

REQUEST:

Irrespective of Duke's traditional methodology of allocating 63.5 percent of the cost of certain programs to gas customers, provide an evaluation of alternate allocation methodologies. The evaluation should include those alternate methodologies described in Items 2 and 3 of this Request for Information, indicating any that would be acceptable to Duke in the event the Commission does not continue to find the current cost allocation methodology between gas and electric customers reasonable.

RESPONSE:

In addition to the two methodologies proposed in Items 2 and 3, Duke Energy Kentucky also investigated another potential allocation methodology based on the BTU savings achieved through the Company's programs. The Company converted KWH (electricity) and CCF (gas) savings from its DSM programs into BTU savings and then allocated costs based on the proportion of savings achieved by the Company's programs. Please see Attachment STAFF-DR-05-005 – BTU Allocation.xlsx, Attachment STAFF-DR-05-005 – Page 1 w Act Page 2 w Proj.xlsx, and Attachment STAFF-05-005 – All w Space Water Heat.xlsx.

After comparing the results of this additional allocation methodology with the two alternative approaches described in Items 2 and 3, Duke Energy Kentucky would be comfortable moving forward with a methodology based on relative load impacts, should the Commission find that it is more appropriate allocation methodology than the approach currently utilized.

However, regardless of what allocation methodology Duke Energy Kentucky adopts, the Company believes that it is appropriate to use actual achievement and actual retail sales for the true-up portion of the rate calculation and projected achievement and projected retail sales for the forecasted portion of the rate calculation.

PERSON RESPONSIBLE: Trisha Haemmerle

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Program Expenditures (C) Gas	Electric	Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	2013 Reconciliation		Rider Collection (F) Gas	Electric	(Over)/Under Collection Gas (G)	Electric (H)
Appliance Recycling Program	\$ 254,905	\$ 25,383	\$ 51,900	\$ 168,563	\$ -	\$ 168,563	\$ 44,179	\$ 37,058						
Energy Efficiency Education Program for Schools	\$ 160,841	\$ 13,197	\$ (7,028)	\$ 129,104	\$ 78,817	\$ 52,287	\$ 11,050	\$ (355)						
Low Income Neighborhood	\$ 297,422	\$ 40,038	\$ 7,480	\$ 138,684	\$ -	\$ 138,684	\$ 21,020	\$ 31,862						
Low Income Services	\$ 669,868	\$ 19,932	\$ (29,790)	\$ 520,653	\$ 309,789	\$ 210,864	\$ 35,227	\$ (4,188)						
My Home Energy Report	\$ 375,038	\$ 402,489	\$ 40,863	\$ 605,663	\$ -	\$ 605,663	\$ 512,222	\$ 46,907						
Residential Energy Assessments	\$ 167,774	\$ 14,909	\$ 12,819	\$ 223,409	\$ -	\$ 132,928	\$ 90,481	\$ 51,063						
Residential Smart Saver®	\$ 1,170,194	\$ 1,376,347	\$ 319,133	\$ 1,511,814	\$ 30,400	\$ 1,481,414	\$ 1,885,324	\$ 511,105						
Power Manager	\$ 308,742	\$ -	\$ 138,807	\$ 776,700	\$ -	\$ 776,700	\$ -	\$ 85,821						
Personal Energy Report Program (I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,535	\$ -						
Home Energy Assistance Pilot Program (J)	\$ 250,556	\$ -	\$ -	\$ 300,152	\$ 128,224	\$ 173,928	\$ -	\$ -			\$ 106,253	\$ 148,409	\$ -	\$ -
Revenues collected except for HEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ (2,446,433)	\$ 3,250,888	\$ -	\$ -
Total	\$ 3,655,362	\$ 1,892,305	\$ 633,964	\$ 4,374,741	\$ 676,157	\$ 3,698,584	\$ 2,487,637	\$ 759,073	\$ 1,748,956	\$ (813,874)	\$ (2,340,181)	\$ 3,397,397	\$ 4,765,264	\$ 2,734,022

- (A) Amounts identified in report filed in Case No. 2012-00085.
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.
- (C) Allocation of program expenditures to gas and electric. Uses 83.5% gas based upon saturation of gas space heating.
- (D) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (E) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (F) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.
- (G) Column (5) + Column (9) - Column(11).
- (H) Column (8) + Column (7) + Column (6) + Column (10) - Column(12).
- (I) Personalized Energy Report is a legacy program which continues to collect lost revenues.
- (J) Revenues and expenses for the Home Energy Assistance Pilot Program.

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	Reconciliation (C)	Rider Collection (D)	(Over)/Under Collection (E)
Smart Saver® Custom	\$ 363,445	\$ 91,416	\$ 229,707	\$ 141,233	\$ 35,077	\$ 36,876			
Smart Saver® Prescriptive - Energy Star Food Service Proc	\$ 14,706	\$ 8,868	\$ 14,459	\$ 69,720	\$ 7,854	\$ 64,099			
Smart Saver® Prescriptive - HVAC	\$ 177,989	\$ 66,300	\$ 137,729	\$ 90,262	\$ 3,690	\$ 11,467			
Smart Saver® Prescriptive - Lighting	\$ 587,516	\$ 311,187	\$ 390,588	\$ 588,419	\$ 233,009	\$ 267,504			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 68,636	\$ 59,009	\$ 70,546	\$ 81,743	\$ 19,487	\$ 41,259			
Smart Saver® Prescriptive - Process Equipment	\$ 56	\$ 119	\$ 75	\$ 21,857	\$ 1,876	\$ 9,456			
Smart Saver® Prescriptive - IT	\$ -	\$ -	\$ -	\$ 95	\$ -	\$ (9)			
Total	\$ 1,212,347	\$ 536,898	\$ 843,106	\$ 973,129	\$ 300,973	\$ 430,650	\$ (1,689,897)	\$ 195,330	\$ (160,274)
Power Share®	\$ 815,415	\$ -	\$ 261,322	\$ 890,645	\$ -	\$ 294,543	\$ 801,314	\$ 2,850,631	\$ (664,129)
Energy Management and Information Services (F)	\$ -	\$ -	\$ -	\$ 1,863	\$ -	\$ -	\$ -	\$ -	\$ -

- (A) Amounts identified in report filed in Case No. 2012-00085.
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.
- (C) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (D) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.
- (E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)
- (F) Discontinued pilot program does not receive cost recovery

Kentucky DSM Rider

2015-2016 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs		Budget (Costs, Lost Revenues, & Shared Savings)		
					Electric	Gas	Electric Costs	Electric	Gas Costs
Appliance Recycling Program	\$ 109,813	\$ 177,379	\$ (204)	\$ 286,789	100.0%	0.0%	\$ 109,813	\$ 286,789	\$ -
Energy Efficiency Education Program for Schools	\$ 196,961	\$ 40,057	\$ 8,450	\$ 243,468	40.5%	59.5%	\$ 79,769	\$ 126,276	\$ 117,192
Low Income Neighborhood	\$ 276,950	\$ 101,284	\$ 14,464	\$ 392,698	100.0%	0.0%	\$ 276,950	\$ 392,698	\$ -
Low Income Services	\$ 700,410	\$ 54,819	\$ (8,455)	\$ 746,774	40.5%	59.5%	\$ 283,068	\$ 330,030	\$ 416,744
My Home Energy Report(B)	\$ 625,156	\$ 542,633	\$ 84,254	\$ 1,252,044	100.0%	0.0%	\$ 625,156	\$ 1,252,044	\$ -
Residential Energy Assessments	\$ 193,881	\$ 55,466	\$ 66,796	\$ 316,164	40.5%	59.5%	\$ 78,522	\$ 200,804	\$ 115,359
Residential Smart Saver® (B)	\$ 1,085,886	\$ 1,587,846	\$ 110,853	\$ 2,784,485	91.9%	6.1%	\$ 997,944	\$ 2,676,543	\$ 87,842
Power Manager	\$ 437,796	\$ -	\$ 148,597	\$ 587,393	100.0%	0.0%	\$ 437,796	\$ 587,393	\$ -
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,626,654	\$ 2,539,305	\$ 423,656	\$ 6,589,614			\$ 2,889,417	\$ 5,852,577	\$ 737,237
Home Energy Assistance Pilot Program	\$ 252,236							\$ 146,417	\$ 105,620

NonResidential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocations		Budget (Costs, Lost Revenues, & Shared Savings)		
					Electric	Gas	Electric Costs	Electric	Gas
Smart Saver® Custom	\$ 512,160	\$ 97,430	\$ 91,879	\$ 701,570	100.0%	0.0%	\$ 512,160	\$ 701,570	NA
Smart Saver® Prescriptive - Energy Star Food Service Products (B)	\$ 19,997	\$ 21,798	\$ 15,832	\$ 57,628	100.0%	0.0%	\$ 19,997	\$ 57,628	NA
Smart Saver® Prescriptive - HVAC	\$ 137,089	\$ 30,552	\$ 79,234	\$ 246,876	100.0%	0.0%	\$ 137,089	\$ 246,876	NA
Smart Saver® Prescriptive - Lighting	\$ 889,001	\$ 302,730	\$ 470,352	\$ 1,662,084	100.0%	0.0%	\$ 889,001	\$ 1,662,084	NA
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 56,722	\$ 23,435	\$ 20,324	\$ 100,481	100.0%	0.0%	\$ 56,722	\$ 100,481	NA
Smart Saver® Prescriptive - Process Equipment	\$ 2,031	\$ 2,201	\$ 1,468	\$ 5,699	100.0%	0.0%	\$ 2,031	\$ 5,699	NA
Smart Saver® Prescriptive - IT	\$ 16,253	\$ 4,056	\$ 6,035	\$ 26,344	100.0%	0.0%	\$ 16,253	\$ 26,344	NA
Small Business Energy Saver(C)	\$ 757,668	\$ 27,556	\$ 161,764	\$ 946,988	100.0%	0.0%	\$ 757,668	\$ 946,988	NA
Power Share®	\$ 924,747	\$ -	\$ 166,874	\$ 1,091,621	100.0%	0.0%	\$ 924,747	\$ 1,091,621	NA
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,315,669	\$ 508,759	\$ 1,013,862	\$ 4,839,290			\$ 3,315,669	\$ 4,839,290	NA
Total Program	\$ 6,942,322	\$ 3,049,063	\$ 1,437,718	\$ 11,428,104					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 3 of portfolio approved in Case No. 2012-00085
 (B) Includes new measures filed in Case No. 2014-00280
 (C) New program filed in Case No. 2014-00280

Kentucky DSM Rider

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

July 2015 to June 2016

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 5,852,577
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 3,747,669
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,081,621
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 737,237

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

Kentucky DSM Rider

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

Year	2015
Projected Annual Electric Sales KWH	
Rates RS	1,500,287,137
Rates DS, DP, DT, GS-FL, EH, & SP	2,403,218,077
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,643,552,077
Projected Annual Gas Sales CCF	
Rate RS	63,667,723

Kentucky DSM Rider

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

July 2014 to June 2015

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	\$ 2,736,756	\$ 5,852,577	\$ 8,589,333	1,500,287,137 kWh	\$ 0.005725 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (160,435)	\$ 3,747,868	\$ 3,587,234	2,403,218,077 kWh	\$ 0.001493 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ (984,793)	\$ 1,091,821	\$ 426,828	2,643,552,077 kWh	\$ 0.000181 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001654 \$/kWh
<u>Gas Rider DSM</u>					
Residential Rate RS	\$ 4,770,059	\$ 737,237	\$ 5,507,296	63,667,723 CCF	\$ 0.086501 \$/CCF
Total Rider Recovery			\$ 18,110,892		
Customer Charge for HEA Program					
<u>Electric No.4</u>			Annual Revenues	Number of Customers	Monthly Customer Charge
Residential Rate RS			\$ 146,417	122,014	\$ 0.10
<u>Gas No. 5</u>					
Residential Rate RS			\$ 105,820	88,183	\$ 0.10
Total Customer Charge Revenues			\$ 252,236		
Total Recovery			\$ 18,362,828		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2013 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 05-312. Value is:
 (B) Appendix B, page 2
 (C) Appendix B, page 4.

1.001000

Allocation Factors Based on Response to Staff-DR-02-004b (Allocation Based on Space and Water Heating)

Type	Electric %	Gas %
Electric	100%	0%
Water Heat	50%	50%
Space Heat	40.5%	59.5%

Final % Allocation By Program	Total Electric Costs	Total Gas Costs	Electric % for Rate Calc	Gas % for Rate Calc
Appliance Recycling Program	\$ 188,563	\$ -	100%	0%
Energy Efficiency Education Program for Schools	\$ 52,287	\$ 78,817	41%	60%
Low Income Neighborhood	\$ 138,684	\$ -	100%	0%
Low Income Services	\$ 210,684	\$ 309,788	41%	60%
My Home Energy Report	\$ 605,663	\$ -	100%	0%
Residential Energy Assessments	\$ 90,481	\$ 132,828	41%	60%
Residential Smart Saver®	\$ 1,481,414	\$ 30,400	98%	2%
Power Manager	\$ 776,700	\$ -	100%	0%
TOTAL	\$ 3,524,656	\$ 549,834	87%	13%

Prod Code	Measure	Program	Total Program Costs	Allocation Assigned	Electric Costs	Gas Costs
FRCYCL	KY_Freezer Recycle Program	Appliance Recycling Program	\$ 41,154	Electric	\$ 41,154	\$ -
RRCYCL	KY_Refrigerator Recycle Program	Appliance Recycling Program	\$ 127,409	Electric	\$ 127,409	\$ -
K12CFL	KY_Energy Education Program for Schools	Energy Efficiency Education Program for Schools	\$ 64,814	Space Heat	\$ 28,250	\$ 38,564
K12PRF	KY_Energy Education Program for Schools	Energy Efficiency Education Program for Schools	\$ 64,290	Space Heat	\$ 26,037	\$ 38,252
HMLJ	KY_Low Income Neighborhood	Low Income Neighborhood	\$ 138,684	Electric	\$ 138,684	\$ -
REFRPL	KY_Low Income Refrigerator Repl	Low Income Services	\$ 54,887	Space Heat	\$ 22,229	\$ 32,658
WZELEC	KY Low Income Weatherization	Low Income Services	\$ 311,065	Space Heat	\$ 125,981	\$ 185,084
PAYPLS	KY Payment Plus	Low Income Services	\$ 154,701	Space Heat	\$ 82,654	\$ 92,047
HECR	KY_My Home Energy Report	My Home Energy Report	\$ 605,663	Electric	\$ 605,663	\$ -
HEHC	KY_Home Energy House Call - E	Residential Energy Assessments	\$ 223,409	Space Heat	\$ 90,481	\$ 132,928
HPWH	KY_Heat Pump Water Heater	Residential Smart Saver®	\$ 3,711	Electric	\$ 3,711	\$ -
MPFEAR	KY Faucet Aerators	Residential Smart Saver®	\$ 830	Water Heat	\$ 415	\$ 415
MPFEPW	KY Pipe Wrap	Residential Smart Saver®	\$ 151	Water Heat	\$ 75	\$ 75
MFEEESH	KY Low Flow Showerheads	Residential Smart Saver®	\$ 960	Water Heat	\$ 480	\$ 480
PEEPVS	KY_Pool Pump	Residential Smart Saver®	\$ 4,493	Electric	\$ 4,493	\$ -
RCFL	KY_RCFL Opt-In Free CFLs	Residential Smart Saver®	\$ 836,224	Electric	\$ 836,224	\$ -
RCFLPM	KY_Property Manager 13WCFL	Residential Smart Saver®	\$ 61,889	Electric	\$ 61,889	\$ -
RCFLSP	KY_Specialty Bulbs	Residential Smart Saver®	\$ 156,912	Electric	\$ 156,912	\$ -
SFEEAR	KY Faucet Aerators	Residential Smart Saver®	\$ 5,952	Water Heat	\$ 2,976	\$ 2,976
SFEEPW	KY Pipe Wrap	Residential Smart Saver®	\$ 5,829	Water Heat	\$ 2,915	\$ 2,915
SFEESH	KY Low Flow Showerheads	Residential Smart Saver®	\$ 5,839	Water Heat	\$ 2,919	\$ 2,919
SSAC	KY_Smart Saver - Central Air Co	Residential Smart Saver®	\$ 205,050	Electric	\$ 205,050	\$ -
SSACTU	KY_Smart Saver - Central Air Co	Residential Smart Saver®	\$ 23,802	Electric	\$ 23,802	\$ -
SSAIAS	KY_Smart Saver - Attic Insul & A	Residential Smart Saver®	\$ 10,935	Space Heat	\$ 4,429	\$ 6,507
SSDINS	KY_Smart Saver - Duct Insulation	Residential Smart Saver®	\$ 11,475	Space Heat	\$ 4,647	\$ 6,827
SSDSEA	KY_Smart Saver - Duct Sealing	Residential Smart Saver®	\$ 12,245	Space Heat	\$ 4,959	\$ 7,286
SSHP	KY_Smart Saver - Heat Pump	Residential Smart Saver®	\$ 155,887	Electric	\$ 155,887	\$ -
SSHP TU	KY_Smart Saver - Heat Pump Tl	Residential Smart Saver®	\$ 9,631	Electric	\$ 9,631	\$ -
PWRMGR	KY_PowerManager	Power Manager	\$ 776,700	Electric	\$ 776,700	\$ -
Total			\$ 4,074,590		\$ 3,524,656.11	\$ 549,933.54

Allocation Factors Based on Response to Staff-DR-02-004b (Allocation Based on Space and Water Heating)

Type	Electric %	Gas %
Electric	100%	0%
Water Heat	50%	50%
Space Heat	40.5%	59.5%

Final % Allocation By Program	Total Electric Costs	Total Gas Costs	Electric % for Rate Calc	Gas % for Rate Calc
Appliance Recycling Program	\$ 109,813	\$ -	100.0%	0.0%
Energy Efficiency Education Program for Schools	\$ 79,789	\$ 117,192	40.5%	59.5%
Low Income Neighborhood	\$ 276,950	\$ -	100.0%	0.0%
Low Income Services	\$ 283,888	\$ 416,744	40.5%	59.5%
My Home Energy Report	\$ 625,156	\$ -	100.0%	0.0%
Residential Energy Assessments	\$ 78,522	\$ 115,359	40.5%	59.5%
Residential Smart Saver®	\$ 997,944	\$ 87,942	91.9%	8.1%
Power Manager	\$ 437,798	\$ -	100.0%	0.0%
TOTAL	\$ 2,889,417	\$ 737,237	79.7%	20.3%

Program	Measure	Total Program Costs	Allocation Assigned	Electric Costs	Gas Costs
Appliance Recycling Program	KY_Freezer Recycle Program	\$ 25,098	Electric	\$ 25,098	\$ -
Appliance Recycling Program	KY_Refrigerator Recycle Program	\$ 84,515	Electric	\$ 84,515	\$ -
Energy Efficiency Education Program for Schools	KY_Energy Education Program for Schools - Cur	\$ 100,242	Space Heat	\$ 40,598	\$ 59,844
Energy Efficiency Education Program for Schools	KY_Energy Education Program for Schools - Y1	\$ 96,710	Space Heat	\$ 39,171	\$ 57,548
Low Income Neighborhood	KY_Low Income Neighborhood	\$ 278,950	Electric	\$ 278,950	\$ -
Low Income Services	KY_Low Income Refrigerator Replacement	\$ 89,156	Space Heat	\$ 36,108	\$ 53,048
Low Income Services	KY_Low Income Weatherization- Tier 1	\$ 58,858	Space Heat	\$ 23,088	\$ 33,890
Low Income Services	KY_Low Income Weatherization Tier 2 Neighborl	\$ -	Space Heat	\$ -	\$ -
Low Income Services	KY_Low Income Weatherization- Tier 2	\$ 384,834	Space Heat	\$ 155,858	\$ 228,976
Low Income Services	KY Payment Plus	\$ 169,462	Space Heat	\$ 68,632	\$ 100,630
My Home Energy Report	KY_My Home Energy Report (EMV 03.01.14)	\$ 625,156	Electric	\$ 625,156	\$ -
Residential Energy Assessments	KY_Home Energy House Call - Energy Efficiency	\$ 193,881	Space Heat	\$ 78,522	\$ 115,359
Residential Smart Saver®	KY_Heat Pump Water Heater	\$ 22,790	Electric	\$ 22,790	\$ -
Residential Smart Saver®	KY_Faucet Aerators MF Direct 1.0 GPM - bath	\$ 1,708	Water Heat	\$ 854	\$ 854
Residential Smart Saver®	KY_Faucet Aerators MF DIY 1.0 GPM - kitchen	\$ 760	Water Heat	\$ 380	\$ 380
Residential Smart Saver®	KY_Faucet Aerators MF DIY 0.5 GPM - bath	\$ 662	Water Heat	\$ 331	\$ 331
Residential Smart Saver®	KY_Faucet Aerators MF DIY 1.0 GPM - bath	\$ 662	Water Heat	\$ 331	\$ 331
Residential Smart Saver®	KY_Faucet Aerators MF Direct 1.0 GPM - kitchen	\$ 2,003	Water Heat	\$ 1,001	\$ 1,001
Residential Smart Saver®	KY_Faucet Aerators MF Direct 0.5 GPM - bath	\$ 845	Water Heat	\$ 423	\$ 423
Residential Smart Saver®	KY_Pipe Wrap MF Direct	\$ 469	Water Heat	\$ 235	\$ 235
Residential Smart Saver®	KY_Pipe Wrap MF DIY	\$ 58	Water Heat	\$ 28	\$ 28
Residential Smart Saver®	KY_LF Showerhead MF DIY 1.5 GPM	\$ 1,278	Water Heat	\$ 639	\$ 639
Residential Smart Saver®	KY_LF Showerhead MF Direct 0.5 GPM	\$ 1,639	Water Heat	\$ 819	\$ 819
Residential Smart Saver®	KY_LF Showerhead MF Direct 1.0 GPM	\$ 1,639	Water Heat	\$ 819	\$ 819
Residential Smart Saver®	KY_LF Showerhead MF DIY 0.5 GPM	\$ 1,278	Water Heat	\$ 639	\$ 639
Residential Smart Saver®	KY_LF Showerhead MF DIY 1.0 GPM	\$ 1,278	Water Heat	\$ 639	\$ 639
Residential Smart Saver®	KY_LF Showerhead MF Direct 1.5 GPM	\$ 3,187	Water Heat	\$ 1,593	\$ 1,593
Residential Smart Saver®	KY_Pool Pump	\$ 38,292	Electric	\$ 38,292	\$ -
Residential Smart Saver®	KY_RCFL Opt-In Free CFLs - 2015	\$ 147,052	Electric	\$ 147,052	\$ -
Residential Smart Saver®	KY_Property Manager 13WCFL - Y1 2015	\$ 44,428	Electric	\$ 44,428	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs 3 Way	\$ 9,852	Electric	\$ 9,852	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Recessed Dimmable	\$ 4,125	Electric	\$ 4,125	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs A Line Dimmable	\$ 7,433	Electric	\$ 7,433	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs A Line LED	\$ 27,430	Electric	\$ 27,430	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Globe	\$ 16,909	Electric	\$ 16,909	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Recessed	\$ 24,348	Electric	\$ 24,348	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Candleabra	\$ 8,627	Electric	\$ 8,627	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Recessed LED	\$ 35,190	Electric	\$ 35,190	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs Recessed Outdoor	\$ 8,032	Electric	\$ 8,032	\$ -
Residential Smart Saver®	KY_RCFLSP - Specialty Bulbs A Line	\$ 13,281	Electric	\$ 13,281	\$ -
Residential Smart Saver®	KY_Faucet Aerators SF DIY 0.5 GPM - bath	\$ 170	Water Heat	\$ 85	\$ 85
Residential Smart Saver®	KY_Faucet Aerators SF DIY 1.0 GPM - kitchen	\$ 3,837	Water Heat	\$ 1,918	\$ 1,918
Residential Smart Saver®	KY_Faucet Aerators SF Direct 0.5 GPM - bath	\$ 28	Water Heat	\$ 14	\$ 14
Residential Smart Saver®	KY_Faucet Aerators SF DIY 1.0 GPM - bath	\$ 9,379	Water Heat	\$ 4,689	\$ 4,689
Residential Smart Saver®	KY_Faucet Aerators SF Direct 1.0 GPM - bath	\$ 285	Water Heat	\$ 143	\$ 143
Residential Smart Saver®	KY_Faucet Aerators SF Direct 1.0 GPM - kitchen	\$ 212	Water Heat	\$ 106	\$ 106
Residential Smart Saver®	KY_Pipe Wrap SF DIY	\$ 8,073	Water Heat	\$ 4,037	\$ 4,037
Residential Smart Saver®	KY_Pipe Wrap SF Direct	\$ 3,601	Water Heat	\$ 1,800	\$ 1,800
Residential Smart Saver®	KY_LF Showerhead SF Direct 1.5 GPM	\$ 587	Water Heat	\$ 293	\$ 293
Residential Smart Saver®	KY_LF Showerhead SF Direct 1.0 GPM	\$ 75	Water Heat	\$ 37	\$ 37
Residential Smart Saver®	KY_LF Showerhead SF Direct 0.5 GPM	\$ 33	Water Heat	\$ 16	\$ 16
Residential Smart Saver®	KY_LF Showerhead SF DIY 0.5 GPM	\$ -	Water Heat	\$ -	\$ -
Residential Smart Saver®	KY_LF Showerhead SF DIY 1.5 GPM	\$ 10,462	Water Heat	\$ 5,231	\$ 5,231
Residential Smart Saver®	KY_LF Showerhead SF DIY 1.0 GPM	\$ 391	Water Heat	\$ 196	\$ 196
Residential Smart Saver®	KY_Smart Saver - Central Air Conditioner	\$ 258,983	Electric	\$ 258,983	\$ -
Residential Smart Saver®	KY_Smart Saver - Central Air Conditioner Tune Up	\$ 39,882	Electric	\$ 39,882	\$ -
Residential Smart Saver®	KY_Smart Saver - Attic Insul & Air Seal	\$ 48,373	Space Heat	\$ 19,591	\$ 28,782
Residential Smart Saver®	KY_Smart Saver - Duct Insulation	\$ 23,781	Space Heat	\$ 9,635	\$ 14,156
Residential Smart Saver®	KY_Smart Saver - Duct Sealing	\$ 28,757	Space Heat	\$ 12,052	\$ 17,705
Residential Smart Saver®	KY_Smart Saver - Heat Pump	\$ 194,067	Electric	\$ 194,067	\$ -
Residential Smart Saver®	KY_Smart Saver - Heat Pump Tune UP	\$ 33,045	Electric	\$ 33,045	\$ -
Power Manager	KY_PowerManager	\$ 437,798	Electric	\$ 437,798	\$ -
TOTAL		\$ 3,826,884		\$ 2,889,417	\$ 737,237

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)		(7)	(8)	(9)		(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Program Expenditures (C) Gas Electric		Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	2013 Reconciliation Gas (D) Electric (E)		2013 Reconciliation Gas (D) Electric (E)	Rider Collection (F) Gas Electric	Rider Collection (F) Gas Electric	(Over)/Under Collection Gas (G) Electric (H)	(Over)/Under Collection Gas (G) Electric (H)
Appliance Recycling Program	\$ 254,905	\$ 25,383	\$ 51,900	\$ 188,563	\$ -	\$ 168,563	\$ 44,179	\$ 37,058							
Energy Efficiency Education Program for Schools	\$ 160,841	\$ 13,197	\$ (7,028)	\$ 129,104	\$ 64,048	\$ 65,055	\$ 11,050	\$ (365)							
Low Income Neighborhood	\$ 297,422	\$ 40,038	\$ 7,460	\$ 138,884	\$ -	\$ 138,884	\$ 21,020	\$ 31,862							
Low Income Services	\$ 869,868	\$ 19,932	\$ (29,790)	\$ 520,653	\$ 251,141	\$ 269,512	\$ 35,227	\$ (4,188)							
My Home Energy Report	\$ 375,038	\$ 402,499	\$ 40,863	\$ 605,853	\$ -	\$ 605,853	\$ 512,222	\$ 46,807							
Residential Energy Assessments	\$ 187,774	\$ 14,909	\$ 12,819	\$ 223,409	\$ 98,989	\$ 124,420	\$ 34,080	\$ 51,063							
Residential Smart Saver®	\$ 1,170,194	\$ 1,376,347	\$ 319,133	\$ 1,511,814	\$ 134	\$ 1,511,680	\$ 1,885,324	\$ 511,105							
Power Manager	\$ 308,742	\$ -	\$ 138,807	\$ 776,700	\$ -	\$ 776,700	\$ -	\$ 85,821							
Personal Energy Report Program (I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,535	\$ -							
Home Energy Assistance Pilot Program (J)	\$ 250,556	\$ -	\$ -	\$ 300,152	\$ -	\$ 126,224	\$ 173,928	\$ -				\$ 106,253	\$ 148,409	\$ -	\$ -
Revenues collected except for HEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ (2,448,433)	\$ 3,250,988	\$ -	\$ -
Total	\$ 3,655,362	\$ 1,892,305	\$ 533,984	\$ 4,374,741	\$ 540,536	\$ 3,834,205	\$ 2,487,637	\$ 758,073	\$ 1,748,956	\$ (613,874)	\$ (2,340,161)	\$ 3,397,367	\$ 4,626,673	\$ 2,869,644	\$ 2,869,644

(A) Amounts identified in report filed in Case No. 2012-00085.

(B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.

(C) Allocation of program expenditures to gas and electric. Uses 63.5% gas based upon saturation of gas space heating.

(D) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.

(E) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.

(F) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.

(G) Column (5) + Column (9) - Column(11).

(H) Column (8) + Column (7) + Column (8) + Column (10) - Column(12).

(I) Personalized Energy Report is a legacy program which continues to collect lost revenues.

(J) Revenues and expenses for the Home Energy Assistance Pilot Program.

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	2013 Reconciliation (C)	Rider Collection (D)	(Over)/Under Collection (E)
Smart Saver® Custom	\$ 363,445	\$ 91,416	\$ 229,707	\$ 141,233	\$ 35,077	\$ 36,875			
Smart Saver® Prescriptive - Energy Star Food Service Proc	\$ 14,706	\$ 8,868	\$ 14,459	\$ 89,720	\$ 7,854	\$ 64,089			
Smart Saver® Prescriptive - HVAC	\$ 177,989	\$ 66,300	\$ 137,729	\$ 90,262	\$ 3,690	\$ 11,467			
Smart Saver® Prescriptive - Lighting	\$ 587,516	\$ 311,167	\$ 390,588	\$ 568,419	\$ 233,009	\$ 267,504			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 68,636	\$ 59,009	\$ 70,546	\$ 81,743	\$ 19,497	\$ 41,259			
Smart Saver® Prescriptive - Process Equipment	\$ 56	\$ 119	\$ 75	\$ 21,657	\$ 1,876	\$ 9,456			
Smart Saver® Prescriptive - IT	\$ -	\$ -	\$ -	\$ 95	\$ -	\$ (9)			
Total	\$ 1,212,347	\$ 536,898	\$ 843,106	\$ 973,129	\$ 300,873	\$ 430,650	\$ (1,689,697)	\$ 195,330	\$ (160,274)
Power Share®	\$ 815,415	\$ -	\$ 261,322	\$ 890,645	\$ -	\$ 294,543	\$ 801,314	\$ 2,650,631	\$ (684,129)
Energy Management and Information Services (F)				\$ 1,883					

(A) Amounts identified in report filed in Case No. 2012-00085.

(B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.

(C) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.

(D) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.

(E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)

(F) Discontinued pilot program does not receive cost recovery

Kentucky DSM Rider

2015-2016 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs		Budget (Costs, Lost Revenues, & Shared Savings)			
					Electric	Gas	Electric Costs	Electric	Gas	Gas Costs
Appliance Recycling Program	\$ 109,813	\$ 177,379	\$ (204)	\$ 286,789	100.0%	0.0%	\$ 109,813	\$ 286,789	\$ -	
Energy Efficiency Education Program for Schools	\$ 196,981	\$ 40,057	\$ 6,450	\$ 243,488	48.5%	51.4%	\$ 95,781	\$ 142,288	\$ 101,180	
Low Income Neighborhood	\$ 276,850	\$ 101,284	\$ 14,464	\$ 392,698	100.0%	0.0%	\$ 276,850	\$ 392,698	\$ -	
Low Income Services	\$ 700,410	\$ 54,819	\$ (8,455)	\$ 746,774	37.5%	62.5%	\$ 262,972	\$ 309,337	\$ 437,437	
My Home Energy Report(B)	\$ 625,158	\$ 542,633	\$ 84,254	\$ 1,252,044	100.0%	0.0%	\$ 625,158	\$ 1,252,044	\$ -	
Residential Energy Assessments	\$ 193,881	\$ 55,486	\$ 66,796	\$ 316,164	39.7%	60.3%	\$ 77,035	\$ 199,318	\$ 118,846	
Residential Smart Saver® (B)	\$ 1,085,886	\$ 1,587,846	\$ 110,953	\$ 2,784,485	96.4%	3.6%	\$ 1,047,294	\$ 2,725,894	\$ 38,592	
Power Manager	\$ 437,798	\$ -	\$ 148,597	\$ 587,393	100.0%	0.0%	\$ 437,798	\$ 587,393	\$ -	
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,626,654	\$ 2,538,305	\$ 423,856	\$ 6,589,814			\$ 2,932,600	\$ 5,895,760	\$ 684,054	
Home Energy Assistance Pilot Program	\$ 252,236							\$ 146,417	\$ 105,820	

NonResidential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocations		Budget (Costs, Lost Revenues, & Shared Savings)			
					Electric	Gas	Electric Costs	Electric	Gas	Gas
Smart Saver® Custom	\$ 512,160	\$ 87,430	\$ 91,979	\$ 701,570	100.0%	0.0%	\$ 512,160	\$ 701,570	NA	
Smart Saver® Prescriptive - Energy Star Food Service Products (B)	\$ 19,997	\$ 21,798	\$ 15,832	\$ 57,628	100.0%	0.0%	\$ 19,997	\$ 57,628	NA	
Smart Saver® Prescriptive - HVAC	\$ 137,089	\$ 30,552	\$ 78,234	\$ 246,876	100.0%	0.0%	\$ 137,089	\$ 246,876	NA	
Smart Saver® Prescriptive - Lighting	\$ 889,001	\$ 302,730	\$ 470,352	\$ 1,662,084	100.0%	0.0%	\$ 889,001	\$ 1,662,084	NA	
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 56,722	\$ 23,435	\$ 20,324	\$ 100,481	100.0%	0.0%	\$ 56,722	\$ 100,481	NA	
Smart Saver® Prescriptive - Process Equipment	\$ 2,031	\$ 2,201	\$ 1,488	\$ 5,699	100.0%	0.0%	\$ 2,031	\$ 5,699	NA	
Smart Saver® Prescriptive - IT	\$ 16,253	\$ 4,056	\$ 6,035	\$ 26,344	100.0%	0.0%	\$ 16,253	\$ 26,344	NA	
Small Business Energy Saver(C)	\$ 757,688	\$ 27,556	\$ 161,764	\$ 946,988	100.0%	0.0%	\$ 757,688	\$ 946,988	NA	
Power Share®	\$ 924,747	\$ -	\$ 166,674	\$ 1,091,621	100.0%	0.0%	\$ 924,747	\$ 1,091,621	NA	
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,315,869	\$ 509,759	\$ 1,013,862	\$ 4,839,290			\$ 3,315,869	\$ 4,839,290	NA	
Total Program	\$ 6,942,322	\$ 3,048,063	\$ 1,437,718	\$ 11,429,104						

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 3 of portfolio approved in Case No. 2012-00085
 (B) Includes new measures filed in Case No. 2014-00280
 (C) New program filed in Case No. 2014-00280

Kentucky DSM Rider

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

July 2015 to June 2016

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 5,895,780
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 3,747,669
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,081,621
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 694,054

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

Kentucky DSM Rider

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

Year	2015
Projected Annual Electric Sales KWH	
Rates RS	1,500,287,137
Rates DS, DP, DT, GS-FL, EH, & SP	2,403,218,077
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,843,552,077
Projected Annual Gas Sales CCF	
Rate RS	63,667,723

Kentucky DSM Rider

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

July 2014 to June 2015

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	\$ 2,872,513	\$ 5,895,760	\$ 8,768,273	1,500,287,137 kWh	\$ 0.005844 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (160,435)	\$ 3,747,669	\$ 3,587,234	2,403,218,077 kWh	\$ 0.001493 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ (664,793)	\$ 1,091,821	\$ 426,828	2,643,552,077 kWh	\$ 0.000161 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001654 \$/kWh
<u>Gas Rider DSM</u>					
Residential Rate RS	\$ 4,634,302	\$ 694,054	\$ 5,328,357	63,667,723 CCF	\$ 0.083690 \$/CCF
Total Rider Recovery			\$ 18,110,892		
Customer Charge for HEA Program					
<u>Electric No.4</u>			Annual Revenues	Number of Customers	Monthly Customer Charge
Residential Rate RS			\$ 146,417	122,014	\$ 0.10
<u>Gas No.5</u>					
Residential Rate RS			\$ 105,820	86,163	\$ 0.10
Total Customer Charge Revenues			\$ 252,236		
Total Recovery			\$ 18,362,828		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2013 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is:
 (B) Appendix B, page 2.
 (C) Appendix B, page 4.

1.001000

Allocation Factors Based on 2013-14 Savings

Summary of Load Impacts July 2013 Through June 2014*

Residential Programs	Load Impacts Net of Free Riders at Meter					
	KWh	BTU Equivalent	% of Total BTU Saved	ccf	BTU Equivalent	% of Total BTU Saved
Appliance Recycling Program	657,793	2,244,390,501	2.3731%	-	-	0.0000%
Energy Efficiency Education Program for Schools	225,486	769,359,290	0.8135%	7,368	757,450,960	0.8009%
Low Income Neighborhood	634,158	2,163,747,096	2.2879%	-	-	0.0000%
Low Income Services	251,243	857,241,981	0.9064%	7,771	798,807,537	0.8446%
My Home Energy Report**	11,325,468	38,642,496,816	40.8590%	-	-	0.0000%
Residential Energy Assessments	411,489	1,403,999,731	1.4845%	10,866	1,117,020,277	1.1811%
Residential Smart Saver*	13,428,091	45,816,644,902	48.4447%	40	4,065,740	0.0043%
Power Manager***	-	-	0.0000%	-	-	0.0000%
Total Residential	26,933,728	91,897,880,316	97.1691%	26,044	2,677,344,514	2.8309%

Allocation Factors based on July 2013-June 2014

Dec % of Total BTU Saved by measure	Jan % of Total BTU Saved by measure
100%	0%
50%	50%
100%	0%
52%	48%
100%	0%
56%	44%
99.99%	0.01%
100%	0%

Conversion factors
 BTU/KWh
 BTU/CCF

Data Source
 3,412 http://www.eia.gov/emeu/efficiency/ee_app_a.htm
 102,800 <http://www.eia.gov/tools/faqs/faq.cfm?id=45&t=8>

Allocation Factors Based on 2015-2016 Projection

Summary of Load Impacts July 2015 Through June 2016

Residential Programs	Load Impacts Net of Free Riders at Meter					
	kWh	BTU Equivalent	% of Total BTU Saved	ccf	BTU Equivalent	% of Total BTU Saved
Appliance Recycling Program	225,426	769,151,844	1.3378%	-	-	0.0000%
Energy Efficiency Education Program for Schools	325,145	1,109,394,740	1.9295%	11,400	1,171,920,000	2.0383%
Low Income Neighborhood	529,200	1,805,630,400	3.1405%	-	-	0.0000%
Low Income Services	346,183	1,181,176,396	2.0544%	19,113	1,964,808,861	3.4174%
My Home Energy Report**	10,914,000	37,238,568,000	64.7683%	-	-	0.0000%
Residential Energy Assessments	444,850	1,517,828,200	2.6399%	22,395	2,302,224,915	4.0042%
Residential Smart Saver®	2,384,108	8,134,574,963	14.1483%	2,916	299,749,174	0.5213%
Power Manager***	-	-	0.0000%	-	-	0.0000%
Total Residential	15,168,911	51,756,324,543	90.0188%	55,824	5,738,702,951	9.9812%

Allocation Factors based on July 2015-16 Proj

File	% of Total BTU Saved by measure	Gas	% of Total BTU Saved by measure
	100%		0%
	49%		51%
	100%		0%
	38%		62%
	100%		0%
	40%		60%
	96%		4%
	100%		0%

Conversion factors
 BTU/KWh
 BTU/CCF

Data Source
 3,412 http://www.eia.gov/emeu/efficiency/ee_app_a.htm
 102,800 <http://www.eia.gov/tools/faqs/faq.cfm?id=45&t=8>

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)		(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Program Expenditures (C) Gas Electric		Shared Savings 7/2013 to 6/2014 (B)	Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	2013 Reconciliation Gas (D) Electric (E)		Rider Collection (F) Gas Electric	(Over)/Under Collection Gas (G) Electric (H)			
Appliance Recycling Program	\$ 254,905	\$ 25,383	\$ 51,900	\$ 188,583	\$ -	\$ 168,563	\$ 44,179	\$ 37,058								
Energy Efficiency Education Program for Schools	\$ 180,841	\$ 13,197	\$ (7,028)	\$ 129,104	\$ 52,785	\$ 78,339	\$ 11,050	\$ (355)								
Low Income Neighborhood	\$ 297,422	\$ 40,038	\$ 7,460	\$ 138,084	\$ -	\$ 138,084	\$ 21,020	\$ 31,862								
Low Income Services	\$ 869,886	\$ 19,932	\$ (29,790)	\$ 520,953	\$ 205,908	\$ 314,745	\$ 35,227	\$ (4,188)								
My Home Energy Report	\$ 375,038	\$ 402,489	\$ 40,983	\$ 805,953	\$ -	\$ 605,653	\$ 512,222	\$ 48,907								
Residential Energy Assessments	\$ 167,774	\$ 14,909	\$ 12,819	\$ 223,409	\$ 80,066	\$ 143,343	\$ 34,080	\$ 51,063								
Residential Smart Saver®	\$ 1,170,194	\$ 1,376,347	\$ 319,133	\$ 1,511,814	\$ 94	\$ 1,511,720	\$ 1,685,324	\$ 511,105								
Power Manager	\$ 308,742	\$ -	\$ 138,807	\$ 776,700	\$ -	\$ 776,700	\$ -	\$ 85,821								
Personal Energy Report Program (I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,535	\$ -								
Home Energy Assistance Pilot Program (J)	\$ 250,556	\$ -	\$ -	\$ 300,152	\$ 126,224	\$ 173,928	\$ -	\$ -					\$ 106,253	\$ 146,409		
Revenues collected except for HEA													\$ (2,448,433)	\$ 3,250,988		
Total	\$ 3,655,362	\$ 1,882,305	\$ 633,964	\$ 4,374,741	\$ 465,057	\$ 3,908,684	\$ 2,487,637	\$ 759,073	\$ 1,748,956	\$ (613,874)	\$ (2,340,161)	\$ 3,397,397	\$ 4,554,194	\$ 2,945,123		

- (A) Amounts identified in report filed in Case No. 2012-00085.
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.
- (C) Allocation of program expenditures to gas and electric. Uses 63.5% gas based upon saturation of gas space heating.
- (D) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (E) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (F) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.
- (G) Column (5) + Column (9) - Column(11).
- (H) Column (8) + Column (7) + Column (8) + Column (10) - Column(12).
- (I) Personalized Energy Report is a legacy program which continues to collect lost revenues.
- (J) Revenues and expenses for the Home Energy Assistance Pilot Program.

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2013 to 6/2014 (A)	Projected Lost Revenues 7/2013 to 6/2014 (A)	Projected Shared Savings 7/2013 to 6/2014 (A)	Program Expenditures 7/2013 to 6/2014 (B)	Lost Revenues 7/2013 to 6/2014 (B)	Shared Savings 7/2013 to 6/2014 (B)	2013 Reconciliation (C)	Rider Collection (D)	(Over)/Under Collection (E)
Smart Saver® Custom	\$ 363,445	\$ 91,416	\$ 229,707	\$ 141,233	\$ 35,077	\$ 36,875			
Smart Saver® Prescriptive - Energy Star Food Service Proc	\$ 14,706	\$ 8,868	\$ 14,459	\$ 69,720	\$ 7,854	\$ 64,099			
Smart Saver® Prescriptive - HVAC	\$ 177,989	\$ 66,300	\$ 137,729	\$ 90,262	\$ 3,890	\$ 11,467			
Smart Saver® Prescriptive - Lighting	\$ 587,516	\$ 311,187	\$ 390,588	\$ 568,419	\$ 233,009	\$ 287,504			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 68,636	\$ 59,009	\$ 70,546	\$ 81,743	\$ 19,487	\$ 41,259			
Smart Saver® Prescriptive - Process Equipment	\$ 56	\$ 119	\$ 75	\$ 21,657	\$ 1,876	\$ 9,456			
Smart Saver® Prescriptive - IT				\$ 95	\$ -	\$ (9)			
Total	\$ 1,212,347	\$ 536,898	\$ 843,106	\$ 973,129	\$ 300,973	\$ 430,650	\$ (1,669,697)	\$ 195,330	\$ (160,274)
Power Share®	\$ 815,415	\$ -	\$ 261,322	\$ 890,845	\$ -	\$ 294,543	\$ 801,314	\$ 2,850,631	\$ (684,129)
Energy Management and Information Services (F)				\$ 1,883					

- (A) Amounts identified in report filed in Case No. 2012-00085.
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2013 through June 30, 2014.
- (C) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (D) Revenues collected through the DSM Rider between July 1, 2013 and June 30, 2014.
- (E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)
- (F) Discontinued pilot program does not receive cost recovery

Kentucky DSM Rider

2015-2016 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs		Budget (Costs, Lost Revenues, & Shared Savings)		
					Electric	Gas	Electric Costs	Electric	Gas Costs
Appliance Recycling Program	\$ 109,613	\$ 177,379	\$ (204)	\$ 286,789	100.0%	0.0%	\$ 109,613	\$ 286,789	\$ -
Energy Efficiency Education Program for Schools	\$ 196,961	\$ 40,057	\$ 6,450	\$ 243,468	54.8%	45.2%	\$ 107,853	\$ 154,360	\$ 89,108
Low Income Neighborhood	\$ 276,950	\$ 101,284	\$ 14,464	\$ 392,698	100.0%	0.0%	\$ 276,950	\$ 392,698	\$ -
Low Income Services	\$ 700,410	\$ 54,819	\$ (8,455)	\$ 746,774	43.5%	56.5%	\$ 304,364	\$ 350,758	\$ 396,016
My Home Energy Report(B)	\$ 625,156	\$ 542,633	\$ 84,254	\$ 1,252,044	100.0%	0.0%	\$ 625,156	\$ 1,252,044	\$ -
Residential Energy Assessments	\$ 193,881	\$ 55,486	\$ 66,796	\$ 316,164	45.7%	54.3%	\$ 88,680	\$ 210,862	\$ 105,201
Residential Smart Saver® (B)	\$ 1,085,886	\$ 1,587,646	\$ 110,953	\$ 2,764,485	97.2%	2.8%	\$ 1,055,467	\$ 2,734,067	\$ 30,419
Power Manager	\$ 437,796	\$ -	\$ 149,597	\$ 587,393	100.0%	0.0%	\$ 437,796	\$ 587,393	\$ -
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,626,654	\$ 2,539,305	\$ 423,856	\$ 6,589,814			\$ 3,005,910	\$ 5,969,071	\$ 820,744
Home Energy Assistance Pilot Program	\$ 252,236							\$ 146,417	\$ 105,820

NonResidential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocations		Budget (Costs, Lost Revenues, & Shared Savings)		
					Electric	Gas	Electric Costs	Electric	Gas
Smart Saver® Custom	\$ 512,160	\$ 97,430	\$ 91,979	\$ 701,570	100.0%	0.0%	\$ 512,160	\$ 701,570	NA
Smart Saver® Prescriptive - Energy Star Food Service Products (B)	\$ 19,897	\$ 21,798	\$ 15,832	\$ 57,628	100.0%	0.0%	\$ 19,897	\$ 57,628	NA
Smart Saver® Prescriptive - HVAC	\$ 137,089	\$ 30,552	\$ 79,234	\$ 246,876	100.0%	0.0%	\$ 137,089	\$ 246,876	NA
Smart Saver® Prescriptive - Lighting	\$ 889,001	\$ 302,730	\$ 470,352	\$ 1,662,084	100.0%	0.0%	\$ 889,001	\$ 1,662,084	NA
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 56,722	\$ 23,435	\$ 20,324	\$ 100,481	100.0%	0.0%	\$ 56,722	\$ 100,481	NA
Smart Saver® Prescriptive - Process Equipment	\$ 2,031	\$ 2,201	\$ 1,468	\$ 5,699	100.0%	0.0%	\$ 2,031	\$ 5,699	NA
Smart Saver® Prescriptive - IT	\$ 16,253	\$ 4,056	\$ 6,035	\$ 26,344	100.0%	0.0%	\$ 16,253	\$ 26,344	NA
Smart Business Energy Saver(C)	\$ 757,668	\$ 27,556	\$ 161,764	\$ 946,988	100.0%	0.0%	\$ 757,668	\$ 946,988	NA
Power Share®	\$ 924,747	\$ -	\$ 166,874	\$ 1,091,621	100.0%	0.0%	\$ 924,747	\$ 1,091,621	NA
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,315,669	\$ 509,759	\$ 1,013,882	\$ 4,839,290			\$ 3,315,669	\$ 4,839,290	NA
Total Program	\$ 6,942,322	\$ 3,049,063	\$ 1,437,718	\$ 11,429,104					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 3 of portfolio approved in Case No. 2012-00085
 (B) Includes new measures filed in Case No. 2014-00280
 (C) New program filed in Case No. 2014-00280

Kentucky DSM Rider

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

July 2015 to June 2016

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 5,989,071
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 3,747,669
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,091,821
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 620,744

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

Kentucky DSM Rider

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

Year	2015
Projected Annual Electric Sales KWH	
Rates RS	1,500,287,137
Rates DS, DP, DT, GS-FL, EH, & SP	2,403,218,077
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,843,552,077
Projected Annual Gas Sales CCF	
Rates RS	63,667,723

Kentucky DSM Rider

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

July 2014 to June 2015

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	\$ 2,948,068	\$ 5,969,071	\$ 8,917,138	1,500,287,137 kWh	\$ 0.005944 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (160,435)	\$ 3,747,669	\$ 3,587,234	2,403,216,077 kWh	\$ 0.001493 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ (664,793)	\$ 1,091,621	\$ 426,828	2,643,552,077 kWh	\$ 0.000161 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001654 \$/kWh
<u>Gas Rider DSM</u>					
Residential Rate RS	\$ 4,558,748	\$ 620,744	\$ 5,179,491	63,667,723 CCF	\$ 0.081352 \$/CCF
Total Rider Recovery			\$ 18,110,892		
Customer Charge for HEA Program					
<u>Electric No.4</u>			Annual Revenues	Number of Customers	Monthly Customer Charge
Residential Rate RS			\$ 146,417	122,014	\$ 0.10
<u>Gas No. 5</u>					
Residential Rate RS			\$ 105,820	88,183	\$ 0.10
Total Customer Charge Revenues			\$ 252,236		
Total Recovery			\$ 18,362,928		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2013 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is:
 (B) Appendix B, page 2.
 (C) Appendix B, page 4.

1.001000

Allocation Factors Based on Response to Staff-DR-01-001b and Staff-DR-02-002

Summary of Load Impacts July 2013 Through June 2014*

Residential Programs	Load Impacts Net of Free Riders at Meter			
	kWh	% of Total Res Sales	cfd	% of Total Res Sales
Appliance Recycling Program	657,793	0.0433%	-	0.0000%
Energy Efficiency Education Program for Schools	225,486	0.0148%	7,368	0.0103%
Low Income Neighborhood	634,158	0.0417%	-	0.0000%
Low Income Services	251,243	0.0165%	7,771	0.0108%
My Home Energy Report	11,325,468	0.7449%	-	0.0000%
Residential Energy Assessments	411,489	0.0271%	10,866	0.0151%
Residential Smart Saver®	13,428,091	0.8831%	40	0.0001%
Power Manager	-	0.0000%	-	0.0000%
Total Residential	26,933,728	1.7714%	26,044	0.0362%

Total Residential (Rate RS) Sales 1,520,477,786 100% 71,881,990 100%
 For July 2013 Through June 2014

Allocation Factors based on July 2013-June 2014

Elec % of Total % of Sales	Gas % of Total % of Sales
100%	0%
59%	41%
100%	0%
80%	40%
100%	0%
64%	36%
100%	0%
100%	0%

Allocation Factors Based on 2015-2016 Projection

Summary of Load Impacts July 2015 Through June 2016

Residential Programs	Load Impacts Net of Free Riders at Meter			
	kWh	% of Total Res Sales	scf	% of Total Res Sales
Appliance Recycling Program	225,426	0.0150%	-	0.0000%
Energy Efficiency Education Program for Schools	325,145	0.0217%	11,400	0.0179%
Low Income Neighborhood	529,200	0.0353%	-	0.0000%
Low Income Services	346,183	0.0231%	19,113	0.0300%
My Home Energy Report**	10,914,000	0.7275%	-	0.0000%
Residential Energy Assessments	444,850	0.0297%	22,395	0.0352%
Residential Smart Saver®	2,384,108	0.1589%	2,916	0.0046%
Power Manager***	-	0.0000%	-	0.0000%
Total Residential	15,168,911	1.0111%	55,824	0.0877%
Total Residential (Rate RS) Sales Projected	1,500,287,137	100%	63,667,723	100%

Allocation Factors based on July 2015-16 Proj		
Elec % of Total % of Sales	Gas % of Total % of Sales	
100%	0%	
55%	45%	
100%	0%	
43%	57%	
100%	0%	
48%	54%	
97%	3%	
100%	0%	