

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,	)	Case No.
INC. FOR THE ANNUAL COST RECOVERY	)	2011-00448
FILING FOR DEMAND-SIDE MANAGEMENT	)	

COMMISSION STAFF'S SECOND 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 February 17, 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 Duke Kentucky's response to Commission Staff's first information request ("Staff's First Request"), Item No. 1. The Gross Annual kWh Impact Prior to Evaluation (per bulb) was 67.7 and the Gross Annual kWh Impact After Evaluation (per bulb) is 52.76. Explain the decrease in kWh impact from 67.7 to 52.76.

2. Refer to Duke Kentucky's response to Item No. 3 of Staff's First Request.

a. Explain whether the Company Labor Program Administration cost of \$13,280 is for additional employee costs, or if these costs are for existing employees and are included in base rates.

b. Provide a breakdown, by type, of costs of the \$169,838 of Other costs.

3. Refer to Duke Kentucky's response to Item No. 5a of Staff's First Request. The response states, "[d]ue to changes in program management by one of the vendors, refrigerator testing data was not consistently maintained. Therefore, all refrigerator testing data was unable to be reported to Duke Energy." Explain what Duke Kentucky has done to resolve this issue.

4. Refer to Duke Kentucky's response to Item No. 7 of Staff's First Request.

a. Provide a breakdown of the \$97,444 of actual program expenditures between program administration fees for the vendor and internal Duke Energy overhead costs.

b. Provide a detailed description of the type and amounts of the Duke Energy overhead costs.

c. Explain whether the overhead costs are included in base rates, or if they are incremental costs.

5. Refer to Duke Kentucky's response to Item No. 8 of Staff's First Request.

a. Explain whether the Company Labor Program Administration costs of \$28,696 are new employee costs or if the costs are for existing employees and are included in base rates.

b. Provide a breakdown by type of costs of the \$269,960 of Other costs.

6. Refer to Duke Kentucky's response to Item No. 13 of Staff's First Request. Provide, in an electronic format with formulas unprotected, a breakdown by type and amount of the other variable costs that make up the \$0.0019 per kWh.

7. Refer to Duke Kentucky's response to Item No. 14 of Staff's First Request.

a. Explain whether the total Company Labor Program Administration costs of \$227,158 for all programs are new employee costs or if the costs are for existing employees and are included in base rates.

b. Provide by program, a breakdown by type of costs of the Other costs totaling \$634,682.

8. Refer to Duke Kentucky's response to Item No. 18, Staff's First Request, page 16 of 19 of the attachment. The Lost Revenues and Shared Savings for July 2010

for the Residential Home Energy House Call program are \$23,202.96 and \$2,111.86, respectively. Also refer to the response to Item No. 28 of Staff's First Request, page 1 of 6 of the attachment. The Lost Revenues 7/10 through 6/11 in column 7 are \$19,054 and the Shared Savings 07/10 through 06/11 in column 8 are (\$967) for the Residential Home Energy House Call program.

- a. Explain why these values are not the same.
- b. Explain whether Appendix B that was revised in response to Item

No. 28 and the associated tariffs should be revised.

9. Refer to Duke Kentucky's response to Item No. 18 of Staff's First Request. The lost revenue factor used to calculate actual lost revenues on the attachment is \$0.0497/per kWh for residential programs and \$0.0165/per kWh for non-residential programs. The projected lost revenue factor shown on the attachment to the response to Item No. 15 of Staff's First Request is \$0.039768 for all residential programs, except the Residential SmartSaver.

- a. Provide, in an electronic format with formulas unprotected, the calculation and supporting information which shows how the \$0.0497/per kWh was determined.

- b. Provide, in an electronic format with formulas unprotected, the calculation and supporting information which shows how the \$0.0165/per kWh was determined.

- c. Provide, in an electronic format with formulas unprotected, the calculation and supporting information which shows how the \$0.039768/per kWh was determined.

d. Provide, in an electronic format with formulas unprotected, the supporting information and calculation as to how the \$0.051619/per kWh, from the attachment of the response to Item No. 15 of Staff's First Request, was determined.

10. Refer to the responses to Item Nos. 16 and 18 of Staff's First Request. The following table shows the projected and actual shared savings/measures per participant for residential programs.

Program Descriptions	Projected Shared Savings/Measure per Participant	Actual Shared Savings Rate
Residential Conservation & Energy Education	(\$11.66)	\$27.3589
Refrigerator Replacement	\$6.00	(\$105.6000)
Home Energy House Call	\$71.40	\$41.3280
Power Manager	\$69.60	\$19.3086
Energy Star Products	\$1.57	\$3.2930
Energy Efficiency Web Site	\$1.62	\$17.1864
Personalized Energy Report Program	\$8.13	\$74.2914
Residential SmartSaver	\$42.55	N/A

a. Provide by program, in an electronic format with formulas unprotected, the calculations which show how each projected shared savings/measure per participant shown in the attachment to the response to Item No. 16 of Staff's First Request was determined.

b. Provide by program, in an electronic format with formulas unprotected, the calculations which show how each actual shared savings rate shown in the response to Item No. 18 of Staff's First Request was determined.

c. Explain by program why differences of these magnitudes exist between the projected shared savings/measure per participant and the actual shared savings rate.

11. Refer to Duke Kentucky's response to Item No. 20 of Staff's First Request. Staff requested a comparison of actual program costs versus projected program costs and an explanation for each residential and commercial program with a difference of 20 percent of more by program, whether the difference was positive or negative.

a. For each residential or commercial program that did not reach its projected participation goal, regardless of the percentage difference, if not previously provided, provide an explanation for why the projected participation goal was not met.

b. Provide, by program, a description of Duke Kentucky's efforts to (1) educate applicable customers about the need for greater energy efficiency, for both electricity and natural gas; and (2) promote its demand-side management programs, due to the rising cost of electric energy and the strain of electric usage on the utility system at times of peak demand.

12. Refer to Duke Kentucky's response to Item No. 21 of Staff's First Request. In the table provided, in the column labeled Program, the Reason for Difference for Other, Duke states, "[f]or the projected lost revenues, the mixture of measures had an average impact of 1,679 kWh and the actual mixture of measures had an average impact of 202 kWh." Provide an explanation for a difference of this amount between the 1,679 kWh projected and the actual 202 kWh.

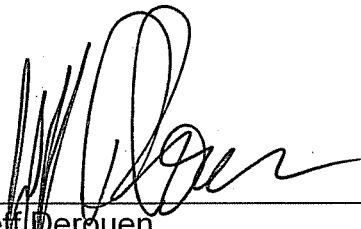
13. Refer to Duke Kentucky's response to Item Nos. 23 and 24 of Staff's First Request. The last paragraph of each response states, "[t]he Company proposes to work with the Collaborative to develop a revision to the spreadsheet model in order to allow for more matching between costs and revenues, and submit its proposed model to Commission Staff for review and approval." Explain when Duke Kentucky intends to begin work with its Collaborative and when the Commission might be made aware of the proposed revision to the spreadsheet model.

14. Refer to Duke Kentucky's response to Item No. 28 of Staff's First Request, page 6 of 6 of the attachment. Explain where the values listed in the Increase (Decrease) in Values – Lost Revenues of (\$4,148) and Shared Values (\$3,079) can be found on pages 1-5.

15. Refer to Duke Kentucky's response to Item No. 34 of Staff's First Request. Door-to-door canvassing was one of the additional marketing efforts that Duke Kentucky might utilize in its Residential Smart Saver CFL Program.

a. Explain whether any Duke Energy subsidiary utility has experience conducting door-to-door canvassing.

b. If the answer to part a. is yes, provide the results of the canvassing and explain whether this has been an effective outreach tool to customers.



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DATED FEB 03 2012

cc: Parties of Record



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