

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. TO AMEND ITS DEMAND SIDE)	CASE NO.
MANAGEMENT PROGRAMS)	2019-00277

**ATTORNEY GENERAL’S INITIAL DATA REQUESTS TO DUKE ENERGY
KENTUCKY, INC.**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Initial Data Requests to Duke Energy Kentucky, Inc. (hereinafter “DEK”, “Duke”, or the “Company”) to be answered by October 25, 2019, 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 requested 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 companies 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 companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(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 companies, 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



KENT A. CHANDLER
REBECCA W. GOODMAN
JUSTIN M. McNEIL
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
700 CAPITOL AVE., SUITE 20
FRANKFORT KY 40601-8204
(502) 696-5453
Kent.Chandler@ky.gov
Rebecca.Goodman@ky.gov
Justin.McNeil@ky.gov
Larry.Cook@ky.gov

Certificate of Service and Filing

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on October 11, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 11th day of October, 2019.

A handwritten signature in blue ink, appearing to be "K. C. B.", is written above a horizontal line.

Assistant Attorney General

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1. Refer to the Application, page 6, paragraph 6. Provide a detailed explanation as to what degree the Residential Collaborative and Commercial and Industrial Collaborative were involved in the formulation of the Company's proposed changes. The explanation should include the timelines when collaborative members were provided information, the length of time afforded for feedback, the degree to which DEK considered and included feedback and the level of detail of the proposals provided to collaborative members at each stage of interaction.
2. Refer to the Application, pages 5-6. In regards to the Online Saving Store, provide a narrative explanation of how customers interact with it, including how they purchase items, how incentives and purchase limits are shown, and how incentive amounts are provided. Along with the narrative explanation, provide screen grabs of the website that reflect each step, including those reflecting incentives as noted above.
3. Refer to the Application, page 6. Explain why the implementation of the Energy Independence and Security Act "will diminish the impact of the [Free LED] program as well as its cost effectiveness, therefore, no longer making it a viable program for the company to continue to offer."
4. Refer to the Application, page 7, paragraph 8. Explain how DEK plans to expand the scope of the My Home Energy Report program while simultaneously reducing the budget.
5. Refer to DSM Program EM&V at DEK, and any affiliate companies, generally.
 - a. Provide any policies DEK has developed and complies with to ensure DSM program EM&V project work is unbiased.
 - b. Provide the amount DEK and all affiliate companies spent on DSM program EM&V in each of the years 2016, 2017, and 2018.
 - c. Provide a list of all EM&V vendors DEK and all affiliate companies used from 2016 to 2018, along with the amounts paid to each.
6. Refer to the PTR Pilot descriptions on Application pages 8-12. Regarding the PTR Pilot impact and benefit measurement:
 - a. Provide a demand and energy impact estimation plan for the PTR Pilot.
 - b. Describe any plans DEK has to distinguish, and evaluate separately, summer PTR impacts and winter PTR impacts.

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- c. Will the impact estimates from the PTR Pilot serve as the basis for full PTR roll-out impact projections? If not, explain why not.
 - d. Describe how DEK will translate estimated demand and energy impact from PTR into economic, system-wide benefits to DEK and customers.
 - e. Explain how demand and energy impacts will affect DEK's load obligation used in DEK's FRR plan. If any value could be derived from the demand and energy impacts in reducing load obligations in the event PTR was applied system wide, explain the derivation of such value and the impact of same.
7. Refer to the PTR Pilot descriptions on Application pages 8-12. Regarding the PTR Pilot EM&V vendor:
- a. Identify the vendor DEK has selected to estimate the impact of the PTR Pilot.
 - b. Provide a list of projects, including descriptions and dollar amounts paid for each project, for which the selected vendor has provided service to DEK or any affiliate companies over the past five (5) years.
 - c. Is the selected vendor's work specific to the PTR Pilot, or will the selected vendor evaluate other DEK DSM program impacts as well?
 - d. Provide a copy of all contracts currently in effect between the selected vendor and DEK or any affiliate company of DEK.
 - e. Provide the request for proposal ("RFP") and all vendor responses DEK received during the process of selecting an EM&V vendor for the PTR Pilot.
 - f. Describe the process DEK followed to identify qualified vendors, distribute the RFP, and encourage responses to the RFP from qualified vendors.
8. Refer to the PTR Pilot description on Application pages 8-12. Regarding PTR Pilot design:
- a. What are the objectives of the PTR Pilot?
 - b. Provide a list of questions the PTR Pilot will answer.

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9. Refer to the PTR Pilot description on Application pages 8-12. Regarding Critical Peak Events (CPEs):
- a. Provide the process DEK will follow daily in determining whether or not to call a CPE for the next day.
 - b. Describe the rationale for allowing CPEs to be called as little as one hour in advance. Include in this rationale how DEK balanced the system-wide, incremental economic benefits of CPE notices issued as little as one hour in advance with countervailing issues such as customer satisfaction, reduced response, and reduced PTR Pilot impacts. Further, include in the rationale a discussion of the consequences of such a policy of allowing CPEs to be called as little as one hour in advance on PTR impact.
 - c. Did DEK consider limiting CPE notices to no later than 8:00 p.m. the day prior to the CPE?
 - d. Will DEK commit to limiting CPEs to those for which notices can be provided to customers by 8:00 p.m. the day prior to the CPE? If not, explain why not.
 - e. The Application indicates DEK may send out reminder notices to customers just prior to the start of each CPE. Will DEK commit to doing this for every CPE? If not, explain why not.
 - f. Describe all communications channels from which customers will be able to select for CPE notifications. State also whether the number of communications channels will increase once Duke's new Customer Information System is fully operational, and if so, describe each such new communication method.
 - g. Describe all general (non-customer specific) communications channels to which participating customers might be exposed (Company website, Facebook page, etc.) that DEK plans to use to communicate CPEs. Explain whether system-wide deployment of PTR would open additional communication channels as compared to the PTR pilot.
 - h. Did DEK consider instituting a limit to the maximum number of CPEs it could call in any week, month, season, or year? If so, provide the details of such considerations, including associated issues, impacts, pros, and cons.
 - i. Did DEK consider instituting a minimum number of CPEs it could call in any week, month, season, or year? If so, provide the details of such considerations, including associated issues, impacts, pros, and cons.

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10. Refer to the PTR Pilot description on Application pages 8-12. Regarding rebates:
- a. Provide the methodology DEK will use to compute an energy usage baseline for each customer.
 - b. Provide the methodology DEK will use to identify and quantify energy usage reductions from the baseline during a CPE for each customer.
 - c. Describe the process DEK used, including issues discussed, impacts considered, pros, cons, comparisons to historical real-time energy and capacity rates in the PJM market during system peaks, and other variables, in arriving at the rebate amount of \$0.33 per kWh of demonstrated energy reductions from baseline.
 - d. Describe any discussions DEK had regarding the offer of a higher rebate amount per kWh. Discuss the consequences of a relatively low rebate amount on PTR Pilot energy and demand impact.
 - e. Explain why up to two billing cycles will be required to calculate, and present to customers, the rebate amount. Discuss the consequences of delayed rebate reporting on PTR program impact.
 - f. Will DEK commit to calculating rebate amounts, and reporting such amounts to customers via the same communication channel selected by customers for CPE notifications, within 24 hours of a CPE? If not, explain why not.
 - g. Describe how rebates will be presented on customer bills.
11. Refer to the PTR Pilot description on Application pages 8-12. Regarding PTR Pilot participation:
- a. Describe how, other than the eligibility exceptions listed, DEK will ensure that the customers participating in the PTR Pilot are representative, as a group, of DEK's entire residential customer base.
 - b. Provide the promotion plan DEK will follow in recruiting customers to the PTR Pilot, including communication channels, messages to be employed, etc.
 - c. Describe customer PTR Pilot enrollment mechanisms.
 - d. Describe the educational efforts and materials DEK will use, including communications channels, messages to be employed, etc., to help customers maximize their response to CPEs.

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- e. Calculate the minimum number of participating customers completing the full two-year pilot which will be required to ensure that PTR Pilot demand and energy impact estimates will be statistically significant at a 95% or higher confidence level. Include all calculations, assumptions, work papers, and other materials used to develop the response to this data request.
 - f. Provide a copy of the survey DEK will require of PTR Pilot participants.
 - g. Provide a copy of any PTR satisfaction survey DEK will attempt to secure from PTR Pilot participants.
12. Refer to the PTR Pilot description on Application pages 8-12. Regarding PTR Pilot costs:
- a. Estimate the cost of PTR Pilot EM&V.
 - b. Estimate the cost of billing system revisions for the PTR Pilot.
 - c. Estimate the cost of PTR Pilot participant recruiting and educational efforts.
 - d. Estimate the cost of PTR Pilot operations annually, including CPE determinations, CPE notifications, rebate calculations, rebate credits to customers, and similar.
13. Refer to the Application, Appendix A. Provide the derivation of the data used to calculate the Cost Effectiveness Test Results. Any response should specifically identify the capacity value(s) used, the energy value(s) used, the time period the value(s) was determined, and any modification to or escalation of values.
14. Explain to what degree DEK discussed or studied the PTR programs in other jurisdictions within the PJM footprint, such as the number of default, utility-wide programs that Exelon companies have in Maryland, Washington D.C. and other jurisdictions.