

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.)

**DUKE ENERGY KENTUCKY, INC.’S MOTION FOR LEAVE TO FILE
CORRECTIONS TO THE REBUTTAL TESTIMONIES OF JOHN PANIZZA AND LISA
STEINKUHL AND CERTAIN RESPONSES TO INTERVENOR DATA REQUESTS,
INSTANTER**

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), hereby respectfully moves the Kentucky Public Service Commission (Commission) pursuant to 807 KARS:001 Section 4(5) for leave to file an errata sheet and corresponding corrections to the rebuttal testimonies of John R. Panizza and Lisa D. Steinkuhl and certain Responses to Intervenor¹ data requests in this case, Instanter.

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 (Application).

3. On January 26, 2023, Duke Energy Kentucky filed its Responses to AG-DR-01-141, AG-DR-02-040, and AG-DR-02-047.

¹ The Intervenor data requests for which the Company seeks leave to amend include those of the Office of the Attorney General and Commission Staff, respectively.

4. On March 2, 2023, Duke Energy Kentucky filed its Response to STAFF-DR-03-021.

5. On April 14, 2023, Duke Energy Kentucky filed the rebuttal testimonies of its witnesses, including John R. Panizza and Lisa D. Steinkuhl, along with its Supplemental Responses to AG-DR-02-040 and STAFF-DR-03-021.

6. Duke Energy Kentucky recently discovered certain inadvertent errors related to the Company's proposed property tax expense and Rider ESM revenue requirement impact contained in the rebuttal testimonies of John R. Panizza and Lisa D. Steinkuhl, as well as minor typographical errors. Additionally, Duke Energy Kentucky discovered that certain Responses, including Attachments, as applicable, to AG-DR-01-141, AG-DR-02-040, AG-DR-02-047, and STAFF-DR-03-021 were affected by the errors. The corrections noted below reduce the Company's revenue requirement as set forth in its Application, and further reduce the revenue requirement initially set forth in rebuttal testimony.

7. Duke Energy Kentucky is now seeking to file corrections to the rebuttal testimonies of John R. Panizza and Lisa D. Steinkuhl and to the Responses, including Attachments, as applicable, to AG-DR-01-141, AG-DR-02-040, AG-DR-02-047, and STAFF-DR-03-021, Instantly, to correct the record in this proceeding.

8. To correct these inadvertent errors, Mr. Panizza respectfully submits an errata sheet, along with an amended copy of his rebuttal testimony. The corrections are noted below:

- a. Page 3, line 5 – replace “\$15.653” with “\$14.844”
- b. Page 3, line 6 – replace “fault” with “faulty”
- c. Page 3, lines 8–9 – delete “including adjustments for successful appeals”
- d. Page 3, lines 13–17 – delete “and one time property tax reductions that do not

accurately reflect a single year’s likely property tax expense. One-time adjustments such as property tax reductions achieved by successfully appealing to the DOR are not always successful. Therefore, one-time reductions should not be included in the property tax estimate’s starting point”

- e. Page 4, line 13 – replace “\$15.653” with “\$14.844”
- f. Page 5, line 6 – add [space] between “Futral” and “only”
- g. Page 6, lines 12–17 – make the following additions and deletions:² “The Company recommends that the Commission reject Mr. Futral’s recommendations, ~~and~~ instead, utilize the property tax expense submitted by the Company in its filing. The filing reflects utilizing tax year 2021 property tax expense of \$15.653 and utilize \$14.844 million as the 2021 property tax expense starting point and escalate~~ing~~ using factors that rely on net operating income growth as well as local tax rate growth ~~and other potential adjustments such as tax appeal results~~ to ultimately estimate a property tax expense of \$18.139 ~~\$19.741~~ million for the test period.”
- h. Page 7, lines 1–10 – add the following:

Q. PLEASE EXPLAIN THE REVISIONS TO THE PROPERTY TAX EXPENSE MADE IN THIS TESTIMONY WHEN COMPARED TO THE ORIGINALLY FILED PROPERTY TAX EXPENSE.

A. The 2021 property tax expense for the Company’s electric business was corrected to reflect the 2021 notice of value from the Department Of Revenue. The change was from \$12.988 million to \$10.942 million. The Company corrected its effective tax rate as well to reflect this change. The escalation factor was corrected

² Additions are shown underlined, and deletions are shown stricken.

to remove a cost approach growth component for the Company's electric business to properly weight the net operating income approach to 100%. The data requests, AG-DR-02-047 & AG-DR-01-141, were revised to reflect the changes above.

9. Corresponding to the amendments made to Mr. Panizza's rebuttal testimony, Duke Energy Kentucky also respectfully submits a Revised Response to AG-DR-01-141 and Revised Response to AG-DR-02-047.

10. Ms. Steinkuhl also respectfully submits an errata sheet, along with an amended copy of her rebuttal testimony. The corrections are noted below:

- a. Page 5, line 6 – replace "\$9.939" with "\$3.290"
- b. Page 5, footnote 1 – add "Revised" and "Revised"
- c. Page 7, lines 1–7 – add the following:

Q. DOES THE COMPANY AGREE WITH MR. FUTRAL'S RECOMMENDATIONS AS IT RELATES TO THE COMPANY'S PROPOSED PROPERTY TAX EXPENSE?

A. No. Company witness Panizza explains why the Company disagrees with this recommendation. However, in his corrected rebuttal testimony Mr. Panizza does propose a revised property tax expense. As a result of this change, the revenue requirement being requested by the Company is reduced by \$1.605 million.

- d. Pages 7–8 – replace revenue requirement summary table with revised revenue requirement summary table, which reflects the changes noted above

11. Corresponding to the amendments made to Ms. Steinkuhl's rebuttal testimony, Duke Energy Kentucky also respectfully submits a Revised Supplemental Response to AG-DR-02-040, Revised Supplemental Response to STAFF-DR-03-021, STAFF-DR-03-021 Revised

Supplemental Attachment 1, and STAFF-DR-03-021 Revised Supplemental Attachment 2.

12. Duke Energy Kentucky respectfully submits that no parties have been harmed by these inadvertent errors, and indeed, the corrections enumerated above reduce the Company's revenue requirement to the benefit of its customers.

WHEREFORE, Duke Energy Kentucky respectfully requests that it be granted leave to file an errata sheet and corresponding corrections to the rebuttal testimonies of John R. Panizza and Lisa D. Steinkuhl and certain responses to Intervenor data requests.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Rocco D'Ascenzo

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Larisa Vaysman (98944)

Senior Counsel

Duke Energy Business Services LLC

139 East Fourth Street

Cincinnati, OH 45202

Phone: (513) 287-4320

Fax: (513) 370-5720

Rocco.D'Ascenzo@duke-energy.com

Larisa.Vaysman@duke-energy.com

and

Elizabeth M. Brama, *Pro Hac Vice*

Valerie T. Herring (99361)

TAFT STETTINIUS & HOLLISTER LLP

2200 IDS Center

80 South Eighth Street

Minneapolis, MN 55402

Phone: (612) 977-8400

Fax: (612) 977-8650

Counsel for Duke Energy Kentucky, Inc.

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 May 5, 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.³

Angela M. Goad
J. Michael West
Lawrence W. Cook
John G. Horne II
Assistant Attorneys General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
Angela.Goad@ky.gov
Michael.West@ky.gov
Larry.Cook@ky.gov
John.Horne@ky.gov

Joshua Smith
Sierra Club
2101 Webster Street, Suite 1300
Oakland, CA 94612
Joshua.Smith@sierraclub.org

Joe F. Childers, Esq.
Childers & Baxter, PLLC
The Lexington Building
201 West Short Street, Suite 300
Lexington, KY 40507
Joe@Jchilderslaw.com

Carrie H. Grundmann
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
cgrundmann@spilmanlaw.com

Steven W. Lee
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
slee@spilmanlaw.com

Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202
kboehm@bkllawfirm.com
jkylercohn@bkllawfirm.com

James W. Gardner
M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Suite 1500
Lexington, KY 40507
jgardner@sturgillturner.com
tosterloh@sturgillturner.com

Paul Werner
Hannah Wigger
Maria Laura Coltre
Sheppard Mullin Richter & Hampton LLP
2099 Pennsylvania Avenue NW, Suite 100
Washington, DC 20006
pwerner@sheppardmullin.com
hwigger@sheppardmullin.com
mcoltre@sheppardmullin.com

/s/Rocco D'Ascenzo

Counsel for Duke Energy Kentucky, Inc.

³In 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).