| STATE OF INDIANA |) | |
|---------------------|---|-----|
| |) | SS: |
| COUNTY OF HENDRICKS |) | |

The undersigned, Everett Greene, Director of Meter Reading, 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.

Everett Greene, Affiant

Subscribed and sworn to before me by Everett Greene on this $\underline{\mathcal{T}}_{day}^{\mu}$ of $\underline{\mathcal{J}}_{uve}$, 2016.

Morary PUBLIC GAAS & HECTON My Commission Fund

My Commission Expires:

Nov 20 202/

STATE OF OTHO KY COUNTY OF HAMILTON Kerton SS:

The undersigned, Kim Glenn, Supervisor of Gas Operations Engineering, 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.

Olenn, Affiant

Subscribed and sworn to before me by Kim Glenn on this $\frac{2}{2}$ day of $\frac{1}{2}$, 2016.

My Commission Expires: 01 2017

)

)

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG

SS:

The undersigned, Lance Burnette, Manager of Insurance, 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.

Lance Burnette, Affiant

Subscribed and sworn to before me by Lance Burnette on this 27H day of JUNE . 2016.

My Commission Expires:

My Commission Expires 05-30-2018

)

)

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG

UNG

SS:

The undersigned, Alexander J. Weintraub, SVP Customer Solutions, 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.

Subscribed and sworn to before me by Sasha Weintraub on this _

2016.

** ** * ** *** * ****

NOTARY PUBLIC

Alexander, J.

My Commission Expires: June 17, 2017

Weintraub, Affiant

day of

SS:

| STATE OF OHIO |) |
|--------------------|---|
| |) |
| COUNTY OF HAMILTON |) |

The undersigned, Mitch Carmosino, Manager of Residential Accounts Receivable Operations, 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.

nitch Carmasino

Mitch Carmosino, Affiant

Subscribed and sworn to before me by Mitch Carmosino on this 11^{H} day of UNE__, 2016.

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

Adelu M. Trisch NOTARY PUBLIC My Commission Expires: 1/5/2019

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

The undersigned, Don Schneider, Director – Advanced Metering, 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.

Don Schneider, Affiant

Subscribed and sworn to before me by Don Schneider on this $\underline{774}$ day of JUNE ____, 2016.

manna

NOTARY PUBLIC

My Commission Expires:

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

The undersigned, Mark Hollis, Manager of Compliance, 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 Hollis, Affiant

Subscribed and sworn to before me by Mark Hollis on this $\frac{1714}{12}$ day of JUNE, 2016.

My Commission Expires:

| STATE OF OHIO |) |
|--------------------|---|
| COUNTY OF HAMILTON |) |

The undersigned, Peggy Laub, Director of Rates & Regulatory Planning, 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.

SS:

Subscribed and sworn to before me by Peggy Laub on this 11 day of UNG , 2016.

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

Adulu Mich NOTARY PUBLIC My Commission Expires: 1/5/2019

<u>KYPSC CASE NO. 2016-00152</u> <u>**TABLE OF CONTENTS**</u>

DATA REQUEST

WITNESS

TAB NO.

| AG-DR-01-001 | Donald L. Schneider, Jr1 |
|--------------|---|
| AG-DR-01-002 | Peggy Laub / Everett Greene2 |
| AG-DR-01-003 | Donald L. Schneider, Jr3 |
| AG-DR-01-004 | Alexander J. Weintraub4 |
| AG-DR-01-005 | Legal / Alexander J. Weintraub Peggy Laub / Donald L. Schneider, Jr5 |
| AG-DR-01-006 | Donald L. Schneider, Jr6 |
| AG-DR-01-007 | Alexander J. Weintraub7 |
| AG-DR-01-008 | Donald L. Schneider, Jr 8 |
| AG-DR-01-009 | Donald L. Schneider, Jr9 |
| AG-DR-01-010 | Donald L. Schneider, Jr10 |
| AG-DR-01-011 | Donald L. Schneider, Jr11 |
| AG-DR-01-012 | Legal / Alexander J. Weintraub12 |
| AG-DR-01-013 | Legal / Peggy Laub Donald L. Schneider, Jr13 |
| AG-DR-01-014 | Mitch Carmosino14 |
| AG-DR-01-015 | Legal / Alexander J. Weintraub15 |
| AG-DR-01-016 | Donald L. Schneider, Jr16 |

| AG-DR-01-017 | Alexander J. Weintraub 17 |
|--------------|---|
| AG-DR-01-018 | Donald L. Schneider, Jr |
| AG-DR-01-019 | Donald L. Schneider, Jr / Peggy Laub 19 |
| AG-DR-01-020 | Everett Greene |
| AG-DR-01-021 | Lance Burnette |
| AG-DR-01-022 | Alexander J. Weintraub 22 |
| AG-DR-01-023 | Legal / Alexander J. Weintraub23 |
| AG-DR-01-024 | Donald L. Schneider, Jr24 |
| AG-DR-01-025 | Peggy Laub / Donald L. Schneider, Jr25 |
| AG-DR-01-026 | Legal / Alexander J. Weintraub26 |
| AG-DR-01-027 | Donald L. Schneider, Jr27 |
| AG-DR-01-028 | Peggy Laub28 |
| AG-DR-01-029 | Donald L. Schneider, Jr29 |
| AG-DR-01-030 | Donald L. Schneider, Jr / Kim Glenn 30 |
| AG-DR-01-031 | Kim Glenn |
| AG-DR-01-032 | Peggy Laub |
| AG-DR-01-033 | Donald L. Schneider, Jr Peggy Laub / Legal |
| AG-DR-01-034 | Donald L. Schneider, Jr34 |
| AG-DR-01-035 | Peggy Laub / Donald L. Schneider, Jr35 |

| AG-DR-01-036 | Donald L. Schneider, Jr | 36 |
|--------------|---|-----|
| AG-DR-01-037 | Donald L. Schneider, Jr | 37 |
| AG-DR-01-038 | Donald L. Schneider, Jr | 38. |
| AG-DR-01-039 | Donald L. Schneider, Jr | 39 |
| AG-DR-01-040 | Donald L. Schneider, Jr | 40 |
| AG-DR-01-041 | Mark Hollis | 41 |
| AG-DR-01-042 | Donald L. Schneider, Jr | 42 |
| AG-DR-01-043 | Alexander J. Weintraub | 43 |
| AG-DR-01-044 | Alexander J. Weintraub | 44 |
| AG-DR-01-045 | Legal / Everett Greene | 45 |
| AG-DR-01-046 | Donald L. Schneider, Jr | 46 |
| AG-DR-01-047 | Donald L. Schneider, Jr | 47 |
| AG-DR-01-048 | Peggy Laub / Donald L. Schneider, Jr / Legal | 48 |
| AG-DR-01-049 | Donald L. Schneider, Jr | 49 |
| AG-DR-01-050 | Peggy Laub | 50 |
| AG-DR-01-051 | Peggy Laub | 51 |
| AG-DR-01-052 | Donald L. Schneider, Jr | 52 |
| AG-DR-01-053 | Donald L. Schneider, Jr | 53 |
| AG-DR-01-054 | Alexander J. Weintraub | 54 |
| AG-DR-01-055 | Legal / Alexander J. Weintraub | 55 |

| AG-DR-01-056 | Alexander J. Weintraub 56 |
|--------------|-----------------------------------|
| AG-DR-01-057 | Alexander J. Weintraub 57 |
| AG-DR-01-058 | Alexander J. Weintraub 58 |
| AG-DR-01-059 | Donald L. Schneider, Jr 59 |
| AG-DR-01-060 | Donald L. Schneider, Jr 60 |
| AG-DR-01-061 | Donald L. Schneider, Jr61 |
| AG-DR-01-062 | Donald L. Schneider, Jr 62 |
| AG-DR-01-063 | Donald L. Schneider, Jr 63 |
| AG-DR-01-064 | Donald L. Schneider, Jr 64 |
| AG-DR-01-065 | Donald L. Schneider, Jr 65 |
| AG-DR-01-066 | Legal / Donald L. Schneider, Jr66 |
| AG-DR-01-067 | Legal 67 |
| AG-DR-01-068 | Donald L. Schneider, Jr 68 |
| AG-DR-01-069 | Donald L. Schneider, Jr 69 |
| AG-DR-01-070 | Donald L. Schneider, Jr 70 |
| AG-DR-01-071 | Donald L. Schneider, Jr71 |
| AG-DR-01-072 | Donald L. Schneider, Jr72 |
| AG-DR-01-073 | Everett Greene73 |
| AG-DR-01-074 | Legal / Donald L. Schneider, Jr74 |
| AG-DR-01-075 | Peggy Laub75 |

| AG-DR-01-076 | Donald L. Schneider, Jr / Legal | 76 |
|--------------|--------------------------------------|----|
| AG-DR-01-077 | Donald L. Schneider, Jr | 77 |
| AG-DR-01-078 | Legal / Donald L. Schneider, Jr | 78 |
| AG-DR-01-079 | Alexander J. Weintraub | 79 |
| AG-DR-01-080 | Donald L. Schneider, Jr | 80 |
| AG-DR-01-081 | Peggy Laub | 81 |
| AG-DR-01-082 | Peggy Laub | 82 |
| AG-DR-01-083 | Donald L. Schneider, Jr / Peggy Laub | 83 |
| AG-DR-01-084 | Donald L. Schneider, Jr | 84 |
| AG-DR-01-085 | Peggy Laub | 85 |
| AG-DR-01-086 | Donald L. Schneider, Jr | 86 |
| AG-DR-01-087 | Donald L. Schneider, Jr | 87 |
| AG-DR-01-088 | Donald L. Schneider, Jr | 88 |
| AG-DR-01-089 | Legal / Alexander J. Weintraub | 89 |

AG-DR-01-001

REQUEST:

Reference the Henning testimony at p. 6 wherein he discusses the "small number of advanced electric meters and natural gas modules" implemented as part of an advanced metering pilot between 2007-2008. Discuss whether upgrading these particular meters would be more cost-effective as opposed to replacing them as the company proposes in the instant application.

RESPONSE:

The TWACS technology cannot be upgraded to be compatible with the new AMI mesh solution. It is more cost effective to have a single metering system deployed than managing and maintaining two separate systems.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

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AG-DR-01-002

REQUEST:

Reference the Henning testimony at p. 7, lines 11-18. With regard to gas-only customers for whose meters DEK proposes to add a "drive-by AMR module[]," state the types of plant, if any, the company proposes to retire.

RESPONSE:

The Company proposes to retire the old Badger gas modules that were installed on some of the gas-only customers' existing gas meters as part of the pilot program.

PERSON RESPONSIBLE:

Peggy Laub / Everett Green

AG-DR-01-003

REQUEST:

What types of actual gas meters does DEK plan to utilize in order to replace actual meters (not just modules) when the retirement date of a gas meter approaches?

RESPONSE:

Duke Energy Kentucky will continue to purchase the same type of gas meters as we currently purchase but will begin purchasing them with modules already attached.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

AG-DR-01-004

REQUEST:

Reference the Henning testimony at p. 9 lines 1-2. Does DEK believe that its customers' needs and desires are fully identical with those of Duke Ohio, Duke Indiana and Duke Carolinas?

RESPONSE:

While the Company has not performed a survey specific to our Kentucky service territory, Duke Energy's belief is based upon experience and expertise in the market where customer convenience, control, transparency and cost management are trends not only in the Duke Energy footprint, but across the utility industry.

PERSON RESPONSIBLE: Alexander J. Weintraub

AG-DR-01-005

REQUEST:

Reference the Henning testimony at p. 9 lines 2-6, wherein he states that DEK "... must be able to provide its customers with access to a greater level of their individual energy (electric and natural gas) consumption data"

- a. Provide the legal requirement whereby DEK is compelled to "provide its customers with access to a greater level of their individual energy (electric and natural gas) consumption data."
- b. If no legal requirement can be cited in response to subpart (a), above, does the company acknowledge that the Mr. Henning's statement as quoted from his testimony refers to DEK's own "strategic vision" as Mr. Henning states in his testimony at p. 9, line 17?
- c. Acknowledge that if the Kentucky Public Service Commission ("Commission") approves this program, the company's ratebase for both electric and gas operations will grow larger.
 - (i) If DEK acknowledges the statement posed in subpart (c), above, provide the amount by which the company's ratebase for both electric and gas operations will grow.

d. Acknowledge that if the Commission approves DEK's application, the company, once the meter upgrade program has been completed, will be replacing those meters on an earlier and more frequent basis than the replacement rate applicable to the company's current metering infrastructure.

RESPONSE:

- a. Objection. This Data Request seeks legal opinion as to statutory interpretation. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, Duke Energy Kentucky has an obligation to provide adequate, efficient and reasonable service pursuant to KRS 278.030. Additionally, the Duke Energy Kentucky's application is both consistent with and supported by the Commission's April 13, 2016 Order in Case No. 2012-00428 which, among other things, requires utilities to provide certain basic information to customers stating as follows:, "Customers should be able to access their own information at any time through the internet or by other cost-effective means of communication selected by the utility. At a minimum, customers should be able to access historical information regarding their electricity or natural gas usage, expressed in each utility's respective billing units, as well as the customers' current applicable tariff rate. Additionally, the utilities should endeavor to provide customers this information in as close to real time as practical."
- b. As described in response to AG-DR-01-005(a), customer access to usage data is not only an objective of the Commission but is also a strategic vision for Duke Energy Kentucky.

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- c. Assuming no other activity, capital expenditures will typically increase rate base. The incremental rate base is generally offset with corresponding accumulated deferred income taxes that may result from favorable tax treatment. The capital additions for this program are detailed on DLS-4 Confidential Attachment. It should be noted that (1) customers' rates will not be impacted by any additions to rate base until new rates are approved and implemented as a result of the Company's next base rate cases for electric and/or gas and (2) the Commission generally uses total capitalization rather than rate base as the basis for calculating revenue requirement; so, any impact on customers rates from this program will come from any changes in capitalization that can be attributed directly to this program.
 - (i) Objection. The question is vague, confusing, and requires speculation and guessing in that it does not specify the time frame or whether there are any other parameters that should be considered, i.e., all other Duke Energy Kentucky rate base. As a general rule, and as noted in part (c) above, rate base from capital spending will be the total capital expenditures accumulated each year, less accumulated depreciation on the assets, less any accumulated deferred income taxes, and plus any incremental working capital (e.g., cash, materials and supplies, etc.) requirements associated with the incremental investment. There are many factors that determine a need for a rate case and that will impact a utility's overall rate base. The Company cannot calculate its rate base impacts in a silo.

d. Duke Energy Kentucky would expect to replace AMI electric meters on a shorter timeframe than existing non-AMI electric meters. Gas meters and associated modules would be replaced on the same nine to ten year timeframe in place currently.

PERSON RESPONSIBLE:

As to objection: Legal As to (b): Alexander J. Weintraub As to (c): Peggy Laub As to (d): Donald L. Schneider, Jr.

AG-DR-01-006

REQUEST:

Has DEK explored whether parts or portions of the existing meter infrastructure such as firmware and/or software could be replaced or upgraded as opposed to having to replace entire meters? If so, please provide copies of all studies in this regard. If not, explain fully why not.

RESPONSE:

See response to AG-DR-01-001. That information is based upon internal expertise, rather than formal studies.

PERSON RESPONSIBLE:

Donald L. Schneider, Jr.

AG-DR-01-007

REQUEST:

Reference the Henning testimony at p. 9, lines 10-13. Provide copies of any and all studies indicating that DEK's customers want the metering upgrade in order to give them "... greater access to data and control over their energy consumption...."

RESPONSE:

See response to AG-DR-01-004.

PERSON RESPONSIBLE:

Alexander J. Weintraub

AG-DR-01-008

REQUEST:

Reference the Henning testimony at p. 9, lines 19-21 wherein he discusses customer access to interval consumption information. In other Duke jurisdictions where DEK's affiliate operating companies have carried-out large-scale or system-wide deployment of AMI, provide the percentage of customers in each service territory who access their data: (a) on a daily basis; (b) weekly; (c)monthly; and (d) annually.

RESPONSE:

Based on data from Google Analytics, approximately 6% of Duke Energy Ohio's customers directly accessed the interval usage data from their AMI meter over a 12 month period (roughly 44,000 customers). Duke Energy Kentucky did not look up this information on a daily, weekly, or monthly basis.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

AG-DR-01-009

REQUEST:

Reference the Henning testimony generally. Provide copies of (or hyperlinks to) all studies DEK, its parent and affiliated entities consulted showing that system-wide deployment of AMI leads to long-term conservation and savings on bills for ratepayers.

a. Provide copies of (or hyperlinks to) all studies DEK, its parent and affiliated entities consulted showing that system-wide deployment of AMI do <u>not</u> lead to long-term conservation and savings on bills for ratepayers.

RESPONSE:

See response to AG-DR-01-048(b).

a. Objection. The question is vague, ambiguous, confusing, overbroad, and to the extent refers to information that may be publicly available, is overly burdensome in that the Attorney General can conduct such research itself. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, the Company is not aware of any such studies

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

AG-DR-01-010

REQUEST:

Reference the Henning testimony at p. 10, line 2, wherein he states the metering upgrade technologies will "will enable more efficient operations." Will "more efficient operations" lead to cost savings? If so, provide any and all estimates of all such cost savings. If the more efficient operations will not lead to cost savings, explain fully why not.

RESPONSE:

Yes. Please see DLS-3 Confidential Attachment and DLS-4 Confidential Attachment to the direct testimony of Donald L. Schneider, Jr.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

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AG-DR-01-011

REQUEST:

Reference the Henning testimony at p. 10, lines 3-7 wherein he states that the metering upgrade will mean that DEK will provide the company with "greater awareness and understanding of customer outages and can respond more efficiently." Provide all studies and quantifications of expected cost savings that will be derived from the greater awareness and the ability to respond more efficiently to outages.

RESPONSE:

Estimated cost savings were arrived based on experiences from Duke Energy Ohio where the Company has completed a full-scale AMI deployment. Please see Schneider testimony page 12, beginning at line 23 through page 13, line 23 for examples of cost savings activities enabled by AMI. Quantification of estimated cost savings can be found in confidential attachments DLS-3 and DLS-4 to the direct testimony of Donald L. Schneider, Jr.

PERSON RESPONSIBLE:

Donald L. Schneider, Jr.

AG-DR-01-012

REQUEST:

Reference the Henning testimony at p. 10, lines 8-14, wherein he states that the metering program will provide customers greater convenience. Provide copies of all studies and/or surveys indicating that DEK customers would be willing to pay more for greater convenience.

RESPONSE:

Objection. Assumes facts not in evidence. Duke Energy Kentucky is not seeking cost recovery in this proceeding. It is not yet determined whether customers will end up paying more than they otherwise would have absent the metering upgrade. Without waiving said objection, please see response to AG-DR-01-004.

PERSON RESPONSIBLE:

As to objection: Legal As to response: Alexander J. Weintraub

AG-DR-01-013

REQUEST:

Reference the Henning testimony at p. 10, lines 17-20. How much will DEK charge for remote connects/disconnects as opposed to current charges for connects/disconnects?

- a. Describe the procedures DEK will follow for remote disconnects for nonpayment. Does DEK believe these procedures will comply with Kentucky PSC legal requirements?
- b. In the event the Commission approves the instant application, will DEK agree to follow all existing legal requirements pertaining to connection of service, disconnections, and reconnections? If not, why not?
- c. Will the implementation of remote disconnect features incent the company to rely on disconnection as opposed to efforts to contact the customer to resolve nonpayment situations? Explain fully.
- d. Does DEK anticipate that utilizing remote disconnect features will increase the volume of disconnections from their current level? Explain fully.

RESPONSE:

Please see response to STAFF-DR-01-025.

a. Duke Energy Kentucky will follow all existing regulations and procedures for disconnection of service, including any applicable notice requirements, except that instead of deploying a technician to disconnect the electric meter, the Company will perform the function remotely.

- b. Duke Energy Kentucky seeks a waiver of the requirement to physically inspect a meter and service connections prior to service connections as required by 807
 KAR 5:006. Otherwise, the Company will follow all existing legal requirements pertaining to connection of service, disconnection, and reconnections.
- c. No. As stated in the Application at Page 24, "Duke Energy Kentucky is not seeking any waivers associated with notice requirements for customers who may become eligible for disconnection due to non-payment (or other reasons), once the Metering Upgrade is completed. The Company will continue to provide all necessary written customer notices in accordance with 807 KAR 5:006, Section 15." In addition, customers will continue to have the ability to contact the Company to negotiate reasonable payment arrangements so to maintain service.
- d. Objection. Calls for speculation and assumes facts not in evidence. Without waiving said objection, and to the extent discoverable, the number of customers disconnected for non-payment is dependent upon the number of customers who fail to pay their bill and become eligible for disconnection, not whether the company is able to execute a disconnection remotely. The Company does anticipate that its disconnection processes will become more efficient insofar as interior meter access issues previously experienced will no longer be an issue for electric meters.

PERSON RESPONSIBLE:

As to objection: Legal As to response: Peggy Laub Donald L. Schneider, Jr. (a-d)

AG-DR-01-014

REQUEST:

Reference the Henning testimony generally. In the event the Commission approves the instant application, would DEK be willing to track and report the following data separately for both credit-based and prepayment residential customers:

- a. Number of customers with arrears of 30 days or more;
- b. Dollar value of arrears;
- c. Number of disconnection notices sent;
- d. Number of service disconnections for non-payment;
- e. Number of service reconnections after disconnection for non-payment;
- f. Number of new payment agreements entered;
- g. Number of payment agreements successfully completed; and
- h. Number of failed payment agreements

RESPONSE:

Objection. This question assumes facts not in evidence. The Company does not have a pre-payment program at this time and is not requesting approval of such a program in its application. Moreover, much of the information is a moving target and changes daily. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, if the Company's application is approved, the Company would be willing to discuss a reasonable reporting of this information for credit-based customers on an annual basis.

PERSON RESPONSIBLE: Mitch Carmosino

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AG-DR-01-015

REQUEST:

Reference the Henning testimony generally. With regard to pre-pay customers, will DEK charge more for customers who pre-pay at kiosks and/or through third-parties?

RESPONSE:

Objection. Assumes facts not in evidence. The Company is not seeking approval of the Pay As You Go Program in this proceeding. Without waiving said objection, and to the extent discoverable, please see direct testimony of Alexander J. Weintraub at pages 9-10. The Pay As You Go program is currently in the early stages of development and specific details pertaining to customer eligibility and other terms and conditions for participation are being evaluated.

PERSON RESPONSIBLE:

As to objection: Legal As to response: Alexander J. Weintraub

AG-DR-01-016

REQUEST:

Reference the Henning testimony at p. 11, lines 9-11. Provide all estimates for the amount of cost savings that will arise from the conversion of all interior meters to an AMI or AMR infrastructure.

RESPONSE:

For overall estimates of cost savings, see Confidential Attachment DLS-3 "Cost/Benefit Analysis" and Confidential Attachment DLS-4 "Confidential Net Present Value (NPV) Cost/Benefit Detail". Duke Energy Kentucky did not break down cost savings specific to interior meters, but cost savings estimates were prepared with that reality in mind.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

AG-DR-01-017

REQUEST:

Reference the Henning testimony at p. 10, lines 12-16. Explain whether enhanced customer service will lead to cost savings, and if so, provide quantifications and/or estimates of any and all such savings.

RESPONSE:

See response to AG-DR-01-058. The Company has not quantified costs or savings associated with the proposed enhanced basic services in Kentucky.

PERSON RESPONSIBLE:

Alexander J. Weintraub

AG-DR-01-018

REQUEST:

Reference the Henning testimony at p. 10, line 17 through and including p. 11, line 5. How much aggregate energy savings does DEK anticipate from the AMI metering upgrade?

RESPONSE:

Objection. The question is vague and ambiguous in that the referenced portions of testimony do not address or discuss aggregate energy savings. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, the Company assumes the Attorney General is referring to the testimony of Mr. Henning on pages 11 through 12. Customer energy savings is expressed in monetary terms in the Customer Savings / Feedback / Prius Effect found in Confidential Attachments DLS-3 and DLS-4.

PERSON RESPONSIBLE: Donald L. Schneider, Jr.

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AG-DR-01-019

REQUEST:

Reference the Henning testimony at p. 12, lines 6-9. On an annual basis, state how much more revenue DEK will capture as a result of the proposed metering upgrade.

- a. Provide copies of any and all studies in this regard.
- b. Will the anticipated increase in revenue capture lead to a drop in uncollectible expense, and if so, by how much?
- c. How does DEK propose to reflect the anticipated increased revenues in its books?Will there be any way to directly trace any such additional revenue capture to the proposed metering upgrade, and if so, please fully explain.

RESPONSE:

For increased revenue associated with "non-technical loss reduction - power theft, equipment failures and installation errors", see Confidential Attachment DLS-3 "Cost/Benefit Analysis" and Confidential Attachment DLS-4 "Confidential Net Present Value (NPV) Cost/Benefit Detail". Duke Energy Kentucky did not quantify all forms of increased revenue capture, such as being able to more quickly restore service after outages.

a. See Confidential Attachments DLS-3 and DLS-4 as well as the Company's response to AG-DR-01-048(b).

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- b. No. As noted above, the increase in revenue is due to AMI meters ability to detect non-technical losses, followed by actions taken by the Company to correct issues found and begin billing for actual energy usage that was being used but not being billed prior to AMI detection. Issues with bill collection and customer's ability to pay their bill will still be present.
- c. The Company will continue to account for billings in the same manner as it does today using appropriate FERC accounts. There will not be a way to directly quantify the additional revenue.

PERSON RESPONSIBLE:

Donald L. Schneider, Jr. (a – b) Peggy Laub (c)

AG-DR-01-020

REQUEST:

Reference the Henning testimony at p. 13, lines 2-4, wherein Mr. Henning discusses threats DEK representatives encounter when they enter customer property or premises. Provide a breakdown of all costs paid for such incidents during the past five (5) years.

RESPONSE:

In the period of 2011–2016 year-to-date, including both direct employee and contractor resources, there were 4 OSHA Recordable Injury and 5 Preventable Vehicle Accidents. Detailed cost information is not readily available for these events. Other safety related events have occurred that are not specifically tracked including near-miss incidents due to slips, trips, and falls on stairs, and walking surfaces especially during inclement weather. There have also been numerous near-miss encounters with pets or other animals where training and personal protective equipment have prevented injury.

PERSON RESPONSIBLE: Everett Greene

AG-DR-01-021

REQUEST:

Reference the Henning testimony at p. 13, lines 5-7. Does DEK expect a reduction in insurance costs associated with the drop in safety threats associated with manual meter reads following the metering upgrade? If so, how much of a reduction?

RESPONSE:

While decreasing manual meter reads does reduce exposure to risks, the Company does not expect a reduction in insurance costs associated with the metering upgrades.

PERSON RESPONSIBLE: Lance Burnette

1

AG-DR-01-022

REQUEST:

Reference the Henning testimony at p. 14, lines 1-4. Is DEK aware that LG&E-KU were both able to offer a pick-your-due-date option for all customers without having to engage in a system-wide conversion to AMI meters?

RESPONSE:

Duke Energy Kentucky is not aware of the specifics of the pick-your-due-date option offered by LG&E-KU, LGE-KY's customer management systems capabilities, or how their program is operated.

PERSON RESPONSIBLE:

Alexander J. Weintraub

AG-DR-01-023

REQUEST:

Reference the Henning testimony at p. 14, lines 11-13. Explain the basis for DEK's conclusion that DEK's own customers both desire the enhanced basic service programs, and that they are willing to pay for them.

RESPONSE:

Objection. To the extent, this Data Request is intended to be duplicative of AG-DR-01-04 and AG-DR-01-012, it is overly burdensome and must be seen as intending to harass. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, see response to AG-DR-01-004.

PERSON RESPONSIBLE:

As to objection: Legal As to response: Alexander J. Weintraub

AG-DR-01-024

REQUEST:

Reference the Henning testimony at p. 15, lines 1-10, wherein Mr. Henning states that the metering upgrade will allow DEK to become more efficient and to manage its costs over the long term. Will the upgrade allow DEK to reduce costs over the long term, especially given that if the upgrade is approved, DEK will have to replace entire meters on a more frequent basis? Please explain fully.

RESPONSE:

Yes. See Confidential Attachment DLS-3 "Cost/Benefit Analysis" and Confidential Attachment DLS-4 "Confidential Net Present Value (NPV) Cost/Benefit Detail" for demonstration of how the Metering Upgrade delivers a long term net positive result. See response to AG-DR-01-048(b) for further detail regarding benefits of the deployment.

AG-DR-01-025

REQUEST:

Reference the Henning testimony at p. 17, lines 18-21. Confirm that the cost-benefit analysis upon which DEK relies in support of its application contains only estimates of both costs and benefits.

- a. In the event DEK's estimates of the amounts of costs and benefits should change, will DEK provide updated estimates?
- b. Is DEK willing to provide semi-annual updated, experience-based cost-benefit studies until the project is completed? If not, why not?

RESPONSE:

The cost-benefit analysis provided as part of Duke Energy Kentucky's application is estimated data.

- a. Duke Energy Kentucky can provide updated estimates if there is a significant change in either its costs or benefit assumptions prior to deployment.
- b. If the Commission approves the Company's application, the Company would be willing to discuss the capability and availability of information for such reporting as well as frequency and reasonable level of content for ongoing reporting of this information.

PERSON RESPONSIBLE: Peggy Laub / Donald L. Schneider, Jr.

AG-DR-01-026

REQUEST:

Reference the Henning testimony generally. Will DEK be willing to restrict the availability of pre-payment plans to vulnerable populations, including but not limited to: (i) elderly; (ii) disabled; and (iii) those with serious illnesses? If not, why not?

RESPONSE:

Objection: This question is vague, ambiguous, confusing and overbroad. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, Duke Energy Kentucky is not seeking approval of a pre-payment plan in the instant proceeding. As stated in the direct testimony of Alexander J. Weintraub, "the Pay As You Go program is currently in the early stages of development and specific details pertaining to customer eligibility and other terms and conditions for participation are being evaluated." The Company doesn't believe it is appropriate to make such an agreement in this proceeding. That being said, the Company does not think it should restrict availability to the populations mentioned. The program is voluntary and should be open to any populations that may want to participate.

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PERSON RESPONSIBLE:

As to objection: Legal As to response: Alexander J. Weintraub

> PUBLIC AG-DR-01-027 (As to Attachment Only)

REQUEST:

Reference the Laub testimony generally. Provide copies of the RFPs the company issued for both the AMI meters and the AMI gas modules.

- a. Provide the per unit cost of the AMI meters, and the AMI modules.
- b. Are there any AMI modules being manufactured with a longer service life than the nine (9) year of the modules the company contemplates using in the instant filing?
 - (i) If the response to subpart (b) above is "yes," please identify the manufacturer, model numbers, and explain why DEK did not select that manufacturer.
 - (ii) Is the reason that the service life of the modules is only 9 years due to mechanical considerations, or an issue with the technology becoming obsolete? Explain.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment Only)

Please see attached confidential CD, AG-DR-01-027 Confidential Attachment, which is being filed under Petition for Confidential Treatment.

a. The average unit costs for electric AMI meters are \$100 for those that communicate through the RF Mesh and \$180 for those that communicate through

direct cellular communications. Gas AMI modules have an average unit cost of \$50.

- b. The proposed AMI gas modules could last longer than 9 years, but Duke Energy Kentucky would remove the modules along with the meters when the gas meters are removed every 9-10 years due to Commission rules.
 - (i) As stated in response to AG-DR-01-027(b), the nine year life is due to meter replacement, rather than module service life.
 - (ii) The module service life is tied to the meter replacement schedule.

AG-DR-01-027 **CONFIDENTIAL ATTACHMENTS PROVIDED ON CD UNDER SEAL WITH A PETITION FOR CONFIDENTIAL** TREATMENT

AG-DR-01-028

REQUEST:

Reference the Laub testimony at p. 3, lines 13-15, wherein she states, "Duke Energy Kentucky intend to eventually recover the costs of the Metering Upgrade through future base rate proceeding." Provide an approximate date for the filing of DEK's next base rate proceeding.

RESPONSE:

The Company continuously reviews the need for filing its next electric base rate case. It is anticipated that the Company will file its next case in the next five years but the exact timing is unknown at this time. The approval of this application will have an impact on the timing of Duke Energy Kentucky's next case.

PERSON RESPONSIBLE: Peggy Laub

AG-DR-01-029

REQUEST:

Reference the Laub testimony at p. 4, lines 12-18. Is the 15 year "expected life" of the electric meters the actual estimated life of the meter by the manufacturer, or the "expected useful life" anticipated by the company?

a. If the company's answer is the "expected useful life anticipated by the company," provide an explanation of what scenario the company expects that will lead to the meters meeting the end of their "useful life" (i.e., battery failure, technology obsolete, etc.).

RESPONSE:

The useful life of the AMI electric meters is based upon industry standards and what this Commission has approved in similar meter deployments rather than the manufacturer's estimate. Please see response to STAFF-DR-01-011.

AG-DR-01-030

REQUEST:

Reference the Laub testimony at p. 5, lines 4-10. Is the 9 year "expected life" of the gas meter module the actual estimated life of the module by the manufacturer, or the "expected useful life" anticipated by the company?

a. If the company's answer is the "expected useful life anticipated by the company," provide an explanation of what scenario the company expects that will lead to the modules' meeting the end of their "useful life" (i.e. battery failure, technology obsolete, etc.).

RESPONSE:

As stated in Ms. Laub's testimony at p. 5, line 14 through and including p. 6, line 5, the gas module's expected life is based upon the meter replacement schedule.

a. The manufacturer estimates that the gas module battery could last 13-20 years depending on data transmission and program mode. Performing firmware downloads to the gas modules also impacts the battery life. So module batteries could last longer than 9 years, but not likely to last long enough to get through two full meter replacement cycles (18-20 years).

PERSON RESPONSIBLE: Donald L. Schneider, Jr. / Kim Glenn

AG-DR-01-031

REQUEST:

Reference the Laub testimony at p. 5, lines 14-20. Has the company considered asking for a waiver to the 10-year limitation contained in the cited regulation, so as to extend the useful life of the gas modules?

RESPONSE:

Such a waiver was not requested in the Company's application. Duke Energy Kentucky is willing to consider extending its gas meter testing/replacement protocols to fifteen years, so to align with the anticipated useful life of the electric AMI metering technology. The Company has not quantified the impacts of such an extension, but is not opposed to such an extension.

PERSON RESPONSIBLE: Kim Glenn

AG-DR-01-032

REQUEST:

Reference the Laub testimony at p. 6, lines 10-15. What were the expected useful life and depreciation of the AMI pilot meters deployed in 2007?

RESPONSE:

The current electric depreciation rates used by the Company were approved in Case No. 2006-0172. At that time, there was not a rate specific to only the AMI pilot meters. Currently, the pilot meters are being depreciated over the same 28 year average service life as the traditional electromechanical meters.

PERSON RESPONSIBLE: Peggy Laub

AG-DR-01-033

REQUEST:

Reference the Laub testimony at p. 8, lines 7-11, wherein she states that by implementing an automated meter reading solution for both gas and electric customers, the savings in deployments costs and meter reading expenses will, over time, exceed the costs associated with the program.

- Provide an estimate of how much time will pass before the expected cost savings exceed the expected program costs.
- b. Clarify whether meter reading savings alone will exceed the total costs of the program.

RESPONSE:

- a. Based upon Confidential Attachment DLS-3, Duke Energy Kentucky estimates that the nominal program savings will exceed nominal program costs sometime in the year 2025.
- b. Objection. The question misstates the witness's testimony. Without waiving said objection, and to the extent discoverable, no. The testimony is referring to the fact that the meter reading costs will not be reduced if the Company must still manually read gas meters.

PERSON RESPONSIBLE: Donald L. Schneider, Jr. (a) Peggy Laub (b) Legal - as to objection

AG-DR-01-034

REQUEST:

Reference the Schneider testimony, p. 3 wherein he discusses the cost-benefit analysis he conducted regarding the proposed meter replacement program. Describe all costs associated with the program that the cost-benefit analysis took into consideration.

- a. Describe any and all costs associated with the proposed meter replacement program which the cost-benefit analysis did not take into consideration.
 - Explain why the cost-benefit analysis did not take into consideration any such costs.

RESPONSE:

These costs are described later in the testimony of Donald L. Schneider, Jr. on page 25 Lines 8-16.

a. As stated on page 25 lines 17-19, Duke Energy Kentucky did not take costs associated with enhanced basic services into consideration.

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(i) Duke Energy Kentucky is not seeking approval or consideration of enhanced basic services in the instant proceeding.

AG-DR-01-035

REQUEST:

Reference the Schneider testimony, p. 3, lines 9-10. Describe how the metering infrastructure DEK proposes to use in the instant application differs from that utilized in DEK's 2007 pilot program.

a. Provide the average service life of meters utilized in the 2007 pilot program.

RESPONSE:

See Schneider testimony page 3, beginning on line 20 through page 4, line 2 for description of the metering infrastructure deployed in the 2007 pilot program and see Schneider testimony page 9, beginning on line 9 through page 10, line 17 for the proposed Meter Upgrade solution infrastructure. Also see Schneider testimony page 4, beginning on line 12 through page 6, line 6 for details regarding functionality differences between the 2007 pilot metering infrastructure and the instant application metering infrastructure.

a. See response to AG-DR-01-032

PERSON RESPONSIBLE: Donald L. Schneider, Jr. / Peggy Laub (a)

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AG-DR-01-036

REQUEST:

Reference the Schneider testimony, p. 4, lines 3-11. Provide the remaining useful life of the metering infrastructure utilized in the 2007 pilot program.

a. Provide the rationale for why DEK could not continue utilizing the metering infrastructure utilized in the 2007 pilot program.

RESPONSE:

As noted in Peggy Laub Testimony at page 4, line 9-20, the expected life is 15 years for the AMI meters proposed in the Metering Upgrade project and the same expected life would apply to the advanced meters that were deployed in the 2007 pilot. Based on this, the calculated remaining useful life would be about 6 years.

a. See response to AG-DR-01-001

AG-DR-01-037

REQUEST:

Reference the Schneider testimony, p. 4, lines 14-17, wherein he states that the 2007 pilot project did not provide DEK and its customers with the level of benefits and opportunities that AMI technologies available today provide.

- a. Does this mean that meter reading savings alone are not enough to make the project cost-effective?
- b. Does the additional capability of remote connection/disconnection, as he discusses on lines 19-20 of that same page, make the project cost-effective?

RESPONSE:

- a. Meter reading savings alone do not result in a net positive cost-benefit analysis when looking at total costs vs total savings from the 17 year cost-benefit analysis. Looking only at meter reading savings in comparison to total project costs is useless. The total project costs result in many more benefits than just meter reading savings and therefore the total cost-benefit view is more meaningful.
- b. Meter reading savings and remote connection/disconnection alone do not result in a net positive cost-benefit analysis when looking at total costs vs total savings from the 17 year cost-benefit analysis. Looking only at meter reading and remote connection/disconnection savings in comparison to total project costs is useless. The total project costs result in many more benefits than just meter reading and

connection/disconnection savings and therefore the total cost-benefit view is more meaningful.

AG-DR-01-038

REQUEST:

Reference the Schneider testimony, p. 5, lines 21-22. Describe the other types of metering technology and types of infrastructure from other manufacturers that DEK considered but did not elect to utilize in the instant filing.

RESPONSE:

Four vendor proposals were considered. Three vendors (including the successful vendor, Itron) submitted an RF mesh technology and one vendor submitted an RF point to multipoint network technology.

AG-DR-01-039

REQUEST:

Reference the Schneider testimony generally. Will the proposed metering technology and infrastructure allow customers who choose to net meter to continue to do so? Please discuss.

RESPONSE:

See response to AG-DR-01-079.

AG-DR-01-040

REQUEST:

Reference the Schneider testimony at p. 10, lines 7 through 17, wherein he discusses the ability of routers to communicate firmware/program updates. Explain whether this refers to firmware/program updates both for meters and the AMI modules that will be attached to meters.

RESPONSE:

Yes, Duke Energy Kentucky will be able to communicate updates remotely for both electric AMI meters and gas AMI modules.

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AG-DR-01-041

REQUEST:

Reference the Schneider testimony at p. 11, wherein he discusses why DEK is interested in customer data. For purposes of this question and its subparts, the term "customer data" refers to any and all data regarding or pertaining to DEK customers and/or their family members or other persons residing in the same residential household or unit, including but not limited to the following: (i) customers' identity; (ii) personal information, including but not limited to street address, e-mail address, telephone number(s), credit history, checking account(s), credit and/or debit card data; and (iii) electrical and/or gas consumption usage, consumption and usage patterns.

- a. For how long will the company retain customer data?
- b. Does DEK believe that customer data belongs to its customers, or to the company? Explain the reasons for DEK's beliefs.
- c. What will the company do with customer data when the retention period which the company selects has expired?
- d. How will DEK allow its customers to decide whether to allow DEK to sell or otherwise disclose customer data? Will it be via affirmative "opt-in," or by an affirmative "opt-out" which customers will have to select in order to not allow DEK to disclose their data?
 - (i) Please provide copies of the "opt-in" or "opt-out" choices regarding the disclosure/sale of customer data which DEK plans to provide to its customers.

- e. Will the company sell customer data regarding those customers who opt to allow the company to disclose such information to third parties?
- f. If your response to subpart (e), above is yes:
 - state what protections, if any, the company plans to employ to protect confidentiality of customer data;
 - (ii) state what the company intends to do with the proceeds of the customer information which it sells; and
 - (iii) state whether those customers who opt to allow disclosure of their customer data will receive any monetary benefit, and if so, how much and in what form.
- g. If DEK does not intend to sell customer data, but will otherwise disclose customer data pertaining to customers who authorize DEK to do so, state what protections, if any, the company plans to employ to protect confidentiality of data that can identify customers, including but not limited to information such as account numbers, credit card numbers, etc.

RESPONSE:

Objection. The question is irrelevant, beyond the scope of the Company's Application, misstates facts, assumes facts not in evidence and is not likely to lead to the discovery of any relevant or admissible evidence. AMI meters do not collect, store or retain personal information such as (i) customers' identity; (ii) personal information, including but not limited to street address, e-mail address, telephone number(s), credit history, checking account(s), credit and/or debit card data. Personal information (i.e. credit history, bank account info, etc. as defined by Duke Energy's Data Privacy Policy) is collected through start applications for service or as changes are made to the account by the customer of record. Customer usage information (i.e. billing history, load profile, usage data, etc.) is already being collected by the Company as the active account accumulates information over time. All of this information is collectively retained in the Company's customer billing system and other relevant systems in order to effectively maintain the customer's account. Without waiving said objections, to the extent discoverable, and in the spirit of discovery, the AMI meters will simply allow the Company to collect interval usage data that can be shared with the specific customer so to allow them greater control over and transparency in how they use energy.

- a. The Company keeps customer data in accordance with record retention policies.
- b. Duke Energy Kentucky's position on ownership of "customer data" as the term is defined by the Attorney Generals question, varies and depends upon the type of data, rather than as the broadly defined category presumed by the Attorney General. In general, personal identification information provided by the customer to establish or maintain service is the property of the customer. Individual usage patterns, system demands, consumption, peak demand, etc., information that is necessary for Duke Energy Kentucky's operations, planning, billing, and reliability is jointly owned and controlled by the customer and company. The Company invests in and manages the hardware and systems to provide service and track customer usage, and therefore has a vested interest in the quality and use of the information. As the owner and steward of the data, the company recognizes its serious obligation to protect customer privacy, and therefore

obtains customer consent for any use by the company or sharing with a third-party outside of the scope of normal electric and gas operations.

- c. The Company will securely dispose of the data in accordance with record retention rules.
- d. Duke Energy Kentucky does not disclose personal information, per Duke Energy's Data Privacy Policy, with unaffiliated third parties who are not performing a service on behalf of Duke Energy Kentucky. Personal information and customer information is only shared with affiliated service companies, under Commission-approved service agreements, and as is necessary to provide essential regulated utility services to Duke Energy Kentucky. Duke Energy Kentucky follows the requirements of KRS 278.2213 for any interactions with its non-regulated affiliates and the Duke Energy Data Privacy Policy for interactions with unaffiliated third parties to the extent a business function is being performed for Duke Energy Kentucky and the proper security of the information is implemented. In addition, Duke Energy Kentucky does not disclose customer information to non-regulated affiliates or unaffiliated third parties, who are not providing a service to Duke Energy Kentucky, without explicit consent from the customer and only to the extent specified. Duke Energy Kentucky has an established process for third parties to request customer information.
- e. Duke Energy Kentucky does not sell personal or customer information today. Upon explicit consent by the customer as stated in d. above, Duke Energy Kentucky will disclose the information specified by the customer. Duke Energy Kentucky does not currently charge the third party for the assembling, compiling

4

and delivery of the information specific to the information request. The labor and materials are charged as part of the normal Duke Energy Kentucky operations.

f. N/A

g. Upon receipt of explicit customer consent, Duke Energy Kentucky will disclose customer information as is requested by the customer to be disclosed to the party specified. However, the only agreement implemented to disclose information is the explicit consent between Duke Energy Kentucky and the customer. Thus, Duke Energy Kentucky would have no insight or liabilities for protection of the data the customer directed to be disclosed.

PERSON RESPONSIBLE: Mark Hollis

AG-DR-01-042

REQUEST:

Reference the Schneider testimony at p. 11, lines 17-19, wherein he discusses various alerts that will better allow DEK to manage its distribution grid. Will the alerts, including tamper alerts and data analytics, lead to cost savings? Please discuss.

RESPONSE:

Yes. Alerts regarding customer outages will help Duke Energy Kentucky realize operational savings identified as "Reduced restoration costs - OK on arrival" and "Reduced restoration costs - major storms" in Confidential Attachment DLS-3 and "Avoided restoration costs - OK on arrival" and "Avoided restoration costs - major storms" in Confidential Attachment DLS-4. Tamper alerts along with data analytics will help the Company achieve the "Non-technical loss reduction" shown in Confidential Attachment DLS-3 and Confidential Attachment DLS-4.

AG-DR-01-043

REQUEST:

Reference the Schneider testimony generally, and in particular p. 12 lines 4-10. If DEK's application is approved, does the company plan to institute any or all of the following:

- a. mandatory, system-wide time-of-day rates for residential customers;
- b. mandatory, system-wide time-of-use rates for residential customers; and/or
- c. demand charges for residential customers.

RESPONSE:

- a. The Commission Order in Case No. 2012-00428 states, "Customer participation in any Dynamic Pricing program or tariff shall be voluntary" (Order at 35). Therefore, Duke Energy Kentucky has no plans to introduce mandatory dynamic pricing.
- b. The Commission Order in Case No. 2012-00428 states, "Customer participation in any Dynamic Pricing program or tariff shall be voluntary" (Order at 35). Therefore, Duke Energy Kentucky has no plans to introduce mandatory dynamic pricing.
- Demand charges for residential customers may be an emerging trend in the industry.
 Duke Energy Kentucky is not proposing residential demand charges at this time.

PERSON RESPONSIBLE: Alexander J. Weintraub

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AG-DR-01-044

REQUEST:

Reference the Schneider testimony at p. 14, lines 1-8, wherein he discusses "enhanced basic customer services." Will the overall customer class be subsidizing any extra costs created by those customers who end up subscribing to the enhanced services, or will any additional costs be borne solely by those customers who subscribe to the enhanced level of services?

RESPONSE:

As stated in the Weintraub testimony at Page 12, Lines 6-14, "Duke Energy Kentucky is not specifically seeking the Commission's authorization to begin offering all of these programs in this proceeding... Accordingly, the Company has not provided estimates for costs or benefits associated with these programs and services in this filing." The Company has not estimated any potential rate impact or cost recovery methods for the enhanced basic services at this time.

PERSON RESPONSIBLE: Alexander J. Weintraub

AG-DR-01-045

REQUEST:

Reference the Schneider testimony at p. 15, lines 1-7. For each of the past five (5) calendar years, provide costs DEK incurred as a result of the incidents associated with manual meter reads.

RESPONSE:

Objection. To the extent this Data Request is intended to be duplicative of AG-DR-01-020, it is overly burdensome and must be seen as intending to harass. Without waiving said objection, to the extent discoverable, and in the spirit of discovery, in the period of 2011–2016 year-to-date, including both direct employee and contractor resources, there were 4 OSHA Recordable Injury and 5 Preventable Vehicle Accidents. Detailed cost information is not readily available for these events. Other safety related events have occurred that are not specifically tracked including near-miss incidents due to slips, trips, and falls on stairs, and walking surfaces especially during inclement weather. There have also been numerous near-miss encounters with pets or other animals where training and personal protective equipment have prevented injury.

PERSON RESPONSIBLE:

As to objection: Legal As to response: Everett Greene

AG-DR-01-046

REQUEST:

Reference the Schneider testimony at p. 20, lines 5-19.

- a. With regard to lessons learned in other Duke Energy jurisdictions, identify all lessons learned in those jurisdictions which either are not, or may not be applicable to DEK.
- Identify any and all challenges for communication network optimization that exist in DEK's service territory.

RESPONSE:

a. Objection, overbroad and unduly burdensome. Without waiving said objection and to the extent discoverable, lessons learned from AMI deployments in other Duke Energy jurisdictions are numerous and range from process-related issues with customer damage claims to mitigating intermittent reads from meters. The Company also has gained insight into the difficulty of achieving anticipated levels of savings when customer opt outs are permitted as well as the additional costs that customer opt outs imposes upon the system, the Company and the individual customers who desire such an opt-out. The lessons learned also range from very detailed specific issues to more general ones. Duke Energy Kentucky has not compiled all lessons learned into one single record and doing so would require more time than allotted for providing a response. b. Duke Energy Kentucky does not expect to experience any challenges for communications network optimization that have not already been experienced in Duke Energy Ohio and other Duke Energy service territories during their AMI deployments. The major challenges experienced in Duke Energy Ohio and other Duke Energy jurisdictions in regards to communication network optimization are related to foliage, topography, temporary meter shielding (moving van parked in front of meter), etc.

AG-DR-01-047

REQUEST:

Reference the Schneider testimony at p. 21. Will DEK provide an opt-out for customers

who have health concerns with AMI technology? If not, why not?

RESPONSE:

See response to AG-DR-01-74.