

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)
ENERGY KENTUCKY, INC. TO AMEND ITS) CASE NO.
DEMAND SIDE MANAGEMENT PROGRAMS) 2017-00324

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, whose status as an intervenor is pending in this matter, and submits these Initial Data Requests to Duke Energy Kentucky, Inc., [hereinafter “Duke” or “Company”] to be answered by October 6, 2017, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity

that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books,

schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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1. Refer to Table 4-A, p. 20, of Duke's 2014 Integrated Resource Plan ("IRP") and Petition, filed on July 31, 2014 in Case No. 2014-00273. Provide the actual amounts for the categories listed in the table for years 2014-2016. For any actual amount in any category that is a difference of more than 5% than the projected amount, provide an explanation as to the deviation.
2. Refer to the IRP in Case No. 2014-00273. The Company noted that its annual planning reserve margin was 13.7% percent.
 - a. Has this planning reserve margin changed since the Company's 2014 IRP?
 - b. What is the actual reserve margin by year from 2014-2016 and expected reserve margin for years 2017-2020?
 - c. What is Duke's target reserve margin?
 - d. What is Duke's target capacity margin?
3. Refer to the IRP in Case No. 2014-00273, on page 53, wherein the company noted that the "IRP assumes that 5% of retail sales would be met with renewable energy sources beginning in 2019, increasing 0.5% annually through 2028. Does the Company still believe this is a reliable assumption?
 - a. Why or why not is this still a reliable assumption?
4. Refer to Figure 8-1, p.63, of Duke's 2014 IRP. Provide the actual amounts for the categories listed in the figure for years 2014-2016. For any actual amount in any category that is a difference of more than 5% than the projected amount, provide an explanation as to the deviation.
 - a. Are the anticipated or projected amounts referred to as "Demand-Side Management" in this figure inclusive of all DSM programs? If not, why not?
 - b. If the answer to (a) above is in the negative, provide the "Demand-Side Management" amounts and programs that are included as "Reductions to Load Forecast."
5. Provide the amount of Duke's off-system sales for each year since 2013, by energy and dollar amounts. Provide these amounts by total annual off-systems sales and by off-systems sales net of off-system purchases.

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6. For any off-system sales that Duke makes, is any portion of the sales returned to customers?
 - a. If “yes”: (i) what portion of the sales is returned to customers, and what portion does Duke retain and (ii) how is any portion of off-system sales returned to customers?

7. Refer to Appendix A to Duke’s 2016 Annual Status Report, filed November 15, 2016 in Case No. 2016-00382. Provide an update of the cost effectiveness of the Non-Residential Programs listed in the Appendix in the same manner as provided in the status report.

8. Refer to p. 5 of the Application in this proceeding, wherein the Company states that it spent 14% more than the forecasted budget for the Smart \$aver Custom program.
 - a. Has the Company, or does the Company intend to recover from customers the additional 14%? If so, how?
 - b. If the response to subpart a., above is “yes,” state under what authority or direction the amount will be recovered (i.e. Commission Order, tariff, etc.).

9. Refer to p. 6 of the Application in this proceeding, wherein the Company states that it is requesting an increase in the Smart \$saver Customer program from \$610,068 to \$2,138,189.
 - a. Confirm that the amount for “Lost Revenues” in the Smart \$saver program as stated on page 2 of Appendix B in this matter is requested to be \$207,789, an increase from \$109,614 as provided in Case No. 2016-00382.
 - b. Are amounts referred to as “Lost Revenues” retained by the Company, that is, are they considered to be amounts designated for shareholders or as savings to customers? Explain your answer fully.
 - c. Confirm that the amount for “Shared Savings” in the Smart \$saver program as stated on page 2 of Appendix B in this matter is requested to be \$402,802, an increase from \$64,889 as provided in Case No. 2016-00382.
 - d. Are amounts referred to as “Shared Savings” retained by the Company, that is, are they considered to be amounts designated for shareholders or as savings to customers? Explain your answer fully.
 - e. If the amounts referred to as “Shared Savings” are split between the Company and customers, how is that amount determined and under what authority (i.e. Commission Order, tariff, etc.)?

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10. Refer to the Application generally. Are the recovery of costs associated with Nonresidential DSM programs limited to Non-residential classes? If not, why not?
11. Refer to the revised tariffs provided by the Company in Appendix G in this matter.
 - a. Provide the marked-up versions of the tariffs in a form where the “deleted” components, such as the terms in text form, are fully viewable.
 - b. Explain, in complete detail, why the “demand” and “demand-related” language in the revised tariffs were deleted, particularly on page one (1) and three (3) of the Appendix.
 - c. Provide the proceeding or authority where the Company received approval to amend the DSM PI from fifteen (15) to ten (10).
 - d. Does the Company believe that the tariffs provided in Appendix G satisfy the requirement of 807 KAR 5:011 Sections 6 & 7? Explain your answer fully.