





**KyPSC Case No. 2020-00031**  
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**REQUEST:**

Refer to the application, page 3, paragraph 6.

- a. Explain when Duke Kentucky expects the GreenHat Energy, LLC (GreenHat) default amount to be finalized.
- b. State the time frame for which Duke Kentucky anticipates being allocated GreenHat default charges.

**RESPONSE:**

- a. Once the total settlement amount of the GreenHat Energy, LLC (GreenHat) default is determined, the amount of the GreenHat expense allocated to Duke Energy Kentucky will be known. Duke Energy Kentucky expects the default amount to be finalized when the last GreenHat position settles in May of 2021.
- b. The final GreenHat position will be invoiced by PJM in July of 2021.

The estimates are from the PJM's default allocation assessment document related to GreenHat default located on PJM's Financial Transmission Rights webpage and at the link:

<https://www.pjm.com/-/media/markets-ops/ptr/ptr-allocation/default-assessment-allocation-timeline.ashx?la=en>

In addition, the following is a presentation showing an example calculation:

<https://www.pjm.com/-/media/markets-ops/ptr/ptr-allocation/example-pjm-default-allocation-calculation.ashx?la=en>

**PERSON RESPONSIBLE:** John Swez

**Duke Energy Kentucky**  
**Case No. 2020-00031**  
**Staff First Set Data Requests**  
**Date Received: March 19, 2020**

**STAFF-DR-01-002**

**REQUEST:**

Refer to the application, page 5, paragraph 10.

- a. Provide the Federal Energy Regulatory Commission (FERC) Account Numbers to which Duke Kentucky originally recorded the GreenHat default allocations.
- b. Annually and by account number, provide the annual costs recorded by Duke Kentucky in FERC Account Nos. 560-576.5 for each of the past five calendar years.

**RESPONSE:**

- a. Duke Kentucky originally recorded the GreenHat default charges to Account 0456111, Other Transmission Revenues.
- b. No GreenHat default charges have been recorded in FERC Account Nos. 560–576.5 in the past five calendar years.

		Transmission Expenses per FERC Form 1				
<u>Acct</u>	<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
560	Supervision & Engineering	\$ 7,699	\$ 3,132	\$ 2,789	\$ 2,518	\$ 3,951
561	Load Dispatching	563,803	2,124,807	3,134,302	5,271,851	4,211,610
562	Station Expense	116,017	107,358	111,250	148,685	172,155
563	Overhead Lines	103,310	16,744	46,121	33,532	44,384
565	Transmission of Electricity by Others	14,117,924	15,553,606	12,797,078	13,909,634	16,382,133
566	Miscellaneous Transmission	409,751	629,025	481,220	486,517	269,684
567	Rents - Interco CG&E	618	1,668	-	-	-
568	Supervision & Engineering	-	-	-	-	-
569	Structures	285,420	242,127	106,831	164,767	251,495
570	Station Equipment	279,482	329,419	335,680	255,031	141,479
571	Overhead Lines	299,887	409,659	230,761	428,751	304,632
572	Underground Lines	-	-	-	-	-
573	Misc. Transmission Plant	-	-	-	2,108	-
575	Regional Marketing - Operation	1,707,710	1,731,904	1,870,407	1,689,716	1,849,880
576	Regional Marketing Maintenance	-	-	-	-	-
	Total Transmission Expense	<u>\$ 17,891,621</u>	<u>\$ 21,149,449</u>	<u>\$ 19,116,439</u>	<u>\$ 22,393,110</u>	<u>\$ 23,631,403</u>

**PERSON RESPONSIBLE:** Theodore H. Czupik Jr.

**Duke Energy Kentucky  
Case No. 2020-00031  
Staff First Set Data Requests  
Date Received: March 19, 2020**

**STAFF-DR-01-003**

**REQUEST:**

Refer to the application, page 7, paragraph 14. For the base and forecasted test periods from Case No. 2019-00271<sup>1</sup>, provide the amounts included in FERC Account Nos. 560-576.5, by account.

**RESPONSE:**

No GreenHat default charges are included in FERC Account Nos. 560–576.5 in either the base period or the forecasted test period. The Company’s application in Case No. 2019-00271 was filed prior the Commission’s Order in Case No. 2019-0006.<sup>2</sup> The Company believed the Greenhat-related charges were fuel expense and recoverable through the FAC and did not include any costs in base rates for the test year in Case No. 2019-00271. The numbers in the table below show transmission expenses per Schedule C-2.1 in Case No. 2019-00271, for the base period, page 3 of 14, and the forecasted test period, page 10 of 14.

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<sup>1</sup> Case No. 2019-00271, *Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Account Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief* (Application filed Sept. 3, 2019).

<sup>2</sup> See *In the Matter of the Electronic Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2016 through October 31, 2018*, Order, Case No. 2019-00006 (Ky. P.S.C. Dec. 26, 2019).

<u>Account</u>	<u>Description</u>	<u>Base</u> <u>Period</u>	<u>Forecasted</u> <u>Period</u>
560	Supervision & Engineering	\$ 63,332	\$ 162,924
561	Load Dispatching	3,236,640	3,672,204
562	Station Expense	136,977	103,342
563	Overhead Lines	95,745	96,892
565	Transmission of Electricity by Others	16,742,325	19,031,837
566	Miscellaneous Transmission	285,869	343,965
567	Rents - Interco CG&E	0	0
568	Supervision & Engineering	0	0
569	Structures	186,437	157,006
570	Station Equipment	172,546	188,847
571	Overhead Lines	595,839	597,908
572	Underground Lines	0	0
573	Miscellaneous	0	0
575	Market Facilitation - Mntr&Comp	1,767,935	1,826,852
		<u>\$ 23,283,645</u>	<u>\$ 26,181,777</u>

**PERSON RESPONSIBLE:** Theodore H. Czupik Jr.



**REQUEST:**

Refer to the application, page 8, paragraph 15.

- a. Provide a monthly breakdown of the \$462,204.54 GreenHat default expense estimate.
- b. Confirm that the total GreenHat default expense estimate is from PJM Billing Line Item 1999A. If not, list all the PJM Billing Line Items associated with the GreenHat default expense estimate and the associated costs for each line item.

**RESPONSE:**

- a. At the time the original estimate was made, the Company assumed the PJM total GreenHat position to be \$177,331,989.57. The final total of GreenHat charges allocated to Duke Energy Kentucky may be higher or lower than the original estimate dependent on GreenHat's total default.

The Duke Energy Kentucky share of the Actual and Estimated Monthly GreenHat Expenses are shown below:

<u>Invoice Date</u>	<u>Actual</u>	<u>Invoice Date</u>	<u>Estimate</u>
July 2018	\$ 37,400.21	March 2020	\$ 13,745.60
August 2018	58,070.33	April 2020	13,745.60
October 2018	15,768.98	May 2020	13,745.60
November 2018	20,018.01	June 2020	13,745.60
December 2018	26,873.23	July 2020	1,337.40
January 2019	15,132.85	August 2020	1,337.40
February 2019	36,288.46	September 2020	1,337.40
March 2019	9,523.34	October 2020	1,337.40
April 2019	15,991.72	November 2020	1,337.40
May 2019	9,790.28	December 2020	1,337.40
June 2019	11,921.22	January 2021	1,337.40
July 2019	6,823.88	February 2021	1,337.40
August 2019	6,894.97	March 2021	1,337.40
September 2019	9,546.57	April 2021	1,337.40
October 2019	18,062.45	May 2021	1,337.40
November 2019	15,544.21	June 2021	\$ 1,337.42
December 2019	11,566.36	<b>Estimate</b>	<b>\$ 71,031.22</b>
January 2020	41,924.43		
February 2020	\$ 24,031.82		
<b>Actual</b>	<b>\$ 391,173.32</b>		
<b>Total Estimate</b>	<b>\$ 462,204.54</b>		

b. Confirmed.

**PERSON RESPONSIBLE:** John Swez

**Duke Energy Kentucky**  
**Case No. 2020-00031**  
**Staff First Set Data Requests**  
**Date Received: March 19, 2020**

**STAFF-DR-01-005**

**REQUEST:**

Refer to the application, page 8, paragraph 16.

- a. Explain why a credit to Account No. 242890 Deferred Rev Pay – Fuel is appropriate.
- b. Explain why a credit to Account No. 456111 Other Transmission Revenues is appropriate.

**RESPONSE:**

- a. A credit to Account No. 242890 Deferred Rev Pay – Fuel is appropriate because it is a reversal of the original monthly entries totaling \$270,497.48 that represents an under-collection of actual fuel costs versus fuel cost included in base rates.
- b. It is appropriate to credit Account No. 456111, Other Transmission Revenues, because that account is where the charges were recorded from July 2018 through February 2020. Beginning in March 2020 the charges will be recorded in Account 182342.

**PERSON RESPONSIBLE:** Theodore H. Czupik Jr.

**Duke Energy Kentucky  
Case No. 2020-00031  
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**STAFF-DR-01-006**

**REQUEST:**

Refer to the application, page 8, paragraph 17. Explain Duke Kentucky is requesting to include carrying charges at its long-term debt rate in the proposed regulatory asset.

**RESPONSE:**

Duke Energy Kentucky is requesting to include carrying charges in the proposed regulatory asset, at the Company's long-term debt rate, to recognize that the time value of money is a cost to the Company, resulting from the inability to recover net fuel related costs in a timely manner.

**PERSON RESPONSIBLE:** Theodore H. Czupik Jr.

**Duke Energy Kentucky  
Case No. 2020-00031  
Staff First Set Data Requests  
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**STAFF-DR-01-007**

**REQUEST:**

Explain whether any portion of the GreenHat default charges were reflected in Duke Kentucky's Profit Sharing Mechanism.

**RESPONSE:**

No GreenHat charges were reflected in Duke Energy Kentucky's Profit Sharing Mechanism.

**PERSON RESPONSIBLE:** Theodore H. Czupik Jr.