

**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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**DUKE ENERGY KENTUCKY, INC.’S FIRST REQUEST FOR INFORMATION  
PROPOUNDED UPON THE ATTORNEY GENERAL OF THE  
COMMONWEALTH OF KENTUCKY**

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Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), and addresses the following First Request for Information to the Attorney General of the Commonwealth of Kentucky, to be answered by the date specified in the Commission’s Order of Procedure, and in accordance with the following instructions:

**I. DEFINITIONS AND INSTRUCTIONS**

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession, or control of the parties to whom it is addressed, including their agents, employees, attorneys, and/or investigators.
2. Please identify the witness(es) who will be prepared to answer questions concerning each request.
3. 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.

4. All answers must be separately and fully stated in writing under oath.
5. Where a request calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.
6. For purpose of these discovery requests, the following terms shall have meanings set forth below:

(a) As used herein, “document,” “documentation” and/or “record,” whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft, telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which information can be obtained (translated if necessary by defendants into usable form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded,

transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. “Document” and “record” also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

- (b) The terms “relating to,” “referring to,” “referred to,” “pertaining to,” “pertained to” and “relates to” means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.
- (c) The terms “and,” “or,” and “and/or” within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above described, in the broadest possible fashion and manner.
- (d) The term “Attorney General and AG” shall mean the Attorney General of the Commonwealth of Kentucky, and shall include, but is not limited to, each and every agent, employee, servant, insurer and/or attorney of the AG. The term “you” shall be deemed to refer to the AG.
- (e) The term “Commission” shall mean the Kentucky Public Service Commission.

- (f) The terms “Duke Energy Kentucky” or the “Company” shall mean Duke Energy Kentucky, Inc., its employees, agents, officers, directors, and representatives.
- (g) To “identify” shall mean:
- (1) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location, and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document which contains information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.
  - (2) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title, and last known home address.
  - (3) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.
- (h) To “produce” or to “identify and produce,” shall mean that the AG shall produce each document or other requested tangible thing. For each tangible thing which the AG contends is privileged or otherwise excludable from discovery, there shall be included a statement as to

the basis for such claim of privilege or other grounds for exclusion.

(i) The terms “Party or Parties” shall mean any organization, person, corporation, entity, etc., which intervened in the above-captioned proceeding and shall further include the Kentucky Public Service Commission Staff.

(j) The terms “Agreement or Agreements” shall mean written or oral terms agreed upon by the participants and include, but are not limited to, protective agreements, confidentiality agreements, joint defense agreements, agreements to support or oppose any item or position, and any other commitments made among the AG and any Intervening Party.

## **II. REQUESTS FOR INFORMATION**

1. Other than Mr. Lane Kollen and Philip Hayet, please identify any persons, including experts, whom the AG has consulted or retained with regard to evaluating Duke Energy Kentucky’s Application in this proceeding.

2. For each person identified in response to Interrogatory No. 1 above, please state:

- a. the subject matter of the discussions/consultations/evaluations.
- b. the written opinions of such persons regarding Duke Energy Kentucky’s Application.
- c. the facts to which each person relied upon; and
- d. a summary of the person’s qualifications to render such discussions/consultations/evaluations.

3. For each person identified in response to Interrogatory No. 1 above, please identify all proceedings in all jurisdictions in which the witness/person has offered

evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony or analysis. For each response, please provide the following:

a. the jurisdiction in which the testimony, statement, or analysis was pre-filed, offered, given, or admitted into the record.

b. the administrative agency and/or court in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

c. the date(s) the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

d. the identifying number for the case or proceeding in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given; and

e. whether the person was cross-examined.

4. Identify and provide all documents or other evidence that the AG may seek to introduce as exhibits or for purposes of witness examination in the above-captioned matter.

5. Please identify all proceedings in all jurisdictions in the last three years in which Mr. Lane Kollen has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony or analysis. For each response, please provide the following:

a. the jurisdiction in which the testimony, statement, or analysis was prefiled, offered, given, or admitted into the record.

b. the administrative agency and/or court in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

c. the date(s) the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

d. the identifying number for the case or proceeding in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

e. whether the witness was cross-examined.

f. the custodian of the transcripts and pre-filed testimony, statements, or analysis for each proceeding; and

g. copies of all such testimony, statements, or analysis.

6. Please provide copies of any and all documents, analysis, summaries, white papers, work papers, spreadsheets (electronic versions with cells intact), including drafts thereof, as well as any underlying supporting materials created by Mr. Kollen as part of his evaluation of Duke Energy Kentucky's Application or used in the creation of Mr. Kollen's testimony.

7. Please provide copies of any and all documents not created by Mr. Kollen, including but not limited to, analysis, articles, books, summaries, cases, reports, and evaluations, that Mr. Kollen relied upon, referred to, or used in the development of his testimony.

8. Please provide any and all studies, analysis, and presentations that Mr. Kollen has created or publicly made within the last three years that involve any of the following: utility regulation, ratemaking, wholesale capacity and energy markets, PJM Interconnection LLC's (PJM) auctions, PJM capacity performance, and PJM energy markets.

9. Referring to Mr. Kollen's testimony on page 4, the listing the PJM BLIs charges, please confirm that the Company is proposing to include both the PJM BLI charges and credits to be netted as a revenue or expense to the customer.

10. Referring to Mr. Kollen's testimony on page 6, please confirm that the Company currently updates the PSM on a quarterly basis, not a monthly basis. If so, does he believe the Company is proposing to change the update to monthly?

11. Referring to Mr. Kollen's recommendation on page 8 of his testimony that the Commission should ensure there is no double recovery of capacity costs for retirement of an existing plant, does Mr. Kollen agree that the Company should be made whole for any operating and maintenance expenses incurred, but not yet fully recovered through rates at the time of a generating unit retirement?

a. If yes, please explain how Mr. Kollen would recommend that occur through the Company's Rider PSM or another mechanism.

b. If the response is no, please explain why he believes the Company should not fully recover costs incurred prior to a unit's retirement.

12. Referring to Mr. Kollen's testimony on page 10, please explain how the termination or reduction of bilateral capacity purchases impact purchased power expense.

13. Is Mr. Kollen aware that the Company has authority to include all capacity purchases and capacity sales in the PSM and not base rates?

14. Regarding Mr. Kollen's fifth recommendation on page 10 of his testimony that the Commission should exclude compliance and other penalty expense BLIs from the PSM and preclude the Company from recovering these avoidable expenses through PSM rates. Is Mr. Kollen including capacity performance charges and credits in his statement?

a. Is Mr. Kollen aware that the Company already has authority to recover capacity performance costs and bonus payments through the Rider PSM, and that was part of the justification for transitioning the sharing of the PSM from a 75/ 25 sharing mechanism to a 90/10 sharing mechanism?



b. Does Mr. Kollen agree that this change was part of Case No. XXX, in which he testified?

c. Does Mr. Kollen agree that the case in which this change occurred was fully litigated before the Commission?

d. Does Mr. Kollen agree that if the Commission removes compliance and other penalty expenses from PJM BLIs that it should also remove bonuses payments as well?

e. Is Mr. Kollen aware that as a result of Winter Storm Elliot, customers received net bonus payments?

15. Is Mr. Kollen aware that there is no allocation process currently in the PSM? Is it Mr. Kollen's intention to insert an allocation process into the Company's PSM? If so, is it Mr. Kollen's intention that an allocation process be established for all components of the PSM or just the capacity costs and revenues?

16. Is Mr. Kollen's recommendation that the Company should bill customers on a demand basis or only allocate capacity costs and revenues on a demand basis but continue to bill all costs as an energy charge on a kwh basis?

17. Please identify all proceedings in all jurisdictions in the last three years in which Mr. Hayet has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony or analysis. For each response, please provide the following:

a. the jurisdiction in which the testimony, statement, or analysis was prefiled, offered, given, or admitted into the record.

b. the administrative agency and/or court in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

c. the date(s) the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

d. the identifying number for the case or proceeding in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given.

e. whether the witness was cross-examined.

f. the custodian of the transcripts and pre-filed testimony, statements, or analysis for each proceeding; and

g. copies of all such testimony, statements, or analysis.

18. Please provide copies of any and all documents, analysis, summaries, white papers, work papers, spreadsheets (electronic versions with cells intact), including drafts thereof, as well as any underlying supporting materials created by Mr. Hayet as part of his evaluation of Duke Energy Kentucky's Application or used in the creation of Mr. Hayet's testimony.

19. Please provide copies of any and all documents not created by Mr. Hayet including but not limited to, analysis, articles, books, summaries, cases, reports, and evaluations, that Mr. Hayet relied upon, referred to, or used in the development of his testimony.

20. Please provide any and all studies, analysis, and presentations that Mr. Hayet has created or publicly made within the last three years that involve any of the following: created or publicly made within the last three years that involve any of the following: utility regulation, ratemaking, wholesale capacity and energy markets, PJM Interconnection LLC's (PJM) auctions, PJM capacity performance, and PJM energy markets.

21. Refer to the first condition stated in Witness Hayet's Direct Testimony, page 5, lines 7-10. Please answer the following:

a. Is the witness aware of Kentucky Revised Statute (KRS) 278.264 and the conditions in that statute for retirement of any fossil generation?

b. If the response to part (a) is in the affirmative, Does Mr. Hayet view his first condition to be different than that required under KRS 278.264?

c. If the response to part (b) is in the affirmative, please explain how Mr. Hayet's condition is different than what is required under the law.

d. Does the Kentucky Attorney General believe that Duke Energy Kentucky's application or testimony in this proceeding states or implies that the Company would not continue to own generation to serve its Kentucky customers? If the response is in the affirmative, please explain where the Application or testimony takes such a position.

e. Does Mr. Hayet believe that Duke Energy Kentucky's application or testimony in this proceeding states or implies that the Company would not continue to own generation to serve its Kentucky customers? If the response is in the affirmative, please explain where the Application or testimony takes such a position.

22. Has Mr. Hayet reviewed the Company's Integrated Resource Plan (IRP) filed in Case No. 2024-0197? If the response is in the affirmative, does Mr. Hayet agree that the Company's IRP filed in Case No 2024-0197 shows that the Company plans to continue to own and operate dispatchable generation to serve its Kentucky customers?

23. Refer to the second condition stated in Witness Hayet's Direct Testimony, page 5, lines 12-17, where the witness suggests a limit of 9% of auction purchases. Please explain how Witness Hayet would calculate this limitation.

a. Is this limit envisioned to be based upon the capacity position assuming all Duke Energy Kentucky 's generation resources clear at 100% of offered UCAP, or is it envisioned that this limit would be based on the actual cleared generation UCAP?

b. Is the limit envisioned to be based on PJM's target installed reserve margin, or is the limit envisioned to be based on the cleared reserve margin that can occur along the sloped demand curve in the PJM capacity auction?

24. Refer to the second condition stated in Witness Hayet's Direct Testimony, page 5, lines 12-17, where the witness proposes a six-year grace period to cure any long-term capacity imbalance, is the witness aware of the backlog in the PJM interconnection queue? If the response is in the affirmative, how does the PJM queue backlog impact the witness's suggested timeline?

25. Refer to page 21, Line 19 of Witness Hayet's testimony, what does Witness Hayet consider a "significant resource addition" as that term is used in his testimony?

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/ Rocco D'Ascenzo

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**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on December 16<sup>th</sup>, 2024; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

John G. Horne, II  
The Office of the Attorney General  
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*/s/Rocco D'Ascenzo*  
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Rocco D'Ascenzo