

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)
INC. TO IMPLEMENT A PILOT NONRESIDENTIAL) Case No.
SMART SAVER CUSTOM ENERGY EFFICIENCY) 2011-00471
PROGRAM)

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 20, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to page 3 of Duke Kentucky's December 1, 2011 Application ("Application") where, referring to the proposed expansion of the Smart Saver Custom Incentive Program, it states, "[t]he pilot will be limited to a maximum of \$500,000 in incentives offered for the fiscal year."

- a. Explain how incentives are to be disbursed.
- b. Explain whether Duke Kentucky has determined the expected cost-effectiveness of the proposed program.
- c. Provide the results of the Utility Cost Test, Total Resource Cost Test, Ratepayer Impact Test, and the Participant Test for the proposed program.
- d. Provide projected lost revenues for the proposed program and the lost revenue factor to be used in calculating lost revenues in 2012.
- e. Provide the projected shared savings for 2012 and explain how this amount was determined.
- f. Provide a breakdown of the proposed program's projected costs for the first 12 months after implementation using the following format. Provide a description of all costs included in the "Other" category costs.

Description	Amount
Company Labor -	
Program Implementation	
Program Administration	
Program Evaluation	
Contract Labor -	
Program Implementation	
Program Administration	
Program Evaluation	
Direct Program Costs	
Customer Incentives	
Other	
Total	

2. Refer to page 3 of the Application where it states, "the participation of schools under the program has declined in recent years, with no participation by schools in the custom incentive program during the 2011 fiscal year."

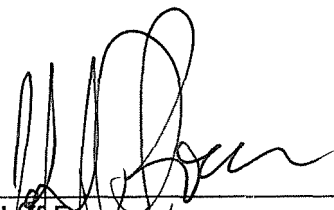
a. If participation has declined in recent years in the Smart Saver Custom Incentive Program, explain why Duke Energy is budgeting \$448,520 in program costs, \$50,150 in lost revenues, and \$53,822 in shared savings for 2012 instead of updating its projections based on more recent historical data.

b. Explain what Duke Energy is doing to encourage participation in the Smart Saver Custom Incentive Program.

c. Explain whether Duke Kentucky has plans to amend the Smart Saver Custom Incentive Program in the future.

DATED JAN 06 2012

cc: Parties of Record



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