

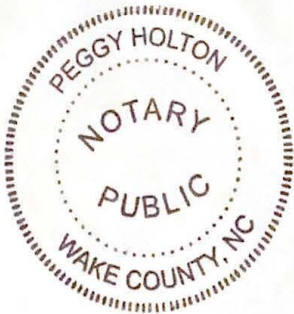
VERIFICATION

STATE OF NORTH CAROLINA            )  
  )    SS:  
COUNTY OF WAKE                    )

The undersigned, Melissa Adams, Director Analytics, being duly sworn, deposes and says that she 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 her knowledge, information and belief.

Melissa Adams  
Melissa Adams, Affiant

Subscribed and sworn to before me by Melissa Adams on this 2<sup>nd</sup> day of November, 2022.



Peggy Holton  
NOTARY PUBLIC   Peggy Holton

My Commission Expires: 12/22/2026

**KyPSC Case No. 2022-00251**  
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**Duke Energy Kentucky  
Case No. 2022-00251  
STAFF Third Set Data Requests  
Date Received: October 21, 2022**

**CONFIDENTIAL STAFF-DR-03-001  
(As to Attachment only)**

**REQUEST:**

Refer to Duke Kentucky's response to Commission Staff's First Request for Information, Item 3.

- a. Provide the avoided capacity and energy values used to determine the cost effectiveness of the programs.
- b. Explain how Duke Kentucky determined those values for the cost effectiveness of the programs.
- c. If those values have changed since the Pilot Program was approved in Case No. 2019-00277,<sup>1</sup> then explain what changed and provide the updated avoided capacity and energy values.

**RESPONSE:**

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

- a. Please see STAFF-DR-03-001 Confidential Attachment. In STAFF-DR-01-003, Duke Energy Kentucky used 2020-2021 avoided capacity and energy values.
- b. The avoided cost values used in part (a) are consistent with those used to produce the table in Appendix A of Case No. 2021-00424. The avoided costs and escalators are derived from a variety of sources listed below:

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<sup>1</sup> Case No. 2019-00277, *Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs* (Ky, PSC Apr. 27, 2020).

1. Avoided Energy – based on a third-party forecast of annual PJM AEP-Dayton Hub prices labeled as “Spring 2016 CPP mass cap 1 and no carbon energy prices”.
  2. Avoided Capacity – based on information provided by the Company’s IRP group for cost of construction of a new peaker unit in 2016 dollars and escalated at 2.5% per year as provided by the IRP group.
  3. Avoided T&D – based on information provided by the Company’s Rate department for cost of T&D upgrades related to load growth in 2016 dollars and escalated based on the Handy-Whitman Electric Plant Index Forecast.
- c. The values filed in Case No. 2019-00277 used 2019-2020 values from the same sources as the values found in STAFF-DR-03-001 Confidential Attachment. The avoided cost rates are consistent but have been escalated each year.

**PERSON RESPONSIBLE:** Melissa E. Adams

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**STAFF-DR-03-001  
CONFIDENTIAL ATTACHMENT**

**FILED UNDER SEAL**