

**KyPSC Case No. 2024-00354**  
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VERIFICATION

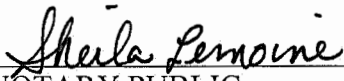
STATE OF NORTH CAROLINA )  
 ) SS:  
COUNTY OF MECKLENBURG )

The undersigned, Mathew Kalemba, VP Integrated Resource Planning, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that it is true and correct to the best of his knowledge, information and belief.

  
Matthew Kalemba Affiant

Subscribed and sworn to before me by Matthew Kalemba on this 24 day of February 2025.

SHEILA LEMOINE  
Notary Public, North Carolina  
Lincoln County  
My Commission Expires  
July 21, 2029

  
NOTARY PUBLIC

My Commission Expires: July 21, 2029

VERIFICATION

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

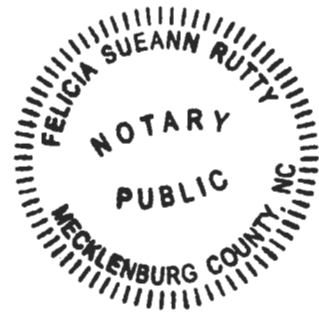
The undersigned, Shannon A. Caldwell, Director Compensation, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of her knowledge, information and belief.

Shannon A. Caldwell  
Shannon A. Caldwell Affiant

Subscribed and sworn to before me by Shannon A. Caldwell on this 24<sup>th</sup> day of February, 2025.

Felicia Sueann Ritty  
NOTARY PUBLIC

My Commission Expires: 10-01-2028





VERIFICATION

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

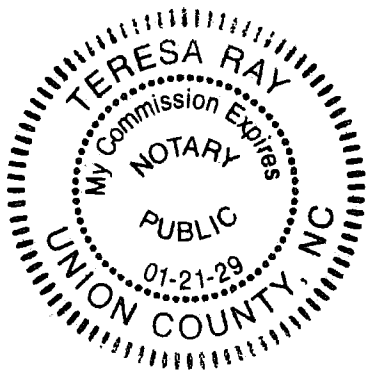
The undersigned, Grady S. Carpenter III, Director Regional Financial Forecasting, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

Grady S. Carpenter III  
Grady S. Carpenter III Affiant

Subscribed and sworn to before me by Grady S. Carpenter III on this 19<sup>th</sup> day of February, 2025.

Teresa Ray  
NOTARY PUBLIC

My Commission Expires: 01/21/29











VERIFICATION

STATE OF INDIANA )  
 ) SS:  
COUNTY OF HENDRICKS )

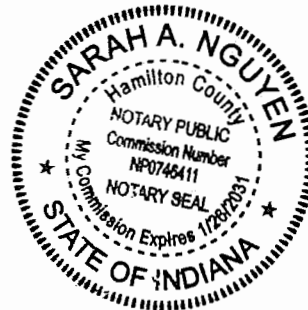
The undersigned, Thomas Christie, Director PGO Vegetation, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request and that it is true and correct to the best of his knowledge, information and belief.

  
Thomas Christie, Affiant

Subscribed and sworn to before me by Thomas Christie on this 24 day of February, 2025.

  
NOTARY PUBLIC

My Commission Expires:

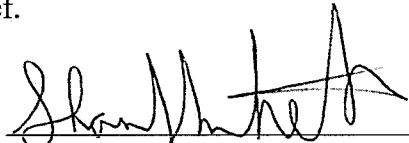




VERIFICATION

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

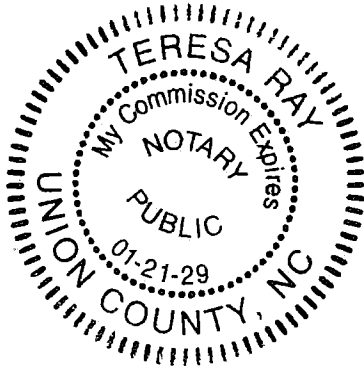
The undersigned, Sharif S. Mitchell, Manager of Asset Accounting, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

  
Sharif S. Mitchell Affiant

Subscribed and sworn to before me by Sharif S. Mitchell on this 20<sup>th</sup> day of February 2025.

  
NOTARY PUBLIC

My Commission Expires: 01/21/29





VERIFICATION

STATE OF INDIANA )  
 ) SS:  
COUNTY OF HENDRICKS )

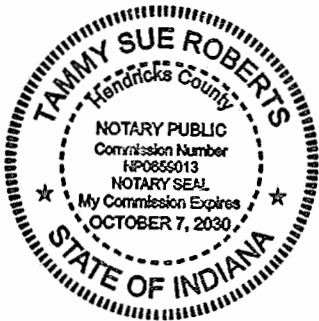
The undersigned, William C. Luke, VP Midwest Generation, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

  
William C. Luke, Affiant

Subscribed and sworn to before me by William C. Luke on this 24<sup>th</sup> day of February, 2025.

  
NOTARY PUBLIC

My Commission Expires: 10/7/2030









VERIFICATION

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

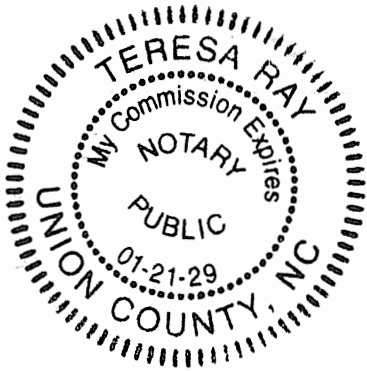
The undersigned, John R. Panizza, Director, Tax Operations, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

*John R. Panizza*  
John R. Panizza Affiant

Subscribed and sworn to before me by John R. Panizza on this 20<sup>th</sup> day of February 2025.

*Teresa Ray*  
NOTARY PUBLIC

My Commission Expires: 01/21/29



VERIFICATION

STATE OF OHIO                    )  
  )     SS:  
COUNTY OF HAMILTON        )

The undersigned, Bruce Sailors, Director Jurisdictional Rate Administration, 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.

Bruce L. Sailors  
Bruce Sailors Affiant

Subscribed and sworn to before me by Bruce Sailors on this 24<sup>TH</sup> day of FEBRUARY, 2025.



Adele M. Frisch  
NOTARY PUBLIC

My Commission Expires: 1/5/2029

VERIFICATION


STATE OF OHIO                    )  
  )        SS:  
COUNTY OF HAMILTON        )

The undersigned, James E. Ziolkowski, Director, Rates & Regulatory Planning, 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.

  
\_\_\_\_\_  
James E. Ziolkowski Affiant

Subscribed and sworn to before me by James E. Ziolkowski on this 19<sup>TH</sup> day of FEBRUARY, 2025.



  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: 1/5/2029





VERIFICATION

STATE OF Massachusetts )  
 )  
COUNTY OF Middlesex ) SS:

The undersigned, Michael Adams, Assistant Vice President, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request and that it is true and correct to the best of his knowledge, information and belief.

Michael Adams  
Michael Adams Affiant

Subscribed and sworn to before me by Michael Adams on this 19<sup>th</sup> day of February, 2025.

W. Preston  
NOTARY PUBLIC



My Commission Expires:  
April 13, 2029





**VERIFICATION**

**COMMONWEALTH OF PENNSYLVANIA** )  
 )  
**COUNTY OF CUMBERLAND** ) **SS:**

The undersigned, John J. Spanos, President of Gannett Fleming Valuation and Rate Consultants, LLC, 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 J. Spanos Affiant

Subscribed and sworn to before me by John J. Spanos on this 21<sup>st</sup> day of February, 2025.

Commonwealth of Pennsylvania - Notary Seal  
MEGAN LYNN ECKRICH - Notary Public  
Cumberland County  
My Commission Expires September 16, 2027  
Commission Number 1264513

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: September 16, 2027

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-001**

**REQUEST:**

Refer to the Application generally. Confirm that Duke Energy has publicly pledged to retire all coal plants by 2035.<sup>1</sup> If not confirmed, provide the new date that Duke Energy has publicly pledged to retire all coal plants by, if any, and provide evidence of the same.

**RESPONSE:**

In the Company's 2023 Impact Report, released in April 2024, the Company states that "our goal is to fully exit our coal generation by the end of 2035, pending regulatory approval." (accessed at <https://p-micro.duke-energy.com/impact>). We will continue to check and adjust along the way. Our focus remains on meeting the growing and evolving energy needs of our customers through a long-range, enterprise strategy that involves modernizing our assets with affordability and reliability top of mind. As stated, the goal is dependent on regulatory approval, and, as such, retirement dates of coal assets may vary by jurisdiction.

**PERSON RESPONSIBLE:** Matthew Kalemba

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<sup>1</sup> See <https://www.duke-energy.com/energy-education/how-energy-works/energy-from-coal>.

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**CONFIDENTIAL AG-DR-02-002**  
**(As to Attachment 1 only)**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request for Information ("Attorney General's First Request"), Item 2. Provide the following information for Duke Kentucky executive staff employees, as well as all executive staff employees whose costs are allocated to Duke Kentucky, and separate each response by company/utility.

a. In response to Item 2, Duke Kentucky asserted that, "[n]o executive employees are paid by Duke Energy Kentucky. We do not track employees whose labor costs are allocated from one company/utility to another. Some employee's labor is part of an allocation pool based on the accounting an employee charges each pay period on their timesheet." If Duke Kentucky does not track executive staff's labor costs that are allocated to Duke Kentucky, then explain in detail how the Company can determine whether the allocated costs that Duke Kentucky is required to pay for executive staff employees are reasonable.

b. Explain in detail why Duke Kentucky filed the executive employee compensation information under confidential seal when the Commission has consistently found that, "any privacy interest executive officers may seek in their compensation data is outweighed by the public's interest in executive compensation that is to be recovered in

base rates. The Commission has previously held that executive salaries are not entitled to confidential protection because of the public interest in disclosure.”<sup>1</sup>

c. Based upon extensive Commission precedent as referenced in (b), provide responses to the Attorney General’s First Request, Items 2(a) – (j) into the public record.

d. Explain in detail whether any amounts associated with bonuses, awards, short term incentive compensation, or long-term incentive compensation for executive employees, whose costs (allocated or full) are paid by Duke Kentucky, are included or excluded from the revenue requirement in the pending case for ratemaking purposes. If any amounts are included in the revenue requirement, designate the type and amount of each.

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<sup>1</sup> Case No. 2021-00407, Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of Depreciation Study, and Other General Relief (Ky. PSC Mar. 28, 2022), Order at unnumbered pages 7 – 8. See Case No. 2012-00221, Application of Kentucky Utilities Company for an Adjustment of its Electric Rates (Ky. PSC Sept. 11, 2013); Case No. 2014-00371, Application of Kentucky Utilities Company for an Adjustment of its Electric Rates (Ky PSC Jan 20, 2016); Case No. 2015-00418, Application of Kentucky-American Water Company for an Adjustment of Rates (Ky PSC Aug. 31, 2016); Case No. 2017-00321, Electronic Application of Duke Energy Kentucky, Inc. for: 1) an Adjustment of the Electric Rates; 2) Approval of an Environment 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 (Ky. PSC June 12, 2018); Case No. 2018-00294, Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates (Ky. PSC Oct. 8, 2019); Case No. 2018-00295, Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates (Ky. PSC Oct. 8, 2019); Case No. 2019-00268, Application of Knott County Water and Sewer District for an Alternative Rate Adjustment (Ky. PSC Dec. 3, 2019); Case No. 2019-00271, Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All other Required Approvals and Relief (Ky. PSC May 4, 2020); Case No. 2020-00290, Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction (Ky. PSC Dec. 27, 2021); Case No. 2020-00349, Electronic Application of Kentucky Utilities Company for an Adjustment of Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Subcredit (Ky. PSC Dec. 7, 2021); Case No. 2020-00350, Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of One-Year Surcredit (Ky. PSC Dec. 7, 2021); Case No. 2021-00183, Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revision; Issuance of a Certificate of Public Convenience and Necessity; and Other Relief (Ky. PSC Oct. 5, 2021); Case No. 2021-00185, Electric Application of Delta Natural Gas Company, Inc. for an Adjustment of its Rates and a Certificate of Public Convenience and Necessity (Ky. PSC Dec. 8, 2021).

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment 1 only)**

a. Duke Energy uses a product called Workforce, that we have branded as MyTime, to capture employee time and the associated accounting. We have several integrations that allow this system to interact with our Finance system and work management applications to validate the accounting entered with employee time. Error messages are received in MyTime if hours worked are entered without accounting.

MyTime allows employees to establish default accounting that is attached to all hours worked unless otherwise allocated by the employee. Default accounting is periodically reviewed for accuracy and is generally applicable for business groups where employee responsibilities remain consistent across the period. MyTime also allows for day-to-day manual entries or daily time imports from work management systems. This is generally applicable for business groups where employee responsibilities vary across the period, for example, hourly employees and employees who report time by project.

Exempt (salaried) employees submit their timesheets each pay period, which serves as their attestation that the timesheet is correct. Non-exempt (hourly) employee timesheets are approved by a manager or designee each pay period.

Both default labor accounting or manual labor accounting can result in a direct charge to a single company jurisdiction or an allocation to multiple jurisdictions. The direct testimony of Rebekah E. Buck discusses the service agreements that include how labor costs are allocated from one affiliate to another.

b. Objection. This request seeks a legal opinion. Without waiving said objection, and to the extent discoverable, in the last Duke Energy Kentucky electric base

rate case, Case No. 2022-00372, in KPSC order issued on February 10, 2023 (pages 6-7), the Commission denied confidential treatment of compensation included in response to Commission’s Staff First Request, Item 41, because it is data used in the calculation of the proposed base rate. However, names and titles of the employees could be given confidential treatment because disclosure would be an invasion of privacy. Therefore, for the current case, the Company redacted all names and titles for the public versions of the responses to Commission’s Staff First Request Items 40 attachments 1 and 3 and Item 41.

c. None of the executive officers are paid by Duke Energy Kentucky payroll company, though some of their labor may be allocated to Duke Energy Kentucky electric. See below for responses to the Attorney General’s First Request, Items 2(a) – (j):

(a) Position, title, and salary for 2020 – 2025: Please see AG-DR-02-002 Confidential Attachment 1 for the position title and annual salary for each executive officer as of December of 2020 – 2024 and as of 2/17/2025.

(b) Average annual raise for 2020 – 2025: Annual raises for executive employees are based on annual performance reviews. See the table below for the average annual raises for executive employees for 2020 – 2025 that are effective on 3/1 of each year:

<b>Year</b>	<b>Average Annual Merit Increases*</b>
2020	5.75%
2021	2.80%
2022	6.21%
2023	4.73%
2024	5.47%
2025	8.52%

- (c) Average bonus paid to executives in 2020 – 2025: The average bonus paid in the years 2020 – 2024 is \$166,864. No bonuses have been paid in 2025 to executive officers. Please see AG-DR-02-002 Attachment 2 for a list of bonuses paid in 2020 – 2024.
  - (d) Amount of awards paid to executives in 2020 – 2025: The total amount of awards paid in 2020 – 2024 is \$549. No awards have been paid in 2025 to executive officers. Please see AG-DR-02-002 Attachment 2 for a list of awards paid in 2020 – 2024.
  - (e) Vehicle Allowances: Duke Energy does not provide vehicle allowances.
  - (f) Amount of incentive compensation paid to executives in 2020 – 2025: The total amount of short-term incentive compensation paid in 2020 – 2024 is \$33,491,330. STI has not yet been paid in 2025. The total amount of long-term incentive compensation paid (vested and distributed) in 2020 – 2025 is \$167,829,732. Please see AG-DR-02-002 Attachment 2 for a list of STI paid in 2020 – 2024 and LTI paid in 2020 through 2/17/2025.
  - (g) See the response to part (b) above.
  - (h) See the response to AG-DR-01-003(h).
  - (i) See the response to AG-DR-01-003(i).
  - (j) No executive staff employees are members of a union.
- d. As noted in the Direct Testimony of Shannon A. Caldwell, incentive pay expense that was earnings-related, which for short-term incentive includes expense related



to earnings per share (EPS) and for long-term incentive includes expense for performance shares related to EPS and TSR (Total Shareholder Return) was excluded from the revenue requirement. In addition, the amount of restricted stock units was also removed in its entirety.

Please see Schedule D-2.28 for the amounts of short-term incentive, long-term incentive and restricted stock units eliminated and included from the revenue requirement.


**PERSON RESPONSIBLE:**

As to objection, Legal


As to response, Shannon A. Caldwell – a. thru d.

Lisa D. Steinkuhl – d.

CONFIDENTIAL PROPRIETARY TRADE SECRET

Job Title	Annual Rate	As of
	1,500,000.00	2/17/2025
	900,000.00	2/17/2025
	696,612.80	2/17/2025
	772,967.44	2/17/2025
	756,000.00	2/17/2025
	562,913.00	2/17/2025
	900,000.00	2/17/2025
	579,726.00	2/17/2025
	346,913.49	2/17/2025
	343,217.90	2/17/2025
	323,728.53	2/17/2025
	1,500,000.00	12/31/2024
	900,000.00	12/31/2024
	696,612.80	12/31/2024
	772,967.44	12/31/2024
	756,000.00	12/31/2024
	562,913.00	12/31/2024
	900,000.00	12/31/2024
	579,726.00	12/31/2024
	346,913.49	12/31/2024
	565,488.64	12/31/2024
	343,217.90	12/31/2024
	323,728.53	12/31/2024
	1,500,000.00	12/31/2023
	637,619.85	12/31/2023
	651,040.00	12/31/2023
	736,159.47	12/31/2023
	700,000.00	12/31/2023
	541,262.50	12/31/2023
	800,337.04	12/31/2023
	541,800.00	12/31/2023
	337,628.70	12/31/2023
553,045.12	12/31/2023	
333,221.26	12/31/2023	
313,538.53	12/31/2023	
1,500,000.00	12/31/2022	
607,257.00	12/31/2022	
626,000.00	12/31/2022	
714,717.93	12/31/2022	
673,002.00	12/31/2022	
510,625.00	12/31/2022	
777,026.25	12/31/2022	

CONFIDENTIAL PROPRIETARY TRADE SECRET

Job Title	Annual Rate	As of
	483,750.00	12/31/2022
	319,815.00	12/31/2022
	539,556.21	12/31/2022
	323,515.79	12/31/2022
	301,479.36	12/31/2022
	1,390,500.00	12/31/2021
	535,500.00	12/31/2021
	536,694.06	12/31/2021
	683,940.60	12/31/2021
	605,000.00	12/31/2021
	475,000.00	12/31/2021
	750,750.00	12/31/2021
	450,000.00	12/31/2021
	300,000.00	12/31/2021
	523,840.98	12/31/2021
	289,331.30	12/31/2021
	285,600.00	12/31/2021
	1,390,500.00	12/31/2020
	500,000.00	12/31/2020
	501,114.90	12/31/2020
	670,530.00	12/31/2020
	550,000.00	12/31/2020
	407,250.02	12/31/2020
	750,750.00	12/31/2020
	391,875.00	12/31/2020
	191,475.86	12/31/2020
	513,569.59	12/31/2020
	283,658.14	12/31/2020
	280,000.00	12/31/2020

Part c (follow-up to AG-DR-01-002 parts c, d, f)  
 Executive Staff awards, bonuses, short-term incentive paid in 2020 - 2025.  
 Individual payments for each year shown below.

c. - (c)	Year	Category	Amount
	2020	Bonus	10,000
	2021	Bonus	20,000
	2022	Bonus	500,000
	2022	Bonus	300,000
	2020	Bonus	1,500
	2020	Bonus	3,000
	2021	Bonus	1,000
	2022	Bonus	300,000
	2022	Bonus	200,000
	2021	Bonus	200,000
	2023	Bonus	300,000
	<b>Total</b>		<b>1,835,500</b>
	<b>Average</b>		<b>166,864</b>

c. - (d)	Year	Category	Total Amount
	2022	Award	354
	2021	Award	86
	2021	Award	109
	<b>Total</b>		<b>549</b>
	<b>Average</b>		<b>183</b>

c. - (f)	Year	Category	Amount
	2020	STI	254,689
	2021	STI	131,457
	2022	STI	387,009
	2023	STI	380,401
	2024	STI	284,163
	2020	STI	155,710
	2021	STI	82,567
	2022	STI	183,695
	2023	STI	132,598
	2024	STI	98,859
	2020	STI	296,503
	2021	STI	188,687
	2022	STI	561,675
	2023	STI	531,773
	2024	STI	428,549
	2020	STI	100,577

2021	STI	72,800
2022	STI	155,485
2023	STI	115,605
2024	STI	82,555
2020	STI	69,082
2021	STI	42,893
2022	STI	147,069
2023	STI	154,639
2024	STI	110,856
2020	STI	103,618
2020	STI	188,200
2021	STI	188,201
2022	STI	573,034
2023	STI	535,366
2024	STI	398,117
2020	STI	797,951
2020	STI	797,951
2021	STI	341,705
2021	STI	341,705
2022	STI	968,580
2022	STI	968,580
2023	STI	828,262
2023	STI	828,262
2024	STI	527,649
2024	STI	527,649
2020	STI	393,584
2021	STI	202,483
2022	STI	447,013
2023	STI	316,769
2024	STI	222,591
2020	STI	129,257
2020	STI	153,614
2021	STI	220,900
2022	STI	659,469
2023	STI	617,679
2024	STI	460,769
2020	STI	231,973
2021	STI	126,445
2022	STI	381,798
2023	STI	367,244
2024	STI	299,653
2020	STI	2,793,389
2021	STI	1,169,578
2022	STI	3,288,915

2023	STI	2,730,073
2024	STI	1,739,063
2020	STI	535,593
2021	STI	293,927
2022	STI	717,580
2023	STI	514,704
2024	STI	241,821
2024	STI	170,717
<b>Total</b>		<b>33,491,330</b>
<b>Average</b>		<b>492,520</b>

c. - (f)

Year	Category	Amount	
2020	LTI	299,468	Performance Award Vesting
2020	LTI	380,397	Performance Award Vesting
2020	LTI	90,552	Performance Award Vesting
2020	LTI	256,260	Performance Award Vesting
2020	LTI	1,532,078	Performance Award Vesting
2020	LTI	1,532,078	Performance Award Vesting
2020	LTI	961,818	Performance Award Vesting
2020	LTI	961,818	Performance Award Vesting
2020	LTI	384,054	Performance Award Vesting
2020	LTI	272,235	Performance Award Vesting
2020	LTI	261,457	Performance Award Vesting
2020	LTI	11,030,171	Performance Award Vesting
2020	LTI	8,977,170	Performance Award Vesting
2020	LTI	667,836	Performance Award Vesting
2020	LTI	35,236	RSU Vesting
2020	LTI	35,336	RSU Vesting
2020	LTI	34,479	RSU Vesting
2020	LTI	36,670	RSU Vesting
2020	LTI	17,573	RSU Vesting
2020	LTI	36,497	RSU Vesting
2020	LTI	44,762	RSU Vesting
2020	LTI	39,991	RSU Vesting
2020	LTI	44,383	RSU Vesting
2020	LTI	10,653	RSU Vesting
2020	LTI	9,594	RSU Vesting
2020	LTI	10,546	RSU Vesting
2020	LTI	21,101	RSU Vesting
2020	LTI	18,808	RSU Vesting
2020	LTI	20,816	RSU Vesting
2020	LTI	30,217	RSU Vesting
2020	LTI	39,231	RSU Vesting
2020	LTI	29,894	RSU Vesting

2020	LTI	180,379	RSU Vesting
2020	LTI	180,379	RSU Vesting
2020	LTI	177,156	RSU Vesting
2020	LTI	177,156	RSU Vesting
2020	LTI	175,422	RSU Vesting
2020	LTI	175,422	RSU Vesting
2020	LTI	45,274	RSU Vesting
2020	LTI	47,495	RSU Vesting
2020	LTI	42,916	RSU Vesting
2020	LTI	32,061	RSU Vesting
2020	LTI	28,307	RSU Vesting
2020	LTI	31,178	RSU Vesting
2020	LTI	30,831	RSU Vesting
2020	LTI	32,012	RSU Vesting
2020	LTI	29,986	RSU Vesting
2020	LTI	1,298,505	RSU Vesting
2020	LTI	1,109,578	RSU Vesting
2020	LTI	1,232,356	RSU Vesting
2020	LTI	78,666	RSU Vesting
2020	LTI	108,479	RSU Vesting
2020	LTI	92,342	RSU Vesting
2021	LTI	280,053	Performance Award Vesting
2021	LTI	361,055	Performance Award Vesting
2021	LTI	85,854	Performance Award Vesting
2021	LTI	243,099	Performance Award Vesting
2021	LTI	1,426,210	Performance Award Vesting
2021	LTI	1,426,210	Performance Award Vesting
2021	LTI	348,737	Performance Award Vesting
2021	LTI	253,457	Performance Award Vesting
2021	LTI	243,472	Performance Award Vesting
2021	LTI	10,018,555	Performance Award Vesting
2021	LTI	750,666	Performance Award Vesting
2021	LTI	33,692	RSU Vesting
2021	LTI	64,021	RSU Vesting
2021	LTI	18,482	RSU Vesting
2021	LTI	49,985	RSU Vesting
2021	LTI	87,369	RSU Vesting
2021	LTI	77,545	RSU Vesting
2021	LTI	14,591	RSU Vesting
2021	LTI	18,573	RSU Vesting
2021	LTI	16,183	RSU Vesting
2021	LTI	36,547	RSU Vesting
2021	LTI	87,192	RSU Vesting
2021	LTI	63,251	RSU Vesting

2021	LTI	196,315	RSU Vesting
2021	LTI	196,315	RSU Vesting
2021	LTI	323,530	RSU Vesting
2021	LTI	323,530	RSU Vesting
2021	LTI	42,535	RSU Vesting
2021	LTI	82,851	RSU Vesting
2021	LTI	119,823	RSU Vesting
2021	LTI	54,606	RSU Vesting
2021	LTI	32,454	RSU Vesting
2021	LTI	56,917	RSU Vesting
2021	LTI	969,900	RSU Vesting
2021	LTI	2,150,021	RSU Vesting
2021	LTI	92,675	RSU Vesting
2021	LTI	183,933	RSU Vesting
2022	LTI	328,578	Performance Award Vesting
2022	LTI	163,610	Performance Award Vesting
2022	LTI	371,908	Performance Award Vesting
2022	LTI	89,375	Performance Award Vesting
2022	LTI	365,331	Performance Award Vesting
2022	LTI	1,648,634	Performance Award Vesting
2022	LTI	1,648,634	Performance Award Vesting
2022	LTI	441,968	Performance Award Vesting
2022	LTI	263,740	Performance Award Vesting
2022	LTI	298,404	Performance Award Vesting
2022	LTI	10,322,390	Performance Award Vesting
2022	LTI	1,009,540	Performance Award Vesting
2022	LTI	38,028	RSU Vesting
2022	LTI	43,765	RSU Vesting
2022	LTI	37,282	RSU Vesting
2022	LTI	32,245	RSU Vesting
2022	LTI	20,960	RSU Vesting
2022	LTI	24,066	RSU Vesting
2022	LTI	18,541	RSU Vesting
2022	LTI	98,612	RSU Vesting
2022	LTI	141,970	RSU Vesting
2022	LTI	42,193	RSU Vesting
2022	LTI	16,568	RSU Vesting
2022	LTI	19,020	RSU Vesting
2022	LTI	10,122	RSU Vesting
2022	LTI	18,365	RSU Vesting
2022	LTI	21,252	RSU Vesting
2022	LTI	19,944	RSU Vesting
2022	LTI	98,413	RSU Vesting
2022	LTI	141,581	RSU Vesting



2022	LTI	41,491	RSU Vesting
2022	LTI	221,678	RSU Vesting
2022	LTI	221,678	RSU Vesting
2022	LTI	250,169	RSU Vesting
2022	LTI	250,169	RSU Vesting
2022	LTI	187,011	RSU Vesting
2022	LTI	187,011	RSU Vesting
2022	LTI	493,688	RSU Vesting
2022	LTI	493,688	RSU Vesting
2022	LTI	48,009	RSU Vesting
2022	LTI	58,127	RSU Vesting
2022	LTI	50,210	RSU Vesting
2022	LTI	135,342	RSU Vesting
2022	LTI	184,861	RSU Vesting
2022	LTI	29,966	RSU Vesting
2022	LTI	36,630	RSU Vesting
2022	LTI	42,115	RSU Vesting
2022	LTI	33,874	RSU Vesting
2022	LTI	21,790	RSU Vesting
2022	LTI	1,094,716	RSU Vesting
2022	LTI	1,235,901	RSU Vesting
2022	LTI	1,170,670	RSU Vesting
2022	LTI	104,601	RSU Vesting
2022	LTI	144,396	RSU Vesting
2022	LTI	114,551	RSU Vesting
2023	LTI	362,036	Performance Award Vesting
2023	LTI	199,039	Performance Award Vesting
2023	LTI	937,976	Performance Award Vesting
2023	LTI	157,296	Performance Award Vesting
2023	LTI	935,939	Performance Award Vesting
2023	LTI	2,107,874	Performance Award Vesting
2023	LTI	2,107,874	Performance Award Vesting
2023	LTI	456,618	Performance Award Vesting
2023	LTI	1,286,878	Performance Award Vesting
2023	LTI	348,394	Performance Award Vesting
2023	LTI	10,411,192	Performance Award Vesting
2023	LTI	995,193	Performance Award Vesting
2023	LTI	38,005	RSU Vesting
2023	LTI	145,006	RSU Vesting
2023	LTI	29,112	RSU Vesting
2023	LTI	20,893	RSU Vesting
2023	LTI	48,052	RSU Vesting
2023	LTI	98,396	RSU Vesting
2023	LTI	314,169	RSU Vesting

2023	LTI	16,515	RSU Vesting
2023	LTI	36,912	RSU Vesting
2023	LTI	18,306	RSU Vesting
2023	LTI	44,951	RSU Vesting
2023	LTI	98,097	RSU Vesting
2023	LTI	313,491	RSU Vesting
2023	LTI	220,967	RSU Vesting
2023	LTI	220,967	RSU Vesting
2023	LTI	500,288	RSU Vesting
2023	LTI	500,288	RSU Vesting
2023	LTI	47,855	RSU Vesting
2023	LTI	111,608	RSU Vesting
2023	LTI	134,908	RSU Vesting
2023	LTI	378,990	RSU Vesting
2023	LTI	36,513	RSU Vesting
2023	LTI	220,636	RSU Vesting
2023	LTI	19,673	RSU Vesting
2023	LTI	1,091,306	RSU Vesting
2023	LTI	2,795,918	RSU Vesting
2023	LTI	104,365	RSU Vesting
2023	LTI	278,825	RSU Vesting
2024	LTI	646,748	Performance Award Vesting
2024	LTI	215,741	Performance Award Vesting
2024	LTI	1,270,254	Performance Award Vesting
2024	LTI	170,307	Performance Award Vesting
2024	LTI	1,267,492	Performance Award Vesting
2024	LTI	2,238,947	Performance Award Vesting
2024	LTI	2,238,947	Performance Award Vesting
2024	LTI	520,732	Performance Award Vesting
2024	LTI	1,653,921	Performance Award Vesting
2024	LTI	549,497	Performance Award Vesting
2024	LTI	11,058,335	Performance Award Vesting
2024	LTI	1,291,781	Performance Award Vesting
2024	LTI	266,786	RSU Vesting
2024	LTI	29,376	RSU Vesting
2024	LTI	69,672	RSU Vesting
2024	LTI	500,645	RSU Vesting
2024	LTI	53,204	RSU Vesting
2024	LTI	71,865	RSU Vesting
2024	LTI	495,943	RSU Vesting
2024	LTI	743,732	RSU Vesting
2024	LTI	743,732	RSU Vesting
2024	LTI	159,063	RSU Vesting
2024	LTI	577,791	RSU Vesting

2024	LTI	352,106	RSU Vesting
2024	LTI	19,851	RSU Vesting
2024	LTI	4,165,103	RSU Vesting
2024	LTI	423,406	RSU Vesting
2025	LTI	2,007,265	Performance Award Vesting
2025	LTI	1,390,574	Performance Award Vesting
2025	LTI	1,045,719	Performance Award Vesting
2025	LTI	16,127,692	Performance Award Vesting
2025	LTI	2,585,895	Performance Award Vesting
2025	LTI	245,619	Performance Award Vesting
2025	LTI	990,639	Performance Award Vesting
2025	LTI	1,780,620	Performance Award Vesting
2025	LTI	1,776,596	Performance Award Vesting
2025	LTI	552,527	Performance Award Vesting
2025	LTI	248,493	Performance Award Vesting
2025	LTI	185,134	Performance Award Vesting
<b>Total</b>		<b>167,829,732</b>	
<b>Average</b>		<b>749,240</b>	

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-003**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 3. Provide the following information for Duke Kentucky salaried employees, as well as all salaried employees whose costs are allocated to Duke Kentucky, and separate each response by company/utility.

- a. In response to Item 3, Duke Kentucky asserted that, "[w]e do not track employees whose labor costs are allocated from one company/utility to another. Some employee's labor is part of an allocation pool based on the accounting an employee charges each pay period on their timesheet." If Duke Kentucky does not track salaried employees' labor costs that are allocated to Duke Kentucky, then explain how the Company can determine whether the allocated costs that Duke Kentucky is required to pay for salaried employees are reasonable.
- b. Refer to Duke Kentucky's response to Item 3(c).
  - i. Duke Kentucky asserts that the average bonus paid to Duke Kentucky salaried employees for 2020 – 2025 is \$1,146. Confirm whether Duke Kentucky paid each salaried employee an average bonus of \$1,146 for each of the years 2020, 2021, 2022, 2023, 2024, and 2025. or if Duke Kentucky paid a total of \$1,146 in bonuses for all of the years combined between 2020 – 2025.

- ii. Provide a breakdown of the amount of bonus paid to each Duke Kentucky salaried employee for each of the years 2020 – 2025.
  - iii. Explain the criteria used to award bonuses to salaried employees.
  - iv. Explain whether Duke Kentucky included or excluded salaried employee bonuses from the revenue requirement in the pending case for ratemaking purposes.
- c. Refer to Duke Kentucky’s response to Item 3(d).
- i. Duke Kentucky asserts that the total amount of awards paid to Duke Kentucky salaried employees for 2020 – 2025 is \$149. Confirm whether Duke Kentucky paid each salaried employee an award of \$149 for each of the years 2020, 2021, 2022, 2023, 2024, and 2025, or if Duke Kentucky paid a total of \$149 in awards for all of the years combined between 2020 – 2025.
  - ii. Provide a breakdown of the amount of awards paid to each Duke Kentucky salaried employee for each of the years 2020 – 2025.
  - iii. Explain the criteria used to provide an award to salaried employees.
  - iv. Explain whether Duke Kentucky included or excluded salaried employee awards from the revenue requirement in the pending case for ratemaking purposes.
- d. Refer to Duke Kentucky’s response to Item 3(f).
- i. Duke Kentucky asserts that the total amount of short-term incentive compensation paid to Duke Kentucky electric salaried employees for 2020 – 2024 is \$171,458. Confirm whether Duke Kentucky paid the salaried

employees \$171,458 for each of the years 2020, 2021, 2022, 2023, and 2024, or if Duke Kentucky paid a total of \$171,458 in short-term incentive compensation for all of the years combined between 2020 – 2024.

- ii. Provide a breakdown of the amount of short-term incentive compensation paid to each Duke Kentucky salaried employee for each of the years 2020 – 2025.
- iii. Explain the criteria used to award short-term incentive compensation to salaried employees.
- iv. Explain whether Duke Kentucky included or excluded salaried employee short-term incentive compensation from the revenue requirement in the pending case for ratemaking purposes.
- v. Explain why no Duke Kentucky salaried employee was paid long-term incentive compensation.

**RESPONSE:**

- a. Please see response to AG-DR-02-002(a).
- b.
  - i. The correct average bonus paid over years 2020 – 2025 (through 2/15/25) is \$1,182 to Duke Energy Kentucky electric salaried employees. This amount does not include bonuses paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. The \$1,182 is the average of all bonuses paid to salaried employees over years 2020 – 2025. Please see AG-DR-02-003 Attachment for the calculation.
  - ii. Please see AG-DR-02-003 Attachment for amounts paid in 2020 through 2/15/2025 to each salaried employee.

- iii. Recognition or spot bonuses are used to recognize employees who make a significant contribution to business operations due to exceptional personal initiative, dedication, perseverance, or a uniquely effective approach to work, or when an employee goes above and beyond their normal job responsibilities. Cash bonuses can be awarded in amounts up to \$5,000 without additional approval and over \$5,000 with additional departmental leadership approval.
  - iv. Duke Energy Kentucky included \$7,687 in bonuses for salaried employees in the revenue requirement.
- c.
- i. The correct total amount of awards paid in years 2020 – 2024 is \$10,813 to Duke Energy Kentucky electric salaried employees. This amount does not include awards paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. No awards have been paid in 2025 to Duke Energy Kentucky electric salaried employees. The \$10,813 is the total of all awards paid to each salaried employee over years 2020 – 2024. Please see AG-DR-02-003 Attachment for the calculation.
  - ii. Please see AG-DR-02-003 Attachment for amounts paid in 2020 – 2024 to each salaried employee. No awards have been paid in 2025 to salaried employees of Duke Energy Kentucky.
  - iii. Awards are non-cash compensation, such as gift cards, which are another means to recognize employees with a spot bonus at a lower monetary value than cash recognition bonuses. These are awarded at manager discretion and

are used to recognize a valuable but smaller contribution to business operations.

Another type of award is Recognition Grants, which are a way to recognize, reward and encourage retention of a limited number of high performers and high potentials across the enterprise. This program is generally (a) reserved for employees who do not participate in the Company's LTI Programs (i.e., RSU Plan or Executive LTI); (b) those individuals who do not have a Recognition Grant with shares not yet vested; and (c) meet one or more of the following eligibility guidelines:

1. Employee is considered a high potential individual and demonstrates many of the following types of characteristics:
  - a. Employee has applied unique, critical skills to deliver essential business results for a business unit or the enterprise. These employees will typically be in the highest-level individual contributor or management roles. Skills are crucial to the organization and would be extremely difficult to replace.
  - b. Employee has demonstrated leadership and consistently performed at a high level compared to peers.
- iv. This amount cannot be determined since these costs are not specifically tracked in the forecast.
- d.
  - i. The correct total amount of STI paid in years 2020 – 2024 is \$193,997 to Duke Energy Kentucky electric salaried employees. This amount does not



include STI paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. No STI has been paid in 2025 to Duke Energy Kentucky electric employees. The \$193,997 is the total of all STI paid to each salaried employee over years 2020 – 2024. Please see AG-DR-02-003 Attachment for the calculation.

- ii. Please see AG-DR-02-003 Attachment for amounts paid in 2020 – 2024 to each salaried employee. STI has not yet been paid in 2025.
- iii. Please see the direct testimony of Shannon A. Caldwell page 15 line 4 through page 20 line 14.
- iv. As noted in the direct testimony of Shannon A. Caldwell, STI that was earnings-related, which for short-term incentive includes expense related to earnings per share, was removed from the revenue requirement. Included in the revenue requirement is the STI direct charged or allocated to Duke Energy Kentucky related to operational metrics such as reliability, safety, customer satisfaction, and individual performance objectives.
- v. As described in the direct testimony of Shannon A. Caldwell, eligible employees for the long-term incentive plan are executives who are a part of the senior management committee, the enterprise leadership team, and other strategic leaders below the ELT level who are responsible for the most critical roles/responsibilities in each business group. No employees eligible for the long-term incentive plan are paid by the Duke Energy Kentucky payroll company.

**PERSON RESPONSIBLE:** Shannon A. Caldwell

AG-DR-02-003 parts b, c, d  
 Salaried employee bonuses, awards, and short-term incentive paid in 2020 - 2025.  
 Payments to each Duke Kentucky salaried employee by year.

	Year	Category	Amount	
b(i) / b(ii)	2020	Bonus	1,000	
	2020	Bonus	1,500	
	2020	Bonus	3,500	
	2020	Bonus	750	
	2020	Bonus	3,000	
	2021	Bonus	500	
	2021	Bonus	500	
	2021	Bonus	750	
	2021	Bonus	750	
	2021	Bonus	500	
	2022	Bonus	300	
	2022	Bonus	2,000	
	2023	Bonus	1,000	
	2025	Bonus	500	
		<b>Total</b>		<b>16,550</b>
		<b>Average</b>		<b>1,182</b>

	Year	Category	Amount
c(i) / c(ii)	2020	Award	10,534
	2020	Award	100
	2021	Award	149
	2024	Award	30
		<b>Total</b>	
	<b>Average</b>		<b>2,703</b>

	Year	Category	Amount	
d(i) / d(ii)	2020	STI	12,562	
	2020	STI	15,026	
	2020	STI	6,618	
	2020	STI	1,138	
	2021	STI	7,481	
	2021	STI	6,460	
	2021	STI	7,850	
	2021	STI	5,536	
	2022	STI	8,174	
	2022	STI	6,359	
	2022	STI	11,350	
	2022	STI	14,589	
	2022	STI	11,194	
	2023	STI	10,099	
	2023	STI	9,061	
	2023	STI	14,317	
	2023	STI	8,625	
	2024	STI	6,031	
	2024	STI	7,635	
	2024	STI	6,727	
	2024	STI	11,678	
	2024	STI	5,488	
		<b>Total</b>		<b>193,997</b>
		<b>Average</b>		<b>8,818</b>

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-004**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 4. Provide the following information for Duke Kentucky non-salaried employees, as well as for all non-salaried employees whose costs are allocated to Duke Kentucky, and separate each response by company/utility.

- a. In response to Item 4, Duke Kentucky asserted that, "[w]e do not track employees whose labor costs are allocated from one company/utility to another. Some employee's labor is part of an allocation pool based on the accounting an employee charges each pay period on their timesheet." If Duke Kentucky does not track non-salaried employees' labor costs that are allocated to Duke Kentucky, then explain how the Company can determine whether the allocated costs that Duke Kentucky is required to pay for non-salaried employees are reasonable.
- b. Refer to Duke Kentucky's response to Item 4(c).
  - i. Duke Kentucky asserts that the average bonus paid to Duke Kentucky electric non-salaried employees for 2020 – 2025 is \$455. Confirm whether Duke Kentucky paid each non-salaried employee an average bonus of \$455 for each of the years 2020, 2021, 2022, 2023, 2024, and 2025, or if Duke Kentucky paid a total of \$455 in bonuses for all of the years combined between 2020 – 2025.

- ii. Provide a breakdown of the bonuses paid to each Duke Kentucky non-salaried employee for each of the years 2020 – 2025.
  - iii. Explain the criteria used to award bonuses to non-salaried employees.
  - iv. Explain whether Duke Kentucky included or excluded non-salaried employee bonuses from the revenue requirement in the pending case for ratemaking purposes.
- c. Refer to Duke Kentucky’s response to Item 4(d).
- i. Duke Kentucky asserts that the total amount of awards paid to Duke Kentucky non-salaried employees for 2020 – 2025 is \$1,170. Confirm whether Duke Kentucky paid each non-salaried employee an award of \$1,170 for each of the years 2020, 2021, 2022, 2023, 2024, and 2025, or if Duke Kentucky paid a total of \$1,170 in awards for all of the years combined between 2020 – 2025.
  - ii. Provide a breakdown of the amount of awards paid to each Duke Kentucky non-salaried employee for each of the years 2020 – 2025.
  - iii. Explain the criteria used to provide an award to non-salaried employees.
  - iv. Explain whether Duke Kentucky included or excluded non-salaried employee awards from the revenue requirement in the pending case for ratemaking purposes.
- d. Refer to Duke Kentucky’s response to Item 4(f).
- i. Duke Kentucky asserts that the total amount of short-term incentive compensation paid to Duke Kentucky electric non-salaried employees for 2020 – 2024 is \$1,966,399. Confirm whether Duke Kentucky paid the non-

salaried employees a total of \$1,966,399 for each of the years 2020, 2021, 2022, 2023, and 2024, or if Duke Kentucky paid a total of \$1,966,399 in short-term incentive compensation for all of the years combined between 2020 – 2024.

- ii. Provide a breakdown of the amount of short-term incentive compensation paid to each Duke Kentucky non-salaried employee for each of the years 2020 – 2025.
- iii. Explain the criteria used to award short-term incentive compensation to non-salaried employees.
- iv. Explain whether Duke Kentucky included or excluded non-salaried employee short-term incentive compensation from the revenue requirement in the pending case for ratemaking purposes.
- v. Explain why no Duke Kentucky non-salaried employee was paid long-term incentive compensation.

**RESPONSE:**

- a. Please see the response to AG-DR-02-002(a).
- b.
  - i. The correct average bonus paid for years 2020 – 2024 is \$453 to Duke Energy Kentucky electric non-salaried employees. This amount does not include bonuses paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. No bonuses have been paid in 2025 to Duke Energy Kentucky electric non-salaried employees. The \$453 is the average of all bonuses paid to non-salaried employees over years 2020 – 2024. Please see AG-DR-02-004 Attachment for the calculation.

- ii. Please see AG-DR-02-004 Attachment for amounts paid in 2020 – 2024 to each non-salaried employee. No bonuses have been paid in 2025 to non-salaried employees of Duke Energy Kentucky.
  - iii. Please see the response to AG-DR-02-003(b)(iii).
  - iv. Duke Energy Kentucky did not forecast any bonuses for non-salaried employees; therefore, none was included in the revenue requirement.
- c.
- i. The correct total amount of awards paid for years 2020 – 2024 is \$1,155 to Duke Energy Kentucky electric non-salaried employees. This amount does not include awards paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. No awards have been paid in 2025 to Duke Energy Kentucky electric non-salaried employees. The \$1,155 is the total of all awards paid to each salaried employee over years 2020 – 2024. Please see AG-DR-02-004 Attachment for the calculation.
  - ii. Please see AG-DR-02-004 Attachment for amounts paid in 2020 – 2024 to each non-salaried employee. No awards have been paid in 2025 to non-salaried employees of Duke Energy Kentucky.
  - iii. Please see the response to AG-DR-02-003(c)(iii).
  - iv. This amount cannot be determined since these costs are not specifically tracked in the forecast.
- d.
- i. The correct total amount of STI paid in years 2020 – 2024 is \$2,163,236 to Duke Energy Kentucky electric non-salaried employees. This amount does

not include STI paid to employees of other payroll companies whose labor costs are allocated to Duke Energy Kentucky. No STI has been paid in 2025 to Duke Energy Kentucky electric employees. The \$2,163,236 is the total of all STI paid to each non-salaried employee over years 2020 – 2024. Please see AG-DR-02-004 Attachment for the calculation.

- ii. Please see AG-DR-02-004 Attachment for amounts paid in 2020 – 2024 to each non-salaried employee. STI has not yet been paid in 2025.
- iii. Please see the direct testimony of Shannon A. Caldwell page 15 line 4 through page 20 line 14 for non-union non-salaried employees and page 20 line 15 through page 22 line 4 for union non-salaried employees.
- iv. Please see response to AG-DR-02-003(d)(iv).
- v. Please see response to AG-DR-02-003(d)(v).

**PERSON RESPONSIBLE:** Shannon A. Caldwell

AG-DR-02-004 parts b(ii), c(ii), d(ii)  
Non-salaried employee awards, bonuses, short-term incentive paid in 2020 - 2025.  
Individual payments for each year shown below.

b (i)/b (ii)	Year	Category	Amount
	2020	Bonus	650
	2020	Bonus	403
	2020	Bonus	403
	2020	Bonus	650
	2020	Bonus	403
	2020	Bonus	403
	2020	Bonus	650
	2020	Bonus	650
	2020	Bonus	403
	2020	Bonus	650
	2020	Bonus	403
	2020	Bonus	650
	2020	Bonus	403
	2020	Bonus	403
	2020	Bonus	403
	2020	Bonus	650
	2020	Bonus	403
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	368
	2021	Bonus	266
	2021	Bonus	266
	2021	Bonus	266





<b>Total</b>	<b>36,732</b>
<b>Average</b>	<b>453</b>

c (i)/c (ii)	<b>Year</b>	<b>Category</b>	<b>Amount</b>
	2021	Award	146
	2021	Award	149
	2021	Award	148
	2021	Award	149
	2021	Award	148
	2021	Award	147
	2021	Award	149
	2023	Award	30
	2023	Award	31
	2023	Award	28
	2024	Award	29
	<b>Total</b>		<b>1,155</b>
	<b>Average</b>		<b>105</b>

d (i)/d(ii)	<b>Year</b>	<b>Category</b>	<b>Amount</b>
	2020	STI	4,841
	2020	STI	488
	2020	STI	6,029
	2020	STI	3,894
	2020	STI	4,863
	2020	STI	4,504
	2020	STI	2,251
	2020	STI	3,882
	2020	STI	1,769
	2020	STI	6,262
	2020	STI	6,844
	2020	STI	4,988
	2020	STI	4,845
	2020	STI	5,020
	2020	STI	4,163
	2020	STI	7,674
	2020	STI	1,939
	2020	STI	7,955
	2020	STI	6,086
	2020	STI	2,080
	2020	STI	4,780
	2020	STI	5,212
	2020	STI	6,924
	2020	STI	5,165
	2020	STI	3,718

2020	STI	5,077
2020	STI	2,501
2020	STI	2,201
2020	STI	4,140
2020	STI	6,266
2020	STI	6,261
2020	STI	5,172
2020	STI	4,081
2020	STI	1,947
2020	STI	5,939
2020	STI	3,542
2020	STI	2,781
2020	STI	417
2020	STI	2,393
2020	STI	3,430
2020	STI	4,960
2020	STI	3,112
2020	STI	4,510
2020	STI	704
2020	STI	2,575
2020	STI	4,102
2020	STI	5,421
2020	STI	3,635
2020	STI	5,569
2020	STI	2,736
2020	STI	5,395
2020	STI	3,013
2020	STI	5,737
2020	STI	6,231
2020	STI	2,282
2020	STI	5,170
2020	STI	5,020
2020	STI	4,079
2020	STI	2,563
2020	STI	4,202
2020	STI	1,944
2020	STI	5,629
2020	STI	1,381
2020	STI	5,144
2020	STI	2,370
2020	STI	5,255
2020	STI	5,517
2020	STI	5,118
2020	STI	4,111

2020	STI	5,793
2020	STI	2,765
2020	STI	1,815
2020	STI	2,599
2020	STI	3,342
2020	STI	2,415
2020	STI	2,352
2020	STI	3,296
2020	STI	5,024
2020	STI	3,196
2020	STI	5,422
2020	STI	5,895
2020	STI	4,989
2020	STI	5,010
2020	STI	7,885
2020	STI	4,401
2020	STI	5,919
2020	STI	4,378
2020	STI	6,783
2020	STI	3,258
2020	STI	4,084
2020	STI	2,439
2020	STI	1,964
2020	STI	5,209
2020	STI	2,827
2020	STI	3,328
2020	STI	4,725
2020	STI	6,445
2020	STI	2,490
2020	STI	2,238
2020	STI	7,564
2020	STI	5,813
2020	STI	5,627
2020	STI	4,609
2020	STI	6,400
2020	STI	2,077
2020	STI	1,955
2020	STI	5,007
2020	STI	4,763
2020	STI	5,786
2020	STI	2,320
2020	STI	2,905
2020	STI	435
2020	STI	747

2020	STI	2,269
2020	STI	4,765
2020	STI	2,351
2020	STI	5,909
2020	STI	4,801
2020	STI	7,597
2020	STI	5,466
2020	STI	6,208
2020	STI	5,479
2020	STI	4,740
2020	STI	5,069
2020	STI	2,452
2021	STI	2,790
2021	STI	2,059
2021	STI	2,366
2021	STI	2,395
2021	STI	738
2021	STI	2,550
2021	STI	4,817
2021	STI	1,968
2021	STI	1,901
2021	STI	1,862
2021	STI	4,958
2021	STI	3,137
2021	STI	4,860
2021	STI	3,969
2021	STI	1,616
2021	STI	1,843
2021	STI	2,579
2021	STI	1,877
2021	STI	2,300
2021	STI	1,929
2021	STI	1,753
2021	STI	890
2021	STI	2,951
2021	STI	2,582
2021	STI	2,496
2021	STI	2,032
2021	STI	2,418
2021	STI	741
2021	STI	4,392
2021	STI	2,611
2021	STI	2,403
2021	STI	1,669

2021	STI	1,724
2021	STI	2,106
2021	STI	1,934
2021	STI	2,680
2021	STI	2,342
2021	STI	3,069
2021	STI	3,077
2021	STI	1,456
2021	STI	2,505
2021	STI	2,237
2021	STI	2,698
2021	STI	3,172
2021	STI	3,166
2021	STI	2,388
2021	STI	1,965
2021	STI	3,205
2021	STI	1,636
2021	STI	787
2021	STI	2,268
2021	STI	943
2021	STI	1,994
2021	STI	2,212
2021	STI	2,025
2021	STI	2,116
2021	STI	1,939
2021	STI	2,116
2021	STI	730
2021	STI	1,876
2021	STI	2,447
2021	STI	2,495
2021	STI	1,722
2021	STI	2,074
2021	STI	2,658
2021	STI	2,053
2021	STI	2,038
2021	STI	4,026
2021	STI	2,676
2021	STI	1,923
2021	STI	4,853
2021	STI	2,223
2021	STI	1,662
2021	STI	2,807
2021	STI	1,707
2021	STI	1,700

2021	STI	1,976
2021	STI	1,992
2021	STI	2,066
2021	STI	2,107
2021	STI	2,633
2021	STI	2,152
2021	STI	1,684
2021	STI	4,767
2021	STI	2,156
2021	STI	2,365
2021	STI	3,105
2021	STI	2,355
2021	STI	1,415
2021	STI	1,952
2021	STI	1,899
2021	STI	2,255
2021	STI	1,923
2021	STI	2,366
2021	STI	2,293
2021	STI	1,627
2021	STI	3,269
2021	STI	1,712
2021	STI	2,621
2021	STI	1,847
2021	STI	4,798
2021	STI	1,887
2021	STI	3,404
2021	STI	1,892
2021	STI	1,755
2021	STI	802
2021	STI	1,961
2021	STI	2,385
2022	STI	7,102
2022	STI	2,973
2022	STI	3,305
2022	STI	3,755
2022	STI	1,055
2022	STI	2,174
2022	STI	6,756
2022	STI	6,649
2022	STI	5,567
2022	STI	687
2022	STI	5,458
2022	STI	5,503

2022	STI	6,689
2022	STI	4,151
2022	STI	6,746
2022	STI	5,974
2022	STI	2,060
2022	STI	5,496
2022	STI	1,114
2022	STI	7,385
2022	STI	5,612
2022	STI	3,543
2022	STI	5,731
2022	STI	2,192
2022	STI	2,503
2022	STI	4,116
2022	STI	1,585
2022	STI	8,230
2022	STI	6,996
2022	STI	5,693
2022	STI	3,708
2022	STI	3,821
2022	STI	6,160
2022	STI	3,752
2022	STI	3,732
2022	STI	2,997
2022	STI	2,136
2022	STI	3,637
2022	STI	5,691
2022	STI	4,391
2022	STI	5,684
2022	STI	7,308
2022	STI	5,088
2022	STI	6,360
2022	STI	970
2022	STI	5,780
2022	STI	1,239
2022	STI	3,004
2022	STI	4,577
2022	STI	5,334
2022	STI	2,302
2022	STI	2,074
2022	STI	6,736
2022	STI	1,217
2022	STI	5,908
2022	STI	6,233



2022	STI	5,115
2022	STI	6,312
2022	STI	4,996
2022	STI	6,239
2022	STI	4,225
2022	STI	1,772
2022	STI	3,573
2022	STI	3,116
2022	STI	3,065
2022	STI	2,740
2022	STI	5,804
2022	STI	5,577
2022	STI	6,700
2022	STI	5,529
2022	STI	5,161
2022	STI	5,629
2022	STI	1,163
2022	STI	2,359
2022	STI	5,544
2022	STI	2,495
2022	STI	1,742
2022	STI	3,348
2022	STI	6,816
2022	STI	2,126
2022	STI	6,378
2022	STI	6,173
2022	STI	6,579
2022	STI	1,696
2022	STI	3,787
2022	STI	6,307
2022	STI	2,526
2022	STI	1,806
2022	STI	1,079
2022	STI	6,054
2022	STI	160
2022	STI	2,708
2022	STI	1,133
2022	STI	3,935
2022	STI	5,529
2022	STI	6,414
2022	STI	3,727
2022	STI	7,111
2022	STI	114
2022	STI	5,288

2022	STI	6,749
2022	STI	5,780
2022	STI	5,214
2022	STI	5,637
2022	STI	3,181
2022	STI	103
2022	STI	5,442
2022	STI	3,663
2023	STI	7,443
2023	STI	1,518
2023	STI	3,696
2023	STI	3,542
2023	STI	3,680
2023	STI	1,682
2023	STI	3,659
2023	STI	2,169
2023	STI	7,456
2023	STI	3,316
2023	STI	7,487
2023	STI	1,159
2023	STI	5,657
2023	STI	2,752
2023	STI	5,360
2023	STI	6,484
2023	STI	7,675
2023	STI	3,518
2023	STI	7,613
2023	STI	4,545
2023	STI	1,884
2023	STI	2,155
2023	STI	5,221
2023	STI	4,022
2023	STI	1,445
2023	STI	7,416
2023	STI	192
2023	STI	5,416
2023	STI	3,097
2023	STI	5,787
2023	STI	1,936
2023	STI	3,994
2023	STI	4,906
2023	STI	8,235
2023	STI	6,677
2023	STI	1,533

2023	STI	5,438
2023	STI	2,912
2023	STI	5,685
2023	STI	7,118
2023	STI	958
2023	STI	3,808
2023	STI	3,381
2023	STI	1,718
2023	STI	2,793
2023	STI	5,587
2023	STI	3,866
2023	STI	6,902
2023	STI	6,995
2023	STI	4,435
2023	STI	6,829
2023	STI	3,864
2023	STI	5,788
2023	STI	4,248
2023	STI	3,788
2023	STI	5,460
2023	STI	5,727
2023	STI	2,016
2023	STI	1,132
2023	STI	5,474
2023	STI	6,188
2023	STI	5,925
2023	STI	3,892
2023	STI	5,446
2023	STI	1,947
2023	STI	2,812
2023	STI	941
2023	STI	3,062
2023	STI	5,774
2023	STI	5,587
2023	STI	7,844
2023	STI	5,122
2023	STI	7,741
2023	STI	6,226
2023	STI	4,162
2023	STI	1,405
2023	STI	2,220
2023	STI	2,001
2023	STI	3,293
2023	STI	6,849

2023	STI	2,274
2023	STI	7,076
2023	STI	6,896
2023	STI	3,394
2023	STI	3,669
2023	STI	7,229
2023	STI	5,866
2023	STI	1,549
2023	STI	3,861
2023	STI	5,724
2023	STI	3,940
2023	STI	4,092
2023	STI	5,294
2023	STI	6,410
2023	STI	1,921
2023	STI	3,382
2023	STI	8,127
2023	STI	3,272
2023	STI	5,145
2023	STI	1,015
2023	STI	6,283
2023	STI	5,642
2023	STI	948
2023	STI	2,953
2023	STI	3,053
2023	STI	4,997
2023	STI	3,350
2024	STI	7,485
2024	STI	2,217
2024	STI	1,430
2024	STI	2,104
2024	STI	3,067
2024	STI	3,171
2024	STI	5,504
2024	STI	2,760
2024	STI	3,206
2024	STI	2,463
2024	STI	2,039
2024	STI	7,390
2024	STI	1,438
2024	STI	8,792
2024	STI	2,747
2024	STI	2,708
2024	STI	5,990

2024	STI	6,001
2024	STI	6,152
2024	STI	9,483
2024	STI	3,082
2024	STI	9,281
2024	STI	3,693
2024	STI	1,600
2024	STI	2,795
2024	STI	7,634
2024	STI	3,594
2024	STI	2,069
2024	STI	8,035
2024	STI	2,289
2024	STI	6,178
2024	STI	2,555
2024	STI	6,246
2024	STI	1,580
2024	STI	5,784
2024	STI	1,553
2024	STI	7,671
2024	STI	7,887
2024	STI	2,099
2024	STI	6,086
2024	STI	2,402
2024	STI	5,409
2024	STI	2,137
2024	STI	2,804
2024	STI	3,619
2024	STI	5,680
2024	STI	3,646
2024	STI	569
2024	STI	6,145
2024	STI	7,427
2024	STI	3,719
2024	STI	6,548
2024	STI	5,401
2024	STI	3,457
2024	STI	3,226
2024	STI	6,222
2024	STI	6,372
2024	STI	5,987
2024	STI	2,705
2024	STI	6,563
2024	STI	6,179

2024	STI	3,487
2024	STI	6,038
2024	STI	5,395
2024	STI	2,383
2024	STI	2,962
2024	STI	5,952
2024	STI	6,180
2024	STI	6,229
2024	STI	9,360
2024	STI	4,883
2024	STI	9,676
2024	STI	6,798
2024	STI	3,690
2024	STI	6,554
2024	STI	7,656
2024	STI	7,688
2024	STI	2,134
2024	STI	2,533
2024	STI	7,085
2024	STI	5,467
2024	STI	1,281
2024	STI	3,489
2024	STI	1,660
2024	STI	6,101
2024	STI	6,564
2024	STI	5,239
2024	STI	1,984
2024	STI	2,777
2024	STI	8,548
2024	STI	650
2024	STI	5,590
2024	STI	2,740
2024	STI	5,917
2024	STI	6,516
2024	STI	2,130
2024	STI	1,160
2024	STI	9,048
<b>Total</b>		<b>2,163,236</b>
<b>Average</b>		<b>3,962</b>

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-005**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 5. The Attorney General requested whether any vacant position costs were included in the proposed revenue requirement, and if so to provide additional information regarding the same. Duke Kentucky responded that, "[t]he Company does not budget number of employees or number of vacant positions."

- a. Explain in detail why Duke Kentucky does not budget number of employees or number of vacant positions.
- b. Explain in detail how Duke Kentucky can confirm that the proposed labor expense is reasonable if it does not budget number of employees or number of vacant positions.
- c. Confirm that no vacant position costs are included in the proposed revenue requirement in the pending case. If this is not confirmed, explain what vacant position costs are included in the proposed revenue requirement, along with the job title(s), salary/wage/benefit amounts, necessity of the position(s), date the job(s) was created and vacated, explanation as to why the position(s) is currently vacant, and an estimated date as to when the position(s) will be filled.

**RESPONSE:**

- a. Rather than budgeting number of employees or number of vacant positions, Duke Energy Kentucky budgets for the expected costs required to perform necessary

work. The Company also recognizes there is always some amount of vacancy and hiring occurring related to natural attrition as part of normal operations. The Company accounts for this normal level of attrition through a budget credit based on a percentage of total labor cost at a departmental level based on historical attrition levels. The proposed revenue requirement includes this credit as a reduction to forecasted labor costs.

b. The actual balance between internal labor expense and contingent worker expense can vary from budget. For this reason, it is important to consider internal labor and contingent worker expense together when comparing actual periods to forecasted periods. The Company believes that proposed O&M expense, to include both internal labor and contingent worker expense, is reasonable when compared to historical amounts. Please see the following table comparing internal labor and contingent worker expense for 2024 actual and the forecast period of July 2025 through June 2026. The 3.7% difference is reasonable given normal annual merit increases of 3.5% per year.

<b>Cost Type</b>	<b>2024</b>	<b>Forecast Period</b>	<b>% Change</b>
Duke Labor Expense	\$21,565,397	\$26,398,176	22.4%
Contingent Worker Expense	\$14,959,104	\$11,476,811	-23.3%
	<u>\$36,524,501</u>	<u>\$37,869,887</u>	<u>3.7%</u>

c. Please see response to (a) above.

**PERSON RESPONSIBLE:** Grady “Tripp” S. Carpenter



**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 6.

- a. Refer to Duke Kentucky's response to Item 6(i). The Company states that most of the meters installed in Kentucky are read daily via Advanced Metering Infrastructure ("AMI") (99.60% of electric meters), and Automated Meter Reading ("AMR") Infrastructure (0.04% of electric meters). Duke Kentucky further states that it has approximately 562 non-AMI in-service meters, and these meters are inaccessible, and reads have been attempted numerous times.
  - i. Explain in detail why 0.04% of electric meters are AMR instead of AMI.
  - ii. Explain why Duke Kentucky did not change the 562 non-AMI meters to AMI or AMR meters. Include in the response whether these customers requested non-AMI/AMR meters, and if these customers are required to pay a fee for the manual read meters.
  - iii. Explain in detail what Duke Kentucky means by stating that the 562 non-AMI/AMR meters are "inaccessible." Include in the discussion whether Duke Kentucky is stating that they have absolutely no access to 562 non-AMI/AMR meters, or if they are inside of customers' premises and are difficult to access, etc.

- iv. If the 562 non-AMI/AMR meters are “inaccessible” then how does Duke Kentucky read said meters and prepare the customers’ bills? Explain the response in detail.
  - v. Explain how Duke Kentucky plans to resolve the 562 non-AMI/AMR meters that are “inaccessible.”
- b. Provide an overview of the types of meters (e.g., manual read meters, AMR, AMI, etc.), currently being utilized by Duke Kentucky’s electric and gas combination customers. Include in the response the approximate percentage of each type of meter that Duke Kentucky currently uses for its electric and gas combination customers.

**RESPONSE:**

- a.
  - i. AMI meters weren't installed in 0.04% of locations due to inaccessible meter locations, customer opt outs or AMI technology not working for a location.
  - ii. Non-AMI / non-AMR meters were not changed during the project because they were in vacant buildings, or they are large commercial/industrial customers where an AMI is not applicable. As stated in response to a(i), some customers requested to not have their meters changed. In the event that a non-AMI meter is installed per a customer request, the customer is paying a monthly opt-out fee.
  - iii. Typically, the reason for inaccessibility is customers not allowing the Company into their home during the installation attempt.

- iv. For any active electric meters that are not AMI or AMR, the Company attempts to read them monthly by sending a meter reader to the location. The meter reader will knock on the door if the meter is inside and inaccessible. Bills are estimated monthly based on past usage and factors such as weather until access is granted.
  - v. For the remaining meters that are not AMI or AMR, and the customer has not chosen to opt-out of the AMI program, we will change the meters to AMI or AMR when access to the meter is granted.
- b. Duke Energy Kentucky currently has approximately 82,000 customers who have an active gas and electric meter. The total number of meters is 164,488. The approximate percentage by type are as follows: 99.34% are AMI, 0.33% are AMR, and 0.33% are neither AMI nor AMR.

**PERSON RESPONSIBLE:** Marc W. Arnold

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-007**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 11(c).

- a. As originally requested, provide the total number of billing mistakes that the Company has made in Kentucky with its new Customer Connect software for each year since the software began being used.
- b. Duke Kentucky asserts that estimated bills are used at times when a meter reading or interval data may be unavailable, but once actual data is obtained, the invoices containing the estimated reads may need to be reversed and the actual data obtained from the meter is used to rebill the customer. Explain in detail Duke Kentucky's policy on estimated reads, for example, how many estimated reads does the Company allow to be consecutively used to calculate a customer's bill before an actual read is obtained.
- c. Provide a copy of Duke Kentucky's policy on estimated reads.
- d. Explain in detail if Duke Kentucky's policy on estimated meter reads is in compliance with 807 KAR 5:006, Section 7(5)(a), (c), and (d).

**RESPONSE:**

- a. Objection this request is vague and confusing as written given that it is subject to differing interpretations. Moreover, this request is overbroad and unduly burdensome to the extent that it seeks information that is not maintained by the Company in the format requested. Finally, this request is further objectionable

insofar as it seeks information that is irrelevant to these proceedings and not likely to lead to the discovery of relevant and admissible information. Without waiving said objection, and to the extent discoverable, as stated in response to AG-DR-01-011(c), the Company's bill accuracy percentages for April 2022 through December 2022 were 98.86%. For calendar year 2023, the Company's bills were 98.84 % accurate. For calendar year 2024, the Company's bills were 99.39% accurate. Impacts to the billing accuracy metric may be for any of the reasons explained in the Company's response to AG-DR-01-011(c). The Company does not track the billing accuracy impacts directly related to the implementation of Customer Connect. Rather, the Company has used the billing accuracy metric as a means to measure its performance and the Company's bill accuracy has consistently been at or above average industry benchmarks for this type of billing system conversion. For example, starting the second year following a conversion, average industry billing accuracy ranges from 99-99.5% and Duke Energy Kentucky's average monthly billing accuracy has been 99.07% since conversion.

- b. For AMI meters, the Company makes an attempt to read the meter daily. When an AMI meter read is unsuccessful within the five-day billing window, the team begins to remotely troubleshoot the meter. If on the sixth day the meter is still not collecting its daily read, field intervention will occur to further investigate the issue. When a reading is not able to be obtained for monthly billing, the customer's bill is notated to indicate an estimated read, and the Company will make attempts to notify the customer through a variety of channels to request access to the meter to avoid further estimated readings.

For non-AMI meters, the Company makes an attempt to read the meter monthly, and each read attempt is recorded. If a read is not able to be obtained, the customer's bill is notated to indicate an estimated read and a doorhanger is left at the premises requesting the customer to allow access to the meter to avoid further estimated readings.

- c. The Company's policy as it relates to estimated reads is detailed in response to (b) above.
- d. The Company's policy as it relates to estimated reads is in compliance with 807 KAR 5:006, Section 7(5)(a), (c), and (d) as both AMI and non-AMI meters are attempted to be read more frequently than quarterly, and records are kept of each attempt.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, Jacob S. Colley

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-008**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 12(c) and (d).

- a. Identify which month each year Duke Kentucky's shareholders contribute \$50,000 to the Share the Light Fund.
- b. Explain whether the Duke Kentucky shareholders' contribution of \$50,000 is reflected in the account balances for the Share the Light Fund in response to Item 12(d). If not, explain why not.
- c. Identify which month each year Duke Kentucky's shareholders contribute \$50,000 to the Home Energy Assistance program.
- d. Explain whether the Duke Kentucky shareholders' contribution of \$50,000 is reflected in the account balances for the Home Energy Assistance program in response to Item 12(d). If not, explain why not.
- e. While the account balances for the Share the Light Fund for 2024 appear on the lower end, explain why there are such large account balances for the Home Energy Assistance program for 2024. For example, in December 2024, the account balance for the Share the Light Fund was \$5,005.49, while the account balance for the Home Energy Assistance program was \$576,471.38. Include in the response, whether the Home Energy Assistance program funds are properly being deployed to the customers, and if so, why such large account balances exist.

**RESPONSE:**

- a. Duke Energy Kentucky shareholders contribute \$25,000 at the first of each year to the Share the Light Fund. The Company matches customer and employee contributions on a monthly basis throughout the year up to an additional \$25,000. At the end of the year, the Company will contribute the amount needed to reach the \$50,000 total contribution.
- b. The \$50,000 shareholder contribution is reflected in the account balances provided for the Share the Light Fund.
- c. Duke Energy Kentucky shareholders contribute equal amounts to the Home Energy Assistance program monthly.
- d. The \$50,000 shareholder contribution is reflected in the account balances provided for the Home Energy Assistance program.
- e. For the 2025 program year, the Company has increased the number of spaces in the HEA program to 1,530, as compared to the prior year's number of 1,080. This increase will allow the Company to assist more customers with the available funding and result in an overall reduction in unspent funds that were being carried over from month to month in 2024.

**PERSON RESPONSIBLE:** Jacob S. Colley



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-009**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 20(f). Explain whether Duke Kentucky only provides a "seed" contribution of \$850 per year for individual coverage and \$1,700 per year for family coverage if the employee opts for the high deductible health plan. If not, explain whether Duke Kentucky provides a "seed" contribution to all healthcare plans, and if so, designate the specific "seed" contributions to each healthcare plan.

**RESPONSE:**

The seed contributions referenced in the response to the Attorney General's First Request, Item 20(f), are employer contributions to Health Savings Accounts that are only available to employees enrolled in a high deductible health plan (HDHP).

**PERSON RESPONSIBLE:** Shannon A. Caldwell

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-010**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 21(a). Generally explain what service/function each listed operating company/service company provides to Duke Kentucky for the charges/allocated costs. For example, generally explain why there are allocated costs/charges from Duke Energy Carolinas for \$8,385,549, and do the same for the rest of the listed entities.

**RESPONSE:**

The types of costs allocated to Duke Energy Kentucky from its affiliates are outlined in testimony of Rebekah E. Buck. Please see Attachment REB-1, which is the Service Company/Utility Service Agreement, and Attachment REB-2, which is the Operating Companies Service Agreement. See page 18 of Attachment REB-1 for the function descriptions describing services performed as part of the respective functions. See Section 1.1(b) and 1.1(c) of Attachment REB-2 for the definition of services that can be performed under this agreement.

For further explanation of Duke Energy Carolinas allocated amount, as discussed on page 23 of Rebekah E. Buck testimony, as part of the Duke Energy and Progress Energy merger, certain employees who were engaged in core utility functions that primarily supported the Carolina utilities were transferred in 2013 from Duke Energy Business Services (DEBS) into one of the Carolina utilities. While these employees primarily support the Carolinas, they also provide support to other jurisdictions including Duke

Energy Kentucky. As a result of the transfer of employees there was an increase in charges from the Carolinas that was previously incurred from DEBS.

**PERSON RESPONSIBLE:** Rebekah E. Buck

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-011**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 21(b).

- a. Duke Kentucky asserts that, "[w]hile the business functions have asked questions about allocated costs, no allocated costs have ever been rejected." Provide detailed examples of the questions that Duke Kentucky asked about allocated costs in the past five years.
- b. Instead of stating that "business functions have asked questions," as originally requested, explain who is responsible to review the allocated costs to Duke Kentucky. Include in the response the title(s) of the position(s) that is responsible to review the allocated costs. If Duke Kentucky refers to testimony, provide the specific testimony, page(s), and line(s).

**RESPONSE:**

- a. As part of the Duke Energy accounting close process, monthly activity is reviewed for accuracy, and different types of review are performed across various Finance teams. Through those reviews of monthly activity, it's not uncommon that business partners may reach out to inquire about a cost allocated to them, and those questions are typically surrounding the original pool cost triggering the allocation. Questions like "what is this allocation from," "how was this allocation performed," or "what is the CAM rate behind this allocation" are the most typical questions received. To

my knowledge, no concerns regarding rejecting an allocated cost have been voiced over the last five years.

- b. My team is tasked with confirming allocations ran appropriately across the enterprise, which includes reviewing the entities receiving the allocations, or the “targets” of the allocations. That includes reviewing the allocations incurred by Duke Energy Kentucky. In addition to my team’s review, the Duke Energy Kentucky Accounting team also reviews the results of Duke Energy Kentucky each month. The Duke Energy Kentucky team is managed by, Danielle L. Weatherston, Manager Accounting II.

**PERSON RESPONSIBLE:** Rebekah E. Buck

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-012**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 24(c). Explain whether Duke Kentucky receives more competitive pricing on vegetative management contracts by placing competitive requests for proposal ("RFP") with the Midwest market every 3 – 4 years. If not, explain why not.

**RESPONSE:**

Objection. This request is vague, ambiguous, and confusing as to what is meant by "more competitive pricing" as it implies a comparison to some unknown and speculative hypothetical. Without waiving said objection, and to the extent discoverable, competitive bidding on a reoccurring basis (normally not to exceed five years); allows for market competition and ensures Duke Energy Kentucky is receiving the best value, staying updated on market trends including technological/operational advancements and competitor pricing. The competitive environment of a market RFP also provides negotiation leverage and encourages suppliers to remain competitive and offer their best terms to secure the business.

**PERSON RESPONSIBLE:**

As to objection, Legal  
As to response, Thomas "T.K." K. Christie

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-013**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 24(f).

The vegetation management costs have increased from \$4,710,972 in 2020 to \$5,637,926 in 2024, and Duke Kentucky has forecasted \$6,357,541 in 2025.

- a. Explain why the vegetation management costs have increased in the past five years.
- b. Explain in detail all attempts that Duke Kentucky has made to keep vegetation management costs as low as possible for its customers.
- c. Explain why Duke Kentucky is forecasting an increase of \$719,615 in vegetation management costs between 2024 and the forecasted 2025 period, even though the Company is only forecasting to trim 294.54 miles in 2025 versus 314.77 miles in 2024.

**RESPONSE:**

- a. Vegetation management costs have increased year over year driven by equipment, labor, and fuel costs consistent with relative indexes. The Producer Price Index (PPI) Commodity data for machinery and equipment reflects a cumulative increase of 29.4% from January 2020 to January 2024. The Bureau of Labor Statistics (BLS) cost index for the labor classifications used for vegetation management shows a cumulative increase of 13.2% from January 2020 to January 2024 and fuel indexes have increased 38.07% for Regular Gasoline and 37.75% for No. 2 Diesel from December 2020 to December 2024.

- b. Competitive bid events and leveraging technological advancements with equipment operational efficiencies like parking locations to minimize travel time are used to keep vegetation management costs as low as possible for Duke Energy Kentucky customers.
- c. The forecast for 2025 includes an increase in spend to address additional tree removals. Also, in 2024, approximately 65% of the work performed was bucket type work which cost less than climbing type work. The work being performed in 2025 is being performed on a cost per mile contract which normalizes the costs between bucket and climbing types of work.

**PERSON RESPONSIBLE:** Thomas "T.K." K Christie



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-014**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 25(i).

- a. Confirm that to Duke Kentucky's knowledge, the Commission has not approved an investor-owned utility in Kentucky to allow customers to pay a utility bill using a credit card without an assessed fee, and then include the credit card fees in the revenue requirement, which requires all customers to subsidize the credit card fee costs.
- b. Explain whether the proposed inclusion of \$319,314 in fee-free payment options includes only credit card fees or also includes debit card fees.
- c. Provide a breakdown of the proposed inclusion of \$319,314 in fee-free payment options by type of payment and amount.
- d. Confirm that if Duke Kentucky removes the assessed fee to pay the utility bill with a credit card then it may entice more customers to use credit cards in order to increase points and rewards associated with various credit card loyalty programs. If not confirmed, explain in detail why not.
- e. Confirm that if Duke Kentucky removes the assessed fee to pay the utility bill with a credit card and it entices more customers to use credit cards to pay the utility bills, then the amount of fees that customers will subsidize in rates could be much more than the proposed \$319,314. If not confirmed, explain in detail why not.

- f. According to a 2024 publication by the Federal Reserve, “[a]lmost all adults with an income of at least \$100,000 had a credit card,” but “[a]t lower income levels, having a credit card was less common...”<sup>1</sup> According to this 2024 publication, 54% of people with family income less than \$25,000 do not have a credit card.<sup>2</sup> Confirm that Duke Kentucky’s proposal for the credit card processing fees to be subsidized by all customers will cause the customers without credit cards to pay a higher electric rate. If not confirmed, explain in detail why not.

**RESPONSE:**

- a. Objection. This request seeks information that is publicly available and otherwise discoverable by the attorney general. The Commission’s decisions speak for themselves. Without waiving said objection, and to the extent discoverable, the Company has not performed an exhaustive search of all Commission decisions to determine whether or not the Commission has issued such an order, and the Company is not aware whether any other investor-owned utilities in Kentucky offer a fee-free program. As discussed in Witness Colley’s testimony, the Company’s proposal is based upon improving the customer experience when paying the utility bill which continues to be shared as a top frustration by Kentucky customers, many examples of which are detailed in Attachment JSC-1.
- b. The Company is proposing that all payments made through the Card Payment channel will not have a per-transaction charge under the fee-free proposal. This

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<sup>1</sup> See Federal Reserve, Report on Economic Well-Being of U.S. Households in 2023 – May 2024, <https://www.federalreserve.gov/publications/2024-economic-well-being-of-us-households-in-2023-banking-credit.htm>.

<sup>2</sup> *Id.*

includes payments made by debit card, prepaid card, credit card, and electronic check.

- c. The approximate breakdown of the proposed \$319,314 is shown below.

Credit	~\$66,700
Debit/Prepaid	~\$204,300
Electronic Check	~\$48,400

- d. The Company disagrees with this characterization of the card payment channel. This theory focuses solely on credit cards, when in fact the Company’s proposal is for the removal of fees associated with all card payments; this includes credit, debit, prepaid, and electronic check. In fact, credit card payments account for only ~20% of card payment transactions in Kentucky in 2024.
- e. The Company disagrees. The level requested in this rate proceeding is fixed and will not be adjusted until a future base rate proceeding. Therefore, if the Company incurs expenses above what is proposed to be included in base rates, \$319,314, this incremental amount will not be socialized to customers.
- f. As stated in response to (c) above, only ~20% of payments within the Card Payment channel in 2024 were made with credit cards while nearly 65% of payments were made with debit cards and ~15% were electronic check transactions. While the assertion that card payment fees being “subsidized by all customers will cause the customers without credit cards to pay a higher electric rate” is accurate and aligned with other payment channel options, it mischaracterizes the payment channel as a credit card only channel.

**PERSON RESPONSIBLE:** Jacob S. Colley

**Duke Energy Kentucky  
Case No. 2024-00354  
AG's Second Set of Data Requests  
Date Received: February 12, 2025**

**AG-DR-02-015**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 26(a). Explain in detail whether Duke Kentucky is working with any of the payment agents to convert from charging a fee to not charging a fee to process the utility payments. If yes, provide specific examples. If not, explain why not.

**RESPONSE:**

The Company recently worked with its walk-in payment agent vendor to convert 16 Kroger locations which are conveniently located throughout the Company's service territory to be fee-free payment locations. At this time, the Company has not engaged in further discussions regarding an expansion of fee-free in-person locations. However, the Company is proposing a fee-free Card Payment program that will add another convenient option for customers to conveniently make payments.

**PERSON RESPONSIBLE:** Jacob S. Colley

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-016**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 29(a) and 33(a).

- a. Confirm that Duke Kentucky is aware of President Trump's January 20, 2025 Executive Order, titled Unleashing American Energy.<sup>1</sup>
- b. Explain in detail how this Executive Order affects Duke Kentucky's proposal in the pending case to set the depreciation rates for an East Bend closure on December 31, 2038. For purposes of the response, assume that the Executive Order is fully enforceable after pending litigation has concluded.
- c. Confirm that Duke Kentucky is aware of Section 7 of the Unleashing American Energy Executive Order, titled Terminating the Green New Deal. For purposes of the response, assume that the Executive Order is fully enforceable after pending litigation has concluded.
- d. Explain in detail how Section 7 of the Unleashing American Energy Executive Order affects Duke Kentucky's proposal in the pending case to set the depreciation rates for an East Bend closure on December 31, 2038. For purposes of the response, assume that the Executive Order is fully enforceable after pending litigation has concluded.

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<sup>1</sup> <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>.

**RESPONSE:**

- a. Confirmed.
- b. Objection. Calls for speculation and guesswork. Without waiving said objection, and to the extent discoverable, among other things, the referenced Executive Order (EO) pauses disbursement of certain funds under the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) for a 90-day review period, mandates a review and revision of regulations perceived to burden domestic energy development, and emphasizes domestic oil and gas production. It is unclear as to what actions will come out of this review period, and it is therefore premature to assess the EO's impacts on the depreciation rates for East Bend.
- c. Confirmed.
- d. Objection. Calls for speculation and guesswork. Without waiving said objection, and to the extent discoverable, among other things, section 7 of the EO pauses disbursing funds allocated through the IRA and IIJA. Agencies are instructed to review their funding process to ensure alignment with the order's policies. It is unclear as to what actions will come out of this review period, and it is therefore premature to assess the EO's impacts on the depreciation rates for East Bend.

**PERSON RESPONSIBLE:**

As to objections, Legal  
As to response, Matthew Kalemba

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-017**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 29(b). The Attorney General requested for Duke Kentucky to explain in detail whether East Bend could continue to provide safe and reliable electricity past December 31, 2038, if the laws and EPA regulations cited by Duke Kentucky<sup>1</sup> were overturned through pending legal challenges and/or rolled back by President Trump's administration. Duke Kentucky responded that, "[n]otwithstanding whether or not the CAA 111 Update withstands legal challenges, there will likely be additional restrictions to the operation and/or economics of coal necessitating East Bend's retirement prior to 2041. Disregarding the regulatory and economic challenges, it is possible that East Bend could continue to provide safe and reliable electricity past December 31, 2038, with adequate investments."

- a. Explain in detail what "likely" additional restrictions to the operation and/or economics of coal that Duke Kentucky is referring to in the response.
- b. If President Trump's administration repeals the EPA regulations that Duke Kentucky cited to, and is listed in footnote 6, explain in detail how this will affect Duke Kentucky's proposal in the pending case to set the depreciation rates for an East Bend closure on December 31, 2038.

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<sup>1</sup> Duke Kentucky cited to the following: Inflation Reduction Act ("IRA"), the Environmental Protection Agency ("EPA") Clean Air Act, Section 111, April 2024 Updates, updates to Effluent Limitation Guidelines ("ELG"), and tightened Mercury and Air Toxics Standards ("MATS").

**RESPONSE:**

- a. As stated in the response to Attorney General’s First Request, Item 29(b), from an operations perspective, there is a risk that as East Bend asset ages, OEM and replacement part obsolescence will impact the ability to provide safe and reliable electricity beyond a date uncertain. From a coal supply/coal economics perspective, coal markets continue to experience a high degree of market volatility due to a number of factors, including: (1) the inability of coal suppliers to respond timely to changes in demand; (2) natural gas price volatility; (3) continued uncertainty regarding proposed and imposed U.S. Environmental Protection Agency (EPA) regulations for power plants; (4) increased demand in global markets for both steam and metallurgical coal; (5) tightened access to investor financing; (6) continued shifts in production from thermal to metallurgical coal as producers move away from supplying declining electric generation to take advantage of increasing demand from industry; and, (7) continued labor and resource constraints further limiting suppliers’ operational flexibility.
- b. As outlined in the Company’s IRP, if the EPA regulations are rolled back and/or overturned, the Company’s estimated retirement date for East Bend is December 31, 2035. The Company still believes that depreciation rates reflecting a December 31, 2038, retirement date in this case is reasonable and prudent in that scenario as it has the effect of gradually adjusting customer rates to the best estimate of the approximate retirement date of East Bend.

**PERSON RESPONSIBLE:** Matthew Kalembe – a.  
Sarah E. Lawler – b.



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-018**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 29(c) and (d) as well as Item 33(b). Explain in detail why Duke Kentucky believes that if the cited to EPA regulations in footnote 6 are rolled back and/or overturned, then the Company's estimated retirement date for East Bend would be December 31, 2035, which is three years earlier than the proposed December 31, 2038 date under the current EPA regulations.

**RESPONSE:**

As described in Witness Kalemba's Direct Testimony on pages 12-14, the primary drivers for the anticipated earlier retirement of East Bend by December 31, 2035, under a No EPA CAA111 Update scenario include cost, reliability, and flexibility to adapt to a changing PJM marketplace. Without the fuel diversity of the Dual Fuel Operations (DFO) project, East Bend would be reliant on a potentially fading coal market in the latter half of the 2030s and would continue operating with high costs and risks associated with maintaining reliable operations beyond 2035 on 100% coal. Additionally, the flexibility of a Combined Cycle (CC) aids system operators in ensuring a reliable system by providing ramping and dispatchability that will become more valuable as intermittent resources increase on the PJM system.

From a cost perspective, as shown in Figure 6.4 and 6.12 of the 2024 Duke Energy Kentucky IRP, the PVRR of retiring East Bend by December 31, 2035 is the lowest cost

option among the portfolios evaluated through the majority of the plan, and the retirement by December 31, 2041 case only becomes economic in the final two years of the plan when Duke Energy Kentucky is significantly more reliant on the market with East Bend on coal. This signals that the Company's customers are at greater risk of higher market costs over the long term while East Bend operates on coal.

**PERSON RESPONSIBLE:** Matthew Kalemba

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-019**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 34(b). Duke Kentucky asserts that the estimated time that it would take to build and have in-service the proposed 664 MW 1x1 natural gas combined cycle ("CC") unit to replace East Bend would be approximately 8 years. Confirm that Duke Kentucky has not taken any steps to build the proposed CC unit to replace East Bend. If not confirmed, explain in detail what steps have been taken to build the CC unit, and provide the case number in which the Company has requested a Certificate of Public Convenience and Necessity ("CPCN") to build the CC unit.

**RESPONSE:**

Confirmed. Duke Energy Kentucky has not taken any steps to build the proposed CC unit to replace East Bend.

**PERSON RESPONSIBLE:** Matthew Kalemba

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-020**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 34(c). Duke Kentucky asserts that the preferred portfolio with and without the EPA CAA Section 111 Update includes accelerated renewables. Based upon the aforementioned Unleashing American Energy Executive Order, explain whether Duke Kentucky still plans on proceeding with accelerated renewables. If Duke Kentucky does still plan on proceeding with accelerated renewables, explain whether the costs will increase based upon President Trump's aforementioned Executive Order. For purposes of the response, assume that the Executive Order is fully enforceable after pending litigation has concluded.

**RESPONSE:**

The referenced Executive Order (EO) pauses the disbursement of certain funds under the Inflation Reduction Act (IRA) for a 90-day review period. It is unclear whether after the review period is complete that the IRA tax credits for solar will be extended, and it is premature to assess the impact on the costs of accelerating renewables in the resource plan.

**PERSON RESPONSIBLE:** Matthew Kalemba

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-021**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 34(e).

- a. Provide the gross plant and accumulated depreciation by plant account for East Bend 2 for each month included in the 13-month average test year rate base.
- b. Provide the most updated net plant balance not yet depreciated on the East Bend generating unit. Consider this a continuous request throughout the pendency of the case.

**RESPONSE:**

- a. Please see AG-DR-02-021 Attachment.
- b. The Net Book Value for East Bend as of 1/31/2025 is \$490,791,451 which includes Environmental Compliance Assets and excludes AROs and Acquisition of DPL share of East Bend (Case No. 2015-00120).

**PERSON RESPONSIBLE:** Grady "Tripp" S. Carpenter – a.  
Sharif S. Mitchell – b.



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-022**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 34(e) and (f). In the responses Duke Kentucky both confirmed that it will seek to recover the entire cost of East Bend from the customers, and confirmed that as of December 31, 2024, the net plant balance not yet depreciated on East Bend was \$492,979,677. Confirm that based upon the large net plant balance not yet depreciated, and the fact that the customers will have to pay for this amount whether East Bend is generating electricity or not, it would be to the customers' benefit for East Bend to continue generating electricity for as long as possible.

**RESPONSE:**

No, it is not in the customers benefit for East Bend to continue generating electricity for as long as possible. The Company plans how to serve its customers in the most reliable, safe, and economic manner. The decision to retire East Bend involves the evaluation of the cost of continuing to invest in an aging asset in order to maintain its reliability and compliance with environmental regulations as well as the cost to operate that unit versus retiring and replacing with a new, more efficient asset. The Company's evaluation determined that, under the EPA 111 scenario, retiring East Bend by 1/1/2039 and replacing with a new efficient combined cycle was in the best interest of its customers.

**PERSON RESPONSIBLE:** Matthew Kalemba

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-023**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 35(c), Attachment, page 1 of 1.

- a. Confirm that since a high of \$60.85 per ton of coal in 2022, the coal prices have decreased to \$56.92 per ton in 2024, and is contracted to decrease further to \$48.84 per ton in 2025. If not confirmed, explain why not.
- b. Explain in detail why Duke Kentucky is only contracted to purchase 704,587 tons of coal in 2025 versus in the years 2020 – 2024 the purchased coal amounts were always over 1 million tons per year.

**RESPONSE:**

- a. As of January 14, 2025, the price per ton of coal was \$60.85 in 2022, \$56.92 per ton in 2024 and was projected to be \$48.84 per ton in 2025. The Company has since procured an additional 32,000 tons of coal for delivery in 2025 which will result in a price per ton projection of \$48.98 per ton. This dollar per ton projection may change based on actual tons purchased and delivered in calendar year 2025.
- b. As of the December 13, 2024, Fleet Analytics Stochastic Tool "FAST" model burn forecast, the mean coal burn projected for Duke Energy Kentucky in Calendar year 2025 was 763,087 tons. As of January 1, 2025, Duke Energy Kentucky had contracted for 689,587 tons of coal, with the ability to flex up the tonnage by an additional 60,000 tons in 2025. In January 2025, Duke Energy Kentucky also



procured approximately 32,000 tons of coal for a test burn to be conducted in early 2025. Currently the total tons procured in 2025 including the flex and test tons is 781,587. With respect to coal procurement, the Company's procurement strategy includes: (1) the use of staggered coal contract expirations in order to limit exposure to forward market price changes; (2) maintaining a diversified mix of suppliers and supplier sources; (3) having an appropriate mix of term contract and spot purchases for coal. The Company will conduct spot market solicitations as needed to supplement term contract purchases, taking into account changes in projected coal burns and existing coal inventory levels.

**PERSON RESPONSIBLE:** Kimberly A. Hughes

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-024**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 35(e). Duke Kentucky asserts in the response that, "[t]he reliability and resilience of East Bend, as a fossil generating unit in the PJM Energy Market, is valuable to customers because it provides a dispatchable source of power that can be quickly adjusted to meet fluctuating demand, particularly during peak usage times when renewable energy sources like solar and wind may not be sufficient, ensuring a stable electricity supply to help maintain grid stability."

- a. Expound upon how East Bend is able to quickly adjust to meet fluctuating demand, particularly during peak times.
- b. Expound upon why renewable energy sources such as solar and wind are normally not sufficient to quickly adjust to meet fluctuating demand, particularly during peak times.
- c. Explain whether Duke Kentucky would currently have a stable electricity grid without East Bend.
- d. Explain whether Duke Kentucky would currently have a stable electricity grid without Woodsdale.
- e. Explain whether Duke Kentucky would currently have a stable electricity grid if it only had solar plants, with the average net capacity factor in 2024 of only 16.70%.

**RESPONSE:**

- a. Objection. This request is overly broad, unduly burdensome, and otherwise vague and ambiguous. Without waiving said objection, and to the extent discoverable, East Bend's generating output can be adjusted, either increased up to its maximum available output, or down to its minimum available output, to meet fluctuating system demand. Additionally, the unit can supply some additional reserves, called ancillary services, to the PJM market, such as those reserves necessary for PJM to recover from a contingency event, called Synchronized Reserves, or to protect from load or renewable unit forecast error or unit forced outages/derates, called Secondary Reserves. Additionally, although not considered ancillary services in the PJM market, East Bend can additionally supply reactive reserves / voltage stabilization, inertia, and primary frequency reserves. East Bend is not capable of providing all types of ancillary services, however, such as Non-Synchronized Reserves, Regulating Reserves or Black Start Service, unlike Woodsdale CT's, which can provide these additional reserves (see response to part d below).
- b. For the response to this question, "Quickly adjust" is assumed to mean either (1) to increase a generator's output to match an increase in demand (2) to decrease a generators output to match a decrease in demand, or (3) to have the capability to either to increase or decrease a generator's output for purposes of providing ancillary services. Additionally, for the purposes of answering this question, renewable energy sources are assumed to not have energy storage on site.

In general, renewable energy sources are not capable of increasing output to correspond to an increase in demand. Thus, in the case of a wind resource,

additional wind cannot be called upon or in the case of a solar resource, additional irradiance cannot be called upon if customer demand increases. However, this doesn't mean that the energy produced by these resources doesn't go to serving additional demand. Renewable energy sources serve customer demand much in the same way that conventional resources serve customer demand. However, the output of these resources can't typically be asked to increase and are limited by the amount of wind or solar irradiance. PJM assigned a relatively low Effective Load Carrying Capability (ELCC) value to solar (9% fixed-tilt and 14% tracking solar) and wind resources (35% onshore wind) for the 2025/2026 Delivery Year as opposed to the 84% coal unit class average. Additionally, at the scale needed to supply demand from having primarily renewable resources, the wind and solar ELCCs would likely be significantly lower than the current rates. However, the value of a renewable energy source is primarily its contribution to the energy needs of the customer, not necessarily the ability to adjust output or the ability to serve customer demand during peak periods.

In general, renewable energy sources are capable of decreasing output to correspond to a decrease in demand. However, due to the low variable cost of renewable energy sources, these resources aren't typically marginal, meaning that they are typically asked to produce to the maximum extent possible. However, solar and wind generating units can typically reduce output when needed to balance the grid or provide reserves (in the down direction only).

- c. Since this question doesn't specify any additional changes on the electric grid, an assumption is made in answering this question that other resources that supply

energy to the grid are unchanged. Thus, this question discusses whether Duke Energy Kentucky could have a stable electricity grid without East Bend, but with no other generation, load, or transmission changes.

A specific reliability study would need to be completed by PJM before making such a determination, such as the case when a unit indicates a desire to retire and prior to any Reliability Must Run (RMR) Agreement may be used to keep a power plant operating past its planned retirement date due to a reliability issue.

Additionally, PJM performs an annual Regional Transmission Expansion Plan (RTEP) analysis to determine the steady state (thermal and voltage), stability/dynamic, and short-circuit performance of the transmission system, as outlined in PJM Manual 14B, section 2.3.14, shown below. The studies utilize “contingencies” (N-1 and N-1-1 pairs) intended to mimic outages to portions of the transmission system, as well as connected generation. The Company is unaware that the loss of East Bend (or Woodsdale) generation has created a violation to date.

From section of PJM Manual 14B:

*2.3.14 Baseline Stability Analysis PJM ensures generator and system stability during its interconnection studies for each new generator. In addition, PJM annually performs stability analysis for approximately one third of the existing generators on the system. Analysis is performed on the RTEP baseline stability cases. These analyses ensure the system is transiently stable and that all system oscillations display positive damping with damping ratio consistent with section G.2.2. Generator stability studies are performed for critical system conditions, which include light load and peak load for three phase faults with*

*normal clearing plus single line to ground faults with delayed clearing. Also, specific Transmission Owner designated faults are examined for plants on their respective systems.*

Situations do occur today when East Bend is off-line and during these instances, Duke Energy Kentucky customers continue to have a stable electric supply. Duke Energy Kentucky is part of the Eastern Interconnection and as part, helps support the grid and other customers when needed, and receives support from the grid when its own generating units are not running. During times when East Bend is off-line, such as during a planned outage, the Duke Energy Kentucky customer is not impacted from the unavailability of East Bend. East Bend does contribute to the stability of the electric grid, either through the provision of capacity, energy, inertia, primary frequency response, reactive power (or voltage stabilization), or ancillary services, and from a reliability standpoint, that support is typically needed most at times of peak demand. Additionally, there is other value from a generator that is more localized and can't be obtained from locations further away on the grid. Thus, due to East Bend's location on the grid, transmission constraints or supply of reactive reserves could be impacted without East Bend. Finally, note that the cost to serve the Duke Energy Kentucky customers would change without East Bend in operation.

Additionally, PJM has published various whitepapers regarding the PJM energy transition, which can be found under the following site:

<https://www.pjm.com/about-pjm/ensuring-a-reliable-energy-transition>

In particular, the following two whitepapers discuss resource retirements:

<https://www.pjm.com/-/media/DotCom/library/reports-notice/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>

<https://www.pjm.com/-/media/DotCom/library/reports-notice/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-the-future.ashx>

- d. See response to part (c) above, except insert “Woodsdale” in place of “East Bend.” Additionally, Woodsdale provides the same services as East Bend listed in the response to part a. above, but additionally can provide Regulating Reserves, Non-Synchronized Reserves, and Black Start Reserves
- e. For the purposes of answering this question, renewable energy sources are assumed to not have energy storage on site. Given a 14% ELCC for a fixed-tilt solar resource for the PJM 2025/2026 Delivery Year, having a portfolio of only solar plants would be impractical. For example, from a capacity market standpoint, to serve a total 900 MW of customer demand, an approximate 6,429 MW of solar generating units (900 MW divided by .14) would need to be constructed or acquired. Additionally, as discussed in the response to part a. above, at this scale, the solar ELCC would likely be significantly lower than the 14% utilized in this response. Finally, if Duke Energy Kentucky had only solar resources, Duke Energy Kentucky's energy supply would be extremely volatile and regularly be completely reliant on the rest of PJM for energy supply.

**PERSON RESPONSIBLE:** As to objections, Legal  
As to response, William C. Luke – a.  
John Swez / Matt Kalembe – a. thru e.

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-025**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 35(f). Duke Kentucky asserted that if PJM requested East Bend to stay open for reliability purposes and become a Reliability Must Run ("RMR") unit, this designation would either maintain the units value to customers or could increase the units value to customers depending on an actual circumstances. Explain in detail what "actual circumstances" could increase East Bend's value to customers if designated as an RMR.

**RESPONSE:**

It is the Company's understanding that under the PJM RMR process, a generator is kept financially whole if selected and instructed by PJM to maintain operation. Thus, if the revenue from actual operation of the unit were less than needed to remain whole, and as a result the Company needed payment from PJM to break even, this would be considered maintaining the units value to customers. Since RMR units would tend to be units that cost more to operate than the market returns in revenue, the situation where an RMR unit has more revenue from operation than costs to maintain may not be likely. Although the PJM deactivation process and compensation for RMR units is currently being discussed in the PJM Deactivation Enhancement Senior Task Force (DESTF), it is the Company's understanding that PJM allows a 10% adder that is applied to project investment for RMR



units, potentially allowing for an increase to East Bend's value as an RMR resource in this situation.

**PERSON RESPONSIBLE:** John D. Swez

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-026**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 39(a) and (b). Based upon Duke Kentucky's response, the total capital expenditures for transmission and distribution projects have almost quadrupled since 2015 (\$25.7 million in 2015, \$75.9 million in the base period, and \$91.3 million in the forecasted test period). Due to the pending case being the third requested rate increase on the Company's electric customers in approximately five years, explain in detail whether Duke Kentucky has discussed reining in certain transmission and distribution project costs. If not, explain why not.

**RESPONSE:**

Objection. This request is overly broad, unduly burdensome, and contains vague and ambiguous terms that require the Company to engage in speculation and guesswork. Moreover, this request is argumentative insofar as it presumes that the Company is not making prudent investments necessary to provide its customers with reliable service and relies upon an assumption that existing rates, while approved by the Commission, were sufficient to allow the Company to continue to make such necessary investments beyond the test year of the Company's last base rate proceeding. Without waiving said objection, and to the extent discoverable, The Company is always mindful of cost impacts to customers when making the necessary investments in its transmission and distribution system to provide safe and reliable service to its customers. A primary driver of increased

investment is the need to support localized load growth. Duke Energy Kentucky is experiencing localized load growth with significant residential, industrial and commercial expansion projects. Additionally, the Company is making investments focused on maintaining and improving reliability in its electric delivery system. The Company is continuing to transition from a static grid that may employ limited and pre-determined solutions through manual switching to a self-optimizing grid that responds quickly and automatically to failures and mitigates them by finding the most efficient real-time solution to restore customers. Lastly, the Company is faced with the challenge of increased costs to complete the same amount of work. Factors contributing to this include low unemployment, supply chain constraints, and competition for infrastructure related skilled labor.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, Marc W. Arnold

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-027**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 40. Confirm that if the Commission grants Duke Kentucky's request to use the statutory Kentucky income tax rate instead of the effective Kentucky income tax rate to calculate Duke Kentucky's income tax expense, then the revenue requirement will be higher and thus the customers will pay a higher electric rate. If not confirmed, explain in detail why not.

**RESPONSE:**

Total income tax expense is calculated by first multiplying pretax book income by the statutory rate. This amount is then adjusted by permanent book tax differences, the amortization of excess deferred taxes being returned to customers, and federal and state tax credits. These adjustments reduce total tax expense which brings the rate in line with the effective tax rate.

This method of calculating income tax expense is consistent with what Duke Energy Kentucky has used in historical rate cases which were approved by the Commission.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-028**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 41(a) and (b).

- a. Duke Kentucky asserts that the proposed monthly dollar increase and percent increase for the residential customers, as well as other rate classes, were incorrect in the original notice. Explain in detail whether Duke Kentucky is notifying the affected customers of this issue. For example, in the original notice Duke Kentucky asserted that the average residential customer's bill would increase by 16.1% instead of the updated 16.2%.
- b. Refer also to Duke Kentucky's response to the Attorney General's First Request, Item 8(b). According to Duke Kentucky's responses, based upon the rate increase granted in Case No. 2022-00372, the average residential customer's bill increased by \$15.48, and the updated proposed increase to the average residential customer's bill in the pending case is \$19.69. Confirm that based upon these responses, and if the Commission were to grant Duke Kentucky's requested full rate increase in the pending case, between the final Order in Case No. 2022-00372 and the pending case, the average residential customer's bill will increase by approximately \$35.17 per month, or \$422.04 per year. If not confirmed, explain in detail why not.

**RESPONSE:**

- a. The Company does not intend to re-publish notice unless ordered by the Commission. The cost of newspaper publication is significant. The difference between a 16.1% average residential increase and a 16.2% average residential increase is nominal and represents the Company's request. Further, the original table dollar amount published for Rate RS, \$21.47, declined to \$19.69 representing a lower impact to residential customers. The Commission may or may not approve a 16.2 % increase, and in fact, is likely to approve something less. On December 9, 2024, the Commission issued its letter of no deficiency finding that the Company's Application met the minimum filing requirements. FR 16(1)(b)(5) Attachment – Exhibit A included in Tab 12 of Volume 1 to the Application includes the newspaper notice. However, the Company has included a link to the revised table on its website for interested customers. The link is provided below for reference.

[Applications for Adjustments of Rates - Duke Energy](#)

- b. The Company confirms that \$15.48 added to \$19.69 equals \$35.17. The Company also confirms that \$35.17 multiplied by 12 equals \$422.04. However, the monthly increases are based on different average monthly consumption. In Case No. 2022-00372, the Rate RS average monthly consumption is 921. In Case No. 2024-00354, the Rate RS average monthly consumption is 904. Therefore, the \$15.48 value and \$422.04 value are slightly overstated.

**PERSON RESPONSIBLE:** Bruce L. Sailors

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-029**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 45(b). Duke Kentucky asserts that Mr. Ziolkowski made certain subjective decisions when creating the Class Cost of Service Study ("COSS"), such as the use of the results of the minimum size study in lieu of zero intercept calculations. Explain how the use of the minimum size method instead of the zero-intercept method is in line with Commission precedent, which expresses a preference for the zero-intercept method as less subjective than the minimum system method.<sup>1</sup>

**RESPONSE:**

The direct testimony of Company witness James E. Ziolkowski (Testimony) discusses the zero intercept analyses and the minimum size studies that were performed for the COSS.

A discussion of the zero intercept analyses appears on pages 24 to 26 of the Testimony. A discussion of the rationale for choosing the minimum size method begins on page 26. The testimony discusses potential weaknesses of the zero-intercept method that render the method less accurate than the minimum size method even if it is less subjective.

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<sup>1</sup> See Case No. 2021-00066, Electronic Application of Kenergy Corp. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407 (Ky. PSC June 24, 2021), Order at 11 – 12; Case No. 2020-00131, Electronic Application of Meade County Rural Electric Cooperative Corporation for an Adjustment in Rates (Ky. PSC Sept. 16, 2020), Order at 12 – 13; Case No. 2020-00264, Electronic Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407 (Ky. PSC Dec. 30, 2020), Order at 10 – 11; Case No. 2020-00338, Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407 (Ky. PSC Apr. 8, 2021), Order at 10 – 12.

Ultimately the Company chose to use the minimum size method in the COSS because it is the most appropriate method to achieve the principle of cost causation and to assign costs most accurately between fixed and variable charges. The minimum size method results in lower dollar amounts being classified as “Customer Related” and being recovered through fixed customer charges.

**PERSON RESPONSIBLE:** James E. Ziolkowski



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-030**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 97 in regards to forecasted expenses for account 593000 (Maintenance Overhead Lines Other-Distribution). Refer further to the breakdown of Account 593000 between Major Storms and Remainder on the response to the Attorney General's First Request, Item 97, Attachment for the years 2020 through 2023.

- a. Provide the same actual expense breakdown of Account 593000 between Major Storms and Remainder for the calendar year 2024.
- b. Provide the same actual expense breakdown of Account 593000 between Major Storms and Remainder for calendar years 2015 through 2019.
- c. Provide a description, including dates and expense impact, of each of the individual major storms that occurred during 2022.
- d. Explain all major reasons why expense in Account 593000 classified as Remainder decreased from \$2,311,579 in 2022 to only \$1,341,423 in 2023.
- e. Depending on the amounts for 2024 provided in subpart (a) to this question, explain the major reasons for any increases or decreases for the Remainder expense compared to actual 2023 Remainder expense of \$1,341,423.

**RESPONSE:**

- a. Please see the table below for the breakdown of Account 593000 between Major Storm and Remainder for the calendar year 2024.

**Table 1 – Account 593000 (2024)**

Acct. 593000	Account		Major Storms	Remainder
	Total			
2024 Actual	2,617,323		1,261,042	1,356,281

- b. Please see the table below for the actual expense breakdown of Account 593000 between Major Storms and Remainder for calendar years 2015 through 2019. Since 2018, the costs related to Vegetation Management, have been recorded in Account 0593100.

**Table 2 – Account 593000 Expense Breakdown (2015-2019)**

Acct. 593000	Account Total	Costs recorded in Account 593100*	Adjusted Account Total	Major Storms	Remainder
2015 Actual	5,953,810	(1,752,581)	4,201,229	866,105	3,335,123
2016 Actual	5,716,388	(1,684,840)	4,031,548	1,075,722	2,955,826
2017 Actual	10,909,882	(4,260,592)	6,649,290	2,888,477	3,760,813
2018 Actual	3,591,131		3,591,131	1,164,105	2,427,026
2019 Actual	3,592,697		3,592,697	914,263	2,678,434

- c. The table below provides descriptions and dates of the major storms that occurred in 2022. Also listed are the 2018 Ice Storm, which was deferred and amortized

across subsequent years, as well as the true-up recorded in 2022 for the 2021 Thunderstorm.

**Table 3 – Major Storm Expenses (2022)**

<u>Storm</u>	<u>Date Declared</u>	<u>Amount</u>
Ice Storm	11/15/2018	210,211
Thunderstorm	6/18/2021	5,579
Ice Storm	2/3/2022	304,428
Windstorm	3/30/2022	133,294
Thunderstorm	5/19/2022	111,458
Thunderstorm	6/13/2022	214,773
Thunderstorm	6/22/2022	184,194
Thunderstorm	7/6/2022	1,140,150
Windstorm	11/5/2022	6,343
Winter Storm	12/22/2022	83,388
		<u>2,393,818</u>

- d. In 2023, Duke Energy Kentucky changed the process for computing the project O&M associated with capital projects. The revised process allows for more consistency in the application of project O&M as it eliminates design inconsistencies and contractor pricing variability that were identified during project review. The revised process utilized a percentage applied against total project costs to determine project O&M. The percentage was based on time studies conducted in the field to track time per construction activity to determine the proper allocation of costs between capital and O&M. Going forward, this revised process will be used for the determination of project O&M. Project O&M is lower in 2023 and 2024 compared to previous years as a result. Project O&M reductions accounts for approximately \$770,000 or 79% of the \$970,156 reduction of Remainder expense from 2022 to 2023.

- e. The 2024 Remainder expense of \$1,356,281 is \$14,858 or 1% greater than the 2023 Remainder expense and is not considered to have materially increased or decreased from the 2023 Remainder expense of \$1,341,423.

**PERSON RESPONSIBLE:** Danielle L. Weatherston – a., b.  
Marc W. Arnold – c., d., and e.

**Duke Energy Kentucky  
Case No. 2024-00354  
AG's Second Set of Data Requests  
Date Received: February 12, 2025**

**AG-DR-02-031**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 105 in regards to the amount of contingent worker labor expense incurred during the base year and the test year of \$12,236,952 and \$11,476,811, respectively. Provide the amount of contingent worker labor expense for each of the years 2020 through 2024. Be sure to include all amounts direct charged and allocated to Duke Kentucky Electric.

**RESPONSE:**

Please see the table below for the contingent worker labor expense for 2020 through 2024.

<u>Year</u>	<u>Other</u>	<u>Service Company</u>	<u>DEO</u>	<u>DEK</u>	<u>Total</u>
2020	5,722,986	2,795,737	540,322	18,491,706	27,550,751
2021	3,683,778	891,504	110,656	18,698,199	23,384,138
2022	874,875	742,967	248,514	20,774,020	22,640,375
2023	710,070	949,261	284,430	20,073,117	22,016,878
2024	691,995	934,522	66,944	13,265,643	14,959,104

**PERSON RESPONSIBLE:** Danielle L. Weatherston

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG’s Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-032**

**REQUEST:**

Provide the amount of property tax expense recorded in account 408121 (TaxesProperty-Operating) and in account 408040 (Taxes – Property – Allocated) for the Duke Kentucky electric operations division for each month starting January 2021 through the most recent month with available information, including months with available data in 2025.

**RESPONSE:**

Please see AG-DR-02-032 Attachment for the property tax expenses recorded monthly for account 408121. There were no property tax expenses recorded in account 408040 during this period.

The 2024 property tax expense of \$7,739,156 is due to the resolution of tax year 2023 property tax reduction efforts, tax year 2024 property tax estimated changes related to new property tax reduction efforts, and a tax year 2022 true up. Please see the table below for a reconciliation of the calendar year 2024 property tax expense.

	<b>DEK-Electric</b>
<b>Tax Year 2024 DEK-EL Annual Accrual</b>	<b>15,456,300</b>
Tax Year 2024 DEK-EL-KY True Up	(2,251,699)
Tax Year 2023 DEK-EL-KY Tax Reduction	(1,998,121)
Tax Year 2022 DEK-EL-KY True Up	(1,680,362)
Tax Year 2023 DEK-EL-KY True Up	(561,343)
Tax Year 2023 DEK-EL-OH True Up	(1,225,619)
<b>Calendar Year 2024 Net Balance</b>	<b>7,739,156</b>

The forecasted test period property tax expense of \$16.3 million being requested as part of the revenue requirement in this proceeding represents the expected ongoing

property tax expense to the Company as these true ups are one-time events that will not continue.

**PERSON RESPONSIBLE:** John R. Panizza

Duke Energy Kentucky  
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Calendar Year	Month-Year	Account	Electric Expense
2021	01-2021	0408121	1,047,917
2021	02-2021	0408121	1,284,931
2021	03-2021	0408121	1,166,424
2021	04-2021	0408121	1,166,424
2021	05-2021	0408121	1,166,424
2021	06-2021	0408121	1,166,424
2021	07-2021	0408121	1,166,424
2021	08-2021	0408121	1,166,424
2021	09-2021	0408121	1,166,424
2021	10-2021	0408121	1,166,424
2021	11-2021	0408121	1,166,424
2021	12-2021	0408121	1,529,627
<b>2021 Total</b>			<b>14,360,291</b>

Calendar Year	Month-Year	Account	Electric Expense
2022	01-2022	0408121	1,166,424
2022	02-2022	0408121	1,215,092
2022	03-2022	0408121	1,533,412
2022	04-2022	0408121	1,304,976
2022	05-2022	0408121	1,304,976
2022	06-2022	0408121	1,304,976
2022	07-2022	0408121	1,304,976
2022	08-2022	0408121	1,304,976
2022	09-2022	0408121	1,233,469
2022	10-2022	0408121	1,304,976
2022	11-2022	0408121	1,304,976
2022	12-2022	0408121	1,202,889
<b>2022 Total</b>			<b>15,486,118</b>

Calendar Year	Month-Year	Account	Electric Expense
2023	01-2023	0408121	1,304,976
2023	02-2023	0408121	1,379,390
2023	03-2023	0408121	1,342,183
2023	04-2023	0408121	1,342,183
2023	05-2023	0408121	1,342,183
2023	06-2023	0408121	(4,664,789)
2023	07-2023	0408121	1,342,183
2023	08-2023	0408121	1,342,183
2023	09-2023	0408121	1,342,183
2023	10-2023	0408121	1,342,183
2023	11-2023	0408121	1,342,183
2023	12-2023	0408121	1,319,466
<b>2023 Total</b>			<b>10,076,508</b>



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Calendar Year	Month-Year	Account	Electric Expense
2024	01-2024	0408121	1,342,183
2024	02-2024	0408121	1,233,867
2024	03-2024	0408121	62,405
2024	04-2024	0408121	1,288,025
2024	05-2024	0408121	1,288,025
2024	06-2024	0408121	1,288,025
2024	07-2024	0408121	1,288,025
2024	08-2024	0408121	1,288,025
2024	09-2024	0408121	(1,271,439)
2024	10-2024	0408121	1,288,025
2024	11-2024	0408121	1,288,025
2024	12-2024	0408121	(2,644,036)
<b>2024 Total</b>			<b>7,739,156</b>

Calendar Year	Month-Year	Account	Electric Expense
2025	01-2025	0408121	1,288,025
<b>2025 Total</b>			<b>1,288,025</b>

**Duke Energy Kentucky**  
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**AG-DR-02-033**

**REQUEST:**

Refer to the determination of forecast test year property tax expense of \$16,415,344, as well as escalated property tax amounts for calendar years 2023 through 2026, in Duke Kentucky's response to the Attorney General's First Request, Item 117, Attachment 1.

- a. Refer to the provision of the gross tax estimate of \$13,063,998 for Property Tax Year 2023. Does the \$13,063,998 for 2023 equate to the property tax expense recorded in 2023 or to something else. If something else, describe the reference in detail.
- b. Refer to the provision of the gross tax estimate of \$13,018,724 for Property Tax Year 2024. Does the \$13,018,724 for 2024 equate to the property tax expense recorded in 2024 or to something else. If something else, describe the reference in detail.
- c. Indicate all known reasons why the gross tax estimate decreased from \$13,063,998 in 2023 to \$13,018,724 in 2024.
- d. Refer to the projected 25.24% increase in the gross tax estimate from 2024 to 2025. Explain all reasons why the increase is projected to be so high for 2025 over 2024. If related to the rate increase in some way, explain why that increase would affect the 2025 property tax expense since the additional revenues would not go into effect until sometime during 2025, after the January 1, 2025 assessment date.

- e. Indicate whether the amounts included in Duke Kentucky's response to the Attorney General's First Request, Item 117, Attachment 1 represent only electric operations amounts. If not, explain and provide the electric operations only amounts.
- f. Provide the quantifications in electronic format with all formulas in place used to escalate property tax expense, without consideration of the real property legislation estimates, by 26.24% in 2025 and by 4.74% in 2026. Be sure to include the assumed gross and/or net plant values at the beginning of each year, the assumed net operating income for the electric division, and the effective tax rates used in the quantifications.
- g. Refer to the escalation quantifications referred to in the previous subpart of this question. Provide copies of the source data used for each of the components of the escalation percentages for both years.

**RESPONSE:**

- a. No, \$13,063,998 does not represent calendar year 2023 property tax expense recorded for Duke Energy Kentucky's electric division. The \$13,063,998 represents actual property taxes paid for tax year 2023 without various immaterial fees included that were unknown at the time of responding to the Attorney General's First Request.
- b. No, \$13,018,724 does not represent calendar year 2024 property tax expense recorded for Duke Energy Kentucky's electric division. The \$13,018,724 represents forecasted property taxes for tax year 2024.

- c. From tax year 2023 to tax year 2024, Duke Energy Kentucky's year over year electric to gas division allocation percentages changed which resulted in a reduced allocation of property tax value for the electric division.
- d. The increase in gross tax estimate from tax year 2024 to tax year 2025 is due to growth in net utility operating income, which the Kentucky Department of Revenue utilizes to determine property tax value. Additionally, the increases are due to the removal of one-time tax reductions achieved for tax year 2023 and growth in capital due to property investments in Ohio and North Carolina. The rate increase is not reflected in the tax year 2024 to tax year 2025 estimates.
- e. Yes, the property tax estimates provided are only attributable to the Duke Energy Kentucky electric operations.
- f. Please see AG-DR-02-033 Attachment for escalated property tax expense calculations.
- g. Please see AG-DR-02-033 Attachment and AG-DR-01-117 Attachment 2 for source data used in escalated property tax expense calculations.

**PERSON RESPONSIBLE:** John R. Panizza

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**Growth Rates Table**

Tax Year	2023	2024	2025	2026
Assumed Gross Plant <sup>1</sup>		3,394,187,351	3,596,810,336	3,848,635,039
<b>Plant Growth Rate</b>			<b>5.970%</b>	<b>7.001%</b>
Assumed Net Operating Income <sup>2</sup>	83,964,146	91,776,651	112,577,392	124,924,270
<b>Net Operating Income Growth Rate</b>		<b>9.305%</b>	<b>22.665%</b>	<b>10.967%</b>

1 - Gross Plant reflects actuals for 2024, and DEK projections for 2025 and 2026.

2 - Net Operating Income calculations are based on KY DOR income calculations, utilizing DEK actuals for 2024, and future projections for 2025 and 2026.

**Estimated Tax Savings Table**

Tax Year	State/Division	Net Value	Growth Rate	Estimated Grown Net Value	Tax Reduction Value <sup>3</sup>	Grossed Up Anticipated Future Value	Effective Tax Rate	Estimated Tax Before Reductions
2023	KY-ELECTRIC	979,285,627	0.000%	979,285,627	-	979,285,627	1.051%	10,287,842
2024	KY-ELECTRIC	955,811,418	9.305%	1,044,745,589	184,605,490	1,229,351,079	1.051%	12,914,893
2025	KY-ELECTRIC	1,044,745,589	22.665%	1,281,532,206	184,605,490	1,466,137,695	1.051%	15,402,444
2026	KY-ELECTRIC	1,281,532,206	10.967%	1,422,083,715	184,605,490	1,606,689,204	0.995%	15,982,484
2023	OH-ELECTRIC	41,715,630	0.000%	41,715,630	-	41,715,630	6.643%	2,771,136
2024	OH-ELECTRIC	42,200,440	0.000%	42,200,440	-	42,200,440	6.643%	2,803,342
2025	OH-ELECTRIC	42,200,440	5.970%	44,719,682	-	44,719,682	6.643%	2,970,693
2026	OH-ELECTRIC	44,719,682	7.001%	47,850,656	-	47,850,656	6.643%	3,178,681
2023	NC-ELECTRIC	653,624	0.000%	653,624	-	653,624	0.768%	5,020
2024	NC-ELECTRIC	351,340	0.000%	351,340	-	351,340	0.783%	2,752
2025	NC-ELECTRIC	351,340	5.970%	372,314	-	372,314	0.783%	2,916
2026	NC-ELECTRIC	372,314	7.001%	398,381	-	398,381	0.783%	3,121

3 - Knowing that tax reductions may not be the same in every tax year, DEK grosses up the full value of the reductions, while adjusting future tax reductions for probability of acceptance.

**DEK-Electric Summary**

Tax Year	2024	2025	2026
Grossed Up Anticipated Future Value	1,271,902,859	1,511,229,691	1,654,938,241
Estimated Tax Before Reductions	15,720,987	18,376,054	19,164,286
Tax Reductions	(2,702,264)	(1,940,889)	(1,950,672)
Net Tax Estimate	13,018,724	16,435,165	17,213,614

**Net Tax Estimate - YoY % Change**

	<b>26.24%</b>	<b>4.74%</b>
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**Duke Energy Kentucky**  
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**AG-DR-02-034**

**REQUEST:**

Refer to the property tax amounts paid and the amounts expensed in Duke Kentucky's response to the Attorney General's First Request, Item 120.

- a. Indicate whether or not all of the amounts provided relate only to the electric division. If not, provide the data requested in that response for just the electric division.
- b. Provide the amounts of property taxes for the electric division that were expensed and the amounts that were capitalized in each of the years 2019 through 2024 and for January 2025.
- c. Explain all known reasons why the property tax expensed amount decreased substantially from \$19,855,185 in 2022 to \$13,249,320 in 2023 and \$12,581,631 in 2024.

**RESPONSE:**

- a. Duke Energy Kentucky's response to Attorney General's First Request, Item 120 did not only relate to the electric division. See table below for electric division's property taxes paid. The electric division's property tax expense is included in Part (b) below.

<b>Calendar Year</b>	<b>Electric Division Property Taxes Paid</b>
2019	9,704,644
2020	10,161,982
2021	12,008,950
2022	9,186,726
2023	11,257,039
2024	13,122,087

- b. See table below for the property taxes expensed for the electric division. Within the table, calendar year 2025 includes only expenses recorded for January 2025. No property tax for the electric division was capitalized in the years listed.

<b>Calendar Year</b>	<b>Electric Division Property Tax Expensed</b>
2019	10,234,230
2020	11,377,271
2021	14,360,291
2022	15,486,118
2023	10,076,508
2024	7,739,156
2025	1,288,025

- c. Property tax expense reductions from 2022 through 2024 were attributed to both true up and tax reduction entries in all states. True up entries are related to various estimate to actual adjustments in a given calendar year. Tax reduction entries are due to efforts initiated by Duke Energy Kentucky’s tax department to reduce operating expenses. There may be multiple tax years of activity in a single calendar year.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
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**AG-DR-02-035**

**REQUEST:**

Refer to the property tax amounts paid to each of the taxing jurisdictions by state during calendar years 2022, 2023, and 2024 provided in Duke Kentucky's response to the Attorney General's First Request, Item 119. Indicate whether or not all of the amounts provided relate only to the electric division. If not, provide the data requested in that response for just the electric division.

**RESPONSE:**

Duke Energy Kentucky's response to the Attorney General's First Request, Item 119, does not solely pertain to the electric division. Please see the table below for data specific to the electric division only. This data represents the property tax amounts paid in each calendar year but may include multiple tax years.

<b>Electric Division</b>			
<b>State</b>	<b>Calendar Year 2022</b>	<b>Calendar Year 2023</b>	<b>Calendar Year 2024</b>
KY	6,543,597	8,530,343	10,348,198
NC	20,239	5,020	2,752
OH	2,609,618	2,721,676	2,771,136
WV	13,271	-	-
<b>Grand Total</b>	<b>9,186,725</b>	<b>11,257,039</b>	<b>13,122,086</b>

**PERSON RESPONSIBLE:** John R. Panizza



**Duke Energy Kentucky**  
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**AG-DR-02-036**

**REQUEST:**

Refer to the copies of the property tax source documents provided for 2023 in Duke Kentucky's response to the Attorney General's First Request, Item 117, Attachment 2. Refer further to the total property tax due for Kentucky of \$13,932,613.21. Indicate whether this amount is applicable to electric and gas operations combined or just electric. If combined, then provide the separate electric and gas operations amounts.

**RESPONSE:**

Duke Energy Kentucky's response to the Attorney General's First Request, Item 117, Attachment 2, Page 2, Kentucky total property tax due of \$13,932,613.21, represents the total property tax due for combined electric and gas divisions. When separated, the amounts for the electric and gas divisions are \$10,287,842 and \$3,644,772, respectively.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
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**AG-DR-02-037**

**REQUEST:**

Refer to Duke Kentucky's First Supplemental response to the Commission Staff's First Request for Information ("Staff's First Request"), Item 3, wherein the Company provided updated base year actual data through December 2024. Refer further to the data for account 408121 (Taxes-Property-Operating).

- a. Explain all reasons why the Company recorded a large total credit amount for this account of (\$1,271,439) in September 2024 and provide a copy of all related source documents relied upon to record the credit amount(s).
- b. Explain all reasons why the Company recorded a large total credit amount for this account of (\$2,644,036) in December 2024 and provide a copy of all related source documents relied upon to record the credit amount(s).
- c. The total expense amount for this account for the base year months of March 2024 through February 2025 (with forecasted amounts only for January and February of 2025) is now only \$7,749,891 compared to the base year total included in the Company's application of \$14,241,432. Explain all known reasons for the large decrease in expense for this account for the base year months since the application was filed.

**RESPONSE:**

- a. See table below for a detailed reconciliation of September 2024 credit recording.

See AG-DR-02-037 Attachments 1 and 2 for Tax Year 2023 Tax Reductions and True Up entry support.

<b>Recording Detail</b>	<b>Recorded Amount</b>
Tax Year 2024 - Kentucky Electric Accrual	1,035,037
Tax Year 2024 - Ohio Electric Accrual	252,549
Tax Year 2024 - North Carolina Electric Accrual	439
Tax Year 2023 DEK-EL-KY Tax Reduction	(1,998,121)
Tax Year 2023 DEK-EL-KY True Up	(561,343)
<b>Total September Recording</b>	<b>(1,271,439)</b>

- b. See table below for a detailed reconciliation of December 2024 credit recording.

See AG-DR-02-037 Attachments 3 and 5 for Tax Year 2024 True Up entry support. See AG-DR-02-037 Attachment 4 for Tax Year 2022 True Up entry support.

<b>Recording Detail</b>	<b>Recorded Amount</b>
Tax Year 2024 - Kentucky Electric Accrual	1,035,037
Tax Year 2024 - Ohio Electric Accrual	252,549
Tax Year 2024 - North Carolina Electric Accrual	439
Tax Year 2024 DEK-EL-KY True Up	(2,251,699)
Tax Year 2022 DEK-EL-KY True Up	(1,680,362)
<b>Total December Recording</b>	<b>(2,644,036)</b>

- c. See table below for decreases in base year total expense.

The difference is driven by the resolution of tax year 2023 property tax reduction efforts, tax year 2024 property tax estimated changes related to new property tax reduction efforts, and a tax year 2022 true up. “True Ups” and “Tax Reductions” are one-time events and should not be considered when estimating annual property tax expense. In other words, the accounting records do not indicate total taxes paid for a Kentucky annual property tax assessment year.

Base Year Total - Application	14,241,432
Base Year Total - 3.2024-12.2024 (Actuals), 1.2025-2.2025 (Forecasted)	7,749,891
<b>Variance – (Credit) to Property Tax Expense</b>	<b>(6,491,541)</b>

<b>Recording Detail</b>	<b>Recorded Amount</b>
Tax Year 2024 DEK-EL-KY True Up	(2,251,699)
Tax Year 2023 DEK-EL-KY Tax Reduction	(1,998,121)
Tax Year 2022 DEK-EL-KY True Up	(1,680,362)
Tax Year 2023 DEK-EL-KY True Up	(561,343)
Other	(16)
<b>Total Recordings</b>	<b>(6,491,541)</b>

Please refer to AG-DR-02-033 Attachment which presents tax year 2024’s estimated expense at the time of filing the application. This estimated expense plus adjustments for expected growth and tax reductions was used to estimate tax for the forecasted test period.

**PERSON RESPONSIBLE:** John R. Panizza

**Duke Energy Kentucky**  
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**TY 2023 DEK-KY Tax Reduction/True-Up**

	<b>Total DEK-KY</b>	<b>Electric</b>
TY 2023 DEK-Annual Estimate for Accrual	17,135,364	12,723,604
TY 2023 DEK - Actual Tax Reduction Efforts	(2,690,946)	(1,998,121) <i>See table below</i>
TY 2023 DEK-KY Payments	(14,001,616)	(10,396,687)
Estimated Refund - DOR	369,655	274,482
Estimated Outstanding Payments	(55,689)	(41,351)
Vehicles Payments	(585)	(585)
<b>(Fav)/Unfav True-up</b>	<b>(756,184)</b>	<b>(561,343)</b>

**TY 2023 DEK-KY PSC Assessments**

<b>Assessment</b>	<b>Tax</b>	
TY 2023 Original Assessment	16,623,559	<i>See AG-DR-02-037 Attachment 2 (Total DEK-KY)</i>
TY 2023 Settlement Assessment	13,932,613	<i>See AG-DR-01-117 Attachment 2, Page 2 (Total DEK-KY)</i>
<b>Variance</b>	<b>2,690,946</b>	

## 2023 PUBLIC SERVICE COMPANY ASSESSMENT

STATE AND LOCAL	TAX RATE Per \$100		ASSESSED VALUE	STATE TAX DUE	
Real Estate	0.114	8.33%	131,763,130	150,210	
Tangible Property	0.45	47.80%	756,312,518	3,403,406	
Business Inventory	0.05	0.00%	0	0	
Inventory In Transit	0.00	0.00%	0	0	
		56.12%	888,075,648	3,553,616	
<b>STATE TAX ONLY</b>					
Foreign Trade Zone Tangible	0.001	0.00%	0	0	
Recycling Equipment	0.45	0.00%	0	0	
Manufacturing Machinery	0.15	36.83%	582,831,133	874,247	
Pollution Control Equipment	0.15	5.28%	83,555,069	125,333	
Telephonic Equipment	0.15	0.00%	0	0	
Business Inventory (MM)	0.05	1.76%	27,912,103	13,956	
IRB Property Taxable	0.015	0.00%	0	0	
IRB Property Nontaxable	0.00	0.00%	0	0	
		43.88%	694,298,305	1,013,535	
<b>TOTAL ASSESSED VALUE AND STATE TAX DUE</b>		<b>100.00%</b>	<b>1,582,373,953</b>	<b>4,567,152</b>	<b>27.4740%</b>
<b>LOCAL TAX DUE</b>				<b>12,056,408</b>	<b>72.5260%</b>
<b>TOTAL TAX DUE</b>				<b>16,623,559</b>	<b>1.0505%</b>

Duke Energy Kentucky  
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**TY 2024 DEK-KY True-Up**

	<b>Total DEK-KY</b>	<b>Electric</b>
TY 2024 DEK-KY Accruals	20,048,052	12,420,444
TY 2024 Estimated Tax Due	(16,413,546)	(10,168,745)
<b>(Fav)/Unfav True-up</b>	<b>(3,634,506)</b>	<b>(2,251,699)</b>

*See attachment AG-DR-02-037 Attachment 5 (Total DEK-KY)*

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**TY 2022 DEK-KY True-Up**

	Total DEK-KY	Electric
<b>TY 2022 DEK-KY Accruals</b>	<b>13,527,536</b>	<b>10,355,776</b>
TY 2022 DEK-KY Payments/Refunds		
TY 2022 KYDOR Payments	(2,865,352)	(2,193,521)
TY 2022 Original Local Payments	(8,731,931)	(6,684,582)
TY 2022 Amended Local Payments	(136,159)	(104,234)
TY 2022 KY Refunds received	540,832	414,025
TY 2022 Remaining expected refund	315,619	241,617
TY 2022 Remaining taxes due	(455,524)	(348,719)
<b>Total Payments/Refunds</b>	<b>(11,332,515)</b>	<b>(8,675,414)</b>
<b>(Fav)/Unfav True-up</b>	<b>(2,195,021)</b>	<b>(1,680,362)</b>
Check:	-	-



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## 2024 PUBLIC SERVICE COMPANY ASSESSMENT

Property taxed at both the state and local level:			
Property Type	Tax Rate per \$100	Assessed value	State tax Due
Real Estate	0.109	\$573,634,475	\$625,262
Tangible Property	0.4500	\$409,763,911	\$1,843,938
Business Inventory	0.05	\$0	\$0
Inventory In Transit	0.00	\$0	\$0
<b>Total</b>		<b>\$983,398,385</b>	<b>\$2,469,199</b>

Property taxed at the State level only:			
Property Type	Tax Rate per \$100	Assessed value	State tax Due
Foreign Trade Zone Tangible	0.000	\$0	\$0
Recycling Equipment	0.45	\$0	\$0
Manufacturing Machinery	0.15	\$562,997,253	\$844,496
Pollution Control Equipment	0.15	\$76,269,857	\$114,405
Telephonic Equipment	0.15	\$0	\$0
Business Inventory (MM)	0.05	\$32,713,004	\$16,357
IRB Property Taxable	0.015	\$0	\$0
IRB Property Nontaxable	0.00	\$0	\$0
<b>Total</b>		<b>\$671,980,115</b>	<b>\$975,257</b>

<b>Total Assessed Value</b>	<b>\$1,655,378,500</b>
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<b>Total State Tax Due</b>	<b>\$3,444,456</b>
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<b>Total Est. Local Tax Due<sup>1</sup></b>	<b>\$12,969,089</b>
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<b>Total Tax Due</b>	<b>\$16,413,546</b>
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<sup>1</sup> Local Tax Due was estimated using the TY 2023 Local ETR of 1.3188%

**Duke Energy Kentucky**  
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**AG-DR-02-038**

**REQUEST:**

Refer to the trial balances for Duke Kentucky at the end of various periods provided in Duke Kentucky's response to the Attorney General's First Request, Item 51. Refer further to the ending balances provided for account 236906 - Accrued Property Tax.

- a. Provide the ending balance for this account for each month for each of the years 2021 through 2024 and for January 2025.
- b. Indicate whether this balance sheet accrual account relates to the combined electric and gas operations or just the electric operation. If combined, provide the accrual balances separated into the electric and gas operations.

**RESPONSE:**

- a. Please see AG-DR-02-038 Attachment. Note that account 236906 is not "Accrued Property Tax" as stated in the question. This account contains the use tax liability.
- b. This account relates to both electric and gas operations. Please see AG-DR-02-038 Attachment for breakout.

**PERSON RESPONSIBLE:** John R. Panizza

Duke Energy Kentucky  
Sales and Use Tax  
AG-DR-02-038(a)

Use tax is accrued on Electric and Gas business units.  
However, all use tax payments are only applied to BU 75080 (Electric).

Business Units Where Recorded	75080-75084	75086	Total Duke Energy Kentucky
	Electric	Gas	Electric & Gas
Account	0236906	0236906	0236906
Account Description	Use Tax Liability	Use Tax Liability	Use Tax Liability
Use Tax Liability Period			
1/2021	1,330,507	(1,538,505)	(207,998)
2/2021	1,371,687	(1,537,853)	(166,166)
3/2021	1,334,871	(1,553,934)	(219,064)
4/2021	1,404,169	(1,567,871)	(163,702)
5/2021	1,444,203	(1,578,484)	(134,281)
6/2021	1,438,499	(1,594,008)	(155,508)
7/2021	1,415,761	(1,613,969)	(198,208)
8/2021	1,478,485	(1,636,889)	(158,404)
9/2021	1,488,981	(1,656,014)	(167,033)
10/2021	1,530,161	(1,667,269)	(137,108)
11/2021	1,531,474	(1,683,658)	(152,184)
12/2021	1,553,274	(1,697,070)	(143,796)
1/2022	1,545,636	(1,702,303)	(156,667)
2/2022	1,520,222	(1,714,694)	(194,472)
3/2022	1,517,856	(1,735,151)	(217,294)
4/2022	1,629,713	(1,746,207)	(116,494)
5/2022	1,562,802	(1,765,272)	(202,469)
6/2022	1,564,868	(1,787,768)	(222,900)
7/2022	1,454,637	(1,810,462)	(355,825)
8/2022	1,524,339	(1,834,067)	(309,728)
9/2022	1,705,404	(1,846,402)	(140,998)
10/2022	1,549,235	(1,861,660)	(312,425)
11/2022	1,469,188	(1,878,177)	(408,989)
12/2022	1,349,621	(1,891,417)	(541,796)
1/2023	1,576,865	(1,902,098)	(325,233)
2/2023	1,587,008	(1,915,159)	(328,151)
3/2023	1,619,091	(1,941,282)	(322,190)
4/2023	1,693,861	(1,953,858)	(259,997)
5/2023	1,648,019	(2,002,644)	(354,625)
6/2023	1,644,133	(2,015,797)	(371,664)
7/2023	1,612,511	(2,034,076)	(421,565)
8/2023	1,606,560	(2,044,474)	(437,914)
9/2023	1,597,739	(2,050,434)	(452,695)
10/2023	1,574,098	(2,057,695)	(483,597)
11/2023	1,791,075	(2,068,832)	(277,757)
12/2023	1,431,632	(2,080,983)	(649,351)
1/2024	1,647,285	(2,116,918)	(469,633)
2/2024	1,659,371	(2,131,443)	(472,071)
3/2024	1,660,651	(2,140,252)	(479,601)
4/2024	1,822,839	(2,168,760)	(345,921)
5/2024	2,038,258	(2,175,294)	(137,036)
6/2024	1,758,329	(2,180,404)	(422,075)
7/2024	1,938,754	(2,188,425)	(249,672)
8/2024	1,896,193	(2,196,604)	(300,411)
9/2024	2,015,848	(2,206,333)	(190,484)
10/2024	2,126,832	(2,214,376)	(87,544)
11/2024	2,038,730	(2,221,398)	(182,668)
12/2024	2,058,837	(2,230,598)	(171,761)
1/2025	2,249,990	(2,236,747)	13,244

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG’s Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-039**

**REQUEST:**

Provide a breakdown for each year of the 2020 through 2024 actual, 2025 budget, base period, and forecast period Duke Kentucky payroll expense, including all unproductive time (holidays, vacation, sick time), separated between costs associated with Duke Kentucky electric employees, allocated costs from DEBS employees, and allocations from all other affiliate employees.

**RESPONSE:**

Please see below, which includes all unproductive time:

	<b>DEK</b>	<b>DEBS</b>	<b>Other Affiliates</b>	<b>Total</b>
2020	8,546,792	12,289,002	3,400,358	24,236,151
2021	8,149,701	11,693,997	3,525,133	23,368,831
2022	8,332,403	11,597,642	3,784,718	23,714,763
2023	8,124,225	10,854,234	3,809,516	22,787,975
2024	9,563,128	10,073,680	1,928,589	21,565,397
2025 Budget	9,333,921	12,320,636	4,305,001	25,959,559
Base Period	8,296,696	11,316,639	3,964,023	23,577,358
Forecast Period	9,496,339	12,521,992	4,379,844	26,398,176

Duke Energy Kentucky budgets for the expected costs required to perform necessary work. At times, the actual balance between internal labor expense and contingent worker expense can vary from budget. For this reason, it is important to consider internal labor and contingent worker expense together when comparing actual periods to forecasted periods.

Please see comparison below which shows that total labor and contingent worker expense in the forecast period is 3.7% higher than 2024 actual:

	<b>2024 Actual</b>	<b>2025 Budget</b>	<b>FP</b>
Labor Expense	21,565,397	25,959,559	26,398,176
Contingent Worker Expense	14,959,104	11,696,731	11,476,811
	<u>36,524,501</u>	<u>37,656,290</u>	<u>37,874,987</u>
2024 Actual vs. 2025 Budget		3.1%	
2024 Actual vs. Forecast Period			3.7%

**PERSON RESPONSIBLE:**

Danielle L. Weatherston – actuals  
 Grady “Tripp” S. Carpenter – forecast

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-040**

**REQUEST:**

Refer to Attachment 1 in Duke Kentucky's response to the Attorney General's First Request, Item 103, which provides the following actual payroll dollars separated between expense, capital, and other for Duke Kentucky (Electric) direct payroll for the years 2020 through 2024 and a similar separation for the 2025 budget:

	<u>Expense</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
2020 Actual	\$9,654,816	\$6,543,704	(\$2,419,107)	\$13,779,413
2021 Actual	\$9,616,134	\$6,586,650	(\$2,735,883)	\$13,466,901
2022 Actual	\$9,894,902	\$7,118,145	(\$3,201,560)	\$13,811,487
2023 Actual	\$9,691,169	\$7,931,934	(\$3,443,025)	\$14,180,078
2024 Actual	\$9,455,952	\$8,288,545	(\$3,421,407)	\$14,323,089
2025 Budget	\$13,759,812	\$10,425,220	(\$3,386,937)	\$20,798,094

- a. Provide the total payroll dollars for both the base period and the forecast period for Duke Kentucky (Electric) direct payroll broken down in the format above between expense, capital, and other.
- b. Explain all reasons why the level of payroll expense remained relatively flat and under \$10 million per year throughout the actual years 2020 through 2024 and increased from \$9,455,952 in 2024 to \$13,759,812 in the 2025 budget, an increase of approximately 45.5%.

- c. If the actual data above excludes any payroll dollars associated with cost categories such as unproductive time (holidays, vacation, sick time), provide the data in the same format including those cost categories.

**RESPONSE:**

- a. Please note that the amounts included in response to AG-DR-01-103 referenced above do not include unproductive time. Please see AG-DR-02-040 Attachment 1. Please note that the amounts in this attachment include unproductive time. The payroll expense dollars include Duke Energy Kentucky electric employees and allocations from Other Affiliates not including DEBS. See the response to AG-DR-02-041 for the allocated costs from DEBS. The payroll expense on AG-DR-02-040 plus the payroll expenses on AG-DR-02-041 is the total payroll expense for Duke Energy Kentucky.
- b. When unproductive time is included for all periods, Duke Energy Kentucky direct payroll expense averaged \$12 million per year from 2020 through 2024 (see response to part c.).

The Company budgets for the expected costs required to perform necessary work, and there can be movement between internal labor expense and contingent worker expense when comparing actual amounts to budget. For this reason, it is important to consider internal labor and contingent worker expense together when comparing forecasted periods to actual periods. The increase in total labor expense including DEBS labor, included in response to AG-DR-02-041, from 2024 actual to 2025 budget is offset by a decrease in total contingent worker expense from 2024 actual of \$14,959,104 to 2025 budget of \$11,696,731. Please see table below. Total

labor expense includes unproductive time for all periods and includes both the Duke Energy Kentucky labor expense and DEBS labor expense:

	<b>2024 Actual</b>	<b>2025 Budget</b>	<b>FP</b>
Total Labor Expense	21,565,397	25,959,558	26,398,176
Contingent Worker Expense	14,959,104	11,696,731	11,476,811
	36,524,501	37,656,289	37,874,987
2024 Actual vs. 2025 Budget		3.1%	
2024 Actual vs. Forecast Period			3.7%

c. Please see AG-DR-02-040 Attachment 2 for amounts which include unproductive time.

**PERSON RESPONSIBLE:** Danielle L. Weatherston – a.  
Grady “Tripp” S. Carpenter – a., b., c.



**Duke Energy Kentucky - Electric Operations**  
**AG-DR-02-040**

**Request:**

40 (a). Provide the total payroll dollars separated between expense, capital, and other, for Duke Kentucky (Electric) by month for the Base and Forecasted Periods

**Response:**

See the below table for payroll labor cost for the Base and Forecasted periods for Duke Energy Kentucky - Electric.

<b>Payroll Labor Costs Incl Unproductive (Forecast Period)</b>				
<b>July 2025 - June 2026</b>				
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
July	\$ 1,079,690	\$ 892,834	(281,257)	\$ 1,691,267
August	\$ 1,079,693	\$ 892,834	(281,257)	\$ 1,691,270
September	\$ 1,079,696	\$ 892,834	(281,257)	\$ 1,691,273
October	\$ 1,457,335	\$ 1,059,441	(296,692)	\$ 2,220,085
November	\$ 1,079,840	\$ 892,834	(281,257)	\$ 1,691,417
December	\$ 1,079,691	\$ 892,834	(281,257)	\$ 1,691,268
January	\$ 1,079,678	\$ 892,834	(281,257)	\$ 1,691,255
February	\$ 1,079,691	\$ 892,834	(281,257)	\$ 1,691,268
March	\$ 1,117,465	\$ 924,083	(291,101)	\$ 1,750,447
April	\$ 1,117,466	\$ 924,083	(291,101)	\$ 1,750,448
May	\$ 1,508,464	\$ 1,096,522	(307,076)	\$ 2,297,910
June	\$ 1,117,476	\$ 924,083	(291,101)	\$ 1,750,458
<b>Total</b>	<b>\$ 13,876,184</b>	<b>\$ 11,178,054</b>	<b>\$ (3,445,873)</b>	<b>\$ 21,608,365</b>

<b>Payroll Labor Costs Incl Unproductive (Base Period)</b>				
<b>March 2024 - February 2025</b>				
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
March	\$ 883,317	\$ 794,064	(294,562)	\$ 1,382,818
April	\$ 876,310	\$ 783,958	(305,181)	\$ 1,355,087
May	\$ 1,250,312	\$ 1,004,181	(307,459)	\$ 1,947,034
June	\$ 894,969	\$ 722,953	(290,373)	\$ 1,327,549
July	\$ 857,324	\$ 678,572	(222,550)	\$ 1,313,347
August	\$ 855,389	\$ 735,841	(293,032)	\$ 1,298,198
September	\$ 1,051,073	\$ 919,300	(271,659)	\$ 1,698,714
October	\$ 1,054,212	\$ 841,713	(271,722)	\$ 1,624,203
November	\$ 1,408,222	\$ 1,023,615	(286,659)	\$ 2,145,178
December	\$ 1,043,202	\$ 862,642	(271,746)	\$ 1,634,098
January	\$ 1,043,188	\$ 862,642	(271,746)	\$ 1,634,084
February	\$ 1,043,201	\$ 862,642	(271,746)	\$ 1,634,097
<b>Total</b>	<b>\$ 12,260,719</b>	<b>\$ 10,092,123</b>	<b>\$ (3,358,435)</b>	<b>\$ 18,994,407</b>

**Duke Energy Kentucky - Electric Operations**

AG-DR-02-040

**Request:**

Refer to Attachment 1 in Duke Kentucky’s response to the Attorney General’s First Request, Item 103, which provides actual payroll dollars separated between expense, capital, and other for Duke Kentucky (Electric) for the years 2020 through 2024 and a similar separation for the 2025 budget:

c. If the actual data above excludes any payroll dollars associated with cost categories such as unproductive time (holidays, vacation, sick time), provide the data in the same format including those cost categories.

**Response:**

See the below table for payroll labor cost for Duke Energy Kentucky - Electric.

	<b>Payroll Labor Costs Incl Unproductive (Budget 2025)</b>			
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 1,043,188	\$ 862,642	(271,746)	\$ 1,634,084
February	\$ 1,043,201	\$ 862,642	(271,746)	\$ 1,634,097
March	\$ 1,079,699	\$ 892,834	(281,257)	\$ 1,691,276
April	\$ 1,079,699	\$ 892,834	(281,257)	\$ 1,691,276
May	\$ 1,457,480	\$ 1,059,441	(296,692)	\$ 2,220,230
June	\$ 1,079,710	\$ 892,834	(281,257)	\$ 1,691,287
July	\$ 1,079,690	\$ 892,834	(281,257)	\$ 1,691,267
August	\$ 1,079,693	\$ 892,834	(281,257)	\$ 1,691,270
September	\$ 1,079,696	\$ 892,834	(281,257)	\$ 1,691,273
October	\$ 1,457,335	\$ 1,059,441	(296,692)	\$ 2,220,085
November	\$ 1,079,840	\$ 892,834	(281,257)	\$ 1,691,417
December	\$ 1,079,691	\$ 892,834	(281,257)	\$ 1,691,268
<b>Total</b>	<b>\$ 13,638,923</b>	<b>\$ 10,986,841</b>	<b>\$ (3,386,934)</b>	<b>\$ 21,238,829</b>

	<b>Payroll Labor Costs Incl Unproductive (2024)</b>			
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 1,005,871	\$ 655,348	\$ (274,780)	\$ 1,386,439
February	\$ 939,446	\$ 757,830	\$ (303,936)	\$ 1,393,340
March	\$ 901,556	\$ 805,700	\$ (294,562)	\$ 1,412,694

## Duke Energy Kentucky - Electric Operations

## AG-DR-02-040

April	\$	892,322	\$	796,701	\$	(305,181)	\$	1,383,841
May	\$	1,268,929	\$	1,016,047	\$	(307,459)	\$	1,977,517
June	\$	913,988	\$	734,541	\$	(290,373)	\$	1,358,156
July	\$	876,215	\$	688,087	\$	(222,550)	\$	1,341,753
August	\$	874,038	\$	745,936	\$	(293,032)	\$	1,326,942
September	\$	858,593	\$	850,003	\$	(293,413)	\$	1,415,183
October	\$	844,636	\$	831,748	\$	(276,676)	\$	1,399,708
November	\$	1,225,280	\$	971,923	\$	(285,580)	\$	1,911,623
December	\$	890,842	\$	609,708	\$	(232,041)	\$	1,268,509
Total	\$	<b>11,491,716</b>	\$	<b>9,463,571</b>	\$	<b>(3,379,582)</b>	\$	<b>17,575,705</b>

## Payroll Labor Costs Incl Unproductive (2023)

	Expense	Capital	Other deferred	Total				
January	\$	883,961	\$	654,774	\$	(262,511)	\$	1,276,223
February	\$	949,299	\$	704,750	\$	(291,076)	\$	1,362,973
March	\$	999,311	\$	789,242	\$	(303,301)	\$	1,485,252
April	\$	947,969	\$	725,922	\$	(289,123)	\$	1,384,767
May	\$	960,057	\$	721,142	\$	(283,542)	\$	1,397,657
June	\$	1,290,849	\$	921,515	\$	(322,049)	\$	1,890,316
July	\$	924,113	\$	693,713	\$	(272,810)	\$	1,345,016
August	\$	970,684	\$	745,135	\$	(303,674)	\$	1,412,145
September	\$	925,943	\$	720,128	\$	(284,229)	\$	1,361,843
October	\$	966,049	\$	793,356	\$	(300,759)	\$	1,458,646
November	\$	905,470	\$	701,649	\$	(268,210)	\$	1,338,910
December	\$	1,210,035	\$	683,268	\$	(245,290)	\$	1,648,013
Total	\$	<b>11,933,741</b>	\$	<b>8,854,595</b>	\$	<b>(3,426,574)</b>	\$	<b>17,361,762</b>

## Payroll Labor Costs Incl Unproductive (2022)

	Expense	Capital	Other deferred	Total				
January	\$	897,306	\$	555,351	\$	(250,326)	\$	1,202,330
February	\$	1,030,007	\$	653,464	\$	(283,353)	\$	1,400,118
March	\$	986,412	\$	707,450	\$	(285,449)	\$	1,408,413
April	\$	920,013	\$	685,023	\$	(274,688)	\$	1,330,347
May	\$	942,082	\$	659,304	\$	(258,747)	\$	1,342,639
June	\$	948,699	\$	673,591	\$	(267,953)	\$	1,354,337
July	\$	1,472,391	\$	798,665	\$	(276,264)	\$	1,994,791

## Duke Energy Kentucky - Electric Operations

## AG-DR-02-040

August	\$	968,285	\$	702,511	\$	(293,174)	\$	1,377,622
September	\$	889,207	\$	702,778	\$	(266,820)	\$	1,325,166
October	\$	943,164	\$	628,180	\$	(267,479)	\$	1,303,864
November	\$	917,710	\$	659,871	\$	(254,050)	\$	1,323,531
December	\$	1,201,845	\$	631,037	\$	(202,983)	\$	1,629,899

Total	<b>\$</b>	<b>12,117,120</b>	<b>\$</b>	<b>8,057,223</b>	<b>\$</b>	<b>(3,181,285)</b>	<b>\$</b>	<b>16,993,058</b>
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## Payroll Labor Costs Incl Unproductive (2021)

	Expense	Capital	Other deferred	Total
January	\$ 881,448	\$ 539,083	\$ (225,354)	\$ 1,195,177
February	\$ 895,717	\$ 571,252	\$ (224,224)	\$ 1,242,745
March	\$ 878,137	\$ 692,199	\$ (248,663)	\$ 1,321,673
April	\$ 893,365	\$ 622,090	\$ (227,320)	\$ 1,288,135
May	\$ 925,119	\$ 555,530	\$ (220,743)	\$ 1,259,906
June	\$ 931,543	\$ 575,768	\$ (242,212)	\$ 1,265,098
July	\$ 1,307,714	\$ 693,359	\$ (236,755)	\$ 1,764,318
August	\$ 845,642	\$ 557,725	\$ (124,912)	\$ 1,278,454
September	\$ 995,580	\$ 589,620	\$ (211,932)	\$ 1,373,268
October	\$ 889,507	\$ 663,711	\$ (238,874)	\$ 1,314,344
November	\$ 910,726	\$ 837,187	\$ (216,477)	\$ 1,531,436
December	\$ 1,320,338	\$ 889,647	\$ (265,781)	\$ 1,944,203

Total	<b>\$</b>	<b>11,674,834</b>	<b>\$</b>	<b>7,787,170</b>	<b>\$</b>	<b>(2,683,247)</b>	<b>\$</b>	<b>16,778,758</b>
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## Payroll Labor Costs Incl Unproductive (2020)

	Expense	Capital	Other deferred	Total
January	\$ 1,287,832	\$ 664,176	\$ (221,938)	\$ 1,730,070
February	\$ 822,002	\$ 545,245	\$ (185,209)	\$ 1,182,038
March	\$ 912,340	\$ 620,277	\$ (191,266)	\$ 1,341,350
April	\$ 924,634	\$ 640,385	\$ (189,792)	\$ 1,375,228
May	\$ 868,449	\$ 529,289	\$ (181,351)	\$ 1,216,387
June	\$ 939,097	\$ 584,075	\$ (180,479)	\$ 1,342,693
July	\$ 1,269,025	\$ 702,291	\$ (169,358)	\$ 1,801,957
August	\$ 870,799	\$ 555,902	\$ (192,354)	\$ 1,234,347
September	\$ 961,730	\$ 598,778	\$ (201,502)	\$ 1,359,006
October	\$ 894,141	\$ 592,055	\$ (183,125)	\$ 1,303,072

**Duke Energy Kentucky - Electric Operations**  
**AG-DR-02-040**

November	\$	867,051	\$	699,727	\$	(198,546)	\$	1,368,232
December	\$	1,330,050	\$	710,624	\$	(251,654)	\$	1,789,020
Total	<b>\$</b>	<b>11,947,149</b>	<b>\$</b>	<b>7,442,824</b>	<b>\$</b>	<b>(2,346,574)</b>	<b>\$</b>	<b>17,043,400</b>

**Duke Energy Kentucky  
Case No. 2024-00354  
AG's Second Set of Data Requests  
Date Received: February 12, 2025**

**AG-DR-02-041**

**REQUEST:**

Refer to Attachment 1 in Duke Kentucky's response to the Attorney General's First Request, Item 104, which provides the following actual payroll dollars separated between expense, capital, and other for DEBS costs allocated to Duke Kentucky (Electric) direct payroll for the years 2020 through 2024 and a similar separation for the 2025 budget:

	<u>Expense</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
2020 Actual	\$10,157,363	\$6,527,079	\$3,092,719	\$19,777,160
2021 Actual	\$9,675,365	\$6,293,550	\$3,324,971	\$19,293,885
2022 Actual	\$9,608,366	\$5,562,892	\$3,545,642	\$18,716,900
2023 Actual	\$9,057,282	\$6,143,365	\$3,811,729	\$19,012,376
2024 Actual	\$8,407,399	\$7,595,252	\$3,752,667	\$19,755,318
2025 Budget	\$12,278,156	\$6,478,174	\$4,328,982	\$23,085,313

- a. Provide the total payroll dollars for both the base period and the forecast period for DEBS costs allocated to Duke Kentucky (Electric) direct payroll broken down in the format above between expense, capital, and other.
- b. Explain all reasons why the level of payroll expense was decreasing throughout the actual years 2020 through 2024 and increased from \$8,407,399 in 2024 to \$12,278,156 in the 2025 budget, an increase of approximately 46.0%.

- c. If the actual data above excludes any payroll dollars associated with cost categories such as unproductive time (holidays, vacation, sick time), provide the data in the same format including those cost categories.

**RESPONSE:**

- a. Please note that the amounts included in response to AG-DR-01-104 referenced above do not include unproductive time. Please see AG-DR-02-041 Attachment 1. Please note that these amounts include all unproductive time.
- b. When unproductive time is included for all periods, payroll expense from DEBS was \$10,073,680 in 2024 actuals and \$12,320,636 in the 2025 budget.

The Company budgets for the expected costs required to perform necessary work, and there can be movement between internal labor expense and contingent worker expense when comparing actual amounts to budget. For this reason, it is important to consider internal labor and contingent worker expense together when comparing forecasted periods to actual periods. The increase in total labor expense including Duke Energy Kentucky labor, included in response to AG-DR-02-040, from 2024 actual to 2025 budget is offset by a decrease in total contingent worker expense from 2024 actual of \$14,959,104 to 2025 budget of \$11,696,731. Please see table below. Total labor expense includes unproductive time for all periods and includes both the Duke Kentucky labor expense and DEBS labor expense:

	<b>2024 Actual</b>	<b>2025 Budget</b>	<b>FP</b>
Total Labor Expense	21,565,397	25,959,558	26,398,176
Contingent Worker Expense	14,959,104	11,696,731	11,476,811
	<u>36,524,501</u>	<u>37,656,289</u>	<u>37,874,987</u>
2024 Actual vs. 2025 Budget		3.1%	
2024 Actual vs. Forecast Period			3.7%

- c. Please see AG-DR-02-041 Attachment 2. Please note that these amounts include all unproductive time.

**PERSON RESPONSIBLE:**

Danielle L. Weatherston – a.  
Grady “Tripp” S. Carpenter – a., b., c.



**Duke Energy Kentucky - Electric Operations**  
**AG-DR-02-041**

**Request:**

41 (a). Provide the total payroll dollars separated between expense, capital, and other, for DEBS costs allocated to Duke Kentucky (Electric) by month for the Base and Forecasted Periods

**Response:**

See the below table for payroll labor costs allocated to Duke Energy Kentucky -Electric from DEBS for the Base and Forecasted periods.

<b>Payroll Labor Costs Incl Unproductive (Forecast Period)</b>				
<b>July 2025 - June 2026</b>				
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
July	\$ 1,022,808	\$ 537,883	359,059	\$ 1,919,750
August	\$ 1,022,180	\$ 537,883	359,059	\$ 1,919,122
September	\$ 1,023,140	\$ 537,883	359,059	\$ 1,920,083
October	\$ 1,071,157	\$ 575,722	386,159	\$ 2,033,038
November	\$ 1,023,405	\$ 537,883	359,059	\$ 1,920,347
December	\$ 1,021,756	\$ 537,883	359,059	\$ 1,918,698
January	\$ 1,025,641	\$ 537,839	359,033	\$ 1,922,512
February	\$ 1,024,668	\$ 537,839	359,033	\$ 1,921,539
March	\$ 1,060,262	\$ 556,663	371,599	\$ 1,988,523
April	\$ 1,060,297	\$ 556,663	371,599	\$ 1,988,559
May	\$ 1,106,806	\$ 595,826	399,647	\$ 2,102,279
June	\$ 1,059,871	\$ 556,663	371,599	\$ 1,988,133
<b>Total</b>	<b>\$ 12,521,992</b>	<b>\$ 6,606,630</b>	<b>\$ 4,413,962</b>	<b>\$ 23,542,584</b>

<b>Payroll Labor Costs Incl Unproductive (Base Period)</b>				
<b>March 2024 - February 2025</b>				
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
March	\$ 892,190	\$ 760,440	378,394	\$ 2,031,024
April	\$ 851,106	\$ 673,170	394,076	\$ 1,918,352
May	\$ 938,946	\$ 914,939	417,599	\$ 2,271,484
June	\$ 891,524	\$ 724,931	376,849	\$ 1,993,304
July	\$ 849,679	\$ 685,553	332,699	\$ 1,867,930
August	\$ 886,868	\$ 785,110	374,872	\$ 2,046,850
September	\$ 995,223	\$ 540,082	346,943	\$ 1,882,249
October	\$ 1,005,749	\$ 530,524	346,943	\$ 1,883,217
November	\$ 1,034,898	\$ 556,298	373,127	\$ 1,964,323
December	\$ 988,873	\$ 519,738	346,944	\$ 1,855,555
January	\$ 991,278	\$ 519,694	346,917	\$ 1,857,889
February	\$ 990,305	\$ 519,694	346,917	\$ 1,856,916
<b>Total</b>	<b>\$ 11,316,639</b>	<b>\$ 7,730,173</b>	<b>\$ 4,382,281</b>	<b>\$ 23,429,093</b>

**Duke Energy Business Solutions (DEBS)**

**AG-DR-02-041**

**Request:**

Refer to Attachment 1 in Duke Kentucky’s response to the Attorney General’s First Request, Item 104, which provides actual payroll dollars separated between expense, capital, and other for Duke Kentucky (Electric) for the years 2020 through 2024 and a similar separation for the 2025 budget:

c. If the actual data above excludes any payroll dollars associated with cost categories such as unproductive time (holidays, vacation, sick time), provide the data in the same format including those cost categories.

**Response:**

See the below table for payroll labor cost allocated from DEBS to Duke Energy Kentucky - Electric.

	<b>Payroll Labor Costs Incl Unproductive (Budget 2025)</b>			
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 992,188	\$ 519,694	346,917	\$ 1,858,799
February	\$ 991,216	\$ 519,694	346,917	\$ 1,857,826
March	\$ 1,025,638	\$ 537,883	359,059	\$ 1,922,580
April	\$ 1,025,674	\$ 537,883	359,059	\$ 1,922,616
May	\$ 1,070,575	\$ 575,722	386,159	\$ 2,032,456
June	\$ 1,025,247	\$ 537,883	359,059	\$ 1,922,190
July	\$ 1,023,750	\$ 537,883	359,059	\$ 1,920,692
August	\$ 1,023,122	\$ 537,883	359,059	\$ 1,920,064
September	\$ 1,024,082	\$ 537,883	359,059	\$ 1,921,025
October	\$ 1,072,099	\$ 575,722	386,159	\$ 2,033,980
November	\$ 1,024,347	\$ 537,883	359,059	\$ 1,921,289
December	\$ 1,022,698	\$ 537,883	359,059	\$ 1,919,640
<b>Total</b>	<b>\$ 12,320,636</b>	<b>\$ 6,493,897</b>	<b>\$ 4,338,624</b>	<b>\$ 23,153,157</b>

	<b>Payroll Labor Costs Incl Unproductive (2024)</b>			
	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 895,995	\$ 624,668	\$ 361,046	\$ 1,881,709
February	\$ 914,154	\$ 741,021	\$ 386,431	\$ 2,041,605
March	\$ 873,951	\$ 743,183	\$ 378,394	\$ 1,995,528

**Duke Energy Business Solutions (DEBS)****AG-DR-02-041**

April	\$	835,094	\$	647,490	\$	394,076	\$	1,876,660
May	\$	920,329	\$	886,116	\$	417,599	\$	2,224,044
June	\$	867,775	\$	690,389	\$	376,849	\$	1,935,012
July	\$	826,972	\$	639,904	\$	332,699	\$	1,799,574
August	\$	862,018	\$	750,767	\$	374,872	\$	1,987,657
September	\$	701,316	\$	845,441	\$	356,032	\$	1,902,789
October	\$	810,579	\$	760,094	\$	381,047	\$	1,951,720
November	\$	883,421	\$	720,920	\$	385,035	\$	1,989,376
December	\$	682,077	\$	509,347	\$	310,061	\$	1,501,485

Total	<b>\$</b>	<b>10,073,680</b>	<b>\$</b>	<b>8,559,339</b>	<b>\$</b>	<b>4,454,142</b>	<b>\$</b>	<b>23,087,161</b>
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**Payroll Labor Costs Incl Unproductive (2023)**

	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 909,839	\$ 481,115	\$ 347,193	\$ 1,738,147
February	\$ 920,852	\$ 541,039	\$ 371,648	\$ 1,833,539
March	\$ 917,891	\$ 572,178	\$ 391,652	\$ 1,881,721
April	\$ 916,867	\$ 517,555	\$ 380,474	\$ 1,814,896
May	\$ 940,905	\$ 609,151	\$ 367,360	\$ 1,917,415
June	\$ 984,158	\$ 754,208	\$ 425,792	\$ 2,164,159
July	\$ 874,510	\$ 585,883	\$ 368,957	\$ 1,829,350
August	\$ 917,214	\$ 608,652	\$ 388,325	\$ 1,914,191
September	\$ 861,503	\$ 567,612	\$ 367,117	\$ 1,796,232
October	\$ 915,747	\$ 706,081	\$ 389,828	\$ 2,011,656
November	\$ 771,860	\$ 697,795	\$ 362,578	\$ 1,832,233
December	\$ 922,889	\$ 587,610	\$ 348,932	\$ 1,859,431

Total	<b>\$</b>	<b>10,854,234</b>	<b>\$</b>	<b>7,228,880</b>	<b>\$</b>	<b>4,509,856</b>	<b>\$</b>	<b>22,592,970</b>
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**Payroll Labor Costs Incl Unproductive (2022)**

	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 949,508	\$ 472,038	\$ 337,099	\$ 1,758,645
February	\$ 973,369	\$ 512,483	\$ 367,976	\$ 1,853,828
March	\$ 981,308	\$ 576,408	\$ 374,092	\$ 1,931,808
April	\$ 951,176	\$ 558,873	\$ 361,018	\$ 1,871,067
May	\$ 981,865	\$ 544,111	\$ 346,308	\$ 1,872,284
June	\$ 926,073	\$ 621,020	\$ 363,232	\$ 1,910,324
July	\$ 1,076,771	\$ 508,328	\$ 381,484	\$ 1,966,583

**Duke Energy Business Solutions (DEBS)****AG-DR-02-041**

August	\$	973,503	\$	542,962	\$	381,627	\$	1,898,092
September	\$	906,956	\$	618,369	\$	349,640	\$	1,874,965
October	\$	1,038,430	\$	548,499	\$	294,740	\$	1,881,669
November	\$	921,435	\$	547,274	\$	344,237	\$	1,812,947
December	\$	917,249	\$	473,565	\$	303,958	\$	1,694,772
<b>Total</b>	<b>\$</b>	<b>11,597,642</b>	<b>\$</b>	<b>6,523,930</b>	<b>\$</b>	<b>4,205,411</b>	<b>\$</b>	<b>22,326,983</b>

**Payroll Labor Costs Incl Unproductive (2021)**

	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 1,040,623	\$ 493,653	\$ 326,366	\$ 1,860,642
February	\$ 1,000,857	\$ 594,496	\$ 300,876	\$ 1,896,229
March	\$ 952,789	\$ 639,124	\$ 323,870	\$ 1,915,783
April	\$ 957,939	\$ 587,716	\$ 310,388	\$ 1,856,044
May	\$ 997,849	\$ 693,554	\$ 314,036	\$ 2,005,438
June	\$ 1,001,331	\$ 577,908	\$ 352,970	\$ 1,932,209
July	\$ 999,986	\$ 673,372	\$ 334,409	\$ 2,007,767
August	\$ 940,898	\$ 608,127	\$ 311,567	\$ 1,860,591
September	\$ 917,206	\$ 646,792	\$ 303,543	\$ 1,867,541
October	\$ 978,340	\$ 611,647	\$ 354,711	\$ 1,944,698
November	\$ 942,561	\$ 725,242	\$ 345,944	\$ 2,013,747
December	\$ 963,618	\$ 660,397	\$ 348,121	\$ 1,972,136
<b>Total</b>	<b>\$ 11,693,997</b>	<b>\$ 7,512,027</b>	<b>\$ 3,926,802</b>	<b>\$ 23,132,826</b>

**Payroll Labor Costs Incl Unproductive (2020)**

	<b>Expense</b>	<b>Capital</b>	<b>Other deferred</b>	<b>Total</b>
January	\$ 1,061,539	\$ 647,364	\$ 375,857	\$ 2,084,760
February	\$ 981,451	\$ 655,324	\$ 312,644	\$ 1,949,419
March	\$ 998,708	\$ 622,283	\$ 336,431	\$ 1,957,422
April	\$ 1,003,028	\$ 651,462	\$ 276,953	\$ 1,931,443
May	\$ 1,035,663	\$ 644,382	\$ 204,438	\$ 1,884,484
June	\$ 1,033,869	\$ 614,343	\$ 298,105	\$ 1,946,316
July	\$ 1,051,282	\$ 695,314	\$ 265,607	\$ 2,012,203
August	\$ 995,002	\$ 649,656	\$ 266,969	\$ 1,911,626
September	\$ 991,101	\$ 639,008	\$ 298,163	\$ 1,928,271
October	\$ 1,033,185	\$ 626,928	\$ 295,905	\$ 1,956,018

**Duke Energy Business Solutions (DEBS)**

**AG-DR-02-041**

November	\$	1,027,684	\$	639,694	\$	309,700	\$	1,977,077
December	\$	1,076,491	\$	634,569	\$	367,641	\$	2,078,701
Total		<b>\$ 12,289,002</b>		<b>\$ 7,720,328</b>		<b>\$ 3,608,411</b>		<b>\$ 23,617,741</b>

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**CONFIDENTIAL AG-DR-02-042**  
**(As to Certain Attachments only)**

**REQUEST:**

Refer to the Direct Testimony of Thomas Heath at 25 – 28, wherein he addresses the termination of the accounts receivables financing program in March 2024.

- a. Provide a copy of all analyses performed by the Company, including all assumptions, data, and calculations, if any, and all studies, reports, emails, and/or other internal and/or external communications regarding the analyses and/or the results of the analyses and the decision to terminate the program.
- b. Indicate whether the Company compared the effects on the revenue lag days included in the cash working capital study with the receivables program compared to the termination of the program and the effects on the rate base and revenue requirement. If so, provide a copy of all such analyses, including all assumptions, data, and calculations, if any, and all studies, reports, emails, and/or other internal and/or external communications regarding the analyses and/or the results of the analyses and the decision to terminate the program. If not, explain why not.
- c. Provide a copy of the version of the receivables financing agreement and all related agreements in effect just prior to termination in March 2024.
- d. Identify each decision-maker responsible for terminating the receivables financing program, including position, title, and employer, and the role each such person had in the review and decision to terminate the program.

- e. Refer to the Direct Testimony of Witness Heath at 27: lines 20 – 21, wherein he states, “[t]he CRC accounts receivable financing program was terminated in March 2024 and all outstanding borrowings were repaid at that time.”
- i. Indicate if the CRC accounts receivable financing program was terminated only for Duke Kentucky or for some, but not all participants. If only for Duke Energy Kentucky and/or some of the participants, then identify the other participants for which the program was terminated and those that continue to participate in the program.
  - ii. Provide the amount of the “outstanding borrowings that were repaid at that time.”
  - iii. Describe how the Company financed the repayment of the borrowings “at that time.” If through short-term borrowings, describe the source of those borrowings, confirm they were included on Duke Kentucky’s balance sheet, unlike the receivables financing, and provide the average daily interest rate on those borrowings. If through common equity and/or long-term debt, then describe those financings and provide the cost of the incremental long-term debt that was issued and used for that purpose.
  - iv. Confirm the Company repaid or paid down the short-term borrowings initially used to finance the repayment of the outstanding receivables borrowings, if there were such borrowings for that purpose, at a date after the repayment of the receivables borrowings at that time. If confirmed, then describe the sources of financing used to repay the short-term borrowings,

(e.g., equity and long-term debt) and provide the cost of the incremental long-term debt that was issued for that purpose.

- v. Describe specifically how the Company now finances its receivables. If the receivables are financed in part through common equity, then confirm the cost of common equity plus the income tax and other gross-ups is more than the cost of financing under the receivable agreement (excluding the embedded discount for bad debt).

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**  
**(As to Certain Attachments only)**

- a. Objection. This request is overly broad, unduly burdensome, and seeks information that is irrelevant and not likely to lead to the discovery of any relevant or admissible evidence. Moreover, this request is vague and ambiguous as it contains undefined terms and thus would require the Company to engage in speculation and guesswork. Finally, this request is further objectionable to the extent it encompasses information that is protected by the doctrines of Attorney Client Privilege or Attorney Work product. Without waiving said objection, and to the extent discoverable, please see AG-DR-02-042(a) Confidential Attachments 1 through 3.
- b. Refer to Rebuttal Testimony of Thomas J. Heath, Jr. in Case No. 2022-00372. The Company did not utilize the Cinergy Receivables Company accounts receivable program as a working capital facility. Rather, the substance of the program was a financing secured by the accounts receivable of Duke Energy Indiana, Duke Energy Ohio, and Duke Energy Kentucky in order to efficiently diversify the long-term



debt raised by each of these entities at reasonable interest rates. As the result, the Company did not perform any calculations related to revenue lag.

c. Please see AG-DR-02-042(c) Attachment 1 and AG-DR-02-042(c) Confidential Attachments 2 through 13.

d.

Name	Title	Employer	Role
Chris Bauer	Assistant Treasurer	Duke Energy Business Services	Initial treasury approver
Karl Newlin	Senior Vice President and Treasurer	Duke Energy Business Services	Final treasury approver
Brian Savoy	Executive Vice President and Chief Financial Officer	Duke Energy Business Services	Final finance approver
Sarah Lawler	Vice President Rates & Regulatory Strategy – Ohio & Kentucky	Duke Energy Ohio	Regulatory approver – Ohio & Kentucky
Barry Blackwell	Director Rates & Regulatory Planning – Indiana	Duke Energy Indiana	Regulatory approver – Indiana

e.

- i. The CRC accounts receivable financing program was terminated in entirety (i.e., for all three participating utilities).
- ii. The outstanding balance of \$350 million, plus accrued interest of \$1.65 million were repaid on March 28, 2024. Please see AG-DR-02-042(e)(ii) Confidential Attachment for allocation of the repayment to the participating utilities.
- iii. The Company’s share of the repayment of the CRC borrowing was initially funded with short term debt through the Duke Energy Utility Money Pool

Agreement. The interest rate on the Company's borrowings under the Duke Energy Utility Money Pool Agreement related to the CRC repayment were 5.51% for the days those borrowings were outstanding in March 2024. For the sake of clarity, the Company's allocated borrowing under the CRC accounts receivable financing program were, in fact, included in its capital structure. Refer to Schedule J-2 provided in Case 2022-00372.

- iv. The Company's outstanding short-term borrowings were repaid using proceeds from its June 2024 private placement long-term debt issuance. Please see AG-DR-02-042(e)(iv) Attachment for details related to the debt issuance.
- v. The Company no longer uses its accounts receivable as collateral for borrowings. There is no financing of receivables. Receivables are collected from customers in the normal course of business.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, Thomas J. Heath, Jr.

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-02-042(a) CONFIDENTIAL  
ATTACHMENTS 1 – 3**

**FILED UNDER SEAL**

SECOND AMENDED AND RESTATED  
PURCHASE AND SALE AGREEMENT

Dated as of November 5, 2010

among

DUKE ENERGY OHIO, INC.,  
DUKE ENERGY KENTUCKY, INC.,  
DUKE ENERGY INDIANA, INC.,  
as Originators,

and

CINERGY RECEIVABLES COMPANY LLC,  
as SPE

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This Second Amended and Restated Purchase and Sale Agreement (this “*Agreement*”), dated as of November 5, 2010 (the “*Agreement Date*”), is among DUKE ENERGY OHIO, INC., an Ohio corporation (“*Duke Ohio*”), DUKE ENERGY INDIANA, INC., an Indiana corporation (“*Duke Indiana*”) and DUKE ENERGY KENTUCKY, INC., a Kentucky corporation (“*Duke Kentucky*”) (each an “*Originator*” and collectively, the “*Originators*”), and CINERGY RECEIVABLES COMPANY LLC, a Delaware limited liability company (the “*SPE*”).

**BACKGROUND:**

WHEREAS, the Originators and the SPE are parties to that certain Amended and Restated Purchase and Sale Agreement, dated as of March 31, 2002 (as amended, the “*Original Agreement*”);

WHEREAS, subject to and upon the terms and conditions set forth herein, the parties hereto desire to amend and restate the Original Agreement in the form of this Agreement. This Agreement consolidates, amends and replaces in its entirety the Original Agreement and, from and after the date hereof, all references made to the Original Agreement in any Transaction Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement;

WHEREAS, the SPE is a qualified special purpose entity, the sole membership interest of which is held by Cinergy Corp., a Delaware corporation (the “*Parent*”) and the sole shareholder of each of the Duke Ohio and Duke Indiana;

WHEREAS, Duke Ohio is the sole shareholder of Duke Kentucky;

WHEREAS, the Originators each generate Receivables in the ordinary course of their respective businesses;

WHEREAS, the Originators, in order to improve liquidity at the lowest possible cost, desire to sell their Receivables to the SPE, and the SPE is willing to purchase Receivables from each of the Originators, on the terms and subject to the conditions set forth herein;

WHEREAS, the each of Originators and the SPE intend this transaction to be an absolute and irrevocable true sale of Receivables by the Originators to the SPE, providing the SPE with the full benefits of ownership of the Receivables, and the Originators and the SPE do not intend the transactions hereunder to be characterized as a loan from the SPE to the Originators;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS AND RELATED MATTERS.

*Section 1.1. Defined Terms.* In this Agreement, unless otherwise specified or defined herein: (a) capitalized terms are used as defined in the Receivables Sale Agreement dated as of the Agreement Date (as amended or modified from time to time, the “*Sale Agreement*”) among SPE, as borrower, Duke Ohio, as Servicer (the “*Servicer*”), JS Siloed Trust and Windmill Funding Corporation, as the Conduit Purchasers, JPMorgan Chase Bank, N.A. and The Royal Bank of Scotland plc, as the Managing Agents, and The Royal Bank of Scotland plc, as the Program Agent, the Related Purchasers from time to time party thereto, as such agreement may be amended or modified from time to time; and (b) terms defined in Article 9 of the UCC and not otherwise defined herein are used as defined in such Article 9 as in effect on the date hereof.

*Section 1.2. Other Interpretive Matters.* In this Agreement, unless otherwise specified: (a) references to any Section or Annex refer to such Section of, or Annex to, this Agreement, and references in any Section or definition to any subsection or clause refer to such subsection or clause of such Section or definition; (b) “*herein*,” “*hereof*,” “*hereto*,” “*hereunder*” and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) “*including*” means including without limitation, and other forms of the verb “*to include*” have correlative meanings; (d) the word “*or*” is not exclusive; and (e) captions are solely for convenience of reference and shall not affect the meaning of this Agreement.

SECTION 2. AGREEMENT TO PURCHASE AND SELL.

*Section 2.1. Purchase and Sale.* Since February 15, 2002 (the “*Initial Funding Date*”), each Originator has sold, and, on the terms and subject to the conditions set forth in this Agreement, each Originator, severally and for itself, agrees to sell to the SPE, and the SPE hereby agrees to purchase from each Originator, from time to time all of such Originator’s right, title and interest in, to and under:

- (a) each Receivable of each of the Originators that existed and was owing to the Originators at the closing of each Originator’s business on the Agreement Date;
- (b) each Receivable generated by each of the Originators from and including the Agreement Date to and including the Termination Date (as defined in Section 6.1 hereof);
- (c) all rights to, but not the obligations of the Originators under the Receivables;
- (d) all monies due or to become due to the Originators with respect to any of the foregoing;
- (e) all books and records of the Originators related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the Originators in each Lock-Box Account, all amounts on deposit therein, all certificates and instruments, if



any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between the Originators and each Lock-Box Bank; and

(f) all Collections and other proceeds and products of any of the foregoing (as defined in the UCC) that are or were received by the Originators on or after the Agreement Date, including, without limitation, all funds which either are received by the Originators, the SPE or the Servicer from or on behalf of the Obligors in payment of any amounts owed (including, without limitation, invoice price, finance charges, interest and all other charges) in respect of Receivables, or are applied to such amounts owed by the Obligors (including, without limitation, any insurance payments that the Originators or the Servicer applies in the ordinary course of its business to amounts owed in respect of any Receivable, and net proceeds of sale or other disposition of repossessed goods or other collateral or property of the Obligors in respect of Receivables or any other parties directly or indirectly liable for payment of such Receivables).

All purchases hereunder are absolute and irrevocable and shall be made without recourse except as expressly provided herein, but shall be made pursuant to, and in reliance upon, the representations, warranties and covenants of the Originators set forth in this Agreement. No obligation or liability to any Obligor on any Receivable is intended to be, or shall be, assumed by the SPE hereunder, and any such assumption is expressly disclaimed. In connection with the transfer of ownership in the Receivables and Related Rights (as defined below), by signing this Agreement in the space provided, each Originator hereby authorizes the filing of all applicable UCC financing statements in all necessary jurisdictions. For purposes of this Agreement, "Related Rights" shall mean, the SPE's foregoing commitment to purchase Receivables and the proceeds and rights described in clauses (c) through (f) above.

*Section 2.2. Timing of Purchases.* All of the Receivables existing at the close of each Originator's business on the Agreement Date will be sold to SPE as of the Initial Funding Date. On each Business Day after the Initial Funding Date, until the occurrence of the Termination Date, each Originator agrees to sell to the SPE; and the SPE agrees to buy from each Originator, all Receivables, Collections and Related Rights existing as of the close of business on the immediately preceding Business Day which have not been previously purchased hereunder. Until the Termination Date, each purchase described in the preceding sentence shall automatically occur at 3:00 p.m. (Cincinnati time) on the date of such purchase subject to the payment of the Purchase Price under Section 2.3, but otherwise without further action on the part of the Originators and the SPE. The proceeds with respect to each Receivable (including all Collections with respect thereto) shall be sold at the same time as such Receivable, whether such proceeds (or Collections) exist at such time or arise or are acquired thereafter.

*Section 2.3. Purchase Price.* (a) The aggregate purchase price for the Receivables originated by an Originator sold on the Initial Funding Date shall be an amount equal to the fair market value of such Receivables on such date (the "Purchase Price"). The purchase price for Receivables subsequently sold during any Settlement Period shall be calculated in accordance with the Purchase Price then in effect. The required discount component of the Purchase Price for Receivables generated by an Originator shall be calculated solely by reference to the

Receivables generated by that Originator such that the SPE shall pay a separate and distinct Purchase Price for the Receivables generated by each Originator.

(b) On the Initial Funding Date, SPE shall pay each Originator the Purchase Price for the Receivables originated by such Originator and sold on that date. On each Business Day after the Initial Funding Date on which an Originator sells any Receivables originated by it to SPE pursuant to the terms of Section 2.1, until the Termination Date, the SPE shall pay to such Originator the Purchase Price of such Receivables (i) by depositing into such account as such Originator shall specify immediately available funds from monies then held by or on behalf of the SPE solely to the extent that such monies do not constitute Collections that are required to be identified or are deemed to be held by the Servicer pursuant to the Sale Agreement for the benefit of, or required to be distributed to, the Program Agent or the Purchasers pursuant to the Sale Agreement or required to be paid to the Servicer as the Servicer Fee, or otherwise necessary to pay current expenses of the SPE (such available monies, the "*Available Funds*") and provided that such Originator has paid all amounts then due by such Originator hereunder or (ii) if SPE has no Available Funds, by increasing the principal amount owed to such Originator under a promissory note (as amended or modified from time to time, each a "*Subordinated Note*" and collectively the "*Subordinated Notes*") executed and delivered by the SPE to the order of such Originator as of the Initial Funding Date; *provided, however*, that the SPE shall at all times maintain a minimum net worth (calculated after giving effect to all such purchases and all outstanding Subordinated Notes) of not less than \$3,000,000.00. The outstanding principal amount owed to an Originator under the related Subordinated Note shall be reduced from time to time in the manner required by Section 3.1 hereof or by payments made by the SPE from Available Funds, *provided* that such Originator has paid all amounts then due to the SPE by such Originator hereunder. Any Available Funds remaining after payment in full of all outstanding principal and accrued and unpaid interest owing in respect of the Subordinated Notes shall be used: first, to maintain the SPE's minimum net worth as required herein; and second, to effectuate a dividend of any remaining Available Funds to its member(s). Each Originator shall make all appropriate record keeping entries with respect to amounts due to such Originator under the related Subordinated Note to reflect payments by the SPE thereon and increases of the principal amount thereof, and such Originator's books and records shall constitute rebuttable presumptive evidence of the principal amount of and accrued interest owed to such Originator under the related Subordinated Note. Each Originator, by accepting the proceeds of the Purchase Price for a sale of Receivables, shall be deemed to have certified to the SPE the satisfaction of all conditions precedent to such sale, and title to the Receivables included in such sale shall vest in the SPE regardless of whether the conditions precedent have in fact been satisfied. All amounts to be paid by the SPE to an Originator hereunder shall be paid in accordance with the terms hereof no later than 3:00 p.m. (Cincinnati time) on the date when due in immediately available funds to such accounts as such Originator may from time to time specify in writing. Payments received by an Originator after such time shall be deemed to have been received on the next Business Day. In the event that any payment becomes due on a day which is not a Business Day, then such payment shall be made on the next succeeding Business Day. The SPE shall, to the extent permitted by law, pay to each Originator, on demand, interest on all amounts not paid when due hereunder at 2% per annum above the Prime Rate in effect on the date such payment was due; *provided, however*, that such interest rate shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made

on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

*Section 2.4. Transfer of Records to SPE.* (a) Each purchase of Receivables hereunder shall include the transfer to the SPE of all of the applicable Originator's right and title to and interest in the records relating to such Receivables and rights to the use of the Originator's computer software to access and create the records, and each Originator hereby agrees that such transfer shall be effected automatically with each such purchase, without any action on the part of the parties hereto or any further documentation.

(b) Each Originator shall take such action reasonably requested by the SPE, from time to time hereafter, that may be necessary or appropriate to ensure that the SPE and its assignees have an enforceable ownership interest in the records relating to the Receivables purchased hereunder, including the rights to the use of computer software to access and create the records.

*Section 2.5. No Recourse or Assumption of Obligations.* The purchase and sale of Receivables under this Agreement shall be without recourse to the Originators, *provided, however*, that (i) each Originator shall be severally liable to the SPE for all representations, warranties and covenants made by such Originator pursuant to this Agreement and (ii) such purchase and sale does not constitute and is not intended to result in an assumption by the SPE or any assignee of any obligation of the Originators or any other person arising in connection with the Receivables, and the SPE shall not have any obligation or liability with respect to any Receivable, nor shall the SPE have any obligation or liability to any Obligor or other customer or client of an Originator (including any obligation to perform any of the obligations of such Originator under any Receivable).

*Section 2.6. Intentions of the Parties.* Each Originator and the SPE intend that the sale transactions hereunder shall be absolute and irrevocable and shall constitute true sales of Receivables by such Originator to the SPE, providing the SPE with the full risks and benefits of ownership of the Receivables originated by such Originator (such that the Receivables would not be property of such Originator's estate in the event of such Originator's bankruptcy). If, however, with respect to Sold Property (as defined below) conveyed to the SPE by the Originators, despite the intention of the parties, the conveyances provided for in this Agreement are determined not to be "true sales" of such Sold Property from the Originators to the SPE or any such conveyances shall be ineffective or unenforceable (any of the foregoing being a "*Recharacterization*"), then this Agreement shall also be deemed to be a "security agreement" within the meaning of Article 9 of the UCC and each Originator hereby grants to the SPE a "security interest" within the meaning of Article 9 of the UCC in all of such Originator's right, title and interest in and to the such Sold Property, now existing and thereafter created, to secure a loan in an amount equal to the aggregate Purchase Prices therefor and each of such Originator's other payment obligations under this Agreement. After the occurrence of a Termination Event, SPE and its assigns shall have, in addition to the rights and remedies which they may have under this Agreement, all other rights and remedies provided to a secured creditor after default under the UCC and other applicable law, which rights and remedies shall be cumulative. For purposes of this Agreement, "*Sold Property*" shall mean, collectively the SPE's Related Rights, together with Receivables. In the case of any Recharacterization, each Originator and the SPE represents

and warrants as to itself that each remittance of Collections by such Originator to the SPE hereunder will have been (i) in payment of a debt incurred by such Originator in the ordinary course of business or financial affairs of such Originator and the SPE and (ii) made in the ordinary course of business or financial affairs of such Originator and the SPE.

*Section 2.7. Receivables Dispositions.* Servicer shall periodically generate and deliver to the SPE and each Originator a Bankruptcy Event Notice with respect to the Receivables owned by the SPE. If and so long as no Termination Event has occurred and is then continuing or would result therefrom each Originator may enter into a Disposition Transaction with the SPE regarding any such Receivables sold by such Originator upon receipt by the SPE of (a) the Bankruptcy Event Notice from the Servicer; (b) a disposition offer from such Originator substantially in the form of Exhibit B attached hereto (a "*Disposition Offer*") which references the Receivables to which such Bankruptcy Event Notice pertains and recites the Disposition Price (as defined below) therefor (a copy of the Disposition Offer shall be delivered to the Program Agent and each Managing Agent) and (c) cash from such Originator in an amount equal to the fair market value of such Receivables as of the purchase date (the "*Disposition Price*"), whereupon the SPE's right, title and interest in and to such Receivables shall immediately and automatically be sold, assigned, transferred and conveyed by the SPE to the applicable Originator without any further action by the SPE or any other Person. All Disposition Transactions shall be consummated in the order in which the Bankruptcy Event Notices are received by the Servicer, without preference or priority given to any Originator, and the SPE shall not enter into a Disposition Transaction if doing so would cause the total face amount of Receivables disposed of pursuant to this Section 2.7 to exceed an amount equal to one percent (1%) of the aggregate sales of the Receivables of the Originators during the most recently completed 12 month period.

### SECTION 3. OBLIGATIONS OF ORIGINATORS.

*Section 3.1. Deemed Collections.* If on any day the Outstanding Balance of any Receivable designated as an Eligible Receivable by the Servicer on any Receivables Activity Report is reduced or cancelled as a result of any defective, rejected or returned goods or services, any cash discount, credit memos, allowance or adjustment (including as a result of the application of any special refund or other discounts or any reconciliation or invoice error), any failure by any Originator to deliver goods or services or perform its obligations under any contract or invoice for such goods or services, any change in or cancellation of the terms in the underlying contract or invoice or any other adjustment which reduces the amount payable on such Receivable, or any setoff or credit (whether such claim or credit arises out of the same, a related or an unrelated transaction), or any Receivable designated as an Eligible Receivable by the Servicer on any Receivables Activity Report is subject to any specific dispute, offset, counterclaim or defense whatsoever (except the discharge in bankruptcy of the Obligor thereof), or other reason not arising from the financial inability of the Obligor to pay such undisputed indebtedness, (i) such Originator shall be deemed to have received on such day a Collection on such Receivable in the amount of such reduction or cancellation and (ii) the portion of such Receivable subject to such Collection shall thereupon be, or be deemed to be reconveyed to such Originator. If on any day any representation, warranty, covenant or other agreement of an Originator made under the Transaction Documents with respect to any Receivable designated as

an Eligible Receivable by the Servicer on any Receivables Activity Report is not true or is not satisfied, (i) such Originator shall be deemed to have received on such day a Collection in the amount of the Outstanding Balance of such Receivable and (ii) such Receivable shall thereupon be, or be deemed to be reconveyed to such Originator. Not later than the first Settlement Date after an Originator is deemed pursuant to this Section 3.1 to have received any Collections, such Originator shall transfer to SPE, in immediately available funds, the amount of such deemed Collections; *provided, however*, that if no such application is required under the Sale Agreement, the SPE and Originators may agree to reduce the outstanding principal amount of the Originators' Subordinated Notes in lieu of all or part of such transfer. To the extent that SPE subsequently collects any payment with respect to any such "receivable", SPE shall pay Originators an amount equal to the amount so collected, such amount to be payable not later than the first Settlement Date after SPE has so collected such amount.

*Section 3.2. Application of Collections.* Any payment by an Obligor in respect of any indebtedness owed by it to the related Originator shall, except as otherwise specified by such Obligor (including by reference to a particular invoice), or required by the related contracts or law, be applied, *first*, as a Collection of any Receivable or Receivables then outstanding of such Obligor in the order of the age of such Receivables, starting with the oldest of such Receivables, and, *second*, to any other indebtedness of such Obligor to such Originator.

*Section 3.3. Responsibilities of Originator.* Each Originator shall pay when due all taxes (other than taxes on gross receipts and earnings) payable in connection with the Receivables originated by it. Each Originator shall perform all of its obligations under agreements related to the Receivables originated by it. The Program Agent's or the Purchasers' exercise of any rights under the Sale Agreement shall not relieve any Originator from such obligations. Neither the Program Agent nor the Purchasers shall have any obligation to perform any obligation of any Originator in connection with the Receivables.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES.

*Section 4.1. Mutual Representations and Warranties.* Each of the Originators severally represents and warrants to the SPE and its assignee as follows:

(a) It is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder.

(b) The execution, delivery and performance by such Originator of the applicable Transaction Documents are within such Originator's respective corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) such Originator's charter or by-laws or (ii) any law or any contractual restriction binding on or affecting such Originator, and do not result in or require the creation of any lien (other than pursuant hereto) upon or with respect to any of its properties; and no

transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Originator of the applicable Transaction Documents.

(d) The applicable Transaction Documents, when executed and delivered by such Originator, will be the legal, valid and binding obligation of such Originator enforceable against such Originator in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

*Section 4.2. Additional Representations by Each Originator.* Each Originator further severally represents and warrants to SPE as follows:

(a) There is no pending or threatened action or proceeding affecting such Originator or any of its subsidiaries (other than those disclosed in such Originator's or, in the case of Duke Kentucky, Duke Ohio's most recent Form 10-K or Form 10-Q filed with the SEC) before any court, governmental agency or arbitrator which reasonably could be expected to materially adversely affect (i) its financial condition or operations or (ii) its ability to perform its obligations hereunder or under any of the Transaction Documents, or which reasonably could be expected to affect the legality, validity or enforceability of any Transaction Document or of the ownership interest of the SPE in the Sold Property.

(b) Such Originator is the legal and beneficial owner of the Receivables originated by it free and clear of any lien, security interest, claim or encumbrance, except as created by this Agreement; upon each purchase, the SPE will acquire a valid and perfected ownership interest in the Receivables then existing and in the Collections with respect thereto, free and clear of any lien, security interest, claim or encumbrance, except as created by this Agreement.

(c) The information provided by such Originator to the Servicer for use in each Receivables Activity Report prepared under Section 3.3 of the Sale Agreement and all information and Transaction Documents furnished or to be furnished at any time by such Originator to the Program Agent, the Managing Agents or the Purchasers in connection with this Agreement is or will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(d) Each Receivables Activity Report prepared by the Servicer under Section 3.3 of the Sale Agreement will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(e) The chief place of business and chief executive office of such Originator and the office where such Originator keeps its records concerning the Receivables are located at the addresses specified in Exhibit A hereof.

(f) The names and addresses of the Lock-Box Banks, together with the account numbers of the Lock-Box Accounts, are specified in Exhibit E to the Sale Agreement (or at such other Lock-Box Banks and/or with such other Lock-Box Accounts as have been disclosed to the Program Agent).

(g) Each Originator is treating the conveyance of the Sold Property under this Agreement as a sale for purposes of generally accepted accounting principles.

(h) Each Plan is in compliance with all of the applicable material provisions of ERISA and each Plan intended to be qualified under Section 401(a) of the Code is so qualified. No Plan has incurred an “accumulated funding deficiency” (within the meaning of Section 302 of ERISA or Section 412 of the Code) whether or not waived. No Originator nor any ERISA Affiliate: (i) has incurred or expects to incur any liability under Title IV of ERISA, with respect to any Plan, which could give rise to a lien in favor of the PBGC, other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has incurred or expects to incur any withdrawal liability, within the meaning of Section 4201 of ERISA, (iii) is subject to any lien under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA or arising out of any action brought under Section 4070 or 4301 of ERISA, or (iv) is required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

## SECTION 5. GENERAL COVENANTS.

*Section 5.1. Affirmative Covenants of the Originators.* Until the Collection Date, each of the Originators (with respect to itself) will, unless SPE has otherwise consented in writing:

(a) Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties and all Receivables and Collections.

(b) Maintain its corporate existence in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder; *provided* that an Originator may merge or consolidate with or into any person if, immediately after giving effect to such transaction, (i) none of the events described in the definition of “Servicer Default” as defined in the Sale Agreement (and no event or circumstance which, with the giving of notice or the passage of time, or both, would constitute such an event) has occurred and is continuing and (ii) the long-term senior secured debt of such Originator or the entity

surviving such merger or consolidation, as applicable, is rated BBB- or higher by Standard & Poor's Ratings Group and Baa3 or higher by Moody's Investors Service, Inc.

(c) At any reasonable time and upon reasonable prior notice, permit the Purchasers, any Managing Agents or their respective agents or representatives to visit and inspect any of its properties, to examine its books of account and other records and files relating to Receivables (including, without limitation, computer tapes and disks) and to discuss its affairs, business, finances and accounts with its officers.

(d) Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all records and other information, reasonably necessary or advisable for the collection of Receivables (including, without limitation, records adequate to permit, on a daily basis, a reasonable estimate of Receivables and all Collections and adjustments to Receivables).

(e) At its expense, timely and fully perform and comply with all material provisions and covenants required to be observed by such Originator under the contracts related to the Receivables.

(f) Maintain its jurisdiction of organization and its chief executive offices within a jurisdiction in the USA in which Article 9 of the UCC is in effect. If an Originator moves its jurisdiction of organization to a location that imposes Taxes, fees or other charges to perfect the SPE's ownership interests hereunder such Originator will pay all such amounts and any other costs and expenses incurred in order to maintain the enforceability of this Agreement and the interests of the SPE in the Sold Property.

(g) Comply in all material respects with such Originator's credit and collection policy in regard to each Receivable and any contract related to such Receivable.

(h) Instruct all Obligors to cause all Collections to be either (i) deposited directly into a Lock-Box Account or (ii) remitted to the applicable Originator in such other manner as is utilized in the applicable Originator's normal course of business and has been approved by the Program Agent, provided that any such Collections shall be deposited to the appropriate Lock-Box Account within one (1) Business Day after receipt by any Originator. The name of the renter of all post office boxes into which Collections may from time to time be mailed shall include the name of the SPE (unless such post office boxes are in the name of the relevant Lock-Box Banks) and (ii) all relevant postmasters shall be notified that the Servicer is authorized to collect mail delivered to such post office boxes (unless such post office boxes are in the name of the relevant Lock-Box Banks).

(i) File and maintain in effect all filings, and take all such other actions, as may be necessary to protect the validity and perfection of the SPE's ownership interest in Receivables.



(j) Each Originator shall bill all Unbilled Receivables in accordance with its customary practices.

(k) Each Originator shall place on the most recent, and shall take all steps reasonably necessary to ensure that there shall be placed on each subsequent, Receivables Activity Report, the following legend (or the substantive equivalent thereof): “THE RECEIVABLES DESCRIBED HEREIN HAVE BEEN SOLD PURSUANT TO A SECOND AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT, DATED AS OF NOVEMBER 5, 2010, AS MAY BE FURTHER AMENDED, BETWEEN DUKE ENERGY OHIO, INC., DUKE INDIANA ENERGY, INC., AND DUKE ENERGY KENTUCKY, INC., AS ORIGINATORS, AND CINERGY RECEIVABLES COMPANY LLC, AS SPE; AND AN UNDIVIDED, FRACTIONAL SECURITY INTEREST IN THE RECEIVABLES DESCRIBED HEREIN HAS BEEN GRANTED TO JS SILOED TRUST AND WINDMILL FUNDING CORPORATION PURSUANT TO A RECEIVABLES SALE AGREEMENT, DATED AS OF NOVEMBER 5, 2010, AS AMENDED, AMONG CINERGY RECEIVABLES COMPANY LLC, AS SELLER, JS SILOED TRUST AND WINDMILL FUNDING CORPORATION, AS CONDUIT PURCHASERS, THE ROYAL BANK OF SCOTLAND PLC AND JPMORGAN CHASE BANK, N.A., AS MANAGING AGENTS, AND THE ROYAL BANK OF SCOTLAND PLC, AS PROGRAM AGENT.”

*Section 5.2. Reporting Requirements of the Originators.* Until the Collection Date, each Originator will, unless the SPE shall otherwise consent in writing, furnish to the Managing Agents (or, in the case of (f) below, assist the Servicer in furnishing to the Managing Agents):

(a) the Receivables Activity Report as required under Section 3.3 of the Sale Agreement;

(b) promptly and in any event within 5 Business Days after learning thereof, notice of any rate rebates which any Originator may be required by applicable regulatory authorities to provide to its Obligors and any pending proceedings concerning any such rate rebates.

(c) (i) promptly and in any event within 30 Business Days after any Originator or any ERISA Affiliate knows or has reason to know that a “reportable event” (as defined in Section 4043 of ERISA) for which reporting obligation is not waived has occurred with respect to any Plan, a statement of the chief financial officer of such Originator setting forth details as to such reportable event and the action that such Originator or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (ii) promptly and in any event within 10 Business Days after receipt thereof, a copy of any notice such Originator or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan; (iii) promptly and in any event within 10 Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of such Originator setting forth details as to such failure and the action that such Originator or an ERISA Affiliate

proposes to take with respect thereto, together with a copy of such notice given to the PBGC; and (iv) promptly and in any event within 30 Business Days after receipt thereof by such Originator or any ERISA Affiliate from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by such Originator or any ERISA Affiliate concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized; and

(d) such other information, documents, records or reports respecting the Sold Property as the SPE, the Program Agent, any Managing Agents or the Purchasers may from time to time reasonably request.

*Section 5.3. Negative Covenants of the Originators.* Until the Collection Date, none of the Originators will, unless the SPE has otherwise consented in writing:

(a) Except as provided herein, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any security interest, lien or encumbrance upon or with respect to Receivables, Collections or any Lock-Box Account or assign any right to receive income in respect thereof.

(b) Except pursuant to the applicable Originator's budget/balanced billing payment plan or deferred arrangement payment plan, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any contract related thereto, in each case so as to extend the maturity thereof.

(c) Make any change in the character of its business or its credit and collection policy which would, in either case, be reasonably likely to materially impair the collectibility of any Receivable unless such change is required by applicable regulatory authorities. Any such change will be promptly notified to the Purchasers and the Program Agent.

(d) Add or terminate any bank as a Lock-Box Bank from those listed on Exhibit E of the Sale Agreement, or make any change in its instructions to Obligors regarding payments to be made to such Originator or payments to be made to any Lock-Box Bank, unless the Program Agent shall have received notice of such addition, termination or change and, with respect to the addition of any Lock-Box Bank, a Lock-Box Agreement as defined in the Sale Agreement executed by such Originator and such Lock-Box Bank shall have been delivered to the Program Agent.

(e) Account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as sales of the Receivables and Related Rights by the Originators to the SPE.

*Section 5.4. Organizational Separateness.* Each Originator hereby acknowledges that this Agreement is being entered into in reliance upon the SPE's identity as a legal entity separate from the Originators and their Affiliates, including the Parent. Therefore, from and after the date hereof, the Originators shall take all reasonable steps necessary to make it apparent to third

Persons that the SPE is an entity with assets and liabilities distinct from those of the Originators, the Parent and any other Person, and is not a division of any of the Originators, their Affiliates, the Parent, or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, the Originators and the Parent shall take such actions as shall be required in order that:

(a) the Originators and the Parent shall not be involved in the day to day management of the SPE;

(b) the Originators and the Parent shall maintain separate corporate records and books of account from the SPE and otherwise will observe corporate formalities and have a separate area from the SPE for their businesses;

(c) the financial statements and books and records of the Originators and the Parent shall be prepared after the date of creation of the SPE to reflect and shall reflect the separate existence of the SPE; *provide*, that the SPE's assets and liabilities may be included in a consolidated financial statement issued by an Affiliate of the SPE; *provided however*, all financial statements of the Originators or any Affiliate thereof, including the Parent, that are consolidated to include the SPE will contain detailed notes clearly stating that (i) a special purpose corporation exists as a subsidiary of the Parent, (ii) the Originators have sold receivables and other related assets to such special purpose subsidiary that, in turn, has granted an undivided security interest therein to certain financial institutions and other entities and (iii) that the special purpose subsidiary's assets are not available to satisfy the obligations of any Originator or any Affiliate, including the Parent;

(d) except as permitted by the Sale Agreement, (i) each Originator and the Parent shall maintain its assets separately from the assets of the SPE, and (ii) such Originator's assets, and the assets of the Parent and records relating thereto, have not been, are not, and shall not be, commingled with those of the SPE;

(e) all of the SPE's business correspondence and other communications shall be conducted in the SPE's own name and on its own stationery;

(f) neither any Originator nor the Parent shall act as an agent for the SPE, other than ministerial activities of Originators in collecting Receivables and activities of Duke Ohio in its capacity as the Servicer, and in connection therewith, Duke Ohio shall present itself to the public as an agent for the SPE and a legal entity separate from the SPE;

(g) neither any Originator nor the Parent shall conduct any of the business of the SPE in its own name;

(h) neither any Originator nor the Parent shall pay any liabilities of the SPE out of its own funds or assets;

(i) each Originator and the Parent shall maintain an arm's-length relationship with the SPE;

(j) neither any Originator nor the Parent shall assume or guarantee or become obligated for the debts of the SPE or hold out its credit as being available to satisfy the obligations of the SPE;

(k) neither any Originator nor the Parent shall acquire obligations of the SPE;

(l) each Originator and the Parent shall allocate fairly and reasonably overhead or other expenses that are properly shared with the SPE, including, without limitation, shared office space;

(m) each Originator and the Parent shall identify and hold itself out as a separate and distinct entity from the SPE;

(n) each Originator and the Parent shall correct any known misunderstanding respecting its separate identity from the SPE;

(o) neither any Originator nor the Parent shall enter into, or be a party to, any transaction with the SPE, except in the ordinary course of its business and on terms which are intrinsically fair and not less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party; and

(p) neither any Originator nor the Parent shall pay the salaries of the SPE's employees, if any.

The provisions of this Section shall survive any termination of this Agreement for one year and one day after the Termination Date.

## SECTION 6. TERMINATION OF PURCHASES.

*Section 6.1. Voluntary Termination.* The purchase and sale of Receivables pursuant to this Agreement may be terminated by any Originator on a date certain designated by that Originator' in writing (the "*Termination Date*") which shall not be less than five (5) Business Days' after such written notice is provided to the other parties.

*Section 6.2. Automatic Termination.* The purchase and sale of Receivables pursuant to this Agreement shall automatically terminate upon the occurrence of a Termination Event, and the Termination Date shall be deemed to have occurred upon the occurrence of such event.

## SECTION 7. INDEMNIFICATION.

*Section 7.1. Indemnification by Originators of SPE, Etc.* Without limiting any other rights which the SPE and its officers, directors, employees, and agents, (collectively, the "*Indemnified Parties*") may have hereunder or under applicable law, each Originator, jointly and

severally, hereby indemnifies such parties and holds them harmless from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (collectively, "*Claim*") incurred by any of them arising out of or resulting from the failure of such Originator to perform its obligations under this Agreement or arising out of the claims asserted against an Indemnified Party relating to the transactions contemplated herein or in the Sale Agreement or the use of proceeds thereof or therefrom, excluding however, (i) Claims to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party ("*Excluded Losses*"), (ii) recourse with respect to any Receivable to the extent that such Receivable is uncollectible on account of insolvency, bankruptcy or lack of creditworthiness of the related Obligor (except as otherwise specifically provided under this Agreement) and (iii) any tax based upon or measured by net income property, or gross receipts. Without limiting the foregoing, each Originator shall indemnify each Indemnified Party for Claims relating to or resulting from:

(a) the reliance by an Indemnified Party on any representation or warranty made by any Originator (whether as a Originator, Servicer or otherwise) (or any of their officers) under or in connection with this Agreement or any Transaction Document, which was incorrect in any material respect when made;

(b) the failure by any Originator to comply with any covenant set forth in this Agreement or any other Transaction Document, whether as Originator, Servicer or otherwise;

(c) the failure to vest and maintain in the SPE, legal and equitable title to, and ownership of, the Receivables, free and clear of any security interest, lien, claim or encumbrance;

(d) the failure to timely file financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables, whether at the time of a purchase hereunder or otherwise;

(e) except as expressly provided herein, the return or transfer by the Servicer of any portion of Collections to any Originator or any other person for any reason whatsoever;

(f) any dispute, claim, offset or defense of any Obligor to the payment of any Receivable attributable to the action or inaction of an Originator (including a defense based on such Receivable's or the related contract's not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale, use, operation or ownership of or defects in or breaches of warranties with respect to, the merchandise or services relating to such Receivable or the furnishing or failure to furnish such merchandise or services;

(g) any Originator's failure to pay when due any taxes (including sales, excise or personal property taxes) payable in connection with the Receivables;

- (h) the commingling of Collections with other funds of any Originator;
- (i) the failure by any Originator to comply in any material respect with any applicable law, rule or regulation with respect to any Receivable, or the nonconformity in any material respect of any Receivable with any such applicable law, rule or regulation;
- (j) the failure of any third party to which Collections are remitted to transfer such Collections to the applicable Originator; or
- (k) for any reason, the invoices representing previously Unbilled Receivables are less than the amount of such Unbilled Receivables included as Eligible Receivables under the Sale Agreement.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Originator hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section which is permissible under applicable law.

#### SECTION 8. MISCELLANEOUS.

*Section 8.1. Amendments, Waivers, Etc.* No amendment of this Agreement or waiver of any provision hereof or consent to any departure by either party therefrom shall be effective without the written consent of the party that is sought to be bound. Any such waiver or consent shall be effective only in the specific instance given. No failure or delay on the part of either party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Each Originator agrees that the Purchasers may rely upon the terms of this Agreement, and that the terms of this Agreement may not be amended, nor any material waiver of those terms be granted, without the consent of the Program Agent; *provided* that such Originator and the SPE may agree to an adjustment of the Purchase Price for any Receivable originated by such Originator without the consent of the Program Agent provided that the Purchase Price paid for such Receivable shall be an amount not less than adequate consideration that represents fair value for such Receivable.

*Section 8.2. Assignment of Receivables Purchase Agreement.* Each Originator hereby acknowledges that on the date hereof the SPE has collaterally assigned for security purposes all of its right, title and interest in, to and under this Agreement to the Program Agent for the benefit of the Purchasers pursuant to the Sale Agreement and that the Program Agent and the Purchasers are third party beneficiaries hereof. Each Originator hereby further acknowledges that after the occurrence and during the continuation of a Termination Event all provisions of this Agreement inuring to the benefit of the SPE shall inure to the benefit of the Program Agent and the Purchasers, including the enforcement of any provision hereof to the extent set forth in the Sale Agreement, but that neither the Program Agent nor the Purchasers shall have any obligations or duties under this Agreement. No purchases shall take place hereunder at any time that the Program Agent has exercised its right to enforce the SPE's rights hereunder pursuant to Section 1.8(b) of the Sale Agreement. Each Originator hereby further acknowledges that the

execution and performance of this Agreement are conditions precedent for the Program Agent and the Purchasers to enter into the Sale Agreement and that the agreement of the Program Agent and Lenders to enter into the Sale Agreement will directly or indirectly benefit such Originator and constitutes good and valuable consideration for the rights and remedies of the Program Agent and the Purchasers with respect hereto.

*Section 8.3. Binding Effect; Assignment.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall also, to the extent provided herein, inure to the benefit of the parties to the Sale Agreement. Each Originator acknowledges that SPE's rights under this Agreement are being assigned to the Program Agent under the Sale Agreement and consents to such assignment and to the exercise of those rights directly by the Program Agent, to the extent permitted by the Sale Agreement.

*Section 8.4. Survival.* The rights and remedies with respect to any breach of any representation and warranty made by an Originator or SPE pursuant to Section 4 and the indemnification provisions of Section 7 shall survive any termination of this Agreement.

*Section 8.5. Costs, Expenses and Taxes.* In addition to the obligations of the Originators under Section 7, each party (the Originators being one party and the SPE the other party) hereto agrees to pay on demand all costs and expenses incurred by the other party and its assigns (other than Excluded Losses) in connection with the enforcement of, or any actual or claimed breach of, this Agreement, including the reasonable fees and expenses of counsel to any of such Persons incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement in connection with any of the foregoing. Each Originator, jointly and severally, also agrees to pay on demand all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement.

*Section 8.6. Execution in Counterparts; Integration.* This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

*Section 8.7. Governing Law; Submission to Jurisdiction.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OHIO. EACH ORIGINATOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO AND OF ANY OHIO STATE COURT SITTING IN CINCINNATI, OHIO FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF, OR RELATING TO, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. EACH ORIGINATOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH PROCEEDING AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 8.7 SHALL AFFECT THE RIGHT OF THE PROGRAM AGENT OR THE PURCHASERS TO BRING ANY ACTION OR PROCEEDING AGAINST AN ORIGINATOR OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

*Section 8.8. No Proceedings.* Each Originator agrees, for the benefit of the parties to the Sale Agreement, that it will not institute against the SPE, or join any other Person in instituting against the SPE, any proceeding of a type referred to in Section 3.1.1(a)(iv) of this Agreement until one year and one day after no investment, loan or commitment is outstanding under the Sale Agreement.

*Section 8.9. Notices.* Unless otherwise specified, all notices and other communications hereunder shall be in writing (including by telecopier or other facsimile communication), given to the appropriate Person at its address or telecopy number set forth in the Sale Agreement or at such other address or telecopy number as such Person may specify, and effective when received at the address specified by such Person.

*Section 8.10. Entire Agreement.* This Agreement constitutes the entire understanding of the parties hereto concerning the subject matter hereof. Any previous or contemporaneous agreements, whether written or oral, concerning such matters are superseded hereby.



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DUKE ENERGY OHIO, INC., as Originator and  
Servicer

By: M. Allen Carrick

Name: M. Allen Carrick

Title: Assistant Treasurer

DUKE ENERGY INDIANA, INC., as Originator

By: M. Allen Carrick

Name: M. Allen Carrick

Title: Assistant Treasurer

DUKE ENERGY KENTUCKY, INC., as Originator

By: M. Allen Carrick

Name: M. Allen Carrick

Title: Assistant Treasurer

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By: Stephen G. De May

Name: Stephen G. De May

Title: President

CINERGY CORP., as the Parent, with respect to  
Section 5.4 of this Agreement only

By: Stephen G. De May

Name: Stephen G. De May

Title: Senior Vice President and Treasurer

**EXHIBIT A**  
**LOCATIONS OF RECORDS AND CHIEF EXECUTIVE OFFICES**

The chief executive office of the Seller and each Originator are located at the following address:

CINERGY RECEIVABLES COMPANY LLC  
526 South Church Street  
Charlotte, North Carolina 28202

DUKE ENERGY OHIO, INC.  
139 East Fourth Street  
Cincinnati, Ohio 45202

DUKE ENERGY KENTUCKY, INC.  
139 East Fourth Street  
Cincinnati, Ohio 45202

DUKE ENERGY INDIANA, INC.  
1000 East Main Street  
Plainfield, Indiana 46168

**EXHIBIT B**  
**DISPOSITION OFFER**

The Royal Bank of Scotland plc,  
as Program Agent and a Managing Agent  
Chicago, Illinois 60661

JPMorgan Chase Bank, N.A.,  
as a Managing Agent  
Chicago, Illinois 60670

Cinergy Receivables Company LLC (“SPE”)  
Cincinnati, Ohio 45202

Re: Second Amended and Restated Purchase and Sale Agreement dated as of November 5, 2010 (as amended, supplemented or otherwise modified from time to time, the “*Purchase Agreement*”) by and among Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc. and Cinergy Receivable Company LLC

Ladies and Gentlemen:

Pursuant to Section 2.7 of the Purchase Agreement, the undersigned Originator hereby offers to purchase from SPE on \_\_\_\_\_, 20\_\_ (the “*Disposition Date*”) the Receivables (the “*Disposition Receivables*”) listed on Schedule I attached hereto, each of the Obligor for which are the subject of Bankruptcy Event Notices received by the Servicer. The aggregate Disposition Price of the Disposition Receivables equals \$\_\_\_\_\_ and the Originator represents and warrants to the addressees that the Disposition Price represents the fair market value of the Disposition Receivables as of the Disposition Date. The Originator shall pay or cause to be paid the Disposition Price to the SPE in immediately available funds on or before the Disposition Date.

Capitalized terms used herein without definition shall have the meanings set forth in the Purchase Agreement.

[NAME OF ORIGINATOR]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-02-042(c) CONFIDENTIAL  
ATTACHMENTS 2 – 13**

**FILED UNDER SEAL**

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-02-042(e)(ii)  
CONFIDENTIAL ATTACHMENT**

**FILED UNDER SEAL**



Mailing Address:  
139 East Fourth Street  
1303 Main  
Cincinnati, Ohio 45202  
o: 513-287-4320  
f: 513-370-5720

Rocco.D'Ascenzo@duke-energy.com  
Rocco O. D'Ascenzo  
Deputy General Counsel

**VIA ELECTRONIC FILING**

July 3, 2024

Ms. Linda Bridwell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd  
Frankfort, Kentucky 40602-0615

**Re: Case No. 2022-00334**

In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for an Order Authorizing the Issuance of Unsecured Debt and Long-Term Notes, Execution and Delivery of Long-Term Loan Agreements, and Use of Interest Rate Management Instruments

Dear Ms. Bridwell:

Pursuant to the December 2, 2022 Order in the above-referenced case, Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) hereby reports the following Statement of Long-Term Debt Issuance:

Duke Energy Kentucky issued \$225 million of senior unsecured debentures in the private placement market at a weighted average coupon of 6.00% on June 28, 2024. The issuance was split between three tranches as detailed in the table below. Proceeds will be used to repay short-term debt and for general corporate purposes.

	<b>2031 Debentures</b>	<b>2034 Debentures</b>	<b>2039 Debentures</b>	<b>Total/Average</b>
Principal	\$80 million	\$95 million	\$50 million	\$ 225 million
Maturity	July 15, 2031	July 15, 2034	July 15, 2039	
Interest Payment Dates	January 15 and July 15 each year beginning January 15, 2024			
Pricing Benchmark	7-year U.S. treasury	10-year U.S. treasury	15-year interpolated treasury	
U.S. Treasury Yield	4.25%	4.25%	4.37%	
Credit Spread	1.65%	1.75%	1.80%	
Coupon	5.90%	6.00%	6.17%	6.00%
Placement Fee	40 basis points			
Placement Agents	KeyBanc Capital Markets, Inc. and Scotia Capital (USA) Inc.			

Ms. Linda Bridwell  
July 3, 2024  
Page 2 of 2

Duke Energy Kentucky will continue to provide ongoing reporting as required under the Order.  
Thank you for your consideration in this matter.

Very truly yours,

*/s/Rocco D'Ascenzo*

Rocco D'Ascenzo  
Deputy General Counsel

cc: John G. Horne, II

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-043**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 93(a), (b), and (c), in Case No. 2022-00372.<sup>1</sup>

- a. Confirm these responses remained accurate until the receivable financing program was terminated in March 2024. If not confirmed, then update the responses so that it is accurate at the time the receivable financing program was terminated in March 2024.
- b. Provide the information requested in the Attorney General's First Request, Item 93(a) for the Company's electric receivables each month from January 2023 through March 2024 by updating the response to the Attorney General's First Request, Item 158 in Case No. 2022-00372 referenced in the response to the Attorney General's First Request, Item 93(a).

**RESPONSE:**

- a. Confirmed.
- b. Please see AG-DR-02-043 Attachment for each month January 2023 through January 2024. February was the last month the receivables were sold. The discount

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<sup>1</sup> See Case No. 2022-00372, Duke Kentucky's response to the Attorney General's First Request for Information, Item 93, beginning at PDF page 467 of 1,066. [https://psc.ky.gov/psccef/2022-00372/e.rolfes-adkins%40dukeenergy.com/01252023115735/DEK\\_Responses\\_to\\_AG\\_1st\\_Set\\_-\\_Part\\_2.pdf](https://psc.ky.gov/psccef/2022-00372/e.rolfes-adkins%40dukeenergy.com/01252023115735/DEK_Responses_to_AG_1st_Set_-_Part_2.pdf)



calculation uses prior month data, so January data was used to calculate the February discount.

**PERSON RESPONSIBLE:** Danielle L. Weatherston

Rate Summaries

Discount for activity during month of:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Collection Charge - per agreement	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Discount Rate	5.39%	5.57%	5.67%	5.86%	6.06%	6.19%	6.22%	6.31%	6.31%	6.35%	6.33%	6.38%	6.32%	6.32%

DEK

DE Kentucky Required Discount	0.92%	0.96%	0.99%	1.02%	1.05%	1.07%	1.09%	1.10%	1.11%	1.12%	1.10%	1.12%	1.12%	1.12%
Charge-off's	0.40%	0.41%	0.43%	0.44%	0.46%	0.46%	0.49%	0.49%	0.50%	0.52%	0.52%	0.53%	0.54%	0.54%
Collection Costs	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Late Charges	-0.35%	-0.34%	-0.35%	-0.35%	-0.36%	-0.36%	-0.36%	-0.37%	-0.38%	-0.39%	-0.40%	-0.41%	-0.41%	-0.41%
Time Value	0.82%	0.84%	0.86%	0.88%	0.90%	0.92%	0.92%	0.93%	0.94%	0.94%	0.93%	0.94%	0.93%	0.94%
Proof	0.92%	0.96%	0.99%	1.02%	1.05%	1.07%	1.09%	1.10%	1.11%	1.12%	1.10%	1.12%	1.12%	1.12%
DE Kentucky Revenue Factor	0.84%	0.87%	0.89%	0.91%	0.93%	0.95%	0.96%	0.97%	0.98%	0.99%	0.99%	0.99%	0.99%	0.99%
<b>DEK</b>														
Current month	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
One month back	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Two months back	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Rate Calculation**

**Discount Formula:**

[Secured Overnight Financing Rate Data - FEDERAL RESERVE BANK OF NEW YORK \(newyorkfed.org\)](#)

Discount for activity during month of:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Collection Charge	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
LIBOR Rate @ last day of prior month	<b>4.3916%</b>	<b>4.5743%</b>	<b>4.6694%</b>	<b>4.8577%</b>	<b>5.0621%</b>	<b>5.1930%</b>	<b>5.2171%</b>	<b>5.3100%</b>	<b>5.3100%</b>	<b>5.3500%</b>	<b>5.3300%</b>	<b>5.3800%</b>	<b>5.3200%</b>	<b>5.3200%</b>
Spread over index	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Discount Rate	5.39%	5.57%	5.67%	5.86%	6.06%	6.19%	6.22%	6.31%	6.31%	6.35%	6.33%	6.38%	6.32%	6.32%
<b>DEK</b>														
Net Charge off %, as calculated	0.40%	0.41%	0.43%	0.44%	0.46%	0.46%	0.49%	0.49%	0.50%	0.52%	0.52%	0.53%	0.54%	0.54%
Override Factor														
Net Charge off %	0.40%	0.41%	0.43%	0.44%	0.46%	0.46%	0.49%	0.49%	0.50%	0.52%	0.52%	0.53%	0.54%	0.54%
Late Charge %, as calculated	0.35%	0.34%	0.35%	0.35%	0.36%	0.36%	0.36%	0.37%	0.38%	0.39%	0.40%	0.41%	0.41%	0.41%
Override Factor														
Late Charge %	0.35%	0.34%	0.35%	0.35%	0.36%	0.36%	0.36%	0.37%	0.38%	0.39%	0.40%	0.41%	0.41%	0.41%
Turnover Rate, as calculated	11.60%	11.61%	11.69%	11.73%	11.73%	11.63%	11.72%	11.73%	11.77%	11.76%	11.75%	11.72%	11.71%	11.72%
Override Factor														
Turnover Rate	11.60%	11.61%	11.69%	11.73%	11.73%	11.63%	11.72%	11.73%	11.77%	11.76%	11.75%	11.72%	11.71%	11.72%
	0.92%	0.96%	0.99%	1.02%	1.05%	1.07%	1.09%	1.10%	1.11%	1.12%	1.10%	1.12%	1.12%	1.12%
Required Discount - Rounded to 0.XX%	0.92%	0.96%	0.99%	1.02%	1.05%	1.07%	1.09%	1.10%	1.11%	1.12%	1.10%	1.12%	1.12%	1.12%

**Note** The Required Discount is calculated from data on a one-month lag, as per the agreement terms, with the exception of the Prime Rate, which is the rate in

DEK Charge-offs

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Net Charge offs	441,806	333,785	300,703	300,703	640,286	308,729	356,382	264,077	167,205	309,715	268,626	225,135	235,888
Gross Charge offs	510,121	457,686	413,401	413,401	703,432	421,482	451,209	432,109	305,734	394,198	334,989	292,143	323,889
Total Recoveries	68,316	123,900	112,698	112,698	63,146	112,753	94,827	168,032	138,528	84,483	66,363	67,008	88,001
Billings	75,542,537	57,979,325	50,020,128	66,612,550	38,120,744	45,251,954	42,333,295	48,547,965	49,591,626	42,141,492	41,793,292	59,823,029	71,563,337
12 months NCO's	2,925,044	3,150,785	3,236,296	3,561,784	4,231,515	4,405,953	4,575,187	4,596,752	4,522,007	4,130,018	4,005,130	3,917,153	3,711,236
12 month billings (9 month lagging)	553,501,081	569,199,619	575,997,753	598,243,903	612,659,633	620,545,539	634,997,920	640,964,181	655,470,489	657,861,584	646,294,993	647,459,812	679,672,544
Charge off %	0.53%	0.55%	0.56%	0.60%	0.69%	0.71%	0.72%	0.72%	0.69%	0.63%	0.62%	0.61%	0.55%
<b>Weightings</b>													
Current 12 months	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%
Preceding 12 months	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Oldest 12 months	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Weighted Charge-offs</b>	<b>0.43%</b>	<b>0.44%</b>	<b>0.46%</b>	<b>0.46%</b>	<b>0.49%</b>	<b>0.49%</b>	<b>0.50%</b>	<b>0.52%</b>	<b>0.52%</b>	<b>0.53%</b>	<b>0.54%</b>	<b>0.54%</b>	<b>0.54%</b>

DEK Late Charges

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Late Charges	418,608	340,996	270,555	94,738	119,930	145,641	168,328	161,044	195,532	121,215	62,956	86,042	112,216
Billings	75,542,537	57,979,325	50,020,128	66,612,550	38,120,744	45,251,954	42,333,295	48,547,965	49,591,626	42,141,492	41,793,292	59,823,029	71,563,337
12 months Late Charges	2,336,360	2,269,610	2,243,389	2,339,165	2,462,630	2,609,633	2,540,416	2,444,483	2,375,586	2,351,076	2,370,344	2,185,583	1,879,190
12 month billings	657,861,584	646,294,993	647,459,812	679,672,544	668,124,135	668,758,616	647,895,658	641,880,485	642,826,980	636,246,202	630,518,748	617,757,936	613,778,736
Late Charge %	0.36%	0.35%	0.35%	0.34%	0.37%	0.39%	0.39%	0.38%	0.37%	0.37%	0.38%	0.35%	0.31%
<b>Weightings</b>													
Current 12 months	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%
Preceding 12 months	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Oldest 12 months	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Weighted Late Charges</b>	<b>0.35%</b>	<b>0.35%</b>	<b>0.36%</b>	<b>0.36%</b>	<b>0.36%</b>	<b>0.37%</b>	<b>0.38%</b>	<b>0.39%</b>	<b>0.40%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.39%</b>

ITEM	DESCRIPCION	UNIDAD	CANTIDAD	PRECIO UNITARIO	TOTAL
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100	...	...	...	...	...



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-044**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Items 94(a) – (e), in Case No. 2022-00372.<sup>1</sup> Confirm these responses remained accurate until the receivable financing program was terminated in March 2024. If not confirmed, then update the responses so that it is accurate at the time the receivable financing program was terminated in March 2024.

**RESPONSE:**

Confirmed.

**PERSON RESPONSIBLE:** Danielle L. Weatherston

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<sup>1</sup> See Case No. 2022-00372, Duke Kentucky's response to the Attorney General's First Request for Information, Item 94, beginning at PDF page 906 of 1,066. [https://psc.ky.gov/pscecf/2022-00372/e.rolfes-adkins%40dukeenergy.com/01252023115735/DEK\\_Responses\\_to\\_AG\\_1st\\_Set\\_-\\_Part\\_2](https://psc.ky.gov/pscecf/2022-00372/e.rolfes-adkins%40dukeenergy.com/01252023115735/DEK_Responses_to_AG_1st_Set_-_Part_2)



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-045**

**REQUEST:**

Refer to worksheet tab SCH\_J3-Forecast on Duke Kentucky's response to the Staff's First Request, Item 54\_Attachment\_KPSC\_Electric\_SFRs-2024.

- a. Provide a version of this schedule with all formulas intact, including, but not limited to, all cells in column H, column L, and column M.
- b. Provide all support for the interest rates in column C for the debenture series 5.60% forecast issue September 15, 2025 and the debenture series 5.70% forecast issue May 15, 2026.
- c. Provide all support for the forecast issue dates for the series 5.60% and 5.70% issues and explain why the forecast series May 15, 2026 issue is four months after the Jan 15, 2026 maturity of the debenture series 3.430%.

**RESPONSE:**

- a. The previously provided file did include formulas. Some of the values requested were not calculated with the file itself. Please see AG-DR-02-045(a) Attachment for computation of requested balances.
- b. Please see AG-DR-02-045(b) Attachment.
- c. Long-term debt issuance timing depends on many factors including the timing of debt maturities, timing of capital expenditures, and overall available liquidity. The

Company's forecasted liquidity position indicates that it can fund the January 2026 maturity without needing to issue long-term debt until May 2026.

**PERSON RESPONSIBLE:** Thomas J. Heath, Jr.

**AG-DR-02-045(a) Attachment  
Short-Term Debt**

Category	Issue	Actual	Budget					Base	Budget				Forecast (13 Months)											13 Month	
		8/31/24	9/30/24	10/31/24	11/30/24	12/31/24	1/31/25	2/28/25	3/31/25	4/30/25	5/31/25	6/30/25	7/31/25	8/31/25	9/30/25	10/31/25	11/30/25	12/31/25	1/31/26	2/28/26	3/31/26	4/30/26	5/31/26	6/30/26	Average
<b>Balances</b>		8/31/24	9/30/24	10/31/24	11/30/24	12/31/24	1/31/25	2/28/25	3/31/25	4/30/25	5/31/25	6/30/25	7/31/25	8/31/25	9/30/25	10/31/25	11/30/25	12/31/25	1/31/26	2/28/26	3/31/26	4/30/26	5/31/26	6/30/26	Average
Money Pool	Money pool balances (borrowings)	-	-	-	-	6,065,111	6,280,384	-	2,843,671	-	17,895,551	28,739,732	42,654,277	41,375,470	-	40,484,741	44,904,025	53,332,090	106,213,028	98,923,030	108,128,287	104,429,733	-	-	51,475,724
Current Maturities of LTD	Unsecured - Private - due 2026	-	-	-	-	-	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	-	-	-	-	-	-	24,230,769
	Unsecured - Private due 2025	-	-	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	-	-	-	-	-	-	29,230,769
Current unamortized debt expense	Unsecured - Private - due 2026	-	-	-	-	-	(22,753)	(20,769)	(18,784)	(16,800)	(14,816)	(12,832)	(10,847)	(8,863)	(6,879)	(4,895)	(2,910)	(926)	-	-	-	-	-	-	(3,704)
	Unsecured - Private due 2025	-	-	(63,269)	(57,517)	(51,765)	(46,014)	(40,262)	(34,510)	(28,759)	(23,007)	(17,255)	(11,503)	(5,752)	(0)	-	-	-	-	-	-	-	-	-	(2,655)
Current Maturity Balances		-	-	94,936,731	94,942,483	101,013,346	146,211,617	139,938,969	142,790,376	139,954,441	157,857,728	168,709,645	182,631,926	181,360,855	139,993,121	85,479,846	89,901,115	98,331,164	106,213,028	98,923,030	108,128,287	104,429,733	-	-	104,930,904
<b>Rates</b>																									
CP	CP rates	5.450%	5.128%	4.945%	4.707%	4.419%	4.180%	4.050%	3.795%	3.685%	3.560%	3.444%	3.384%	3.336%	3.246%	3.246%	3.246%	3.246%	3.246%	3.244%	3.211%	3.211%	3.211%	3.211%	3.268%
MP	MP rates	5.476%	4.878%	4.695%	4.457%	4.169%	3.930%	3.800%	3.545%	3.435%	3.310%	3.194%	3.134%	3.086%	2.996%	2.996%	2.996%	2.996%	2.996%	2.994%	2.961%	2.961%	2.961%	2.961%	3.018%
Current Maturities of LTD	Unsecured - Private - due 2026	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%	3.420%
	Unsecured - Private due 2025	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%	3.230%
<b>Interest Expense (annualized)</b>																									
Money Pool	Money pool balances (borrowings)	-	-	-	-	252,830	246,838	-	100,802	-	592,325	918,005	1,336,700	1,276,723	-	1,213,085	1,345,504	1,598,043	3,182,567	2,961,657	3,202,111	3,092,582	-	-	1,548,229
Current Maturities of LTD	Unsecured - Private - due 2026	-	-	-	-	-	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	-	-	-	-	-	-	828,692
	Unsecured - Private due 2025	-	-	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	3,068,500	-	-	-	-	-	-	944,154
Current unamortized debt expense	Unsecured - Private - due 2026	-	-	-	-	-	23,811	23,811	23,811	23,811	23,811	23,811	23,811	23,811	23,811	23,811	23,811	23,811	-	-	-	-	-	-	12,821
	Unsecured - Private due 2025	-	-	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	69,021	-	-	-	-	-	-	21,237
	<b>Interest Expense (annualized)</b>	-	-	3,137,521	3,137,521	3,390,351	4,947,169	4,700,332	4,801,134	4,700,332	5,292,656	5,618,336	6,037,031	5,977,054	4,700,332	2,775,896	2,908,315	3,160,854	3,182,567	2,961,657	3,202,111	3,092,582	-	-	3,355,133
	<b>Cost of Short-Term Debt</b>	#DIV/0!	#DIV/0!	3.305%	3.305%	3.356%	3.384%	3.359%	3.362%	3.358%	3.353%	3.330%	3.306%	3.296%	3.358%	3.247%	3.235%	3.214%	2.996%	2.994%	2.961%	2.961%	#DIV/0!	#DIV/0!	3.197%



**AG-DR-02-045(a) Attachment  
FORWARD RATES**

FWCV ENHANCED CURVE ANALYSIS - BLOOMBERG ICVS average from last year

66% if needed swap rate

Assumptions		Factor above * 1M Term SOFR	Swap rate is 3.86%	1M SOFR + 25bps	1M Term SOFR	SOFR FRN
Date	1M Term SOFR	\$26.7 M tax-exempt (SIFMA)	26.7M (swapped)	Commercial Paper at 1 month SOFR + 25 bps	MP (SOFR)	SOFR + 60.0 bps
8/31/2024	5.20%	3.10%	3.86%	5.45%	5.48%	5.80%
9/30/2024	4.88%	3.20%	3.86%	5.13%	4.88%	5.48%
10/31/2024	4.69%	3.08%	3.86%	4.94%	4.69%	5.29%
11/30/2024	4.46%	2.92%	3.86%	4.71%	4.46%	5.06%
12/31/2024	4.17%	2.73%	3.86%	4.42%	4.17%	4.77%
1/31/2025	3.93%	2.58%	3.86%	4.18%	3.93%	4.53%
2/28/2025	3.80%	2.49%	3.86%	4.05%	3.80%	4.40%
3/31/2025	3.54%	2.32%	3.86%	3.79%	3.54%	4.14%
4/30/2025	3.44%	2.25%	3.86%	3.69%	3.44%	4.04%
5/31/2025	3.31%	2.17%	3.86%	3.56%	3.31%	3.91%
6/30/2025	3.19%	2.09%	3.86%	3.44%	3.19%	3.79%
7/31/2025	3.13%	2.05%	3.86%	3.38%	3.13%	3.73%
8/31/2025	3.09%	2.02%	3.86%	3.34%	3.09%	3.69%
9/30/2025	3.00%	1.96%	3.86%	3.25%	3.00%	3.60%
10/31/2025	3.00%	1.96%	3.86%	3.25%	3.00%	3.60%
11/30/2025	3.00%	1.96%	3.86%	3.25%	3.00%	3.60%
12/31/2025	3.00%	1.96%	3.86%	3.25%	3.00%	3.60%
1/31/2026	3.00%	1.96%	3.86%	3.25%	3.00%	3.60%
2/28/2026	2.99%	1.96%	3.86%	3.24%	2.99%	3.59%
3/31/2026	2.96%	1.94%	3.86%	3.21%	2.96%	3.56%
4/30/2026	2.96%	1.94%	3.86%	3.21%	2.96%	3.56%

**AG-DR-02-045(a) Attachment  
recon to balance sheets**

Update This  
Jul  
2024  
2024M7  
Actuals  
YTD  
<Entity Curr Total>  
DE\_KENTUCKY\_CON  
Kentucky

<b>Amounts per balance sheets</b>			
Notes payable and commercial paper	2201_NOTES_PAY		-
	2231_COM_PAPER		-
Current maturities of long-term debt	2150_CLTD_UNALLO		-
	2153_CLTD_UNSEC_FIX		-
	2155_CLTD_MORT_BOND		-
	2156_CLTD_CAP_LEASE		-
	2159_CLTD_UNAMT_DISC		(0)
	2161_CLTD_VIE_CURR		-
	1815_CLTD_UNAMT_DEBT		-
	1813_CLTD_VIE_UNDEBT		-
Long-term debt	2502_LTD_MTG_BOND		-
	2503_LTD_UNALLOC		-
	2504_LTD_SEC_FIX		-
	2505_LTD_SEC_FLT		26,720,000
	2507_LTD_UNSEC_FIX		880,000,000
	2508_LTD_CAP_LSE		-
	2510_LTD_OTH_FIX		-
	2511_LTD_COMM_PPR		-
	2520_UNAMT_DEBT_DISC		(142,358)
	2541_LTD_VIE		-
	1812_UNAMORT_DEBT		2,768,245
	1814_VIE_UNAMOR_DEBT		-
Notes payable to affiliated companies	2540_NOTES_CONSOL		25,000,000
	0181400		519,604
	0189100		107,802
<b>Total debt per balance sheets</b>			

wtd avg

Tenor	Weight
5-yr	33%
10-yr	33%
15-yr	33%
10-yr	

9/15/2025 UST Fwd Rate	Current Spread	Cpn
3.51%	1.55%	5.06%
3.86%	1.75%	5.61%
4.15%	1.85%	6.00%
3.84%	1.72%	5.56%

5/15/2026 UST Fwd Rate	Current Spread	Cpn
3.62%	1.55%	5.17%
3.98%	1.75%	5.73%
4.22%	1.85%	6.07%
3.94%	1.72%	5.66%

US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	3.483
12/30/2024	4.575	3.4514
03/30/2025	4.3238	3.4455
06/30/2025	4.0044	3.4747
09/30/2025	3.8328	3.506
12/30/2025	3.7081	3.5427
03/30/2026	3.6254	3.5789
06/30/2026	3.5647	3.6159
09/30/2026	3.5192	3.6561
12/30/2026	3.4941	3.6976
03/30/2027	3.4741	3.7389
06/30/2027	3.4574	3.7809
09/30/2027	3.4468	3.821
12/30/2027	3.453	3.8507
03/30/2028	3.4584	3.8802
06/30/2028	3.4631	3.9103
09/30/2028	3.4673	3.9403
12/30/2028	3.4709	3.97
03/30/2029	3.474	3.9994
06/30/2029	3.4769	4.0294
09/30/2029	3.4862	4.0675
12/30/2029	3.5075	4.1061
03/30/2030	3.5267	4.1443
06/30/2030	3.5447	4.1834

Horizon Curve Implied Forwards

From 09/30/24 Up to 6 Yr Interval 3 Mo Tenor 5 Yr

Table Graph

US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	3.4830
12/30/2024	4.5750	3.4514
03/30/2025	4.3238	3.4455
06/30/2025	4.0044	3.4747
09/30/2025	3.8328	3.5060
12/30/2025	3.7081	3.5427
03/30/2026	3.6254	3.5789
06/30/2026	3.5647	3.6159
09/30/2026	3.5192	3.6561
12/30/2026	3.4941	3.6976
03/30/2027	3.4741	3.7389
06/30/2027	3.4574	3.7809
09/30/2027	3.4468	3.8210
12/30/2027	3.4530	3.8507
03/30/2028	3.4584	3.8802
06/30/2028	3.4631	3.9103
09/30/2028	3.4673	3.9403
12/30/2028	3.4709	3.9700
03/30/2029	3.4740	3.9994
06/30/2029	3.4769	4.0294
09/30/2029	3.4862	4.0675
12/30/2029	3.5075	4.1061
03/30/2030	3.5267	4.1443
06/30/2030	3.5447	4.1834



US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	3.7753
12/30/2024	4.575	3.7788
03/30/2025	4.3238	3.7949
06/30/2025	4.0044	3.829
09/30/2025	3.8328	3.8642
12/30/2025	3.7081	3.9018
03/30/2026	3.6254	3.9393
06/30/2026	3.5647	3.9773
09/30/2026	3.5192	4.0153
12/30/2026	3.4941	4.0507
03/30/2027	3.4741	4.0857
06/30/2027	3.4574	4.1215
09/30/2027	3.4468	4.1563
12/30/2027	3.453	4.1858
03/30/2028	3.4584	4.2151
06/30/2028	3.4631	4.2449
09/30/2028	3.4673	4.2747
12/30/2028	3.4709	4.3041
03/30/2029	3.474	4.3333
06/30/2029	3.4769	4.3631
09/30/2029	3.4862	4.3895
12/30/2029	3.5075	4.4088
03/30/2030	3.5267	4.428
06/30/2030	3.5447	4.4475

Horizon Curve Implied Forwards

From 09/30/24 Up to 6 Yr Interval 3 Mo Tenor 10 Yr

Table Graph

US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	3.7753
12/30/2024	4.5750	3.7788
03/30/2025	4.3238	3.7949
06/30/2025	4.0044	3.8290
09/30/2025	3.8328	3.8642
12/30/2025	3.7081	3.9018
03/30/2026	3.6254	3.9393
06/30/2026	3.5647	3.9773
09/30/2026	3.5192	4.0153
12/30/2026	3.4941	4.0507
03/30/2027	3.4741	4.0857
06/30/2027	3.4574	4.1215
09/30/2027	3.4468	4.1563
12/30/2027	3.4530	4.1858
03/30/2028	3.4584	4.2151
06/30/2028	3.4631	4.2449
09/30/2028	3.4673	4.2747
12/30/2028	3.4709	4.3041
03/30/2029	3.4740	4.3333
06/30/2029	3.4769	4.3631
09/30/2029	3.4862	4.3895
12/30/2029	3.5075	4.4088
03/30/2030	3.5267	4.4280
06/30/2030	3.5447	4.4475

US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	4.0873
12/30/2024	4.575	4.0897
03/30/2025	4.3238	4.1006
06/30/2025	4.0044	4.1233
09/30/2025	3.8328	4.1468
12/30/2025	3.7081	4.1718
03/30/2026	3.6254	4.1966
06/30/2026	3.5647	4.222
09/30/2026	3.5192	4.2474
12/30/2026	3.4941	4.2709
03/30/2027	3.4741	4.2943
06/30/2027	3.4574	4.3181
09/30/2027	3.4468	4.3413
12/30/2027	3.453	4.361
03/30/2028	3.4584	4.3806
06/30/2028	3.4631	4.4004
09/30/2028	3.4673	4.4203
12/30/2028	3.4709	4.4399
03/30/2029	3.474	4.4594
06/30/2029	3.4769	4.4793
09/30/2029	3.4862	4.4903
12/30/2029	3.5075	4.4901
03/30/2030	3.5267	4.4899
06/30/2030	3.5447	4.4898

Horizon Curve Implied Forwards

From 09/30/24 Up to 6 Yr Interval 3 Mo Tenor 15 Yr

Table Graph

US Treasury Actives Curve		
Date	Zero Rate	Forward Rate
09/30/2024	4.6589	4.0873
12/30/2024	4.5750	4.0897
03/30/2025	4.3238	4.1006
06/30/2025	4.0044	4.1233
09/30/2025	3.8328	4.1468
12/30/2025	3.7081	4.1718
03/30/2026	3.6254	4.1966
06/30/2026	3.5647	4.2220
09/30/2026	3.5192	4.2474
12/30/2026	3.4941	4.2709
03/30/2027	3.4741	4.2943
06/30/2027	3.4574	4.3181
09/30/2027	3.4468	4.3413
12/30/2027	3.4530	4.3610
03/30/2028	3.4584	4.3806
06/30/2028	3.4631	4.4004
09/30/2028	3.4673	4.4203
12/30/2028	3.4709	4.4399
03/30/2029	3.4740	4.4594
06/30/2029	3.4769	4.4793
09/30/2029	3.4862	4.4903
12/30/2029	3.5075	4.4901
03/30/2030	3.5267	4.4899
06/30/2030	3.5447	4.4898

**CREDIT SPREADS**

**Piedmont**

	5-YR	10-YR	15-YR	30-YR	Wtd. Avg.	Source
2024	0.90%	1.20%	1.35%	1.45%		Barclays 6/26/24
2020	0.90%	1.20%	1.50%	1.50%		Barclays 7/1/20
2019	0.80%	1.10%	1.35%	1.40%		Barclays 6/27/19
<b>Average</b>	<b>0.87%</b>	<b>1.17%</b>	<b>1.40%</b>	<b>1.45%</b>		

**Kentucky**

	5-YR	10-YR	15-YR	30-YR	Avg.	Source
	33%	33%	33%			
2024	1.65%	1.75%	1.80%	--		DEK PP 6/26/24
2020	--	1.95%	2.20%	2.20%		DEK PP 6/18/20 - used 30 yr UST for 15 yr based on how we priced the 2024 PP
2019	1.35%	1.50%	1.75%	1.75%		DEK PP 6/18/20 - used 30 yr UST for 15 yr based on how we priced the 2024 PP
<b>Average</b>	<b>1.50%</b>	<b>1.73%</b>	<b>1.92%</b>	<b>1.98%</b>		
<b>Difference</b>	<b>0.65%</b>	<b>0.55%</b>	<b>0.50%</b>		<b>0.57%</b>	

**Kentucky Forecasted**

	5-YR	10-YR	15-YR	Wtd. Avg.	
	33%	33%	33%		
	1.55%	1.75%	1.85%	<b>1.72%</b>	Adder based on average difference for 5 yr, 10 yr, & 10 yr USTs

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-046**

**REQUEST:**

Provide an Excel schedule in live format with all formulas intact showing the daily amount of short-term debt by source, (e.g., credit facility, commercial paper, etc.), interest rate, and interest expense, summed by month for each month during the base period after the end of the base period through the end of the test year. Provide actual amounts in all months for which actual information is available.

**RESPONSE:**

The Company did not have any actual short-term debt outstanding, other than current maturities of long-term debt, for any month during the base period. Please see AG-DR-02-045(a) Attachment for short-term debt balances by month after the end of the base period through the end of the test year. All amounts are money pool borrowings.

**PERSON RESPONSIBLE:** Thomas J. Heath, Jr.

**REQUEST:**

Refer to tab WPB-6's on Duke Kentucky's response to Staff's First Request, Item 54, Attachment\_KPSC\_Electric\_SFRs-2024.

- a. Describe in detail and identify the source(s) of the non-utility accumulated deferred income taxes ("ADIT") amounts on line numbers 63-66 for each month and in the totals and prorated columns.
- b. For line numbers 63-66, provide the ADIT amounts in each account by temporary difference.
- c. Describe in detail the Company's non-utility activities. Indicate if the Company excluded non-utility plant and accumulated depreciation from rate base related to the non-utility ADIT amounts. If so, then indicate where the Company excluded these amounts from rate base. If not, then explain why it did not and provide the non-utility amounts that should be excluded.

**RESPONSE:**

- a. Please see AG-DR-02-047 Attachment, page 1.
- b. Please see AG-DR-02-047 Attachment, page 2.
- c. See the explanations of the non-utility ADITs on AG-DR-02-047 Attachment, page 1.
  1. None of the underlying book-tax basis differences related to the electric regulated utility. The Company did not need to exclude any non-utility plant and accumulated depreciation from rate base since Schedule B-2 or B-3 did not include any non-

utility plant or non-utility accumulated depreciation. Therefore, there is no non-utility amounts that should be excluded.

**PERSON RESPONSIBLE:** John R. Panizza

DUKE ENERGY KENTUCKY  
 NON-UTILITY ACCUMULATED DEFERRED INCOME TAX BALANCES  
 AG-DR-02-47(a)

190	Temporary Adjustment	ADIT Source
	T15A22 - Mark to Market - LT	0174995 - Native Deferred MTM Asset 0175001 - Deriv Assets-NonCashFlw-S-T 0175002 - Deriv Assets-NonCashFlw-L-T 0242895 - Native Deferred MTM Liability 0253208 - NonCurr Liab Pwr Trdg Pur Acct 0244006 - Derivative Instr-Regulatory-LT 0244007 - Accrued Interest Exp-Swaps-Reg 0242650 - Accrued Payable - Other
	T15B07 - Cash Flow Hedge - Reg Asset/Liab	0182410 - Interest Rate Swap Reg Asset 0254980 - Open Int Rate Swap Cur Rg Laib

The 282 ADIT balances are primarily driven by:

1. Book versus tax depreciation differences related to generation assets transferred from DEO to DEK (Case No. 2003-252) where the deferred taxes were funded by the DEO ratepayers .
2. Property, plant, and equipment adjustments that, upon further research, have been determined to relate to the DEK Gas Utility and need to be reclassified as such on the WP B-6. These do not impact the DEK Electric case.







**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**CONFIDENTIAL AG-DR-02-048**  
**(As to Attachment only)**

**REQUEST:**

Refer to tab WPB-6's on Duke Kentucky's response to Staff's First Request, Item 54, Attachment\_KPSC\_Electric\_SFRs-2024. Refer to line number 12, account 190.

- a. Provide the ADIT amounts for each subaccount by temporary difference and explain why the Company believes each such ADIT amount should be added to rate base.
- b. To the extent there is any net operating loss carryforward ("NOLC") ADIT included in the line number 12 amounts, then provide the following information:
  - i. Taxable loss or income in each year since the NOLC originated and the NOLC and NOLC ADIT at the end of each year since the NOLC originated.
  - ii. Tax depreciation in excess book depreciation in each year since the NOLC originated, the contribution of the tax depreciation in excess of book depreciation to the taxable loss (on a last dollars deducted methodology) in each year since the NOLC originated, and the NOLC and NOLC ADIT at the end of each year since the NOLC originated.
- c. To the extent there is any Corporate Alternative Minimum Tax ("CAMT") ADIT included in the line number 12 amounts, then provide the following information:
  - i. Confirm that Duke Energy, Inc. is the only entity that had Adjusted Financial Statement Income ("AFSI") in excess of \$1 billion to qualify as

an applicable corporation for CAMT purposes, and that neither Duke Energy Ohio or Duke Kentucky would qualify as an applicable corporation on a standalone basis.

- ii. Provide CAMT and regular tax calculations for Duke Energy, Duke Energy Ohio, and Duke Kentucky, including the calculations of the CAMT AFSI income/loss and carryforward and utilization, as well as any CAMT excess over regular tax carryforward and utilization for each year since Duke Energy was subject to the CAMT through the end of the test year in this proceeding.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)**

- a. Line number 12 on WPB-6's represents the Gas 190 ADIT balance. Gas related ADIT is not factored into rate base for Electric customers. The Electric 190 ADIT balances by temporary difference can be found in AG-DR-01-112. Please see the response to AG-DR-02-057(b) and AG-DR-02-057(c).
- b. There is no NOL included in the Electric 190 ADIT balance in the test period.
- c. Objection. This request is overbroad, unduly burdensome, and seeks information that is beyond the scope of this application and is otherwise irrelevant and not likely to lead to the discovery of any relevant or admissible evidence insofar as it seeks information for entities other than Duke Energy Kentucky. Duke Energy Ohio is not regulated by the Kentucky Public Service Commission and its information has no bearing on Duke Energy Kentucky's application in this proceeding and is thus beyond the scope of this proceeding and irrelevant. Without waiving said objection,

and to the extent discoverable, Duke Energy Corporation has AFSI in excess of \$1 billion and therefore qualifies as an applicable corporation for CAMT purposes. Duke Energy Kentucky's Electric business does not have AFSI in excess of \$1 billion on a separate return basis. The Duke Energy Tax Sharing Agreement provides for each entity in the consolidated group to share benefits and burdens of consolidated taxes.

- ii. Objection. This request is overbroad, unduly burdensome, and seeks information that is beyond the scope of this application and is otherwise irrelevant and not likely to lead to the discovery of any relevant or admissible evidence insofar as it seeks information for entities other than Duke Energy Kentucky. Duke Energy Ohio is not regulated by the Kentucky Public Service Commission and its information has no bearing on Duke Energy Kentucky's application in this proceeding and is thus beyond the scope of this proceeding and irrelevant. Without waiving said objection, and to the extent discoverable, please see AG-DR-02-048 Confidential Attachment.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, John R. Panizza

**CONFIDENTIAL PROPRIETARY TRADE  
SECRET**

**AG-DR-02-048  
CONFIDENTIAL ATTACHMENT**

**FILED UNDER SEAL**

**REQUEST:**

Refer to the Direct Testimony of James McClay at 19 – 20, regarding capacity performance insurance.

- a. Indicate if the Company is aware of any other Kentucky jurisdictional utilities that have obtained capacity performance insurance. If so, identify all such utilities and indicate if the Commission has approved recovery and, if so, in what form.
- b. Indicate if any other Duke utility has obtained capacity performance insurance. If so, identify all such utilities and indicate if the utility's state regulatory commission has approved recovery and, if so, in what form.
- c. Indicate whether the Company is aware of any bilateral utility back-up agreements whereby another utility or another third party, such as a merchant generator, provides a capacity backup to a utility in order to mitigate or prevent a performance penalty. If so, describe each such agreement and identify the utilities or other parties if known. If not, then describe the Company's intentional search for information on such back-up agreements, if any.

**RESPONSE:**

- a. Objection. This request is overbroad, unduly burdensome, and seeks information about what other Kentucky utilities may or may not do to mitigate their risks and recover costs. This request is further objectionable insofar as to the extent it seeks information about what costs other utilities include in rates, this information would

be accessible to the Attorney General who typically intervenes in utility rate cases. Duke Energy Kentucky does not. Therefore, this request is interpreted as intending to harass. Without waiving said objection, and to the extent discoverable; no, the Company does not know.

- b. No other Duke utility has obtained CP insurance. Since CP is unique in PJM, the only other Duke Energy utility in PJM is Duke Energy Ohio, who does not own and operate generating assets. Duke Energy Ohio is a co-sponsor to Ohio Valley Electric Corporation (OVEC), having a small interest in the corporation. As a contrast, East Bend unit represents approximately 55% of total generation owned by Duke Energy Kentucky, its CP risk is much higher due to the concentration risk. On the other hand, CP risk is much lower at the Company's Woodsdale station where 6 units contributed 45% of Duke Energy Kentucky's generation capacity. This is the reason why the Company is seeking approval of purchasing CP insurance for East Bend only.
- c. No, the Company is not aware of any bilateral CP backup agreements. Such agreements, if exist at all, would not be an economic and effective way to manage CP risk. First, in order to provide CP protection, a unit providing backup function must not be cleared in PJM capacity auction and therefore foregoes auction revenues. With the 2025/2026 PJM Base Residual Auction (BRA) clearing at \$269.92/MW-day, it translates to approximately \$59 million foregone revenue for a 600MW unit. It is simply too expensive to be used as a backup. Secondly, the backup unit must perform well during CP events to provide protection. As CP events almost always happen during extreme weather conditions, there's no

guarantee a backup unit itself would actually perform. On the other hand, with insurance underwriters diversifying risk across a larger portfolio and customer base, CP insurance products appear to be a more suitable and economic tool to hedge CP risk.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, James J. McClay



**REQUEST:**

Refer to the Direct Testimony of James McClay at 13 – 19, regarding the Company's proposed gas management program.

- a. Provide a more detailed description of the circumstances and conditions the Company will sell surplus gas. For example, Witness McClay states, “[t]he Company will only exercise this option when it is the most economic approach to protect customers’ interest.”<sup>1</sup> Yet he also states, “when the Company’s imbalance with the pipeline exceeds the OBA limit, it may be forced to burn the excess gas, in uneconomic market conditions.”<sup>2</sup> It seems in the circumstance described, it matters not whether the Company burns the excess gas or sells it, the result is essentially the same, (i.e., there is a loss either through an uneconomic dispatch or through an outright sale.) It seems further the reason for the requested change in Rider PSM to recover the losses or gains on the sale of surplus gas is to ensure that any such losses are not disallowed recovery through the FAC if it is burned and instead are allowed through the PSM if it is instead sold. Respond to this observation.
- b. Refer to the example of the loss in 2014 the Commission allowed the Company to recover through the PSM at 16 –18. Provide a schedule for the most recent 15 years

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<sup>1</sup> McClay Direct Testimony at 19.

<sup>2</sup> *Id.* at 18.

of all such gains or losses the Company incurred, whether the Company sought recovery in the case of a loss or refund in the case of a gain through the PSM, and whether the Commission approved such recovery or refund.

**RESPONSE:**

- a. It does matter if gas is burned or sold. The Company's current practice, given its lack of options, is to not make any gas sales in the normal course of business and accumulate unused gas on the pipeline as imbalance. As mentioned in Witness McClay's testimony line 16-20 on page 14, "...if the Woodsdale units burn less gas than procured quantity on that day, Duke Energy Kentucky would use its OBA agreement, and the surplus would be stored on the gas pipeline creating a long imbalance position for Woodsdale. This long imbalance may be reduced by subsequent dispatches at a later date." However, if the accumulated imbalance gets large enough and can no longer be supported by the pipeline, the Company may be forced to uneconomically dispatch Woodsdale units to burn off the imbalance gas down to an acceptable level on the pipeline. By enabling the sale of unused gas in the same gas day, the Company has the option and opportunity to manage the gas in the most economical manner by comparing the market price the gas can be sold or leave on the pipeline as imbalance for a later dispatch whichever is in the customers' best interest. At times when supply is purchased and gas market prices are elevated, however, not burned due to a change in dispatch, it would be better for customers if this gas was sold in the higher priced market and monetized rather than burning at a later date when gas prices are lower. As a reference, selling

unutilized gas supply intraday is a common industry practice including other Duke Energy jurisdictions to manage gas supply efficiently for customers.

- b. Since the loss in 2014, the Company has not made any additional gas sales.

**PERSON RESPONSIBLE:** James J. McClay

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-051**

**REQUEST:**

Refer to cell D19, the proposed adjustment to eliminate unbilled revenue, on tab WPC2e-Adj Summary on Duke Kentucky's responses to the Staff's First Request, Item 54\_Attachment\_KPSC\_Electric\_SFRs-2024.

- a. Confirm the Company is required to record the change in unbilled revenues each month in accordance with the requirement to book unbilled revenues for service provided during the month pursuant to GAAP.
- b. Confirm that Duke Kentucky's proposed adjustment changes the Company's recorded unbilled revenues using the unbilled revenues methodology for accounting purposes to a billed revenues methodology for ratemaking purposes.
- c. Confirm that the Company's forecast of revenues in the test year for accounting purposes is based on sales for the service provided during the test year, not service billed. If this is not correct, then provide a corrected statement and all support relied on for the corrected statement.
- d. Confirm that the revenues at present rates and the revenues at proposed rates on Schedule M are calculated using kW and kWh billed during the test year instead of the kW and kWh delivered and recorded as sales revenues under the unbilled revenue methodology for accounting purposes during the test year.
- e. Describe the Company's rationale for using billed kW and kWh for ratemaking purposes instead of the delivered kW and kWh used for accounting purposes.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.
- e. The Cost-of-Service Study results in revenue requirements by rate class. These revenue requirements are used as the targets for revenue collection during the test period. Revenue collection occurs through billed kW and kWh. Historically, billed kW and kWh has been used by the Company and approved by the Commission for rate making purposes.

**PERSON RESPONSIBLE:**

Danielle L. Weatherston – a.  
Lisa D. Steinkuhl – b.  
Grady S. “Tripp” Carpenter – c.  
Bruce L. Sailors – d., e.

**REQUEST:**

Refer to the Direct Testimony of Grady Carpenter at 20: lines 9-13 wherein he describes the adjustment shown on SCH\_D2.16 to annualize revenue and fuel expense.

- a. Describe what is meant by the term “annualize” in this context and the reason(s) for each of these adjustments.
- b. Explain why there is a difference in the test year base revenue reflected in cell M53 from Schedule M and the base revenue reflected in cell M55 from Schedule C-2.
- c. Provide the calculation and/or source of the adjustment to annualize fuel expense shown in cell G29, which is provided as a value with no underlying calculation or reference.

**RESPONSE:**

- a. The adjustment is to reconcile current retail revenues calculated in Schedule M with the retail revenues included in Company’s financial forecast.
- b. The difference in the revenues is due to different approaches used to calculate the current retail revenue in the Schedule M and the retail revenues in the Company’s financial forecast. The Schedule M uses a more detailed calculation than the one used to develop the Company’s financial forecast.

The Schedule M calculated the current retail revenues at the *rate class* level.

The current tariff rates were applied to the forecasted customer counts and sales.

The Company’s financial forecast calculates retail revenues at the *customer class* level. The non-residential revenues are calculated by applying average realizations to their respective kWh. The residential class revenues are calculated by applying the current tariff to the forecasted customer count and sales.

- c. Since fuel expense is recoverable in the FAC, fuel revenues and fuel expenses are synchronized in the revenue requirement, so the only impact of fuel included in the revenue requirement is the Forced Outage Purchased Power not recovered through the FAC.

See the table below for the calculation of the adjustment to synchronize fuel expense with fuel revenues.

Line No.	Description	Source	Amounts
1	Forecasted Fuel Revenue	C-2	147,263,213
2			
3	Forecasted Fuel Expense	C-2	164,826,620
4	Off-System Sales Fuel	D-2.20	16,120,437
5	Adjusted Forecasted Fuel Expense	line 3 - line 4	<u>148,706,183</u>
6			
	Forecasted Fuel Revenue less Adjusted Forecasted		
7	Fuel Expense	line 1 - line 5	(1,442,970)
8	Forced Outage Purchased Power	WPC-2f	<u>3,604,255</u>
9	Adjustment to Fuel Expense	line 7 + line 8	<u>2,161,285</u>

**PERSON RESPONSIBLE:**

Grady “Tripp” S. Carpenter – a., b.  
 Lisa D. Steinkuhl – a., c.  
 Bruce L. Sailors – b.

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-053**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Item 54\_Attachment\_KPSC\_Electric\_SFRs-2024 and further to the per books interest expense for the test year of \$37,916,797 million shown in cell AC92 on SCH\_D2.19 sourced to Schedule E-1, which is shown in cell X160 as a value.

- a. Provide all support for this amount, including the source documents and/or calculations.
- b. Confirm that this amount is the total for the Company, and not solely the amount for the electric jurisdiction. If confirmed, then provide the amount for the electric jurisdiction and the calculation of the amount for the electric jurisdiction in an Excel workbook in live format and with all formulas intact.

**RESPONSE:**

- a. Please see AG-DR-02-053 Attachment for the source document for electric jurisdiction interest expense.
- b. No. This amount is solely for the electric jurisdiction.

**PERSON RESPONSIBLE:** Grady "Tripp" S. Carpenter



in thousands  
 2023 12&00 Consolidated v1 DEK Rate Case Ex. Rev Req

**DE Kentucky Electric Consolidated Segment (C-SV)**

B[  
 DW[

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Debits												
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY PCBOTH VAR 08/01/2027 - \$26.72M [Orig]	110	110	110	110	110	110	99	99	99	99	99	99
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 6.200% 03/10/2036 [Orig]	235	235	235	235	235	235	235	235	235	235	235	235
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY PCBOTH VAR 08/01/2027 - Contra \$26.72M of \$26.72M [Orig]	(110)	(110)	(110)	(110)	(110)	(110)	(99)	(99)	(99)	(99)	(99)	(99)
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY PCBOTH VAR 08/01/2027 - \$26.72M Swap to Fixed 3.86% [Orig]	86	86	86	86	86	86	86	86	86	86	86	86
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 3.42% 01/15/2026 [Orig]	90	90	90	90	90	90	45					
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.45% 01/15/2046 [Orig]	130	130	130	130	130	130	130	130	130	130	130	130
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY \$50M PUTTABLE REMRKT 06/2022 REFI 3.70% 08/01/2027 [Orig]	154	154	154	154	154	154	154	154	154	154	154	154
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 3.35% 09/15/2029 [Orig]	59	59	59	59	59	59	59	59	59	59	59	59
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.11% 09/15/2047 [Orig]	72	72	72	72	72	72	72	72	72	72	72	72
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.26% 09/15/2057 [Orig]	75	75	75	75	75	75	75	75	75	75	75	75
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.18% 10/15/2028 [Orig]	98	98	98	98	98	98	98	98	98	98	98	98
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.62% 12/15/2048 [Orig]	94	94	94	94	94	94	94	94	94	94	94	94
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 3.23% 10/01/2025 [Orig]	179	179	179	6								
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 3.56% 10/01/2029 [Orig]	156	156	156	156	156	156	156	156	156	156	156	156
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 4.32% 07/15/2049 [Orig]	101	101	101	101	101	101	101	101	101	101	101	101
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 2.65% 09/15/2030 [Orig]	54	54	54	54	54	54	54	54	54	54	54	54
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 3.66% 09/15/2050 [Orig]	75	75	75	75	75	75	75	75	75	75	75	75
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 5.90% 07/15/2031 [Orig]	275	275	275	275	275	275	275	275	275	275	275	275
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 6.00% 07/15/2034 [Orig]	332	332	332	332	332	332	332	332	332	332	332	332
Post from Report: FIN - Bond Issues (Bonds) Line: FO:[Total Interest Accrual] Entity: KY UNSEC 6.17% 07/15/2039 [Orig]	180	180	180	180	180	180	180	180	180	180	180	180
Post from Report: FIN - Cash Balancing (Planning Entity) Line: CM:[Interest Expense Auto/Manual-Finance LTD (FIXED RATE)] Entity: DE Kentucky Electric (Inp) [Orig]				427	569	569	569	569	569	569	1,073	1,242
Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: O:[Remarketing Auction Fees (0427)] Entity: DE Kentucky Electric (Inp) [Orig]												
Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: P:[Insurance Fees (0427)] Entity: DE Kentucky Electric (Inp) [Orig]												
DX:[Interest on Long-Term Debt]				14								
DY:[Intercompany Interest on Long-Term Debt]												
	2,444	2,444	2,884	2,840	2,834	2,834	2,789	2,757	2,744	2,744	3,248	3,418

Debits

Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: L:[Master Credit Facility - Undrawn Fee expense amort (expense & CL)(0431900)] Entity: DE Kentucky Electric (Inp) [Orig]	18	18	18	18	18	18	18	18	18	18	18	18
Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: N:[Letters of Credit Fees (0431900)] Entity: DE Kentucky Electric (Inp) [Orig]	36			36			36			36		
DZ:[Interest on Other Debt]	54	18	18	54	18	18	54	18	18	54	18	18
EA:[Amortization of Debt Discontinued]												

Debits

Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY PCBOTH VAR 08/01/2027 - \$26.72M [Orig]	2	2	2	2	2	2	2	2	2	2	2	2
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 6.200% 03/10/2036 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 3.42% 01/15/2026 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.45% 01/15/2046 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY \$50M PUTTABLE REMRKT VAR 08/01/2027 [Orig]	2	2	2	2	2	2	2	2	2	2	2	2
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 3.35% 09/15/2029 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.11% 09/15/2047 [Orig]	0	0	0	0	0	0	0	0	0	0	0	0
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.26% 09/15/2057 [Orig]	0	0	0	0	0	0	0	0	0	0	0	0
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.18% 10/15/2028 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.62% 12/15/2048 [Orig]	0	0	0	0	0	0	0	0	0	0	0	0
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 3.23% 10/01/2025 [Orig]	4	4	4									
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 3.56% 10/01/2029 [Orig]	2	2	2	2	2	2	2	2	2	2	2	2
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 4.32% 07/15/2049 [Orig]	0	0	0	0	0	0	0	0	0	0	0	0
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 2.65% 09/15/2030 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 3.66% 09/15/2050 [Orig]	0	0	0	0	0	0	0	0	0	0	0	0
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 5.90% 07/15/2031 [Orig]	3	3	3	3	3	3	3	3	3	3	3	3
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 6.00% 07/15/2034 [Orig]	2	2	2	2	2	2	2	2	2	2	2	2
Post from Report: FIN - Bond Issues (Bonds) Line: FW:[Amortization of Issue Cost] Entity: KY UNSEC 6.17% 07/15/2039 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Issues (Bonds) Line: FX:[Amortization of Discount (Premium)] Entity: KY UNSEC 6.200% 03/10/2036 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Bond Mises Amort (Bond Mises Amort) Line: AG:[Amortization of Bond Loss] Entity: KY BL 07/15/2025 [Orig]	2											
Post from Report: FIN - Bond Mises Amort (Bond Mises Amort) Line: AG:[Amortization of Bond Loss] Entity: KY BL 08/01/2027 [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: K:[Master Credit Facility - Upfront Fee Amortization (0428021)] Entity: DE Kentucky Electric (Inp) [Orig]	9	9	9	9	9	9	9	9	9	11	11	11
Post from Report: FIN - Financing Variables Input - Planning Entities (Planning Entity) Line: Z:[Bi-lateral fee amortization (0428)] Entity: DE Kentucky Electric (Inp) [Orig]	1	1	1	1	1	1	1	1	1	1	1	1
EB:[Amortization of Dde]	36	34	34	30	30	30	29	29	29	30	30	30

Debits

Post from Report: MIS - DEBS Non O&M Based Allocations (Planning Entity) Line: AA:[Allocated DEBS Moneypool Interest Expense] Entity: DE Kentucky Electric (Inp) [Orig]	56	55	58	60	59	59	52	51	57	63	61	60
EC:[Miscellaneous Interest Expense]	56	55	58	60	59	59	52	51	57	63	61	60

Debits

Post from Report: FIN - Long-term Commercial Paper and Minimum Cash Balance (Planning Entity) Line: AK:[Interest - Intercompany Long-term CP] Entity: DE Kentucky Electric (Inp) [Orig]	92	92	92	92	92	92	81	81	81	81	81	81
Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CU:[Interest Income - Cash - Money Pool] Entity: DE Kentucky Electric (Inp) [Orig/Counterparty]			100	100							7	7
Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CU:[Interest Income - Cash - Money Pool] Entity: DE Kentucky Gas (Inp) [Orig/Counterparty]			14	14							40	74
Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CV:[Interest Expense - Notes Payable - Money Pool] Entity: DE Kentucky Electric (Inp) [Orig]	71	81	39	44	97	123	196	276	309	342	175	6
Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CV:[Interest Expense - Notes Payable - Money Pool] Entity: DE Kentucky Money Pool (Inp) [Orig]	129	159	82	93	201	232	312	398	411	429	214	

Credits

Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CU:[Interest Income - Cash - Money Pool] Entity: DE Kentucky Electric (Inp) [Orig/Counterparty/Elim]			(100)	(100)							(7)	(7)
Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CV:[Interest Expense - Notes Payable - Money Pool] Entity: DE Kentucky Electric (Inp) [Orig/Elim]	(71)	(81)	(39)	(44)	(97)	(123)	(196)	(276)	(309)	(342)	(175)	(6)

ED:[IC Interest Expense (Moneypool AC 0430216)]

EE:[IC Interest Expense (CRC AC 0430891)]

	221	250	187	198	293	324	394	480	493	510	335	155
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in thousands  
 2023 12&00 Consolidated v1 DEK Rate Case Ex. Rev Req

Jul 2025 Aug 2025 Sep 2025 Oct 2025 Nov 2025 Dec 2025 Jan 2026 Feb 2026 Mar 2026 Apr 2026 May 2026 Jun 2026

**DE Kentucky Electric Consolidated Segment (C-SV)**

B[] EF:[Interest Expense (Pipeline Leases AC 0431360)]

Credits  
 Post from Report: CAPB2: Model - Construction (Planning Entity) Line: BB:[AFUDC Debt] Entity: DE Kentucky Electric (Inp) [Orig]  
 EG:[Interest Costs on Capital Debt Expense]

**EH:[Interest Expense]**

EH[]

HH[]

**DE Kentucky Electric Governance - Special (Inp)**

B[]

DW[]

DX:[Interest on Long-Term Debt]  
 DY:[Intercompany Interest on Long-Term Debt]  
 DZ:[Interest on Other Debt]  
 EA:[Amortization of Debt Discontinued]  
 EB:[Amortization of Dde]  
 EC:[Miscellaneous Interest Expense]

Debits  
 Post from Report: FIN - Short-term Interest & Rollover (Planning Entity) Line: CV:[Interest Expense - Notes Payable - Money Pool] Entity: DE Kentucky Electric Governance - Special (Inp) [Orig]  
 ED:[I/C Interest Expense (MoneyPool AC 0430216)]  
 EE:[I/C Interest Expense (CRC AC 0430891)]  
 EF:[Interest Expense (Pipeline Leases AC 0431360)]  
 EG:[Interest Costs on Capital Debt Expense]

**EH:[Interest Expense]**

EH[]

**Total DEK Electric Interest Expense**

(137)	(150)	(132)	(126)	(123)	(122)	(67)	(81)	(101)	(117)	(117)	(100)	
(137)	(150)	(132)	(126)	(123)	(122)	(67)	(81)	(101)	(117)	(117)	(100)	
2,674	2,651	3,049	3,057	3,111	3,143	3,251	3,253	3,239	3,284	3,576	3,581	
3	3	4	4	4	4	4	4	4	5	5	5	
3	3	4	4	4	4	4	4	4	5	5	5	
3	3	4	4	4	4	4	4	4	5	5	5	
2,677	2,655	3,052	3,060	3,115	3,147	3,255	3,258	3,244	3,289	3,581	3,586	37,917

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-054**

**REQUEST:**

Refer to the lead/lag study electronic workpapers of Mr. Adams provided in Duke Kentucky's response to the Attorney General's First Request, Item 53, and further to the calculation of the collections lag contained on worksheet tab AR Aging. Refer also to Duke Kentucky's response to the Attorney General's First Request, Item 57, wherein the Company states that it did not track separately the uncollectible expense and allowance data between gas and electric prior to 2024 due to the sale of receivables to Cinergy Receivables Corporation

- a. Confirm that the receivables balances shown on worksheet tab AR Aging by month and aging bucket during 2023 are total Company receivables balances and not just for the electric division. If not confirmed, explain why not.
- b. Provide an updated worksheet tab AR Aging calculation for the total Company receivables that contains all data for the months in 2024. Provide in electronic format with all formulas intact.
- c. Provide an updated worksheet tab AR Aging calculation that includes only Duke Kentucky's electric division data for each month during 2024. Provide in electronic format with all formulas intact. If data is not available for each month in 2024, explain why not since the uncollectible expense and allowance data was provided for just the electric division for each month in 2024 in Duke Kentucky's response to the Attorney General's First Request, Item 57.

**RESPONSE:**

- a. Confirmed. The receivable balances are total Company receivables balances.
- b. Please see AG-DR-02-054(b) Attachment.
- c. The electric division data is not available for each month in 2024 because the billing system does not maintain the Accounts Receivable Aging Reports by service.  
Activity is booked to the income statement by service.

**PERSON RESPONSIBLE:**

Danielle L. Weatherston – a., c.  
Michael J. Adams – b.

**Duke Energy Kentucky  
AR Agings  
January 2023 to December 2024**

	Current (0 - 30)	30 Days (30 - 60)	60 Days (60 - 90)	180 Days (90 - 120)	365 Days (120 - 150)	>150 Days	Total
January 2023	\$ 59,010,859.18	\$ 2,122,830.91	\$ 1,071,638.41	\$ 724,303.24	\$ 542,591.31	\$ 2,606,660.01	\$ 66,078,883.06
February 2023	53,131,798.70	2,537,790.28	1,077,056.07	711,933.82	460,754.01	2,278,228.77	60,197,561.65
March 2023	37,764,842.61	2,901,960.99	1,435,914.85	703,468.83	539,296.56	2,017,272.45	45,362,756.29
April 2023	34,843,300.33	2,509,457.37	1,816,907.13	1,047,405.49	514,826.10	1,965,937.53	42,697,833.95
May 2023	28,811,225.34	1,421,982.46	1,409,640.85	1,323,770.46	749,691.06	1,828,309.09	35,544,619.26
June 2023	33,862,592.28	1,785,584.84	929,679.62	1,085,250.37	976,281.50	1,944,637.13	40,584,025.74
July 2023	33,781,022.74	1,361,251.97	891,053.02	674,848.57	773,638.11	2,275,222.45	39,757,036.86
August 2023	32,901,447.68	1,315,708.69	602,137.66	553,232.71	513,566.34	2,292,292.02	38,178,385.10
September 2023	37,258,962.28	1,542,367.80	657,524.95	392,485.06	399,217.30	2,171,295.53	42,421,852.92
October 2023	31,072,583.96	1,274,826.98	701,404.60	443,446.73	243,975.36	1,941,747.70	35,677,985.33
November 2023	34,061,587.36	1,307,345.48	684,107.10	464,304.78	300,797.99	1,740,239.60	38,558,382.31
December 2023	45,836,972.14	1,436,912.52	764,855.22	462,930.75	307,674.16	1,700,903.46	50,510,248.25
January 2024	61,666,211.38	1,528,564.66	768,580.02	484,857.08	317,586.03	1,597,397.55	66,363,196.72
February 2024	59,965,067.02	1,620,653.33	791,143.28	433,337.99	314,093.57	1,538,799.68	64,663,094.87
March 2024	49,486,853.96	2,491,440.54	930,745.74	521,844.61	289,959.28	1,507,205.84	55,228,049.97
April 2024	39,411,289.68	1,817,700.46	1,460,553.05	593,247.07	357,025.46	1,461,825.22	45,101,640.94
May 2024	35,222,397.82	1,630,461.96	1,075,455.35	988,865.99	411,011.90	1,419,074.13	40,747,267.15
June 2024	38,603,515.59	1,410,181.09	962,450.47	774,488.52	668,925.58	1,495,974.04	43,915,535.29
July 2024	47,425,229.00	913,762.00	782,548.09	630,394.16	585,540.27	1,686,015.15	52,023,488.67
August 2024	42,473,692.00	1,265,312.00	626,753.72	481,658.31	419,916.43	1,708,120.11	46,975,452.57
September 2024	38,651,022.00	1,603,107.00	623,530.55	386,060.67	298,235.91	1,581,839.97	43,143,796.10
October 2024	31,744,565.00	1,149,443.00	819,880.01	403,184.25	253,405.64	1,416,550.68	35,787,028.58
November 2024	36,988,078.00	1,362,128.00	684,572.34	551,533.62	267,609.44	1,373,016.24	41,226,937.64
December 2024	42,073,150.00	864,947.42	647,621.43	475,834.40	323,979.94	1,336,404.45	45,721,937.64
	<b>\$ 986,048,266.05</b>	<b>\$ 39,175,721.75</b>	<b>\$ 22,215,753.53</b>	<b>\$ 15,312,687.48</b>	<b>\$ 10,829,599.25</b>	<b>\$ 42,884,968.80</b>	<b>\$ 1,116,466,996.86</b>
Weighted Average	88.32%	3.51%	1.99%	1.37%	0.97%	3.84%	
Midpoint of Range	15	45	75	105	135	150	
Weighted Days	13.25	1.58	1.49	1.44	1.31	5.76	<u>24.83</u>

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-055**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 85, and further to the response to the Attorney General's First Request, Item 85 Confidential Attachment 2 which provided projected capital expenditures for years 2025 through 2028. For the years 2025 and 2026, provide the total capital expenditures projected by month and separated between steam and other production, distribution, transmission, and general plant. Provide the amounts excluding any AFUDC.

**RESPONSE:**

Please see AG-DR-02-055 Attachment. Note that amounts provided in Attorney General's First Request, Item 85 Confidential Attachment 2 were inclusive of any related AFUDC.

**PERSON RESPONSIBLE:**           Grady "Tripp" S. Carpenter

Duke Energy Kentucky  
Capital Expenditures  
Excluding AFUDC  
2025-2026

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2025 Total
Steam Production (1)	3,399,521	3,461,330	4,674,714	3,391,134	3,613,576	3,382,411	4,755,684	4,859,797	6,434,608	8,398,855	7,124,264	5,404,410	58,900,303
Other Production (2)	210,644	506,868	306,867	600,930	815,170	2,914,466	2,805,721	3,400,613	3,051,224	6,331,028	(837,315)	178,821	20,285,036
Distribution	5,432,626	5,371,415	5,739,236	5,869,469	6,588,084	5,709,759	4,669,438	5,020,050	4,934,621	5,055,296	4,692,916	2,625,597	61,708,507
Transmission	528,610	2,583,338	2,290,604	763,856	2,696,097	1,684,451	1,363,204	2,933,949	3,241,348	4,105,727	2,008,775	376,061	24,576,021
General Plant	1,013,335	842,249	898,811	669,654	1,052,303	1,063,887	1,248,767	1,444,632	1,489,471	1,347,298	1,967,058	6,544,879	19,582,344
<b>Total</b>	<b>10,584,736</b>	<b>12,765,200</b>	<b>13,910,233</b>	<b>11,295,042</b>	<b>14,765,229</b>	<b>14,754,974</b>	<b>14,842,815</b>	<b>17,659,041</b>	<b>19,151,272</b>	<b>25,238,204</b>	<b>14,955,698</b>	<b>15,129,767</b>	<b>185,052,211</b>

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	2026 Total
Steam Production (1)	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	7,400,297	2,950,297	2,950,297	79,903,565
Other Production (2)	6,402,714	7,078,675	3,413,063	2,661,047	(645,819)	1,129,707	1,802,266	1,802,583	2,138,219	2,137,571	2,137,536	1,801,859	31,859,421
Distribution	4,908,405	4,908,062	4,909,285	4,912,673	4,893,768	4,976,632	4,910,046	4,908,669	4,923,839	4,934,259	5,115,538	5,037,627	59,338,803
Transmission	2,450,486	1,195,419	389,961	328,148	26,669	1,477,110	4,520,091	165,785	433,278	923,683	3,761,512	2,253,228	17,925,371
General Plant	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	1,130,782	13,569,378
<b>Total</b>	<b>22,292,684</b>	<b>21,713,235</b>	<b>17,243,387</b>	<b>16,432,947</b>	<b>12,805,696</b>	<b>16,114,527</b>	<b>19,763,482</b>	<b>15,408,116</b>	<b>16,026,414</b>	<b>16,526,592</b>	<b>15,095,665</b>	<b>13,173,793</b>	<b>202,596,538</b>

Note (1): Forecasted capital expenditures for Steam Production include the following amounts related to a East Bend Limestone Conversion project: \$34,000,000 in 2025, \$63,700,000 in 2026, and \$1,600,000 in 2027. No dollars for this project are included in test year rate base in this proceeding.

Note (2): Forecasted capital expenditures for Other Production include the following amounts related to a Woodsdale Solar Generation project, excluding AFUDC: \$1,700,000 in 2025, \$13,900,000 in 2026, \$24,400,000 in 2027, and \$50,000,000 in 2028. No dollars for this project are included in the test year rate base in this proceeding.

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-056**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 25, and SCH\_D2.26, which is the Company's calculation of the additional expense to include its card payment channel processing fees in the revenue requirement rather than recovering the fees directly from its customers who use these forms of payment.

- a. Confirm the Company's forecast of the fees is based on a static number of customers/transactions who presently use this card payment channel.
- b. Confirm the Company agrees that if the Commission adopts its proposal to socialize these fees to all customers, the usage of the payment channel likely will increase and result in additional fees expense and a further increase in the revenue requirement in future rate cases.
- c. Provide an estimate of the reduction in payment processing expenses if usage of this payment channel increases in the test year and beyond the end of the test year, (e.g., if usage of this payment channel increase by 10% in the test year, then there will be a reduction in payment processing expenses of \$X.) Provide all assumptions, data, and calculations in an Excel workbook in live format and with all formulas intact.

**RESPONSE:**

- a. Confirmed. As stated in Witness Colley's testimony, the Company incorporated the Card Payment fees in the revenue requirement by utilizing actual transaction counts



through the Card Payment channel from January 2024 through September 2024 and annualizing the remaining months of the year to forecast 2025 and 2026 channel usage.

- b. There is a probability that usage of the Card Payment channel may increase, but the Company did not include any growth in its requested amount. In a future rate case, the revenue requirement will be adjusted based on actual channel costs, and this would account for the Card Payment channel utilization which may be lower or higher.
- c. Objection. This request is overly broad and unduly burdensome and seeks information that does not exist. The Company did not perform this analysis. Without waiving said objection, and to the extent discoverable, as stated in Witness Colley's testimony (page 22, line 9-12), the Company did not adjust its revenue requirement to account for changes related to possible payment channel switching and therefor did not perform calculations related to a possible reduction in other payment channel processing costs.

**PERSON RESPONSIBLE:** As to objection, Legal  
As to response, Jacob S. Colley

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-057**

**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 112, Excel workbook attachment.

- a. Provide a detailed description and the source of the temporary difference giving rise to each Deferred Tax Asset ("DTA") and Deferred Tax Liability ("DTL") shown on this schedule.
- b. Provide the Company's rationale for adding each of the DTAs to rate base and subtracting each of the DTLs from rate base shown on this schedule.
- c. For each DTA and/or DTL shown on this attachment, indicate whether the underlying temporary difference is subtracted from or added to rate base, respectively, and if so, where (cite schedule, workpaper, and cell references). To the extent there is an inconsistency between the temporary difference subtracted (or not subtracted) and the DTA added to rate base and/or the temporary difference added to rate base (or not added to rate base) and the DTL subtracted from rate base, then provide an explanation as to why the temporary difference and the related DTA/DTL are not "paired," or "matched," and treated consistently for rate base purposes.

**RESPONSE:**

- a. Please see AG-DR-02-057 Attachment pages 1 through 3 for account 190 and 283 and pages 4 and 5 for account 282.

- b. Please see AG-DR-02-057 Attachment pages 6 and 7 for the DTAs and DTLs included in rate base. The DTAs and DTLs were included or excluded from rate base based on the treatment of the underlying book accounts that created the temporary tax difference. CAMT is driven by financial statement income and financial statement income is based on a return on rate base. Therefore, CAMT was included in rate base.
- c. Please see AG-DR-02-057 Attachment pages 6 and 7 for the treatment of each ADIT item. The underlying book regulatory assets that are added to rate base can be found on WPB-1, which supports Schedule B-1, line number 12. The underlying book amount for the Deferred Plant Costs of East Bend added to rate base can be found on Schedule B-2.1, page 7 of 12, line number 9, in the Steam Production Plant schedule.

**PERSON RESPONSIBLE:** John R. Panizza

DUKE ENERGY KENTUCKY  
190 & 283 Detailed Description of Temporary Differences  
AG-DR-02-57(a)

Temporary Code	Description
<b>190001/2</b>	<b>ADIT: Prepaid: Taxes</b>
<b>AT_OTH_190_NC_EPRI_Credit</b>	<b>Other Noncurrent After-tax DTA for EPRI Credit</b>
	The EPRI "Electric Power Research Institute" credit falls under Internal Revenue Code section 41. This incentivizes companies to invest in research and development activities. This provides a credit for companies that conduct qualified research activities related to developing or improving, processes, or software.
<b>AT_OTH_190_NC_R&amp;D_CREDIT</b>	<b>Other Noncurrent After-Tax DTA for R&amp;D Credit</b>
	The R&D credit falls under Internal Revenue Code section 41. This incentivizes companies to invest in research and development activities. This provides a credit for companies that conduct qualified research activities related to developing or improving, processes, or software.
<b>AT_OTH_190_NC_Alt Min Tax</b>	<b>NC Alternative Minimum Tax (AMT)</b>
	The Inflation Reduction Act of 2022 introduced a corporate alternative minimum tax ("CAMT") based on adjusted financial statement income. When a CAMT liability is incurred, a deferred tax asset is set up for the future credit allowed. Please refer to AG-DR-02-048 for additional detail.
<b>AT_OTH_190_NC_FMLA_CREDIT</b>	<b>Paid Family &amp; Medical Leave Credit Carryforward</b>
	Internal Revenue Code section 45S provides a general business tax credit to employers who provide paid family and medical leave to their employees. This credit is a percentage of wages paid to a qualifying employee while on family and medical leave for up to 12 weeks per tax year. The minimum percentage is 12.5% and is increased by 0.25% for each percentage point by which the amount paid to a qualifying employee exceeds 50% of the employee's wages, with a maximum of 25%. In certain cases, an additional limit may apply.
<b>T11A02</b>	<b>Bad Debts - Tax over Book</b>
	0144100 SCHM Uncollectible Accrual Electric
	0144101 Allowance Credit Loss
	0144700 Prov for MARBS Uncollectibles
<b>T13B19</b>	<b>Leased Meters - Elec &amp; Gas</b>
	0227102 Noncurrent Capital Lease-Meter
	0243050 Current Capital Lease-Meters
<b>T15A22</b>	<b>Mark to Market - LT</b>
	0174995 Native Deferred MTM Asset
	0175001 Deriv Assets - Noncashflw - ST
	0175002 Deriv Assets - Noncashflw - LT
	0242895 Native Deferred MTM Liability
	0253208 NonCurr Liab Pwr Trdg Pur Acct
	0244006 Derivative Instr-Regulatory-LT
	0244007 Accrued Interest Exp-Swaps-Reg
	0242650 Accrued Payable - Other
<b>T19A51</b>	<b>Extra Facility Lighting</b>
	0253990 Deferred Prepaid Ef - Lighting
<b>T19A55</b>	<b>Workers Com Reserve</b>
	0242395 CUR&ACCR LIAB MED/DTL INS ACT
<b>T15B07</b>	<b>Cash Flow Hedge - Reg Asset/Liab</b>
	0182410 Interest Rate Swap Reg Asset
	0254980 Open Int Rate Swap Cur Rg Liab
<b>T17A02</b>	<b>Accrued Vacation</b>
	0242381 Retirement Bank Accrual
	0242490 Vacation Carryover
<b>T17A30</b>	<b>Property Tax Reserves</b>
	0236041 Accrued Property Tax
	Property Tax Payments estimated to be made before September of the following year, deducted in the current year.
<b>T17A40</b>	<b>SEVERANCE RESERVE - LT</b>
	0242215 Payroll Severance Reserves
<b>T18A02</b>	<b>Deferred Revenue</b>
	0253062 Long Term Def Rev - OL
<b>T20A54</b>	<b>Reg Liability - Rate Case Expense - Amortization - NC</b>
	0186113 DEK 2019 Rate Case - Electric
<b>T20C02</b>	<b>Demand Side Management (DSM) Defer</b>
	0182401 Deferred DSM Costs
	0254401 DSM Energy Efficiency
<b>T22A01</b>	<b>Emission Allowance Expense</b>
	0158150 SO2 Current Vintage
	0158170 Annual NOx Current Vintage
	0158183 Seasonal NOx Current

Temporary Code	Description
<b>T22A06</b>	<b>Operating Lease Obligation</b>
0227175	LT Operating Lease Obligation
0242175	Curr Operating Lease Oblig
<b>T22A28</b>	<b>Retirement Plan Expense - Underfunded</b>
0228346	Pension Liability - FAS 87
0228348	Pension Liab - FAS 87(Cinergy)
<b>T22A29</b>	<b>Non-qualified Pension - Accrual</b>
0242897	NQ Pension Current ECBP
0253630	Schm Exec Cash Bal Plan
<b>T22A30</b>	<b>Retirement Plan Funding - Underfunded</b>
Pension contributions made to a qualified retirement plan before the due date of the return that can be deducted in the current year.	
<b>T22A56</b>	<b>Environmental Reserve</b>
0228280	Schm Environmental
<b>T22B13</b>	<b>ANNUAL INCENTIVE PLAN COMP</b>
0242460	Prov For Incentive Ben Prog
<b>T22B15</b>	<b>PAYABLE 401 (K) MATCH</b>
0232039	Payable 401K Incentive Match
0242440	Cash Coll and Contrib To Trustee
<b>T22E02</b>	<b>OPEB Expense Accrual</b>
0228314	OPEB NonCur Liab - Life
0228315	OPEB NonCur Liab - Medical
0242898	OPEB Current Liab - Life
<b>T22E06</b>	<b>FAS 112 Medical Expenses Accrual</b>
0228325	Schm Post Emp FAS 112
0242999	Misc Liab - FAS 112
<b>283100/1</b>	<b>ADIT: Other</b>
<b>T15A24</b>	<b>Loss on Reacquired Debt-Amort</b>
0189100	Schm Unamt Loss Reaq Dt
<b>T15B02</b>	<b>Reg Asset/Liab Def Revenue</b>
0142982	Def Rev Rec - Unbilled Fuel
0242890	Deferred Rev Pay - Fuel
0242981	Ratepayer Sharing Provisions
<b>T15B28</b>	<b>Reg Asset - Rate Case Expense</b>
0186108	DEK 2017 ELEC Rate Case Exp
0186118	DEK 2024 Electric Rate Case
<b>T15B29</b>	<b>Reg Asset-Pension Post Retirement PAA-FAS87Qual and Oth</b>
0182318	Other Reg Assets - Gen Acct
0182800	Acc Pen Post Ret Pur Acct-Qual
<b>T15B35</b>	<b>Regulatory Asset - Carbon Management</b>
0182366	Carbon Mgmt Reg Asset
<b>T15B37</b>	<b>Reg Asset-Pension Post Retirement PAA-FAS87NQ and Oth</b>
0182801	Pension Post Retire P Acctg - FAS87 NQ
<b>T15B38</b>	<b>Reg Asset-Pension Post Retirement PAA-FAS 106 and Oth</b>
0182312	OPEB FAS 106 - Medical
0182802	Pension Post Retire P Acctg - FAS 106
0182803	OPEB FAS 106 - Life
<b>T15B40</b>	<b>Reg Asset - Accr Pension FAS158 - FAS87NQ</b>
0254689	Reg Liability - OPEB Medical
<b>T15B41</b>	<b>Reg Asset - Accr Pension FAS158 - FAS 106/112</b>
0254689	Reg Liability - OPEB Medical
0254690	Reg Liability - OPEB Life
<b>T15B43</b>	<b>Reg Asset - Transition from MISO to PJM</b>
0232345	MISO MTEP - Short Term Accrual
0253345	MISO MTEP - Long Term Accrual
<b>T15B51</b>	<b>Reg Liability - Overcollection of Revenue Refund Adj</b>
0182527	Plant Outage Normalization
0182526	Defer Forced Outage Purch Pow
<b>T15B52</b>	<b>Storm Cost Deferral- Asset</b>
0182330	DEK Deferred Storm Expense
<b>T15B77</b>	<b>Non-AMI Meters Retired Early - NBV</b>
0182525	Non-AMI Meter NBV 182.3
<b>T15B81</b>	<b>Reg Asset_Liab - Outage Costs</b>
0182526	Defer Forced Outage Purch Pow
0182527	Plant Outage Normalization
<b>T15B83</b>	<b>Reg Asset - Rate Case Expense - Amortization - NC</b>

Temporary Code	Description
	0186115 DEK 2021 Rate Case - Gas
	0186107 DEK 2022 Rate Case - Electric
<b>T17A01</b>	<b>Vacation Carryover - Reg Asset</b>
	0186342 Vacation Accrual Regulatory Asset
<b>T19A71</b>	<b>Reg Asset/Liab - ESM Deferral</b>
	0182555 ESM Deferral
	0182574 ARO Contra-Regulatory Asset
<b>T20A30</b>	<b>REPS Incremental Costs</b>
	0182359 REPS Incremental Costs
<b>T20A38</b>	<b>Regulatory Asset - Deferred Plant Costs</b>
	0182050 East Bend Plant O&M Expense
	0182493 Def Depr - East Bend
<b>T22A15</b>	<b>Operating Lease Deferral</b>
	0186882 Straight Line Lease Defer DR
<b>T22A23</b>	<b>Retirement Plan Expense - Overfunded</b>
	0128717 Prefunded Pension
	0128716 Prefunded Pension (major)

DUKE ENERGY KENTUCKY  
282 ACCUMULATED DEFERRED INCOME TAXES JAN 2023 - DETAIL  
AG-DR-02-57(a)

PowerTax is used to calculate the 282 ADIT balances. The 282 information provided below is a sample of the data in PowerTax as of January 2023.

DATABASE PPLTP15  
QUERY\_RAN\_DATE 20241114  
TAX\_YEAR 2023

VERSION_DESC	TAX_SEGMENT	TAX_RECONCILE_ITEM_DESC	JURISDICTION_ID_DESX	END_STATUTORY_RATE	Net Tax	Net Book	Timing Diff	Def Tax (Timing Diff x Tax Rate)	Check (Rate x Diff)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA COR	Federal	21.000000%	0	17,872,252	(17,872,252)	(3,753,173)	(3,753,173)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA COR	Kentucky	4.968500%	0	17,872,252	(17,872,252)	(887,983)	(887,983)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA COR	Kentucky Offset	-1.043385%	0	17,872,252	(17,872,252)	186,476	186,476
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA COR Total			1	53,616,757	(53,616,756)	(4,454,679)	(4,454,679)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA Method/Life	Federal	21.000000%	463,284,007	1,109,141,021	(645,857,014)	(135,629,973)	(135,629,973)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA Method/Life	Kentucky	4.968500%	556,324,995	1,106,655,570	(550,330,575)	(27,343,175)	(27,343,175)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA Method/Life	Kentucky Offset	-1.043385%	556,324,995	1,106,655,570	(550,330,575)	5,742,067	5,742,067
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AAA Method/Life Total			1,575,933,997	3,322,452,161	(1,746,518,164)	(157,231,081)	(157,231,081)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ACQUISITION ADJMT	Federal	21.000000%	-	94,908	(94,908)	(19,931)	(19,931)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ACQUISITION ADJMT	Kentucky	4.968500%	-	94,908	(94,908)	(4,716)	(4,716)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ACQUISITION ADJMT	Kentucky Offset	-1.043385%	-	94,908	(94,908)	990	990
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ACQUISITION ADJMT Total			-	284,725	(284,725)	(23,656)	(23,656)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Debt	Federal	21.000000%	-	8,634,867	(8,634,867)	(1,813,322)	(1,813,322)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Debt	Kentucky	4.968500%	-	8,634,867	(8,634,867)	(429,023)	(429,023)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Debt	Kentucky Offset	-1.043385%	-	8,634,867	(8,634,867)	90,095	90,095
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Debt Total			-	25,904,600	(25,904,600)	(2,152,250)	(2,152,250)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Equity	Federal	21.000000%	-	12,770,328	(12,770,328)	(2,681,769)	(2,681,769)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Equity	Kentucky	4.968500%	-	12,770,328	(12,770,328)	(634,494)	(634,494)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Equity	Kentucky Offset	-1.043385%	-	12,770,328	(12,770,328)	133,244	133,244
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	AFUDC Equity Total			-	38,310,984	(38,310,984)	(3,183,019)	(3,183,019)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ARO	Federal	21.000000%	-	71,031,553	(71,031,553)	(14,916,626)	(14,916,626)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ARO	Kentucky	4.968500%	-	71,031,553	(71,031,553)	(3,529,203)	(3,529,203)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ARO	Kentucky Offset	-1.043385%	-	71,031,553	(71,031,553)	741,133	741,133
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ARO Total			-	213,094,658	(213,094,658)	(17,704,696)	(17,704,696)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Loss	Federal	21.000000%	-	3,022,407	(3,022,407)	(634,705)	(634,705)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Loss	Kentucky	4.968500%	-	3,022,407	(3,022,407)	(150,168)	(150,168)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Loss	Kentucky Offset	-1.043385%	-	3,022,407	(3,022,407)	31,535	31,535
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Loss Total			-	9,067,221	(9,067,221)	(753,338)	(753,338)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Restoration Addback	Federal	21.000000%	-	(15,044,944)	15,044,944	3,159,438	3,159,438
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Restoration Addback	Kentucky	4.968500%	-	(15,044,944)	15,044,944	747,508	747,508
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Restoration Addback	Kentucky Offset	-1.043385%	-	(15,044,944)	15,044,944	(156,977)	(156,977)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Casualty Restoration Addback Total			-	(45,134,833)	45,134,833	3,749,970	3,749,970
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC	Federal	21.000000%	-	(14,811,456)	14,811,456	3,110,406	3,110,406
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC	Kentucky	4.968500%	-	(14,811,456)	14,811,456	735,907	735,907
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC	Kentucky Offset	-1.043385%	-	(14,811,456)	14,811,456	(154,541)	(154,541)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC Total			-	(44,434,369)	44,434,369	3,691,773	3,691,773
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC Non-Interfaced	Federal	21.000000%	-	(2,287,873)	2,287,873	480,453	480,453
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC Non-Interfaced	Kentucky	4.968500%	-	(2,287,873)	2,287,873	113,673	113,673
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC Non-Interfaced	Kentucky Offset	-1.043385%	-	(2,287,873)	2,287,873	(23,871)	(23,871)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	CIAC Non-Interfaced Total			-	(6,863,618)	6,863,618	570,255	570,255
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Clearing Cost	Federal	21.000000%	-	(15,904)	15,904	3,340	3,340
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Clearing Cost	Kentucky	4.968500%	-	(15,904)	15,904	790	790
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Clearing Cost	Kentucky Offset	-1.043385%	-	(15,904)	15,904	(166)	(166)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Clearing Cost Total			-	(47,711)	47,711	3,964	3,964
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Coal Ash - Capital for tax	Federal	21.000000%	14,658,802	(391,591)	15,050,394	3,160,583	3,160,583
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Coal Ash - Capital for tax	Kentucky	4.968500%	14,658,802	(391,591)	15,050,394	747,779	747,779
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Coal Ash - Capital for tax	Kentucky Offset	-1.043385%	14,658,802	(391,591)	15,050,394	(157,034)	(157,034)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Coal Ash - Capital for tax Total			43,976,407	(1,174,774)	45,151,181	3,751,328	3,751,328
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depr Cap Trans Equip	Federal	21.000000%	-	117,440	(117,440)	(24,662)	(24,662)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depr Cap Trans Equip	Kentucky	4.968500%	-	117,440	(117,440)	(5,835)	(5,835)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depr Cap Trans Equip	Kentucky Offset	-1.043385%	-	117,440	(117,440)	1,225	1,225
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depr Cap Trans Equip Total			-	352,321	(352,321)	(29,272)	(29,272)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depreciation Lag	Federal	21.000000%	-	2,496	(2,496)	(524)	(524)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depreciation Lag	Kentucky	4.968500%	-	2,496	(2,496)	(124)	(124)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depreciation Lag	Kentucky Offset	-1.043385%	-	2,496	(2,496)	26	26
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Depreciation Lag Total			-	7,489	(7,489)	(622)	(622)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Disallow Meals & Entertainment	Federal	21.000000%	-	285,440	(285,440)	(59,942)	(59,942)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Disallow Meals & Entertainment	Kentucky	4.968500%	-	285,440	(285,440)	(14,182)	(14,182)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Disallow Meals & Entertainment	Kentucky Offset	-1.043385%	-	285,440	(285,440)	2,978	2,978
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Disallow Meals & Entertainment Total			-	856,321	(856,321)	(71,146)	(71,146)

VERSION_DESC	TAX_SEGMENT	TAX_RECONCILE_ITEM_DESC	JURISDICTION_ID_DESX	END_STATUTORY_RATE	Net Tax	Net Book	Timing Diff	Def Tax (Timing Diff x Tax Rate)	Check (Rate x Diff)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Entertain 100% Non-Deduct	Federal	21.000000%	-	7,807	(7,807)	(1,639)	(1,639)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Entertain 100% Non-Deduct	Kentucky	4.968500%	-	7,807	(7,807)	(388)	(388)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Entertain 100% Non-Deduct	Kentucky Offset	-1.043385%	-	7,807	(7,807)	81	81
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Entertain 100% Non-Deduct Total			-	<b>23,420</b>	<b>(23,420)</b>	<b>(1,946)</b>	<b>(1,946)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Hardware Capitalized	Federal	21.000000%	-	(195,821)	195,821	41,122	41,122
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Hardware Capitalized	Kentucky	4.968500%	-	(195,821)	195,821	9,729	9,729
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Hardware Capitalized	Kentucky Offset	-1.043385%	-	(195,821)	195,821	(2,043)	(2,043)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Hardware Capitalized Total			-	<b>(587,462)</b>	<b>587,462</b>	<b>48,809</b>	<b>48,809</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Highway Bill	Federal	21.000000%	-	153,958	(153,958)	(32,331)	(32,331)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Highway Bill	Kentucky	4.968500%	-	153,958	(153,958)	(7,649)	(7,649)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Highway Bill	Kentucky Offset	-1.043385%	-	153,958	(153,958)	1,606	1,606
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Highway Bill Total			-	<b>461,874</b>	<b>(461,874)</b>	<b>(38,374)</b>	<b>(38,374)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Impairment Adjustment	Federal	21.000000%	-	(1,018,505)	1,018,505	213,886	213,886
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Impairment Adjustment	Kentucky	4.968500%	-	(1,018,505)	1,018,505	50,604	50,604
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Impairment Adjustment	Kentucky Offset	-1.043385%	-	(1,018,505)	1,018,505	(10,627)	(10,627)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Impairment Adjustment Total			-	<b>(3,055,514)</b>	<b>3,055,514</b>	<b>253,863</b>	<b>253,863</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ITC Basis Reduction	Federal	21.000000%	-	2,306,554	(2,306,554)	(484,376)	(484,376)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ITC Basis Reduction	Kentucky	4.968500%	-	2,306,554	(2,306,554)	(114,601)	(114,601)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ITC Basis Reduction	Kentucky Offset	-1.043385%	-	2,306,554	(2,306,554)	24,066	24,066
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	ITC Basis Reduction Total			-	<b>6,919,662</b>	<b>(6,919,662)</b>	<b>(574,911)</b>	<b>(574,911)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Job Creation - Adj to Prior Year	Federal	21.000000%	4,484,138	(119,788)	4,603,926	966,824	966,824
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Job Creation - Adj to Prior Year Total			<b>4,484,138</b>	<b>(119,788)</b>	<b>4,603,926</b>	<b>966,824</b>	<b>966,824</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Leased Meter Adjust	Federal	21.000000%	-	156,417	(156,417)	(32,848)	(32,848)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Leased Meter Adjust	Kentucky	4.968500%	-	156,417	(156,417)	(7,772)	(7,772)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Leased Meter Adjust	Kentucky Offset	-1.043385%	-	156,417	(156,417)	1,632	1,632
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Leased Meter Adjust Total			-	<b>469,252</b>	<b>(469,252)</b>	<b>(38,987)</b>	<b>(38,987)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Meters & Trans	Federal	21.000000%	-	(214,261)	214,261	44,995	44,995
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Meters & Trans	Kentucky	4.968500%	-	(214,261)	214,261	10,646	10,646
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Meters & Trans	Kentucky Offset	-1.043385%	-	(214,261)	214,261	(2,236)	(2,236)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Meters & Trans Total			-	<b>(642,784)</b>	<b>642,784</b>	<b>53,405</b>	<b>53,405</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Misc Diffts	Federal	21.000000%	-	(184,485)	184,485	38,742	38,742
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Misc Diffts	Kentucky	4.968500%	-	(184,485)	184,485	9,166	9,166
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Misc Diffts	Kentucky Offset	-1.043385%	-	(184,485)	184,485	(1,925)	(1,925)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Misc Diffts Total			-	<b>(553,456)</b>	<b>553,456</b>	<b>45,983</b>	<b>45,983</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Mixed Service Costs 263A	Federal	21.000000%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Mixed Service Costs 263A	Kentucky	4.968500%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Mixed Service Costs 263A	Kentucky Offset	-1.043385%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Mixed Service Costs 263A Total			-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Non-cash Overheads	Federal	21.000000%	-	(7,817,675)	7,817,675	1,641,712	1,641,712
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Non-cash Overheads	Kentucky	4.968500%	-	(7,817,675)	7,817,675	388,421	388,421
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Non-cash Overheads	Kentucky Offset	-1.043385%	-	(7,817,675)	7,817,675	(81,568)	(81,568)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Non-cash Overheads Total			-	<b>(23,453,025)</b>	<b>23,453,025</b>	<b>1,948,565</b>	<b>1,948,565</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	OPERATING LEASES BOOK	Federal	21.000000%	-	7,610,404	(7,610,404)	(1,598,185)	(1,598,185)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	OPERATING LEASES BOOK	Kentucky	4.968500%	-	7,610,404	(7,610,404)	(378,123)	(378,123)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	OPERATING LEASES BOOK	Kentucky Offset	-1.043385%	-	7,610,404	(7,610,404)	79,406	79,406
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	OPERATING LEASES BOOK Total			-	<b>22,831,211</b>	<b>(22,831,211)</b>	<b>(1,896,902)</b>	<b>(1,896,902)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Percentage Repair Allowance	Federal	21.000000%	-	755,839	(755,839)	(158,726)	(158,726)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Percentage Repair Allowance	Kentucky	4.968500%	-	755,839	(755,839)	(37,554)	(37,554)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Percentage Repair Allowance	Kentucky Offset	-1.043385%	-	755,839	(755,839)	7,886	7,886
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Percentage Repair Allowance Total			-	<b>2,267,518</b>	<b>(2,267,518)</b>	<b>(188,394)</b>	<b>(188,394)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PPE Impairment	Federal	21.000000%	-	(9,936)	9,936	2,087	2,087
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PPE Impairment	Kentucky	4.968500%	-	(9,936)	9,936	494	494
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PPE Impairment	Kentucky Offset	-1.043385%	-	(9,936)	9,936	(104)	(104)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PPE Impairment Total			-	<b>(29,809)</b>	<b>29,809</b>	<b>2,477</b>	<b>2,477</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PR Tax	Federal	21.000000%	-	2,241	(2,241)	(471)	(471)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PR Tax	Kentucky	4.968500%	-	2,241	(2,241)	(111)	(111)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PR Tax	Kentucky Offset	-1.043385%	-	2,241	(2,241)	23	23
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	PR Tax Total			-	<b>6,723</b>	<b>(6,723)</b>	<b>(559)</b>	<b>(559)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Purch Res	Federal	21.000000%	-	205,276	(205,276)	(43,108)	(43,108)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Purch Res	Kentucky	4.968500%	-	205,276	(205,276)	(10,199)	(10,199)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Purch Res	Kentucky Offset	-1.043385%	-	205,276	(205,276)	2,142	2,142
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Purch Res Total			-	<b>615,828</b>	<b>(615,828)</b>	<b>(51,165)</b>	<b>(51,165)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Sect. 174 Adjust	Federal	21.000000%	-	4,420,372	(4,420,372)	(928,278)	(928,278)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Sect. 174 Adjust	Kentucky	4.968500%	-	4,420,372	(4,420,372)	(219,626)	(219,626)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Sect. 174 Adjust	Kentucky Offset	-1.043385%	-	4,420,372	(4,420,372)	46,121	46,121
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Sect. 174 Adjust Total			-	<b>13,261,116</b>	<b>(13,261,116)</b>	<b>(1,101,783)</b>	<b>(1,101,783)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Section 174 O&M	Federal	21.000000%	525,026	(14,025)	539,051	113,201	113,201
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Section 174 O&M	Kentucky	4.968500%	525,025	(14,025)	539,050	26,783	26,783
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Section 174 O&M	Kentucky Offset	-1.043385%	525,025	(14,025)	539,050	(5,624)	(5,624)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Section 174 O&M Total			<b>1,575,076</b>	<b>(42,076)</b>	<b>1,617,152</b>	<b>134,359</b>	<b>134,359</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Capitalized	Federal	21.000000%	-	(186,853)	186,853	39,239	39,239



VERSION_DESC	TAX_SEGMENT	TAX_RECONCILE_ITEM_DESC	JURISDICTION_ID_DESX	END_STATUTORY_RATE	Net Tax	Net Book	Timing Diff	Def Tax (Timing Diff x Tax Rate)	Check (Rate x Diff)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Capitalized	Kentucky	4.968500%	-	(186,853)	186,853	9,284	9,284
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Capitalized	Kentucky Offset	-1.043385%	-	(186,853)	186,853	(1,950)	(1,950)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Software Capitalized Total</b>			<b>-</b>	<b>(560,559)</b>	<b>560,559</b>	<b>46,573</b>	<b>46,573</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Expense	Federal	21.000000%	-	24,595	(24,595)	(5,165)	(5,165)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Expense	Kentucky	4.968500%	-	24,595	(24,595)	(1,222)	(1,222)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Software Expense	Kentucky Offset	-1.043385%	-	24,595	(24,595)	257	257
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Software Expense Total</b>			<b>-</b>	<b>73,785</b>	<b>(73,785)</b>	<b>(6,130)</b>	<b>(6,130)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Dept Adjust	Federal	21.000000%	-	55,379	(55,379)	(11,630)	(11,630)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Dept Adjust	Kentucky	4.968500%	-	55,379	(55,379)	(2,751)	(2,751)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Dept Adjust	Kentucky Offset	-1.043385%	-	55,379	(55,379)	578	578
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Tax Dept Adjust Total</b>			<b>-</b>	<b>166,137</b>	<b>(166,137)</b>	<b>(13,803)</b>	<b>(13,803)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Expensing	Federal	21.000000%	-	310,729,725	(310,729,725)	(65,253,242)	(65,253,242)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Expensing	Kentucky	4.968500%	-	310,729,725	(310,729,725)	(15,438,606)	(15,438,606)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Expensing	Kentucky Offset	-1.043385%	-	310,729,725	(310,729,725)	3,242,107	3,242,107
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Tax Expensing Total</b>			<b>-</b>	<b>932,189,175</b>	<b>(932,189,175)</b>	<b>(77,449,741)</b>	<b>(77,449,741)</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Repair Retirements	Federal	21.000000%	-	(2,678,771)	2,678,771	562,542	562,542
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Repair Retirements	Kentucky	4.968500%	-	(2,678,771)	2,678,771	133,095	133,095
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Tax Repair Retirements	Kentucky Offset	-1.043385%	-	(2,678,771)	2,678,771	(27,950)	(27,950)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Tax Repair Retirements Total</b>			<b>-</b>	<b>(8,036,313)</b>	<b>8,036,313</b>	<b>667,687</b>	<b>667,687</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	TIC	Federal	21.000000%	-	(15,729,151)	15,729,151	3,303,122	3,303,122
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	TIC	Kentucky	4.968500%	-	(15,729,151)	15,729,151	781,503	781,503
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	TIC	Kentucky Offset	-1.043385%	-	(15,729,151)	15,729,151	(164,116)	(164,116)
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>TIC Total</b>			<b>-</b>	<b>(47,187,453)</b>	<b>47,187,453</b>	<b>3,920,509</b>	<b>3,920,509</b>
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Training Costs	Federal	21.000000%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Training Costs	Kentucky	4.968500%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	Training Costs	Kentucky Offset	-1.043385%	-	-	-	-	-
1651 DEO/DEI/DEK Master Case 2018+	DEK Elec Tax	<b>Training Costs Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Grand Total	DEK Elec Tax Total				1,625,969,619	4,461,309,395	(2,835,339,776)	(247,110,114)	(0)

DUKE ENERGY KENTUCKY  
ACCUMULATED DEFERRED INCOME TAXES BALANCES JAN 2023 - JUN 2026  
AG-DR-02-57(c)

Reporting Period  
Source Period

Jun-26

AG-DR-02-57(c)

Code	Name	Ending Balance	Underlying book accounts included for rate base?	Total ADIT Included in Rate Base	Total ADIT Excluded from Rate Base	Underlying Temporary Difference Added to Rate Base
190001/2	ADIT: Prepaid: Taxes					
AT_OTH_190_NC_EPRI_Credit	Other Noncurrent After-tax DTA for EPRI Credit	701,659	Excluded		701,659	
AT_OTH_190_NC_R&D_CREDIT	Other Noncurrent After-Tax DTA for R&D Credit	1,423,387	Excluded		1,423,387	
AT_OTH_190_NC_Alt Min Tax	NC Alternative Minimum Tax (AMT)	12,192,082	Included	12,192,082		
AT_OTH_190_NC_FMLA_CREDIT	Paid Family & Medical Leave Credit Carryforward	7,002	Excluded		7,002	
T11A02	Bad Debts - Tax over Book	788,559	Excluded		788,559	
T11B08	Surplus Materials Write-Off Asset	(0)	Excluded		(0)	
T11B16	OFFSITE GAS STORAGE COSTS	0	Excluded		0	
T13B19	Leased Meters - Elec & Gas	(28,017)	Excluded		(28,017)	
T15A22	Mark to Market - LT	1,838	Excluded		1,838	
T19A51	Extra Facility Lighting	6,778	Excluded		6,778	
T19A55	Workers Com Reserve	45,087	Excluded		45,087	
T15A95	Unamortized Debt Premium	0	Excluded		0	
T15B07	Cash Flow Hedge - Reg Asset/Liab	1,117,405	Excluded		1,117,405	
T17A02	Accrued Vacation	298,767	Excluded		298,767	
T17A30	Property Tax Reserves	48,027	Excluded		48,027	
T17A40	SEVERANCE RESERVE - LT	116,688	Excluded		116,688	
T17A41	Unbilled Fuel Revenue - NC	0	Excluded		0	
T18A02	Deferred Revenue	722,177	Excluded		722,177	
T20A41	Rate Refunds	0	Excluded		0	
T20A54	Reg Liability - Rate Case Expense - Amortization - NC	(14,090)	Included	(14,090)		WPB-1
T20C02	Demand Side Management (DSM) Defer	592,172	Excluded		592,172	
T22A01	Emission Allowance Expense	(4,729)	Excluded		(4,729)	
T22A06	Operating Lease Obligation	1,516,370	Excluded		1,516,370	
T22A07	Charitable Contribution Carryover	0	Excluded		-	
T22A28	Retirement Plan Expense - Underfunded	4,431,658	Excluded		4,431,658	
T22A29	Non-qualified Pension - Accrual	6	Excluded		6	
T22A30	Retirement Plan Funding - Underfunded	(1,148,722)	Excluded		(1,148,722)	
T22A56	Environmental Reserve	(40,763)	Excluded		(40,763)	
T22B13	ANNUAL INCENTIVE PLAN COMP	103,698	Excluded		103,698	
T22B15	PAYABLE 401 (K) MATCH	3,670	Excluded		3,670	
T22E02	OPEB Expense Accrual	487,914	Excluded		487,914	
T22E06	FAS 112 Medical Expenses Accrual	363,897	Excluded		363,897	
Total 190001/2		23,732,522				
190155	Deferred Tax - NOL					
AT_OTH_190_NC_Federal NOL	190155_Other NC Federal NOLs	0				
Total 190155		0				
190156	Deferred Tax_State NOLs					
AT_OTH_190_KY_STATE_NOL	Other KY State NOLs	0				
Total 190156		0				
<b>Account 190 - OTP Balance</b>		<b>23,732,523</b>				
<b>Add: Account 0190013 Not in OTP Report Above</b>		<b>(405,013)</b>	Excluded		(405,013)	
<b>Add: Other (OTP to GL Immaterial Difference)</b>		<b>(1)</b>				
<b>Total Account 190</b>		<b>23,327,509</b>		12,177,993	11,149,516	
<i>Per B-6 As Filed</i>		23,327,509		12,177,993	11,149,516	
<i>Check</i>		-		(0)	0	
283100/1	ADIT: Other					
T15A24	Loss on Reacquired Debt-Amort	(36,761)	Excluded		(36,761)	
T15B02	Reg Asset/Liab Def Revenue	697,553	Excluded		697,553	
T15B04	Reg Asset - Accr Pension FAS158 - FAS87Qual	1	Excluded		1	
T15B18	Reg Asset Storm Damage Recovery	0	Excluded		0	
T15B28	Reg Asset - Rate Case Expense	(33,453)	Included	(33,453)		WPB-1
T15B29	Reg Asset-Pension Post Retirement PAA-FAS87Qual and Oth	(4,957,778)	Excluded		(4,957,778)	
T15B35	Regulatory Asset - Carbon Management	(99,695)	Included	(99,695)		WPB-1

DUKE ENERGY KENTUCKY  
 ACCUMULATED DEFERRED INCOME TAXES BALANCES JAN 2023 - JUN 2026  
 AG-DR-02-57(c)

Reporting Period Jun-26  
 Source Period

			AG-DR-02-57(c)			
Code	Name	Ending Balance	Underlying book accounts included for rate base?	Total ADIT Included in Rate Base	Total ADIT Excluded from Rate Base	Underlying Temporary Difference Added to Rate Base
T15B37	Reg Asset-Pension Post Retirement PAA-FAS87NQ and Oth	(1,543)	Excluded		(1,543)	
T15B38	Reg Asset-Pension Post Retirement PAA-FAS 106 and Oth	(307,215)	Excluded		(307,215)	
T15B40	Reg Asset - Accr Pension FAS158 - FAS87NQ	1,189,400	Excluded		1,189,400	
T15B41	Reg Asset - Accr Pension FAS158 - FAS 106/112	(296,702)	Excluded		(296,702)	
T15B43	Reg Asset - Transition from MISO to PJM	3,093,318	Excluded		3,093,318	
T15B51	Reg Liability - Overcollection of Revenue Refund Adj	925,688	Excluded		925,688	
T15B52	Storm Cost Deferral- Asset	(8,733)	Excluded		(8,733)	
T15B69	Reg Asset Opt Out Tariff IT Modifications	0	Excluded		0	
T15B77	Non-AMI Meters Retired Early - NBV	(642,315)	Excluded		(642,315)	
T15B81	Reg Asset_Liab - Outage Costs	(3,836,982)	Included	(3,836,982)		WPB-1
T15B83	Reg Asset - Rate Case Expense - Amortization - NC	(179,101)	Included	(179,101)		WPB-1
T17A01	Vacation Carryover - Reg Asset	(204,653)	Excluded		(204,653)	
T19A71	Reg Asset/Liab - ESM Deferral	(1,347,079)	Excluded		(1,347,079)	
T20A30	REPS Incremental Costs	(229)	Excluded		(229)	
T20A38	Regulatory Asset - Deferred Plant Costs	(4,307,667)	Included	(4,307,667)		B-2.2
T22A15	Operating Lease Deferral	(112,475)	Excluded		(112,475)	
T22A23	Retirement Plan Expense - Overfunded	(3,655,921)	Excluded		(3,655,921)	
Total 283100/1		(14,122,342)				
<b>Account 283 - OTP Balance</b>		<b>(14,122,342)</b>				
<b>Add: Other (OTP to GL Immaterial Difference)</b>		<b>0</b>				
<b>Total Account 283</b>		<b>(14,122,342)</b>		(8,456,898)	(5,665,445)	
<i>Check to first tab</i>						
<i>Per B-6 SFR As Filed</i>		(14,122,342)		(8,456,898)	(5,665,445)	
<i>Check</i>		-		0	0	

282100/1		Forecast
ELECTRIC		Jun-26
TAX_SEGMENT	TAX_RECONCILE_ITEM_DESC	
DEK Elec Tax	AAA COR	(4,641,438)
DEK Elec Tax	AAA Method/Life	(163,822,846)
DEK Elec Tax	ACQUISITION ADJMT	(24,648)
DEK Elec Tax	AFUDC Debt	(2,242,482)
DEK Elec Tax	AFUDC Equity	(3,316,464)
DEK Elec Tax	ARO	(18,446,949)
DEK Elec Tax	Casualty Loss	(784,921)
DEK Elec Tax	Casualty Restoration Addback	3,907,184
DEK Elec Tax	CIAC	3,846,547
DEK Elec Tax	CIAC Non-Interfaced	594,162
DEK Elec Tax	Clearing Cost	4,130
DEK Elec Tax	Coal Ash - Capital for tax	3,908,599
DEK Elec Tax	Depr Cap Trans Equip	(30,499)
DEK Elec Tax	Depreciation Lag	(648)
DEK Elec Tax	Disallow Meals & Entertainment	(74,129)
DEK Elec Tax	Entertain 100% Non-Deduct	(2,027)
DEK Elec Tax	Hardware Capitalized	50,855
DEK Elec Tax	Highway Bill	(39,983)
DEK Elec Tax	Impairment Adjustment	264,506
DEK Elec Tax	ITC Basis Reduction	(599,014)
DEK Elec Tax	Job Creation - Adj to Prior Year	1,007,358
DEK Elec Tax	Leased Meter Adjust	(40,622)
DEK Elec Tax	Meters & Trans	55,644
DEK Elec Tax	Misc Diffs	47,911
DEK Elec Tax	Non-cash Overheads	2,030,256
DEK Elec Tax	OPERATING LEASES BOOK	(1,976,428)
DEK Elec Tax	Percentage Repair Allowance	(196,292)
DEK Elec Tax	PPE Impairment	2,580

All underlying PP&E book accounts are included in rate base.

DUKE ENERGY KENTUCKY  
 ACCUMULATED DEFERRED INCOME TAXES BALANCES JAN 2023 - JUN 2026  
 AG-DR-02-57(c)

Reporting Period Jun-26  
 Source Period

AG-DR-02-57(c)			
Underlying book accounts included for rate base?	Total ADIT Included in Rate Base	Total ADIT Excluded from Rate Base	Underlying Temporary Difference Added to Rate Base

Code	Name	Ending Balance
DEK Elec Tax	PR Tax	(582)
DEK Elec Tax	Purch Res	(53,310)
DEK Elec Tax	Sect. 174 Adjust	(1,147,974)
DEK Elec Tax	Section 174 O&M	139,992
DEK Elec Tax	Software Capitalized	48,526
DEK Elec Tax	Software Expense	(6,387)
DEK Elec Tax	Tax Dept Adjust	(14,382)
DEK Elec Tax	Tax Expensing	(80,696,749)
DEK Elec Tax	Tax Repair Retirements	695,679
DEK Elec Tax	TIC	4,084,873
<b>DEK Elec Tax Total</b>		<b>(257,469,973)</b>
<b>DEK Elec Tax Total</b>		<b>(257,469,973)</b>
<b>Less ADIT related to ARO</b>		<b>(12,761,296)</b>
<b>Less ADIT generated from non-cash transactions</b>		<b>(3,502,620)</b>
<b>Adjusted Electric Balance</b>		<b>(241,206,057)</b>

GAS		Forecast
TAX_SEGMENT	TAX_RECONCILE_ITEM_DESC	Jun-26
DEK Gas Tax	2023 Gas Repairs 481(a)	(26,665,042)
DEK Gas Tax	AAA COR	(899,755)
DEK Gas Tax	AAA Method/Life	(93,661,017)
DEK Gas Tax	AFUDC Debt	(735,274)
DEK Gas Tax	AFUDC Equity	(859,406)
DEK Gas Tax	ARO	(1,263,740)
DEK Gas Tax	CIAC	1,337,669
DEK Gas Tax	CIAC Non-Interfaced	124,684
DEK Gas Tax	Depr Cap Trans Equip	(22,511)
DEK Gas Tax	Depreciation Lag	42
DEK Gas Tax	Disallow Meals & Entertainmnt	(6,580)
DEK Gas Tax	Entertain 100% Non-Deduct	(11)
DEK Gas Tax	Hardware Capitalized	13,486
DEK Gas Tax	Highway Bill	(1,535)
DEK Gas Tax	ITC Basis Reduction	(165)
DEK Gas Tax	Job Creation - Adj to Prior Year	823,620
DEK Gas Tax	Leased Meter Adjust	(3,638,567)
DEK Gas Tax	Meters & Trans	92,496
DEK Gas Tax	Misc Diffs	39,108
DEK Gas Tax	Non-cash Overheads	592,722
DEK Gas Tax	Percentage Repair Allowance	(360,884)
DEK Gas Tax	PR Tax	(18)
DEK Gas Tax	Purch Res	(2,407)
DEK Gas Tax	Section 174 O&M	445,305
DEK Gas Tax	Software Capitalized	10,362
DEK Gas Tax	Tax Dept Adjust	(75,470)
DEK Gas Tax	Tax Expensing	(3,529,370)
DEK Gas Tax	TIC	1,242,228
<b>DEK Elec Gas Total</b>		<b>(127,000,029)</b>
<b>DEK Gas Tax Total</b>		<b>(127,000,029)</b>
<b>Less ADIT related to ARO</b>		<b>(1,074,613)</b>
<b>Less ADIT generated from non-cash transactions</b>		<b>(1,173,762)</b>
<b>Adjusted Gas Balance</b>		<b>(124,751,654)</b>
<b>Electric + Gas</b>		
<b>Adjusted Electric Balance</b>		<b>(241,206,057)</b>
<b>Adjusted Gas Balance</b>		<b>(124,751,654)</b>

DUKE ENERGY KENTUCKY  
 ACCUMULATED DEFERRED INCOME TAXES BALANCES JAN 2023 - JUN 2026  
 AG-DR-02-57(c)

Reporting Period  
 Source Period

Jun-26

AG-DR-02-57(c)

Code	Name	Ending Balance
<b>Total Adjusted Balance</b>		(365,957,711)
<b>Per WPB-6</b>		
<i>Check to first tab</i>		
<b>Per B-6 SFR As Filed</b>		(365,957,711)
<i>Check</i>		<u>0</u>

Underlying book accounts included for rate base?	Total ADIT Included in Rate Base	Total ADIT Excluded from Rate Base	Underlying Temporary Difference Added to Rate Base
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**Note:** The cumulative temporary difference detail for FERC ADIT Account 282 is better represented through using the Power Tax system than the One Source Tax Provision system. Therefore, for this case the Power Tax format is being used rather than the One Source Tax Provision system for 282. The One Source Tax Provision system will still provide the FERC ADIT Account 190 and 283 detail. Due to differences in how One Source Tax Provision and Power Tax organize and report their data, we cannot provide a breakout similar to the WP B-6 format for 282 (i.e. by Gas Utility, Electric Utility and Non-Utility). We are providing the detail for 282 in total for DEK Electric and DEK Gas and showing how that agrees to the total of the three categories per the WP B-6.

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-058**

**REQUEST:**

Refer to Attachments IAK-2 and IAK-3 to the Direct Testimony of Ibrar Khera.

- a. Provide two schedules in the same format as the referenced Attachments with weather normalized historic sales (mWh) and loads (mW), respectively, for the calendar years 2014 through 2024 and the base period ending August 2024 (using actual sales and loads for all months in the base period as the starting point, not six months of forecast sales and loads as the starting point).
- b. Confirm that the historic and forecast sales and loads are as delivered, not as billed.

**RESPONSE:**

- a. Please see AG-DR-02-058 Attachment.
- b. The historical sales are based on billed and forecasted sales are based on calendar (as delivered).

**PERSON RESPONSIBLE:** Ibrar A. Khera

<b>DEK Weather Normalized Billed Sales by Class, in MWHs</b>							
Year	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	STREET-HWY LIGHTING	OPA	OTHER	TOTAL CONSUMPTION
2014	1,492,141	1,475,129	833,447	15,274	292,526	954	4,109,472
2015	1,433,925	1,474,267	810,877	15,120	290,332	804	4,025,326
2016	1,442,859	1,479,344	804,352	15,264	290,494	757	4,033,070
2017	1,444,667	1,458,606	801,895	15,077	278,079	1,136	3,999,460
2018	1,456,243	1,454,356	807,674	14,317	280,884	689	4,014,163
2019	1,458,839	1,441,704	811,849	13,759	272,558	928	3,999,637
2020	1,504,791	1,416,699	745,276	13,827	187,298	591	3,868,482
2021	1,500,852	1,527,727	748,956	13,143	149,868	666	3,941,212
2022	1,484,391	1,412,893	734,749	12,832	230,608	1,071	3,876,544
2023	1,478,495	1,484,443	746,207	12,163	227,881	325	3,949,515
2024	1,499,486	1,518,679	724,642	12,682	233,204	107	3,988,801
<b>12-month ending in Aug 2024</b>	1,506,427	1,518,549	747,850	12,218	228,639	224	4,013,906

<b>DEK Weather Normalized Peak by season, in MW</b>		
<b>Year</b>	<b>Summer</b>	<b>Winter</b>
2014	866	837
2015	886	819
2016	892	771
2017	902	776
2018	862	796
2019	838	818
2020	831	785
2021	838	661
2022	833	698
2023	837	716
2024	879	756



**REQUEST:**

Refer to Duke Kentucky's response to the Attorney General's First Request, Item 87 and the related attachments. Refer also to the Direct Testimony of John Spanos at 12 – 18, wherein he addresses the Commission's denial of terminal net salvage in the depreciation rates for thermal production plant in the prior rate case and argues that it should be included in this proceeding.

- a. Confirm that Duke Kentucky's response to the Attorney General's First Request, Item 87 is in error as to the representation that, "the rates approved in the order from that case which used the same service life and net salvage parameters proposed in the Depreciation Study" for the thermal production plant accounts. Confirm also that the attachments to Duke Kentucky's response to the Attorney General's First Request, Item 87 correctly reflect the reductions in net salvage to remove the terminal net salvage from the depreciation rates for the thermal production plant accounts and do not reflect the terminal net salvage included in the depreciation rates for the thermal production plant accounts included in the Depreciation Study. If not confirmed, explain in detail why not.
- b. Refer to the Attachment to Duke Kentucky's response to the Attorney General's First Request, Item 92 and the depreciation rates used for the "current accrual rates" on the thermal production plant accounts. Confirm that these depreciation rates are incorrect and include terminal net salvage and reflect a probable retirement date of

June 2035 as proposed by Witness Spanos in the Depreciation Study in Case 2022-00372, not the depreciation rates approved by the Commission without terminal net salvage and with a probable retirement date of June 2041 as correctly reflected in the Company's attachments response to the Attorney General's First Request, Item 87. If confirmed, then provide a corrected Attachment to the response to the Attorney General's First Request, Item 92 using the correct depreciation rates for the thermal production plant accounts provided in the attachments to the response to the Attorney General's First Request, Item 87. If not confirmed, explain why not.

**RESPONSE:**

- a. It is not "in error" to say, "the rates approved in the order from that case which used the same service life and net salvage parameters proposed in the Depreciation Study." The only difference in the proposed and approved rates is the exclusion of terminal net salvage for the thermal production plant accounts. The exclusion of terminal net salvage results in a weighted net salvage percent that is less negative than that presented in the Depreciation Study. However, as indicated in Mr. Spanos's testimony, the service life and net salvage estimates underlying both sets of rates are the same. The attachments included with the response to DR-01-087 represent the approved rates and the parameters associated with those approved rates.
- b. Confirmed that the "current accrual rates" are incorrect. Please see AG-DR-02-059(b) Attachment.

**PERSON RESPONSIBLE:**

John J. Spanos – a.  
Sharif S. Mitchell – b.

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

STEAM PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxH)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$							
1	310	3100	Land and Land Rights	7,270,233	105,677							
2	311	3110	Structures & Improvements	130,360,214	62,866,643	5.41%	7,052,488	4.02%	5,240,481	1,812,007	24.925%	451,645
3	312	3120	Boiler Plant Equipment	580,229,539	334,171,765	3.87%	22,454,883	2.70%	15,666,198	6,788,685	24.925%	1,692,087
4	312	3123	Boiler Plant Equip - SCR Catalyst	8,054,003	6,967,253	4.18%	336,657	5.91%	475,992	(139,335)	24.925%	(34,729)
5	314	3140	Turbogenerator Equipment	122,525,657	50,650,221	5.24%	6,420,344	2.89%	3,540,991	2,879,353	24.925%	717,681
6	315	3150	Accessory Electric Equipment	49,741,207	32,120,886	3.17%	1,576,796	1.72%	855,549	721,247	24.925%	179,772
7	316	3160	Miscellaneous Powerplant Equipment	25,942,235	14,087,996	4.21%	1,092,168	3.08%	799,021	293,147	24.925%	73,067
8	317	3170	AROs	0	0	Various		Various				
9			Case 2015-120 Acq of DPL Share of East Bend	7,695,137	0	-	591,934		591,934	-		-
10			Completed Construction Not Classified	0	0		0					
11		108	Retirement Work in Progress	0	(29,021,875)		0					
12			Total Steam Production Plant	931,818,225	471,948,566		39,525,270		27,170,165	12,355,105		3,079,522

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

OTHER PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$		\$					
1	340	3400	Land and Land Rights	2,409,908	5,123	0.00%						
2	340	3401	Rights of Way	0	0	0.00%	0	0.00%	-	-		-
3	341	3410	Structures & Improvements	39,105,237	30,603,674	1.74%	680,431	1.43%	559,205	121,226	24.925%	30,216
4	342	3420	Fuel Holders, Producers, Accessories	65,797,312	15,797,254	5.93%	3,901,781	5.12%	3,368,822	532,959	24.925%	132,840
5	343	3430	Prime Movers	9,412,658	(2,760,370)	6.67%	627,824	5.75%	541,228	86,596	24.925%	21,584
6	344	3440	Generators	230,946,272	159,949,585	2.76%	6,374,117	2.44%	5,635,089	739,028	24.925%	184,203
7	344	3446	Solar Generators	16,116,637	4,094,745	5.23%	842,900	5.17%	833,230	9,670	24.925%	2,410
8	345	3450	Accessory Electric Equipment	21,311,175	14,919,616	2.67%	569,008	2.81%	598,844	(29,836)	24.925%	(7,437)
9	345	3456	Solar Accessory Electric Equipment	3,676,452	695,640	4.46%	163,970	5.46%	200,734	(36,764)	24.925%	(9,164)
10	346	3460	Miscellaneous Plant Equipment	5,919,120	3,947,050	2.80%	165,735	2.26%	133,772	31,963	24.925%	7,967
11	347	3476	ARO - Solar - Other Production	0	0	Various	0	0	-	-		-
12			Completed Construction Not Classified	0	0							
13		108	Retirement Work in Progress	0	(125,215.00)							
14			Total Other Production Plant	394,694,771	227,127,102		13,325,766		11,870,925	1,454,841		362,621

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

TRANSMISSION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxH)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$							
1	350	3500	Land	357,042	324	0.00%						
2	350	3501	Rights of Way	10,654,574	1,025,454	1.30%	138,509	0.93%	99,088	39,421	24.925%	9,826
3	352	3520	Structures & Improvements	6,986,560	870,892	1.76%	122,963	1.69%	118,073	4,890	24.925%	1,219
4	353	3530	Station Equipment	37,723,393	4,770,018	2.23%	841,232	2.31%	871,410	(30,178)	24.925%	(7,522)
5	353	3531	Station Equipment - Step Up	10,844,053	5,583,415	2.50%	271,101	2.52%	273,270	(2,169)	24.925%	(541)
6	353	3532	Station Equipment - Major	13,244,554	3,097,491	1.78%	235,753	1.78%	235,753	(0)	24.925%	(0)
7	353	3534	Station Equipment - Step Up Equipment	8,872,106	3,064,316	2.72%	241,321	2.87%	254,629	(13,308)	24.925%	(3,317)
8	355	3550	Poles & Fixtures	46,250,360	(4,105,066)	2.45%	1,133,134	2.57%	1,188,634	(55,500)	24.925%	(13,833)
9	356	3560	Overhead Conductors & Devices	22,467,590	3,024,749	2.23%	501,027	2.09%	469,573	31,454	24.925%	7,840
10	356	3561	Overhead Conductors - Clear R/W	3,303,607	254,768	1.53%	50,545	1.54%	50,876	(331)	24.925%	(82)
11			Completed Construction Not Classified	0	0							
12		108	Retirement Work in Progress	0	(4,842,092)							
13			Total Transmission Plant	160,703,839	12,744,269		3,535,585		3,561,306	(25,721)		(6,411)

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

DISTRIBUTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxH)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$							
1	360	3600	Land and Land Rights	18,539,153	35,448							
2	360	3601	Rights of Way	6,075,504	3,366,108	0.71%	43,136	0.69%	41,921	1,215	24.925%	303
3	361	3610	Structures & Improvements	3,462,289	105,148	1.72%	59,551	1.88%	65,091	(5,540)	24.925%	(1,381)
4	362	3620	Station Equipment	104,578,229	20,947,546	3.51%	3,670,696	3.91%	4,089,009	(418,313)	24.925%	(104,265)
5	362	3622	Station Equipment - Major	54,712,564	12,381,127	1.77%	968,412	1.73%	946,527	21,885	24.925%	5,455
6	363	3630	Storage Battery Equipment	0	0		0	0.00%	-	-	24.925%	-
7	364	3640	Poles, Towers & Fixtures	89,912,849	30,115,243	2.46%	2,211,856	2.38%	2,139,926	71,930	24.925%	17,929
8	365	3650	Overhead Conductors & Devices	173,850,609	36,966,481	2.57%	4,467,961	2.51%	4,363,650	104,311	24.925%	26,000
9	365	3651	Overhead Conductors - Clear R/W	9,830,247	1,049,899	1.50%	147,454	1.50%	147,454	0	24.925%	0
10	366	3660	Underground Conduit	56,165,678	11,686,738	1.60%	898,651	1.60%	898,651	0	24.925%	0
11	367	3670	Underground Conductors & Devices	114,333,811	27,493,586	2.51%	2,869,779	2.53%	2,892,645	(22,866)	24.925%	(5,699)
12	368	3680	Line Transformers	98,810,327	28,786,456	2.08%	2,055,255	2.03%	2,005,850	49,405	24.925%	12,314
13	368	3682	Customers Transformer Installation	309,394	280,782	0.56%	1,733	0.53%	1,640	93	24.925%	23
14	369	3691	Services - Underground	3,219,840	989,964	2.03%	65,363	1.97%	63,431	1,932	24.925%	482
15	369	3692	Services - Overhead	20,305,135	11,210,754	1.66%	337,065	1.70%	345,187	(8,122)	24.925%	(2,024)
16	370	3700	Meters	4,263,919	1,595,703	3.61%	153,927	4.60%	196,140	(42,213)	24.925%	(10,522)
17	370	3702	AMI Meters	32,132,669	12,610,555	6.10%	1,960,093	6.12%	1,966,519	(6,426)	24.925%	(1,602)
18	371	3711, 3712	Company Owned Outdoor Lighting	1,914,967	329,217	13.65%	261,393	10.78%	206,433	54,960	24.925%	13,699
19	372	3720	Leased Property on Customers	10,907	9,668	N/A	(2)	0.00%	-	-	-	-
20	373	3731	Street Lighting - Overhead	2,832,017	2,299,101	1.06%	30,019	1.25%	35,400	(5,381)	24.925%	(1,341)
21	373	3732	Street Lighting - Boulevard	3,879,619	2,823,180	1.01%	39,184	1.12%	43,452	(4,268)	24.925%	(1,064)
22	373	3733	Street Lighting - Cust, Private Outdoor Lighting	0	0	4.78%	0	4.21%	-	-	24.925%	-
23	373	3734	Light Choice OLE	0	0	4.78%	0	4.21%	-	-	24.925%	-
24			Completed Construction Not Classified	0	0		0		-	-		-
25		108	Retirement Work in Progress	0	(25,130,677)		0		-	-		-
26			Total Distribution Plant	799,139,727	179,952,027		20,241,528		20,448,927	(207,399)		(51,694)

(1) Plant Investment includes Completed Construction Not Classified (Account 106).  
 (2) This account is fully depreciated.

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

GENERAL PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxH)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$							
1	303	3030	Miscellaneous Intangible Plant	57,142,504	23,532,655	Various	5,181,547	Various	5,181,547	-	24.925%	-
2	390	3900	Structures & Improvements	260,891	79,947	2.98%	7,775	3.33%	8,688	(913)	24.925%	(227)
3	391	3910	Office Furniture & Equipment	585,107	69,298	5.00%	29,255	5.00%	29,255	(1)	24.925%	(0)
4	391	3910-URR	Office Furniture & Equipment		0	NA	(1,744)		-	(1,744)	24.925%	(435)
5	391	3911	Electronic Data Proc Equip	7,548,018	2,841,630	20.00%	1,509,604	20.00%	1,509,604	0	24.925%	0
6	391	3911-URR	Electronic Data Proc Equip		0	NA	(16,380)		-	(16,380)	24.925%	(4,083)
7	392	3920	Transportation Equipment	1,453,958	591,035	6.11%	Transp Expense	6.20%	Transp Expense	Transp Expense	24.925%	Transp Expense
8	392	3921	Trailers	427,975	230,282	1.37%	Transp Expense	1.93%	Transp Expense	Transp Expense	24.925%	Transp Expense
9	394	3940	Tools, Shop & Garage Equipment	6,449,067	1,673,008	4.00%	257,963	4.00%	257,963	0	24.925%	0
10	394	3940-URR	Tools, Shop & Garage Equipment		0	NA	(2) 8,000		-	8,000	24.925%	1,994
11	396	3960	Power Operated Equipment	18,515	10,883	2.59%	Transp Expense	4.18%	Transp Expense	Transp Expense	24.925%	Transp Expense
12	397	3970	Communication Equipment	33,800,485	7,666,922	6.67%	2,254,492	6.67%	2,254,492	(0)	24.925%	(0)
13	397-URR	3970	Communication Equipment		0	NA	(2) (5,942)	NA	-	(5,942)	24.925%	(1,481)
14			Completed Construction Not Classified	0	0	8.71%	0					
15		108	Retirement Work in Progress	0	11,104							
16			Total General Plant	107,686,520	36,706,764		9,224,570		9,241,549	(16,979)		(4,232)
17			Total Electric Plant	2,394,043,082	928,478,728		85,852,719		72,292,871	13,559,848		3,379,806

(1) Plant Investment includes Completed Construction Not Classified (Account 106).  
 (2) 5 year life for Unrecovered Reserve for Amortization

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2024-00354  
 DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
 JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
 FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
 THIRTEEN MONTH AVERAGE AS OF JUNE 30, 2026

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxH)	Current Accrual Rate (H)	Calculated Depr/Amort Expense (I=DxH)	Difference Actual vs Proposed (J=G-I)	Effective Tax Rate (K)	ADIT Impact (L=J*K)
				Plant Investment (1) (D)	Accumulated Balance (E)							
				\$	\$							
1		1030	Miscellaneous Intangible Plant	22,442,698	22,397,810	Various (4)	0	Various				
2		1890	Land and Land Rights	1,041,678	0	0.00%	0	0.00%				
3		1900	Structures & Improvements	21,955,911	3,418,098	4.17% (2)	915,561	5.39%	1,183,424	(267,863)	24.925%	(66,765)
4		1910	Office Furniture & Equipment	1,560,369	489,792	5.00%	78,018	5.00%	78,018	(0)	24.925%	(0)
5		1910-URR	Office Furniture & Equipment		0	NA (3)	(12,200)		-	(12,200)		
6		1911	Office Furniture & Equipment - EDP Equipment	(8,282)	(13,946)	20.00%	(1,656)	10.01%	(829)	(827)	24.925%	(206)
7		1911-URR	Office Furniture & Equipment - EDP Equipment		0	NA (3)	6,208		-	6,208		
8		1940	Tools, Shop & Garage Equipment	107,198	75,673	4.00%	4,288	4.00%	4,288	0	24.925%	0
9		1940-URR	Tools, Shop & Garage Equipment		0	NA (3)	(4,480)		-	(4,480)		
10		1970	Communication Equipment	3,872,062	509,492	6.67%	258,267	6.67%	258,267	0	24.925%	0
11		1970-URR	Communication Equipment		0	NA (3)	(699,420)		-	(699,420)		
12		1980	Miscellaneous Equipment	95,301	58,045	6.67%	6,357	6.67%	6,357	0	24.925%	0
13		1980-URR	Miscellaneous Equipment		0	NA (3)	750		-	750		
14		1990	ARO - Common Plant		0	Various						
15			Completed Construction Not Classified		0	4.78%			0			
16		108	Retirement Work in Progress		4,011							
<b>17 Total Common Plant</b>				<b>51,066,935</b>	<b>26,938,975</b>		<b>551,693</b>		<b>1,529,524</b>	<b>(977,831)</b>		<b>(66,971)</b>
Common Plant Allocated to Electric												
18		70.75%	Original Cost	36,129,858								
19		70.75%	Reserve		19,059,325							
20		70.75%	Annual Provision				390,323		1,082,138	(691,815)		(47,382)
<b>21 Total Electric Plant Including Allocated Common</b>				<b>2,430,172,940</b>	<b>947,538,053</b>		<b>86,243,042</b>		<b>73,375,009</b>	<b>12,868,032</b>		<b>3,332,424</b>

(1) Plant Investment includes Completed Construction Not Classified (Account 106).  
 (2) Composite of four groups in Structures & Improvements account.  
 (3) 5 year life for Unrecovered Reserve for Amortization  
 (4) Fully Amortized



**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-060**

**REQUEST:**

Refer to the Attachments 4 through 6 calculations provided in Duke Kentucky's response to the Attorney General's First Request, Item 94(b). Provide an updated set of these schedules in electronic format with all formulas intact assuming zero terminal net salvage reflected in the depreciation rates for the Crittenden, Walton, and Aero solar other production plant.

**RESPONSE:**

Please see AG-DR-02-060 Attachments 1 through 3 which set forth Attachment 4 through 6 of the Attorney General's First Request, Item 94(b) with the requested files including zero terminal net salvage for the three solar facilities.

**PERSON RESPONSIBLE:**            John J. Spanos

**DUKE ENERGY KENTUCKY**  
**TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2023**

ACCOUNT (1)	PROBABLE RETIREMENT DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2023 (5)	BOOK DEPRECIATION RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)	
							AMOUNT (8)	RATE (9)=(8)/(5)		
<b>COMMON PLANT</b>										
190.00	STRUCTURES AND IMPROVEMENTS									
	ERLANGER OPERATIONS CENTER	06-2065	75-R0.5 *	(10)	11,568,999.57	217,951	12,507,948	341,764	2.95	36.6
	KENTUCKY SERVICE BUILDING - 19TH AND AUGUSTINE	06-2042	75-R0.5 *	(10)	9,390,969.51	1,006,857	9,323,209	534,624	5.69	17.4
	MINOR STRUCTURES		45-R1.5	(10)	123,818.00	4,050	132,150	3,260	2.63	40.5
	TOTAL STRUCTURES AND IMPROVEMENTS				21,083,787.08	1,228,858	21,963,307	879,648	4.17	25.0
191.00	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	1,560,367.88	283,644	1,276,724	78,018	5.00	16.4
191.10	ELECTRONIC DATA PROCESSING		5-SQ	0	9,798.43	2,937	1,960	6,861	20.00	3.5
194.00	TOOLS, SHOP AND GARAGE EQUIPMENT		25-SQ	0	113,849.90	66,236	47,614	4,557	4.00	10.4
197.00	COMMUNICATION EQUIPMENT		15-SQ	0	6,476,478.02	2,255,652	4,220,826	431,807	6.67	9.8
198.00	MISCELLANEOUS EQUIPMENT		15-SQ	0	95,300.80	47,896	47,405	6,354	6.67	7.5
	<b>TOTAL COMMON PLANT</b>				<b>29,339,582.11</b>	<b>3,885,223</b>	<b>27,562,737</b>	<b>1,402,344</b>	<b>4.78</b>	<b>19.7</b>
<b>ELECTRIC PLANT</b>										
<b>STEAM PRODUCTION PLANT</b>										
311.00	STRUCTURES AND IMPROVEMENTS	12-2041	65-S1 *	(4)	187,522,084.98	57,208,047	137,814,921	7,854,303	4.19	17.5
312.00	BOILER PLANT EQUIPMENT	12-2041	50-SQ *	(4)	564,246,027.93	314,969,264	271,846,605	16,341,106	2.90	16.6
312.30	BOILER PLANT EQUIPMENT - SCR CATALYST	12-2041	15-R3 *	0	8,575,295.96	4,914,052	3,661,244	348,124	4.06	10.5
314.00	TURBOGENERATOR UNITS	12-2041	35-S0.5 *	(4)	118,642,288.46	50,324,279	73,063,701	4,849,866	4.09	15.1
315.00	ACCESSORY ELECTRIC EQUIPMENT	12-2041	60-R2 *	(4)	49,973,658.19	32,168,139	19,804,466	1,146,625	2.29	17.3
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	12-2041	55-S0 *	(4)	25,098,630.37	12,694,713	13,407,863	801,017	3.19	16.7
	<b>TOTAL STEAM PRODUCTION PLANT</b>				<b>954,057,985.89</b>	<b>472,278,494</b>	<b>519,598,800</b>	<b>31,341,041</b>	<b>3.29</b>	<b>16.6</b>
<b>OTHER PRODUCTION PLANT</b>										
341.00	STRUCTURES AND IMPROVEMENTS	06-2040	60-R4 *	(3)	36,689,533.13	29,538,890	8,251,330	521,965	1.42	15.8
341.60	STRUCTURES AND IMPROVEMENTS - SOLAR AERO	06-2053	35-R3 *	(3)	1,443,536.06	29,703	1,457,139	53,122	3.68	27.4
	TOTAL STRUCTURES AND IMPROVEMENTS - SOLAR				1,443,536.06	29,703	1,457,139	53,122		
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	06-2040	40-S1.5 *	(3)	61,464,931.99	9,686,255	53,622,625	3,446,825	5.61	15.6
343.00	PRIME MOVERS	06-2040	25-S1 *	(3)	10,506,033.71	1,578,034	9,243,181	663,430	6.31	13.9
344.00	GENERATORS	06-2040	38-S0.5 *	(3)	213,664,301.34	151,533,994	68,540,236	5,074,925	2.38	13.5
344.60	GENERATORS - SOLAR									
	CRITTENDEN	06-2047	25-S2.5 *	(4)	4,472,284.81	1,213,704	3,437,472	195,756	4.38	17.6
	WALTON	06-2047	25-S2.5 *	(4)	6,005,765.45	1,629,864	4,616,132	262,878	4.38	17.6
	AERO	06-2053	25-S2.5 *	(3)	808,767.37	16,991	816,039	34,696	4.29	23.5
	TOTAL GENERATORS - SOLAR				11,286,817.63	2,860,559	8,869,643	493,330		
345.00	ACCESSORY ELECTRIC EQUIPMENT	06-2040	45-S1 *	(3)	19,863,026.64	13,775,207	6,683,711	458,415	2.31	14.6
345.60	ACCESSORY ELECTRIC EQUIPMENT - SOLAR									
	CRITTENDEN	06-2047	30-S2.5 *	(4)	687,705.87	153,609	561,605	27,885	4.05	20.1
	WALTON	06-2047	30-S2.5 *	(4)	1,037,180.86	231,670	846,998	42,056	4.05	20.1
	AERO	06-2053	30-S2.5 *	(3)	3,827,389.27	66,182	3,876,029	148,393	3.88	26.1
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - SOLAR				5,552,276.00	451,461	5,284,632	218,334		
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	06-2040	45-R1.5 *	(3)	5,613,907.69	3,699,841	2,082,483	137,884	2.46	15.1
	<b>TOTAL OTHER PRODUCTION PLANT</b>				<b>366,084,364.19</b>	<b>213,153,944</b>	<b>164,034,980</b>	<b>11,068,230</b>	<b>3.02</b>	<b>14.8</b>
<b>TRANSMISSION PLANT</b>										
350.10	RIGHTS OF WAY		75-R4	0	9,189,963.91	844,506	8,345,458	119,625	1.30	69.8
352.00	STRUCTURES AND IMPROVEMENTS		70-R2.5	(15)	6,033,045.57	466,883	6,471,119	106,127	1.76	61.0
353.00	STATION EQUIPMENT		50-R1	(10)	30,655,651.07	4,828,973	28,892,243	682,875	2.23	42.3
353.10	STATION EQUIPMENT - STEP UP		50-R3	(10)	9,637,831.67	5,127,677	5,473,938	241,163	2.50	22.7
353.20	STATION EQUIPMENT - MAJOR		60-R2.5	(10)	11,448,634.29	2,702,333	9,891,165	203,280	1.78	48.7
353.40	STATION EQUIPMENT - STEP UP EQUIPMENT		40-R2.5	(10)	7,669,076.50	2,642,651	5,793,333	208,469	2.72	27.8
355.00	POLES AND FIXTURES		55-R1	(30)	41,928,438.79	1,841,615	52,665,355	1,028,938	2.45	51.2
356.00	OVERHEAD CONDUCTORS AND DEVICES		55-R1	(25)	14,993,923.44	3,013,685	15,728,719	334,737	2.23	47.0
356.10	OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY		65-R3	0	2,711,503.72	164,395	2,547,109	41,574	1.53	61.3
	<b>TOTAL TRANSMISSION PLANT</b>				<b>134,268,068.96</b>	<b>21,632,717</b>	<b>135,808,439</b>	<b>2,966,788</b>	<b>2.21</b>	<b>45.8</b>

**DUKE ENERGY KENTUCKY**  
**TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2023**

ACCOUNT (1)	PROBABLE RETIREMENT DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2023 (5)	BOOK DEPRECIATION RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)
							AMOUNT (8)	RATE (9)=(8)/(5)	
<b>DISTRIBUTION PLANT</b>									
360.10	RIGHTS OF WAY	75-R4	0	4,782,010.22	3,280,744	1,501,266	34,112	0.71	44.0
361.00	STRUCTURES AND IMPROVEMENTS	70-R2.5	(15)	3,326,794.36	209,141	3,616,673	57,387	1.72	63.0
362.00	STATION EQUIPMENT	32-R0.5	(10)	87,287,630.02	13,125,467	82,890,926	3,067,901	3.51	27.0
362.20	STATION EQUIPMENT - MAJOR	60-R2.5	(10)	46,510,469.83	10,979,120	40,182,397	824,753	1.77	48.7
364.00	POLES, TOWERS AND FIXTURES	55-R0.5	(50)	79,008,762.97	30,530,755	87,982,390	1,939,835	2.46	45.4
365.00	OVERHEAD CONDUCTORS AND DEVICES	53-O1	(40)	153,322,870.92	37,116,816	177,535,203	3,932,780	2.57	45.1
365.10	OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY	65-R3	0	8,136,183.23	776,159	7,360,025	121,783	1.50	60.4
366.00	UNDERGROUND CONDUIT	75-R3	(25)	48,115,496.65	10,252,569	49,891,802	770,620	1.60	64.7
367.00	UNDERGROUND CONDUCTORS AND DEVICES	56-R2	(35)	95,355,409.01	23,735,119	104,994,683	2,394,656	2.51	43.8
368.00	LINE TRANSFORMERS	48-R0.5	(15)	81,048,587.97	28,400,731	64,805,146	1,689,425	2.08	38.4
368.20	LINE TRANSFORMERS - CUSTOMER	55-R1.5	(15)	273,660.52	280,044	34,665	1,531	0.56	22.6
369.10	SERVICES - UNDERGROUND	65-R3	(40)	3,797,611.96	876,285	4,440,371	77,119	2.03	57.6
369.20	SERVICES - OVERHEAD	60-R1	(40)	18,603,025.41	11,129,511	14,914,725	308,411	1.66	48.4
370.11	METERS AND METERING EQUIPMENT	24-L1	(2)	3,473,158.73	1,258,736	2,283,886	125,324	3.61	18.2
370.20	UoF METERS	15-S2.5	0	28,470,183.30	9,515,837	18,954,346	1,736,264	6.10	10.9
371.10	INSTALLATIONS ON CUSTOMERS' PREMISES - AREA LIGHTING	20-S0.5	0	1,051.24	254	798	46	4.38	17.3
371.20	COMPANY-OWNED OUTDOOR LIGHTING	11-R2	(5)	1,371,687.39	18,131	1,422,141	187,268	13.65	7.6
372.00	LEASED PROPERTY ON CUSTOMERS' PREMISES	30-L3	0	9,647.36	9,647	0	0	-	-
373.10	STREET LIGHTING - OVERHEAD	34-L0.5	(15)	2,505,619.18	2,237,107	644,356	26,630	1.06	24.2
373.20	STREET LIGHTING - BOULEVARD	55-R1.5	(20)	3,368,422.54	2,748,843	1,293,264	34,154	1.01	37.9
373.30	STREET LIGHTING - CUSTOMER POLES	25-L0	(10)	5,392,425.72	561,480	5,370,188	257,559	4.78	20.9
<b>TOTAL DISTRIBUTION PLANT</b>				<b>674,160,708.53</b>	<b>187,042,494</b>	<b>670,119,251</b>	<b>17,587,558</b>	<b>2.61</b>	<b>38.1</b>
<b>GENERAL PLANT</b>									
390.00	STRUCTURES AND IMPROVEMENTS	40-S1	(10)	165,341.66	62,862	119,014	4,930	2.98	24.1
391.00	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	371,197.64	57,047	314,151	18,559	5.00	16.9
391.10	ELECTRONIC DATA PROCESSING	5-SQ	0	5,871,173.79	2,140,436	3,730,738	1,174,338	20.00	3.2
392.00	TRANSPORTATION EQUIPMENT	12-S3	0	924,289.86	443,353	480,937	56,507	6.11	8.5
392.10	TRANSPORTATION EQUIPMENT - TRAILERS	20-R2.5	5	272,066.39	210,047	48,416	3,730	1.37	13.0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	3,663,074.89	845,502	2,817,573	146,523	4.00	19.2
396.00	POWER OPERATED EQUIPMENT	15-L2	0	11,770.00	10,026	1,744	305	2.59	5.7
397.00	COMMUNICATION EQUIPMENT	15-SQ	0	20,705,182.30	4,438,822	16,266,360	1,381,304	6.67	11.8
<b>TOTAL GENERAL PLANT</b>				<b>31,984,096.53</b>	<b>8,208,094</b>	<b>23,778,933</b>	<b>2,786,196</b>	<b>8.71</b>	<b>8.5</b>
<b>TOTAL ELECTRIC PLANT</b>				<b>2,160,555,224.10</b>	<b>902,315,744</b>	<b>1,513,340,403</b>	<b>65,749,813</b>	<b>3.04</b>	<b>23.0</b>
<b>UNRECOVERED RESERVE FOR AMORTIZATION</b>									
<b>COMMON PLANT</b>									
191.00	OFFICE FURNITURE AND EQUIPMENT				50,111		(10,022)		
191.10	ELECTRONIC DATA PROCESSING				307		(61)		
194.00	TOOLS, SHOP AND GARAGE EQUIPMENT				7,023		(1,405)		
197.00	COMMUNICATION EQUIPMENT				35,604		(7,121)		
198.00	MISCELLANEOUS EQUIPMENT				(2,564)		513		
<b>TOTAL COMMON PLANT</b>					<b>90,481</b>		<b>(18,096)</b>		
<b>ELECTRIC PLANT</b>									
391.00	OFFICE FURNITURE AND EQUIPMENT				(38,018)		7,604		
391.10	ELECTRONIC DATA PROCESSING				(236,584)		47,317		
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT				368,364		(73,673)		
397.00	COMMUNICATION EQUIPMENT				(130,938)		26,188		
<b>TOTAL ELECTRIC PLANT</b>					<b>(37,176)</b>		<b>7,436</b>		
<b>TOTAL UNRECOVERED RESERVE FOR AMORTIZATION</b>					<b>53,305</b>		<b>(10,660)</b>		
<b>TOTAL DEPRECIABLE PLANT</b>				<b>2,189,894,806.21</b>	<b>906,254,273</b>	<b>1,540,903,140</b>	<b>67,141,497</b>	<b>3.07</b>	

**DUKE ENERGY KENTUCKY**  
**TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2023**

ACCOUNT (1)	PROBABLE RETIREMENT DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2023 (5)	BOOK DEPRECIATION RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)
							AMOUNT (8)	RATE (9)=(8)/(5)	
<b>NONDEPRECIABLE PLANT</b>									
189.00	LAND			1,041,678.45					
310.00	LAND			7,046,983.56	101,423				
317.00	ARO			89,131,026.10					
340.00	LAND			2,258,588.39					
347.60	ARO			442,831.77					
350.00	LAND			308,628.15					
360.00	LAND			16,800,362.64					
399.10	ARO			1,486,981.64					
<b>TOTAL NONDEPRECIABLE PLANT</b>				<b>118,517,080.70</b>	<b>101,423</b>				
<b>ACCOUNTS NOT STUDIED</b>									
103.00	MISCELLANEOUS INTANGIBLE PLANT			22,425,004.17	22,383,060				
303.00	MISCELLANEOUS INTANGIBLE PLANT			20,017,504.31	14,180,043				
303.03	MISCELLANEOUS INTANGIBLE PLANT - 3 YR			2,016,638.18	1,512,371				
303.10	MISCELLANEOUS INTANGIBLE PLANT - 10 YR			5,322,649.36	3,228,090				
303.15	MISCELLANEOUS INTANGIBLE PLANT - 15 YR			7,124,180.74	791,574				
340.10	RIGHTS OF WAY			0.00	3,677				
<b>TOTAL ACCOUNTS NOT STUDIED</b>				<b>56,905,976.76</b>	<b>42,098,814</b>				
<b>TOTAL COMMON AND ELECTRIC PLANT</b>				<b>2,365,317,863.67</b>	<b>948,454,509</b>	<b>1,540,903,140</b>	<b>67,141,497</b>		

\* CURVE SHOWN IS INTERIM SURVIVOR CURVE. EACH FACILITY IN THE ACCOUNT IS ASSIGNED AN INDIVIDUAL PROBABLE RETIREMENT YEAR.

**NOTE:** NEW ADDITIONS TO LIMESTONE CONVERSION PROJECT WILL HAVE THE FOLLOWING RATES:

ACCOUNT	ACCRUAL
311.00	STRUCTURES AND IMPROVEMENTS 7.03%
312.00	BOILER PLANT EQUIPMENT 7.22%
314.00	TURBOGENERATOR UNITS 7.29%
315.00	ACCESSORY ELECTRIC EQUIPMENT 7.11%
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT 7.19%

ACCRUAL RATES FOR NEW BATTERY STORAGE ASSETS BASED ON A 15-L3 SURVIVOR CURVE AND 0% NET SALVAGE WILL BE AS FOLLOWS:

ACCOUNT	RATE
348.00	6.90
351.00	6.90
363.00	6.90

ACCRUAL RATES FOR NEW EV CHARGING ASSETS BASED ON A 10-S3 SURVIVOR CURVE AND NEGATIVE 2% NET SALVAGE WILL BE AS FOLLOWS:

ACCOUNT	RATE
370.70	10.74
394.70	10.74

ACCRUAL RATES FOR NEW EV CHARGING LEVEL 2 ASSETS BASED ON A 10-S4 SURVIVOR CURVE AND NEGATIVE 1% NET SALVAGE WILL BE AS FOLLOWS:

ACCOUNT	RATE
371.70	10.63
394.72	10.63

DUKE ENERGY KENTUCKY

TABLE 2. CALCULATION OF TERMINAL AND INTERIM RETIREMENTS AS A PERCENT OF TOTAL RETIREMENTS

LOCATION (1)	TERMINAL RETIREMENTS			INTERIM RETIREMENTS			TOTAL NET SALVAGE (\$) (8)=(4)+(7)	ORIGINAL COST (9)=(2)+(5)	ESTIMATED NET SALVAGE (%) (10)=- (8)/(9)
	RETIREMENTS (\$) (2)	NET SALVAGE (%) (3)	NET SALVAGE (\$) (4)=- (3)*(2)	RETIREMENTS (\$) (5)	NET SALVAGE (%) (6)	NET SALVAGE (\$) (7)=- (5)x(6)			
	<b>STEAM PRODUCTION</b>								
EAST BEND	754,234,091	0	0	191,248,599	(20)	38,582,108	38,582,108	945,482,690	(4)
<b>OTHER PRODUCTION</b>									
WOODSDALE	234,547,028	0	0	113,254,707	(9)	10,457,042	10,457,042	347,801,735	(3)
<b>SOLAR PRODUCTION</b>									
CRITTENDEN	1,553,690	0	0	3,606,301	(6)	212,074	212,074	5,159,991	(4)
WALTON	2,145,923	0	0	4,897,024	(6)	287,977	287,977	7,042,946	(4)
AERO	3,285,610	0	0	2,794,082	(6)	164,310	164,310	6,079,693	(3)

DUKE ENERGY KENTUCKY

TABLE 3. CALCULATION OF TERMINAL NET SALVAGE

<u>UNIT</u> (1)	<u>ESTIMATED RETIREMENT YEAR</u> (2)	<u>TOTAL DECOMMISSIONING COSTS</u> (4)	<u>TOTAL ESCALATED DECOMMISSIONING COSTS</u> (5)	<u>ESTIMATED TERMINAL RETIREMENTS</u> (6)	<u>TERMINAL NET SALVAGE (%)</u> (7)=(5)/(6)
<b>STEAM PRODUCTION</b>					
EAST BEND	2041	0	0	(754,234,091)	0
<b>OTHER PRODUCTION</b>					
WOODSDALE	2040	0	0	(234,547,028)	0
<b>SOLAR PRODUCTION</b>					
CRITTENDEN	2047	0	0	(1,553,690)	0
WALTON	2047	0	0	(2,145,923)	0
AERO	2053	0	0	(3,285,610)	0

**Duke Energy Kentucky**  
**Case No. 2024-00354**  
**AG's Second Set of Data Requests**  
**Date Received: February 12, 2025**

**AG-DR-02-061**

**REQUEST:**

Refer to the summary of regulatory assets on WPB-1-1a summing to \$13,100,679 for the test year. Separately for each of the eight regulatory assets listed, indicate whether the test year revenue requirement contains a rate base offset for ADIT. If not, provide the amount of the ADIT offset associated with each regulatory asset that should have been included in the test year. If an ADIT offset for each is not required, explain why not.

**RESPONSE:**

<b>Account Number</b>	<b>Description</b>	<b>Total to be Amortized</b>	<b>Amortization Start Date</b>	<b>ADIT offset included</b>
182526	Deferred Forced Outage Purchased Power	\$2,683,502	7/1/2025	Yes
182526	Deferred Forced Outage Purchased Power	\$1,819,460	10/12/2023	Yes
182527	Deferred Plant Outage O&M	\$3,724,501	7/1/2025	Yes
182527	Deferred Plant Outage O&M	\$8,309,265	10/12/2023	Yes
182366	Carbon Management Regulatory Asset	\$2,000,000	5/1/2018	Yes
	2024-00xxx Rate Case Expense	\$800,333	7/1/2025	Yes
186113	2019-00271 Rate Case Expense	\$105,215	10/12/2023	Yes
186107	2022-00372 Rate Case Expense	\$788,066	10/12/2023	Yes

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl