

**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 Revenues, And To Receive Incentives)	Case No. 2024-00115
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)	

**Kentucky Power Company’s Motion To Be Relieved Of Obligation
To Make Annual DSM Filing**

Kentucky Power Company (“Kentucky Power” or “Company”) respectfully requests the Public Service Commission of Kentucky to issue an order **on or before November 29, 2024**, relieving Kentucky Power of the obligation to make its annual demand-side management (“DSM”) filing to continue its existing Targeted Energy Efficiency Program (“TEE Program”) and update the DSM adjustment factor. Kentucky Power further respectfully requests the Commission also grant Kentucky Power authority to revise its current Tariff Demand-Side Management Adjustment Clause (“Tariff D.S.M.C.”) to continue charging the current DSM adjustment factor and enforcing all other current provisions of Tariff D.S.M.C. until the Commission issues a final order in this proceeding.

Each year, on or before November 15, Kentucky Power files with the Commission an application to continue the TEE Program and to update the DSM adjustment factor.¹ The

¹ See e.g. *In The Matter Of: 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*

Commission typically issues an order on those applications in December of the same year. The newly-approved DSM adjustment factor and any other approved provisions of Tariff D.S.M.C. become effective for service rendered on and after January 1 of the following year.

Kentucky Power believes that this proceeding, Case No. 2024-00115, satisfies the requirement to make such a filing and contains all or nearly all of the information and requests that would otherwise be made in the annual DSM filing. For example, Kentucky Power requests in this proceeding to continue and expand the TEE Program, as well as to approve two new DSM programs. Kentucky Power also requests to update the DSM adjustment factor in order to implement and effectuate the proposed programs. Finally, Kentucky Power has provided its 2023 DSM status report, which otherwise would be filed in the upcoming annual filing. Thus, the annual filing would be duplicative of the requests in this proceeding.

Further, given the short turnaround required for the Commission to review and rule on Kentucky Power's annual filing, Kentucky Power believes that being relieved of the obligation to make the annual DSM filing would be a more efficient use of the Company's and the Commission's time and resources.

Finally, Kentucky Power requests that if the Commission grants Kentucky Power's request, and relieves Kentucky Power of the obligation to make its annual DSM filing, that the Commission also grant Kentucky Power authority to continue charging the current DSM adjustment factor and enforcing all other current provisions of Tariff D.S.M.C. until the Commission issues a final order in this proceeding. The current Tariff D.S.M.C. states that "[t]he provisions of the Demand-Side Management Adjustment Clause will be effective for the period

Incentives Associated 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, Case No. 2023-00362.

ending December 31, 2024.”² Absent the authority requested in this motion, Kentucky Power will otherwise be unable to continue charging the current DSM adjustment factor and administering the current TEE Program after December 31, 2024. If the Commission grants the requests in this motion, Kentucky Power will file a revised Tariff D.S.M.C., attached hereto as **EXHIBIT 1**, through the Commission’s electronic Tariff Filing System.

WHEREFORE, Kentucky Power respectfully requests that the Commission issue an order on or before November 29, 2024:

1. Relieving Kentucky Power of the obligation to make its annual demand-side management filing to continue its existing Targeted Energy Efficiency Program and update the DSM adjustment factor;
2. Granting Kentucky Power authority to revise its current Tariff Demand-Side Management Adjustment Clause, consistent with Exhibit 1, to continue charging the current DSM adjustment factor and enforcing all other current provisions of Tariff D.S.M.C. until the Commission issues a final order in this proceeding; and
3. Granting Kentucky Power all further relief to which it may be entitled.

² See P.S.C. KY. No. 13 Original Sheet No. 28-1, “Rate” Section 4.

Respectfully submitted,



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COMPANY

EXHIBIT 1

Tariff D.S.M.C. (Demand-Side Management Adjustment Clause)

Applicable

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-I.R.P., and M.W.,

Rate

1. The Demand-Side Management (DSM) clause shall provide for periodic adjustment per KWH of sales equal to the DSM costs per KWH by customer sector according to the following formula:

$$(c) \text{ Adjustment Factor} = \frac{\text{DSM}}{\text{S}(c)}$$

Where DSM is the cost by customer sector of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances; (c) is customer sector; and S is the adjusted KWH sales by customer sector.

2. Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
 - a. Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
 - b. Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
 - c. Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
 - d. Over/ Under recovery balances are the total of the differences between the following:
 - i. the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
 - ii. the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
 - iii. the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
3. Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
4. The provisions of the Demand-Side Management Adjustment Clause will be effective ~~for the period ending December 31, 2024~~ until further revised by the Company and approved by the Public Service Commission.
5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

DATE OF ISSUE: [February 8, 2024 XXXX XX, XXXX](#)
 DATE EFFECTIVE: [Services Rendered On And After XXXX XX, XXXX January 16, 2024](#)
 ISSUED BY: [/s/ Brian K. West Tanner S. Wolfram](#)
 TITLE: [Vice President, Regulatory & Finance Director](#)
[Regulatory Services](#)

By Authority of an Order of the Public Service Commission

[In Case No.: 20243-00115459 Dated January 19, 2024 XXXX XX, XXXX](#)
[In Case No.: 2023-00362 Dated December 15, 2023](#)

Continued on Sheet 28-2

DATE OF ISSUE: February 8, 2024 XXXX XX, XXXX
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XXXX January 16, 2024
ISSUED BY: /s/ Brian K. West Tanner S. Wolfram
TITLE: Vice President, Regulatory & Finance Director
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In Case No.: 20243-00115459 Dated January 19, 2024 XXXX XX, XXXX
In Case No.: 2023-00362 Dated December 15, 2023