

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) AUTHORITY TO	)	
EXPAND ITS APPLIANCE RECYCLING	)	
PROGRAM TO INCLUDE COMMERCIAL	)	
CUSTOMERS; (2) AUTHORITY TO RECOVER	)	
COSTS AND NET LOST REVENUES, AND TO	)	
RECEIVE INCENTIVES ASSOCIATED WITH THE	)	CASE NO.
IMPLEMENTATION OF THE PROGRAMS; (3)	)	2016-00281
REPORT IN COMPLIANCE WITH THE	)	
COMMISSION'S MARCH 11, 2015 ORDER IN	)	
CASE NO. 2015-00271 REGARDING	)	
INDUSTRIAL CUSTOMERS; (4) LEAVE TO	)	
DISPENSE WITH FILING MONTHLY DSM	)	
REPORTS; AND (5) ALL OTHER REQUIRED	)	
APPROVALS AND RELIEF	)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO  
KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before September 26, 2016. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be

accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 11, numbered paragraph 23. State why Kentucky Power is seeking relief from the monthly reporting requirements related to the DSM spending provision of the Mitchell Settlement, and explain whether it has considered proposing less frequent reports as opposed to discontinuing them altogether.

2. Refer to the Application, page 12, numbered paragraph 28, where it states, "None of the modifications affected or otherwise addressed the provision quoted in paragraph 20 above." Confirm whether paragraph 20 is the correct reference or whether it should be paragraph 27.

3. Refer to the Application, Exhibit 2.

a. This report notes that the target market is residential and small commercial; however, in the program description, only residential customers are mentioned. Explain whether this report is limited to residential customers or whether the report's results are based on the combination of residential and small commercial.

b. Explain why this report is the same report as filed for the approval of the Residential Appliance Recycling Program in Case No. 2015-00271.<sup>1</sup>

c. Provide a schedule for the rebate amounts for the small commercial class.

4. Refer to the Application, Exhibit 3.

a. Refer to page 2 of 72 and page 37 of 72.

(1) Provide a breakdown of the transmission and distribution ("T&D") losses by type, and explain how the amounts were determined.

(2) Explain why the T&D losses applied to the average customer annual net energy savings decrease from 9.0 percent, on page 2 of 72, to 8.6 percent, on page 37 of 72.

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<sup>1</sup> Case No. 2015-00271, *Application of Kentucky Power Company for (1) Authority to Modify Certain Existing Demand-Side Management Programs; (2) Authority to Implement New Programs; (3) Authority to Discontinue Certain Existing Demand-Side Management Programs; (4) Authority to Recover Costs and Net Lost Revenues, and to Receive Incentives Associated with the Implementation of the Programs; and (5) All Other Required Approvals and Relief* (Ky. PSC Mar. 11, 2016).

(3) Explain why the peak demand T&D losses applied to the projected winter/summer demand reductions increase from 10 percent to 12.4 percent.

b. Refer to page 4 of 72. Also refer to Case No. 2015-00271, Exhibit 2, page 3 of 63. Explain why the sum of the program to date (“PTD”) savings as of December 31, 2014, and the year to date (“YTD”) savings as of December 31, 2015, for all items listed does not equal the PTD results as of December 31, 2015.

c. Refer to page 7 of 72. Explain why the anticipated peak demand reduction for the summer season is negative for the High Efficiency Heat Pump – Mobile Home DSM Program.

d. Refer to page 38 of 72. As of June 30, 2016, the YTD Total Efficiency/Maximizing Incentive is \$250,906. On page 3 of 72, as of December 31, 2015, the PTD Total Efficiency Maximizing Incentive is \$3,512,383. Explain why the sum of the June 30, 2016 YTD Total Efficiency/Maximizing Incentive and the December 31, 2015 PTD Total Efficiency/Maximizing Incentive does not equal the listed June 30, 2016 PTD total of \$3,776,528.

e. Refer to page 39 of 72. As of June 30, 2016, the YTD Energy Savings total is 13,678,209 kWh. On page 4 of 72, as of December 31, 2015, the PTD Energy Savings total is 650,498,453 kWh. Explain why the sum of the June 30, 2016 YTD Energy Savings total and the December 31, 2015 Energy Savings total does not equal the June 30, 2016 PTD total of 666,572,605 kWh.

f. Refer to page 45 of 72.

(1) Confirm the number of PTD participants for each Residential Efficient Product.

(2) Explain why the sum of the YTD Efficiency Incentives as of June 30, 2016 of \$98,497 and the PTD Efficiency Incentives as of December 31, 2015, on page 14 of 72, of \$955,859 does not equal the PTD Efficiency Incentive of \$1,067,594 on page 45.

(3) Explain why the sum of the YTD Total Costs as of June 30, 2016, of \$1,445,332 and the PTD Total Costs as of December 31, 2015, on page 14 of 72, of \$5,732,496 does not equal the PTD Total Costs of \$7,191,066.

g. Refer to page 48 of 72.

(1) Confirm the number of single family audits and rebates performed PTD.

(2) Provide the expense forecast for 2017, as the bottom of the page is cut off.

h. Refer to page 58 of 72. Confirm that the expense forecast of \$50,000 is for 2017, not 2016.

i. Refer to page 59 of 72. Confirm that the customer sector for the Commercial Appliance Recycling is Commercial, not Residential.

5. Refer to Exhibit 4.

a. Refer to the Summary Tab. Explain why Kentucky Power is not proposing a higher rate so as to reduce the projected under-collection of \$18,989,666 for Residential DSM Programs and \$6,234,087 for Commercial DSM Programs.

b. Refer to the Year 2016 – 1<sup>st</sup> Half and Year 2016 – 2<sup>nd</sup> Half tabs.

(1) Explain why Exhibit 3, page 45 of 72, does not list Air Purifiers in its 2016 forecast at the bottom of the page, but the Year 2016 – 1<sup>st</sup> Half tab has 20 listed, and the Year 2016 – 2<sup>nd</sup> Half tab has 26 listed.

(2) Exhibit 3, page 45 of 72, has 1,667 Specialty Energy STAR CFLs forecasted at the bottom of the page, but the sum for the Year 2016 – 1<sup>st</sup> Half and Year 2016 – 2<sup>nd</sup> Half tabs is zero. Confirm that zero is shown in Exhibit 4 due to the discontinuation of CFL blubs as referenced on page 4 of the Direct Testimony of John A. Rogness III (“Rogness Testimony”).

(3) Explain why the sum of the total program costs for the Residential Efficient Products Program on the Year 2016 – 1<sup>st</sup> Half tab and the total estimated program costs for the Residential Efficient Products Program on the Year 2016 – 2<sup>nd</sup> Half tab does not equal the expense forecast for 2016 of \$1,149,206 at the bottom of page 45 of 72 of Exhibit 3.

(4) Explain why the sum of the Whole House Efficiency participants in the Year 2016 – 1<sup>st</sup> Half and Year 2016 – 2<sup>nd</sup> Half tabs does not equal the 2016 forecasted Whole House Efficiency participants as listed in Exhibit 3, page 48 of 72.

c. Refer to tab Year 2017 – 1<sup>st</sup> Half.

(1) Explain why the cumulative participants of 3,504 for the Modified Energy Fitness Program are less than the estimated Cumulative Participants at the end of year 2016 of 4,094 as listed in the Year 2016 – 2<sup>nd</sup> Half tab.

(2) Explain why the \$295,573 sum of the Total Estimated Program Costs for the Residential Efficient Products Program does not match the DSM

Budget for the First Half Year for the same program in Exhibit 6, page 1 of 1, of \$490,489.

6. Refer to the Application, Exhibit 5, page 1 of 2. Provide all presentations and handouts from the July 27, 2016 meeting.

7. Refer to the Rogness Testimony, page 10.

a. Identify any other jurisdictions within America Electric Power Company, Inc.'s ("AEP") service territory that have defined energy intensive processes and provide the criteria that define each.

b. Provide a description of all industrial DSM programs in other AEP service territories.

c. Describe any Industrial DSM opt-out provisions for other AEP service territories.

8. Provide the name and contact information for the Kentucky Power employee who an Industrial Customer would contact regarding DSM programs.

9. In Kentucky Power's response to Staff's Initial Request for Information in Case No. 2015-00271, Item 2, Kentucky Power responded that the increased incentive for the Appliance Recycling Program was intended to drive added participation in the program. The post-case filing for Case No. 2015-00271 dated July 29, 2016, shows that the Appliance Recycling Program is \$45,717 below budget.

a. Provide the current incentive payment for the Appliance Recycling Program.

b. If the current incentive payment is less than the maximum, explain why.



c. If the current incentive payment is the maximum, explain why the increased incentive has not resulted in an increase in participation rates.

10. In the post-case filing for Case No. 2015-00271 dated July 29, 2016, Kentucky Power was \$307,654 below budget as of June 30, 2016. Explain what steps Kentucky Power has taken to ensure it meets its required \$6 million expenditure level by the end of 2016.

11. Since school energy managers are funded in part through local property tax assessments and through Kentucky Power's School Energy Manager Program, which is part of its commercial DSM portfolio, explain whether Kentucky Power has considered showing the funding of the School Energy Manager Program as a separate DSM factor line item on the commercial customers' monthly bills. If not, explain why.

12. Provide any revised exhibits based on the responses to this request for information.

  
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DATED SEP 12 2016

cc: Parties of Record



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