

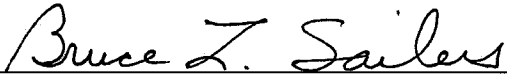
KyPSC Case No. 2022-00372
TABLE OF CONTENTS

| <u>DATA REQUEST</u> | <u>WITNESS</u> | <u>TAB NO.</u> |
|----------------------------|-------------------------------------|-----------------------|
| AG-RHDR-01-001 | Bruce Sailors | 1 |
| AG-RHDR-01-002 | Jacob Colley | 2 |
| AG-RHDR-01-003 | John Spanos Lisa Steinkuhl | 3 |
| AG-RHDR-01-004 | Sarah Lawler..... | 4 |
| AG-RHDR-01-005 | Huyen Dang | 5 |
| AG-RHDR-01-006 | John Panizza | 6 |
| AG-RHDR-01-007 | John Spanos | 7 |
| AG-RHDR-01-008 | John Spanos | 8 |
| AG-RHDR-01-009 | Legal Sarah Lawler..... | 9 |
| AG-RHDR-01-010 | Legal Sarah Lawler..... | 10 |

VERIFICATION


STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, Bruce Sailers, Director Jurisdictional Rate Administration, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Bruce Sailers Affiant

Subscribed and sworn to before me by Bruce Sailers on this 6th day of December, 2023.



NOTARY PUBLIC

My Commission Expires: July 8, 2027

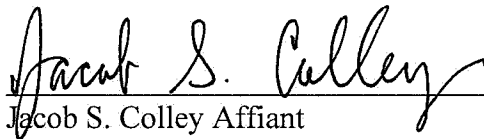


EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

VERIFICATION

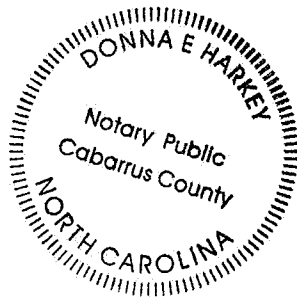
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

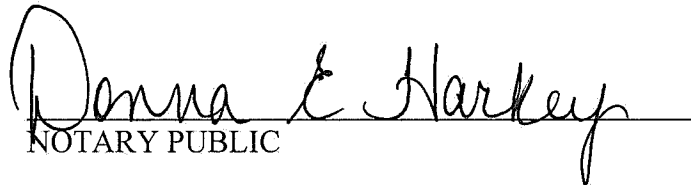
The undersigned, Jacob S. Colley, Director Customer Services Strategy, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Jacob S. Colley Affiant

Subscribed and sworn to before me by Jacob S. Colley on this 13th day of December 2023.





NOTARY PUBLIC

My Commission Expires: 03-01-24

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF CUMBERLAND)

The undersigned, John J. Spanos, President of Gannett Fleming Valuation and Rate Consultants, LLC, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

John J. Spanos

John J. Spanos Affiant

Subscribed and sworn to before me by John J. Spanos on this 14th day of December, 2023.

[Signature]

NOTARY PUBLIC

Commonwealth of Pennsylvania - Notary Seal
Cheryl Ann Rutter, Notary Public
Cumberland County
My commission expires February 20, 2027
Commission number 1143028
Member, Pennsylvania Association of Notaries

My Commission Expires: February 20, 2027

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, Lisa Steinkuhl, Director Rates & Regulatory Planning, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

Lisa D Steinkuhl
Lisa Steinkuhl Affiant

Subscribed and sworn to before me by Lisa Steinkuhl on this 14TH day of DECEMBER, 2023.



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

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, Sarah E. Lawler, VP Rates & Regulatory Strategy OH/KY, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief



Sarah E. Lawler Affiant

Subscribed and sworn to before me by Sarah E. Lawler on this 19th day of December, 2023.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

VERIFICATION

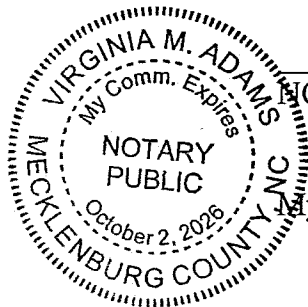
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, Huyen C. Dang, Director of Accounting, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

[Handwritten Signature]

Huyen C. Dang Affiant

Subscribed and sworn to before me by Huyen C. Dang on this 6 day of Dec.,
2023.



Virginia M. Adams

NOTARY PUBLIC
My Commission Expires: 10/2/26

VERIFICATION

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

The undersigned, John R. Panizza, Director, Tax Operations, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing rehearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

John R. Panizza
John R. Panizza Affiant

Subscribed and sworn to before me by John R. Panizza on this 12 day of Dec., 2023.



Virginia M. Adams
NOTARY PUBLIC

My Commission Expires: 10/2/2026

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-001

REQUEST:

Refer to Duke Kentucky's Petition for Rehearing ("Petition") at 2 – 3. Provide the correct electric rates that would result from the removal of the \$3.290 million Environmental Surcharge Mechanism ("Rider ESM") revenues from Duke Kentucky's revenue requirement.

RESPONSE:

Please see the Company's response to STAFF-RHDR-01-005 for the correct electric rates.

PERSON RESPONSIBLE: Bruce L. Sailors

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-002

REQUEST:

Refer to Duke Kentucky's Petition at 4 – 8.

- a. Provide a detailed list, including the name and location, of the additional fee-free payment locations that the Company will make available to its customers to pay their electric bills.
- b. Provide the date in which the additional fee-free payment locations listed above will be available to Duke Kentucky's customers to pay their electric bills.
- c. Explain the arrangement that Duke Kentucky has with the fee-free payment locations. Ensure to include in the response whether Duke Kentucky has to pay a fee to these payment locations for each accepted electric bill payment, if there is a blanket fee, or if there is no fee at all.
- d. Explain the arrangement that Duke Kentucky has with the payment locations that charge a fee to accept a customer's electric bill payment. Ensure to include in the response whether Duke Kentucky has to pay a fee to these payment locations for each accepted electric bill payment, if there is a blanket fee, or if there is no fee at all.
- e. Provide a copy of the new contract that Duke Kentucky has entered into with Kroger to accept a customer's electric bill payment without a fee. If no contract exists, explain in detail why not.

RESPONSE:

Please see response to STAFF-PHDR-01-007.

PERSON RESPONSIBLE: Jacob S. Colley

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-003

REQUEST:

Refer to Duke Kentucky's Petition at 20, in which the Company asserts that including decommissioning costs in the depreciation rates for its solar generating assets will increase the revenue requirement by \$0.141 million.

- a. Starting with the decommissioning cost estimate for each of the solar generating assets in 2022 dollars provided by Mr. Kopp, provide the calculation of the terminal net salvage in future dollars based on each asset's probable retirement date used by Mr. Spanos in his calculations of the depreciation rates. Provide the calculation of this amount showing all components, assumptions, and data in an Excel workbook in live format and with all formulas intact.
- b. Starting with the decommissioning cost estimate in future dollars provided in response to part (a) of this question, provide the calculation of the \$0.141 million cited in the Company's Petition showing all components, assumptions, and data in an Excel workbook in live format and with all formulas intact.
- c. Refer to the Attachment to Duke Kentucky's response to the Attorney General's First Request for Information, Item 121, which shows the decommissioning expense for the solar generating assets at \$0.035451 million (\$0.030397 million plus \$0.004944 million). Reconcile this expense amount to the \$0.141 million cited in the Company's Petition.

RESPONSE:

- a. As the Company responded in AG-DR-01-118, to determine the future decommissioning costs, the 2022 decommissioning costs were escalated at a rate of 2.5% up to the retirement date of each location. The escalation rate used in the terminal net salvage calculation is supported by the CPI data series, which are available at www.bls.gov and long term CPI forecasts, which are available from the Federal Reserve Bank of Philadelphia's Livingston Survey (at <https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>). See AG-RHDR-01-003(a) Attachment 1 for the calculation of the terminal net salvage percent. See AG-RHDR-01-003(a) Attachment 2 for the calculation of the interim net salvage percent. Finally, see AG-RHDR-01-003(a) Attachment 3 for the weighting of the interim and terminal net salvage percentages to determine the estimate used in the depreciation calculations.
- b. See the response to a. and c., the terminal net salvage is a component of the depreciation rate. Therefore, the depreciation rate will change if terminal net salvage is not included as a component. See STAFF-RHDR-01-003 Attachment for the calculation of revenue requirement impact of the change in the depreciation expense with and without terminal net salvage.
- c. As indicated in the response to AG-01-121, this schedule shows the breakdown of the proposed rates and expense based on the most reasonable assumptions of percentages allocated to each component as of December 31, 2021. \$35,451 represents the terminal net salvage included in the proposed depreciation rates based on the plant balance as of December 31, 2021. STAFF-RHDR-01-003 Attachment sets forth how the depreciation expense would change if terminal net

salvage was excluded which is a reduction of \$143,563 based on the 13-month average plant investment as of June 30, 2024 which is after December 31, 2021. Per STAFF-RHDR-01-003, \$140,602 is the revenue requirement impact of the change in depreciation expense of \$143,563.

PERSON RESPONSIBLE: John J. Spanos
Lisa D. Steinkuhl

DUKE ENERGY KENTUCKY

CALCULATION OF TERMINAL NET SALVAGE PRECENT

| <u>UNIT</u> (1) | <u>ESTIMATED RETIREMENT YEAR</u> (2) | <u>TOTAL DECOMMISSIONING COSTS (CURRENT \$)</u> (3) | <u>TOTAL DECOMMISSIONING COSTS (FUTURE \$)</u> (4) | <u>ESTIMATED TERMINAL RETIREMENTS</u> (5) | <u>TERMINAL NET SALVAGE (%)</u> (6)=(4)/(5) |
|-------------------------|---|--|---|--|--|
| SOLAR PRODUCTION | | | | | |
| CRITTENDEN | 2047 | 412,300 | 783,491 | (1,273,955) | (62) |
| WALTON | 2047 | 586,200 | 1,113,952 | (1,772,107) | (63) |

DUKE ENERGY KENTUCKY

INTERIM NET SALVAGE

| <u>ACCOUNT</u> | <u>INTERIM NET SALVAGE (%)</u> | <u>ORIGINAL COST AS OF 12/31/2021</u> | <u>2021 ORIGINAL COST AS A PERCENT OF TOTAL</u> | <u>WEIGHTED AVERAGE OF INTERIM NET SALVAGE (%)</u> |
|----------------|--|---|---|--|
|----------------|--|---|---|--|

DUKE ENERGY KENTUCKY
 CALCULATION OF WEIGHTED NET SALVAGE PERCENT

| LOCATION (1) | TERMINAL RETIREMENTS | | | INTERIM RETIREMENTS | | | TOTAL RETIREMENTS (8) | WEIGHTED AVERAGE NET SALVAGE % (9)=(3)*(4)+(6)*(7) |
|-------------------------|----------------------|----------------------|---------------------------|---------------------|----------------------|---------------------------|-----------------------------|---|
| | AMOUNT (2) | % OF TOTAL (3) | NET SALVAGE (%) (4) | AMOUNT (5) | % OF TOTAL (6) | NET SALVAGE (%) (7) | | |
| SOLAR PRODUCTION | | | | | | | | |
| CRITTENDEN | (1,273,955.02) | 26.65 | (62) | (3,506,735.84) | 73.35 | (5) | (4,780,690.86) | (20) |
| WALTON | (1,772,106.74) | 26.65 | (63) | (4,877,966.75) | 73.35 | (5) | (6,650,073.49) | (20) |

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-004

REQUEST:

Refer to Duke Kentucky's Petition at 21 – 22. Duke Kentucky asserts that, “[t]he company acknowledges that a true-up of estimated expense to actuals can be appropriate for rate case expense and is open to that possibility in future cases. . . . “ Explain in detail why awarding actual rate case expense would be appropriate in future rate cases, but not in the pending rate case.

RESPONSE:

As the Company noted in its petition for rehearing, due to the timing of when briefing closed, the Company had to make a determination as to what costs would be requested for recovery before those actual costs were actually known by the Company because they had not yet been invoiced or processed. The Company explained why in the remainder of the sentence quoted above as follows: “...but it is not equitable to limit recovery in this case to actual expenses when the record closes while expenses are still being incurred but not yet known.” If in a future case the timing of when costs have to be submitted for requested recovery is such that all actual costs are known, it would be reasonable to provide actual costs in that instance.

PERSON RESPONSIBLE: Sarah E. Lawler

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-005

REQUEST:

Confirm that there is no Generally Accepted Accounting Principles (“GAAP”) accounting requirement to record decommissioning expense during the service lives of generating assets unless it is authorized by the regulator for recovery in regulated utility rates. If not confirmed, then provide all authoritative support relied on for the response.

RESPONSE:

There are Federal Energy Regulatory Commission (“FERC”) guidelines that require the regulated utility to record decommissioning expense during the service life of assets. FERC’s Code of Federal Regulations *Title 18/ Chapter I / Subchapter C/ Part 101 / Income Accounts 400 Operating Revenues / 403 Depreciation expense/ B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also, such records as will reflect the percentage of salvage and costs of removal for property retired from each account, or subdivision thereof, for depreciable electric plant.*

Also, *Title 18/ Chapter I / Subchapter C/ Part 101 / Balance Sheet Accounts 101 Electric Plant in Service/ 108 Accumulated provision for depreciation of electric utility plant/ B At the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance. When*

retirement, costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

PERSON RESPONSIBLE: Huyen C. Dang

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-006

REQUEST:

Confirm that there is a tax penalty to recover decommissioning expense prior to the retirement of the generating unit and the incurrence of actual decommissioning costs due to the book/tax temporary difference and the asset Accumulated Deferred Income Taxes (“ADIT”) created and included in rate base during the service lives of the generating assets. If not confirmed, then provide all authoritative support relied on for the response.

RESPONSE:

For income tax purposes, decommissioning expenses are generally deductible during the incurrence of actual decommissioning costs as opposed to deducting the costs as they are accrued. This creates a book/tax temporary difference and a deferred tax asset.

Oftentimes the decommissioning asset retirement obligations accrual is established by capitalizing the accrued expense into an Asset Retirement Cost which is subsequently depreciated for book purposes only. This creates a book/tax temporary difference and a deferred tax liability.

PERSON RESPONSIBLE: John R. Panizza

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-007

REQUEST:

Provide the distribution and transmission depreciation rates approved by the Commission in the pending case, and the depreciation expense in the test year separated into depreciation expense without net salvage, interim net salvage, and terminal net salvage for each distribution and transmission Federal Energy Regulatory Commission ("FERC") plant account/subaccount. Provide all supporting workpapers, assumptions, and data in live Excel format with all formulas intact.

RESPONSE:

Please see AG-RHDR-01-007 Attachment which sets forth the Commission approved rates and resulting depreciation expense as of December 31, 2021 for distribution and transmission accounts. Distribution and transmission accounts are mass property accounts and therefore do not have a terminal net salvage component. For these types of assets there is only a net salvage component.

PERSON RESPONSIBLE: John J. Spanos

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES BY COMPONENT RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2021

| ACCOUNT (1) | SURVIVOR CURVE (2) | NET SALVAGE PERCENT (3) | ORIGINAL COST AS OF DECEMBER 31, 2021 (4) | BOOK DEPRECIATION RESERVE (5) | FUTURE ACCRUALS (6) | CALCULATED ANNUAL ACCRUAL | | CAPITAL RECOVERY | | COST OF REMOVAL | | GROSS SALVAGE | | |
|--|---|----------------------------|--|----------------------------------|------------------------|---------------------------|---------------------|------------------|-------------------|-----------------|------------------|----------------|------------------|--------|
| | | | | | | AMOUNT (7) | RATE (8)=(7)/(4) | AMOUNT (9) | RATE (10) | AMOUNT (11) | RATE (12) | AMOUNT (13) | RATE (14) | |
| TRANSMISSION PLANT | | | | | | | | | | | | | | |
| 3501 | RIGHTS OF WAY | 75-R4 | 0 | 1,333,532.32 | 718,038 | 615,494 | 12,417 | 0.93 | 12,417 | 0.93 | - | 0.00 | - | 0.00 |
| 3520 | STRUCTURES AND IMPROVEMENTS | 70-R2.5 | (15) | 5,985,540.28 | 445,312 | 6,438,059 | 101,410 | 1.69 | 88,242 | 1.47 | 13,168 | 0.22 | - | 0.00 |
| 3530 | STATION EQUIPMENT | 50-R1 | (10) | 29,941,037.25 | 3,024,220 | 29,910,921 | 692,521 | 2.31 | 629,645 | 2.10 | 62,876 | 0.21 | - | 0.00 |
| 3531 | STATION EQUIPMENT - STEP UP | 50-R3 | (10) | 9,373,633.98 | 4,731,216 | 5,579,781 | 236,594 | 2.52 | 215,035 | 2.29 | 21,559 | 0.23 | - | 0.00 |
| 3532 | STATION EQUIPMENT - MAJOR | 60-R2.5 | (10) | 11,448,790.49 | 2,305,016 | 10,288,654 | 204,290 | 1.78 | 185,972 | 1.62 | 18,318 | 0.16 | - | 0.00 |
| 3534 | STATION EQUIPMENT - STEP UP EQUIPMENT | 40-R2.5 | (10) | 7,672,013.50 | 2,029,313 | 6,409,902 | 219,899 | 2.87 | 199,952 | 2.61 | 19,947 | 0.26 | - | 0.00 |
| 3550 | POLES AND FIXTURES | 55-R1 | (30) | 15,265,498.48 | 1,982,379 | 17,862,769 | 392,346 | 2.57 | 302,280 | 1.98 | 96,173 | 0.63 | (6,106) | (0.04) |
| 3560 | OVERHEAD CONDUCTORS AND DEVICES | 55-R1 | (25) | 11,048,347.48 | 3,077,904 | 10,732,530 | 231,320 | 2.09 | 186,022 | 1.68 | 47,508 | 0.43 | (2,210) | (0.02) |
| 3561 | OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY | 65-R3 | 0 | 1,841,852.59 | 85,851 | 1,756,002 | 28,365 | 1.54 | 28,365 | 1.54 | - | 0.00 | - | 0.00 |
| TOTAL TRANSMISSION PLANT | | | | 93,910,246.37 | 18,399,249 | 89,594,112 | 2,119,162 | 2.26 | 1,847,928 | | 279,550 | | (8,316) | |
| DISTRIBUTION PLANT | | | | | | | | | | | | | | |
| 3601 | RIGHTS OF WAY | 75-R4 | 0 | 4,497,571.31 | 3,188,000 | 1,309,571 | 31,113 | 0.69 | 31,113 | 0.69 | - | 0.00 | - | 0.00 |
| 3610 | STRUCTURES AND IMPROVEMENTS | 70-R2.5 | (15) | 1,420,206.00 | 133,335 | 1,499,902 | 26,676 | 1.88 | 23,125 | 1.63 | 3,551 | 0.25 | - | 0.00 |
| 3620 | STATION EQUIPMENT | 32-R0.5 | (10) | 74,309,691.33 | 2,701,461 | 79,039,199 | 2,908,569 | 3.91 | 2,641,054 | 3.55 | 267,515 | 0.36 | - | 0.00 |
| 3622 | STATION EQUIPMENT - MAJOR | 60-R2.5 | (10) | 42,685,560.46 | 10,534,388 | 36,419,729 | 739,611 | 1.73 | 671,314 | 1.57 | 68,297 | 0.16 | - | 0.00 |
| 3640 | POLES, TOWERS AND FIXTURES | 55-R0.5 | (50) | 74,482,036.53 | 30,437,147 | 81,285,908 | 1,770,540 | 2.38 | 1,182,132 | 1.59 | 625,649 | 0.84 | (37,241) | (0.05) |
| 3650 | OVERHEAD CONDUCTORS AND DEVICES | 53-O1 | (40) | 144,890,225.86 | 36,592,558 | 166,253,758 | 3,640,144 | 2.51 | 2,611,423 | 1.80 | 1,086,677 | 0.75 | (57,956) | (0.04) |
| 3651 | OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY | 65-R3 | 0 | 7,177,611.92 | 526,432 | 6,651,180 | 107,441 | 1.50 | 107,441 | 1.50 | - | 0.00 | - | 0.00 |
| 3660 | UNDERGROUND CONDUIT | 75-R3 | (25) | 43,372,544.85 | 8,759,919 | 45,455,762 | 694,427 | 1.60 | 555,635 | 1.28 | 138,792 | 0.32 | - | 0.00 |
| 3670 | UNDERGROUND CONDUCTORS AND DEVICES | 56-R2 | (35) | 81,870,581.37 | 19,997,687 | 90,527,598 | 2,074,660 | 2.53 | 1,542,501 | 1.88 | 548,533 | 0.67 | (16,374) | (0.02) |
| 3680 | LINE TRANSFORMERS | 48-R0.5 | (15) | 73,741,779.67 | 27,436,641 | 57,366,406 | 1,498,764 | 2.03 | 1,307,035 | 1.77 | 221,225 | 0.30 | (29,497) | (0.04) |
| 3682 | LINE TRANSFORMERS - CUSTOMER | 55-R1.5 | (15) | 273,660.52 | 279,832 | 34,878 | 1,453 | 0.53 | 1,261 | 0.46 | 219 | 0.08 | (27) | (0.01) |
| 3691 | SERVICES - UNDERGROUND | 65-R3 | (40) | 2,765,626.10 | 754,485 | 3,117,392 | 54,614 | 1.97 | 39,126 | 1.41 | 15,488 | 0.56 | - | 0.00 |
| 3692 | SERVICES - OVERHEAD | 60-R1 | (40) | 19,464,620.52 | 10,671,301 | 16,579,168 | 330,957 | 1.70 | 235,580 | 1.21 | 95,377 | 0.49 | - | 0.00 |
| 3700 | METERS AND METERING EQUIPMENT | 24-L1 | (2) | 2,620,523.38 | 834,658 | 1,838,276 | 120,438 | 4.60 | 118,080 | 4.51 | 3,669 | 0.14 | (1,310) | (0.05) |
| 3702 | UoF METERS | 15-S2.5 | 0 | 25,906,841.19 | 6,086,656 | 19,820,185 | 1,586,353 | 6.12 | 1,586,353 | 6.12 | - | 0.00 | - | 0.00 |
| 3711 | CUSTOMERS' AREA LIGHTING | 20-S0.5 | 0 | 1,051.24 | 131 | 920 | 48 | 4.57 | 48 | 4.57 | - | 0.00 | - | 0.00 |
| 3712 | COMPANY-OWNED OUTDOOR LIGHTING | 11-R2 | (5) | 861,284.30 | 124,052 | 780,297 | 92,852 | 10.78 | 88,459 | 10.27 | 4,393 | 0.51 | - | 0.00 |
| 3720 | LEASED PROPERTY ON CUSTOMERS' PREMISES | 30-L3 | 0 | 9,647.36 | 9,647 | 0 | 0 | - | - | 0.00 | - | 0.00 | - | 0.00 |
| 3731 | STREET LIGHTING - OVERHEAD | 34-L0.5 | (15) | 2,507,459.22 | 2,105,390 | 778,188 | 31,453 | 1.25 | 27,441 | 1.09 | 4,012 | 0.16 | - | 0.00 |
| 3732 | STREET LIGHTING - BOULEVARD | 55-R1.5 | (20) | 3,368,422.54 | 2,568,569 | 1,473,538 | 37,692 | 1.12 | 31,292 | 0.93 | 6,400 | 0.19 | - | 0.00 |
| 3733 | STREET LIGHTING - CUSTOMER POLES | 25-L0 | (10) | 3,858,522.09 | 852,584 | 3,391,790 | 162,629 | 4.21 | 147,967 | 3.83 | 14,662 | 0.38 | - | 0.00 |
| TOTAL DISTRIBUTION PLANT | | | | 610,085,467.76 | 164,594,873 | 613,623,645 | 15,910,434 | 2.61 | 12,948,382 | | 3,104,457 | | (142,406) | |
| TOTAL TRANSMISSION AND DISTRIBUTION PLANT | | | | 703,995,714.13 | 182,994,122 | 703,217,757 | 18,029,596 | 2.56 | 14,796,311 | | 3,384,007 | | (150,721) | |

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-008

REQUEST:

Provide a copy of all distribution and transmission decommissioning studies in support of the present depreciation rates for those plant accounts, such as the study developed by Mr. Kopp in this proceeding for generation assets. If there are no distribution and transmission decommissioning studies then explain in detail why not.

RESPONSE:

There are no decommissioning studies performed for distribution and transmission accounts. Mass property assets are not subject to decommissioning costs so there is no terminal net salvage component included in depreciation expense; therefore, there is only a net salvage component.

PERSON RESPONSIBLE: John J. Spanos

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-009

REQUEST:

Confirm that the Commission removed all decommissioning costs from Kentucky Power Company's depreciation rates for generating units in its final Order in Case 2017-00179.1
If not confirmed, explain in detail why not.

RESPONSE:

Objection. This request seeks a legal opinion and is otherwise unreasonable insofar as it seeks information that is publicly available and accessible to the Attorney General. The Commission's Orders speak for themselves, and therefore this request is interpreted as intending to harass. Moreover, this request is objectionable insofar as it misstates and misconstrues facts. Notwithstanding the aforementioned objection, and to the extent discoverable, the Commission's Order dated January 18, 2018 approved a settlement wherein *Kentucky Power and the settling parties agreed* to remove terminal net salvage costs for Big Sandy Unit 1 and Mitchell Plant, but that *Kentucky Power retained the right to propose updated depreciation rates to include terminal net salvage in future proceedings*. (Stipulation attached to Order at para. 7b, *emphasis added*) Moreover, the Commission's Order clearly states that "Because Kentucky Power recovers the costs associated with the decommissioning of coal-related assets at Big Sandy through the Decommissioning Rider, those costs are not included for recovery in base rates." (Order at 41). The Order goes on to state that "...for the twelve months ending September 30, 2018,

Kentucky power will recover approximately \$20.2 million through the Decommissioning Rider.” (Id).

Moreover, the Company further states that the Commission’s decision in Case No. 2017-00321, dated April 13, 2018, was issued several months *after* the Kentucky Power decision referenced by the Attorney General in its above question, and was the result of a *fully-litigated proceeding*. In that fully-litigated case, the Commission concluded that “Duke Kentucky’s recommendation on the treatment of terminal net salvage value in the computing the depreciation rates for generating units is reasonable in order to avoid intergenerational inequity and should be approved.”¹

PERSON RESPONSIBLE: As to objection, Legal
As to response, Sarah E. Lawler

¹ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of the Electric Rates; 2) Approval of an Environmental Compliance Plan and Surcharge Mechanism; 3) Approval of New Tariffs; 4) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 5) All Other Required Approvals and Relief*, Case No. 2017-00321 (Opinion and Order pg. 27)(April 13, 2018).

Duke Energy Kentucky
Case No. 2022-00372
Attorney General's First Set Rehearing Data Requests
Date Received: December 6, 2023

AG-RHDR-01-010

REQUEST:

Confirm that the Commission issued its final Order in Case 2017-00179, prior to the enactment of KRS 278.264 (also referred to as Senate Bill 4). If not confirmed, explain in detail why not.

RESPONSE:

Objection. This request seeks a legal opinion and is otherwise unreasonable insofar as it seeks information that is publicly available and accessible to the Attorney General. The Commission's Orders speak for themselves, and therefore this request is interpreted as intending to harass. Moreover, it is irrelevant as the Order referenced approved a settlement agreed to by the settling parties, including the utility at issue. Notwithstanding the aforementioned objection, and to the extent discoverable, the Commission's Order in that case was dated January 18, 2018 and approved a settlement wherein Kentucky Power and the settling parties agreed to remove terminal net salvage costs for Big Sandy Unit 1 and Mitchell Plant but that *Kentucky Power retained the right to propose updated depreciation rates to include terminal net salvage in future proceedings*. (Stipulation attached to Order at para.7b, *emphasis added*). Moreover, the Commission's Order clearly states that "Because Kentucky Power recovers the costs associated with the decommissioning of coal-related assets at Big Sandy through the Decommissioning Rider, those costs are not included for recovery in base rates." (Order at 41). The Order goes on to state that "...for

the twelve months ending September 30, 2018, Kentucky power will recover approximately \$20.2 million through the Decommissioning Rider.” (Id).

Moreover, the Company further states that the Commission’s decision in Case No. 2017-00321, dated April 13, 2018, was issued several months *after* the Kentucky Power decision referenced by the Attorney General in its above question, and was the result of a *fully-litigated proceeding*. In that fully-litigated case, the Commission concluded that “Duke Kentucky’s recommendation on the treatment of terminal net salvage value in the computing the depreciation rates for generating units is reasonable in order to avoid intergenerational inequity and should be approved.”¹

PERSON RESPONSIBLE: As to objection, Legal
As to response, Sarah E. Lawler

¹ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of the Electric Rates; 2) Approval of an Environmental Compliance Plan and Surcharge Mechanism; 3) Approval of New Tariffs; 4) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 5) All Other Required Approvals and Relief*, Case No. 2017-00321 (Opinion and Order pg. 27)(April 13, 2018).