

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

SS: _____

The undersigned, Christine E. Smith, being duly sworn, deposes and says that she is the Marketing Manager, and that the matters set forth in the foregoing data requests are true and correct to the best of her information, knowledge and belief.

Christine E. Smith

Christine E. Smith, Affiant

Subscribed and sworn to before me by Christine E. Smith, on this 5 day of October, 2015.

Arthur E. Bloomwell

NOTARY PUBLIC

ARTHUR E BLOOMWELL
Notary Public
Mecklenburg Co., North Carolina
My Commission Expires Mar. 22, 2020

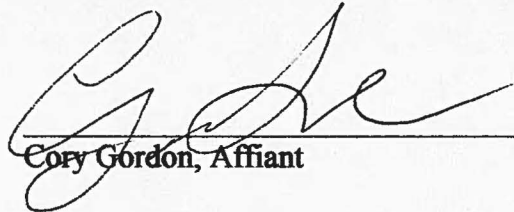
My Commission Expires:

03/22/2020

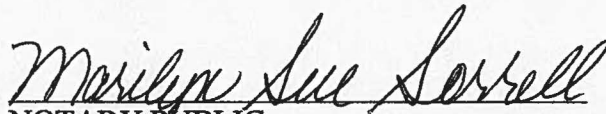
VERIFICATION

STATE OF INDIANA)
 MARION (mss)) **SS:**
COUNTY OF HENDRICKS)

The undersigned, Cory Gordon, Manager Product & Services, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.


Cory Gordon, Affiant

Subscribed and sworn to before me by Cory Gordon on this 5TH day of OCTOBER,
2015.


NOTARY PUBLIC

My Commission Expires: August 29, 2019



VERIFICATION

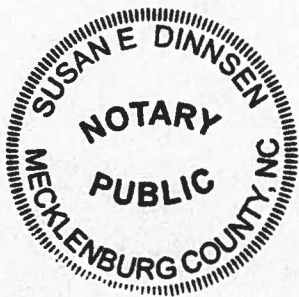
STATE OF NORTH CAROLINA)
)
) SS:
COUNTY OF MECKLENBURG)


The undersigned, Gregory Schielke, Product & Services Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Gregory Schielke, Affiant

Subscribed and sworn to before me by Gregory Schielke on this 5 day of October, 2015.





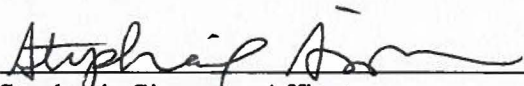
NOTARY PUBLIC

My Commission Expires: 12-14-19

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Stephanie Simpson, Senior Program Perform Analyst, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.


Stephanie Simpson, Affiant

Subscribed and sworn to before me by Stephanie Simpson on this 5TH day of OCTOBER, 2015.


ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019


NOTARY PUBLIC

My Commission Expires: 1/5/2019

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, M. Rose Stoeckle, Manager EM&V Operations, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

M. Rose Stoeckle
M. Rose Stoeckle, Affiant

Subscribed and sworn to before me by M. Rose Stoeckle on this 5th day of
October, 2015.

ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019

Adele M. Frisch
NOTARY PUBLIC

My Commission Expires: 1/5/2019

VERIFICATION


STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Trisha Haemmerle, Senior Strategy & Collaboration Manager, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.


Trisha Haemmerle, Affiant

Subscribed and sworn to before me by Trisha Haemmerle on this 5TH day of OCTOBER, 2015.


ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019



NOTARY PUBLIC

My Commission Expires: 1/5/2019

VERIFICATION


STATE OF INDIANA)
)
COUNTY OF HENDRICKS) **SS:**

The undersigned, Andrew Douglas Taylor, Product & Services Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Andrew Douglas Taylor, Affiant

Subscribed and sworn to before me by Andrew Douglas Taylor on this 2 day of October, 2015.



NOTARY PUBLIC STEVEN J. MOSS
COUNTY OF RESIDENCE: MARION
My Commission Expires: 2/24/23

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE) SS:

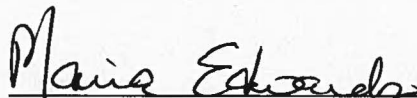
The undersigned, Mark Otersen, Senior Product & Services Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Mark Otersen, Affiant

Subscribed and sworn to before me by Mark Otersen on this 1st day of October,
2015.





NOTARY PUBLIC

My Commission Expires: 3/2/2018

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, Lorraine Maggio, being duly sworn, deposes and says that she is the Manager-PEC Residential EE Program, and that the matters set forth in the foregoing data requests are true and correct to the best of her information, knowledge and belief.

Lorraine Maggio
Lorraine Maggio, Affiant

Subscribed and sworn to before me by Lorraine Maggio, on this 30th day of September, 2015.

Adele M. Frisch
NOTARY PUBLIC

ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019

My Commission Expires: 1/5/2019

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Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015

STAFF-DR-01-001

REQUEST:

Refer to the Application, page 4, which states, “[T]he Company requests the approval to commercialize and continue offering the live, theatrical performance portion of the Energy Efficiency Education Program for Schools”. Explain what is meant by “to commercialize” the Energy Efficiency Education Program for Schools.

RESPONSE:

The Company’s use of the term “Commercialize” is intended to express the Company’s intent to move from piloting the theatrical portion of the Energy Efficiency Education Program for Schools Program to considering it an approved on-going component of the Program. In 2013, the Energy Education Program for Schools began offering two educational interactions: 1) an in depth classroom curriculum through the National Energy Education Development (NEED) project; and 2) a live theatrical production by The National Theatre for Children (NTC).

The NEED Project provides educators with an engaging and exciting energy curriculum for students in classrooms. The Program is designed to teach energy concepts of force, motion, light, sound, heat, electricity, magnetism, energy transformations, and energy efficiency.

The live theatrical production category is presented by The NTC and is designed to educate students about energy efficiency via the theatrical production and participating students are eligible to receive a home energy efficiency starter kit that will be sent to the students' homes. This is the same kit offered through NEED.

The NEED portion of the program is approved as part of the existing portfolio. The theatrical performance portion of the program was approved as a pilot for three years. Commercializing the whole program would approve both portions of the program and sync up the two delivery channels allowing both to continue without the need to seek additional approval aside from an updated portfolio filing.

PERSON RESPONSIBLE: Trisha Haemmerle

REQUEST:

Refer to the Application, pages 9-10, regarding the Smart Saver Custom Program.

- a. Explain whether the Smart Saver Custom Program tariff should be revised.
- b. Provide a description of the “Pay for Performance” approach and identify the improvement Duke Kentucky is considering.
- c. Provide the projected impact on customer participation that is expected to result from increasing the incentive cap from 50 percent to 75 percent.

RESPONSE:

- a. A revision to the Smart Saver Custom Program tariff is not needed at this time, but will be appropriately considered and filed if any desired program modifications, such as Pay for Performance, warrant it.
- b. This potential program improvement would target energy efficiency projects for which energy savings cannot be calculated with confidence prior to project implementation. The exact nature of the desired offering is still under internal review.
- c. The incentive cap increase from 50 percent to 75 percent for Smart Saver Custom and Prescriptive Programs seeks alignment with similar cap values in other jurisdictions. Based on similar increases in these jurisdictions, Prescriptive participation could increase by 10 percent.

PERSON RESPONSIBLE: Andrew Taylor

REQUEST:

Refer to the Application, Exhibit A. Explain the Cost Effectiveness Test Results for Residential Smart Saver – Modifications, including a description of the modifications, why the Total Resource Cost and Participant test results are less than 1, and any conclusions Duke Kentucky has drawn regarding inclusion of the modifications in the Residential Smart Saver program.

RESPONSE:

The Smart Saver® Energy Efficient Residences portion of the Residential Smart Saver® Program offers prescriptive incentives to Duke Energy Kentucky customers for the purchase and installation of energy efficient measures designed to increase energy efficiency in their homes. The Program utilizes a network of contractors (Trade Allies) to encourage the installation of high efficiency equipment and the implementation of energy efficient home improvements. Equipment and services currently incentivized include:

- Installation of high efficiency air conditioning (AC) and heat pump (HP) systems
- Performance of AC and HP tune-up maintenance services
- Implementation of attic insulation and air sealing services
- Implementation of duct sealing and insulation services
- Installation of efficient heat pump water heaters

The Residential Smart Saver® - Modifications include expanding the AC and HP equipment incentives to a 3-tier incentive approach based on the efficiency rating of the equipment, adding two additional measures, quality installation and smart thermostat, and adding a new delivery channel, the referral channel, designed to increase the customer experience and effectiveness of the program. These modifications are described in more detail in the Application, Exhibit D, page 1, Paragraph A.

The Cost Effectiveness Test Results for the Modifications include all the measures within the program on an aggregate basis. While Total Resource Cost and Participant test results for individual measures vary, the key driver of the results for both is directly related to the participant cost associated with the implementation of the energy efficiency measure. This is due mainly to the increasing federal energy efficiency standards (baseline increased from SEER 13 to SEER 14) for HVAC equipment and the associated estimated incremental cost to the participant. While Duke Energy Kentucky modeled the cost effectiveness conservatively assuming the current estimated out-of pocket costs for customers, Duke Energy Kentucky expects these costs to decline over time as existing baseline equipment fades from the market, and manufacturers increase their production of higher efficiency HVAC equipment in response to the new standards. As the market cost for these higher efficiency HVAC equipment units decline over time, both Total Resource Cost and Participant test results will increase.

As the HVAC unit is known to be the single largest energy user in the home, accounting for up to 50 percent of a customer's energy bills throughout the year, Duke Energy Kentucky strongly believes that these measures should remain in the portfolio and

available to customers. Duke Energy Kentucky product managers and developers will continue to monitor and evaluate program performance, effectiveness and customer experience in order to further control costs and deliver these program incentives to our customers in a more cost effective manner.

PERSON RESPONSIBLE: Mark Otersen / Trisha Haemmerle

REQUEST:

Refer to the Application, Appendix B, page 2.

- a. Confirm that the amounts in the Electric Costs column of the Residential Program Summary for the Energy Efficiency Education Program for Schools, the Low Income Services, the Residential Energy Assessments, and the Residential Energy Assessments – Modifications are the calculated amounts. If not, explain the difference.
- b. If the answer to part a of this request is no, explain whether any other numerical values change on page 2
- c. If any of the numerical values change on page 2, explain whether any of the proposed factors change on page 5 of Appendix B, and if so, provide the revised factors.
- d. Explain whether the proposed Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP plus the Transmission Level Rates & Distribution Level Rates Part B TT equal the Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP on page 5 of Appendix B.
- e. Provide Appendix B in Excel spreadsheet electronic format with formulas intact and cells unprotected.

RESPONSE:

- a. Yes, these are the calculated amounts.

- b. Based on the “yes” response to part a. there are no changes to explain.
- c. There are no changes to explain
- d. Yes, Part A plus Part B equals the DS, DP, DT, GS-FL, EH & SP Total.
- e. Please see attachment Staff-DR-01-004.xlsx. In addition, please see a separate revision to Appendix B, explained and attached in response to question STAFF-DR-01-006 and Attachment STAFF-DR-01-006b.

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)	Gas	Electric	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)		Rider Collection (F) Gas Electric	(Over)/Under Collection (G) 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	\$ 52,785	\$ 76,339	\$ 11,050	\$ (355)								
Low Income Neighborhood	\$ 297,422	\$ 40,038	\$ 7,460	\$ 138,684	\$ -	\$ 138,684	\$ 21,020	\$ 31,662								
Low Income Services	\$ 669,888	\$ 19,932	\$ (29,790)	\$ 520,653	\$ 205,908	\$ 314,745	\$ 35,227	\$ (4,188)								
My Home Energy Report	\$ 375,038	\$ 402,499	\$ 40,663	\$ 605,663	\$ -	\$ 605,663	\$ 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	\$ 1,892,305	\$ 533,964	\$ 4,374,741	\$ 465,057	\$ 3,909,684	\$ 2,487,837	\$ 759,073	\$ 1,748,956	\$ (813,874)	\$ (2,340,181)	\$ 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 (6) - Column(11).
- (H) Column (6) + 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 Prox	\$ 14,706	\$ 8,866	\$ 14,459	\$ 69,720	\$ 7,854	\$ 64,099			
Smart Saver® Prescriptive - HVAC	\$ 177,989	\$ 66,300	\$ 137,729	\$ 90,282	\$ 3,690	\$ 11,467			
Smart Saver® Prescriptive - Lighting	\$ 587,516	\$ 311,187	\$ 390,588	\$ 568,419	\$ 233,009	\$ 267,504			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 68,636	\$ 59,009	\$ 70,546	\$ 81,743	\$ 19,467	\$ 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	\$ 890,645	\$ -	\$ 294,543	\$ 801,314	\$ 2,850,631	\$ (664,129)
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)

	Budget (Costs, Lost Revenues, & Shared Savings)				Allocation of Costs (B)		Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Shared Savings	
								Electric	Gas
Appliance Recycling Program	\$ 109,613	\$ 177,379	\$ (204)	\$ 286,789	100.0%	0.0%	\$ 109,613	\$ 286,789	\$ -
Energy Efficiency Education Program for Schools	\$ 198,961	\$ 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%	\$ 304,394	\$ 350,758	\$ 396,016
My Home Energy Report	\$ 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	45.6%	54.4%	\$ 88,463	\$ 210,746	\$ 105,418
Residential Smart Saver®	\$ 1,085,886	\$ 1,567,646	\$ 110,953	\$ 2,764,485	98.7%	3.3%	\$ 1,050,513	\$ 2,729,112	\$ 35,373
Power Manager	\$ 437,796	\$ -	\$ 149,597	\$ 587,393	100.0%	0.0%	\$ 437,796	\$ 587,393	\$ -
Residential Energy Assessments - Modifications (D), (F)	\$ 37,402	\$ 5,999	\$ (17,981)	\$ 25,420	45.6%	54.4%	\$ 17,066	\$ 5,083	\$ 20,337
Residential Smart Saver® - Modifications (C), (F)	\$ (189,033)	\$ 662	\$ (5,943)	\$ (194,314)	98.7%	3.3%	\$ (182,875)	\$ (188,157)	\$ (6,158)
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,475,023	\$ 2,545,965	\$ 399,932	\$ 6,420,920			\$ 2,834,930	\$ 5,780,826	\$ 640,093
Home Energy Assistance Pilot Program	\$ 252,236						\$ 146,417	\$ 105,820	

NonResidential Program Summary (A)

	Budget (Costs, Lost Revenues, & Shared Savings)				Allocation of Costs (B)		Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Shared Savings	
								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	\$ 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
SBES	\$ 757,668	\$ 27,556	\$ 181,764	\$ 946,988	100.0%	0.0%	\$ 757,668	\$ 946,988	NA
Power Saver®	\$ 924,747	\$ -	\$ 168,874	\$ 1,093,621	100.0%	0.0%	\$ 924,747	\$ 1,093,621	NA
Smart Saver® Prescriptive - Modifications (E)	\$ 419,387	\$ 4,361	\$ 82,385	\$ 506,113	100.0%	0.0%	\$ 419,387	\$ 506,113	NA
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,735,055	\$ 514,120	\$ 1,096,227	\$ 5,345,403			\$ 3,735,055	\$ 5,345,403	NA
Total Program	\$ 7,210,078	\$ 3,060,085	\$ 1,496,159	\$ 11,766,322					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 4 of portfolio.

(B) Allocation of costs calculated as ordered in Case No. 2014-0388

(C) Net effects of revisions to Residential Smart Saver® program described in application.

(D) Net effects of revisions to the Residential Energy Assessments program described in application.

(E) Net effects of revisions to the Smart Saver® Prescriptive program described in application.

(F) Negative shared savings for program modifications is due to net effects of program modifications. Programs as modified are cost effective as demonstrated in Appendix A and will result in positive shared savings.

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	\$ 5,780,826
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 4,253,782
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,091,621
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 640,093

(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)	CURRENT DSM Cost Recovery Rider (DSMR)
Electric Rider DSM						
Residential Rate RS	\$ 2,948,068	\$ 5,780,826	\$ 8,728,894	1,500,287,137 kWh	\$ 0.005818 \$/kWh	\$ 0.005944 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (180,435)	\$ 4,253,782	\$ 4,093,347	2,403,218,077 kWh	\$ 0.001703 \$/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	\$ 0.000161 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001865 \$/kWh	\$ 0.001654 \$/kWh
Gas Rider DSM						
Residential Rate RS	\$ 4,558,748	\$ 640,093	\$ 5,198,841	63,667,723 CCF	\$ 0.081856 \$/CCF	\$ 0.081352 \$/CCF
Total Rider Recovery			\$ 18,447,910			
Customer Charge for HEA Program						
Electric No. 4			Annual Revenues	Number of Customers	Monthly Customer Charge	
Residential Rate RS			\$ 146,417	122,014	\$ 0.10	
Gas No. 5						
Residential Rate RS			\$ 105,820	88,183	\$ 0.10	
Total Customer Charge Revenues			\$ 252,236			
Total Recovery			\$ 18,700,147			

(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.

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Summary of Load Impacts July 2013 Through June 2014*

Allocation Factors based on July 2013-
 June 2014

Residential Programs	kWh	% of Total Res		% of Total Res		Elec % of Total % of Gas % of Total % of	
		Sales	cost	Sales	Sales	Sales	Sales
Appliance Recycling Program	657,793	0.0433%	-	0.0000%	100%	0%	
Energy Efficiency Education Program for Schools	225,486	0.0148%	7,368	0.0103%	59%	41%	
Low Income Neighborhood	634,158	0.0417%	-	0.0000%	100%	0%	
Low Income Services	251,243	0.0165%	7,771	0.0108%	80%	40%	
My Home Energy Report	11,325,468	0.7449%	-	0.0000%	100%	0%	
Residential Energy Assessments	411,489	0.0271%	10,868	0.0151%	64%	36%	
Residential Smart Saver®	13,428,091	0.8831%	40	0.0001%	100%	0%	
Power Manager	-	0.0000%	-	0.0000%	100%	0%	
Total Residential	28,933,728	1.7714%	28,044	0.0362%			
Total Residential (Rate RS) Sales For July 2013 Through June 2014	1,520,477,786	100%	71,881,990	100%			

*Load Impacts Net of Free Riders at Meter

Allocation Factors Based on 2015-2016 Projection

Summary of Load Impacts July 2015 Through June 2016*

Allocation Factors Projected - Revised

Residential Programs	kWh	% of Total Res		ccf	% of Total Res		Elec % of Total Sales	Gas % of Total Sales
		Sales			Sales			
Appliance Recycling Program	225,428	0.0150%		-	0.0000%	100%	0%	
Energy Efficiency Education Program for Schools	325,145	0.0217%	11,400	-	0.0179%	55%	45%	
Low Income Neighborhood	529,200	0.0353%	-	-	0.0000%	100%	0%	
Low Income Services	346,183	0.0231%	19,113	-	0.0300%	43%	57%	
My Home Energy Report**	10,914,000	0.7275%	-	-	0.0000%	100%	0%	
Residential Energy Assessments	442,852	0.0295%	22,395	-	0.0352%	46%	54%	
Residential Smart Saver®	2,040,557	0.1360%	2,916	-	0.0046%	97%	3%	
Power Manager***	-	0.0000%	-	-	0.0000%	100%	0%	
Total Residential	14,823,383	0.9880%	55,824	0.0877%				
Total Residential (Rate RS) Sales Projected	1,500,287,137	100%	63,667,723	100%				

*Load Impacts Net of Free Riders at Meter

**Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015**

STAFF-DR-01-005

REQUEST:

- a. Provide by program the number of electric and gas participants, kWh impacts, kW impacts, and ccf impacts from July 2014 through June 2015.
- b. Provide by program the projected number of electric and gas participants, projected kWh impact, projected kW impacts, and projected ccf impacts from July 2015 through December 2015.

RESPONSE:

- a. Please see STAFF DR-01-005 – Attachment a
- b. Please see STAFF DR-01-005 – Attachment b

PERSON RESPONSIBLE: Stephanie Simpson

	1	Summary of Load Impacts July 2014 Through June 2015				5	Summary of Participation by Service Type July 2014 - June 2015				
		Incremental Participation	kWh	kW	ccf		Elec/Gas	Elec	Gas	Unk	Total by Service Type
Residential Programs											
Appliance Recycling Program		779	316,032	35			511	268	38	-	817
Energy Efficiency Education Program for Schools		2,213	577,006	166	10,492		1,489	724	547	1	2,761
Low Income Neighborhood		718	557,078	147			494	224	1	1	720
Low Income Services		243	351,265	89	12,126		190	53	10	-	253
My Home Energy Report	2	53,267	10,869,228	3,207			37,027	16,240	-	-	53,267
Residential Energy Assessments		577	447,175	88	11,354		401	176	5	-	582
Residential Smart Saver®		385,099	8,639,278	1,243	242		216,254	169,046	41	30	385,371
Power Manager	3	10,719	-	11,033			7,738	2,610	5	2	10,355
Total Residential		453,615	21,757,061	16,007	34,214						
Non-Residential Programs											
		Incremental Participation	kWh	kW	ccf		Elec/Gas	Elec	Gas	Unk	Total by Service Type
Smart Saver® Prescriptive - Energy Star Food Service Products		803	519,321	19			797	6	-	-	803
Smart Saver® Prescriptive - HVAC		101,560	910,166	247			39,478	62,082	-	-	101,560
Smart Saver® Prescriptive - Lighting		37,112	4,435,230	771			21,799	15,313	4	-	37,116
Smart Saver® Prescriptive - Motors/Pumps/VFD		572	364,758	34			32	540	-	-	572
Smart Saver® Prescriptive - Process Equipment		125	55,054	13			50	75	-	-	125
Smart Saver® Custom		1,793	5,071,530	638			1,345	448	-	-	1,793
Small Business Energy Saver		592,308	528,145	119			297,937	294,371	-	-	592,308
Power Share®	4	22	-	21,787			6	16	-	-	22
Total Non-Residential		734,295	11,884,203	23,630							
Total		1,187,928	159,288,385	76,716							

- 1 - Impacts are net of freeriders, without losses and reflected at the customer meter point. Subject to change pending final review of data to be filed in DSM Reconciliation November 15, 2015.
- 2 - Actual participants and impact capability shown as of the June 2015 mailings.
- 3 - Cumulative number of controlled devices installed. Impacts reflect average capability over the contract period.
- 4 - Impacts reflect average capability over the contract period.
- 5 - Number of customers by service type; includes non-metered rates and may differ from incremental participation due to different units of measure.

		1 Summary of Load Impacts July 2015 Through December 2015			
		Incremental Participation	kWh	kW	ccf
Residential Programs					
		279	112,713	12	
		750	162,573	41	5,700
		300	264,600	69	
		137	173,092	40	9,556
	2	26,750	5,457,000	1,610	
		287	222,425	44	11,198
		32,364	1,192,054	217	1,458
	3	6,000	-	6,000	
		66,867	7,584,456	8,033	
Total Residential					
Non-Residential Programs					
		Incremental Participation	kWh	kW	ccf
		140	122,561	10	
		7,715	383,616	74	
		12,169	2,711,976	544	
		209	116,203	12	
		15	6,815	1	
		795	979,152	112	
		-	1,046,059	150,837	
	4	8,037	-	8,037	
		29,079	5,366,383	159,626	
Total Non-Residential					
Total		95,946	12,950,838	167,659	

- 1 - Impacts are net of freeriders, without losses and reflected at the customer meter point. DEK does not forecast participants by service type
- 2 - My Home Energy Report impacts represent cumulative capability, and does not reflect incremental program participation from the prior filing period
- 3 - Cumulative number of controlled devices installed. Impacts reflect average capability over the contract period
- 4 - Impacts reflect average capability over the contract period.

**Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015**

STAFF-DR-01-006

REQUEST:

Refer to the Application, Exhibit B, pages 6-7. Provide a detailed explanation for the projected changes in relative load impacts between gas and electric customers for the 12 months ended June 2016. The explanation should include the basis for the reduced total residential kWh and ccf sales on page 7 in comparison to page 6, as well as the projected decrease in the percentage of kWh saved and the projected increase in the percentage of ccf saved.

RESPONSE:

The explanation for the projected kWh and ccf saved is in Attachment STAFF-DR-01-006a.

While reviewing this data it was determined that the projected ccf filed were inadvertently doubled. Please see a revised exhibit B from the original filed in Attachment STAFF-DR-01-006b. Changes to the file have been highlighted.

The projected kWh and CCF usage figures on page 7 were obtained from the Company's official 2014 forecast for the period January through December 2015.

PERSON RESPONSIBLE: Trisha Haemmerle/Stephanie Simpson

kWh Differences

ccf Differences

Residential Programs	kWh Differences	ccf Differences
Appliance Recycling Program	The main driver of the decrease in forecasted kWh is the results of EMV filed in 2014, which decreased the kWh savings for this program.	N/A
Energy Efficiency Education Program for Schools	The main driver of the increase in forecasted kWh is the EMV filed in 2014 which increased the kWh savings for the NTC portion of the program.	The projected ccf for this program was inadvertently doubled. The correct value is 5,700. The main driver of the decrease in forecasted ccf is a forecast of decreased participation in 2015-16. Please see Exhibit B - 2015 Amendment filing - revised.xlsx
Low Income Neighborhood	The main driver of the decrease in forecasted kWh is a forecast of fewer participants in 2015-16 than actual participation in 2013-14.	N/A
Low Income Services	The main driver of the increase in forecasted kWh is a forecast of increased participation in 2015-16 as compared to 2013-14.	The projected ccf for this program was inadvertently doubled. The correct value is 9,556. The main driver of the decrease in forecasted ccf is a forecast of decreased participation in 2015-16. Please see Exhibit B - 2015 Amendment filing - revised.xlsx
My Home Energy Report	The main drivers of the decreased forecasted kWh are a small decrease in forecasted participation coupled with a small decrease in kWh due to EMV filed in 2013.	N/A
Residential Energy Assessments	The main driver of the increased forecasted kWh is an increase in forecasted participation in 2015-16 as compared to 2013-14.	The projected ccf for this program was inadvertently doubled. The correct value is 11,198. The main driver of the increase in forecasted ccf is a forecast of increase participation in 2015-16. Please see Exhibit B - 2015 Amendment filing - revised.xlsx
Residential Smart \$aver®	The main driver of the decreased forecasted kWh is a decrease in forecasted participation in Residential CFLs as DEK anticipates a shift towards LEDs.	The projected ccf for this program was inadvertently doubled. The correct value is 1,458. The main driver of the increase in forecasted ccf is a forecast of increased participation for ccf saving measures in 2015-16. Please see Exhibit B - 2015 Amendment filing - revised.xlsx
Power Manager	N/A	N/A

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)	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	\$ 52,765	\$ 76,339	\$ 11,050	\$ (355)						
Low Income Neighborhood	\$ 297,422	\$ 40,038	\$ 7,460	\$ 138,884	\$ -	\$ 138,884	\$ 21,020	\$ 31,662						
Low Income Services	\$ 669,888	\$ 19,932	\$ (29,790)	\$ 520,653	\$ 205,908	\$ 314,745	\$ 35,227	\$ (4,188)						
My Home Energy Report	\$ 375,038	\$ 402,499	\$ 40,663	\$ 605,663	\$ -	\$ 605,663	\$ 512,222	\$ 46,907						
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	\$ -	\$ -						
Revenues collected except for HEA														
Total	\$ 3,655,362	\$ 1,892,305	\$ 533,964	\$ 4,374,741	\$ 465,057	\$ 3,909,684	\$ 2,487,637	\$ 759,073	\$ 1,748,956	\$ (813,874)	\$ (2,340,181)	\$ 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 (6) + 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 Proj	\$ 14,706	\$ 8,866	\$ 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	\$ 568,419	\$ 233,009	\$ 267,504			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 68,636	\$ 59,009	\$ 70,546	\$ 81,743	\$ 19,467	\$ 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	\$ 890,645	\$ -	\$ 294,543	\$ 801,314	\$ 2,650,631	\$ (664,129)
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 (B)		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	70.6%	29.2%	\$ 139,382	\$ 185,669	\$ 57,579
Low Income Neighborhood	\$ 276,950	\$ 101,294	\$ 14,484	\$ 392,698	100.0%	0.0%	\$ 276,950	\$ 392,698	\$ -
Low Income Services	\$ 700,410	\$ 54,819	\$ (8,455)	\$ 746,774	60.6%	39.4%	\$ 424,362	\$ 470,727	\$ 276,047
My Home Energy Report	\$ 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	\$ 68,736	\$ 316,164	62.7%	37.3%	\$ 121,493	\$ 243,775	\$ 72,389
Residential Smart Saver®	\$ 1,065,686	\$ 1,567,646	\$ 110,953	\$ 2,764,485	98.3%	1.7%	\$ 1,067,906	\$ 2,746,506	\$ 17,979
Power Manager	\$ 437,796	\$ -	\$ 149,597	\$ 587,393	100.0%	0.0%	\$ 437,796	\$ 587,393	\$ -
Residential Energy Assessments - Modifications (D), (F)	\$ 37,402	\$ 5,999	\$ (17,981)	\$ 25,420	62.7%	37.3%	\$ 23,438	\$ 11,455	\$ 13,965
Residential Smart Saver® - Modifications (C), (F)	\$ (189,033)	\$ 682	\$ (5,943)	\$ (194,314)	98.3%	1.7%	\$ (185,903)	\$ (191,184)	\$ (3,130)
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,475,023	\$ 2,545,965	\$ 399,932	\$ 6,420,920			\$ 3,040,194	\$ 5,986,091	\$ 434,629
Home Energy Assistance Pilot Program	\$ 252,236						\$ 146,417	\$ 105,620	

NonResidential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs (B)		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	\$ 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
SBES	\$ 757,668	\$ 27,596	\$ 161,764	\$ 946,988	100.0%	0.0%	\$ 757,668	\$ 946,988	NA
Power Share®	\$ 924,747	\$ -	\$ 166,674	\$ 1,091,621	100.0%	0.0%	\$ 924,747	\$ 1,091,621	NA
Smart Saver® Prescriptive - Modifications (E)	\$ 419,387	\$ 4,361	\$ 62,365	\$ 506,113	100.0%	0.0%	\$ 419,387	\$ 506,113	NA
Total Costs, Net Lost Revenues, Shared Savings	\$ 3,735,055	\$ 514,120	\$ 1,096,227	\$ 5,345,403			\$ 3,735,055	\$ 5,345,403	NA
Total Program	\$ 7,210,078	\$ 3,060,085	\$ 1,496,159	\$ 11,766,322					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 4 of portfolio.

(B) Allocation of costs calculated as ordered in Case No. 2014-0388.

(C) Net effects of revisions to Residential Smart Saver® program described in application.

(D) Net effects of revisions to the Residential Energy Assessments program described in application.

(E) Net effects of revisions to the Smart Saver® Prescriptive program described in application.

(F) Negative shared savings for program modifications is due to net effects of program modifications. Programs as modified are cost effective as demonstrated in Appendix A and will result in positive shared savings.

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	\$ 5,986,091
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 4,253,782
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,091,621
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 434,829

(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	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)	Original As Filed DSM Cost Recovery Rider (DSMR)
Riders						
<u>Electric Rider DSM</u>						
Residential Rate RS	\$ 2,948,068	\$ 5,986,091	\$ 8,834,159	1,500,267,137 kWh	\$ 0.005955 \$/kWh	\$ 0.005818 \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ (160,435)	\$ 4,253,782	\$ 4,093,347	2,403,218,077 kWh	\$ 0.001703 \$/kWh	\$ 0.001703 \$/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	\$ 0.000161 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001865 \$/kWh	\$ 0.001865 \$/kWh
<u>Gas Rider DSM</u>						
Residential Rate RS	\$ 4,558,748	\$ 434,829	\$ 4,993,577	63,667,723 CCF	\$ 0.078432 \$/CCF	\$ 0.081656 \$/CCF
Total Rider Recovery			\$ 18,447,910			
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>			\$ 105,820	88,183	\$ 0.10	
Total Customer Charge Revenues			\$ 252,236			
Total Recovery			\$ 18,700,147			

(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

Summary of Load Impacts July 2013 Through June 2014*

Allocation Factors based on July 2013-
 June 2014

Residential Programs	kWh	% of Total Res.		% of Total Res.		Elec. % of Total % of Gas % of Total % of	
		Sales	ccf	Sales	ccf	Sales	Sales
Appliance Recycling Program	657,793	0.0433%	-	0.0000%	-	100%	0%
Energy Efficiency Education Program for Schools	225,486	0.0148%	7,368	0.0103%	-	59%	41%
Low Income Neighborhood	634,158	0.0417%	-	0.0000%	-	100%	0%
Low Income Services	251,243	0.0165%	7,771	0.0108%	-	60%	40%
My Home Energy Report	11,325,468	0.7449%	-	0.0000%	-	100%	0%
Residential Energy Assessments	411,489	0.0271%	10,866	0.0151%	-	64%	36%
Residential Smart Saver®	13,428,091	0.8631%	40	0.0001%	-	100%	0%
Power Manager	-	0.0000%	-	0.0000%	-	100%	0%
Total Residential	26,933,728	1.7714%	26,044	0.0362%			
Total Residential (Rate RS) Sales For July 2013 Through June 2014	1,520,477,786	100%	71,881,990	100%			

*Load Impacts Net of Free Riders at Meter

Allocation Factors Based on 2015-2016 Projection

Summary of Load Impacts July 2015 Through June 2016*

Allocation Factors Projected - Revised

Residential Programs	kWh	% of Total Res		% of Total Res		Elec % of Total % of Gas % of Total % of	
		Sales	Cost	Sales	Cost	Sales	Sales
Appliance Recycling Program	225,426	0.0150%	-	0.0000%	100%	0%	
Energy Efficiency Education Program for Schools	325,145	0.0217%	5,700	0.0090%	71%	29%	
Low Income Neighborhood	529,200	0.0353%	-	0.0000%	100%	0%	
Low Income Services	346,183	0.0231%	9,956	0.0150%	61%	39%	
My Home Energy Report**	10,914,000	0.7275%	-	0.0000%	100%	0%	
Residential Energy Assessments	442,852	0.0295%	11,198	0.0176%	63%	37%	
Residential Smart Meter®	2,040,557	0.1360%	1,458	0.0023%	98%	2%	
Power Manager***	-	0.0000%	-	0.0000%	100%	0%	
Total Residential	14,823,363	0.9880%	27,912	0.0438%			
Total Residential (Rate RS) Sales Projected	1,500,287,137	100%	63,667,723	100%			

*Load Impacts Net of Free Riders at Meter

REQUEST:

Refer to the Application, Exhibit D, page 1, paragraph A.

- a. List the qualifications that Trade Allies must possess in order to participate in the referral component of the Smart Saver Energy Efficient Residences Program, including all trade and/or professional organizations to which a Trade Ally must belong and all certifications and/or licenses a Trade Ally must attain. Also explain how Duke Kentucky will ensure that all required certifications and/or licenses are valid and remain current.
- b. Provide the amount of the referral fee that a Trade Ally pays Duke Kentucky
- c. State whether a fee will be charged to register as a Trade Ally.

RESPONSE:

- a. Companies interested in participating in the Smart Saver Energy Efficient Residences Program complete a Trade Ally registration form and agree to abide by program rules and requirements. The Trade Ally registration form includes basic company information relative to address, contact name, phone number, email, and website address, and the counties in which the company operates or provides products and services. In addition, the company provides a copy of business license and certificate of insurance (COI). Supporting documentation for specific programs include contractor license, North American Technician Excellence (NATE) certification, and/or Building Performance Institute (BPI)

certification. All registrations and certifications are confirmed and tracked with regard to expiration dates. Registered Trade Allies are notified when a certificate is expired and required to submit a copy of the current or renewed certification.

Registered Trade Allies that are active market partners with the program can opt-in to the referral channel by meeting minimum performance requirements including quantity of qualifying rebate applications submitted, accuracy and completeness of submitted rebate applications, customer service rating, quality assurance, and consistent engagement with program promotion.

- b. Referral fee is applicable for closed sales generated from a Duke Energy referral. The fee paid by a Trade Ally is 5 percent for closed sales associated with an approved energy efficient measure and 7 percent for closed sales not associated with an approved energy efficient measure.
- c. There is no fee to register as a Trade Ally in the program.

PERSON RESPONSIBLE: Mark Otersen

REQUEST:

Refer to the Application, Exhibit D, page 2, paragraph A.

- a. Define the third-party vendor.
- b. Provide the estimated cost of this third-party vendor.

RESPONSE:

- a. The third-party vendor is the program implementation vendor. Duke Energy will contract with the program implementation vendor to provide the implementation services to include application processing, processing customer inquiries, incentive payment fulfillment and disbursement, and IT software platform. Functionality of the IT platform will include program tools such as the trade ally portal which allows trade allies to register, check customer eligibility, and submit applications online, as well as Trade Ally management process and performance dashboard. These services are jointly implemented with the Duke Energy Indiana, Duke Energy Ohio, Duke Energy Progress, and Duke Energy Carolinas territories to reduce administrative costs and leverage promotion.
- b. Costs associated with the program implementation vendor include fixed and variable costs. Based on projected annual participation for the program within Duke Energy Kentucky, these costs are estimated to be approximately \$44,000 per year.

PERSON RESPONSIBLE: Mark Otersen

REQUEST:

Refer to the Application, Exhibit D, page 3, paragraph F.

- a. Provide a detailed description on the performance matrices.
- b. Explain how the performance criteria are proposed to be scored, how scores are proposed to be calculated, and the minimum score required to be a Trade Ally.
- c. Provide the proposed length of time a Trade Ally is to remain on probation and what a Trade Ally must do in order to be removed from probation.
- d. Provide the estimated costs on monitoring the Trade Allies
- e. Explain how the exposure for referral will increase as a Trade Ally's performance score increases.

RESPONSE:

- a. Registered Trade Allies have the opportunity of opting in to the referral channel. Duke Energy will utilize a point system to determine a Trade Ally's eligibility to participate in the referral channel. Points will be tabulated upon Trade Ally entry into the referral channel, six months after entry and recurrently at a predetermined frequency thereafter. As currently proposed, a Trade Ally may earn points on various performance criteria in order to enter into the referral channel. Performance criteria currently proposed include but may not be limited to:

1. HVAC Incentive Sales - quantity of approved HVAC energy efficiency incentive applications must achieve specified level,

2. Customer Experience Ratings - no unresolved customer complaints,
3. Quality Assurance - no unresolved quality assurance issues related to the proper installation of energy efficiency equipment,
4. Effective Application Process - HVAC energy efficiency incentive applications submitted by the Trade Ally must be completed accurately at the time of original submission

In addition to the criteria listed above, the Trade Ally may earn points for additional categories once opted in to the referral channel. Additional categories proposed include but may not be limited to:

1. Consistent Job Reporting - no unreported sales of energy efficient equipment. An unreported job would be defined as a referred customer for which a Trade Ally performs work but does not report the job as sold,
2. Consistent Engagement with Program Promotion - trade ally willingness and availability to communicate with program and program personnel regarding program and market performance
3. High Percentage of Closed Referrals - Referred customers for which referral has been closed out (Status = Sold, No Business, Business Pending)
4. Percentage of Sold Referrals - Referred customers which resulted in a sold job for Trade Ally (Status = Sold)

- b. The table below depicts the proposed performance criteria and scoring for those Trade Allies opting in to the referral channel:

Performance Criteria	Scoring Metric	Minimum Requirements per 6 months (based on # of Residential Sales Full Time Employees "FTEs")		
		1 – 3 FTEs	4 – 7 FTEs	8+ FTEs
High HVAC EE Incentive Sales	+2 Points	25 Incentives	80 Incentives	125 Incentives
Customer Experience Ratings	+1.5 Points	No Unresolved Complaints		
Quality Assurance	+1 Point	No Unresolved Quality Assurance Discrepancies		
Effective Application Process	+0.5 Points	95%		
Consistent Job Reporting	+1 Point	100%		
Consistent Engagement with Program Promotion	+0.5 Points	Consistently participates and communicates with program		
High Percentage of Closed Referrals	+2 Points	98%		
Percentage Sold Referrals	+1.5 Points	35%	35%	35%
Minimum Performance Score Enter as Tier 1 Trade Ally = 5 / Maintain Tier 1 Trade Ally = 10 <i>*Performance criteria, scale, and scoring metrics may change as program is taken to market.</i>				

- c. To be considered for Tier 1 Trade Ally status (opting in to referral channel), a Trade Ally must initially qualify for at least 5 points and may immediately begin taking advantage of the referral channel. However, within six months of entry, the Tier 1 Trade Ally must achieve and maintain at least 10 points. If a Tier 1 Trade Ally fails to maintain a 10 point minimum at the six-month review periods, the Trade Ally will be placed on probation for a predetermined time period. The Trade Ally may not receive referral services during the probationary period, however may continue to participate as a registered Trade Ally in the Program and may submit incentive applications on behalf of the customer.

- d. Monitoring of the Trade Allies will be accomplished by Duke Energy program staff using the software platform developed by the third-party program implementation vendor. Functionality of the platform will include program tools such as the trade ally portal which allows trade allies to register, check customer eligibility, and submit applications online, as well as Trade Ally management process and performance dashboard. These services are jointly implemented with the Duke Energy Indiana, Duke Energy Ohio, Duke Energy Progress, and Duke Energy Carolinas territories to reduce administrative costs and leverage promotion and is included as part of the cost estimated in response to Question 8b.
- e. Once opted in to the referral channel, Trade Allies are further scored to determine the opportunity for referral. As currently proposed, Duke Energy will utilize a referral algorithm tool to produce three leads for each customer query. A customer will receive a maximum of three options per query, i.) two Trade Allies based on scoring and ii.) one Trade Ally based on proximity to the customer. The referral algorithm tool ranks Trade Allies based on several factors:
1. Customer experience,
 2. Sold referrals,
 3. HVAC Energy Efficient incentive sales,
 4. Receptivity of warm transfers, and
 5. Consistent Program Engagement

The algorithm scoring metric is provided in the table below:

Single Family HVAC Performance Criteria	Description	Scoring Metric	Minimum Requirements per 6 months (based on # of Residential Sales FTEs)		
			1 - 3	4 - 7	8+
Customer Experience	Highest customer rated Trade Allies are more likely to get the next referral	3 Points	<3.25 = 0% 3.26 - 3.99 = 25% 4.00 - 4.50 = 50% 4.50 - 4.75 = 75% >4.76 = 100%		
Sold Referrals	The higher the percent of sold referrals the more likely to get the next referral	3 Points	<15% = 20% 15% - 25% = 30% 26% - 35% = 40% 36% - 50% = 50% 51% - 65% = 75% >66% = 100%		
HVAC EE Incentive goal	The higher the percent achievement of Tier 1 HVAC EE Incentives the more likely to get the next referral	2 Points	<25% = 0% 26% - 50% = 25% 51% - 75% = 50% 76% - 100% = 75% >100% = 100%		
Warm Transfers	Trade Allies electing to receive warm transfers at time of referral are more likely to get the next referral	2 Points	No = .25% Yes = 100%		
Consistent Program Engagement	Consistent participation by Trade Allies on a monthly basis are more likely to get the referral	1 Point	No = .25% Yes = 100%		
<u>Process Information:</u>					
<ul style="list-style-type: none"> • Algorithm returns top 2 trade allies based on criteria above • Algorithm then returns a third option which is the "local" option (closest to customer not in top 2) • If no options, algorithm will need to run for single product/service • If no option, program does not have coverage in that area 					
*Performance criteria, scale, and scoring metrics may change as program is taken to market.					

PERSON RESPONSIBLE: Mark Otersen

**Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015**

STAFF-DR-01-010

REQUEST:

Refer to the Application, Exhibit D, page 4, paragraph H. Identify the third party that will prepare the report of energy savings.

RESPONSE:

A contract has not yet been put into place for the evaluator that will be responsible for preparing the next report of energy savings for the HVAC measures in the Smart \$aver Energy Efficient Residences Program. Duke Energy Kentucky plans to engage one of the four qualified evaluation consulting companies that the company currently uses.

PERSON RESPONSIBLE: Roshena Ham

**Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015**

STAFF-DR-01-011

REQUEST:

Explain whether a customer must use a Trade Ally to participate in the program.

RESPONSE:

Yes, all measures must be installed or performed by a Duke Energy Kentucky Trade Ally to be eligible. Any eligible customer who would like to participate in the program without the use of the referral channel may do so and will receive the incentive for eligible measures installed by a Trade Ally. Registered Trade Allies agree to abide by program rules and ensure the equipment and service performed for a customer meet program criteria. Trade Allies submit the application on behalf of the customer after the installation or service is performed and include documentation that the installation or service meets minimum eligibility for the rebate. Trade Ally registration is available to all qualifying companies that perform equipment installation and services related to the program.

PERSON RESPONSIBLE: Mark Otersen

STAFF-DR-01-012

REQUEST:

Refer to the Application, Exhibit G, page 8. The report indicates that property managers desire clarity during the bulb-ordering phase of the program, and that TecMarket Works and encourages clarification of socket eligibility rules. Indicate whether Duke Kentucky agrees with this finding, and if so, how it suggests remedying these issues.

RESPONSE:

Duke Energy Kentucky agrees with this finding and has attempted to remedy this as a part of the new Multifamily Energy Efficiency program. Since April of 2014, property managers are no longer required to order bulbs and have them shipped to their property. The current program vendor, Franklin Energy, is responsible for purchasing and installing each measure. Product quantities are determined during the energy assessment with the Property Managers. The total number of measures is determined by the size of the unit and available fixtures. In addition, property managers are made aware of socket eligibility rules not only by the representative who conducts the onsite energy assessment but also on the service agreement that a property must sign before installation can begin.

PERSON RESPONSIBLE: Greg Schielke

REQUEST:

Refer to the Application, Exhibit G, pages 20-21, specifically Tables 10 and 11. Explain how the estimate is converted from Baseline to Gross.

RESPONSE:

Here is a short explanation of the variables and an example calculation, provided to Duke Energy by the Evaluator:

- The baseline wattages from Table 10 are inputs for the savings algorithm in Appendix F ($Watts_{base}$). $Watts_{ee}$ (13 watts) is the same across all years and room types.
- The ISR used for this calculation (88.4%), as noted in the “In-Service Rate (ISR) Calculation” section of the report, is the first year ISR and has been applied to all years and room types.
- Each room type has separate hours of use before and after program participation (HOU_{base} and HOU_{ee}). Inputs into the algorithm are the self-reported values from the participant survey (shown in Table 8) adjusted as described in the “Self-Reporting Bias” section.

For example, a 13 watt CFL installed in a bathroom in year one will save 27 kWh in year three:

$$\begin{aligned}\Delta kWh &= ISR * [(Watts * HOU)_{base} - (Watts * HOU)_{ee}] / 1000 * 365 * (1 + HVAC_C) \\ &= 88.4\% * [(49 * (1 - 0.27) * 3.41) - (13 * (1 - 0.27) * 3.23)] / 100 * 365 * (1 - 0.0958)\end{aligned}$$

= 27 kWh

Savings can be calculated in this manner for each year and room type. The only variable that needs change is $Watts_{base}$.

PERSON RESPONSIBLE: Roshena Ham

**Duke Energy Kentucky
Case No. 2015-00277
Staff First Set of Data Request
Date Received: September 28, 2015**

STAFF-DR-01-014

REQUEST:

Refer to the Application, Exhibit G, page 22, Eligibility. It is noted that property management frequently desires for the program to provide compact fluorescent lights ("CFLs") for non-qualifying locations. Explain whether Duke Kentucky will consider capturing increased energy savings by including these non-qualifying areas.

RESPONSE:

Common areas are not tied to a residential meter and therefore do not qualify for the Multifamily program. However, Duke Kentucky offers incentives and discounts for energy efficient measures through the Small Business Energy Saver program as well as our Duke Energy Non Residential Savings Store to capture savings in areas such as common areas, hallways and recreation rooms etc.

PERSON RESPONSIBLE: Greg Schielke

REQUEST:

The Application at Exhibit G, page 22, indicates that Duke Kentucky's Residential Property Manager CFL Program was approved July 24, 2012, and that CFLs were first shipped to Kentucky properties in November of 2012. Exhibit G, page 60, indicates that tenant surveys took place in December 2013, and Exhibit G, page 33, indicates that property manager surveys took place in January 2014.

- a. Based on the findings and recommendations of TecMarket Works, explain what recommendations Duke Kentucky is considering implementing and what program improvements have been made
- b. State whether any lessons have been learned since the program was implemented. Provide a full description of any such lessons.
- c. Provide the cost of the Residential Property Manager CFL Program evaluation prepared by TecMarket Works and explain whether it is part of the cost to be recovered in this proceeding.

RESPONSE:

- a. One recommendation called for Duke Energy Kentucky to reconsider the program limitation regarding only installing CFLs in permanent fixtures in tenant homes. In regards to the Multifamily program, this has not been considered. The program only installs lighting in permanent fixtures in apartment units to ensure the energy savings stays with the unit when tenants move out and new tenants move in. Duke

Energy Kentucky offers other residential lighting programs for the non-permanent fixtures such as table and floor lamps for customers to participate in.

With the new Multifamily program, as recommended by TecMarket works, iPads are used during direct installations to help installers keep track of the work that has been completed. iPads also help in regards to providing near real-time data to Duke Energy Kentucky. They also reduce the risk of error by not requiring the vendor to manually transcribe data into a database.

In addition, in regards to the Quality Assurance recommendation, as of the launch of the Multifamily program, an independent third party evaluator has been hired to do inspections on 20% of properties that complete installation in a given month. The total number of units to inspect at a given property is based on the property size.

Also, as recommended from the tenant surveys, additional measures have been incorporated into the program. These include bathroom and kitchen faucet aerators, low-flow showerheads and pipe wrap.

Lastly, regarding the recommendation around clarifying socket eligibility prior to obtaining bulb estimates, the vendor currently does this when they have a representative arrive on site to conduct an Energy Assessment. Here, Energy Advisors review all eligibility rules in addition to ones revolving around how many CFLs a property qualifies for and where they are allowed to be installed.

b. Lessons learned include the following:

- Provide a more convenient program to property manager by offering direct installation of products as opposed to requiring property maintenance staff to

install everything themselves. Duke Energy Kentucky and Honeywell found this to be a cumbersome process for properties that have resource constraints. As a result, installations could have been delayed and/or quality of installation could have been impacted.

- A second lesson learned was creating awareness of upcoming installations to property tenants. Through various forms of feedback, tenants were not aware of upcoming installations by their maintenance crews or of what was being installed which may have resulted in a poor customer experience. Currently, the program provides collateral to each property prior to installations. Duke Energy Kentucky feels that the following pieces of collateral lead to a better customer experience:

- Posters to for properties to place in common areas.

- Pre-typed tenant notification letters that property managers can provide to tenants information them of the upcoming installation, what is being installed, and when the installation will occur.

- Tenant leave behinds that crews leave in each unit. These provide the tenant with an education of what was installed, program FAQs, and a survey to mail back directly to Duke Energy to provide feedback.

- Lastly, as mentioned in the evaluation report, the program experienced data quality issues as a result of manual processes of the vendor obtaining customer data and after receiving it back from each property, transcribing it back to their database to provide back to Duke Energy Kentucky. This was a

timely process which led to errors. To mitigate this, Duke Energy Kentucky required the new vendor, Franklin Energy, to use iPads for all direct installations. These not only reduce the potential for manual transcribing errors but provide near real-time data back to Duke Energy Kentucky in a timely manner.

c.) Invoices received for the evaluation are broken down into the time frames of July, 2013 – June, 2014 (refer to p. 1 Exhibit B 2015 Amendment Filing) and from July, 2014 – June, 2015 (costs will be included in the annual DSM cost recovery filing to be filed in November 2015).

	Kentucky
Invoices received July 2013 through June 2014	\$ 41,981.99
invoices received July 2014 through June 2015	\$ 2,777.45

PERSON RESPONSIBLE:

- a. Greg Schielke
- b. Greg Schielke
- c. Rose Stoeckle