

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR AN ORDER TO ENTER)	CASE NO.
INTO UP TO \$25,000,000 PRINCIPAL AMOUNT OF)	2018-00322
CAPITAL LEASE OBLIGATIONS)	

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. Refer to the Application, page 5, paragraph 5, which states that Duke Kentucky does not have any specific agreements other than those entered into under the existing authority and as reported in Case No. 2016-00380,¹ and that Duke Kentucky seeks authorization of Capital Leases now to provide it flexibility in entering into leases.

a. Confirm that Duke Kentucky likewise stated in Case No. 2016-00380 that it had no agreements other than those reported in Case No. 2014-00344,² and in that case, it had no agreements other than those reported in Case No. 2012-00576,³ and

¹ Case No. 2016-00380 *Application of Duke Energy Kentucky, Inc. for an Order to Enter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligation* (Ky. PSC Dec. 16, 2016).

² Case No. 2014-00344 *Application of Duke Energy Kentucky, Inc. for an Order to Enter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligations* (Ky. PSC Nov. 20, 2014).

³ Case No. 2012-00576 *Application of Duke Energy, Inc. for an Oder to Inter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligations* (Ky. PSC Feb. 14, 2013).

in that case, it stated it had no agreements other than those reported in Case No. 2010-00370.⁴

b. Confirm that Duke Kentucky has not used the capital lease financing authority, granted by the Commission in the four previous cases cited, since it last reported a capital lease for meters in June 18, 2010, pursuant to the authority granted by the Commission in Case No. 2008-00504.⁵

c. Explain what loss of flexibility Duke Kentucky would experience if it were to request capital lease financing authority at the time it actually reaches a specific agreement regarding a capital lease.

2. Refer to the Application, Exhibit C, page 3. Given that Duke Kentucky has not entered into any capital leases since 2010, state whether it is likely that Duke Kentucky will use the extended financing authority requested herein, and if so, under what specific circumstances



Gwen R. Pinson
Executive Director
Public Service Commission
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DATED NOV 01 2018

cc: Parties of Record

⁴ Case No. 2010-00370, *Application of Duke Energy Kentucky, Inc. for an Order to Enter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligations* (Ky. PSC Nov. 23, 2010).

⁵ Case No. 2008-00504 *Application of Duke Energy Kentucky, Inc. for an Order to Enter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligations* (Ky. PSC Feb. 4, 2009).

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