

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF DUKE ENERGY KENTUCKY, |) | Case No. |
| INC. FOR THE ANNUAL COST RECOVERY |) | 2012-00495 |
| FILING FOR DEMAND SIDE MANAGEMENT |) | |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before February 15, 2013. 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 the 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 shall 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.

1. Refer to Duke Kentucky's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 1.b., which states that "[t]he vendor selection and program contract were finalized in November 2012 and therefore the program did not launch in 2012 and due to ramp up the anticipated start date of this program is March 2013."

a. State whether there is a signed contract with an outside vendor for the Low Income Neighborhood Program.

b. If so, provide a copy of the signed agreement.

2. Refer to Duke Kentucky's response to Staff's First Request, Item 2.a., which states:

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) continues to analyze the ability to provide refrigerator replacements to renters. While offering the program to customers in rental units may increase the eligible customer base and assist more income qualified customers, the rental units may negatively impact the energy savings over the life of the refrigerator. There are three scenarios being reviewed:

- i. Renters who own their refrigerator;
- ii. Landlords who own the refrigerator in a rental unit; and

iii. Landlords who own the refrigerator in Assisted Housing developments.

The renter must be responsible for the payment of the electric utility bill to be eligible for the program. In the case of renters who own their refrigerator, renters often do not remain in a specified location for an extended period of time and may move multiple times over the life of the equipment. The potential movement of the refrigerator complicates tracking and evaluation of the program.

When the landlord owns the refrigerator, an agreement may be required to keep the refrigerator in the same location for some period of time. Qualification for the program is based on the tenant income, so if units are moved between properties it would be difficult to track energy savings over the life of the equipment.

Allowing refrigerator replacement to renters in Assisted Housing developments may be the most beneficial for the program. Duke Energy Kentucky can be certain that all renters will be income qualified and agreements can be made with the landlords to keep the refrigerator in the specified location.

a. State when Duke Kentucky may consider offering this aspect of the Low Income Refrigerator Replacement Program and explain how it plans to implement this portion of the program.

b. If the landlord owns the refrigerator, state whether Duke Kentucky would require a landlord agreement to ensure that a replacement refrigerator remains in place.

c. Explain the reasonableness of requiring Duke Kentucky's residential ratepayers to subsidize landlord-owned refrigerators provided to renters in Assisted Housing developments with no financial risk to the landlord, even if the renter's income qualifies the renter for the program.

d. Identify ownership types of Assisted Housing facilities in which renters may qualify for the Low Income Refrigerator Replacement Program.

e. Describe how Duke Energy Ohio implements the Low Income Refrigerator Replacement Program for renters in Assisted Housing, and how the Landlord Agreement is administered to ensure replacement refrigerators remain in place.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 2.c., which states:

The Low Income Refrigerator Replacement Program has piggy-backed with whole-home weatherization programs, sponsored by both Duke Energy Kentucky and the State of Kentucky. Because refrigerator replacement is directly tied to the number of homes, resident selection and metering results from the weatherization programs, the budget for the KY Low Income is not always expended.

If the Low Income Refrigerator Replacement Programs piggy-backed with whole-home weatherization programs and Duke Kentucky is considering renters in Assisted Housing developments, explain whether this would be a financial subsidization, by the Duke Kentucky residential ratepayers, of a weatherization program of an investment property, with no financial risk to the landlord, even if the renter's income qualifies the renter for the program.

4. Refer to Duke Kentucky's response to Staff's First Request, Item 4, which states:

The main factor hindering fulfillment of kit distribution is that participation is limited to Duke Energy households and a majority of teachers are reluctant to participate if kits cannot be offered to all students. Additionally, kit distribution is determined by the number of signed registration forms

received by families and some choose not to participate or may have already received a kit.

State whether Duke Kentucky was aware when this program and the theatrical performance portion of the program were proposed that there were students of other nearby electric-energy providers attending schools where Duke Kentucky is promoting its Energy Efficiency Education Program for Schools and that a majority of teachers were reluctant to participate if kits could not be offered to all students.

5. Refer to Duke Kentucky's response to Staff's First Request, Item 5, which states:

It is commonly accepted that, over time, building systems do not operate as optimally as they could and will use more energy than they should in order to satisfy occupant comfort and lighting requirements. Duke Energy's proposed Energy Management and Information Services pilot program is a systematic approach to reducing energy usage at qualified commercial or industrial (C&I) customer facilities and persistently maintaining those savings over time.

a. If this program is designed to address energy used to satisfy occupant comfort and lighting requirements, explain whether the monitoring of energy usage in this pilot will provide the desired results of increased building efficiency as much as it may be a program to change consumption behavior in satisfying occupant comfort and lighting requirements.

b. The footnote to the response states "[a]n overview of the Energy Management and Information System Pilot Program was presented to the Residential and Commercial and Industrial Collaborative on October 15, 2012." Describe the reaction of members of the Collaborative to this pilot program.



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

DATED JAN 31 2013

cc: Parties of Record

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

Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201