

**REQUEST:**

Refer to the Application, Exhibit G, page 25, which states:

While Duke Energy pays for the compact fluorescent light (“CFL” bulbs), the bulb shipping fees are invoiced to and paid by Honeywell. Prior to January 1, 2013 shipping charges were paid by the properties. However, Duke Energy and Honeywell determined that the requirement for properties to pay shipping expenses was reducing the number of enrollments. Common reasons included budget limitations and delays caused by the need for additional corporate approvals for shipping fees or invoice processing issues – all of which necessitated persistent follow up and could cause potential new CFL installations to stall for months before commencing. As a result, Honeywell agreed to absorb the costs of the shipping without remuneration from Duke Energy. Honeywell representatives said they deemed the extra costs to be a worthwhile expenditure to eliminate the shipping barrier, increase overall program participation, and speed the install process.

- a. Explain whether Honeywell continues to absorb the cost of shipping without remuneration.
- b. Explain whether Honeywell ever requested that Duke Kentucky include this cost in the Honeywell contract.
- c. Explain how often the Honeywell contract is renewed.

**RESPONSE:**

- a. Honeywell is no longer the program implementation vendor. As of April 2014, Franklin Energy took over as the implementation vendor for the program.

Shipping bulbs is no longer part of the process as Franklin Energy directly installs bulbs that they transport in the program vehicle.

- b. At the time, Honeywell did not request including this cost in the contract. As mentioned previously, they are no longer the program implementation vendor.
- c. The Honeywell contract expired in December 2014 and was not renewed. The program was awarded to Franklin Energy for the term of 3 years; ending in December of 2016.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-017**

**REQUEST:**

Refer to the Application, Exhibit G, page 26. Confirm that Duke Kentucky has changed its program to include direct CFL installation under a new vendor's program administration.

**RESPONSE:**

Yes this is true.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-018**

**REQUEST:**

Refer to the Application, Exhibit G, page 28, which states, "Honeywell worked with Duke Energy to correct the data on the Duke Energy side of the system by matching account numbers, premise IDs, bulb counts, and locations in the Duke Energy program records. As of the time of this evaluation all records are reported to have been corrected." Explain whether any additional cost was incurred as a result of this work and, if so, which party bore the additional cost.

**RESPONSE:**

There were additional costs in the form of resources allocated for this correction effort. This was 100% absorbed by Honeywell.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-019**

**REQUEST:**

Refer to the Application, Exhibit G, page 29, which states, "Honeywell also began doing surprise inspections." Explain whether Duke Kentucky does surprise inspections for quality control and assurance.

**RESPONSE:**

As a part of the new Multifamily Energy Efficiency program, there are no surprise inspections. Each month, 20% of properties that complete installation are inspected (with permission from property manager) by an independent third party. Property Managers are informed in advance of the inspector arriving onsite.

**PERSON RESPONSIBLE:** Greg Schielke

**REQUEST:**

Refer to the Application, Exhibit G, page 29, which states:

If errors are identified, the maintenance person is informed of the need to correct the problem. The problem is given six months to fix the problem before a follow up inspection. The timeframe was neither discussed with nor agreed to by Duke Energy. While TecMarket Works considers six months to be an extended period of time for a follow up inspection, it is important to reiterate that no specific quality assurance issues were identified during the inspections and thus there has been no need to follow up.

Identify any agreed-to time period for correcting discovered errors and any agreed-to follow-up process of inspection.

**RESPONSE:**

There was no formal agreed-to time period or follow up process in place. Any variances would be corrected as soon as possible with the understanding that the maintenance person would be responsible for working around the tenant's schedule. Ideally, the variances would be corrected in the same month they were found and/or occurred.

**PERSON RESPONSIBLE:** Lari Granger/Greg Schielke

**STAFF-DR-01-021**

**REQUEST:**

Refer to the Application, Exhibit G, page 30, which states, “[R]andom inspections require the property manager to notify all tenants about the possibly [sic] of entry into their units. In other words, even if only a few units are ultimately entered, all the tenants must be put on notice”. Aside from the discussion with one manager referenced by TecMarket Works, explain whether there have been any issues with tenants as to the random inspections.

**RESPONSE:**

In regards to the timeframe that Honeywell conducted the random inspections for the Property Manager CFL program, there were no issues with tenants that Duke Energy Kentucky was made aware of.

In regards to the current program, there have been no reported issues. At times, a tenant may refuse inspection. If that’s the case, the inspector will inspect another unit, if available, in order to comply with the program’s QA requirements.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-022**

**REQUEST:**

Refer to the Application, Exhibit G, page 30, which, regarding the working relationship of Duke Kentucky and Honeywell, states, "Representatives from the two entities meet biweekly to review progress toward goals, discuss challenges or discrepancies, adjust strategy, and coordinate marketing and field activities". Explain whether Duke Kentucky and AM Conversation meet on a periodic basis.

**RESPONSE:**

At the time of this evaluation, while there were no formal periodic meetings set up, Duke Energy Kentucky and AM Conservation would communicate via phone and/or email on a frequent basis regarding the Multifamily program.

AM Conservation no longer dropships product for this program since the structure and administrator of the program changed, however, they still remain a business partner in regards to other programs.

**PERSON RESPONSIBLE:** Greg Schielke



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

**STAFF-DR-01-023**

**REQUEST:**

Refer to the Application, Exhibit G, page 31. Explain what constitutes an impermanent socket.

**RESPONSE:**

An impermanent socket requires a cord to be plugged into a socket. An example would be a floor lamp. As opposed to a permanent socket such as a light for a ceiling fan or above a mirror in a bathroom.

**PERSON RESPONSIBLE:** Greg Schielke

**Duke Energy Kentucky  
Case No. 2015-00277  
Staff First Set of Data Request  
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**STAFF-DR-01-024**

**REQUEST:**

Refer to the Application, Exhibit G, page 31, which states, "Allowing CFL installs in light sockets associated directly with the property management company, such as offices, common areas, and exterior lighting would expand the program's potential to save energy without significantly increasing its operational costs, since the program implementer will already be interacting with the property managers anyway". Explain whether a commercial related program is being considered or feasible.

**RESPONSE:**

Duke Energy Kentucky offers a variety of non-residential programs allowing the commercial property manager to receive incentives for installing energy efficiency measures within the space classified as commercial. Each non-residential program has a set of qualifications to be eligible for the program as stated in the applicable tariffs for Small Business Energy Saver, Smart Saver Prescriptive and Smart Saver Custom.

**PERSON RESPONSIBLE:** Trisha Haemmerle

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

**STAFF-DR-01-025**

**REQUEST:**

Refer to the Application, Exhibit G, page 32, which states, "Using handheld devices such as iPads during installations and quality assurance inspections will help speed record-keeping and reduce the possibility of errors introduced during the manual transfer of data written on clipboards and later entered into spreadsheets". Explain whether this recommendation pertains to Honeywell or Duke Kentucky and how the costs of such equipment would be recovered.

**RESPONSE:**

This refers to the program administrator. At the time of this report, it was Honeywell. Honeywell was not required to use a tablet device such as an iPad for tracking and reporting installation of energy efficient measures. As the program structure and vendor changed, Duke Energy Kentucky used the recommendation and required the new vendor, Franklin Energy, to use an iPad for all direct installations. Franklin Energy absorbs all costs associated with the iPads that are used.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-026**

**REQUEST:**

Refer to the Application, Exhibit G, page 32, which states, "Consider hiring a separate firm to provide quality assurance for the program". Explain the need for a separate firm, who or what type of firm would be considered, the potential cost, and how the cost would be recovered.

**RESPONSE:**

Duke Energy Kentucky felt the need for an independent third party to be a part of the quality assurance activities as the program transitioned to Multifamily Energy Efficiency. This is in part, due to the QA issues that were experienced at times during the Property Manager CFL program. The Company felt that by adding this layer of inspection, it would help identify workmanship issues with the vendor while also ensuring product was not removed by the tenant. If either were identified by the inspector, appropriate corrective action could be taken by Franklin Energy and Duke Energy Kentucky. An example of this corrective action could be corrections to Duke Energy Kentucky's participation database if a product was removed or installation quantities are incorrect. It is also useful if the inspector identifies any workmanship trends that can be addressed with Franklin Energy that could serve as lessons learned and a re-training opportunity. The third party inspector that is used for the program is Thorpe Energy Services who has experience in energy management and verification of energy efficiency programs. In

terms of cost, a portion of the per measure negotiated price with Franklin Energy goes to quality assurance. (5% of the cost of a CFL, 7% of the cost of a showerhead and Ft of pipe wrap, to 8% of each aerator installed).

**PERSON RESPONSIBLE:** Greg Schielke

**Duke Energy Kentucky  
Case No. 2015-00277  
Staff First Set of Data Request  
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**STAFF-DR-01-027**

**REQUEST:**

Refer to the Application, Exhibit G, page 59. Explain Duke Kentucky's CFL warranty and how it is implemented.

**RESPONSE:**

As a part of the previous Property Manager CFL program and the current Multifamily Energy Efficiency program, CFLs are warranted up to two years. The current vendor, Franklin Energy, leaves behind an extra 2% of the measures that are installed at a property, with the maintenance staff, in the event there is a premature burnout or defective bulb(s). If a tenant has an issue, they are instructed to contact property maintenance so they can immediately replace anything broken or defective from that left-behind inventory. If inventory depletes and is within 2 years of installation, the property maintenance staff can contact Franklin Energy and they will send replacements free of charge.

**PERSON RESPONSIBLE:** Greg Schielke

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

**STAFF-DR-01-028**

**REQUEST:**

Refer to the Application, Exhibit H, page 34. Provide Duke Kentucky's share of the cost of Capstrat.

**RESPONSE:**

Approximately 4% of the total cost for the Saving Store educational feature and design work was allocated to Duke Energy Kentucky. This represents roughly \$3,500.

**PERSON RESPONSIBLE:** Lari Granger

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

**STAFF-DR-01-029**

**REQUEST:**

Refer to the Application, Exhibit H, page 48. Explain whether Duke Kentucky is aware of how many bulbs are shipped outside its service territory.

**RESPONSE:**

Yes, the ability to track the number of orders placed and the “ship to” address is available through the programs tracking and reporting system. Since the launch of the program in April 2013, of the ~ 82,500 bulbs ordered, approximately 1% of total bulbs (~900) have shipped outside the service territory.

**PERSON RESPONSIBLE:** Lari Granger



**Duke Energy Kentucky  
Case No. 2015-00277  
Staff First Set of Data Request  
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**STAFF-DR-01-030**

**REQUEST:**

Refer to the Application, Exhibit H, page 51. Provide Duke Kentucky's allocated share of the cost of the call center.

**RESPONSE:**

Call center costs are included in the vendor's monthly fee (\$250) for hosting the online store. Duke Energy Kentucky costs are \$10.00 or 4% of the monthly invoice.

**PERSON RESPONSIBLE:** Lari Granger

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

**STAFF-DR-01-031**

**REQUEST:**

Refer to the Application, Exhibit H, pages 56-58, and page 84, under Predicating Overall Program Satisfaction, which states, "The two regression models produce consistent results, in that both indicate that two of the most important aspects of the program which influence overall program satisfaction are the ease of navigating the website and ease of completing a purchase." Indicate whether the website has been upgraded and, if so, explain whether Duke Kentucky has seen increased customer satisfaction.

**RESPONSE:**

The online platform was recently upgraded in April 2015. Compared to last year, Duke Energy Kentucky has experienced ~167% increase in customer participation and an increase of ~175% of bulbs purchased. The combination of website enhancements as well as marketing to increase awareness of the program have played a role in the growth in 2015 participation suggesting that customer satisfaction has also increased.

**PERSON RESPONSIBLE:** Lari Granger

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

**STAFF-DR-01-032**

**REQUEST:**

Refer to the Application, Exhibit H, page 192. Explain the Residential Energy Efficient Appliance and Devices Lighting – Specialty Bulbs Program warranties.

**RESPONSE:**

Warranties vary by product, but the vendor will handle warranty replacements within one year of purchase date. Warranty issues after one year of purchase will be directed to the manufacturer for replacement. Defective and/or broken bulbs are replaced at no charge to the customer.

**PERSON RESPONSIBLE:** Lari Granger

**REQUEST:**

Refer to the Application, Exhibit H.

- 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 Process and Impact Evaluation of the Residential Energy Efficient Appliance and Devices Lighting – Specialty Bulbs Program in Kentucky and Ohio prepared by TecMarket Works, the amount applicable to Kentucky, and explain whether it is part of the cost to be recovered in this proceeding.

**RESPONSE:**

- a) The online platform was upgraded in April 2015. The upgrades provided a more robust platform and features to enhance the shopping experience. The enhancements included; better search capabilities, “add to cart” button on product pages, product comparison and specification information, product picture views, improved navigation, shopping “wish lists”, easier checkout functionality, recently viewed products and order history etc. The overall

appearance of the site is cleaner and appealing offering promotional items and/or spotlighting special offers to encourage participation.

- b) Overall, the program has proven to be successful and exceeded expectations in customer satisfaction and performance. However, most customers visit the site multiple times before making the decision to purchase products. It was important for Duke Energy Kentucky to improve the shopping experience and continue to add/offer new products/technology to the store. Updating the site with new offers and new products keeps customers engaged and returning to the site to purchase products. Product information and educational tools help customers choose the right bulb for each application as well as the benefits of installing energy efficient lighting in their home.

Customer awareness of the offer is also very important. Duke Energy Kentucky will continue to bring awareness to the program through a variety of marketing channels. The online shopping experience has improved since the migration to the new platform as noted above. Duke Energy Kentucky will continue to keep the website fresh and offer new technologies as they become available to encourage customers to return to the store and purchase energy efficient products.

- c) Invoices received for the evaluations 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	Ohio	Total
Invoices received July 2013 through June 2014	3,031.22	14,082.29	17,113.51
Invoices received July 2014 through June 2015	60,651.37	190,968.66	251,620.03

**PERSON RESPONSIBLE:**

- a) Lari Granger
- b) Lari Granger
- c) Rose Stoeckle

**Duke Energy Kentucky  
Case No. 2015-00277  
Staff First Set of Data Request  
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**STAFF-DR-01-034**

**REQUEST:**

Refer to the Application, Exhibit I, page 7, footnote 2. Provide the TecMarket Works “Process and Impact Evaluation of the 2013-2014 Residential Neighborhood Program in the Carolina System.”

**RESPONSE:**

Please see Attachment Staff DR-01-034, report with file name “SE - Final Residential Neighborhood Process and Impact Evaluation Report - Nov 14 2014.pdf”

**PERSON RESPONSIBLE:** Roshena Ham