

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) **SS:**

The undersigned, Brett Phipps, Manager Director Fuel Procurement, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests are true and correct to the best of his knowledge, information and belief.

Brett Phipps

Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 14 day of November 2016.

KATIE JAMIESON
Notary Public, North Carolina
Gaston County
My Commission Expires

Katie Jamieson

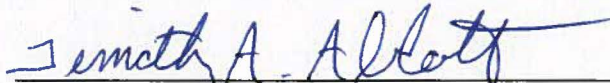
NOTARY PUBLIC

My Commission Expires: June 14, 2021

VERIFICATION


STATE OF FLORIDA)
) **SS:**
COUNTY OF PINELLAS)

The undersigned, Tim Abbott, being duly sworn, deposes and says that he is the Director of System Operations Services, and that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



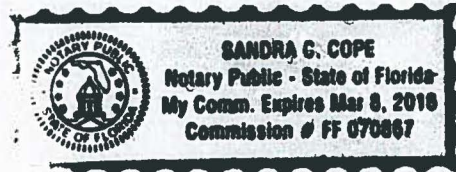
Tim Abbott, Affiant

Subscribed and sworn to before me by Tim Abbott, on this 11th day of Nov,
2016.



NOTARY PUBLIC

My Commission Expires:



VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, Theodore H. Czupik, Jr., being duly sworn, deposes and says that he is the Rates & Regulatory Strategy Manager and that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

Theodore H. Czupik Jr
Theodore H. Czupik, Jr., Affiant

Subscribed and sworn to before me by Theodore H. Czupik, Jr., on this 11th day of November, 2016.

Adele M. Frisch
NOTARY PUBLIC

ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019

My Commission Expires: 1/5/2019

KYPSC CASE NO. 2016-00234
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Duke Energy Kentucky
Case No. 2016-00234
Staff First Set Post Hearing Data Requests
Date Received: November 10, 2016

STAFF-POST HEARING-DR-01-001

REQUEST:

For each natural gas unit, state for the period from November 1, 2015 through April 30, 2016, the quantity of gas burned, the total kWh generated and the actual capacity factor at which the unit operated.

RESPONSE:

Gas burned by unit is not available.

| <u>Month</u> | <u>Fuel Burned</u> | |
|---------------|--------------------|------------------------|
| | <u>MCF Gas</u> | <u>Gallons Propane</u> |
| November 2015 | 83,120 | 397 |
| December | 50,096 | 358 |
| January 2016 | 111,675 | 346 |
| February | 27,237 | 234 |
| March | 0 | 364 |
| April | 92,412 | 515 |

| <u>Woodsdale Station</u> | <u>Net MWH</u> | <u>Capacity Factor</u> |
|--------------------------|----------------|------------------------|
| Unit 1 | 2,661 | 0.67% |
| Unit 2 | 3,500 | 0.88% |
| Unit 3 | 3,434 | 0.86% |
| Unit 4 | 2,229 | 0.56% |
| Unit 5 | 4,277 | 1.07% |
| Unit 6 | 3,159 | 0.79% |
| Total | 19,260 | 0.80% |

PERSON RESPONSIBLE:

Brett Phipps / Theodore H. Czupik Jr.

Duke Energy Kentucky
Case No. 2016-00234
Staff First Set Post Hearing Data Requests
Date Received: November 10, 2016

STAFF-POST HEARING-DR-01-002

REQUEST:

What is the net impact on the FAC rate for customers relating to the Long Branch error/settlement that has not already been refunded?

RESPONSE:

There is a total of \$4,103,263 of charges and credits related to prior period Lost Opportunity Costs and Long Branch that have not yet been flowed through to Duke Energy Kentucky's customers. The Company has proposed to refund the money in the FAC over a six month period, after receiving a Commission order in this proceeding. The impact on a typical residential customer bill is expected to be approximately \$1.93 per month.

PERSON RESPONSIBLE: Theodore H. Czupik Jr.

**Duke Energy Kentucky
Case No. 2016-00234
Staff First Set Post Hearing Data Requests
Date Received: November 10, 2016**

STAFF-POST HEARING-DR-01-003

REQUEST:

What does Duke Energy Kentucky intend to do with the \$4.1 Million, or any portion of it, regardless of whether or not the PSC orders the FAC 2-year period open again?

RESPONSE:

Duke Energy Kentucky has proposed to refund the money in its FAC over a six month period, after receiving a Commission order in this proceeding.

PERSON RESPONSIBLE: Theodore H. Czupik Jr.

Duke Energy Kentucky
Case No. 2016-00234
Staff First Set Post Hearing Data Requests
Date Received: November 10, 2016

STAFF-POST HEARING-DR-01-004

REQUEST:

What is the net impact/bottomline amount of all charges/credits relating to the Long Branch error?

RESPONSE:

| <u>Description</u> | | <u>Amount</u> | <u>Reference</u> |
|--|--------|-------------------------|--------------------|
| <u>Resettlements Refunded</u> | | | |
| FAC | Credit | \$ 463,089 | Staff-DR-01-032(c) |
| PSM | Credit | <u>\$ 860,815</u> | Staff-DR-03-004(c) |
| | | <u>\$ 1,323,904</u> | |
| <u>Resettlements to be Refunded</u> | | | |
| FAC – Purchased Powe | Credit | \$ 4,134,000 | Staff-DR-03-004(b) |
| FAC – Native Fuel | Credit | \$ 904,000 | Staff-DR-03-004(b) |
| PSM – Non-Native Fuel | Charge | <u>\$ (678,000)</u> | Staff-DR-03-004(c) |
| | | <u>\$ 4,360,000</u> | |
| Total Impact of the Long Branch Error | | <u>\$ 5,683,904</u> | |
| Remaining Long Branch Resettlements to be Refunded | | \$ 4,360,000 | |
| Lost Opportunity Cost (FAC) | Charge | <u>\$ (256,737)</u> | Staff-DR-03-004(b) |
| Total Charges and Credits to be Refunded | | <u>\$ 4,103,263</u> | |

PERSON RESPONSIBLE: Theodore H. Czupik Jr.

Duke Energy Kentucky
Case No. 2016-00234
Staff First Set Post Hearing Data Requests
Date Received: November 10, 2016

STAFF-POST HEARING-DR-01-005

REQUEST:

Provide a timeline of the events when the error became known and the steps Duke Energy Kentucky took after. When did DEK find out? When was the commission notified, before or after the FAC order? The time and day DEK became aware they were going to recover the money from PJM or had been approved.

RESPONSE:

| <u>Date</u> | <u>Description</u> |
|---------------------|--|
| Mid-Late March 2015 | Load reporting error was discovered by Duke Energy's Ohio/Kentucky Transmission organization (DEOK). Duke Energy was able to immediately correct any data that was submitted to PJM within 60 days from close of the PJM billing month. Result was all 2015 submitted Data was immediately corrected and customers correctly billed. |
| April 2015 | The Commission held its 2 year FAC review hearing on April 7, 2015. Around that same time, Duke Energy began discussions with PJM regarding the process for correcting the pre-2015 billing periods for the load reporting error. |

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| <p>April 29, 2015</p> | <p>Received communication by email from PJM stating:</p> <p>“For a load correction, default suppliers wouldn’t necessarily have to provide direct signoff, but we would expect DEOK as the EDC to provide them applicable notice that correction of load error X for LSE Set Y would change the residual load they were previously allocated accordingly.”</p> |
| <p>Mid-May 2015</p> | <p>On May 15th, PJM again states that it only needs Duke Energy Kentucky’s consent to resettle, with notice to the impacted LSEs. Duke Energy Ohio as the operator of the DEOK system, provides such notice to impacted LSEs on May 22, 2015.</p> |
| <p>Late May 2015</p> | <p>May 26, PJM indicates it is reconsidering its opinion whether resettlement of the issue requires unanimous consent by all impacted LSEs and requested additional documentation. This created a disagreement between Duke Energy (both Ohio and Kentucky utilities) and PJM, prompting additional discussions between the legal departments of Duke Energy Corp. and PJM</p> |
| <p>June 2015</p> | <p>June 4, PJM officially revises its opinion and informs Duke Energy that unanimous consent of all impacted LSEs was required before PJM would begin any resettlements at issue. Discussions with PJM regarding</p> |

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| | <p>the need for consent among all impacted LSEs continued thru June at executive management levels of both Duke Energy Ohio and PJM. Result was that PJM insisted that Duke Energy must obtain unanimous consent among <u>all</u> impacted LSEs before PJM would resettle any prior periods.</p> |
| July 2015 | <p>Duke Energy Ohio, at Duke Energy Kentucky's request, and as the manager of the DEOK system and holder of the relationship with the impacted LSEs, initiated the process to obtain consent from all impacted LSEs. This was done through written letters to approximately 10 impacted LSEs. Duke Energy Ohio also began verbal discussions with LSEs in an attempt to expedite consent.</p> |
| August 2015 | <p>Commission issued its Order in Case No. 2014-00454 on August 11, 2015, closing the two-year review period ending October 31, 2014. Duke Energy Ohio continued verbal discussions with the impacted LSEs.</p> |
| September 2015 | <p>Duke Energy Ohio received the final necessary consent to resettlement from an impacted LSE on September 30, 2015, completing the unanimous consent required for resettlement under PJM's rules. At this time, Duke Energy Kentucky becomes aware that resettlement for the prior impacted periods is possible and it will receive</p> |

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| | <p>net credits from PJM. Duke Energy Kentucky does not know the exact dollar amount as PJM must conduct the resettlement calculations.</p> |
| <p>October 2015</p> | <p>Duke Energy Ohio submits all consents to PJM on or about October 2, 2015 and the corrected load data to PJM on or about October 8, 2015. PJM begins resettlement recalculation process.</p> |
| <p>November 2015</p> | <p>Duke Energy Kentucky receives the first resettlement on its PJM November invoice for the October 2015 billing period. On November 20, 2015, Duke Energy Kentucky submitted its monthly FAC filing to the Commission that includes PJM Lost Opportunity Cost (LOC) resettlement adjustments for months of July 2013, January 2014 and February 2014. On Wednesday, November 25, 2015 the Commission Staff notifies Duke Energy Kentucky by email that certain adjustments cannot be made under KRS 278.225. Duke Energy Kentucky contacts Staff on November 30, 2015 to discuss the LOC adjustments and the possibility of including any credits from PJM related to prior FAC periods. Staff additionally informs the Company that FAC adjustments cannot be made for any period that was closed by the Commission's August 11, 2015 FAC Order. This is the first time the Company</p> |

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| | <p>becomes aware that it cannot make any adjustments to its FAC for periods covered by the Commission's August 11, 2015 FAC Order. Until this point, the Company assumed it could make adjustments as long as it was consistent with two year limitation under KRS 278.225.</p> |
| <p>December 2015</p> | <p>Company holds additional telephone discussion with Commission legal department and Staff regarding FAC adjustment for prior FAC periods closed by a Commission two year FAC order. The Company and Staff discuss the error that occurred in detail and that credits are now being received from PJM. Duke Energy Kentucky is again informed by Commission's staff and legal department that no FAC adjustments (costs or credits) can be made for any FAC periods affected by the Commission's two-year FAC review Order. Staff further informed Duke Energy Kentucky that it could make adjustments related to periods not affected by the August 11, 2015, FAC Order as well as for the portion of the resettlement that impacted its Rider PSM. Because the PSM was not limited by the Commission's FAC orders, Duke Energy Kentucky agreed to make the relevant PSM adjustments for the entire 19 month period as PJM completed its resettlement. Duke Energy Kentucky</p> |

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| | confirmed this discussion with Staff legal department via email dated December 11, 2015, and made the corrections to its FAC filings as advised by Staff. |
| April 2016 | Duke Energy Kentucky receives final resettlements on its March 2016 PJM invoice. |

PERSON RESPONSIBLE: Tim Abbott/ Legal/ Theodore H. Czupik Jr.