

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

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY POWER)
COMPANY FOR: (1) APPROVAL TO EXPAND ITS TARGETED)
ENERGY EFFICIENCY PROGRAM; (2) APPROVAL OF A)
HOME ENERGY IMPROVEMENT PROGRAM AND A)
COMMERCIAL ENERGY SOLUTIONS PROGRAM; (3))
AUTHORITY TO RECOVER COSTS AND NET LOST) Case No. 2024-00115
REVENUES, AND TO RECEIVE INCENTIVES ASSOCIATED)
WITH THE IMPLEMENTATION OF ITS DEMAND-SIDE)
MANAGEMENT/ENERGY EFFICIENCY PROGRAMS; (4))
APPROVAL OF REVISED TARIFF D.S.M.C.; (5) ACCEPTANCE)
OF ITS ANNUAL DSM STATUS REPORT; AND (6) ALL)
OTHER REQUIRED APPROVALS AND RELIEF)

**INITIAL DATA REQUESTS OF JOINT INTERVENORS MOUNTAIN ASSOCIATION,
KENTUCKIANS FOR THE COMMONWEALTH, APPALACHIAN CITIZENS' LAW
CENTER, AND KENTUCKY SOLAR ENERGY SOCIETY TO KENTUCKY POWER
COMPANY**

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Dated: June 21, 2024

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of any memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, or notices, in whatever form, stored or contained in or on whatever medium, including digital media.

2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.

3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.

4. A request to identify a natural person means to state his or her full name and business address, and last known position and business affiliation at the time in question.

5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), identifying number, and its present location and custodian. If any such document was but is no longer in the Company's possession or subject to its control, state what disposition was made of it and why it was so disposed.

6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

10. Unless otherwise specified in each individual interrogatory or request, the terms “you,” “your,” “Kentucky Power Company,” “KPC,” or refer collectively to Kentucky Power Company, including any parent or affiliated companies, predecessors-in-interest, employees, authorized agents, outside consultants or contractors, or other representatives.

11. “Kentucky Power Company” or “KPC,” means Kentucky Power Company and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed, and any parent or affiliated companies (including but not limited to American Electric Power “AEP” and its affiliated entities.

12. “The Company[s]” means Kentucky Power Company.

13. “Joint Intervenors” means Mountain Association, Kentuckians for the Commonwealth, Appalachian Citizens’ Law Center, and Kentucky Solar Energy Society, who have been granted full joint intervention in this matter.

14. “Commission” or “PSC” means the Kentucky Public Service Commission, including its Commissioners, personnel, and offices.

15. “CAA” means Community Action Agency.

16. “DOE” means Department of Energy.

17. “DSM” means Demand-Side Management.

18. “EE” means Energy Efficiency.

19. “EISA” means Energy Independence and Security Act.

20. “EM&V” means Evaluation, Measurement, and Verification.

21. “GDS” means GDS Associates, Inc.

22. “HEA” means Home Energy Assistance.

23. "HEIP" means Home Energy Improvement Plan
24. "HVAC" means Heating, Ventilation, and Air Conditioning.
25. "IUI Programs" means Inclusive Utility Investment, Tariffed-on-Bill, or PAYS programs.
26. "MPS" means Market Potential Study.
27. "NEBs" means Non-Energy Benefits.
28. "PAYS" means Pay-as-You-Save®.¹
29. "RFP" means Request for Proposal.
30. "TEE" means Targeted Energy Efficiency.

¹ PAYS® is a registered trademark of Energy Efficiency Institute, Inc. See Energy Efficiency Inst., Inc., *Pays® Essential Elements & Minimum Program Requirements* (updated July 20, 2021), <https://www.eeivt.com/pays-essential-elements-minimum-program-requirements-2/>.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These requests for information are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Joint Movants. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement, and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each data request should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. Whenever the documents responsive to a discovery request consist of modeling files (including inputs or output) and/or workpapers, the files and workpapers should be provided in machine-readable electronic format (e.g., Microsoft Excel), with all formulas and cell references intact.

5. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

6. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

7. Wherever the response to a request consists of a statement that the requested information is already available to Joint Intervenors, please provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and, to the extent possible, paragraph number(s) and/or chart/table/figure number(s).

8. If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any discovery request, please describe the basis for your claim of privilege in sufficient detail so as to permit Joint Intervenors or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, please produce a "privilege log" that identifies the author, recipient, date, and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable Joint Movants or the Commission to evaluate the validity of such claims.

9. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.

10. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

**INITIAL DATA REQUESTS PROPOUNDED TO
KENTUCKY POWER COMPANY BY JOINT INTERVENORS**

- 1.1. Please produce all workpapers, in electronic spreadsheet format with formulas intact, supporting each of the testimonies, exhibits, and schedules included in the Company's application and direct testimonies.
- 1.2. Please produce any memoranda, research summaries, or analysis conducted by GDS concerning PAYS.
 - a. Please also produce all workpapers, notes, spreadsheets (machine readable, unprotected, with formulas intact) that were utilized in the creation of such document.
- 1.3. Please list any utilities, including all investor-owned utilities, municipal utilities, or co-ops, that KPC has communicated with regarding the design, evaluation, or discussion of any Inclusive Utility Investment, Tariffed-on-Bill, or PAYS program (hereafter all of these programs will collectively be referred to as "IUI" programs).
 - a. Provide any notes regarding these communications, spreadsheets (machine readable, unprotected, with formulas intact), or other materials associated with these communications.
- 1.4. Please provide any recent and relevant information regarding cost-effectiveness tests and EM&V reports associated with IUI programs that have informed GDS's or KPC's analysis of IUI programs.
- 1.5. Please state if KPC, or any entity on KPC's behalf, has considered or analyzed the potential of an IUI program related to DSM/EE measures in existing buildings.
 - a. If so, please provide any relevant documents, analyses, spreadsheets (machine readable, unprotected, with formulas intact) that KPC used to evaluate such a program.
 - b. If not, please explain why not.
- 1.6. Please state if KPC, or any entity on KPC's behalf, has considered or analyzed the potential of an IUI program related to new construction.
 - a. If so, please provide any relevant documents, analyses, spreadsheets (machine readable, unprotected, with formulas intact) that KPC used to evaluate such a program.

b. If not, please explain why not.

1.7. Please refer to the list of 2024 Clean Energy Credits posted on the Kentucky Energy and Environment Cabinet website²:

- For households:
 - [Publication 5886-A](#): Clean Energy Tax Incentives for Individuals
 - [Publication 5797](#): Home Energy Tax Credits
 - [Publication 5967](#): Energy Efficient Home Improvements Credit
 - [Publication 5968](#): Residential Clean Energy Credits
- For businesses
 - [Publication 5886](#): Clean Energy Tax Incentives for Businesses
 - [Publication 5724-B](#): Credit for Commercial Clean Vehicles
 - [Publication 5832](#): Energy Efficient Commercial Buildings Deduction
 - [Publication 5855](#): Prevailing Wage & Registered Apprenticeship Overview
- For tax-exempt and governmental entities, along with certain other applicable entities:
 - [Publication 5817](#), Elective Pay Overview
 - [Publication 5817-G](#), Clean Energy Tax Incentives: Elective Pay-Eligible Tax Credits

- a. Has KPC developed any materials or resources to inform its customers about or help its customers to access any of the programs listed?
- i. If so, please produce the relevant materials or describe the relevant resources if unable to be produced.
 - ii. If not, does Kentucky Power have plans to develop such materials or resources?
 1. If yes, please describe such plans.
 2. If not, please state why not.

1.8. Does KPC have a plan to help customers access the Home Efficiency Rebates and the Home Electrification and Appliance Rebates, for which the Kentucky Department for Energy Development and Independence has been awarded early administrative funding from the U.S. Department of Energy.

² Ky. Energy and Env't Cabinet, *Energy Incentives*, <https://eec.ky.gov/Energy/Pages/Find-Energy-Related-Incentives.aspx> (last accessed June 20, 2024).

- a. If so, please describe KPC's plans to assist customers in accessing these materials and provide any relevant customer-facing materials.
 - b. If not, please explain why not.
 - c. Please provide any communications, notes, or materials relating to any meetings KPC has had with the Kentucky Department for Energy Development and Independence or any other state entity regarding these programs.
- 1.9. Please describe how the baseline is determined for the KPC's current and proposed DSM programs for the purposes of determining the net energy impact and net lost revenue and produce any relevant materials or analysis.
- 1.10. Please provide a description, formula, and inputs for the calculation of the net energy impact data in Exhibit SEB-2, "Net Energy Impact Tab."
- 1.11. Please provide the conversion rate of the TEE Program and the estimated or expected conversion rate of HEIP in terms of number of projects identified by the program implementer being completed.
 - a. If Kentucky Power uses some other definition for "conversion rate" for evaluation of these programs, please describe the alternate definition and related estimated conversion rate figure.
- 1.12. Please provide KPC's current authorized pre-tax weighted average cost of capital from its most recent rate case.
- 1.13. Regarding the TEE Program, from the period January 1, 2019 to June 1, 2024, please provide:
 - a. The number of program participants per month.
 - b. The number of referrals to the TEE program per month by Kentucky Power employees or CAA employees (if known).
 - c. The number of program applicants per month.
 - d. The dollar amount spent per customer.
 - e. The average monthly electric bill for customers who participated in the TEE Program.
 - f. Any reports from the CAAs to the Company regarding its administration of the TEE program.

- 1.14. For all residential customers, please provide the following information for all by month:
 - a. The average balance amount.
 - b. The average monthly bill amount.
 - c. The average monthly payment amount.
 - d. The average monthly usage.
 - e. The number of Termination notices issued.
 - f. The number of Service terminations.
 - g. The number of unique customers receiving a termination notice for nonpayment (i.e., if a customer receives one or more termination notices, this customer would only be counted as one).
 - h. The number of unique customers with service terminated for nonpayment (i.e., if a customer has service terminated once, this customer would only be counted as one).

- 1.15. For TEE program participants, please provide the following information by month, from the period January 1, 2019 to June 1, 2024:
 - a. The average balance amount.
 - b. The average monthly bill amount.
 - c. The average monthly payment amount.
 - d. The average monthly usage (Gas and Electric separate, where applicable).
 - e. The number of Termination notices issued.
 - f. The number of Service terminations.
 - g. The number of unique customers receiving a termination notice for nonpayment (i.e., if a customer receives one or more termination notices, this customer would only be counted as one).
 - h. The number of unique customers with service terminated for nonpayment (i.e., if a customer has service terminated once, this customer would only be counted as one).

- 1.16. For the TEE Program, from the period January 1, 2019 to June 1, 2024, please provide on an annual basis:
 - a. The number of customers that apply for participation in the TEE program, but who are not able to participate.
 - b. The number of applicants for the program that are not served by the TEE program due to lack of funding.
 - c. The number of applicants evaluated by the program who did not meet program eligibility requirements.

- d. The number of applicants evaluated by the program who did meet program eligibility requirements.
 - e. The number of applicants who received a home energy audit through this program.
 - f. The number of applicants who received weatherization/energy conservation measures available under this program.
 - g. The number of participants who receive a home energy audit but choose not to participate further in the TEE program.
 - h. The number of eligible participants who are unable to receive weatherization/energy services measures because of a health, safety, or structural issue.
 - i. The number of eligible customers who are not able to participate due to CAA capacity (e.g. labor shortage).
 - j. The number of customers that get rejected from the TEE program for any other reason that the Company tracks.
 - k. If the Company does not have this data, please explain why not.
- 1.17. For the TEE Program, for the period January 1, 2019 to June 1, 2024, please provide, on an annual basis, the number of customers who participated in the TEE Program who also received assistance from one of the Company's HEA Programs.
- 1.18. Please describe the Company's process for assisting eligible customers who are unable to participate in the TEE Program in a given year due to the allocated funds being expended.
- a. Do the Company or CAAs maintain a waiting list for the TEE Program if funds are expended before the end of the year?
- 1.19. Please describe the Company's process if allocated funds for the TEE program are not fully expended in a given year.
- a. Does the Company conduct any additional outreach to customers in that event?
 - b. Are the funds rolled over to the next program year?
- 1.20. Does the Company conduct any proactive outreach regarding the TEE Program to residential customers who appear to exceed the average monthly usage threshold of 700 kWh and who carry a balance over multiple months, are in arrears, and/or have received a termination notice.

- a. If so, please describe the methods of that customer outreach and whether it includes a referral to the relevant CAA.
 - b. If not, please explain why not.
- 1.21. Please refer to the MPS, Appendix C (Exhibit BLN-1, p. 60 of 123).
- a. Please state whether any of the listed NEBs were incorporated into the market potential study as an adder or multiplier to the energy and cost savings benefits.
 - b. Please explain whether the MPS considered non-energy benefits related to equity or to reduction of energy burdens for low-income customers.
 - i. If so, please explain how.
 - ii. If not, please explain why not.
- 1.22. Please refer to Witness Nolen's Testimony, p. 15, lines 8-13.
- a. Please state, and provide any relevant notes or analysis regarding, the following:
 - i. the approximate Weatherization Readiness Funds allocated to each agency by the DOE;
 - ii. the number of homes completed per year by each CAA; and
 - iii. the types of projects typically funded by the Weatherization Readiness Fund.
 - b. Please provide any additional reasoning behind the selection of the \$1000 per home amount for the supplemental funding for the Weatherization Readiness Fund.
- 1.23. Please refer to Exhibit SEB-2. Please confirm that the "Participation" tab reflects an assumption that there will be zero participants in any of the three DSM programs after February 2024 through December 2025.
- a. If confirmed, please explain why this assumption was used in this Exhibit.
 - b. If not confirmed, please identify where in the Exhibit SEB-2 reflects program participation assumptions from February 2024 through December 2025.

- 1.24. Smart thermostats are listed as a measure eligible for incentives in the Commercial Proscriptive and Home Energy Improvement Programs. Has the Company considered the feasibility of a smart thermostat demand response program utilizing those smart thermostats, or a standalone smart thermostat demand response program?
 - a. If so, please state the Company's conclusions regarding such a program and provide any related information or analysis.
 - b. If not, please explain why not.

- 1.25. Please refer to Witness Bishop's Testimony, p. 6, lines 1-11.
 - a. Please state whether the Company's recovery of the 15% shared-savings incentive is contingent upon actual achievement of the savings described in the California Practice Manual.
 - b. Please state whether the Company's recovery of the 15% shared-savings incentive is based on achievement of any quantifiable metric.
 - c. Please state whether and how the Company has historically verified achievement of the savings amount for which it has recovered the shared-savings incentive.

- 1.26. Please refer to Witness Bishop's Testimony, p. 9, lines 7-15.
 - a. Did the Company evaluate the cost to include a notice with customer bills regarding the proposed change to the Company's tariff? If so, please explain what the Company found in its evaluation, including any cost estimates for such notice. If not, please explain why not.
 - b. Did the Company evaluate the cost to mail a written notice to each customer regarding the proposed change to the Company's tariff? If so, please explain what the Company found in its evaluation, including any cost estimates for mailing such a notice. If not, please explain why not.

- c. Did the Company evaluate using a combination of billing, mailed, and/or newspaper notices to inform customers regarding the proposed change to the Company's tariff?
 - i. If so, please explain what the Company found in its evaluation, including any cost estimates for this combination notice method.
 - ii. If not, please explain why not.
 - d. Did the Company evaluate whether some of the newspapers of general circulation in the Kentucky Power service area had circulation across multiple counties in the service area?
 - e. Please provide the basis for Mr. Bishop's statement that, "[t]his was the most efficient manner of providing the required customer notice of the options provided for by regulation," with reference to other manners of providing the notice, and any relevant cost estimates.
 - f. How has the Company provided notice in its five most recent applications subject to the notice provisions of 807 KAR 5:011, Section 8, and what were the costs of those notices? Please provide any relevant cost documentation.
- 1.27. Please refer to Witness Bishop's Testimony, p. 9, lines 18-20, and Exhibit SEB-5. Did the actual cost to publish the notice match the estimate provided by the Kentucky Press Service? If not, please provide the actual cost.
- 1.28. Please refer to Exhibit SEB-6, p. 2 of 37. Please produce a copy of the "joint application filed September 27, 1995," including exhibits.
- 1.29. Please refer to Witness Nolen's Testimony, p. 20, lines 10-18. If a commercial customer participates in Year 1, will they be permitted to participate again in subsequent years?
- a. If the customer is permitted to do so, will they be eligible again for the full incentive amount?
 - b. If the customer is permitted to participate again in subsequent years, will their participation be limited to new measures that were

- not available in the earlier program years, or will the full complement of measures be available to them?
- c. If the customer is permitted to participate again in subsequent years, must they wait a specific amount of time before reapplying to the program?
- 1.30. For the HEIP and Commercial Energy Solutions Program, will the energy audits be performed by TRC Company or subcontracting auditors?
- a. Will the energy auditors be required to undergo any trainings or possess any specific certifications or qualifications?
- 1.31. Please refer to Witness Nolen's Testimony, p. 19, lines 10-16. For the HEIP, who will be responsible for recruiting and evaluating "participating dealer[s]" of HVAC equipment and qualifying weatherization measures?
- a. What are the eligibility criteria for dealers to participate?
 - b. Will participating dealers be required to undergo any trainings or possess any specific certifications or qualifications?
 - c. Will the Company offer a post-audit inspection as planned for the Commercial Energy Solutions Program? Why or why not?
 - d. Will there be any mechanism for customer complaint resolution regarding installation of measures in this program?
- 1.32. Please refer to Witness Nolen's Testimony, p. 20, lines 8-10. For the Commercial Energy Solutions Program, who will be responsible for recruiting and evaluating "participating contractor[s]" for installation of eligible measures?
- a. What are the eligibility criteria for contractors to participate?
 - b. Will participating contractors be required to undergo any trainings or possess any specific certifications or qualifications?
- 1.33. Please state whether the net lost revenues resulting from the DSM programs incorporated into the DSM Surcharge Factor is limited to first-year savings.
- a. If not, please explain why not, and over what time frame savings are incorporated into the DSM surcharge factor.
- 1.34. Please refer to Witness Nolen's Testimony, p. 4, lines 1-4.

- a. Please identify how the inclusion of the two proposed new DSM programs (Home Energy Improvement Program and the Commercial Energy Solutions Program) assists in eliminating the need to build additional generation?
 - b. Please detail whether these proposed DSM programs are funded at sufficient levels to defer or eliminate the need to build additional generation.
- 1.35. Please explain whether the Company believes that the proposed DSM portfolio provides programs that will be available, affordable, or useful to all customers?
 - a. If so, please explain why.
 - b. Please detail the possible or foreseen gaps in participation (e.g., participation opportunities for residents of manufactured housing; participation by residents with health and safety barriers, renters, those located in the flood plain, etc.).
- 1.36. Please refer to Witness Nolen's Testimony p. 4, lines 12-18.
 - a. Please detail how the Company determined what was achievable regarding its portfolio of DSM programs?
 - b. Please detail the Company's desired range for the DSM surcharge and the reasoning behind it.
 - c. Please detail how this level of DSM investment is providing rate stability and maintaining grid reliability.
- 1.37. Please detail the level of benefits (primary benefits such as electric savings, secondary benefits water, gas, propane, etc.) the Company is trying to procure through the DSM program, and please break down the level of benefits by source.
 - a. Please detail the Company's acceptable range for the impact of the DSM surcharge on customers' monthly bills. Please explain how the Company determined this range and provide supporting workpapers, if any.
- 1.38. Regarding the HEIP, please answer the following:
 - a. Can a low-income customer participate in the HEIP instead of or in addition to the TEE Program?
 - i. If so, are any of the weatherization measures discounted further?

- b. Will the program treat homes within the flood plain?
- 1.39. For the HEIP, please detail the level of health and safety funding and/or measures that will be offered under the program to address health and safety barriers.
- 1.40. Regarding eligibility for the Company's TEE program:
- a. Please detail how the Company determined that 700 kWh was the appropriate average minimum usage requirement.
 - b. Please detail how income-qualified customers that do not have electric heat receive weatherization.
 - c. Please detail whether homes/accounts that are eligible based upon usage and income requirements but are in the flood plain and can receive services through the TEE program.
 - i. Does the Company know how many homes/accounts are eligible based upon usage and income requirements but are in the flood plain? If so, please provide that estimate, explain how it was derived, and produce supporting workpapers or documentation, if any. If not, please explain why not.
 - ii. Would the Company be opposed to offering services to homes located in the flood plain? Please explain in full.
- 1.41. For each of the HEIP and TEE programs, does the Company have an estimate of the number of barriered homes that would not be able to accept efficiency measures due to health and safety barriers? If so, please provide each such estimate, explain how the estimate was calculated, and produce supporting documentation, if any.
- 1.42. Please detail whether the TEE program provides funding and/or financing for HVAC upgrades from electric baseboard heating to heat pumps?
- 1.43. Please detail whether the HEIP provides funding and/or financing for HVAC upgrades from electric baseboard heating to heat pumps?
- 1.44. Please refer to Witness Nolen's Testimony p. 11, lines 17-20. Please detail which measures the Company will provide funding for under the TEE program.

- 1.45. In reference to commercial and industrial new construction, does the Company work with the potential customer to encourage buildings to be built above current code adoptions and to incorporate renewables?
 - a. If so, when does this process begin and what measures are encouraged?
 - b. If not, why has the Company not offered such services to industries, such as data centers and cryptocurrency facilities, which could benefit from the avoided costs from building more efficient buildings?
- 1.46. Please refer to Witness Nolen's Testimony p. 14, lines 15-17. Please explain whether the reference to the CAAs' estimates for deferrals is based solely on Kentucky Power's service territory or is it statewide?
- 1.47. Please detail how the proposed programs can address manufactured housing within the Company's service territory.
- 1.48. Please refer to Witness Nolen's Testimony p. 16, line 3, through p. 17, line 22.
 - a. Please clarify whether the increased customer energy education and administrative expenses address CAA activities relevant only to the ratepayer-funded TEE Program components, to the federally funded programs, or some combination of both.
 - b. If some portion of the increased customer energy education and administrative expenses support the CAAs' federally funded program activities, please provide a rationale for using Kentucky Power Company ratepayer funds to support federally funded activities.
- 1.49. Please refer to Witness Nolen's Testimony p. 18, lines 15-18. Please explain whether the Company has a plan to manage the HEIP program funding so that it lasts the entire program year in order to avoid disruptions to the program's implementation?
 - a. If so, please describe.
- 1.50. Please describe Kentucky Power's effort to identify or align financing offerings to complement its program offerings for both its residential and commercial customers.

- 1.51. Regarding the Company's Commercial Energy Solutions Program, please answer the following:
 - a. Please explain the rationale for the annual roll out of measures (Year 1 - Lighting, Year 2 - HVAC, and Year 3 - Food Service).
 - b. Please confirm that incentives available in Year 1 of the program will continue to be available in Years 2 and 3. If anything but confirmed, please explain in full.
 - c. Please confirm that incentives first available in Year 2 of the program will continue to be available in Year 3. If anything but confirmed, please explain in full.

- 1.52. Please refer to Witness Nolen's Testimony, p. 28, Table 3 and the anticipated annual budgets provided in Exhibits BLN-2 and BLN-3.
 - a. Please explain why the HEIP budget decreases in Year 2 and in Year 3 is still below the budget for Year 1.
 - b. Please detail why the Commercial Energy Solutions program budget decreases in Year 3.

- 1.53. Please refer to Witness Nolen's Testimony, p. 28, lines 3-20, and answer the following requests.
 - a. Please detail the Company's rationale for issuing an RFP for an EM&V consultant in 2026.
 - b. Please explain why the Company believes issuing an RFP for an EM&V consultant in 2026 would allow sufficient time for evaluations to occur and to have the data ready to influence the development of the next three-year plan to be filed in 2027.

- 1.54. Does the Company plan to have a prospective or retrospective technical reference manual? Please explain your response.

- 1.55. In lieu of an established EM&V process, please identify and produce any documents or manuals the Company relied upon for the projected annual DSM portfolio savings provided in direct testimony and exhibits.

- 1.56. In lieu of an established EM&V process, what documents or manuals will the Company rely upon for savings assumptions going forward?

- 1.57. What are the estimated costs associated with EM&V efforts?

- 1.58. Please refer to the Program Budget information provided in Exhibits BLN-2 and BLN-3, and answer the following questions:
- a. Please itemize the anticipated “Information Technology” expenses in each budget year for the Home Energy Improvement Program and provide the rationale for needing to incur each itemized expense. If an itemized list of Information Technology expenses does not exist, please explain how this expense line item was derived.
 - b. Please itemize the anticipated “Information Technology” expenses in each budget year for the Commercial Energy Solutions Program and provide the rationale for needing to incur each itemized expense. If an itemized list of Information Technology expenses does not exist, please explain how this expense line item was derived.
 - c. Please provide a description of the marketing efforts for each program, including type of media and potential schedule of marketing activities.
- 1.59. Please refer to Exhibits BLN-2 and BLN-3 and answer the following questions:
- a. For the overall proposed portfolio, please provide a breakdown of the costs to include administrative, marketing, evaluation, labor, and incentives.
 - b. Please identify costs that can be shared across programs and detail how the Company plans to allocate shared costs across programs.
 - c. Please provide a list of eligible measures by program, and incentive amounts for each measure.
 - d. Please detail to what extent, if any, Kentucky Power is relying on sister companies from AEP to implement successful DSM programs.
 - e. Does the Company have any proposed reporting requirements or report formats for the providing results on the programs?
- 1.60. Please refer to Exhibit BLN-1, the 2023 MPS.
- a. Please provide the documents and/or links to documents that GDS leveraged to support the market potential study, including the Michigan Energy Measures Database, and the technical resource manuals for Indiana and Illinois.

- b. Please provide all workpapers for the market potential study in fully functional Excel format with formulas intact.
- 1.61. Please refer to Exhibits BLN-1, the 2023 MPS, and BLN-2 and BLN-3. Please provide a list of all programs that were considered for the portfolio and if programs were not chosen, please provide an explanation as to why not.
- 1.62. Please refer to Exhibit BLN-1, the 2023 MPS, p. 15 of 123.
- a. Please explain what type of heating equipment is included in "Other"?
 - b. Does the Company have a breakdown of baseboard electric heating penetration in the service territory? If so, please provide that statistic.
- 1.63. Please refer to Exhibits BLN-2 and BLN-3. Please provide the following information concerning the proposed portfolio.
- a. Projected total net benefits, by year and over the three-year period, by program and overall portfolio;
 - b. Projected lifetime savings;
 - c. Non-electric benefits, such as water savings, gas savings, and any non-energy benefits; and
 - d. Avoided cost assumptions.
- 1.64. Please explain why the Company excluded the Marketplace Program from the proposed portfolio even though it was recommended in the portfolio identified in the MPS.
- 1.65. Please explain whether the Company placed parameters on the MPS regarding the assessment of demand response programs as part of the portfolio.
- a. If demand response was not evaluated as part of the MPS, please explain why it was excluded.
- 1.66. Please refer to Exhibit BLN-1, the 2023 MPS, p. 23 of 123 (Section 4.1.2.1). Please confirm that the MPS did not explore the potential to offer new construction programs for both residential and commercial customers.

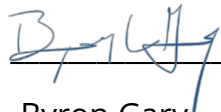
- a. If confirmed, please explain why the study did not explore the potential to offer new construction programs to both residential and commercial customers.
 - b. If not confirmed, please detail the ways in which the MPS considered the potential for new construction programs for commercial customers.
- 1.67. Please refer to Exhibit BLN-1, the 2023 MPS. Did GDS consider AEP's experience implementing similar DSM programs in its sister utilities when determining the timeline for rollout of new measures?
- a. If so, please explain how that experience factored into GDS's analysis, and provide the basis for multi-year timelines given that relevant experience.
 - b. If not, please explain why not.
- 1.68. Please refer to Exhibit BLN-1, the 2023 MPS. Please explain why lighting is included in residential programs, especially in reference to EISA lighting standards.
- 1.69. For the Company's TEE Program and HEIP, please describe how multifamily homes are treated, as compared to single family homes.
- 1.70. Please refer to Exhibit BLN-1, the 2023 MPS. Does the MPS consider any dedicated strategies or programs to reach customers in manufactured housing?
- a. If yes, please detail how the MPS considers programs targeted to reach this subset of customers.
 - b. If not, please explain why the study did not consider programs targeted to reach this subset of customers.
- 1.71. Please refer to Exhibit BLN-1, the 2023 MPS. Does the MPS consider any dedicated strategies or programs to small business customers?
- a. If yes, please detail how the MPS considers programs targeted to reach this subset of customers.
 - b. If not, please explain why the study did not consider programs targeted to reach this subset of customers.

- 1.72. Please refer to Exhibit BLN-2 and BLN-3. Please detail any financing options that may be available to assist with upfront costs to customers and extended payback periods.
- 1.73. Please refer to the Company's Quick Reference Guides, Exhibits BLN-2 and BLN-3.
- a. Please provide the model, with workable cells, to support the calculations.
 - b. Please provide a list of all eligible measures and projected savings by programs and/or customer class.
 - c. Please provide a workable model for the calculation of benefit-cost test(s).
- 1.74. Please refer to Ranie K. Wohnhas's Rebuttal Testimony in Case No. 2017-00097 at p. 12, lines 23-27.³ Does the Company agree that the maximum period for recovery of lost revenues is three years, absent an intervening rate case, and not to exceed the claimed savings life of measures? If anything but agreed, please explain in full.
- 1.75. Please explain how the Company would propose to address potential under-recovery related to the proposed DSM plan while avoiding volatility in DSM rates. For example, please refer to Ranie K. Wohnhas's Rebuttal Testimony in Case No. 2017-00097 at p. 12, lines 3-17.
- 1.76. Please state the \$/kWh values that the Company proposes to apply to calculate net lost revenue recovery under the proposed DSM rates for all residential and commercial customer classes.
- 1.77. Does the Company propose to recover net lost revenues based on savings confirmed in the eventual EM&V assessment? If not, please explain in full how the Company proposes to maintain DSM rates that accurately reflect verified actual savings.
- 1.78. Please answer the following questions regarding line loss assumptions.

³ Case No. 2017-00097, *Electronic Investigation of the Reasonableness of the Demand Side Management Programs and Rates of Kentucky Power Company*, Rebuttal Test. of Ranie K. Wohnhas at 12 (Ky. PSC Dec. 13, 2017), https://psc.ky.gov/pscecf/2017-00097/ajelliott%40aep.com/12132017062731/KPCO_RT_RKW_12132017.pdf.

- a. Please identify the line loss assumptions (both average and marginal) used in the estimation of DSM energy savings and peak load reduction for the purpose of determining the net lost revenue component of the DSM rate.
- b. Please refer to Exhibit SEB-6, p. 2 of 37.
 - i. Do the line loss assumptions identified in response to subpart(a) match the 9.4% and 10.5% T&D losses for energy savings and peak demand reduction cited in this 2023 DSM Report? If not, please explain why not.
 - ii. Please state whether the T&D loss figures provided in this exhibit are marginal or average.
- c. Please explain the empirical basis for each line loss assumption value identified above, including but not limited to, stating when the relevant study (or studies) of line losses took place, the specific geographic area(s) studied (e.g., KPC territory, all AEP affiliate territories, regional), methodology, and verification, if any.

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with the Commission's July 22, 2021 Order in Case No. 2020-00085, Electronic Emergency Docket Related to the Novel Coronavirus COVID-19, this is to certify that the electronic filing was submitted to the Commission on June 21, 2024; that the documents in this electronic filing are a true representations of the materials prepared for the filing; and that the Commission has not excused any party from electronic filing procedures for this case at this time.



Byron Gary