

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ANNUAL COST RECOVERY FILING FOR DEMAND SIDE) CASE NO.
MANAGEMENT BY DUKE ENERGY KENTUCKY, INC.) 2014-00388

COMMISSION STAFF'S THIRD 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 in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date 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 may 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 filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. How many of Duke's residential gas customers are not Duke residential electric customers.

2. Refer to the Application, Appendix B, page 2; Duke's responses to Item 1.b. of Commission Staff's First Request for Information ("Staff's First Request"); and Item 2 of Commission Staff's Second Request for Information ("Staff's Second Request"). Using relative load impacts as cost allocation factors between electric and gas customers, provide a revised page 2 of Appendix B showing the effect of using this allocation method as opposed to Duke's current methodology based on 63.5 percent gas space heating saturation. If Duke believes the summary of load impacts for July 2013 through June 2014 as shown in the response to Item 1.b. of Staff's First Request is not representative of expected annual load impacts on a going-forward basis, also provide the effect of using the relative electric and gas load impacts based on projected Load Impacts Net of Free Riders at Meter as a cost allocator.

3. Refer to the Application, Appendix B, page 2; and Duke's response to Item 4.d. of Staff's Second Request. Using current known saturation levels for space

and water heating as cost allocation factors between electric and gas, as appropriate for every measure contained in each residential program shown on page 2 of Appendix B, provide a revised page 2 of Appendix B showing the effect of using this allocation method as opposed to Duke's current methodology based on 63.5 percent gas space heating saturation.

4. Refer to the Application, Appendix B, page 1. Provide revised calculations for columns (5) and (6) showing the effect of each alternate allocation methodology on gas and electric actual program expenditure allocations for July 2013 through June 2014 requested in Items 2 and 3 of this Request for Information.

5. Irrespective of Duke's traditional methodology of allocating 63.5 percent of the cost of certain programs to gas customers, provide an evaluation of alternate allocation methodologies. The evaluation should include those alternate methodologies described in Items 2 and 3 of this Request for Information, indicating any that would be acceptable to Duke in the event the Commission does not continue to find the current cost allocation methodology between gas and electric customers reasonable.



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

DATED MAR 30 2015

cc: Parties of Record

Case No. 2014-00388

*Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East Fourth Street
P. O. Box 960
Cincinnati, OH 45201

*Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

*Debbie Gates
Duke Energy Kentucky, Inc.
139 East Fourth Street
P. O. Box 960
Cincinnati, OH 45201

*Kristen Ryan
Senior Paralegal
Duke Energy Kentucky, Inc.
139 East Fourth Street
P. O. Box 960
Cincinnati, OH 45201