

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY, )	
INC. FOR AN ORDER AUTHORIZING THE )	CASE NO.
ISSUANCE OF UNSECURED DEBT AND )	2016-00379
LONG-TERM NOTES, EXECUTION AND )	
DELIVERY OF LONG-TERM LOAN )	
AGREEMENTS, AND USE OF INTEREST RATE )	
MANAGEMENT INSTRUMENTS )	

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 original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of this request for information. 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 amendments 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 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 document 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. Provide the expected cost of secured and unsecured borrowing represented by the authority requested in this application.

2. Explain why Duke Kentucky is requesting an increase to a maximum amount of \$200 million from the \$175 million long-term debt financing currently authorized by the Commission.

3. Refer to the Application, page 3, paragraph 3, which states that Duke Kentucky expects to continue to classify \$25 million of borrowings under the Utility Money Pool Agreement as long-term debt via allocation of Duke Energy Corporation's borrowing capacity under its master credit facility.

- a. Provide an explanation of the classification of the specified \$25 million of Utility Money Pool Agreement borrowings as long-term debt.

b. State when Duke Kentucky began the referenced classification, given that the application in Case No. 2014-00343<sup>1</sup> requested permission to convert to long-term debt an unspecified amount of loans under the Utility Money Pool Agreement.<sup>2</sup>

c. Provide any quantification of benefit of the referenced classification of the \$25 million to long-term debt.

4. Refer to the Application, pages 6–7. Describe Duke Kentucky’s use of interest rate management techniques since first approved by the Commission, the products used, and the annual impact on Duke Kentucky’s interest cost. The information provided should include, but not be limited to, annual fees and commissions associated with interest rate management techniques and an analysis of whether the use of such techniques has provided positive net benefits.



Talina R. Mathews  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED NOV 21 2016

cc: Parties of Record

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<sup>1</sup> Case No. 2014-00343, *Application of Duke Energy Kentucky, Inc. for an Order Authorizing the Issuance of Unsecured Debt and Long-Term Notes, Execution and Delivery of Long-Term Loan Agreements, and Use of Interest Rate Management Instruments* (Ky. PSC Nov. 20, 2014).

<sup>2</sup> *Id.*, Application at 3, paragraph 3.

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