

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-027**

**REQUEST:**

Refer to Schedule G-1. The schedule depicts that total jurisdictionally adjusted O&M payroll costs included in the base year is \$10.222 million and the total jurisdictionally adjusted O&M payroll costs included in the test year is \$10.942 million. Explain all reasons why the test year payroll costs are expected to increase over the base year by just over 7%. If the increase relates to new program costs being included in base rates, please describe and explain.

**RESPONSE:**

A correction is needed in the G-1 for the base period payroll tax reported – from \$503,654 to \$668,440 (see table 1 below). With the corrected G-1 data, labor is shown at 5% increase, instead of 7%, however there are certain nuances to the base period data for these costs. The base period does not reflect the entire 2020 fiscal year, and in the actuals period of November/December, there are rate changes and true ups booked to reflect the appropriate 2020 fiscal year actual cost for Incentives, Benefits, and Payroll Taxes. Due to the base period including 2020 actuals of September to December, which include the true-up amounts, but not the offsetting lower costs in the earlier months, the comparison for incentives is skewed.

A better comparison of labor is 2020 fiscal year actuals to the forecasted period (see table 2 below). This table shows a total increase of 2%, which is comprised of a 3% inflation increase in labor and corresponding payroll taxes. The change in incentives is due

to a lower than target 2020 payout, while the forecasted period is assumed to payout at target levels. This is all partially offset by a decrease in employee benefit costs.

<b>Table 1</b>	<b>Revised Base Period</b>	<b>Forecasted Period</b>	<b>% Change</b>
Labor	\$7,528,802	\$7,873,364	5%
Incentives	466,530	384,939	-17%
Employee Benefits	1,723,373	2,063,396	20%
Payroll Taxes	668,440	620,302	-7%
<b>Total Payroll Costs</b>	<b>\$10,387,145</b>	<b>\$10,942,001</b>	<b>5%</b>

<b>Table 2</b>	<b>2020 Actual</b>	<b>Forecasted Period</b>	<b>% Change</b>
Labor	\$7,641,244	\$7,873,364	3%
Incentives	295,692	384,939	30%
Employee Benefits	2,162,238	2,063,396	-5%
Payroll Taxes	602,482	620,302	3%
<b>Total Payroll Costs</b>	<b>\$10,701,656</b>	<b>\$10,942,001</b>	<b>2%</b>

**PERSON RESPONSIBLE:** Abby L. Motsinger

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-028**

**REQUEST:**

Refer to Schedule G-1. The schedule depicts that total jurisdictionally adjusted O&M payroll taxes in the base year is \$0.504 million and the total jurisdictionally adjusted O&M payroll taxes included in the test year is \$0.620 million. Explain all reasons why the test year payroll taxes are expected to increase over the base year by over 23%. If the increase relates to new program costs being included in base rates, please describe and explain.

**RESPONSE:**

Please see response to AG-DR-01-027.

**PERSON RESPONSIBLE:** Abby L. Motsinger

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-029**

**REQUEST:**

Provide a schedule of payroll costs included in 2019, 2020, the base year, and the test year, broken down between expense, capitalized and other deferred.

**RESPONSE:**

Below is a schedule of payroll costs for 2019, 2020, the base year and the test year broken down between expense, capitalized, and other deferred. Payroll has been defined as labor, incentives, employee benefits, and payroll tax, which is consistent with the G-1. Note that this schedule represents total gas unadjusted costs, and the Base Year costs reflect a correction within the O&M line as noted in response to AG-DR-01-027.

	2019	2020	Base Year	Test Year
O&M	\$11,535,877	\$11,145,195	\$11,048,378	\$11,525,358
Capital	9,317,730	9,434,094	9,735,784	10,482,120
Other deferred	1,435,738	1,428,228	1,190,048	1,154,659
Total	\$22,289,345	\$22,007,517	\$21,974,210	\$23,162,137

**PERSON RESPONSIBLE:** Abby L. Motsinger



**Duke Energy Kentucky  
Case No. 2021-00190  
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Date Received: June 30, 2021**

**AG-DR-01-030**

**REQUEST:**

Refer to the bar chart showing levels of O&M costs excluding gas costs from 2010 through the test year in the Direct Testimony of Ms. Lawler at page 5. Provide a copy of the workpapers used to populate this bar chart in electronic format with all formulas intact.

**RESPONSE:**

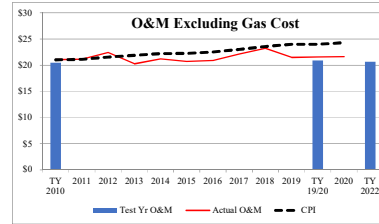
Please see workpapers contained in AG-DR-01-030 Attachment.

**PERSON RESPONSIBLE:** Sarah E. Lawler



Source: FERC Form 2, pages 317-325.

Transmission Expense	\$0	\$13,010	\$68,606	\$0	\$0	\$190	\$6,490	\$6,885	\$2,716	\$7,279	\$428,418	\$0	\$203,686	\$0	\$0	\$535,852
Distribution Expense	\$5,942,862	\$5,883,025	\$6,182,369	\$7,421,248	\$7,387,642	\$10,114,332	\$8,580,421	\$9,780,129	\$11,105,384	\$9,814,026	\$9,780,274	\$8,649,019	\$11,942,477	\$12,032,351	\$8,313,881	\$8,313,881
Customer Accounts Expense	4,117,655	4,557,931	4,842,547	4,045,075	3,592,467	3,521,723	3,586,726	4,007,280	3,628,311	3,558,718	3,150,917	2,932,224	3,281,428	2,672,864	4,354,792	4,354,792
Customer Service & Information Expense	532,529	1,134,158	1,466,947	1,353,607	1,072,507	788,222	632,454	505,759	451,439	415,332	426,052	286,366	426,836	406,241	389,010	389,010
Sales Expense	-	12,632	37,154	27,349	16,393	208,865	114,847	93,991	106,331	171,308	209,051	246,496	200,467	194,128	399,560	399,560
Administrative & General Expense	9,873,491	9,430,498	8,534,908	9,561,093	8,188,586	6,583,812	7,786,095	6,498,886	6,818,494	9,253,439	7,503,801	9,305,199	6,963,873	5,559,824	6,649,851	6,649,851
<b>Total O&amp;M Expense</b>	<b>\$20,466,537</b>	<b>\$21,031,254</b>	<b>\$21,132,531</b>	<b>\$22,408,372</b>	<b>\$20,257,595</b>	<b>\$21,217,144</b>	<b>\$20,707,033</b>	<b>\$20,892,930</b>	<b>\$22,112,675</b>	<b>\$23,220,102</b>	<b>\$21,498,513</b>	<b>\$0</b>	<b>\$21,622,990</b>	<b>\$22,815,081</b>	<b>\$20,865,408</b>	<b>\$20,642,946</b>
<b>Actual O&amp;M</b>	<b>20.466537</b>	<b>21.031254</b>	<b>21.132531</b>	<b>22.408372</b>	<b>20.257595</b>	<b>21.217144</b>	<b>20.707033</b>	<b>20.89293</b>	<b>22.112675</b>	<b>23.220102</b>	<b>21.498513</b>	<b>21.5607515</b>	<b>21.62299</b>	<b>22.815081</b>	<b>20.865408</b>	<b>20.642946</b>
<b>Test Year O&amp;M</b>	<b>20.466537</b>											<b>20.865408</b>			<b>20.642946</b>	
CPI Rate		*Note 1														
CPI		1.0000000	1.031565286	1.052913013	1.068335657	1.085666067	1.086954727	1.100666801	1.124114906	1.151571156	1.172437356	*Note 2		1.172437356	1.18690153	
		21.031254	21.11256909	21.54948314	21.86513125	22.21982474	22.24619914	22.52683781	23.00673932	23.56867367	23.99573252	23.99573252	24.29176408			



Note 1: For charting presentation purposes, TY 2010 O&M total moved to calendar year 2010 column, (E102 moved to F103)

Note 2: To prevent chart from showing \$0 for Actual O&M and CPI adjusted amount for the TY period between calendar years 2019 and 2020, averaged prior and next years.



**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-031**

**REQUEST:**

Provide a schedule of the amortization expense and remaining balance associated with each regulatory asset and each regulatory liability for each month for the years 2018 through 2020, for each actual month during 2021, and for each month projected for the remainder of 2021 and continuing through the end of the test year. In addition, provide the amortization period and the Case No. in which the Commission approved the recovery and the amortization period, if any. If there was no regulatory asset and/or no regulatory liability amortization in the years prior to the test year and the amortization expense in the test year relates only to new deferrals for which recovery is requested in this case, so state.

**RESPONSE:**

Please see AG-DR-01-031 Attachment.

**PERSON RESPONSIBLE:** Jay P. Brown

**DEK Regulatory Assets being amortized**

<b><u>Account #</u></b>	<b><u>Account Description</u></b>	<b><u>Case No.</u></b>	<b><u>Amortization Period</u></b>	<b><u>Monthly Amortization Expense</u></b>
0186028	DEK 2018 Gas Rate Case Exp	KPSC Case No. 2018-00261	05/19 - 03/24	\$ 4,253
0182715	Integrity Management	KPSC 2018-00261; KPSC 2016-00152	04/19 - 03/29	\$ 29,727

**400AM802**  
**DEK Deferred Rate Case Expense Amortization**  
**Per DEK Case No. 2018-00261 (4/1/2019)**

Authorized Amount to Recover (includes carrying cost of 4.36%) \$ 2,887,115 (Acct 0182715) beginning April 1, 2018  
04/19 - 03/24

<u>Amortization Schedule</u>		<u>Monthly Amortization</u>	<u>Carrying Costs Acct 0182715</u>	<u>Total</u>	<u>Net Balance</u>
	Beg Bal				\$ 2,887,115
1	Apr-19	\$ 29,727	(10,490)	\$ 19,237	\$ 2,867,878
2	May-19	\$ 29,727	(10,420)	\$ 19,307	\$ 2,848,571
3	Jun-19	\$ 29,727	(10,350)	\$ 19,377	\$ 2,829,193
4	Jul-19	\$ 29,727	(10,279)	\$ 19,448	\$ 2,809,745
5	Aug-19	\$ 29,727	(10,209)	\$ 19,518	\$ 2,790,227
6	Sep-19	\$ 29,727	(10,138)	\$ 19,589	\$ 2,770,638
7	Oct-19	\$ 29,727	(10,067)	\$ 19,660	\$ 2,750,977
8	Nov-19	\$ 29,727	(9,995)	\$ 19,732	\$ 2,731,245
9	Dec-19	\$ 29,727	(9,923)	\$ 19,804	\$ 2,711,441
10	Jan-20	\$ 29,727	(9,851)	\$ 19,876	\$ 2,691,565
11	Feb-20	\$ 29,727	(9,779)	\$ 19,948	\$ 2,671,617
12	Mar-20	\$ 29,727	(9,707)	\$ 20,020	\$ 2,651,597
13	Apr-20	\$ 29,727	(9,634)	\$ 20,093	\$ 2,631,504
14	May-20	\$ 29,727	(9,561)	\$ 20,166	\$ 2,611,338
15	Jun-20	\$ 29,727	(9,488)	\$ 20,239	\$ 2,591,099
16	Jul-20	\$ 29,727	(9,414)	\$ 20,313	\$ 2,570,786
17	Aug-20	\$ 29,727	(9,341)	\$ 20,386	\$ 2,550,400
18	Sep-20	\$ 29,727	(9,266)	\$ 20,461	\$ 2,529,939
19	Oct-20	\$ 29,727	(9,192)	\$ 20,535	\$ 2,509,404
20	Nov-20	\$ 29,727	(9,118)	\$ 20,609	\$ 2,488,795
21	Dec-20	\$ 29,727	(9,043)	\$ 20,684	\$ 2,468,111
22	Jan-21	\$ 29,727	(8,967)	\$ 20,760	\$ 2,447,352
23	Feb-21	\$ 29,727	(8,892)	\$ 20,835	\$ 2,426,516
24	Mar-21	\$ 29,727	(8,816)	\$ 20,911	\$ 2,405,606
25	Apr-21	\$ 29,727	(8,740)	\$ 20,987	\$ 2,384,619
26	May-21	\$ 29,727	(8,664)	\$ 21,063	\$ 2,363,556
27	Jun-21	\$ 29,727	(8,588)	\$ 21,139	\$ 2,342,417
28	Jul-21	\$ 29,727	(8,511)	\$ 21,216	\$ 2,321,201
29	Aug-21	\$ 29,727	(8,434)	\$ 21,293	\$ 2,299,907
30	Sep-21	\$ 29,727	(8,356)	\$ 21,371	\$ 2,278,536
31	Oct-21	\$ 29,727	(8,279)	\$ 21,448	\$ 2,257,088
32	Nov-21	\$ 29,727	(8,201)	\$ 21,526	\$ 2,235,561
33	Dec-21	\$ 29,727	(8,123)	\$ 21,604	\$ 2,213,957
34	Jan-22	\$ 29,727	(8,044)	\$ 21,683	\$ 2,192,274
35	Feb-22	\$ 29,727	(7,965)	\$ 21,762	\$ 2,170,512
36	Mar-22	\$ 29,727	(7,886)	\$ 21,841	\$ 2,148,671
37	Apr-22	\$ 29,727	(7,807)	\$ 21,920	\$ 2,126,751
38	May-22	\$ 29,727	(7,727)	\$ 22,000	\$ 2,104,751
39	Jun-22	\$ 29,727	(7,647)	\$ 22,080	\$ 2,082,671
40	Jul-22	\$ 29,727	(7,567)	\$ 22,160	\$ 2,060,511
41	Aug-22	\$ 29,727	(7,487)	\$ 22,240	\$ 2,038,271
42	Sep-22	\$ 29,727	(7,406)	\$ 22,321	\$ 2,015,950
43	Oct-22	\$ 29,727	(7,325)	\$ 22,402	\$ 1,993,548
44	Nov-22	\$ 29,727	(7,243)	\$ 22,484	\$ 1,971,064
45	Dec-22	\$ 29,727	(7,162)	\$ 22,565	\$ 1,948,499

**Z400A802**  
**DEK Deferred Rate Case Expense Amortization**  
**Per DEK Case No. 2018-00261 (4/1/2019)**

Authorized Amount to Recover: \$ 250,729.65 (Acct 0182028) beginning April 1, 2019  
04/19 - 03/24

**Amortization Schedule**

	<u>Period</u>	<u>Beginning Balance</u>	<u>Current Month Amortization</u>	<u>Reclass (subtract from balance)</u>	<u>Late New Activity (add to balance)</u>	<u>Accrued Amortization</u>	<u>Ending Balance</u>
1	Apr-19						250,234.49
2	May-19	250,234.49	4,241.26			4,241.26	245,771.63
3	Jun-19	245,771.63	4,211.88	221.60		8,453.14	240,077.40
4	Jul-19	240,077.40	4,211.88	1,482.35		12,665.02	235,865.52
5	Aug-19	235,865.52	4,211.88			16,876.90	231,653.64
6	Sep-19	231,653.64	4,211.88			21,088.78	229,640.87
7	Oct-19	229,640.87	4,252.60		2,199.11	25,341.38	225,388.27
8	Nov-19	225,388.27	4,252.60			29,593.98	221,135.67
9	Dec-19	221,135.67	4,252.60			33,846.58	216,883.07
10	Jan-20	216,883.07	4,252.60			38,099.18	212,630.47
11	Feb-20	212,630.47	4,252.60			42,351.78	208,377.87
12	Mar-20	208,377.87	4,252.60			46,604.38	204,125.27
13	Apr-20	204,125.27	4,252.60			50,856.98	199,872.67
14	May-20	199,872.67	4,252.60			55,109.58	195,620.07
15	Jun-20	195,620.07	4,252.60			59,362.18	191,367.47
16	Jul-20	191,367.47	4,252.60			63,614.78	187,114.87
17	Aug-20	187,114.87	4,252.60			67,867.38	182,862.27
18	Sep-20	182,862.27	4,252.60			72,119.98	178,609.67
19	Oct-20	178,609.67	4,252.60			76,372.58	174,357.07
20	Nov-20	174,357.07	4,252.60			80,625.18	170,104.47
21	Dec-20	170,104.47	4,252.60			84,877.78	165,851.87
22	Jan-21	165,851.87	4,252.60			89,130.38	161,599.27
23	Feb-21	161,599.27	4,252.60			93,382.98	157,346.67
24	Mar-21	157,346.67	4,252.60			97,635.58	153,094.07
25	Apr-21	153,094.07	4,252.60			101,888.18	148,841.47
26	May-21	148,841.47	4,252.60			106,140.78	144,588.87
27	Jun-21	144,588.87	4,252.60			110,393.38	140,336.27
28	Jul-21	140,336.27	4,252.60			114,645.98	136,083.67
29	Aug-21	136,083.67	4,252.60			118,898.58	131,831.07
30	Sep-21	131,831.07	4,252.60			123,151.18	127,578.47
31	Oct-21	127,578.47	4,252.60			127,403.78	123,325.87
32	Nov-21	123,325.87	4,252.60			131,656.38	119,073.27
33	Dec-21	119,073.27	4,252.60			135,908.98	114,820.67
34	Jan-22	114,820.67	4,252.60			140,161.58	110,568.07
35	Feb-22	110,568.07	4,252.60			144,414.18	106,315.47
36	Mar-22	106,315.47	4,252.60			148,666.78	102,062.87
37	Apr-22	102,062.87	4,252.60			152,919.38	97,810.27
38	May-22	97,810.27	4,252.60			157,171.98	93,557.67
39	Jun-22	93,557.67	4,252.60			161,424.58	89,305.07
40	Jul-22	89,305.07	4,252.60			165,677.18	85,052.47
41	Aug-22	85,052.47	4,252.60			169,929.78	80,799.87
42	Sep-22	80,799.87	4,252.60			174,182.38	76,547.27
43	Oct-22	76,547.27	4,252.60			178,434.98	72,294.67
44	Nov-22	72,294.67	4,252.60			182,687.58	68,042.07
45	Dec-22	68,042.07	4,252.60			186,940.18	63,789.47



**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-032**

**REQUEST:**

Refer to the Direct Testimony of Mr. Panizza at page 6 in regards to EDIT. Provide a schedule showing the original computed EDIT amounts by FERC account and temporary difference as of December 31, 2017, protected and unprotected, both by temporary difference, the monthly activity since then through the end of test year showing monthly non-amortization additions and subtractions to each, and reductions due to monthly amortizations of each. Provide in electronic format with all formulas intact.

**RESPONSE:**

Please see AG-DR-01-032 Attachment, page 1 for the federal protected and unprotected balances as of December 31, 2017 and the monthly activity through the end of the test year.

Please see AG-DR-01-032 Attachment, page 2 for the state unprotected balances as of December 31, 2017 and the monthly activity through the end of the test year.

Please see AG-DR-01-032 Attachment, page 3 for the schedule showing the original federal EDIT amounts by FERC account and temporary difference as of December 31, 2017.

**PERSON RESPONSIBLE:** John R. Panizza

DE Kentucky - Gas  
 Federal EDIT Workpaper

EDIT:	Protected	Unprotected PP&E	Unprotected Non PP&E
Estimate As Of 12/31/2017	(31,411,585)	(592,741)	288,377
2018 Return True Up	(936,114)	-	32,776
2018 PP&E True Up	(113,151)	164,326	-
Protected to unprotected mvmt	307,747	(307,747)	-
<b>Total EDIT To Be Amortized</b>	<b>(32,460,850)</b>	<b>(428,415)</b>	<b>321,153</b>

	Protected EDIT Amortization	Amortization Of Unprotected EDIT	Amortization Of Unprotected Non PP&E EDIT	
Jan-18	30,775	(30,775)		
Feb-18	30,775	(30,775)		
Mar-18	30,775	(30,775)		
Apr-18	30,775	(30,775)		
May-18	30,775	(30,775)		
Jun-18	30,775	(30,775)		
Jul-18	30,775	(30,775)		
Aug-18	30,775	(30,775)		
Sep-18	30,775	(30,775)		
Oct-18	30,775	(30,775)		
Nov-18	30,775	7,504	(2,676)	
Dec-18	30,775	2,375	(2,130)	
<b>Balance</b>	<b>(32,091,553)</b>	<b>(726,283)</b>	<b>316,347</b>	
Jan-19				
Feb-19	61,549	9,879	(4,806)	
Mar-19	30,775	4,940	(2,403)	
Apr-19	30,775	4,940	(2,403)	
May-19	30,775	4,940	(2,403)	
Jun-19	30,775	4,940	(2,403)	
Jul-19	30,775	4,940	(2,403)	
Aug-19	30,775	4,940	(2,403)	
Sep-19	30,775	4,940	(2,403)	
Oct-19	30,775	4,940	(2,403)	
<b>2018 True ups (Booked in Nov. 19 - RTP Dataset)</b>	<b>(161,268)</b>	<b>-</b>	<b>134,390.34</b>	
Nov-19	(117,055)	4,940	(2,403)	
Dec-19	17,336	4,940	(2,403)	
<b>Balance</b>	<b>(32,044,793)</b>	<b>(667,009)</b>	<b>421,899</b>	
Jan-20	17,336	4,939	(2,403)	
Feb-20	17,336	4,939	(2,403)	
Mar-20	17,336	4,939	(2,403)	
Apr-20	17,336	4,939	(2,403)	
May-20	17,336	4,939	(2,403)	
Jun-20	17,336	4,939	(2,403)	
Jul-20	17,336	4,939	(2,403)	
Aug-20	17,336	4,939	(2,403)	
Sep-20	17,336	4,939	(2,403)	
Oct-20	17,336	4,939	(2,403)	
Nov-20	17,336	4,939	(2,403)	
2019 ARAM True ups booked in RTP dataset	189,353	-	-	
2020 EDIT Estimate Adj. included - 12/1/2020	409,307	4,939	(2,403)	
<b>Balance</b>	<b>(31,255,441)</b>	<b>(607,739)</b>	<b>393,062</b>	
Jan-21	50,000	4,939	(2,403)	
Feb-21	50,000	4,939	(2,403)	
Mar-21	50,000	4,939	(2,403)	
Apr-21	50,000	4,939	(2,403)	
May-21	50,000	4,939	(2,403)	
Jun-21	50,000	4,939	(2,403)	
Jul-21	50,000	4,939	(2,403)	
Aug-21	50,000	4,939	(2,403)	
Sep-21	50,000	4,939	(2,403)	
Oct-21	50,000	4,939	(2,403)	
Nov-21	50,000	4,939	(2,403)	
Dec-21	50,000	4,939	(2,403)	
<b>Balance</b>	<b>(30,655,441)</b>	<b>(548,469)</b>	<b>364,224</b>	<b>Projected EDIT Amortization for 20:</b>
Jan-22	50,000	4,939	(2,403)	(184,245)
Feb-22	50,000	4,939	(2,403)	(181,709)
Mar-22	50,000	4,939	(2,403)	(179,173)
Apr-22	50,000	4,939	(2,403)	(176,637)
May-22	50,000	4,939	(2,403)	(174,101)
Jun-22	50,000	4,939	(2,403)	(171,565)
Jul-22	50,000	4,939	(2,403)	(169,029)
Aug-22	50,000	4,939	(2,403)	(166,493)
Sep-22	50,000	4,939	(2,403)	(163,957)
Oct-22	50,000	4,939	(2,403)	(161,421)
Nov-22	50,000	4,939	(2,403)	(158,885)
Dec-22	50,000	4,939	(2,403)	(156,349)
<b>Balance</b>	<b>(30,055,441)</b>	<b>(489,199)</b>	<b>335,386</b>	<b>(153,813)</b>
				<b>(169,029)</b>

Duke Energy Kentucky  
 State EDIT

Tax Rates

BS	4.97%
FBOS	-1.04%
Fed	21.00%
Net Fed	19.96%
Combined Rate	24.93%
Grossup Factor	1.3320034

Gas - SEDIT

Base EDIT

(606,758)

Dec-19	45,507	
<b>Balance</b>	<b>(561,251)</b>	
Jan-20	5,056	
Feb-20	5,056	
Mar-20	5,056	
Apr-20	5,056	
May-20	5,056	
Jun-20	5,056	
Jul-20	5,056	
Aug-20	5,056	
Sep-20	5,056	
Oct-20	5,056	
Nov-20	5,056	
Dec-20	5,056	
<b>Balance</b>	<b>(500,575)</b>	
Jan-21	5,056	
Feb-21	5,056	
Mar-21	5,056	
Apr-21	5,056	
May-21	5,056	
Jun-21	5,056	
Jul-21	5,056	
Aug-21	5,056	
Sep-21	5,056	
Oct-21	5,056	
Nov-21	5,056	
Dec-21	5,056	
<b>Balance</b>	<b>(439,900)</b>	<b>(439,900)</b>
Jan-22	5,056	(434,843)
Feb-22	5,056	(429,787)
Mar-22	5,056	(424,731)
Apr-22	5,056	(419,674)
May-22	5,056	(414,618)
Jun-22	5,056	(409,562)
Jul-22	5,056	(404,505)
Aug-22	5,056	(399,449)
Sep-22	5,056	(394,393)
Oct-22	5,056	(389,336)
Nov-22	5,056	(384,280)
Dec-22	5,056	(379,224)
<b>Balance</b>	<b>(379,224)</b>	<b>(409,562)</b>

GAS SEDIT 13 Moth Avg.

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**DEC**Balances Report -  
2017.12SEC, DE Kentucky Gas

Code	Name	Rate Change
190001/2	ADIT: Prepaid: Taxes	
T11A02	Bad Debts - Tax over Book	(2,447) Unprotected
T11B16	OFFSITE GAS STORAGE COSTS	(237,223) Unprotected
T13B08	ASSET RETIREMENT OBLIGATION	(979,010) Unprotected
T13B19	Leased Meters - Elec & Gas	(53,459) Unprotected
T15A95	Unamortized Debt Premium	975 Unprotected
T17A02	Accrued Vacation	(89,406) Unprotected
T17A54	MGP Sites	(88,815) Unprotected
T19A89	GAS SUPPLIER REFUNDS	56,202 Unprotected
T19A94	UNBILLED REVENUE - FUEL	(29,122) Unprotected
T20C02	Demand Side Management (DSM) Defer	(280,285) Unprotected
T22A28	Retirement Plan Expense - Underfunded	(307,370) Unprotected
T22A29	Non-qualified Pension - Accrual	(4,833) Unprotected
T22A30	Retirement Plan Funding - Underfunded	2,866 Unprotected
T22E02	OPEB Expense Accrual	(166,784) Unprotected
T22E06	FAS 112 Medical Expenses Accrual	(26,278) Unprotected
Total 190001/2		<u>(2,204,990)</u>
282100/1	ADIT: PP&E	
Protected PP&E	PP&E Method Life	31,411,585 Protected
T13A04	AFUDC Debt	53,739 Unprotected
T13A05	ARO	189,475 Unprotected
T13A08	CIAC	(17,193) Unprotected
T13A09	Depr Cap Trans Equip	8,279 Unprotected
T13A12	Depreciation Lag	(3) Unprotected
T13A14	Hardware Capitalized	(1,906) Unprotected
T13A16	Highway Bill	3,142 Unprotected
T13A18	Leased Meter Adjust	978,750 Unprotected
T13A19	Meters & Trans	(33,198) Unprotected
T13A26	Method/Life	(403,634) Unprotected

Code	Name	Rate Change	
T13A28	Misc Diffs	(20,706)	Unprotected
T13A30	Non-cash Overheads	(223,020)	Unprotected
T13A99	Percentage Repair Allowance	113,700	Unprotected
T13B09	PR Tax	1,759	Unprotected
T13B11	Purch Res	4,546	Unprotected
T13B18	Sect. 174 Adjust	13,040	Unprotected
T13B23	Software Capitalized	(2,909)	Unprotected
T13B31	Tax Dept Adjust	27,808	Unprotected
T13B44	TIC	(98,929)	Unprotected
Total 282100/1		<u>32,004,326</u>	
283100/1	ADIT: Other		
T15A24	Loss on Reacquired Debt-Amort	31,544	Unprotected
T15B04	Reg Asset - Accr Pension FAS158 - FAS87Qual	0	Unprotected
T15B17	Reg Liab RSLI & Other Misc Dfd Costs	382,591	Unprotected
T15B29	Reg Asset-Pension Post Retirement PAA-FAS87Qual and Oth	826,535	Unprotected
T15B37	Reg Asset-Pension Post Retirement PAA-FAS87NQ and Oth	(264)	Unprotected
T15B38	Reg Asset-Pension Post Retirement PAA-FAS 106 and Oth	81,782	Unprotected
T15B40	Reg Asset - Accr Pension FAS158 - FAS87NQ	(184,570)	Unprotected
T15B41	Reg Asset - Accr Pension FAS158 - FAS 106/112	1,515	Unprotected
T17A01	Vacation Carryover - Reg Asset	48,791	Unprotected
T19A91	Rate Case - Deferred Costs	(13,338)	Unprotected
T19A92	DEFERRED FUEL COST P.G.A.	13,338	Unprotected
T20A40	Non-Current Portion of Reg Asset	0	Unprotected
T22A23	Retirement Plan Expense - Overfunded	68,953	Unprotected
T22H12	ARO Regulatory Asset	659,736	Unprotected
Total 283100/1		<u>1,916,613</u>	
<b>Total</b>	<b>Protected EDIT</b>	<b>31,411,585</b>	
	<b>Unprotected EDIT</b>	<b>304,365</b>	
	<b>Total EDIT</b>	<b><u>31,715,950</u></b>	

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-033**

**REQUEST:**

Describe all EDIT considered by the Company to be protected EDIT by temporary difference.

**RESPONSE:**

Temporary timing differences for PP&E deferred taxes are created in two ways. First are differences in depreciation method / life. Book accounting is generally straight line with longer depreciation timeframes. Tax accounting is generally a shorter depreciation life with accelerated depreciation methods whereby depreciation is higher in the earlier years. The second type of PP&E timing differences are created when the book accounting and the tax accounting have difference basis amounts. For example, Tax accounting does not recognize certain things in the depreciable tax basis such as AFUDC and book does not recognized certain taxable contributions in aid of construction. Differences that are related to method / life temporary differences are considered protected deferred taxes. Differences resulting from basis differences are considered not protected.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-034**

**REQUEST:**

Provide a schedule showing the monthly reductions of income tax expense during the test year associated with the projected amortization of the January 1, 2022 EDIT amounts by temporary difference.

**RESPONSE:**

Please see AG-DR-01-034 Attachment for the monthly reductions of the income tax expense during the test year associated with the amortization of the EDITs.

Duke Energy Kentucky tracks EDIT separately for the protected regulatory liability and unprotected regulatory liability. The protected liability is amortized in accordance with ARAM and the unprotected liability is amortized straight-line over 10 years per the Order in Case No. 2018-00261. The Company does not track temporary differences within the regulatory liability.

**PERSON RESPONSIBLE:** John R. Panizza

DE Kentucky - Gas  
Federal EDIT Workpaper

	Federal			State
	Protected	Unprotected PP&E	Unprotected Non PP&E	Unprotected
EDIT:				
Estimate As Of 12/31/2017	(31,411,585)	(592,741)	288,377	(606,758)
2018 Return True Up	(936,114)	-	32,776	
2018 PP&E True Up	(113,151)	164,326	-	
Protected to unprotected mvmt	307,747	(307,747)	-	
<b>Total EDIT To Be Amortized</b>	<b>(32,460,850)</b>	<b>(428,415)</b>	<b>321,153</b>	<b>(606,758)</b>

	(a)	(b)	(c)	(d)=(a)+(b)+(c)	(e)	(f)=(d)+(e)
	Protected EDIT Amortization	Amortization Of Unprotected EDIT	Amortization Of Unprotected Non PP&E EDIT	Total Projected Federal EDIT Amortization	SEDIT total projected EDIT Amortization for 2022	Total Projected EDIT Amortization for 2022
Jan-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Feb-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Mar-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Apr-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
May-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Jun-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Jul-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Aug-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Sep-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Oct-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Nov-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
Dec-22	(50,000)	(4,940)	2,403	(52,536)	(5,056)	(57,593)
<b>Total</b>	<b>(600,000)</b>	<b>(59,274)</b>	<b>28,838</b>	<b>(630,436)</b>	<b>(60,676)</b>	<b>(691,112)</b>

As per E-1				(630,436)	(74,589)	(705,025)
Variance				(0)	13,913	13,913

Variance Explanation:

FBOS on SEDIT as per E-1 page 3 of 3 Row 25	15,664
Misc. State deferred item	(1,751)
Total	13,913



**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-035**

**REQUEST:**

Provide the amortization periods being utilized for the amortization of unprotected EDIT balances. In addition, provide the remaining amortization period for the unprotected EDIT as of the December 31, 2022.

**RESPONSE:**

The Company is amortizing unprotected EDIT over 10 years per the Commission order in Case No. 2018-00261. As of December 31, 2022, the remaining amortization period for the unprotected EDIT would be 5 years and 10 months.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-036**

**REQUEST:**

Refer to the Direct Testimony of Mr. Panizza at pages 9-10. Provide the calculations of estimated test year property tax expense, including copies of the sources of the property tax rates, in electronic format with all formulas intact.

**RESPONSE:**

Please see AG-DR-01-036 Attachment 1 for calculation of estimated test year property tax expense and AG-DR-01-036 Attachment 2 for sources of property tax billed amounts used to calculate estimated property tax rates.

**PERSON RESPONSIBLE:** John R. Panizza

# Duke Energy Kentucky Gas Property Tax Calculation

## Calculation of blended rate for forecasting purposes:

Based on 2017 property taxes, to be paid in 2018 (\$000s)

Duke Energy Kentucky	Allocation %	Allocation \$	Gas Allocation %	Gas Allocation \$		
Electric	72%	\$ 6,182	0%	0		
Gas	26%	\$ 2,232	100%	2,232		
Common	2%	\$ 172	30%	52	Net Tangible Plant (Gas)	Calculated Rate
Total Tax per Bills	100%	\$ 8,586		2,284	\$ 307,300	0.7432%

## Calculation of forecasted property tax expense, with and without escalation:

	12/31/2021 Projected Plant	Calculated Rate for Forecast	Forecasted Expense - Test Period
Plant In Service	579,590	0.7432%	\$ 4,308

Duke Energy Kentucky, Inc.  
 2017 Property Tax Payments (Paid in 2018)

Fiscal Year CMD	Monetary Amount JD	Vendor Name JD
2018	97	BOONE COUNTY SHERIFFS DEPARTMENT
2018	839	COUNTY OF GRANT SHERIFF KY
2018	3,377	COMMONWEALTH OF KENTUCKY
2018	1,796,678	COMMONWEALTH OF KENTUCKY
2018	443	CITY OF GLENCOE
2018	532	CITY OF SILVER GROVE
2018	1,613	CITY OF WARSAW
2018	3,459	CITY OF RYLAND HEIGHTS
2018	3,718	CITY OF BUTLER
2018	7,518	CITY OF WALTON
2018	7,859	CITY OF WILLIAMSTOWN
2018	8,707	CITY OF FORT MITCHELL KY
2018	10,220	CITY OF CRESCENT SPRINGS
2018	10,717	CITY OF ALEXANDRIA
2018	12,142	CITY OF DRY RIDGE
2018	12,449	CITY OF WILDER
2018	13,167	CITY OF COLD SPRING
2018	19,564	CITY OF PARK HILLS
2018	19,691	CITY OF FALMOUTH
2018	19,945	GALLATIN COUNTY
2018	20,923	CITY OF LAKESIDE PARK
2018	21,408	CITY OF EDGEWOOD
2018	29,672	CITY OF FORT WRIGHT
2018	32,406	CITY OF BELLEVUE
2018	42,850	CITY OF DAYTON
2018	43,597	CITY OF TAYLOR MILL
2018	60,166	PENDLETON COUNTY SHERIFFS OFFICE
2018	61,533	CITY OF INDEPENDENCE
2018	62,821	CITY OF SOUTHGATE
2018	68,167	CITY OF FORT MITCHELL KY
2018	76,662	CITY OF FORT THOMAS
2018	115,979	CITY OF FLORENCE
2018	144,621	COUNTY OF GRANT SHERIFF KY
2018	198,876	CITY OF FORT THOMAS
2018	209,027	CITY OF COVINGTON
2018	345,970	CITY OF NEWPORT
2018	981,340	CAMPBELL COUNTY CLERK
2018	1,667,792	BOONE COUNTY SHERIFFS DEPARTMENT
2018	2,148,654	KENTON COUNTY SHERIFFS OFFICE
2018	3,705	CITY OF CRITTENDEN
2018	3,737	BRACKEN COUNTY SHERIFF OFFICE
2018	9,363	CITY OF HIGHLAND HEIGHTS
2018	78,731	CITY OF ERLANGER
2018	3,097	CITY OF BROMLEY
2018	202,134	ERLANGER-ELSMERE BOARD OF EDUCATION
<b>Total</b>	<b>8,585,965</b>	

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-037**

**REQUEST:**

Refer to the Direct Testimony of Mr. Panizza at pages 9-10. Provide the most current and the after increase property tax rates related to the anticipated tax rate increases and explain how each were determined.

**RESPONSE:**

Please see AG-DR-01-036 Attachment 1 for the calculation of the estimated property tax rate for forecasting purposes. The property tax rate used to estimate property tax expense in the test period was based on actual property tax bills to be paid in 2018. No property tax rate increases were assumed for purposes of estimating property tax expense in the test period.

**PERSON RESPONSIBLE:** Abby L. Motsinger

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-038**

**REQUEST:**

Refer to the Direct Testimony of Mr. Panizza at pages 9-10. Quantify the projected increase amounts for property tax expense associated with the “anticipated property tax rate increases” as opposed to all other causes of projected property tax expense increases.

**RESPONSE:**

The property tax rate used to estimate property tax expense in the test period was based on actual property tax bills to be paid in 2018. No property tax rate increases were assumed for purposes of estimating property tax expense in the test period.

**PERSON RESPONSIBLE:** Abby L. Motsinger

**Duke Energy Kentucky  
Case No. 2021-00190  
Attorney General's First Set Data Requests  
Date Received: June 30, 2021**

**CONFIDENTIAL AG-DR-01-039  
(As to Attachments only)**

**REQUEST:**

Provide the two most recent pension and OPEB actuarial reports for Duke Energy, DEO, and DEK.

**RESPONSE:**

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

Please see AG-DR-01-039 Confidential Attachments 1 and 2.

**PERSON RESPONSIBLE:** Jake J. Stewart

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-01-039 CONFIDENTIAL  
ATTACHMENT 1**

**FILED UNDER SEAL**



**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-01-039 CONFIDENTIAL  
ATTACHMENT 2**

**FILED UNDER SEAL**

**Duke Energy Kentucky  
Case No. 2021-00190  
Attorney General's First Set Data Requests  
Date Received: June 30, 2021**

**CONFIDENTIAL AG-DR-01-040  
(As to Attachment only)**

**REQUEST:**

Provide the pension and OPEB actuarial reports for Duke Energy, DEO, and DEK and/or other support for the test year pension expense and OPEB expense included in the test year.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)**

Please see AG-DR-01-040 Confidential Attachment.

**PERSON RESPONSIBLE:** Jake J. Stewart

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-01-040 CONFIDENTIAL  
ATTACHMENT**

**FILED UNDER SEAL**

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-041**

**REQUEST:**

For employees who participate in a defined benefit plan, provide the total and jurisdictional amounts of matching contributions made on behalf of employees who also participate in any 401(k) retirement savings account.

**RESPONSE:**

The Duke Energy Kentucky Gas forecast test period amount (calendar year 2022) of employer 401(k) match for employees who also participate in the defined benefit plan is \$220,196.

**PERSON RESPONSIBLE:** Jake J. Stewart

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-042**

**REQUEST:**

Provide a copy of the Company's guidelines and/or all written criteria that describe when, what (type), how, and how much short-term debt will be issued and outstanding at any time. If the Company has no written guidelines and/or written criteria, so state.

**RESPONSE:**

The Company has no such written criteria. In practice, the Company utilizes the Duke Energy Money Pool for its short-term funding needs until a sufficient amount is accumulated to warrant the issuance of long-term debt to replace some, or all, of these Money Pool borrowings.

**PERSON RESPONSIBLE:** Chris R. Bauer

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**PUBLIC AG-DR-01-043**

**REQUEST:**

Provide a schedule in electronic spreadsheet format showing the Company's average daily and end of month borrowings from the Duke Energy Money Pool for each month in 2019, 2020, and 2021 to date and projected for each month thereafter through the end of the test year. In addition, provide the interest rates applicable to those borrowings on a daily basis and on average for each month. Provide a copy of all source documents relied on for the projected cost of short-term debt during the test year.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**  
**(As to Redacted Text and Attachment 3)**


Please see AG-DR-01-043 Attachment 1 for requested Duke Energy Money Pool information. Note that the forecast is developed on a monthly basis. Therefore, the forecast information is monthly only.

Short-term debt rates used for the test period include rates for:

- Current Maturities: 4.01% due 10/15/23:
  - Please see AG DR 01-043 Attachment 2, ninth row down for this item.
- Amounts Sold for Cash/Classified as Receivable, 1.3405%:
  - See the table below as supporting calculation for the 1.3405 percent. The ■-basis-point credit spread used for the Sale of Accounts Receivables includes an estimate of: (a) the credit spread on the Sale of Accounts Receivables financing, and (b) incremental interest over 1 month LIBOR

that the participating banks charge (this was approximately █ basis points above 1 month LIBOR, which was rounded down to █ basis points for this calculation).

- The credit spread on the current Sale of Accounts Receivables agreement is █ basis points. The aforementioned █ basis points is in addition to this credit spread. Please see AG-DR-01-043 Confidential Attachment 3 for the approximation of the █ basis point charge above 1 month LIBOR. Please see AG-DR-01-043 Attachments 4 and 5 for screen shots from Bloomberg of the LIBOR forward curve.

<b>Date</b>	<b>Forward 1M LIBOR</b>	<b>Forecasted Spread to 1M LIBOR</b>	<b>Forecasted interest rate</b>
	A	B	C=A+B
12/31/2021	0.25%		
1/31/2022	0.25%		
2/28/2022	0.23%		
3/31/2022	0.21%		
4/30/2022	0.21%		
5/31/2022	0.24%		
6/30/2022	0.26%		
7/31/2022	0.26%		
8/31/2022	0.30%		
9/30/2022	0.39%		
10/31/2022	0.39%		
11/30/2022	0.39%		
12/31/2022	0.39%		
<b>13-month average:</b>			<b>1.3405%</b>

- Notes Payable – Short-term Money Pool Balance, 0.2905%
  - This rate is based on the forward 1 month LIBOR curve. The average over the 13 month period is 0.2905%. See calculation below. Please see AG-DR-01-043 Attachments 4 and 5 for screen shots from Bloomberg of the LIBOR forward curve.

Date	Forward 1M LIBOR
12/31/2021	0.2513%
1/31/2022	0.2513%
2/28/2022	0.2336%
3/31/2022	0.2146%
4/30/2022	0.2146%
5/31/2022	0.2367%
6/30/2022	0.2587%
7/31/2022	0.2587%
8/31/2022	0.2980%
9/30/2022	0.3899%
10/31/2022	0.3899%
11/30/2022	0.3899%
12/31/2022	0.3899%
Average	0.2905%

**PERSON RESPONSIBLE:** Chris R. Bauer



**Money Pool Borrowings - Including \$25 million long-term balance**

**Historical Information:**

	Daily Average		End of Month	
	Borrowings	Rate	Borrowings	Rate
Jan-19	\$55,218,452	2.7293%	\$75,233,000	2.7608%
Feb-19	64,345,893	2.7210%	72,972,000	2.7696%
Mar-19	65,006,677	2.6921%	74,603,000	2.6984%
Apr-19	74,713,900	2.6847%	82,874,000	2.6820%
May-19	79,345,226	2.6784%	93,586,000	2.6743%
Jun-19	86,648,267	2.6355%	112,621,000	2.3200%
Jul-19	102,508,516	2.5634%	88,558,000	2.5261%
Aug-19	78,744,516	2.3449%	96,225,000	2.3026%
Sep-19	85,334,833	2.2332%	75,000,000	2.1949%
Oct-19	42,708,806	2.0948%	64,554,000	2.0271%
Nov-19	62,909,767	1.8333%	169,506,000	1.8419%
Dec-19	95,159,613	1.8301%	109,862,000	1.9141%
Jan-20	104,274,935	1.7656%	110,524,000	1.7816%
Feb-20	100,528,893	1.7159%	102,386,000	1.7657%
Mar-20	101,341,903	1.7417%	116,581,000	2.2457%
Apr-20	109,197,300	1.3167%	118,498,000	1.4714%
May-20	105,227,613	0.7288%	120,979,000	0.5216%
Jun-20	106,890,367	0.2916%	102,394,000	0.2717%
Jul-20	106,720,258	0.2391%	127,207,000	0.2594%
Aug-20	120,197,387	0.2118%	392,439,000	0.2430%
Sep-20	92,832,233	0.1797%	64,831,000	0.2284%
Oct-20	61,363,452	0.2134%	75,016,000	0.2242%
Nov-20	75,670,600	0.2188%	270,924,000	0.2343%
Dec-20	92,094,032	0.2481%	101,783,000	0.2648%
Jan-21	88,858,677	0.2418%	104,174,000	0.2238%
Feb-21	99,610,607	0.2024%	105,157,000	0.1986%
Mar-21	100,863,742	0.1954%	106,804,000	0.0400%
Apr-21	94,409,367	0.1566%	106,432,000	0.0300%
May-21	88,752,871	0.1628%	108,363,000	0.0100%
Jun-21	70,261,967	0.1652%	53,848,000	0.1720%

**Forecasted information:**

	Daily Average and End of Month	
	Borrowings	Rate
Jul-21	115,587,004	0.1668%
Aug-21	114,577,642	0.1792%
Sep-21	25,000,000	0.1915%
Oct-21	25,000,000	0.1915%
Nov-21	25,000,000	0.2224%
Dec-21	25,000,000	0.2513%
Jan-22	25,000,000	0.2513%
Feb-22	25,000,000	0.2336%
Mar-22	25,000,000	0.2146%
Apr-22	25,000,000	0.2146%
May-22	25,000,000	0.2367%
Jun-22	25,898,283	0.2587%
Jul-22	33,334,072	0.2587%
Aug-22	36,234,630	0.2980%
Sep-22	25,000,000	0.3899%
Oct-22	25,000,000	0.3899%
Nov-22	25,000,000	0.3899%
Dec-22	25,000,000	0.3899%

## Duke Energy Debt Detail

March 31, 2021

Includes Current Maturities

Entity	Reporting Node Description	USD Balance	Rate	Type	Estimated Settlement Date	urity Date	Cusip
<b>Duke Energy Kentucky</b>							
Duke Energy Kentucky	Other Pollution Control Bond - LC - swap	26,720,000	0.110%	Floating	02/01/12	08/01/27	098792AP9
Duke Energy Kentucky	Other Pollution Control Bond - LC (Put Date 11/1/21)	50,000,000	1.089%	Floating	11/04/16	08/01/27	098792AN4
Duke Energy Kentucky	Unsecured	65,000,000	6.200%	Fixed	03/07/06	03/10/36	906888AS1
Duke Energy Kentucky	Unsecured	45,000,000	3.420%	Fixed	01/05/16	01/15/26	Private Placement
Duke Energy Kentucky	Unsecured	50,000,000	4.450%	Fixed	01/05/16	01/15/46	Private Placement
Duke Energy Kentucky	Unsecured	30,000,000	3.350%	Fixed	09/07/17	09/15/29	Private Placement
Duke Energy Kentucky	Unsecured	30,000,000	4.110%	Fixed	09/07/17	09/15/47	Private Placement
Duke Energy Kentucky	Unsecured	30,000,000	4.260%	Fixed	09/07/17	09/15/57	Private Placement
Duke Energy Kentucky	Unsecured	25,000,000	4.010%	Fixed	10/03/18	10/15/23	Private Placement
Duke Energy Kentucky	Unsecured	40,000,000	4.180%	Fixed	10/03/18	10/15/28	Private Placement
Duke Energy Kentucky	Unsecured	35,000,000	4.620%	Fixed	12/12/18	12/15/48	Private Placement
Duke Energy Kentucky	Unsecured	40,000,000	4.320%	Fixed	07/17/19	07/15/49	Private Placement
Duke Energy Kentucky	Unsecured	95,000,000	3.230%	Fixed	09/26/19	10/01/25	Private Placement
Duke Energy Kentucky	Unsecured	75,000,000	3.560%	Fixed	09/26/19	10/01/29	Private Placement
Duke Energy Kentucky	Unsecured	35,000,000	2.650%	Fixed	09/15/20	09/15/30	Private Placement
Duke Energy Kentucky	Unsecured	35,000,000	3.660%	Fixed	09/15/20	09/15/50	Private Placement
Duke Energy Kentucky	Commercial Paper LTD	25,000,000	0.260%	Floating		03/16/25	
Duke Energy Kentucky	Unamortized Debt Discount/Premium	(183,236)					
Duke Energy Kentucky	Unamortized Debt Issuance Costs	(2,623,025)					
<b>Total Duke Energy Kentucky</b>		<b>728,913,739</b>					

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-01-043 CONFIDENTIAL  
ATTACHMENT 3**

**FILED UNDER SEAL**



ICE LIBOR USD 1M Index | ICVS | Related Functions Menu

<Back> to Return

Actions Modes Export Settings Swap Curve Builder

Fixed-float cross currency swap curve source will change on 10 July. See more >>

USD 50 - USD (vs. 1M LIBOR) Name USD (vs. 1M LIBOR) Privilege Global 03/15/21

Curve Construction Curve Analysis

Curve # 50 - USD (vs. 1M LIBOR) Shift +0.00 bp  
 Interpolation Step Forward (Cont) OIS DC Stripping Yes  
 Settle Date 03/31/21 Index Fixing US0001M 0.1075%  
 Curve Side Mid Basis Side Mid

Stripped Curve Forward Analysis Curve Horizon

Interval 1 M Tenor 1 M Up to 5 Yr

Date	Fwd R...	Basis Adj F...	Diff (b...	Non-DC F...	Non-DC Basis ...	Non-DC Diff ...
11/30/2021	0.2224	0.1554	-6.69	0.2224	0.1554	-6.70
12/31/2021	0.2513	0.1701	-8.12	0.2513	0.1701	-8.12
01/31/2022	0.2513	0.1701	-8.12	0.2513	0.1701	-8.12
02/28/2022	0.2336	0.1673	-6.63	0.2336	0.1673	-6.63
03/31/2022	0.2146	0.1665	-4.82	0.2146	0.1665	-4.81
04/29/2022	0.2146	0.1665	-4.82	0.2146	0.1665	-4.81
05/31/2022	0.2341	0.1857	-4.84	0.2341	0.1857	-4.84
06/30/2022	0.2536	0.2049	-4.87	0.2536	0.2049	-4.87
07/29/2022	0.2536	0.2049	-4.87	0.2536	0.2049	-4.87
08/31/2022	0.2954	0.2436	-5.18	0.2955	0.2436	-5.18
09/30/2022	0.3931	0.3355	-5.76	0.3931	0.3356	-5.76
10/31/2022	0.3931	0.3355	-5.76	0.3931	0.3356	-5.76
11/30/2022	0.3931	0.3355	-5.76	0.3931	0.3356	-5.76
12/30/2022	0.3931	0.3355	-5.76	0.3931	0.3356	-5.76
01/31/2023	0.3931	0.3355	-5.76	0.3931	0.3356	-5.76

Rate (0.00 to 2.00) Diff (bp) (-0.70 to 0.00)

Suggested Functions CDR See calendar trading & settlement dates LOIS Gauge liquidity in short term markets

1-BLOOMBERG 2-BLOOMBERG 3-BLOOMBERG 4-BLOOMBERG

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-044**

**REQUEST:**

Refer to the Direct Testimony of Mr. Bauer at pages 13-14 in regards to short-term debt and to Schedule J-2 for the types and amounts of short-term debt depicted for the base and test years. Explain all reasons why the amounts depicted for the Notes Payable Money Pool decreased so substantially from \$89.578 million in the base year to only \$1.574 million projected in the test year.

**RESPONSE:**

The 13-month average money pool payable balance ending 12/31/2022 is lower than the 8/31/2021 balance due to Duke Energy Kentucky switching from a payable to receivable position in the utility money pool for most of the 13 months Dec-2021 to Dec-2022 following the forecasted financing inflows of cash beginning September 2021. These inflows include both anticipated long-term debt issuances and equity contributions from the parent company.

**PERSON RESPONSIBLE:** Chris R. Bauer

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-045**

**REQUEST:**

Refer to the Direct Testimony of Mr. Bauer at page 14. Provide a calculation of the weighted average short-term interest rates using the most current Bloomberg's implied forward curve for one-month LIBOR instead of those from February 2021.

**RESPONSE:**

The table below represents the weighted average cost of short-term debt for the Base and Forecast periods using Bloomberg's most current implied forward curve for one-month LIBOR. The screenshots of the forward curve can be found in AG-DR-01-045 Attachment.

	Base Period (at August 2021)	Forecast Period (Avg of Dec 2021 thru Dec 2022)
Short-Term Debt	0.585 percent	1.642 percent

**PERSON RESPONSIBLE:** Chris R. Bauer

<Back> to Return

Actions Modes Export Settings Swap Curve Builder

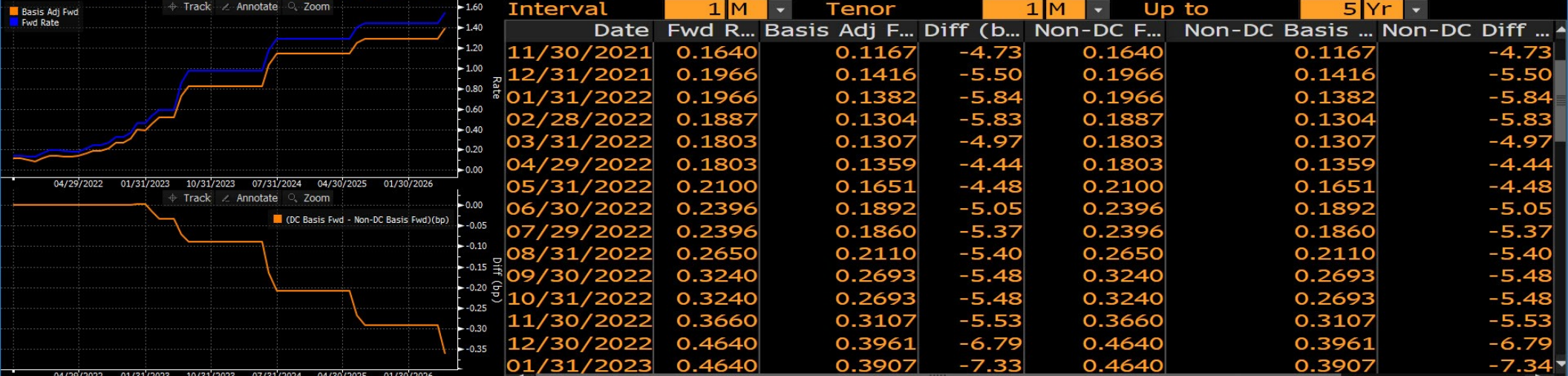
Fixed-float cross currency swap curve source will change on 10 July. See more >

USD 50 - USD (vs. 1M LIBOR) Name USD (vs. 1m LIBOR) with IBOR Default Privilege Global 07/07/21

Curve Construction Curve Analysis

Curve # 50 - USD (vs. 1M LIBOR) Shift +0.00 bp  
 Interpolation Step Forward (Cont) OIS DC Stripping Yes  
 Settle Date 07/31/21 Index Fixing US0001M 0.10213%  
 Curve Side Mid Basis Side Mid

Stripped Curve Forward Analysis Curve Horizon



Suggested Functions

**FWCV** See how forward curves move over time

**IRSB** Spot opportunities in the IRS market



**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-046**

**REQUEST:**

Refer to the Direct Testimony of Mr. Bauer at pages 14-15 and to lines 22-27 regarding prior issues and the forecast Future Debentures issues on Schedule J-3 for the forecast test year.

- a. Provide the interest rates obtained and projected for each of the referenced issues with and without the applicable credit spreads.
- b. Provide copies of the source information used to reflect each of the February 2021 Bloomberg forward curves.
- c. Provide a calculation of the weighted average interest rates using current Bloomberg forward curves for each tranche originally projected. Provide in electronic format with all formulas intact.
- d. Provide the workpaper calculation for each of the projected issuances depicted as Future Debentures. Provide in electronic format with all formulas intact.
- e. Provide an update of the progress for the projected September 2021 issuance, including a description of any terms if now agreed upon.
- f. Provide copies of the source information used to determine potential credit spreads for each of the tranches of the Future Debentures projected.
- g. If the potential credit spreads for each of the tranches of the Future Debentures projected is higher than the actual issuances depicted on lines 22-25 of Schedule J-3, explain why.

**RESPONSE:**

- a. The interest rates obtained for the prior issuances of long term debt in lines 22-25 of the J Schedule are below:

J Schedule Line	Rate Type	Treasury	Credit Spread	All in Coupon
22	Obtained	1.88%	1.35%	3.23%
23	Obtained	2.06%	1.50%	3.56%
24	Obtained	0.70%	1.95%	2.65%
25	Obtained	1.46%	2.20%	3.66%

The interest rates on the planned September 2021 and 2022 debt issuances were estimated using a blended average of Bloomberg’s forward curves for the 5-year, 10-year, and 30-year US Treasury yield plus an estimated credit spread for a future debt issuance. Please see AG-DR-01-046(a) Attachments 1 and 2 for the forward US Treasury rates for 9/15/2021 and 9/15/2022 for the 5-year, 10-year, and 30-year Treasury rates used in the calculations below. Since there is no forward curve for credit spreads, we used the then-current credit spreads for Duke Energy Kentucky.

	Tenor	Weight	9/15/2021 UST	Current Spread	Cpn
	5-yr	10%	1.08%	1.40%	2.48%
	10-yr	35%	1.77%	1.50%	3.27%
	30-yr	55%	2.42%	1.75%	4.17%
<b>Weighted Average</b>	<b>20.5-yr</b>		2.06%	1.63%	3.686%

	Tenor	Weight	9/15/2022 UST	Current Spread	Cpn
	5-yr	10%	1.53%	1.40%	2.93%
	10-yr	35%	2.07%	1.50%	3.57%
	30-yr	55%	2.53%	1.75%	4.28%
<b>Weighted Average</b>	<b>20.5-yr</b>		2.27%	1.63%	3.896%

- b. Please see AG-DR-01-046(b) Attachments 1 and 2 for the one-month LIBOR forward curves from Bloomberg.
- c. Please see AG-DR-01-046(c) Attachments 1 and 2 for the forward US Treasury rates for 9/15/2021 and 9/15/2022 for the 5-year, 10-year, and 30-year Treasury rates used in the updated calculations. Please see AG-DR-01-046(c) Attachment 3 for electronic format with all formulas intact.
- d. Please see AG-DR-01-046(a) Attachment 1, AG-DR-01-046(a) Attachment 2, AG-DR-01-046(d) Attachments 1 and 2 for the calculation of the projected issuances in 2021 and 2022.
- e. As of July 8, Duke Energy has mandated KeyBanc as the sole placement agent for the projected September 2021 long term debt issuance. There are no other updates at this time.
- f. Please see AG-DR-01-046(d) Attachment 1 for potential Kentucky credit spreads.
- g. The only instance where this is true is for the 3.230% September 2019 issuance, which had a spread of 135 bps (6-year tenor) compared to the 5 year projected tenor of 140 bps. Credit spreads move daily as do the benchmark UST rates. It is not reasonable to compare credit spreads from two years ago to today's anticipated credit spreads as markets are dynamic and change daily.

**PERSON RESPONSIBLE:** Chris R. Bauer

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US Treasury Actives Curve 5) Export 6) Graph 7) Notice Forward Curve Matrix

US Treasury Actives Curve Mid Yield Conventional << Curve List

Two Curve Spreads  
 Select a curve under "Curve List" for two curre... Bid Yield Conventional

Forward Curve Date 09/15/21  
 Spot Coupon Zero  
 Coupon  Zero

OIS Discounting

Tenors	Coupon	Forwards										
		9/15/2021	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr	10Yr	15Yr	30Yr
1Mo	0.0076	0.0969	0.0821	0.0964	0.2236	0.6801	1.5771	1.5685	2.4211	3.0913	3.1083	2.6133
2Mo	0.0139	0.0977										
3Mo	0.0165	0.0973	0.0852	0.0964	0.2236	0.6804	1.5792	1.5706	2.4261	3.0993	3.1163	2.6189
6Mo	0.0482	0.1097	0.0905	0.1094	0.2261	0.6884	1.5910	1.5910	2.4602	3.1456	3.1456	2.6559
1Yr	0.0710	0.1687	0.1325	0.1677	0.2443	0.6920	1.5780	1.6179	2.4402	3.1285	3.1200	2.6420
2Yr	0.1510	0.3219	0.2460	0.3222	0.4682	1.1302	1.5990	2.0245	2.4442	3.1243	3.1200	2.6384
3Yr	0.3366	0.5950	0.4676	0.5910	0.8327	1.2892	1.8737	2.1624	2.4531	3.1229	3.1200	2.6372
5Yr	0.8298	1.0772	0.9529	1.0696	1.2977	1.7375	2.1005	2.2818	2.4704	3.1234	3.1140	2.6377
7Yr	1.2781	1.4537	1.3615	1.4472	1.6133	1.9360	2.2074	2.4265	2.6446	3.1225	2.9871	2.6369
10Yr	1.6197	1.7706	1.6897	1.7650	1.9143	2.2054	2.4575	2.6149	2.7739	3.1190	2.8920	2.6370
20Yr	2.2896	2.3482										
30Yr	2.3804	2.4203	2.3866	2.4143	2.4700	2.5792	2.6723	2.7251	2.7782	2.8437	2.7451	2.6367

Grey values are extrapolated.

300) Edit Panel 301) Expand Panel

352 EDG 17:18 Marker Therapeutics, Inc.: 8-K 2021/03/11

351 EDG 17:18 Csb Bancorp Inc /oh: 10-K 2020/12/31

350 NS1 17:18 ESPN: Sister Jean's lobbying pays off as Loyola-Chicago chaplain O

349 BFW 17:18 Gigadevice Semi Raised to Outperform at Credit Suisse

Suggested Functions USER Optimize your workflow on Bloomberg SECF Search a universe of securities & stats

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US Treasury Actives Curve 5) Export 6) Graph 7) Notice Forward Curve Matrix

US Treasury Actives Curve Mid Yield Conventional << Curve List

Two Curve Spreads  
 Select a curve under "Curve List" for two curre... Bid Yield Conventional

Forward Curve Date 09/15/22  
 Spot Coupon Zero  
 Coupon  Zero

OIS Discounting

Tenors	Coupon	Forwards										
		9/15/2022	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr	10Yr	15Yr	30Yr
1Mo	0.0076	0.2263	0.0821	0.0964	0.2236	0.6801	1.5771	1.5685	2.4211	3.0913	3.1083	2.6133
2Mo	0.0139	0.2276										
3Mo	0.0165	0.2264	0.0852	0.0964	0.2236	0.6804	1.5792	1.5706	2.4261	3.0993	3.1163	2.6189
6Mo	0.0482	0.2617	0.0906	0.1094	0.2261	0.6884	1.5910	1.5910	2.4602	3.1456	3.1456	2.6559
1Yr	0.0710	0.4757	0.1325	0.1677	0.2443	0.6920	1.5780	1.6179	2.4402	3.1285	3.1200	2.6420
2Yr	0.1510	0.8096	0.2460	0.3222	0.4682	1.1302	1.5990	2.0245	2.4442	3.1243	3.1200	2.6384
3Yr	0.3366	1.0677	0.4676	0.5910	0.8327	1.2892	1.8737	2.1624	2.4531	3.1229	3.1200	2.6372
5Yr	0.8298	1.5287	0.9529	1.0696	1.2977	1.7375	2.1005	2.2818	2.4704	3.1234	3.1140	2.6377
7Yr	1.2781	1.7839	1.3615	1.4472	1.6133	1.9360	2.2074	2.4265	2.6446	3.1225	2.9871	2.6369
10Yr	1.6197	2.0671	1.6897	1.7650	1.9143	2.2054	2.4575	2.6149	2.7739	3.1190	2.8920	2.6370
20Yr	2.2896	2.4947										
30Yr	2.3804	2.5309	2.3866	2.4143	2.4700	2.5792	2.6723	2.7251	2.7782	2.8437	2.7451	2.6367

Grey values are extrapolated.

300) Edit Panel 301) Expand Panel

370 TWT 17:19 Bloomberg Quicktake: Your stimulus check questions, answered

369 NS3 17:19 Sunday Mirror: Uber announces it will make all 70,000 UK drivers`

368 BLW 17:19 New Jersey Woman Must Pay Her Deceased Husband's Medical Debts

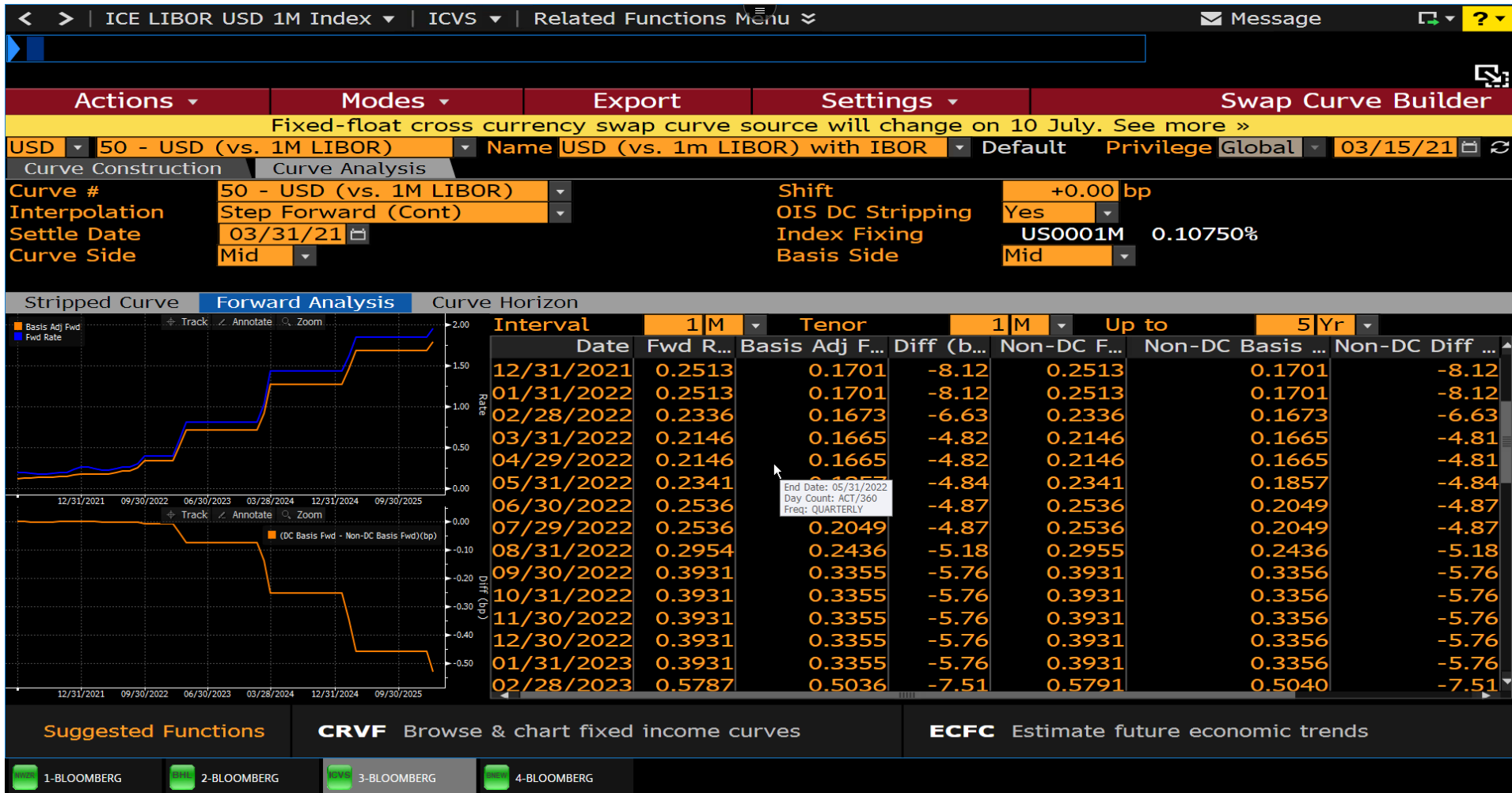
367 MTN 17:19 Plug Power Discloses Plan to Restate Annual, Quarterly Financial S

Suggested Functions USER Optimize your workflow on Bloomberg SECF Search a universe of securities & stats

1-BLOOMBERG 2-BLOOMBERG 3-BLOOMBERG 4-BLOOMBERG







**US Treasury Actives Curve** | 5) Export | 6) Graph | 7) Notice | **Forward Curve Matrix**

US Treasury Actives Curve | Mid | Yield | Conventional | Curve List

Two Curve Spreads | Bid | Yield | Conventional | OIS Discounting

Select a curve under "Curve List" for two curre...

Forward Curve Date: 09/15/21 | Spot | Coupon (selected) | Zero

Tenors	Coupon	Forwards										
		9/15/2021	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr	10Yr	15Yr	30Yr
1Mo	0.0469	0.0510	0.0387	0.0844	0.3582	0.7818	1.3536	1.3462	1.8776	2.5069	2.5208	2.1258
2Mo	0.0469	0.0525										
3Mo	0.0482	0.0526	0.0392	0.0835	0.3623	0.7910	1.3626	1.3626	1.9014	2.5400	2.5400	2.1534
6Mo	0.0507	0.0626	0.0609	0.1150	0.3644	0.7960	1.3724	1.3724	1.9163	2.5620	2.5620	2.1706
1Yr	0.0647	0.1393	0.1583	0.2402	0.3697	0.8276	1.3612	1.3715	1.9007	2.5481	2.5412	2.1590
2Yr	0.2171	0.2900	0.3195	0.4124	0.5981	1.0920	1.3671	1.6338	1.9034	2.5447	2.5412	2.1561
3Yr	0.3986	0.5002	0.5334	0.6439	0.8491	1.1840	1.5421	1.7229	1.9053	2.5435	2.5412	2.1551
5Yr	0.7828	0.8563	0.8876	0.9806	1.1568	1.4648	1.6845	1.7954	1.9244	2.5439	2.5317	2.1555
7Yr	1.0949	1.1476	1.1684	1.2351	1.3631	1.5863	1.7582	1.9246	2.0922	2.5432	2.4300	2.1548
10Yr	1.3204	1.3871	1.4002	1.4627	1.5836	1.8024	1.9770	2.0955	2.2167	2.5382	2.3539	2.1549
20Yr	1.8675	1.9004										
30Yr	1.9397	1.9643	1.9695	1.9916	2.0346	2.1118	2.1712	2.2077	2.2452	2.3123	2.2359	2.1547

Grey values are extrapolated.

**Suggested Functions** | **ECO** See upcoming economic releases & events | **GRM** Get an overview of global interest rates



Failed to open printer

US Treasury Actives Curve | 5) Export | 6) Graph | 7) Notice | Forward Curve Matrix

US Treasury Actives Curve | Mid | Yield | Conventional | Curve List

Two Curve Spreads | Select a curve under "Curve List" for two curre... | Bid | Yield | Conventional

Forward Curve Date: 09/15/22 | Spot: Coupon (selected) | Zero | OIS Discounting

Tenors	Coupon	Forwards										
		9/15/2022	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr	10Yr	15Yr	30Yr
1Mo	0.0469	0.3522	0.0387	0.0844	0.3582	0.7818	1.3536	1.3462	1.8776	2.5069	2.5208	2.1258
2Mo	0.0469	0.3542										
3Mo	0.0482	0.3523	0.0392	0.0835	0.3623	0.7910	1.3626	1.3626	1.9014	2.5400	2.5400	2.1534
6Mo	0.0507	0.3486	0.0609	0.1150	0.3644	0.7960	1.3724	1.3724	1.9163	2.5620	2.5620	2.1706
1Yr	0.0647	0.4411	0.1583	0.2402	0.3697	0.8276	1.3612	1.3715	1.9007	2.5481	2.5412	2.1590
2Yr	0.2151	0.6818	0.3195	0.4124	0.5981	1.0920	1.3671	1.6338	1.9034	2.5447	2.5412	2.1561
3Yr	0.3986	0.9006	0.5334	0.6439	0.8491	1.1840	1.5421	1.7229	1.9053	2.5435	2.5412	2.1551
5Yr	0.7828	1.2079	0.8876	0.9806	1.1568	1.4648	1.6924	1.9244	2.2444	2.5439	2.5317	2.1555
7Yr	1.0949	1.4041	1.1684	1.2351	1.3631	1.5863	1.7092	1.9922	2.2492	2.5432	2.4300	2.1548
10Yr	1.3204	1.6277	1.4002	1.4627	1.5836	1.8024	1.9770	2.0955	2.2167	2.5382	2.3539	2.1549
20Yr	1.8666	2.0151										
30Yr	1.9384	2.0491	1.9695	1.9916	2.0346	2.1118	2.1712	2.2077	2.2452	2.3123	2.2359	2.1547

G0025 3Y3Y BLC2 Curncy  
 Drag security to the twoline to load it in the security area.  
 Right-click for more options.

Grey values are extrapolated.

Suggested Functions | ECO See upcoming economic releases & events | GRM Get an overview of global interest rates

		9/15/2021	Current	
Tenor	Weight	UST	Spread	Cpn
5-yr	10%	0.86%	1.40%	2.26%
10-yr	35%	1.39%	1.50%	2.89%
30-yr	55%	1.97%	1.75%	3.72%
<b>Weighted Average</b>	<b>20.5-yr</b>	1.65%	1.63%	3.28%

		9/15/2022	Current	
Tenor	Weight	UST	Spread	Cpn
5-yr	10%	1.21%	1.40%	2.61%
10-yr	35%	1.63%	1.50%	3.13%
30-yr	55%	2.05%	1.75%	3.80%
<b>Weighted Average</b>	<b>20.5-yr</b>	1.82%	1.63%	3.44%

# Duke Energy Kentucky Private Placement Pricing Update

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## KeyBanc Capital Markets

Utilities, Power & Renewable Investment Banking

Debt Capital Markets

*March 2021*



# KeyBanc Capital Markets

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## DISCLOSURE OF PARTIES, DUAL EMPLOYEE STATUS AND RELATED MATTERS

KeyBanc Capital Markets is a trade name under which the corporate and investment banking products and services of KeyCorp and its subsidiaries, KeyBanc Capital Markets Inc., Member FINRA/SIPC, and KeyBank National Association (“KeyBank N.A.”), are marketed. Securities products and services are offered by KeyBanc Capital Markets Inc. and by its licensed securities representatives. Banking products and services are offered by KeyBank N.A.

A number of our corporate and institutional team members are employed by both KeyBanc Capital Markets Inc. and KeyBank N.A. These “dual employees” are licensed securities representatives of KeyBanc Capital Markets Inc., and they are there to better serve your needs, by making available both securities and banking products and services.

Further, in connection with our effort to deliver a comprehensive array of banking and securities products and services to you in a seamless manner, from time to time KeyBank N.A. and KeyBanc Capital Markets Inc. will share with each other certain non-public information that you provide to us. Of course, as always, this information will not be shared or otherwise disclosed outside of the KeyCorp organization without your express permission. Please also be assured that, as with other banks and broker-dealers, KeyBank N.A. and KeyBanc Capital Markets Inc. adhere to established internal procedures to safeguard your corporate information from areas within our organization that trade in or advise clients with respect to the purchase and sale of securities.

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## Indicative DEK Private Placement Pricing

<i>Indicative New Issue Pricing</i>		<b>Duke Energy Kentucky, Inc.</b>		
<b>Security:</b>	Senior Unsecured Debentures			
<b>Unsecured Ratings:</b>	Baa1 / BBB+ (NAIC-2 Equivalent)			
<b>Market:</b>	Reg-D Private Placement			
<b>Maturity</b>	<b>5-year</b>	<b>10-year</b>	<b>30-year</b>	
Benchmark UST	5-year UST	10-year UST	30-year UST	
US Treasury Yield	0.83%	1.62%	2.38%	
<b>Estimated Credit Spread</b>	<b>+140 bps area</b>	<b>+150 bps area</b>	<b>+175 bps area</b>	
<b>Indicative Yield to Maturity</b>	2.23%	3.12%	4.13%	



Sources: Bloomberg, KBCM

Note: Indicative new issue pricing based off of current market conditions and is subject to change at the time of pricing

as of March 16, 2021

Assmptions from Plan Bloomberg KeyBanc

Tenor	Weight	9/15/2021	Current	Cpn
		UST	Spread	
5-yr	10%	1.08%	1.40%	2.48%
10-yr	35%	1.77%	1.50%	3.27%
30-yr	55%	2.42%	1.75%	4.17%
20.5-yr		2.06%	1.63%	3.69%

wtd avg

as of March 16, 2021

Assmptions from Plan Bloomberg KeyBanc

Tenor	Weight	9/15/2022	Current	Cpn
		UST	Spread	
5-yr	10%	1.53%	1.40%	2.93%
10-yr	35%	2.07%	1.50%	3.57%
30-yr	55%	2.53%	1.75%	4.28%
20.5-yr		2.27%	1.63%	3.90%

Source: Bloomberg

Tenors	Cpn	9/15/2021	3MO	6MO	1YR	2YR	3YR	4YR	5YR	10YR	15YR	30YR
1Mo	0.0076	0.09688529	0.0821	0.0964	0.2236	0.6801	1.5771	1.5685	2.4211	3.0913	3.1083	2.6133
2Mo	0.0139	0.097716615										
3Mo	0.0165	0.09728395	0.0852	0.0964	0.2236	0.6804	1.5792	1.5706	2.4261	3.0993	3.1163	2.6189
6Mo	0.0482	0.109712217	0.0906	0.1094	0.2261	0.6884	1.591	1.591	2.4602	3.1456	3.1456	2.6559
1Yr	0.071	0.168666003	0.1325	0.1677	0.2443	0.692	1.578	1.6179	2.4402	3.1285	3.12	2.642
2Yr	0.151	0.321890748	0.246	0.3222	0.4682	1.1302	1.599	2.0245	2.4442	3.1243	3.12	2.6384
3Yr	0.3366	0.595010246	0.4676	0.591	0.8327	1.2892	1.8737	2.1624	2.4531	3.1229	3.12	2.6372
5Yr	0.8298	1.077192821	0.9529	1.0696	1.2977	1.7375	2.1005	2.2818	2.4704	3.1234	3.114	2.6377
7Yr	1.2781	1.453700935	1.3615	1.4472	1.6133	1.936	2.2074	2.4265	2.6446	3.1225	2.9871	2.6369
10Yr	1.6197	1.770566377	1.6897	1.765	1.9143	2.2054	2.4575	2.6149	2.7739	3.119	2.892	2.637
20Yr	2.2896	2.348212928										
30Yr	2.3804	2.420275053	2.3866	2.4143	2.47	2.5792	2.6723	2.7251	2.7782	2.8437	2.7451	2.6367

Tenors	Cpn	9/15/2022	3MO	6MO	1YR	2YR	3YR	4YR	5YR	10YR	15YR	30YR
1Mo	0.0076	0.226343067	0.0821	0.0964	0.2236	0.6801	1.5771	1.5685	2.4211	3.0913	3.1083	2.6133
2Mo	0.0139	0.227600322										
3Mo	0.0165	0.226384362	0.0852	0.0964	0.2236	0.6804	1.5792	1.5706	2.4261	3.0993	3.1163	2.6189
6Mo	0.0482	0.261654649	0.0905	0.1094	0.2261	0.6884	1.591	1.591	2.4602	3.1456	3.1456	2.6559
1Yr	0.071	0.475667799	0.1325	0.1677	0.2443	0.692	1.578	1.6179	2.4402	3.1285	3.12	2.642
2Yr	0.151	0.809633914	0.246	0.3222	0.4682	1.1302	1.599	2.0245	2.4442	3.1243	3.12	2.6384
3Yr	0.3366	1.06771013	0.4676	0.591	0.8327	1.2892	1.8737	2.1624	2.4531	3.1229	3.12	2.6372
5Yr	0.8298	1.52871016	0.9529	1.0696	1.2977	1.7375	2.1005	2.2818	2.4704	3.1234	3.114	2.6377
7Yr	1.2781	1.783915429	1.3615	1.4472	1.6133	1.936	2.2074	2.4265	2.6446	3.1225	2.9871	2.6369
10Yr	1.6197	2.067128925	1.6897	1.765	1.9143	2.2054	2.4575	2.6149	2.7739	3.119	2.892	2.637
20Yr	2.2896	2.494705901										
30Yr	2.3804	2.530906665	2.3866	2.4143	2.47	2.5792	2.6723	2.7251	2.7782	2.8437	2.7451	2.6367



**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-047**

**REQUEST:**

Refer to Schedule J-1 for the base and forecast test years. Provide a schedule in electronic spreadsheet format showing each of the Company's actual components of capital for each month in 2019, 2020, and 2021 to date and projected for each month thereafter through the end of the test year.

**RESPONSE:**

Please see AG-DR-01-047 Attachment for the components of capital from 2019 through the test year.

**PERSON RESPONSIBLE:** Chris R. Bauer

## DUKE ENERGY KENTUCKY

Case No. 2021-00190

Attorney General

First Set Data Requests

AG-DR-01-047

	Jan - 2019	Feb - 2019	Mar - 2019	Apr - 2019	May - 2019	Jun - 2019	Jul - 2019	Aug - 2019	Sep - 2019	Oct - 2019
Common Equity	\$ 604,704,676	\$ 609,681,030	\$ 617,073,633	\$ 615,620,413	\$ 619,475,358	\$ 622,815,183	\$ 628,482,984	\$ 630,810,516	\$ 634,148,328	\$ 634,665,143
Long Term Debt	\$ 449,688,863	\$ 449,705,079	\$ 449,542,393	\$ 449,564,109	\$ 449,585,824	\$ 449,606,322	\$ 489,596,630	\$ 489,618,345	\$ 658,783,985	\$ 658,771,598
Short Term Debt	\$ 187,916,698	\$ 188,639,016	\$ 186,742,217	\$ 192,578,670	\$ 201,462,727	\$ 216,703,760	\$ 193,589,075	\$ 201,636,592	\$ 129,081,813	\$ 70,380,360

Nov - 2019	Dec - 2019	Jan - 2020	Feb - 2020	Mar - 2020	Apr - 2020	May - 2020	Jun - 2020	Jul - 2020	Aug - 2020	Sep - 2020
\$ 640,506,603	\$ 645,093,594	\$ 654,042,353	\$ 660,740,900	\$ 663,425,862	\$ 666,196,880	\$ 669,538,474	\$ 698,334,042	\$ 704,484,739	\$ 709,493,741	\$ 710,729,085
\$ 658,782,594	\$ 658,806,823	\$ 658,828,154	\$ 658,852,382	\$ 658,876,611	\$ 658,900,840	\$ 658,925,068	\$ 658,949,297	\$ 658,973,526	\$ 658,966,688	\$ 728,776,359
\$ 93,713,103	\$ 118,166,043	\$ 90,921,463	\$ 113,651,198	\$ 127,128,033	\$ 130,905,943	\$ 131,582,047	\$ 116,391,066	\$ 136,075,084	\$ 140,933,993	\$ 74,422,010

Oct - 2020	Nov - 2020	Dec - 2020	Jan - 2021	Feb - 2021	Mar - 2021	Apr - 2021	May - 2021	Jun - 2021	Jul - 2021	Aug - 2021
\$ 711,530,058	\$ 715,137,495	\$ 718,236,890	\$ 728,524,520	\$ 735,210,398	\$ 740,303,668	\$ 743,091,819	\$ 746,406,332	\$ 802,563,109	\$ 747,662,979	\$ 752,091,746
\$ 728,788,878	\$ 728,784,494	\$ 678,796,137	\$ 678,975,045	\$ 678,998,723	\$ 679,022,401	\$ 679,046,079	\$ 679,069,757	\$ 679,093,435	\$ 678,413,477	\$ 678,454,851
\$ 83,762,585	\$ 103,715,984	\$ 164,134,565	\$ 170,308,208	\$ 170,360,719	\$ 169,273,372	\$ 170,041,870	\$ 168,412,434	\$ 118,338,591	\$ 177,133,030	\$ 176,139,191

Sep - 2021	Oct - 2021	Nov - 2021	Dec - 2021	Jan - 2022	Feb - 2022	Mar - 2022	Apr - 2022	May - 2022	Jun - 2022	Jul - 2022
\$ 804,017,025	\$ 806,194,916	\$ 811,107,618	\$ 818,389,521	\$ 826,184,816	\$ 834,644,974	\$ 859,628,371	\$ 861,250,883	\$ 863,541,056	\$ 866,221,491	\$ 870,169,985
\$ 728,496,226	\$ 728,387,906	\$ 778,292,912	\$ 778,336,564	\$ 778,380,217	\$ 778,423,869	\$ 778,467,522	\$ 778,511,174	\$ 778,554,827	\$ 778,598,479	\$ 778,642,132
\$ 86,577,072	\$ 86,592,595	\$ 36,588,235	\$ 36,592,595	\$ 36,592,595	\$ 36,592,595	\$ 36,592,595	\$ 36,592,595	\$ 36,592,595	\$ 37,490,878	\$ 44,926,667

Aug - 2022	Sep - 2022	Oct - 2022	Nov - 2022	Dec - 2022
\$ 874,786,504	\$ 877,055,447	\$ 879,492,531	\$ 884,661,060	\$ 888,170,828
\$ 778,676,702	\$ 848,720,355	\$ 823,575,606	\$ 823,618,266	\$ 823,660,926
\$ 47,827,225	\$ 36,592,595	\$ 61,592,595	\$ 61,592,595	\$ 61,592,595

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-048**

**REQUEST:**

Refer to Schedule J-1 for the base and forecast test years. Explain all reasons why the Company common equity percentage of total capital is projected to increase from 46.809% in the base year to 50.695% in the test year.

**RESPONSE:**

The equity component of the capital structure increases from base year to the test year with the accumulation of net income and/or any equity infusions from the parent company, while maintaining a consistent level of total debt over the same time period.

**PERSON RESPONSIBLE:** Chris R. Bauer

**Duke Energy Kentucky**  
**Case No. 2021-00190**  
**Attorney General's First Set Data Requests**  
**Date Received: June 30, 2021**

**AG-DR-01-049**

**REQUEST:**

Refer to the Direct Testimony of Mr. Bauer at page 11 wherein he states, "Approval of the proposed capital structure will help Duke Energy Kentucky maintain its credit quality to meet its ongoing business objectives. This level is also consistent with the Company's target credit ratings." Explain this statement if the percentage of common equity is increasing over prior period levels and describe the Company's target credit ratings.

**RESPONSE:**

The company strives to maintain the capital structure in accordance with the approved capital structure over the long run. Issuances of long-term debt will reduce the equity component of the capital structure immediately following the transaction, and then the equity component "catches up" with the accumulation of net income and/or any equity infusions from the parent company.

**PERSON RESPONSIBLE:** Chris R. Bauer