


VERIFICATION

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


The undersigned, Nicholas Giaimo, Director, RU Gas Operations Fiance, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Nicholas Giaimo Affiant

Subscribed and sworn to before me by Nicholas Giaimo on this 5th day of March, 2019.





NOTARY PUBLIC

My Commission Expires: 11/29/2021

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Cindy Givens, Senior Products & Services Specialist, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.


Cindy Givens, Affiant

Subscribed and sworn to before me by Cindy Givens on this 5th day of March, 2019.


NOTARY PUBLIC

My Commission Expires: July 8, 2022



E. MINNA ROLFES-ADKINS
Notary Public, State of Ohio
My Commission Expires
July 8, 2022

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Bruce L. Sailors, Pricing and Regulatory Solutions Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

Bruce L. Sailors
Bruce L. Sailors, Affiant

Subscribed and sworn to before me by Bruce L. Sailors, on this 5TH day of MARCH, 2019.



ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2024

Adele M. Frisch
NOTARY PUBLIC

My Commission Expires: 1/5/2024

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-001

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Post-Hearing Request for Information (Commission Staff's Post-Hearing Request), Item 3, in which Duke Kentucky's answer was inadequate and nonresponsive. As originally requested, provide a breakdown of expenses, including administrative costs, for the Home Energy Assistance (HEA) Program in 2018.

RESPONSE:

Objection. NKCAC is a separate entity from Duke Energy Kentucky, Inc. Accordingly, the Company does not have access to NKCAC's financial and business records. Without waiving said objection, upon inquiry, the attached document was received from NKCAC in response to this data request: STAFF-POST HEARING-DR-02-001 Attachment. The Company is unable to confirm or verify the information provided by NKCAC.

PERSON RESPONSIBLE: As to objection, Legal
 As to response, Cindy Givens

NKCAC
DUKE ENERGY HEA PROGRAM
SUMMARY OF PROGRAM AND ADMINISTRATIVE COSTS

	<u>2016-17</u>			<u>2017-18</u>		
	<u>PROGRAM OPERATION</u>	<u>ADMINISTRATIVE COSTS</u>	<u>TOTAL</u>	<u>PROGRAM OPERATION</u>	<u>ADMINISTRATIVE COSTS</u>	<u>TOTAL</u>
Direct Expenditures						
Salaries	16,343.41		16,343.41	12,561.22		12,561.22
Fringe benefits	5,135.80		5,135.80	2,833.31		2,833.31
Consulting	706.23		706.23	213.13		213.13
Space	7,888.26		7,888.26	5,447.38		5,447.38
Equipment	71.00		71.00	94.69		94.69
Supplies	431.14		431.14	271.89		271.89
Utilities	1,324.30		1,324.30	1,304.50		1,304.50
Travel	0.00		0.00	163.68		163.68
Client Services	0.68		0.68	1,662.45		1,662.45
Staff Development	0.00		0.00	0.00		0.00
Other Costs	814.64		814.64	0.00		0.00
Indirect Expenditures		7,396.83	7,396.83	0.00	3,373.15	3,373.15
Total Expenditures	32,715.46	7,396.83	40,112.29	24,552.26	3,373.15	27,925.40

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-002

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Post-Hearing Request, Item 4.

a. Explain why Duke Kentucky believes that the 15 percent fee that the Northern Kentucky Community Action Commission (NKCAC) charges to administer the HEA Program is reasonable, and provide cost justification with supporting detailed program costs of the same.

b. Notwithstanding a. above, explain in full detail why Duke Kentucky finds it reasonable to pay NKCAC 15 percent to administer the HEA Program instead of 10 percent, which is the standard for other Community Action Commission agencies that administer much larger funded programs.

c. Explain whether Duke Kentucky has ever reviewed for reasonableness or attempted to renegotiate the 15 percent fee that NKCAC charges to administer the HEA Program to a lower amount. If not, explain in detail why not.

RESPONSE:

a. Duke Energy Kentucky still believes the 15 percent fee that is charged by NKCAC to administer the HEA Program is reasonable. With respect to the administration cost, Duke Energy Kentucky reiterates its response provided to STAFF-DR-01-004 in Case No. 2011-00109.¹ Duke Energy Kentucky asserts that state and federal funding guidelines

¹ *In the Matter of: Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home Energy Assistance Program*, (Ky. P.S.C. June 3, 2011).

prevent NKCAC from using federal dollars to operate anything other than the respective state or federally funded programs. Duke Energy Kentucky further states that NKCAC is required to be ever mindful of proper allocation of cost in administering various programs in order to maintain its funding. NKCAC states that it closely monitors and controls program costs to ensure that its staffing and office operational costs are held to the minimum amount possible to administer the LIHEAP, Wintercare, and HEA programs.

Furthermore, the 15% fee paid to NKCAC goes to cover the cost of providing services to qualifying Duke Energy Kentucky customers. The fee covers a portion of the cost of staff salaries and fringe benefits and occupancy costs for the Neighborhood Centers where customers apply for benefits. Staff perform intake and eligibility for clients who come to the Neighborhood Center. Beyond the initial intake, clients have an opportunity for counseling and education on energy usage, as well as other services offered by NKCAC that may indirectly help them with their utility bills.

b. NKCAC is in the Cincinnati metropolitan area which makes the cost of doing business higher than perhaps other areas of the state where Community Action Agencies may be in less densely populated areas with lower costs of living. Without knowing the other programs to which the data request refers, it is possible that 10% of a much larger program may translate into a significantly greater sum of money than 15% of a smaller fund would derive. Obviously, a larger program would be more likely to be able to take advantage of economies of scale in the administration of a program.

c. NKCAC responded to a request from Duke Energy Kentucky in May 2018. Please see STAFF-POST HEARING-DR-02-002 Attachment.

PERSON RESPONSIBLE: Cindy Givens



May 30, 2018



To whom it may concern:

This letter is to describe the "administrative costs" category for the Duke Energy Home Energy Assistance Program (HEA). We have been granted a 15 percent rate from the Public Service Commission since the program was established. While the descriptive language is "administration" the costs are actually the cost of providing the service. Staff time and space for providing the HEA eligibility determination along with a full assessment of the client's needs so that other services may be accessed according to the situation. The only truly administrative costs within this line item is the accounting services, which we call Indirect Costs. That amount is based on salaries, and makes up a small percent- approximately 6% of the total administrative category.

I hope this clears up the confusion about this line item in the Duke Energy DSM program budget. If not, please do not hesitate to contact me or Dawn Fogarty with any additional questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Williams".

Robert Williams
Interim Executive Director

COVINGTON OFFICE

717 Madison Avenue
Covington KY, 41011

PHONE

859 581-6607
800 783-6607

FAX

859 655-2949

WEB SITE

www.nkcac.org

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-003

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Post-Hearing Request, Item 17, in which Duke Kentucky states that headcount data is not used in determining labor budgets, but instead labor budgets are determined based on salary dollars. Explain in full detail how Duke Kentucky determines labor budgets based on salary dollars.

RESPONSE:

As originally outlined in the testimony of Beau Pratt, O&M budgets are created using a bottoms-up approach from various responsibility centers. Even with union labor wages expected to increase up to 3% depending on the agreement, and non-union labor expected to increase 3.5% annually, corporate efficiency efforts limit total O&M budgets to a 1% increase annually. As a result, responsibility center owners are given the freedom to identify efficiencies to mitigate the impact of wage increases in whatever way they deem appropriate. This may be in the form of fewer labor dollars representing a lower headcount or through other efficiencies in non-labor items. Those responsibility center owners create their budgets and characterize the dollars by resource type (e.g. labor, materials, outside services, etc.) so that performance can be tracked adequately each month. Responsibility owners do not provide headcount data to the budgeting department as part of the budgeting process. Therefore, no budget of headcount exists.

PERSON RESPONSIBLE: Nick Giaimo

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-004

REQUEST:

Provide the individual names of all NKCAC employees and volunteer staff that administer Duke Kentucky's HEA Program.

RESPONSE:

Objection. NKCAC is a separate entity from Duke Energy Kentucky, Inc. Accordingly, the Company does not have access to NKCAC's financial or business records. Without waiving said objection, upon inquiry, the Company was advised by NKCAC that the following NKCAC individuals administer Duke Energy Kentucky's HEA Program:

- Margie Meehan
- Kelli Horn
- Megan Bradford
- Sally Smith
- Teresa Finke
- Jessica Washburn
- Myriah Arnold
- Lauren Keith

The Company is unable to independently confirm or verify this information.

PERSON RESPONSIBLE: As to objection, Legal
 As to response, Cindy Givens

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-005

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Post-Hearing Request, Item 5, in which Duke Kentucky states that NKCAC does not typically exhaust the annual HEA Program funding, and regularly has a funding balance from year to year.

a. Explain in detail why NKCAC has not exhausted the annual HEA Program funds for any of the past five years, from 2014-2018, and the amount of unspent funds for each of those years.

b. Identify all of the methods that both Duke Kentucky and NKCAC promote the HEA Program to Duke Kentucky's customers and the media used for that promotion.

RESPONSE:

Objection. NKCAC is a separate entity from Duke Energy Kentucky, Inc. Accordingly, the Company does not have access to NKCAC's financial and business records. Without waiving said objection, upon inquiry, the following information was received from NKCAC in response to this data request:

a. NKCAC utilizes HEA after all other funding sources have been exhausted. Currently, HEA is a onetime benefit over several months enrolled in the HEA program. If NKCAC would be allowed to use the same model as other CAAS in the state, which enrolls and approves the benefit for up to a year, the client would be able to receive an ongoing benefit without having to be re-approved each time.

b. NKCAC promotes the HEA program during face-to-face interactions with Duke customers and energy assistance is promoted via printed promotional materials, outreach to community partners, and our website.

The Company is unable to independently confirm or verify the information provided by NKCAC above.

Based upon the Company's records from prior DSM filings, the unexpended balances for the HEA program are as follows:

Fiscal Year Ending	credit/(charge)	
June 2014	(\$47,490)	2014 DSM filing
June 2015	\$104,800	2015 DSM filing
June 2016	(\$34,405)	2016 DSM filing
June 2017	(\$49,127)	2017 DSM filing
June 2018	\$47,303	2018 DSM filing
	<u>\$21,081</u>	

These amounts were included in the DSM filing as a credit/(charge) to the customers.

Likewise, the Company promotes the HEA program in a manner similar to that described by NKCAC above.

PERSON RESPONSIBLE: As to objection, Legal
As to response, Cindy Givens

**Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019**

STAFF-POST HEARING-DR-02-006

REQUEST:

Identify what improvements could be made to bring more awareness of the HEA Program to Duke Kentucky's customers.

RESPONSE:

The Company believes that its current communication channels regarding the HEA Program are appropriate. To increase awareness, it would be necessary to increase spending on promotional activities.

PERSON RESPONSIBLE: Cindy Givens

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-007

REQUEST:

Provide the 2018 and 2019 budgets for NKCAC. Include with the 2018 budget a side-by-side comparison of both budgeted and actual expenses.

RESPONSE:

Objection. NKCAC is a separate entity from Duke Energy Kentucky, Inc. Accordingly, the Company does not have access to NKCAC's financial and business records. Upon inquiry, the Company was advised that NKCAC is unwilling to provide a copy of its budgets to the Company for filing with the Commission. Duke Energy Kentucky is therefore unable to provide a response to this request.

PERSON RESPONSIBLE: As to objection, Legal
 As to response, Cindy Givens

**Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019**

STAFF-POST HEARING-DR-02-008

REQUEST:

Provide copies of all agreements/contracts that exist between Duke Kentucky and NKCAC related to the HEA Program.

RESPONSE:

Please see STAFF-POST HEARING-DR-02-008 Attachment.

PERSON RESPONSIBLE: Cindy Givens

AGREEMENT

This **AGREEMENT** (the "**Agreement**") is made on this 25th day of September, 2008 (the "**Effective Date**") by and between Duke Energy Kentucky, Inc. with offices located at 139 East 4th Street, Cincinnati, Ohio (herein referred to as "**Duke Energy**") and the **Northern Kentucky Community Action Commission** a Kentucky non-profit agency with offices located at 717 Madison Avenue, Covington, Kentucky 41011 (herein referred to as the "**NKCAC**").

WHEREAS, Duke Energy and NKCAC desire to partner to assist low-income customers at or below 150% of the federal poverty level ("Eligible Customers") of Duke Energy; and

WHEREAS, Duke Energy has received approval from the Kentucky Public Service Commission to institute a Home Energy Assistance ("HEA") program with funding to be obtained through a monthly charge of ten cents per meter ("Meter Charge") from Duke Energy Kentucky's customers; and

WHEREAS Duke Energy Kentucky anticipates the Meter Charge will generate approximately \$275,748 in funding annually (the "**Annual Program Funds**"), but that actual funding levels may vary depending upon the actual number of customers and meters; and

WHEREAS, assistance to such Eligible Customers will be made through the NKCAC agencies from Duke Energy's **HEA** program; and

WHEREAS, the parties agree to the terms and conditions set forth herein below.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the parties agree as follows:

1. Duke Energy will provide an estimate of the total dollars available from the HEA Program to the NKCAC for each year in July to assist the **Eligible Customers** with their utility bill. This Agreement will commence on September 25, 2008 and will run through June 30 2010 (the "**Agreement Term**"). The Annual Program Funds will be dispersed based on a fiscal year beginning July 1 and ending June 30 of the following year (the "**Duke Funding Program Period**").
2. Eligible Customers can apply for HEA assistance beginning December 1st through June 30 of the respective Duke Funding Program Period for the 2008-2009 Program. Eligible Customers will


be notified by the NKCAC Neighborhood Centers if they qualify for HEA assistance. The NKCAC Neighborhood Centers are attached on Exhibit A, which is incorporated herein by reference. This listing may be updated, revised, modified, amended or supplemented from time to time throughout the duration of the Duke Funding Program Period. Subsequent Program Periods will begin July 1 through July 30 for the remainder of the Program Periods.

3. Eligible Customers will receive a maximum HEA assistance of \$300 per household annually (the "**HEA Assistance**") during the Program Period. In addition, Eligible Customers may not receive more than \$300 per household annually in the aggregate with Duke Energy's WinterCare assistance program.
4. Duke Energy will serve as HEA Program administrator, and will be responsible for HEA Program promotions, collecting funds, and auditing the HEA Program after Program Funds are depleted, or after the end of the Program Period, or at any other interval during the Program Period, as determined by Duke Energy, at Duke Energy's discretion.
5. NKCAC will co-sponsor the HEA Program by managing the application process and notifying Eligible Customers of the HEA Assistance. Duke Energy reserves the right to approve the application process, guidelines or any aspect of the HEA Program.
6. Criteria for Eligible Customers for HEA Assistance are included in Exhibit B, which is attached hereto and incorporated herein by reference.
7. Additional requirements and HEA Program guidelines are included in Exhibit C, which is attached hereto and incorporated herein by reference.
8. NKCAC will receive a fifteen percent (15%) administrative fee for their total HEA Assistance distributions at the end of each month following the distribution of the available funds during the Duke Program Funding Period.
9. NKCAC will accurately record and account for all HEA Program Funds distributed by each Neighborhood Center on a weekly basis. In addition, a final report must be provided at the end of each Duke Program Funding Period.

10. At the end of each Duke Program Funding Period, NKCAC and Duke Energy will audit the HEA Program and the administrative fees set forth in paragraph 8.
11. Duke Energy may terminate this Agreement without any further obligation hereunder at any time upon written notice to the NKCAC. Should Duke Energy terminate this Agreement, all termination and wind up activities shall be completed, if applicable, within thirty (30) days of the termination date. Duke Energy will provide any directions or instructions related to the wind up activities required for its internal operational purposes.
12. Duke Energy reserves the right to revise, modify, supplement, or amend this Agreement at any time upon written notice to NKCAC, including the process and guidelines contained herein.
13. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Kentucky.
14. This Agreement constitutes the entire agreement between the parties related to the subject matter hereof and supersedes all prior or contemporaneous understandings, statements or agreements between the parties on such subject matter.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement on the effective date herein below.

DUKE ENERGY KENTUCKY, INC.

Sign: 
Print: MIKE STARKOV
Title: SOURCING SPECIALIST
Date: 11/19/08

**NORTHERN KENTUCKY
COMMUNITY ACTION
ASSOCIATION**

Sign: 
Print: Florence W. Tandy
Title: Executive Director
Date: _____

EXHIBIT A

**Northern Kentucky Community Action Commission
Community Services Directory**

CENTRAL ADMINISTRATIVE OFFICES
717 Madison Avenue; P.O. Box 931; Covington, KY 41012;
Phone: 859/581-6607; 1-800-783-6607; Fax: 859/655-2949
Executive Director: Florence W. Tandy ext 2938
Community Services Director: Jennifer Belisle ext 2933

Neighborhood Centers

Boone County Neighborhood Center 7938 Tanner's Gate; Florence, KY 41042 Phone: 859/586-9250; Fax: 859/586-7632 County Supervisor: Judy Boggs	Grant County Neighborhood Center 134 North Main Street; Williamstown, KY 41095 Phone: 859/824-4768; Fax: 859/824-1739 County Supervisor: Carrie Pugh
Campbell County Neighborhood Center 437 West 9 th Street; Newport, KY 41071 Phone: 859/431-4177 ; Fax: 859/431-6445 County Supervisor: Beth Andriacco	Kenton County Neighborhood Center 315 E. 15 th Street; Covington, KY 41011 Phone: 859/291-8607; Fax: 859/291-8617 County Supervisor: Kowana Goode
Gallatin County Neighborhood Center 432 West Main Street; Warsaw, KY 41095 Phone: 859/567-4660; Fax: 859/567-2743 Community Worker: Faye Martin	Pendleton County Neighborhood Center 307 Barkley Street; Falmouth, KY 41040 Phone: 859/654-4054; Fax: 859/654-1654 County Supervisor: JoEllen Dawson

EXHIBIT B

**PARTNERSHIP BETWEEN
DUKE ENERGY & NORTHERN KENTUCKY COMMUNITY
ACTION ASSOCIATION**

Eligible Customer Criteria for HEA Assistance:

- Client must be a Duke Energy customer.
- Client must meet the 150% low-income poverty guidelines established by the Commonwealth of Kentucky.

EXHIBIT C

ADDITIONAL REQUIREMENTS AND PROGRAM GUIDELINES

Intent

The Duke Energy Home Energy Assistance Program (HEA) was established to provide low-income clients with energy assistance through funds provided by Duke Energy residential electric customers and residential gas customers. The intent of the program is to provide benefits for eligible households up to 150% of the poverty level who are experiencing an energy crisis when other public and private funding is unavailable.

Eligibility

1.) Home Energy Assistance Program provides assistance to clients up to 150% of the poverty level. Northern Kentucky Community Action Commission (NKCAC) staff will use the most current poverty level guidelines available when determining eligibility. (Poverty guidelines are updated by the Department of Health and Human Services in February of each year.)

2.) The assistance period for Home Energy Assistance Program assistance is July 1 to June 30 (the fiscal year). Eligible client households may receive up to \$300 per assistance period. The household may receive assistance more than once during any assistance period; however, the \$300 maximum may not be exceeded. Funds will be used in coordination with the existing WinterCare fund. Eligible client households may receive up to \$300 per year in the aggregate from both programs.

As a guide, the matrix below denotes availability of energy assistance programs to eligible, income-qualified Duke Energy customers. The overall intent is to provide for the needs of as many NKCAC clients as possible.

Distribution of Energy Assistance Dollars for Kentucky Programs

Client Income Level	LIHEAP* (0%-130%)	WinterCare** (0%-150%)	HEA*** (0%-150%)	Local Discretionary Funds
0%-130%	Subsidy based on a formula; eligible for up to \$400 for the Crisis program	<ul style="list-style-type: none"> Eligible if a need exists <u>after</u> LIHEAP benefits are exhausted May receive benefits from either or both programs, but benefit amount in the aggregate is capped at \$300 during assistance period 		If funds are available
131%-150%	NOT ELIGIBLE	<ul style="list-style-type: none"> May receive benefits from either or both programs, but benefit amount in the aggregate is capped at \$300 during assistance period 		If funds are available

*LIHEAP is funded through federal dollars, but is administered through the Cabinet for Health and Family Services.

**WinterCare is funded through voluntary donations from Duke Energy, its employees and customers.

***HEA is funded through a 10 cents-per-account charge on Duke Energy residential customer bills.

3.) Individual household benefits will be based on the amount needed to alleviate a crisis. For the purpose of Home Energy Assistance Program assistance, "crisis" is defined as having a past due portion of the household's utility bill. A disconnection notice is not necessary to receive assistance from Home Energy Assistance Program funds. NKCAC staff will verify the crisis by calling Duke Energy's customer service representatives to determine the total amount owed and the minimum amount needed to alleviate the crisis.

If there is a legitimate, verifiable reason that the client should receive more than the past due portion of the bill in order to avoid a future crisis, or to avoid applying for more assistance in the near future, staff may provide a higher benefit amount, not to exceed the \$300 maximum. The reason, along with supporting documentation will be noted in the client's case file.

4.) The program will be promoted through the following means:

- Duke Energy will add information about the program on its Web site (www.Duke-Energy.com) for customers looking for payment options or assistance.
- Duke Energy will train customer service representatives on program details to route potentially eligible callers to NKCAC for assistance.
- NKCAC will add information about the program on its Website (www.nkcac.org).
- NKCAC will provide the United Way 211 Helpline with information on the program for households looking for assistance in the region, so Call Specialists can conduct eligibility pre-screening.
- NKCAC will also screen clients who apply for Low-Income Home Energy Assistance Program (LIHEAP) benefits, to determine if households over-income for LIHEAP may be eligible for HEA benefits.

5.) Applicants for HEA assistance will also be provided a referral to Duke Energy Weatherization services by the utility's weatherization provider. Each client will receive a weatherization program brochure. NKCAC will also generate a list of client contact information for applicants who have indicated that they are interested in weatherization services, and transmit monthly to the weatherization provider.

The weatherization provider shall transmit to NKCAC monthly a list of weatherization completions in the region. Information will be used to assist families who need additional weatherization services.

Starkey, Mike

From: Langston, John D
Sent: Tuesday, November 11, 2008 4:52 PM
To: Starkey, Mike
Cc: Ball, Pam; Andrews, Lisa C; Corn, Michael W
Subject: RE: Approval - WinterCare Program - NKCAC

Mike,

I approve the contract and authorize payments to NKCAC up to a maximum of 441,362/year or \$82,724 in total for the term of the agreement.

Thanks,

John D.

From: Starkey, Mike
Sent: Tuesday, November 11, 2008 3:08 PM
To: Langston, John D
Cc: Ball, Pam
Subject: RE: Approval - WinterCare Program - NKCAC

John,

Please review the following information and attached agreement with NKCAC:

NKCAC – Agreement (HEA Assistance)

This contract is for the HEA assistance program through June 30, 2010 in Kentucky. NKCAC will receive a maximum of \$41,362/year or **\$82,724** in total for this agreement.

In order for me to execute the agreement with this supplier, I need authorization for the above amount. Please reply to this email with your approval. Let me know if you have any questions.

Thanks,
Mike

11/12/2008

Duke Energy Kentucky, Inc./Northern Kentucky Community Action Commission

**Amendment No. 1
to
Agreement (WinterCare Assistance)**

This is Amendment No. 1, dated as of November 1, 2008, to Agreement, dated as of September 19, 2007, by and between Duke Energy Kentucky, Inc. ("Duke Energy") and Northern Kentucky Community Action Commission ("NKCAC").

Section 1 of Agreement is amended and restated in its entirety as follows:

1. Duke Energy Kentucky will donate Twenty Five Thousand Dollars (\$25,000)(the "Program Funds") to the NKCAC for each calendar year in January of that same year (the "Duke Funding Program Period") to assist low-income customers (the "Eligible Customers") with their utility bill (the "Program"). The Duke Program Funding Period will commence on January 1, 2008 and Program Funds will be dispersed throughout 2010.

Section 2 of Agreement is amended and restated in its entirety as follows:

2. Duke Energy employees and customers will also be able to make donations available for distribution to Eligible Customers (also considered to be included in the definition of "Program Funds") during the Duke Program Funding Period. Duke Energy will match customer and employee donations to collectively provide up to an additional Twenty Five Thousand Dollars (\$25,000) for each calendar year for a maximum combined donation of Fifty Thousand Dollars (\$50,000) each calendar year from Duke Energy and its employees and customers during the Duke Funding Program Period.

Section 3 of Agreement is amended and restated in its entirety as follows:

3. Eligible Customers can apply for WinterCare assistance beginning July 1 for the next calendar year through June 30 of the respective calendar year and they will be notified by the NKCAC Neighborhood Centers if they are eligible for WinterCare assistance. The NKCAC Neighborhood Centers are attached on Exhibit A, which is incorporated herein by reference. This listing may be updated, revised, modified, amended or supplemented from time to time throughout the duration of the Duke Funding Program Period.

Section 4 of Agreement is amended and restated in its entirety as follows:

4. Eligible Customers will receive a maximum WinterCare assistance of \$300 per household (the "WinterCare Assistance") during the Program Period, limited to one time annually.

Section 8 of Agreement is amended and restated in its entirety as follows:

8. For each calendar year, NKCAC will receive a five percent (5%) administrative fee totaling (\$2,500) of the \$50,000 estimated Duke Energy Kentucky contribution to WinterCare at the beginning of the Duke Program Funding Period.

Section 10 of Agreement is amended and restated in its entirety as follows:

10. NKCAC will accurately record and account for all Program Funds distributed by each Neighborhood Center and provide to Duke Energy at the end of each calendar year, Duke Program Funding Period, or earlier upon request by Duke Energy.

Exhibit A of Agreement is amended and restated in its entirety as attached hereto:

All other terms and conditions of the Agreement, as amended, shall remain unchanged and in full force and effect.

Accepted by:

Duke Energy Kentucky, Inc.

By: Mike Starkey
Authorized Signature

MIKE STARKEY 11/19/08
Name (Type or Print) Date

Title: SOURCING SPECIALIST

Accepted by:

Northern Kentucky Community Action Commission

By: [Signature]
Authorized Signature

Florence W. Tandy
Name (Type or Print) Date

Title: Executive Director

Duke Energy Kentucky
Case No. 2018-00261
Staff Second Set Post Hearing Data Requests
Date Received: March 1, 2019

STAFF-POST HEARING-DR-02-009

REQUEST:

Provide all tariff pages that have been revised since Duke Kentucky initially filed the pending application, and ensure that the tariff pages reflect the most current effective revisions. Examples of tariff pages that have been revised include but are not limited to: Rider GCAT, the Gas Cost Adjustment portion of monthly rates, and Rider DSMR.

RESPONSE:

See STAFF-POST HEARING-DR-02-009 Attachment 1 through STAFF-POST HEARING-DR-02-009 Attachment 7. These gas tariff sheets are currently effective and have been revised since Duke Energy Kentucky initially filed this pending application.

Attachment	Tariff Sheet Description
STAFF-POST HEARING-DR-02-009 Attachment 1	Sheet No. 10, Index
STAFF-POST HEARING-DR-02-009 Attachment 2	Sheet No. 30, Rate RS
STAFF-POST HEARING-DR-02-009 Attachment 3	Sheet No. 31, Rate GS
STAFF-POST HEARING-DR-02-009 Attachment 4	Sheet No. 62, Rider DSMR
STAFF-POST HEARING-DR-02-009 Attachment 5	Sheet No. 63, Rider ASRP
STAFF-POST HEARING-DR-02-009 Attachment 6	Sheet No. 64, Rider TCJA
STAFF-POST HEARING-DR-02-009 Attachment 7	Sheet No. 77, Rider GCAT

PERSON RESPONSIBLE: Bruce L. Sailors

Duke Energy Kentucky, Inc.
 4580 Olympic Blvd.
 Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
 Two-Hundred-Eighth
 Revised Sheet No.10
 Cancelling and Superseding
 Two-Hundred-Seventh
 Revised Sheet No. 10
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INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

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Issued by authority of an Order of the
 Kentucky Public Service Commission
 dated February 14, 2019 in Case No. 2019-00036

Issued: March 1, 2019
 Effective: March 1, 2019
 Issued by Amy B. Spiller

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Two-Hundred-Eighth
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Cancelling and Superseding
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Duke Energy Kentucky, Inc.
 4580 Olympic Blvd.
 Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
 Two-Hundred-Eighth
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 Cancelling and Superseding
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INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

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KY. P.S.C. Gas No. 2
 One-Hundred-Ninety-Third
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Duke Energy Kentucky, Inc.
 4580 Olympic Blvd.
 Erlanger, Kentucky 41018

**RATE RS
 RESIDENTIAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
 All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month:					\$16.00
	<u>Delivery</u>		<u>Gas Cost</u>		<u>Total Rate</u>
	<u>Rate</u>		<u>Adjustment</u>		
Plus a commodity Charge for					
all CCF at	\$0.37213	plus	\$0.4057	Equals	\$0.77783 (R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the
 Kentucky Public Service Commission
 dated February 14, 2019 in Case No. 2019-00036

Issued: March 1, 2019
 Effective: March 1, 2019
 Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.
 4580 Olympic Blvd.
 Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
 One Hundred-Ninety-Third
 Revised Sheet No. 31
 Cancelling and Superseding
 One-Hundred-Ninety-Second
 Revised Sheet No. 31
 Page 1 of 1

**RATE GS
 GENERAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
 All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$47.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.4057	Equals	\$0.61100	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
 Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the
 Kentucky Public Service Commission
 dated February 14, 2019 in Case No. 2019-00036

Issued: March 1, 2019
 Effective: March 1, 2019
 Issued by Amy B. Spiller, President

Duke Energy Kentucky
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Twenty-Third Revised Sheet No. 62
Cancels and Supersedes
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RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$(0.040856) per hundred cubic feet. (R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service
Commission dated September 13, 2018 in Case No. 2017-00427.

Issued: October 2, 2018
Effective: October 1, 2018
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2
Second Revised Sheet No. 63
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RIDER ASRP

ACCELERATED SERVICE REPLACEMENT PROGRAM RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company's sales and transportation rate schedules.

CALCULATION OF ACCELERATED SERVICE REPLACEMENT RIDER REVENUE REQUIREMENT

The ASRP Rider revenue requirement includes the following:

- a. ASRP-related Plant In-Service not included in base gas rates minus the associated ASRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to ASRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital, using the capital structure and debt rates from the most recent base gas rate case and using a 9.7% ROE, grossed up for federal and state income taxes;
- d. Depreciation expense on the ASRP-related Plant In-Service less retirements and removals;
- e. Property taxes related to ASRP and;
- f. Operation and Maintenance Costs for reconnaissance and relocation of meters.

ACCELERATED SERVICE REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate RS and Rate GS shall be assessed a separate monthly charge that will enable the Company to complete the service replacement program. This monthly charge is in addition to the Customer Charge component of their applicable rate schedule, as well as any other applicable monthly charges. Customers receiving service under Rate DGS, Rate FT-L, Rate IT and Rate SSIT will be assessed a separate throughput charge in addition to their commodity delivery charge, for that purpose.

Rider ASRP will be updated annually, to reflect the anticipated impact on the Company's revenue requirements of net plant additions and projected operations and maintenance expense during the upcoming calendar year. Such adjustments to the Rider will become effective with the first billing cycle of January, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission. After each year, the Company will submit a balancing adjustment to true-up the actual costs with the projected program costs for the preceding year. Any balancing adjustment will become effective with the first billing cycle on or after the effective date of the change.

Duke Energy Kentucky, Inc.
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Erlanger, Kentucky 41018

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ACCELERATED SERVICE REPLACEMENT PROGRAM FACTORS (Contd.)

(T)

The charges for the respective gas service schedules for the revenue month beginning January 2019 are:

(T)

Rate RS, Residential Service	\$3.22/month	(I)
Rate GS, General Service	\$3.21/month	(I)
Rate DGS, Distributed Generation Service	\$0.00078/CCF	(I)
Rate FT-L, Firm Transportation Service – Large	\$0.00078/CCF	(I)
Rate IT, Interruptible Transportation Service	\$0.00067/CCF	(I)
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00067/CCF	(I)

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Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
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RIDER TCJA

TAX CUTS AND JOBS ACT RIDER

(N)

APPLICABILITY

Applicable to all customers receiving service under Rate RS, Residential Service, Rate GS, General Service, Rate IT, Interruptible Transportation, and Rate FT-L, Firm Transportation.

RATE

The monthly billing amount calculated for each rate schedule for which this credit rider is eligible shall decrease by the billed usage multiplied by the applicable rate below.

TCJA Surcredit per Ccf

Effective November 1, 2018 and through at latest March 31, 2019

Residential (Rate RS)	\$0.0443 / Ccf
Non-Residential (Rates GS, IT, and FT-L)	\$0.0353 / Ccf

If new base rates from KYPSC Case No. 2018-00261 are not effective by April 1, 2019, then effective April 1, 2019, and until new base rates are effective, Rider TCJA rates are:

Residential (Rate RS)	\$0.0251 / Ccf
Non-Residential (Rates GS, IT, and FT-L)	\$0.0200 / Ccf

TERM

The Rider TCJA rates shown on this page will be effective until the earlier of the effective date of new base rates or until future order by the Commission to modify or eliminate the rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service
Commission dated October 31, 2018, in Case No. 2018-00036.

Issued: November 12, 2018

Effective: November 1, 2018

Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Sixty-Seventh Revised Sheet No. 77
Cancelling and Superseding
Sixty-Sixth Revised Sheet No. 77
Page 1 of 1

RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve-month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.0315 per 100 cubic feet. This rate shall be in effect during the month of March 2019 through May 2019 and shall be updated quarterly, concurrent with the Company's GCA filings. (I)
(T)

Issued by authority of an Order of the Kentucky Public Service
Commission dated February 14, 2019 in Case No. 2019-00036

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Issued by Amy B. Spiller, President