

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY )	
KENTUCKY, INC. FOR (1) AN ADJUSTMENT OF )	
ELECTRIC RATES; (2) APPROVAL OF NEW )	CASE NO.
TARIFFS; (3) APPROVAL OF ACCOUNTING )	2022-00372
PRACTICES TO ESTABLISH REGULATORY )	
ASSETS AND LIABILITIES; AND (4) ALL OTHER )	
REQUIRED APPROVALS AND RELIEF )	

COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION  
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on April 17, 2023. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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

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<sup>1</sup> 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).

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 Duke Kentucky obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 5:001E, 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 9b. Explain the methodology that was used to determine the avoided capacity costs and any sources used.

a. When determining qualified facilities' (QF) rates, explain the outcome of having lower avoided capacity costs.

b. Explain if the avoided capacity values are based on the characteristics attributable to the generation unit(s) that are planned to replace Eastbend. If not, explain why not.

2. Refer to Bruce Sailors Direct Testimony (Sailors Direct Testimony), Schedule L-2.1, pages 137-138, Cogeneration and small power production sale and purchase tariff-greater than 100 kW (QF Tariff). Provide all supporting workpapers to support the QF rates in this proceeding. If the Duke Kentucky is relying on analysis from a previous case, please provide the documentation and workpapers that were relied upon at the time. If Duke Kentucky is relying on previous calculations, explain why the previous analysis still applies. Where applicable, provide the responses in an unlocked Excel spreadsheet with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to Sailors Direct Testimony, Schedule L-2.1, pages 135-138, QF Tariffs. Provide an updated avoided capacity calculation reflective of current conditions. Explain how Duke Kentucky's updated avoided capacity calculation is consistent with recent Commission Orders in Case No. 2021-00198,<sup>2</sup> and Case No. 2020-00174<sup>3</sup>. If not consistent, explain how the updated avoided capacity calculations differs and justify any deviation. Provide all workpapers for your response in an unlocked Excel spreadsheet with all formulas, columns, and rows unprotected and fully accessible.

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<sup>2</sup> Case No. 2021-00198 *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. PSC Oct. 26, 2021).

<sup>3</sup> Case No. 2020-00174 *Electronic Application of Kentucky Power Company for (1) A General Adjustment of Its Rates for Electric Service; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief* (Ky. PSC May 14, 2021).

4. Refer to Duke Kentucky's response to Staff's Third Request, Item 34(d) and (e). The responses are unresponsive. Subpart (d) should have included any necessary documentation or calculations. Subpart (e) should provide all calculations and all workpapers. Provide the information requested or state if the information is provided elsewhere and the location. In addition, provide each response to the subparts below in a live, unlocked Excel spreadsheet with all formulas, columns, and rows unprotected and fully accessible as well as all associated workpapers, any referenced materials, and any data linked that is external to a workpaper.

a. Explain, in detail, what Duke Kentucky is referring to by "may not be configured or under utility control in a manner that meets all categories of value or provides the same level of value." At a minimum, provide the following:

(i) Identify and explain how Clean Energy Connection (CEC) facilities will be configured differently than all QFs;

(ii) Explain what is meant by control and how CEC and qualifying facilities are controlled differently;

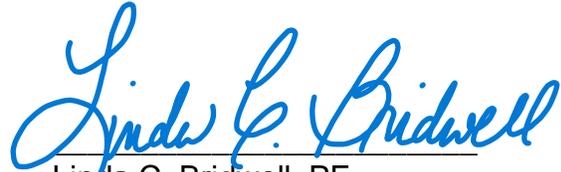
(iii) Identify each category of value referred to and provide the value ascribed to both CEC facilities and QFs; and

(iv) Explain how each of the characteristics identified in (i) and (ii) relate to the value and provide support for differing each value.

b. Explain the methodologies and provide all calculations for each value within the CEC value stack.

c. Explain the methodologies and provide all calculations for each value provided to QFs.

d. Where values differ for CEC facilities and QFs in (b) and (c) above, provide an explanation for the deviations, a method, and quantification for each variation. For example, quantifying the delta's of the energy value of a "short term, as available agreement" vs the "long-term, IRP based analysis."



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DATED APR 10 2023  
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