



139 East Fourth Street, R. 25 At II
P. O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-1837
Fax: 513-419-1846
dianne.kuhnell@duke-energy.com

Dianne B. Kuhnell
Senior Paralegal

VIA OVERNIGHT DELIVERY

February 12, 2010

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

RECEIVED

FEB 15 2010

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2009-444

Dear Mr. Derouen:

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

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

Sincerely,

Dianne B. Kuhnell
Senior Paralegal

RECEIVED

FEB 15 2010

PUBLIC SERVICE
COMMISSION

VERIFICATION

State of Ohio)
)
County of Hamilton)

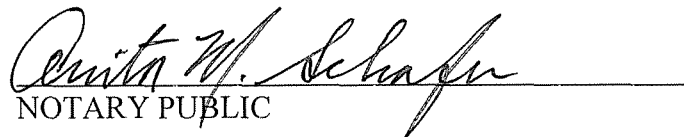
SS:

The undersigned, Richard G. Stevie, being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Managing Director, Customer Market Analysis; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.



Richard G. Stevie, Affiant

Subscribed and sworn to before me by Richard Stevie on this 5th day of February, 2010.


NOTARY PUBLIC

My Commission Expires:

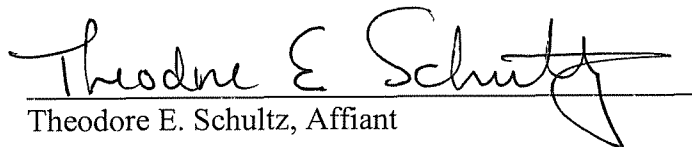


ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

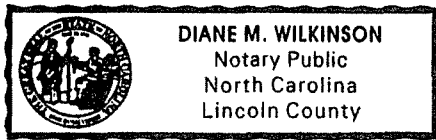
VERIFICATION

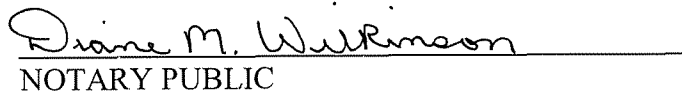
State of North Carolina)
) SS:
County of Mecklenburg)

The undersigned, Theodore E. Schultz, being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Vice-President Marketing & Energy Efficiency; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.


Theodore E. Schultz, Affiant

Subscribed and sworn to before me by Theodore E. Schultz on this 8th day of February 2010.




NOTARY PUBLIC

My Commission Expires: 12 July 2014

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Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-001

REQUEST:

Refer to Appendix B of Duke Kentucky's application, page 1 of 5. In Column (10), 2008 Reconciliation, Electric the over-collection amount of \$15,724 does not agree with the prior period under-collection carry-forward amount of \$49,448 from Case No. 2008-00473¹. Provide an explanation for this discrepancy. Include all workpapers, spreadsheets, calculations, etc. necessary to support the explanation. Provide a revised Appendix B as well as revised versions of any other affected appendices.

RESPONSE:

In the process of preparing Appendix B, the Company reviewed Appendix I from the 2008 filing of the reconciliation. It is correct that the under-collection carry-forward amount of \$49,448 was changed to an over-collection of \$15,724. This change is the result of finding an error in the 2008 filing associated with the calculation of the shared savings for the Power Manager program. In computing the total savings, the value for the number of participants was incorrectly entered. This error inadvertently raised the value of the total savings per participant, and hence the shared savings. Attachment STAFF-DR-01-001 (a) provides calculations showing the difference. In addition, a revised Appendix I Reconciliation 2008 is provided in Attachment STAFF-DR-01-001(b). The net effect is to reduce the revenue requirements for the residential class by \$65,162.

PERSON RESPONSIBLE: Richard G. Stevie

¹ Case No. 2008-00473, Annual Cost Recovery Filing for Demand Side Management By Duke Energy Kentucky, Appendix I, page 1 of 6, Column (14).

Correction to the 2008 Shared Savings for the Power Manager Program

	Number of Participants	Savings Per Participant	Total Savings	10% Shared Savings
Original Value	919	\$ 1,813.19	\$ 1,666,320	\$ 166,632
Revised Value	919	\$ 1,104.03	\$ 1,014,600	\$ 101,460
Change in Revenue Requirements				\$ (65,172)

Appendix 1
 Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)		
	Residential Programs	Projected Program Costs 7/2007 to 6/2008 (A)	Projected Lost Revenues 7/2007 to 6/2008 (A)	Projected Shared Savings 7/2007 to 6/2008 (A)	Program Expenditure: 707 through 6/08 (B)	Gas	Electric	Lost Revenues 7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	Shared Savings 7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	
Residential Programs																													
Res. Conservation & Energy Education	\$ 489,600	\$ 16,535	\$ 6,145	\$ (3,499)	\$ 334,533.90	\$ 210,421	\$ 124,113	\$ 15,049	\$ 7,704	\$ 38,588	\$ (77)	\$ 101,450	\$ 24,016	\$ 4,152	\$ 5,898	\$ (3,651,561)	\$ 795,562	\$ 2,724,504	\$ (15,724)										
Refrigerator Replacement	\$ 100,000	\$ 6,145	\$ 48,810	\$ 300	\$ 86,642.58	\$ 76,049	\$ 86,643	\$ 7,704	\$ 1,763	\$ (61,954)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
Residential Home Energy House Call	\$ 130,000	\$ 48,810	\$ -	\$ 35,700	\$ 120,904.77	\$ 30,472	\$ 17,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Res. Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ -	\$ 48,448.05	\$ -	\$ 144,671.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment Plus	\$ 130,000	\$ -	\$ -	\$ -	\$ 48,824.59	\$ -	\$ 488,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Manager	\$ 875,000	\$ -	\$ -	\$ -	\$ 165,960.55	\$ 104,389	\$ 81,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ -	\$ 63,450	\$ 104,389	\$ 81,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Star Products	\$ 243,000	\$ 690,225	\$ 26,781	\$ 2,355	\$ 166,224.89	\$ 104,555	\$ 61,670	\$ 501,222	\$ 4,937	\$ 5,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Efficiency Website	\$ 31,110	\$ -	\$ -	\$ -	\$ 11,188.61	\$ 7,038	\$ 4,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personalized Energy Report Pilot Program (i)	\$ 153,000	\$ -	\$ -	\$ -	\$ 73,134	\$ (3,774)	\$ (2,226)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Home Energy Assistance Pilot Program (i)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues collected except for HEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,423,410	\$ 911,033	\$ 346,040	\$ 1,540,798	\$ 529,150	\$ 1,011,648	\$ 527,149	\$ 108,932	\$ (1,456,207)	\$ (667,891)	\$ (3,651,561)	\$ 795,562	\$ 2,724,504	\$ (15,724)															

(A) Amounts identified in report filed on November 15, 2007.
 (B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2007 through June 30, 2008 and lost revenues for this period and from prior period DSM measure installations.
 (C) Allocation of program expenditures to gas and electric. Uses 62.9% gas based upon saturation of gas space heating.
 (D) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
 (E) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
 (F) Recovery collected through the DSM Rider between July 1, 2007 and June 30, 2008.
 (G) Revenues collected through the DSM Rider between July 1, 2007 and June 30, 2008.
 (H) Column (A) + Column (B) + Column (C) - Column (D).
 (I) Column (A) + Column (B) + Column (C) - Column (D) - Column (E).
 (J) Column (A) + Column (B) + Column (C) - Column (D) - Column (E) - Column (F).
 (K) Revenues and expenses for the Home Energy Assistance Pilot Program. This was reinstated September 2008, but no revenues or expenses for this report period.

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)			
	Commercial Programs	Projected Program Costs 7/2007 to 6/2008 (A)	Projected Lost Revenues 7/2007 to 6/2008 (A)	Projected Shared Savings 7/2007 to 6/2008 (A)	Program Expenditure: 7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)	7/07 through 6/08 (B)		
High Efficiency Program																														
Lighting	\$ 209,520	\$ 308,352	\$ 29,247	\$ 10,698	\$ 14,588	\$ 2,073	\$ 740,833	\$ 386,727	\$ 2,073	\$ 151	\$ 153	\$ 860,878	\$ 2,619,408	\$ (184,637)																
HVAC	\$ 142,760	\$ 29,247	\$ 21,031	\$ 14,588	\$ 25,718	\$ 151	\$ 153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Motors	\$ 160,678	\$ 298,836	\$ 468,830	\$ 441,956	\$ 390,951	\$ 740,986	\$ 860,878	\$ 2,619,408	\$ (184,637)																					
Other	\$ 490,874	\$ 657,466	\$ 499,934	\$ 441,956	\$ 390,951	\$ 740,986	\$ 860,878	\$ 2,619,408	\$ (184,637)																					
Total for High Efficiency Program	\$ 903,772	\$ 657,466	\$ 499,934	\$ 441,956	\$ 390,951	\$ 740,986	\$ 860,878	\$ 2,619,408	\$ (184,637)																					
PowerShare®	\$ 265,000	\$ -	\$ -	\$ 107,641	\$ 55,436	\$ 4,308	\$ 13,287	\$ 350,453	\$ (237,422)																					

(A) Amounts identified in report filed on November 15, 2007.
 (B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2007 through June 30, 2008 and lost revenues for this period and from prior period DSM measure installations.
 (C) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.
 (D) Recovery collected through the DSM Rider between July 1, 2007 and June 30, 2008.
 (E) Column (A) + Column (B) + Column (C) - Column (D).
 (F) Column (A) + Column (B) + Column (C) - Column (D) - Column (E).

Appendix I

2009 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary

	Costs			Revenues			Shared Savings			Total			Allocation of Costs			Budget (Costs, Lost Revenues, & Shared Savings)				
	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings	Electric	Gas	Electric Costs	Electric	Gas	Electric	Gas	
Residential - Current Programs/Measures																				
Residential Conservation & Energy Education	\$ 499,800	\$ 16,525	\$ (3,499)	\$ 512,826									37.1%	62.9%	\$ 185,426	\$ 198,452	\$	\$ 314,374		
Refrigerator Replacement	\$ 100,000	\$ 6,145	\$ 300	\$ 106,445									100.0%	0.0%	\$ 100,000	\$ 106,445	\$	\$ -		
Home Energy House Call	\$ 150,000	\$ 49,810	\$ 35,700	\$ 235,510									37.1%	62.9%	\$ 55,650	\$ 141,160	\$	\$ 94,350		
Residential Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 81,500									37.1%	62.9%	\$ 30,237	\$ 30,237	\$	\$ 51,264		
Home Energy Assistance Plus (continuing)	\$ 150,000	\$ -	\$ -	\$ 150,000									37.1%	62.9%	\$ 55,650	\$ 55,650	\$	\$ 94,350		
Power Manager	\$ 875,000	\$ -	\$ 174,000	\$ 1,049,000									100.0%	0.0%	\$ 875,000	\$ 1,049,000	\$	\$ -		
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 140,000									37.1%	62.9%	\$ 51,940	\$ 51,940	\$	\$ 88,060		
Energy Star Products	\$ 243,000	\$ 690,225	\$ 63,450	\$ 996,675									100.0%	0.0%	\$ 243,000	\$ 996,675	\$	\$ -		
CFL's (Compact Fluorescent Lights)																				
Torchiereas (Floor lamps)	\$ 31,110	\$ 26,781	\$ 2,955	\$ 60,846									37.1%	62.9%	\$ 11,542	\$ 41,278	\$	\$ 19,568		
Energy Efficiency Web Site	\$ 153,000	\$ 121,547	\$ 73,134	\$ 347,681									37.1%	62.9%	\$ 56,763	\$ 251,444	\$	\$ 96,237		
Personalized Energy Report Pilot Program	\$ 2,423,410	\$ 911,033	\$ 346,040	\$ 3,680,483											\$ 1,665,207	\$ 2,922,280	\$	\$ 758,203		
Total Costs, Net Lost Revenues, Shared Savings	\$ 247,369														\$ 143,120	\$ 104,249				
Home Energy Assistance Pilot Program																				
C&I DSM Program Summary																				
High Efficiency Program																				
Lighting	\$ 104,760	\$ 273,388	\$ 5,349	\$ 383,497									100.0%	0.0%	\$ 104,760	\$ 383,497	\$	\$ NA		
HVAC	\$ 71,380	\$ 15,925	\$ 7,294	\$ 94,598									100.0%	0.0%	\$ 71,380	\$ 94,598	\$	\$ NA		
Motors	\$ 50,339	\$ 10,610	\$ 12,859	\$ 73,808									100.0%	0.0%	\$ 50,339	\$ 73,808	\$	\$ NA		
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240									100.0%	0.0%	\$ 225,407	\$ 599,240	\$	\$ NA		
Total for the High Efficiency Program	\$ 451,885	\$ 449,341	\$ 249,916	\$ 1,151,143											\$ 451,885	\$ 1,151,143	\$	\$ NA		
High Efficiency School Incentive Program																				
Lighting	\$ 104,760	\$ 34,963	\$ 5,349	\$ 145,072									100.0%	0.0%	\$ 104,760	\$ 145,072	\$	\$ NA		
HVAC	\$ 71,380	\$ 13,323	\$ 7,294	\$ 91,996									100.0%	0.0%	\$ 71,380	\$ 91,996	\$	\$ NA		
Motors	\$ 50,339	\$ 10,421	\$ 12,859	\$ 73,619									100.0%	0.0%	\$ 50,339	\$ 73,619	\$	\$ NA		
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240									100.0%	0.0%	\$ 225,407	\$ 599,240	\$	\$ NA		
Total for the High Efficiency School Incentive Program	\$ 451,885	\$ 208,125	\$ 249,916	\$ 909,927											\$ 451,885	\$ 909,927	\$	\$ NA		
PowerShare@ Program																				
	\$ 265,000		\$ 107,641	\$ 372,641											\$ 265,000	\$ 372,641	\$	\$ NA		
Total C&I DSM Program	\$ 1,168,771	\$ 657,466	\$ 607,474	\$ 2,433,710											\$ 1,168,771	\$ 2,433,710	\$	\$ NA		
Total Program	\$ 3,592,181	\$ 1,568,499	\$ 953,514	\$ 6,114,193											\$ 3,592,181	\$ 6,114,193	\$	\$ NA		

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Calculations for 2006 Programs

January, 2008 through December, 2008

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 2,922,280
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 2,061,069
Transmission Level Rates & Distribution Level Rates Part B	\$ 372,641
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 758,203

(A) See Appendix I, page 2 of 5.

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Billing Determinants

Year	2009
Projected Annual Electric Sales kWh	
Rates RS	1,460,230,000
Rates DS, DP, DT, GS-FL, EH, & SP	2,362,842,000
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,559,959,000
Projected Annual Gas Sales CCF	
Rate RS	53,671,760

Appendix I

Duke Energy Kentucky
 Demand Side Management Cost Recovery Rider (DSMR)
 Summary of Calculations
 January, 2009 through December, 2009

Rate Schedule	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
Electric Rider DSM Residential Rate RS	\$ (16,348)	\$ 2,922,280	\$ 2,905,932	1,460,230,000 kWh	\$ 0.001990 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (191,967)	\$ 2,061,069	\$ 1,869,102	2,362,842,000 kWh	\$ 0.000791 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ (246,847)	\$ 372,641	\$ 125,794	2,559,959,000 kWh	\$ 0.000049 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.000840 \$/kWh
Gas Rider DSM Residential Rate RS	\$ 2,832,667	\$ 758,203	\$ 3,590,870	53,671,760 CCF	\$ 0.066904 \$/CCF
Total Rider Recovery			\$ 8,491,697		
Customer Charge for HEA Program Electric No. 4 Residential Rate RS			Annual Revenues \$ 143,120	Number of Customers 119,267	Monthly Customer Charge \$ 0.10
Gas No. 5 Residential Rate RS			\$ 104,249	86,874	\$ 0.10
Total Customer Charge Revenues			\$ 247,369		
Total Recovery			\$ 8,739,066		

(A) (Over)/Under of Appendix J page 1 multiplied by 1.0397 for 2008 for the average three-month commercial paper rate to include interest on over or under-recovery.
 (B) Appendix I, page 2.
 (C) Appendix I, page 4.

Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-002

REQUEST:

Refer to Appendix B of Duke Kentucky's application, page 3 of 5. Footnote A references Appendix I, page 2; however, there is no Appendix I in the application. Provide the referenced appendix or other revision needed to correct this inconsistency.

RESPONSE:

This is a typographical error. It should have referred to Appendix B.

A corrected version of the Appendix B is provided in the file labeled as Attachment STAFF-DR-01-002 - Appendix B Reconciliation 2009 Final Corrected.

PERSON RESPONSIBLE: Richard G. Stevie

Appendix B

2009 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary

	Costs			Revenues			Shared Savings			Total	Allocation of Costs			Budget (Costs, Lost Revenues, & Shared Savings)				
	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings		Electric	Gas	Electric Costs	Electric	Gas	Electric Costs	Electric	Gas
Residential - Current Programs/Measures																		
Residential Conservation & Energy Education	\$ 499,800	\$ 16,525	\$ (3,499)	\$ 512,826						37.1%	62.9%	\$ 185,426	\$ 198,452	\$ 314,374				
Refrigerator Replacement	\$ 100,000	\$ 6,145	\$ 300	\$ 106,445						0.0%	0.0%	\$ 100,000	\$ 106,445	\$ -				
Home Energy House Call	\$ 150,000	\$ 49,810	\$ 35,700	\$ 235,510						37.1%	62.9%	\$ 55,650	\$ 141,160	\$ 94,350				
Residential Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 81,500						37.1%	62.9%	\$ 30,237	\$ 30,237	\$ 51,264				
Home Energy Assistance Plus (continuing)	\$ 150,000	\$ -	\$ -	\$ 150,000						37.1%	62.9%	\$ 55,650	\$ 55,650	\$ 94,350				
Power Manager	\$ 875,000	\$ -	\$ 174,000	\$ 1,049,000						100.0%	0.0%	\$ 875,000	\$ 1,049,000	\$ -				
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 140,000						37.1%	62.9%	\$ 51,940	\$ 51,940	\$ 88,060				
Energy Star Products	\$ 243,000	\$ 690,225	\$ 63,450	\$ 996,675						100.0%	0.0%	\$ 243,000	\$ 996,675	\$ -				
CFL's (Compact Fluorescent Lights)																		
Torchieres (Floor lamps)	\$ 31,110	\$ 26,781	\$ 2,955	\$ 60,846						37.1%	62.9%	\$ 11,542	\$ 41,278	\$ 19,568				
Energy Efficiency Web Site	\$ 153,000	\$ 121,547	\$ 73,134	\$ 347,681						37.1%	62.9%	\$ 56,763	\$ 251,444	\$ 96,237				
Personalized Energy Report Pilot Program	\$ 2,423,410	\$ 911,033	\$ 346,040	\$ 3,680,483								\$ 1,665,207	\$ 2,922,280	\$ 758,203				
Total Costs, Net Lost Revenues, Shared Savings	\$ 247,886												\$ 143,360	\$ 104,526				

C&I DSM Program Summary

	Costs			Revenues			Shared Savings			Total	Allocations			Budget (Costs, Lost Revenues, & Shared Savings)				
	Costs	Lost Revenues	Shared Savings	Costs	Lost Revenues	Shared Savings	Electric	Gas	Electric Costs		Electric	Gas	Electric Costs	Electric	Gas	Electric Costs	Electric	Gas
High Efficiency Program																		
Lighting	\$ 104,760	\$ 273,388	\$ 5,349	\$ 383,497						100.0%	0.0%	\$ 104,760	\$ 383,497	\$ NA				
HVAC	\$ 71,380	\$ 15,925	\$ 7,294	\$ 94,598						100.0%	0.0%	\$ 71,380	\$ 94,598	\$ NA				
Motors	\$ 50,339	\$ 10,610	\$ 12,859	\$ 73,808						100.0%	0.0%	\$ 50,339	\$ 73,808	\$ NA				
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240						100.0%	0.0%	\$ 225,407	\$ 599,240	\$ NA				
Total for the High Efficiency Program	\$ 451,885	\$ 449,341	\$ 249,916	\$ 1,151,143								\$ 451,885	\$ 1,151,143	\$ NA				
High Efficiency School Incentive Program																		
Lighting	\$ 104,760	\$ 34,963	\$ 5,349	\$ 145,072						100.0%	0.0%	\$ 104,760	\$ 145,072	\$ NA				
HVAC	\$ 71,380	\$ 13,323	\$ 7,294	\$ 91,996						100.0%	0.0%	\$ 71,380	\$ 91,996	\$ NA				
Motors	\$ 50,339	\$ 10,421	\$ 12,859	\$ 73,619						100.0%	0.0%	\$ 50,339	\$ 73,619	\$ NA				
Other	\$ 225,407	\$ 149,418	\$ 224,415	\$ 599,240						100.0%	0.0%	\$ 225,407	\$ 599,240	\$ NA				
Total for the High Efficiency School Incentive Program	\$ 451,885	\$ 208,125	\$ 249,916	\$ 909,927								\$ 451,885	\$ 909,927	\$ NA				
PowerShare® Program																		
	\$ 265,000		\$ 107,641	\$ 372,641								\$ 265,000	\$ 372,641	\$ NA				
Total C&I DSM Program	\$ 1,168,771	\$ 657,466	\$ 607,474	\$ 2,433,710								\$ 1,168,771	\$ 2,433,710	\$ NA				
Total Program	\$ 3,592,181	\$ 1,568,499	\$ 953,514	\$ 6,114,193								\$ 3,592,181	\$ 6,114,193	\$ NA				

Appendix B

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Calculations for Programs

January, 2010 through December, 2010

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 2,922,280
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 2,061,069
Transmission Level Rates & Distribution Level Rates Part B	\$ 372,641
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 758,203

(A) See Appendix B, page 2 of 5.

Appendix B

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Billing Determinants

Year	2009
Projected Annual Electric Sales kWh	
Rates RS	1,454,008,000
Rates DS, DP, DT, GS-FL, EH, & SP	2,174,110,000
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,387,338,000
Projected Annual Gas Sales CCF	
Rate RS	62,445,060

Appendix B

Duke Energy Kentucky
 Demand Side Management Cost Recovery Rider (DSMR)
 Summary of Calculations

January, 2009 through December, 2009

Rate Schedule Riders	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
<u>Electric Rider DSM</u> Residential Rate RS	\$ (261,774)	\$ 2,922,280	2,660,506	1,454,008,000 kWh	0.001830 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (237,026)	\$ 2,061,069	1,824,043	2,174,110,000 kWh	0.000839 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ (186,250)	\$ 372,641	186,391	2,387,338,000 kWh	0.000078 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP	\$ 3,909,719	\$ 758,203	4,667,922	62,445,060 CCF	0.074752 \$/CCF
<u>Gas Rider DSM</u> Residential Rate RS			9,338,862		
Total Rider Recovery					
Customer Charge for HEA Program <u>Electric No.4</u> Residential Rate RS			Annual Revenues \$ 143,360	Number of Customers 119,467	Monthly Customer Charge \$ 0.10
<u>Gas No.5</u> Residential Rate RS			\$ 104,526	87,105	\$ 0.10
Total Customer Charge Revenues			\$ 247,886		
Total Recovery			\$ 9,586,748		

(A) (Over)/Under of Appendix J page 1 multiplied by 1.0148 for 2009 for the average three-month commercial paper rate to include interest on over or under-recovery.
 (B) Appendix B, page 2.
 (C) Appendix B, page 4.

Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-003

REQUEST:

Refer to Appendix B of Duke Kentucky's application, page 5 of 5. Footnote A references Appendix J, page 1; however, there is no Appendix J in the application. Provide the referenced appendix or other revision needed to correct this inconsistency.

RESPONSE:

This is a typographical error. It should have referred to Appendix B.

A corrected version of the Appendix B is provided in response to STAFF-DR-01-002.

PERSON RESPONSIBLE: Richard G. Stevie

Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-004

REQUEST:

Refer to page 24–25 of Duke Kentucky’s application concerning the new online efficiency website vendor, ACLARA. Provide the status of the transition to ACLARA and update the impact of this transition to the Energy Efficient Website and to the Personalized Energy Report Programs.

RESPONSE:

The transition to Aclara, the new supplier to Duke Energy Kentucky for its customer energy survey was completed in 2009. The Aclara analytics model is now used in our online survey, Personalized Energy Report, Home Energy House Call survey and Call Center Agent desktop tools. This integration across all customer channels provides a consistent platform and provision of data to the customer no matter how they choose to interact with the company.

PERSON RESPONSIBLE: Theodore E. Schultz

Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-005

REQUEST:

Refer to page 11 of Duke Kentucky's application concerning the additional opportunities for the refrigerator replacement program. Provide any additional information regarding possible modifications to the program. Include discussion of perspective increase in benefits, potential cost savings, and customer participation.

RESPONSE:

Duke Energy Kentucky has evaluated implementing a sliding scale incentive to cover a portion of refrigerator replacement cost. After reviewing this option, it was determined that the funding to implement this type of incentive is not available in the current budget. The Company also had conversations with the service provider regarding the potential to reduce the cost of the refrigerators but it was determine that there was no opportunity to do so. Duke Energy Kentucky will continue to evaluate opportunities to reduce costs and improve cost effectiveness and build participation.

PERSON RESPONSIBLE: Theodore E. Schultz

Duke Energy Kentucky, Inc.
Case No. 2009-00444
First Set Staff Data Requests
Date Received: February 1, 2010

STAFF-DR-01-006

REQUEST:

Refer to page 20 of Duke Kentucky's application concerning the Power Manager program. Provide all workpapers, spreadsheets, calculations, etc. associated with the computation of the Variable Daily Event Incentive.

RESPONSE:

To participate in Power Manager, customers sign up for a kW reduction control option. The two Control Options are:

<u>Control Option</u>	<u>KW Reduction</u>
Option A	1.0
Option B	1.5

The Variable Daily Event Incentive for any given day will be based on the kW reduction selected by the customer, the number of hours that the A/C system is cycled on any given day, and the average of the day ahead and real time Location Marginal Prices (LMP), published by MISO for the event hours. For any given control season, the total payments to the customer for the Variable Daily Event Incentives will be at least \$5.00 for Option A and \$8.00 for Option B.

The following illustrates how the Variable Daily Event Incentive will be calculated assuming a \$0.10 incentive.

<u>Control Option</u>	<u>Variable Daily Event Incentive</u>
Option A	1.0 kW X 8 Hours X \$0.10 = \$0.80
Option B	1.5 kW X 8 Hours X \$0.10 = \$1.20

PERSON RESPONSIBLE: Theodore E. Schultz