

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: )  
 )  
THE ANNUAL COST RECOVERY FILING ) Case No. 2018-00370  
FOR DEMAND SIDE MANAGEMENT BY )  
DUKE ENERGY KENTUCKY, INC. )

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MOTION OF DUKE ENERGY KENTUCKY, INC.  
TO AMEND ITS HOME ENERGY ASSISTANCE PROGRAM

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Pursuant to KRS 278.285, Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company) moves the Commission for an Order to amend its Home Energy Assistance (HEA) program. In support of this Motion, Duke Energy Kentucky states as follows:

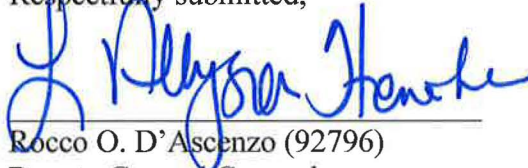
Duke Energy Kentucky proposes to amend its HEA program in order to increase the availability of funds to assist low income customers in paying energy bills, reduce the overall administrative fees associated with the expanded program and provide greater coverage for eligible participants in the seven months of the year when energy bills are typically the highest. In support of this Motion, Duke Energy Kentucky attaches and incorporates herein: (1) a revised HEA tariff as **Exhibit A**; and (2) the testimony of Cindy Givens, Program Manager of Customer Assistance Funds & Community Outreach as **Exhibit B**. Additional attachments to Ms. Givens' testimony provide further explanation as to the nature of the changes to the HEA program being proposed by the Company.

Duke Energy Kentucky's current HEA program has been approved through December 31, 2020. With this Motion, the Company requests that the Kentucky Public Service Commission ("Commission") approve this amendment to the HEA program for an additional three-year term beyond the current program duration, or through December 31, 2023.

Duke Energy Kentucky submits that the circumstances outlined herein and in Ms. Givens' testimony constitute "good cause" and therefore requests the Commission to approve this motion and determine that additional publication of notice beyond that previously published and filed herein is unnecessary.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission grant the relief requested in this Motion.

Respectfully submitted,



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*Counsel for Duke Energy Kentucky, Inc.*

**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on July 2, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission within two business days.



*L. Alyson Honecker*

*Counsel for Duke Energy Kentucky, Inc.*

# Exhibit A

Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, KY 41018

KY.P.S.C. Electric No. 2  
Twenty-Fifth Revised Sheet No. 78  
Cancels and Supersedes  
Twenty-Fourth Revised Sheet No. 78  
Page 1 of 1

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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. 75 of this Tariff.

The DSMR to be applied to residential customer bills is (\$0.000061) per kilowatt-hour.

A Home Energy Assistance Program (HEA) charge of \$0.20 will be applied monthly to residential customer bills through December 2020. (I)

The DSMR to be applied to non-residential distribution service customer bills is \$0.005024 per kilowatt-hour.

The DSMR to be applied for transmission service customer bills is \$0.000637 per kilowatt-hour.

Issued by authority of an Order by the Kentucky Public Service  
Commission dated December 13, 2018 in Case No. 2018-00370.

---

Issued: July 1, 2019  
Effective: August 1, 2019  
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, KY 41018

KY.P.S.C. Electric No. 2  
~~Twenty-Fifth Revised Sheet No. 78~~  
Cancels and Supersedes  
~~Twenty-Fourth Revised Sheet No. 78~~  
Page 1 of 1

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A Home Energy Assistance Program (HEA) charge of \$0.20 will be applied monthly to residential customer bills through December 2020.

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The DSMR to be applied to non-residential distribution service customer bills is \$0.005024 per kilowatt-hour.

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Issued by authority of an Order by the Kentucky Public Service  
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Issued: ~~July 1, 2019~~  
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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Twenty-Sixth Revised Sheet No. 62  
Cancels and Supersedes  
Twenty-Fifth Revised Sheet No. 62  
Page 1 of 1

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## **RIDER DSMR**

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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 \$(0.018491) per hundred cubic feet.

A Home Energy Assistance Program (HEA) charge of \$0.20 will be applied monthly to residential customer bills through December 2020. (I)

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 December 13, 2018 in Case No. 2018-00370.

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Issued: July 1, 2019  
Effective: August 1, 2019  
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Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
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Page 1 of 1

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Issued by authority of an Order by the Kentucky Public Service  
Commission dated December 13, 2018 in Case No. 2018-00370.

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Effective: August 1, 2019  
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# Exhibit B

**COMMONWEATH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of: )  
 )  
THE ANNUAL COST RECOVERY FILING ) Case No. 2018-00370  
FOR DEMAND SIDE MANAGEMENT BY )  
DUKE ENERGY KENTUCKY, INC. )

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**DIRECT TESTIMONY OF**

**CINDY GIVENS**

**ON BEHALF OF**

**DUKE ENERGY KENTUCKY, INC.**

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July 2, 2019

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## I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

2 A. My name is Cindy Givens and I am a Senior Products and Services Specialist for  
3 Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company). In that  
4 capacity, I serve as the Company's Program Manager for Customer Assistance  
5 Funds & Community Outreach. My business address is 139 East 4<sup>th</sup> Street, Room  
6 424M, Cincinnati, Ohio 45202.

7 **Q. WHAT IS YOUR BACKGROUND AND EXPERIENCE?**

8 A. I have been employed by Duke Energy (formerly Cincinnati Gas & Electric  
9 Company and Cinergy) since December 1978 in various roles in Nuclear Fuel &  
10 Advanced Engineering Projects and Customer Relations. I managed the Customer  
11 Relations Regulatory Complaint Resolution team serving Ohio, Kentucky and  
12 Indiana from 2007 through 2010 and served as a Company witness in Customer  
13 Service matters in formal complaint hearings and other forums. Since January  
14 2010, I have managed Customer Assistance Funds and Low-Income Agency  
15 relationships across the Duke Energy footprint. I attended Cincinnati Technical  
16 and Community College from 2008 through 2010.

17 **Q. WHAT DOES YOUR JOB AS A PROGRAM MANAGER FOR CUSTOMER  
18 ASSISTANCE FUNDS AND COMMUNITY OUTREACH INVOLVE?**

19 A. I am primarily responsible with overseeing the Duke Energy Customer Assistance  
20 Programs, including the Company's Wintercare Program (Wintercare) and the  
21 Home Energy Assistance (HEA) program as they relate to Duke Energy Kentucky,  
22 providing funding to partner non-profit and state agencies to assist eligible

1 customers in need with their utility bills. I am also responsible for developing,  
2 promoting and maintaining strong relationships with local social service, faith-  
3 based and community organizations in the communities through planning and  
4 facilitating quarterly/annual meetings across Duke Energy footprint.

**II. OVERVIEW OF KENTUCKY OPERATIONS**

5 **Q. WHAT IS THE COMPANY PROPOSING IN THIS FILING?**

6 A. Duke Energy Kentucky proposes to amend the HEA Program to enhance its ability  
7 to serve customers while also lowering the overall cost of administering the  
8 program as a percentage of disbursed funds.

9 **Q. WHAT IS THE CURRENT STATUS OF THE HEA PROGRAM?**

10 A. The Kentucky Public Service Commission (Commission) most recently approved  
11 Duke Energy Kentucky's HEA Program by Order dated June 21, 2017, in Case No.  
12 2017-00189 (Order).<sup>1</sup> Among other things, the Order required Duke Energy  
13 Kentucky to file an application to continue (or terminate) the HEA program no later  
14 than six months prior to the expiration of the program, December 31, 2020.<sup>2</sup>

15 **Q. WHY IS DUKE ENERGY KENTUCKY PROPOSING TO AMEND THE**  
16 **HEA PROGRAM A FULL YEAR BEFORE ANY ACTION IS REQUIRED?**

17 A. Duke Energy Kentucky, along with the Northern Kentucky Community Action  
18 Council (NKCAC), believes it is possible to amend the HEA program to provide a  
19 greater level of service and benefits to qualifying customers than is currently  
20 available under the existing HEA program. These changes include, but are not

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<sup>1</sup> *In the Matter of the Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home Energy Assistance Program*, Order, Case No. 2017-00189 (Ky. P.S.C. June 21, 2017).

<sup>2</sup> See *Id.* p. 4.

1 limited to: 1) increasing the funding mechanism; 2) amending the program to  
2 include funding for both a pre-weatherization/safety component; and 3) modifying  
3 the assistance from a crisis-based program to an ongoing bill subsidy during  
4 specific months where energy usage is typically the highest due to weather so as to  
5 encourage bill management and reduce the likelihood of disconnections. These  
6 program enhancements will significantly benefit customers, so there is value in  
7 proposing the changes well before the Commission's most recent Order requires  
8 Duke Energy Kentucky to do so.

9 **Q. HAS DUKE ENERGY KENTUCKY DETERMINED WHAT PRECISELY**  
10 **WOULD CHANGE IN THE HEA PROGRAM?**

11 A. Yes. A revised HEA Program Tariff is attached as Exhibit A to the motion  
12 accompanying my testimony. In addition, Attachment 1 to my testimony is a new  
13 Memorandum of Understanding (MOU) negotiated between NKCAC and Duke  
14 Energy Kentucky that will lower the administrative costs going forward and  
15 provide greater transparency and reporting. Attachment 2 to my testimony is a  
16 document outlining a communications plan to better promote the HEA Program in  
17 the communities we serve.

18 **Q. WERE THESE ATTACHMENTS PREPARED BY YOU OR BY SOMEONE**  
19 **WORKING AT YOUR DIRECTION?**

20 A. Yes. I ask that they be incorporated by reference into my testimony.

21 **Q. PLEASE DESCRIBE THE HEA PROGRAM AS IT CURRENTLY EXISTS.**

22 A. The existing HEA program is administered by NKCAC as a supplement to Duke  
23 Energy Kentucky's Wintercare program.

1 **Q. WHAT IS THE WINTERCARE PROGRAM?**

2 A. The Wintercare program provides bill crisis assistance to low-income customers  
3 with an income level at or below 150 percent of the federal poverty guidelines to  
4 help pay their gas and/or electric bills. The Wintercare program is completely  
5 funded by Duke Energy Kentucky employees, customers, and shareholders. Duke  
6 Energy Kentucky provides an initial \$25,000 in funding, along with an additional  
7 corporate match of up to \$25,000 for donations provided by customers or  
8 employees. This results in approximately \$75,000 in Wintercare funding each year.

9 **Q. HOW DOES THE HEA PROGRAM CURRENTLY WORK WITHIN THE**  
10 **WINTERCARE PROGRAM?**

11 A. Presently, Duke Energy Kentucky customers with an income level of up to 150  
12 percent of the federal poverty guidelines are also eligible for HEA assistance to the  
13 extent Wintercare or other assistance programs are unable to satisfy the customer's  
14 immediate bill crisis. In other words, to the extent qualifying customers have other  
15 assistance available at the time of need and satisfy the crisis, *e.g.*, LIHEAP or  
16 Wintercare, HEA program funds are not currently expended for those customers.  
17 HEA funds are only available for income-qualifying customers once other low-  
18 income program funds have been depleted. The assistance period for the HEA  
19 program is a July 1 to June 30 fiscal year and eligible customers may receive up to  
20 \$300 per assistance period.

21 **Q. HOW IS THE HEA PROGRAM CURRENTLY FUNDED?**

22 A. Duke Energy Kentucky currently charges residential electric customers and  
23 residential gas customers \$0.10 per account per month. Customers who receive

1 electric and gas service have two accounts and pay a total of \$0.20 per month. On  
2 average, the current HEA program generates approximately \$262,250 in available  
3 assistance funding per fiscal year. The total annual bill cost impacts to customers  
4 are \$1.20 for gas only customers, approximately \$1.20 for electric customers, and  
5 \$2.40 for customers receiving both gas and electric service.

6 **Q. HOW DOES DUKE ENERGY KENTUCKY PROPOSE TO AMEND THE**  
7 **HEA PROGRAM?**

8 A. Duke Energy Kentucky proposes to amend its HEA Program through the proposed  
9 term as follows:

- 10 • Increase the monthly per account charge to \$0.20 for both gas and electric  
11 customers;
- 12 • Create a fund of approximately \$50,000 each year from shareholder funds to  
13 cover pre-weatherization/safety-related improvements for qualifying customers  
14 and contribute an additional \$50,000 towards the HEA assistance program;
- 15 • For residential customers who receive either electric only or both electric and  
16 natural gas service from the Company, provide ongoing monthly assistance of  
17 up to \$99 per month during the seven months each year when weather tends to  
18 increase energy usage (June, July, August, September, December, January, and  
19 February) to customers instead of a one-time crisis-based assistance of up to  
20 \$300;
- 21 • For residential customers who receive only natural gas service from the  
22 Company, provide ongoing monthly assistance of up to \$231 per month during  
23 the three months of the winter heating season (December, January and



1 February) to customers instead of a one-time crisis based assistance of up to  
2 \$300;

- 3 • Provide a carry-over balance process for any unspent HEA Program dollars to  
4 roll-over from one fiscal year to the next, instead of an annual true-up through  
5 the Company's Demand Side Management Rider (Rider DSMR); and
- 6 • Reduce the administrative cost for the HEA program from 15 percent of  
7 program funds distributed to the lesser of, actual costs to administer or 10  
8 percent of funds that are distributed.

9 **Q. WHAT IMPACT WILL THE PROPOSED INCREASE IN THE MONTHLY**  
10 **CHARGE HAVE ON CUSTOMERS?**

11 A. The HEA Program fee is only assessed to residential customers. The increase in  
12 the monthly charge to \$0.20 per meter per month is estimated to create a fund of  
13 approximately \$527,000 per year. Duke Energy Kentucky currently has  
14 approximately 19,637 gas only residential customers, 54,850 electric only  
15 residential customers, and 72,739 combination gas and electric residential  
16 customers. Increasing the charge from \$0.10 per account per month to \$0.20 per  
17 month will mean that a combination customer's annual cost will increase from  
18 \$2.40 to \$4.80 per year.

19 **Q. HOW WILL THE WEATHERIZATION AND SAFETY FUND BE**  
20 **UTILITIZED?**

21 A. The creation of the \$50,000 fund is intended to enable safety-related, pre-  
22 weatherization work to assist customers whose home needs emergency repairs prior  
23 to receiving weatherization funding from other sources. We know of at least 104

1 low-income customers who, since 2016, were unable to take advantage of much  
2 needed weatherization assistance to help lower their monthly energy usage because  
3 their home needs repairs. For example, this safety pre-weatherization funding could  
4 be used to repair leaking plumbing or roofs so that insulation or other  
5 weatherization repairs can be performed. This fund will be managed by NKCAC  
6 as part of the weatherization work they perform with funding from the Kentucky  
7 Housing Corporation. The Company anticipates that approximately 20 homes will  
8 be served each year.

9 **Q. HOW WILL THE ADDITIONAL \$50,000 IN SHAREHOLDER**  
10 **CONTRIBUTIONS BE ALLOCATED?**

11 A. The additional \$50,000 in shareholder contributions will be used to support the  
12 HEA Program's monthly assistance fund, thereby allowing more families to receive  
13 a subsidy.

14 **Q. HOW WILL THE PURPOSE OF THE HEA PROGRAM EVOLVE WITH**  
15 **THESE CHANGES?**

16 A. The amended HEA program will evolve from the current crisis-based program, to  
17 an ongoing monthly bill subsidy to assist qualifying low-income customers with  
18 their ongoing energy costs to avoid accounts from coming into disconnection status.  
19 The revised program will provide a monthly credit of up to: (1) \$99 for the months  
20 of June, July, August, September, December, January, and February, each fiscal  
21 year for residential customers receiving either electric only service or electric and  
22 natural gas service from the Company; and (2) \$231 for the months of December,  
23 January, and February, each fiscal year for residential customers receiving natural

1 gas only service from the Company. NKCAC will perform income qualification  
2 checks on customers each year who receive the program assistance. Initially, the  
3 program will be made available on a first-come, first-serve basis until it is fully  
4 subscribed. Based upon proposed funding levels, Duke Energy Kentucky  
5 anticipates approximately 2,200 customers will be able to be served by the revised  
6 program annually. NKCAC will also create a “wait list” for customers who may  
7 qualify for the program once it is fully subscribed. In the event the program is not  
8 fully subscribed or funding is not fully distributed during the fiscal year, any  
9 remaining dollars will carry over for use in the next fiscal year.

10 **Q. WHAT IS THE PURPOSE OF NOW ALLOWING UNEXPENDED HEA**  
11 **PROGRAM FUNDS TO ROLL-OVER FROM ONE YEAR TO THE NEXT?**

12 A. Currently, unexpended HEA Program funds are trued-up as part of the Company’s  
13 annual DSM filing. Under the new proposal, if funds collected during one fiscal  
14 year remain available, they will be held for disbursement in the next fiscal year.  
15 This will benefit customers by assuring that there is a greater likelihood that funds  
16 not used during a year of relatively mild weather will be available during a  
17 subsequent year of more extreme weather. It also allows the Company to avoid the  
18 effort of having to true-up customer contributions and disbursements – thereby  
19 allowing the HEA Program to become a more permanent fund for helping low-  
20 income customers cover their energy bills.

1 **Q. HOW WILL ADMINISTRATIVE FEES BE REDUCED?**

2 A. The Company and NKCAC have negotiated a revised MOU that has reduced the  
3 administrative costs to reimburse NKCAC's actual costs up to 10 percent of funds  
4 distributed.

5 **Q. DOES THE AMENDMENT TO THE HEA PROGRAM REQUIRE ANY**  
6 **ADDITIONAL CHANGES TO DUKE ENERGY KENTUCKY'S RATES?**

7 A. No. The Company's request to amend the HEA Program does not impact the  
8 Demand Side Management Rider rates proposed in this case because they are  
9 separate charges.

10 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE REPORTING**  
11 **REQUIREMENTS FOR THE HEA PROGRAM AS PART OF THESE**  
12 **AMENDMENTS?**

13 A. No. Consistent with the Commission's Order in Case No. 2017-00189, Duke  
14 Energy Kentucky files an annual progress report for the HEA program along with  
15 its annual Demand Side Management filing. Duke Energy Kentucky reports on the  
16 following: (1) the number of clients serviced by the program; (2) the number of  
17 clients not served due to the exhaustion of funds; (3) the date the funds were  
18 depleted for the twelve-month assistance period; (4) the total amounts collected  
19 under the program with a breakdown between gas accounts and electric accounts;  
20 (5) the total number of disbursements; and (6) NKCAC's actual administrative  
21 costs associated with implementing the HEA Program. Duke Energy Kentucky  
22 commits to continue this annual reporting for the duration of the HEA Program.

**III. CONCLUSION**

1 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

2 **A. Yes.**

**AGREEMENT**

This **AGREEMENT** (the “**Agreement**”) is made and effective on this 30<sup>th</sup> day of June, 2019 (the “**Effective Date**”) by and between Duke Energy Kentucky, Inc. with offices located at 139 East 4<sup>th</sup> 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 of Duke Energy; and

**WHEREAS**, assistance to such Customers will be made through the NKCAC agencies from Home Energy Assistance (“HEA”) funds; and

**WHEREAS**, the parties agree to the terms and conditions set forth herein below to establish and administer the HEA Program.

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

**WITNESSETH:**

**Section 1 – Term.** The term of this agreement shall be for a period from July 1, 2019 through June 30, 2020.

**Section 2 – Administrative Expenses.** NKCAC may recover actual operating expenses not to exceed in total ten percent (10%) of the total HEA funds collected from customers or contributed by Duke Energy (collectively, “**HEA Program Funds**”) over the length of the program, which shall correspond to the term of this Agreement. It is acknowledged and agreed that the total reimbursement of all expenses of NKCAC, in the aggregate, shall not exceed ten percent (10%) of the total HEA Program Funds. The parties acknowledge that this limitation is

based upon total HEA Program Funds over the length of the HEA Program, and that assistance funds, if unused will "roll-over" to subsequent periods of the Program.

**Section 3 – Audits.** An outside independent audit of NKCAC's financial records will be performed annually by an independent certified public accountant, in accordance with existing audit requirements, which will be provided annually to Duke Energy. Duke Energy shall have the right, at any reasonable time, to inspect and audit the records maintained by NKCAC either through its own authorized representatives or through any public accounting firm selected by Duke Energy.

**Section 4 – Coordination.** The parties shall meet as needed to review the status of the HEA Program and detailed financial reports for actual expenditures compared to budget.

**Section 5 – Duke Energy's Duties.**

**5.1 Customer Charge.** On and after, September 1, 2019, Duke energy will include on each residential customer's monthly bill a twenty cent (\$0.20) HEA charge for each active electric and natural gas meter.

**5.2 Customer Communications.** Duke Energy shall respond to general billing questions from customers related to whether or not an Eligible Participant's account has been credited with the appropriate HEA subsidy amount.

**5.3 HEA Program Administrative Expense Funding.** Duke Energy shall tender to NKCAC one-quarter of ten percent (10%) of the annual proposed program budget, for administrative costs no later than the twentieth day of the first month of each calendar quarter (January, April, July, October). The actual administrative costs will be trued up for the twelfth month of the program year within 90 days of the close of the HEA Program year and shall be adjusted as either a credit or additional charge for the October quarterly payment. Duke Energy

agrees to provide information to NKCAC so that actual HEA funds collected can be balanced with HEA funds distributed to customers for each program year.

**5.4 Eligibility Verification.** Following the winter heating season and the summer cooling season, Duke Energy shall provide its list of customers enrolled in the HEA Program to NKCAC in order to compare records and confirm eligibility.

**Section 6 – NKCAC’s Duties.**

**6.1 – HEA Program Administration.** NKCAC shall administer and operate the HEA Program in Duke Energy’s service territory, including without limitation: HEA Program parameters as approved and, from time to time, amended by the Commission; staffing; program recruitment and outreach; monitoring of program implementation; verifying eligibility of Eligible Customers (including verifying income, communications with applicants and recertification) based upon the criteria set forth in **EXHIBIT A** hereto; record keeping and data entry; financial oversight of the HEA Program; and overall programmatic oversight. NKCAC will monitor compliance and maintain appropriate records documenting such compliance. It is anticipated that NKCAC will comply with its oversight responsibilities by ensuring that its employees and agents are aware of the HEA Program’s requirements and have adopted appropriate procedures for following those requirements. NKCAC shall accept applications at each of the community centers set forth in **EXHIBIT B** hereto.

**6.2 – HEA Program Monitoring and Data Collection.** NKCAC will monitor the implementation and ongoing operation of the HEA Program, monitor the data collected and prepare reports for use by Duke Energy. Without limitation, NKCAC will also provide Duke Energy with monthly program updates including the number of clients served and total of funds distributed.



**6.3 – Financial Monitoring.** NKCAC will track HEA Program expenditures against budget through monthly financial reports and ensure that the annual audit is performed by a third-party as set forth above. During the term of this Agreement and for two years following its termination, NKCAC shall complete and maintain accurate records of all receipts and disbursements that are funded by this Agreement and provide Duke Energy with monthly financial statements in the form of Exhibit A attached hereto.

**6.4 – HEA Program Oversight.** NKCAC will provide oversight for the HEA Program, including on-site monitoring as well as preparation, review and analysis of monthly program reports.

**6.5 – Cooperation.** NKCAC agrees to provide Duke Energy with any and all information necessary to meet Commission requirements. NKCAC further agrees to cooperate with any Commission evaluation and to provide the data needed by Duke Energy or a third-party consultant to conduct the evaluation.

**6.6 – Electronic Communications.** NKCAC will provide Duke Energy with all enrollment data to Duke Energy in an electronic format as specified by Duke Energy.

**6.7 – Compliance with Laws.** NKCAC agrees that it shall administer the HEA Program based upon guidelines of the Commission and that it will not violate any non-discrimination provisions of any federal, state or local law, ordinance or statute that applies within the Duke Energy service territory.

**Section 7 – Regulatory Oversight.** Approval of the HEA Program by the Commission is required. As a result, the parties' rights and obligations are expressly contingent upon obtaining and maintaining such approval and NKCAC will cooperate fully with Duke Energy in this regard.

Furthermore, to the extent that there may be, or later arise, a conflict between this Agreement and Commission requirements, the latter shall be controlling.

**Section 8 – Default/Remedies.**

**8.1 – Default.** Each of the following events or occurrences shall constitute an event of default under the Agreement: (1) declaration of bankruptcy by NKCAC; (2) failure to administer and implement the HEA Program in conformity with this Agreement; (3) failure to file in a timely manner any financial and progress reports required by this Agreement; (4) failure to disclose or to explain to Duke Energy's satisfaction any variance in program expenses that must be reported pursuant to Article III; or (5) disclosure or discovery that the covenants and representations made by NKCAC regarding the fulfillment of any requirement covered under this Agreement or any other document submitted in support of this Agreement is, was, or shall be false or misleading in any material respect.

**8.2 – Cure/Suspension.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement or any of its terms or conditions by NKCAC, NKCAC shall, upon written notice from Duke Energy, proceed immediately to cure or remedy such default or breach. Until such default or breach is cured, and without limiting Duke Energy's rights herein, Duke Energy shall have the option of suspending its performance under this Agreement.

**Section 9 – Confidentiality.** The parties acknowledge that each will have access to Confidential Information, obtained, developed or provided by the other parties with respect to HEA Program applicants and participants, or clients or customers of the other parties (the "Confidential Information") and each party providing such information is relying upon the representations contained in this section in making such disclosure. The parties agree to protect

and maintain as confidential all such Confidential Information obtained from the other party, and to use such Confidential Information received only in connection with the implementation, operation, evaluation and oversight of the HEA Program, and not to further disseminate such Confidential Information, internally or externally or to use it for any other purpose. It is understood and agreed that, to the extent that Confidential Information must be used or reflected in Duke Energy's billing or accounting systems for purposes of the HEA Program or Duke Energy's routine operations, then Duke Energy's usual precautions on dissemination, and availability of customer information shall be sufficient for purposes of this section. All anecdotal reports of Confidential Information shall use fictitious names, addresses, employers, and other identifiers. No individual, firm, partnership, corporation or agency shall be given, sold or otherwise allowed access to Confidential Information. Nothing herein shall limit use of the Confidential Information as necessary to implement, document, evaluate or monitor the HEA Program or to comply with any court or regulatory agency proceeding or filing to which they may be subject. However, in any such proceeding or filing, they shall make reasonable efforts to protect the confidentiality of such information.

**Section 10 – Governing Law.** The rights and obligations of the parties and the validity and construction of this Agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Kentucky. This Agreement was drafted by Duke Energy for convenience purposes only but has been negotiated by both parties and shall not be interpreted or construed against either party.

**Section 11 – Renewal.** This Agreement may be renewed upon agreement of the parties. Should either party elect to discontinue the program, notification in writing shall be given thirty (30) days prior to the ending date of the initial term or any subsequent renewal term. In the event

that such notice is not timely given, this Agreement shall be deemed to automatically renew for an additional one (1) year term.

**Section 12 – Termination.** Either party may terminate this Agreement with or without cause upon giving thirty (30) days prior notice. In the event of a termination or discontinuance of the HEA Program, any unexpended funds shall be returned to Duke Energy within ten (10) days of the date of termination.

**Section 13 – Merger.** This Agreement contains all the terms, conditions, and promises of the parties hereto. No modification or waiver of this Agreement, or of any provision thereof, shall be valid or binding, unless in writing and executed by both of the parties hereto. No waiver by either party or any breach of any term or provision of this Agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.

**Section 14 – Indemnification.** NKCAC hereby agrees to release, indemnify, defend and hold harmless Duke Energy, its affiliates, their officers, trustees, directors, managers and employees from and against all claims, damages or injuries to persons or property of Duke Energy, its affiliates, NKCAC or any third-party arising out of (directly or indirectly) or related in any way to the actions or omissions of NKCAC, its officers, directors, employees or agents under this grant or related to the HEA Program and funds covered thereunder.

**Section 15 – No Other Beneficiaries.** This Agreement is solely between the parties, and nothing in this Agreement or in the HEA Program shall be construed as creating any rights or claims in any third party, whether a natural person or otherwise.

**IN WITNESS HEREOF,** the parties hereto have executed this Agreement as of the Day and year first above written.

**DUKE ENERGY KENTUCKY, INC.**

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTHERN KENTUCKY  
COMMUNITY ACTION  
ASSOCIATION**

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### HEA PROGRAM FACT SHEET/ELIGIBILITY CRITERIA

**PROGRAM TITLE: Proposed Duke Energy Home Energy Assistance Program (HEA)**

**PROGRAM SUMMARY:**

- HEA is a program provided in partnership with Northern Kentucky Community Action Commission and Duke Energy.
- The goal of the program is to offer low-income Duke Energy residential customers an affordable electric and gas bill payment by providing:
  - A credit of up to \$99.00 to their Duke Energy account for the peak heating and cooling months (**December, January, February, March, July, August and September**) for customers receiving electric only or electric and natural gas service; or
  - A credit of up to \$231.00 per month to their Duke Energy account for the peak heating months (**December, January and February**) for customer receiving natural gas only service.
- It is anticipated that participation in the program will make energy more affordable and reduce the number of disconnects.

**ELIGIBILITY REQUIREMENTS:**

- Applicants must be active Duke Energy Kentucky customers who have electric or natural gas as their primary heat source.
- Serves households with incomes up to 150% of poverty.
- Applicants must be responsible for home energy costs (bill in their name or spouse's name).
- Participants must re-certify annually by the anniversary date of enrollment.
- Participants must apply for and accept Weatherization services if available.

**REQUIRED DOCUMENTS:**

- Proof of income for previous month for all adults in the home.
- Current electric or gas bill in head of household or spouse's name.

**PARTICIPANT BENEFITS (How does this benefit the participant?):**

- The HEA program assists people who are at or below 150% of poverty with payment on their electric or gas bills during the peak heating and cooling months. This reduces the yearly costs for electric or gas service substantially.

**Exhibit B**

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

<p><b>CENTRAL ADMINISTRATIVE OFFICES</b>  <b>717 Madison Avenue; P.O. Box 931; Covington, KY 41012;</b>  <b>Phone: 859/581-6607; 1-800-783-6607; Fax: 859/655-2949</b>          Executive Director: Catrena Bowman-Thomas 859/655-2938          Vice President for Family Services: Angie Christian 859/655-2933          Associate Director for Community Services (Urban): Margie Meehan          Associate Director for Community Service: (Rural) Kelli Horn</p>	
<b>Neighborhood Centers</b>	
<p>Boone County Neighborhood Center          6555 Nicholas Street; Suite A2; Florence, KY 41042          Phone: 859/586-9250; Fax: 859/586-7632          County Manager: Teresa Finke</p>	<p>Grant County Neighborhood Center          1116 North Main Street; Williamstown, KY 41097-1115          Phone: 859/824-4768; Fax: 859/824-1739          County Manager: Ashley Domaschko</p>
<p>Campbell County Neighborhood Center          437 West 9<sup>th</sup> Street; Newport, KY 41071-1314          Phone: 859/431-4177; Fax: 859/431-6445          Community Manager: Megan Bradford</p>	<p>Kenton County Neighborhood Center          1561 Madison Avenue; Covington, KY 41011          Phone: 859/291-8607; Fax: 859/291-8617          Community Manager: Sally Smith</p>
<p>Gallatin County Neighborhood Center          432 West Main Street; PO Box 1267          Warsaw, KY 41095          Phone: 859/567-4660; Fax: 859/567-2743          Community Manager: Jessica Washburn</p>	<p>Pendleton County Neighborhood Center          311 Park Street; Falmouth, KY 41040-1135          Phone: 859/654-4054; Fax: 859/654-1654          County Manager: Mariah Arnold</p>

## HEA Communication Plan

Duke HEA Current	Duke HEA Proposed
<b>Duke Strategies</b>	<b>Duke Strategies</b>
Specialists receive training of credit provisions available to customers during the 10 week new hire training. (HEA program has not been covered in this training).	Duke will send its trainers to NKCAC for HEA training. The trainers will include HEA during the 10 week new hire training.
A regular cadence of refresher training for winter programs occurs during Sept/Oct. Specialist are required to complete a CBT highlighting all of these programs. (HEA has not been included in this refresher training)	Duke will included HEA in its refresher training.
	Duke will advertise HEA on its website.
	Duke will explore adding language to disconnect bills which highlights HEA
	Duke will promote the HEA program in the newsletter and on the mobile app
<b>NKCAC Strategies</b>	<b>NKCAC Strategies</b>
NKCAC currently uses flyers and website to promote energy programs.	NKCAC will develop a creative program-specific flyer to promote HEA on the website and social media
NKCAC informs families of the HEA program when they come into the center for assistance.	NKCAC will contact all the families served and inform them of the program and invite then to come to the centers to learn more about the HEA program. NKCAC will send out HEA information through mail and email.
	NKCAC and DUKE will hold joint Energy Saver Events
	NKCAC will share with community partners at various community meetings
	Duke and NKCAC will advertise through media (print, social, etc.)



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 testimony and that it is 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 27<sup>th</sup> day of June, 2019.

  
NOTARY PUBLIC

My Commission Expires: July 8, 2022



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