



Kentucky Power
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KentuckyPower.com

HAND DELIVERED

July 29, 2016

Talina Mathews, Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

JUL 29 2016

PUBLIC SERVICE
COMMISSION

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

Dear Ms. Mathews,

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 June 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: June 2016

June expenditures of \$697,582 favorably compared to the budgeted amount of \$487,447 and provided a positive variance of \$210,135. Commercial program expenditures were \$36,105 above budget and residential program expenditures were \$174,030 above budget. Year-to-date, 2015 DSM/EE expenditures are \$307,654 below the budgeted amount. Commercial program expenditures are \$160,045 below budget and residential program expenditures are \$147,608 below budget.

Two new commercial programs, Express Install and Retro-Commissioning, are in start-up mode and together these two programs account for a \$297,115 shortfall in the commercial program budget for the year. Both programs are anticipated to have full participation by 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 program launch to customers.

The Commercial Incentive Prescriptive Custom program (CIPC) was above budget for May having 110 customer projects completed through June.

The Residential Efficient Products program is above budget for the year by \$85,822. Customer demand for energy efficient lighting and appliances offered through the program remain high as represented by YTD paid incentives to customers totaling \$424,564 or approximately 68 percent of the annual customer incentive program goal.

The Whole House Energy Efficiency program is \$67,107 above budget for the year having completed 52 percent of home energy audits and having HVAC measures completed at 85 percent of the annual measure target.

The Targeted Energy Efficiency weatherization program increased the monthly DSM expenditures for June exceeding the budget target by \$6,841. YTD program performance through June is behind target primarily due to agency utilization of LIHEAP funds that have been 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 support added investment in this DSM program.

Kentucky Power Company
Demand Side Management

ACTUAL EXPENSE:	January	February	March	April	May	June	YTD June
Program Expense							
Commercial							
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$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	\$4,250.00	\$1,700.00
General Administrative and Promotion Commercial	\$967.50	\$0.00	\$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	\$0.00
Appliance Recycling	\$0.00	\$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	\$0.00
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$0.00	\$0.00	\$4,190.50
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$1,062.00	\$810.00	\$1,872.00
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$205,572.44	\$180,587.67	\$716,348.89
Commercial Total	\$17,732.43	\$268,300.19	\$0.00	\$64,053.42	\$206,634.44	\$185,647.67	\$742,368.15
Residential							
Residential Efficients Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$76,127.66	\$126,316.12	\$651,369.73
Mobile Home High Efficiency Heat Pump	\$0.00	\$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	\$0.00
High Efficiency Heat Pump	\$0.00	\$300.00	-\$300.00	\$0.00	\$0.00	\$0.00	\$0.00
Targeted Energy Efficiency	\$3,395.73	\$13,083.77	\$8,731.29	\$3,434.98	\$17,076.68	\$37,047.78	\$82,770.23
Modified Energy Fitness	\$151.20	\$0.00	\$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	\$5,694.88	\$11,665.31
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$0.00	-\$5,832.65	\$0.00
General Administrative and Promotion Residential	\$967.50	\$1,623.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,590.50
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$0.00	\$50,250.00	\$494,500.00
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$385.00	\$55.00	\$1,598.56
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	\$7,150.00	\$14,261.18	\$7,672.08	\$39,033.26
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$154,195.43	\$290,731.12	\$800,682.14
Residential Total	\$21,187.11	\$352,010.64	\$770,882.00	\$166,300.90	\$262,045.95	\$511,934.33	\$2,084,360.93
Program Expense Total	\$38,919.54	\$620,310.83	\$770,882.00	\$230,354.32	\$468,680.39	\$697,582.00	\$2,826,729.08

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	\$6,958	\$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 Efficients 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	\$6,668	\$6,668	\$10,002	\$5,251	\$10,252	\$6,668	\$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	\$8,292	\$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	\$10,229
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	\$279,162	\$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

	January	February	March	April	May	June	YTD June
Variance							
Commercial							
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$0	\$0	\$17,289
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	\$0	\$4,250	\$1,700
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$5,458	-\$5,458	-\$54,783
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appliance Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Express Install	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$32,719	-\$196,316
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$8,921	-\$8,921	-\$31,495
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$16,050	-\$16,302	-\$100,799
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	\$120,240	\$95,256	\$204,357
Commercial Total	-\$124,389	\$126,179	-\$169,543	-\$85,489	\$57,092	\$36,105	-\$160,045
Residential							
Residential Efficient Products	-\$77,718	\$89,388	\$65,302	-\$5,078	-\$18,130	\$32,058	\$85,822
Mobile Home High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump	\$0	\$300	-\$300	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$13,130	\$6,841	-\$98,469
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$0	\$0	\$151
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$6,668	-\$4,307	-\$26,676
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$1,248	-\$7,081	-\$12,703
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$6,792	-\$6,792	-\$66,160
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$4,850
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$7,400	-\$7,730	-\$45,114
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$30	-\$6,620	-\$46,717
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$57,291	\$31,933	\$168,469	\$67,107
Residential Total	-\$257,965	\$66,740	\$12,115	-\$120,255	-\$22,274	\$174,030	-\$147,608
Variance Total	-\$382,354	\$192,919	-\$157,428	-\$205,744	\$34,818	\$210,135	-\$307,654