

KyPSC Case No. 2019-00406
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VERIFICATION


STATE OF NORTH CAROLINA)
 Gaston)
COUNTY OF ~~MECKLENBURG~~) SS:

The undersigned, Gregory C. Simmons, Product and Services Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request and that it is true and correct to the best of his knowledge, information and belief.



Gregory C. Simmons Affiant

Subscribed and sworn to before me by Gregory C. Simmons on this 30th day of December, 2020¹⁹.



NOTARY PUBLIC

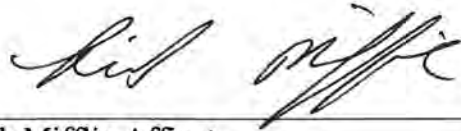
My Commission Expires:



VERIFICATION

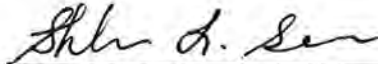
STATE OF NORTH CAROLINA)
GASTON) SS:
COUNTY OF MECKLENBURG)

The undersigned, Rick Mifflin, Director of Products & Services, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request and that it is true and correct to the best of his knowledge, information and belief.



Rick Mifflin Affiant

Subscribed and sworn to before me by Rick Mifflin on this 2 day of January, 2020.



NOTARY PUBLIC

My Commission Expires:



VERIFICATION

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

The undersigned, Tara Bolen, Products & Services Manager, being duly sworn, deposes and says that he 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.

Tara Bolen
Tara Bolen Affiant

Subscribed and sworn to before me by Tara Bolen on this 2nd day of January, 2020.

Shelvona L. Sears
NOTARY PUBLIC

My Commission Expires:



VERIFICATION

STATE OF INDIANA)
) **SS:**
COUNTY OF HENDRICKS)

The undersigned, Julie A. Hollingsworth, Sr. Program Performance Analyst, 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.

Julie A. Hollingsworth
Julie A. Hollingsworth., Affiant

Subscribed and sworn to before me by Julie A. Hollingsworth. on this 2nd day of January, 2020.



Tammy S. Roberts
NOTARY PUBLIC

My Commission Expires: 10/7/2022

VERIFICATION

STATE OF NORTH CAROLINA)
Gaston) SS:
COUNTY OF ~~MECKLENBURG~~)

The undersigned, Shannon Gardner, Sr. Products & Services Manager, 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.

Shannon Gardner
Shannon Gardner Affiant

Subscribed and sworn to before me by Shannon Gardner on this 20th day of December, 2019, 2020.

Shelvon L. Sears
NOTARY PUBLIC

My Commission Expires:



REQUEST:

Refer to the application, paragraph 27.

- a. Explain in detail the criteria for a customer to be eligible to participate in the Free Lighting component of the Residential Smart Saver Program.
- b. Explain in detail the criteria for a customer to be eligible to purchase specialty bulbs.

RESPONSE:

- a. Eligible customers must have an active residential account with an electric service agreement and not exceeded the 15 bulb limit per household. Additionally, customers who participated in the Free CFL program where five (5) years has passed are also eligible to receive up to 12 additional LED bulbs.
- b. Eligible customers must have an active residential account with an electric service agreement. Customers are eligible to purchase up to 36 incentivized specialty bulbs (i.e. Globe, Candelabra, 3 way, Recessed (indoor/outdoor, Fixture, Track and A-line) per account.

PERSON RESPONSIBLE:

Greg Schielke – a.
Candyce Marsh – b.

Duke Energy Kentucky
Case No. 2019-00406
STAFF First Set of Data Requests
Date Received: December 20, 2019
STAFF-DR-01-002

REQUEST:

Refer to the application, paragraph 37. Explain in detail the criteria for a customer to become prequalified for the Save Energy and Water Kit (SEWK) program.

RESPONSE:

Eligible customers must be a single-family home owner with electric water heating and have not received the same or similar measures through another Duke Energy program (i.e. Home Energy House Call and Low-Income Neighborhood). Kit size is determined based on square footage of the home using Acxiom data. Customers with homes under 1,500 square feet receive a kit with one showerhead. Customers with homes equal to or greater than 1,500 square feet receive a kit with two showerheads. Customers may only participate in the program one time.

PERSON RESPONSIBLE: Gregory Simmons

Duke Energy Kentucky
Case No. 2019-00406
STAFF First Set of Data Requests
Date Received: December 20, 2019
STAFF-DR-01-003

REQUEST:

Refer to the application, paragraph 50, and paragraph 51. Paragraph 50 states that the Payment Plus portion of the Low Income Services program, “is offered twice over six sinter months per year”. Paragraph 51 states that the scheduled classes are offered at various dates. Clarify in what manner the Payment Plus program is offered.

RESPONSE:

The early year 2020 classes will be offered as outlined below, the late year 2020 classes have not been scheduled at this time.

Tuesday, 3/24: Kenton County Public Library (Covington Branch), 10AM – 2PM

Thursday, 3/26: Kenton County Public Library (Covington Branch), 5PM – 9PM

Tuesday, 3/31: Boone County Public Library (Burlington Branch), 10AM – 2PM

Thursday, 4/2: Grant County Extension Office, 10AM – 2PM

Tuesday, 4/7: Campbell County Neighborhood Center, 10AM – 2PM

Saturday, 4/11: Kenton County Public Library (Covington Branch), 10:30AM – 12:30PM

Tuesday, 4/14: Campbell County Public Library (Newport Branch), 5PM – 9PM

Thursday, 4/16: Boone County Public Library (Burlington Branch), 5PM – 9PM

PERSON RESPONSIBLE: Rick Mifflin

Duke Energy Kentucky
Case No. 2019-00406
STAFF First Set of Data Requests
Date Received: December 20, 2019
STAFF-DR-01-004

REQUEST:

Refer to the application, paragraph 91. Provide an example copy of the newly designed fuel report with improvements noted.

RESPONSE:

Please see STAFF-DR-01-004 Attachment for an example copy of the newly designed report which includes the usage disaggregation chart.

PERSON RESPONSIBLE: Tara Bolen



Home Energy Report

December 2019

Way to go! You are among the **most efficient** homes in your area and the envy of your neighbors. Although you're doing a great job, there still may be ways for you to save even more. Check out the tips below.

How am I doing?



Forecasted electricity use for January.



Who am I being compared to?

- Group size: 275 Homes
- Square footage: 4,300-4,900
- Year built: 1999-2009
- Heating: Non-electric heating

We compare you to nearby similar homes based on the age, size, and heating source of your home. Update this information by completing a home profile at duke-energy.com/MyHomeEnergy or calling 888.873.3853.



Make your report more accurate. Update your profile online!

duke-energy.com/MyHomeEnergy

How can I save more?

Save up to \$11 per year.

Reduce the energy used by your entertainment devices

About 7% of the power used in a typical U.S. home is for entertainment devices like televisions, set-top boxes, DVD players, and gaming devices. Save energy and money by lowering your TV's brightness setting, limiting your movie watching on gaming devices, and unplugging set-top boxes that aren't used much.

Save up to \$13 per year.

Get the most out of your existing light fixtures

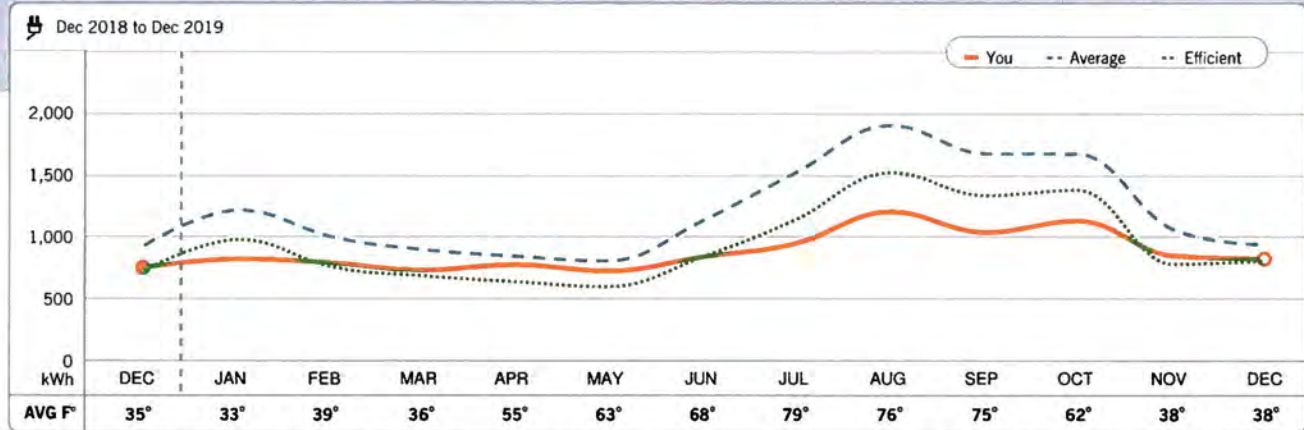
The best way to save energy with lighting is to upgrade to efficient LED bulbs. But there are a few things you can do to get the most out of your existing bulbs and fixtures as well, like removing a bulb or two from multiple-bulb fixtures, cleaning your light fixtures, and using task lighting.

Learn More at duke-energy.com/MyHomeEnergy

JOHN DOE's electric use over time

Reference Number: 0186872181799

Account Number: ****-****-02-3



Although your usage for this month has **increased** compared to a year ago, you are still among the **most efficient homes in your area. Great Job!**

Take action. Reduce your use.



We're all connected.

Duke Energy provides **heating assistance** to our Kentucky neighbors in need through the **WinterCare** program. Your **donation** can help seniors and families struggling to pay their heating bills, and **Duke Energy matches every dollar up to \$25,000**. Donate online or through your paper bill. **If you need heating assistance, contact the Northern Kentucky Community Action Commission at 859.581.6607.**

Visit duke-energy.com/WinterCare to learn more or donate.



Only Heat the Rooms You Use

Some heating systems let you **choose which rooms to heat**. **Electric baseboard heat, mini-split heat pumps, and zoned heating systems** are just some heating types that let you **heat specific rooms or floors**. If you have this option, there is no need to heat the rooms you don't use. **Keep unused rooms set to 62 degrees Fahrenheit until you need them.**

For more energy-saving ideas, visit duke-energy.com/SavingsTips



P.O. Box 1007
 Mail Code ST29X
 Charlotte, NC 28201

Call: **888.873.3853**
 Email: HomeReport@duke-energy.com
 Visit: duke-energy.com/MyHomeEnergy

THIS IS NOT A BILL

JOHN DOE
 1234 MAIN ST
 UNION, KY 41091-9486

Duke Energy Kentucky
Case No. 2019-00406
STAFF First Set of Data Requests
Date Received: December 20, 2019
STAFF-DR-01-005

REQUEST:

Refer to the application, Appendix B. Provide a copy of this exhibit in Excel spreadsheet format with all formulas intact and unprotected, and with all columns and rows accessible.

RESPONSE:

Please see STAFF-DR-01-005 Attachment.

PERSON RESPONSIBLE: Julie Hollingsworth

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2018 to 6/2019 (A)	Projected Lost Revenues 7/2018 to 6/2019 (A)	Projected Shared Savings 7/2018 to 6/2019 (A)	Program Expenditures 7/2018 to 6/2019 (B)	Program Expenditures (C) Gas	Electric	Lost Revenues 7/2018 to 6/2019 (B)	Shared Savings 7/2018 to 6/2019 (B)	2018 Gas (D)	Reconciliation Electric (E)	Rider Collection (F) Gas	Electric	(Over)/Under Collection Gas (G)	Electric (H)
Energy Efficiency Education Program for Schools	\$ -	\$ -	\$ -	\$ 5,809	\$ 5,714	\$ 95	\$ -	\$ (544)						
Low Income Neighborhood	\$ 343,237	\$ 243	\$ (15,216)	\$ 234,459	\$ -	\$ 234,459	\$ 459	\$ (10,309)						
Low Income Services	\$ 911,344	\$ 1,157	\$ (51,878)	\$ 458,781	\$ 196,799	\$ 261,983	\$ 154	\$ (19,428)						
My Home Energy Report	\$ -	\$ -	\$ -	\$ 30,463	\$ -	\$ 30,463	\$ 1,777	\$ (2,738)						
Residential Energy Assessments	\$ 300,015	\$ 1,532	\$ 8,033	\$ 185,958	\$ -	\$ 185,958	\$ 1,468	\$ 13,048						
Residential Smart Saver®	\$ 2,323,461	\$ 17,149	\$ 106,686	\$ 1,103,926	\$ -	\$ 1,103,926	\$ 12,934	\$ 222,124						
Power Manager®	\$ 760,837	\$ -	\$ 119,492	\$ 568,954	\$ -	\$ 568,954	\$ -	\$ 108,088						
Power Manager® for Apartments	\$ -	\$ -	\$ -	\$ (7)	\$ -	\$ (7)	\$ -	\$ -						
Home Energy Assistance Pilot Program (I) Revenues collected except for HEA	\$ 258,401	\$ -	\$ -	\$ 302,017	\$ 126,686	\$ 175,331					\$ 110,443	\$ 152,851	\$ (2,578,966)	\$ 4,711,948
Total	\$ 4,897,295	\$ 20,081	\$ 167,118	\$ 2,890,360	\$ 329,199	\$ 2,561,161	\$ 16,792	\$ 310,244	\$ (1,050,839)	\$ (5,236,244)	\$ (2,468,523)	\$ 4,864,800	\$ 1,746,882	\$ (7,212,847)

- (A) Amounts identified in report filed in Case No. 2017-00427
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2018 through June 30, 2019.
- (C) Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.
- (D) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (E) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (F) Revenues collected through the DSM Rider between July 1, 2018 and June 30, 2019.
- (G) Column (5) + Column (9) - Column(11).
- (H) Column (6) + Column (7) + Column (8) + Column (10) - Column(12).
- (I) Revenues and expenses for the Home Energy Assistance Pilot Program.

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2018 to 6/2019 (A)	Projected Lost Revenues 7/2018 to 6/2019 (A)	Projected Shared Savings 7/2018 to 6/2019 (A)	Program Expenditures 7/2018 to 6/2019 (B)	Lost Revenues 7/2018 to 6/2019 (B)	Shared Savings 7/2018 to 6/2019 (B)	2018 Reconciliation (C)	Rider Collection (D)	(Over)/Under Collection (E)
Small Business Energy Saver	\$ 909,657	\$ 3,776	\$ 117,551	\$ 436,936	\$ 3,999	\$ 57,362			
Smart Saver® Custom	\$ 1,527,598	\$ 207,789	\$ 402,802	\$ 1,275,217	\$ 11,889	\$ 575,639			
Smart Saver® Non-Residential Performance Incentive Program	\$ 205,022	\$ 2,543	\$ 47,181	\$ 42	\$ -	\$ (4)			
Smart Saver® Prescriptive - Energy Star Food Service Products	\$ 40,698	\$ 241	\$ 8,192	\$ 18,313	\$ 149	\$ 2,899			
Smart Saver® Prescriptive - HVAC	\$ 130,263	\$ 513	\$ 25,382	\$ 70,326	\$ 172	\$ 10,887			
Smart Saver® Prescriptive - IT	\$ 7,997	\$ 0	\$ (800)	\$ 3,830	\$ -	\$ (383)			
Smart Saver® Prescriptive - Lighting	\$ 1,349,145	\$ 7,708	\$ 290,570	\$ 717,012	\$ 5,117	\$ 273,302			
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 13,754	\$ 0	\$ (1,287)	\$ 13,720	\$ -	\$ 2,562			
Smart Saver® Prescriptive - Process Equipment	\$ 7,116	\$ 0	\$ (712)	\$ 2,507	\$ -	\$ (251)			
Power Manager® for Business	\$ 180,181	\$ 244	\$ (7,458)	\$ 2,723	\$ -	\$ 536			
Total	\$ 4,371,431	\$ 222,814	\$ 881,422	\$ 2,540,625	\$ 21,326	\$ 922,548	\$ 6,022,795	\$ 9,166,516	\$ 340,779
PowerShare®	\$ 923,717	\$ -	\$ 93,854	\$ 593,292	\$ -	\$ 157,387	\$ 565,255	\$ 1,011,564	\$ 304,370

- (A) Amounts identified in report filed in Case No. 2017-00427
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2018 through June 30, 2019.
- (C) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (D) Revenues collected through the DSM Rider between July 1, 2018 and June 30, 2019.
- (E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)

Kentucky DSM Rider

2020-2021 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A)

	Residential Program Summary (A)				Allocation of Costs (B)			Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Electric	Gas Costs	
Low Income Neighborhood	\$ 306,300	\$ 3,758	\$ (10,254)	\$ 299,805	100.0%	0.0%	\$ 306,300	\$ 299,805	\$ -	
Low Income Services	\$ 450,263	\$ 1,662	\$ (18,999)	\$ 432,926	73.2%	26.8%	\$ 329,629	\$ 312,292	\$ 120,634	
My Home Energy Report	\$ 171,457	\$ 91	\$ 6,071	\$ 177,619	100.0%	0.0%	\$ 171,457	\$ 177,619	\$ -	
Residential Energy Assessments	\$ 251,869	\$ 2,945	\$ 9,982	\$ 264,796	100.0%	0.0%	\$ 251,869	\$ 264,796	\$ -	
Residential Smart Saver®	\$ 905,354	\$ 10,949	\$ 62,074	\$ 978,377	100.0%	0.0%	\$ 905,354	\$ 978,377	\$ -	
Power Manager®	\$ 585,261	\$ -	\$ 131,900	\$ 717,161	100.0%	0.0%	\$ 585,261	\$ 717,161	\$ -	
Total Costs, Net Lost Revenues, Shared Savings	\$ 2,670,505	\$ 19,405	\$ 180,775	\$ 2,870,684			\$ 2,549,871	\$ 2,750,050	\$ 120,634	
Home Energy Assistance Pilot Program	\$ 263,294							\$ 152,851	\$ 110,443	

NonResidential Program Summary (A)

	NonResidential Program Summary (A)				Allocation of Costs (B)			Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Electric	Gas	
Small Business Energy Saver	\$ 763,524	\$ 4,825	\$ 123,224	\$ 891,572	100.0%	0.0%	\$ 763,524	\$ 891,572	NA	
Smart Saver® Custom	\$ 707,158	\$ 8,176	\$ 241,184	\$ 956,518	100.0%	0.0%	\$ 707,158	\$ 956,518	NA	
Smart Saver® Prescriptive (C)	\$ 548,785	\$ 6,818	\$ 85,745	\$ 641,348	100.0%	0.0%	\$ 548,785	\$ 641,348	NA	
PowerShare®	\$ 904,512	\$ -	\$ 147,510	\$ 1,052,022	100.0%	0.0%	\$ 904,512	\$ 1,052,022	NA	
Total Costs, Net Lost Revenues, Shared Savings	\$ 2,923,979	\$ 19,819	\$ 597,663	\$ 3,541,461			\$ 2,923,979	\$ 3,541,461	NA	
Total Program	\$ 5,594,484	\$ 39,223	\$ 778,438	\$ 6,412,145						

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 8 of portfolio.

(B) Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.

(C) Smart Saver® Prescriptive consists of the following technologies: Energy Efficient Food Service Projects, HVAC, Lighting, IT, Pumps and Motors, and Process Equipment.

Kentucky DSM Rider

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Calculations for Programs

July 2019 to June 2020

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 2,750,050
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 2,489,439
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,052,022
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 120,634

(A) See Appendix B, page 2 of 7

Kentucky DSM Rider

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Billing Determinants

Year	2020
Projected Annual Electric Sales kWh	
Rate RS	1,475,582,438
Rates DS, DP, DT, GS-FL, EH, & SP	2,305,428,301
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,541,311,301
Projected Annual Gas Sales CCF	
Rate RS	62,137,848

Kentucky DSM Rider

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Calculations

July 2018 to June 2019

Rate Schedule Riders	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
<u>Electric Rider DSM</u> Residential Rate RS	\$ (7,387,398)	\$ 2,750,050	\$ (4,637,347)	1,475,582,438 kWh	\$ (0.003143) \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 349,026	\$ 2,489,439	\$ 2,838,464	2,305,428,301 kWh	\$ 0.001231 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ 311,735	\$ 1,052,022	\$ 1,363,758	2,541,311,301 kWh	\$ 0.000537 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.001768 \$/kWh
<u>Gas Rider DSM</u> Residential Rate RS	\$ 1,789,157	\$ 120,634	\$ 1,909,790	62,137,848 CCF	\$ 0.030735 \$/CCF
Total Rider Recovery			\$ 1,474,665		
Customer Charge for HEA Program <u>Electric No 4</u> Residential Rate RS			Annual Revenues \$ 152,851	Number of Customers 127,376	Monthly Customer Charge \$ 0.10
<u>Gas No 5</u> Residential Rate RS			\$ 110,443	92,036	\$ 0.10
Total Customer Charge Revenues			\$ 263,294		
Total Recovery			\$ 1,737,959		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2018 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is:
(B) Appendix B, page 2.
(C) Appendix B, page 4.

Allocation Factors based on July 2018-
 June 2019

Summary of Load Impacts July 2018 Through June 2019 (1)

Residential Programs	kWh	% of Total Res		ccf	% of Total Res		Elec % of Total Sales	% of Gas Sales
		Sales			Sales			
Energy Efficiency Education Program for Schools	1,670	0.0001%		4,214	0.0066%		2%	98%
Low Income Neighborhood	227,395	0.0149%		-	0.0000%		100%	0%
Low Income Services	207,830	0.0137%		6,549	0.0103%		57%	43%
My Home Energy Report	38,733	0.0025%		-	0.0000%		100%	0%
Residential Energy Assessments	386,925	0.0254%		-	0.0000%		100%	0%
Residential Smart Saver®	5,735,203	0.3770%		-	0.0000%		100%	0%
Power Manager®	-	0.0000%		-	0.0000%		100%	0%
Power Manager® for Apartments	-	0.0000%		-	0.0000%		100%	0%
Total Residential	6,597,757	0.4337%		10,763	0.0169%			
Total Residential (Rate RS) Sales For July 2018 Through June 2019	1,521,283,243	100%		63,811,024	100%			

(1) Load Impacts Net of Free Riders at Meter

Allocation Factors Projected

Summary of Load Impacts July 2020 Through June 2021 (1)

Residential Programs	kWh	% of Total Res	ccf	% of Total Res	Elec % of Total	% of Gas	% of Total	% of
		Sales		Sales	Sales	Sales		
Low Income Neighborhood	224,406	0.0148%	-	0.0000%	100%			0%
Low Income Services	255,140	0.0168%	3,917	0.0061%	73%			27%
My Home Energy Report	1,534,687	0.1009%	-	0.0000%	100%			0%
Residential Energy Assessments	442,891	0.0291%	-	0.0000%	100%			0%
Residential Smart \$aver®	2,260,897	0.1486%	-	0.0000%	100%			0%
Power Manager®	-	0.0000%	-	0.0000%	100%			0%
Total Residential	4,718,020	0.3101%	3,917	0.0061%				
Total Residential (Rate RS) Sales Projected	1,475,582,438	100%	62,137,848	100%				

(1) Load Impacts Net of Free Riders at Meter

REQUEST:

Refer to the application, Appendix B, page 2 of 7. Also, refer to the application, Appendix B, page 2 of Case No. 2018-00370.¹

- a. The projected program costs for Low Income services for 2019-2020 was \$810,628, and the projected program costs for 2020-2021 are \$410,263. Explain why Duke Kentucky expects costs to decrease by almost half.
 - (1) Refer to the application, paragraph 53. With the removal of the limitations for participating in the Low Income Weatherization Services and Payment Plus program, explain why the budget was decreased.
- b. The projected program costs for Residential Energy assessments for 2019-2020 was \$326,678 and the projected program costs for 2020-2021 are \$251,869. Explain why Duke Kentucky expects costs to decrease.
- c. The projected program costs for Residential Smart Saver for 2019-2020 was \$2,047,087 and the projected program costs for 2020-2021 are \$905,354. Explain why Duke Kentucky expects costs to decrease by over half.

RESPONSE:

- a. There are several contributing factors for the lower 2020-2021 projection for Low-Income Services. 1) Duke Energy Kentucky believes there is an error in the question, the \$410,263 should be \$450,263 which includes the refrigerator

¹ Case No. 2018-00370, *Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, (Ky. PSC Oct. 2, 2019).

replacement and Weatherization offers. 2) The Low-Income Services program should include the Payment Plus program projection of \$173,910. 3) The remaining difference of \$186,455 was intended to more accurately reflect recent actual program expenditure trending.

- b. The difference is due to Evaluation Measurement and Verification (EM&V). \$71K was allocated to EM&V in 2019, which is not allocated in 2020.
- c. A big driver in the cost decrease between fiscal years is the sunseting of the Free LED program. The program is scheduled to sunset before the 2020-2021 fiscal year start, therefore, does not have any projected costs associated with it. This alone makes up approximately 74% of the cost decrease referenced in the question. Additionally, the specialty bulb program removed all Aline bulbs beginning in January 2021 and reduced other specialty bulb participation for all bulbs including Recessed, Candelabra, Globe and 3 way.

PERSON RESPONSIBLE:

Rick Mifflin – a.
Shannon Gardner – b.
Lari Granger – c.
Greg Schielke – c.