

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR AN ORDER AUTHORIZING)	
THE ISSUANCE OF UNSECURED DEBT AND)	
LONG-TERM NOTES, EXECUTION AND)	CASE NO.
DELIVERY OF LONG-TERM LOAN AGREEMENTS,)	2018-00323
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 the original and an electronic version of its responses to the following information, with a copy to all parties of record. The information requested herein is due on or before November 9, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. 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 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 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. Provide the expected cost of secured and unsecured borrowing represented by the authority requested in this application.

2. 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.

3. In Case No. 2016-00379¹ Duke Kentucky requested and was granted authority to borrow up to \$76,720,000 principal amount of proceeds of tax-exempt

¹ Case No. 2016-00379 *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 Dec. 16, 2016).

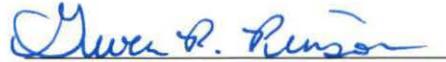
Authority Bonds and Duke Energy Kentucky planned to use the proceeds from any such loans to refinance existing tax-exempt financings.

a. Confirm that Duke Kentucky did or did not refinance the bonds under the authority granted in Case No. 2016-00379. If so, state all the terms and conditions.

b. Explain why Duke Kentucky now seeks the same authority.

c. Under what circumstances would compel Duke Kentucky to refinance the existing tax-exempt bonds.

4. The Commission granted Duke Kentucky to use Interest Management Techniques (IMT) in Case 2016-00379, explain if Duke Kentucky has exercised its authority to do so. Provide an explanation as to why Duke Kentucky chose to use IMT.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED NOV 01 2018

cc: Parties of Record

Case No. 2018-00323

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