

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF DUKE ENERGY KENTUCKY, INC.)	2022-00267
FROM NOVEMBER 1, 2021 THROUGH APRIL)	
30, 2022)	

COMMISSION STAFF'S THIRD 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 November 28, 2022. 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 question to which the response is made and 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

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).

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 the Direct Testimony of Jim McClay (McClay Testimony), page 5, lines 18-23, and page 6, lines 1-8, and Duke Kentucky's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 2.

a. Referring to Item 2a, explain whether the DEOK zone is constrained due to a lack of generation or transmission capacity or both.

(1) If it is a lack of generation capacity, explain what other entities reside in the DEOK zone and, if known, which entity is generation short.

(2) If it is a lack of transmission capacity, explain if known, the location(s) of the transmission constraint and what is currently being done to alleviate the constraint.

2. Refer to Duke Kentucky's response to Staff's Second Request, Item 2b. The following portion of the response is not clear: "However, if additional generation were needed in the future, this requirement as well [as] the amount of additional generation inside DEOK could affect the amount of capacity available in the market to satisfy future Company FRR plan."

a. Assuming Duke Kentucky built or acquired additional generation outside the DEOK zone, presumably the Company would have sufficient transmission capacity to supply that capacity and energy to its service territory customers. Explain whether the fixed resource requirement (FRR) plan requires Duke Kentucky to have sufficient generation to serve its own customers.

b. As a regulated electric utility in Kentucky, explain whether Duke Kentucky has an obligation to maintain sufficient generation capacity to enable it to serve customers in its service territory and whether this conflicts in any way with its PJM obligations as an FRR plan entity.

c. Explain how the DEOK zone is constrained if Duke Kentucky has a generation facility outside the DEOK zone and has sufficient transmission capacity to provide that capacity and energy to its service territory customers.

d. In the instance where Duke Kentucky has generation facilities outside the DEOK zone and sufficient transmission capacity and the PJM generation

location requirement is satisfied in one year, but not satisfied in the following year, explain what actions will be taken by PJM and/or Duke Kentucky.

e. As an FRR entity, explain why and how “the amount of capacity available in the market to satisfy future Company FRR plans” is relevant to Duke Kentucky.

3. Refer to Duke Kentucky’s response to Staff’s Second Request, Item 4. Describe and explain the circumstances under which a generation unit’s output would be reduced or suspended for reliability. Include in the response the general circumstances under which that would occur and the specific circumstance(s) as applied to Duke Kentucky’s units.

4. Refer to Duke Kentucky’s response to Staff’s Second Request, Item 5.

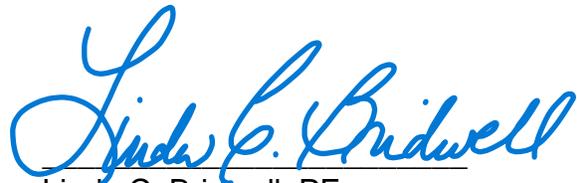
a. Explain whether Duke Kentucky’s units are offered into the PJM Day Ahead Market as Must-Run as a matter of course and whether the units are ever offered into the market with an Economic offer.

b. In light of the tight coal market and higher prices and greater uncertainty regarding reliable coal supplies, explain whether coal units are more likely to be offered into the Day Ahead Market with Economic offers in an effort to slow the pace of coal pile consumption.

c. In the situation where Duke Kentucky offers its units into the Day Ahead Market with an Economic offer and does not receive awards, explain whether the units still receive PJM revenues, and if so, explain what service revenues, including billing line items, are received.

d. In the situation where the unit was offered into the Day Ahead Market with an Economic offer and did not receive an award, Duke Kentucky would take the unit off line. In that instance, explain whether the unit would be consuming coal or not.

e. In the situation where the unit was offered into the Day Ahead Market with a Must Run offer and did not receive an award, it would be online in the Real Time market running at its minimum dispatchable load. In that instance, explain what PJM service revenues, including billing line items, are received.



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DATED NOV 09 2022

cc: Parties of Record

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