

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. TO BECOME A FULL PARTICIPANT	)	
IN THE PJM INTERCONNECTION LLC, BASE RESIDUAL	)	CASE NO.
AND INCREMENTAL AUCTION CONSTRUCT FOR THE	)	2024-00285
2027/2028 DELIVERY YEAR AND FOR NECESSARY	)	
ACCOUNTING AND TARIFF CHANGES	)	

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**DIRECT TESTIMONY OF**  
**LISA D. STEINKUHL**  
**ON BEHALF OF**  
**DUKE ENERGY KENTUCKY, INC.**

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September 6, 2024

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Attachments:

Attachment LDS-1 – Proposed Redlined Tariff

Attachment LDS-2 – Proposed Rider PSM Filing

**I. INTRODUCTION AND PURPOSE**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Lisa D. Steinkuhl and my business address is 139 East Fourth Street,  
3 Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS) as Director Rates  
6 & Regulatory Planning for Duke Energy Kentucky, Inc., (Duke Energy Kentucky  
7 or Company) and Duke Energy Ohio, Inc. DEBS provides various administrative  
8 and other services to Duke Energy Kentucky and other affiliated companies of  
9 Duke Energy Corporation (Duke Energy).

10 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**  
11 **PROFESSIONAL EXPERIENCE.**

12 A. I received a Bachelor's Degree in Mathematics from Western Kentucky University  
13 in Bowling Green, Kentucky. After completing my Bachelor's Degree, I received  
14 a Post Baccalaureate Certificate in Professional Accountancy from the University  
15 of Southern Indiana in Evansville, Indiana. I became a Certified Public Accountant  
16 (CPA) in the State of Ohio in 1993. After receiving my Post Baccalaureate  
17 Certificate in 1988, I was employed by public accounting firms. I was hired by  
18 Cinergy Services, Inc., the predecessor of DEBS, in 1996, as a tax accountant. I  
19 held various positions with Cinergy Services, Inc., including responsibilities in  
20 Regulated Business Financial Operations, Commercial Business Asset  
21 Management, and Budgets and Forecasts. I joined the Rates Department in April  
22 2006 as a Lead Rates Analyst, was promoted to Rates & Regulatory Manager in

1 January 2014 and Utility Strategy Director in May 2018. I have held my current  
2 position as Director, Rates & Regulatory Planning since March 2022.

3 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS DIRECTOR,**  
4 **RATES AND REGULATORY PLANNING.**

5 A. As Director Rates and Regulatory Planning, I am responsible for the preparation of  
6 financial and accounting data used in Duke Energy Kentucky and Duke Energy  
7 Ohio retail rate filings and changes in various other rate recovery mechanisms,  
8 along with filings with the Federal Energy Regulatory Commission (FERC).

9 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**  
10 **PUBLIC SERVICE COMMISSION?**

11 A. Yes.

12 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
13 **PROCEEDING?**

14 A. The purpose of my testimony is to discuss the Company's request to amend its  
15 Profit Sharing Mechanism, (Rider PSM) to include specific billing line items  
16 (BLIs) that the Company will begin to receive from PJM Interconnection LLC  
17 (PJM) once it begins participating in the Reliability Pricing Model (RPM) auction  
18 construct, if approved in this proceeding.

## **II. DISCUSSION**

19 **Q. PLEASE DESCRIBE RIDER PSM.**

20 A. The purpose of the rider is to provide customers with the benefit of net off-system  
21 sales, which allow customers to experience the actual benefit (or costs) of  
22 participating in the wholesale energy markets. Currently, Rider PSM includes these

1 revenues or costs related to the Company's generating units, including energy sales,  
2 ancillary services, renewable energy certificate sales, and capacity purchases/sales.  
3 Emission allowance purchases and sales are reconciled separately as part of the  
4 Company's Environmental Surcharge Mechanism (Rider ESM). These net costs or  
5 revenues are shared between customers and the Company, with the sharing  
6 allocation weighted 90 percent to the customer, 10 percent to the Company.

7 Rider PSM is adjusted on a quarterly basis to reflect the net of these  
8 revenues or costs for the prior period as a credit or charge on customer bills. The  
9 Rider formula as set forth in the tariff is as follows:

$$10 \quad \text{Rider PSM Factor} = (((\text{OSS} + \text{NF} + \text{CAP} + \text{REC}) \times 0.90) + \text{R}) / \text{S}$$

11 where: OSS= Net proceeds from off-system power sales.

12 NF=Net proceeds from non-fuel related Regional Transmission  
13 Organization charges and credits not recovered via other mechanisms.

14 CAP=Net proceeds from: PJM charges and credits as provided for in the  
15 Commission's Order in Case No. 2014-00201, dated December 4, 2014;  
16 capacity sales; capacity purchases; capacity performance credits; and  
17 capacity performance assessments.

18 REC=Net proceeds from the sales of renewable energy credits.

19 R =Reconciliation of prior period Rider PSM actual revenue to amount  
20 calculated for the period.

21  
22 S=Current period sales in kWh as used in the Rider FAC calculation

23 **Q. PLEASE BRIEFLY SUMMARIZE THE HISTORY OF RIDER PSM.**

24 A. Rider PSM was first approved as part of the Company's acquisition of three  
25 generating stations, East Bend, Miami Fort Unit 6, and Woodsdale from Duke

1 Energy Ohio in Case No. 2003-00252.<sup>1</sup> As initially approved, Rider PSM included  
2 a 50/50 sharing of net off-system sales after the first \$1 million.

3 Since its inception, Rider PSM has evolved and been modified by the  
4 Commission on multiple occasions. For instance, in Case No. 2008-00489, Rider  
5 PSM was modified to include sales in the then newly implemented Midwest  
6 Independent System Operator Ancillary Services Market.<sup>2</sup> In Case No. 2010-  
7 00203, the Commission conditioned the Company's re-alignment to PJM upon,  
8 among other things, changing the sharing percentage from a 50/50 split between  
9 the customers and the Company to a 75/25 percent split between customers and the  
10 Company.<sup>3</sup> Then, in Case No. 2014-00201, the Commission authorized a change  
11 to the Rider PSM to include capacity transactions necessary to meet the Company's  
12 Fixed Resource Requirement (FRR) plan obligations (purchase and sales).<sup>4</sup>

13 Finally, in Case No, 2017-00321, the Commission authorized a change to  
14 Rider PSM to expand the categories of revenues (net of costs) available for  
15 inclusion in the rider and to streamline its administration and calculation. Rider

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<sup>1</sup> *In the Matter of the Application of the Union Light Heat and Power Company for a Certificate of Public Convenience to Acquire Certain Generation Resources and Related Property; For Approval of Certain Purchase Power Agreements; For Approval of Certain Accounting Treatment, and for Approval of Deviation from Requirements of KRS 278.2207 and 278.2213(9);* (Ky.P.S.C. Interim Order, pp 18-20) (Dec. 5, 2003).

<sup>2</sup> *In the Matter of the Application of Duke Energy Kentucky, Inc., to Modify Rider PSM Off-System Sales Profit Sharing Mechanism to Account for Changes in Off-System Sales Due to the Initiation of the Midwest Independent System Operator Ancillary Services Market,* Case No. 2008-00489, (Ky.P.S.C. Order) (January 30, 2009).

<sup>3</sup> *In the Matter of the Application of Duke Energy Kentucky, Inc., for Approval to Transfer Functional Control of its Transmission Assets from the Midwest Independent Transmission System Operator to the PJM Interconnection Regional Transmission Organization and Request for Expedited Treatment,* Case No. 2010-00203, p. 18, (Ky.P.S.C. Order) (December 22, 2010).

<sup>4</sup> *In The Matter of the Application of Duke Energy Kentucky, Inc. for (1) A Certificate of Public Convenience and Necessity Authorizing the Acquisition of the Dayton Power & Light Company's 31% Interest in the East Bend Generating Station; (2) Approval of Duke Energy Kentucky, Inc.'s Assumption of Certain Liabilities in Connection with the Acquisition; (3) Deferral of Costs Incurred as Part of the Acquisition; and (4) All Other Necessary Waivers, Approval, and Relief,* Case No. 2014-00201, (Ky.P.S.C. Order) (December 4, 2010).

1 PSM was modified to: 1) reflect PJM billing line items that are related to credits  
2 and charges attributable to the off-system sales shared with customers; 2) to include  
3 all wholesale energy, capacity, and ancillary services markets (net of costs and  
4 credits) that are now available or may become available in PJM, including the  
5 capacity performance market requirements; 3) to include short-term capacity  
6 purchases necessary to meet Duke Kentucky's three-year FRR; 4) costs of any  
7 capacity payments made to cogeneration facilities under the terms of its  
8 cogeneration tariffs; 5) net proceeds from the sale of renewable energy certificates  
9 derived from any Company-owned renewable generating resources; and 6) to  
10 change the sharing mechanism percentages with customers receiving 90 percent of  
11 all net proceeds and/or costs, eliminating the initial \$1 million threshold.<sup>5</sup>

12 **Q. PLEASE EXPLAIN THE MODIFICATIONS TO RIDER PSM DUKE**  
13 **ENERGY KENTUCKY IS REQUESTING IN THIS PROCEEDING?**

14 As part of this Application, the Company requests a modification to Rider PSM to  
15 include the PJM BLIs that will be billed to the Company once it commences  
16 participation in the RPM Base Residual Auction (BRA) and Incremental Auctions  
17 (IAs) and any costs or revenues in bilateral markets to meet PJM's FERC-approved  
18 reliability requirements described by Mr. Swez. Amending Rider PSM will enable  
19 the Company to net the costs with anticipated revenues of participating in the PJM  
20 RPM auction constructs. Company witness Swez explains the need to include

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<sup>5</sup> *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Electric Rates; 2) Approval of an Environmental compliance Plan and Surcharge Mechanism; 3) Approval of new tariffs; 4) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 5) All Other Required Approvals and Relief, Case No. 2017-00321 (Ky.P.S.C. Order) (April 13, 2018).*

1 additional BLIs and describes them in his testimony.

2 In addition, the Company is requesting authorization to change the sharing  
3 percentage for these net capacity transactions (costs and revenues) separately from  
4 other Rider PSM components with customers to receive 100 percent of the net  
5 benefit or cost of participation in the PJM capacity auctions and capacity  
6 transactions in the bilateral markets to meet PJM's FERC-approved reliability  
7 requirements described by Mr. Swez.

8 **Q. WHAT PJM BLIs ARE CURRENTLY INCLUDED IN THE PSM?**

9 A. Currently, Rider PSM includes the following BLIs as listed on the Tariff: 1210,  
10 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375,  
11 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470,  
12 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225,  
13 2500, 2510, 1930, 2211, 2215, 2415, 2930, 1240, 2240, 1241, 2241, 1242, 1243,  
14 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376,  
15 2376, 1380 and 2380. The BLIs included in the PSM for capacity sales and capacity  
16 purchases are 2600 and 1600, respectively. The BLIs included in the PSM for  
17 capacity performance credits and assessments are 2667 and 1667, respectively.

18 **Q. IS THE COMPANY PROPOSING ANY CHANGES IN THE SHARING OF**  
19 **THESE PJM BLIs?**

20 A. The Company is only proposing changes to PJM BLIs 2600 and 1600 as discussed  
21 below. The Company is not proposing any changes to the sharing percentages for  
22 the remainder of the BLIs discussed above.



1 **Q. PLEASE IDENTIFY THE PJM BLIs THE COMPANY IS SEEKING TO**  
2 **INCLUDE IN THE RIDER PSM AS PART OF ITS CHANGE TO RPM.**

3 A. By moving to RPM, Duke Energy Kentucky will continue receiving BLIs 1600 and  
4 2600 and will begin receiving additional PJM settlements charges and credits  
5 related to the capacity auction participation, specifically PJM BLIs 1610, 1650,  
6 1660, 1661, 1662, 1663, 1664, 1665, 1666, and PJM BLIs 2605, 2620, 2625, 2630,  
7 2640, 2650, 2660, 2661, 2662, 2663, 2664, 2665, and 2666. The Company is  
8 requesting authority to amend its Rider PSM to include these BLIs, representing  
9 the corresponding charges and credits for participating in the RPM auctions. Mr.  
10 Swez further explains and supports the inclusion of each of these BLIs in his direct  
11 testimony. The Company is also requesting authority to amend its Rider PSM to  
12 include any capacity transactions in bilateral markets to meet PJM's reliability  
13 requirements.

14 **Q. WHAT SHARING MECHANISM IS THE COMPANY PROPOSING FOR**  
15 **ITS CHANGE TO RPM?**

16 A. As discussed above, the Company is requesting authorization to change the sharing  
17 percentage for these net capacity transactions (revenues and costs) separately from  
18 other Rider PSM components with customers to receive 100 percent of the net  
19 benefit or cost of participation in the PJM capacity auctions and capacity  
20 transactions in the bilateral markets to meet PJM's FERC-approved reliability  
21 requirements.

**III. ATTACHMENTS SPONSORED BY WITNESS**

1 **Q. PLEASE DESCRIBE THE ATTACHMENT LDS-1 THAT YOU ARE**  
2 **SPONSORING.**

3 A. LDS-1 is a copy of the proposed Rider PSM tariff that includes the additional BLIs  
4 necessary for RPM auction participation and the change in the sharing mechanism  
5 for the net benefit or cost of participation in the PJM capacity auctions. The tariff  
6 is in a form where the proposed changes are called out in a redline/tracked changes  
7 form. Per the timing discussed in Mr. Swez's testimony, the Company would  
8 transition to RPM by June 1, 2027. Rider PSM is billed on a quarter lag; therefore,  
9 the expense month of June 2027 would be included in rates in September 2027.  
10 Therefore, these changes would be effective September 1, 2027. The rate that will  
11 be effective on September 1, 2027, will be determined in a future filing made in  
12 August 2027.

13 **Q. PLEASE DESCRIBE THE ATTACHMENT LDS-2 THAT YOU ARE**  
14 **SPONSORING.**

15 A. LDS-2 is the proposed Rider PSM workpapers incorporating the changes discussed  
16 above.

**IV. CONCLUSION**

17 **Q. WAS ATTACHMENT LDS-1 AND LDS-2 PREPARED UNDER YOUR**  
18 **DIRECTION AND CONTROL?**

19 A. Yes.

20 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

21 A. Yes.

Revised Sheet No 82  
Duke Energy Kentucky, Inc.  
1262 Cox Road  
Revised Sheet No 82  
Erlanger, KY 41018

KY.P.S.C. Electric No. 2  
~~Seventy-Eighth~~~~Seventy-Seventh~~

Cancels and Supersedes  
~~Seventy-Seventh~~~~Seventy-Sixth~~

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## RIDER PSM PROFIT SHARING MECHANISM

### APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month September 2027~~4~~.

(T)

### PROFIT SHARING RIDER FACTORS

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest \$0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

$$\text{Rider PSM Factor} = (((\text{OSS} + \text{NF} + \text{CAP} + \text{REC}) \times 0.90) + \text{CAP} + \text{R}) / \text{S}$$

(T)

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

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Cancels and Supersedes  
~~Seventy-Seventh~~~~Seventy-Sixth~~

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**PROFIT SHARING RIDER FACTORS Contd.**

NF = Net proceeds from non-fuel related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

~~CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.~~

~~(T)~~  
~~(T)~~  
~~(T)~~  
~~(T)~~

CP = Capacity performance credits and capacity performance assessments identified in the following PJM Interconnection LLC Billing Line Items 1667 and 2667

(T)  
(T)  
(T)

REC= Net proceeds from the sales of renewable energy credits.

CAP= Net proceeds from capacity sales and capacity purchases to meet PJM's FERC-approved reliability requirements from participation in the PJM Interconnection LLC auction-based Reliability Pricing Model (RPM) and bilateral markets. Includes PJM Interconnection LLC Billing Line Items charged/credited to the Company identified in the following Billing Line Items 1600, 1610, 1650, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 2600, 2605, 2620, 2625, 2630, 2640, 2650, 2660, 2661, 2662, 2663, 2664, 2665, and 2666.

(T)  
(T)  
(T)  
(T)  
(T)  
(T)  
(T)  
(T)

R = Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

S = Current period sales in kWh as used in the Rider FAC calculation.

Revised Sheet No 82  
Duke Energy Kentucky, Inc.  
1262 Cox Road  
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~~Seventy-Eighth~~~~Seventy-Seventh~~

Cancels and Supersedes  
~~Seventy-Seventh~~~~Seventy-Sixth~~

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<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)	
Rate RS, Residential Service	0.002475 x.xxxxxx	(R)
Rate DS, Service at Secondary Distribution Voltage	0.002475 x.xxxxxx	(R)
Rate DP, Service at Primary Distribution Voltage	0.002475 x.xxxxxx	(R)
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.002475 x.xxxxxx	(R)
Rate EH, Optional Rate for Electric Space Heating	0.002475 x.xxxxxx	(R)
Rate GS-FL, General Service Rate for Small Fixed Loads	0.002475 x.xxxxxx	(R)
Rate SP, Seasonal Sports Service	0.002475 x.xxxxxx	(R)
Rate SL, Street Lighting Service	0.002475 x.xxxxxx	(R)
Rate TL, Traffic Lighting Service	0.002475 x.xxxxxx	(R)
Rate UOLS, Unmetered Outdoor Lighting	0.002475 x.xxxxxx	(R)
Rate NSU, Street Lighting Service for Non-Standard Units	0.002475 x.xxxxxx	(R)
Rate SC, Street Lighting Service – Customer Owned	0.002475 x.xxxxxx	(R)
Rate SE, Street Lighting Service – Overhead Equivalent	0.002475 x.xxxxxx	(R)
Rate LED, LED Street Lighting Service	0.002475 x.xxxxxx	(R)
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.002475 x.xxxxxx	(R)
Other	0.002475 x.xxxxxx	(R)

Rider PSM credits, reductions to bills, are shown as positive numbers without parentheses. Rider PSM charges, increases to bills, are shown in parentheses.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Schedule 1

DUKE ENERGY KENTUCKY  
CALCULATION OF RIDER PSM CREDIT FOR MARCH 20XX - MAY 20XX BILLING

Line No.	Description	Jan-XX	Feb-XX	Mar-XX	Apr-XX	May-XX	Jun-XX	Jul-XX	Aug-XX	Sep-XX	Oct-XX	Nov-XX	Dec-XX	Total
1	Off-System Sales Margin (Schedule 2, Line 15)													(+) \$ -
2	Non-Fuel Related RTO Costs and Credits (Schedule 3, Line 13)													(+) -
3	Net Capacity Performance Credits (Assessments) (Schedule 4, Line 3)													(+) -
4	Net Proceeds from the Sale of Renewable Energy Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(+) \$0
5	Total Amount of Credits Owed to Customers													\$ -
6	Percentage Allocated to Customers (90% of net margin)													90.00%
7	Total Allocated to Customers (Line 5 x Line 6)													(+) \$ -
8	Net Capacity Revenue (Expense) (Schedule 5, Line 31)													(+) -
9	Remaining PSM Credit Due to (From) Customers at 12/31/23 (Schedule 6, Line 11)													(+) -
10	Total Amount of Credits due to (from) Customers													(+) -
11	Actual Amount Credited (Charged) to Customers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(-) \$0
12	Net Refund due to (from) Customers													\$ -
13	Sales (kWh) from FAC Filing for the current quarter (FAC Schedule 3, Line C)										0	0	0	÷ 0
14	Profit Sharing Mechanism Credit (Charge) Rate (\$/kWh) <sup>(a)</sup>													0.000000

Note:

- (a) Rider PSM credits, reductions to bills, are shown as positive numbers without parentheses.  
Rider PSM charges, increases to bills, are shown in parentheses.

Effective Date for Billing: \_\_\_\_\_

Submitted by: \_\_\_\_\_

Title: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

Schedule 2

DUKE ENERGY KENTUCKY  
OFF-SYSTEM SALES SCHEDULE <sup>(c)</sup>  
PERIOD: YEAR TO DATE - DECEMBER 31, 20XX

Line No.	Description	Jan-XX	Feb-XX	Mar-XX	Apr-XX	May-XX	Jun-XX	Jul-XX	Aug-XX	Sep-XX	Oct-XX	Nov-XX	Dec-XX	Total
1	<b>Off-System Sales Revenue</b>													
2	Asset Energy	(+) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Non-Asset Energy	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
4	Bilateral Sales	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
5	Net Fuel Related PJM Costs and Credits	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
6	Hedges	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
7	Sub-Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	<b>Variable Costs Allocable to Off-System Sales</b>													
9	Bilateral Purchases	(+) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Non-Native Fuel Cost <sup>(a)</sup>	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
11	Variable O&M Cost	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
12	Jurisdictional Rider ESM to be Recovered in Rider PSM <sup>(b)</sup>	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
13	(Gain)/Loss on Sale of Fuel	(+) -	-	-	-	-	-	-	-	-	-	-	-	-
14	Sub-Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Off-System Sales Margin (Line 7 - Line 14)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note:

<sup>(a)</sup> Line 10 ties to Duke Energy Kentucky's FAC Filing, Schedule 2, Schedule 4 or Schedule 6, Line C.

<sup>(b)</sup> Per Duke Energy Kentucky's monthly Rider ESM filings, ES Form 1.10, Line 14.

<sup>(c)</sup> Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

Schedule 3

**DUKE ENERGY KENTUCKY**  
**NON-FUEL RELATED RTO CHARGES AND CREDITS <sup>(a)</sup>**  
**PERIOD: YEAR TO DATE - DECEMBER 31, 20XX**

Line No.	Description	PJM BLI	Jan-XX	Feb-XX	Mar-XX	Apr-XX	May-XX	Jun-XX	Jul-XX	Aug-XX	Sep-XX	Oct-XX	Nov-XX	Dec-XX	Total
1	Day-Ahead Economic Load Response	1240 / 2240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Real-Time Economic Load Response	1241 / 2241	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Day-Ahead Load Response Charge Alloc	1242	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Real-Time Load Response Charge Alloc	1243	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Pre-Emergency and Emergency Load Response	1245 / 2245	-	-	-	-	-	-	-	-	-	-	-	-	-
6	PJM Reactive Supply	1330 / 2330	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Non-Synchronized Reserve	1362 / 2362 / 1472	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Day-Ahead Scheduling Reserve	1365 / 2365 / 1475	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Day-Ahead Operating Reserve for Load	1371 / 2371	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Balancing Operating Reserve for Load Response	1376 / 2376	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Blackstart	1380 / 2380	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Fuel Cost Policy Penalty	1390 / 2390	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note:  
<sup>(a)</sup> Per Commission Order dated April 13, 2018 in Case No. 2017-00321.



Schedule 4

DUKE ENERGY KENTUCKY  
CAPACITY PERFORMANCE TRANSACTIONS <sup>(a)</sup>  
PERIOD: YEAR TO DATE - DECEMBER 31, 20XX

Line No.	Description	PJM BLI	Jan-XX	Feb-XX	Mar-XX	Apr-XX	May-XX	Jun-XX	Jul-XX	Aug-XX	Sep-XX	Oct-XX	Nov-XX	Dec-XX	Total
1	Capacity Performance Credits	2667	(+) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Capacity Performance Assessments	1667	(-) -	-	-	-	-	-	-	-	-	-	-	-	-
3	Net Capacity Revenue (Expense) (Line 1 - Line 2)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note:

<sup>(a)</sup> Per Commission Order dated April 13, 2018 in Case No. 2017-00321.



Schedule 6

**DUKE ENERGY KENTUCKY  
RECONCILIATION OF PRIOR PERIOD  
PERIOD: TWELVE MONTHS ENDED DECEMBER 31, 20XX**

Line No.	Description	Total
1	Off-System Sales Margin	(+) \$ -
2	Non-Fuel Related PJM Costs and Credits	(+) \$ -
3	Net Capacity Performance Credits (Assessments)	(+) \$ -
4	Net Proceeds from the Sale of Solar RECs	(+) \$ -
5	Sub-Total	\$ -
6	Percentage Allocated to Customers	<u>90.00%</u>
7	Total Allocated to Customers (Line 5 x Line 6)	(+) \$ -
8	Net RPM Capacity Revenue (Expense)	(+) \$ -
9	Prior Period Over (Under) Recovery <sup>(a)</sup>	(+) \$ -
10	Actual Amount Credited (Charged) to Customers in 20XX	(-) \$ -
11	Remaining PSM Credit Due to (From) Customers at 12/31/XX	<u>\$ -</u>

<sup>(a)</sup> Incremental change from prior filing is due to PJM resettlements

VERIFICATION

STATE OF OHIO                    )  
  )  
COUNTY OF HAMILTON        )        SS:

The undersigned, Lisa Steinkuhl, Director, Rates and Regulatory Planning, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of her knowledge, information and belief.

Lisa D Steinkuhl  
Lisa Steinkuhl Affiant

Subscribed and sworn to before me by Lisa Steinkuhl on this 29th day of August, 2024.

Emilie Sunderman  
NOTARY PUBLIC

My Commission Expires: July 8, 2027



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