

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
CLAUSE OF DUKE ENERGY KENTUCKY,) CASE NO.
INC. FROM NOVEMBER 1, 2014 THROUGH) 2017-00005
OCTOBER 31, 2016)

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 an original, six copies in paper medium, and an electronic version of the following information. The information requested herein is due on or before March 20, 2017. 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 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. 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 Direct Testimony of Brett Phipps (“Phipps Testimony”), page 3.
3. Provide details of the “established guidelines” referenced on lines 15-17.

2. Refer to the Phipps Testimony, page 5, lines 11-19. Lines 11-12 state that “the Company utilizes firm delivered spot gas as needed....” Lines 16-18 state that “Duke Energy Kentucky has not historically maintained firm transportation on the interstate pipeline that supplies Woodsdale....” Explain what is meant by the term “firm delivered spot gas” as used on Lines 11-12.

2. Refer to the Direct Testimony of John D. Swez.
 - a. Refer to page 5, lines 19-22. State whether Duke Kentucky engaged in virtual transactions during the two-year review period. If yes, explain; 1) how the transactions were accounted for; and 2) the effect the transactions had on the calculation of the fuel adjustment clause (“FAC”), if any.

b. Refer to page 6, lines 10-15.

(1) As the paragraph relates to instances when Duke Kentucky's "generation stations are unavailable due to planned maintenance outages," state whether it is referring to hedges entered into as part of Duke Kentucky's back-up power supply plan. If not, explain.

(2) By month for the two-year review period, provide details and the benefits and costs of hedging activities related to Duke Kentucky's back-up power supply plan. Provide the supporting calculations in Excel spreadsheet format with the formulas intact and unprotected.

(2) Explain the types of hedges Duke Kentucky enters into when its generation stations "are not expected to clear the PJM Energy Market in volumes sufficient to serve native load demands." Include in the response details on hedges entered into during the two year review period, how the transactions were accounted for, and the effect they had on the calculation of the FAC, if any.

c. Refer to page 8, lines 17-18. Explain the meaning of the statement "Fixed Gen units are committed (sic) but intend to remain fixed or otherwise not follow PJM real-time dispatch."

d. Refer to page 9, lines 10-11, and lines 16-18. Provide additional information related to the process of submitting a daily offer and hourly updates. Include in the response an example of a recent daily offering and the hourly updates related to that offering.

3. Refer to the Direct Testimony of John A. Verderame.

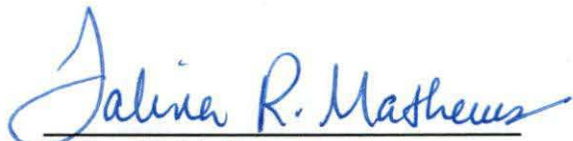
a. Refer to page 6, lines 6-12. Provide details of the first three initiatives listed in this paragraph.

b. Refer to page 9, lines 14-17. State when Duke Kentucky will submit its initial Fixed Resource Requirement Plan for the delivery period June 1, 2020, through May 31, 2021.

4. Refer to Duke Kentucky's response to the Commission's February 6, 2017, Request for Information, Item 42.

a. Confirm that Duke Kentucky classifies an outage meeting the definition of "Maintenance Outage" as a scheduled outage.

b. Confirm that Duke Kentucky classifies an outage meeting the definition of any of the three "Unplanned (Forced) Outage" categories listed on the North American Electric Reliability Corporation website as a forced outage.



Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40601

DATED MAR 06 2017

cc: Parties of Record

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

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

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