

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 ELECTRIC RATES; 2) APPROVAL OF NEW )	CASE NO.
TARIFFS; 3) APPROVAL OF ACCOUNTING )	2024-00354
PRACTICES TO ESTABLISH REGULATORY )	
ASSETS AND LIABILITIES; AND 4) ALL OTHER )	
REQUIRED APPROVALS 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, shall file with the Commission an electronic version of the following information. The information requested is due on April 30, 2025. 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 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Application, Volume 17, the Direct Testimony John Swez (Swez Direct Testimony), Attachment JDS-3, page 2 of 3, related to billing line items (BLIs) 1600 and 2600.

a. Provide the Commission Order, citing the specific page(s) and paragraph(s), including any relevant language, which authorized Duke Kentucky to include BLIs 1600 and 2600 in the PSM Rider.

b. Provide the Commission Order with specific citations, including any corresponding language, approving these BLIs in the PSM Rider.

2. Refer to Application, Volume 17, Swez Direct Testimony, page 43, lines 9-17.

a. Confirm that BLI 1666 is only charged to customers once year on the August monthly bill.

b. If yes, provide a detailed explanation as to why BLI 1666 is not included in monthly customer bills given Mr. Swez's testimony that the "[n]et capability testing shortfall MWs are charged daily[.]"

c. If no, identify and state each month of the year that BLI 1666 is included in customer bills.

3. Refer to Application, Volume 1, FR I6(l)(b)(5) Attachment, Exhibit A, pages 14-15. Explain why BLIs 1600 and 2600 are not listed as a specific BLI in Duke Kentucky's current tariff.

4. Refer also to Case No. 2024-00285.<sup>2</sup> Assume for the purposes of this question that Duke Kentucky's application to move to the RPM construct is approved in the form requested by Duke Kentucky in Case No. 2024-00285. Additionally, assume for the purposes of this question that the Commission approves all the requested

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<sup>2</sup> Case No. 2024-00285, *Electronic Application Of Duke Energy Kentucky, Inc. To Become A Full Participant In The PJM Interconnection LLC, Base Residual And Incremental Auction Construct For The 2027/2028 Delivery Year And For Necessary Accounting And Tariff Change*.

modifications and inclusions to the Rider PSM Duke Kentucky has made in this case, Case No. 2024-00354. Provide an updated sample tariff of the Rider PSM, including updated definitions that encompass the requests in both 2024-00285 and Case No. 2024-00354.

5. Refer to Case No. 2024-00285.<sup>3</sup> Assume for purposes of this question that Duke Kentucky's application to move to the RPM is approved. Provide the updated RSM Factor including the proposals in this case as if the Commission accepted the 90/10 profit sharing recommended by the Attorney General in Case No. 2024-00285.

6. Identify which BLIs Duke Kentucky would no longer request be included in the PSM rider if Duke Kentucky's move to the RPM construct is approved.

7. Provided the estimated net proceeds from the sale of surplus gas on the pipelines for the forecasted test year.

8. Refer to Application, Volume 16, the Direct Testimony of James McClay pages 19-20. Provide the estimated cost (as well as the amount that would be included) in the PSM if Duke Kentucky decides to enter a capacity performance (CP) insurance policy. Include as part of the response an explanation of Duke Kentucky's actions to date to secure such a policy.

9. For each quarter of the last two years, beginning in January 2023, provide an accounting of each line amount flowed through the Rider PSM, including specific expenses or revenues, the corresponding code or definition that captures the amount and calculate the amount indicated in that quarter's tariff filing.

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<sup>3</sup> Case No. 2024-00285, *Electronic Application Of Duke Energy Kentucky, Inc. To Become A Full Participant In The PJM Interconnection LLC, Base Residual And Incremental Auction Construct For The 2027/2028 Delivery Year And For Necessary Accounting And Tariff Change.*

10. Explain why Duke Kentucky proposed different modifications to the Rider PSM in this case as opposed to the modifications proposed in Case No. 2024-00285.<sup>4</sup>

11. Provide an example of a past natural gas sale in 2024 that would have qualified as an input in the proposed Rider PSM Factor. Include the amount of revenue, the expense that would have flowed through the mechanism.

12. Refer to Duke Kentucky's response to Attorney General's Second Request for Information, Item 82.

a. Explain what other actions Duke Kentucky has taken to address the issue of unused gas storage.

b. Explain why Duke Kentucky believes that this type of transaction would be beneficial to ratepayers considering the sale price was a loss in the previous transaction.

c. Explain what alternatives Duke Kentucky explored before proposing to recover the sales through the Rider PSM.

13. Refer to Application, Volume 17, Attachment LDS 1, page 3 of 5. Explain why Duke Kentucky is proposing to delete at least two of the corresponding BLI codes.

14. Refer to Application, Volume 17, Swez Direct Testimony, pages 44-47. Reconcile the testimony with the following quote "[e]ach of the charges and credits go together symmetrically. PJM is revenue neutral; therefore, each of these BLIs have both a charge and a credit."<sup>5</sup>

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<sup>4</sup> Case No. 2024-00285, *Electronic Application of Duke Energy Kentucky, Inc. To Become A Full Participant In The PJM Interconnection LLC, Base Residual And Incremental Auction Construct For The 2027/2028 Delivery Year And For Necessary Accounting And Tariff Change*.

<sup>5</sup> Case No. 2024-00285, Rebuttal Testimony of John Swez (filed Jan. 10, 2025) at 28.

15. Refer to Application, Volume 17, Swez Direct Testimony, page 42.
  - a. Provide an estimated cost for the charges and credits for BLI 1246 and 2246 for the forecasted test year.
  - b. Explain why Duke Kentucky did not previously request 1390 and 2390 to be included in the PSM.
  - c. Provide to date, the total credits Duke Kentucky has received under BLI 2390.
  - d. Provide to date, the total charges Duke Kentucky has received under BLI 1390.
16. Refer to Application, Volume 17, Swez Direct Testimony, page 43. Provide an estimated cost for the charge and credit for BLI 1666 and 2666 for the forecasted test year.
17. Refer to Application, Volume 17, Swez Direct Testimony, page 44-46. For each of the seven additional PJM BLIs associated with non-performance as well as for BLI 1999, provide the following:
  - a. Whether a move to the RPM construct would change Duke Kentucky's request for inclusion of the line item;
  - b. The total estimated charge or credit associated with each BLI.
  - c. Explain why Duke Kentucky has not previously requested these BLIs be included in the PSM Rider.



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DATED APR 21 2025

cc: Parties of Record

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