



DUKE ENERGY CORPORATION

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VIA OVERNIGHT DELIVERY

April 4, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

APR 05 2013

PUBLIC SERVICE
COMMISSION

Re: In the Matter of the Application of Duke Energy Kentucky, Inc. to Expand its Smart Saver Custom Energy Efficiency Program, Case No. 2013-00097

Dear Mr. Derouen:

Enclosed please find for filing in the above-referenced case an original and ten (10) copies each of Duke Energy Kentucky Inc.'s Response to Staff's Data Requests in the above captioned matter.

Please return the file-stamped copies to me.

Sincerely,

Kristen Cocanougher

Enclosures

cc: David Samford (w/enclosures)
Jennifer Hans (w/enclosures)

VERIFICATION

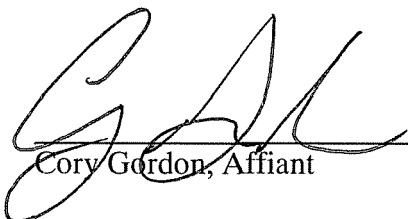
RECEIVED

APR 05 2013

PUBLIC SERVICE
COMMISSION

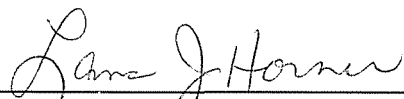
State of Indiana)
)
County of Hendricks) SS:

The undersigned, Cory Gordon, being duly sworn, deposes and says that he is the Lead Marketing Manager, that he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.



Cory Gordon, Affiant

Subscribed and sworn to before me by CORY GORDON on this 2ND
day of April 2013.



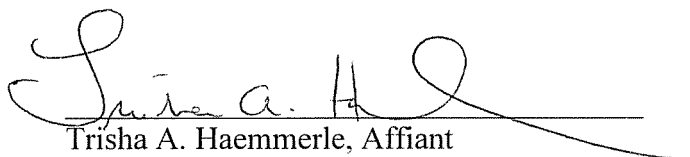
NOTARY PUBLIC LANA J. HORNER

My Commission Expires: 04/19/2015

VERIFICATION

State of Ohio)
)
County of Hamilton) **SS:**

The undersigned, Trisha A. Haemmerle, being duly sworn, deposes and says that she is the Manager Midwest Strategy & Collaboration, Duke Energy Business Services LLC, that she has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of her knowledge, information and belief, after reasonable inquiry.


Trisha A. Haemmerle, Affiant

Subscribed and sworn to before me by TRISHA A. HAEMMERLE on this 2ND day of April 2013.

ADELE M. DOCKERY
Notary Public, State of Ohio
My Commission Expires 01-05-2014


NOTARY PUBLIC

My Commission Expires: 1/5/2014

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Duke Energy Kentucky
Case No. 2013-00097
Staff First Set Data Requests
Date Received: March 27, 2013

STAFF-DR-01-001

REQUEST:

Refer to paragraph 13, page 4, of the Application, where it states:

Response to the Custom Program has been robust and, through the first six months of Duke Energy Kentucky's current fiscal year (December 21, 2012) [sic], the Company has nearly expended its budget for the entire fiscal year (which ends [sic] of June 30, 2013). Duke Energy Kentucky had budgeted a participation level of 46, but has been an actual participation level of 375 over the same period. Duke Energy Kentucky estimates that the Custom Program could approach double that participation by June 30, 2013, if it was not constrained.

- a. Provide the most current available amount expended for the Smart Saver Custom Energy Efficiency Program ("Custom Program") and describe the type(s) of expenditures.
- b. State how the budgeted participation level of 46 and the actual participation level of 375 are different than the incremental participation level of 850 for the Smart Saver Custom Energy Efficiency Incentive Program (Pilot) as shown in the table at the bottom of page 6 in Duke Kentucky's Application in Case No. 2012-00495.

RESPONSE:

- a. Fiscal year to date expenditures are \$41,735.67, broken down as follows:

Incentives	\$29,702.00
Administration	\$10,667.37
Evaluation	\$1,356.31

- b. Custom Incentive "participants" are not strictly defined as a certain item. They may be a building, a chiller, a process line or even a single lamp, and are all unique. Moreover, a participant is not a metric the Custom program tracks to determine how effective the program has been. Participants are an intermediary counting mechanism used for purposes of recording performance.

As a hypothetical comparison:

- Customer #1 might apply for a single industrial chiller project that saves 250,000 kWh. This would be 1 “participant.”
- Customer #2 might apply for a lighting retrofit of 1,000 fixtures that save 250 kWh each. This would be 1,000 “participants” with the same aggregate energy savings result as the single participant chiller.

The 850 pilot participants within the status update filing (Case No. 2012-00495) were LED lamps replacing halogen lamps. Each lamp replacement saves approximately 250 kWh each based on the retail stores operating hours. The aggregate savings is a little more than 212,000 kWh.

The 46 participants projected in year 1 (Jul 2012 – Jun 2013) of the new portfolio filing (Case No. 2012-00085) are reflective of the *average* participant. Using historical records (including data from Ohio), the average participant as calculated at that time, was expected to save 5,700 kWh each.

Actual program participation between July 1, 2012 and December 31, 2012, yielded 375 participants totaling 384,358 kWh. (This excludes projects that were received and approved prior to July 2012, which are considered part of the pilot.) Participation was made up of the following:

- (64) Light Fixtures/Lamps that yield savings of approximately 1,600 kWh each
- (6) Light Fixtures/Lamps that yield savings of approximately 950 kWh each
- (38) Retail packaging machines that yield savings of approximately 2,500 kWh each
- (1) Lighting redesign project that yields savings of approximately 72,000 kWh in total
- (264) Retail lamps that yield savings of 18 kWh each
- (1) Lighting redesign project that yields savings of approximately 12,000 kWh in total
- (1) Lighting redesign project that yields savings of approximately 97,000 kWh in total

PERSON RESPONSIBLE: Cory Gordon

**Duke Energy Kentucky
Case No. 2013-00097
Staff First Set Data Requests
Date Received: March 27, 2013**

STAFF-DR-01-002

REQUEST:

Refer to paragraph 14, page 4, of the Application. Provide the most current available amount of energy savings for the Custom Program.

RESPONSE:

In addition to the roughly 385,000 kWh savings that were captured through December 31, 2012, as identified in the response to question STAFF-DR-01-001b, approximately, 70,000 kWh have been recorded to date in 2013. The grand total, excluding applications received and approved prior to July 1, 2012, is approximately 455,000 kWh.

PERSON RESPONSIBLE: Cory Gordon

Duke Energy Kentucky
Case No. 2013-00097
Staff First Set Data Requests
Date Received: March 27, 2013

STAFF-DR-01-003

REQUEST:

Refer to paragraph 16, page 5, of the Application, where it states:

In light of the foregoing, Duke Energy Kentucky requests that the Commission increase the budget (including program costs, lost revenues and shared savings) for the Custom Program to \$195,000 for the remainder of the current fiscal year. Duke Energy Kentucky will recommend a more permanent adjustment in the course of filing its next annual DSM application.

- a. Provide a breakdown of the requested increase by program costs, lost revenues, and shared savings.
- b. Provide the amount, if known, that Duke Kentucky may request in its next Demand-Side Management (“DSM”) application for the Custom Program.
- c. By DSM factor(s), provide the changes in the DSM factor(s) that would result from increasing the Custom Program budget to \$195,000.

RESPONSE:

- a. Program costs = \$122,703; lost revenues = \$20,103; shared savings = \$52,394
- b. Other than the requested increase for year 1 (July 2012 - June 2013), the Company believes that the projected budget for the Custom program that was filed in Case No. 2012-00085 and approved on March 6, 2012 for the next five years is accurate. Due to the anticipated increase in kwh savings for year 1, an adjustment to the year 1 budget for the Custom program would also increase lost revenues of approximately \$40,000 for years 2 and 3.
- c. The difference in the DSM factor is \$ 0.000084.

PERSON RESPONSIBLE: Trisha A. Haemmerle

**Duke Energy Kentucky
Case No. 2013-00097
Staff First Set Data Requests
Date Received: March 27, 2013**

STAFF-DR-01-004

REQUEST:

If the Commission were to grant the requested increase in the budget amount, state whether the cost-effectiveness of the Custom Program will change, and if so, provide the results.

RESPONSE:

Duke Energy Kentucky does not believe that the cost effectiveness of the program would be significantly impacted as a result of an increase in the budget. Fixed costs might be shared by a larger avoided cost base. However, because each Custom project varies, the characteristics of actual completed Custom projects, each of which is tested individually for cost effectiveness, will have the most significant impact on cost effectiveness at the program level.

PERSON RESPONSIBLE: Cory Gordon