



**KENTUCKY
POWER®**

A unit of American Electric Power

Kentucky Power
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Frankfort, KY 40602-5190
KentuckyPower.com

HAND DELIVERED

December 20, 2016

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

RECEIVED

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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 November 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: November 2016

November expenditures of \$458,246 are above the budgeted amount of \$425,661 with a positive variance of \$32,585. Commercial program expenditures were \$95,781 above budget, while residential program expenditures were \$63,196 below budget. Year-to-date, 2016 DSM/EE expenditures are \$122,802 below the budgeted amount. Commercial program expenditures are \$144,261 above budget and residential program expenditures are \$267,063 below budget.

The Express Install program had a positive variance of \$63,832 for the month of November. While the program remains below the year-to-date target with a negative variance of \$156,310, the program has been trending positively over the last 3 months with customer engagement increasing. The program is still trending toward achieving its annual target goal.

Whole House Efficiency program had a positive variance of \$31,929 for the month of November, exceeding YTD numbers by \$131,500. The Whole House program has picked up momentum in the 4th quarter with close to 150 rebates processed in the last 3 months alone. The Company is looking forward to building off this momentum in 2017.

The Targeted Energy Efficiency program had a positive variance of \$9,283 for the month of November. The program has seen a positive uptick in the last 3 months with one of the larger Community Action agencies in our service territory returning to full operating capacity. The program is at 87% of annual budget through November, and the Company believes we will hit our annual target goal by the end of the year.

Both residential and commercial promotion programs had positive variances of \$5,221 and \$4,646, respectively, for the month of November. This positive trend will continue into December where television, newspaper, banner ads and the conclusion of radio advertisement expenses will fall. The general marketing budget is forecasted to hit its annual target through December.

Through November, CI Prescriptive/Custom program has a positive variance of \$550,082 for the year. The success of this program is largely due to the addition of a program field representative, which has contributed to more business development leading to more customer projects.

Kentucky Power Company
Demand Side Management

ACTUAL EXPENSE:	January	February	March	April	May	June	July	August	September	October	November	YTD
Program Expense												
Commercial												
Commercial Incentive	\$16,764.93	\$524.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,700.00
General Administrative and Promotion Commercial	\$967.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$891.00	\$1,353.58	\$1,274.00	\$10,104.42	\$14,590.50
School Energy Manager	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$1,039.24	\$201,039.24
Appliance Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$0.00	\$37,496.31	\$69,553.98	\$96,551.41	\$203,601.70
New Construction	\$0.00	\$0.00	\$0.00	\$4,190.50	\$0.00	\$0.00	\$3,592.46	\$21,953.28	\$14,594.42	\$852.89	\$11,786.75	\$56,970.30
Retro-Commissioning	\$0.00	\$0.00	\$0.00	\$0.00	\$1,062.00	\$810.00	\$139.50	\$339.00	\$139.50	\$0.00	\$1,051.22	\$3,541.22
CI Prescriptive Custom	\$0.00	\$270,325.86	\$0.00	\$59,862.92	\$205,572.44	\$180,587.67	\$166,987.52	\$159,411.51	\$129,144.24	\$199,973.15	\$116,868.88	\$1,488,734.19
Commercial Total	\$17,732.43	\$268,300.19	\$0.00	\$64,053.42	\$206,634.44	\$185,647.67	\$370,719.48	\$182,594.79	\$182,728.05	\$271,654.02	\$237,401.92	\$1,987,466.41
Residential												
Residential Efficients Products	\$16,540.15	\$183,646.01	\$159,560.15	\$89,179.64	\$76,127.66	\$126,316.12	\$13,473.88	\$105,170.90	\$154,620.13	\$57,174.01	\$77,037.10	\$1,058,845.75
Mobile Home High Efficiency Heat Pump	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$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	\$0.00	\$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	\$23,071.48	\$16,318.00	\$29,705.11	\$38,535.48	\$39,489.19	\$229,889.49
Modified Energy Fitness	\$151.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$0.00	\$0.00	\$11,850.30	\$8,476.96	\$823.05	\$32,815.62
Energy Education for Students	\$0.00	\$0.00	\$4,592.64	\$1,240.01	\$0.00	-\$5,832.65	\$1,800.00	\$0.00	\$13,500.30	\$21,896.20	\$160.56	\$37,357.06
General Administrative and Promotion Residential	\$967.50	\$1,623.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,202.62	\$2,600.00	\$3,061.58	\$4,407.00	\$12,012.42	\$27,874.12
Residential Home Performance	\$0.00	\$0.00	\$444,250.00	\$0.00	\$0.00	\$50,250.00	\$0.00	\$0.00	\$50,250.00	\$0.00	-\$95,404.45	\$449,345.55
Appliance Recycling	\$132.53	\$596.03	\$105.00	\$325.00	\$385.00	\$55.00	\$10,967.08	\$1,074.00	\$854.00	\$1,464.00	\$19,549.73	\$35,507.37
New Manufactured Homes	\$0.00	\$9,400.00	\$550.00	\$7,150.00	\$14,261.18	\$7,672.08	\$2,424.41	\$19,589.00	\$10,608.40	\$9,005.20	\$12,984.40	\$93,644.67
Whole House Efficiency	\$0.00	\$143,361.83	\$147,422.49	\$64,971.27	\$154,195.43	\$290,731.12	\$116,045.18	\$169,768.86	\$116,865.99	\$118,834.40	\$154,192.05	\$1,476,388.62
Residential Total	\$21,187.11	\$352,010.64	\$770,882.00	\$166,300.90	\$262,045.95	\$511,934.33	\$170,984.65	\$314,520.76	\$391,315.81	\$259,793.25	\$220,844.05	\$3,441,819.45
Program Expense Total	\$38,919.54	\$620,310.83	\$770,882.00	\$230,354.32	\$468,680.39	\$697,582.00	\$541,704.13	\$497,115.55	\$574,043.86	\$531,447.27	\$458,245.97	\$5,429,285.86

Budget - Case 2015-00271:	January	February	March	April	May	June	July	August	September	October	November	December	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	\$279,152	\$285,271	\$758,767	\$286,555	\$284,320	\$337,904	\$282,903	\$287,904	\$334,570	\$287,496	\$284,040	\$321,625	\$4,030,508
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	\$6,015,335

Variance	January	February	March	April	May	June	July	August	September	October	November	YTD
Commercial												
Commercial Incentive	\$16,765	\$524	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,289
Commercial High Efficiency Heat Pump/Air Conditioning	\$0	-\$2,550	\$0	\$0	\$0	\$4,250	\$0	\$0	\$0	\$0	\$0	\$1,700
General Administrative and Promotion Commercial	-\$5,991	-\$6,958	-\$25,458	-\$5,458	-\$5,458	-\$5,458	-\$5,458	-\$4,567	-\$4,105	-\$4,184	\$4,646	-\$68,451
School Energy Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,000	\$39	-\$961
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	\$4,777	\$36,835	\$63,832	-\$156,310
New Construction	\$0	\$0	-\$8,921	-\$4,731	-\$8,921	-\$8,921	-\$5,329	\$13,032	\$5,673	-\$8,068	\$11,787	-\$14,400
Retro-Commissioning	-\$17,112	-\$17,112	-\$17,112	-\$17,112	-\$16,050	-\$16,302	-\$16,972	-\$16,773	-\$16,972	-\$17,112	-\$16,061	-\$184,689
CI Prescriptive Custom	-\$85,332	\$184,994	-\$85,332	-\$25,469	\$120,240	\$95,256	\$81,656	\$74,080	\$43,812	\$114,641	\$31,537	\$550,082
Commercial Total	-\$124,389	\$126,179	-\$169,543	-\$85,489	\$57,092	\$36,105	\$21,177	\$33,052	\$33,185	\$121,111	\$95,781	\$144,261
Residential												
Residential Efficient Products	-\$77,718	\$89,388	\$65,302	-\$5,078	-\$18,130	\$32,058	-\$80,784	\$10,913	\$60,362	-\$37,084	-\$17,221	\$22,009
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	\$300	-\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	-\$26,811	-\$17,123	-\$21,475	-\$26,772	-\$13,130	\$6,841	-\$7,135	-\$13,889	-\$501	\$8,329	\$9,283	-\$102,383
Modified Energy Fitness	\$151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$151
Community Outreach Compact Fluorescent Lighting	\$0	-\$5,001	-\$4,032	-\$6,668	-\$6,668	-\$4,307	-\$5,251	-\$10,252	\$5,182	\$3,476	-\$1,094	-\$34,614
Energy Education for Students	-\$1,248	-\$2,366	\$1,482	-\$2,243	-\$1,248	-\$7,081	\$552	-\$1,248	\$12,252	\$15,805	-\$5,558	\$9,100
General Administrative and Promotion Residential	-\$7,324	-\$6,669	-\$31,792	-\$6,792	-\$6,792	-\$6,792	-\$3,589	-\$4,192	-\$3,730	-\$2,385	\$5,221	-\$74,834
Residential Home Performance	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$808	-\$96,213	-\$104,296
Appliance Recycling	-\$7,653	-\$7,189	-\$7,680	-\$7,460	-\$7,400	-\$7,730	\$3,182	-\$6,711	-\$6,931	-\$6,321	\$11,764	-\$50,132
New Manufactured Homes	-\$14,292	-\$4,892	-\$13,742	-\$7,142	-\$30	-\$6,620	-\$11,867	\$5,297	-\$3,683	-\$5,286	-\$1,307	-\$63,564
Whole House Efficiency	-\$122,263	\$21,099	\$25,160	-\$57,291	\$31,933	\$168,469	-\$6,217	\$47,506	-\$5,397	-\$3,428	\$31,929	\$131,500
Residential Total	-\$257,965	\$66,740	\$12,115	-\$120,255	-\$22,274	\$174,030	-\$111,918	\$26,617	\$56,746	-\$27,703	-\$63,196	-\$267,063
FORECAST EXPENSE Total	-\$382,354	\$192,919	-\$157,428	-\$205,744	\$34,818	\$210,135	-\$90,742	\$59,669	\$89,931	\$93,408	\$32,585	-\$122,802