

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY)	
INC. FOR AN ADJUSTMENT TO RIDER ASRP)	CASE NO.
RATES AND FOR TARIFF APPROVAL)	2016-00228

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 the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 17, 2016. 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 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. Provide an electronic copy of all the forms listed in Exhibit 1 in Excel spreadsheet format with all formulas intact and cells unprotected.

2. Describe any differences in methodology between Exhibit 1 of the Application and Revised Attachment PAL-1 of the Stipulation and Recommendation filed with Case No. 2015-00210.¹

3. Refer to the Application, Exhibit 1, Schedule 2.1, page 6 of 10.

a. Refer to line 1, Total ASRP Plant Additions, columns (C) and (D). Provide a narrative explanation of how the amounts were determined, along with any spreadsheets, work papers, etc.

b. Refer to the amount of \$576,672 listed on line 11, Deferred Taxes, Column (C). Explain why the total amount of deferred taxes related to the \$7.5 million in 2016 Accelerated Service Replacement Program ("ASRP") capital expenditures should not be utilized for 2017 ASRP rates.

¹ Case No. 2015-00210, *Application of Duke Energy Kentucky, Inc., for a Certificate of Public Convenience and Necessity Authorizing the Implementation of an Accelerated Service Line Replacement Program, Approval of Ownership of Service Lines, and a Gas Pipeline Replacement Surcharge* (Ky. PSC Feb. 2, 2016).

c. State whether Duke Kentucky calculates Allowance for Funds Used During Construction related to ASRP capital expenditures.

4. Refer to the Application, Exhibit 1, Schedule 2.2, Page 7 of 10, which shows a calendar year 2017 estimated "ASRP Capex" of \$12 million derived by adding the monthly amounts in column (C). Explain how the \$12 million was derived, including the number of service lines to be replaced

5. Refer to the Application, Exhibit 1, Schedule 2.3, page 8 of 10.

a. Explain why the April through November monthly Reconnaissance O&M for 2017 is so much more than the \$5,834 monthly Reconnaissance O&M for 2016 on page 8 of 10 of the Revised Attachment PAL-1 of the Stipulation and Recommendation filed with Case No. 2015-00210.

b. Explain how the calendar year 2017 Reconnaissance O&M of \$230,000 estimate was derived; identify and describe each item of cost included in the estimate; and provide the estimated amount of each item of cost.



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

DATED AUG n 3 2016

cc: Parties of Record

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

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