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VERIFICATION

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

The undersigned, Trisha Haemmerle, Sr. 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 6TH day of OCTOBER, 2016.

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)
) **SS:**
COUNTY OF HAMILTON)

The undersigned, Rich Philip, Manager Products & 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.

Rich Philip, Affiant

Subscribed and sworn to before me by Rich Philip on this 30 day of September, 2016.

NOTARY PUBLIC

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

My Commission Expires: 1/5/2019

VERIFICATION

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

The undersigned, Jim Ziolkowski, Director Rates & Regulatory Planning, 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 her knowledge, information and belief.

Jim Ziolkowski, Affiant

Subscribed and sworn to before me by Jim Ziolkowski on this 30TH day of SEPTEMBER, 2016.

NOTARY PUBLIC

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

My Commission Expires: 1/5/2019

VERIFICATION

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

The undersigned, Stephanie Simpson, Sr. 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 4TH day of OCTOBER, 2016.

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 NORTH CAROLINA)
)
COUNTY OF WAKE)

SS:

The undersigned, Jean Williams, Manager DSM Analytics, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests are true and correct to the best of his knowledge, information and belief.

Jean Williams, Affiant

Subscribed and sworn to before me by Jean Williams on this 6th day of October 2016.

NOTARY PUBLIC

My Commission Expires:

KIMBERLY J WILLIS NOTARY PUBLIC WAKE COUNTY, NC

VERIFICATION

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

The undersigned, Nathan Cranford, Manager Products & Services, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests are true and correct to the best of his knowledge, information and belief.

Nathan Cranford, Affiant

Subscribed and sworn to before me by Nathan Cranford on this 29 day of September 2016.

NOTARY PUBLIC

My Commission Expires: August 13, 2017

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-001

REQUEST:

Refer to the Application, page 5. Duke Kentucky proposes to add retail stores as an additional marketing channel for the Residential Smart Saver Energy Efficient Products Program.

a. Explain how Duke Kentucky and non-Duke Kentucky customers will be identified by the retail store.

b. Explain how the rebate will be issued.

RESPONSE:

a. Duke Energy Kentucky customers will not be identified by participating retailers. Retailers are chosen based on geographic location and customer shopping patterns so that the majority of purchasers will be Duke Energy Kentucky customers. Because of the close proximity to the Duke Energy Ohio territory, the Duke Energy Kentucky program would be offered in conjunction with the same program being offered in Duke Energy Ohio. This should minimize non-Duke Energy Kentucky customers.

b. All rebates are instant and applied at time of purchase. There is no additional effort required of the customer. Retailers will submit all qualified purchases to their vendor (manufacturer) and then manufacturer will submit an invoice to Ecova (the program's processing vendor) for incentive payments.

PERSON RESPONSIBLE: Trisha Haemmerle

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-002

REQUEST:

Refer to the Application, page 9.

a. For water heaters, provide the bill credit participating customers will receive for each Power Manager event.

b. For water heaters, explain how the program year will be determined for the purposes of the minimum annual bill credit.

c. Confirm that customers participating in the Power Manager program will receive the minimum event bill credit even if there are no control events in the control season/year.

RESPONSE:

a. Participating customers will receive a credit of $0.50 per month for each water heating switch. At the end of the program year, the amount of energy savings during event hours will be calculated and compared to the amount paid. If the total event savings is greater than the amount already paid to the customer, a "settle-up" credit will be made to the customer's account.

b. The program year will be the 12 months ending October 31 of each year. This will put the water heater measure program year on the same settle-up timing as the air conditioning measure.

c. Yes, that is the intent. Same as the air conditioning switch program where customers receive a minimum amount, but can receive more if the event savings total to more than the minimum.

PERSON RESPONSIBLE: Rich Philip

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-003

REQUEST:

Refer to the Application, page 11.

a. Explain how the tenant will be made aware of the load control device on the air conditioning unit and water heater. Provide any marketing or informational materials that the tenant will receive.

b. Explain whether each new tenant will be given the opportunity to opt out if a load control device has been previously installed, regardless of the participation of the previous tenant(s).

RESPONSE:

a. Customers will be provided program information by the landlord/management company as part of becoming a new tenant. In addition, Duke Energy Kentucky will send a notification letter to customers that will describe the program and give them the opportunity to opt out of participation. Communication materials are still being developed.

b. Yes.

PERSON RESPONSIBLE: Rich Philip

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-004

REQUEST:

Refer to the Application, page 13. Provide the building size that will be able to access the Small/Medium Business – New Construction Smart Saver Program.

RESPONSE:

Currently the building size considered is 100,000 square feet (or fewer). After having the program in the market, the program eligibility may change if customers with a larger building size are interested in participating.

PERSON RESPONSIBLE: Trisha Haemmerle

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-005

REQUEST:

Refer to the Application, pages 15-6. Explain how customers who select the "switch" device option will participate in the Power Manager program.

RESPONSE:

The switch will be installed external to the building, near the outside unit of the air conditioning system (or rooftop unit). The switch will be used to control the cooling unit during demand response events using the same strategies as a Power Manager for Business customer who has a thermostat installed, and the participating customers will receive the same annual credits. Customers who select a switch will not see any energy savings on their bill, nor have the ability to control their temperature setpoints using a computer or mobile device.

PERSON RESPONSIBLE: Rich Philip

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-006

REQUEST:

Refer to the Application, page 17.

a. In reference to the recycling vendor, JACO Environmental, Inc. ("JACO"), explain how Duke Kentucky remedied the issues caused by JACO's discontinuing operations, specifically the bounced incentive payments and canceled appointments for appliance pick up.

b. Explain how Duke Kentucky is analyzing the future of the program.

RESPONSE:

a. Duke Energy Kentucky immediately contacted impacted customers with outbound calls, emails and direct mail letters explaining the situation with the vendor receivership and abrupt discontinued operations. Updates to the Duke Energy public website instructed customers to call or email us regarding their situation (e.g. cancelled appointment, bounced check, no payment). An internal support team addressed each customer request and processed over 175 prepaid MasterCard's to addressed bounced check or no payments which total ~$5,500.00. Additionally, Duke Energy Kentucky partnered with ARCA (a recycling vendor) and picked up ~13 refrigerators from customers where the original appointment was cancelled due to the JACO receivership.

b. Duke Energy Kentucky has determined the program is no longer cost effective based on the increased implement costs provided by potential vendors. Currently there are no plans to offer the program.

PERSON RESPONSIBLE: Trisha Haemmerle

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-007

REQUEST:

Refer to the Application, page 18.

a. Provide Duke Kentucky's billing cycles.

b. Confirm that Duke Kentucky is requesting that an Order be issued at least five business days prior to the beginning of a billing cycle, and that the effective date of the tariff revisions be postdated to the first day of the same billing cycle.

RESPONSE:

a. Please see STAFF-DR-01-007 Attachment which shows the Duke Energy Kentucky 2016 billing cycle metering reading schedule. Meters read on or after the effective date of a tariff sheet are billed the rates contained in that tariff sheet.

b. The Company respectfully requests that the effective date of the tariffs approved in the Commission Order be set to a date that is at least five days later than the date of the Commission Order. For example, if the Commission issues an Order on October 15, the Company requests that the Order specify that the tariffs will be effective on October 20 or later. This provides time for the Company to file its compliance tariff with the Commission, enter the new rates into its billing system, and review and test the new rates.

Ideally, the Company desires that new rates go into effect with cycle 1 meter readings of the next revenue month. For example, if the Commission were to issue an Order approving the rates in this case on October 19, 2016, the

Company ideally would like the Commission to order an effective date of October 28, 2016. This date coincides with the November cycle 1 meter read date. This ensures that November bills for all customers reflect the same rates.

PERSON RESPONSIBLE: James E. Ziolkowski

CALENDAR DATE	DAY OF WEEK	CYCLE READ	CALENDAR DATE
1/1/2016	**FRI**	**Holiday**	**1/1/2016**
1/2/2016	SAT	-	1/2/2016
1/3/2016	SUN	-	1/3/2016
1/4/2016	MON	1	1/4/2016
1/5/2016	TUE	2	1/5/2016
1/6/2016	WED	3	1/6/2016
1/7/2016	THU	4	1/7/2016
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9/3/2016	SAT	-	9/3/2016
9/4/2016	SUN	-	9/4/2016
9/5/2016	**MON**	**Holiday**	**9/5/2016**
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10/13/2016	THU	11	10/13/2016
10/14/2016	FRI	12	10/14/2016
10/15/2016	SAT	-	10/15/2016
10/16/2016	SUN	-	10/16/2016
10/17/2016	MON	13	10/17/2016
10/18/2016	TUE	14	10/18/2016
10/19/2016	WED	15	10/19/2016
10/20/2016	THU	16	10/20/2016

CALENDAR DATE	DAY OF WEEK	CYCLE READ	CALENDAR DATE
10/21/2016	FRI	17	10/21/2016
10/22/2016	SAT	-	10/22/2016
10/23/2016	SUN	-	10/23/2016
10/24/2016	MON	18	10/24/2016
10/25/2016	TUE	19	10/25/2016
10/26/2016	WED	20	10/26/2016
10/27/2016	THU	21	10/27/2016
10/28/2016	FRI	1	10/28/2016
10/29/2016	SAT	-	10/29/2016
10/30/2016	SUN	-	10/30/2016
10/31/2016	MON	2	10/31/2016
11/1/2016	TUE	3	11/1/2016
11/2/2016	WED	4	11/2/2016
11/3/2016	THU	5	11/3/2016
11/4/2016	FRI	6	11/4/2016
11/5/2016	SAT	-	11/5/2016
11/6/2016	SUN	-	11/6/2016
11/7/2016	MON	7	11/7/2016
11/8/2016	TUE	8	11/8/2016
11/9/2016	WED	9	11/9/2016
11/10/2016	THU	10	11/10/2016
11/11/2016	FRI	11	11/11/2016
11/12/2016	SAT	-	11/12/2016
11/13/2016	SUN	-	11/13/2016
11/14/2016	MON	12	11/14/2016
11/15/2016	TUE	13	11/15/2016
11/16/2016	WED	14	11/16/2016
11/17/2016	THU	15	11/17/2016
11/18/2016	FRI	16	11/18/2016
11/19/2016	SAT	-	11/19/2016
11/20/2016	SUN	-	11/20/2016
11/21/2016	MON	17	11/21/2016
11/22/2016	TUE	18	11/22/2016
11/23/2016	WED	19	11/23/2016
11/24/2016	**THU**	**Holiday**	**11/24/2016**
11/25/2016	**FRI**	**Holiday**	**11/25/2016**
11/26/2016	SAT	-	11/26/2016
11/27/2016	SUN	-	11/27/2016
11/28/2016	MON	20	11/28/2016
11/29/2016	TUE	21	11/29/2016
11/30/2016	WED	1	11/30/2016
12/1/2016	THU	2	12/1/2016

CALENDAR DATE	DAY OF WEEK	CYCLE READ	CALENDAR DATE
12/2/2016	FRI	3	12/2/2016
12/3/2016	SAT	-	12/3/2016
12/4/2016	SUN	-	12/4/2016
12/5/2016	MON	4	12/5/2016
12/6/2016	TUE	5	12/6/2016
12/7/2016	WED	6	12/7/2016
12/8/2016	THU	7	12/8/2016
12/9/2016	FRI	8	12/9/2016
12/10/2016	SAT	-	12/10/2016
12/11/2016	SUN	-	12/11/2016
12/12/2016	MON	9	12/12/2016
12/13/2016	TUE	10	12/13/2016
12/14/2016	WED	11	12/14/2016
12/15/2016	THU	12	12/15/2016
12/16/2016	FRI	13	12/16/2016
12/17/2016	SAT	-	12/17/2016
12/18/2016	SUN	-	12/18/2016
12/19/2016	MON	14	12/19/2016
12/20/2016	TUE	15	12/20/2016
12/21/2016	WED	16	12/21/2016
12/22/2016	THU	17	12/22/2016
12/23/2016	**FRI**	**Holiday**	**12/23/2016**
12/24/2016	SAT	-	12/24/2016
12/25/2016	SUN	-	12/25/2016
12/26/2016	**MON**	**Holiday**	**12/26/2016**
12/27/2016	TUE	18	12/27/2016
12/28/2016	WED	19	12/28/2016
12/29/2016	THU	20	12/29/2016
12/30/2016	FRI	21	12/30/2016
12/31/2016	SAT	-	12/31/2016

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-008

REQUEST:

Refer to the Application, Appendix A. Explain why all of the cost-effectiveness test results are expected to decrease as a result of the modification in the Residential Smart Saver program, in comparison to the test results of all the other program which are proposed to be modified which have improved test results.

RESPONSE:

Appendix A contains two sets of scores: scores for existing programs filed in Case No. 2015-00368, and scores for proposed program modifications filed in this case. The cost effectiveness score of 2.48 for the Residential Smart $aver® modifications only includes the modifications, and does not include the components of the existing Residential Smart $aver® Program that are not changing.

Since the existing program was found to be cost effective in Case No. 2015-00368, and the proposed program modifications are also cost effective, Duke Energy Kentucky anticipates that the overall modified Residential Smart $aver® program will also be found to be cost effective in 2017.

PERSON RESPONSIBLE: Stephanie Simpson

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-009

REQUEST:

Refer to the Application, Appendix B.

a. Provide all schedules in electronic Excel spreadsheet format, with formulas intact and cells unprotected.

b. Refer to page 3 of 7. Explain why program cost, lost revenues and shared savings are included for the residential Appliance Recycling Program, which Duke Energy is proposing to withdraw.

c. Provide a comparison of the proposed Demand Side Management ("DSM") rates to the current DSM rates. Provide an explanation if there is no difference between the proposed and current rates.

d. Refer to page 5 of 7. Provide an explanation for each True-Up Amount.

RESPONSE:

a. Please see electronically provided STAFF-DR-01-009 Attachment. Additionally, this attachment includes changes as described in the responses to parts b – d.

b. Page 3 does not have program specific costs. Duke Energy Kentucky is answering this question based on page 2 of 7 in Appendix B. At the time of the filing Duke Energy Kentucky was evaluating other vendors to continue the Appliance Recycling Program. The Company has not contracted with a new vendor and therefore has removed the costs, lost revenues, and shared savings for the 2016 – 2017 filing period. Please see STAFF-DR-01-009 Attachment, provided in

response to Request 9(a), for a revised Appendix B excluding these for the Appliance Recycling Program.

c. Please see STAFF-DR-01-009 Attachment, provided in response to Request 9(a), page 5, columns N through P. The amount of the DSM cost recovery rider remains unchanged from what was originally filed if the proposed program modifications are not attributable to that rate class.

d. The True-Up Amounts on page 5 of 7 are the true up amounts that cover the 2015 – 2016 filing period, as approved in Case No. 2015-00368. These amounts are the total over/under collection for the filing period, for each rate class, multiplied by the average three-month commercial paper rate.

PERSON RESPONSIBLE: Stephanie Simpson

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

sidential Programs	(1) Projected Program Costs 7/2014 to 6/2015 (A)	(2) Projected Lost Revenues 7/2014 to 6/2015 (A)	(3) Projected Shared Savings 7/2014 to 6/2015 (A)	(4) Program Expenditures 7/2014 to 6/2015 (B)	(5) Program Expenditures (C) Gas	(6) Program Expenditures (C) Electric	(7) Lost Revenues 7/2014 to 6/2015 (B)	(8) Shared Savings 7/2014 to 6/2015 (B)	(9) 2014 Reconciliation Gas (D)	(10) 2014 Reconciliation Electric (E)	(11) Rider Collection (F) Gas	(12) Rider Collection (F) Electric	(13) (Over)/Under Collection Gas (G)	(14) (Over)/Under Collection Electric (H)
ɔlance Recycling Program	$ 193,426	$ 104,715	$ 83,130	$ 141,855	$ -	$ 141,855	$ 66,389	$ (774)						
ɔrgy Efficiency Education Program for Schools	$ 229,075	$ 18,779	$ (12,239)	$ 432,452	$ 103,405	$ 329,047	$ 34,865	$ 2,644						
v Income Neighborhood	$ 356,583	$ 44,247	$ 7,374	$ 388,255	$ -	$ 388,255	$ 53,205	$ 5,819						
v Income Services	$ 886,258	$ 39,097	$ (31,172)	$ 758,219	$ 319,189	$ 439,030	$ 42,434	$ (14,985)						
Home Energy Report	$ 574,536	$ 468,204	$ 45,284	$ 721,822	$ -	$ 721,822	$ 565,621	$ 59,622						
sidential Energy Assessments	$ 189,993	$ 28,311	$ 12,192	$ 236,719	$ 83,281	$ 153,438	$ 48,741	$ 59,151						
sidential Smart $aver®	$ 1,288,736	$ 1,575,659	$ 159,818	$ 1,909,868	$ 1,075	$ 1,908,793	$ 2,165,542	$ 341,287						
ver Manager	$ 566,086	$ -	$ 130,089	$ 547,168	$ -	$ 547,168	$ -	$ 122,563						
sonal Energy Report Program (I)	$ -	$ 2,950	$ -	$ -	$ -	$ -	$ 37,820	$ -						
ne Energy Assistance Pilot Program (J)	$ 252,236	$ -	$ -	$ 149,004	$ 62,648	$ 86,356	$ -	$ -						
venues collected except for HEA											$ 106,710	$ 147,094		
al	$ 4,536,910	$ 2,261,961	$ 394,476	$ 5,285,361	$ 569,596	$ 4,715,764	$ 3,014,618	$ 575,328	$ 5,729,820	$ 1,769,497	$ 3,787,850	$ 4,880,872	$ 2,404,856	$ 5,047,241
											$ 3,894,560	$ 5,027,966		

Amounts identified in report filed in Case No. 2013-00395.
Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2014 through June 30, 2015.
Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.
Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
Revenues collected through the DSM Rider between July 1, 2014 and June 30, 2015.
Column (5) + Column (9) - Column(11).
Column (6) + Column (7) + Column (8) + Column (10) - Column(12).
Personalized Energy Report is a legacy program which continues to collect lost revenues.
Revenues and expenses for the Home Energy Assistance Pilot Program.

nmercial Programs	(1) Projected Program Costs 7/2014 to 6/2015 (A)	(2) Projected Lost Revenues 7/2014 to 6/2015 (A)	(3) Projected Shared Savings 7/2014 to 6/2015 (A)	(4) Program Expenditures 7/2014 to 6/2015 (B)	(5) Lost Revenues 7/2014 to 6/2015 (B)	(6) Shared Savings 7/2014 to 6/2015 (B)	(7) 2014 Reconciliation (C)	(8) Rider Collection (D)	(9) (Over)/Under Collection (E)
art $aver® Custom	$ 393,983	$ 129,375	$ 101,449	$ 520,786	$ 114,090	$ 338,095			
art $aver® Prescriptive - Energy Star Food Service Proc	$ 18,463	$ 7,815	$ 12,013	$ 55,364	$ 18,914	$ 36,548			
art $aver® Prescriptive - HVAC	$ 164,436	$ 47,807	$ 80,058	$ 193,103	$ (42,282)	$ 51,312			
art $aver® Prescriptive - Lighting	$ 634,676	$ 290,867	$ 310,371	$ 717,495	$ 246,378	$ 288,311			
art $aver® Prescriptive - Motors/Pumps/VFD	$ 43,292	$ 33,510	$ 36,676	$ 59,002	$ 17,687	$ 32,817			
art $aver® Prescriptive - Process Equipment	$ 1,630	$ 1,588	$ 1,131	$ 10,935	$ 3,111	$ 6,170			
art $aver® Prescriptive - IT	$ 9,919	$ 1,490	$ 3,005	$ 1,691	$ -	$ (169)			
all Business Energy Saver (G)	$ 243,051	$ 14,152	$ 38,275	$ 140,841	$ 1,883	$ 39,360			
al	$ 1,509,450	$ 526,603	$ 582,978	$ 1,699,217	$ 359,580	$ 794,404	$ (160,274)	$ 969,939	$ 1,722,988
ver Share®	$ 1,022,924	$ -	$ 332,441	$ 926,071	$ -	$ 274,739	$ (664,129)	$ 2,019,111	$ (1,482,429)
rgy Management and Information Services (F)				$ 459					

Amounts identified in report filed in Case No. 2013-00395.
Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2014 through June 30, 2015.
Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
Revenues collected through the DSM Rider between July 1, 2014 and June 30, 2015.
Column (4) + Column (5) + Column (6) + Column (7) - Column (8)
Discontinued pilot program does not receive cost recovery.
Amounts identified in report filed in Case No. 2014-00280.

Kentucky DSM Rider

2016-2017 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A),(C)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs (B) Electric	Allocation of Costs (B) Gas	Electric Costs	Budget (Costs, Lost Revenues, & Shared Savings) Electric	Budget (Costs, Lost Revenues, & Shared Savings) Gas Costs
Energy Efficiency Education Program for Schools	$ 289,680	$ 75,058	$ 121,340	$ 486,078	77.4%	22.6%	$ 224,147	$ 420,546	$ 65,532
Low Income Neighborhood	$ 277,903	$ 94,535	$ (14,666)	$ 357,773	100.0%	0.0%	$ 277,903	$ 357,773	$ -
Low Income Services	$ 897,034	$ 62,303	$ (19,490)	$ 939,848	60.7%	39.3%	$ 544,408	$ 587,222	$ 352,626
My Home Energy Report	$ 754,887	$ 306,416	$ 99,095	$ 1,160,398	100.0%	0.0%	$ 754,887	$ 1,160,398	$ -
Residential Energy Assessments	$ 261,860	$ 60,228	$ 27,065	$ 349,153	70.6%	29.4%	$ 184,887	$ 272,180	$ 76,974
Residential Smart $aver®	$ 1,555,955	$ 951,265	$ 118,947	$ 2,626,167	100.0%	0.0%	$ 1,555,955	$ 2,626,167	$ -
Power Manager®	$ 548,383	$ -	$ 150,928	$ 699,311	100.0%	0.0%	$ 548,383	$ 699,311	$ -
Power Manager® for Apartments	$ 13,222	$ -	$ (1,138)	$ 12,084	100.0%	0.0%	$ 13,222	$ 12,084	$ -
Total Costs, Net Lost Revenues, Shared Savings	$ 4,598,925	$ 1,549,807	$ 482,081	$ 6,630,812			$ 4,103,792	$ 6,135,680	$ 495,132
Home Energy Assistance Pilot Program	$ 253,804							$ 147,094	$ 106,710

NonResidential Program Summary (A),(C)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs (B) Electric	Allocation of Costs (B) Gas	Electric Costs	Budget (Costs, Lost Revenues, & Shared Savings) Electric	Budget (Costs, Lost Revenues, & Shared Savings) Gas
Smart $aver® Custom	$ 441,312	$ 195,829	$ 197,106	$ 834,247	100.0%	0.0%	$ 441,312	$ 834,247	NA
Smart $aver® Prescriptive - Energy Star Food Service Products	$ 139,148	$ 24,549	$ 48,680	$ 212,378	100.0%	0.0%	$ 139,148	$ 212,378	NA
Smart $aver® Prescriptive - HVAC	$ 638,628	$ 46,137	$ 113,676	$ 798,441	100.0%	0.0%	$ 638,628	$ 798,441	NA
Smart $aver® Prescriptive - Lighting	$ 1,043,273	$ 309,355	$ 272,832	$ 1,625,459	100.0%	0.0%	$ 1,043,273	$ 1,625,459	NA
Smart $aver® Prescriptive - Motors/Pumps/VFD	$ 47,256	$ 17,175	$ 17,469	$ 81,900	100.0%	0.0%	$ 47,256	$ 81,900	NA
Smart $aver® Prescriptive - Process Equipment	$ 28,558	$ 2,961	$ 18,594	$ 50,114	100.0%	0.0%	$ 28,558	$ 50,114	NA
Smart $aver® Prescriptive - IT	$ 79,342	$ 8,512	$ 23,324	$ 111,177	100.0%	0.0%	$ 79,342	$ 111,177	NA
Small Business Energy Saver	$ 898,978	$ 96,129	$ 251,111	$ 1,246,218	100.0%	0.0%	$ 898,978	$ 1,246,218	NA
PowerShare®	$ 1,262,732	$ -	$ 351,711	$ 1,614,443	100.0%	0.0%	$ 1,262,732	$ 1,614,443	NA
Pay for Performance	$ 15,740	$ 1,342	$ (1,065)	$ 16,016	100.0%	0.0%	$ 15,740	$ 16,016	NA
Power Manager® for Business	$ 52,489	$ 770	$ (4,382)	$ 48,877	100.0%	0.0%	$ 52,489	$ 48,877	NA
Total Costs, Net Lost Revenues, Shared Savings	$ 4,647,456	$ 702,760	$ 1,289,056	$ 6,639,272			$ 4,647,456	$ 6,639,272	NA
Total Program	$ 9,246,380	$ 2,252,567	$ 1,771,137	$ 13,270,084					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 5 of portfolio.
(B) Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.
(C) Yellow highlighted rows include modifications to programs as described in application.

Kentucky DSM Rider

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

July 2016 to June 2017

	Program Costs (A)
Electric Rider DSM	
Residential Rate RS	$ 6,135,680
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	$ 5,024,829
Transmission Level Rates & Distribution Level Rates Part B	$ 1,614,443
Gas Rider DSM	
Residential Rate RS	$ 495,132

(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	2016
Projected Annual Electric Sales kWH	
Rate RS	1,522,442,000
Rates DS, DP, DT, GS-FL, EH, & SP	2,468,022,000
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,671,558,000
Projected Annual Gas Sales CCF	
Rate RS	64,884,690

Kentucky DSM Rider

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

July 2015 to June 2016

Rate Schedule Riders	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)		DSM Cost Recovery Rider (DSMR)		Riders As Approved in Case No. 2015-00368 DSM Cost Recovery Rider (DSMR)		Delta	
Electric Rider DSM											
Residential Rate RS	$ 5,053,508	$ 6,135,680	$ 11,189,188	1,522,442,000	kWh	$ 0.007350	$/kWh	$ 0.007128	$/kWh	$	0.000222
Distribution Level Rates Part A											
DS, DP, DT, GS-FL, EH & SP	$ 1,725,127	$ 5,024,829	$ 6,749,956	2,468,022,000	kWh	$ 0.002735	$/kWh	$ 0.002709	$/kWh	$	0.000026
Transmission Level Rates & Distribution Level Rates Part B											
TT	$ (1,484,270)	$ 1,614,443	$ 130,173	2,671,558,000	kWh	$ 0.000049	$/kWh	$ 0.000049	$/kWh	$	-
Distribution Level Rates Total											
DS, DP, DT, GS-FL, EH & SP						$ 0.002784	$/kWh	$ 0.002757	$/kWh	$	0.000026
Gas Rider DSM											
Residential Rate RS	$ 2,407,842	$ 495,132	$ 2,902,974	64,884,690	CCF	$ 0.044741	$/CCF	$ 0.044741	$/CCF	$	-
Total Rider Recovery			$ 20,972,291								

Customer Charge for HEA Program	Annual Revenues	Number of Customers	Monthly Customer Charge
Electric No 4			
Residential Rate RS	$ 147,094	122,578	$ 0.10
Gas No. 5			
Residential Rate RS	$ 106,710	88,925	$ 0.10
Total Customer Charge Revenues	$ 253,804		
Total Recovery	$ 21,226,094		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2014 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is: 1.001242
(B) Appendix B, page 2.
(C) Appendix B, page 4.

	Summary of Load Impacts July 2014 Through June 2015*				Allocation Factors based on July 2014 - June 2015	
Residential Programs	kWh	% of Total Res Sales	ccf	% of Total Res Sales	Elec % of Total Sales	% of Total Gas % of Total Sales
Appliance Recycling Program	316,032	0.0214%	-	0.0000%	100%	0%
Energy Efficiency Education Program for Schools	577,006	0.0390%	8,409	0.0123%	76%	24%
Low Income Neighborhood	557,078	0.0377%	-	0.0000%	100%	0%
Low Income Services	351,265	0.0238%	11,844	0.0173%	58%	42%
My Home Energy Report	10,869,228	0.7354%	-	0.0000%	100%	0%
Residential Energy Assessments	447,175	0.0303%	11,256	0.0164%	65%	35%
Residential Smart $aver®	8,639,278	0.5845%	226	0.0003%	100%	0%
Power Manager	-	0.0000%	-	0.0000%	100%	0%
Total Residential	21,757,061	1.4721%	31,735	0.0463%		
Total Residential (Rate RS) Sales For July 2014 Through June 2015	1,477,944,577	100%	68,542,402	100%		

*Load Impacts Net of Free Riders at Meter

Summary of Load Impacts July 2016 Through June 2017 - Amended*

Allocation Factors Projected - Amended

Residential Programs	kWh	% of Total Res Sales	ccf	% of Total Res Sales	Elec % of Total % of Sales	Gas % of Total % of Sales
Energy Efficiency Education Program for Schools	457,458	0.0300%	5,700	0.0088%	77%	23%
Low Income Neighborhood	221,382	0.0145%	-	0.0000%	100%	0%
Low Income Services	346,183	0.0227%	9,556	0.0147%	61%	39%
My Home Energy Report	12,325,924	0.8096%	-	0.0000%	100%	0%
Residential Energy Assessments	656,195	0.0431%	11,643	0.0179%	71%	29%
Residential Smart $aver®	3,971,622	0.2609%	-	0.0000%	100%	0%
Power Manager®	-	0.0000%	-	0.0000%	100%	0%
Power Manager® for Apartments	-	0.0000%	-	0.0000%	100%	0%
Total Residential	17,978,764	1.1809%	26,900	0.0415%	97%	3%
Total Residential (Rate RS) Sales Projected	1,522,442,000	100%	64,884,690	100%		

*Load Impacts Net of Free Riders at Meter

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-010

REQUEST:

Refer to Exhibit C, pages 1-4 of 4. Explain why the margin notations for gas residential customer bills and electric transmission service customer bills are (N), and state whether Duke Kentucky is aware that the margin notation (N) signifies a new rate or requirement pursuant to 807 KAR 5:0111, Section 6.

RESPONSE:

The Company incorrectly inserted the margin notation "(N)" in Exhibit C. Section 6 of 807 KAR 5:0111 states that the notation "(N)" signifies a new rate or requirement. The Company incorrectly inserted the notation "(N)" to mean "no change" which is not in accordance with Section 6.

The notations "(N)" should be deleted or ignored in Exhibit C.

PERSON RESPONSIBLE: James E. Ziolkowski

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-011

REQUEST:

Refer to the Application, Appendix D.

a. Refer to page 6 of 33.

   (1) Explain why the economic option for the PowerShare program has been discontinued.

   (2) Explain whether Duke Kentucky is considering the recommendation to develop additional ways to reinforce customers' knowledge of current and upcoming PowerShare program features.

b. Refer to page 11 of 33. Provide the incentive payment for Duke Kentucky for 2016.

c. Provide any PowerShare emergency events that occurred in Duke Kentucky's territory to date for the year 2016.

d. Explain whether the participant is notifed that his or her energy curtailment during an event is sufficient and how this notification occurs.

e. Provide the penalty for customer's that do not curtail their loads when called upon to do so.

f. Explain whether Duke Kentucky is investigating an interruptible program that would benefit Duke and not PJM.

RESPONSE:

a. (1) There were two main reasons for not offering the CallOption economic program in 2015: 1) The capacity market in PJM is increasing in price and the energy market has been lower in recent years. This has shrunk the potential savings opportunities for economic events relative to the value of capacity (emergency) based events. Duke Energy Kentucky still enrolls all CallOption Emergency customers in the PowerShare® QuoteOption program which leaves an avenue for calling economic events in periods of high prices. 2) Several of the participating PowerShare® CallOption customers in Duke Energy Kentucky also participate in the program in Duke Energy Ohio. It was desired to make these programs more consistent to reduce complexity and/or confusion for customers and Duke Energy staff. The Duke Energy Ohio program has been structured as CallOption Emergency with QuoteOption since 2014, and this has worked well in our experience for the DEOK zone of PJM.

(2) Duke Energy Kentucky provides training to the assigned Account Executives who work with these customers. Since customers sign up for PowerShare® on an annual basis, each year the Account Executive has the opportunity to fully inform customers on the program changes and potential for future program features. This process includes a program brochure and other leave-behind information. In addition, the Account Executives are encouraged to follow-up with customers in May, before the program year begins on June 1. During this timeframe, customers should be reminded of program parameters, ensure that Duke Energy Kentucky has the correct contact information for event communications and answer any questions that the customer may have. There are program summaries

(like shown in the table for answer "b") that are provided to customers as a "cheat sheet" to help them manage their way through the event season. Duke Energy Kentucky is continuing to look for ways to improve this communication and provide better resources for customers to address this stated need.

b. See table below for 2016 offers:

	CallOption - Summer Only	CallOption -- Extended Summer	CallOption -- Annual
Emergency Events			
Event Incentive Credit ($/kWh)	$0.20	$0.20	$0.20
Premium Credit ($/kW)	$28	$36	$42
Maximum # of Events	10	Unlimited	Unlimited
Advanced Notice	30 Minutes	30 Minutes	30 Minutes
Interruption Length	1 to 6 hours	1 to 10 hours	1 to 10 hours
Buy-Through Energy	Unavailable	Unavailable	Unavailable
Max Consecutive Days	5	Unlimited	Unlimited
Eligible Months	June-September	June-Oct, & May	June -May
Curtailment Time Period	noon to 8 pm	10 am to 10 pm	Summer -10 am to 10 pm, Nov-April - 6 am to 9 pm
Weekends/Holidays	excluded	included	included
Events Declared by	PJM	PJM	PJM

c. No PowerShare Emergency events were called in 2016. The annual curtailment test to meet PJM requirements was conducted on September 1, 2016 from 4 pm to 5 pm.

d. Duke Energy Kentucky does not provide real-time feedback on customer curtailment performance. The information is not available from Duke Energy Kentucky until the following morning.

e. The program service agreement states *"...Customer shall pay to Company for each kWh of load not so reduced the Real-Time LMP plus applicable Deviation Charges, plus all other costs incurred by Company as a result of Customer not meeting its commitment and may either be removed from the PowerShare*

CallOption program or receive an adjustment to the contract 'Option Load' for the remaining Program Year." In other words, they are structured so that noncomplying customers will pay all the noncompliance charges/penalties that PJM bills Duke Energy Kentucky for an event. No other customers should see any bill impacts from the noncompliant actions of any PowerShare® CallOption Emergency customers. As such, is not constructed as a flat "penalty charge" which may either over collect or under collect based on the actual circumstances and charges from PJM.

f. Duke Energy Kentucky is investigating other demand response program features/options that can be provided through the PowerShare® program. For example, if PJM's requirements for "Capacity Performance" in 2020 is seen as too onerous for customers, Duke Energy Kentucky is planning to offer options that are summer-only or have caps on the number of events in an effort to create more demand response resource—even if it can't be registered with PJM.

PERSON RESPONSIBLE: Rich Philip

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-012

REQUEST:

Refer to the Application, Appendix E.

a. Refer to page 7 of 585. Explain why only one Kentucky participant had a completed site visit and Measurement and Verification report.

b. Refer to page 7 of 585. Confirm that the Ohio evaluation results were used to extrapolate findings for all of the 55 Kentucky projects. If confirmed, explain whether Cadmus plans to initiate impact evaluation results for Kentucky projects.

c. Describe the steps that were taken to ensure that the extrapolated realization rates from Ohio were representative for the Kentucky projects.

d. Explain why process projects underperformed relative to program estimates and how Duke Kentucky plans to improve the program estimates.

RESPONSE:

a. The Non-Residential Custom Program had limited participation in Kentucky during the evaluation period referenced in the Measurement and Verification report. In order to achieve desired statistical precision (±10% at 90% confidence), an adequate sample size is required. Due to limited Duke Energy Kentucky program participation and the desire to minimize costs, Ohio and Kentucky participants were combined for the sampling.

b. The findings from the Duke Energy Ohio evaluation were used to extrapolate findings for all of the 55 Duke Energy Kentucky (DEK) projects. Due to the

limited budget that was available to conduct the DEK evaluation, there was the need to limit costs without sacrificing desired precision. In addition, the sample required that projects be allocated across the different technology categories such as HVAC, Lighting, and Process in order to estimate impacts by technology. Since the Custom Program operations are identical between DEO and DEK, the evaluator determined that leveraging Ohio-specific participants and extrapolating the results to Kentucky would accomplish all three requirements. In the end, costs for the DEK evaluation totaled $42,000, while costs for the DEO evaluation totaled slightly more than $907,000.

c. The initial step involved establishing a sampling strategy that separated projects into Lighting, HVAC, and Process technology categories. The next step was to draw size-stratified samples from each technology category to estimate a technology-specific savings realization rate that can be applied to Kentucky projects.

d. While process projects had a tendency to underperform in this specific impact evaluation, this hasn't been the case historically or consistently over the course of previous evaluation periods, especially those relying on data from neighboring OH participants. Overall, we would agree with the evaluation report that underperformance during this particular review period is due to either overestimation of baseline loads (VFD speed) or underestimation of proposed loads (VFD speed).

The Custom Program will continue to place emphasis on the post-installation data required to verify savings of such projects, in addition to verification of baseline assumptions, through data of baseline equipment when necessary. Additionally,

exploration into such complex process projects being eligible for incentives via a new performance-based approach should assist in addressing underperformance of such projects (as compared to claimed savings).

PERSON RESPONSIBLE: Jean Williams

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-013

REQUEST:

Refer to Appendix E, pages 46-585 of 585.

a. Confirm that the evaluation from pages 46 to 585 are for only Duke Energy Ohio ("Duke Ohio") and not Duke Kentucky.

b. If the answer to part a. is yes, explain why the Duke Ohio evaluations are a part of this filing.

c. If the answer to part a. is yes, explain whether Duke Kentucky or Duke Ohio is paying for the cost of the evaluations, Duke Kentucky or Duke Ohio.

d. Provide the cost of the evaluations that pertain to Duke Kentucky broken down by evaluation.

RESPONSE:

a. There is one DEK evaluation included in pages 46 to 585. It is entitled "Air Compressor Replacement M&V Report" and it is located in pages 544 to 562.

b. The Duke Energy Ohio evaluations are included in this filing since the results of these evaluations served as the basis for the Duke Energy Kentucky evaluation results.

c. As indicated in STAFF-DR-01-12(b), Duke Energy Kentucky incurred a portion of the costs for the Non-Residential Custom Program evaluation.

d. The total cost for the Duke Energy Kentucky Non-Residential Custom Program, for both the process section and impact sections, was $42,083.

PERSON RESPONSIBLE: Jean Williams

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-014

REQUEST:

Refer to Exhibit F, page 4 and 18 of 21.

a. Confirm that participating dealers and trade allies offer incentives through the Residential Smart Saver HVAC program only to Duke Kentucky's customers. Explain how this is corroborated and what process the dealers and trade allies use to ensure that only Duke Kentucky's customers are receiving the incentive payments.

b. Explain why "many customers" would be unaware that the incentive was provided through a Duke Kentucky program.

RESPONSE:

a. All incentives applied for by the trade ally network are received by the Program and reviewed against the Duke Energy Kentucky residential electric customer database as part of the application validation process. If applications are found to have been submitted for Non-Duke Energy Kentucky electric customers, the applications are rejected and no incentive is paid. A similar program is operated by Duke Energy Ohio which employs a consistent process enabling the Programs to ensure charges are adequately and appropriately allocated to the various jurisdictions.

b. The explanation as to why many customers would be unaware that the incentive was provided through a Duke Energy Kentucky program is primarily due to two

reasons; lack of program marketing and the trade ally presentation of their job quotes. Because replacing an HVAC system only happens every 15 to 20 years and is very difficult to predict, the program has not historically provided a lot of marketing efforts making customers aware of these incentives. Instead, the program has leveraged the trade ally network as the primary marketing channel as the way to inform customers that the incentive is available at the point and time they are making their decision. The second reason customers may not be aware that the incentive is from the Duke Energy Kentucky program, trade ally presentation, is simply that many times these trade allies are offering multiple rebates, incentives, and specials that they present in their totality. For example, a trade ally proposal may only show the customers three data points: the original price, the total amount of credits being offered, and the total price the customer will pay but the total amount of credits may really be a bundle of rebates from Duke Energy Kentucky, the equipment manufacturer, and/or other "special" being run by the trade ally at the time of purchase. This may make the process of submitting and reviewing estimates easier and more efficient for both the trade ally and customer but does not provide the customer with transparency that the credits they are receiving, in total or in part, are coming from the Duke Energy Kentucky Program.

PERSON RESPONSIBLE: Nathan Cranford

Duke Energy Kentucky
Case No. 2016-00289
Staff First Set of Data Request
Date Received: September 27, 2016

STAFF-DR-01-015

REQUEST:

Refer to Exhibit G, page 17 of 76. Cadmus reports that customers and trade allies can fail to make the distinction between the Smart Saver Prescriptive Program and the Smart Saver Customer Program. Explain whether Duke Kentucky has considered combining these two programs.

RESPONSE:

The programs are already integrated in many aspects; however, there are significantly different processes involved in qualifying projects for eligibility to receive prescriptive or custom incentives. Prescriptive measures are based on typical baselines and high efficiency equipment, whereas custom measures are based on the calculated demand and energy savings associated with a unique project. The custom program also requires pre-approval. Combining the programs into one would not eliminate these differences for the two types of measures involved.

The approach going forward will continue to be close coordination, in particular with marketing to and educating customers and trade allies. In addition, the program teams are considering ways to make the application process seamless for customers and trade allies interested in utilizing both prescriptive and custom incentives.

PERSON RESPONSIBLE: Jean Williams