

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 SECOND REQUEST FOR INFORMATION  
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on January 27, 2023. 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 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Economic Development Incentive Service Agreement, page 4. Provide an annual schedule showing the costs and revenues for the discount period and two following years that illustrate that the contract rates will cover the variable cost of service and provide a contribution to fixed costs and that Duke Kentucky's other customers do not subsidize Diversey. Include in the response, which rates are discounted.

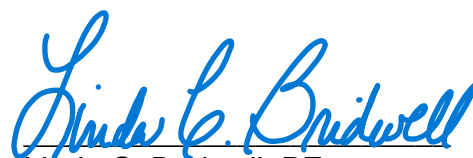
2. Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1.

a. Explain whether the projected reserve margins are based on Duke Kentucky's system peak or PJM Interconnection LLC's (PJM) system peak. If they are based on PJM's system peak, provide the reserve margins for Duke Kentucky's system peak.

b. Provide the reserve margin that Duke Kentucky requires for system reliability for 2022-2026 and briefly explain how those reserve margins are determined.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 2 and the Application generally. Neither the application nor the response appear to contain a marginal cost study. Provide a marginal cost study performed in the last year and explain how it demonstrates that the contract will cover the variable cost of service and provide a contribution to fixed costs over the contract term.

4. Refer to Duke Kentucky's response to Staff's First Request, Confidential Attachment 2. Provide a narrative description of how the attachment shows that the marginal cost is less than the discounted revenues generated by the contract.



Linda C. Bridwell, PE  
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Public Service Commission  
P.O. Box 615  
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DATED JAN 12 2023

cc: Parties of Record

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