

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE JOINT APPLICATION OF LOUISVILLE )  
 GAS AND ELECTRIC COMPANY AND )  
 KENTUCKY UTILITIES COMPANY DEMAND- )  
 SIDE MANAGEMENT FOR THE REVIEW, ) CASE NO. 2007-00319  
 MODIFICATION, AND CONTINUATION OF )  
 ENERGY EFFICIENCY PROGRAMS AND DSM )  
 COST RECOVERY MECHANISMS )  
 BROWNFIELD DEVELOPMENT RIDER )

REQUEST FOR INFORMATION POSED BY THE ATTORNEY GENERAL

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Request for Information to Louisville Gas and Electric Company, to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (4) If any request appears confusing, please request clarification directly from the Office of Attorney General.
- (5) To the extent that the specific document, workpaper or information as requested does

not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

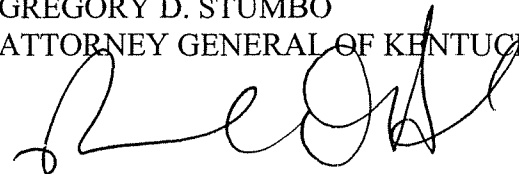
(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO  
ATTORNEY GENERAL OF KENTUCKY



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**CERTIFICATE OF SERVICE AND NOTICE OF FILING**

I hereby give notice that this the 24<sup>th</sup> day of August, 2007, I have filed the original and ten copies of the foregoing Attorney General's Request for Information with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

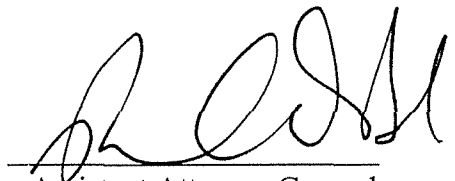
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**REQUEST FOR INFORMATION**  
**Case No. 2007-00319**

1. Please provide a list of other DSM programs offered by other utilities which the company reviewed and for each program identified provide:
  - A. a summary of the program offered by each utility, and
  - B. the information which the company reviewed from each other program in designing its program.
2. Please reference the Application, at page 4 paragraph 9. In consideration of the decision of the Franklin Circuit Court in case no. 06-CI-00269, does the company believe that its proposal to reconcile DSM program costs through the balancing adjustment component of the DSM cost recovery mechanism on a yearly basis is allowable? If so, why?
3. Please reference the Application, Volume III, Appendix D, at page 21. State how the company intends to address the errors and inconsistencies in the audit tool calculation methods and data collection and whether any additional quality control measures will be implemented by the company to address these areas.
4. Please reference the Application, Volume I, Part 1.0, at page 17. Considering the onsite audit cost of \$200.00 per participant, please state whether the company considered increasing the customer fee of \$25.00. If not, then why not? Additionally, state how long this \$25.00 customer charge for onsite audits has been in effect and whether it has ever been increased.
5. Please reference the Application, Volume I, Part 1.0, at page 17. How does providing CFL's under this program fit into the company's Residential High Efficiency lighting program proposed herein. Are there any duplication of efforts or costs?
6. Please reference the Application, Volume I, Part 1.0, at page 12. Provide a description of the measures recommended under the program but unimplemented by customers. Indicate whether the company intends to address the low implementation rate and describe how.

7. Please reference the Application, Volume I, Part 1.0, at page 12. Explain the large disparity between the savings reported for electrical customers (54%) and gas customers (234%).

Describe any measures to be implemented by the company to address the disparity. Does the company believe that given the large discrepancy between electric and gas customers that focusing on both types of customers is cost effective? If so, why?

8. Please reference the Application, Volume I, Part 1.0, at page 14. Are the projected annual savings listed in table 1.3.2 based upon the actual results obtained under the program? If not, then how were these projections derived? Provide supporting calculations and data.

9. Please reference the Application, Volume I, Part 1.0, at page 17. Describe the type of educational materials and/or information which will be furnished to customers participating in the program. Are any of these materials or information duplicated under the proposed Customer Education and Public Information Program proposed by the company? If not, describe how the materials or information differ.

10. Please reference the Application, Volume I, Part 1.0, at page 16. Describe what specific types of customer information is collected in both the online and onsite audits. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

11. Please reference the Application, Volume I, Part 1.0, at page 16. As part of the quality assurance/measure implementation survey, state the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

12. Please reference the Application, Volume I, Part 2.0, at page 20. Does the company plan to increase the number of control days beyond the historical average of 11 control days per year? If not, why?

13. Please reference the Application, Volume I, Part 2.0, at page 20. Provide data to illustrate the effect such control has had on the company's peak demand for the last five years. If such information can be illustrated graphically, provide the information in graphical format. If such data is unavailable, explain why such data is not collected by the company.

14. Please reference the Application, Volume I, Part 2.0, at page 20. Provide the basis, including any calculations, for the customer credits provided under the program. State how long the credits under the program have been in effect and whether they have ever been increased.

15. Please reference the Application, Volume I, Part 2.0, at page 22. State the reasoning for splitting the incentive between property owners and tenants in multi-family units. Are the tenants affected by the program voluntarily enrolled in the program? If the property owner pays for the electric of the outdoor unit, is the tenant notified that such control will affect them? If so, how?

16. Please reference the Application, Volume I, Part 2.0, at page 22. Indicate the number of participants affected by the pool pump control. Does the company believe that it is cost effective to include this category in the program? If so, why?

16. Please reference the Application, Volume I, Part 2.0. Describe what specific types of customer information are collected under this program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

17. Please reference the Application, Volume I, Part 2.0. State the methods by which the company will measure and verify energy savings or program effectiveness? If estimated from customer data, state the size of the sample to be used.

18. Please refer to the interrogatories and request for production of documents propounded by the Community Action Council (CAC) No. 9, 10, and 11. In their requests, the CAC refers to other weatherization programs offered to low income customers (e.g. Federal Weatherization

Assistance Program, etc.), does the company believe that, given the availability of other programs offering the same or similar services, it needs to offer these services? If so, why?

19. Please refer to the interrogatories and request for production of documents propounded by the Community Action Council (CAC) No. 9, 10, and 11. Does the company believe that this program duplicates services offered under the Residential Conservation Program? If not, why? How do the programs differ? Please state the companies rationale for continuing this program separate from its Residential Conservation Program.

20. Please refer to the interrogatories and request for production of documents propounded by the Community Action Council (CAC) No.9, 10, and 11. The Low Income Weatherization program has an average program cost of approximately \$1.8 million per year or \$1500.00 per participant per year, compared with the average cost under the Residential Conservation Program of approximately \$748,000 per year or \$900.00 per participant per year. As it appears the programs offer substantially similar services to customers, please explain the discrepancy in the per participant costs between the programs and why such services are not combined into a single program?

21. Please reference the Application, Volume I, Part 3.0, at page 32. Does the company collect information on addresses provided with weatherization services under the program? If so, is there any policy to ensure that addresses are not provided services under the program multiple times as clients move in or out? If so, state the policy. If not, why not?

22. Please reference the Application, Volume I, Part 3.0, at page 32. Describe the type of educational materials and/or information which will be furnished to customers participating in the program. Are any of these materials or information duplicated under the proposed Customer Education and Public Information Program proposed by the company? If not, describe how the materials or information differ.

23. Please reference the Application, Volume I, Part 3.0. Describe what specific types of

customer information are collected under the program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

24. Please reference the Application, Volume I, Part 3.0. State the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

25. Please reference the Application, Volume I, Part 3.0. Indicate what percentage, if known, of program participants are homeowners. If program participants are tenants, does the company believe that it is appropriate to subsidize what could be argued are maintenance activities of the landlord at the expense of ratepayers? If so, why?

26. Please reference the Application, Volume I, Part 4.0. Please describe the type of educational materials and/or information which will be furnished to customers participating in the program. Are any of these materials or information duplicated under the proposed Customer Education and Public Information Program proposed by the company? If not, please describe how the materials or information differ.

27. Please reference the Application, Volume I, Part 4.0. Describe what specific types of customer information are collected under the program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

28. Please reference the Application, Volume I, Part 4.0. State the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

29. Please reference the Application, Volume I, Part 4.0, at page 34. State the company's



reasoning for providing audit services to commercial customers free of charge while it proposes to charge residential customers for similar services.

30. Please reference the Application, Volume I, Part 4.0, at page 34. Describe in detail the different audit services offered under the proposed levels.

31. Please reference the Application, Volume I, Part 4.0, at page 39. The “Assumptions” section lists Program Manager Professional Development as an educational expense to the program, explain this expense in detail.

32. Please reference the Application, Volume I, Part 4.0, at page 36. Provide a description of the types of retrofits covered under the program along with the associated amount of customer rebate applicable to each type of retrofit.

33. Please reference the Application, Volume I, Part 6.0. Describe what specific types of customer information are collected under the program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

34. Please reference the Application, Volume I, Part 6.0. State the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

35. Please reference the Application, Volume I, Part 6.0, at page 47. It appears that the costs for program promotion begins at 50% of the program budget and increases over the life of the program to include 70% of program budget in the final year while the cost of rebates decreases from 38% of the program budget initially to only 23% of the program budget in the final year. Provide the company’s rationale for increasing the promotion budget while decreasing the rebate budget.

36. Please reference the Application, Volume I, Part 6.0, at page 47. Given the relatively minor

cost of the typical 13 watt CFL bulb (approximately \$2.00 per bulb from Lowe's), does the company believe it would be cheaper and more cost effective to direct mail a bulb to each of its 830,000 customers for evaluation rather than provide rebates through retailers? If not, why?

37. Please reference the Application, Volume I, Part 6.0. Describe what actions, if any, the company has considered regarding the collection of old CFL bulbs given the environmental concerns over mercury contained in CFL's?

38. Please reference the Application, Volume I, Part 7.0. Describe the type of educational materials and/or information which will be furnished to contractors participating in the program. Are any of these materials or information duplicated under the proposed Customer Education and Public Information Program proposed by the company? If not, describe how the materials or information differ.

39. Please reference the Application, Volume I, Part 7.0. Describe what specific types of customer and/or participating contractor information is collected under the program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

40. Please reference the Application, Volume I, Part 7.0. State the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

41. Please reference the Application, Volume I, Part 7.0, at page 50. Provide the details of the rating process envisioned by the company. Is this process standardized throughout the industry? Are raters certified nationally? State by state?

42. Please reference the Application, Volume I, Part 7.0, at page 50. Since "many energy saving opportunities are lost once a home is complete", are there provisions to inspect the home at various stages of completion to ensure compliance with the standards adopted under the

program?

43. Please reference the Application, Volume I, Part 7.0. Does the company intend to pursue any activities to encourage incorporation of the proposed construction standards into the Kentucky Building Code? If so, what type of activities?

44. Please reference the Application, Volume I, Part 7.0, at page 52. What steps will the company take to ensure that program standards are followed and that claims are valid? (i.e. what is to stop a contractor from moving the energy star sign from house to house without any inspection or certification?). What enforcement options does the company intend to pursue for fraudulent use of the program materials?

45. Please reference the Application, Volume I, Part 7.0, at page 53. The company states that “[p]ositive ratings maintain good standing, while negative ratings may impact program eligibility and assignments,” please explain what impact the company is describing. Are raters the only parties subject to this “impact” of negative ratings?

46. Please reference the Application, Volume I, Part 7.0, at page 52. As part of its goal to develop critical infrastructure, the company proposes to provide oversight of rating administration. Explain in detail the types of activities the company envisions as part of this obligation.

47. Please reference the Application, Volume I, Part 8.0, at page 58. Describe the steps the company will take to ensure that customers are not misinformed about the condition of their system, which could lead to unnecessary repairs being performed by program contractors.

48. Please reference the Application, Volume I, Part 8.0, at page 58. Describe the oversight procedures envisioned by the company to ensure that problematic contractors are removed from the program.

49. Please reference the Application, Volume I, Part 8.0, at page 58. Has the company considered prohibiting contractors performing the diagnostic and tune-up services under the

program from performing repairs outside the scope of the program to reduce any possible conflict of interest? If not, why?

50. Please reference the Application, Volume I, Part 8.0, at page 58. Is any customer contacting the company eligible to participate in the program or is participation limited to only those customers referred from other programs?

51. Please reference the Application, Volume I, Part 8.0. Describe what specific types of customer and/or participating contractor information is collected under the program. Additionally, describe how any personal information collected under the program is protected from disclosure by the company and any contractors. State the terms of the policy of the company and any contractors regarding retention of this information.

52. Please reference the Application, Volume I, Part 8.0. State the methods by which the company will measure and verify energy savings? If estimated from customer data, state the size of the sample to be used to calculate energy savings.

53. Please reference the Application, Volume I, Part 8.0, at page 58. Provide details as to the contractors the company intends to employ to perform the services outlined. Are the contractors to be local HVAC company's? A national contracting firm? Will there be more than one contracting firm?

54. Please reference the Application, Volume I, Part 8.0, at page 58. Describe the methods by which the company will ensure the contractors participating in this program are qualified to perform such services.

55. Please reference the Application, Volume I, Part 9.0, at page 61. Provide any data, research results, etc. which supports the company's statement that school children "may significantly influence the consumption behavior of their parents and families".

56. Please reference the Application, Volume I, Part 9.0, at page 62. Explain how outreach efforts to school children is related to the company's DSM efforts. Does the company believe

that such efforts will have any impact on energy consumption? Does the company believe that these efforts are more reasonably related to general corporate “goodwill” efforts? Describe any programs involving school outreach programs which the company has been involved with for the past five years and the costs associated with those programs.

57. Please reference the Application, Volume I, Part 9.0, at page 62. Describe the benefits to the company of its mass media advertising efforts. Does the company believe that such efforts offer any benefit to shareholders? If not, why? Does the company believe that such efforts increase the corporate “goodwill” of the company? If not, why?

58. Please reference the Application, Volume I, Part 9.0, at page 63. Provide a summary of expenditures for mass media advertising incurred by the company for each of the last five years. For each year, please indicate what percentage of the total is associated with the company’s DSM programs.

59. Please reference the Application, Volume I, Part 9.0, at page 63. Describe how the proposed expenses for mass media advertising differ from the expenses proposed under the individual programs? Are there any overlaps of expenses and efforts with other proposed DSM programs?

60. Please reference the Application, Volume I, Part 10.0, at page 66. Provide details concerning the criteria to be established by the company to evaluate participating contractors.

61. Please reference the Application, Volume I, Part 11.0, at page 72. Provide an organizational chart illustrating the existing organizational structure of the company DSM personnel.

Additionally, provide an organizational chart illustrating the new personnel and position titles the company intends to incorporate under the proposed DSM programs along with a description of duties for each of the identified positions.

62. Please reference the Application, Volume I, Part 11.0, at page 70. Describe how the costs for membership in associated trade organizations, personnel development, and subscriptions to educational and trade publications relate to the company’s DSM efforts.

63. Please reference the Application, Volume I, Parts 1.0-11.0. For each individual program incurring expenses for “market research”, identify in detail, by program, what type of activities the company envisions associated with this description.

64. Please reference the Application, Volume I, Parts 1.0-11.0. Approximately 22% of the total DSM expenditures under the proposed programs are for advertising. If known, please state how the company’s advertising expenditures compare with the advertising expenses of other utility DSM programs.