



A unit of American Electric Power

Kentucky Power
101A Enterprise Drive
P O Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

HAND DELIVERED

July 21, 2015

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**PUBLIC SERVICE
COMMISSION**

Jeff R. Derouen, Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case No. 2014-00271
(To be retained in the Company's General Correspondence file)

Dear Mr. Derouen,

In accordance with the Commission's Order Dated February 13, 2015 in Case No. 2014-00271, Kentucky Power hereby files its monthly DSM update on the level of direct expenditures for June 2015.

If there are any questions please contact me at 502-696-7010.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John A. Rogness III', with a long horizontal flourish extending to the right.

John A. Rogness III
Director, Regulatory Services

Attachments

Kentucky Power Company
Summary of Demand Side Management Expenses
Month Ended: June 2015

June expenditures of \$504,887 favorably compared to the budgeted amount of \$467,085 and provided a positive variance of \$37,803. Commercial program expenditures were \$59,512 above budget and residential program expenditures were \$21,710 below budget. Year-to-date, 2015 DSM/EE expenditures are \$112,837 above the budgeted amount. Commercial program expenditures are \$212,949 above budget and residential program expenditures are \$100,111 below budget.

The Commercial High Efficiency Heat Pump/AC program was \$907 below the forecasted budget for June. Radio advertisements are being implemented in July to boost promotion for this program.

The Residential Efficient Products program produced \$88,476 in DSM services for the month of June, a strong showing but still slightly below the monthly forecasted target. Through June, the program's overall performance is \$62,972 ahead of the annual target. While, LED and CFL products continue to have a high customer demand, appliance rebates are lagging projected performance goals. Increased in-store advertising, in-store personnel training, and promotions are some of the program initiatives to increase participation. Additionally, the program webpage received an update providing better descriptive language for the products including locations where qualified appliance rebates are available.

The Modified Energy Fitness (MEF) weatherization program was behind budget for June due to the replacement of a fourth energy auditor. The implementation contractor has trained and activated the new auditor for the program. The MEF program is the primary contributor to the overall shortfall in DSM spending within the residential portfolio. With the addition of the new auditor, increased program performance is expected beginning with the July reporting month.

The Appliance Recycling program finished the 3rd full month of implementation at the end of June. Customer participation continues to increase, but overall program performance is lagging contracted program goals. Bill inserts and bill messaging is planned for August. Email messages were issued to approximately 56,000 residential customers during the month of June. The program is promoted at local events with fact sheets and coupon sized tear sheets, in addition to television advertisements.

