

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. FOR AN ADJUSTMENT TO	)	CASE NO.
RIDER NM II RATES AND FOR TARIFF	)	2025-00258
APPROVAL	)	

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

Duke Kentucky Energy 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 September 17, 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 person supervising the preparation of the response on behalf of the entity that 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).

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 the Direct Testimony of Bruce Sailors (Sailors Direct Testimony), page 4, lines 13–16. Refer also to Case No. 2023-00413,<sup>2</sup> Duke Kentucky's responses

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<sup>2</sup> Case No. 2023-00413, *Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval* (filed Feb. 2, 2024), Duke Energy Kentucky, Inc Response to Kentucky Solar Energy and Kentuckians for the Commonwealth's First Request for Information, Item 13(a), Attachment 1 at 4 and 9.

to Kentucky Solar Energy Society and Kentuckians for the Commonwealth's First Request for Information, Item 13, Attachment.

a. Explain why the previous prediction of reaching one percent cap in October 2025 has changed.

b. Explain why Duke Kentucky no longer projects an official date for reaching the one percent cap.

2. Refer to Case No. 2023-00413,<sup>3</sup> the Commission's October 11, 2024 Order at 12 and 26.

a. Explain why Duke Kentucky did not calculate an avoided ancillary service cost using the methodology accepted in Case No. 2023-00413.

b. Calculate and provide the calculation and the avoided cost for ancillary services using the methodology accepted in Case No. 2023-00413.

3. Refer to Case No. 2024-00285<sup>4</sup> generally. Identify and explain what, if any, impact the Commission's approval of Duke Kentucky's request to exit the fixed resource requirement (FRR) construct and transition to full participation in the reliability pricing model (RPM) construct had on Duke Kentucky's avoided cost analysis.

4. Refer to Sailors Direct Testimony, BLS-1, page 3.

a. Explain whether the electric load carrying capacity (ELCC) values for 2025 and 2026 are based on Duke Kentucky's participation in the FRR construct.

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<sup>3</sup> Case No. 2023-00413, *Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval* (Ky. PSC Oct 11, 2024), Order.

<sup>4</sup> Case No. 2024-00285, *Electronic Application of Duke Energy Kentucky, Inc for and Adjustment to Rider II Rates and for Tariff Approval*.

b. Reconcile the Fixed Solar ELCC percentages on the chart to the left with the PJM ELCC- Fix Solar percentages listed on the right.

c. Explain why the CT \$/kW value decreases in 2026.

d. Provide the PJM Net Cone Report relied upon for the unforced capacity (UCAP) values and identify what page contains said information.

5. Refer to the Sailors Direct Testimony, Attachment BLS-1. Explain why Duke Kentucky chose to use projected power market prices from a licensed third party rather than a publicly available source.

6. Refer to the Direct Testimony of John Swez (Swez Direct Testimony), page 19, lines 7–18.

a. Explain why Duke Kentucky is unable to determine the impact on PJM billing line item (BLI) charges or credits from the reduction in Duke Kentucky load caused by behind-the-meter solar generation.

b. Provide a list of all PJM BLIs that are allocated on load ratio share.

c. Provide an estimate for the avoided ancillary service cost associated with a reduction in Duke Kentucky's load.

7. Refer to Sailors Direct Testimony, page 12, lines 4–8. Explain what factors Duke Kentucky considers when deciding what amount of solar capacity available would result in incremental job benefits.

8. Refer to Sailors Direct Testimony, page 8, lines 2–4. Explain whether Duke Kentucky will update its avoided energy cost calculation if Duke Kentucky's weighted

average cost of capital changes as a result of Case No. 2024-00354.<sup>5</sup> If yes, provide any necessary updates to calculations once a final Order is issued in Case No. 2024-00354. If not, explain why not.

9. Refer to Sailors Direct Testimony, Attachment BLS 1 page 3 regarding Generation Capacity Avoided Cost.

a. Explain why Duke Kentucky chose to use the PJM Net cost of new entry (CONE) rather than NREL ATB.

b. Calculate the avoided capacity costs for years 2025–2026 and 2026–2027 using the National Renewable Energy Laboratory (NREL) annual technology baseline (ATB).

c. Explain how the technology and costs that go into the PJM Net CONE differ from the technology and cost required NREL ATB's CT values. In this explanation, provide a list of any differences.

10. Refer to Nathan Gagnon's Direct Testimony, page 3, lines 18–19. Explain the benefits of using a PJM's Net CONE compared to the NREL ATB.

11. Refer to Sailors Direct Testimony, page 13, Table 2.

a. Provide a chart, similar to Table 2, that provides the current avoided cost component side by side with the proposed avoid cost components.

b. Explain the reasoning for any increase or decrease to each avoided cost component.

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<sup>5</sup> Case No. 2024-00354, *Electronic Application of Duke Energy Kentucky, Inc For: 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief.*

12. Refer to Case No. 2024-00197,<sup>6</sup> Duke Kentucky's 2024 Integrated Resource Plan, Figure 7.1 at 61.

a. Confirm that the next new generation resource proposed to be built by Duke Kentucky would be the East Bend combined cycle (CC) in 2039.

b. If confirmed, explained why Duke Kentucky proposed to utilize a CT rather than a CC for its avoided generation capacity cost analysis.



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P.O. Box 615  
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DATED **SEP 02 2025**

cc: Parties of Record

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<sup>6</sup> Case No. 2024-00197, *Electronic 2024 Integrated Resource Plan of Duke Kentucky, Inc.* (filed Sept. 9, 2024), Duke Kentucky's 2024 Integrated Resource Plan (Public Version).

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