

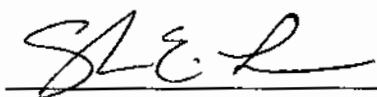
KYPSC CASE NO. 2017-00321
KROGER SECOND SET
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
KROGER-DR-02-001	Sarah E. Lawler	1
KROGER-DR-02-002	Sarah E. Lawler	2
KROGER-DR-02-003	Sarah E. Lawler	3

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

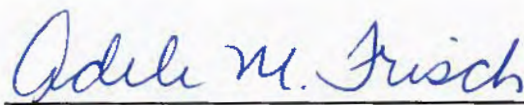
The undersigned, Sarah E. Lawler, Utility Strategy Director, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.



Sarah E. Lawler Affiant

Subscribed and sworn to before me by Sarah E. Lawler on this 1ST day of DECEMBER, 2017.

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



NOTARY PUBLIC

My Commission Expires: 1/5/2019

KROGER-DR-02-001

REQUEST:

Refer to the Normalization of Planned Outage O&M WPD-2.33a which utilizes four years of actual data from 2013-2016 and two years of projected data for years 2017-2018 to normalize the Planned Outage O&M. Also refer to The Annualization of East Bend Maintenance Expense WPD-2.30a which utilizes the 5-year average of actual data from 2012-2016.

- a. Please explain why a different time period was used to annualize the East Bend Maintenance costs than the time period that was used to normalize the Planned Outage O&M. Please explain why this difference is appropriate.
- b. Please provide the actual Planned Outage O&M costs for the years 2006 to 2012. Please recalculate the Adjusted Planned Outage O&M that would result from utilizing the same 5-year average time period from 2012 to 2016 that was used to annualize the East Bend Maintenance Expense.
- c. Please provide the actual East Bend Maintenance costs for the years 2006 to 2011 and projected costs for 2017 and 2018. Please recalculate the adjusted East Bend Maintenance expense that would result from utilizing the same 6-year average time period from 2013 to 2018 that was used to normalize the Planned Outage O&M.
- d. Do the East Bend Maintenance Costs shown in WPD-2.30a include any of the East Bend Planned Outage O&M costs shown in in WPD-2.33a?

- i. Does the Adjusted Planned Outage O&M adjustment double count part of the East Bend Maintenance Cost adjustment? If not, please explain why.

RESPONSE:

- a. The adjustment on Schedule D-2.30 used historical data because the Company believes that based on historical data, the budget used in calculating the forecasted test period was understated. The adjustment performed on Schedule D-2.33 was made to normalize planned outage expenses. Using a blend of historical and forecasted data is more appropriate when normalizing costs so as to ensure the amounts included in base rates are reasonable to recover these costs going forward.
- b. See Kroger-DR-02-001(b) Attachment, being uploaded electronically and a copy provided on CD, for a recalculated Planned Outage adjustment using a 2012 – 2016 time period (consistent with the time period used in proforma adjustment D-2.30). Using this data to calculate the adjustment results in an adjustment of \$1,228,141. As follows are the Planned Outage O&M costs for 2009 – 2012. Data for 2006 – 2008 is not available due to system conversions that took place in 2008.

<u>Year</u>	<u>Description</u>	<u>East Bend</u>	<u>Woodsdale</u>	<u>Total</u>
2009	Planned Outage O&M	6,011,516	2,127,319	8,138,835
2010	Planned Outage O&M	2,046,671	4,222,454	6,269,125
2011	Planned Outage O&M	2,047,977	4,612,143	6,660,120
2012	Planned Outage O&M	7,293,721	2,515,020	9,808,741

- c. See Kroger-DR-02-001(c) Attachment, being uploaded electronically and a copy provided on CD, for a recalculated East Bend Maintenance Expense adjustment using a 2013-2018 time period (consistent with the time period use

in proforma adjustment D-2.33). Using this data to calculate the adjustment results in an adjustment of \$4,863,213. As follows are the East Bend Maintenance Expenses for 2009 – 2011 and projected for 2017 and 2018. Data for 2006 – 2008 is not available due to system conversions that took place in 2008.

<u>Year</u>	<u>Amount</u>
2009 Actual	6,240,905
2010 Actual	7,506,589
2011 Actual	6,377,466
2017 Projected	10,801,383
2018 Projected	10,335,320

d. No.

- i. No. The costs included in each adjustment are separate and distinct from one another.

PERSON RESPONSIBLE: Sarah E. Lawler

KROGER-DR-02-001 (b)

Attachment

**EXCEL UPLOADED
ELECTRONICALLY
AND COPY PROVIDED
ON CD**

KROGER-DR-02-001 (c)

Attachment

**EXCEL UPLOADED
ELECTRONICALLY
AND COPY PROVIDED
ON CD**

Duke Energy Kentucky
Case No. 2017-00321
Kroger's Second Set Data Requests
Date Received: November 29, 2017

KROGER-DR-02-002

REQUEST:

Refer to section D workpapers WPD-2.28b, WPD-2.30b, and WPD-2.33b on Consumer Price Index which are used for the annualization of Fuel Related PJM Charges and Credits, East Bend Maintenance Expense, and Planned Outage O&M.

- a. Please confirm these Consumer Price Index calculations are used to adjust actual expenses for inflation. If not, please explain how these Consumer Price Index numbers are used.
- b. Please recalculate the adjustments that would result for the annualization of Fuel Related PJM Charges and Credits, East Bend Maintenance Expense, and Planned Outage O&M if no adjustments were made based on the Consumer Price Index.

RESPONSE:

- a. Confirmed.
- b.

<u>Schedule Reference</u>	<u>Description</u>	<u>As Filed</u>	<u>Adjusted</u>
D-2.28	Annualization of PJM Charges and Credits	\$ 774,947	\$ 751,996
D-2.30	East Bend Maintenance	\$ 4,777,143	\$ 4,514,628
D-2.33	Planned Outage O&M	\$ 1,005,775	\$ 906,194

PERSON RESPONSIBLE: Sarah E. Lawler

**Duke Energy Kentucky
Case No. 2017-00321
Kroger's Second Set Data Requests
Date Received: November 29, 2017**

KROGER-DR-02-003

REQUEST:

Please list all other adjustments that were made to actual data based on inflation, cost escalation, or the Consumer Price Index that impact the requested revenue requirement in this filed case.

- a. If any adjustments to actual data were made based on inflation, cost escalation, or the Consumer Price Index, please quantify the amount of those adjustments.

RESPONSE:

No other test period adjustments were adjusted for inflation.

PERSON RESPONSIBLE: Sarah E. Lawler