

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DUKE ENERGY KENTUCKY, INC.'S)	
ANNUAL COST RECOVERY FILING FOR)	Case No.
DEMAND SIDE MANAGEMENT)	2015-00368

**ATTORNEY GENERAL’S MOTION TO INTERVENE,
NOTICE OF WAIVER OF SERVICE BY U.S. MAIL, AND COMMENTS**

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and pursuant to KRS 367.150(8), which grants him the right and obligation to appear before regulatory bodies of the Commonwealth of Kentucky to represent consumers’ interests, hereby moves the Public Service Commission to grant him full intervenor status in this action pursuant to 807 KAR 5:001(8).

Pursuant to 807 KAR 5:001 § 8(9), the Attorney General provides notice that he waives any right to service of Commission orders via U.S. Mail; and certifies that: (a) the Office of the Attorney General and its agents are capable of receiving electronic transmissions; and (b) that the electronic email addresses to which all electronic notices and messages related to the above-styled proceeding should be served are provided in the below signature line.

ATTORNEY GENERAL’S COMMENTS

Duke Energy, Kentucky (“DEK”)’s application in the instant case seeks, *inter alia*, a true-up adjustment based upon the difference between the actual DSM revenue requirement and the revenues collected during the period July 1, 2014 through June 30, 2015. This true-up is accomplished via the company’s DSMR

Rider. The DSM revenue requirement for this period consists of: (1) program expenditures, lost revenues, and shared savings; and (2) amounts approved for recovery in the previous reconciliation filing. As depicted in Application Appendix B, page 1 of 7, the company has under-collected on the residential electric DSM programs by approximately \$5.053 million, and also under-collected for the residential gas DSM programs by approximately \$2.407 million.¹ DEK states that the reason for the increase in the residential electric rider DSM was “an increase in participation” in the My Home Energy Report, and in lighting measures within the Residential Smart Saver program.² The company, however, provided no explanation for the under-collection regarding its residential gas rider DSM.

The Attorney General supports cost-effective DSM programs, and pursuant to KRS 278.285(1)(f) works through DEK’s DSM collaboratives to participate in the development of, *inter alia*, program design, cost recovery mechanisms, and budgets for each program. In the instant case, it appears that the primary cause for under-collection of the electric residential DSM programs was over-subscription to several programs, which caused the company to exceed the budgets of those programs. Although customer participation in cost-effective DSM programs should be encouraged, it must to the extent possible be carried out within the confines of program budgets. In the event a program proves to be more popular than anticipated at the time budgets were originally set, such budgets can be revised through subsequent collaborative proceedings and filings with this Commission.

¹ See also DEK response to PSC 2-3.

² *Id.*

Accordingly, the Attorney General believes DEK should undertake more stringent internal control measures designed to provide more periodic reviews of program budgets to ensure they are not being exceeded.

Finally, the Attorney General believes this matter can be submitted upon the record as it now stands, without an evidentiary hearing.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that: (a) the foregoing is a true and accurate copy of the same document being filed in paper medium; (b) pursuant to 807 KAR 5:001 § 8(7)(c), there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and (c) the original and copy in paper medium is being filed with the Commission on March 18, 2016.

I further certify that in accordance with 807 KAR 5:001 § 4 (8), the foregoing is being contemporaneously provided via electronic mail to:

Hon. Rocco O. D'Ascenzo
Rocco.D'Ascenzo@duke-energy.com
Kristen Ryan
Kristen.ryan@duke-energy.com
Adele Frisch
Adele.frisch@duke-energy.com

this 17th day of March, 2016

A handwritten signature in blue ink on a light blue rectangular background. The signature is stylized and appears to be the initials 'ME'.

Assistant Attorney General