

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application of Duke Energy)
Kentucky, Inc., for: 1) An Adjustment of the)
Electric Rates; 2) Approval of an) Case No. 2017-00321
Environmental Compliance Plan and)
Surcharge Mechanism; 3) Approval of New)
Tariffs; 4) Approval of Accounting Practices to)
Establish Regulatory Assets and Liabilities;)
and 5) All Other Required Approvals and)
Relief.)

**DUKE ENERGY KENTUCKY, INC.'S FIRST SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS PROPOUNDED UPON THE
NORTHERN KENTUCKY UNIVERSITY**

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky), and addresses the following First Set of Data Requests to Northern Kentucky University (NKU) to be answered by the date specified in the Commission's Order of Procedure, and in accordance with the following instructions:

I. DEFINITIONS AND INSTRUCTIONS

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession or control of the parties to whom it is addressed, including their agents, employees, attorneys and/or investigators.
2. Please identify the witness(es) who will be prepared to answer questions concerning each request.
3. These requests shall be deemed continuing so as to require further and

supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

4. All answers must be separately and fully stated in writing under oath.

5. Where an interrogatory calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

6. For purpose of these discovery requests, the following terms shall have meanings set forth below:

- (a) As used herein, "document," "documentation" and/or "record," whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft, telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which

information can be obtained (translated if necessary by defendants into usable form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded, transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. "Document" and "record" also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

- (b) The terms "relating to," "referring to," "referred to," "pertaining to," "pertained to" and "relates to" means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.
- (c) The terms "and," "or," and "and/or" within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above-described, in the broadest possible fashion and manner.
- (d) The term "NKU" shall mean Northern Kentucky University, and shall include, but is not limited to, each and every agent, employee, servant, insurer and/or attorney of NKU. The term "you" shall be deemed to refer to NKU.
- (e) The term "Commission" shall mean the Kentucky Public Service

Commission.

- (f) The term “Duke Energy Kentucky” shall mean Duke Energy Kentucky, Inc., its employees, agents, officers, directors and representatives.
- (g) To “identify” shall mean:
 - (1) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location, and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document which contains information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.
 - (2) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title and last known home address.
 - (3) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.
- (h) To “produce” or to “identify and produce,” shall mean that NKU shall produce each document or other requested tangible thing. For each tangible thing which NKU contends is privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such

claim of privilege or other grounds for exclusion.

- (i) The terms "Party or Parties" shall mean any organization, person, corporation, entity, etc., which intervened in the above-captioned proceeding and shall further include the Kentucky Public Service Commission Staff.

II. REQUESTS FOR INFORMATION

1. Other than Mr. Collins, please identify any persons, including experts whom NKU has consulted, retained, or is in the process of retaining with regard to evaluating the Company's Application in this proceeding.

2. For each person identified in (prior) response to Interrogatory No. 1 above, please state (1) the subject matter of the discussions/consultations/evaluations; (2) the written opinions of such persons regarding the Company's Application; (3) the facts to which each person relied upon; and (4) a summary of the person's qualifications to render such discussions/consultations/evaluations.

3. For each person identified in response to Interrogatory No. 1 above, please identify all proceedings in all jurisdictions in which the witness/persons has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony. For each response, please provide the following:

- (a) the jurisdiction in which the testimony or statement was pre-filed, offered, given, or admitted into the record;
- (b) the administrative agency and/or court in which the testimony or statement was pre-filed, offered, admitted, or given;
- (c) the date(s) the testimony or statement was pre-filed, offered, admitted, or

given;

- (d) the identifying number for the case or proceeding in which the testimony or statement was pre-filed, offered, admitted, or given; and
- (e) whether the person was cross-examined.

4. Identify and provide all documents or other evidence that NKU may seek to introduce as exhibits or for purposes of witness examination in the above-captioned matter.

5. Please identify all proceedings in all jurisdictions in which Mr. Collins has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony and analysis. For each response, please provide the following:

- (a) the jurisdiction in which the testimony, statement or analysis was pre-filed, offered, given, or admitted into the record;
- (b) the administrative agency and/or court in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (c) the date(s) the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (d) the identifying number for the case or proceeding in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (e) whether the witness was cross-examined;
- (f) the custodian of the transcripts and pre-filed testimony, statements or analysis for each proceeding; and
- (g) copies of all such testimony, statements or analysis.

6. Please provide copies of any and all documents, analysis, summaries, white papers, work papers, spreadsheets (electronic versions with cells intact), including drafts thereof,

as well as any underlying supporting materials created by Mr. Collins as part of his evaluation of the Company's Application or used in the creation of Mr. Collins' testimony.

7. Please provide copies of any and all documents not created by Mr. Collins, including but not limited to, analysis, summaries, cases, reports, evaluations, *etc.*, that Mr. Collins relied upon, referred to, or used in the development of his testimony.

8. Please provide copies of any and all presentations given by Mr. Collins on topics including but not limited to, utility rate-making, cost of service, or rider recovery of costs for utilities.

9. Please admit that the only issues Mr. Collins is offering testimony is the Company's cost of service study and its proposal for the Distribution Capital Investment Rider and Federal Energy Regulatory Commission Transmission Cost Reconciliation Rider.

10. Referring to Page 9, Lines 13 – 17 of Mr. Collins' testimony, please explain the basis of his assertion regarding the three criteria needed for establishment of a rider.

(a) Provide any and all cases, including but not limited to, decisions of the Kentucky Public Service Commission that Mr. Collins relies upon that support his position regarding the three criteria he describes.

11. Please explain the basis of Mr. Collins' statement that cost elements that do not satisfy all three criteria are best recovered through the normal ratemaking process.

12. Referring to Pages 11 – 12 of Mr. Collins' testimony, explain why risk mitigation by a utility is viewed negatively by the witness.

13. Please explain what Mr. Collins means on Page 11 when he states "when a utility implements a rider, it has little incentive to seek cost reductions through improvements in its

processes because it has no ability to retain benefits of increased profits resulting from such actions.”

14. Referring to Mr. Collins’ statement on Page 11, Lines 8 – 11, does Mr. Collins believe the Kentucky Public Service Commission loses its authority over determining the reasonableness of a utility’s rates with respect to approval or rider mechanism?

(a) Does Mr. Collins agree that even with a rider mechanism, the Commission has authority over the reasonableness of the utility’s rates and services it provides?

15. Please provide any and all cases, surveys, analysis, regulatory decisions, whitepapers, studies, articles, or other documents that support Mr. Collins’ statement that single issue ratemaking potentially skews the relationship among revenues, expense and rate base, possibly leading to excessive utility charges for service.

16. Does Mr. Collins believe that utilities should not have a fuel adjustment clause?

17. Does Mr. Collins agree that Duke Energy Kentucky’s Profit Sharing Mechanism is a rider?

18. Referring to Page 12 of Mr. Collins’ testimony, does Mr. Collins agree that utilities are entitled to recover the reasonable costs incurred to provide service to customers?

(a) Why is it bad to shift the risk of cost recovery for actually incurred expenses to ratepayers?

19. Would Mr. Collins support the DCI if obtaining a Commission CPCN and having an annual true-up process was included?

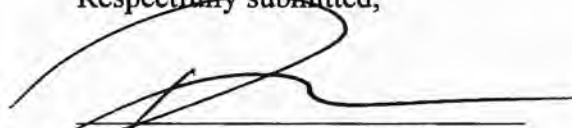
20. Does Mr. Collins believe that Duke Energy Kentucky should eliminate its Profit Sharing Mechanism?

21. Referring to Page 14 of Mr. Collins' testimony, is Mr. Collins opposed to the Company implementing the targeted underground program itself?

22. Assuming Mr. Collins is not testifying against the targeted underground program itself, is it Mr. Collins' position that because Duke Energy Kentucky did not include its targeted underground program in its base rate case test year, that it should not implement the program?

23. If the Company adjusted its test year revenue requirement to include the estimated costs of the targeted underground program, would this alleviate Mr. Collins' concern?

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on January 17, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being delivered via second day delivery to the Commission on the 17th day of January, 2018.


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