

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 data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

Cindy Givens

Cindy Givens, Affiant

Subscribed and sworn to before me by Cindy Givens on this 20th day of January, 2020.

E. Minna Rolfes-Adkins

NOTARY PUBLIC

My Commission Expires: July 8, 2022



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

KyPSC Case No. 2019-00366
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**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

STAFF-DR-02-001

REQUEST:

Confirm that Duke Kentucky's HEA program is a crisis program and not a program that provides recurring benefits to eligible enrolled applicants.

RESPONSE:

Confirmed. Duke Energy Kentucky's HEA program is a crisis program and does not provide recurring benefits to eligible enrolled applicants.

PERSON RESPONSIBLE: Cindy Givens

Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019

STAFF-DR-02-002

REQUEST:

Explain how Duke Kentucky or Northern Kentucky Community Action Commission (NKCAC), or both, developed the 15 percent fee to administer the HEA program.

RESPONSE:

The fee was negotiated when the program began and has not changed. The personnel involved in the original negotiation are no longer with the Company or NKCAC. Nonetheless, the administrative fee of fifteen percent has been in place since the program began and has been approved by the Commission several times, in three-year increments.

The administrative costs NKCAC incur include determining the eligibility and the assessment of the client's needs for the appropriate services and to distribute the funds. With respect to the 15 percent administration cost, this level of cost was likely derived because state and federal funding guidelines prevent NKCAC from using federal dollars to operate programs other than the respective state or federally funded programs. Therefore, the administrative costs for HEA cannot be shared with or subsidized by other 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 echoed that sentiment, stating 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.

PERSON RESPONSIBLE: Cindy Givens

**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

STAFF-DR-02-003

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 2. The response is insufficient. Explain how Duke Kentucky selected NKCAC to administer its HEA program.

RESPONSE:

NKCAC maintains neighborhood centers located in the counties served by Duke Energy Kentucky and provides eligible customers in these counties with LIHEAP funds in addition to WinterCare. As HEA is administered under WinterCare, NKCAC was selected based on their experience in managing the LIHEAP and WinterCare programs as well as their accessibility for customers to apply for assistance in the county in which they live. NKCAC was the only agency providing these services to Duke Energy Kentucky customers in its service territory with centers in Boone, Kenton, Campbell, Gallatin, Grant, and Pendleton counties, and allows eligible customers to conveniently apply for multiple forms of assistance if funds are available.

PERSON RESPONSIBLE: Cindy Givens

**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

STAFF-DR-02-004

REQUEST:

Provide the changes to its program Duke Kentucky believes are necessary to ensure available funds are fully, but properly, expended for the benefit intended.

RESPONSE:

Duke Energy Kentucky would propose changing the program to a subsidy-based program to offer low-income Duke customers an affordable electric and gas bill payment by providing an \$99.00 credit to their Duke Energy account for the peak heating and cooling months: **December, January, February, March, July, August September**. This reduces the yearly costs for electric or gas service substantially. With this change, it is anticipated that participation in the program will make energy more affordable and reduce the number of disconnects.

PERSON RESPONSIBLE: Cindy Givens

**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

STAFF-DR-02-005

REQUEST:

Explain whether Duke Kentucky conducts or authorizes a third party to conduct an audit of NKCAC's administration of the HEA program to ensure funds are spent appropriately.

RESPONSE:

Duke Energy Kentucky does review the administrative costs annually, but does not conduct an audit or authorize a third party to conduct an audit of NKCAC's administration of the program. However, Duke Energy Kentucky does receive a copy of NKCAC's annual audit conducted by a third party.

Duke Energy Kentucky reviews each invoice for payment of administration fees for accuracy to ensure the amount requested is 15% of the funds distributed the previous month. Throughout the program year, Duke Energy Kentucky randomly audits a sample of customer accounts receiving HEA and/or WinterCare funds to ensure the funds were distributed to the customer according to the program guidelines.

PERSON RESPONSIBLE: Cindy Givens

**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

**CONFIDENTIAL STAFF-DR-02-006
(As to Attachment 1 Only)**

REQUEST:

Provide a copy of one weekly, one monthly, and one annual report that NKCAC provides to Duke Kentucky.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment 1 Only)

Please see STAFF-DR-02-006 Confidential Attachment 1 for a copy of the weekly reports for the month of February 2019, STAFF-DR-02-006 Attachment 2 for a copy of the report/invoice for the month ended February 2019, and STAFF-DR-02-006 Attachment 3 for a copy of the annual report, which includes reconciliation for the fiscal year ended June 30, 2019.

PERSON RESPONSIBLE: Cindy Givens

2019-00366

STAFF-DR-02-006

CONFIDENTIAL ATTACHMENT 1

IS BEING FILED

UNDER SEAL



717 Madison Avenue
 Covington, KY 41011

Invoice No. 02 February 2019

INVOICE

Customer

Name Duke Energy Inc
EC2ZA

Address PO Box 1006
 City Charlotte NC 28201
(704) 382-0209

Misc

Date 03/12/19

Account No. HEA/February 2019

Contact Name Bob Williams
859-655-2930

Quantity	Description	Benefits Issued	TOTAL
	HEA Admin fee - 15% of funds spent in February 2019 Benefits approved	\$ 8,920.10	\$ 1,338.02
	Assisted 55 Households		
Please remit payment to: NKCAC 717 Madison Avenue Covington, KY 41011			
TOTAL DUE			\$ 1,338.02

Invoiced Approved _____ Date _____

Return with Payment Check

Name: Duke Energy Inc
 Account # HEA/February 2019
 Invoice Date 3/12/2019

Amt Enclosed _____

TOTAL \$ 1,338.02

Office Use Only

Northern Kentucky Community Action Commission, Inc.
 717 Madison Avenue
 Covington, KY 41011

Thank You

NORTHERN KENTUCKY COMMUNITY ACTION COMMISSION
 DUKE HEA

2018-2019 Month	CLIENT BENEFITS BALANCE			BENEFIT BALANCE		ADMINISTRATIVE FEES BILLED		
	DUKE DEPOSITS	CLIENT BENEFITS	BENEFIT BALANCE	Families Assisted	Per Family	15% ADMIN FEE BILLED TO DUKE	DATE BILLED	AMOUNT RECEIVED
Balance Forward			91,665.43					
July	21,750.20	21,880.40	88,253.17	123	177.89	3,282.06	8/31/2018	3,282.06
August	21,773.00	19,921.50	87,116.45	105	189.73	2,988.23	8/31/2018	2,988.23
September	21,785.30	14,913.75	91,750.93	89	167.57	2,237.06	9/30/2018	2,237.06
October	21,849.10	14,270.46	97,189.00	76	187.77	2,140.57	10/31/2018	2,140.57
November	21,925.60	17,794.04	98,651.46	141	126.20	2,669.11	11/30/2018	2,669.11
December	21,980.00	12,858.12	105,844.62	99	129.88	1,928.72	2/28/2019	1,928.72
January	22,055.10	8,773.74	117,809.92	61	143.83	1,316.06	4/11/2019	1,316.06
February	22,098.90	8,920.10	129,650.70	55	162.18	1,338.02	4/15/2019	1,338.02
March	22,073.10	87,593.05	50,991.80	411	213.12	13,138.96	5/3/2019	-
April	22,061.20	37,416.52	30,024.00	192	194.88	5,612.48	5/3/2019	-
May	21,996.50	7,277.60	43,651.26	44	165.40	1,091.64	7/9/2019	-
June	21,946.40	11,004.36	54,593.30	54	203.78	1,650.65	7/9/2019	-
								-
								-
TOTALS	263,294.40	262,623.64		1450	181.12	39,393.55		17,899.82
GRAND TOTAL	1,797,021.88	1,557,908.00	5,427.68	7134	218.38	233,686.20	-	17,899.82
			47,514.96					
			52,942.64			15%		
	BALANCE RECONCILIATION							
		BEGINNING BALANCE	47,514.96					
		DUKE DEPOSITS	1,797,021.88					
		CLIENT BENEFITS	(1,557,908.00)					
		ADMIN FEE	(230,943.91)					
		BALANCE	55,684.93					

**Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019**

STAFF-DR-02-007

REQUEST:

Identify any impediments or adverse consequences if the Commission raised Duke Kentucky's Income eligibility requirement from the current level to 200 percent of the poverty level.

RESPONSE:

The Company is unaware of any impediments or adverse consequences if the Commission raised Duke Energy Kentucky's Income eligibility requirement to 200 percent of the poverty level. The Company had previously sought approval to raise the eligibility to 200 percent in Case No. 2008-0100 and continues to be supportive of such a change. Raising the income eligibility level to 200 percent would allow the program to be offered to an underserved population to whom there are very limited assistance options available.

PERSON RESPONSIBLE: Cindy Givens

Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019

STAFF-DR-02-008

REQUEST:

Refer to Duke Kentucky's response to Staff's First Request, Item 5. Confirm that every applicant during the last full program year was eligible for each HEA program. If confirmed, explain what characteristics of Duke Kentucky's HEA programs allow for every applicant to be eligible for and receive assistance from each HEA program.

RESPONSE:

As it stands today, customers needing crisis assistance apply to NKCAC. When the initial application is being processed NKCAC determines what funds are available to satisfy the crisis and avoid disconnection. LIHEAP is available to customers at or below 130 percent of the Federal Poverty Level (FPL). WinterCare and HEA are available to customers at 150 percent of the FPL. Funding to assist a bill crisis can be available through LIHEAP, WinterCare, and HEA and dollars are allocated based upon FPL qualification and need. If the customer qualifies for LIHEAP, and LIHEAP satisfies the crisis, then no other dollars are allocated to the customer at that time. Similarly, if the customer does not qualify for LIHEAP, which has a lower eligibility threshold, but does qualify for WinterCare funds, then the WinterCare funds are allocated first. If WinterCare funding averts the crisis, then HEA dollars are not necessary.

Applicants are not eligible for HEA without first receiving LIHEAP (if eligible) or WinterCare. Applicants receiving LIHEAP and/or WinterCare at the time of the initial

application may also receive HEA funds if needed. Customers who have exhausted the LIHEAP or WinterCare funds within the program year may still return for HEA funds if the account is in crisis again. All applicants who received HEA funds were eligible as they were within the income guidelines at or below 150% federal poverty level.

PERSON RESPONSIBLE: Cindy Givens

Duke Energy Kentucky
Case No. 2019-00366
Staff Second Set Data Requests
Date Received: December 16, 2019

STAFF-DR-02-009

REQUEST:

Refer to Duke Kentucky's response to Staff's First Request, Item 6.

- a. Provide the average benefit level for each of the past five program years, and the average monthly benefit level over the same time period.
- b. Explain whether there is a maximum benefit level per participant, and if so, how that maximum amount is derived.

RESPONSE:

a.

	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
July	\$190.36	\$201.36	\$201.36	\$214.88	\$177.89
August	\$213.62	\$208.85	\$208.85	\$205.91	\$189.73
September	\$177.51	\$213.18	\$213.18	\$0.00	\$167.57
October	\$197.21	\$196.58	\$196.58	\$174.36	\$187.77
November	\$0.00	\$116.20	\$116.20	\$120.37	\$126.20
December	\$0.00	\$139.63	\$139.63	\$96.90	\$129.88
January	\$0.00	\$165.55	\$165.55	\$0.00	\$143.83
February	\$0.00	\$151.21	\$151.21	\$0.00	\$162.18
March	\$211.18	\$155.91	\$155.91	\$194.52	\$213.12
April	\$214.30	\$186.82	\$186.82	\$207.15	\$194.88
May	\$205.10	\$211.78	\$211.78	\$185.19	\$165.40
June	\$209.29	\$191.68	\$191.68	\$193.73	\$203.78
Annual Avg.	\$208.65	\$189.56	\$189.66	\$183.24	\$181.12

***based on the funds spent/families assisted each month**

b. The amount available to a customer through LIHEAP changes annually and is based upon federal guidelines. The maximum benefit level under the Company's WinterCare program is currently \$300 per program year. The maximum benefit under the Company's HEA program is also is \$300. Therefore, under the two Duke Energy Kentucky-specific programs, a qualifying customer is eligible for up to \$600 based upon need per program year.

PERSON RESPONSIBLE: Cindy Givens

REQUEST:

Based upon its experience, explain what Duke Kentucky believes are the ideal HEA eligibility requirements.

RESPONSE:

- Applicants must be active Duke Energy Kentucky customers who have Duke Energy Kentucky electric and/or natural gas as their primary heat source.
- Household income up to 200% 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 may apply for Weatherization services if available.
- 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.

The HEA program will assist people who are at or below 200% 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 and it is anticipated that participation in the program will make energy more affordable and reduce the number of disconnects.

By increasing the income level to 200%, this will benefit underserved customers who are ineligible for other assistance programs due to income level.

Duke Energy Kentucky also believes a program that offers a monthly subsidy during extreme weather months (as opposed to the current crisis-based model) will provide greater assistance to customers.

PERSON RESPONSIBLE: Cindy Givens