COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF DUKE ENERGY KENTUCKY, INC. FOR (1) AN ADJUSTMENT OF ELECTRIC RATES; (2) APPROVAL OF NEW TARIFFS; (3) APPROVAL OF ACCOUNTING PRACTICES TO ESTABLISH REGULATORY ASSETS AND LIABILITIES; AND (4) ALL OTHER REQUIRED APPROVALS AND RELIEF | ) | CASE NO. 2022-00372 |

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION TO DUKE ENERGY KENTUCKY, INC.**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention ("Attorney General"), and submits the First Request for Information to Duke Energy Kentucky, Inc. (hereinafter "Duke Kentucky" or the "Company") to be answered by January 25, 2023, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the

preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout, which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words ''document'' or ''documents'' are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings;

calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL

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***Certificate of Service and Filing***

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on January 11, 2023, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 11th day of January, 2023,

Angela M. Awad

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Assistant Attorney General

1. Refer to the Application generally.
    a. Provide an organizational chart of Duke Kentucky. Designate what city each position is located in within Kentucky, and whether any position is vacant. If a position is based outside of Kentucky provide the city and state where it is located.
    b. Provide an organizational chart of Duke Energy Ohio, Inc. ("Duke Ohio"), which wholly owns Duke Kentucky. Designate what city each position is located in within Ohio, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant. If a position is based outside of Ohio provide the city and state where it is located.
    c. Provide an organizational chart of Cinergy, which wholly owns Duke Ohio. Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant.
    d. Provide an organizational chart of Duke Energy Corporation ("Duke Energy"), which wholly owns Cinergy. Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant.
    e. Provide an organizational chart of Duke Energy Business Services LLC ("DEBS"). Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant.
    f. Provide an organizational chart that includes all of the parent companies/holding companies/affiliated companies that are associated with Duke Kentucky.

2. 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.

3. 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.

4. Refer to the Application generally. Explain whether any vacant position costs are included in the proposed revenue requirement. If so, provide the job title, salary/wage/benefit amounts, necessity of the position, date the job was created and vacated, explanation as to why the position is currently vacant, and an estimated date as to when the position will be filled.

5. Refer to the Application generally.

   a. In 2017, Duke Kentucky was granted a Certificate of Public Convenience and Necessity ("CPCN") to replace and upgrade its electric and gas metering infrastructure to a digital Advanced Metering Infrastructure ("AMI") for its electric and combination customers, and an Automated Meter Reading ("AMR")

Infrastructure for its gas-only customers, known collectively as the ("AMI Project").[1]

i. Explain whether the AMI Project has been completed, and if not, provide a status update and the estimated date of completion.

ii. Provide an overview of the types of meters (e.g., manual read meters, AMR, AMI, etc.), currently being utilized by Duke Kentucky's electric customers. Include in the response the approximate percentage of each type of meter that Duke Kentucky currently has in its electric system.

iii. Provide the projected remaining lives of the AMI meters that were installed by Duke Kentucky beginning in 2017.

6. Refer to the Application, page 6, paragraph 11. Duke Kentucky states that it is requesting an increase in rates because its existing rates for electric service is only providing it an earned rate of return on rate base of 2.738%, which is inadequate to enable the Company to continue providing safe, reasonable, and reliable service to its customers.

   a. Confirm that Duke Kentucky was provided a rate increase for electric service in Case No. 2019-00271, on April 27, 2020.[2]

   b. Confirm that Duke Kentucky was provided a rate increase for electric service in Case No. 2017-00321, on April 13, 2018.[3]

[1] Case No. 2016-00152, *Application of Duke Energy Kentucky, Inc. for (1) A Certificate of Public Convenience and Necessity Authorizing the Construction of an Advanced Metering Infrastructure; 2) Request for Accounting Treatment, and; 3) All Other Necessary Waivers, Approvals, and Relief* (Ky. PSC May 25, 2017).

[2] Case No. 2019-00271, *Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief* (Ky. PSC Apr. 27, 2020).

[3] Case No. 2017-00321, *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)*

c. Confirm that Duke Kentucky was provided a rate increase for natural gas service in Case No. 2021-00190, on December 28, 2021.[4]

d. Confirm that Duke Kentucky was provided a rate increase for natural gas service in Case No. 2018-00261, on March 27, 2019.[5]

7. Refer to the Application, page 2, in which Duke Kentucky states that it provides electric service to the Kentucky counties of Boone, Campbell, Grant, and Pendleton Counties.

a. Based upon the most recent United States Census information, the poverty rates for Duke Kentucky's electric service area are as follows:

Pendleton County – 14.8%,

Grant County – 12.7%,

Kenton County – 12.6%,

Campbell County – 11.1% , and

Boone County – 6.4%.[6]

Confirm that Duke Kentucky is aware of the above percentages of its electric customers who live at or below the poverty line.

8. Refer to the Direct Testimony of Amy B. Spiller ("Spiller Testimony"), at 2.

*Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 5) All Other Required Approvals and Relief* (Ky. PSC Apr. 13, 2018).

[4] Case No. 2021-00190, *Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of the Natural Gas Rates; 2) Approval of New Tariffs; and 3) All Other Required Approvals, Waivers, and Relief* (Ky. PSC Dec. 28, 2021).

[5] Case No. 2018-00261, *Electronic Application of Duke Energy Kentucky, Inc. for Authority to 1) Adjust Natural Gas Rates 2) Approval of a Decoupling Mechanism 3) Approval of New Tariffs 4) And for All Other Required Approvals, Waivers, and Relief* (Ky. PSC Mar. 27, 2019).

[6] https://www.census.gov/quickfacts/fact/table/pendletoncountykentucky,kentoncountykentucky,grantcountykentucky,campbellcountykentucky,boonecountykentucky,KY/PST045221

a. Explain in detail Duke Kentucky's community relations efforts.

b. Explain in detail Duke Kentucky's economic development efforts.

c. Explain in detail Duke Energy's charitable contributions in Northern Kentucky and Southwest Ohio.

9. Refer to the Spiller Testimony at 5, in which Ms. Spiller states that Duke Kentucky provides electric service to approximately 149,200 customers.

a. Provide the number of customers that Duke Kentucky provided electric service to for the years 2018 – present date.

b. Explain in detail if Duke Kentucky is forecasting an increase in electric customers in the forecasted test period, and if so, provide the exact increase and all documentation regarding the same.

c. Explain in detail whether Duke Kentucky forecasts an increase in electric customers in the future, and if so, provide the exact increase and all documentation regarding the same.

10. Refer to the Spiller Testimony at 5, in which Ms. Spiller states that Duke Kentucky provides natural gas service to approximately 103,100 customers in Bracken (gas only), Boone, Campbell, Gallatin (gas only), Grant, Kenton, and Pendleton counties. Provide the number of customers that Duke Kentucky provides both electric and natural gas service to in the Kentucky service territory.

11. Refer to the Spiller Testimony at 5, in which Ms. Spiller asserts that Duke Kentucky's headquarters are located in Cincinnati, Ohio.

a. Explain whether Duke Kentucky has any utility office in Kentucky open for a customer to pay bills, obtain customer service, etc.

b. If Duke Kentucky does not have any utility offices in Kentucky for a customer to pay bills, obtain customer service, etc. then explain whether the Commission granted Duke Kentucky a deviation from the applicable regulations requiring a utility office in the state.[7] If a deviation was granted then provide all of the corresponding case numbers regarding the same. If no deviation was granted, explain why a deviation from the regulations were not required.

12. Refer to the Spiller Testimony at 12.

a. Provide the monetary amount that the Duke Energy Foundation contributed to the Mayfield, Kentucky tornado event.

b. Provide the monetary amount that the Duke Energy Foundation contributed to the Eastern Kentucky flood event.

13. Refer to the Spiller Testimony at 16 – 17.

a. Provide the number of Duke Kentucky's electric customers with AMI meters that participate in the Pick Your Due Date program.

b. Provide the number of Duke Kentucky's electric customers without AMI meters that participate in the alternative Preference Pay program.

[7] *See* 807 KAR 5:006, Section 14, https://apps.legislature.ky.gov/law/kar/titles/807/005/006/ (Requiring each utility to designate at least one representative to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office.); *See* 807 KAR 5:006, Section 23, https://apps.legislature.ky.gov/law/kar/titles/807/005/006/ (Requiring each utility to have system maps and records on file at its principal office located within the state.); *See* 807 KAR 5:006, Section 24, https://apps.legislature.ky.gov/law/kar/titles/807/005/006/ (Requiring all records pursuant to 807 KAR Chapter 5, to be kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours.)

c. Explain whether Duke Kentucky's customers voluntarily contribute to the Share the Light (formerly WinterCare) and the Home Energy Assistance ("HEA") programs or if the contributions are included in customer rates.

14. Refer to the Spiller Testimony at 19.

    a. Provide examples of the grocery stores, pharmacies, convenience stores, and larger retailers that are part of the Pay Agent Network where customers can make payments on their Duke Kentucky electric bills.

    b. Explain in detail whether the aforementioned locations have access to the customers' accounts, and know the amount of the bill that needs to be paid, and by what date the bill is required to be paid.

    c. Explain whether Duke Kentucky pays a fee to the aforementioned locations to accept payments on Duke Kentucky electric bills.

    d. Explain whether Duke Kentucky's electric customers must pay a fee to the aforementioned locations to accept payments on Duke Kentucky electric bills.

15. Refer to the Spiller Testimony at 20. Ms. Spiller states that Duke Kentucky conducts Customer Experience Monitor surveys, and initially scored +15.5 in January 2018 and improved the score to +41.2 in December 2021. Provide the scoring range, and what each score indicates, for the Duke Kentucky's Customer Experience Monitor survey.

16. Refer to the Spiller Testimony at 21. Ms. Spiller states that Duke Energy's Midwest (including Ohio, Kentucky, Indiana) was up 2 points in the J.D. Power Customer Satisfaction Study issued on December 15, 2021, and is now a second quartile performer within both the region and among all large utilities nationally. Provide Duke Energy's

Midwest ranking from the 2022 J.D. Power Customer Satisfaction Study, and the corresponding documentation as found in Spiller Testimony, Attachment ABS-2.

17. Refer to the Spiller Testimony at 22. Ms. Spiller states that Duke Kentucky additionally uses Fastrack to measure customer satisfaction with recent interactions with the Company.
    a. Provide the detractors' suggestions on how to improve start/transfer electric service.
    b. Provide the detractors' suggestions on how to keep the customers better informed during an electric outage.
18. Refer to the Spiller Testimony at 24.
    a. Provide a breakdown of the $300 million investment in additional electric infrastructure by project that Duke Kentucky has made since the last rate case, and provide start and end dates for each project.
    b. Explain in detail whether a CPCN was obtained for any of the aforementioned $300 million investment projects. If so, provide the correlating case number(s). If not, explain why not.
19. Refer to the Spiller Testimony at 25. Ms. Spiller states that the need to adjust deprecation rates is further evident because the East Bend station is projected to retire by 2035, which is earlier than what was contemplated in the Company's prior electric base rate case.
    a. Provide the date that East Bend station was projected to retire in Duke Kentucky's prior electric base rate case, and explain why that date was moved up.

b. Provide the date that East Bend station was projected to retire in Case No. 2021-00245, Duke Kentucky's pending Integrated Resource Planning case, and if the date was moved up provide an explanation for the same.[8]

20. Refer to the Spiller Testimony at 25. Ms. Spiller states that the Commission denied the Company's request to update its deprecation rates in the last electric base rate proceeding. Provide the specific depreciation rates that Ms. Spiller is referring to that were proposed in its last electric rate case, and the reason the Commission denied the same.

21. Refer to the Spiller Testimony at 27.

    a. Provide the monetary amount that the subscription will cost a customer to participate in the proposed Clean Energy Connection Tariff.

    b. Explain whether all customers (e.g., residential, commercial, industrial, etc.) are allowed to participate in the proposed Clean Energy Connection Tariff.

    c. Explain the "green attributes" that a customer will receive from the proposed Clean Energy Connection Tariff.

22. Refer to the Spiller Testimony at 28. Ms. Spiller asserts that the East Bend generating unit is facing various pressures making it difficult to stay open, including federal legislative initiatives that are intended to encourage development of low to no-carbon emitting resources that adversely impact the cost-effectiveness of other traditional resources such as coal.

    a. Explain in detail whether the low to no-carbon emitting resources will provide the same reliability and resiliency as the traditional fossil fuel generating units.

[8] Case No. 2021-00245, *Electronic 2021 Integrated Resource Plan of Duke Energy Kentucky, Inc.*

b. Explain how long Duke Kentucky could economically and efficiently operate East Bend if not for the aforementioned federal legislative initiatives.

23. Refer to the Spiller Testimony at 29. Ms. Spiller states that current modeling shows that by 2035, the East Bend plant will not provide economic value to customers, at which point retirement will be warranted.

    a. Explain whether the Company has analyzed whether East Bend would provide reliability and resiliency to the electric customers if kept running past 2035.

    b. Provide an overview of what variables could cause the East Bend plant to continue being economic to the customers past 2035. Include in this discussion any potential for PJM Interconnection ("PJM") to request East Bend to stay open for reliability purposes.

    c. Provide the net plant balance not yet depreciated on the East Bend generating unit as of January 2023.

    d. Explain whether Duke Kentucky includes the undepreciated amounts that customers will have to pay for in rates if the East Bend generating unit is retired early when conducting its modeling of economic value to customers.

    e. Ms. Spiller asserts that in the 2019 rate case the Company assumed the retirement date of the Woodsdale generating unit to be 2032, but now proposes to extend the useful life of this asset until 2040.

        i. Explain why Duke Kentucky decided to extend the life of the Woodsdale generating unit.

ii. Provide all studies/analyses that led Duke Kentucky to make the decision to not retire Woodsale until 2040.

24. Refer to the Direct Testimony of Ron A. Adams ("Adams Testimony"), at 3 – 4. Mr. Adams states that Duke Kentucky's Vegetation Management Program focuses on delivering safe and reliable electric service in a cost-effective manner while utilizing industry best management practices for vegetation management.
    a. Explain whether any Duke Kentucky employees work on vegetation management, or if it is handled exclusively by contractors.
    b. Explain whether Duke Kentucky issues request for proposals ("RFPs") in order to obtain the most cost-effective contract price for vegetation management.
    c. Provide the names of all contract firms that Duke Kentucky works with on its vegetation management.
25. Refer to the Direct Testimony of Christopher R. Bauer ("Bauer Testimony"), at 4 and 9. Mr. Bauer states that the Company is proposing a capital structure of 52.505% equity and 47.495% debt in the pending case. Mr. Bauer also states that equity capital is a more expensive form of capital than debt capital. Explain why Duke Kentucky is proposing a higher percentage of equity than debt if the equity portion represents a higher cost to the customers.
26. Refer to the Bauer Testimony at 11 – 12. Mr. Bauer states that the credit rating agencies believe that Duke Kentucky is poorly positioned for the carbon transaction, and considers this a credit challenge. Explain this alleged challenge more in depth.

27. Refer to the Bauer Testimony at 13, in which Mr. Bauer states that the retirement of the East Bend coal station in "2035 will address the rating agencies concerns and send a clear message to new and existing investors and will restore the Company's access to the debt capital markets." Explain whether appeasing the credit agencies factored into the decision to move the retirement of East Bend up to 2035.

28. Refer to the Direct Testimony of Grady "Tripp" S. Carpenter ("Carpenter Testimony"), at 9. Refer also to the Direct Testimony of Jeffrey R. Setser ("Setser Testimony"), at 4 – 25.

    a. Provide a list of all entities that direct charge or allocate costs to Duke Kentucky, and include the total amount of costs that are direct charged and/or allocated to the Company in the test year. Designate in the response whether the cost allocations fall under the Utility Service Agreement or Non-Utility Service Agreement.

    b. Explain who is responsible to review the allocated costs to Duke Kentucky, and whether any allocated costs have ever been rejected for any reason. Provide specific examples of all rejected allocated costs.

    c. Identify all of the non-utility companies that are affiliates of Duke Kentucky.

    d. Identify all of the non-utility companies that are affiliates of and provide services to Duke Kentucky.

29. Refer to the Carpenter Testimony at 9 – 10. Mr. Carpenter states that the union labor cost increases were assumed to be between 2% – 3.5%, depending on the agreements, while non-union labor cost increases were assumed to be 3.5% (including both merit increases of 3% and an allowance for salary increases for promotions of 0.5%).

a. Provide an update on the union labor agreements as well as the union labor cost increases. Consider this an ongoing request.

b. Explain whether Duke Kentucky awards the same cost increase to non-union employees that the union employees receive. If not, explain how Duke Kentucky negotiates with the union versus non-union employees on wage/benefit increases.

c. Explain what employees are eligible to join a union at Duke Kentucky.

30. Refer to the Carpenter Testimony at 10. Explain what the fringe benefit loading rate of 26.11% for 2022 and 2023 represents.

31. Refer to the Direct Testimony of Cormack C. Gordon ("Gordon Testimony"), at 3. Mr. Gordon states that Duke Kentucky is proposing two electric vehicle ("EV") programs and associated tariffs in the pending case: 1) the make Ready Credit ("MRC") program and 2) the Electric Vehicle Supply Equipment ("EVSE") program.

a. Mr. Gordon states that the MRC program will be available on a voluntary basis to residential and non-residential customers at their premise/places of business that require improvements (make ready infrastructure) to prepare for installation of a Level 2 or higher EV charger that is customer-owned or third-party owned. The Company will not own the make ready infrastructure. Mr. Gordon further asserts that the credit is designed to defray installation costs associated with EV chargers to encourage mutually beneficial EV adoption.

i. Explain what a Level 2 or higher EV charger is, and why Duke Kentucky is proposing to have the Level 2 or higher restriction on the proposed MRC program.

ii. Explain whether non-participating customers will subsidize the costs of the MRC program in any way.

iii. If non-participating customers will subsidize the costs of the MRC program, explain how it is beneficial for non-participants to be forced to pay to defray installation costs associated with EV chargers for participating customers.

iv. Explain whether there is a limited number of participants allowed in the MRC programs.

b. Mr. Gordon states that the EVSE Program will be available on a voluntary basis and provides customers, both residential and non-residential, with the ability to choose a Level 2 or higher EVSE to have installed at their home or business. Once installed the customer would pay a flat rate each month for that charger for the life of the contract with the Company. Included in the monthly rate amount is the charger, as well as the installation, maintenance, and warranty work for the charger during the duration of the contract. Mr. Gordon states that Duke Kentucky will own the charging equipment, but customers will operate it on a day-to-day basis as per their unique needs. Customers will be responsible for any energy use as well as any make ready work that would be needed prior to installation.

i. Explain whether a customer could participate in both the MRC and the EVSE programs at the same time.

ii. Explain what a Level 2 or higher EV charger is, and why Duke Kentucky is proposing to have the Level 2 or higher restriction on the proposed EVSE program.

iii. Explain whether non-participating customers will subsidize the costs of the EVSE program in any way.

iv. If non-participating customers will subsidize the costs of the EVSE program, explain how it is beneficial for non-participants to be forced to pay to defray installation costs associated with EV chargers for participating customers.

v. Explain whether there is a limited number of participants allowed in the EVSE program.

32. Refer to the Gordon Testimony at 4. Mr. Gordon states that there can be financial benefits from increased EV adoption for Duke Kentucky's customers. Explain whether an increased electric load could require Duke Kentucky to build costly generation units, transmission, and distribution lines, and/or purchase additional costly energy from PJM.

33. Refer to the Gordon Testimony in general. The average price paid for a new electric vehicle in August 2022 was over $66,000,[9] which is a much higher price point than non-luxury gas-powered vehicles and even some luxury gas-powered vehicles. Explain how it would be fair, just, or reasonable to require non-participating customers, who may not be able to afford an electric vehicle, to subsidize and defray costs through the proposed MRC/EVSE programs, for participating customers who can afford an electric vehicle.

34. Refer to the Direct Testimony of Paul L. Halstead ("Halstead Testimony"), at 2. Explain how the proposed Clean Energy Connection program structure and tariff ("CEC Program")

[9]Kelly Blue Book, https://mediaroom.kbb.com/2022-09-12-New-Vehicle-Prices-Increase-for-Fifth-Straight-Month,-Set-Record-Again-in-August,-According-to-Kelley-Blue-Book.

will "maximize benefits to the entire Duke Energy Kentucky system and to share those benefits with non-participating customers."

35. Refer to the Halstead Testimony at 3 – 4.
    a. Mr. Halstead asserts that the first solar project could come online as early as 2025 after Commission approval of the CEC Program and with "substantial subscriptions." Explain in detail what is meant by "substantial subscriptions."
    b. Provide the expected capacity factor of the CEC Program's first solar project.
    c. Explain in detail whether Duke Kentucky's current GoGreen Kentucky ("Rider GP") program tariff is fully subscribed to, and if not, explain why not.
    d. Explain in detail whether Duke Kentucky's current Green Source Advantage ("Rate GSA") program is fully subscribed to, and if not, explain why not.
36. Refer to the Halstead Testimony at 5. Mr. Halstead states that there is a demand for the CEC Program from business customers. Identify the business customers that Mr. Halstead is referring to in his statement.
37. Refer to the Halstead Testimony at 6. Mr. Halstead states that the CEC Program's initial solar project will be 49 MW, and each subscription of 1 kW will create a total of 49,000 subscriptions available under the program.
    a. Provide the subscription cost that the customer will pay for 1 kW.
    b. Provide the monetary amount of credit, if any, that the customer will receive on their bill for a 1 kW subscription.
38. Refer to the Halstead Testimony at 7. Mr. Halstead states that for the CEC Program's initial solar project, commercial customers having located or expanded in Kentucky in the past

five years will be allocated 37 MW, residential customers will be allocated 10 MW, and income qualified residential customers will be allocated 2 MW.

a. Explain in detail how Duke Kentucky decided the breakdown of allowed MWs between the classes. Provide copies of all studies/analyses regarding the same.
b. Explain why the commercial customers allowed to participate in the proposed CEC Program are limited to those "having located or expanded in Kentucky in the past five years."

39. Refer to the Halstead Testimony at 8. Mr. Halstead states that the CEC Program for low-income customers will not be subsidized, but instead is adjusted to have relatively more benefits early and less benefits later allowing for bill reductions every year. Explain whether this proposed structure of front-loading the benefits to the early years will cause low-income customers to be burdened with higher rates associated with the CEC Program in the latter years. If not, explain in detail why not.

40. Refer to the Halstead Testimony at 9. When discussing the low-income customers participation in the CEC Program, Mr. Halstead states that participation in the program will be voluntary, and customers will be permitted to terminate or change their participation in the CEC Program at any time without penalty. Explain in detail whether this statement is only applicable to the low-income customers, or if all residential and commercial customers will be able to terminate or change their participation in the CEC Program at any time without penalty.

41. Refer to the Halstead Testimony at 14. Mr. Halstead states that Duke Kentucky "has a need for cost-effective clean generation that will diversity its fuel mix and defer the need for future gas-fired generation."

    a. Explain whether the proposed CEC Program's initial solar project will provide energy when the sun is not shining.

    b. Explain whether Duke Kentucky is proposing to include battery storage with the CEC Program's initial solar project.

    c. Explain how reliable and resilient the proposed CEC Program's initial solar project will be during emergency situations created by bad weather such as arctic blasts, snowstorms, excessive rainfall, etc.

42. Refer to the Halstead Testimony at 15, and the Direct Testimony of Sarah E. Lawler ("Lawler Testimony") at 10 – 11.

    a. Explain in detail whether any non-participating customer will pay for the CEC Program in the rates, or if the proposed CEC Program will be 100% paid for by the participating subscribers.

    b. If the proposed CEC Program's solar projects do not have 100% subscriptions, explain in detail who will pay for the unsubscribed generation. Specifically discuss whether non-participating customers will be forced to pay for the costs associated with the CEC Program's unsubscribed generation.

43. Refer to the Halstead Testimony at 20. Provide the fee that North American Renewables Registry ("NAR") charges to transfer Renewable Energy Certificates ("RECs").

44. Refer to the Halstead Testimony at 21. Mr. Halstead states that the Company is not requesting to recover any of the cost of the CEC Program in this case, but instead is requesting approval of a placeholder tariff, but cost recovery would be requested in a future proceeding. Provide an overview of how Duke Kentucky would request future cost recovery of the CEC Program, which only requires subscribers/participants to pay for the associated costs/fees, with the non-participating customers not paying for any of the costs/fees.

45. Refer to the Halstead Testimony at 22.

    a. Mr. Halstead states that the proposed project(s) will be located within Duke Kentucky's PJM Delivery Zone, known as the DEOK Zone. Specifically identify which city and state the proposed project(s) will be built and located in.

    b. Explain whether any new permanent/full-time jobs would be created to operate the future CEC Program's solar project(s).

46. Refer to the Halstead Testimony in general. Provide an example of how the CEC Program's costs and benefits would be reflected on a bill for the average residential customer using 1,000 kWh per month.

47. Refer to the Direct Testimony of Retha I. Hunsicker ("Hunsicker Testimony"), at 4 – 5.

    a. Explain how the new Customer Connect System improves the Company's responsiveness to regulatory or market changes.

    b. Explain how the new Customer Connect System predicts the intent of customers when they call Duke Kentucky.

48. Refer to the Hunsicker Testimony at 6. Explain why the new Customer Connect System is not being deployed to Piedmont Natural Gas.

49. Refer to the Hunsicker Testimony at 7. Explain why the new Customer Connect System was not available for 1% of the time since implementation.

50. Refer to the Hunsicker Testimony at 10. Ms. Hunsicker states that there is $9 million in gross plant in the pending case associated with the new Customer Connect System.

    a. Provide the total amount that Duke Kentucky's customers will be required to pay for the new Customer Connect System.

    b. Explain whether the new Customer Connect System will provide any cost benefits that should be used to offset the $9 million cost.

51. Refer to the Direct Testimony of Jeffrey T. Kopp ("Kopp Testimony"), at 3. Refer also to the Kopp Testimony, Attachment JTK-1, pages 6 – 10 of 30.

    a. Explain in detail why Duke Kentucky is proposing to decommission the East Bend Generating Station, which came online in 1981. Include in the explanation the proposed date that Duke Kentucky plans to close and decommission the East Bend Generating Station.

    b. Explain in detail why Duke Kentucky is proposing to decommission the Woodsdale Combustion Turbines, which came online in 1992. Include in the explanation the proposed date that Duke Kentucky plans to close and decommission the Woodsdale Combustion Turbines.

c. Explain in detail why Duke Kentucky is proposing to decommission the Miami Fort Unit 6 Generating Station. Include in the explanation the proposed date that Duke Kentucky plans to decommission the Miami Fort Unit 6 Generating Station.

d. Explain in detail why Duke Kentucky is proposing to decommission the Crittenden Solar Project, which came online in 2017. Include in the explanation the proposed date that Duke Kentucky plans to close and decommission the Crittenden Solar Project.

e. Explain in detail why Duke Kentucky is proposing to decommission the Walton Solar Project, which came online in 2017. Include in the explanation the proposed date that Duke Kentucky plans to close and decommission the Walton Solar Project.

f. The proposed total net project cost to decommission Crittenden Solar, East Bend Miami Fort, Walton Solar, and Woodsdale is approximately $55.9 million. Explain in detail whether these decommissioning costs are included in the requested revenue requirement.

52. Refer to the Lawler Testimony at 13. Ms. Lawler states that Duke Kentucky's only two major generating stations are East Bend, a 600 MW single-unit coal-fired generating station, and Woodsdale, a generating station made up of six 80 MW combustion turbines designed to only run during peak times. Ms. Lawler asserts that the natural gas/fuel oil costs to run Woodsdale is typically much higher than the cost of coal to run East Bend. Ms. Lawler further asserts that East Bend is the principal source of generation to serve Duke Kentucky's customers, and is supplemented mostly with energy purchased from PJM. Ms. Lawler states that the cost of purchasing energy from PJM can be quite volatile.

a. Explain in detail how Duke Kentucky proposes to provide affordable electricity to its customers if it is proposing to close its most affordable generating unit by 2035, and its only other major generating station by 2040.

b. Explain in detail how Duke Kentucky proposes to provide reliable electricity to its customers if it is proposing to close its main electric generating unit by 2035, and its only other major electric generating station by 2040.

c. Explain in detail how Duke Kentucky proposes to provide resilient electricity to its customers if it is proposing to close its baseload generating unit of East Bend by 2035, and its only other major generating station of Woodsdale by 2040.

d. If Duke Kentucky plans on relying upon PJM for the majority of its electricity needs, which the Company admits has had volatile pricing, explain in detail how the Company will be able to offer its customers affordable electricity.

e. If Duke Kentucky plans on relying upon Duke Energy for the majority of its electricity needs, explain in detail how the Company will be able to offer its customers affordable electricity.

53. Refer to the Lawler Testimony at 17. Explain why the Company is proposing to create the Generation Asset True-Up Mechanism ("Rider GTM"), instead of filing future cases with the Commission for any issues concerning generation asset true-ups.

54. Refer to the Direct Testimony of William Luke ("Luke Testimony") at 4. Mr. Luke states that East Bend is approaching the end of its service life and the Company plans to replace this asset with other resources. Explain in detail what other resources Duke Kentucky plans

to use as a replacement for East Bend, and ensure to include whether Duke Kentucky makes the reliability and resiliency of a generating asset a priority.

55. Refer to the Luke Testimony at 6 – 7. Mr. Luke states that the East Bend generating unit has outperformed the North American Electric Reliability Corporation's ("NERC") average Equivalent Forced Outage Rate ("EFOR"), in the past six of seven years. Explain why the Company is proposing to close a highly efficient coal unit by 2035.
56. Refer to the Direct Testimony of Max W. McClellan ("McClellan Testimony") at 10. Identify the large commercial customer that has committed to doing business within the Company's service territory, and the date that the customer is expected to start receiving electric service from Duke Kentucky.
57. Refer to the McClellan Testimony at 15 – 16. Provide a brief summary for each of the thirteen Demand Side Management ("DSM") programs.
58. 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.

59. Refer to the Melillo Testimony at 18.

a. Explain in detail why the capital expenditures for transmission and distribution projects increased from 25.7 million in 2015 to 81.2 million in 2020.

b. Explain in detail why the capital expenditures for transmission and distribution projects increased from 55.1 million in 2021 to 78.1 million in 2023.

c. Explain in detail whether Table 2 is indicating that for 2024 the capital expenditures for transmission and distribution projects will be approximately $92 million. If not, explain why not, If this is accurate, explain why the capital expenditures will be approximately $92 million in 2024.

d. Explain in detail whether any of the increased spending on transmission and/or distribution projects is related to being a member of PJM.

60. Refer to the John R. Panizza Direct Testimony ("Panizza Testimony"), at 5. Mr. Panizza states that in his opinion, Duke Kentucky should use the statutory Kentucky income tax rate instead of the effective Kentucky income tax rate to calculate Duke Kentucky's income tax expense. Explain why Duke Kentucky's customers should be required to pay a higher tax through rates than what Duke Kentucky is actually required to pay.

61. Refer to the Panizza Testimony at 6. Provide an update to the result of its negotiations with the Kentucky Department of Revenue for the 2022 tax year. Consider this an ongoing request.

62. Refer to the Direct Testimony of Scott Park ("Park Testimony"), at 4. Mr. Park states that East Bend will be "replaced by what is classified as a Firm Dispatchable Resource (FDR). The FDR classification was used to convey that the specific technology has not yet been chosen but will need to exhibit characteristics of providing firm capacity year-round" as well as 24 hours per day and will need to be able to dispatch up and down in response to customer loads and market prices. Provide all examples of the type of generation that can meet the aforementioned requirements.

63. Refer to the Park Testimony at 8. Mr. Park states that higher coal prices have and are expected to drive down the capacity factor of East Bend, which lessens the value that the station provides to customers.

    a. If coal prices decrease in the future, explain whether this would increase the value of the East Bend unit to customers.

    b. Explain whether the reliability and resiliency of East Bend is valuable to customers.

    c. If PJM requested for East Bend to stay open for reliability purposes, explain whether this would increase the value of the unit to customers.

64. Refer to the Park Testimony at 8. Mr. Park states that the recently passed Inflation Reduction Act ("IRA"), which provides subsidies for low and zero-emitting generating resources, will make East Bend even less economic.

    a. Explain in detail whether the low and zero-emitting generating resources can provide electricity 24 hours a day/7 days per week, when the sun is not shining and the wind is not blowing.

b. Explain how Duke Kentucky will be able to continue to provide a safe and reliable electric grid for its customers after retiring baseload generating units in favor of intermittent renewable generation.

65. Refer to the Park Testimony at 9. Explain in detail whether Duke Kentucky has requested funding through either the recently passed Infrastructure Investment and Jobs Act or the IRA, in order to offset costs to customers.

66. Refer to the Park Testimony at 11. Mr. Park states that according to current modeling and federal policy, East Bend could be retired earlier than 2035.

a. Explain what conditions could occur that would cause Duke Kentucky to retire East Bend earlier than 2035.

b. Explain what conditions could occur that would extend East Bend's retirement date past 2035.

67. Refer to the Direct Testimony of Lisa M. Quilici ("Quilici Testimony"), at 12 – 13. Ms. Quilici asserts that credit rating agencies and financial institutions have a negative view of utilities with coal-fired generation.

a. Explain whether Duke Kentucky is aware of KRS 41.470 – 41.480,[10] regarding divestment of holdings in financial companies participating in energy company boycotts.

b. Explain whether Duke Kentucky knows whether the credit rating agencies and financial institutions cited to by Ms. Quilici are aware of KRS 41.470 – 41.480,

[10] https://apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37222

regarding divestment of holdings in financial companies participating in energy company boycotts.

c. Explain whether Duke Kentucky is aware of the Kentucky State Treasurer's recent action pursuant to the aforementioned law.[11]

68. Refer to the Direct Testimony of Lisa D. Steinkuhl ("Steinkuhl Testimony"), page 16, in which she asserts that Duke Kentucky is requesting the rate case expense to be allowed recovery in the rates, and amortized over a five-year period.

    a. Provide the total rate case expense that has been accrued thus far in the pending case. Consider this a continuing request.
    b. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.
    c. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.
    d. Provide the estimated total rate case expense.
    e. Provide a breakdown of the estimated total rate case expense.

69. Refer to the Direct Testimony of Jake J. Stewart ("Stewart Testimony"), at 4. Mr. Stewart states that Duke Energy has 27,685 employees, and Duke Kentucky has 158 employees, comprising of 7 exempt employees and 151 non-exempt employees, of whom 151 are union employees. Further, Mr. Stewart states that DEBS has 7,471 employees, comprising 5,727 exempt employees and 1,744 non-exempt employees, of whom 819 are union

[11] https://www.kentucky.gov/Pages/Activity-stream.aspx?n=KentuckyStateTreasurer&prId=101

employees. Explain all the differences and similarities between the exempt and non-exempt employee designations.

70. Refer to the Stewart Testimony at 11.
    a. Provide a copy of all formal wage and benefit studies conducted by or on behalf of Duke Kentucky.
    b. Provide copies of all formal wage and benefit studies conducted by or on behalf of Duke Kentucky that compares wage and benefit information to the local wage and benefit information for the geographic area in which Duke Kentucky operates, and not only to other utilities, per prior Commission precedent.[12]

71. Refer to the Application generally. Confirm that residential customers who elect to participate in the voluntary critical peak pricing tariff will pay a higher peak time rate than customers who participate in the standard residential tariff.
    a. If so confirmed, explain what kind of notice the Company would provide to customers expressing interest in this tariff.

72. Refer to the Adams Testimony, regarding vegetation management. Explain whether the Company has performed any cost-benefit analyses regarding the proposed transition to a condition-based cycle plan, and if so, provide all documents supporting such analyses.
    a. Explain whether any of the new revenues sought in this case will go toward costs of the transition to the condition-based cycle plan, and if so, the amount thereof.

[12] Case No. 2020-00160, *Electronic Application of Water Service Corporation of Kentucky for a General Adjustment in Existing Rates* (Ky. PSC Dec. 8, 2020) Order at 10.

73. Refer to the Gordon testimony at 4, lines 16 – 17. Provide a breakdown of all items included in Mr. Gordon's description of the $200 net benefit per EV that is possible in 2030.
    a. Explain how much of this net benefit would be derived from state and/or federal government funding of any type or sort, including rebates and tax credits.
    b. For any funding ostensibly from Kentucky state government, explain whether these funds are already in the possession of Kentucky state government, or whether the funding is merely pledged from a federal program. If the latter, identify the federal program.
74. Refer to the Gordon Testimony at 5, lines 4 – 6. Will Duke Kentucky's plan to ready the grid for vehicle electrification be initiated prior to any actual increase in demand for EVs in the Duke Kentucky territory, or after any such increase? In other words, will Duke Kentucky shareholders or its ratepayers assume the risk of a capex program in the event it turns out to not be used and useful?
75. Refer to the Gordon Testimony at 5, line 16. Describe the referenced "use cases," and provide all documentation including studies and analyses, upon which they are predicated.
76. Refer to the Gordon Testimony generally. Explain whether participating customers will pay the costs associated with the MRC and EVSE programs, or whether the ratepayer base will in any manner be subsidizing any portion of the costs.
    a. Explain also whether Duke Kentucky is depending on any government funding to subsidize any portion of these costs. If so: identify the source of all such government funding, the amounts thereof, the agency(ies) responsible for providing it, and for how long a period of time the funding will be available.

b. If Duke Kentucky is counting on government funding to cover any portion of the relevant costs, explain who will be responsible for providing funding if and when the government funding either expires or is eliminated.

c. Explain whether Duke Kentucky shareholders will be providing any of the funding for these programs.

77. Refer to the Gordon Testimony at 7, lines 20 – 23, referring to Kentucky's "allocated funding of $70 million to create a foundational network of public DC fast charging locations along designated alternative fuel corridors and, potentially, public community charging in underserved areas…" Explain whether Kentucky state government is already in possession of these funds, or whether this is merely a pledge or estimation.

78. Refer to the Application generally. Confirm that MRC program cost recovery is proposed to be accomplished via regulatory asset.

79. Refer to the Gordon Testimony generally. Confirm that the MJB&A "Electric Vehicle Cost-Benefit Analysis" attached to the Gordon Testimony as Attach. CCG-1 was performed in 2018, and is applicable to the state as a whole.

80. Refer to the Gordon Testimony, Attach. CCG-1 generally.

    a. Explain whether the estimate of GHG emissions produced from power generated to charge the EVs assumed a certain level of renewable generation in the Commonwealth. Provide also the Company's estimates for the amount of renewable generation resources it will have serving its service territory for all time frames in this study.

b. Confirm that Attach. CCG-1 did not take into consideration any increase in the cost of power used to charge EVs located in Kentucky through 2050.

c. Confirm that Attach. CCG-1 did not take into consideration any potential special use tax that could be imposed by the Commonwealth and/or localities as a replacement for fuel tax charged at gas pumps.

81. Refer to the Gordon Testimony, Attach. CCG-1, page 22 of 27, under the heading "Total Societal Benefits." Confirm that the sentence, "These benefits include cost savings to Kentucky drivers and utility customer savings from reduced electric bills," fails to consider transmission and distribution costs for additional utility infrastructure required for the electrification of the entire transportation sector and for electric space heating to replace natural gas.

82. Refer to the Gordon Testimony, Attach. CCG-1, page 24 of 27. Confirm that the Moderate PEV scenario was predicated upon the EIA's Annual Energy Outlook conducted in 2017.

83. Refer to the Gordon Testimony, Attach. CCG-1, page 26 of 27. Confirm that in reference notes 1-5, sources utilized for this report range in age from 2010-2017, with most sources dated 2013.

84. Refer to the Melillo Testimony generally. Explain whether Duke Kentucky is contemplating installing a Distributed Energy Resources Management System ("DERMS"). If so, explain in detail how the Company justifies such an expenditure. Provide also all estimates for the amount of distributed resources that the Company projects will be brought onto its distribution system from now through 2030.

85. Refer to the Park Testimony beginning at 6, line 4, regarding Duke Kentucky's load and reserve margin.

    a. Provide a discussion regarding how the major winter storm impacting the region from approximately December 23, 2022 – December 26, 2022, affected the Company's load and reserve margin. Also, explain whether any of Duke Kentucky's generating units were impacted in any manner by this extreme weather. Include in the discussion whether the Company had to purchase any short-term capacity and/or energy during the referenced time frames.

    b. Explain whether any measures the Company had to take to deal with the above referenced storm will have an impact on rates.

86. Refer to the Application generally. Identify fully any and all organizations to which Duke Kentucky pays dues and/or membership fees of any type or sort (hereinafter referred to as "Dues Requiring Organizations"), including but not limited to Edison Electric Institute and Electric Power Research Institute, which engage in any one or more of the following activities (hereinafter "covered activities"):

    i. legislative advocacy, regulatory advocacy, and/or public relations;

    ii. advertising;

    iii. marketing;

    iv. legislative policy research; and/or,

    v. regulatory policy research.

a. If so confirmed with regard to any one or more of these organizations, identify that organization and provide the amount of Duke Kentucky dues which that organization applies to covered activities, both in dollar terms and percentages of total dues.

b. Explain whether all or any portion of said dues are excluded in Schedule D-2.23, and if so identify fully the precise line in which the dues are excluded in that Schedule, together with the amount(s) thereof.

87. Refer to the Application generally. Explain whether Duke Kentucky pays any dues or membership fees to law firms or trade groups which maintain an affiliate engaged in any of the covered activities identified in the preceding question.

a. If so, identify fully the law firm or trade group by name, the name of the affiliate engaged in any such activities, and the amounts Duke Kentucky paid to the law firm, trade group, or affiliate thereof for those activities.

b. Explain whether Duke Kentucky is seeking recovery from ratepayers for any such sums identified in subpart (a) of this question.

88. Refer to the Application generally. If any affiliate of Duke Kentucky pays dues to one or more Dues Requiring Organizations, and a jurisdictional portion of those dues are charged back to Duke Kentucky, explain whether the dues are being recovered in rates, the amounts thereof, and precisely where they can be found in the Application.

89. Refer to the Application generally. For all expenses associated in any manner with any Dues Requiring Organization and for which the Company seeks reimbursement from ratepayers:

a. Provide a complete copy of all invoices received from each such Dues Requiring Organization since the conclusion of the Company's last electric rate case;

b. Provide any and all documents in the Company's possession that depict how each such Dues Requiring Organization spends the dues it collects from the Company, including the percentage that applies to all covered activities.

c. Provide a detailed description of the services and benefits each Dues Requiring Organization provided to the Company since the conclusion of its most recent electric rate case. Of these services and benefits, identify which ones accrue directly to ratepayers, and explain fully how.

d. Explain whether Duke Kentucky included in operating expenses any amounts for: (i) EEI Media Communications, and/or (ii) any similar division of any other Dues Requiring Organization. If so, state the amount, indicate in which account this has been recorded, and provide a citation to any and all Commission Orders or other authority upon which the Company is relying for the inclusion of such expense in the test period.

e. State whether the Company is aware whether any portion of the dues it pays to any Dues Requiring Organization are utilized to pay for any of the following expenditures, and if so, provide complete details:

   i. Influencing federal or Kentucky legislation;

   ii. Any media advertising campaigns backing the Company's or the Dues Requiring Organization's position(s) on net metering;

iii. Documents associated with EEI programs "We Stand For Energy," or "Defend My Dividend," public relations, advocacy efforts or other covered activities;

iv. Contributions from EEI, EPRI, or other Dues Requiring Organizations to third-party organizations and contractors including any of the expenditures identified in this question and its subparts.

f. Provide EEI's most recent IRS Form 990.

g. Explain whether the Company's EEI dues contribute to the salary, benefits, and expenses of the EEI Executive Vice President for Public Policy and External Affairs, or any other EEI officer or employee who has led an effort EEI undertook to rebrand the utility industry.

h. Explain whether any Company personnel actively participate on committees and/or perform any other work for any Dues Requiring Organizations or any other industry organization to which the Company belongs, including but not limited to EEI. If so:

i. State specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work; and,

ii. List any and all reimbursements received from industry associations, for work performed for such organizations by the Company's employees.

90. Refer to the Application generally. Provide a trial balance for the Company at December 31, 2019, December 31, 2020, December 31, 2021, and the most recent month for which the accounting books have been closed in 2022. This should be updated as soon as possible after the Company closes its accounting books for December 2022. In addition, provide a chart of accounts and subaccounts and the related descriptions that matches the accounts used in the trial balance.

91. Refer to the Application generally. Provide a trial balance for DEBS at December 31, 2019, December 31, 2020, December 31, 2021, and the most recent month for which the accounting books have been closed in 2022. This should be updated as soon as possible after DEBS closes its accounting books for December 2022. In addition, provide a chart of accounts and subaccounts and the related descriptions that matches the accounts used in the trial balance.

92. Refer to the Lawler Testimony at 17 – 20, regarding the Company's proposal to create a "placeholder" Generation Asset True-up Mechanism ("Rider GTM). Refer also to the entire Park Testimony regarding the future retirement of the East Bend 2 and Woodsdale generating units. Finally, refer to the draft Rider GTM tariff included in the Company's application.

    a. Confirm that the Company's retirement study and proposed depreciation rates reflect estimated retirement dates for East Bend 2 and the Woodsdale generating units of 2035 and 2040, respectively.

    b. Explain why the Company is seeking approval of Rider GTM now when the estimated retirement date for East Bend 2 is not until 2035, more than 12 years into the future.

c. Neither the Company's testimony regarding Rider GTM nor the draft tariff indicate how the Company will compensate ratepayers for the return on rate base, depreciation expense, property tax expense, non-fuel O&M expense, and other operating expenses included in the base revenues when the generating units actually are retired and Rider GTM is implemented. Provide a specific proposal for how the Company plans to credit ratepayers when the generating units are actually retired for the amounts recovered in base revenues to ensure that the Company does not recover the return on rate base and depreciation expense twice and does not recover other operating expenses that no longer will be incurred.

93. Refer to the Steinkuhl Testimony at 13, regarding the sales of receivables to an affiliate, Cinergy Receivables, L.L.C., at a discount.

a. Describe the formula in greater detail upon which the discount is calculated and provide as examples the discounts computed for June 2022 and September 2022. Provide in electronic format with all formulas intact.

b. Provide a copy(ies) of all current agreements between the Company and Cinergy Receivables, L.L.C regarding the sales of accounts receivables.

c. Describe in detail the timing of the Company's receipt of cash from Cinergy Receivables, L.L.C. from the date when it transfers the receivables or the right to recover the receivables to Cinergy Receivables, L.L.C.

94. Refer to the Direct Testimony of Danielle L. Weatherston ("Weatherston Testimony") at 4 – 5, regarding the accounting treatment for the sales of receivables to Cinergy Receivables

Company ("CRC").

a. Provide a copy of all journal entries for each account/subaccount applicable to the sale of receivables by the Company to CRC and the subsequent receipt of cash received from CRC for the year 2021.

b. Indicate how many times typically each month the Company sells receivables to CRC and also how often journal entries are made to reflect those sales. In addition, describe all subaccounts used in that process.

c. Indicate how many times typically each month the Company records cash receipts from customer accounts and credits the receivables account from CRC, account 145. In addition, describe all subaccounts used in that process.

d. Explain the entire process of what happens and what is recorded by each entity, the Company and CRC, each time a customer makes payment towards the receivable balance. Describe in the response the timing of the sales, the discount for financing costs, the discount for bad debt expense, and any other discounts that reduce the proceeds when the receivables are sold.

e. Refer to the balance sheet comparison included on Schedule B-8 in the Company's application. Identify the applicable asset description for the amounts recorded in account 145 related to the sales of receivables to CRC.

95. Refer to the Direct Testimony of Paul M. Normand ("Normand Testimony") and exhibit attachments regarding the lead/lag study he performed. Refer further to the calculation of the collection lag shown at Attachment PMN-4, page 19 of 148.

a. Provide a copy of all general ledger activity for the three accounts receivable subaccounts listed on this schedule, accounts 142200, 142100, and 232120, for the period December 31, 2021 through December 31, 2022.

b. Describe whether the various receivables balances shown in accounts 142200, 142100, and 232120 were balances associated only with electric service or whether these balances included both electric and gas service.

c. Indicate what the monthly balances listed on this schedule represent. Include in the response whether the monthly balances represent the per books receivables balances for electric only as of the last day of each month, the receivables sold each month, or something else. If they represent something other than the month end receivables balances each month for electric only, such as the average daily balances each month, provide copies of all source data workpapers in electronic format with all formulas in place used to determine the amounts depicted.

d. If not provided in response to the previous question, provide the accounts receivables balances for each day in 2021 for each separate accounts receivable balance shown in the above referenced schedule.

e. Provide the accounts receivables balances for each day in 2018, for each day in 2019, for each day in 2020, and for each day in 2022 for each separate accounts receivable balance shown in the above referenced schedule.

f. Since the Company’s receivables are sold to Cinergy Receivables Company and the applicable receivables balances are reflected in account 145 and no longer reflected in account 142, explain what the balances shown in the account 142 subaccounts represent.

g. Provide the source(s) of the total electric revenues billed each month of 2021 that are shown in the first column and define the revenues depicted.

h. For the month of July 2022 as an example, provide the billed amounts for electric retail service for each individual billing cycle and the date those receivables were sold to Cinergy Receivables Company. In addition, describe how the Company tracked the accounts receivables amounts still outstanding.

96. Refer to the Normand Testimony and exhibit attachments regarding the lead/lag study he performed. Provide electronic copies of the lead/lag study performed, along with all workpapers utilized, in live Excel format with all formulas intact.

97. Provide a copy of each of Duke Energy's most recent Cash Working Capital ("CWC") studies from each of its jurisdictions that use the lead/lag study approach. If a lead/lag study was not performed for some or all its jurisdictions, so state and explain why not.

98. Refer to the Application generally, Describe each of the concessions made by the Company from March 2020 through December 31, 2022, due to the ramifications of Covid-19 related to past due accounts and delays in late fees, disconnections, collections, and payment deferral plans. Describe each of the special actions taken and when those actions started and subsequently discontinued for electric customers.

99. Refer to the Application generally, Provide the Company's accounts receivable aging balances, on accounts sold to Cinergy Receivables Company and all other, at the end of each year 2018 through 2022 divided into categories 0-30 days, 31-60 days, 61-90 days, 91-120 days, and over 120 days.

100. Refer to the Steinkuhl Testimony at 17 – 19, regarding the Planned Outage O&M and

Forced Outage Purchased Power regulatory asset balances, and the Company's proposal to amortize those balances over five years.

a. Provide a description of each step and the source of the data used in each step to calculate the Planned Outage O&M regulatory asset, including, but not limited to, actual planned outage O&M expense, planned outage O&M expense included in the base revenue requirement, and the avoided non-planned outage O&M expense due to the shutdown of the generating unit during the planned outage. If the avoided non-planned outage O&M expense was not used to reduce the Planned Outage O&M expense then explain why it was not.

b. Provide the monthly history of the Planned Outage O&M regulatory asset balances by generating unit for each month since inception through the most recent month for which information is available. Show the beginning balance, the monthly activity by generating unit and reason showing the comparison of actual expense amounts to the amounts being recovered in base rates, and the ending balance for each applicable month.

c. Provide a description of each planned outage for each generating unit starting January 2018 through the most recent month for which information is available.

d. Provide the monthly history of the Forced Outage Purchased Power regulatory asset balances for each month since inception through the most recent month for which information is available. Show the beginning balance, the monthly activity by reason showing the comparison of actual expense amounts to the amounts being recovered in base rates, and the ending balance for each applicable month.

e. Provide the amount of forced outage purchased power replacement costs associated with each generating unit, before deferrals, by month for each month starting January 2018 through the most recent month for which information is available. Provide for each month the total amount, the amount recovered through the FAC, and the amount deferred to the Forced Outage Purchased Power regulatory asset.

f. Provide a description of each forced outage for each generating unit starting January 2018 through the most recent month for which information is available.

101. Refer to the Application generally. Provide a schedule of the amortization expense and remaining balance associated with each regulatory asset and regulatory liability for each month for the years 2018 through 2022, and for each month projected for 2023 and continuing through the end of the test year. In addition, provide the amortization period and the corresponding case number in which the Commission approved the recovery and the amortization period, if any. This request is applicable to all regulatory assets and liabilities except for the regulatory asset balances related to the Planned Outage O&M and the Forced Outage Purchased Power.

102. Refer to the Application generally. Provide the Asset Retirement Obligations and the accumulated amortization recorded for East Bend by FERC account/subaccount (assets and liabilities) and by generating unit, if available, as of December 31, 2021 and September 30, 2022, for each specific legal obligation.

103. Refer to the Application generally. Provide the Asset Retirement Obligations recorded for the Woodsdale CTs by FERC account/subaccount (assets and liabilities) as of December 31, 2021, and September 30, 2022 for each specific legal obligation.

104. Refer to the Kopp Testimony, and specifically the 1898 & Company's ("1898 & Co") decommissioning study. In regard to any asbestos abatement and other remediation costs for the East Bend Station and the Woodsdale CTs, indicate which, if any, of the costs for each unit relates to the Asset Retirement Obligations recorded by the Company.

105. Refer to the Kopp Testimony, and specifically the 1898 & Co's decommissioning study, Attachment JTK-1. Refer further to the column labeled "Inventory Cost" on Table 1-1 on page 6 of 30, which shows costs of $9.084 million and $5.967 million added to the level of decommissioning costs for East Bend and Woodsdale, respectively. Explain in detail what these costs include, how they were calculated, and why they should be considered part of the decommissioning costs for these two generating stations. In addition, explain their relationship, if any, to the level of salvage value estimated.

106. Refer to the Kopp Testimony at 6 – 7, wherein he addresses 1898 & Co's development of the "direct" costs of decommissioning the Company's generating units as follows:

> 1898 & Co estimated quantities based on a visual inspection of the facilities, review of engineering drawings, 1898 & Co's in-house database of plant quantities, and 1898 & Co's professional judgment. This resulted in an estimate of quantities for the tasks required to be performed for each decommissioning effort. Current market pricing for labor rates, equipment, and unit pricing were then developed for each task. These rates were applied to the quantities for the Plants to determine the total cost of decommissioning for each site.

Refer also to Mr. Kopp's Attachment JTK-1 at page 7 of 30, wherein the decommissioning study states, "The site decommissioning costs were developed using information provided by DEK and in-house data 1898 & Co has collected from previous project experience."

a. Indicate whether 1898 & Co relied on actual costs incurred to decommission other generating units and restore sites in the development of its estimates for the Duke

Kentucky generating units. If so, provide a detailed description of this aspect of 1898 & Co's scope of work in the development of its estimates and the specific information "collected from previous experience" and used for this purpose. If not, then explain why not and explain why such actual costs would not assist in the development of experience-based estimates.

b. Provide a copy of all actual costs and analyses incurred to decommission other generating units and restore sites used in the development of 1898 & Co's estimate for the Duke Kentucky generating units. Provide this information in Excel live format and with all formulas intact.

107. Refer to the Kopp Testimony at 8, wherein he addresses the addition of "indirect" Company costs to the direct costs of decommissioning the Company's generating units and states, "[i]ndirect costs were determined as a percentage of the direct costs, as is a typical approach when preparing these types of cost estimates. The percentage of direct costs that was applied to determine the indirect costs was developed by 1898 & Co based on experience with recent decommissioning estimates."

a. Provide a copy of all source data and information relied on to determine the "indirect costs" described in the above referenced testimony.

b. Provide all of 1898 & Co's analyses that demonstrate such costs are incremental to the costs incurred by Duke Kentucky rather than a non-incremental temporary reallocation of costs. If no such analyses were performed, then so state. If such analyses were performed, then provide all supporting assumptions, data, and calculations in live Excel format with all formulas intact, and dated notes, memoranda, and all other documentation contemporaneously developed along with the estimates of the indirect costs.

108. Refer to the Kopp Testimony, Attachment JTK-1 at page 9 of 30, wherein he provides a brief description of the East Bend generating units and site.

   a. Provide a more detailed description of the operating and retirement history of Unit 1, including, but not limited to, the retirement date.

   b. Provide the gross plant, accumulated depreciation, and net book value of East Bend 1 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.

   c. Describe Duke Kentucky's accounting practices for retired generating units, e.g., credit plant in service and debit accumulated depreciation equally for the gross plant in service at the date of retirement.

   d. Describe the manner in which the net book value debit balance included in accumulated depreciation post-retirement has been included in subsequent depreciation studies, e.g., "rolled in" to the accumulated depreciation for East Bend 2.

109. 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.

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.

110. Refer to the Kopp Testimony, Attachment JTK-1, Appendix A, at pages 19 – 23.

a. Confirm that all of these estimates are in 2022 dollars.

b. Confirm that none of these estimates rely on a specific retirement date or year. If this is not correct, then provide a corrected statement and describe how the specific retirement date or year impacted the cost estimate.

111. Refer to the Kopp Testimony, Appendix A. Confirm that there are no future retirement dates cited in the entire 1898 & Co study, and explain why that is the case.

112. Refer to the Application generally. Provide a monthly schedule for January 2018 through June 2024 by FERC electric plant account (and by generating unit and/or power plant for the production plant accounts) showing actual plant in service, actual retirements, actual depreciation expense (excluding net salvage), actual net cost of removal expense included in depreciation expense accrual, actual salvage income included in depreciation expense accrual, actual accumulated depreciation (only for depreciation and excluding accumulated net salvage), actual regulatory liability (only for accumulated net salvage separated into

accumulated cost of removal and accumulated salvage income if available), actual cost of removal charged against the regulatory liability, and actual salvage income added to the regulatory liability. For those accounts that are both electric and gas, provide an allocation to electric for purposes of this response. Provide this information in electronic spreadsheet format. Identify all costs separately that are recovered through the Company's Rider ESM instead of base rates.

113. 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.

114. Refer to the Direct Testimony of Mr. Spanos ("Spanos Testimony") at 12, wherein he states, "[b]ased on studies for other utilities and the Decommissioning Cost Study conducted by 1898 & Co. for Duke Energy Kentucky, it was determined that the dismantlement or decommissioning costs for steam and other production facilities is best calculated by dividing the dismantlement cost by the surviving plant at final retirement."

    a. Identify specifically how "it was determined" that the dismantlement or decommissioning costs for steam and other production facilities is "best calculated" in the manner described and what factors were considered in this determination.

    b. Identify specifically who "determined" that the dismantlement or decommissioning costs for steam and other production facilities is "best calculated" in the manner described.

115. Refer to the Application generally. Provide a copy of the depreciation study in support of the presently approved depreciation rates consistent with the depreciation rates authorized in Case No. 2017-00321. In addition, provide the interim and terminal net salvage components of the depreciation rates and the underlying workpaper support, including any conceptual and/or other studies used to develop the interim net salvage percentages and the terminal net salvage estimates and/or percentages. Finally, provide the probable retirement date and service life used for each generating unit in the determination of present approved depreciation rates.

116. Refer to the Spanos Testimony, Gannett Fleming Depreciation Study, Attachment JS-1, Table 1 at pages 52 – 54 of 382. Provide a schedule that shows current versus proposed depreciation rates, survivor curves, and net salvage percentages for all categories identified in the Gannett Fleming Depreciation Study Table 1.

117. Refer to the Spanos Testimony generally. Provide an electronic copy, with all formulas intact, of all schedules and supporting workpapers used in the depreciation study presented by Mr. Spanos, including but not limited to Table 1 on pages 52 – 54 of 382, and pages 232 – 234 of 382.

118. Refer to the Spanos Testimony, Gannett Fleming Depreciation Study, pages 232 – 234 of 382, which shows an escalation of decommissioning estimates to future values. Provide the rate of escalation assumed in these calculations and explain why that rate is appropriate.

119. Refer to the Spanos Testimony generally. For each generating unit, provide the date of installation, the probable retirement date reflected in the present depreciation rates and the probable retirement date reflected in the Gannett Fleming depreciation study. In addition,

provide a copy of all studies and all other source documents relied on for the proposed probable retirement dates reflected in the Gannett Fleming depreciation study.

120. Refer to the Application and the Spanos Testimony generally. Provide a schedule and electronic spreadsheet in live Excel format with all formulas intact showing the additional depreciation expense in the test year for each account and in total due to the proposed change in depreciation rates. In addition, on this same schedule, provide the related increase in accumulated depreciation and reduction in ADIT.

121. Refer to the Direct Testimony of Huyen C. Dang ("Dang Testimony"), at 5 – 6, SCH_B-3.2, and the calculation of depreciation expense in the test year using the Company's proposed depreciation rates.

   a. Provide the proposed depreciation rates for production plant disaggregated into depreciation, interim net salvage, and terminal net salvage.

   b. Provide the depreciation expense for production plant disaggregated into depreciation expense, interim net salvage, and terminal net salvage. Provide all calculations in Excel live format with all formulas intact.

   c. Confirm that the Company's proposed dollar decommissioning expense (terminal net salvage) for each of its generating units will not change as the result of capital (plant) additions and interim retirements at those generating units after December 31, 2021 until the date of retirement. If this is not correct, then provide a corrected statement and explain in detail what changes in the scope of work and the cost of that work will be required to decommission each of the generating units and restore the sites after each of the generating units are retired compared to the estimates developed and presented by 1898 & Co in this proceeding.

122. Provide a schedule showing per books actual O&M expenses and by FERC O&M/A&G expense account/subaccount for 2020, 2021, 2022, and projected for the test year. Further, show the amounts separated into costs incurred directly by Duke Kentucky, charges from Duke Ohio, charges from DEBS, charges from any other affiliate, less any charges from Duke Kentucky to any other affiliate.

123. Refer to the response to the immediately preceding question.

    a. Provide a schedule for each year that further details the charges from DEBS by FERC expense account/subaccount into directly assigned and allocated. For those charges that are allocated, provide the total DEBS expense, the allocation factor utilized, and the amount charged to Duke Kentucky.

    b. Provide a schedule for each year that further details the charges from Duke Ohio by FERC expense account/subaccount into directly assigned and allocated. For those charges that are allocated, provide the total Duke Ohio expense, the allocation factor utilized, and the amount charged to Duke Kentucky.

124. Refer to the Application generally. Provide a schedule showing the local franchise fee rider revenue and the local franchise fee expense for each month in the base period and the test year. If the revenue and expense amounts are not equivalent in the test year, please explain why they are not and provide a reconciliation of the two amounts for each month during the test year.

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

126. 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.

127. Refer to the Application generally. Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for Duke Kentucky by department and by month for 2018, 2019, 2020, 2021, 2022, and budgeted in each month for 2023.

128. Refer to the Application generally. Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for DEBS by department and by month for 2018, 2019, 2020, 2021, 2022, and budgeted in each month for 2023.

129. 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.

130. Refer to the Application generally. Indicate whether Duke Kentucky is a C corporation for federal income tax purposes. If not, then describe Duke Kentucky's entity status for federal income tax purposes.

131. Refer to the Application generally. Indicate whether Duke Ohio is a C corporation for federal income tax purposes. If not, then describe Duke Ohio's entity status for federal income tax purposes.

132. Refer to the Application generally. Provide a copy of Duke Ohio's 2021 federal income tax returns.

133. Refer to the Application generally. Provide a copy of Duke Energy's 2021 federal income tax returns.

134. Refer to the Application generally. Provide a copy of Duke Energy, Duke Ohio, and Duke Kentucky's income tax allocation agreement(s).

135. Refer to Duke Kentucky's response to the Commission Staff's First Request for Information ("Commission Staff's First Request"), SCH_H tab in the SCH_J1-Base tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook, and the state income tax rate of 5.0%.

    a. Confirm that this state income tax rate is for Kentucky only and does not reflect an average or weighted average of any other or all Duke Energy utility jurisdictions.

    b. Confirm that Duke Kentucky is a subsidiary of Duke Ohio. Indicate whether Duke Kentucky is included in Duke Ohio's state income tax return. If so, then describe how Duke Ohio derives the Ohio apportionment ratio for Ohio taxable income.

    c. Provide the Ohio state income tax rate in 2021, 2022, and forecast for 2023 and

2024.

d. Indicate if Duke Ohio or Duke Kentucky files a Kentucky state income tax return. If the former, then describe how Duke Ohio derives the Kentucky apportionment ratio for Kentucky taxable income.

e. Confirm that the 99.37% shown on printed line 11 is the Kentucky retail jurisdiction ratio. If confirmed, then provide the calculation of the 99.37%. If denied, then describe this ratio and provide the calculation.

136. Refer to Duke's response to the Commission Staff's First Request, Item 56, the electronic workpapers, and further to the worksheet tab WPB-6's which show the ADIT amounts by month for each account in total.

a. Provide another schedule in the same format for the months January 2021 through July 2022.

b. Provide the ADIT in accounts 190, 282, and 283 by temporary difference for each month January 2021 through June 2024.

137. Refer to the Panizza Testimony at 4 – 6. Provide the balance of unprotected Excess Accumulated Deferred Income Taxes ("EDIT") in account 254 for each month December 2020 through the latest month with available data, separated between federal EDIT and state EDIT. Notate any true-ups in the balances related to actual tax returns and explain the derivation of the amortization amounts for each of the months that the amortization amounts changed for both federal EDIT and state EDIT.

138. Refer to the Panizza Testimony at pages 4 – 6, and to Schedule E-1, page 3 of 3 in regard to the balances of federal and state EDIT and the amortization amounts reducing income tax expense in the test year.

    a. Provide the EDIT balances used to compute the 10-year amortization of unprotected EDIT included in the test year.

    b. Provide the amortization amounts recorded to date and projected to be recorded each year starting in 2018 and going through the end of the projected test year for both the protected and unprotected federal and state EDIT.

139. Provide a schedule showing the EDIT by temporary difference for DEBS (total DEBS and allocation to Duke Kentucky-Electric Division) due to the remeasurement of ADIT resulting from the lower federal income tax rate due to the Tax Cuts and Jobs Act, the allocation of the remeasured balance to Duke Kentucky, and the amortization that has taken place based on the Commission's Order from Case No. 2019-00271 at page 23.[13]

140. Describe how the DEBS EDIT is reflected in the Duke Kentucky electric revenue requirement. Provide the amounts reflected in rate base and/or cost of capital by temporary difference and the related effect on the Duke Kentucky electric revenue requirement, if any. Provide all data, assumptions, and calculations, including electronic workpapers with all formulas intact.

141. Refer to the Panizza Testimony at 6.

[13] Case No. 2019-00271, *Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief* (Ky. PSC Apr. 27, 2020), Order at 23.

a. Provide the calculations of estimated test year property tax expense, including copies of the sources of the property tax rates, in electronic format with all formulas intact.

b. Provide the most current and the after increase property tax rates related to the anticipated tax rate increases and explain how each were determined.

c. Quantify the projected increase amounts for property tax expense associated with the "anticipated property tax rate increases" as opposed to all other causes of projected property tax expense increases.

142. Refer to the Application, Volume 10, Schedule F-6, page 166 of 199, which depicts the estimated rate case expenses by category. Refer also to Duke Kentucky's response to the Commission Staff's First Request, Item 14, Attachment 1 and 2, depicting rate case expenses incurred to date and copies of invoices processed to date.

a. An estimate of $85,000 was included for a "Generation Retirement Study." Explain why this amount was included in the rate case estimate and whether it should still be considered an incremental cost for this rate case. It does not appear that such a study was filed in this case. If it was filed, then identify where. If it was not filed, then provide a copy of the study.

b. For each of the invoices processed for "Guidant Group/Contractor Staffing," describe the services provided and explain why they should be considered incremental costs for this rate case.

c. For each of the estimated cost categories shown on Schedule F-6 that sum to $1,136,000, indicate how much of that estimate relates to "Guidant Group/Contractor Staffing."

d. For each of the contract employees invoiced by "Guidant Group/Contractor Staffing" to date listed below, indicate how long this person has been employed by the Guidant Group on behalf of the Company and the role that person plays or job title. If the person was hired just for this rate case, so indicate.

Abbe Greenfield

Kate Carter

Tracie Otto

Jan Bulstra

Dallas Bowles

143. Refer to the electronic workpapers provided in Duke Kentucky's response to the Commission Staff 's First Request, Item 56, and further to Schedule B-5 and the related tab WPB-5's. Provide a schedule in the same format as the various workpapers with the actual inventory and prepaid amounts for each month January 2021 through the most recent month for which actual information is available for all working capital balances.

144. Refer to the Application generally. Describe in detail how the Company allocates fuel expense between off-system sales and native load. Provide a copy of all documentation of this allocation methodology.

145. Refer to the Application generally. Provide the accounts payable balances for construction work in progress ("CWIP") (construction) (Electric Division) at month-end for each month

January 2021 through December 2022 (actuals), January 2023 through June 2024 (forecast). Describe the process the Company utilized to determine the accounts payable balances for CWIP (construction). If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

146. Refer to the Application generally. Provide the accounts payable balances for fuel inventories (Electric Division) at month-end for each month January 2021 through December 2022 (actuals), January 2023 through June 2024 (forecast). Describe the process the Company utilized to determine the accounts payable balances for fuel inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

147. Refer to the Application generally. Provide the accounts payable balances for materials and supplies inventories (Electric Division) at month-end for each month January 2021 through December 2022 (actuals), January 2023 through June 2024 (forecast). Describe the process the Company utilized to determine the accounts payable balances for materials and supplies inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

148. Refer to the Application generally. Provide the accounts payable balances for prepayments (Electric Division) at month-end for each month January 2021 through December 2022 (actuals), January 2023 through June 2024 (forecast). Describe the process the Company utilized to determine the accounts payable balances for fuel inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

149. Refer to the electronic workpapers provided in Duke Kentucky's response to the Commission Staff's First Request, Item 56, and further to tab BASE PERIOD containing actual and projected monthly revenues and costs by subaccount during the months in the base year. Provide an update for all accounts with actual monthly data through the latest month with available data.

150. Refer to the electronic workpapers provided in Duke Kentucky's response to the Commission Staff's First Request, Item 56, and further to the worksheet tab WPC_2, which contains WPC-2a and WPC-2b showing revenue breakdowns in the base and forecast periods.

    a. Provide the calculations and all support for the sales for resale revenues in the base period and in the test year.

    b. Provide the actual Sales for Resale recorded in account 447 for each month from January 2019 through December 2022.

    c. Provide the actual Other Electric Revenues recorded in account 456 for each month from January 2019 through December 2022.

    d. Explain why the Sales for Resale revenues (line 13) decline in the test year compared to the base year by almost $22.3 million. Provide all workpapers and other analyses, including electronic workpapers in live Excel format with all formulas intact.

    e. Provide the reduction in expense related to the reduction in the Sales for Resale revenues noted in part (d) of this question. Provide all workpapers and other analyses, including electronic workpapers in live Excel format with all formulas intact.

f. Explain why the Other Electric Revenues decline in the test year compared to the base year by almost $5.9 million. Provide all workpapers and other analyses, including electronic workpapers in live Excel format with all formulas intact.

151. Refer to the McClellan Testimony at 13 – 15, wherein he generally describes the different results when using 30 years or 10 years of weather normalized data for forecasting peak load and MWh sales, including the forecast peak load and MWh sales for the base year through the end of the test year.

a. Indicate whether the Company developed a forecast of the peak load and MWh sales for the test year using 10 years of weather normalized data given the slight warming trend noted by Mr. McClellan. If it did, then provide the forecasts for the base year through the end of the test year, including all underlying data and statistical analyses.

b. In addition, provide all reasons why the Company chose to use 30 years instead of 10 years of weather normalized data to develop the forecast peak load and MWh sales for the test year. Specifically explain why the use of 30 years instead of 10 years does not diminish the forecast peak load and MWh sales for the base year through the end of the test year.

152. Refer to Duke Kentucky's response to the Commission Staff's First Request for Information, KWH Sales tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook.

a. Provide the Company's budget for each column for each month January 2022 through August 2022.

b. Provide the Company's actual for each column for each month January 2022 through February 2022 and September 2022 through December 2022.

c. Provide the Company's forecast for each column for each month March 2023 through June 2024, the bridge period between the end of the base year and the start of the test year.

d. Provide all reasons why it is reasonable for forecast residential sales in October 2023 to be less than forecast in October 2022.

e. Provide all reasons why it is reasonable for forecast residential sales in November 2023 to be less than in November 2022.

f. Provide all reasons why it is reasonable for forecast residential sales in December 2023 to be less than in December 2022.

g. Provide all reasons why it is reasonable for forecast residential sales in January 2024 to be less than forecast in January 2023.

153. Refer to the McClellan Testimony at 10, wherein he addresses the addition of one new very large commercial customer in the test year.

a. Confirm that the effects of this customer on peak demand and on MWh sales to the commercial class are included in the test year.

b. Provide the monthly increase in peak demand and on MWh sales to the commercial class in each month of the test year from this customer.

154. 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.

155. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, Base Period Cust tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. Provide an extended version of this tab to add the forecast information in the same format for each month March 2023 through June 2023.

156. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, SCH_G3 tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. Extend this schedule to include columns for expense, capitalized, and other for both the forecast period and the test year.

157. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, SCH_G1 in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. On this schedule the test year labor expense is $0.289 million *less* than in the base period, yet the test year payroll tax expense is $0.538 *more* than in the base

period. Explain and reconcile this apparent anomaly.

158. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, WPH-a as part of the SCH_H tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook.

   a. Provide the underlying data and calculations of the percentages shown on this workpaper. In addition, describe the data and calculations relied on for this purpose, including a description of the source of the data.

   b. Provide the same information for each month from January 2019 through December 2022 and forecast for January 2023 through June 2023.

159. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, D-2.28 tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. In the Commission's final Order in Case 2019-00271 at 19, the Commission stated:

> Duke Kentucky also included $0.856 million of non-executive incentive compensation, $0.223 million of executive incentive compensation, and $0.502 million of director's stock expense in its test year. A portion of these incentive payments would only be paid out in the event that a predetermined "circuit breaker" Earnings per Share (EPS) value is met in the fiscal year. Duke Kentucky states that if EPS is less than the circuit breaker value, then test-year expenses that would not be paid out equals $0.661 million.
>
> The Commission agrees with the adjustment to payroll taxes associated with incentive compensation and finds that Duke Kentucky's payroll tax expense should be reduced by $0.065 million, a revenue requirement reduction of $0.066 million. Additionally, the Commission finds that Duke Kentucky's incentive compensation that is directly tied to EPS of $0.661 million should be removed from the test-year expenses, a revenue requirement reduction of $0.663 million.[14]

[14] Case No. 2019-00271, *Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief* (Ky. PSC Apr. 27, 2020), Order at 19.

a. Identify and describe all incentive compensation plans that have a "circuit breaker" EPS threshold that must be met before there is any payout regardless of the factors that determine the amount of the payout.

b. Indicate whether the Company's adjustment to exclude incentive compensation expense tied to measures of financial performance excludes all incentive compensation expense tied to the "circuit breaker" EPS threshold. If not, then provide the additional incentive compensation expense that would be excluded from the requested base revenue requirement to be consistent with Commission's Order in Case 2019-00271. Provide all calculations in live Excel format with all formulas intact. In addition, source all data used for this purpose and provide a copy of the source documents and/or other source materials.

c. Refer further to WPD-2.28a, line 3, Operation Excellence with a weighting of 10% in the STI plan metrics.

    i. Refer to the table in the Stewart Testimony at 30. Confirm that the Operational Excellence category referred to on WPD-2.28a is further separated into reliability and combined safety/environmental categories with a weighting of 5% to each category, consistent with the table in Mr. Stewart's testimony, but does not reflect the weighting of 12.5% to each of those same categories for the "Senior Management Committee (SMC)" as shown on the table in Mr. Stewart's testimony. Explain this apparent inconsistency.

ii. Provide a revised version of WPD-2.28a that is consistent with the weighting of 12.5% to each category for the "Senior Management Committee (SMC)" as shown on the above referenced table in the Stewart testimony.

160. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, D-2.20 tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. Refer further to the Profit Sharing Mechanism ("PSM") amount reflected in cell row 23. Explain why the Commission should not reset the baseline for the PSM to $0 rather than setting it to $1.595 million as shown in cell row 23 on this tab.

161. Refer to DEBS's 2021 FERC Form 60 at pages 201 and 301.

a. Refer to the amount of net income after taxes reflected on page 301, at line 62, and the amount of income taxes on page 301 at lines 42 – 44. Explain how the service company reflected net income of approximately $34.867 million after net income tax expense of approximately $22.375 million in 2021 as opposed to net income and income taxes at around zero if all costs were charged to affiliates at cost.

b. Refer to page 201, at lines 14 and 15. The balance of Unappropriated Retained Earnings at the end of 2021 was approximately $623.579 million and dividends paid during 2021 were $0. Confirm that the amount of Unappropriated Retained Earnings represents profits retained at DEBS, after annual dividends to stockholders, and that those profits represent billings to affiliates in excess of actual costs on a cumulative basis.

c. Are any costs charged to affiliates, such as Duke Kentucky, based on an equity return on investment component as opposed to just the return of component and interest charges? If so, explain and describe the basis for the equity return added to costs charged to affiliates as well as the actual return on equity percentage added during 2021 and the projected return on equity percentage for the test year.

d. Provide a schedule showing the monthly forecasted net income for DEBS, before and after income taxes, for each month during 2021 and 2022.

e. Provide a schedule showing the monthly forecasted recovery of equity return for DEBS, including income taxes, charged to Duke Kentucky, including charges directly to Duke Kentucky from DEBS and all charges from other affiliates that include charges from DEBS. Provide all calculations, including electronic spreadsheets in live format with all formulas intact.

162. Refer to the Company's Application, Volume 16, CAM at page 13, which includes the following statement:

> By the terms of the Service Company Utility Service Agreement, compensation for any service rendered by the Service Company to its utility affiliates is the fully embedded cost thereof (i.e., the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code.

a. Describe how the "(iii) costs of capital" is determined by DEBS each period and provide that determination for each month applicable to 2021, 2022, and projected for the test year.

b. Describe the source of the return on equity percentage component utilized by DEBS for the"(iii) costs of capital" for each month applicable to 2021, 2022, and projected for the test ear and cite all authorities, if any.

c. Indicate whether the "(iii) costs of capital" includes a gross up for income taxes.

163. 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.

164. 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.

165. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, the "Annual Interest Cost" column shown on SCH_J3-Base and SCH_J3-Forecast tabs in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook.

a. Indicate if the components of the interest cost calculation are recorded by the Company in this manner, i.e., interest expense, amortization of debt premium (discount), amortization of issuance expense, or if the Company utilizes a yield to maturity calculation. If the latter, then describe how the Company calculates and records interest expense and provide an actual example for a single debt issue for one of the actual months in the base period.

b. If the response to part (a) is the former, not the latter, then indicate whether the Company is able to record interest expense using the yield to maturity methodology for GAAP purposes with or without recording regulatory assets and/or liabilities. Cite the relevant GAAP.

c. If the response to part (a) is the former, not the latter, then indicate whether the Company is able to record interest expense using the yield to maturity methodology for USOA purposes with or without recording regulatory assets and/or liabilities. Cite the relevant USOA.

d. Has the Company considered using a yield to maturity methodology for GAAP, USOA, and/or ratemaking purposes? If so, describe. If not, describe why not.

e. Do any state regulatory commissions that regulate the rates of Duke Kentucky affiliate utilities use a yield to maturity methodology to determine the cost of debt component of the return on rate base or capitalization for ratemaking purposes? If so, identify the state commission and the utility(ies) and provide the cost of capital schedule from the most recent rate proceeding for each such affiliate utility.

166. Refer to Duke Kentucky's response to the Commission Staff's First Request, Item 56, the Amount and Percentage columns shown on the SCH_J1-Base tab in the Main Rev Req STAFF-DR-01-056_Attachment_-_KPSC_Elec_SFRs_-_2022 Excel workbook. Provide the same information as shown in these two columns for each month from January 2020

through the most recent month for which actual information is available.

167. 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.

168. 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.

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

170. Provide any analyses performed by Mr. Nowak or other persons at Duke Energy or Duke Kentucky that quantify the credit metrics used by Standard and Poor's and/or Moody's showing that Mr. Nowak's recommended ROE is necessary to maintain Duke Kentucky's financial integrity. Provide all supporting work papers and documents used in these analyses. If no such analyses were performed, please so state.

171. 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.