

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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AUG 19 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of Duke Energy)	
Kentucky, Inc., For (1) A Certificate of)	
Public Convenience And Necessity)	
Authorizing the Acquisition of The)	
Dayton Power & Light Company's 31%)	
Interest in the East Bend Generating)	
Station; (2) Approval of Duke Energy)	Case No. 2014-00201
Kentucky, Inc.'s Assumption of Certain)	
Liabilities in Connection with the)	
Acquisition; (3) Deferral of Costs Incurred)	
as Part Of the Acquisition; and (4) All)	
Other Necessary Waivers, Approvals, and)	
Relief.)	

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS
PUBLIC REDACTED VERSION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Requests for Information to Duke Energy Kentucky, Inc. [hereinafter referred to as "Duke" or "DEK"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for DEK with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys,

studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.


(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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this 19th day of August, 2014



Assistant Attorney General

The Application of Duke Energy Kentucky, Inc., for a Certificate of Public Convenience And Necessity
Regarding the East Bend Generating Station
Case No. 2014-00201
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

1. Reference the DEK filing in Case No. 2014-00273 (DEK's IRP). On p. 45, on the chart entitled "Estimated Environmental Impact Study" under the row labeled "CCR Rule" and under the column labelled "East Bend," the phrase "dry bottom ash conversion risks" appears. Please identify the specific bottom ash conversion risks to which the company is apparently referring.
2. Reference the company's response to PSC 1-22 (a), regarding the planned Spring outage at East Bend to address various boiler projects. The company responded that ". . . capital costs have been invoiced to DP&L, but they are currently withholding payment on some of these projects." Please provide:
 - a. DP&L's share of the total costs for the outage in dollars;
 - b. An explanation of whether the disputed sums relate solely to capital costs, O & M or both;
 - c. A list of the specific projects over which DP&L is withholding payment, together with DP&L's reasons for doing so;
 - d. A date on which DEK expects DP&L's payments, together with the options that exist should DP&L fail to tender its share of the costs.
3. Reference the company's response to PSC 1-22 (c). Has DP&L withheld payment for any costs associated with the projects identified in this subpart? If so, please provide:
 - a. DP&L's share of the total costs for these outage in dollars;
 - b. An explanation of whether the disputed sums relate solely to capital costs, O & M or both;
 - c. A list of the specific projects over which DP&L is withholding payment, together with DP&L's reasons for doing so;
 - d. A date on which DEK expects DP&L's payments, together with the options that exist should DP&L fail to tender its share of the costs.
4. Reference the company's response to PSC 1-23. Provide a cost estimate for each [REDACTED] item specified therein. When the [REDACTED] are completed, state:
 - a. how they are expected to contribute to [REDACTED] and [REDACTED]
 - b. whether any one or more of those items will add to East Bend's expected life span, and if so, by how much.

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5. Reference DEK's response to AG 1-1, Attachment A (Letter from Mr. Charles A. Lantzy, DP& L's Senior Vice President of Generation Operations to Mr. Charles Gates of Duke Energy Corporation, dated Feb. 15, 2013).
 - a. Explain why Mr. Lantzy stated in the first paragraph that "[t]he financial performance of Unit 2 has been extremely disappointing over the last year or so for . . . [DP&L]."
 - b. In the first paragraph, Mr. Lantzy stated that "negative financial results are projected to continue for the foreseeable future. . ." Explain what measures DEK and/or DP&L took since the date of this letter to improve the financial performance of East Bend.
 - (i) Explain whether those measures will insure positive financial performance for the remaining life of the unit.
 - c. On the bottom of page 1 and continuing onto the top of page 2 of Attachment A, Mr. Lantzy requests that DEK engage in best efforts to agree upon modifications to the East Bend Unit 2 Operating Agreement ["the Agreement"]. Provide a copy of the Agreement depicting any changes to which the parties agreed since the date of this letter.
 - (i) At the top of page 2, Mr. Lantzy mentions ". . . proposed capital improvements and plant upgrades." Provide a list of all such proposals, both those that were implemented and any and all which may not have been implemented.
 - d. In the next to last paragraph on page 2, Mr. Lantzy suggests a meeting ". . . to present the conclusions of our analyses and proposals." Provide a copy of any and all materials discussing DP&L's analyses and conclusions.
6. Reference DEK's response to AG 1-1, Attachment B (letter from Mr. Steven Immel, Vice President of Duke Midwest Regulated Operations, to Mr. Brad Scott, Vice President of Generation for DP&L, dated February 13, 2014).
 - a. The first paragraph of the letter states, ". . . DEK at the request of

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DP&L, agreed to a 60% reduction in capital expenditures over the long term." Identify the precise then-proposed capital expenditures that constituted the 60% reduction in capital expenditures to which DEK agreed.

- b. For each item of capital expenditures identified in your response to subpart (a), above, state whether that item has been identified as an item of future expense in the event the Commission approves DEK's filing in the instant case.
7. Reference DEK's response to AG 1-1, Attachment E (Confidential)(letter from [REDACTED]), wherein it is stated in the bottom paragraph that [REDACTED]. Provide a description of each item comprising [REDACTED].
 - a. Provide any necessary reconciliation to DEK'S responses to item numbers 5 and 6, above.
 8. Reference DEK's response to AG 1-12 (h). Regarding the "bottom ash pond final discharge pipe":
 - a. Of what material(s) is it composed?
 - b. What is the pipe designed to do?
 - c. What materials pass through it?
 - d. Can any of the chemicals in the wet ash corrode any of the material(s) of which the pipe/culvert is composed?
 - e. If it were to leak, to where would the substances that flow through the bottom ash pond final discharge pipe flow?
 - f. When was the last time it was inspected? Please provide a copy of any and all reports reflecting the inspection and results.
 - g. How old is it?
 9. Reference DEK's response to AG 1-12, Confidential Attachment A "[REDACTED] [REDACTED]" dated July 11, 2014.
 - a. Confirm that at p. 2, the [REDACTED] and the following comments appear:

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- " [REDACTED]
[REDACTED] "
- b. Please describe what [REDACTED]
[REDACTED]
- c. Please describe the function the [REDACTED] performs.

10. Reference DEK's response to AG 1-27. Will the results of DEK's analysis of this RFP be available to the Commission and the Attorney General before the date that DEK has requested final order in this matter?

11. Does DEK believe that the operation of either MF6, East Bend 2 or perhaps both plants will be cycled more frequently in the coming years? If so:

- a. Provide copies of any and all engineering studies discussing the more frequent cycling;
- b. Please state whether DEK believes there will be more frequent maintenance cycles at one or both plants; and
- c. Please identify any additional projected O & M costs associated with more frequent cycling.