

Duke Energy Kentucky

CASE NO. 2017-00321

Response to Commission Staff's Request For Information To The Kentucky School Boards Association

Question No. 1

Responding Witness: Ronald Willhite

1. Refer to the Testimony of Ronald L. Willhite ("Willhite Testimony"), page 4, lines 2-9 and the chart at the top of the page. State whether it is Mr. Willhite's testimony that the schools represented by KSBA were not in session during the system peak experienced by Duke Energy Kentucky, Inc. ("Duke Kentucky") during the years 2013-2017. If not, explain.

Response:

Schools were in session in 2015. The table shows the first day for students in each of the years by school district. Calendar data for school year 2013-14 was no longer accessible, but schools are not in full session in July. With the passage of SB 50 schools, whereby next school year can start as late as the Monday closest to August 26, it is even less likely schools will be in session during the Company's system peak as the final rates in this proceeding are applied.

	School Year				
	13/14	14/15	15/16	16/17	17/18
	August 1st Student Day				
Beechwood		14	20	18	17
Bellevue		13	12	17	16
Boone		13	13	17	16
Campbell		13	12	10	16
Covington		13	19	17	23
Dayton		13	12	17	16
Erlanger		13	13	17	17
Fort Thomas		14	18	17	16
Grant		21	13	16	15
Kenton		13	19	17	23
Ludlow		21	20	24	17
Newport		20	19	17	23
Silver Grove		7	6	4	3
Southgate		14	18	18	17
Walton Verona		7	6	11	10
Duke Peak Day	July 18	August 24	August 10	August 11	July 19

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Question No. 2

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2. Refer to the Willhite Testimony, page 5, lines 16-19. Confirm that Duke Kentucky does not provide Tariff L.G.S.

Response

Confirm. The reference in the testimony should have been DS.

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Question No. 3

Responding Witness: Ronald Willhite

- 3. Refer to the Willhite Testimony, page 6, lines 36-40. Explain how each of the types of businesses listed "pose more uncertainty with regard to consistency of load." 4. Refer to the Willhite Testimony, page 7.
 - a. Provide by rate class the total number of schools represented by KSBA which take electric service from Duke Kentucky.
 - b. State the number of schools that Mr. Willhite removed from the DS rate class and set up as a separate class in his cost of service study ("COSS").
 - c. Provide Mr. Willhite's COSS and supporting work papers in Excel format with the formulas intact and unprotected.

Response

Public schools exist by statute whereas many other entities served on rate DS are for profit and can come and go depending on economic conditions.

- a. There are fifteen public school districts that receive electric service from Duke. Other than outdoor lighting there are the following number of accounts.

Rate	Total	Schools	Schools <100 kw	Mobiles	Maintenance	Offices	Athletic	Misc
DS	176	66	9	13	34	15	25	14*
DT	6	6						
DS/EH	10	10						
DT/EH	1	1						
SP	7	7						

*Various small accounts such as signs and greenhouse-not a complete count

b. 66

c. Attached

KSBA_R_Staff1_3c_COSS

KSBA_R_Staff1_3c_COSS Load Data

KSBA_R_Staff1_3c_DS Analysis for Schools 12-17-17

KSBA_R_Staff1_3c_KSBA-DR-02-001_Supplemental_1A_1B_(Ref_ID) PS System
CP_Testimony 12-17-17

KSBA_R_Staff1_3c_KSBA-DR-02-
001_Supplemental_1C_1D_part_A(Ref_ID)_Testimony 12-17-17

KSBA_R_Staff1_3c_KSBA-DR-02-
001_Supplemental_1C_1D_part_B_(Ref_ID)_Testimony 12-17-17

KSBA_R_Staff1_3c_Rate_Comparison_Rev_kwh1 12-19-17

KSBA_R_Staff1_3c_Rate_Comparison_Rev_kwh2 12-19-17

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Question No. 4

Responding Witness: Ronald Willhite

4. Refer to the Willhite Testimony, page 8, lines 21-26. Mr. Willhite is proposing that a separate tariff be established for schools with average monthly demands greater than 50 kW. In preparing his COSS, Mr. Willhite established a separate class for schools with annual maximum demands greater than 100 kW. Explain how average monthly demand of greater than 50 kW was chosen for the proposed separate tariff and why annual maximum demand of greater than 100 kW was used in Mr. Willhite's COSS.

Response

An average monthly demand of 50 kw was chosen to facilitate continuation of 66 current accounts to be placed on the P-12 tariff dropping below a 100 kw threshold as a result future efficiency improvements and facilitate future separately smaller metered additions. Also, 50 kw would facilitate 6 accounts with average monthly demands falling between 50 and 70 kw.

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Question No. 5

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5. Refer to the Willhite Testimony, page 9.
 - a. Refer to line 25. Explain why Rate EH should be increased by no greater than the percentage increase in Rate DS.
 - b. Refer to lines 36-37. Explain why Rate SP should produce a rate of return no greater than Rate DS.

Response:

- a. The Company is proposing an average increase of 14.2 for both Rates DS and EH even though their COSS shows a greater increase for the EH class. KSBA concurs with the Company's proposal and believes the final approved percentage increase for EH should be no greater than that finally approved for DS.
- b. The Company's COSS shows Rate SP to be producing as ROR of 9.26 percent versus 5.57 percent for DS. In addition to schools, Rate SP is available to other non-profit organizations such churches, civic and service clubs, community groups and municipalities. The rate is excessive and should not produce a ROR that is nearly twice that of DS.

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Question No. 6

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6. Refer to RLW Exhibit 3.
 - a. Outside of the tariff title, explain how the tariff as proposed by Mr. Willhite would exclude non-school customers from taking service under the tariff.
 - b. Explain the rationale for setting out the energy charges as block rates.
 - c. Explain why the second energy charge is measured as "kWh/kW".
 - d. Explain why the "First 6,000 kWh" and "Additional kWh" are not billed in relation to demand.

Response

- a. Would be appropriate to insert "P – 12 School" in the Applicability Clause as follows:

APPLICABILITY

Applicable to electric service for usual K – 12 School customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be greater than 50 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

- b. The suggested tariff format follows the existing DS Tariff format which format was not proposed to be changed by the Company. KSBA is not opposed to the school tariff having a single energy charge.
- c. See response b above.
- d. See response b above.