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VIA OVERNIGHT DELIVERY

February 28, 2019

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

MAR 01 2019

PUBLIC SERVICE
COMMISSION

Re: **Case No. 2018-00416**

In the Matter of Duke Energy Kentucky, Inc. for an Order Approving the Establishment of a Regulatory Asset

Dear Ms. Pinson:

Duke Energy Kentucky, Inc. hereby submits its 3rd Response to Commission's Staff Third Request for Information pursuant to 807 KAR 5:001. The original and six copies of the responses will be filed with the Commission via overnight delivery. For company witness Sarah Lawler we will be supplementing her verification page at a later date.

Please date-stamp the extra two copies of this letter and return to me in the enclosed envelope.

Respectfully submitted,

Rocco D'Ascenzo (92796)
Deputy General Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street, 1313 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
Rocco.D'ascenzo@duke-energy.com
Counsel for Duke Energy Kentucky, Inc.

Enclosures: As stated
Rebecca Goodman

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PUBLIC SERVICE
COMMISSION


KyPSC Case No. 2018-00416
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VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Terry D. Bates, Supervisor DCC Operations, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.




Terry D. Bates Affiant

Subscribed and sworn to before me by Terry D. Bates on this 20TH day of FEBRUARY, 2019.



ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2024



NOTARY PUBLIC

My Commission Expires: 1/5/2024

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Kathie Swaney, Manager Finance 1, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

Kathie Swaney
Kathie Swaney, Affiant

Subscribed and sworn to before me by Kathie Swaney on this 27th day of February, 2019.

E. Minna Rolfes-Adkins
NOTARY PUBLIC

My Commission Expires: July 8, 2022



E. MINNA ROLFES-ADKINS
Notary Public, State of Ohio
My Commission Expires
July 8, 2022

Duke Energy Kentucky
Case No. 2018-00416
STAFF Third Set Data Requests
Date Received: February 19, 2019

STAFF-DR-03-001

REQUEST:

Refer to the application, page 2, and Duke Kentucky's response to Commission Staff's First Request for Information, Item 1. In the application, it states there were 1,127 total events, but in the Summary Statistics in the response, it lists 2,653 total events. Explain and reconcile the difference in total events.

RESPONSE:

The chart contained in response to STAFF-DR-01-001 was showing just outages. The 2,653 represented the total outages for both Ohio and Kentucky. The Outage Management System reports the two jurisdictions together. The chart below shows total customers impacted. The row labeled Florence, in the dispatch office column is for all of Kentucky. The total number of events for Kentucky are 1,127. Events include non-outages that we responded to (e.g. safety issues, poles down, etc.). The correct total events are shown in the chart below. We are only counting the KY numbers (Florence) that are highlighted on the report, not the Grand Total row, as that includes Ohio events.

Summary Statistics

Outage Management

Date Range: 11/14/2018 11:57:22 PM to 11/18/2018 6:50:22 PM

Report Date:
12/7/2018 2:51:25 PM

Office	Still Out		Total Customer Interruption Statistics					Restored	
	Customers	Events	Sustained	Momentary	Sustained CAIDI	Events	Customer Calls	Customers	Events
Grand Total:	0	0	254300	219110	87,136.1	6811	93261	473410	6811
Brecon	0	0	28125	16200	12,701.9	791	11493	44325	791
City	0	0	37358	36144	15,800.5	1201	13095	73502	1201
Fairfield	0	0	24041	10687	5,320.4	582	8399	34728	582
Florence	0	0	29474	26375	14,591.6	1127	11636	55849	1127
Hamlet	0	0	35312	35387	3,562.3	404	9493	70699	404
Hartwell	0	0	51939	46127	21,287.3	1584	23879	98066	1584
Little Miami	0	0	16833	18893	4,144.8	428	4490	35726	428
OH Fuzzy Calls	0	0	0	0	0.0	1	1	0	1
Todhunter	0	0	31218	29297	9,727.2	693	10775	60515	693

PERSON RESPONSIBLE: Terry Bates

Duke Energy Kentucky
Case No. 2018-00416
STAFF Third Set Data Requests
Date Received: February 19, 2019

STAFF-DR-03-002

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Second Request for Information, Item.3.

- a. Confirm that the 2018 budget of \$1 million for storm-related expenses is the amount embedded in base rates.
- b. Provide the amount of storm-related expenses embedded in base rates for 2019.
- c. Provide any storm-related expenses for January 2019.

RESPONSE:

- a. The test period for current Duke Energy Kentucky electric base rates is April 1, 2018 – March 31, 2019. The \$1 million in base rates represents what was in the forecasted test period of April 1, 2018 – March 31, 2019.
- b. The amount in base rates does not change until the Company files and the Commission approves another electric base rate case. Therefore, the amount of storm-related expenses imbedded in base rates in 2019 is \$1 million.
- c. Total January 2019 storm costs were \$(102,318.90), which includes the November Ice Storm event estimate to actual true-up of \$(149,306).

PERSON RESPONSIBLE: Sarah Lawler – a, b
Kathie Swaney – c

Duke Energy Kentucky
Case No. 2018-00416
STAFF Third Set Data Requests
Date Received: February 19, 2019

STAFF-DR-03-003

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Second Request, Item.5.

- a. Provide the January 2019 actuals. If this is not available, provide when they will become available.
- b. Explain how the 2019 costs associated with the November Ice Storm be recorded in Duke Kentucky's financial statements.
- c. Provide the actual November Ice Storm Costs through January 2019.
- d. Provide an estimate of the November Ice Storm Costs Duke Kentucky expects to incur after January 2019.

RESPONSE:

- a. Please see STAFF-DR-03-003 Attachment.
- b. 2019 costs associated with the November Ice Storm will be recorded in 2019 to the discrete identifiable project id that has been set up for the November Ice Storm.
- c. Actual costs through January 2019 are \$1,283,673.
- d. Duke does not expect to incur any additional costs related to the November Ice Storm after January 2019.

PERSON RESPONSIBLE: Kathie Swaney

November Ice Storm (O&M including Payroll taxes)
 Duke Energy Kentucky

	Kentucky Estimate O&M Expense	January Costs	O&M Expense at January 31, 2019
Internal Duke Energy Kentucky Labor	\$365,893	1,782	367,675
Linemen Contractors	\$815,937	11,295	827,232
Tree Trimming Contractors	\$155,009	(101,513) *	53,496
Subtotal Contractor Estimate	\$970,946	(90,217)	880,729
Materials & Supplies Expensed	\$3,469	(0)	3,469
Other Non-Labor Expenses (Food, Lodging, etc.)	\$92,671	(60,871)	31,800
Total Kentucky O&M Cost Projection for November Ice Storm Restoration	\$1,432,979	(149,306) *	1,283,673
Amount Considered Normal Operations (Internal Duke Energy Kentucky Labor)	\$231,217	1,401	232,618
Total Incremental O&M Impacts to Kentucky	\$1,201,762	(150,708) *	1,051,054

* Negative amounts represent estimate to actual true ups