



A unit of American Electric Power

Kentucky Power
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KentuckyPower.com

HAND DELIVERED

June 20, 2016

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PUBLIC SERVICE
COMMISSION

Aaron Greenwell, Acting Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case Nos. 2015-00271 and 2014-00271
(To be retained in the Company's General Correspondence file)

Dear Mr. Greenwell,

In accordance with the Commission's Orders in Case Nos. 2014-00271 and 2015-00271, Kentucky Power hereby files its DSM update on the level of direct expenditures for the month of May 2016.

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 line extending to the right.

John A. Rogness III
Director, Regulatory Services

Attachments

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

May expenditures of \$468,680 are above the budgeted amount of \$433,863 with a positive variance of \$34,818. Commercial program expenditures were \$57,092 above budget and residential program expenditures were \$22,274 below budget.

Two new commercial programs, Express Install and Retro-Commissioning, are in start-up mode and together these two programs account for a \$248,093 shortfall in the YTD commercial program budget. Both programs are anticipated to have full participation by the end of the program year. Potential customer projects have already been identified for the Retro-Commissioning program and are anticipated to begin during the 2nd half of 2016. Customer projects are expected to begin in July for the Express Install program following the program launch to customers.

The Commercial Incentive Prescriptive Custom program (CIPC) was above budget for May having 81 customer projects completed. For YTD, the CIPC is above budget by \$109,101.

The Residential Efficient Products program was below budget for May by \$18,130. Customer demand for energy efficient lighting and appliances offered through the program remain high as represented by YTD paid incentives to customers totaling \$373,727 or approximately 60% of the annual customer incentive program goal.

The Whole House Energy Efficiency program is \$31,933 above budget for May having completed 39% of single family home energy audits and having HVAC measures completed at 60% of the annual measure target.

The Targeted Energy Efficiency weatherization program is below the YTD budget by \$105,310. The primary reason for the lower than expected YTD performance is because of local agencies utilization of LIHEAP funds currently available through the Weatherization Assistance Program. The future trend for home audits and weatherization services is positive as the Community Action agencies increase the audits and weatherization services provided through the DSM program. Expanding the program with approved measures like energy efficient windows should support added investment in the DSM program.

ACTUAL EXPENSE:	January	February	March	April	May	YTD May
Program Expense						
Commercial						
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$0.00	\$0.00	\$17,289.26
Commercial High Efficiency Heat Pump/Air Conditioning	\$0.00	-\$2,550.00	\$0.00	\$0.00	\$0.00	-\$2,550.00
General Administrative and Promotion Commercial	\$967.50	\$0.00	\$0.00	\$0.00	\$0.00	\$967.50
School Energy Manager	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Appliance Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Express Install	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$0.00	\$4,190.50
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$1,062.00	\$1,062.00
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$205,572.44	\$535,761.22
Commercial Total	\$17,732.43	\$268,300.19	\$0.00	\$64,053.42	\$206,634.44	\$666,720.48
Residential						
Residential Efficient Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$76,127.66	\$525,053.61
Mobile Home High Efficiency Heat Pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mobile Home New Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
High Efficiency Heat Pump	\$0.00	\$300.00	-\$300.00	\$0.00	\$0.00	\$0.00
Targeted Energy Efficiency	\$3,395.73	\$13,083.77	\$8,731.29	\$3,434.98	\$17,076.68	\$45,722.45
Modified Energy Fitness	\$151.20	\$0.00	\$0.00	\$0.00	\$0.00	\$151.20
Community Outreach Compact Fluorescent Lighting	\$0.00	\$0.00	\$5,970.43	\$0.00	\$0.00	\$5,970.43
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$0.00	\$5,832.65
General Administrative and Promotion Residential	\$967.50	\$1,623.00	\$0.00	\$0.00	\$0.00	\$2,590.50
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$0.00	\$444,250.00
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$385.00	\$1,543.56
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	\$7,150.00	\$14,261.18	\$31,361.18
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$154,195.43	\$509,951.02
Residential Total	\$21,187.11	\$352,010.64	\$770,882.00	\$166,300.90	\$262,045.95	\$1,572,426.60
Program Expense Total	\$38,919.54	\$620,310.83	\$770,882.00	\$230,354.32	\$468,680.39	\$2,129,147.08

Budget - Case 2015-00271:	January	February	March	April	May	June	July	August	September	October	November	December	Forecasted YTD
FORECAST EXPENSE													
Commercial													
Commercial Incentive	\$0	\$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	\$0
General Administrative and Promotion Commercial	\$6,958	\$6,958	\$25,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$5,458	\$88,500
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$1,000	\$1,000	\$1,000	\$203,000
Appliance Recycling	\$0	\$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	\$392,631
New Construction	\$0	\$0	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$8,921	\$0	\$0	\$71,370
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	\$205,342
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	\$1,023,984
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	\$1,984,827
Residential													
Residential Efficient 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	\$1,130,845
Mobile Home High Efficiency Heat Pump	\$0	\$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	\$0
High Efficiency Heat Pump	\$0	\$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	\$352,410
Modified Energy Fitness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Compact Fluorescent Lighting	\$0	\$5,001	\$10,002	\$6,668	\$6,668	\$10,002	\$5,251	\$10,252	\$6,668	\$5,001	\$1,917	\$250	\$67,680
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	\$31,368
General Administrative and Promotion Residential	\$8,292	\$8,292	\$31,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$6,792	\$109,500
Residential Home Performance	\$808	\$808	\$445,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058	\$808	\$808	\$51,058	\$604,700
Appliance Recycling	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$7,785	\$10,229	\$95,869
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	\$171,500
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	\$1,466,636
Residential Total	\$279,162	\$285,271	\$768,767	\$286,555	\$284,320	\$337,904	\$282,903	\$287,904	\$334,570	\$287,496	\$284,040	\$321,626	\$4,030,608
FORECAST EXPENSE Total	\$421,273	\$427,392	\$928,310	\$436,098	\$433,863	\$487,447	\$632,446	\$437,447	\$484,113	\$438,039	\$426,661	\$463,247	\$6,016,336

Variance	January	February	March	April	May	YTD May
Commercial						
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$0	\$17,289
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	\$0	-\$2,550
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$5,458	-\$49,324
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$163,596
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$8,921	-\$22,573
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$16,050	-\$84,497
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	\$120,240	\$109,101
Commercial Total	-\$124,389	\$126,179	-\$169,543	-\$85,489	\$57,092	-\$196,150
Residential						
Residential Efficient Products	-\$77,718	\$89,388	\$65,302	-\$5,078	-\$18,130	\$53,764
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$300	-\$300	\$0	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$13,130	-\$105,310
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$0	\$151
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$6,668	-\$22,369
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$1,248	-\$5,623
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$6,792	-\$59,368
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$808	-\$4,042
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$7,400	-\$37,384
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$30	-\$40,097
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$67,291	\$31,933	-\$101,362
Residential Total	-\$257,965	\$66,740	\$12,115	-\$120,255	-\$22,274	-\$321,639
FORECAST EXPENSE Total	-\$382,354	\$192,919	-\$157,428	-\$205,744	\$34,818	-\$517,789