

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY, )	
INC. FOR (1) A CERTIFICATE OF PUBLIC )	
CONVENIENCE AND NECESSITY )	
AUTHORIZING THE CONSTRUCTION OF AN )	CASE NO.
ADVANCED METERING INFRASTRUCTURE; (2) )	2016-00152
REQUEST FOR ACCOUNTING TREATMENT; )	
AND (3) ALL OTHER NECESSARY WAIVERS, )	
APPROVALS, AND RELIEF )	

COMMISSION STAFF'S SECOND 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 an original in paper medium and an electronic version of the following information. The information requested herein is due on or before July 5, 2016. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to 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. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, the Direct Testimony of Donald L. Schneider ("Schneider Testimony"), Exhibit DSL-4.

a. Explain how 17 years was chosen as the time period for the analysis.

b. Refer to page 2 of 13.

(1) Provide a breakdown of the cost shown on row 5 as "Electric meters materials."

(2) Refer to page 2 of 13. Provide a breakdown of the cost shown on row 18 as "Annual costs assoc. with Electric meter failures."

2. Refer to Duke Kentucky's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 2. The response states that of the 1,240

existing advanced meters, 396 are residential customers. State when the advanced meters were installed on the residential accounts and the reasons an advanced meter was necessary for those accounts.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 10.c. State whether \$25 is the total labor cost to install each meter.

4. Refer to Duke Kentucky's response to Staff's First Request, Item 11.b. which relates to the modules described in Exhibit 4 of the Application.

a. The response states that "the battery life, based upon experience, varies from 13 to 20 years." Exhibit 4 of the application, page 3 of 8, states that the battery life is 18 to 20 years for one scheduled transmission per day and is 15 to 17 years for two scheduled transmissions per day. Page 6 of 8 of Exhibit 4 states "Designed for a 20-year battery life regardless of data collection..." Provide the basis for Duke Kentucky's statement that, "based on experience," the battery life varies from 13 to 20 years.

b. The response states, "The battery life of the module likely will not last two full meter change out/replacement cycles . . . ." Explain the basis for this statement.

c. The response states that "detaching the modules for potential redeployment is not necessary and could potentially damage the devices making them not fit for use." If the attached meter tests satisfactory and is able to be redeployed, explain why it would be necessary to detach the module (i.e., explain why the meter could not be redeployed with the attached module).

d. The response states, "Replacing module batteries is not cost effective when one considers the labor involved and expense associated with inventory and battery procurement versus simply purchasing new meters with modules." Explain the basis for this statement.

5. Refer to Duke Kentucky's response to Staff's First Request, Item 11.e. State whether \$22 is the total labor cost to install each module.

6. Refer to Duke Kentucky's response to Staff's First Request, Item 12. The response provided did not respond to the request. Provide the manufacturer's estimated useful life of the automated metering infrastructure ("AMI") meters Duke Kentucky is proposing to install.

7. Refer to Duke Kentucky's response to Staff's First Request, Item 14. The response states that "[t]he quantifiable savings (expense reduction) from the complete AMI deployment will not be fully realized until 2019." Refer also to the application, the Schneider Testimony, Exhibit DSL-3. That exhibit shows operational savings that Duke Kentucky is expected to realize beginning in 2017. Explain why it is appropriate to establish a regulatory asset for the undepreciated value of the electric meters removed from service and inventory but it would not be appropriate to establish a regulatory liability for the savings associated with the metering upgrade until such time as base rates are established in Duke Kentucky's next base rate case.

8. Refer to Duke Kentucky's response to Staff's First Request, Item 15.a. The response states that the date for the journal entry appearing on page 9 of the Direct Testimony of Peggy A. Laub is March 31, 2016. Confirm that, since the metering upgrade has not begun, and if approved, installation of the new meters would take place

over a period of approximately 18 months, the amount of the requested regulatory asset would be less than the \$9.6 million shown in Ms. Laub's testimony. If this cannot be confirmed, explain. If this can be confirmed, provide an estimate of the amount of the regulatory asset to be recorded by Duke Kentucky and an updated journal entry.

9. Refer to Duke Kentucky's response to Staff's First Request, Item 15.b. The response states that "[t]he Company is not planning on retiring all gas meters at the end of the AMI deployment." State whether this indicates that some gas meters will be retired at the end of the AMI deployment.

10. Refer to Duke Kentucky's response to Staff's First Request, Item 19.

a. Will the roughly 6 percent of residential meters which serve customers with over-200 Amp loads be integrated into the proposed RF mesh network?

b. Will these over-200 Amp load-serving meters require in person connect/disconnect?

11. Refer to Duke Kentucky's response to Staff's First Request, Item 24. State the outage duration required for an outage to be classified as a "sustained outage."

12. Refer to Duke Kentucky's response to Staff's First Request, Item 25. The response states that not all in-person disconnections and reconnections will be eliminated and that there will be a cost associated with service to customers who do not have remote disconnect capability. State whether the customers referred to in this response are the 6 percent of residential customers that would not have 200-Amp meters, as provided in the response to Item 19 of Staff's First Request. If not, explain to which customers this response is referring.

13. Refer to Duke Kentucky's response to Staff's First Request, Item 27.

a. Would any of the AMI meters in Duke Kentucky's proposal be capable of integrating with a home energy monitoring device ("HEMD"), such as Pacific Gas & Electric's "Stream my Data," which has the ability to display real-time electricity usage, real-time price, and an estimated cost-to-date in the billing cycle?

b. Has Duke Kentucky or any of its affiliates explored offering an HEMD?

c. Is an HEMD offered in any Duke Energy Jurisdiction, and is this something Duke Kentucky could offer?

14. Refer to Duke Kentucky's response to Staff's First Request, Item 28, Attachment, page 1 of 1. Explain the statement, "Meter certification occurs 30 to 60 days after the new meter is installed."

15. Refer to Duke Kentucky's response to the Attorney General's First Request for Information, Item 74.

a. Refer to the response to Item 74.a. Confirm that the current connect/disconnect charges reflect manual connects/disconnects. If this cannot be confirmed, explain what the current charges reflect.

b. Refer to the response to Item 74.b. The response assumes the existence of an opt-out provision. Given that meter reading costs are currently included in base rates, confirm that Duke Kentucky's response is based on its plans after new base rates are set following completion of the metering upgrade.

c. Refer to the response to Item 74.c. Explain why a customer opting-out would be required to pay any costs that are already "included within customers' existing rates."



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cc: Parties of Record

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