



DUKE ENERGY CORPORATION

139 East Fourth Street
1212 Main
Cincinnati, OH 45201-0960
Telephone: (513) 287-4315
Facsimile: (513) 287-4385

Kristen Cocanougher
Sr. Paralegal
E-mail: Kristen.cocanougher@duke-energy.com

VIA OVERNIGHT DELIVERY

March 16, 2011

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

RECEIVED

MAR 17 2011

PUBLIC SERVICE
COMMISSION

Re: **Case No. 2010-00445**

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of Duke Energy Kentucky Inc.'s response to Staff's Third Set of Data Requests in the above captioned case. We are also enclosing a CD containing the electronic attachments to the Data Requests.

Please date-stamp the two copies of the letter and the Data Requests and return to me in the enclosed envelope.

Sincerely,

Kristen Cocanougher

cc: Larry Cook (w/enclosures)

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Duke Energy Kentucky
Case No. 2010-00445
Staff Third Set Data Requests
Date Received: March 10, 2011

STAFF-DR-03-001

REQUEST:

Refer to your response in Staff-DR-02-007. Please provide an explanation for the Program Expenditures value of \$716,303. If the appropriate sum is \$716,303, provide a revised schedule.

RESPONSE:

During the process of responding to Staff-DR-02-007, Duke Energy Kentucky determined that the amount \$719,739 reported in "STAFF-DR-001-005(b)(1) attachment Appendix B Reconciliation 2010 - Revised.xls" included misassigned costs totaling \$3,436 that were mistakenly assigned to the Commercial & Industrial High Efficiency Program. The costs should have been assigned to the residential program, Energy Star Products. The total included in "STAFF-DR-001-005(b)(1) attachment Appendix B Reconciliation 2010 - Revised.xls," should have been \$716,303.

Please note that in "STAFF-DR-001-005(b)(1) attachment Appendix B Reconciliation 2010 - Revised.xls" the individual Program Expenditures for HVAC (Cell E40) and Motors (Cell E41) were inadvertently reversed.

"STAFF-DR-02-007 attachment Appendix B Reconciliation 2010 – Third Revised.xlsx" contains a revised schedule including the breakdown by program for the total of \$716,303 including correct attribution of the individual Program Expenditures.

PERSON RESPONSIBLE: Thomas J. Wiles

Duke Energy Kentucky
Case No. 2010-00445
Staff Third Set Data Requests
Date Received: March 10, 2011

STAFF-DR-03-002

REQUEST:

Refer to your response in Staff-DR-01-007b. Please provide an explanation of Duke Energy Kentucky's customer lighting measures and names of the programs.

RESPONSE:

Duke Energy Kentucky's customer lighting measures/programs are offered to customers to provide energy savings by replacing existing lighting measures with more efficient measures. The measure/program names are self-explanatory and indicate which measures/programs are offered.

The measure/program names and the incremental 2010 participation are as follows:

Measure/Program Name	Participation
KY_ Compact Fluorescent Fixture	236
KY_ Compact Fluorescent Screw in	2479
KY_ High Performance Low Watt T8 4ft 3 lamp, replacing standard T8	1318
KY_ High Performance T-8 4ft 2 lamp replacing T-12 High Output 8ft 1 lamp	77
KY_ High Performance T-8 4ft 4 lamp replacing T-12 8ft 2 lamp	67
KY_ High Performance T8 4ft 2 lamp, replacing standard T8	56
KY_ LED Exit Signs Electronic Fixtures (Retrofit Only)	125
KY_ Lighting - HP T8 4ft 2 lamp replacing T12 8ft 1 lamp	52
KY_ Lighting -HP T8 4ft 4 lamp replacing T12 HO 8ft 2 lamp	78
KY_ Lighting - Low Watt HPT8 4ft 2 lamp 28W or less re	638
KY_ Lighting - Low Watt HPT8 4ft 4 lamp 28W or less re	285
KY_ Low Watt T8 lamps replacing standard 32 Watt T-8's	5802
KY_ Occupancy sensors less than 500	1344
KY_ Occupancy sensors over 500	276
KY_ Pulse Start Metal Halide	59
KY_ T-8 2ft 1 lamp	5
KY_ T-8 3ft 1 lamp	2
KY_ T-8 3ft 2 lamp	41
KY_ T-8 HO 8 ft 2 lamp	24

KY_ T5 HO High Bay 2L (retrofit only)	1499
KY_ T5 HO High Bay 4L (retrofit only)	293
KY_ T5 HO High Bay 6L (retrofit only)	628
KY_ T8 High-bay- 4 ft 4 lamp (retrofit only)	850
KY_ T8 High-bay- 4 ft 6 lamp (retrofit only)	1678
KY_ T8 High-bay- 4 ft 8 lamp (retrofit only)	78
KY_ T8-2 ft 2 lamp (retrofit only)	65
KY_ T8-4 ft 1 lamp (retrofit only)	84
KY_ T8-4 ft 2 lamp (retrofit only)	3986
KY_ T8-4 ft 3 lamp (retrofit only)	1286
KY_ T8-4 ft 4 lamp (retrofit only)	1307
KY_ T8-8 ft 2 lamp (retrofit only)	43
Total Participants	24761

Please note that the total participants in the above table are slightly different than those included in the revised filing of 24,801. This change is due to a clerical error related to participation in February 2010 where originally a total of negative 226 participants were included, however, this number should have been negative 266. Negative participation is due to corrections from the third party provider, WECC, where they overstated the participants in January and corrected that number in February.

This adjustment to participation also resulted in a slight change to the Shared Savings calculation for Non-Residential Lighting of (\$269), i.e. Duke Energy Kentucky is now claiming \$269 less in Shared Savings.

In addition, this adjustment resulted in a very slight change to the Lost Revenue calculation for Non-Residential Lighting of (\$46), i.e. Duke Energy Kentucky is now claiming \$46 less in Lost Revenue.

See STAFF-DR-02-005 attachment – revised.xls for details of the revised Lost Revenue and Shared Savings calculations. The changes are highlighted in yellow in cells B16, C16, B20, C20, L155, M155-159, T155-159, U155-159, V155-160, W155 and W160.

In addition, these changes also impacted Appendix B to the filing and those changes are reflected in STAFF-DR-02-007 attachment Appendix B Reconciliation 2010 – Third Revised.xlsx. Please see highlighted cells Page 1 - F39, G39, F44, G44 and J44 and also Page 5 - F18, H18, H30 and H41.

PERSON RESPONSIBLE: Thomas J. Wiles

Duke Energy Kentucky
Case No. 2010-00445
Staff Third Set Data Requests
Date Received: March 10, 2011

STAFF-DR-03-003

REQUEST:

Refer to Page 1 of 5 of Column 5 in Second Revised Appendix B. Please provide an electronic format describing the change in amounts of lost revenue.

RESPONSE:

In the original Appendix B to this filing, the underlying calculation of Lost Revenue shown in Page 1 of 5, Column 5 contained incorrect per participant impacts for Non-Residential Lighting and Non-Residential Motors. The per participant impacts for Non-Residential Lighting were significantly understated and the per participant impacts for Non-Residential Motors were very slightly understated. The original Lost Revenue total calculated using these impacts was \$815,924.

The corrected impacts were included in the calculations contained in STAFF-DR-01-007 attachment-LABELS ADDED.xlsx (see Cells N146-157 and Cells N180-191) and the resulting revised Lost Revenue numbers were included in STAFF-DR-001-005(b)(1) attachment Appendix B Reconciliation 2010 - Revised.xls (see Cells F39, F41 and F44). The revised Lost Revenue total was \$855,921.

Also, as a result of the changes in participation referred to in the response to STAFF-DR-03-002, other slight changes to this total have been made, therefore, \$855,921 is now \$855,875.

Please see STAFF-DR-02-005 attachment – revised.xlsx and STAFF-DR-02-007 attachment Appendix B Reconciliation 2010 – Third Revised.xlsx for details of these corrected values.

PERSON RESPONSIBLE: Thomas J. Wiles

Appendix B
 Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

	(1) 7/2009 to 6/2010 (A)	(2) 7/2009 to 6/2010 (A)	(3) 7/2009 to 6/2010 (A)	(4) 7/09 through 6/10 (B)	(5) Gas	(6) Electric	(7) 7/09 through 6/10 (B)	(8) 7/09 through 6/10 (B)	(9) 15,900 (417) (364)	(10) 2009 Reconciliation Gas (D) Electric (E)	(11) Rider Collection (F) Gas	(12) Electric	(13) (Over)/Under Collection (G)	(14) Electric (H)
Residential Programs														
Res. Conservation & Energy Education	\$ 499,600	\$ 16,525	\$ (3,499)	\$ 389,007	\$ 244,695	\$ 144,322	\$ 18,903	\$ 15,900						
Refrigerator Replacement	\$ 100,000	\$ 6,145	\$ 300	\$ 83,481	\$ 120,700	\$ 83,481	\$ 11,273	\$ (417)						
Residential Home Energy House Call	\$ 150,000	\$ 48,810	\$ 35,700	\$ 191,893	\$ 77,570	\$ 71,193	\$ 30,543							
Res. Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 77,570	\$ 48,791	\$ 28,779	\$ -							
Payment Plus	\$ 150,000	\$ -	\$ -	\$ 80,426	\$ -	\$ 80,426	\$ -							
Power Manager	\$ 875,000	\$ -	\$ 174,000	\$ 559,090	\$ -	\$ 559,090	\$ -							
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 58,433	\$ 36,754	\$ 21,679	\$ -							
Energy Star Products	\$ 243,000	\$ 690,225	\$ 63,450	\$ 78,320	\$ 49,263	\$ 29,057	\$ 777,516	\$ 41,103						
Personalized Energy Website	\$ 31,110	\$ 26,781	\$ 2,965	\$ 12,715	\$ 7,997	\$ 4,718	\$ 7,701	\$ 1,920						
Personalized Energy Report Program	\$ 153,000	\$ 121,547	\$ 73,134	\$ 170,253	\$ 107,088	\$ 63,195	\$ 10,967	\$ 54,517						
(Residential SmartSaver)	\$ -	\$ -	\$ -	\$ 247,848	\$ 104,505	\$ 143,342	\$ -	\$ -						
Home Energy Assistance Pilot Program (I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Revenues collected except for HEA	\$ 2,423,410	\$ 911,033	\$ 346,040	\$ 1,949,037	\$ 719,783	\$ 1,229,254	\$ 856,903	\$ 165,218	\$ 3,852,889	\$ (257,857)	\$ 4,576,680	\$ 3,024,199	\$ (4,197)	\$ (1,040,783)
Total														

- (A) Amounts identified in report filed on November 15, 2009.
- (B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2009 through June 30, 2010 and lost revenues for this period and from prior period DSM measure installations.
- (C) Allocation of program expenditures to gas and electric. Uses 62.9% gas based upon saturation of gas space heating.
- (D) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
- (E) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
- (F) Revenues collected through the DSM Rider between July 1, 2009 and June 30, 2010.
- (G) Column (5) + Column (7) + Column(11).
- (H) Column (6) + Column (7) + Column (10) - Column(12).
- (I) Revenues and expenses for the Home Energy Assistance Pilot Program.

	(1) 7/2009 to 6/2010 (A)	(2) 7/2009 to 6/2010 (A)	(3) 7/2009 to 6/2010 (A)	(4) 7/09 through 6/10 (B)	(5) 7/09 through 6/10 (B)	(6) 7/09 through 6/10 (B)	(7) 2009 Reconciliation (C)	(8) Rider Collection (D)	(9) (Over)/Under Collection (E)
Commercial Programs									
High Efficiency Program									
Lighting	\$ 209,520	\$ 308,352	\$ 10,698	\$ 453,134	\$ 688,845	\$ 166,599	\$ 437		
HVAC	\$ 142,760	\$ 29,247	\$ 14,588	\$ 58,027	\$ 37,248	\$ 38,985	\$ 53,448		
Motors	\$ 100,678	\$ 21,031	\$ 25,718	\$ 20,978	\$ 16,251	\$ 38,985	\$ 53,448		
Other	\$ 450,814	\$ 298,836	\$ 448,830	\$ 184,104	\$ 114,532	\$ 53,448	\$ 53,448		
(Program Development Funds)	\$ 903,772	\$ 657,466	\$ 499,834	\$ 716,503	\$ 655,675	\$ 250,448	\$ (233,569)	\$ 1,365,066	
Total for High Efficiency Program	\$ 265,000	\$ -	\$ 107,641	\$ 358,011	\$ -	\$ 134,254	\$ (183,533)	\$ 11,159	
PowerShare®								\$ 297,573	

- (A) Amounts identified in report filed on November 15, 2009.
- (B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2009 through June 30, 2010 and lost revenues for this period and from prior period DSM measure installations.
- (C) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
- (D) Revenues collected through the DSM Rider between July 1, 2009 and June 30, 2010.
- (E) Column (4) + Column (6) + Column (7) - Column (9).

Appendix B

2011 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary

	Lost		Shared		Total
	Costs	Revenues	Costs	Savings	
Residential - Current Programs/Measures					
Residential Conservation & Energy Education	\$ 499,800	\$ 16,525	\$ (3,499)	\$ 512,826	
Refrigerator Replacement	\$ 100,000	\$ 6,145	\$ 300	\$ 106,445	
Home Energy House Call	\$ 150,000	\$ 49,810	\$ 35,700	\$ 235,510	
Residential Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 81,500	
Home Energy Assistance Plus (continuing)	\$ 150,000	\$ -	\$ -	\$ 150,000	
Power Manager	\$ 875,000	\$ -	\$ 174,000	\$ 1,049,000	
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 140,000	
Energy Star Products	\$ 243,000	\$ 690,225	\$ 63,450	\$ 996,675	
CFI's (Compact Fluorescent Lights)					
Torchiere's (Floor Lamps)	\$ 31,110	\$ 26,781	\$ 2,955	\$ 60,846	
Energy Efficiency Web Site	\$ 153,000	\$ 121,547	\$ 73,134	\$ 347,681	
Personalized Energy Report Pilot Program	\$ 448,520	\$ 50,150	\$ 53,822	\$ 552,492	
Residential SmartSaver	\$ 2,871,930	\$ 961,183	\$ 399,862	\$ 4,232,975	
Total Costs, Net Lost Revenues, Shared Savings	\$ 247,283				
Home Energy Assistance Pilot Program					

C&I DSM Program Summary

	Lost		Shared		Total
	Costs	Revenues	Costs	Savings	
High Efficiency Program					
Lighting	\$ 104,760	\$ 273,388	\$ 5,349	\$ 383,497	
HVAC	\$ 71,380	\$ 15,925	\$ 7,294	\$ 94,598	
Motors	\$ 50,339	\$ 10,610	\$ 12,859	\$ 73,808	
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240	
Program Development Funds	\$ 60,000	\$ -	\$ -	\$ 60,000	
Total for the High Efficiency Program	\$ 511,885	\$ 449,341	\$ 249,916	\$ 1,211,143	
High Efficiency School Incentive Program					
Lighting	\$ 104,760	\$ 34,963	\$ 5,349	\$ 145,072	
HVAC	\$ 71,380	\$ 13,323	\$ 7,294	\$ 91,986	
Motors	\$ 50,339	\$ 10,421	\$ 12,859	\$ 73,619	
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240	
Total for the High Efficiency School Incentive Program	\$ 451,885	\$ 208,125	\$ 249,916	\$ 909,927	
PowerShare@ Program					
	\$ 265,000		\$ 107,641	\$ 372,641	
Total C&I DSM Program	\$ 1,228,771	\$ 657,466	\$ 607,474	\$ 2,493,710	
Total Program	\$ 4,100,701	\$ 1,618,649	\$ 1,007,336	\$ 6,726,666	

	Allocation of Costs		Budget (Costs, Lost Revenues, & Shared Savings)	
	Electric	Gas	Electric Costs	Gas Costs
Residential - Current Programs/Measures				
Residential Conservation & Energy Education	37.1%	62.9%	\$ 185,426	\$ 198,452
Refrigerator Replacement	100.0%	0.0%	\$ 100,000	\$ 106,445
Home Energy House Call	37.1%	62.9%	\$ 55,650	\$ 141,160
Residential Comprehensive Energy Education	37.1%	62.9%	\$ 30,237	\$ 30,237
Home Energy Assistance Plus (continuing)	37.1%	62.9%	\$ 55,650	\$ 55,650
Power Manager	100.0%	0.0%	\$ 875,000	\$ 1,049,000
Program Development Funds	37.1%	62.9%	\$ 51,940	\$ 51,940
Energy Star Products	100.0%	0.0%	\$ 243,000	\$ 996,675
CFI's (Compact Fluorescent Lights)				
Torchiere's (Floor Lamps)	37.1%	62.9%	\$ 11,542	\$ 41,278
Energy Efficiency Web Site	37.1%	62.9%	\$ 56,763	\$ 251,444
Personalized Energy Report Pilot Program	37.1%	62.9%	\$ 166,401	\$ 270,373
Residential SmartSaver			\$ 1,831,508	\$ 3,192,653
Total Costs, Net Lost Revenues, Shared Savings			\$ 143,674	\$ 103,609
Home Energy Assistance Pilot Program				
C&I DSM Program Summary				
High Efficiency Program				
Lighting	100.0%	0.0%	\$ 104,760	\$ 383,497
HVAC	100.0%	0.0%	\$ 71,380	\$ 94,598
Motors	100.0%	0.0%	\$ 50,339	\$ 73,808
Other	100.0%	0.0%	\$ 225,407	\$ 599,240
Program Development Funds	100.0%	0.0%	\$ 60,000	\$ 60,000
Total for the High Efficiency Program			\$ 511,885	\$ 1,211,143
High Efficiency School Incentive Program				
Lighting	100.0%	0.0%	\$ 104,760	\$ 145,072
HVAC	100.0%	0.0%	\$ 71,380	\$ 91,986
Motors	100.0%	0.0%	\$ 50,339	\$ 73,619
Other	100.0%	0.0%	\$ 225,407	\$ 599,240
Total for the High Efficiency School Incentive Program			\$ 451,885	\$ 909,927
PowerShare@ Program				
			\$ 265,000	\$ 372,641
Total C&I DSM Program			\$ 2,493,710	

Appendix B

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Calculations for Programs

January, 2011 through December, 2011

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 3,192,653
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 2,121,069
Transmission Level Rates & Distribution Level Rates Part B	\$ 372,641
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 1,040,322

(A) See Appendix B, page 2 of 5.

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Billing Determinants

Year	2011
Projected Annual Electric Sales kWH	
Rates RS	1,419,793,000
Rates DS, DP, DT, GS-FL, EH, & SP	2,237,744,041
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,453,380,000
Projected Annual Gas Sales CCF	
Rate RS	62,760,920

Appendix B

Duke Energy Kentucky
 Demand Side Management Cost Recovery Rider (DSMR)
 Summary of Calculations

January, 2011 through December, 2011

Rate Schedule Riders	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
Electric Rider DSM Residential Rate RS	\$ (1,043,628)	\$ 3,192,653	\$ 2,149,026	1,419,793,000 kWh	\$ 0.001514 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 233,629	\$ 2,121,069	\$ 2,354,698	2,237,744,041 kWh	\$ 0.001052 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ 298,386	\$ 372,641	\$ 671,027	2,453,380,000 kWh	\$ 0.000274 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001326 \$/kWh
Gas Rider DSM Residential Rate RS	\$ (4,209)	\$ 1,040,322	\$ 1,036,113	62,760,920 CCF	\$ 0.016509 \$/CCF
Total Rider Recovery			\$ 6,210,864		
Customer Charge for HEA Program Electric No.4 Residential Rate RS			\$ 143,674	Number of Customers 119,728	Monthly Customer Charge \$ 0.10
Gas No.5 Residential Rate RS			\$ 103,609	86,341	\$ 0.10
Total Customer Charge Revenues			\$ 247,283		
Total Recovery			\$ 6,458,147		

(A) (Over)/Under of Appendix B page 1 multiplied by 1.002733 for 2010 for the average three-month commercial paper rate to include interest on over or under-recovery.
 (B) Appendix B, page 2.
 (C) Appendix B, page 4.