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[dianne.kuhnell@duke-energy.com](mailto:dianne.kuhnell@duke-energy.com)

Dianne B. Kuhnell,  
Senior Paralegal

**VIA OVERNIGHT DELIVERY**

June 2, 2011

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

**RECEIVED**

**JUN 03 2011**

**PUBLIC SERVICE  
COMMISSION**

**Re:** Case No. 2011-109  
Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home  
Energy Assistance Program

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of Duke Energy Kentucky Inc.'s response to Staff's First Set of Data Requests in the above captioned case.

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

Sincerely,


Dianne Kuhnell

cc: Larry Cook (w/enclosures)

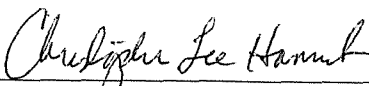
VERIFICATION

State of North Carolina )  
 )  
County of Mecklenburg ) SS:

The undersigned, Tim Duff, being duly sworn, deposes and says that he is the General Manager, Retail Customer & Regulated Strategy, Duke Energy Business Services LLC, 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.

  
\_\_\_\_\_  
Tim Duff, Affiant

Subscribed and sworn to before me by Tim Duff on this 1 day of ~~May~~ June 2011.

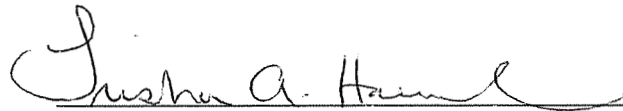
CHRISTOPHER LEE HAMRICK  
  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: ~~My Commission Expires~~ **October 24, 2014**

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 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 her knowledge, information and belief, after reasonable inquiry.

  
Trisha A. Haemmerle, Affiant

Subscribed and sworn to before me by TRISHA A. HAEMMERLE on this 27<sup>TH</sup> day of May 2011.

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

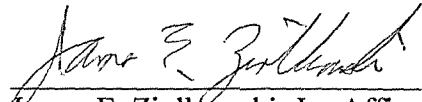
  
NOTARY PUBLIC

My Commission Expires: 1/5/2014

VERIFICATION

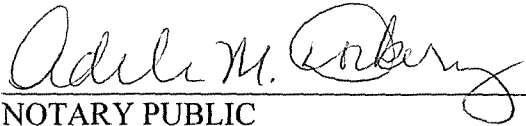
State of Ohio )  
 ) SS:  
County of Hamilton )

The undersigned, James E. Ziolkowski, being duly sworn, deposes and says that he is the Rates Manager of Duke Energy Ohio and Duke Energy Kentucky, 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.

  
James E. Ziolkowski, Jr., Affiant

Subscribed and sworn to before me by JAMES E. ZIOLKOWSKI, JR. on this 27<sup>th</sup> day of May 2011.

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

  
NOTARY PUBLIC

My Commission Expires: 1/5/2014

VERIFICATION

State of Ohio )  
 )  
County of Hamilton ) SS:

The undersigned, Cynthia M. Givens, being duly sworn, deposes and says that she is the Customer Experience Program Manager, Duke Energy Business Services LLC, 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 her knowledge, information and belief, after reasonable inquiry.

Cynthia M. Givens  
Cynthia M. Givens, Affiant

Subscribed and sworn to before me by Cynthia Givens on this 27<sup>th</sup> day of May 2011.

Pamela C. Johnson  
NOTARY PUBLIC  
PAMELA C JOHNSON

My Commission Expires: 9-9-2011



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**Duke Energy Kentucky  
Case No. 2011-109  
Staff First Set Data Requests  
Date Received: May 25, 2011**

**STAFF-DR-01-001**

**REQUEST:**

Although not expressly stated in the instant application, the proposed tariff, Attachment B of the application, provides that the term of the Home Energy Assistance (“HEA”) program be continued for another three-year period through September 2014. Confirm if Duke Kentucky is requesting Commission approval to continue HEA program for another three-year period to begin October 2011 and run through September 2014.

**RESPONSE:**

Yes, this is correct.

Duke Energy Kentucky would be willing to align its HEA program to coincide with the ending of the calendar year similar to its other DSM program if the Commission finds such an alignment more convenient or efficient. Duke Energy Kentucky would propose the HEA program be approved through December 31, 2014 so that there is at least a 3 year term for the program.

**PERSON RESPONSIBLE:** Timothy Duff



**Duke Energy Kentucky**  
**Case No. 2011-109**  
**Staff First Set Data Requests**  
**Date Received: May 25, 2011**

**STAFF-DR-01-002**

**REQUEST:**

Refer to Attachment B of the application, the proposed tariff for the HEA program. The tariff proposes a charge of \$0.10 to be applied to residential customers' bills through September 2014. In Case No. 2010-00445,<sup>1</sup> the Duke Kentucky Demand-Side Management ("DSM") application, the existing residential and commercial DSM programs are to continue until December 31, 2012 by Order dated March 22, 2010, in Case No. 2009-00444.<sup>2</sup> Also in Case No. 2010-00445, the request for proposed Residential Smart Saver Program is for an initial three-year term through December 31, 2013. Explain why the proposed end or through date of September 2014 for the HEA is not consistent with the Demand-Side Management Rate ("rider DSMR") in Case No. 2010-00445.

**RESPONSE:**

The time period approved for the HEA program has always been different than that for the other energy efficiency programs. As noted in the request, the HEA program was approved in Case No. 20008-00100 to extend through September 2011 and the DSM programs have been approved through December 31, 2012 in Case No. 2009-00444.

Duke Energy Kentucky would be willing to align its HEA program to coincide with the ending of the calendar year similar to its other DSM program if the Commission finds such an alignment more convenient or efficient. Duke Energy Kentucky would propose the HEA program be approved through December 31, 2014 so that there is at least a 3 year term for the program.

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<sup>1</sup> Annual Cost Recovery Filing for Demand-Side Management by Duke Energy Kentucky, Inc. (Ky. PSC Nov. 15, 2010).

<sup>2</sup> Annual Cost Recovery Filing for Demand-Side Management by Duke Energy Kentucky, Inc. (Ky. PSC Mar. 22, 2010).

When the Company files an application for the energy efficiency programs to be implemented after 2012, the Company may seek approval at that time to align all of the termination dates for all of the programs.

**PERSON RESPONSIBLE:** Trisha A. Haemmerle



**STAFF-DR-01-003**

**REQUEST:**

Refer to paragraph 8 of the application. Duke Kentucky provides a discussion of the number of gas customers and combination gas and electric customers who are charged \$0.10 per account per month.

- a. Provide an explanation why there is no proposed Rider DSMR tariff pertaining to gas customers as part of the application. If this is an omission, provide the proposed Rider DSMR pertaining to gas
- b. As to the HEA \$0.10 per-meter charge for gas customers, should the end or through date of the HEA be consistent with the gas DSM programs that continue until December 31, 2012 by Order dated March 22, 2010, in Case No. 2009-00444, and are part of the proposed DSM application in Case No. 2010-00445? Explain.

**RESPONSE:**

- a. The proposed gas Rider DSMR tariff was inadvertently omitted. STAFF-DR-01-003 Attachment 1 and STAFF-DR-01-003 Attachment 2 are the clean and redlined proposed gas Rider DSMR tariff sheets.
- b. No. The time period approved for the HEA program has always been different than that for the other energy efficiency programs. As noted in the request, the HEA program was approved in Case No. 2008-00100 to extend through September 2011 and the DSM programs have been approved through December 31, 2012 in Case No. 2009-00444. When the Company files an application for the energy efficiency programs to be implemented after 2012, the Company may seek approval at that time to align all of the termination dates for all of the programs.

**PERSON RESPONSIBLE:** a. James E. Ziolkowski  
b. Trisha A. Haemmerle

Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Seventh Revised Sheet No. 62  
Cancels and Supersedes  
Sixth Revised Sheet No. 62  
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**RIDER DSMR**  
**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.074752 per hundred cubic feet.

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September 2014.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_.

---

Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

Issued by Julie Janson, President



Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Sixth~~Seventh Revised Sheet No. 62  
Cancels and Supersedes  
~~Fifth~~Sixth Revised Sheet No. 62  
Page 1 of 1

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**RIDER DSMR**  
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The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.074752 per hundred cubic feet.

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September ~~2011~~2014. (T)

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated ~~March 22,~~ 2010 \_\_\_\_\_ in Case No. 2009-00444 \_\_\_\_\_ (T)

Issued: ~~September 29,~~ 2010 \_\_\_\_\_ Effective: ~~September 30,~~ 2010 \_\_\_\_\_ (T)

Issued by Julie Janson, President



**Duke Energy Kentucky  
Case No. 2011-109  
Staff First Set Data Requests  
Date Received: May 25, 2011**

**STAFF-DR-01-004**

**REQUEST:**

Does the administration of the HEA program still require 15 percent level of cost? Explain.

**RESPONSE:**

Yes, the HEA program will still require 15 percent level of cost. With respect to the administration cost, Duke Energy Kentucky asserts that state and federal funding guidelines prevent NKCAC from using federal dollars to operate anything other than the respective state or federally funded programs. Duke Energy Kentucky further states that NKCAC is required to be ever mindful of proper allocation of cost in administering various programs in order to maintain its funding. NKCAC echoed that sentiment, stating that it closely monitors and controls program costs to ensure that its staffing and office operational costs are held to the minimum amount possible to administer the LIHEAP, Wintercare, and HEA programs.

**PERSON RESPONSIBLE:** Cindy Givens



**Duke Energy Kentucky**  
**Case No. 2011-109**  
**Staff First Set Data Requests**  
**Date Received: May 25, 2011**

**STAFF-DR-01-005**

**REQUEST:**

Refer to page 37 of Duke Kentucky's application in Case No. 2010-00445, which provides a progress report for the HEA program. Duke Kentucky states that a total of \$247,845.50 was collected from customers through June 2010. Of that amount, \$201,263.52 was distributed to electric and gas accounts and \$30,189.53 was spent on administrative costs for the period 2009-2010, leaving a balance of \$16,392.45 ( $\$247,845.50 - (\$201,263.52 + \$30,189.53) = \$16,392.45$ ). Describe how the remaining funds were utilized.

**RESPONSE:**

In responding to discovery in Case No. 2010-00445, a correction was made to the total amounts: (See Staff DR-01-006 in Case No., 2010-00445).

So the new calculation would be  $(\$247,847.50 - (\$201,263.52 + \$30,316.11) = \$16,267.87)$

The balance of \$16,267.87 (corrected amount) was distributed at the discretion of NKCAC to assist customers with energy bills through the life of the program.

**PERSON RESPONSIBLE:** Cindy Givens



**Duke Energy Kentucky  
Case No. 2011-109  
Staff First Set Data Requests  
Date Received: May 25, 2011**

**STAFF-DR-01-006**

**REQUEST:**

In Case No. 2008-00100,<sup>3</sup> Duke Kentucky committed to contribute \$25,000 in shareholder funding in support of the HEA program through the duration of the three-year program period. Would Duke Kentucky be agreeable to continue the HEA program?

**RESPONSE:**

Yes, Duke Energy Kentucky commits to contribute \$25,000 to the HEA program for the three-year program period.

**PERSON RESPONSIBLE:** Timothy Duff

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<sup>3</sup> Application of Duke Energy Kentucky, Inc. to Reconstitute a Home Energy Assistance Program (Ky. PSC Sept. 25, 2008).