### VERIFICATION

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

The undersigned, Lawrence Watson, Business Development Manager II, being duly sworn, deposes and says 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.

Ahal

Lawrence Watson, Affiant

Subscribed and sworn to before me by Lawrence Watson on this  $31^{5^{\dagger}}$  day of



NOTARY PUBLIC My Commission Expires: 1/9/2018

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## **DATA REQUEST**

## **WITNESS**

## TAB NO.

STAFF-DR-02-001

Lawrence Watson ..... 1

Duke Energy Kentucky Case No. 2017-00155 Staff Second Set Data Requests Date Received: May 24, 2017

#### STAFF-DR-02-001

#### **REQUEST:**

Refer to the Application, Attachment 1, which sets forth the cost estimates for each of the three proposed facilities. The Engineering, Procurement and Construction contractors ("EPC") portion of the cost estimate is approximately \$3 million for the Crittenden facility, \$1.9 million for the Walton 1 facility, and \$1.9 million for the Walton 2 facility. Explain why the EPC contract for the Crittenden facility is over \$1 million more than either the Walton 1 or the Walton 2 facility.

#### **RESPONSE:**

The Walton 1 (2.8MWdc/2MWac) and Walton 2 (2.8MWdc/2MWac) are co-located on the same parcel but will have two separate points of interconnection. The Solar EPC firm will build this as one solar facility, but it will have two independent points of interconnection thereby capturing economies of scale between the co-located systems. The Walton 1 and 2 systems estimated EPC costs are \$1.9 million for a total "Walton System" EPC cost of \$3.8M combined.

Crittenden is a larger facility (3.8MWdc/2.7MWac) than either Walton 1 or Walton 2. So while it looks like Crittenden is \$1million more from an EPC perspective than either Walton 1 or 2, it is actually less than the combined Walton projects.

PERSON RESPONSIBLE: Lawrence Watson