



A unit of American Electric Power

Kentucky Power
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KentuckyPower.com

HAND DELIVERED

March 4, 2016

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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 January 2016.

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

Sincerely,

John A. Rogness III
Director, Regulatory Services

Attachments

Kentucky Power Company
Summary of Demand Side Management Expenses
Month Ended: January 2016

January expenditures of \$38,920 are below the budgeted amount of \$421,273 with a negative variance of \$382,354. Commercial program expenditures were \$124,389 below budget and residential program expenditures were \$257,965 below budget.

The negative total expenditures, and corresponding budget shortfall, in large part reflects timing differences in accounting entries. Work completed in January was not invoiced with the contractor until February. Consequently, the negative expenditure amount is expected to be eliminated in February 2016 and thereafter are received and recorded.

Also, Kentucky Power proposed in Case 2015-00271 to begin four new DSM programs in 2016; Express Install, Retro-Commissioning, New Manufactured, and Whole House Efficiency. Setup for these new program services is ongoing to prepare for launch following the Commission's final approval order in the case.

Kentucky Power's Appliance Recycling program will continue following the execution of a contract with a new implementation contractor. Currently, the Company anticipates the program to re-launch in Spring 2016.

Kentucky Power Company Demand Side Management

Budget - Case 2015-00271:	January	February	March	April	May	June	July	August	September	October	November	December
FORECAST EXPENSE												
Commercial												
Commercial Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Administrative and Promotion Commercial	\$6,958	\$5,958	\$25,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$1,000	\$1,000	\$1,000
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719	\$32,719
New Construction	\$0	\$0	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$0	\$0
Retro-Commissioning	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112	\$17,112
CI Prescriptive Custom	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332	\$85,332
Commercial Total	\$142,121	\$142,121	\$169,543	\$149,543	\$149,543	\$149,543	\$349,543	\$149,543	\$149,543	\$150,543	\$141,621	\$141,621
Residential												
Residential Efficiency Products	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,258	\$94,008
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$30,207	\$20,138
Modified Energy Fitness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Compact Fluorescent Lighting	\$0	\$5,001	\$10,002	\$6,686	\$6,686	\$10,002	\$5,251	\$10,252	\$6,686	\$5,001	\$1,917	\$250
Energy Education for Students	\$1,248	\$2,366	\$3,111	\$3,483	\$1,248	\$1,248	\$1,248	\$1,248	\$1,248	\$6,091	\$5,719	\$3,111
General Administrative and Promotion Residential	\$8,292	\$6,292	\$31,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792
Residential Home Performance	\$808	\$808	\$445,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058
Appliance Recycling	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$10,228
New Manufactured Homes	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292	\$14,292
Whole House Efficiency	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$122,263	\$121,748
Residential Total	\$279,152	\$285,271	\$758,767	\$286,555	\$284,320	\$337,904	\$282,903	\$287,904	\$334,570	\$287,496	\$284,040	\$321,625
FORECAST EXPENSE Total	\$421,273	\$427,392	\$928,310	\$436,098	\$433,863	\$487,447	\$632,446	\$437,447	\$484,113	\$438,039	\$425,661	\$463,247

Budget - Case 2015-00271:	YTD January	YTD February	YTD March	YTD April	YTD May	YTD June	YTD July	YTD August	YTD September	YTD October	YTD November	YTD December
YTD FORECAST EXPENSE												
Commercial												
Commercial Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Administrative and Promotion Commercial	\$6,958	\$13,917	\$39,375	\$44,833	\$50,292	\$55,750	\$61,208	\$66,667	\$72,125	\$77,583	\$83,042	\$88,500
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$201,000	\$202,000	\$203,000
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	\$32,719	\$65,439	\$98,158	\$130,877	\$163,596	\$196,316	\$229,035	\$261,754	\$294,473	\$327,193	\$359,912	\$392,631
New Construction	\$0	\$0	\$8,921	\$17,843	\$26,764	\$35,685	\$44,606	\$53,528	\$62,449	\$71,370	\$71,370	\$71,370
Retro-Commissioning	\$17,112	\$34,224	\$51,336	\$68,447	\$85,559	\$102,671	\$119,783	\$136,895	\$154,007	\$171,118	\$188,230	\$205,342
CI Prescriptive Custom	\$85,332	\$170,664	\$255,996	\$341,328	\$426,660	\$511,992	\$597,324	\$682,656	\$767,988	\$853,320	\$938,652	\$1,023,984
Commercial Total	\$142,121	\$284,243	\$453,786	\$603,328	\$752,871	\$902,414	\$1,251,956	\$1,401,499	\$1,551,042	\$1,701,584	\$1,843,206	\$1,984,827
Residential												
Residential Efficiency Products	\$94,258	\$188,516	\$282,774	\$377,032	\$471,289	\$565,547	\$659,805	\$754,063	\$848,321	\$942,579	\$1,036,837	\$1,130,845
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	\$30,207	\$60,413	\$90,620	\$120,826	\$151,033	\$181,239	\$211,446	\$241,653	\$271,859	\$302,066	\$332,272	\$362,479
Modified Energy Fitness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Compact Fluorescent Lighting	\$0	\$5,001	\$10,003	\$21,671	\$28,339	\$38,341	\$43,592	\$53,844	\$60,512	\$65,513	\$67,430	\$67,680
Energy Education for Students	\$1,248	\$3,614	\$6,724	\$10,208	\$11,456	\$12,703	\$13,951	\$15,199	\$16,447	\$22,539	\$28,257	\$31,368
General Administrative and Promotion Residential	\$8,292	\$16,583	\$48,375	\$55,167	\$61,958	\$68,750	\$75,542	\$82,333	\$89,125	\$95,917	\$102,708	\$109,500
Residential Home Performance	\$808	\$1,617	\$446,675	\$447,483	\$448,292	\$499,350	\$500,158	\$500,967	\$552,025	\$552,833	\$553,642	\$604,700
Appliance Recycling	\$7,785	\$15,571	\$23,356	\$31,142	\$38,927	\$46,713	\$54,498	\$62,284	\$70,069	\$77,854	\$85,640	\$93,426
New Manufactured Homes	\$14,292	\$28,583	\$42,875	\$57,167	\$71,458	\$85,750	\$100,042	\$114,333	\$128,625	\$142,917	\$157,208	\$171,500
Whole House Efficiency	\$122,263	\$244,525	\$366,788	\$489,050	\$611,313	\$733,575	\$855,838	\$978,100	\$1,100,363	\$1,222,626	\$1,344,888	\$1,466,638
Residential Total	\$279,152	\$564,423	\$1,323,190	\$1,609,745	\$1,894,065	\$2,231,969	\$2,514,872	\$2,802,776	\$3,137,346	\$3,424,843	\$3,708,883	\$4,030,508
YTD FORECAST EXPENSE Total	\$421,273	\$848,666	\$1,776,975	\$2,213,073	\$2,646,936	\$3,134,383	\$3,766,828	\$4,204,275	\$4,688,388	\$5,126,427	\$5,552,088	\$6,015,335

