

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR AN ORDER)	CASE NO.
APPROVING THE ESTABLISHMENT OF A)	2018-00416
REGULATORY ASSET)	

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 six copies in paper medium of the following information, with a copy to all parties of record. The information requested herein is due on or before January 11, 2019. Responses to requests for information in paper medium 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 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, Duke Kentucky 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 the application, paragraph 6, regarding the level of sustained outages and the total number of customers who experienced an outage. Confirm that the difference between the 26,482 sustained outages and the 29,474 Duke Kentucky customers who were without power reflects the number of customers who experienced an outage that is not a sustained outage.

2. Refer to the application, paragraph 9, which states “[m]ore than 1,200 Duke Energy employees and contractors responded to the storm by assessing damage, preparing material for the field, assigning jobs to crews, removing damaged vegetation, repairing down lines and equipment and providing support services.” Provide a list of contractors that were involved in the restoration process.

3. Refer to the application, paragraph 10.

a. Provide a schedule listing the 2018 monthly budgeted and actual storm restoration expenses incurred by Duke Kentucky.

b. Provide a schedule listing Duke Kentucky's budgeted and actual storm-related expenses for calendar years 2015 through 2017.

4. Explain whether Duke Kentucky has developed any internal protocols to classify the severity of a storm that occurs within its service territory. Include in this explanation whether Duke Kentucky has adopted the IEEE 1366 Standard for Major Event Day and how Duke Kentucky determines when storm-related expenses should be filed with the Commission for authorization to establish those expenses as a regulatory asset.

5. Refer to the application, paragraph 11.

a. Provide the most recent quotes for the insurance referenced in this paragraph by Duke Kentucky.

b. Explain whether Duke Kentucky has revisited the issue of carrying insurance in light of the November Ice Storm and provide Duke Kentucky analysis of this issue.

6. Refer to the application, paragraph 15.

a. By what date does Duke Kentucky request a final Order in this matter?

b. Confirm that Duke Kentucky has recorded the expenses associated with the November Ice Storm repair and restoration efforts as a deferred asset for

accounting purposes only as permitted pursuant to the Commission's December 12, 2016 Order in Case No. 2016-00180.¹

7. Refer to the application, Exhibit 2.

a. For "Estimated Amount Considered Normal Operations," provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.

b. Provide a detailed breakdown of any contingency costs, showing the actual amounts and estimated amounts separately.

c. Provide the amount of operations and maintenance expenses that have actually been expensed to date.

d. Provide the capital costs incurred by Duke Kentucky as a result of the November Ice Storm.


e. Provide an updated Exhibit 2 based on the most recent information available for the estimated and actual costs. Show the date on which the updated costs are based.

8. State whether any transmission lines were damaged as a result of the November Ice Storm. If there were transmission line restoration costs due to the November Ice Storm, provide the amount of those costs and whether they are included as part of the proposed regulatory asset.

9. Explain the financial impact to Duke Kentucky if the Commission were to deny Duke Kentucky's request for authority to establish a regulatory asset for the

¹ Case No. 2016-00180, *Application of Kentucky Power Company for an Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities Related to the Extraordinary Expenses Incurred by Kentucky Power Company in Connection with the Two 2015 Major Storm Events* (Ky. PSC Dec. 12, 2016).

November Ice Storm costs and those costs are therefore required to be recorded as an expense.



Gwen R. Pinson
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Public Service Commission
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DATED DEC 27 2018

cc: Parties of Record

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