

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Duke Energy Kentucky, Inc.'s Application for)	
Approval of a Special Contract and for Waiver)	Case No. 2021-00192
of 807 KAR 5:041, Section 6(2)(c))	

**PETITION OF DUKE ENERGY KENTUCKY, INC. FOR
CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED
IN ITS RESPONSES TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION ISSUED ON AUGUST 13, 2021**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13 and other law, respectfully requests the Commission to classify and protect as confidential certain information provided by Duke Energy Kentucky in its response to Data Request No. 1, as requested by Commission Staff (Staff) in this case on August 13, 2021. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) includes

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. The Confidential Information contained in response to Data Request No. 1 contains specific customer account information, including the names, addresses, and service data of

customers of Duke Energy Kentucky. This information is generally recognized as confidential in the energy industry. To protect the customers identified in this report, the Company recommends this information be considered confidential.

3. The Confidential Information is distributed within Duke Energy Kentucky, only to those who must have access for business reasons and is generally recognized as confidential and proprietary in the energy industry.

4. The Confidential Information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Corporation. Publicly disclosing this information could give customers' competitors a distinct advantage, to the detriment of Duke Energy Kentucky and its customers.

5. 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.

6. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions and safety of its systems. 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*, 904 S.W.2d 766, 768 (Ky. 1995).

7. 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.

8. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure indefinitely to preserve the confidential personal identification information for customers. Information such as account numbers, names, and addresses, may remain unchanged as long as the individual is a customer of the Company. Therefore, an indefinite preservation of confidential information for this personal identification information is reasonable.

9. 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 that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/ Rocco D'Ascenzo

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Duke Energy Business Services LLC

139 East Fourth Street, 1303 Main

Cincinnati, Ohio 45201-0960

Phone: (513) 287-4320

Fax: (513) 287-4385

E-mail: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 27, 2021; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

/s/Rocco D'Ascenzo

Rocco D'Ascenzo


KyPSC Case No. 2021-00192
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-001	Marc A. Bell	1
STAFF-DR-01-002	Marc A. Bell	2
STAFF-DR-01-003	Marc A. Bell	3
STAFF-DR-01-004	Mike Simms	4

VERIFICATION


STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Marc A. Bell, Lead Engineer, 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.



Marc A. Bell Affiant

Subscribed and sworn to before me by Marc A. Bell on this 23rd day of August,
2021.



NOTARY PUBLIC

My Commission Expires: July 8, 2022



E. MINNA ROLFES-ADKINS
Notary Public, State of Ohio
My Commission Expires
July 8, 2022

**Duke Energy Kentucky
Case No. 2021-00192
STAFF First Set Data Requests
Date Received: August 13, 2021**

**PUBLIC STAFF-DR-01-001
(As to Attachment only)**

REQUEST:

Refer to the Application, paragraph 9.

- a. Provide the amount of time it takes for the pumps to reach normal operating levels.
- b. Under normal circumstances, explain whether pump start-ups can be staggered to avoid voltage drops in excess of 4 percent on Wilder 46.
- c. Since taking service with Duke Kentucky, provide the time and date of any instance where the startup of Northern Kentucky Water District's (NKWD) pumps have caused a voltage drop in excess of 4 percent on Wilder 46 in violation of 807 KAR 5:041, Section 6(2)(c).

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)

- a. Duke Energy Kentucky does not have access to the operating parameters of NKWD's pumps. According to NKWD, normal operating water flow is achieved within 90-120 seconds after pump start. According to Duke Energy Kentucky's previous monitoring, the circuit's voltage drop lasts approximately two (2) seconds with pump start up.
- b. Duke Energy Kentucky's understanding is that Northern Kentucky Water typically staggers pump starts; however, each pump start draws enough power to cause a voltage drop.

c. Although Duke Energy Kentucky does not continuously monitor the voltage on each distribution circuit, it is our belief that each pump start causes a voltage drop in excess of 4 percent on Wilder 46. The Company has discussed this issue with NKWD in an effort to find solutions to eliminate or mitigate the effects of the voltage drops for customers in accordance with 807 KAR 5:041, Section 6(2)(c). The Company has periodically monitored the Wilder 46 circuit and has documented the voltage drop occurring in conjunction with NKWD's pump starts. Please see STAFF-DR-01-001 Confidential Attachment for an example of a coordinated monitoring event that occurred in conjunction with NKWD in 2017. While a voltage drop was observed, flickers at that particular premises were not observed during this event.

Northern Kentucky Water typically follows Duke Energy Kentucky's off-peak schedule, so typically starts pumps as follows:

- i. Summer – after 8:00 pm
- ii. Winter – after 2:00 pm, after 9:00 pm

PERSON RESPONSIBLE: Marc A. Bell

**CONFIDENTIAL PROPRIETARY TRADE
SECRET**

**STAFF-DR-01-001 CONFIDENTIAL
ATTACHMENT pdf**

FILED UNDER SEAL

**Duke Energy Kentucky
Case No. 2021-00192
STAFF First Set Data Requests
Date Received: August 13, 2021**

STAFF-DR-01-002

REQUEST:

Refer to the Application, paragraphs 10-12.

- a. Describe all of the alternatives Duke Kentucky evaluated to alleviate the voltage drops on Wilder 46 caused by the initiation of NKWD's water pumps.
- b. State whether those alternatives included modifications to Duke Kentucky's infrastructure, such as placing NKWD on a separate circuit or substation.
- c. Provide any supporting cost projections or estimates associated with any alternatives that Duke Kentucky considered other than the special contract that is the subject of this matter.

RESPONSE:

- a. Duke Energy has not explored options for alleviating the voltage drops on Wilder 46 caused by Northern Kentucky Water's pump starts on NKWD's equipment because it is the customer's responsibility to address this matter, in accordance with 807 KAR 5:041, and Duke Energy's filed electric tariff. That said, the Company has considered potential modifications to its equipment including potentially building a new substation and reconductoring. The reconductoring was determined as not a viable solution as it would not correct the issue, which is the start-up of NKWD's pumps causing the voltage to drop. The Company did examine the possibility of a new substation, however, the lack of available land in proximity to NKWD, likelihood that the new capacity and substation would still not solve this

voltage drop 100 percent of the time, and the costs were all factors that made a new substation not a viable solution.

- b. Please see response to part (a).
- c. The Company analyzed the substation solution in 2017 with two scenarios. 1) a smaller substation with a single transformer that would be solely for NKWD load and which would be owned and operated by them. The estimated costs to NKWD at the time were between \$4-6 million, excluding land acquisition; and 2) a joint use where a larger substation were constructed with part of it to serve NKWD and part to serve other load on the circuit. The estimated cost of this substation was between \$6-8 MM, exclusive of land acquisition. As stated above, the availability of suitable land in proximity to NKWD, and the potential that even with a new substation, voltage drops could still occur by NKWD pump starts, the substation solution #2 was not pursued by Duke Energy Kentucky. It is likely the costs of these solutions have substantially increased since the time the analysis was previously performed.

PERSON RESPONSIBLE: Marc A. Bell

**Duke Energy Kentucky
Case No. 2021-00192
STAFF First Set Data Requests
Date Received: August 13, 2021**

STAFF-DR-01-003

REQUEST:

Explain and quantify to what extent the special contract is expected to reduce voltage drops in excess of 4 percent on Wilder 46.

RESPONSE:

The new operating schedule adopted by Northern Kentucky Water will reduce the number of voltage drops each day. Currently, Northern Kentucky Water sees approximately 5 – 6 pump starts each day in the summer, and approximately 10 – 12 pump starts each day in the winter, as they follow the off-peak pricing schedule. Because under the contract, Northern Kentucky Water is expecting to run pumps 24x7, it will incur fewer pump starts, perhaps 2 – 3 per day. In addition, these pump starts will occur, absent an emergency, only between the hours of midnight and 4:00 am. It is expected that any voltage drop occurring between these hours will have minimal effect on other customers served on the Wilder 46 distribution circuit.

PERSON RESPONSIBLE: Marc A. Bell

**Duke Energy Kentucky
Case No. 2021-00192
STAFF First Set Data Requests
Date Received: August 13, 2021**

STAFF-DR-01-004

REQUEST:

Refer to the Application in general. If Duke Kentucky and NKWD were to coordinate pump start-up times, explain whether the voltage on Wilder 46 can be temporarily increased to offset the effects of voltage drop from pump start-ups.

RESPONSE:

No. The 4% change in voltage during the motor start causes voltage flicker which is seen by Duke Energy customers. Raising the voltage would not affect the amount of voltage drop nor the customer impact. In the Company's opinion, motor soft start controls or voltage compensation mitigation would be necessary to offset the impacts of the voltage drop due to pump start-up.

PERSON RESPONSIBLE: Mike Simms