

KyPSC Case No. 2024-00354
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Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-001

REQUEST:

Refer to Application, Volume 17, the Direct Testimony John Swez (Swez Direct Testimony), Attachment JDS-3, page 2 of 3, related to billing line items (BLIs) 1600 and 2600.

a. Provide the Commission Order, citing the specific page(s) and paragraph(s), including any relevant language, which authorized Duke Kentucky to include BLIs 1600 and 2600 in the PSM Rider.

b. Provide the Commission Order with specific citations, including any corresponding language, approving these BLIs in the PSM Rider.

RESPONSE:

Per the Order on December 4, 2014 in Case No. 2014-00201, the Commission authorized a change to the Rider PSM to include certain capacity revenues associated with the purchase of 31% of East Bend and net those revenues against any costs Duke Kentucky would incur to meet the Company's Fixed Resource Requirement (FRR) plan obligations (purchase and sales).¹ These revenues and costs were included in the PJM invoice in PJM BLIs 1600 and 2600 and included in Rider PSM starting in 2015.

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

Per the Order on April 13, 2018, in Case No, 2017-00321, pages 50 through 52, the Commission authorized a change to Rider PSM to expand the categories of revenues (net of costs) available for inclusion in the rider and to streamline its administration and calculation. Rider PSM was modified to: 1) reflect PJM billing line items that are related to credits and charges attributable to the off-system sales shared with customers; 2) to include all wholesale energy, capacity, and ancillary services markets (net of costs and credits) that are now available or may become available in PJM, including the capacity performance market requirements; 3) to include short-term capacity purchases necessary to meet Duke Kentucky's three-year FRR; 4) costs of any capacity payments made to cogeneration facilities under the terms of its cogeneration tariffs; 5) net proceeds from the sale of renewable energy certificates derived from any Company-owned renewable generating resources; and 6) to change the sharing mechanism percentages with customers receiving 90 percent of all net proceeds and/or costs, eliminating the initial \$1 million threshold.² The direct testimony of Mr. John D. Swez, Mr. John A. Verderame, and Mr. William Don Wathen Jr. in that proceeding discuss in detail the Rider PSM proposed changes. Mr. Swez's direct testimony included Attachment JDS-3 which listed the recovery of PJM BLIs before the Order in Case No. 2017-00321 and Attachment JDS-4 which listed the proposed recovery of the PJM BLIs that was approved in Case No. 2017-00321. Attachment JDS-3 shows that BLI 1600 & 2600 were included in the PSM based on the Order in Case No. 2014-0021. Attachment JDS-4 shows that BLI 1600 & 2600 were requested to be included in the PSM in Case No. 2017-00321. The Order in Case No. 2017-

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

00321 approved the request. As noted in the response to STAFF-DR-04-003, the current tariff included the description of the items includable in the Rider PSM for capacity from the April 13, 2018 Order in Case No. 2017-00321 and inadvertently did not include the BLI codes of 1600 and 2600.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

STAFF-DR-04-002

REQUEST:

Refer to Application, Volume 17, Swez Direct Testimony, page 43, lines 9-17.

- a. Confirm that BLI 1666 is only charged to customers once year on the August monthly bill.
- b. If yes, provide a detailed explanation as to why BLI 1666 is not included in monthly customer bills given Mr. Swez's testimony that the "[n]et capability testing shortfall MWs are charged daily[.]"
- c. If no, identify and state each month of the year that BLI 1666 is included in customer bills.

RESPONSE:

- a. Confirmed. PJM performs BLI 1666 in the August billing cycle issued in September of each year after the conclusion of the capacity delivery year, as referenced in the recently updated Customer Guide to PJM Billing (with BLI numbers): <https://www.pjm.com/-/media/DotCom/markets-ops/settlements/custgd.pdf>
- b. The calculation of this BLI is completed for the applicable number of days of the delivery year with the total summation of the daily charges included as one charge in the August billing cycle. Thus, the calculation is computed daily but only charged as one total amount after the conclusion of the delivery year. Please refer to PJM Manual 18, page 199. <https://www.pjm.com/-/media/DotCom/documents/manuals/m18>
- c. N/A

PERSON RESPONSIBLE: John D. Swez

**Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025**

STAFF-DR-04-003

REQUEST:

Refer to Application, Volume 1, FR 16(l)(b)(5) Attachment, Exhibit A, pages 14-15.
Explain why BLIs 1600 and 2600 are not listed as a specific BLI in Duke Kentucky's
current tariff.

RESPONSE:

The current tariff included the description of the items includable in the Rider PSM for
capacity from the April 13, 2018 Order in Case No. 2017-00321 and inadvertently did not
include the BLI codes.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-004

REQUEST:

Refer also to Case No. 2024-00285.² Assume for the purposes of this question that Duke Kentucky's application to move to the RPM construct is approved in the form requested by Duke Kentucky in Case No. 2024-00285. Additionally, assume for the purposes of this question that the Commission approves all the requested to the Rider PSM Duke Kentucky has made in this case, Case No. 2024-00354. Provide an updated sample tariff of the Rider PSM, including updated definitions that encompass the requests in both 2024-00285 and Case No. 2024-00354.

RESPONSE:

Please see STAFF-DR-04-004 Attachment for an updated sample tariff of the Rider PSM incorporating the requests in both Case No. 2024-00285 and Case No. 2024-00354.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

² Case No. 2024-00285, *Electronic Application of Duke Energy Kentucky, Inc. to Become a Full Participant in the PJM Interconnection LLC, Base Residual and Incremental Auction Construct for the 2027/2028 Delivery Year and for Necessary Accounting and Tariff Changes.*

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Seventy-XXXX Revised Sheet No 82
Cancels and Supersedes
Seventy-XXXX Revised Sheet No 82
Page 1 of 3

**RIDER PSM
PROFIT SHARING MECHANISM**

APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month _____ 202x.

PROFIT SHARING RIDER FACTORS

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

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

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 1215, 1216, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 2366, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415, 2930, 1980, 2980 and 1999.

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Seventy-XXXX Revised Sheet No 82
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PROFIT SHARING RIDER FACTORS Contd.

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

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 2240, 2241, 1242, 1243, 1245, 2245, 1246, 2246, 1330, 2330, 1361, 2361, 2367, 1471, 1362, 2362, 2368, 1472, 1475, 1371, 2371, 1376, 2376, 1380, 2380, 1390, 2390, 1980, 2980, and 1999.

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

CAP= Net proceeds from capacity sales and capacity purchases to meet PJM's FERC-approved reliability requirements from participation in the PJM Interconnection LLC auction-based Reliability Pricing Model (RPM) and bilateral markets. Includes PJM Interconnection LLC Billing Line Items charged/credited to the Company identified in the following Billing Line Items 1600, 1610, 1650, 1661, 1662, 1663, 1666, 1669, 2600, 2605, 2625, 2630, 2640, 2650, 2661, 2662, 2663, 2666, 2669, 2681, 1980, 2980, 1985, and 1999.

CPI= Net proceeds of capacity performance insurance.

GS= Net proceeds from the sale of surplus gas on the pipelines.

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

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

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

Duke Energy Kentucky, Inc.
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KY.P.S.C. Electric No. 2
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| <u>Rate Group</u> | <u>Rate</u> (\$/ kWh) |
|---|--------------------------|
| Rate RS, Residential Service | 0.00XXXX |
| Rate DS, Service at Secondary Distribution Voltage | 0.00XXXX |
| Rate DP, Service at Primary Distribution Voltage | 0.00XXXX |
| Rate DT, Time-of-Day Rate for Service at Distribution Voltage | 0.00XXXX |
| Rate EH, Optional Rate for Electric Space Heating | 0.00XXXX |
| Rate GS-FL, General Service Rate for Small Fixed Loads | 0.00XXXX |
| Rate SP, Seasonal Sports Service | 0.00XXXX |
| Rate SL, Street Lighting Service | 0.00XXXX |
| Rate TL, Traffic Lighting Service | 0.00XXXX |
| Rate UOLS, Unmetered Outdoor Lighting | 0.00XXXX |
| Rate NSU, Street Lighting Service for Non-Standard Units | 0.00XXXX |
| Rate SC, Street Lighting Service – Customer Owned | 0.00XXXX |
| Rate SE, Street Lighting Service – Overhead Equivalent | 0.00XXXX |
| Rate LED, LED Street Lighting Service | 0.00XXXX |
| Rate TT, Time-of-Day Rate for Service at Transmission Voltage | 0.00XXXX |
| Other | 0.00XXXX |

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. XXXX-XXXX
Issued: _____ XX, XXXX
Effective: _____ XX, XXXX
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-005

REQUEST:

Refer to Case No. 2024-00285.³ Assume for purposes of this question that Duke Kentucky's application to move to the RPM is approved. Provide the updated RSM Factor including the proposals in this case as if the Commission accepted the 90/10 profit sharing recommended by the Attorney General in Case No. 2024-00285.

RESPONSE:

Assuming the move to RPM is approved, including all of the changes to Rider PSM except the inclusion of 100% of capacity costs and the 90/10 profit sharing remains, and the proposals in this case are approved, the Rider PSM factor is below:

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

PERSON RESPONSIBLE: Lisa D. Steinkuhl

³ Case No. 2024-00285, *Electronic Application of Duke Energy Kentucky, Inc. to Become a Full Participant in the PJM Interconnection LLC, Base Residual and Incremental Auction Construct for the 2027/2028 Delivery Year and for Necessary Accounting and Tariff Change.*

**Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025**

STAFF-DR-04-006

REQUEST:

Identify which BLIs Duke Kentucky would no longer request be included in the PSM rider if Duke Kentucky's move to the RPM construct is approved.

RESPONSE:

The following PJM BLIs will not be requested in the PSM rider if the Company's move to RPM construct is approved: 1670, 2670, and 1681.

PERSON RESPONSIBLE: Lisa D. Steinkuhl
John D. Swez

**Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025**

STAFF-DR-04-007

REQUEST:

Provided the estimated net proceeds from the sale of surplus gas on the pipelines for the forecasted test year.

RESPONSE:

Surplus gas left on the pipeline becomes a positive imbalance on the pipeline and cannot be sold only burned; therefore, Duke Energy Kentucky does not forecast estimated proceeds from the sale of surplus gas supply not burned by the Woodsdale plant.

PERSON RESPONSIBLE: James J. McClay, III

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

PUBLIC STAFF-DR-04-008

REQUEST:

Refer to Application, Volume 16, the Direct Testimony of James McClay pages 19-20. Provide the estimated cost (as well as the amount that would be included) in the PSM if Duke Kentucky decides to enter a capacity performance (CP) insurance policy. Include as part of the response an explanation of Duke Kentucky's actions to date to secure such a policy.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET

The Company, in preparation for this rate case filing, obtained quotes from two CP insurance underwriters for various policy payout limits and deductibles. As observed, there are no standard CP insurance products, and each policy could be different and customized. Premiums quoted in the offers the Company received so far ranged between [REDACTED] [REDACTED] for coverage from [REDACTED]. The Company plans to compare different CP insurance offers and choose the policy that best fits Duke Energy Kentucky customers' needs and risk profile. If approved by the commission to purchase CP insurance coverage, the Company will include CP insurance premium and any payout from the insurance policy for covered events in the PSM.

PERSON RESPONSIBLE: James J. McClay, III

**Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025**

STAFF-DR-04-009

REQUEST:

For each quarter of the last two years, beginning in January 2023, provide an accounting of each line amount flowed through the Rider PSM, including specific expenses or revenues, the corresponding code or definition that captures the amount and calculate the amount indicated in that quarter's tariff filing.

RESPONSE:

Please see STAFF-DR-04-009 Attachment for each line amount that flowed through Rider PSM on Schedule 2 (Off-System Sales), Schedule 3 (Non-Fuel Related Charges and Credits), and Schedule 4 (Capacity Transactions) for the periods from January 2023 through December 2024.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

DUKE ENERGY KENTUCKY
OFF-SYSTEM SALES SCHEDULE ^(c)
PERIOD: January 1, 2023 - DECEMBER 31, 2024
Schedule 2
Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| No. | Description | PJM BLI | PJM BLI Description | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | |
|-----|--|--------------------|-------------------------|---|--------------|--------------|-------------|--------------|------------|--------------|--------------|------------|-------------|-------------|--------------|--------------|
| 1 | Off-System Sales Revenue | | | | | | | | | | | | | | | |
| | | 1200 / 1205 / 1400 | Spot Market Energy | | | | | | | | | | | | | |
| | | 1210 / 1215 / 1410 | Transmission Congestion | | | | | | | | | | | | | |
| 2 | Asset Energy | (+) | 1220 / 1225 / 1420 | Transmission Losses | \$ 106,895 | \$ - | \$ 22,260 | \$ 336,245 | \$ 659,861 | \$ 443,689 | \$ 1,163,083 | \$ 764,151 | \$ 200,680 | \$ 7,556 | \$ 727,192 | \$ 831,099 |
| 3 | Non-Asset Energy | (+) | | | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Bilateral Sales | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Net Fuel Related PJM Costs and Credits | (+) | | | 9,326 | 146 | 5,684 | 72,113 | 94,908 | 60,588 | 179,619 | 167,111 | 50,990 | 285 | 302,299 | 276,692 |
| 5a | | | 1218 | Planning Period Congestion Uplift | - | - | - | - | - | - | - | - | - | - | - | - |
| 5b | | | 1230 | Inadvertent Interchange | 16 | - | (0) | (28) | (2) | (63) | (163) | (112) | (35) | (1) | (21) | (30) |
| 5c | | | 1250 | Meter Error Correction | 6 | - | (0) | 39 | (101) | (8) | 2 | 1 | 1 | 0 | 9 | 1 |
| 5d | | | 1375 | Operating Reserve | (112) | - | (41) | (1,859) | (2,167) | (478) | (955) | (713) | (450) | (70) | (4,056) | (1,354) |
| 5e | | | 1430 | Load Reconciliation for Inadvertent Interchange | (0) | - | - | 0 | 0 | (1) | (1) | 0 | 0 | - | (0) | 0 |
| 5f | | | 1478 | Load Reconciliation for Operating Reserve | 0 | - | 0 | 8 | 5 | 0 | (2) | 2 | 0 | 0 | 13 | 6 |
| 5g | | | 2215 | Transmission Congestion | (650) | - | (594) | (19,922) | (18,595) | (2,552) | (5,924) | (6,325) | (3,657) | (442) | (15,428) | (6,652) |
| 5h | | | 2218 | Planning Period Congestion Uplift | - | - | - | - | - | - | - | - | - | - | - | - |
| 5i | | | 2220 | Transmission Losses | 597 | - | 100 | 1,714 | 2,459 | 1,588 | 3,820 | 3,155 | 1,076 | 22 | 4,005 | 3,749 |
| 5j | | | 2340 | Regulation and Frequency Response Service | 265 | - | 26 | 15,031 | 9,239 | 457 | 5,746 | 2,646 | 1,395 | 587 | 6,691 | 4,146 |
| 5k | | | 2360 | Synchronized Reserve | 58 | - | 4 | 1,288 | 5,444 | 347 | 696 | 120 | 301 | 187 | 3,865 | 2,079 |
| 5l | | | 2370 | Operating Reserve | - | - | - | - | - | - | - | 291 | - | - | 30 | - |
| 5m | | | 2375 | Balancing Operating Reserve | 9,145 | 146 | 6,188 | 75,743 | 98,561 | 61,295 | 176,384 | 168,031 | 52,357 | - | 307,145 | 274,733 |
| 5n | | | 2415 | Load Reconciliation Transmission Congestion | 3 | - | 3 | 109 | 74 | (6) | (8) | 26 | 4 | 1 | 68 | 33 |
| 5o | | | 2420 | Load Reconciliation for Transmission Losses | (2) | - | (1) | (10) | (8) | 8 | 24 | (11) | (1) | (0) | (21) | (19) |
| 6 | Hedges | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Sub-Total Revenues | | | | \$ 116,221 | \$ 146 | \$ 27,944 | \$ 408,358 | \$ 754,769 | \$ 504,277 | \$ 1,342,702 | \$ 931,262 | \$ 251,670 | \$ 7,841 | \$ 1,029,491 | \$ 1,107,791 |
| 8 | Variable Costs Allocable to Off-System Sales | | | | | | | | | | | | | | | |
| 9 | Bilateral Purchases | (+) | Company Records | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10 | Non-Native Fuel Cost ^(a) | (+) | Company Records | | 108,020 | - | 17,562 | 406,167 | 351,134 | 634,845 | 632,270 | 401,459 | 123,421 | 892 | 847,999 | 899,190 |
| 11 | Variable O&M Cost | (+) | Company Records | | 6,302 | - | 640 | 20,039 | 13,776 | 10,980 | 4,828 | 3,973 | 4,001 | - | 34,107 | 35,107 |
| 12 | Jurisdictional Rider ESM to be Recovered in Rider PSM ^(b) | (+) | Rider ESM | | 269,420 | 194,467 | 86,738 | 140,120 | 134,737 | 142,767 | 171,302 | 157,664 | 189,699 | 100,328 | 166,839 | 70,401 |
| 13 | (Gain)/Loss on Sale of Fuel | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Sub-Total Expenses | | | | \$ 383,742 | \$ 194,467 | \$ 104,940 | \$ 566,326 | \$ 499,647 | \$ 788,592 | \$ 808,400 | \$ 563,096 | \$ 317,121 | \$ 101,220 | \$ 1,048,945 | \$ 1,004,698 |
| 15 | Off-System Sales Margin (Line 7 - Line 14) | | | | \$ (267,521) | \$ (194,321) | \$ (76,996) | \$ (157,968) | \$ 255,122 | \$ (284,315) | \$ 534,302 | \$ 368,166 | \$ (65,451) | \$ (93,379) | \$ (19,454) | \$ 103,093 |

Note:

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

^(b) Per Duke Energy Kentucky's monthly Rider ESM filings, ES Form 1.10, Line 13 (Line 14, effective October 2024).

^(c) Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

DUKE ENERGY KENTUCKY

OFF-SYSTEM SALES SCHEDULE ^(c)

PERIOD: January 1, 2023 - DECEMBER 31, 2024

Schedule 2

Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| Line No. | Description | PJM BLI | PJM BLI Description | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | 2023-2024 Total | |
|----------|--|--------------------|---|---------------------|-------------|------------|--------------|--------------|-------------|------------|--------------|------------|-------------|--------------|--------------|-----------------|---------------|
| 1 | Off-System Sales Revenue | | | | | | | | | | | | | | | | |
| | | 1200 / 1205 / 1400 | Spot Market Energy | | | | | | | | | | | | | | |
| | | 1210 / 1215 / 1410 | Transmission Congestion | | | | | | | | | | | | | | |
| 2 | Asset Energy | (+) | 1220 / 1225 / 1420 | Transmission Losses | \$ 356,605 | \$ 544,621 | \$ 546,157 | \$ 1,002,125 | \$ 50,070 | \$ 519,342 | \$ 1,420,381 | \$ 790,127 | \$ 26,740 | \$ - | \$ 411,323 | \$ 130,647 | \$ 11,060,849 |
| 3 | Non-Asset Energy | (+) | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Bilateral Sales | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Net Fuel Related PJM Costs and Credits | (+) | | | 206,050 | 103,785 | 57,747 | 34,536 | 10,384 | 23,059 | 51,875 | 17,215 | 14,185 | 923 | 30,155 | 97,285 | 1,866,961 |
| 5a | | 1218 | Planning Period Congestion Uplift | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5b | | 1230 | Inadvertent Interchange | (41) | 0 | 17 | (128) | (21) | (163) | (623) | (158) | (14) | - | 17 | - | (1,553) | |
| 5c | | 1250 | Meter Error Correction | 15 | 2 | 0 | (0) | 0 | 1 | 169 | (0) | (20) | - | (1) | - | 116 | |
| 5d | | 1375 | Operating Reserve | (2,030) | (816) | (2,207) | (10,554) | (1,011) | (1,061) | (1,823) | (1,240) | (339) | - | (2,215) | - | (35,549) | |
| 5e | | 1430 | Load Reconciliation for Inadvertent Interchange | 0 | (0) | (0) | 1 | 0 | 1 | (4) | - | 0 | - | - | - | (4) | |
| 5f | | 1478 | Load Reconciliation for Operating Reserve | 6 | 3 | 10 | 51 | 4 | 4 | (5) | 0 | 1 | - | - | - | 108 | |
| 5g | | 2215 | Transmission Congestion | (5,157) | (4,147) | (10,777) | (38,183) | (2,772) | (5,457) | (16,105) | (4,837) | (1,503) | - | (5,981) | - | (175,661) | |
| 5h | | 2218 | Planning Period Congestion Uplift | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5i | | 2220 | Transmission Losses | 2,281 | 2,050 | 2,338 | 6,139 | 549 | 2,555 | 10,222 | 4,077 | 386 | - | 2,605 | - | 55,484 | |
| 5j | | 2340 | Regulation and Frequency Response Service | 670 | 1,248 | 4,569 | 42,896 | 3,418 | 3,514 | 25,185 | 5,768 | 3,289 | - | 32,301 | - | 169,084 | |
| 5k | | 2360 | Synchronized Reserve | 819 | 1,076 | 2,733 | 2,609 | 605 | 731 | 4,362 | 945 | 338 | - | 352 | - | 28,960 | |
| 5l | | 2370 | Operating Reserve | 20 | - | 175 | - | - | - | - | - | - | - | 9 | - | 525 | |
| 5m | | 2375 | Balancing Operating Reserve | 209,457 | 104,355 | 60,840 | 31,499 | 9,601 | 22,920 | 30,521 | 12,657 | 12,041 | 923 | 3,068 | 97,285 | 1,824,894 | |
| 5m | | 2415 | Load Reconciliation Transmission Congestion | 20 | 27 | 65 | 245 | 15 | 28 | (92) | 1 | 8 | - | - | - | 622 | |
| 5o | | 2420 | Load Reconciliation for Transmission Losses | (10) | (14) | (15) | (38) | (3) | (12) | 67 | 3 | (2) | - | - | - | (64) | |
| 6 | Hedges | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Sub-Total Revenues | | | | \$ 562,655 | \$ 648,406 | \$ 603,904 | \$ 1,036,661 | \$ 60,454 | \$ 542,401 | \$ 1,472,256 | \$ 807,342 | \$ 40,925 | \$ 923 | \$ 441,478 | \$ 227,932 | 12,927,810 |
| 8 | Variable Costs Allocable to Off-System Sales | | | | | | | | | | | | | | | | |
| 9 | Bilateral Purchases | (+) | Company Records | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10 | Non-Native Fuel Cost ^(a) | (+) | Company Records | | 561,087 | 469,870 | 648,111 | 938,106 | 79,693 | 364,035 | 934,122 | 465,707 | 49,300 | 113,065 | 650,808 | 508,949 | 10,205,812 |
| 11 | Variable O&M Cost | (+) | Company Records | | 8,358 | 34,351 | 46,705 | 84,743 | 3,998 | 22,839 | 63,961 | 30,491 | 3,207 | - | 26,015 | 2,522 | 460,943 |
| 12 | Jurisdictional Rider ESM to be Recovered in Rider PSM ^(b) | (+) | Rider ESM | | 38,208 | 68,519 | 65,456 | 50,689 | 34,269 | 80,494 | 71,053 | 64,489 | 31,832 | 19,323 | 42,653 | 51,011 | 2,442,478 |
| 13 | (Gain)/Loss on Sale of Fuel | (+) | Company Records | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Sub-Total Expenses | | | | \$ 607,653 | \$ 572,740 | \$ 760,272 | \$ 1,073,538 | \$ 117,960 | \$ 467,368 | \$ 1,069,136 | \$ 560,687 | \$ 84,339 | \$ 132,388 | \$ 719,476 | \$ 562,482 | \$ 13,109,233 |
| 15 | Off-System Sales Margin (Line 7 - Line 14) | | | | \$ (44,998) | \$ 75,666 | \$ (156,368) | \$ (36,877) | \$ (57,506) | \$ 75,033 | \$ 403,120 | \$ 246,655 | \$ (43,414) | \$ (131,465) | \$ (277,998) | \$ (334,550) | \$ (181,423) |

Note:

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

^(b) Per Duke Energy Kentucky's monthly Rider ESM filings, ES Form 1.10, Line 13 (Line 14, effective October 2024).

^(c) Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

DUKE ENERGY KENTUCKY

NON-FUEL RELATED RTO CHARGES AND CREDITS ^(a)

PERIOD: January 1, 2023 - DECEMBER 31, 2024

Schedule 3

Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| Line No. | PJM BLI Description | PJM BLI | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|----------|---|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Day-Ahead Economic Load Response | 1240 / 2240 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 | Real-Time Economic Load Response | 1241 / 2241 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Day-Ahead Load Response Charge Alloc | 1242 | (12,828) | (6) | (766) | (423) | (1,633) | (842) | (1,339) | (4,073) | (1,179) | (2,468) | (2,826) | (1,529) |
| 4 | Real-Time Load Response Charge Alloc | 1243 | (1,262) | (15) | (36) | 5 | (14) | 90 | (133) | (366) | (465) | (249) | 119 | 80 |
| 5a | Pre-Emergency and Emergency Load Response | 1245 | - | - | (1,012) | - | - | - | - | - | (15,895) | - | - | - |
| 5b | Pre-Emergency and Emergency Load Response | 2245 | - | - | 32,728 | - | - | - | - | - | - | - | - | - |
| 6a | PJM Reactive Supply | 1330 | (101,479) | (101,570) | (102,544) | (102,948) | (102,898) | (100,386) | (100,989) | (100,347) | (101,315) | (102,962) | (101,939) | (103,784) |
| 6b | PJM Reactive Supply | 2330 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 |
| 7a | Non-Synchronized Reserve | 1362 | 363 | 172 | (202) | (901) | (3,744) | (3,220) | (7,961) | (2,316) | (3,211) | (16,073) | (9,348) | (1,715) |
| 7b | Non-Synchronized Reserve | 2362 | - | - | - | - | - | - | - | - | - | - | - | - |
| 7c | Non-Synchronized Reserve | 1472 | (1) | (0) | 0 | 5 | 13 | (5) | (69) | 9 | 9 | 75 | 54 | 9 |
| 8 | Day-Ahead Scheduling Reserve | 1365 / 2365 / 1475 | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Day-Ahead Operating Reserve for Load | 1371 / 2371 | - | - | - | - | - | - | - | - | - | 0 | - | - |
| 10 | Balancing Operating Reserve for Load Response | 1376 / 2376 | 0 | (0) | (0) | - | - | 0 | (0) | (0) | (0) | (0) | 0 | (0) |
| 11a | Blackstart | 1380 | (3,842) | (4,182) | (516) | (1,969) | (3,896) | (4,807) | (4,836) | (4,805) | (4,852) | (4,931) | (4,882) | (4,849) |
| 11b | Blackstart | 2380 | 23,231 | 23,231 | - | - | 23,231 | 29,928 | 29,928 | 29,928 | 29,928 | 29,928 | 29,928 | 29,928 |
| 12 | Total | | \$ 60,950 | \$ 74,399 | \$ 84,423 | \$ 50,538 | \$ 67,829 | \$ 77,527 | \$ 71,371 | \$ 74,798 | \$ 59,790 | \$ 60,089 | \$ 67,876 | \$ 74,910 |

Note:

^(a) Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

DUKE ENERGY KENTUCKY

NON-FUEL RELATED RTO CHARGES AND CREDITS ^(a)

PERIOD: January 1, 2023 - DECEMBER 31, 2024

Schedule 3

Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| Line No. | PJM BLI Description | PJM BLI | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | 2023-2024 |
|----------|---|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| | | | | | | | | | | | | | | | Total |
| 1 | Day-Ahead Economic Load Response | 1240 / 2240 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| 2 | Real-Time Economic Load Response | 1241 / 2241 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Day-Ahead Load Response Charge Alloc | 1242 | (12,228) | (594) | (825) | (165) | (1,805) | (5,197) | (2,811) | (4,533) | (10,116) | (4,389) | (10,792) | (4,044) | (87,412) |
| 4 | Real-Time Load Response Charge Alloc | 1243 | (772) | (36) | (12) | (20) | (77) | 231 | (619) | (568) | (1,001) | (188) | 145 | 248 | (4,916) |
| 5a | Pre-Emergency and Emergency Load Response | 1245 | - | - | - | - | - | - | - | - | - | - | - | - | (16,907) |
| 5b | Pre-Emergency and Emergency Load Response | 2245 | - | - | - | - | - | - | - | - | - | - | - | - | 32,728 |
| 6a | PJM Reactive Supply | 1330 | (115,519) | (105,300) | (105,572) | (106,485) | (106,929) | (104,916) | (104,116) | (105,449) | (106,121) | (107,134) | (106,845) | (105,018) | (2,502,566) |
| 6b | PJM Reactive Supply | 2330 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 156,769 | 3,762,461 |
| 7a | Non-Synchronized Reserve | 1362 | 600 | (1,646) | (3,499) | (9,347) | (6,564) | (4,097) | (5,969) | (5,297) | (5,837) | (5,903) | (3,971) | (2,407) | (102,092) |
| 7b | Non-Synchronized Reserve | 2362 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7c | Non-Synchronized Reserve | 1472 | (2) | 8 | 19 | 60 | 34 | 19 | (43) | 15 | 25 | 31 | - | - | 265 |
| 8 | Day-Ahead Scheduling Reserve | 1365 / 2365 / 1475 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Day-Ahead Operating Reserve for Load | 1371 / 2371 | 0 | - | - | - | 0 | - | - | - | 1 | 0 | - | - | 1 |
| 10 | Balancing Operating Reserve for Load Response | 1376 / 2376 | (0) | (0) | (0) | (0) | - | (0) | (0) | (0) | (0) | (0) | (0) | 0 | (1) |
| 11a | Blackstart | 1380 | (4,965) | (5,431) | (5,079) | (7,153) | (5,245) | (5,402) | (5,468) | (5,445) | (5,480) | (5,532) | (5,517) | (5,423) | (114,508) |
| 11b | Blackstart | 2380 | 29,928 | 29,928 | 29,928 | 29,928 | 29,928 | 32,015 | 32,015 | 32,015 | 32,015 | 32,015 | 32,015 | 32,015 | 652,936 |
| 12 | Total | | \$ 53,811 | \$ 73,698 | \$ 71,730 | \$ 63,586 | \$ 66,111 | \$ 69,423 | \$ 69,758 | \$ 67,507 | \$ 60,254 | \$ 65,669 | \$ 61,805 | \$ 72,140 | \$ 1,619,989 |

Note:

^(a) Per Commission Order dated April 13, 2018 in Case No. 2017-0032

DUKE ENERGY KENTUCKY
CAPACITY TRANSACTIONS ^(a)

PERIOD: January 1, 2023 - DECEMBER 31, 2024

Schedule 4

Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| Line No. | Description | PJM BLI | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|----------|---|---------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------|-----------|-----------|-----------|
| 1 | Capacity Sales Revenues | | | | | | | | | | | | | |
| 2 | Revenue Received for Capacity Sales | 2600 (+) | \$ 222,684 | \$ 201,134 | \$ 222,684 | \$ 215,500 | \$ 222,684 | \$ 30,205 | \$ 31,212 | \$ 31,212 | \$ 30,205 | \$ 31,212 | \$ 30,205 | \$ 31,212 |
| 3 | Bilateral Sales | Company Records (+) | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Capacity Performance Credits | 2667 (+) | - | - | 230,701 ^(b) | 231,050 ^(b) | 231,076 ^(b) | 98,746 ^(b) | 96,931 ^(b) | 84,843 ^(b) | - | - | - | - |
| 5 | Sub-Total Revenues | | \$ 222,684 | \$ 201,134 | \$ 453,384 | \$ 446,550 | \$ 453,759 | \$ 128,951 | \$ 128,143 | \$ 116,055 | \$ 30,205 | \$ 31,212 | \$ 30,205 | \$ 31,212 |
| 6 | Capacity Purchase Expenses | | | | | | | | | | | | | |
| 7 | Cost of Replacement Capacity | 1600 (+) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8 | Bilateral Purchases | Company Records (+) | 68,300 ^(d) | 127,582 ^(d) | 141,252 ^(d) | 136,695 ^(d) | 141,252 ^(d) | - | - | - | - | - | - | - |
| 9 | Capacity Performance Assessments | 1667 (+) | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Sub-Total Expenses | | \$ 68,300 | \$ 127,582 | \$ 141,252 | \$ 136,695 | \$ 141,252 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11 | Net Capacity Revenue (Expense) (Line 5 - Line 10) | | \$ 154,384 | \$ 73,552 | \$ 312,133 | \$ 309,855 | \$ 312,508 | \$ 128,951 | \$ 128,143 | \$ 116,055 | \$ 30,205 | \$ 31,212 | \$ 30,205 | \$ 31,212 |

Note:

^(a) Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

^(b) Winter Storm Elliott December 23-24, 2022 Performance Credits

^(c) Return of Non-Performance Bonus Credits (BLI 2667) withheld in the February and March 2024 monthly bills related to the PAI events on December 23-24, 2022 under the Settlement agreement in FERC Docket ER23-2975.

^(d) Replacement of Woodsdale CT3 capacity commitment in the Company's FRR plan.

DUKE ENERGY KENTUCKY
CAPACITY TRANSACTIONS ^(a)

PERIOD: January 1, 2023 - DECEMBER 31, 2024

Schedule 4

Amounts per Tariff Filing: TFS2025-00052 posted on 2/3/25

| Line No. | Description | PJM BLI | | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | 2023-2024 |
|----------|---|-----------------|-----|-----------|-------------------------|----------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | | | | | | | | | | | | | | | | Total |
| 1 | Capacity Sales Revenues | | | | | | | | | | | | | | | |
| 2 | Revenue Received for Capacity Sales | 2600 | (+) | \$ 31,212 | \$ 29,198 | \$ 31,212 | \$ 30,205 | \$ 31,212 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,453,188 |
| 3 | Bilateral Sales | Company Records | (+) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Capacity Performance Credits | 2667 | (+) | - | (96,481) ^(c) | 9,260 ^(c) | - | - | - | - | - | - | - | - | - | 886,125 |
| 5 | Sub-Total Revenues | | | \$ 31,212 | \$ (67,282) | \$ 40,472 | \$ 30,205 | \$ 31,212 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 2,339,313 |
| 6 | Capacity Purchase Expenses | | | | | | | | | | | | | | | |
| 7 | Cost of Replacement Capacity | 1600 | (+) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| 8 | Bilateral Purchases | Company Records | (+) | - | - | - | - | - | 14,520 | 15,004 | 15,004 | 14,520 | 15,004 | 14,520 | 15,004 | 718,656 |
| 9 | Capacity Performance Assessments | 1667 | (+) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Sub-Total Expenses | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,520 | \$ 15,004 | \$ 15,004 | \$ 14,520 | \$ 15,004 | \$ 14,520 | \$ 15,004 | 718,656 |
| 11 | Net Capacity Revenue (Expense) (Line 5 - Line 10) | | | \$ 31,212 | \$ (67,282) | \$ 40,472 | \$ 30,205 | \$ 31,212 | \$ (14,520) | \$ (15,004) | \$ (15,004) | \$ (14,520) | \$ (15,004) | \$ (14,520) | \$ (15,004) | \$ 1,620,657 |

Note:

^(a) Per Commission Order dated April 13, 2018 in Case No. 2017-00321.

^(b) Winter Storm Elliott December 23-24, 2022 Performance Credits

^(c) Return of Non-Performance Bonus Credits (BLI 2667) withheld in the Fe to the PAI events on December 23-24, 2022 under the Settlement agreeee

^(d) Replacement of Woodsdale CT3 capacity commitment in the Company's

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-010

REQUEST:

Explain why Duke Kentucky proposed different modifications to the Rider PSM in this case as opposed to the modifications proposed in Case No. 2024-00285.

RESPONSE:

Case No. 2024-00285 is the Company's application requesting authorization to exit the Fixed Resource Requirement (FRR) and to transition to full participation in the PJM Reliability Pricing Model (RPM) Base Residual and Incremental Auctions. It is solely addressing that one issue. As discussed in John Swez's direct testimony in that proceeding, starting on page 36, the Company will continue receiving two PJM Billing Line Items (BLIs) related to capacity that have been approved to be included in Rider PSM, but will also begin receiving additional charges and credits specifically related to participating in the PJM capacity markets. Therefore, the PSM modifications in Case No. 2024-00285 are solely to address the transition to an RPM participant in the PJM capacity markets. If the Commission denies the Company's request to move to full RPM capacity auction participation, then the request to change Rider PSM's capacity revenue/cost sharing in that case becomes moot.

As part of this base rate proceeding, the Company is requesting to revise its FAC and PSM to include, recover and reconcile various PJM costs and charges not currently being recovered through those mechanisms. The Company also proposed several new programs and certain costs and revenues of these programs be included in the PSM. As discussed in John

Swez's direct testimony in this proceeding, starting on page 35, the PSM modifications are to address changes in PJM BLIs related to additions, eliminations, and bifurcations. It is also to address PJM BLIs that have not been addressed in prior proceedings. Since the Company is currently an FRR participant, the PJM BLIs associated with being an RPM participant are not addressed in this proceeding.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-011

REQUEST:

Provide an example of a past natural gas sale in 2024 that would have qualified as an input in the proposed Rider PSM Factor. Include the amount of revenue, the expense that would have flowed through the mechanism.

RESPONSE:

On January 16, 2024, after PJM gave Woodsdale a day ahead award for January 17, 2024, Duke Energy Kentucky purchased 20,000 MMBtu at \$6.50 and the morning of January 17, 2024, Duke Energy Kentucky purchased another 20,000 MMBtu at \$4.00, for a total of 40,000 MMBtu at an average price of \$5.25.

On January 17, 2024, PJM did not dispatch Woodsdale for its full schedule and Woodsdale burned 1,224 MMBtu. The unburned gas of ~ 38,776 MMBtu created an opportunity for Duke Energy Kentucky to sell the balance into the intraday market recouping most of the value of the purchase.

However, over the period January 18, 2024, through January 22, 2024, prices fell \$2.50 to a market price of \$2.75. Rather than selling the unused gas on January 17, 2024, capturing higher revenues, Duke Energy Kentucky accumulated the gas on the pipeline and eventually burned the gas in a lower priced market, missing out on savings of ~ \$96,000.

PERSON RESPONSIBLE: James J. McClay, III

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-012

REQUEST:

Refer to Duke Kentucky's response to Attorney General's Second Request for Information, Item 82.

- a. Explain what other actions Duke Kentucky has taken to address the issue of unused gas storage.
- b. Explain why Duke Kentucky believes that this type of transaction would be beneficial to ratepayers considering the sale price was a loss in the previous transaction.
- c. Explain what alternatives Duke Kentucky explored before proposing to recover the sales through the Rider PSM.

RESPONSE:

a. Natural gas supply that is procured for plant dispatches is delivered to the plant during the gas day (GD1 10:00am - 10:00am GD2). Any gas that is not burned by 10:00am at the end of a gas day stays on the pipeline permanently as imbalance gas, until it is released by the pipeline to be burned at Woodsdale. Today, Duke Energy Kentucky only has two options to manage its gas supply during the gas day, burn it at Woodsdale or leave it on the pipeline as imbalance. The third market option for managing the Company's gas supply position is to use the natural gas intraday market. Currently, Duke Energy Kentucky is able to use the natural gas intraday market to purchase gas when needed and takes advantage of the market liquidity until the market closes at 8:00pm. Presently, Duke Energy Kentucky cannot take advantage of selling gas in the intraday market when it is

advantageous for customers to balance its position because it has no approved regulatory mechanism by which to recover the revenues received from the sale of the unburned gas.

On occasion, a plant may get dispatched for the day ahead power market or PJM may call on units in the intra-day market. If the plant does not run a full schedule and Duke Energy Kentucky recognizes there are gas volumes that are “leftover,” under these circumstances, the Company would want the option to sell the gas before the market closes at 8:00pm. Buying and selling gas in a dynamic environment is a normal part of managing gas supply.

b. Duke Energy Kentucky purchases natural gas at daily spot market prices and periodically the plant run does not use all of the purchased supply before the activity in the natural gas market ends at 8:00pm. Over the year some of these purchases are during high priced days.

c. Currently, Duke Energy Kentucky accumulates any unburned gas on the pipeline as an imbalance and eventually burns the gas over time. Over the year some of the days’ higher priced imbalance gas can be burned during lower demand periods when daily spot market prices are lower than the imbalance gas. If Duke Energy Kentucky had the option to sell based on economics, customers would be better off selling back into the higher priced market environment in the original gas day and capturing the revenues rather than burning higher priced imbalance gas left on the pipeline when replacement gas could be purchased at a lower market price. Please see the example in the response to STAFF-DR-04-011. Per 807 KAR 5:056(1)(3)(a), Fuel adjustment clause, only fuel costs consumed in the utility’s own plants can be included in fuel costs for recovery in the FAC.

Therefore, there are no other alternatives for the Company to explore for recovery of revenues received from sales of unburned gas purchased to burn at Woodsdale.

PERSON RESPONSIBLE: James J. McClay, III

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-013

REQUEST:

Refer to Application, Volume 17, Attachment LDS 1, page 3 of 5. Explain why Duke Kentucky is proposing to delete at least two of the corresponding BLI codes.

RESPONSE:

The PJM BLIs 1240 Day-Ahead Economic Load Response and 1241 Real-Time Economic Load Response are no longer actively used in PJM's current billing rules or processes due to FERC Order 745. Company witness John D. Swez discusses this in his direct testimony on page 47.

The PJM BLIs 1365 and 2365 are no longer actively used in PJM's current billing rules or processes due to FERC Order ER19-1486. This service was renamed to Secondary Reserve and new PLM BLIs were created. Mr. Swez discusses this in his direct testimony on page 40 and 41.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-014

REQUEST:

Refer to Application, Volume 17, Swez Direct Testimony, pages 44-47. Reconcile the testimony with the following quote “[e]ach of the charges and credits go together symmetrically. PJM is revenue neutral; therefore, each of these BLIs have both a charge and a credit.

RESPONSE:

The referenced quote, from the Rebuttal Testimony of John D. Swez in Case No. 2024-00285 and the Company brief in the same case, was referring to a specific subset of PJM BLIs. However, if this statement is expanded to either those discussed on pages 44-47 of the direct testimony of Mr. Swez in this proceeding or the entirety of PJM BLIs, the statement is still generally true after subtraction of PJM operating administration costs. Additionally, note that in some cases there may be multiple BLI charges or credits that must be considered together, as opposed to examination of a single 1000 series BLI charge that has a reciprocal and symmetric 2000 series BLI credit.

PERSON RESPONSIBLE: John D. Swez

STAFF-DR-04-015

REQUEST:

Refer to Application, Volume 17, Swez Direct Testimony, page 42.

- a. Provide an estimated cost for the charges and credits for BLI 1246 and 2246 for the forecasted test year.
- b. Explain why Duke Kentucky did not previously request 1390 and 2390 to be included in the PSM.
- c. Provide to date, the total credits Duke Kentucky has received under BLI 2390.
- d. Provide to date, the total charges Duke Kentucky has received under BLI 1390.

RESPONSE:

- a. The Company started receiving charges and credits for BLI 1246 and 2246 in July 2023. Based on 21 months of historical data, the estimated BLI 1246 charges for the forecasted test year would be \$400 and the estimated BLI 2246 credits would be \$400.
- b. In Case No. 2017-00321, the last time Duke Energy Kentucky requested various PJM BLIs to be included in the FAC and PSM, the Company had not received any charges in 1390 or credits in 2390.
- c. The total credits received under BLI 2390 from 10/2017 through 3/2025 are \$32,994.

- d. The total charges paid under BLI 1390 are \$502 in 2022.

PERSON RESPONSIBLE: Lisa D. Steinkuhl
John D. Swez

Duke Energy Kentucky
Case No. 2024-00354
STAFF Fourth Set Data Requests
Date Received: April 21, 2025

STAFF-DR-04-016

REQUEST:

Refer to Application, Volume 17, Swez Direct Testimony, page 43. Provide an estimated cost for the charge and credit for BLI 1666 and 2666 for the forecasted test year.

RESPONSE:

BLI 1666: This BLI is charged to sellers that have a committed Demand Resource that fails a performance test. This BLI can be charged while participating under either the FRR or RPM participation. Since the Company does not anticipate having any of its own Load Management Test Failures, a forecast of a \$0 charge would be made for the test year for PJM BLI 1666.

BLI 2666: This BLI is credited to LSEs that also paid a Locational Reliability charge, and thus, this credit is paid to only entities that participate in the RPM capacity construct. Therefore, Duke Energy Kentucky has not historically received any credits for this BLI since it has participated in the FRR.

Referencing Table 6-19 of from the 2024 State of the Market Report for PJM:

https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2024/2024-som-pjm-vol2.pdf

The total Load Management Test Compliance penalties for all PJM have had a range between a low \$39,422 for the 2020/2021 delivery year and a high of \$8,087,631 for the 2023/2024 delivery year, with an annual average of the past five PJM delivery years calculated at \$2,315,401. If Duke Energy Kentucky represents approximately 0.5% of PJM, calculated by a simple ratio of the Company's peak load of approximately 850 MW

divided by an approximate 165,000 MW PJM peak load, and if Duke Energy Kentucky were to transition to the RPM capacity construct, a credit of approximately \$11,577 would be received under BLI 2666.

PERSON RESPONSIBLE: John D. Swez

STAFF-DR-04-017

REQUEST:

Refer to Application, Volume 17, Swez Direct Testimony, page 44-46. For each of the seven additional PJM BLIs associated with non-performance as well as for BLI 1999, provide the following:

- a. Whether a move to the RPM construct would change Duke Kentucky's request for inclusion of the line item;
- b. The total estimated charge or credit associated with each BLI.
- c. Explain why Duke Kentucky has not previously requested these BLIs be included in the PSM Rider.

RESPONSE:

- a. If the Company were to move to the RPM, there are three PJM BLIs that will not be included in Rider PSM because they are not applicable to the RPM; BLIs 1670, 2670, and 1681. Additionally, please refer to the response of STAFF-DR-04-006.

For the seven PJM BLIs referenced, plus BLI 1999:

1669, 2669 – Charged/Received under both FRR or RPM participation

1670, 2670 – Charged/Received under FRR participation only

1681 – Charged under FRR participation only

2681 – Received under RPM participation only

1985 - Received under both FRR or RPM participation

1999 - Received under both FRR or RPM participation

b. Based on historical amounts, the total estimated charge or credit associated with the BLIs 1669, 2669, 1670, 2670, 1681, 2681, and 1985 is \$0. It is important to note, however, that even though these charges and credits have historically been zero, these BLIs are largely dependent on the applicable deficiency amounts and capacity clearing prices. Thus, if these BLIs were to be utilized by PJM, the magnitude of these charges and credits could be large. Finally, note that some of these BLIs are charges, while others are credits.

The total estimated charge or credit associated with the BLI 1999 cannot be estimated because this BLI is wholly dependent on if a PJM Member defaults and the associated financial exposure of that PJM Member. The Company is unable to provide a forecast of PJM Member defaults and their exposure.

c. In Case No. 2017-00321, the last time Duke Energy Kentucky requested various PJM BLIs to be included in the FAC and PSM, the Company was not sure that the PJM BLIs 1670, 2670, 1681, 1999, and 2681 would be applicable. Additionally, BLIs 1669, 2669, and 1985 are new since that case.

PERSON RESPONSIBLE: John D. Swez

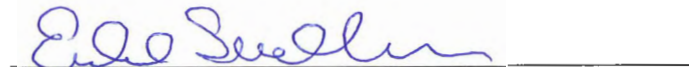
VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Lisa D. Steinkuhl, Director Rates & Regulatory Planning, 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.


Lisa D. Steinkuhl Affiant

Subscribed and sworn to before me by Lisa D. Steinkuhl on this 23rd day of April, 2025.


NOTARY PUBLIC

My Commission Expires: July 8, 2027




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

VERIFICATION

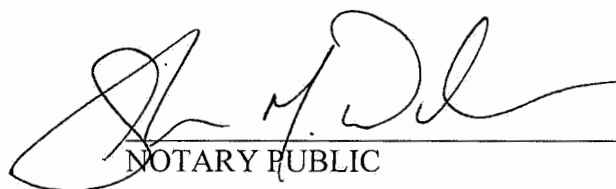
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

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



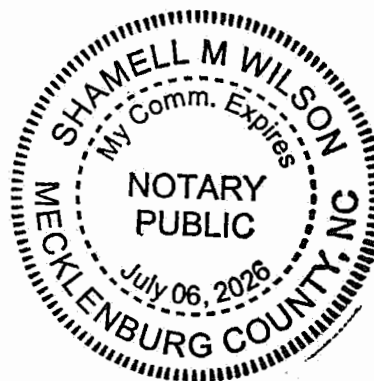
John Swez Affiant

Subscribed and sworn to before me by John Swez on this 22nd day of April,
2025.



NOTARY PUBLIC


My Commission Expires:



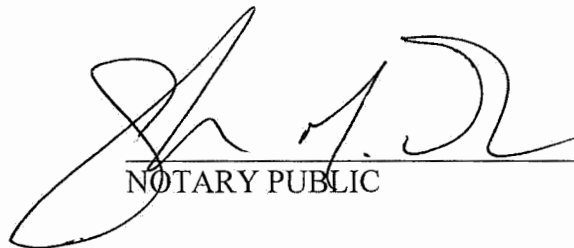
VERIFICATION

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

The undersigned, Jim McClay, Managing Director Natural Gas Trading, 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.


Jim McClay, Affiant

Subscribed and sworn to before me by Jim McClay on this 22nd day of April, 2025.


NOTARY PUBLIC

My Commission Expires:

