

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter Of:

The Electronic Application Of Kentucky Power	)	
Company For: (1) Approval Of Continuation	)	
Of Its Targeted Energy Efficiency Program;	)	
(2) Authority To Recover Costs And Net Lost	)	
Revenues, And To Receive Incentives Associated	)	Case No. 2020-00362
With The Implementation Of Its Demand-Side	)	
Management Programs; (3) Acceptance Of Its	)	
Annual DSM Status Report; And (4) All Other	)	
Required Approvals And Relief	)	

**DIRECT TESTIMONY OF**

**SCOTT E. BISHOP**

**ON BEHALF OF KENTUCKY POWER COMPANY**

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**I. INTRODUCTION**

1 **Q. PLEASE STATE YOUR NAME, POSITION WITH KENTUCKY POWER**  
2 **COMPANY, AND BUSINESS ADDRESS.**

3 A. My name is Scott E. Bishop. My position is Regulatory Consultant Senior for Kentucky  
4 Power Company (“Kentucky Power” or the “Company”). My business address is 1645  
5 Winchester Avenue, Ashland, Kentucky 41101.

6 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**  
7 **BUSINESS EXPERIENCE.**

8 A. I received a Bachelor of Arts degree in Economics from The Ohio State University in  
9 Columbus, Ohio in 1992 and a Master of Business Administration degree from Ohio  
10 Dominican University in Columbus, Ohio in 2004.

11 I began my utility industry career with American Electric Power Service Corporation  
12 (“AEPSC”) in October 1998 as a Cash Management Analyst with responsibility for  
13 determining the corporation’s daily cash position. In 2000, I transferred to the Trusts and  
14 Investments Department as an Investment Analyst. My duties included staying abreast of  
15 pending legislation and litigation that could affect AEP benefits and performing analysis  
16 and reporting for the corporate investment committee. I also worked as an Analyst in  
17 other departments where some of my work included the analysis of spending trends, and  
18 creation of complex financial models. In January 2010, I accepted a position of Demand-  
19 Side Management (“DSM”) / Energy Efficiency Coordinator for AEPSC. In October

1 2010, I transferred to Kentucky Power Company. My duties included developing,  
2 issuing, and evaluating Requests For Proposals for potential DSM programs and third-  
3 party managers. I also implemented and managed new DSM programs, managed  
4 program budgets, assisted with Kentucky Public Service Commission (“Commission”)  
5 filings and status reports, drafted and responded to Commission data requests and  
6 inquiries, and assisted with testimony development. In April 2018, I assumed my current  
7 position as Regulatory Consultant Senior for Kentucky Power.

8 **Q WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY WITH**  
9 **KENTUCKY POWER?**

10 A. My primary responsibility is to support the Company’s regulatory activities. As part of  
11 this responsibility, I prepare the Company’s monthly Fuel Adjustment Clause filing with  
12 the Commission. Additionally, I assist with the Company’s other periodic regulatory  
13 filings with the Commission.

**II. PURPOSE OF TESTIMONY**

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

15 A. The purpose of my testimony is to request the continuance of the Targeted Energy  
16 Efficiency (“TEE”) program, which is a weatherization program for low-income  
17 residential customers. Second, I support a decrease to the budget for the program.  
18 Finally, I request all required relief and approvals.

**III. TARGETED ENERGY EFFICIENCY PROGRAM**

19 **Q. PLEASE PROVIDE A DESCRIPTION OF KENTUCKY POWER’S EXISTING**  
20 **TARGETED ENERGY EFFICIENCY PROGRAM.**

1 A. Kentucky Power’s TEE program provides weatherization and energy efficiency services  
2 to qualifying residential customers who need help reducing their energy bills. Kentucky  
3 Power collaborates with Community Action Kentucky, a statewide association  
4 representing and assisting a network of 23 community action agencies, to administer the  
5 program. The TEE Program supplements the Weatherization Assistance Program offered  
6 by local community action agencies.

7 The TEE Program is available on a voluntary basis to individual residential  
8 customers receiving retail electric service from the Company, who have primary electric  
9 heat and use at least an average of 700 kWh per month. Residential customers without  
10 primary electric heating may also be eligible for limited efficiency measures if they have  
11 electric water heating and use at least an average of 700 kWh per month from November  
12 through March. To qualify, a household’s income cannot exceed the designated poverty  
13 guidelines as administered by the local community action agency.

14 **Q. IS THE COMPANY PROPOSING ANY MODIFICATIONS TO THIS**  
15 **PROGRAM?**

16 A. No. The Company is not proposing any changes to the manner in which the TEE  
17 Program will operate during the 2021 program year.

18 **Q. WHAT IS THE PROPOSED 2021 BUDGET FOR THE TARGETED ENERGY**  
19 **EFFICIENCY PROGRAM?**

20 A. The Company is proposing to decrease the funding level by \$52,400 from the current  
21 level of \$326,800 to \$274,400 for 2021. This funding level allows for 104 annual  
22 participants for the program.

23 **Q. WHY IS THE COMPANY PROPOSING TO DECREASE THE 2021 BUDGET**

**FOR THE TARGETED ENERGY EFFICIENCY PROGRAM?**

- 1
- 2 A. It is Kentucky Power’s understanding that participating community action agencies
- 3 (“CAA”) were unable to complete the forecasted number of projects in the 2020 program
- 4 year. The reduction in the number of completed projects is due to the COVID-19
- 5 pandemic. Due to social distancing and quarantine directives and consideration, CAA
- 6 employees were not allowed to enter homes during these months of April to May. Also,
- 7 it is the Company’s understanding from the CAAs that some elderly customers postponed
- 8 projects due to fear of being infected by the COVID-19 virus from strangers entering
- 9 their homes to perform work. The Community Action Agencies were not allowed to
- 10 enter homes during these months.

11 There will still be lingering effects of the COVID-19 pandemic during 2021 that

12 will affect the number of projects that are able to be completed next year. The proposed

13 budget decrease reflects the expected lower number of projects estimated for 2021.

**IV. DSM SURCHARGE FACTOR**

14

15 **Q. IS THE COMPANY PROPOSING A CHANGE TO ITS DSM SURCHARGE**

16 **FACTOR?**

- 17 A. Yes. The Company is proposing to decrease the residential surcharge factor from
- 18 \$0.000187 per kWh to \$0.000131 per kWh. Kentucky Power is also proposing to
- 19 decrease the commercial surcharge factor from \$0.000134 per kWh to \$0.000018 per
- 20 kWh.

21 **Q. WHAT WILL BE THE EFFECT ON THE PROPOSED DECREASE IN THE**

22 **RESIDENTIAL DSM SURCHARGE FACTOR ON THE AVERAGE**

23 **RESIDENTIAL CUSTOMER’S BILL?**

1 A. In 2020, the average residential customer using 1,300 kWh per month received a monthly  
2 DSM charge of \$0.24. The new proposed rate results in a \$0.17 monthly charge to the  
3 same customer.

4 **Q. WHAT SUPPORT DOES THE COMPANY OFFER FOR ITS CALCULATION**  
5 **OF ITS SURCHARGE FACTORS?**

6 A. “Schedule C” which is filed as Exhibit 5 to the Application, supports the Company’s  
7 calculation of the surcharge factors the Company proposes in this case.

**V. CONCLUSION**

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.



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#### E-Signature Summary

**Signer 1: Scott E. Bishop (SEB)**

November 13, 2020 06:15:30 -8:00 [F1ACA249A674] [167.239.221.85]  
 seabishop@aep.com (Personally Known)

**E-Signature Notary: Sarah Smithhisler (SRS)**

November 13, 2020 06:15:30 -8:00 [5F55F2DBBBF4] [167.239.221.84]  
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I, Sarah Smithhisler, did witness the participants named above electronically sign this document.





