


VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Jeff L. Kern, Lead Rates & Regulatory Strategy Analyst, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request and that it is true and correct to the best of his knowledge, information and belief.




Jeff L. Kern, Affiant

Subscribed and sworn to before me by Jeff L. Kern, on this 21ST day of OCTOBER, 2019.



ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2024



NOTARY PUBLIC

My Commission Expires: 1/5/2024

KyPSC Case No. 2019-00271
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
KROGER-DR-01-001	Legal	1
KROGER-DR-01-002	Christopher M. Jacobi	2
KROGER-DR-01-003	Legal Jeff L. Kern Christopher M. Jacobi	3

**Duke Energy Kentucky
Case No. 2019-00271
Kroger's First Set Data Requests
Date Received: October 14, 2019**

KROGER-DR-01-001

REQUEST:

Please provide an electronic version of the Company's confidential filing documents, workpapers, and responses to discovery in this case. To the extent the Company files corrections, revisions, amendments, supplemental information and/or errata to these documents, please provide all updated materials.

RESPONSE:

An electronic version of the Company's confidential filing documents was provided to Kroger via electronic mail on October 26, 2019. A paper copy of the confidential filing documents have also been provided via overnight mail on October 28, 2019. In addition, the Company will continue to provide to Kroger a copy of all confidential information filed going forward.

PERSON RESPONSIBLE: Legal

REQUEST:

Regarding non-fuel, non-labor O&M expense inflation/escalation:

- a. Please indicate whether any inflation, price escalation, or unit cost escalation has been included in the calculation of non-labor, non-fuel O&M expenses for the estimated portion of the base period or the Forecasted Test Period.
- b. If inflation or cost escalation has been included in the calculation of non-labor, non-fuel O&M expenses, please provide DEK's best estimate of the dollar amount of inflation included in the Forecasted Test Period applicable to non-labor, non-fuel O&M expenses.
- c. If inflation or cost escalation has been included in the calculation of non-labor, non-fuel O&M expenses, please explain how the inflation or cost escalation factors were derived, and provide the inflation or cost escalation factors applicable to each affected FERC account for both the estimated portion of the Base Period and the Forecasted Test Period, if applicable.
- d. If inflation or cost escalation has been included in the calculation of non-labor, non-fuel O&M expenses, please provide detailed workpapers in Excel format with intact formulas which apply the inflation or cost escalation factors to the actual historical data. For each affected FERC account, please provide the actual historical non-labor, non-fuel O&M expense amount to which the inflation/escalation is applied,

the amount of the inflation/escalation, and the projected O&M expense amount after inflation/escalation.

- e. If not otherwise provided in the Company's response to part (d), please provide workpapers in Excel format which link the inflation/escalation amounts to the Filing Requirements schedules and/or revenue requirement model, or otherwise demonstrate how these inflation/escalation amounts are integrated into the Base Period and Forecasted Test Period revenue requirements.

RESPONSE:

- a. There is no specific inflation/price escalation, or unit cost escalation in the calculation of the non-labor, non-fuel O&M expenses for the estimated portion of the base period or the forecast period. Instead, the Company has and is seeking cost savings to offset labor inflation to achieve overall flat O&M.
- b. N/A
- c. N/A
- d. N/A
- e. N/A

PERSON RESPONSIBLE: Christopher M. Jacobi

KROGER-DR-01-003

REQUEST:

Please refer to the following link at [cvgairport.com](https://www.cvgairport.com) (<https://www.cvgairport.com/about/next/amazon-and-cvg/amazonatcvg>) which discusses the Amazon Air Hub facility currently under construction at Cincinnati/Northern Kentucky International Airport. Will Duke Energy Kentucky be the electric service provider for the Amazon Air Hub facility? If yes, please provide a response to the following (please break out responses by phase of construction if appropriate):

- a. Provide the rate schedule(s) that the Amazon Air Hub facility is likely to be served under.
- b. Provide the expected level of electric consumption for the Amazon Air Hub facility.
- c. Provide the expected commercial operation start date for the Amazon Air Hub facility.
- d. Does Duke Energy Kentucky plan to offer an incentive electric rate? If yes, please describe the rate.
- e. Are revenues and expenses associated with the Amazon Air Hub facility included in the future test year in this proceeding?

RESPONSE:

Duke Energy Kentucky is the electric supplier for the Amazon Air Hub facility.

- a. Objection. This Data Request seeks to elicit information that is irrelevant or otherwise not reasonably calculated to lead to the discovery of admissible

information. It seeks confidential customer-specific information that has independent economic value to the customer and that could be used to the customer's disadvantage by competitors of the customer and is not relevant to this proceeding or likely to lead to the discovery of relevant and admissible evidence.

- b. Objection. This Data Request seeks to elicit information that is irrelevant or otherwise not reasonably calculated to lead to the discovery of admissible information. It seeks confidential customer-specific information that has independent economic value to the customer and that could be used to the customer's disadvantage by competitors and is not relevant to this proceeding or likely to lead to the discovery of relevant and admissible evidence.
- c. The facility is expected to become operational in stages with the first one in July 2020 and the second in January 2021. Full commercial operation is expected in July 2021.
- d. Objection. This Data Request seeks to elicit information that is irrelevant or otherwise not reasonably calculated to lead to the discovery of admissible information. It seeks confidential customer-specific information that has independent economic value to competitors of the customer and is not relevant to this proceeding or likely to lead to the discovery of relevant and admissible evidence. Moreover, this request is further objectionable to the extent it seeks information that is projected by the doctrines of attorney work product. Nonetheless, without waiving said objection and to the extent discoverable, a decision regarding any incentive rate for electric service has not been made. The Company will file any such contracts with the Kentucky Public Service Commission.

- e. Although full operation is not expected until after the Test Period, a portion of the total expected annual revenue from the Amazon facility was included in Schedule M for the Test Period, since there will be some usage associated with the first two phases. Additionally, depreciation expense associated with certain capital projects being executed to support the Amazon Air Hub has been included in the test period.

PERSON RESPONSIBLE:

As to objections, Legal

Jeff L. Kern – c., e.

Christopher M. Jacobi – e.