

VERIFICATION

STATE OF OHIO                    )  
  )  
COUNTY OF HAMILTON        )

SS:

The undersigned, Libbie S. Miller, Rates & Regulatory Strategy Manager, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

Libbie S. Miller  
Libbie S. Miller Affiant

Subscribed and sworn to before me by Libbie S. Miller on this 9<sup>th</sup> day of AUGUST, 2022.



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

Adele M. Frisch  
NOTARY PUBLIC

My Commission Expires: 1/5/2024



**KyPSC Case No. 2022-00040**  
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**Duke Energy Kentucky**  
**Case No. 2022-00040**  
**STAFF First Set Post-Hearing Data Requests**  
**Date Received: August 8, 2022**

**STAFF-PHDR-01-001**

**REQUEST:**

For each month of the review period, provide the total amount of fuel related cost that occurred during a forced outage that was disallowed pursuant to 807 KAR 5:056 or was unable to be collected via any other means.

**RESPONSE:**

Duke Energy Kentucky excluded \$3 million for the May 2021 to October 2021 six month review period in compliance with 807 KAR 5:056. Please see STAFF-PHDR-01-001 Attachment for monthly details.

The Company's excluded forced outage costs pursuant to 807 KAR 5:056 are and will be recovered in base rates. The Commission approved an amount to include in base rates in Case No. 2019-271. In Case No. 2017-00321, the Commission approved a deferral mechanism for any forced outage costs greater than or less than the amount included in base rates subject to future review for ratemaking recovery.

**PERSON RESPONSIBLE:** Libbie S. Miller

**Duke Energy Kentucky  
 Disallowed Costs Due to Forced Outages  
 Final True-Up  
 May 2021 - October 2021**

<b>Expense Month:</b>		<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	
<b><u>Cost Unallowed Due to Forced Outages</u></b>		<b><u>Dollars (\$)</u></b>	<b><u>Dollars (\$)</u></b>	<b><u>Dollars (\$)</u></b>	<b><u>Dollars (\$)</u></b>	<b><u>Dollars (\$)</u></b>	<b><u>Dollars (\$)</u></b>	<b><u>Total</u></b>
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	\$ -	\$46,701.10	\$524,128.57	\$1,814,872.94	\$1,060,259.05	\$ -	\$3,445,961.66
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	\$ -	\$ -	\$ 43,150.77	\$ -	\$ 3,681.48	\$ -	\$ 46,832.25
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	\$ -	\$91,956.78	\$980,721.31	\$3,555,798.70	\$1,782,944.50	\$ -	\$6,411,421.29
<b>Total Cost Disallowed Due to Forced Outages</b>		<b>0.00</b>	<b>(45,255.68)</b>	<b>(499,743.51)</b>	<b>(1,740,925.76)</b>	<b>(726,366.93)</b>	<b>0.00</b>	<b>(3,012,291.88)</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056

**Duke Energy Kentucky**  
**Case No. 2022-00040**  
**STAFF First Set Post-Hearing Data Requests**  
**Date Received: August 8, 2022**

**STAFF-PHDR-01-002**

**REQUEST:**

For the Fuel Adjustment Clause (FAC), explain how Duke Kentucky determines the estimated fuel costs related to company generation. This includes coal, oil and gas burned, fuel (assigned cost during forced outage), and fuel (substitute for forced outage).

**RESPONSE:**

Duke Energy Kentucky determines the estimated cost for fuel assigned during a forced outage on an hour by hour basis by multiplying the MWh of native load affected by the forced outage times the prior month's weighted average cost of fuel for the affected unit. This represents the cost that would have been incurred if the generating unit on the forced outage would have produced the power.

Duke Energy Kentucky estimates coal and oil fuel cost by multiplying the modeled fuel burn (in MMBtu) by the prior month's actual weighted average cost of inventory (WACI) (in \$/MMBtu). Gas fuel cost is estimated with preliminary invoices from gas suppliers as there is not a WACI available since Woodsdale purchases gas as needed. The total fuel cost is then allocated to native load via a production costing model.

The actual energy substituted during a forced outage could have been provided by either another Company owned generator or purchased from PJM. Duke Energy Kentucky determines the cost for the fuel substitute during a forced outage on an hour-by-hour basis by multiplying the MWh of native load affected by the forced outage times the prior

month's WACI of fuel for the generator used to supply the energy or the hourly PJM LMP if the energy was purchased.

**PERSON RESPONSIBLE:** Scott Burnside

**Duke Energy Kentucky**  
**Case No. 2022-00040**  
**STAFF First Set Post-Hearing Data Requests**  
**Date Received: August 8, 2022**

**STAFF-PHDR-01-003**

**REQUEST:**

For the FAC, explain how Duke Kentucky determines the actual fuel costs related to company generation and why the actual cost cannot be determined until a subsequent month.

**RESPONSE:**

Duke Energy Kentucky determines the actual fuel costs related to the East Bend station by multiplying the measured actual volume of fuel consumed (MMBtu) by the weighted average cost of inventory (WACI). The actual cost of natural gas consumed at Woodsdale is determined by supplier invoices. The actual cost of oil consumed at Woodsdale is determined by multiplying the measured actual volume of oil consumed (MMBtu) by the WACI.

The Woodsdale actual gas costs cannot be determined until a subsequent month because final invoice amounts from fuel suppliers are not available at the time of the estimate. The oil and coal costs cannot be determined until a subsequent month because the final measurement of fuel consumed and the actual WACI from the current month is not available in time to meet month-end accounting deadlines for booking these costs to the general ledger.

**PERSON RESPONSIBLE:** Scott Burnside