

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter of:

The Electronic Application of Duke Energy )  
Kentucky, Inc., for: 1) An Adjustment of the )  
Electric Rates; 2) Approval of New Tariffs; ) Case No. 2022-00372  
3) Approval of Accounting Practices to )  
Establish Regulatory Assets and Liabilities; )  
and 4) All Other Required Approvals and )  
Relief. )

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**PETITION FOR CONFIDENTIAL TREATMENT OF DUKE ENERGY  
KENTUCKY, INC. FOR CERTAIN RESPONSES TO SIERRA CLUB, THE KROGER  
CO., ATTORNEY GENERAL, COMMISSION STAFF, AND KENTUCKY  
BROADBAND AND CABLE ASSOCIATION’S REQUESTS FOR INFORMATION**

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Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other law, and respectfully requests the Commission to classify and protect certain information provided by the Company in its Responses to Sierra Club’s First Set of Requests for Information; The Kroger Co.’s (Kroger) First Set of Data Requests, Attorney General’s (AG) First Request for Information, Commission Staff’s Second Request for Information, and Kentucky Broadband and Cable Association’s (KBCA) First Requests for Information, all issued on January 11, 2023; respectfully stating as follows:

1. On November 1, 2022, Duke Energy Kentucky filed a Notice of Intent to File an Application seeking adjustment of its electric rates and other approvals.
2. On December 1, 2022, Duke Energy Kentucky filed an Application seeking an adjustment of its electric rates and other approvals.
3. On January 10, 2023, Sierra Club issued its First Request for Information to Duke

Energy Kentucky. On January 11, 2023, Kroger issued its First Set of Data Requests, AG issued its First Request for Information, Commission Staff issued its Second Request for Information, and KBCA issued its First Requests for Information to Duke Energy Kentucky.

4. In response to Sierra Club's First Set of Requests for Information, Kroger's First Set of Data Requests, AG's First Request for Information, Commission Staff's Second Request for Information, and KBCA's First Requests for Information, Duke Energy Kentucky is providing certain information for which it requests confidential treatment.

5. The information for which Duke Energy Kentucky seeks confidential treatment is contained in its Responses to Sierra Club Requests 1.1, 1.2, 1.3, 1.8, 1.11, and 1.15; Kroger Request 1-1; AG Requests 2, 3, 16, 58, 113, 125, 126, 129, 154, 163, 164, 167, 168, 169, and 171; Commission Staff Requests 9, 29, and 70; and KBCA Request 16, which is referred to herein as the "Confidential Information" and, broadly speaking, includes detailed information pertaining to internal policies and procedures, operations and maintenance (O&M) and capital expenses incurred by the Company on a monthly and yearly basis, revenue, budget guidelines and assumptions, financial projections, customer satisfaction overviews, compensation of non-senior executive employees and shared employees of the Company, financial cost-benefit analyses of a new program and tariff proposed by the Company, and vendor pricing and cost, integrated resource planning, and other information.

6. Request No. 1.1 of Sierra Club's First Set of Requests for Information states as follows:

Please provide all public and confidential responses to Requests for Information issued by Duke or any other party to this proceeding.

7. In its response to Request No. 1.1, Duke Energy Kentucky is providing (a) KROGER-DR-01-001 Confidential Attachments 1 and 2, (b) STAFF-DR-01-006 CONF

Attachment, (c) STAFF-DR-01-041 CONF Attachment, (d) STAFF-DR-01-043 CONF Attachment, (e) STAFF-DR-01-056 CONF Attachment BLS-3, (f) STAFF-DR-01-056 CONF Attachment BLS-4, (g) STAFF-DR-01-056 CONF Attachment BLS-6, and (h) STAFF-DR-01-056 CONF Attachment BLS-8. The KROGER-DR-01-001 Confidential Attachment 1 contains confidential information previously filed with the Company's Application. This information is confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Information Contained in Its Application Regarding an Adjustment of Electric Rates filed December 1, 2022 in this case. The KROGER-DR-01-001 Confidential Attachment 2 contains proprietary and detailed information relating to the Company's maintenance expense for East Bend. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs. Finally, (a) STAFF-DR-01-006 CONF Attachment, (b) STAFF-DR-01-041 CONF Attachment, (c) STAFF-DR-01-043 CONF Attachment, (d) STAFF-DR-01-056 CONF Attachment BLS-3, (e) STAFF-DR-01-056 CONF Attachment BLS-4, (f) STAFF-DR-01-056 CONF Attachment BLS-6, and (g) STAFF-DR-01-056 CONF Attachment BLS-8 contains confidential information previously filed with the Company's Responses to Commission Staff's First Request for Information in this case. This information is confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Certain Responses to Commission Staff's First Request for Information filed December 15, 2022.

8. Request No. 1.2 of Sierra Club's First Set of Requests for Information states as

follows:

Please provide all confidential, unredacted testimony, exhibits, work papers, and schedules supporting Duke's application in electronic, machine-readable format with formulae intact, including all confidential or highly sensitive testimonies, exhibits, work papers, and schedules supporting Duke's application.

9. In its response to Request No. 1.2, Duke Energy Kentucky is providing (a) KROGER-DR-01-001 Confidential Attachments 1 and 2, (b) STAFF-DR-01-006 CONF Attachment, (c) STAFF-DR-01-041 CONF Attachment, (d) STAFF-DR-01-043 CONF Attachment, (e) STAFF-DR-01-056 CONF Attachment BLS-3, (f) STAFF-DR-01-056 CONF Attachment BLS-4, (g) STAFF-DR-01-056 CONF Attachment BLS-6, and (h) STAFF-DR-01-056 CONF Attachment BLS-8. The KROGER-DR-01-001 Confidential Attachment 1 contains confidential information previously filed with the Company's Application. This information is confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Information Contained in Its Application Regarding an Adjustment of Electric Rates filed December 1, 2022 in this case. The KROGER-DR-01-001 Confidential Attachment 2 contains proprietary and detailed information relating to the Company's maintenance expense for East Bend. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs. Finally, (a) STAFF-DR-01-006 CONF Attachment, (b) STAFF-DR-01-041 CONF Attachment, (c) STAFF-DR-01-043 CONF Attachment, (d) STAFF-DR-01-056 CONF Attachment BLS-3, (e) STAFF-DR-01-056 CONF Attachment BLS-4, (f) STAFF-DR-01-056

CONF Attachment BLS-6, and (g) STAFF-DR-01-056 CONF Attachment BLS-8 contains confidential information previously filed with the Company's Responses to Commission Staff's First Request for Information in this case. This information is confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Certain Responses to Commission Staff's First Request for Information filed December 15, 2022.

10. Request No. 1.3 of Sierra Club's First Set of Requests for Information states as follows:

Please refer to the Direct Testimony of Scott Park at page 2. Please provide an unredacted copy of the referenced June 2021 Duke Integrated Resource Plan ("IRP), including all appendices, exhibits, and/or workpapers in native format with all formulae intact.

11. In its response to Request No. 1.3, Duke Energy Kentucky is providing SIERRA-DR-01-003 Confidential Attachment. SIERRA-DR-01-003 Confidential Attachment contains an unredacted copy of the referenced June 2021 Duke IRP. This IRP includes (a) projected pricing estimates for natural gas, coal and power; (b) estimated capital costs for various electric generation technologies; (c) energy efficiency program and avoided costs; (d) cost data for the 2021 IRP's screening analysis; and (e) a transmission map showing the Company's critical system, which are confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Information Contained in Its Integrated Resource Plan filed June 21, 2021 in Case No. 2021-00245.

12. Request No. 1.8 of Sierra Club's First Set of Requests for Information states as follows:

For each retirement study or unit condition assessment in response to Sierra Club 1.4 above:

- a. State which modeling software was used to conduct the analysis.

- b. State the date that the analysis was performed.
- c. State whether the units were modeled with an economic (market) or selfcommitment (must run) status for each year of the analysis.
- d. State the date of each forecast or projection used in the analysis.
- e. State the regulation or rationale behind each retirement date(s) studied.
- f. Provide all underlying workbooks with formulas intact that were used to develop model input assumptions.
- g. Identify all transmission grid updates or changes that would be needed to allow for the retirement of East Bend.
- h. Produce all analyses or assessments of the impact that retirement of each unit would have on capacity adequacy, transmission grid stability, transmission grid support, voltage support, or transmission system reliability.
- i. Provide each of the following inputs for each modeled scenario:
  - i. Heat rate (Btu)
  - ii. Projected Ongoing Capital expenditures (\$)
  - iii. Variable Operation and Maintenance (\$/MWh)
  - iv. Fixed Operation and Maintenance (\$/MW)
  - v. Environmental compliance capital expenditures
  - vi. All transmission upgrade costs assumed, if any (\$);
  - vii. MISO energy price forecasts (with and without CO2 price);
  - viii. MISO capacity price forecasts (with and without CO2 price);
  - ix. CO2 price forecasts
  - x. Coal price (\$/MMBtu)
  - xi. Gas price (\$/MMBtu)
- j. For each replacement resource available to the model, provide each of the following inputs for each resource at the highest level of granularity used in conducting the analysis:
  - i. Replacement resource options
  - ii. Replacement resource size (MW)
  - iii. Year replacement resource is available (year)
  - iv. Cost of replacement resource option (\$/MW)
  - v. Annual capacity factor
- k. Provide all model outputs by unit, including:
  - i. Annual generation (MWh)
  - ii. Fuel Costs (\$)
  - iii. VOM Costs (\$)
  - iv. FOM Costs (\$)
  - v. Capital expenditures (\$)
  - vi. Other capital expenditures (\$)

- vii. Energy and ancillary market revenues (\$)
- 1. Provide all post-processing workbooks with formulas intact that were used to analyze study results outside the model.

13. In its response to Request No. 1.8, Duke Energy Kentucky is providing SIERRA-DR-01-008 Confidential Attachment. SIERRA-DR-01-008 Confidential Attachment contains output files for the preferred portfolio, including proprietary and detailed cost, capital, and revenue information. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

14. Request No. 1.11 of Sierra Club's First Set of Requests for Information states as follows:

Please provide the following for Duke Kentucky, with supporting workpapers (in electronic, machine-readable format):

- a. Annual peak load since 2015 (or earliest available).
- b. Annual MISO capacity reserve requirement since 2015 (or earliest available).
- c. Annual sales since 2015 (or earliest available).
- d. Annual generation since 2015 (or earliest available).
- e. Annual off-system energy sales in GWhs since 2015 (or earliest available).
- f. Annual off-system energy sales revenues in dollars since 2015 (or earliest available).
- g. Annual off-system energy purchases in GWhs since 2015 (or earliest available).
- h. Annual off-system energy purchases revenues in dollars since 2015 (or earliest available).

15. In its response to Request No. 1.11, Duke Energy Kentucky is providing information relating to the Company's annual off-system energy purchases revenues in dollars

since 2015. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

16. Request No. 1.15 of Sierra Club's First Set of Requests for Information states as follows:

Provide total projected energy and ancillary service market revenues for East Bend, for the period 2023–2035.

17. In its response to Request No. 1.15, Duke Energy Kentucky is providing information relating to the Company's energy revenues for East Bend for energy sales in the No Carbon Regulation scenario. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition and forecasts. Gaining access to this information would be extremely valuable to the Company's competitors and vendors as it provides insight into the Company's forecasts of future revenues in the competitive energy markets. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

18. Request No. 1-1 of Kroger's First Set of Data Requests states as follows:

Please provide an electronic version of the Company's confidential filing documents, workpapers, and responses to discovery in this case. To the extent the Company files corrections, revisions, amendments, supplemental information and/or errata to these documents, please provide all updated materials.

19. In its response to Request No. 1-1, Duke Energy Kentucky is providing (a) KROGER-DR-01-001 Confidential Attachments 1 and 2, (b) STAFF-DR-01-006 CONF Attachment, (c) STAFF-DR-01-041 CONF Attachment, (d) STAFF-DR-01-043 CONF Attachment, (e) STAFF-DR-01-056 CONF Attachment BLS-3, (f) STAFF-DR-01-056 CONF Attachment BLS-4, (g) STAFF-DR-01-056 CONF Attachment BLS-6, and (h) STAFF-DR-01-056 CONF Attachment BLS-8. The KROGER-DR-01-001 Confidential Attachment 1 contains confidential information previously filed with the Company's Application. This information is confidential as set forth in the Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Information Contained in Its Application Regarding an Adjustment of Electric Rates filed December 1, 2022 in this case. The KROGER-DR-01-001 Confidential Attachment 2 contains proprietary and detailed information relating to the Company's forecasted maintenance expense for East Bend. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs. Finally, (a) STAFF-DR-01-006 CONF Attachment, (b) STAFF-DR-01-041 CONF Attachment, (c) STAFF-DR-01-043 CONF Attachment, (d) STAFF-DR-01-056 CONF Attachment BLS-3, (e) STAFF-DR-01-056 CONF Attachment BLS-4, (f) STAFF-DR-01-056 CONF Attachment BLS-6, and (g) STAFF-DR-01-056 CONF Attachment BLS-8 contains confidential information previously filed with the Company's Responses to Commission Staff's First Request for Information in this case. This information is confidential as set forth in the

Petition of Duke Energy Kentucky, Inc. for Confidential Treatment of Certain Responses to Commission Staff's First Request for Information filed December 15, 2022.

20. Request No. 1-2 of Kroger's First Set of Data Requests states as follows:

Refer to the direct testimony of William Luke, p. 4, lines 3-9. "Although East Bend is approaching the end of its service life and the Company plans to replace the asset with other resources, it is important to keep the remaining unit in efficient working order to support the energy needs of our customers. Therefore, costs for this asset will continue to be incurred and investments made as appropriate and prudent to ensure that the same reliable cost-effective electricity that customers have counted on for decades remains available while the replacement of those units is developed and implemented."

- a. Please provide the most recent 5 years of historical maintenance expense for East Bend. Please provide all supporting workpapers in Microsoft Excel format.
- b. Please provide a narrative explaining the maintenance that occurred for the 5 years of historical data provided in (a).
- c. Please provide a forecast of maintenance expense for East Bend through the expected retirement in 2032. If a forecast is not available through 2032, please provide all available forecasted information. Please provide all supporting workpapers in Microsoft Excel format.
- d. Please provide a narrative explaining the maintenance that is expected to occur for the forecasted data provided in (c).

21. In its response to Request No. 1-2, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's maintenance expense for East Bend. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition and forecasts of future maintenance expense for many years into the future. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

22. Request No. 2 of AG's First Request for Information states as follows:

Refer to the Application generally. Provide the following information for Duke Kentucky employees, as well as all employees whose costs are allocated to Duke Kentucky, and separate each response by company/utility.

- a. Provide the position title and salary for each salaried employee for the years 2018 – 2023.
- b. Provide the average raise that the salaried employees received for the years 2018 – 2023. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus that each salaried employee received for the years 2018 - 2023.
- d. Provide all awards given to the salaried employees for the years 2018 – 2023.
- e. Provide all vehicle allowances given to the salaried employees for the years 2018 – 2023.
- f. Provide all incentive compensation given to the salaried employees for the years 2018 – 2023.
- g. Provide the average raise, if any, which will be given to salaried employees for 2023.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- j. Explain whether any of the salaried employees are members of a union.

23. In its response to Request No. 2, Duke Energy Kentucky is providing sensitive benefit information for its employees. This information is considered highly confidential as its current employees and potential employees consider the value of its compensation information as part of their employment status decision. Duke Energy Kentucky and Duke Energy Corp. compete

for employees among a robust pool of employers, including other regional utilities. The level of benefits provided by the companies is instrumental in recruiting and retaining highly qualified employees. If competitors had ready access to this information, they could use it to place Duke Energy Corp. and Duke Energy Kentucky at a disadvantage in recruiting and retaining employees.

24. Request No. 3 of AG's First Request for Information states as follows:

Refer to the Application generally. Provide the following information for Duke Kentucky employees, as well as for all employees whose costs are allocated to Duke Kentucky, and separate each response by company/utility.

- a. Provide the position title and wages for each non-salaried employee for the years 2018 – 2023.
- b. Provide the average raise provided to the non-salaried employees for the years 2018 – 2023. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus provided to the non-salaried employees for the years 2018 – 2023.
- d. Provide all awards given to the non-salaried employees for the years 2018 – 2023.
- e. Provide all vehicle allowances given to the non-salaried employees for the years 2018 – 2023.
- f. Provide all incentive compensation given to the non-salaried employees for the years 2018 – 2023.
- g. Provide the average raise, if any, which will be given to non-salaried employees for 2023.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company or parent company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- j. Explain whether any of the non-salaried employees are members of a union.

25. In its response to Request No. 3, Duke Energy Kentucky is providing sensitive compensation and benefit information for Duke Energy Kentucky's employees. This information is considered highly confidential as its current employees and potential employees consider the value of its compensation information as part of their employment status decision. Duke Energy Kentucky and Duke Energy Corp. compete for employees among a robust pool of employers, including other regional utilities. The level of benefits provided by the companies is instrumental in recruiting and retaining highly qualified employees. If competitors had ready access to this information, they could use it to place Duke Energy Corp. and Duke Energy Kentucky at a disadvantage in recruiting and retaining employees. This information is not publicly disclosed to the level of detail requested by the Commission and should be maintained as confidential.

26. Request No. 58 of AG's First Request for Information states as follows:

Refer to the Direct Testimony of Dominic J. Melillo ("Melillo Testimony"), at 14. Mr. Melillo states that a self-optimizing grid implementation is about 15% complete, and at the present deployment rate, a fully self-optimizing distribution grid capability will take about a decade to achieve.

- a. Explain in detail which part of the grid already has the self-optimizing grid implementation completed, and provide a map illustrating the same if available.
- b. Explain in detail how Duke Kentucky made the determination of where to begin implementing the self-optimizing grid.
- c. Provide a detailed plan of how Duke Kentucky will continue deploying the self-optimizing grid over the next decade, and provide a map illustrating the same if available.

27. In its response to Request No. 58, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's self-optimizing grid implementation and a substation map. This information is confidential as it concerns Critical Energy Infrastructure Information (CEII), which has been granted confidential treatment in the past. Duke Energy

Kentucky takes all reasonable steps in order to protect CEII, including, but not limited to, only sharing such information internally on a need-to-know basis. The reliability entities with access to such data, such as PJM Interconnection L.L.C. (PJM), also take appropriate precautions to protect such data. This information needs to be kept confidential in order to continue to provide delivery of safe and reliable electric service to Duke Energy Kentucky customers. Furthermore, the release of this information would provide a security risk for the Company and its customers and it is, therefore, broadly recognized as confidential under Kentucky law. *See* KRS 61.878(1)(m). Again, the Commission has previously agreed that such critical infrastructure maps are confidential.<sup>1</sup>

28. Request No. 109 of AG's First Request for Information states as follows:

Refer to the Kopp Testimony, Attachment JTK-1 at 15 of 30, wherein he describes the demolition and site restoration of Miami Fort.

- a. Confirm that Dynegy will direct the demolition and site restoration for all facilities and the entire site, and not Duke Kentucky.
- b. Provide the estimated date that Dynegy will retire the last operating unit at the site and a copy of the source information relied on for the estimated date.
- c. Provide the estimated dates that Dynegy will commence and complete the demolition and site restoration for all facilities and the entire site.
- d. Provide a copy of the maintenance agreement with Dynegy. In addition, indicate whether the expense of this Maintenance Agreement is included in present base rates and included in the proposed base revenues in this proceeding.
- e. Provide a copy of all correspondence, notes, and all other documentation regarding Duke Kentucky's instructions to include the \$200,000 per year Maintenance Agreement fee in the decommissioning cost estimate.
- f. Provide a description of all decommissioning and site restoration activities to date since the Miami Fort 6 generating unit was retired on June 1, 2015.

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<sup>1</sup> *See, e.g., In the Matter of the Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition of Existing Combustion Turbine Facilities from Bluegrass Generating Company, LLC at the Bluegrass Generating Station in LaGrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness*, Order, Case No. 2015-00267 (Ky. P.S.C. Nov. 24, 2015).

- g. Confirm that the Company's base rates will be reset on or about July 1, 2023, after an Order is issued by the Commission in this proceeding.
- h. Provide the gross plant, accumulated depreciation, and net book value of Miami Fort 6 at the date of retirement and at December 31 in each subsequent year. In addition, provide the accumulated terminal net salvage included in the accumulated depreciation at the date of retirement and at December 31 in each subsequent year. Further, provide the actual terminal net salvage costs incurred since the date of retirement and provide the accounting journal entries used to record these costs.
- i. Provide the asset Accumulated Deferred Income Taxes ("ADIT") for the decommissioning regulatory liability that is included in accumulated depreciation for each of the 13 months in the test year.
- j. Confirm that asset ADIT arises for the decommissioning expense revenue recoveries temporary difference in the absence of a decommission expense tax deduction.
- k. Confirm that decommissioning revenues received prior to when decommissioning costs actually are incurred results in a temporary difference and an asset ADIT.

29. In its response to Request No. 109, Duke Energy Kentucky is providing information relating to the Company's instructions to include the \$200,000 per year Maintenance Agreement fee in the decommissioning cost estimate. This information, which contains sensitive vendor and employee contact information for persons who are not part of these proceedings. These persons are not providing testimony and it is unnecessary to put their information into these proceedings. Parties wishing to question these individuals are still able to do so through general data requests.

30. Request No. 113 of AG's First Request for Information states as follows:

Refer to the Application generally. Provide Duke Energy Kentucky's capital expenditures by year from 2020 through 2027. Provide actual expenditures for years 2020 through 2022 and projected for years 2023 through 2027. Provide capital expenditures separated between steam and other production, distribution, transmission, and general plant.

31. In its response to Request No. 113, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's detailed forecasted capital expenditures. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition and anticipated future investments at its generating station. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

32. Request No. 125 of AG's First Request for Information states as follows:

Refer to the Application generally. Provide the two most recent pension and OPEB actuarial reports for Duke Energy, Duke Ohio, and the Company.

33. In its response to Request No. 125, Duke Energy Kentucky is providing a proprietary and detailed 2020 actuarial report, 2021 actuarial report, and 2020 and 2021 actuarial report amounts. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into Duke Energy, Duke Energy Ohio, and the Company's financial condition. Gaining access to this information would be extremely valuable to Duke Energy, Duke Energy Ohio, and the Company's competitors and vendors. If released, this information would put Duke Energy, Duke Energy Ohio, and the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit Duke Energy, Duke Energy Ohio, and the Company's ability to properly manage its costs.

34. Request No. 126 of AG's First Request for Information states as follows:

Refer to the Application generally. Provide the pension and OPEB actuarial reports for Duke Energy, Duke Ohio, and the Company and/or all other support for the test year pension cost and expense and OPEB cost and expense included in the test year.

35. In its response to Request No. 126, Duke Energy Kentucky is providing proprietary and detailed information relating to the test year pension cost and expense and OPEB cost and expense included in the test year. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into Duke Energy, Duke Energy Ohio, and the Company's financial condition. Gaining access to this information would be extremely valuable to Duke Energy, Duke Energy Ohio, and the Company's competitors and vendors. If released, this information would put Duke Energy, Duke Energy Ohio, and the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit Duke Energy, Duke Energy Ohio, and the Company's ability to properly manage its costs.

36. Request No. 129 of AG's First Request for Information states as follows:

Refer to the Adams Testimony in regard to maintaining the current 5-year cycle trimming as part of the Company's vegetation management program.

- a. Provide the amounts of O&M spend by year by subaccount for each year 2018 through 2022 and projected for the forecast test period. This includes all distribution and transmission subaccounts.
- b. Provide the number of miles trimmed and the average cost per mile for each year 2018 through 2022 and projected for the forecast test period.
- c. Provide a copy(ies) of the contract(s) with the contractor(s) that performs the vegetation management services for Duke Kentucky.

37. In its response to Request No. 129, Duke Energy Kentucky is providing sensitive vendor information, which is confidential insofar as it contains proprietary pricing information regarding what Duke Energy Kentucky pays for services which have been negotiated. Moreover, many of these contracts include pricing information based upon Duke Energy Kentucky's ability

to leverage its relationships with its sister utilities to obtain favorable pricing. If this information is publicly released, it will place the Company at a disadvantage with future such negotiations as potential vendors would have access to what the Company currently pays or expects to pay for such services. Moreover, vendors would be less willing to negotiate with the Company out of fear of their sensitive and competitive pricing being made publicly available.

38. Request No. 154 of AG's First Request for Information states as follows:

Refer to Duke Kentucky's response to the Commission Staff's First Request for Information, Item 56, SCH\_I4 tab in the Main Rev Req STAFF-DR-01-056\_Attachment\_-\_KPSC\_Elec\_SFRs\_-\_2022 Excel workbook.

- a. Indicate if the forecast number of customers and the forecast MWh sales for each class are estimated on an independent basis or in some interdependent manner. Describe how each forecast is developed and provide all data, calculations, and electronic workpapers in Excel live format with all formulas intact.
- b. Indicate if the forecast usage per customer is simply the result of the forecast MWh sales divided by the forecast number of customers or is estimated on an independent basis.

39. In its response to Request No. 154, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's forecasted customer usage and sales. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

40. Request No. 163 of AG's First Request for Information states as follows:

Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, electronic workpapers and further to the

Application, Volume 10, Schedule J-3, page 192 of 199, for the Forecast Period. Schedule J-3 for the Forecast Period shows a projected new long-term debt issuance forecast for September 2023 with a projected coupon rate of 5.990%. Provide the basis and all supporting documentation for the 5.990% cost, including all calculations, e.g., 30-year Treasury yield plus 100 basis point risk premium.

41. In its response to Request No. 163, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's long-term debt and information obtained from subscription-based data services. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. Moreover, the data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs and access necessary data.

42. Request No. 164 of AG's First Request for Information states as follows:

Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, the electronic workpapers and further to Schedule J-3 for the Forecast Period. The annual interest costs in column I includes only input values. Provide the schedule with all formulas completely intact and provide the breakdown of how the interest costs were computed for each issuance.

43. In its response to Request No. 164, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's annual interest costs. Moreover, this response includes data derived from subscription-based data services that are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary

to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

44. Request No. 167 of AG's First Request for Information states as follows:

Refer to the Direct Testimony of Joshua Nowak ("Nowak Testimony") generally. Provide all work papers and supporting documentation used and relied upon by Mr. Nowak in the preparation of his Direct Testimony and Exhibits. Provide all spreadsheets in Excel format with cell formulas intact.

45. In its response to Request No. 167, Duke Energy Kentucky is providing reports relating to adjustment clauses, alternative ratemaking plans, bond-yield-plus-risk-premium, and proxy group capital structure. This information is derived from subscription-based data services and are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. If this information was to be released, it would provide sensitive information regarding Duke Energy Kentucky's business strategies and plans.

46. Request No. 168 of AG's First Request for Information states as follows:

Provide all bond rating agency reports (Standard and Poor's, Moody's, Fitch) on Duke Energy and Duke Kentucky from 2020 through the most recent month in 2023.

47. In its response to Request No. 168, Duke Energy Kentucky is providing bond rating agency reports. This information is derived from subscription-based data services and are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

48. Request No. 169 of AG's First Request for Information states as follows:

Provide copies of all articles, reports, and publications cited by Mr. Nowak in his Direct Testimony.

49. In its response to Request No. 169, Duke Energy Kentucky is providing Blue Chip Financial Forecasts, an S&P Global Ratings report, and a Moody's Investors Service report. This information is derived from subscription-based data services and are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial

condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

50. Request No. 171 of AG's First Request for Information states as follows:

Provide the following:

- a. The current authorized ROE for each Duke Energy operating company and the date that each ROE was authorized.
- b. Provide the Commission Order authorizing each ROE listed in part (a) above.
- c. State whether each ROE was authorized pursuant to a fully litigated rate case or if it was based on a settlement.
- d. The current S&P and Moody's credit ratings for each Duke Energy operating company.

51. In its response to Request No. 171, Duke Energy Kentucky is providing current S&P and Moody's ratings. This information is derived from subscription-based data services and are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

52. Request No. 9 of Commission Staff's Second Request for Information states as follows:

Refer to the Bauer Direct Testimony, page 18, lines 15–23, page 19, line 1 and Volume 10, Schedule J-3, pages 1–2.

- a. Explain the Bloomberg implied forward curve and whether there are other forecasted forward rates that could have been used. If there are other forecasted forward rates, explain why they were not utilized.
- b. For the base and forecast period for long term commercial paper, explain why the 25-basis point spread is added to the interest rate and why that is appropriate.
- c. For the expected \$130 million, explain the appropriateness of using a weighted average of 5-year, 10-year, and 30-year Treasury rates plus the respective basis point adders. Include in the response how each respective adder was derived.
- d. Duke Kentucky has a \$65 million debenture at a 6.2 percent interest rate. Explain why this was not refinanced in the past two years at a lower interest rate.

53. In its response to Request No. 9, Duke Energy Kentucky is providing proprietary and detailed information relating to the Company's long-term debt. This information is derived from subscription-based data services and are subject to confidentiality conditions for access and use. The data that is obtained through paid subscriptions are proprietary to those entities that create the data and releasing that information would put the Company in potential violation of the terms of those subscription services, which may limit the Company's access to the data in the future. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company's financial condition. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company's ability to properly manage its costs.

54. Request No. 29 of Commission Staff's Second Request for Information states as follows:

Refer to the Direct Testimony of Scott Park (Park Direct Testimony) page 4, lines 15–20.

- a. Provide the maximum capital and operation costs per kW and kWh for a Firm Dispatchable Resource for which East Bend would be retired under Duke Kentucky’s analysis.
- b. Provide the projected capital and operation costs of East Bend used in Duke Kentucky’s analysis.
- c. Provide the projected capital and operation costs for resource types that exhibit the required characteristics.

55. In its response to Request No. 29, Duke Energy Kentucky is providing information relating to the Company’s detailed modeling assumptions, including capital expenditures and future forecasts for each scenario with the DEKY 21 IRP Portfolio. This information is self-evidently confidential and proprietary in nature as it would provide competitors with tremendous insight into the Company’s financial condition, business assumptions, forecasts of costs and the competitive markets. Gaining access to this information would be extremely valuable to the Company’s competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and potentially inhibit the Company’s ability to properly manage its costs.

56. Request No. 70 of Commission Staff’s Second Request for Information states as follows:

Refer to the Adams Direct Testimony, page 3.

- a. Describe, in detail, how Duke Kentucky contracts its vegetation management services.
- b. Provide copies of its vegetation management contracts from 2019 through 2021.
- c. On what basis does Duke Kentucky award its vegetation management contracts (i.e., per hour, per mile, etc.). Provide any supporting documentation.

57. In its response to Request No. 70, Duke Energy Kentucky is providing sensitive vendor information, which is confidential insofar as it contains proprietary pricing information

regarding what Duke Energy Kentucky pays for services which have been negotiated. Moreover, many of these contracts include pricing information based upon Duke Energy Kentucky's ability to leverage its relationships with its sister utilities to obtain favorable pricing. If this information is publicly released, it will place the Company at a disadvantage with future such negotiations as potential vendors would have access to what the Company currently pays or expects to pay for such services. Moreover, vendors would be less willing to negotiation with the Company out of fear of their sensitive and competitive pricing being made publicly available.

58. Request No. 16 of KBCA's First Requests for Information states as follows:

If any entity that is attached to Your poles will be subject to different Pole Attachment Charges than those identified in Your Fourth Revised Sheet No. 92, state the charges those entities will incur and the basis of, including any calculations related to, the charges.

59. In its response to Request No. 16, Duke Energy Kentucky is providing proprietary pricing information regarding what Duke Energy Kentucky charges for services which have been negotiated by parties. If this information is publicly released, it will place the Company at a disadvantage with future such negotiations as potential customers would have access to what the Company currently charges or expects to charge for such services.

60. Contemporaneous with the filing of this Petition, Duke Energy Kentucky is tendering documentation responsive to Sierra Club Requests 1.1, 1.2, 1.3, 1.8, 1.11, and 1.15; Kroger Request 1-1; AG Requests 2, 3, 16, 58, 113, 125, 126, 129, 154, 163, 164, 167, 168, 169, and 171; Commission Staff Requests 9, 29, and 70; and KBCA Request 16. The Confidential Information provided is proprietary information that is retained by Duke Energy Kentucky on a "need-to-know" basis. The Confidential Information is distributed within Duke Energy Kentucky only to the Chief Executive Officer, Senior Management, and the Board, who must have access for business reasons, and it is generally recognized as confidential and proprietary in the energy

industry and in business generally. Specifically, the Confidential Information contains compensation and benefit information for Duke Energy Kentucky employees, contracts with outside vendors, detailed financial information, integrated resource planning information.

61. The Kentucky Open Records Act and applicable precedent exempts the Confidential Information from disclosure. *See* KRS 61.878(1)(a); KRS 61.878(1)(c)(1); *Zink v. Department of Workers Claims, Labor Cabinet*, 902 S.W.2d 825 (Ky. App. 1994); *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). The Confidential Information includes information regarding job titles and historical compensation amounts for years other than the test year for Duke Energy Kentucky employees. Benefit information is personal and private information and should not be in the public realm. Furthermore, the surveys, studies and presentations used by Duke Energy Kentucky to determine compensation and benefit offerings are highly confidential and subject to proprietary protection of third-party vendors. The Commission has previously granted confidential protection to these types of surveys, studies, etc. Additionally, public disclosure of these sensitive documents would unnecessarily provide interested parties and Duke Energy Kentucky's competitors with access to exclusive information regarding employee compensation. By knowing what Duke Energy Kentucky compensates each of its employees, it would be very easy for other utilities to attempt to poach Duke Energy Kentucky's workforce and management. Such public disclosure could unfairly harm Duke Energy Kentucky's competitive position in the marketplace for utility management and a skilled workforce, to the detriment of Duke Energy Kentucky and its customers. For these reasons, the Confidential Information satisfies both the statutory and common law standards for affording confidential treatment. Indeed, the Commission has already recognized the confidential nature of

the Confidential Information and has afforded confidential treatment to similar compensation and wage documents in prior proceedings.<sup>2</sup>

62. Furthermore, some of the information for which Duke Energy Kentucky is seeking confidential treatment was either developed internally, or acquired on a proprietary basis, by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file publicly with any public agency, and is not publicly available from any commercial or other source. The aforementioned information provides detailed explanations of business and financial operations for Duke Energy Kentucky and Duke Energy Corporation's family of utility businesses and is distributed only to those employees who must have access for business reasons and is generally recognized as confidential and proprietary in the utility industry. Disclosure of this information will place the company and its parent at a disadvantage in competing for business, financing, and in negotiations with future vendors and service providers. This could result in the Company not achieving as favorable pricing as it otherwise could, which in turn could result in increased costs to customers.

63. Duke Energy Kentucky does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable protective agreement entered into with any intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case. However, until such time as it is known who is authorized to intervene in this case, Duke Energy Kentucky reserves the right to object to sharing the Confidential Information with any intervenor who may be able to use the Confidential Information for an improper purpose.

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<sup>2</sup> *Id.*, See also, *In the Matter of the Application of Kentucky Utilities Company for an Adjustment of its Electric Rates*, Order, Case No. 2014-00371 (Ky. P.S.C., Jan. 29, 2016).

64. In accordance with the provisions of 807 KAR 5:001, Section 13(2)(e), the Company is filing one copy of the Confidential Information separately under seal, and the appropriate number of copies with the Confidential Information redacted.

65. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of twenty years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company if publicly disclosed.

66. 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

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## CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on January 25, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.<sup>3</sup>

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*/s/Rocco D'Ascenzo*  
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<sup>3</sup>In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19, Order, Case No. 2020-00085 (Ky. P.S.C. July 22, 2021).