

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF DUKE ENERGY KENTUCKY FROM)	2016-00234
NOVEMBER 1, 2015 THROUGH APRIL 30, 2016)	

COMMISSION STAFF'S SECOND 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, six copies in paper medium, and an electronic version of the following information. 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 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 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 Duke Kentucky's response to the Commission's August 12, 2016 Request for Information ("August 12, 2016 Request"), Item 25. Confirm that, for the review period, copies of the following have been filed with the Commission. If an item has not been filed, explain why it has not been filed and provide a copy.

- a. Long-term purchase contracts for coal, natural gas, or fuel oil;
- b. Spot or short-term purchase contracts for coal, natural gas, or fuel oil;
- c. Master agreements for coal, natural gas, or fuel oil;
- d. Purchase confirmations relating to the master agreements for coal, natural gas, or fuel oil. (For voluminous natural gas purchases, if the utility filed documentation such as monthly invoices or a listing of transactions showing date,

quantity purchased, and price in lieu of filing the purchase confirmations, confirm that such documentation was filed.);

e. Copies of all natural gas transportation agreements;

f. Copies of all transportation agreements relating to barging, trucking, rail, etc.

2. Refer to Duke Kentucky's response to the Commission's August 12, 2016 Request for Information ("August 12, 2016 Request"), Item 28.

a. Confirm that if the replacement power purchase during a forced outage is less than the cost of fuel that would have been burned at the plant suffering a forced outage ("assigned cost"), the lower replacement power purchase cost is the amount that is recovered through the fuel adjustment clause ("FAC") and not the higher assigned cost.

b. The response discusses an hourly calculation performed in cases of forced outages. Provide the hourly analysis that was performed for an actual forced outage that occurred during the review period.

3. Refer to Duke Kentucky's response to the August 12, 2016 Request, Item 30.d. The response states that the financial hedges realized a gain of \$106,323 for April 2016. Provide the calculations supporting this amount in Excel spreadsheet format with the formulas intact and unprotected.

4. Refer to Duke Kentucky's response to the August 12, 2016 Request, Item 32.

a. State whether the load miscalculation resulted from an error on the part of PJM Interconnection, LLC ("PJM"), Duke Kentucky, or another entity.

b. Refer to the response to part b., which states that Duke Kentucky became aware of the issue in March 2015. Explain in detail why Duke Kentucky did not inform the Commission of the issue in Case No. 2014-00454,¹ the Commission's review of the two-year period ending October 31, 2014, so that the proceeding could have remained open until the resettlement amounts were known.

c. State the date Duke Kentucky became aware that correcting for the load miscalculation would result in credits to fuel costs through the FAC.

d. Refer to the response in part c. on page 4, which states that the Final Order in Case No. 2014-00454 was issued before PJM agreed to the resettlement calculations.

(1) State whether Duke Kentucky or PJM performed the resettlement calculations.

(2) If the resettlement calculations were performed by Duke Kentucky and submitted to PJM, provide the date the resettlement calculations were submitted to PJM.

(3) Provide the date PJM agreed to the resettlement calculations.

e. By month, provide the amount of the credits that would have been made to the FAC if not for the closure of the two-year review period ending October 31, 2014.

¹ Case No. 2014-00454, *An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2012 through October 31, 2014* (Ky. PSC Aug. 11, 2015).



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Public Service Commission
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DATED SEP 21 2016

cc: Parties of Record

Case No. 2016-00234

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