

**HAND DELIVERED**

March 30, 2016

James W. Gardner, Acting Executive Director  
Public Service Commission  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602

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MAR 30 2016

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2015-00271  
(To be retained in the Company's General Correspondence file)

Dear Chairman Gardner,

In accordance with the Commission's Order Dated March 11, 2016 in Case No. 2015-00271, Kentucky Power hereby files its monthly DSM update on the level of direct expenditures for February 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: February 2016**

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February expenditures of \$620,311 are above the budgeted amount of \$427,392 with a positive variance of \$192,919. Commercial program expenditures were \$126,179 above budget and residential program expenditures were \$66,740 above budget. Year-to-date, 2016 DSM/EE expenditures are \$189,435 below the budgeted amount. Commercial program expenditures are \$1,790 above budget and residential program expenditures are \$191,225 below budget.

The Targeted Energy Efficiency weatherization program is behind in the number of homes anticipated for audit and weatherization services. The reduction is primarily attributed to reduced invoices from Community Action Agency (CAA) for completed home audits. Kentucky Power is coordinating with CAA to ensure the maximum potential for utilizing the program services.

New program services are being developed with DSM implementation contractors. Several of the new programs are presently behind the YTD budget target but implementation schedules are being developed in conjunction with contracting services to achieve annual program goals. New DSM programs include: Express Install, Retro-Commissioning, New Manufactured Homes, and Whole House Efficiency.

Setup and integration is ongoing with a new implementation contractor for the Appliance Recycling program. The program will be launched following execution of contract and completion of setup and integration of program services this spring.



| Budget - Case 2015-00271:                             | January          | February         | March            | April            | May              | June             | July             | August           | September        | October          | November         | December         |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>FORECAST EXPENSE</b>                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Commercial</b>                                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 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          | \$8,921          | \$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         |
| <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>\$149,543</b> | <b>\$150,543</b> | <b>\$141,621</b> | <b>\$141,621</b> |
| <b>Residential</b>                                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 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        |
| <b>Residential Total</b>                              | <b>\$279,152</b> | <b>\$285,271</b> | <b>\$758,767</b> | <b>\$286,555</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>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> |

