

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS)	CASE NO.
RATES; 2) APPROVAL OF NEW TARIFFS,)	2021-00190
AND 3) ALL OTHER REQUIRED APPROVALS,)	
WAIVERS, AND RELIEF)	

COMMISSION STAFF'S FOURTH 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 electronic version of the following information. The information requested is due on September 13, 2021. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 Duke Kentucky obtains information that indicates 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 Duke Kentucky's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 17.

a. The response provided does not answer the request for information. Provide a full response to the previous request of Staff's Third Request, Item 17, by providing detailed cost support for Duke Kentucky's residential late payment fee or confirm that the residential late payment fee is not cost supported.

b. Explain what relevance KRS 131.440 has to public utilities.

2. Refer to Duke Kentucky's response to Staff's Third Request, Items 21 and 22. The responses provided do not answer the requests, or the subparts. Specifically, the responses do not explain in enough detail the criteria used to determine whether a weighted portion of the STI is awarded or not.

a. Provide all formal documentation management relies upon to determine whether each metric on the scorecard is met.

b. Provide all documentation or correspondence between Duke Kentucky employees, directors, or external parties that explains how the percentage weights on the scorecard were selected.

3. Refer to the Direct Testimony of Dylan W. D'Ascendis (D'Ascendis Testimony), Attachment DWD-3, page 9, notes (5) and (6). Explain the why the differences between the Value Line and Bloomberg data on the S&P 500 produce equity risk premiums that are approximately 140 basis points apart.

4. Refer to the D'Ascendis Testimony, page 7, lines 7–21. Explain the process for investment capital allocation to the respective subsidiaries of Duke Energy Corp. Include in the response the following: (i) the allocation process, (ii) the criteria governing investment capital allocation decisions, and (iii) how Duke Kentucky specifically must compete for equity capital within the larger corporate entity.

5. Refer to the D'Ascendis Testimony, pages 7–8, lines 7–21 and 1–7, respectively. Explain why it is reasonable to establish a fair return on equity for Duke Kentucky on a standalone basis if the equity is issued by Duke Energy Corporation.

6. Refer to Duke Kentucky's response to Staff's Second Request Item 20. Provide an updated ROE analysis including combination gas and electric utilities to the

proxy group for DCF and Risk Premium Model and CAPM analyses with supporting schedules.

7. Refer to the Attachment to Duke Kentucky's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 37(b). Provide detailed support for the amount listed as "Contracted Rate for Gas Reconnection (Seasonal)."

8. Refer to Duke Kentucky's response to Staff's Third Request, Item 1.

a. Explain whether service would be refused if a customer failed to provide their Social Security Number, Driver's License Number, or alternate identification number. If so, explain why service would be refused instead of just requiring a deposit of such customer.

b. Explain whether Duke retains the customer's Social Security Number, Driver's License Number, or alternate identification numbers. If so, explain the measures Duke Kentucky takes to protect such information.

c. Explain whether a credit check can be run without the Social Security Number, Driver's License Number, or alternate identification numbers.

d. Explain whether prospective customers can put alternate identification numbers in the Social Security Number field of the online application or whether they must contact Duke Kentucky to provide alternate identification numbers.

e. Explain how someone uncomfortable providing their Social Security Number would know they can provide an alternate identification number when filling out the online application for service.

f. Explain whether completing the online service application is the only way for prospective customers to apply for service. If not, explain the other methods available to prospective customers.

9. Refer to Duke Kentucky's Response to Staff's Third Request, Item 5, in which Duke Kentucky states that its bad check charge is not solely based on costs, explaining that while the charge is intended to cover the costs associated with bank assessed fees, it is also intended to deter customers from making payments that utilize accounts with insufficient funds.

a. Explain how this complies with 807 KAR 5:006, Section 9(2), which states in part "[a] charge shall relate directly to the service performed or action taken and shall yield only enough revenue to pay the expenses incurred in rendering the service."

b. Provide the amount of bank fees attributed to bad checks by year for the past 4 calendar years and 2021 to date.

c. Provide the number of bad checks Duke Kentucky has received by year for the past 4 calendar years and 2021 to date.

10. Refer to Duke Kentucky's Response to Staff's Third Request, Item 5, in which Duke Kentucky states that it found the amount of its bad check charge is supported by how it compares with other industries, including the bad check charge established in KRS 131.180 for the Kentucky Department of Revenue related to their collection practices. Explain what relevance KRS 131.180 has to public utilities.

11. Refer to Duke Kentucky's response to Staff's Third Request, Items 15 and 25.

a. Explain whether the percentage of field collections performed by contractors and employees would be similar to what is included in the chart in response to Item 15, which lists the percentage of reconnections performed by contractors and employees.

b. Explain how Duke Kentucky decides whether a contractor or an employee will perform a reconnection or field collection.

12. Refer to Duke Kentucky's response to Staff's Third Request, Item 19.

a. State whether the payout of the Executive Long Term Incentive plan related to safety measures is awarded if Earnings per Share is met.

b. If the response to Item 12.a. cannot be confirmed, provide the metric that is used to determine if the payout specific to safety measures is awarded.

13. Refer to the response to the Attorney General's First Request for Information, Item 14.

a. For the months beginning September 2021 and ending December 2022, provide all specific projects more than \$500,000 that are expected to be completed that result in the forecasted plant additions for this period.

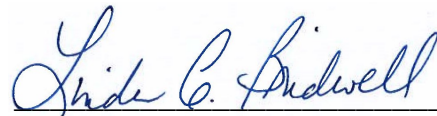
b. For the months beginning September 2021 and ending December 2022, provide the total amount of forecasted plant additions that are expected to have a total cost under \$500,000.

14. Refer to the response to the Attorney General's First Request for Information, Item 15(i). Additionally, refer to the Direct Testimony of Brian R. Weisker,

page 26, lines 5–9. State whether a Certificate of Public Convenience and Necessity (CPCN) was obtained for this project and the corresponding case number. If a CPCN was not obtained, explain why Duke Kentucky does not believe a CPCN was necessary.

15. Refer to the response to the Attorney General’s Second Request for Information, Item 28. State whether a CPCN was obtained for this project and the corresponding case number. If a CPCN was not obtained, explain why Duke Kentucky does not believe a CPCN was necessary.

16. Refer to the Application, Schedule J. Duke Kentucky is forecasting an increase in common equity from \$752,091,746 in the base year to \$861,861,344 in the forecasted test year. Provide the expected date of this equity issuance.



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DATED AUG 31 2021

cc: Parties of Record

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