

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. FOR AN ADJUSTMENT TO	)	CASE NO.
RIDER NM RATES AND FOR TARIFF	)	2023-00413
APPROVAL	)	

**KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.  
INITIAL REQUESTS FOR INFORMATION TO  
DUKE ENERGY KENTUCKY, INC.**

Come now the Kentucky Solar Industries Association, Inc. (KYSEIA), by and through counsel, and in accordance with the Public Service Commission’s Order dated January 5, 2024, submits its Initial Requests for Information to Duke Energy Kentucky, Inc. (“Duke” also “Company”).

- 1) In each case in which a request seeks information provided in response to a request of Commission Staff, reference to the Company’s response to the appropriate Staff request will be deemed a satisfactory response.
- 2) Please identify the Company’s witness who will be prepared to answer questions concerning the request during an evidentiary hearing.
- 3) These requests shall be deemed continuing and require further and supplemental responses if the Company receives or generates additional information within the scope of these request between the time of the response and the time of any evidentiary hearing held by the Commission.

- 4) If any request appears confusing, please request clarification directly from Counsel for KYSEIA.
- 5) 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.
- 6) 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.
- 7) If the Company has any objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify Counsel for KYSEIA as soon as possible.
- 8) For any document withheld through a claim of privilege, state the following: Date; author; addressee; indicated or blind copies; all person to whom distributed, shown, or explained; and the nature and legal basis for the privilege asserted.
- 9) In the event that any document called for has been destroyed or transferred beyond the control of the Company, 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 policy.
- 10) As the Company discovers errors in its filing and/or responses, please provide an update as soon as reasonable that identifies such errors and provide the document to support any changes.

WHEREFORE, KYSEIA respectfully submits its Initial Requests for Information to Duke.

Respectfully submitted,

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#### **Notice And Certification For Filing**

Undersigned counsel provides notice that the electronic version of the paper has been submitted to the Commission by uploading it using the Commission's E-Filing System on this 19<sup>th</sup> day of January 2024, in conformity with the Commission's January 5, 2024 Order of procedure in the instant case. Pursuant to the Commission's Orders in Case No. 2020-00085, *Electronic Emergency Docket Related to Novel Coronavirus Covid-19*, the paper, in paper medium, is not required to be filed.

/s/ David E. Spenard

#### **Notice And Certification Concerning Service**

No party has been excused from the electronic filing procedures in the instant proceeding.

/s/ David E. Spenard  
David E. Spenard

**KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.  
INITIAL REQUESTS FOR INFORMATION TO DUKE  
LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

1. Reference: Application, Numbered Paragraphs 8 and 9 (page 4).
  - a. Numbered Paragraph 8 includes a truncated sentence from KRS 278.466(6) through which a portion of the Legislature’s instruction is omitted. Specifically, the Paragraph states, at pertinent part: “the net metering tariff provisions in place when the eligible customer-generator began taking net metering service . . . shall remain in effect at those premises for a twenty-five (25) year period.” Confirm that this sentence in KRS 278.466(6) includes the following additional text “the net metering tariff provisions in place when the eligible customer-generator began taking net metering service . . . shall remain in effect at those premises for a twenty-five (25) year period, **regardless of whether the premises are sold or conveyed during that twenty-five (25) year period (emphasis added in bold for the omitted portion of the statute).**”
  - b. State whether it is the intent of Duke to allow the net metering tariff provisions in place when the eligible customer-generator began taking net metering service (through the proposed Rider NM I) to remain in effect for a twenty-five (25) year “grandfathering” period only if the premises are not sold or conveyed during that period.
  - c. Numbered Paragraph 9 states, in pertinent part: “[T]he AVAILABILITY section is proposed to be revised to close the rider to new participants.” State whether it is the intent of Duke to not allow a successive customer who takes service at a premises upon which an eligible customer-generator that began taking net metering service under the “grandfathered” net metering framework is located upon a sale or conveyance of that premises to the successive customer.
  - d. State whether Duke agrees or disagrees with the following approach concerning availability of the continuation of net metering under the “grandfathered” net metering framework (through the proposed Rider NM I) at a premises with an eligible customer-generator: The AVAILABILITY section should be revised to close the “grandfathered” net metering framework to any new eligible customer-generators. If Duke disagrees with this approach, state all reasons for disagreement.
  - e. Numbered Paragraph 9. State whether Duke will, upon the closing of an account for a premises with a “grandfathered” eligible customer-generator, will advise or otherwise provide notice to a successive customer who opens an account at that premises during the “grandfathering” period of the option to continue receiving net metering service under the “grandfathered” net metering

framework (through the proposed Rider NM I). If yes, explain how. If no, explain why not.

- f. Identify, by Exhibit Number and page number, the section(s) and language of Duke's proposed revisions to its existing net metering tariff through which Duke addresses how a successive customer (a new customer taking service following a sale or conveyance of premises containing an eligible customer-generator subject to the "grandfathered" net metering framework) applies for, activates, accepts, or otherwise invokes the right to continue to receive service under the "grandfathered" net metering framework (through the proposed Rider NM I) for the term of the "grandfathering" period. If there is no language in the proposed tariff, explain why not.
- g. Will Duke provide each customer receiving "grandfathered" net metering service with a certificate or other written confirmation or proof of eligibility to continue participation through the proposed Rider NM I including a description of the rights and responsibilities regarding the preservation of the status? If yes, provide a narrative that explains the certification process. If no, explain why not.

2. Reference: Application, Numbered Paragraph 10 (page 4).

- a. Explain what is meant by the phrase "material increase" in terms of how a customer may know in advance of a replacement of equipment as to what is acceptable and unacceptable for continuation of service through the "grandfathered" net metering framework.
- b. Compare the phrase "material increase" per the Application with the Direct Testimony of Bruce L Sailors ("Sailors Direct") at page 14 at which Mr. Sailors states, in pertinent part: "During the 25-year period, customer-generators are permitted to replace equipment such as, but not limited to, non-functioning solar panels with like replacement if the capacity of the system is not increased by more than the original inverter capacity of the system." Identify and explain the scenario(s) in which there is an increase through the replacement of equipment but the capacity of the system is not increased by more than the original inverter capacity of the system.
- c. In determining whether a change results in a material increase, state whether Duke plans to use any of the following methods to identify a material change.
  - i Duke will use a "per se" rule such that an increase of greater than, say, five percent (5%) of the system nameplate capacity is a material increase (and an increase below five percent (5%) is not considered a material increase). If this is the approach, state the proposed percentage. If this is not the approach, explain why not.

- ii. If Duke plans to use the type of approach described in part 2(c)(i), state why the rule is not set forth in the proposed Rider NM I tariff.
  - iii. Duke will use a “per se” rule such that any change in the system nameplate capacity is a material increase. If this is the approach, explain why. If this is not the approach, explain why not.
  - iv. If Duke plans to use the type of approach described in part 2(c)(iii), state why the rule is not set forth in the proposed Rider NM I tariff.
  - v. Duke will review each increase in the capacity of a system on a case-by-case basis to determine if the increase is a material increase. If this is the approach, explain why. If this is not the approach, explain why not.
  - vi. If Duke plans to use the type of approach described in part 2(c)(v), state why the approach is not set forth in the proposed Rider NM I tariff.
  - vii. If Duke plans to use an approach other than one of the approaches described in part 2(c)(i), (iii), or (v), fully describe the approach for determining whether there has been a material increase.
- d. Fully describe the process or methodology and corresponding review that Duke proposes to apply to any replacement of equipment. For example, will a customer receiving net metering service through a “grandfathered” eligible customer-generator be required or, alternatively, allowed to submit, for pre-approval an application for replacement of equipment, etc.
  - e. State the purpose of the “material increase” provision.
  - f. Identify the statutory provision(s) in KRS Chapter 278 establishing the “material increase” test for replacement of equipment.
- 3. Reference: Application, Numbered Paragraph 11 (page 5).
    - a. Identify and explain the “future developments.”
  - 4. Reference: Application, Exhibit 3, page 1 of 6.
    - a. Concerning AVAILABILITY, the proposed Rider NM II contains, at pertinent part, the statement: “If the cumulative generating capacity of net metering systems reached one percent (1%) of the Company’s single hour peak load during the previous year the Company’s obligation to offer net metering to a new customer-generator may be limited.” State and explain (i) what the Company means by the term “limited” and (ii) all factors that will be considered in an exercise of discretion to limit offering net metering to a new customer-generator.

- b. For the proposed tariff provision identified in part a (immediately above), state whether Duke will seek prior Commission approval before any exercise of discretion to limit offering net metering to a new customer-generator upon reaching the one percent (1%) of the Company's single hour peak load metric. If yes, explain how. If no, explain why not.
- c. Concerning a standard rate schedule with a two-part rate structure, provide a hypothetical example through which each of the two-parts and their operation are demonstrated.

5. References: Sailers Direct and Application, Exhibit 3, page 2 of 6.

- a. At page 6 of Sailers Direct (also see page 16), "monthly kWh netting" is identified as a "main theme" from the forums with external stakeholders. With respect to "monthly kWh netting" for customers receiving service through the proposed Rider NM II, confirm or deny (in parts a i and ii immediately below) the following statements (without regard to the treatment of any excess dollar amount credit created during a monthly billing period or any dollar value credit applied during a monthly billing period) concerning the monthly netting process.
  - i. Duke will determine the dollar amount energy charge for the kWh delivered to the customer during the monthly billing period. Duke will also determine a dollar amount credit for the kWh fed into the grid by the customer. Duke will, for the billing period, net the dollar amount energy charge for the kWh delivered against the dollar amount credit for energy fed into the grid.
  - ii. Duke will determine the amount of kWh delivered to the customer during the billing period. Duke will determine the amount of kWh fed into the grid by the customer during the billing period. Duke will net the kWh delivered against the kWh fed into the system and thereafter determine the dollar amount energy charge for the net amount of kWh delivered (if kWh delivered is greater than kWh fed into the grid) or, alternatively, the dollar amount credit for energy fed into the grid (if kWh fed into the grid is greater than kWh delivered).
  - iii. The proposed NM II tariff states (Exhibit 3, Page 2 of 6), at pertinent part, that a metering requires "use of one of the following methods, as determined solely by the Company," and thereafter identifies and defines methodology "(1)" and methodology "(2)" as the methods. State and explain the scenarios in which the second alternative described in methodology "(2)" ("a single standard kilowatt hour meter capable of measuring the flow of electricity in two (2) directions and registering the net amount in one register, as determined by the Company") will be required and/or permitted.

- iv. If Duke is unable to confirm either scenario in parts a i and ii described above, state how Duke will determine the net monthly bills for customers receiving service under the proposed Rider NM II and provide examples of the determination of a monthly bill under Rider NM II when (a) the amount of kWh delivered to the customer during the billing period is greater than the amount fed into the grid and also (b) when the amount of kWh delivered to the customer during the billing period is less than the amount of kWh fed into the grid.
  - b. Confirm that methodology “(2)” under METERING includes authorization for metering through a single standard kilowatt hour metering which registers the net amount in one register. If this cannot be confirmed, explain why not.
  - c. Refer to the METERING methodology identified in part b immediately above and state whether billing based upon net kilowatt usage during a billing period is permissible through the proposed NM II. If yes, explain why. If no, explain why not.
6. Reference: Sailers Direct at page 5.
- a. Regarding the Avoided Cost Excess Generation Credit (ACEGC), how identify the factors that Duke will take into consideration and the process through which Duke will revise its Avoided Cost Excess Generation Credit. For examples, does Duke anticipate revising its ACEGC through and as part of a proceeding for the general adjustment of base rates, or through “stand-alone” tariff filings (such as the application in the instant proceeding)?
  - b. For a scenario in which the one percent (1%) threshold identified in KRS 278.466(1) is reached and Duke no longer offers net metering service through Rider NM II to any new customer-generators, does Duke anticipate that the closing of Rider NM II will impact the factors and considerations identified in response to part a, above. If yes, explain how. If no, explain why not.
  - c. Refer to Sailers Direct at page 14. Is it Duke’s position that the ACEGC amount in place at the time that a specific customer-generator begins to take service through Rider NM II (“upon starting participation”) will remain the applicable ACEGC amount for that specific customer-generator for twenty-five (25) years or whether it is Duke’s position that the ACEGC amount for that customer-generator will be subject to change before the end of a twenty-five (25) year period.
  - d. If the ACEGC amount identified in part c (above) is subject to change after a specific customer-generator starts participation through Rider NM II, explain the way(s) the ACEGC amount for that specific customer-generator can be changed.



- e. Refer to Sailers Direct starting at page 16. If there is a change in the ACEGC amount, for example and for this data request assume that all other things equal and there is an increase in the amount of avoided costs through the Environmental Cost component of the ACEGC, will the ACEGC amount in place at the time that a specific customer-generator begins to take service through Rider NM II remain the same for twenty-five (25) years or will the ACEGC amount be revised to reflect the increase? For this scenario, include in the discussion an explanation concerning what happens to the ACEGC amount if there is, all other things equal, a decrease in the amount of avoided costs through the Environmental Cost component of the ACEGC amount that is in place at the time that a specific customer-generator begins to take service through Rider NM II.

7. Reference: Sailers Direct at pages 7 and 8.

- a. Provide a schedule that contains a breakdown of the 776 customer-generators identified on line 11 by customer classification as either residential customers or non-residential customers.
- b. Confirm that all 776 customer-generators identified on line 11 are receiving service through Duke's existing net metering tariff (going-forward through the proposed Rider NM I).
- c. Of the 776 customer-generators identified on line 11, confirm that none of these customer-generators have systems larger than forty-five (45) kilowatts. If there are any customer-generators with systems larger than forty-five (45) kilowatts, state (i) the number of systems, (ii) the total MW-AC associated with these systems, and (iii) the reason(s) these systems are allowed to receive service through Duke's net metering service tariff (going-forward through the proposed Rider NM I).
- d. Confirm that the 5.9 MW-AC amount in Table 1 is solely attributable to, comprises only, customers receiving service through Duke's existing net metering tariff (going-forward through the proposed Rider NM I). If this cannot be confirmed, state (i) the amount of MW-AC not attributable not service through Duke's existing net metering tariff and (ii) the reason(s) why the amount is included in the 5.9 MW-AC amount in Table 1.
- e. Duke's current Rider NM, in discussing AVAILABILITY, includes, among other things, the following statement: "At its sole discretion, the Company may provide Net Metering to other customer-generators not meeting all [six (6) of] the conditions listed above on a case-by-case basis." State whether Duke has ever provided net metering service to any customer-generator who did not meet all six (6) of the conditions listed in the tariff. If yes, for each such exercise in favor of providing service to such a customer-generator, state the

requirement(s) or condition(s) that was (were) not met and the reason(s) for the exercise of discretion in favor of providing service.

8. Reference: Sailers Direct at page 23.
  - a. Identify each statutory provision in the Kentucky Revised Statutes serving as the foundation for the statement: “Under current Kentucky statutes and with the tariffs proposed in this proceeding, the Company believes that customer-generators are fully compensated through net metering program participation.”
  - b. State whether any (and if applicable identify each) statute in KRS Chapter 278 prohibits a customer-generator from participation in wholesale markets through a distributed energy resource aggregator.
  - c. Fully explain what is meant by the phrase on line 17 – “double counting.”
9. Reference: Sailers Direct at page 8, Table 1.
  - a. For the period of time corresponding to and supporting the development of Table 1 (with the date of the first application that resulted in an account participant as the start date), state, year-by-year, the total interconnection applications received.
  - b. For all applications received that resulted in an account participant, state the average amount of time from the date of application to date of interconnection (the start of service under the net metering tariff).
  - c. For all applications received that did not result in an account participant or do not fall within the category of “Queued” per Table 1, state the average amount of time from the date of the application to the date that the interconnection request was withdrawn, abandoned, or otherwise terminated from further consideration.
  - d. State whether Duke accepts electronic applications for interconnection. If electronic applications are not accepted, explain why they are not accepted.
10. Reference: Application, Exhibit 4. For each part of request 10 (below) identify, if applicable, any differences between the application and approval process for Level 1 and Level 2 applications for interconnection in responding to the request.
  - a. Describe how Duke processes an application from the receipt of the application through final action upon the application. Include with the description any flow chart that depicts the process, any written operating procedures documenting the process, and/or any internal forms or checklists used during the processing of an application for interconnection.

- b. State whether Duke accepts electronic applications for interconnection. If electronic applications are accepted, fully describe the application process. If electronic applications are not accepted, state why not.
- c. State whether, and if applicable fully describe how, a person who submits an application for interconnection can determine the status of the application.
- d. If Duke rejects an application for interconnection for violation of any code, standard, or regulation related to reliability and safety, does Duke provide a written notice that expressly states (i) each reason for rejection and (ii) the facts and/or rationale supporting the reason(s) for rejection. If written notice expressly stating the reasons for rejection is not provided, explain why not.
- e. State whether Duke has ever rejected an application for something other than a violation of any code, standard, or regulation related to reliability and safety. If yes, identify and describe all other reasons why Duke has rejected an application.
- f. Refer to part d immediately above and provide a schedule or table that lists the reasons for each type of rejection and the number of applications that have been rejected for that reason.
- g. State, for all applications that have been rejected, the average amount of time between the filing of an application for interconnection and the rejection of the application.
- h. State the amount of time in which Duke seeks to either accept or reject an application. If Duke does not have a metric or a goal for this aspect of the application process, explain why not.
- i. Does Duke provide written notice of its acceptance of an application for interconnection as complete for processing? If yes, explain how written notice is provided. If no, explain why not.
- j. If Duke determines that a Level 1 application lacks complete information, how does the Company notify the customer concerning the additional information that is required? Fully explain.
- k. For scenarios in which additional information has been required, identify the average amount of time between the submission of a Level 1 application and the customer notification of the need for additional information.
- l. What is the amount of time identified by Duke as the reasonable amount of time for the Company to determine if a Level 1 application requires additional information? If there is no such metric or goal, explain why not.

- m. How does Duke provide notice that a Level 1 application has been approved.
- n. If a Level 1 application is denied, explain how the Company provides notice of the denial. If the denial is not through a written document that contains all reasons for denial, explain why not.
- o. For a Level 2 application for interconnection, explain the basis for the use of a 30 business day target to respond to a complete application.
- p. Refer to the Application, Exhibit 4, Numbered Paragraph 13, page 7 of 14. State and define what the Company means by the terms “non-rejection” and “any other way.”
- q. Refer to Application, Exhibit 4, Numbered Paragraph 14, page 7 of 14. Explain the process through which Duke will require, review, and approve or deny the transfer of a customer-generator through the sale or conveyance of a premises that does not involve the relocation of the customer-generator. For example, if a customer is receiving net metering service at premises with an approved customer-generator, and the customer passes away such that responsibility for paying the bills associated with service to the premises transfers consequent to the death to an estate, state all actions that will be required and taken through this portion of the tariff.
- r. Does Duke offer pre-application consulting for applications for interconnection? If yes, explain how. If no, explain why not.

11. Reference: Application, proposed tariff provisions.

- a. For each separate operating company, division, department, sub-group, or any other arrangement (“Duke Business Unit”) through which individuals reviewing an application for interconnection do not share or report to the same direct supervisor or manager, identify and describe the role and function of each Duke Business Unit through which an application for interconnection is considered and reviewed.
- b. For each Duke Business Unit identified in part a (immediately above), state the expected amount of time for that Business Unit to process an application for interconnection and complete the role or function assigned to that Business Unit.
- c. Does Duke have a system through which it tracks the progress and can readily identify the status of an application for interconnection as it moves through the review process from Business Unit to Business Unit? If yes, fully describe. If no, explain why not.

- d. Does Duke engage in a continuous improvement process through which it actively studies the efficiency of its review of applications for interconnection? If yes, describe the process and identify and explain the ways in which the review of applications for interconnection has been improved. If no, explain why not.
  - e. Does Duke routinely engage in discussions (whether formal or informal) with stakeholders (including solar installers) regarding possible improvements in the process for applying for interconnection? If yes, describe the frequency of the discussions and the results of the discussions. If no, explain why not.
  - f. Has Duke ever received complaints for the way in which it processes interconnection applications? If so, please provide all complaints received. If those complaints are received through telephonic communications, please provide all call logs, notes, and other documents that record such complaints. Please include all Duke responses to interconnection application processing complaints.
  - g. Fully explain how interconnection process complaints are handled by Duke. Please include which business units are involved, what each business unit does, and how each Business Unit communicates with the complainant.
12. For each jurisdiction outside of Kentucky in which there is an electric utility that is a subsidiary of Duke Energy Corporation, provide the following on a jurisdiction-by-jurisdiction basis.
- a. State whether the electric utility in the jurisdiction offers net metering;
  - b. If the jurisdiction offers net metering, state whether the electric utility in that jurisdiction shares services and/or support concerning net metering directly or indirectly (such as through another entity that is a subsidiary or otherwise controlled by Duke Energy Corporation including but not limited to a partially or fully centralized call center) with Duke Energy Kentucky. Sharing of services and/or support includes but is not limited to engineering, administrative, customer service, and strategic planning;
  - c. Does Duke Energy Corporation have a best practices manual or other resource or guidance document concerning customer service for net metering? If yes, state whether, and if applicable how, Duke Energy Kentucky relies upon the information; and
  - d. Provide, jurisdiction-by-jurisdiction, the information in the Table 1 of Sailers Direct for each jurisdiction with the fourth column the percentage of the cumulative generating capacity of net metering systems by reference to that utility's single hour peak load during the prior calendar year.