

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

DUKE ENERGY KENTUCKY, INC.'S	)	
INTEGRATED RESOURCE PLAN	)	Case No. 2018-00195
	)	

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**PETITION OF DUKE ENERGY KENTUCKY, INC.**  
**FOR CONFIDENTIAL TREATMENT OF CERTAIN RESPONSES TO**  
**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

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Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Kentucky Public Service Commission (Commission) to classify and protect certain information provided by the Company in its Responses to Commission Staff's (Staff) Third Requests for Information issued on May 7, 2019. Specifically, the Company requests confidential treatment for attachments to Staff's Information Request No. 1 (Confidential Information).

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878 (1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Duke Energy Kentucky requests confidential protections for certain Confidential Information contained in the attachment responses to Staff's Information Request No.1 for the following reasons:

a. The information contained in these attachments was created and compiled by Duke Energy to use to plan and to time investments to serve its customers. Allowing the data in these attachments to be made public would mute the impact of these decisions and give other businesses, including competitors – who did not expend the resources to collect the data – a way to adapt this data for their own uses, thereby diluting the return of Duke Energy Kentucky's investments.

b. Additionally, the data, which is taken from surveys of customers, should be treated with the care that would be reserved for customer data. Duke Energy Kentucky takes seriously its commitments to protect data of its customers.

3. The Confidential Information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Corporation.

4. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, with the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. This Confidential Information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as

confidential or proprietary.” *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

6. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and one copy without the confidential information included.

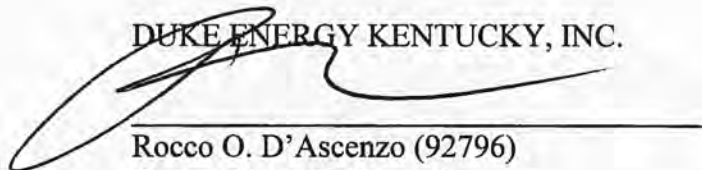
7. Duke Energy Kentucky respectfully requests that the Confidential Information, be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, Duke Energy Kentucky, Inc. respectfully requests the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



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*Counsel for Duke Energy Kentucky, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing filing was served on the following via U.S. Mail, first class, postage prepaid, this 17<sup>th</sup> day of May 2019:

Rebecca W. Goodman  
The Office of the Attorney General  
Utility Intervention and Rate Division  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601

A handwritten signature in black ink, appearing to read 'Rocco D'Ascenzo', is written over a horizontal line. The signature is stylized with a large loop at the beginning and a long horizontal stroke extending to the right.

Rocco D'Ascenzo



VERIFICATION

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

The undersigned, Brett Phipps, Managing Direct – Fuel Procurement, 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.

  
Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 10 day of May, 2019.

  
NOTARY PUBLIC

My Commission Expires:

MARY B VICKNAIR  
NOTARY PUBLIC  
Davie County  
North Carolina  
My Commission Expires Sept. 21, 2022

**KyPSC Case No. 2018-00195**  
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**REQUEST:**

Refer to the Integrated Resource Plan (IRP), pages 60, 61, and 64.

- a. Explain how often Duke Energy conducts its appliance end-use survey.
- b. Explain extent to which Duke Energy collects customer demographic data in its end-use survey including but not limited to household size, house hold income, education levels, domicile size/square feet and other characteristics, and other related demographic and behavioral data.
- c. Provide a copy of Duke Energy's two most recent end-use surveys and the survey results.
- d. Explain whether Duke Energy maintains data that correlates individual residential customer energy consumption with individual household income levels, with domicile size and other characteristics, and/or with education levels. If so, provide that information in an Excel spreadsheet with any formulas unprotected and intact.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachments Only)**

- a. Duke Energy conducts this survey every three years. The most recent one was conducted in 2016.
- b. Duke Energy's survey does include questions about income, domicile square footage, education, and family size.



- c. Please see STAFF-DR-03-001 Confidential Attachment 1, which contains the 2016 survey. Please see STAFF-DR-03-001 Confidential Attachment 2, which contains a report based on the 2013 survey for Ohio and Kentucky.
- d. Duke Energy does not maintain data correlation tables that combine kwh usage and square footage with other characteristics (e.g. HHI, education levels, etc.). If there is a specific request from a department to combine that data, we do have the capability to unite usage with the data we acquire from a third party (Acxiom); but the Acxiom data is based on self-reports, algorithms, and proprietary modeling. While we feel it is directionally sound, there is a limited level of confidence around the certainty of the third-party data and; therefore, it is used only to provide and inform assumptions.

**PERSON RESPONSIBLE:** Benjamin W. Passty, Ph.D.

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**STAFF-DR-03-001 CONFIDENTIAL  
ATTACHMENT 1**

**FILED UNDER SEAL**

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**STAFF-DR-03-001 CONFIDENTIAL  
ATTACHMENT 2**

**FILED UNDER SEAL**

**Duke Energy Kentucky**  
**Case No. 2018-00195**  
**STAFF Third Set Data Requests**  
**Date Received: May 7, 2019**

**STAFF-DR-03-002**

**REQUEST:**

Refer to the IRP, pages 27-28.

- a. Provide tables with the data used to construct Figures 4.1, 4.2, 4.3, and 4.4.
- b. Explain whether the data and Figures portrayed in Figures 4.1-4.4 represent the Business As Usual Case (BAU case) discussed in the IRP at 34.

**RESPONSE:**

- a. Please see the following tables in Appendix B for the data used to construct the figures in question. For Figure 4.1, see Table B.7b (peak MW) and Table B.8b (MWh). For Figure 4.2, see Table B.3b. For Figure 4.3, see Table B.4b. For Figure 4.4, see Table B.6b.
- b. Yes, the Most Likely load forecast in the figures in question represents the load component of the Business as Usual Case used in the IRP. See Table 5.1 for the other assumptions used in the BAU case.

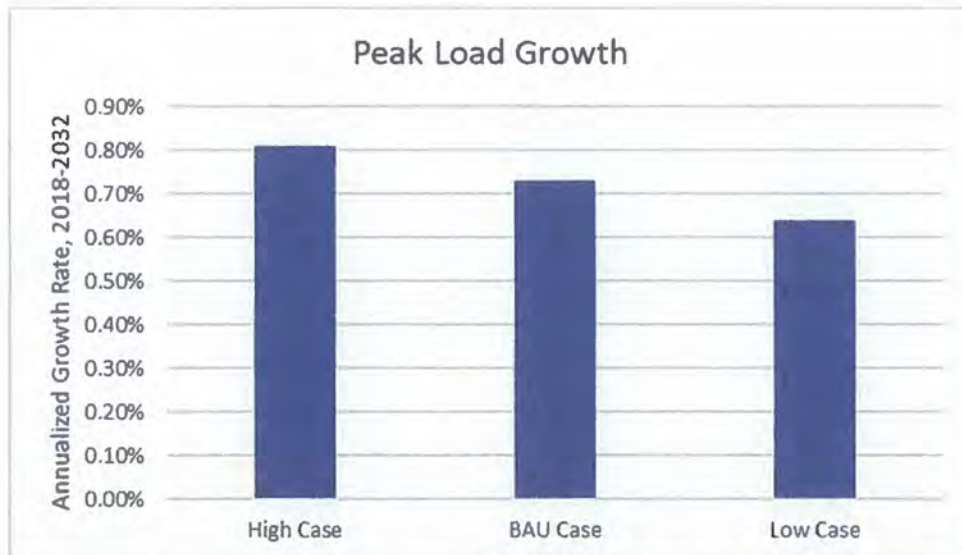
**PERSON RESPONSIBLE:** Benjamin W. Passty, Ph.D.

**REQUEST:**

Refer to the IRP, pages 39-42. Explain and show how the load growth rate under the BAU case compares to each of the load growth rate alternatives discussed in the three scenarios.

**RESPONSE:**

The compound annual growth rate (CAGR) for the peak load forecast used in the BAU case (Most Likely load forecast) is 0.73% from 2018 to 2032. The peak load CAGR for the High load forecast is 0.81% and for the Low load forecast it is 0.64% over the same period. As can be seen in the figure below, the BAU case falls within the bound set by the other two alternatives.



**PERSON RESPONSIBLE:** Benjamin W. Passty, Ph.D.

**Duke Energy Kentucky  
Case No. 2018-00195  
STAFF Third Set Data Requests  
Date Received: May 7, 2019**

**STAFF-DR-03-004**

**REQUEST:**

Refer to the IRP, pages 42-44. Explain and show how the coal and natural gas prices under the BAU case compare to those under each of the alternative scenarios.

**RESPONSE:**

Please see IRP Section IV.B. 2018 Fuel Price Forecasts (IRP page 29) for a full explanation of the High, Low, and Most Likely coal and gas price forecasts. Please see Tables 5.7 and 5.8 for the indication of which coal and gas price forecasts were used in the alternative fuel price scenarios.

**PERSON RESPONSIBLE:** Benjamin W. Passty, Ph.D.

**REQUEST:**

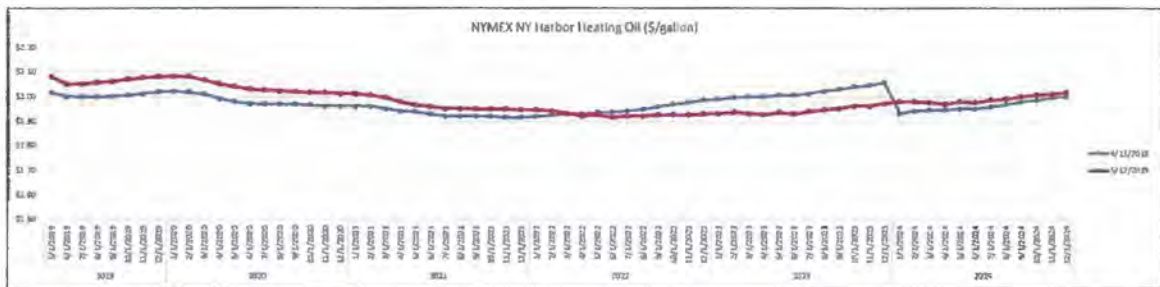
Refer to Commission Staff's First Request for Information, Item 8.

- a. Provide a graphic illustration reflecting the change in natural gas and low-sulfur diesel cost from the filing of the IRP to present.
- b. Discuss whether the changes in prices for natural gas and low-sulfur diesel fuel have impacted the dispatch of any Duke Kentucky units currently and in the foreseeable future.
- c. Explain how changes in the cost of low-sulfur diesel projections have impacted the annual 2.5 percent annual inflation rate projection for the term of the IRP.
- d. Explain if changes in the cost of low-sulfur diesel projections have affected the findings and conclusions in the IRP.

**RESPONSE:**

- a. Duke Energy has not completed its 2019 forecast, but below are price chart comparisons of heating oil and natural gas of the present and one year ago. As you will see, the futures market price for both commodities have not changed very much.





- b. A change in the price of delivered natural gas, among other factors, has a direct impact on the commitment and dispatch of the Woodsdale generating units. Company personnel change the offer of these units daily or even intra-day, adjusting the units offer for changes in natural gas prices. Changes in the price of natural gas has an in-direct impact on the dispatch of East Bend, since natural gas units are frequently “on the margin” in PJM, thus setting the energy component of LMP. The price of fuel oil typically has no direct impact on the commitment and dispatch of Woodsdale or East Bend. Although East Bend does utilize fuel oil for unit startup, since the unit is considered a must run unit, the price of unit startup generally does not affect East Bend’s commitment. Finally, note that the price of fuel oil will have a direct impact on the dispatch and commitment of Woodsdale generating units while operating on fuel oil after June 1, 2019, at which time the units will be able to utilize fuel oil when natural gas is not available or when fuel oil is more economic.
- c. The two items are separate. Duke Energy relies on an external vendor for its long-term diesel price forecast.
- d. The slight changes in the Low Sulfur Diesel market have not changed the findings and conclusions in the IRP.

**PERSON RESPONSIBLE:** Brett Phipps