

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)
INC. FOR APPROVAL TO CONTINUE ITS) CASE NO.
GoGREEN KENTUCKY PROGRAM) 2012-00455

COMMISSION STAFF'S FIRST DATA REQUEST TO
DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky") is to file with the Commission the original and ten (10) copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days following issuance of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, 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.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Duke Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Duke Kentucky's Application, paragraph 5, page 3. It states, "Similar green power offerings are currently available to customers of Duke Energy Ohio, Inc., and Duke Energy Indiana, Inc."

a. Explain whether the tariffs of the current and proposed green power offerings for Duke Energy Ohio, Inc. and Duke Energy Indiana, Inc. are identical or similar, since the advertising and promotion of these tariffs could be seen by Duke Energy customers in Indiana, Ohio, and Kentucky.

b. What is the current pricing structure for the Renewable Energy Credit component of Duke Energy Ohio, Inc. and Duke Energy Indiana, Inc.?

2. In response to Item 3 of Commission Staff's Second Request for Information, in Case No. 2009-00408,¹ it states, "Duke Energy Kentucky expects to recover all of its expenses through revenues within the first three years."

a. Explain whether Duke Kentucky has achieved that goal.

¹ Case No. 2009-00408, Application of Duke Energy Kentucky, Inc. for Approval of a New Green Power Pilot Program (Duke Energy's GoGreen Kentucky) (Ky. PSC Feb. 5, 2010).

b. If the response to item 1.a. is negative, identify when Duke Kentucky expects to meet that goal.

c. If program expenses are not recovered through program revenues, explain whether expenses are being recovered through customers that are not participants in the *GoGreen* program.

3. a. Provide a summary of promotional and administration expenses incurred by the *GoGreen* program for each year since the program began through 2011.

b. Explain whether the promotional and administration expenses are currently fully recovered.

c. If the answer to part b. is no, explain when Duke Kentucky expects these expenses will begin to be fully recovered.

d. Provide separately the actual revenues and expenses for the Green Power and Carbon Offsets programs to date for 2012.

e. Provide separately the projected number of participants, annual revenues, and expenses for the Green Power and Carbon Offsets programs for years 2012, 2013, and 2014.

4. Duke Kentucky proposes to reduce the price of the Renewable Energy Credit ("REC") component to \$1.00 per 100 kWh block with a minimum monthly purchase of two 100 kWh blocks. Considering this reduction, explain whether Duke Kentucky still expects to fully recover the expenses incurred by the *GoGreen* program, and if so, when.

5. a. Provide a summary of promotional and administration expenses incurred by the Carbon Offset program for each year since the program began through 2011.

b. Explain whether the promotional and administration expenses are being fully recovered.

c. If the answer to part b. is no, explain when Duke Kentucky expects these expenses will begin to be fully recovered.

6. Refer to page 5, Item II, B., of Duke Kentucky's 2011 annual informational report. Given the monthly number of participants is unchanged for 2011, explain whether Duke Kentucky plans any further promotional efforts for this program.

7. Refer to the Rider GP, Second Revised Sheet No. 88, page 1, approved in Case No. 2009-00408.² The definition of green power and carbon offsets states the following:

Green Power includes energy generated from renewable and/or environmentally friendly sources, including:

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. Green Power includes the purchase of Renewable Energy Certificates.

Carbon Offsets are financial instruments representing a reduction in greenhouse gas emissions. One Carbon Credit represents the reduction of one metric ton of carbon dioxide (CO₂) or its equivalent in other greenhouse gases. Each Carbon Offset available under this tariff represents a 500

² *Id.*

pound (lbs) block reduction of CO₂ (approximately ¼ of a Carbon Credit).

a. Provide the percentage breakdown of the revenues derived by the sources of renewable and/or environmentally friendly energy as defined by above for 2009, 2010, and 2011.

b. Explain how Duke Kentucky determines that each of the renewable and/or environmentally friendly sources as defined above, is in fact a “renewable and/or environmentally friendly” source under the terms of its tariff.

8. Refer to footnote 2 in the Application of Case No. 2009-00408³ where it states the following:

In addition, the Company is looking into the potential of an IRS 501(c)3, not-for profit corporation to operate and manage the *Duke Energy's GoGreen Kentucky* Program. Through such a not-for-profit, 100% voluntary customer monthly payments to *Duke Energy's GoGreen Kentucky* could be tax deductible. The Company is not currently asking for approval to transfer the program to a not-for-profit, but it may do so in the future.

Explain the status of Duke Kentucky's evaluation of a potential IRS 501 (c)(3) not-for profit corporation to operate and manage the *Duke Energy's GoGreen Kentucky* Program.



Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED OCT 31 2012

cc: Parties of Record

³ *Id.*

Kristen Cocanougher
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201