

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

DUKE ENERGY KENTUCKY, INC.'S ANNUAL	)	CASE NO.
COST RECOVERY FILING FOR DEMAND	)	2013-00395
SIDE MANAGEMENT	)	

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

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission one original of the following information, with a copy to all parties of record. The information requested herein is due no later than January 17, 2014. 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 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 should 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 2 of the application (“Application”), paragraph 5, where it states: “Duke Energy Kentucky will be using results of the recent impact evaluation studies to provide estimates of lost revenues and shared savings.”

a. Provide by demand-side management (“DSM”) program and/or DSM measure, in electronic format with formulas intact and cells unprotected, the lost revenue factor and kWh savings impacts used in determining the residential program lost revenues in the amount of \$1,581,108 as provided on page 1, column 7 and the commercial program lost revenues in the amount of \$300,663 on page 1, column 5 of Appendix B of the Application.

b. Provide by DSM program and/or DSM measure, in electronic format with formulas intact and cells unprotected, the shared savings value used in determining the residential program shared savings as provided on page 1, column 8 in the amount of \$1,000,665; the commercial program shared savings as provided on page 1, column 6 in the amount of \$413,245; and the Power Share shared savings as provided on page 1, column 6 in the amount of \$322,931 in Appendix B of the Application.

c. Provide by DSM program and/or DSM measure, in electronic format with formulas intact and cells unprotected, the lost revenue factor and kWh savings impacts used in determining the lost revenues in the total amount of \$2,794,412, as provided on page 3 of Appendix B of the Application.

d. Provide by DSM program and/or DSM measure, in electronic format with formulas intact and cells unprotected, the shared savings value used in determining the shared savings, as provided on page 3 of Appendix B of the Application, in the total amount of \$1,271,621.

2. Refer to pages 5-6, paragraph 18 of the Application. Provide, in like format, the projected Summary of Load Impacts for 2014-2015 that supports page 3 of Appendix B of the Application.

3. Refer to pages 40-41, paragraph 101 of the Application, which states: "Based on the updated rider amounts, the estimated cost for the average customer would be a charge of approximately \$37.10 for electric and \$38.83 for gas."

a. Confirm that the estimated cost for the average customer is an annual cost.

b. Explain how the residential natural gas rate changed from a \$0.038919/CCF credit<sup>1</sup> to a \$0.054918/CCF charge.<sup>2</sup>

4. Refer to pages 41-42, paragraph 104 of the Application, which states:

As required by KRS 278.285(3), the DSM Cost Recovery Mechanism attributes the costs to be recovered to the respective class that benefits from the programs. The costs for the Power Manager program are fully allocated to the

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<sup>1</sup> Case No. 2013-00313, Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs (Ky. PSC Dec. 19, 2013).

<sup>2</sup> Application, Appendix B, page 6 of 6.

residential electric class, since this is the class benefiting from the implementation of the program. As required, qualifying industrial customers are permitted to “opt-out” of participation in, and payment for, Smart \$aver Custom and Smart \$aver Prescriptive. All of Duke Energy Kentucky’s Rate TT customers met the “opt-out” requirements prior to the implementation of the DSM riders in May 1996, and are not subject to this portion of the DSM Cost Recovery Mechanism (*i.e.* Rider DSMR). However, all nonresidential customers, including Rate TT customers, will be charged for the PowerShare program.

a. Duke Kentucky states: “As required, qualifying industrial customers are permitted to opt out of participation in, and payment for, Smart \$aver Custom and Smart \$aver Prescriptive.” Explain what actions the qualifying industrial customers must take to opt out of participation. If no action is required, explain why not.

b. Explain how all of Duke Kentucky’s Rate TT customers met the opt-out requirements.

c. Explain what the opt-out requirements were prior to May 1996.

i. If the opt-out requirements are different today from May 1996, explain how they have changed.

ii. Explain how Duke Kentucky determined that all Rate TT customers had met the opt-out requirements.

d. Refer to the last sentence of paragraph 104 on page 41, which states: “However, all nonresidential customers, including Rate TT customers, will be charged for the PowerShare program.” Explain whether this means there is no way to opt out of the payment of the DSM charge for any non-residential customer, including industrial customers.

e. By customer class, provide the current number of Rate TT customers who are participating in the PowerShare program and the current number being charged for the PowerShare program.

5. Explain how Duke Kentucky's DSM and energy-efficiency programs contribute to its Integrated Resource Plan.

6. Refer to paragraph 4 of the ordering paragraphs in the Final Order in Case No. 2012-00495,<sup>3</sup> which states:

In a year when there are DSM program evaluations, proposed program expansion(s), or new programs filed with the Commission, Duke Kentucky shall file an application by August 15 that includes the following: (1) an Appendix A, in a manner that is currently filed, of the Cost Effectiveness Test Results of all programs; (2) an Appendix B, in a manner that is currently filed, for the recovery of program costs, lost revenues, and shared savings, that are used in determining the true-up of proposed DSM factor(s); (3) a signed and dated proposed Rider DSMR, Demand Side Management Rate, for both electric and natural gas customers; and (4) all program evaluations and/or proposed expanded or new programs.

Explain whether Duke Kentucky can file its annual adjustment of the DSM cost recovery mechanism or annual true-up by August 15 in conjunction with the filing of any DSM program evaluations, proposed program expansions, or new programs. If not, explain whether November 15 is a more realistic date for such a filing.

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<sup>3</sup> Case No. 2012-00495, Application of Duke Energy Kentucky, Inc. for the Annual Cost Recovery Filing for Demand Side Management (Ky. PSC Apr. 11, 2013).



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DATED JAN 07 2014

cc: Parties of Record

Case No. 2013-00395

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