

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF DUKE	)	
ENERGY KENTUCKY, INC. FOR APPROVAL OF	)	CASE NO.
AN ECONOMIC DEVELOPMENT INCENTIVE	)	2022-00394
SERVICE AGREEMENT WITH DIVERSEY, 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, is to file with the Commission an electronic version of the following information. The information requested is due on December 21, 2022. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 Duke Kentucky obtains information that indicates 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, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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 Administrative Case No. 327,<sup>2</sup> finding paragraph 5, which states, "EDRs should only be offered during periods of excess capacity. Utilities should demonstrate, upon submission of each EDR contract, that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability. Such a reserve margin should be

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<sup>2</sup> Administrative Case No. 327, *An Investigation into the Implementation of Economic Development Rates by Electric and Gas Utilities* (Ky. PSC Sept. 24, 1990).

identified and justified with each EDR contract filing.” Explain whether the proposed contract complies with this requirement. If so, provide support showing that it does comply. If not, explain why not.

2. Refer to Administrative Case No. 327, finding paragraph 6, which states, “Upon submission of each EDR contract, a utility should demonstrate that the discounted rate exceeds the marginal cost associated with serving the customer. Marginal cost includes both the marginal cost of capacity as well as the marginal cost of energy. In order to demonstrate marginal cost recovery, a utility should submit, with each EDR contract, a current marginal cost of service study. A current study is one conducted no more than one year prior to the date of the contract.” Provide a current marginal cost of service study conducted no more than one year prior to the date of the contract showing that the discounted rate exceeds the marginal cost associated with serving Diversey, Inc.

3. Refer to Administrative Case No. 327, finding paragraph 9, which states, “All EDR contracts should include a provision providing for the recovery of EDR customer-specific fixed costs over the life of the contract.” Explain whether the proposed contract complies with this requirement. If not, explain why not.

4. Refer to Administrative Case No. 327, finding paragraph 12, which states in relevant part, “For new industrial customers, an EDR should apply only to load which exceeds a minimum base level.” Explain whether the proposed contract complies with this requirement. If not, explain why not.



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DATED DEC 07 2022

cc: Parties of Record

Case No. 2022-00394

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