account. The flyer also will be included with a newsletter to elected officials in the Company's service territory notifying them of eligibility changes. A similar newsletter (and flyer) were provided on November 5, 2018 to address the changes to the Company's HEA programs approved by the Commission in Case No. 2018-00311.

¹ Festivals include Hillbilly Days in Pikeville, Summer Motion in Ashland, and the Black Gold Festival in Hazard. Community Outreach events consist of Kentucky Power personnel attending senior citizen facilities, libraries, or community action offices to present an informational session which includes energy conservation tips, optional programs, and assistance programs. Customer Service Representatives meet with various customers regarding inquiries (such as high bills). At their discretion, a customer handbook may be provided.

² Year 2018 for HEART refers to applications which began November 1st 2018 and benefit months January through April 2019. Year 2018 for THAW refers to applications which began January 2019 and benefits awarded January 2019 through April 2019.

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- A targeted postcard was sent in January 2019 to approximately 3,000 residential customers who were between \$200 and \$300 past due on their account.
- A bill insert discussing the THAW program will be sent to residential customers with their December 2019 bill.

Copies of the communications listed above are attached as
KPCO_R_KPSC_1_8_Attachment1 through KPCO_R_KPSC_1_8_Attachment6.

Witness: Brian K. West

FEBRUARY 24, 2020 SUPPLEMENTAL RESPONSE

This response is supplemented to identify add Ms. Cobern as a witness.

Witnesses: Brian K. West and Stevi N. Cobern

