

KyPSC Case No. 2024-00148
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DATA REQUEST

WITNESS

TAB NO.

STAFF-DR-02-001

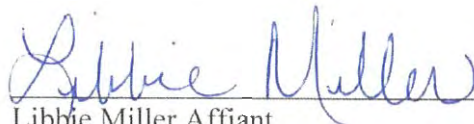
Libbie Miller

John Swez1

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Libbie Miller, Rates & Regulatory Strategy Manager, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing revised data request, and that the answers contained therein are true and correct to the best of her knowledge, information, and belief.



Libbie Miller Affiant

Subscribed and sworn to before me by Libbie S. Miller on this 20th day of September, 2024.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



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

VERIFICATION

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

The undersigned, John D. Swez, Managing Director, Trading and Dispatch, 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.



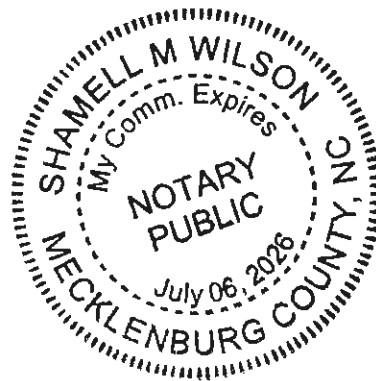
John D. Swez, Affiant

Subscribed and sworn to before me by John D. Swez on this 13th day of September, 2024.



NOTARY PUBLIC

My Commission Expires:



Duke Energy Kentucky
Case No. 2024-00148
STAFF Second Set of Data Requests
Date Received: September 9, 2024

STAFF-DR-02-001

REQUEST:

Refer To Duke Kentucky's response to Staff's First Request for Information, Item 13, Attachment. Explain the negative \$191,156 amount for the month ended June 30, 2023.

RESPONSE:

Duke Energy Kentucky's Economy Sales Schedule has a sale when generation is greater than customer load. That sale can be positive (revenues received are greater than the cost of the unit that served that sale) or negative (revenues received are less than the cost of the unit that served that sale). A negative value can occur for many reasons – 1) PJM Day-Ahead Locational Marginal Price (LMP) versus the Real-Time LMP; 2) an unexpected loss or derate of a unit; 3) generally low LMP in non-peak hours; 4) Prior to receipt of PJM Balancing Operating Reserve (Make Whole) Payments, or 5) other unforeseen reasons.

Negative values in June 2023 mainly were attributable to PJM's requested commitment of the Woodsdale combustion turbines on multiple days this month. Since the revenues received in the energy market were less than cost to run the units as defined by the units' offers to PJM, Duke Energy Kentucky was paid a Balancing Operating Reserve payment (commonly called a "Make Whole Payment") to keep the units whole. The negative value shown for June 2023 in this data request does not include the Make Whole Payment paid by PJM. However, the Make Whole Payment is included in the net margin of off-system sales. If this payment is included, there is no negative value in this month.

Finally, although the following described below occurred in smaller amounts than the reasons identified above, negative values still occur at any time during peak or non-peak hours because of the normal unit commitment process. However, negative values more often than not occur in the non-peak hours when a unit's minimum generator output is greater than customer load for that hour. Due to the unit's physical parameters and the results of the unit commitment process, a unit's cost could be higher than the unit's LMP received. Generally, the LMP is at its lowest price during the off-peak hours, and the unit is at its lowest efficiency during off-peak hours when it is running at or near minimum load. The less efficient unit costs more to run while receiving a lower LMP price, resulting in a negative value for Duke Energy Kentucky.

PERSON RESPONSIBLE: Libbie Miller
John Swez