



Kentucky Power  
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KentuckyPower.com

**HAND DELIVERED**

June 7, 2016

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

RECEIVED

JUN 7 2016

PUBLIC SERVICE  
COMMISSION

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 April 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: April 2016**

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April expenditures of \$230,354.32 are below the budgeted amount of \$436,098 with a negative variance of \$205,744. Commercial program expenditures were \$85,489 below budget and residential program expenditures were \$120,255 below budget. Year-to-date, 2016 DSM/EE expenditures are \$552,607 below the budgeted amount. Commercial program expenditures are \$253,242 below budget and residential program expenditures are \$299,364 below budget.

Two new commercial programs, Express Install and Retro-Commissioning, are in start-up mode. Together, these two programs account for a \$199,324 shortfall in the YTD commercial program budget. Both programs are anticipated to have full participation by the end of the 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 June for the Express Install program following the program launch.

The Commercial Incentive Prescriptive Custom program (CIPC) was below budget for April due to a pending invoice totaling \$60,000 that was not submitted by the program implementation contractor in April. The invoice has since been processed and will reflect in the expense month of May.

The Whole House Efficiency program is behind the YTD target. However, the program has issued customer incentives that will move the YTD budget above target. Through April, the program has completed 43% of the targeted home energy audits, and 41% of the targeted HVAC upgrades.

The Targeted Energy Efficiency weatherization program is behind YTD targets primarily because of agencies utilizing available LIHEAP funds through the Weatherization Assistance Program. The future trend for home audits and weatherization services is positive as the Community Action agencies begin to increase audits and weatherization services provided through the DSM program. Expanding the program in the coming months to include support for efficient windows and doors will increase the program investment.

Kentucky Power Company  
Demand Side Management

<b>ACTUAL EXPENSE:</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>YTD April</b>
<b>Program Expense</b>					
<b>Commercial</b>					
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$0.00	\$17,289.26
Commercial High Efficiency Heat Pump/Air Conditioning	\$0.00	-\$2,550.00	\$0.00	\$0.00	-\$2,550.00
General Administrative and Promotion Commercial	\$967.50	\$0.00	\$0.00	\$0.00	\$967.50
School Energy Manager	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Appliance Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Express Install	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$4,190.50
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$330,188.78
<b>Commercial Total</b>	<b>\$17,732.43</b>	<b>\$268,300.19</b>	<b>\$0.00</b>	<b>\$64,053.42</b>	<b>\$350,086.04</b>
<b>Residential</b>					
Residential Efficients Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$448,925.95
Mobile Home High Efficiency Heat Pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mobile Home New Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
High Efficiency Heat Pump	\$0.00	\$300.00	-\$300.00	\$0.00	\$0.00
Targeted Energy Efficiency	\$3,395.73	\$13,083.77	\$8,731.29	\$3,434.98	\$28,645.77
Modified Energy Fitness	\$151.20	\$0.00	\$0.00	\$0.00	\$151.20
Community Outreach Compact Fluorescent Lighting	\$0.00	\$0.00	\$5,970.43	\$0.00	\$5,970.43
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$5,832.65
General Administrative and Promotion Residential	\$967.50	\$1,623.00	\$0.00	\$0.00	\$2,590.50
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$444,250.00
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$1,158.56
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	\$7,150.00	\$17,100.00
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$355,755.59
<b>Residential Total</b>	<b>\$21,187.11</b>	<b>\$352,010.64</b>	<b>\$770,882.00</b>	<b>\$166,300.90</b>	<b>\$1,310,380.65</b>
<b>Program Expense Total</b>	<b>\$38,919.54</b>	<b>\$620,310.83</b>	<b>\$770,882.00</b>	<b>\$230,354.32</b>	<b>\$1,660,466.69</b>

	January	February	March	April	May	June	July	August	September	October	November	December	YTD December
<b>FORECAST EXPENSE</b>													
<b>Commercial</b>													
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	\$392,031
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
<b>Commercial Total</b>	<b>\$142,121</b>	<b>\$142,121</b>	<b>\$169,543</b>	<b>\$149,543</b>	<b>\$149,543</b>	<b>\$149,543</b>	<b>\$349,543</b>	<b>\$149,543</b>	<b>\$149,643</b>	<b>\$160,643</b>	<b>\$141,621</b>	<b>\$141,621</b>	<b>\$1,984,827</b>
<b>Residential</b>													
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	\$8,668	\$5,001	\$1,917	\$250	\$67,680
Energy Education for Students	\$1,248	\$2,368	\$3,111	\$3,483	\$1,248	\$1,248	\$1,248	\$1,248	\$1,248	\$8,091	\$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
<b>Residential Total</b>	<b>\$279,152</b>	<b>\$285,271</b>	<b>\$768,767</b>	<b>\$286,565</b>	<b>\$284,320</b>	<b>\$337,904</b>	<b>\$282,903</b>	<b>\$287,904</b>	<b>\$334,570</b>	<b>\$287,496</b>	<b>\$284,040</b>	<b>\$321,625</b>	<b>\$4,030,508</b>
<b>FORECAST EXPENSE Total</b>	<b>\$421,273</b>	<b>\$427,392</b>	<b>\$928,310</b>	<b>\$436,098</b>	<b>\$433,863</b>	<b>\$487,447</b>	<b>\$632,446</b>	<b>\$437,447</b>	<b>\$484,113</b>	<b>\$438,039</b>	<b>\$425,661</b>	<b>\$463,247</b>	<b>\$6,015,335</b>

	January	February	March	April	YTD April
<b>Variance</b>					
<b>Commercial</b>					
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$17,289
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	-\$2,550
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$43,866
School Energy Manager	\$0	\$0	\$0	\$0	\$0
Appliance Recycling	\$0	\$0	\$0	\$0	\$0
Express Install	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$130,877
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$13,652
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$68,447
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	-\$11,139
<b>Commercial Total</b>	<b>-\$124,389</b>	<b>\$126,179</b>	<b>-\$169,543</b>	<b>-\$85,489</b>	<b>-\$253,242</b>
<b>Residential</b>					
Residential Efficients Products	-\$77,718	\$89,388	\$65,302	-\$5,078	\$71,894
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$300	-\$300	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$92,181
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$151
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$15,701
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$4,375
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$52,576
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$3,233
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$29,983
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$40,067
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$57,291	-\$133,295
<b>Residential Total</b>	<b>-\$257,965</b>	<b>\$66,740</b>	<b>\$12,115</b>	<b>-\$120,255</b>	<b>-\$299,364</b>
<b>FORECAST EXPENSE Total</b>	<b>-\$382,354</b>	<b>\$192,919</b>	<b>-\$157,428</b>	<b>-\$205,744</b>	<b>-\$552,607</b>