

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, Section 8, 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 on or before January 30, 2015. 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 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. Refer to the table on page 6, paragraph 17 of the application (“Application”).

a. Provide similar electric information for July 2014 through December 2014.

b. Provide similar information for the natural gas portion of the demand-side management (“DSM”) programs for July 2013 through June 2014.

c. Provide similar information for the natural gas portion of the DSM programs for July 2014 through December 2014.

2. Refer to page 8, paragraph 21 of the Application. When referring to Duke Energy, as in the last sentence, explain which Duke Energy Corporation entity is being referenced.

3. Refer to page 10, paragraph 29 of the Application. Confirm that DIY means do-it-yourself.

4. Refer to page 10, paragraph 30 of the Application, which states, “Duke Energy Kentucky will consider increasing the number of CFLs installed in two and three

bedroom units. Based on initial observations with Franklin Energy, additional sockets are available for larger units and Duke Energy would like to capitalize on this opportunity.”

a. Provide the number of compact florescent light (“CFL”) bulbs and the number of bedroom units that are reflected in the current measure.

b. Provide the proposed number of CFLs that would be installed in two- and three-bedroom units.

c. Explain when Duke Kentucky will consider implementing this proposed measure.

5. Refer to page 11, paragraph 32 of the Application, which states, “There are three kit sizes to accommodate homes with 1, 2 or 3 full bathrooms. The kits contain varying quantities of shower heads, bath aerators, kitchen aerators and insulated pipe tape.” Explain whether there is a limit to the number of kits that could be distributed to a dwelling.

6. Refer to the table on pages 15 and 16 in paragraph 42 of the Application. Explain the decrease in participation from 2012-2013 to 2013-2014.

7. Refer to page 24, paragraph 62 of the Application, which states, “Duke Energy is currently launching a mid-stream marketing channel.”

a. Explain the mid-stream marketing channel.

b. Explain which Duke Energy entity is being referenced.

8. Refer to page 28, paragraph 77 of the Application, which states, “The Duke Energy contracted professional engineering firm will assist the customer in completing the Smart Saver[®] application.”

a. Provide the name of the Duke Energy-contracted professional engineering firm.

b. Explain which Duke Energy entity is being referenced.

9. Refer to page 28, paragraph 78 of the Application, which states, "During the current reporting period, July 2013 to June 2014, there is currently one customer participating in the program." Provide the desired participation level in order for this program to be effective and deemed successful.

10. Refer to the table on page 32, paragraph 81 of the Application.

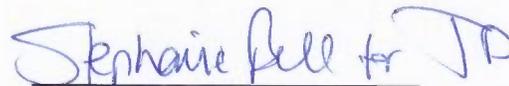
a. Explain the Event Types labelled PJM Test, dated August 28, 2013, and PJM Re-Test, dated September 24, 2013.

b. Explain the QuoteOption event's occurring on January 7, 2014, in light of the fact there was no participation in the QuoteOption portion of the PowerShare program.

11. Refer to page 36, paragraph 90 of the Application, which states, "The reconciliation of the cost recovery mechanism (Rider DSMR) involves a comparison of projected versus actual program expenses, lost revenues, and shared savings, as well as inclusion of the prior year's reconciliation. The actual cost of residential and nonresidential program expenditures, lost revenues, and shared savings for this reporting period was \$10.51 million. The projected level of program expenditures was \$9.75 million." Explain the \$.76 million increase over the projected level of program expenditures.

12. Refer to page 41 of the Application. Provide the current DSMR rider costs for the average electric and gas customer.

13. Refer to pages 1 and 2, Appendix B of the Application.
- a. Explain whether the gas program expenditures shown in column 6 of page 1 are actual expenditures, or if they result from an allocation based on space heating saturation.
 - b. If the gas expenditures are allocations, state whether Duke Kentucky believes it is reasonable to use the same allocation factor for all the programs for which cost is allocated to gas customers, as shown on page 2.
 - c. Refer to page 2. Provide, by measure, the 2015-2016 projected program costs equaling \$1,085,886 and the 2015-2016 projected lost revenue amount of \$1,567,646 for the Residential Smart Saver program.
 - d. Irrespective of the 63.5 percent allocation factor used to allocate costs to gas customers, for each program with costs allocated to gas customers, provide a comparison of actual expected ccf and kWh savings for the typical gas customer compared to the typical residential electric customer.
14. Refer to page 4, Appendix B of the Application. Provide actual annual sales and number of customers for calendar years 2010 through 2014 for the rate classes shown for both electric and gas.
15. Provide in electronic format, with formulas intact and cells unprotected, each page of Appendix B of the Application.



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Public Service Commission
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DATED JAN 14 2015

cc: Parties of Record

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