

KyPSC Case No. 2024-00320
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VERIFICATION

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

The undersigned, Thomas Heath, Corporate Finance Director, 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.


Thomas Heath Affiant

Subscribed and sworn to before me by Thomas Heath on this 1st day of April, 2025.


NOTARY PUBLIC



My Commission Expires: 01/21/29

Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025

STAFF-DR-02-001

REQUEST:

Refer to Case No. 2022-00335. The Commission found that Duke Kentucky failed to provide sufficient evidence to support its request for authorization to enter into Capital Lease Obligations of up to a \$25 million principal amount.

a. Identify the additional evidence or information Duke Kentucky provided in this matter that is sufficient to support the current request, as compared to the Application in Case No. 2022-00335.

b. Explain why the additional evidence or information provided in response to 1a is sufficient.

RESPONSE:

The Company misspoke in its application in this docket, the capital lease authority requested in Case No. 2022-00335 was denied. The Company believes, based on its petition and discovery responses in this docket and in Case No. 2022-00335, that the requested authority to enter into capital leases is the best interests of customers. The Company does not have any additional information to provide other than what has already been provided in its petition and discovery responses in this docket and in Case No. 2022-00335.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

**Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025**

STAFF-DR-02-002

REQUEST:

Refer to the Application, Exhibit A. In Case No. 2022-00335, the Commission encouraged Duke Kentucky to provide specific or example information in future applications regarding potential Capital Leases, including the property being leased, the lessor, the lease amount and terms, and the use of the proceeds. Provide an update to the exhibit containing additional detail, including the categories of information identified in Case No. 2022-00335, as it pertains to this request, if available.⁴ If this information is unavailable, explain why.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

**Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025**

STAFF-DR-02-003

REQUEST:

Refer to the Application, page 6, item 7. Explain why the Application states that Duke Kentucky received approval to enter into Capital Lease Obligations in Case No. 2022-00335, when approval was denied.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025

STAFF-DR-02-004

REQUEST:

Refer to the Application, Method of Transacting Capital Leases, page 4. Refer also to Case No. 2022-00335, Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 2.

- a. Provide examples of the journal entries for the different leasing situations.
- b. In the case of an existing property lease back arrangement, explain the differences, if any, in journal entries for property that is and is not in rate base.
- c. For each of the examples above, explain the specific advantages to Duke Kentucky and to Duke Kentucky's ratepayers from each set of transactions.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

**Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025**

STAFF-DR-02-005

REQUEST:

Identify and explain any differences between the response provided to Items 4 in this case, set forth above, and the response provided in response to Item 2 of Staff's First Request in Case No. 2022-00335, if any.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

**Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025**

STAFF-DR-02-006

REQUEST:

Refer to Case No. 2022-00335, Duke Kentucky's response to Staff's First Request, Item 2.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025

STAFF-DR-02-007

REQUEST:

Refer to the Application, Exhibit A. Refer also to the response in Case No. 2022-0033, Duke Kentucky's response to Staff's First Request, Item 5.

- a. Explain how capital leasing can be used to fund construction expenditures.
- b. Define "other general corporate purposes."
- c. Explain whether the lessor could be a non-regulated Duke Kentucky affiliate.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

**Duke Energy Kentucky
Case No. 2024-00320
STAFF Second Set of Data Requests
Date Received: March 27, 2025**

STAFF-DR-02-008

REQUEST:

Identify and explain any differences between the response provided to Items 7 in this case, set forth above, and the response provided in response to Item 5 of Staff's First Request in Case No. 2022-00335, if any.

RESPONSE:

Please see response to STAFF-DR-02-001.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.