

Kentucky Power Company  
KPSC Case No. 2022-00392  
Commission Staff's First Set of Data Requests  
Dated December 1, 2022

**DATA REQUEST**

- 1\_1** Refer to the Application, Exhibit 2. Explain whether Kentucky Power anticipates including any of the programs terminated in Case No. 2017-00097 or has any reason to believe that those programs or some variation of those programs should not be included in the GDS Associates, Inc. (GDS) market potential study. If not, explain why.

**RESPONSE**

GDS's work on the MPS remains ongoing. As such, Kentucky Power does not know the exact programs GDS will recommend until market research is completed and GDS develops the measure list with energy impacts. However, the Company did make clear in its RFP that it wanted to look at additional low-income programs to supplement the TEE program, per the Commission's request. The Company has no reason to believe at this time that those programs terminated in Case No. 2017-00097, or some variation of those programs, should not be included in the MPS.

Witness: Scott E. Bishop

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**DATA REQUEST**

- 1\_2** Refer to the Direct Testimony of Scott E. Bishop (Bishop Testimony), page 4, lines 8–9 and lines 15–16.
- a. Explain why Kentucky Power is proposing to keep the participation level the same at 98 customers.
  - b. Explain how many customers participated in the Targeted Energy Efficiency (TEE) program in each of the last three years.
  - c. Explain whether the local community action agencies working with Kentucky Power have made suggestions to improve the TEE program. If so, explain the suggested improvements and whether Kentucky Power incorporated any into its RFP or program design.

**RESPONSE**

- a. TEE program participation dropped significantly during 2020 due to the COVID-19 pandemic. Since then, program participation has increased and continues to trend upward. Through October 2022, TEE program participation totaled 71 customers, and the Company estimates that participation will increase to 88 customers by the end of 2022. The Company estimates that the upward trend in participation will continue into 2023, which is why the Company proposes to set program participation levels for 2023 at 98 customers.
- b. In 2019, TEE program participation totaled 71 customers. In 2020, TEE participation levels decreased due to the COVID-19 pandemic and totaled 48 customers. In 2021, TEE program participation totaled 70 customers. Through October 2022, TEE program participation totaled 71 customers.
- c. The Company has not received suggestions to improve the TEE program from local community action agencies. However, GDS Associates, Inc. plans to hold stakeholder meetings in early 2023 to obtain suggestions for programs and measures for the MPS. Local community action agencies will be invited to those meetings.

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**DATA REQUEST**

- 1\_3** Refer to the Bishop Testimony, page 5, lines 10–17.
- a. Provide a copy of the market potential study request for proposal. Include with the response any specific directions Kentucky Power provided to GDS regarding the investigation of potential energy efficiency or demand response programs resulting from the Commission's prior Order in Case No. 2021-00420.3
  - b. Explain whether the local community action agencies, the Sierra Club or other groups working with Kentucky Power have made suggestions to implement new programs or to restart previous EE or demand response programs for either residential or commercial customers. If so, explain the suggested improvements and whether Kentucky Power incorporated any into its RFP or program design.
  - c. Provide a copy of the GDS market potential study once it has been completed.

**RESPONSE**

- a. See KPCO\_R\_KPSC\_1\_3\_Attachment1 and KPCO\_R\_KPSC\_1\_3\_Attachment2 for the requested information. The Company communicated to GDS (via the RFP and in its initial kickoff meeting with GDS) that one of its goals for the MPS was to investigate expanding low-income programs. The Company further instructed that all programs must be cost effective. For example, in Section 1 of the RFP, Kentucky Power stated that it was “seeking additional low-income alternatives that can help supplement the TEE program, such as a program that applies DSM funding for health and safety upgrades in low-income residences to expand the eligibility for the [Weatherization Assistance Program].” The Company then stated it was seeking “to identify cost-effective EE measures while also identifying cost-effective EE programs.”
- b. The Company has not received any suggestions regarding the implementation of or reinstatement of DSM programs from local community action agencies, the Sierra Club, or other groups. However, GDS Associates, Inc. plans to hold stakeholder meetings in early 2023 to obtain suggestions for programs and measures for the MPS. Local community action agencies and the Sierra Club will be invited to those meetings.

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- c. The Company will provide the Commission a copy of the Market Potential Study upon completion.

Witness: Scott E. Bishop

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**Kentucky Power Company  
Request for Proposal  
Energy Efficiency Market Potential Study**

## **1. Introduction**

Kentucky Power Company ("KPCo") serves approximately 133,500 residential customers and 31,500 commercial and industrial ("C&I") customers in Kentucky. This Request for Proposal ("RFP") is being issued for the selection of an experienced Third Party Consultant ("Consultant") to prepare and deliver a combined Demand-side Management ("DSM"), Energy Efficiency ("EE") and Distributed Energy Resource ("DER") Market Potential Study ("MPS"). The Consultant will inform KPCo of reasonable and appropriate achievable, cost effective energy efficiency savings available for the KPCo service area. The results of the MPS will inform the development of future energy efficiency savings targets and future program planning.

KPCo last performed a DSM/EE market potential study in 2015 and is seeking to update and revise these studies for a desired twenty-year timeframe, from 2023 – 2043. KPCo industrial customers opted out of DSM/EE programs in the past on the understanding they were already implementing EE measures in an attempt to be as fiscally and socially responsible as possible. For this reason, KPCo wants to exclude industrial customers from the study and focus the MPS on residential and commercial customers. KPCo currently has one DSM/EE program, the residential low-income Targeted Energy Efficiency ("TEE") program. The TEE program provides supplemental funding to the Department of Energy Weatherization Assistance Program ("WAP") for installed measures such as high efficiency heat pumps, attic/roof/floor insulation and energy efficient lights. KPCo is seeking additional low-income alternatives that can help supplement the TEE program, such as a program that applies DSM funding for health and safety upgrades in low-income residences to expand the eligibility for the WAP.

KPCo is seeking to identify cost-effective EE measures while also identifying cost-effective EE programs. Consultant needs to identify programs that are sustainable, address customer needs and supported by detailed and robust cost-benefit analyses. The twenty-year study should prove cost effectiveness for each program and identify reasonable escalations each year for program budget, participation and number and diversity of programs.

KPCo still operates with automatic meter reading ("AMR") technology, but is hopeful to receive approval from the Kentucky Public Service Commission for advanced metering infrastructure ("AMI") technology during the twenty-year MPS timeframe.

KPCo is seeking a Consultant to fully analyze:

- KPCo's historic, current, and forecast electric load (energy and demand), sales, customer demographics, end-use load shapes, and end-use appliance saturations;
- KPCo's historic system peak demand timing relative KPCo's Independent System Operator's (ISO, PJM) system peak demands;

- KPCo's past and current DSM/EE program performance, customer participation levels, and measure penetration levels;
- An accounting for how DSM/EE measures and technologies apportion to KPCo's system load shapes, whether cross-cutting or wholly isolated to one load shape;
- A specific accounting for levels of naturally occurring efficiency across all technology markets;
- A specific accounting for the timing and impact to DSM/EE potential from federal code and standards on equipment and technology efficiency compliance and any standard market-practice based adaptations that can reasonably apply to or result from those requirements;
- A specific accounting for the impact to DSM/EE potential from jurisdictional regulations on Opt Out and Customer Choice;
- A specific accounting for current DER resources enrolled with KPCo and located within KPCo service territory;
- A specific accounting for forecast economic potential for customer-owned DER resources according to Kentucky's state regulatory DER utility system integration and net metering rules;
- The straightforward ability for the study to be updated as requested by KPCo with updated avoided capacity and energy cost information and data after the study required completion date as set forth in this RFP;
- Consideration for any DSM/EE/DER potential for consumer-based technology applications from deployment of AMI in the KPCo service territory;
- A specific accounting for KPCo's existing portfolio of DSM/EE/DR programs, measures, and consumer-oriented time-of-use/load management tariff based offerings;
- The potential for, and cost of, existing and new DSM/EE/DER measures, technologies, and/or consumer-based usage modification approaches for the time period requested;
- Consideration for energy efficiency market product delivery channels available to KPCo;
- Demand-side Management/Energy Efficiency market delivery channel efficiencies and/or inefficiencies as appropriate; and
- Market potential for additional low-income, residential and commercial EE programs with annual cost-benefit analyses.

## **1.1 Summary of Solicitation**

Requested services are expected to commence August 1, 2022. This contract will have a term through December 31, 2023 but the final MPS is requested to be February 3rd, 2023 or earlier. The maximum total

value of the contract for this RFP has not been determined and will be part of the deliverables from Consultants in this RFP process. Final contract amount will be a not-to-exceed contract and will be determined based upon final Consultant selection.

KPCo will negotiate and contract with a single party that will be responsible for the complete scope of work ("SOW") described in this RFP. Proposals must therefore include a SOW for all work items described in Section 2. Bids for individual work items or partial work items bundles will not be considered. However, proposals using subcontractors will be accepted.

Consultants will be required to submit a budget estimate based on fully loaded cost and where applicable, the cost allocated per DSM program, per program measure, DSM portfolio, and customer sector (residential and commercial).

## **1.2 Proposal Submission**

**Proposals must be received no later than May 9, 2022 at 5:00 p.m., EST.** Proposals shall be submitted electronically via the Ariba system, formatted as a Microsoft (MS) Word document or Adobe Acrobat Reader.pdf file. The entire proposal should be contained in a single file.

In addition, please include supporting documentation such as EM&V budgets, pricing breakdown, etc., in separate Microsoft Excel files.

KPCo encourages simple and straightforward proposals and requests the main proposal be limited to 50 pages in length. Please do not include marketing materials in your main proposal document. General company information is allowable as a separate pdf file and appendix.

KPCo reserves the right to reject as non-responsive any proposals that do not contain the information requested in this RFP. Late proposals will be rejected. KPCo is not liable for any costs incurred by any person or firm in responding to this RFP or while participating in the final interview process.

## **1.3 Intent to Bid**

Consultants are required to submit an "intent to bid" no later than 5:00 p.m., EST on April 15, 2022. Consultants will submit their intent to bid in the Ariba system.

## **1.4 Question and Answer Process**

All questions related to RFP process, budgets, costs, or other general information must be submitted in writing on or before close of business on April 29, 2022.

**Questions and answers will be sent to all RFP participants via the Ariba system. KPCo will strive to provide answers to questions within two business days. Questions and answers will be shared with all Consultants.**

All communication related to this RFP shall be conducted through Ariba and AEP Procurement. No contact with KPCo's Board Members, Executive Managers, Managers and/or any other employees related to this



RFP shall be made throughout this entire process without the express permission from KPCo. **Any unauthorized contact will result in immediate disqualification.**

## 1.5 Interviews

Interviews are tentatively scheduled during the week of May 23-27, 2020. KPCo typically conducts interviews in-person, but due to the COVID-19 pandemic, remote interviews using a platform such as Microsoft Teams will be required.

The field of Consultants may be narrowed down to a smaller group of finalists depending on the outcomes of preliminary evaluations. In the event this occurs, only finalists will be invited to interview.

## 1.6 RFP Schedule

Development of the MPS is expected to begin by August 1, 2022 unless extended by KPCo. The table below shows estimated completion dates for Consultant selection and various tasks surrounding this initiative.

Task	Estimated Completion Date
Issue RFP	April 1, 2022
Intent to Bid Response due	April 15, 2022
RFP question period ends	April 29, 2022
Proposals due	May 9, 2022
Interview finalists	May 23-27, 2022
Consultant selected	June 10, 2022
Anticipated Consultant start date	August 1, 2022
Schedule, Plan and Design due	September 30, 2022
Draft Reports, Portfolio & Program Design(s)	February 3, 2023
Final Reports, Portfolio & Program Design(s)	March 10, 2023

The above schedule is subject to change at the discretion of KPCo. KPCo is currently undergoing a sale from American Electric Power to Liberty Utilities, a subsidiary of Algonquin Power & Utilities Corporation. The projected close date of this transaction is early June 2022. KPCo intends to wait until this transaction is approved by the appropriate regulatory bodies to select a Consultant and begin contract negotiations.

## 1.7 Post-Proposal Negotiation and Awarding of Contracts

KPCo reserves the right to negotiate both price and non-price factors during any post-proposal negotiations with a finalist. KPCo has no obligation to enter into an agreement with any respondent to

this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. This RFP shall not be construed as preventing KPCo from entering into any agreement that it deems appropriate at any time before, during or after this RFP process is complete.

## 1.8 Minimum Qualifications

Consultants should outline their experience and expertise in performing market assessments, data collection and DSM/EE/DER screening methodologies.

At a minimum, proposals will be evaluated based on the following criteria and any other factors deemed relevant by KPCo:

- Technical approach and demonstrated understanding of the issues surrounding the administration and evaluation of electric utility demand-side management, energy efficiency, and distributed energy resource market potential assessment specific to the KPCo utility service area.
- Experience and qualifications of proposed staff and management team. No changes in key personnel for the KPCo project should be made without written acknowledgement from KPCo.
- The experience of the firm, with particular interest in evaluation of, and experience with, electric utility demand-side management and energy efficiency market potential.
- A proven track record for successfully managing DSM/EE/DER studies including, but not limited to, cost control, deliverables quality control, defense of study results, and effective communication.
- Demonstrated experience with electric utility DSM/EE/DER potential assessment, measure characteristics and applicability, evaluation of DER economics, performance and reliability, and utility system and Independent System Operator (ISO) system impact.
- Demonstrated experience with producing effective, transparent, and practically implemented potential studies and assessments at hourly granularity.
- Demonstrated ability to communicate the information in a clear, understandable format for both a technical and a non-technical audience.
- Demonstrated ability to provide comprehensive content for a minimum 20 year planning study.
- Demonstrated ability to provide for a KPCo assessment using scenario sensitivity with strong support from documented primary and secondary data analyses.

Consultants are requested to provide a sample MPS, as prepared by Consultant for another electric utility that would be representative of what the Consultant will ultimately provide to KPCo, with their proposal. Names and other data may be redacted if deemed confidential information.

Consultants are encouraged to pro-actively present additional information and responses, which may not be specifically requested in this RFP, to help demonstrate understanding of the market and ability to achieve stated goals and objectives. This is especially relevant to the discussion of performance goals and delivery approach as well as sample documents, reports or other information illustrating the Consultant's in-depth understanding of electric utility energy efficiency market potential assessments.

## **2.0 Scope of Work**

### **2.1 Scope of Work Guidelines**

The MPS is to inform KPCo of the future potential of DSM/EE/DER measure adoption and should assume the following guidelines:

- Include a characterization of KPCo's service territory in terms of customer numbers by class, households/housing stock, types of businesses (i.e. NAICS codes), segmentation, and other relevant customer data.
- Provide energy usage modeling for estimating electricity sales to customers in terms of basic electric energy end-uses such as space heating/cooling, lighting, water heating, refrigeration, cooking, clothes washers/dryers, and process energy and other identified measures.
- Include only those DSM/EE/DER measures or resources that are currently commercially available, or anticipated to be commercially available, in the relevant utility service territory during the timeframe requested.
- Be limited to measures or resources that are suitable for delivery under current EE Rules, DSM Tariff, and DSM Statute in Kentucky and/or specific to the KPCo service area (i.e., exclude fuel switching, etc.).
- Include DER measures assessment as itemized elements within the projected budget task matrix specific, allocated budget(s).
- Include as assessment of savings potential that is comprehensive of all eligible end-user building sectors and market segments, including measure or resource opportunities in new construction, major renovation, and existing equipment. Further, the report will need to estimate the amount of energy savings and demand reductions attributed for both replace on burn out and retrofit. The assumptions used to determine the relative contributions of these market segments should be clearly documented and supported in order to demonstrate that all energy efficiency opportunities are captured. Mutually exclusive measures or resources that are applicable to the same end use will be prioritized for economic performance, in keeping with the objective to maximize the net benefits to all end users.
- Assumptions regarding measure or resource savings, lifetime, and other parameters should leverage, as much as possible, existing sources of information and recent EM&V efforts.

- Measure or resource potential savings and financial calculations must be based on documented baseline assumptions that reflect the impacts of known and potential future changes in federal, state, and local codes and standards on the standard level of efficiency in each year of the study period.
- The budget should include options for leveraging both primary data and secondary data. Any suggested or recommended primary research should be supported with the need and justification to support the recommendation, specify what data will be collected, how the data will be used for the study (e.g., customer characteristics such as equipment saturations and fuel shares, willingness-to-pay estimates, etc.), and the timeframe for which the research will be performed.
- The proposal should include whether a baseline study is recommended for the KPCo service area compared with alternatives using existing customer data, historical EE program data and/or secondary data resources. A separate budget option should be included for baseline data development.
- The estimated “achievable” potential will be estimated based on three different program funding levels – a high, medium, and low spending scenario. The three funding scenarios will be with the project work plan after project initiation. The high scenario should be based on unconstrained program funding (i.e., maximum achievable cost-effective potential). These projections should be based on a realistic assessment of economic conditions, market acceptance and the time required for program and infrastructure development and a realistic projection of annual participation rates given the assumed incentives, marketing efforts and other factors such as the rate of equipment turnover.
- Program and portfolio recommendations including assumptions regarding incentives vs. other acquisition costs (e.g., marketing and delivery) should be provided for each of the achievable potential scenarios. The basis technical and economic potential used to develop the achievable savings should be reported specifically for implementation within the KPCo utility service area.
- Savings potential should be stated in terms of gross and net at meter annualized energy savings (MWh), in absolute terms and as a percent of annual energy sales, and annual peak demand savings (MW).
- MPS estimates should include sensitivity analysis on avoided cost. For example, what would the impact of an X dollar carbon/environmental costs added be to overall potential? The sensitivity analysis should be focused on the medium or highest probability of occurrence, base (“reference”) case scenario described above.
- MPS estimates should cover a 20-year timeframe, from 2023 through 2043 if at all possible. The estimates should show seasonal demand reduction and energy savings for each year over a 20 year period that is technically and economically achievable in KPCo’s service territory.

- Based on MPS results develop a portfolio of DSM/EE/DER programs with budgets to achieve savings at the low, medium, and high spending scenarios.
- Participation estimates should reflect specific estimates of baseline equipment saturation and turnover.
- The proposal should include recommendation for the statistical confidence interval and error margin which will be achieved with survey sampling and study results.
- The annual potential impacts and costs from both a utility administration and customer payback perspective, and benefit cost test results will be provided separately for each measure.
- The potential estimates should reflect:
  - Avoided costs, including potential transmission and distribution savings, as appropriate
  - Customer base (i.e., sales/customer count by sector and subsector)
  - Climate zones
  - Discount rates
  - Impacts by utility end-use load shapes
  - Documentation and definition for customer end-use load shapes used for modeling
- Consultants should determine the sub-sector stratification for estimating potential, but the potential estimates should be stratified, at a minimum, based on:
  - For residential customers: income qualified vs. non-income qualified (as defined by current program eligibility, census data estimates may serve as starting point in identifying but analysis should not be limited to this source). Housing construction (mobile, site built, modular home), homeowner or renting;
  - For commercial customers: business type and industry classification, small general (generally considered less than 100 kW) versus large general service, service delivery (secondary, primary voltage, etc.)
- Estimates of incremental EE potential should explicitly account for naturally occurring adoption (Free riders), with the report also presenting assumptions regarding naturally occurring adoption.
- Assessment of non-energy impacts (job creation, economic development, etc.) with expenses separated within budget.

## 2.2 Scope of Work Development and Delivery

Based on the research framework requested and prescribed, describe the approach and strategy used for MPS development and delivery in each of the following areas:

- Outline the timeline from initial contract signing to final reporting for the contract period ending December 31st, 2023 but with a final MPS Report delivered by February 3rd, 2023. Please outline all appropriate milestones and goals.
- Please describe the Consultant's planning meeting strategy, start-up activities and ongoing MPS delivery strategy.
- Describe and set forth the deliverables from KPCo to the Consultant required for Consultant to complete the MPS within the timeline required.
- Describe the Consultant's plan with respect to the market for EE in Kentucky including:
  - Infrastructure (trade allies and trade contractors) to deliver DSM/EE/DER measures for customers;
  - The impact of household wealth and commercial economic strength;
  - The impact of new DSM/EE/DER standards both nationally and locally; and
  - Barriers to entry for each DSM/EE/DER measure and program
- The Consultant must provide access to a professional, dedicated and knowledgeable MPS project manager to maintain MPS schedule and coordinate communications between KPCo and Consultant. Describe your approach to providing this service including location, staffing and projected performance levels.
- Define the activities that will be taken to develop technical, economic, and achievable potential based upon KPCo's service territory. This should also include a list of all data sources required for the analysis along with a description of how this data will be collected.
- Highlight any new and innovative ideas as well as the Consultant's proven best practice approaches that are proposed for the MPS.
- Provide and support the study analyses to KPCo;
- Provide, support, and communicate the MPS study process, analysis, data and results to other internal KPCo and external stakeholders.
  - This includes working with KPCo's Integrated Resources Planning team to develop DSM inputs for use in the IRP process.

- Please include list of data required, methods available for data transfer including confidentiality and security of information, to complete MPS.

### **Available Resources**

KPCo representatives will work closely with the Consultant to provide available data including avoided cost, rate forecasts, customer counts, electric usage by major market segment, load shapes, and information on current EE programs, as needed. Company personnel familiar with existing programs will be available to meet with Consultant's staff.

Consultant will meet with KPCo staff within two weeks on contract signing and present proposed evaluation methodologies, data collection plan, analysis, report preparation and delivery, and any other activities Consultant and KPCo deem relevant to the evaluation. A final Scope of Work will be developed subsequent to this meeting. This Scope of Work will become part of the contract and will become the basis for this evaluation.

## **3.0 Proposal Format and Contents**

The proposal should be organized into the following sections in either Microsoft Word files or Adobe Acrobat pdf files. The table of contents and organization of the proposal must be ordered as described below. Please include as many subdivisions as deemed necessary.

Section 1. Cover Letter;

Section 2. Executive Summary;

Section 3. Proposed Approach to Scope of Work & Scope of Work;

Section 4. Proposed Schedule;

Section 5. Management Plan; and

Section 6. Budget.

### **Section 1 – Cover Letter**

The cover letter should reference the RFP name and include the Consultant's name, address, telephone number, a single point of contact within your organization and their email address. Also include the names of all proposed subcontractors (if any).

### **Section 2 – Executive Summary**

The Executive Summary should be a summary of Consultant expertise and experience, the expected potential study approach, methodologies, and measure or resource analysis tools utilized, and an overall description of the Consultant's process. The summary should also include Consultant project management approaches and tools used to deliver a comprehensive study within the required deliverable timeframe.

### **Section 3 – Proposed Approach to Scope of Work & Scope of Work**

This section should include discussion of the methodology and data needed for determining the technical, economic, and market for demand reduction and energy savings potential and shall address the proposed Scope of Work requirements set forth in Section 2 of this RFP.

### **Section 4 - Proposed Schedule**

Consultants should provide a timeline of when milestones set forth in the Scope of Work will be completed. Schedules should specify method of communicating study information for key milestones such as call, Microsoft Teams, or site meeting. Periodic review sessions are required with KPCo representatives. Other meetings recommended for key stakeholder groups associated with study should be included with the proposed schedule.

### **Section 5 - Management Plan & Structure**

For the Management Plan, please describe how the approach to the Scope of Work will be organized and managed. Consultants are requested to describe their firm and/or team's experience and capabilities in managing, delivering, and implementing the tasks requested in this RFP. Consultants must provide detailed information on their overall core team qualifications and experience.

- Provide a brief description of the Consultant's company and the services it provides including number of employees, office locations and capabilities. Describe the business structure under which the Consultant's typically operate (i.e., -for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by a Consultant, that structure should be described fully and clearly.
- Include the Consultant's management and organizational chart to accomplish the tasks included in the Scope of Work. Indicate position, title, job responsibilities, and percentage of Full-Time Employee (FTE) equivalent.
- Provide the professional experience and resumes of partners, principals and employees in the Consultant's company who will be responsible for, and actively involved in, the provision of professional services related to this RFP including the appropriate evidence of accreditation, certification or licensing in their respective stated professions.
- Consultants must clearly specify any Subcontractors who are retained by the Consultant at the time of the application and/ or who are expected to perform work as a Subcontractor in connection with this project. Provide the same detailed information regarding Subcontractors' project staff as requested above for the Consultant's proposed staff. The Consultant must obtain the prior written consent from KPCo to use any Subcontractors who are not included in the original bid submission.
- At least three descriptions of projects of similar magnitude and complexity, including a description of the project, its budget, duration, results achieved and client contact information. Consultants



are requested to provide three (3) references and contact information from current or previous clients for whom they have a history of proven and measurable experience with similar research in terms of size and scope.

## **Section 6 – Budget**

Consultants should provide a not-to-exceed budget for the tasks outlined in the Scope of Work in accordance with Appendix A. The budget shall be submitted separately as a Microsoft Excel file. The following information should be provided:

- For each key staff person and by labor classification for junior staff, provide hourly rate, hours per task, and dollars per task for each program. Staff of the contractor and subcontractors should be clearly identified.

Note: KPSC requires that the winning Consultant not replace named staff with other staff without prior acknowledgement from KPSC.

- Estimated Labor and non-labor costs per task, per study component (e.g. EE, DER), per year. Non-labor costs should be broken out as follows:
  - Travel (include notes describing origination-destinations and number of proposed trips)
  - Supplies (describe)
  - Other direct costs (describe)

Note: Costs shall be reported at actual cost with no mark-up, e.g. profit, administrative or other indirect costs.

- Summary table showing total labor costs and total non-labor costs per year.
  - Please summarize total cost per customer sector and portfolio, program and measure basis based on category expense such as administrative, survey, reporting, impact savings, calls/meetings, etc;
  - Specify cost for supporting study results such as direct or indirect testimony for regulatory filings, interrogatory data request associated with utility regulatory filings;
  - Specify number of site visits included with budget proposal for study activities such as; inspection, survey, periodic review meetings.

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**DATA REQUEST**

**1\_4** Refer to the Application, page 6. In detail, explain why the recommendation of the 50/50 split for cost recovery by the consultant was made.

**RESPONSE**

It is the Company's understanding that GDS reviewed the budget and determined a 50/50 split was appropriate, as there was no basis to justify a different allocation. The Market Potential Study is being performed for the benefit of both the commercial and residential class of customers. Thus, GDS indicated that invoices should be allocated to the customer class for which the work is performed so each customer class ultimately pays their fair share.

Witness: Scott E. Bishop

**VERIFICATION**

The undersigned, Scott E. Bishop, being duly sworn, deposes and says he is a Regulatory Consultant Sr. for Kentucky Power Company, 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 after reasonable inquiry.

*Scott E. Bishop*

\_\_\_\_\_  
Scott E. Bishop

Commonwealth of Kentucky )

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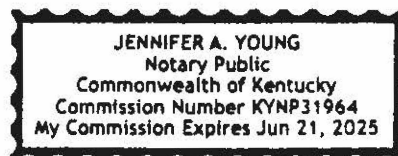
Case No. 2022-00392

County of Boyd )

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Subscribed and sworn before me, a Notary Public, by Scott E. Bishop this 7<sup>th</sup> day of December, 2022.

*Jennifer A. Young*  
\_\_\_\_\_  
Notary Public



My Commission Expires 6/21/2025

Notary ID Number: KYNP31964