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David L. Armstrong
Chairman

James Gardner
Vice Chairman

Linda Breathitt
Commissioner

September 20, 2013

RE: Case No. **2013-00313**

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

JD/ke
Enclosure

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,) Case No.
INC. TO AMEND ITS DEMAND SIDE MANAGEMENT) 2013-00313
PROGRAM)

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 the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before September 30, 2013. 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 page 3 of the Application which states, "This Application proposes to expand the scope of the Residential Smart Saver Program and Smart Saver Prescriptive Program for Non-Residential Customers by increasing the available measures within each program to enhance the robustness of the Company's offerings." Also, refer to page 2, Residential Smart Saver (New Measures) and Smart Saver Prescriptive – New Measures, in Appendix B of the Application.

a. Provide a breakdown of the proposed \$48,300 total program cost by each new Residential Smart Saver Program measure.

b. Provide a breakdown of the proposed \$44,649 total program cost by each new Smart Saver Prescriptive Program measure.

2. Refer to page 4 of the Application.

a. Describe the Energy Star electric heat pump water heaters.

b. Provide the average cost of a heat pump water heater including any associated installation cost.

c. Explain how the \$300 customer incentive and \$50 dealer incentive were determined for the heat pump water heaters.

3. Refer to page 5 of the Application. Explain how the \$400 customer incentive and \$50 dealer incentive were determined for the pool energy-efficiency program.

4. Refer to pages 5-9 of the Application listing proposed additions to Duke Kentucky's demand-side management ("DSM") portfolio. For each of the new measures listed:

- a. State the incentives provided to the customer and the dealer; and
- b. State what qualifies a customer to participate in each measure.

5. Refer to Exhibit D of the Application and ordering paragraph 3 of the Final Order of Case No. 2012-00495.¹

a. Explain whether Duke Kentucky is proposing to revise or expand its existing Energy Education Program for Schools.

b. If the answer to part a. is no, explain why the Process Evaluation of National Energy Efficiency Education ("NEED") Program for Schools Kentucky was filed in this Application when Duke Kentucky was to evaluate its entire portfolio of DSM programs by December 31, 2016. The exception from that evaluation date would be for applications that include a new program or an expansion of an existing program.

c. If the answer to part a. is no, provide the cost of performing the evaluation and when Duke Kentucky proposes to recover the evaluation cost.

6. Refer to page 3 of Exhibit D of the Application which states, "Between January 1, 2011 and October 1, 2012, the NEED program distributed 401 energy efficiency kits against a goal of 1000 kits. This represents an achievement of 40% of

¹ 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).

goal. Additional kit distributions were planned for late 2012, but the number of participating teachers and the corresponding volume of kits appeared unlikely to reach the goal of 1000.” Provide, by year, the number of kits distributed for 2011, 2012, and 2013 to date.

7. Refer to page 3 of Exhibit D which states, “Between January 1, 2011 and October 1, 2012, the NEED project has conducted three teacher workshops, training 109 teachers from 63 participating schools. From among these schools, 32 classrooms distributed Duke Energy sponsored energy efficiency kits to 460 student families.” Provide, the number of teacher workshops, teachers trained, and the number of schools participating from October 1, 2012 to present.

8. Refer to page 3 of Exhibit D which states,

- While the program appears to be doing an adequate job of training teachers each year, the sharp decline between number of teachers receiving NEED training and the number of teachers actually distributing Duke Energy sponsored energy efficiency kits is the most notable barrier to success for this program.
- The primary reason identified for low teacher participation is the issue of classroom equity. As designed, the program only permits efficiency kit distribution to students whose parents are Duke Energy customers. Because many classrooms contain students who are not Duke Energy customers, the teachers opt out of program participation rather than creating a situation of inequality where some students receive the kits and others do not.
- Based on interviews with the NEED coordinator, another barrier to success appears to be parental objections to participating due to misunderstandings about program eligibility and parental desires for confidentiality about their Duke Energy account information.

a. Describe the extent to which participation of teachers has declined over the years.

b. Explain whether Duke Kentucky has considered partnering with any other agencies that might provide, with no cost or expense to Duke Kentucky ratepayers or shareholders, energy-efficiency kits to students whose parents are not customers of Duke Kentucky.

c. Describe Duke Kentucky's efforts to overcome parental objections.

9. Refer to page 11 of Exhibit D of the Application which states, "However, the number of potential teachers is actually likely to be less due to retirement, job changes, moves, and teachers returning for refresher training." Explain whether Duke Kentucky is aware if the schools that are apart of Duke Kentucky's NEED program have considered using the school's energy manager to assist in implementing the NEED program.

10. Refer to Exhibit E, Process and Impact Evaluation of the Energy Star Products ("CFLs") Program in Kentucky, of the Application.

a. Explain how this portion of Duke Kentucky's DSM portfolio is being enhanced or expanded.

b. Provide the cost of the evaluation and when Duke Kentucky expects to seek recovery of the evaluation cost.

11. Explain how Duke Kentucky plans to use CFLs in its DSM portfolio once incandescent light bulbs are no longer available.

12. Refer to Exhibit G, Process Evaluation of the Non-Residential Smart Saver Prescriptive Program in Ohio and Kentucky: Lighting, Occupancy Sensors, and VFDs, of the Application. Provide the cost of the evaluation report, Duke Kentucky's

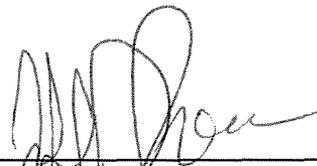
share of the evaluation cost, and when Duke Kentucky expects to seek recovery of the evaluation cost.

13. Refer to Exhibit H, Impact Evaluation and Review of the 2012 Power Manager Program in Ohio and Kentucky, of the Application. Provide the cost of the evaluation report, Duke Kentucky's share of the evaluation cost, and when Duke Kentucky expects to seek recovery of the evaluation cost.

14. Explain why Exhibit H and Exhibit I are the same evaluation report - Impact Evaluation and Review of the 2012 Power Manager Program in Ohio and Kentucky.

15. a. Since the DSM portfolios of Ohio and Kentucky are similar, explain whether evaluations will be done for both states, on a going-forward basis, at the same time or separately for each state.

b. Explain whether, in future DSM filings, Duke Kentucky will file joint evaluation reports for Ohio and Kentucky, irrespective of whether there are new or expanded DSM programs, before December 31, 2016, and, if so, explain why.



Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED SEP 20 2013

cc: Parties of Record

Kristen Ryan
Duke Energy
139 East Fourth St
Cincinnati, OHIO 45201