

**VERIFICATION**

STATE OF OHIO                    )  
                                          )     SS:  
COUNTY OF HAMILTON        )

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

Bruce L. Sailors  
Bruce Sailors Affiant

Subscribed and sworn to before me by Bruce Sailors on this 24<sup>TH</sup> day of JANUARY,  
2023.



ADELE M. FRISCH  
Notary Public, State of Ohio  
My Commission Expires 01-05-2024

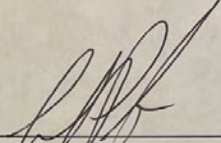
Adele M. Frisch  
NOTARY PUBLIC

My Commission Expires: 1/5/2024

VERIFICATION

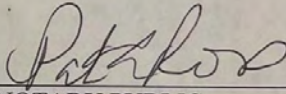
STATE OF NORTH CAROLINA     )  
                                                  )     SS:  
COUNTY OF MECKLENBURG     )

The undersigned, Scott Park, Managing Director IRP & Analytics, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief

  
\_\_\_\_\_  
Scott Park Affiant

Subscribed and sworn to before me by Scott Park on this 20 day of January,  
2023.

**PATRICIA C. ROSS**  
NOTARY PUBLIC  
Mecklenburg County  
North Carolina

  
\_\_\_\_\_  
NOTARY PUBLIC  
Patricia C. Ross

My Commission Expires: 10-23-2024

**KyPSC Case No. 2022-00394**  
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**Duke Energy Kentucky  
Case No. 2022-00394  
STAFF Second Set Data Requests  
Date Received: January 12, 2023**

**PUBLIC STAFF-DR-02-001**

**REQUEST:**

Refer to the Economic Development Incentive Service Agreement, page 4. Provide an annual schedule showing the costs and revenues for the discount period and two following years that illustrate that the contract rates will cover the variable cost of service and provide a contribution to fixed costs and that Duke Kentucky's other customers do not subsidize Diversey. Include in the response, which rates are discounted.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)**

See the Summary tab of STAFF-DR-02-001 Confidential Attachment, cells H5 through L8. The estimated bills are shown in tab ESTIMATED BILLS in the same attachment. As shown, the estimated bills are broken down into Customer Charge, Demand Charge, Energy Charge, Rider ESM, Rider DSM, Rider PSM, and Rider FAC. The first 12 months of estimated bills include a discount to the Customer Charge, Demand Charges, and the Energy Charges.

**PERSON RESPONSIBLE:**            Bruce L. Sailors

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**STAFF-DR-02-001  
CONFIDENTIAL ATTACHMENT**

**FILED UNDER SEAL**

**Duke Energy Kentucky**  
**Case No. 2022-00394**  
**STAFF Second Set Data Requests**  
**Date Received: January 12, 2023**

**STAFF-DR-02-002**

**REQUEST:**

Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1.

a. Explain whether the projected reserve margins are based on Duke Kentucky's system peak or PJM Interconnection LLC's (PJM) system peak. If they are based on PJM's system peak, provide the reserve margins for Duke Kentucky's system peak.

b. Provide the reserve margin that Duke Kentucky requires for system reliability for 2022-2026 and briefly explain how those reserve margins are determined.

**RESPONSE:**

a. The projected reserve margin numbers are based on Duke Energy Kentucky's system peak.

b. In the 2021 IRP, Duke Energy Kentucky assumed the reserve margin requirement was 8.7% which is based on the reserve margin requirement set by PJM. In general, as a generating fleet transitions to having less dispatchable resources, it is expected that reserve margin requirements will increase to maintain reliability.

**PERSON RESPONSIBLE:** Scott Park

**Duke Energy Kentucky**  
**Case No. 2022-00394**  
**STAFF Second Set Data Requests**  
**Date Received: January 12, 2023**

**STAFF-DR-02-003**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Item 2 and the Application generally. Neither the application nor the response appear to contain a marginal cost study. Provide a marginal cost study performed in the last year and explain how it demonstrates that the contract will cover the variable cost of service and provide a contribution to fixed costs over the contract term.

**RESPONSE:**

See response to STAFF-DR-02-001. In addition, the Company supports the description of the assessment of marginal cost provided in STAFF-DR-01-002. For this specific economic development project, the Company proposes that the only material marginal cost to serve the customer is marginal energy cost. These marginal energy costs are evaluated in STAFF-DR-02-001 Confidential Attachment. The attachments submitted with STAFF-DR-01-002 included an error. In STAFF-DR-02-001 Confidential Attachment, the estimated bills are shown to exceed the estimated marginal costs resulting in a contribution to the Company's fixed costs.

**PERSON RESPONSIBLE:**           Bruce L. Sailors

**Duke Energy Kentucky  
Case No. 2022-00394  
STAFF Second Set Data Requests  
Date Received: January 12, 2023**

**STAFF-DR-02-004**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Confidential Attachment 2.

Provide a narrative description of how the attachment shows that the marginal cost is less than the discounted revenues generated by the contract.

**RESPONSE:**

See response to STAFF-DR-02-001 and STAFF-DR-02-003.

**PERSON RESPONSIBLE:** Bruce L. Sailors