

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR APPROVAL OF ITS)	CASE NO.
PREMIER POWER SERVICE TARIFF AND)	2015-00347
STANDARD CONTRACT)	

COMMISSION STAFF'S INITIAL 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 the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. 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 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 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, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 Application, page 2, paragraph 4.
 - a. Explain why Duke Kentucky's proposed Premier Power Service ("PPS") specifies the use of a backup generator with a name plate rating of at least 50 kW, rather than a lesser minimum capacity rating or not having a minimum capacity requirement.
 - b. Identify the maximum name plate rating Duke Kentucky will install.
2. Refer to the Application, page 3, paragraphs 5 and 6.
 - a. Paragraph 5 states that the proposed PPS will be a self-sustaining program and accounted for below the line. Paragraph 6 states, "Back-up generators are available from other vendors in the competitive market place for purchase or lease, so customers wishing to have this enhanced level of redundancy are not obligated to take this service from the Company." Given that competition exists for this service and

the accounting for the service would be below the line, explain why the PPS should be considered a regulated activity rather than a non-regulated activity.

b. Provide the account numbers established by the Federal Energy Regulatory Commission's Uniform System of Accounts for Public Utilities and Licenses ("USoA") that will be used to record the PPS activities.

c. In what USoA account numbers will Duke Kentucky employees record time spent on PPS activities?

3. Refer to the Application, Exhibit 1, page 1 of 2, the Rate section. In the paragraph that begins "Levelized Capital Cost is equal to," explain the following terms:

a. Contingency allowance.

b. Adjustment to reflect additional supporting investment of general plant nature.

4. Refer to the Application, Exhibit 2, page 1 of 6. In the Terms and Conditions section, explain why the initial term is blank when the proposed tariff states that the initial term will be ten years.

5. Refer to the Direct Testimony of Keith L. Dale ("Dale Testimony"), page 3, lines 16-21.

a. Provide copies of the PPS tariffs referred to on these lines that were approved in other jurisdictions.

b. Provide a copy of the final Orders approving the tariffs referred to in subpart a.

6. Refer to the Dale Testimony, page 4, lines 19-21. Provide the type of fuel referred to by the use of "etc." on line 20.

7. Refer to the Dale Testimony, page 5, lines 17-18. Explain whether energy from the back-up generator will flow through the customer's meter. If yes, explain how customers will not be "double billed" for that energy due to paying for the metered usage on their bill, and through the PPS rider.

8. Refer to the Dale Testimony, page 7, lines 9-10, which state "[t]he monthly charge will remain the same through the term of the contract..." Explain what would happen if the monthly fee set out in the contract were either too high or too low to recover actual expenses due to unexpected changes in fuel costs, a variation in the number and amount of times the back-up generator is operated than was anticipated, etc.

9. Refer to the Dale Testimony, page 7, lines 21-23.

a. Provide the amount of the "nominal fee" referred to in this sentence.

b. Provide the location of this fee in the proposed PPS tariff or in the Standard Contract.

10. Refer to the Dale Testimony, page 8, lines 20-23. State whether the initial term referred to on line 20 should be 10 years instead of 1 year.

11. Refer to the Application, Exhibit 1, page 1 of 2, the Availability section. Provide the number of customers served under Rates DS, DP or Special Contracts that would be eligible for PPS by each rate schedule.

12. During distribution system power outages, explain whether the customer or Duke Kentucky will be responsible for providing personnel to operate the back-up power supply.

13. Describe the input, if any, that Duke Kentucky's customer will have in the selection of equipment to be installed.

14. Describe the level of interest, if any, that Duke Kentucky has received from potential customers.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED NOV 23 2015

cc: Parties of Record

*Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East Fourth Street
P. O. Box 960
Cincinnati, OH 45201

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

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