COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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	)	CASE NO. 2024-00354

ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION TO DUKE ENERGY KENTUCKY, INC.

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention ("Attorney General"), and submits the First Request for Information to Duke Energy Kentucky, Inc. (hereinafter "Duke Kentucky" or the "Company") to be answered by January 22, 2025, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the

preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout, which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words ''document'' or ''documents'' are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings;

calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

RUSSELL COLEMAN
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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on January 8, 2025, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 8th day of January, 2025,

Angela M. Awad

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Assistant Attorney General

1. Refer to the Application generally.

   a. Provide an organizational chart of Duke Kentucky. Designate what city each position is located in within Kentucky, and whether any position is vacant. If a position is based outside of Kentucky provide the city and state where it is located.

   b. Provide an organizational chart of Duke Energy Ohio, Inc. ("Duke Ohio"), which wholly owns Duke Kentucky. Designate what city each position is located in within Ohio, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant. If a position is based outside of Ohio provide the city and state where it is located. If for any reason the allocation factor is not provided then explain in detail how Duke Ohio's costs are allocated to Duke Kentucky.

   c. Provide an organizational chart of Cinergy, which wholly owns Duke Ohio. Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant. If for any reason the allocation factor is not provided then explain in detail how Cinergy's costs are allocated to Duke Kentucky.

   d. Provide an organizational chart of Duke Energy Corporation ("Duke Energy"), which wholly owns Cinergy. Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant. If for any reason the allocation factor is not provided then explain in detail how Duke Energy's costs are allocated to Duke Kentucky.

e. Provide an organizational chart of Duke Energy Business Services LLC ("DEBS"), which provides administrative and other services to Duke Kentucky and other affiliated companies. Designate what city and state each position is located in, what the allocation factor to Duke Kentucky is for each position, and whether any position is vacant. If for any reason the allocation factor is not provided then explain in detail how DEBS' costs are allocated to Duke Kentucky.

f. Provide an organizational chart that demonstrates all of the parent companies/holding companies/affiliated companies that are associated with Duke Kentucky.

2. Refer to the Application generally. 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. Provide the position, title, and salary for each executive staff employee for the years 2020 – 2025.

   b. Provide the average raise that the executive staff employees received, or will receive, for the years 2020 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.

   c. Provide the average bonus that each executive staff employee received, or will receive, for the years 2020 - 2025.

   d. Provide all awards given to the executive staff employees for the years 2020 – 2025.

e. Provide all vehicle allowances given to the executive staff employees for the years 2020 – 2025.

f. Provide all incentive compensation given to the executive staff employees for the years 2020 – 2025.

g. Provide the average raise, if any, which will be given to executive staff employees for 2025.

h. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company or parent company on the executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

i. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

j. Explain whether any of the executive staff employees are members of a union.

3. Refer to the Application generally. 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. Provide the position, title, and salary for each salaried employee for the years 2020 – 2025.

b. Provide the average raise that the salaried employees received, or will receive, for the years 2020 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.

c. Provide the average bonus that each salaried employee received, or will receive, for the years 2020 - 2025.

d. Provide all awards given to the salaried employees for the years 2020 – 2025.

e. Provide all vehicle allowances given to the salaried employees for the years 2020 – 2025.

f. Provide all incentive compensation given to the salaried employees for the years 2020 – 2025.

g. Provide the average raise, if any, which will be given to salaried employees for 2025.

h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

j. Explain whether any of the salaried employees are members of a union.

4. Refer to the Application generally. 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. Provide the position, title, and wages for each non-salaried employee for the years 2020 – 2025.

    b. Provide the average raise that the non-salaried employees received, or will receive, for the years 2020 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.

    c. Provide the average bonus that the non-salaried employees received, or will receive, for the years 2020 – 2025.

    d. Provide all awards given to the non-salaried employees for the years 2020 – 2025.

    e. Provide all vehicle allowances given to the non-salaried employees for the years 2020 – 2025.

    f. Provide all incentive compensation given to the non-salaried employees for the years 2020 – 2025.

    g. Provide the average raise, if any, which will be given to non-salaried employees for 2025.

    h. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company or parent company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

i. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

j. Explain whether any of the non-salaried employees are members of a union.

5. Refer to the Application generally. Explain whether any vacant position costs are included in the proposed revenue requirement. If so, provide the job title, salary/wage/benefit amounts, necessity of the position, date the job was created and vacated, explanation as to why the position is currently vacant, and an estimated date as to when the position will be filled.

6. Refer to the Application generally.

   a. In 2017, Duke Kentucky was granted a Certificate of Public Convenience and Necessity ("CPCN") to replace and upgrade its electric and gas metering infrastructure to a digital Advanced Metering Infrastructure ("AMI") for its electric and combination customers, and an Automated Meter Reading ("AMR") Infrastructure for its gas-only customers, known collectively as the ("AMI Project"),[1] which was completed in December 2018.

[1] Case No. 2016-00152, *Application of Duke Energy Kentucky, Inc. for (1) A Certificate of Public Convenience and Necessity Authorizing the Construction of an Advanced Metering Infrastructure; 2) Request for Accounting Treatment, and; 3) All Other Necessary Waivers, Approvals, and Relief* (Ky. PSC May 25, 2017).

i. Provide an overview of the types of meters (e.g., manual read meters, AMR, AMI, etc.), currently being utilized by Duke Kentucky's electric customers. Include in the response the approximate percentage of each type of meter that Duke Kentucky currently has in its electric system.

ii. Provide the projected remaining lives of the AMI meters that were installed by Duke Kentucky beginning in 2017.

iii. Explain whether any cost savings associated with the AMI project have been included in the pending case. If so, identify the cost savings along with a description of each. If not, explain in detail why not.

7. Refer to the Application, page 5, paragraph 9. Duke Kentucky asserts that it is requesting a rate increase of approximately $70 million dollars in the pending case. Confirm that Duke Kentucky is specifically requesting a $70,008,476 rate increase as asserted in the Direct Testimony of Lisa Steinkuhl ("Steinkuhl Testimony"). If not, provide the Company's exact rate increase request in the pending case.

8. Refer to the Application, page 6, paragraph 11. Duke Kentucky states that it is requesting an increase in rates because its existing rates for electric service is projected to have an earned rate of return on rate base of 3.886%, which is allegedly inadequate to enable the Company to continue providing safe, reasonable, and reliable service to its customers and insufficient to afford Duke Kentucky a reasonable opportunity to earn a fair return on its investment property.

a. Confirm that Duke Kentucky was provided a rate increase for electric service of $47.498 million on October 12, 2023, which was increased to $47.671 million on July 1, 2024, in Case No. 2022-00372.[2] If not confirmed, explain in detail why not.

b. Based upon the final rate increase granted in the July 1, 2024 Rehearing Order in Case No. 2022-00372, provide the monthly dollar amount and percentage increase for the residential customer using the average amount of electricity, as well as the total bill for the average residential customer before the rate increase and after the rate increase.

c. Confirm that Duke Kentucky was provided a rate increase for electric service of $24,123,933 on April 27, 2020, which was increased by an additional $4.382 million on October 16, 2020, in Case No. 2019-00271.[3] If not confirmed, explain in detail why not.

d. Confirm that Duke Kentucky was provided a rate increase for electric service of $8,428,645 on April 13, 2018, which was increased by an additional $388,626 on

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[2] Case No. 2022-00372, *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 Oct. 12, 2023), Rehearing Order, Appendix B. (In the October 12, 2023 Final Order Duke Kentucky was granted a $47.498 million increase, which was increased in the July 1, 2024 Rehearing Order to a $47.671 million increase.)

[3] 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 Apr. 27, 2020) (In the April 27, 2020 Final Order, Duke Kentucky was granted a $24,123,933 increase, which was increased by an additional $4.382 million in the October 16, 2020 Rehearing Order.)

October 2, 2018, in Case No. 2017-00321.[4] If not confirmed, explain in detail why not.

9. Refer to the Application, paragraph 2, in which Duke Kentucky states that it provides electric service to the Kentucky counties of Boone, Campbell, Grant, Kenton, and Pendleton Counties.

    a. Based upon the most recent United States Census information, the poverty rates for Duke Kentucky's electric service area are as follows:

    Pendleton County – 13.2%,

    Grant County – 13.0%,

    Kenton County – 10.6%,

    Campbell County – 10.3% , and

    Boone County – 7.4%.[5]

    Confirm that Duke Kentucky is aware of the above poverty rate percentages of its electric customers who live in the aforementioned counties.

10. Refer to the Direct Testimony of Amy B. Spiller ("Spiller Testimony") at 4, in which Ms. Spiller states that Duke Kentucky provides electric service to approximately 155,000 customers.

[4] Case No. 2017-00321, *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* (Ky. PSC Apr. 13, 2018) (In the April 13, 2018 Final Order, Duke Kentucky was granted an $8,428,645 increase, which was increased by an additional $388,626 in the October 2, 2018 Rehearing Order.)

[5] https://www.census.gov/quickfacts/fact/table/boonecountykentucky,campbellcountykentucky,kentoncountykentucky,grantcountykentucky,pendletoncountykentucky/PST045224.

a. Provide the total number of customers that Duke Kentucky provided electric service to for the years 2020 – 2025.

b. Explain in detail if Duke Kentucky is forecasting an increase in electric customers in the forecasted test period, and if so, provide the exact increase and all documentation regarding the same.

c. Ms. Spiller states that Duke Kentucky provides natural gas service to approximately 105,000 customers in Bracken (gas only), Boone, Campbell, Gallatin (gas only), Grant, Kenton, and Pendleton counties. Provide the number of customers that Duke Kentucky provides both electric and natural gas service to in the Kentucky service territory.

11. Refer to the Spiller Testimony at 4, in which Ms. Spiller asserts that Duke Kentucky's headquarters are located in Cincinnati, Ohio.

a. Explain whether Duke Kentucky has any utility office in Kentucky open for a customer to pay bills, obtain customer service, etc. If not, explain all ways that Duke Kentucky provides customers to pay bills, obtain customer service, etc.

b. Provide an update as to Duke Ohio's fine from the Public Utilities Commission of Ohio for making over 100,000 billing mistakes with its new Customer Connect software.[6] Additionally, confirm that Duke Kentucky customers will not have to pay for any portion of the fine assessed against Duke Ohio.

[6] *See* https://www.wvxu.org/show/cincinnati-edition/2024-09-04/duke-energy-mistakes-billing-software.

c. Provide a detailed account as to whether Duke Kentucky has made similar billing mistakes in Kentucky, as previously mentioned in (b), with its new Customer Connect software. If so, provide the total number of billing mistakes as well as how the Company resolved the mistakes.

12. Refer to the Spiller Testimony at 13 – 14, and the Direct Testimony of Jacob Colley ("Colley Testimony") at 11 – 13.

    a. Explain whether Duke Kentucky's customers voluntarily contribute to Share the Light (formerly WinterCare), the Home Energy Assistance ("HEA"), the Neighborhood Energy Saver Program ("NES"), the Payment Plus Program, and Weatherization Program, or if the customers are required to contribute through customer rates.

    b. Provide the monetary amount that customers are required to contribute each month/year to Share the Light, HEA, NES, the Payment Plus Program, and the Weatherization Program, if any.

    c. Provide the monetary amount that Duke Kentucky's shareholders contribute each month/year to Share the Light, HEA, NES, the Payment Plus Program, and the Weatherization Program, if any.

    d. Provide the account balances for Share the Light, HEA, NES, the Payment Plus Program, and the Weatherization Program, for each month of 2024.

13. Refer to the Spiller Testimony at 16. Ms. Spiller states that Duke Kentucky conducts Customer Experience Monitor surveys, and initially scored +15.5 in January 2018 and

improved the score to +43 in June 2024. Provide the scoring range, and what each score indicates, for the Duke Kentucky's Customer Experience Monitor survey.

14. Refer to the Spiller Testimony at 17. Ms. Spiller states that Duke Energy's Midwest (including Ohio, Kentucky, Indiana) score was down 8 points in the 2023 J.D. Power Customer Satisfaction Study. Provide Duke Energy's Midwest ranking from the 2023 J.D. Power Customer Satisfaction Study, as well as a copy of the 2023 J.D. Power Customer Satisfaction Study that is referenced by Ms. Spiller.
15. Refer to the Spiller Testimony at 18 – 19. Ms. Spiller states that Duke Kentucky additionally uses Fastrack to measure customer satisfaction with recent interactions with the Company.
    a. Provide the detractors' suggestions on how to improve start/transfer electric service.
    b. Provide the detractors' suggestions on how to improve outage/restoration.
    c. Provide the detractors' suggestions on how to improve outdoor lighting repair.
16. Refer to the Spiller Testimony at 20.
    a. Provide a breakdown of the $250 million investment in additional electric infrastructure by project that Duke Kentucky has made since the last rate case, and provide start and end dates for each project.
    b. Explain in detail whether a CPCN was obtained for any of the aforementioned $250 million investment projects. If so, provide the correlating case number(s). If not, explain why not.

17. Refer to the Direct Testimony of Shannon A. Caldwell ("Caldwell Testimony") at 4. Ms. Caldwell states that Duke Energy has 276,213 employees, and Duke Kentucky has 141 employees, comprising of 10 exempt employees and 131 non-exempt employees. Further, Ms. Caldwell states that DEBS has 6,737 employees, comprised of 5,152 exempt employees and 1,585 non-exempt employees. Explain all the differences and similarities between the exempt and non-exempt employee designations, and designate whether only non-exempt employees are union members.

18. Refer to the Caldwell Testimony generally.
    a. Provide a copy of all formal wage and benefit studies conducted by or on behalf of Duke Kentucky.
    b. Provide copies of all formal wage and benefit studies conducted by or on behalf of Duke Kentucky that compares wage and benefit information to the local wage and benefit information for the geographic area in which Duke Kentucky operates, and not only to other utilities, per prior Commission precedent.[7]

19. Refer to the Caldwell Testimony at 9 – 15.
    a. Confirm that Ms. Caldwell is aware of the extensive precedent, in which the Commission has, "consistently disallowed recovery of the cost of employee

[7] Case No. 2020-00160, *Electronic Application of Water Service Corporation of Kentucky for a General Adjustment in Existing Rates* (Ky. PSC Dec. 8, 2020) Order at 10.

incentive compensation plans that are tied to financial measures because such plans benefit shareholders while ratepayers receive little benefit."[8]

b. Provide the monetary amount that is associated with both short-term (including the Union Employee Incentive Plan ("UEIP")), and long-term incentive compensation tied to financial measures that Duke Kentucky included in the revenue requirement, if any.

20. Refer to the Caldwell Testimony at 34 – 35.

a. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for single coverage in private industry is 80%.[9]

b. Provide the average percentage share of premiums paid by Duke Kentucky for single coverage employee health insurance. In the response, ensure to provide a breakdown of the contribution percentage share rates for different sets of employees (i.e. union versus nonunion, exempt versus nonexempt, and the like).

c. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for family coverage in private industry is 68%.[10]

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[8] Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (Ky. PSC June 27, 2019), Order at 43; Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, a Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions* (Ky. PSC May 3, 2024), Order at 17.
[9] https://www.bls.gov/news.release/ebs2.t03.htm, Table 3.
[10] https://www.bls.gov/news.release/ebs2.t04.htm, Table 4.

d. Provide the average percentage share of premiums paid by Duke Kentucky for family coverage employee health insurance. In the response, ensure to provide a breakdown of the contribution percentage share rates for different sets of employees (i.e. union versus nonunion, exempt versus nonexempt, and the like).

e. Explain whether Duke Kentucky made any adjustments to Health Benefits Expense based on health insurance benefit contributions in excess of the Bureau of Labor Statistics' average for single and family coverage? If not, explain why not and update the adjusted test year expense based on the most recent report available. Provide all supporting calculations and documents.

f. Explain in detail whether Duke Kentucky provides health savings account contributions for its employees, and if so, provide the monetary amount regarding the same. Ensure to discuss the specific details as to whether employees are also required to contribute to the health savings accounts.

g. Provide the contribution amounts to insurance costs that are paid by Duke Kentucky and the retirees.

h. Provide the contribution amounts to dental insurance costs that are paid by Duke Kentucky and the employees.

i. Provide the contribution amounts to vision insurance costs that are paid by Duke Kentucky and the employees.

j. Provide the contribution amounts to term life insurance that are paid by Duke Kentucky and the employees.

k. Provide the contribution amounts to disability insurance that are paid by Duke Kentucky and the employees.

21. Refer to the Direct Testimony of Grady "Tripp" S. Carpenter ("Carpenter Testimony") at 9.

    a. Provide a list of all entities that direct charge or allocate costs to Duke Kentucky, and include the total amount of costs that are direct charged and/or allocated to the Company in the test year.

    b. Explain who is responsible to review the allocated costs to Duke Kentucky, and whether any allocated costs have been rejected for any reason in the past five years. Provide specific examples of all rejected allocated costs in the past five years.

    c. Identify all of the non-utility companies that are affiliates of Duke Kentucky.

    d. Identify all of the non-utility companies that are affiliates of and provide services to Duke Kentucky.

22. Refer to the Carpenter Testimony at 9 – 10. Mr. Carpenter states that the union labor cost increases were assumed to be between 2.5% – 3.6%, depending on the agreements, while non-union labor cost increases were assumed to be 3.5% (including both merit increases of 3% and an allowance for salary increases for promotions of 0.5%).

    a. Provide an update on the union labor agreements as well as the union labor cost increases. Consider this an ongoing request.

b. Explain whether Duke Kentucky awards the same cost increase to non-union employees that the union employees receive. If not, explain how Duke Kentucky negotiates with the union versus non-union employees on wage/benefit increases.

c. Explain what employees are eligible to join a union at Duke Kentucky.

23. Refer to the Carpenter Testimony at 10. Explain what the fringe benefit loading rate of 25.61% for 2024 and 2025 represents.

24. Refer to the Direct Testimony of Thomas K. Christie ("Christie Testimony") at 3 – 4. Mr. Christie states that Duke Kentucky's vegetation management goal is to balance the need for reliable electric service with cost-effective vegetation management practices.

a. Provide a copy of Duke Kentucky's Vegetation Management Program.

b. Explain whether any Duke Kentucky employees work on vegetation management, or if it is handled exclusively by contractors.

c. Explain whether Duke Kentucky issues request for proposals ("RFPs") in order to obtain the most cost-effective contract price for vegetation management. If not, explain why not.

d. Provide the names of all contract firms that Duke Kentucky works with on its vegetation management.

e. Mr. Christie states that a five-year vegetation management cycle equates to approximately 286 miles per year that Duke Kentucky needs to manage. Provide the number of miles that Duke Kentucky has actually completed vegetation management upon for the years 2020 – 2025.

f. Provide the monetary amount associated with the five-year vegetation management plan for each of the years 2020 – 2025.

25. Refer to the Colley Testimony at 18 – 20.

a. Provide the monetary amount that Duke Kentucky included in the test year revenue requirement for payment processing fees, with a breakdown between each payment type.

b. If Duke Kentucky included credit card fees in the revenue requirement then provide the Commission case number and Order that approved these specific fees to be included in rates.

c. Provide all payment processing fees that Duke Kentucky has paid for in the years 2020 – 2025, and provide a breakdown for each type of payment processing fee.

d. Identify the type of payments Duke Kentucky accepts from a customer without assessing a fee.

e. Identify the type of payments Duke Kentucky accepts only with a fee assessment.

f. Explain in full detail whether Duke Kentucky requires a convenience fee to be added to all credit card transactions in order for other customers to not subsidize the credit card payments. If not, explain in full detail why not.

g. Provide the type of credit cards that Duke Kentucky accepts as payment (e.g. Visa, MasterCard, American Express, etc.), the fee that the Company pays to process each type of credit card, and the associated fee to the customer.

h. Provide all other forms of payment that Duke Kentucky accepts from customers to pay the utility bill, the corresponding fees that the Company pays to process each payment type, as well as all fees assessed to the customers for each payment type.

i. Provide a list of all investor-owned utilities in Kentucky, if any, that do not charge a fee to customers who pay the bill using a credit card, and citations to the Commission Order(s) approving of the inclusion of the fees in the revenue requirement.

26. Refer to the Colley Testimony at 19.

a. Provide a list of all fee-free payment locations that are available to Duke Kentucky's customers to walk in a pay their electric bills since Duke Kentucky does not have an office in Kentucky for customers to do so. Ensure to include the fee that Duke Kentucky pays, if any, in order to provide the fee-free payment locations.

b. Provide a list of all payment locations in which Duke Kentucky customers must pay a fee to pay their electric bills, as well as the corresponding fee that both Duke Kentucky and the customers must pay.

c. Explain in detail whether the aforementioned payment locations (fee-free or fee payment locations) have access to the customers' accounts, and know the amount of the bill that needs to be paid, and by what date the bill is required to be paid. If not, explain what information the payment locations have concerning Duke Kentucky customer accounts.

27. Refer to the Direct Testimony of Thomas Heath, Jr. ("Heath Testimony") at 5 – 6. Mr. Heath states that the Company is proposing a capital structure of 52.728% equity and 47.272% debt in the pending case. However, equity capital is a more expensive form of capital than debt capital. Thus, explain why Duke Kentucky is proposing a higher percentage of equity than debt if the equity portion represents a higher cost to the customers.

28. Refer to the Heath Testimony at 15. Mr. Heath states that the credit rating agencies believe that Duke Kentucky's reliance on coal-fired generation is a constraint and causes it to be poorly positioned for the carbon transition, and considers this a credit challenge.
    a. Explain whether Duke Kentucky is aware of KRS 41.470 – 41.480,[11] regarding divestment of holdings in financial companies participating in energy company boycotts.
    b. Explain whether Duke Kentucky knows whether the credit rating agencies cited by Mr. Heath are aware of KRS 41.470 – 41.480, regarding divestment of holdings in financial companies participating in energy company boycotts.

29. Refer to the Direct Testimony of Matthew Kalemba ("Kalemba Testimony") at 4 – 5. Mr. Kalemba states that Duke Kentucky's 2024 IRP includes updated policies at both the state and federal level including the Inflation Reduction Act ("IRA"); the Environmental Protection Agency ("EPA") Clean Air Act, Section 111, April 2024 Updates regulating

[11] https://apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37222.

existing coal and new natural gas generation facilities; and, updates to Effluent Limitation Guidelines ("ELG") and tightened Mercury and Air Toxics Standards ("MATS").

a. Confirm that due to a new presidential administration taking office on January 20, 2025, as well as pending litigation, it is possible, if not probable, that the aforementioned cited laws and regulations will be modified or overturned altogether.

b. Explain in detail whether East Bend could continue to provide safe and reliable electricity past December 31, 2038, if the aforementioned laws and EPA regulations are overturned through the pending legal challenges and/or rolled back by the new presidential administration taking office on January 20, 2025.

c. If the aforementioned laws and regulations are modified and/or overturned, will Duke Kentucky modify its proposed plan to close the East Bend station no later than December 31, 2038? Explain the response in detail.

d. If the aforementioned laws and regulations are modified and/or overturned, will Duke Kentucky continue with its plan to convert the East Bend station from 100% coal generation to coal generation with natural gas co-firing capabilities? Explain the response in detail.

30. Refer to the Direct Testimony of Sarah E. Lawler ("Lawler Testimony") at 7. Ms. Lawler states that Duke Kentucky has proven the rebuttal presumption as required by KRS 278.264 to allow it to include various costs, including terminal net salvage costs, associated with the East Bend and Woodsdale generating units.

a. KRS 278.264(2)(b) states, "[t]he retirement will not harm the utility's ratepayers by causing the utility to incur any net incremental costs to be recovered from ratepayers that could be avoided by continuing to operate the electric generating unit proposed for retirement…" Explain in detail how the Company's proposal to shutter the East Bend coal generating unit and replace it with a new generation unit will not cause harm to the utility's ratepayers, or create incremental costs, since the customers will be forced to pay for all of the costs associated with East Bend as well as the cost of the new generation unit replacement, instead of only paying the cost for East Bend to continue to operate and provide electricity.

b. KRS 278.264(2)(d) states, "[t]he utility shall not commence retirement or decommissioning of the electric generating unit until the replacement generating capacity meeting the requirements of paragraph (a) of this subsection is fully constructed, permitted, and in operation, unless the utility can demonstrate that it is necessary under the circumstances to commence retirement or decommissioning of the existing unit earlier." Based upon KRS 278.264(2)(d) explain in detail why Duke Kentucky should be allowed to collect retirement and/or decommissioning costs associated with East Bend of Woodsdale until the future replacement generating capacity is fully constructed, permitted, and operational.

31. Refer to the Direct Testimony of William Luke ("Luke Testimony") at 3 – 10.

a. Mr. Luke asserts that East Bend is a 600 MW net summer rating coal-fired steam unit located along the Ohio River in Boone County, Kentucky, which was commissioned in 1981.

    i. Provide the capacity factor for East Bend for the years 2020 – 2025.

    ii. Explain whether East Bend provides reliable and continuous electricity to customers.

b. Mr. Luke states that Woodsdale is a six-unit, simple cycle, combustion turbine ("CT") station located in Butler County, Ohio, just north of Cincinnati, with a collective net winter rating of 564 MW and a net summer rating of 476 MW, designed to provide peaking service and has a black start and dual fuel capability.

    i. Provide the capacity factor for the Woodsdale generating units for the years 2020 – 2025.

    ii. Explain whether the Woodsdale generating units provide reliable and continuous electricity to customers.

c. Mr. Luke asserts that Duke Kentucky owns four solar facilities with a total nameplate rating of 8.8 MW: Walton 1 Solar Plant (2 MW) located in Walton, KY; Walton 2 Solar Plan (2 MW) also located in Walton, KY; Crittenden Solar Plant (2.8 MW) located in Dry Ridge, KY; and Aero Solar Plant (2 MW) located in Burlington, KY. These four plants combined provide 3.7 MW of firm summer capacity.

    i. Provide the capacity factor for each of the four solar facilities.

ii. Explain whether Duke Kentucky has battery storage for the solar farms.

iii. Explain whether the solar farms provide electricity to customers when the sun is not shining. If not, explain which of Duke Kentucky's generation resources will provide electricity during that time.

iv. Explain whether the solar farms provide reliable and continuous electricity to customers.

v. Discuss how often solar panels need to be replaced, and the costs associated with each replacement.

vi. Explain in detail whether Duke Kentucky's solar farms have had any unexpected inverter tripping, which can happen during normal grid disturbances, and causes the solar energy capacity to unexpectedly go offline.

32. Refer to the Luke Testimony at 6 – 7. Mr. Luke states that the East Bend generating unit has significantly outperformed the North American Electric Reliability Corporation's ("NERC") average Equivalent Forced Outage Rate ("EFOR"), in eight of the past nine years.

    a. Explain why the Company is proposing to close a highly efficient coal-fired generating unit by 2038.

    b. Provide the EFOR percentage for the East Bend generating unit for the years 2015 – 2025.

33. Refer to the Luke Testimony at 11. Mr. Luke states that, "Duke Energy Kentucky is anticipating that East Bend will retire no later than December 31, 2038, as a result of environmental regulations, namely the United States Environmental Protection Agency's (US EPA) Clean Air Act 111 Update (CAA 111 Update) that limits the operation of existing coal-fired generation." Mr. Luke further asserts, "notwithstanding whether or not the CAA 11 Update withstands legal challenges, the rule is in effect today, and there will likely be additional restrictions to the operation and/or economics of coal necessitating East Bend's retirement prior to 2041."
    a. Explain in detail whether East Bend could continue to provide safe and reliable electricity past December 31, 2038, if the aforementioned laws and EPA regulations are overturned through the pending legal challenges and/or rolled back by the new presidential administration taking office on January 20, 2025.
    b. If the aforementioned EPA regulations are rolled back and/or overturned will Duke Kentucky modify its request to set East Bend's depreciation rates for December 31, 2038? Explain the response in detail.
34. Refer to the Luke Testimony at 17. Mr. Luke asserts that based upon the Company's 2024 IRP, East Bend should be replaced with a 664 MW 1x1 natural gas combined cycle ("CC") unit.
    a. Provide the estimated cost for a completed 664 MW 1x1 natural gas CC unit.
    b. Provide the estimated time that it is projected to take to build and have a CC unit operational.

c. Provide the capacity factor for the CC unit.

d. Provide an overview of what variables could cause the East Bend plant to continue being economic to the customers past 2038. Include in this discussion any potential for PJM Interconnection ("PJM") to request East Bend to stay open for reliability purposes.

e. Provide the net plant balance not yet depreciated on the East Bend generating unit as of January 2025.

f. Confirm that Duke Kentucky will include the undepreciated monetary amounts associated with the East Bend generating unit in the customers' rates if it is retired early.

g. Explain whether Duke Kentucky includes the undepreciated monetary amounts that customers will have to pay for in rates if the East Bend generating unit is retired early when conducting its modeling of economic value to customers.

35. Refer to the Luke Testimony at 20. Mr. Luke states that, "as coal prices increase, plants like East Bend will become more unfavorable in the competitive market."

a. Provide documentation supporting Mr. Luke's assertion that coal prices are increasing or projected to increase.

b. Explain in detail Duke Kentucky's coal procurement policy.

c. Provide the monetary amount and volume of coal that Duke Kentucky has purchased for each of the years 2020 – 2025.

d. If coal prices decrease in the future, explain whether this would increase the value of the East Bend unit to customers and PJM.

e. Explain whether the reliability and resiliency of East Bend is valuable to customers.

f. If PJM requested for East Bend to stay open for reliability purposes, explain whether this would increase the value of the unit to customers.

36. Refer to the Luke Testimony at 21 and the Direct Testimony of John D. Swez ("Swez Testimony") at 29.

a. Confirm that the replacement of Woodsdale was not evaluated as part of the 2024 IRP.

b. Confirm that Duke Kentucky does not provide a specific type of generation replacement for the Woodsdale generating units.

37. Refer to the Application generally. Provide a brief summary for each of Duke Kentucky's Demand Side Management ("DSM") programs.

38. Refer to the Application generally. In Case No. 2022-00372, Duke Kentucky asserted that the self-optimizing grid implementation was about 15% complete, and at the deployment rate at that time, a fully self-optimizing distribution grid capability would take about a decade to achieve.

a. Explain in detail which part of the grid already has the self-optimizing grid implementation completed, and provide a map illustrating the same if available.

b. Explain in detail how Duke Kentucky made the determination of where to begin implementing the self-optimizing grid.

c. Provide a detailed plan of how Duke Kentucky will continue deploying the self-optimizing grid over the next decade, and provide a map illustrating the same if available.

d. Provide an update as to the percentage completion of the self-optimizing grid implementation.

e. Provide an update as to when the fully self-optimizing grid will be completed.

39. Refer to the Application generally.

a. Provide the total capital expenditures for transmission and distribution projects from 2015 - 2025.

b. Provide the forecasted total capital expenditures for transmission and distribution projects that are included in the base period and the forecasted test period in the pending case.

c. Explain in detail whether any of the increased spending on transmission and/or distribution projects is related to being a member of PJM.

40. Refer to the Direct Testimony of John R. Panizza ("Panizza Testimony") at 5. Mr. Panizza states that in his opinion, Duke Kentucky should use the statutory Kentucky income tax rate instead of the effective Kentucky income tax rate to calculate Duke Kentucky's income tax expense. Explain why Duke Kentucky's customers should be required to pay a higher tax through rates than what Duke Kentucky is actually required to pay.

41. Refer to the Direct Testimony of Bruce L. Sailers ("Sailers Testimony") at 8.

a. As required, provide the monthly dollar amount and percentage increase for the customers using the average amount of electricity for each customer classification to which the proposed increased rates will apply. If Duke Kentucky refers to the application for the response, and specifically the customer notice as contained in Volume 1, Tab 12, provide the specific citation to where this information can be found.

b. Based upon the proposed rate increase, provide the monthly dollar amount and percentage increase for the residential customer using the average amount of electricity, as well as the total bill for the average customer before the rate increase and after the rate increase.

42. Refer to the Sailers Testimony at 9. Mr. Sailers states that the Class Cost of Service Study ("COSS") indicates that a monthly customer charge of $18.97 is supported for the residential class. Duke Kentucky further asserts that it is proposing to increase the monthly customer charge from $13 to $16 based upon the concept of gradualism and being mindful of the impact to the customers.

   a. Explain how seeking to increase the monthly residential customer charge from $13.00 to $16.00, which is an increase of approximately 23.08%, is in line with the principle of gradualism.

   b. Provide a list of all electric gas utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge, average bill, and rank the utilities from lowest to highest average bill. Ensure to include Duke

Kentucky's proposed residential customer charge, residential volumetric charge, average bill, and rank based upon its proposed revenue requirement.

43. Refer to the Direct Testimony of John J. Spanos ("Spanos Testimony') at 11 – 19.
    a. Confirm that net salvage costs (i.e. decommissioning costs) for the electric fossil fuel fired generating units (i.e. East Bend and Woodsdale) were included in the proposed depreciation rates in the pending case. If not confirmed, explain why not.
    b. Confirm that including net salvage costs for the electric fossil fuel generating units in the depreciation rates in the pending case is in violation of the Commission's findings in the Final Order and Rehearing Orders in Case No. 2022-00372.[12] If not confirmed, explain why not.
44. Refer to the Steinkuhl Testimony at 8, in which she asserts that Duke Kentucky is requesting the rate case expense to be allowed recovery in the rates, and amortized over a five-year period.
    a. Provide the total rate case expense that has been accrued thus far in the pending case. Consider this a continuing request.

[12] Case No. 2022-00372, *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 Oct. 12, 2023), Final Order at 11 – 15; Case No. 2022-00372, *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 Nov. 21, 2023), Rehearing Order at 9 – 12; Case No. 2022-00372, *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 July 1, 2024), Rehearing Order at 8 – 9.

b. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.

c. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.

d. Provide the estimated total rate case expense.

e. Provide a breakdown of the estimated total rate case expense.

45. Refer to the Direct Testimony of Jame E. Ziolkowski ("Ziolkowski Testimony") at 9, and the COSS. Mr. Ziolkowski asserts that certain analyses and decisions are objective and not subjective.

a. Confirm that certain analyses and decisions when creating a COSS are subjective and not objective. If not confirmed, explain in detail why not.

b. Provie a detailed list of all subjective analyses and decisions that Mr. Ziolkowksi made in the COSS in the pending case.

46. Refer to the Application generally. In Case No. 2022-00372, Duke Kentucky stated that it was contemplating installing a Distributed Energy Resources Management System ("DERMS").

a. Explain whether Duke Kentucky has installed a DERMS.

b. If a DERMS was installed, explain in detail how the Company justifies such an expenditure. Also, provide all estimates for the amount of distributed resources that the Company projects will be brought onto its distribution system from now through 2030.

47. Refer to the Application generally. Identify fully any and all organizations to which Duke Kentucky pays dues and/or membership fees of any type or sort (hereinafter referred to as "Dues Requiring Organizations"), including but not limited to Edison Electric Institute and Electric Power Research Institute, which engage in any one or more of the following activities (hereinafter "covered activities"):

    i. legislative advocacy, regulatory advocacy, and/or public relations;
    ii. advertising;
    iii. marketing;
    iv. legislative policy research; and/or,
    v. regulatory policy research.

    a. If so confirmed with regard to any one or more of these organizations, identify that organization and provide the amount of Duke Kentucky dues which that organization applies to covered activities, both in dollar terms and percentages of total dues.
    b. Explain whether all or any portion of said dues are excluded in Schedule D-2.23, and if so identify fully the precise line in which the dues are excluded in that Schedule, together with the amount(s) thereof.

48. Refer to the Application generally. Explain whether Duke Kentucky pays any dues or membership fees to law firms or trade groups which maintain an affiliate engaged in any of the covered activities identified in the preceding question.

a. If so, identify fully the law firm or trade group by name, the name of the affiliate engaged in any such activities, and the amounts Duke Kentucky paid to the law firm, trade group, or affiliate thereof for those activities.
b. Explain whether Duke Kentucky is seeking recovery from ratepayers for any such sums identified in subpart (a) of this question.

49. Refer to the Application generally. If any affiliate of Duke Kentucky pays dues to one or more Dues Requiring Organizations, and a jurisdictional portion of those dues are charged back to Duke Kentucky, explain whether the dues are being recovered in rates, the amounts thereof, and precisely where they can be found in the Application.
50. Refer to the Application generally. For all expenses associated in any manner with any Dues Requiring Organization and for which the Company seeks reimbursement from ratepayers:
    a. Provide a complete copy of all invoices received from each such Dues Requiring Organization since the conclusion of the Company's last electric rate case;
    b. Provide any and all documents in the Company's possession that depict how each such Dues Requiring Organization spends the dues it collects from the Company, including the percentage that applies to all covered activities.
    c. Provide a detailed description of the services and benefits each Dues Requiring Organization provided to the Company since the conclusion of its most recent electric rate case. Of these services and benefits, identify which ones accrue directly to ratepayers, and explain fully how.

d. Explain whether Duke Kentucky included in operating expenses any amounts for: (i) EEI Media Communications, and/or (ii) any similar division of any other Dues Requiring Organization. If so, state the amount, indicate in which account this has been recorded, and provide a citation to any and all Commission Orders or other authority upon which the Company is relying for the inclusion of such expense in the test period.

e. State whether the Company is aware whether any portion of the dues it pays to any Dues Requiring Organization are utilized to pay for any of the following expenditures, and if so, provide complete details:

   i. Influencing federal or Kentucky legislation;

   ii. Any media advertising campaigns backing the Company's or the Dues Requiring Organization's position(s) on net metering;

   iii. Documents associated with EEI programs "We Stand For Energy," or "Defend My Dividend," public relations, advocacy efforts or other covered activities;

   iv. Contributions from EEI, EPRI, or other Dues Requiring Organizations to third-party organizations and contractors including any of the expenditures identified in this question and its subparts.

f. Provide EEI's most recent IRS Form 990.

g. Explain whether the Company's EEI dues contribute to the salary, benefits, and expenses of the EEI Executive Vice President for Public Policy and External

Affairs, or any other EEI officer or employee who has led an effort EEI undertook to rebrand the utility industry.

h. Explain whether any Company personnel actively participate on committees and/or perform any other work for any Dues Requiring Organizations or any other industry organization to which the Company belongs, including but not limited to EEI. If so:

   i. State specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work; and,

   ii. List any and all reimbursements received from industry associations, for work performed for such organizations by the Company's employees.

51. Provide a trial balance for the Company at December 31, 2021, December 31, 2022, December 31, 2023, and the most recent month for which the accounting books have been closed in 2024. This should be updated as soon as possible after the Company closes its accounting books for December 2024. In addition, provide a chart of accounts and subaccounts and the related descriptions that matches the accounts used in the trial balance.

52. Provide a trial balance for DEBS at December 31, 2021, December 31, 2022, December 31, 2023, and the most recent month for which the accounting books have been closed in 2024. This should be updated as soon as possible after the Company closes its accounting books for December 2024. In addition, provide a chart of accounts and subaccounts and the related descriptions that matches the accounts used in the trial balance.

53. Refer to the Direct Testimony of Michael J. Adams ("Adams Testimony"), and exhibit attachments, regarding the lead/lag study he performed. Provide electronic copies of the lead/lag study performed, along with all workpapers utilized, in live Excel format with all formulas intact.

54. Refer to the Adams Testimony and Attachment MJA-2 at page 4, regarding the lead/lag study he performed.

    a. Indicate the source of the test period annual expense amounts for each expense category and explain why those amounts differ from the amounts included on Schedules C-1 and C-2.

    b. If the test period annual revenue and expense amounts were not synchronized with the as-filed amounts provided elsewhere in the application schedules, provide a corrected CWC calculation.

    c. Indicate why there are zero test period annual expenses reflected for each of the following even though there are calculated (lead)lag days for each:

        Line 6 – Natural Gas

        Line 7 – Oil

        Line 25 – Franchise Tax

        Line 28 – Federal Unemployment Taxes

        Line 29 – State Unemployment Taxes

        Line 30 – Gross Receipts License Tax

        Line 31 – Sales & Use Tax

55. Provide a copy of each of Duke Energy's most recent Cash Working Capital ("CWC") studies from each of its jurisdictions that use the lead/lag study approach. If a lead/lag study was not performed for some or all its jurisdictions, so state and explain why not.

56. Refer to the Direct Testimony of Michael J. Adams in Kentucky Power Company Case No. 2023-00159,[13] wherein he addressed cash working capital using the lead lag approach.

    a. Refer to pages 12 and 14 of his testimony in that case wherein Witness Adams addresses the interest expense payment lags and his Exhibit MJA-2 Summary of Lead Lag Days wherein he shows the interest expense lag days of 82.05. Confirm that in the Kentucky Power Company rate case, Kentucky Power Company included the interest expense as a cash expense using the 82.05 days in its cash working capital calculations based on Witness Adams' analysis and testimony. If not confirmed, explain in detail why not.

    b. Calculate the interest expense lag days for Duke Kentucky using the same methodology Witness Adams used in the Kentucky Power Company rate case, Case No. 2023-00159. Provide all supporting assumptions and workpapers in an Excel workbook in live format with all formulas intact.

    c. Indicate whether it was Witness Adams or Duke Kentucky that made the decision to exclude interest expense from the calculation of cash working capital in this

[13] Case No. 2023-00159, *Electronic Application of Kentucky Power Company for 1) A General Adjustment of its Rates for Electric Service; 2) Approval of Tariffs and Riders; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; 4) A Securitization Financing Order; and 5) All Other Required Approvals and Relief* (Ky. PSC Jan. 19, 2024).

proceeding. If Duke Kentucky, then identify the person(s), along with their position and employer who made this decision for this proceeding.

57. Refer to the Steinkuhl Testimony at page 10, regarding the proforma adjustment performed on Schedule D-2.21 to increase uncollectible expense by $1.785 million. Refer also to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the tab SCH_H and to the monthly detail on WPH-a in regards to charge-offs and their percentages of revenues to determine the 0.921% uncollectible expense percentage.
    a. In the same format as the month data provided for 2023 on WPH-a, provide the monthly gross charge offs, recoveries, net charge-offs, revenues, and percentage of revenues for each month during 2022 and for each month during 2024 for the electric division.
    b. Confirm that all of the data provided on WPH-a applies to the electric division only. If not confirmed, explain why not.
    c. Provide the amount of expense recorded in account 904 for uncollectible expense for the electric division for each month during 2022, 2023, and 2024.

58. Provide a schedule showing the beginning balance of the uncollectible accounts reserve, bad debt expense accruals, direct gross charge-offs, bad debt recoveries (recapture), and ending balance uncollectible accounts reserve for each month during the years 2022 through 2024 applicable to the electric division.

59. For each reserve balance sheet reserve account other than the uncollectible accounts reserve, provide the beginning balance, expense accruals, charge-offs, and ending balance for each month during the years 2022 through 2024 applicable to the electric division.

60. Refer to the Steinkuhl Testimony at page 8, regarding the ESM proforma adjustments performed on Schedule D-2.18. Provide the calculations of the increase in the depreciation expense of $1,665,492 and property taxes of 163,314 in electronic format with all formulas intact and explain how each should be reflected as increases to expense.

61. Provide a schedule of the amortization expense and remaining balance associated with each regulatory asset and regulatory liability for each month for the years 2021 through 2024, and for each month projected for 2025 and continuing through the end of the test year. In addition, provide the amortization period and the case number in which the Commission approved the recovery and the amortization period, if any. This request is applicable to all regulatory assets and liabilities except for the regulatory asset balances related to the Planned Outage O&M and the Forced Outage Purchased Power.

62. Provide the Asset Retirement Obligations and the accumulated amortization recorded for East Bend and the Woodsdale CTs by FERC account/subaccount (assets and liabilities) and by generating unit, if available, as of December 31, 2023 and December 31, 2024, for each specific legal obligation.

63. Refer to the Spanos Testimony generally. For each generating unit, provide the date of installation, the probable retirement date reflected in the *present* depreciation rates and the probable retirement date reflected in the Gannett Fleming depreciation study in this

proceeding. In addition, provide a copy of all studies and *all* other source documents relied on for the proposed probable retirement dates reflected in the Gannett Fleming depreciation study in this proceeding.

64. Refer to the Lawler Testimony at 7 wherein she refers to "the decision to retire."

    a. Confirm the term "the decision to retire" was used by Witness Lawler to intentionally match the use of the term in KRS 278.264(2)(c), which states: "The decision to retire the fossil fuel-fired electric generating unit is not the result of any financial incentives or benefits offered by any federal agency." If this is not correct, then so state.

    b. Duke Kentucky Witness Luke refers to an "anticipated retirement" and an "estimated retirement date" in his direct testimony at 11, and states "the unit will retire eventually" at 13. Duke Kentucky witness Kalemba states that "East Bend will retire eventually" in his direct testimony at 14. Duke Kentucky Witness Swez states that "it is inevitable that the Company's generating units will eventually retire" in his direct testimony at 24. All of these witnesses refer to a conceptual retirement construct, subject to future analyses and a future request for authorization to retire, as opposed to "the decision" to retire, which implies an actual decision to retire on a specific date. Confirm there has been no "decision to retire" East Bend 2 and the Woodsdale CTs and confirm there have been no actions taken to actually retire East Bend 2 on December 31, 2038 and the Woodsdale CTs on December 31, 2040, the specific dates requested as the "probable retirement dates" in the calculation of the proposed East Bend 2 and Woodsdale CTs depreciation rates.

c. Refer to KRS 278.264 *Commission's approval or denial of retirement of electric generating unit - - Rebuttable presumption against retiring fossil fuel-fired generating unit -- Evidence of costs -- Report – Definitions,* which states as follows:

(1) Notwithstanding any provision of law to the contrary, the commission shall have the authority to approve or deny the retirement of an electric generating unit owned by a utility. Prior to retiring an electric generating unit, a utility shall apply to the commission for an order approving the retirement, and shall give the commission thirty (30) days' notice of the application. The application shall include a statement certifying the applicant's compliance with the requirements of KRS 164.2807. The commission shall enter an order approving, approving with conditions, or denying the application within one hundred eighty (180) days of receiving an administratively complete application.

i. Confirm that Duke Kentucky's application in this proceeding is not and does not include a request for an order approving the retirement of East Bend 2 or the Woodsdale CTs. If this is not correct, then provide a citation to the relevant provisions of the application which sets forth such a request. If Duke Kentucky's application includes no such request, then so state.

ii. Confirm that the rebuttal presumptions set forth in KRS 278.264 address a utility's application to the commission for an order approving the retirement of an electric generating unit owned by a utility. If not confirmed, then explain in detail why not, and authoritative bases relied on in the response.

65. Confirm the Company records accumulated net salvage in account 108 accumulated depreciation for FERC USOA purposes, but reclassifies and reports it as a regulatory liability for financial reporting purposes. If this is not correct, then provide a corrected statement.

66. Provide the regulatory liabilities for East Bend 2 interim net salvage and East Bend 2 terminal net salvage at December 31, 2022, and each month thereafter for which actual information is available.

67. Provide the regulatory liabilities for the Woodsdale CTs interim net salvage and Woodsdale CTs terminal net salvage at December 31, 2022, and each month thereafter for which actual information is available.

68. Provide the regulatory liabilities for each of the solar facilities interim net salvage and for each of the solar facilities terminal net salvage at December 31, 2022, and each month thereafter for which actual information is available.

69. Confirm there is a reduction in non-fuel variable O&M expense when East Bend 2 or any of the Woodsdale CTs are on forced outage that is not otherwise reflected in the expense recovered through the environmental surcharge. Describe these reductions and how they are tracked and/or otherwise accounted for (e.g., not tracked and simply reflected as a

reduction in the variable O&M expense accounts) or tracked in some manner (describe) and reflected as a reduction in the variable O&M expense accounts. In addition, describe whether these expense reductions can be quantified, if not tracked, e.g., in an after the fact hypothetical dispatch based on the assumptions/parameters used for the costs in the dispatch cost curves.

70. Describe in detail how the Company calculates the fuel expense related to forced outages disallowed from FAC recovery and provide an example. If not evident from the description and/or the example, then indicate whether the non-fuel non-environmental variable O&M is included in the calculation of the expense disallowed from FAC recovery.
71. If the Commission were to authorize the deferral of fuel expense related to forced outages disallowed from FAC recovery, then does the Company agree that such deferrals should be net of the savings in non-fuel non-environmental variable O&M expenses? If not, explain why not.
72. Indicate whether the Company has ever proposed and/or the Commission has ever adopted an adjustment to the Company's test year base revenues, such as annualization of base revenues for customer growth through the end of a historic test year with an offsetting adjustment for non-fuel variable O&M expense? If so, identify and provide the relevant cites to the most recent case in which the Commission adopted such an adjustment for non-fuel variable O&M expense.
73. Refer to the Lawler Testimony at 9 – 12.

a. Define planned maintenance outage expenses and describe how the Company records and tracks these expenses. Address the accounts in which the expenses are recorded, how payroll and payroll related expenses (straight time, overtime, employer payroll taxes, pension and OPEB, and other employee welfare expenses) are determined for this purpose, how materials and supplies expenses are determined for this purpose, and how contractor and other expenses are determined for this purpose.

b. Explain whether straight time payroll expenses are variable and, if so, how these expenses change if there is a planned maintenance outage compared to no planned maintenance outage (i.e., if the Company considers the entirety of the straight time payroll expenses as variable or only some incremental amount caused by the planned maintenance outage.)

c. Explain whether overtime payroll expenses are variable and, if so, how these expense change if there is a planned maintenance outage compared to no planned maintenance outage (i.e., if the Company considers the entirety of the overtime payroll expenses as variable or only some incremental amount caused by the planned maintenance outage.)

d. Explain whether pension and OPEB expenses are variable and, if so, how these expenses change if there is a planned maintenance outage compared to no planned maintenance outage (i.e., if the Company considers the entirety of the pension and

OPEB expenses as variable or only some incremental amount caused by the planned maintenance outage.)

e. Explain whether other employee welfare benefits expenses are variable and, if so, how these expenses change if there is a planned maintenance outage compared to no planned maintenance outage (i.e., if the Company considers the entirety of the other employee welfare benefits expenses as variable or only some incremental amount caused by the planned maintenance outage.)

f. Explain whether there are other non-fuel, non-environmental O&M expense savings when East Bend 2 or the Woodsdale CTs are on planned maintenance. If so, provide a detailed description of these savings and the accounts where these savings will be reflected in the form of reduced expenses. To the extent there are other non-fuel non-environmental O&M expense savings when East Bend 2 or the Woodsdale CTs are on planned maintenance, explain whether the Company does, or if it does not, whether it is able to track these savings.

74. If the Commission were to authorize the deferral of fuel expense related to forced outages disallowed from FAC recovery, then does the Company agree that such deferrals should be net of the savings in non-fuel, non-environmental variable O&M expenses? If not, explain why not.

75. If the Commission were to authorize the deferral of planned maintenance outage expense, then does the Company agree that such deferrals should be net of the savings in non-fuel, non-environmental variable O&M expenses? If not, explain why not.

76. Refer to the table showing historic and forecast planned outage maintenance expenses for East Bend 2 and the Woodsdale CTs in the Lawler Testimony at 12.

    a. Expand the table to include the years 2015 through 2019.

    b. Provide an indicative planned maintenance outage frequency cycle for each of the major components and activities performed during such outages (e.g., disassembly, inspection, and rebuild of the turbine generator, for East Bend 2 and the Woodsdale CTs.)

    c. Identify and describe each of the planned maintenance outages for East Bend 2 and each of the Woodsdale CTs in each of the years 2015 through 2024 (actual) and those budgeted/forecast in each of the years 2025-2027. Provide the start and end dates, a description of the scope of work, the total expense, and the expense broken down by category, i.e., straight time payroll and related payroll taxes, overtime payroll and the related payroll taxes, pension, OPEB, employee welfare, materials and supplies, contractor, and each other identifiable category.

    d. Describe in detail how the Company developed the planned maintenance outage expense for the three budget/forecast years. Provide all assumptions, data, and calculations in an Excel workbook in live format with all formulas intact. Indicate if this budget/forecast process is performed in the normal course of business or only for rate case purposes.

e. Identify the persons, by position and employer, who developed the planned maintenance outage expense for the three budget/forecast years. Describe the role and responsibilities of each such person.

f. Refer to the FERC USOA Electric Plant Instructions, Number 10 *Additions and Retirements of Electric Plant*, part C(3), which states:

> When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate plant account.

i. Provide a copy of all internal guidelines, policies, and/or procedures that address the Company's accounting to ensure compliance with this USOA plant instruction. If none, then so state and explain why the Company has no internal guidelines, policies, and/or procedures that address this USOA plant instruction.

ii. Indicate if the Company has ever capitalized betterment costs to an appropriate plant account. If so, describe and provide a copy of the guidelines, policies, and/or procedures the Company followed to make this determination and provide a listing, description, and the amounts by plant account of all such capitalized betterment costs for East Bend 2 and the Woodsdale CTs in each year 2020 through 2024 and the Company's budgeted/forecast costs in each year 2025 through 2027.

77. Refer to Rider FAC.
    a. Confirm there is no true-up provision in this tariff. If this is incorrect, then provide a corrected statement and provide all support relied on for each correction.
    b. If there is no true-up provision in this tariff, then indicate how the Company recovers or refunds any undercollections or overcollections, respectively.
78. Refer to the Direct Testimony of James McClay ("McClay Testimony) at page 7, line 11 through page 8, line 5, wherein Witness McClay posits the circumstance where market energy prices are less than the running costs of East Bend 2 and asserts it would be economic to purchase in lieu of running East Bend. Witness McClay uses this illustration to argue for the ability to "use financial hedging instruments to fix the cost of anticipated purchased power if a decision were to be made not to must run East Bend."
    a. Explain in detail why financial hedging instruments are necessary, or economic if not necessary, in making a decision not to must run East Bend 2.
    b. Describe the differences in decision parameters for a decision to not must run East Bend 2 without the use of financial hedging instruments compared to a decision to not must run East Bend 2 with the use of financial hedging instruments.

79. Provide a copy of all economic and/or other analytical studies prepared by or for Duke Kentucky that compare outcomes with and without the comprehensive hedging program proposed by Witness McClay. If there are no such studies, then so state.

80. Refer to the McClay Testimony at 11, wherein he states "Duke Energy Kentucky does not speculate on market prices…"

    a. Define the term "speculate" as that term is used by Witness McClay.

    b. Confirm that financial hedging instruments are used based on forecasts of future events, such as market pricing. If confirmed, explain why a forecast of future events, such as market pricing, is not speculation, albeit, perhaps, informed speculation.

81. Refer to the McClay Testimony at 12 – 13, wherein Witness McClay proposes to modify the FAC calculation of disallowed purchased power costs for quantities subject to financial hedges.

    a. Provide a copy of all economic and/or other analytical studies prepared by or for Duke Kentucky that compare outcomes with and without this change in the FAC calculation of disallowed purchased power costs for quantities subject to financial hedges.

    b. Provide a detailed description of the methodology proposed by the Company for this purpose, including the prioritization (ranking) of financial hedge quantities and specific financial hedge contracts as to pricing and duration (daily, weekly, monthly) for this purpose, in any hour in which the Company purchases more energy than is required to meet its real time load.

82. Refer to the McClay Testimony at 17 – 18, wherein Witness McClay proposes to modify the PSM to include gains and losses on the sale of purchased, but unused natural gas.
    a. Provide a history of the gains and losses on the sale of purchased, but unused natural gas from the beginning of 2014, the year of the loss transaction described by Witness McClay, through the end of 2024.
    b. Explain why the gains and losses on such sales of natural gas should not or cannot be reflected in the FAC and why the Company requests recovery through the PSM.

83. Refer to the McClay Testimony at 19 – 20, wherein Witness McClay seeks authorization to include the cost of capacity performance insurance in the PSM.
    a. Describe the market for capacity performance insurance and the products that are available in this market.
    b. Describe the state of the market (e.g. developed and mature, undeveloped and immature, and the carriers or other parties offering such risk coverage.)
    c. Describe the business case and pricing for such risk coverage by the carriers or other parties offering such risk coverage. Confirm that the business case and pricing necessarily assume a margin in excess of payouts under such policies.
    d. Describe the business care and economics of such risk coverage for Duke Kentucky and its customers.

e. Provide estimates of the cost of such insurance obtained or otherwise developed by Duke Kentucky. If none, then so state and explain why the Company has not researched the cost or sought out quotes for various risk exposure coverage levels.

f. Provide a copy of all economic and/or other analytical studies prepared by or for Duke Kentucky that compare outcomes with and without this insurance and the related change costs recoverable through the PSM if Duke Kentucky remains an FRR entity.

g. Provide a copy of all economic and/or other analytical studies prepared by or for Duke that compare outcomes with and without this insurance and the related change costs recoverable through the PSM if Duke Kentucky transitions to an RPM entity.

84. Provide a monthly schedule for January 2020 through June 2026 by FERC electric plant account (and by generating unit and/or power plant for the production plant accounts) showing actual plant in service, actual retirements, actual depreciation expense (excluding net salvage), actual net cost of removal expense included in depreciation expense accrual, actual salvage income included in depreciation expense accrual, actual accumulated depreciation (only for depreciation and excluding accumulated net salvage), actual regulatory liability (only for accumulated net salvage separated into accumulated cost of removal and accumulated salvage income if available), actual cost of removal charged against the regulatory liability, and actual salvage income added to the regulatory liability. For those accounts that are both electric and gas, provide an allocation to electric for purposes of this response. Provide this information in electronic spreadsheet format.

Identify all costs separately that are recovered through the Company's Rider ESM instead of base rates.

85. Provide Duke Kentucky's capital expenditures by year from 2022 through 2029. Provide actual expenditures for years 2022 through 2024 and projected expenditures for years 2025 through 2029. Provide capital expenditures separated between steam and other production, distribution, transmission, and general plant.

86. Refer to the Spanos Testimony at 13, wherein he states, "[b]ased on studies for other utilities and the Decommissioning Cost Study conducted by 1898 & Co. for Duke Energy Kentucky, it was determined that the dismantlement or decommissioning costs for steam and other production facilities is best calculated by dividing the dismantlement cost by the surviving plant at final retirement."
    a. Identify specifically how "it was determined" that the dismantlement or decommissioning costs for steam and other production facilities is "best calculated" in the manner described and what factors were considered in this determination.
    b. Identify specifically who "determined" that the dismantlement or decommissioning costs for steam and other production facilities is "best calculated" in the manner described.

87. Provide a copy of the depreciation study in support of the presently approved depreciation rates consistent with the depreciation rates authorized in Case No. 2022-00372.[14] In

[14] Case No. 2022-00372, *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 July 1, 2024).

addition, provide the interim and terminal net salvage components of the depreciation rates and the underlying workpaper support, including any conceptual and/or other studies used to develop the interim net salvage percentages and the terminal net salvage estimates and/or percentages. Finally, provide the probable retirement date and service life used for each generating unit in the determination of present approved depreciation rates.

88. Refer to the Gannett Fleming Depreciation Study, Attachment JJS-1, Table 1 at pages VI-4 through VI-6. Provide a schedule that shows current versus proposed depreciation rates, survivor curves, and net salvage percentages for all categories identified in the Gannett Fleming Depreciation Study Table 1.
89. Provide an electronic copy, with all formulas intact, of all schedules and supporting workpapers used in the depreciation study presented by Mr. Spanos including but not limited to Table 1 on pages VI-4 through VI-6, and pages VIII-2 and VIII-3.
90. Refer to pages VIII-2 and VIII-3 of the Gannett Fleming Depreciation Study which shows an escalation of decommissioning estimates to future values. Provide the rate of escalation assumed in these calculations and explain why that rate is appropriate.
91. For each generating unit, provide the date of installation, the probable retirement date reflected in the present depreciation rates and the probable retirement date reflected in the Gannett Fleming depreciation study. In addition, provide a copy of all studies and all other source documents relied on for the proposed probable retirement dates reflected in the Gannett Fleming depreciation study.

92. Provide a schedule and electronic spreadsheet in live Excel format with all formulas intact showing the additional depreciation expense in the test year for each account and in total due to the proposed change in depreciation rates. In addition, on this same schedule, provide the related increase in accumulated depreciation and reduction in ADIT.

93. Refer to the Application, Schedule B-3.2 and the calculation of depreciation expense in the test year using the Company's proposed depreciation rates.
    a. Provide the proposed depreciation rates for production plant disaggregated into depreciation, interim net salvage, and terminal net salvage.
    b. Provide the depreciation expense for production plant disaggregated into depreciation expense, interim net salvage, and terminal net salvage. Provide all calculations in Excel live format with all formulas intact.
    c. Confirm that the Company's proposed dollar decommissioning expense (terminal net salvage) for each of its generating units will not change as the result of capital (plant) additions and interim retirements at those generating units after December 31, 2021 until the date of retirement. If this is not correct, then provide a corrected statement and explain in detail what changes in the scope of work and the cost of that work will be required to decommission each of the generating units and restore the sites after each of the generating units are retired compared to the estimates developed and presented by 1898 & Co in this proceeding.

94. Refer to the Gannett Fleming Depreciation Study, Attachment JJS-1, Table 1 at pages VI-4 through VI-6, and pages VIII-2 and VIII-3. Provide an updated set of these schedules in electronic format with all formulas intact assuming each of the following parameters:
    a. The expected retirement date for East Bend is December 31, 2041;
    b. The expected retirement date for East Bend is December 31, 2041 and zero terminal net salvage reflected in the depreciation rates for East Bend and for Woodsdale.
95. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the worksheet tabs BASE PERIOD and FORECASTED PERIOD, which show expenses by FERC subaccount for each month and in total. Refer further to the base period amount of $24,452,046 expensed to account 565000 (Transmission of Electricity by Others) and to the forecast period amount of $29,352,086 expensed to the same account, an increase of $4,900,040, or 20%.
    a. Provide the actual expense amount recorded to this account for each of the calendar years 2020 through 2024.
    b. Explain all known reasons why the expense amount in this account is forecast to increase by 20% from the base year to the forecast year.
    c. Provide a copy of all workpapers relied upon to forecast the test year amount for this account.
96. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the worksheet tabs BASE PERIOD and FORECASTED PERIOD, which show expenses by FERC subaccount for

each month and in total. Refer further to the base period amount of $2,770,253 expensed to account 575700 (Market Faciliation-Mntr&Comp) and to the forecast period amount of $3,440,220 expensed to the same account, an increase of $669,967, or 24%.

a. Provide the actual expense amount recorded to this account for each of the calendar years 2020 through 2024.

b. Explain all known reasons why the expense amount in this account is forecast to increase by 24% from the base year to the forecast year.

c. Provide a description of all costs in this account and provide a fully spelled account description.

d. Provide a copy of all workpapers relied upon to forecast the test year amount for this account.

97. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the worksheet tabs BASE PERIOD and FORECASTED PERIOD, which show expenses by FERC subaccount for each month and in total. Refer further to the base period amount of $1,982,666 expensed to account 593000 (Maint Overhead Lines – Other – Distribution) and to the forecast period amount of $3,197,149 expensed to the same account, an increase of $1,214,483, or 61%.

a. Provide the actual expense amount recorded to this account for each of the calendar years 2020 through 2024.

b. Explain all known reasons why the expense amount in this account is forecast to increase by 61% from the base year to the forecast year.

c. Provide a copy of all workpapers relied upon to forecast the test year amount for this account.

98. Provide a schedule showing per books actual O&M expenses and by FERC O&M/A&G expense account/subaccount for 2022, 2023, 2024, and projected for the test year. Further, show the amounts separated into costs incurred directly by Duke Kentucky, charges from Duke Ohio, charges from DEBS, charges from any other affiliate, less any charges from Duke Kentucky to any other affiliate.

99. Refer to the response to the immediately preceding question.

a. Provide a schedule for each year that further details the charges from DEBS by FERC expense account/subaccount into directly assigned and allocated. For those charges that are allocated, provide the total DEBS expense, the allocation factor utilized, and the amount charged to Duke Kentucky.

b. Provide a schedule for each year that further details the charges from Duke Ohio by FERC expense account/subaccount into directly assigned and allocated. For those charges that are allocated, provide the total Duke Ohio expense, the allocation factor utilized, and the amount charged to Duke Kentucky.

100. Provide a schedule showing the local franchise fee rider revenue and the local franchise fee expense for each month in the base period and the test year. If the revenue and expense amounts are not equivalent in the test year, please explain why they are not and provide a reconciliation of the two amounts for each month during the test year.

101. Provide the two most recent pension and OPEB actuarial reports for Duke Energy, Duke Ohio, and the Company.

102. Provide the pension and OPEB actuarial reports for Duke Energy, Duke Ohio, and the Company and/or all other support for the test year pension cost and expense and OPEB cost and expense included in the test year.

103. Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for Duke Kentucky by department and by month for 2020, 2021, 2022, 2023, 2024, and budgeted in each month for 2025.

104. Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for DEBS by department and by month for 2020, 2021, 2022, 2023, 2024 and budgeted in each month for 2025.

105. Refer to Schedule G-1 which provides the labor, incentive, employee benefits, and payroll tax expenses for the base period and the test period.

    a. In the same format, provide the amount of each of the listed expenses for the calendar years 2020 through 2024.

    b. Explain all reasons why the labor expenses increases from the base year to the forecast year by $2.821 million, or 12.0%.

    c. Explain all reasons why the employee benefits expenses increase from the base year to the forecast year by $1.585 million, or 34.2%, before proformas to remove certain expenses.

d. Provide a breakdown of employee benefits expenses by type for each of the calendar years 2020 through 2024, the base year, and the forecast year.

106. Refer to the Company's vegetation management program.

a. Provide the amounts of O&M spend by year by subaccount for each year 2020 through 2024 and projected for the forecast test period. This includes all distribution and transmission subaccounts.

b. Describe the Company's current cycle trimming plan related to both distribution and transmission plant and provide copies of both.

c. Provide the number of miles trimmed and the average cost per mile for each year 2020 through 2024 and projected for the forecast test period.

d. Provide a copy(ies) of the contract(s) with the contractor(s) that performs the vegetation management services.

107. Indicate whether Duke Kentucky is a C corporation for federal income tax purposes. If not, then describe Duke Kentucky's entity status for federal income tax purposes.

108. Indicate whether Duke Ohio is a C corporation for federal income tax purposes. If not, then describe Duke Ohio's entity status for federal income tax purposes.

109. Provide a copy of Duke Ohio's 2023 federal income tax returns.

110. Provide a copy of Duke Energy's 2023 federal income tax returns.

111. Provide a copy of Duke Energy, Duke Ohio, and Duke Kentucky's income tax allocation agreement(s). If none, then so state and provide a copy of all internal guidelines, policies, and procedures used to calculate the Duke Energy consolidated income tax liabilities and

tax credits and the allocations of these amounts to Duke Ohio and Duke Kentucky for book accounting purposes.

112. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the worksheet tab WPB-6's which show the Accumulated Deferred Income Taxes ("ADIT") amounts by month for each account in total.

    a. Provide another schedule in the same format for the months January 2023 through July 2024.

    b. Provide the ADIT in accounts in accounts 190, 282, and 283 by temporary difference for each month January 2023 through June 2026.

113. Refer to the Panizza Testimony at pages 4 – 6. Provide the balance of unprotected Excess Accumulated Deferred Income Taxes ("EDIT") in account 254 for each month December 2022 through the latest month with available data, separated between federal EDIT and state EDIT. Notate any true-ups in the balances related to actual tax returns and explain the derivation of the amortization amounts for each of the months that the amortization amounts changed for both federal EDIT and state EDIT.

114. Refer to the Panizza Testimony at pages 4 – 6, and to Schedule E-1, page 3 of 3, in regards to the balances of federal and state EDIT and the amortization amounts reducing income tax expense in the test year.

    a. Provide the EDIT balances used to compute the 10-year amortization of unprotected EDIT included in the test year.

b. Provide the amortization amounts recorded to date and projected to be recorded each year starting in 2018 and going through the end of the projected test year for both the protected and unprotected federal and state EDIT.

115. Provide a schedule showing the EDIT by temporary difference for DEBS (total DEBS and allocation to Duke Kentucky-electric division) due to the remeasurement of ADIT resulting from the lower federal income tax rate due to the TCJA, the allocation of the remeasured balance to Duke Kentucky, and the amortization that has taken place based on the Commission's Order from Case No. 2019-00271,[15] at page 23.

116. Describe how the DEBS EDIT is reflected in the Duke Kentucky electric revenue requirement. Provide the amounts reflected in rate base and/or cost of capital by temporary difference and the related effect on the Duke Kentucky electric revenue requirement, if any. Provide all data, assumptions, and calculations, including electronic workpapers with all formulas intact.

117. Refer to the Panizza Testimony at page 6. Provide the calculations of estimated test year property tax expense, including copies of the sources of the property tax rates, in electronic format with all formulas intact.

[15] 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 Apr. 27, 2020), Final Order at 23.

118. Refer to the Panizza Testimony at page 6. Provide the most current and the after increase property tax rates related to the anticipated tax rate increases and explain how each were determined.

119. Provide a summary of the property taxes paid to each taxing jurisdiction during 2022, 2023, and 2024.

120. Provide the overall property tax expense paid and the amount expensed during each of the years 2019 through 2024.

121. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to the tab BASE PERIOD and to the monthly detail provided for account 408121 (Taxes Property-Operating). Describe all reasons why the actual expense reflected in March 2024 was only $62,405 while all other monthly amounts were in excess of $1.2 million per month.

122. Provide the long-term debt interest payable balances at month end by account/subaccount by subaccount for each month January 2023 through December 2024 (actuals), January 2025 through June 2026 (forecast). Provide the total Company amounts, an appropriate allocation factor to the Duke Kentucky electric division, and the amounts that would be applicable to the Duke Kentucky electric division.

123. For each of the Duke Kentucky long-term debt issues included in the Company's filing, indicate the frequency of interest payments required (e.g. annual, semi-annual, quarterly, monthly).

124. Provide the accounts payable balances for CWIP (construction) (electric division) at

month-end for each month January 2023 through December 2024 (actuals), January 2025 through June 2026 (forecast). Describe the process the Company utilized to determine the accounts payable balances for CWIP (construction). If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

125. Provide the accounts payable balances for fuel inventories (electric division) at month-end for each month January 2023 through December 2024 (actuals), January 2025 through June 2026 (forecast). Describe the process the Company utilized to determine the accounts payable balances for fuel inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

126. Provide the accounts payable balances for materials and supplies inventories (electric division) at month-end for each month January 2023 through December 2024 (actuals), January 2025 through June 2026 (forecast). Describe the process the Company utilized to determine the accounts payable balances for materials and supplies inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

127. Provide the accounts payable balances for prepayments (electric division) at month-end for each month January 2024 through December 2024 (actuals), January 2025 through June 2026 (forecast) Describe the process the Company utilized to determine the accounts payable balances for fuel inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

128. Provide the Directors & Officers ("D&O") insurance expense directly incurred by or

allocated to the Duke Kentucky electric division included in the test year, showing how the allocations were performed.

129. Provide the Investor Relations expense directly incurred by or allocated to the Duke Kentucky – electric division included in the test year, showing how the allocations were performed.

130. Provide the Board of Directors ("BOD") compensation expense directly incurred by or allocated to the Duke Kentucky electric division included in the test year, showing how the allocations were performed.

131. Refer to the electronic model STAFF-DR-01-054_Attachment_KPSC_Electric_SFRs-2024 provided in response to Staff discovery. Refer further to tab BASE PERIOD containing actual and projected monthly revenues and costs by subaccount during the months in the base year. Provide an update for all accounts with actual monthly data through the latest month with available data.

132. Provide all work papers and supporting documentation used and relied upon by Mr. Nowak in the preparation of his Direct Testimony and exhibits. Provide all spreadsheets in Excel format with cell formulas intact.

133. Provide all bond rating agency reports (Standard and Poor's, Moody's, Fitch) on Duke Energy and Duke Kentucky from 2023 through the most recent month in 2024.

134. Provide copies of all articles, reports, and publications cited by Mr. Nowak in his Direct Testimony.

135. Provide any analyses performed by Mr. Nowak or other persons at Duke Energy or Duke Kentucky that quantify the credit metrics used by Standard and Poor's and/or Moody's showing that Mr. Nowak's recommended ROE is necessary to maintain Duke Kentucky's financial integrity. If no such analyses were performed, please so state.

136. Provide the following:

    a. The current authorized ROE for each Duke Energy operating company and the date that each ROE was authorized.

    b. Provide the Commission Order authorizing each ROE listed in part (a).

    c. State whether each ROE was authorized pursuant to a fully litigated rate case or if it was based on a settlement agreement.

    d. Provide the current S&P and Moody's credit ratings for each Duke operating company.

137. Provide Duke Kentucky's capital expenditures by year from 2023 projected through 2028.