

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                    |   |            |
|------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF DUKE     | ) | CASE NO.   |
| ENERGY KENTUCKY, INC. TO AMEND ITS | ) | 2019-00277 |
| DEMAND SIDE MANAGEMENT PROGRAMS    | ) |            |

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO THE ATTORNEY GENERAL

The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on January 10, 2020. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

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.

The Attorney General shall make timely amendment to any prior response if the Attorney General 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 the Attorney General fails or refuses to furnish all or part of the requested information, the Attorney General 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, the Attorney General 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 Direct Testimony of Paul J. Alvarez (Alvarez Testimony), page 7, lines 8-18.
  - a. Confirm that it is Mr. Alvarez's opinion that low-income customers are impacted more than the average customer during high-priced times.
  - b. State whether Mr. Alvarez believes that low-income customers exhibit a lower price elasticity than the average customer.
  - c. State whether Mr. Alvarez believes that the price elasticity is different between peak-time rebate and time-of-use programs and, if so, provide any supporting documentation.
  - d. State whether Mr. Alvarez believes that low-income customers can benefit from peak-time rebate programs.

e. Provide all studies supporting the level of price elasticity of low-income customers as compared to other customers.

2. Refer to the Alvarez Testimony, page 12, lines 15–16. Identify features and details that will not be mimicked in the broader rollout and how they should be modified.

3. Refer to the Alvarez Testimony, page 15, line 7, through page 16, line 2. Also refer to Duke Energy Kentucky, Inc.'s (Duke Kentucky) Response to the Attorney General's First Request for Information, Item 8. Provide a prioritization of the pilot program questions.

4. Refer to the Alvarez Testimony, page 19, lines 14–15. Provide support that the climate in Maryland is similar to that in Kentucky.

5. In his support for the recommended summer rebate rate, Mr. Alvarez used Duke Kentucky's July 2019 energy and avoided capacity costs. Explain why the other summer months for which the proposed critical rebate can occur were not also factored in the calculation.

6. Refer to the Alvarez Testimony, page 20, lines 5–14. Explain why a winter critical peak rebate was not calculated in a similar manner as the summer critical peak rebate, i.e. using the marginal price for energy at Duke Kentucky's three local pricing nodes and avoided capacity costs during PJM's winter peak

7. Refer to the Alvarez Testimony, page 20, line 17 through page 21, line 15, which states that Duke Kentucky is prohibited from calling a critical peak event (CPE) if notice cannot be given by 9:00 p.m. the evening before, as many participants will not be home and thus will be unable to shift their loads. State whether Mr. Alvarez supports differing rebates as part of the pilot study based upon a call the evening before and “emergency” CPEs called an hour before.

8. Refer to the Alvarez Testimony, page 22, lines 15–28. If the CPE program were a “default” program, as recommended, explain how those who have not chosen a notice channel should be notified of the amount of rebate earned.

9. Refer to the Alvarez Testimony, page 24, line 14, which states that, in Maryland, CPEs are limited to ten per summer. Also refer to the Alvarez Testimony, page 9, line 5, which states that a utility is authorized to call a CPE up to six times a summer. Reconcile these two statements.



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DATED DEC 17 2019

cc: Parties of Record

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