

KyPSC Case No. 2022-00372
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
AG-PHDR-01-001	Huyen C. Dang.....	1

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Post-Hearing Data Requests
Date Received: May 16, 2023

AG-PHDR-01-001

REQUEST:

Refer to the following excerpt from the Federal Energy Regulatory Commission's Uniform System of Accounts ("FERC USOA"), 108 Accumulated provision for depreciation of electric utility plant (Major Only).¹

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. For purposes of analysis, however, each utility shall maintain subsidiary records in which this account is segregated according to the following functional classification for electric plant:

- (1) Steam production,
- (2) Nuclear production,
- (3) Hydraulic production,
- (4) Other production,
- (5) Transmission,
- (6) Distribution,
- (7) Regional Transmission and Market Operation, and
- (8) General.

These subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each such functional classification:

- (a) The amount of accrual for depreciation,
- (b) The book cost of property retired,
- (c) Cost of removal,
- (d) Salvage, and
- (e) Other items, including recoveries from insurance.

Separate subsidiary records shall be maintained for the amount of accrued cost of removal other than legal obligations for the retirement of plant recorded in Account 108, Accumulated provision for depreciation of electric utility plant (Major only).

¹ <https://www.ecfr.gov/current/title-18/chapter-I/subchapter-C/part-101>

- a. Confirm that decommissioning expense, whether incorporated into the depreciation rates and expense or recorded separately, is included in accumulated provision for depreciation, but is subject to the preceding subsidiary records requirement so that decommissioning amounts can be separately identified and quantified.

RESPONSE:

The book reserve (accumulated depreciation) which is Account 108, Accumulated Provision for Depreciation for Duke Energy Kentucky is consistently segregated into the categories described above. The amount of the decommissioning expense that is a component of the annual depreciation expense is not segregated from other annual depreciation expense as there is no requirement to do so for regulatory ratemaking. The amount of decommissioning cost that is incurred and paid as cost of removal also does not need to be segregated from any other cost of removal recorded, however, the Company will have those amounts identified as the actual payments are paid and when the costs are incurred at the time of the final retirement of the unit/location. In summary, the actual decommissioning costs are separately identified as they are paid as an offset to the Account 108 accrual but the accrual itself is not segregated.

PERSON RESPONSIBLE: Huyen C. Dang