

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC., FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS; AND 3) ALL)	2025-00125
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF.)	

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

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

I. DEFINITIONS AND INSTRUCTIONS

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession or control of the parties to whom it is addressed, including their agents, employees, attorneys and/or investigators.

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

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

conducted hereon.

4. All answers must be separately and fully stated in writing under oath.

5. Where an interrogatory call for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

6. For purpose of these discovery requests, the following terms shall have meanings set forth below:

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

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

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

be deemed to refer to the Attorney General.

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

- (h) To “produce” or to “identify and produce,” shall mean that the Office of the Kentucky Attorney General (Attorney General) shall produce each document or other requested tangible thing. For each tangible thing which Attorney General contends is privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.
- (i) The terms “Party or Parties” shall mean any organization, person, corporation, entity, etc., which intervened in the above-captioned proceeding and shall further include the Kentucky Public Service Commission Staff.
- (j) The terms “Agreement or Agreements” shall mean written or oral terms agreed upon by the participants and include, but are not limited to, protective agreements, confidentiality agreements, joint defense agreements, agreements to support or oppose any item or position, and any other commitments made among the Attorney General and any Intervening Party.

II. REQUESTS FOR INFORMATION

General Questions

- 1. Other than Messrs. Kollen, Futral, and Baudino please identify any persons, including experts, whom the Attorney General has retained or consulted regarding evaluating the Company’s Application in this proceeding.
- 2. For each person identified in response to Request No. 1 above, please state:
 - (a) the subject matter of the discussions/consultations/evaluations;

- (b) the written opinions of such persons regarding the Company's Application;
- (c) the facts to which each person relied upon; and
- (d) a summary of the person's qualifications to render such discussions, consultations, or evaluations.

3. Please identify all proceedings in all jurisdictions in the last three years in which Messrs. Kollen, Futral, and Baudino, along with each person identified in response to Request No. 2 above, has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony and analysis. For each response, please provide the following:

- (a) the jurisdiction in which the testimony, statement or analysis was pre-filed, offered, given, or admitted into the record;
- (b) the administrative agency and/or court in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (c) the date(s) the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (d) the identifying number for the case or proceeding in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- (e) whether the witness was cross-examined; and
- (f) the custodian of the transcripts and pre-filed testimony, statements, or analysis for each proceeding.

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

5. Please provide copies of any and all documents, analysis, summaries, white papers, work papers, spreadsheets (electronic versions with cells intact), including drafts thereof, as well as any underlying supporting materials created by Messrs. Kollen, Futral, and Baudino as part of their evaluation of the Company's Application or used in the creation of Messrs. Kollen, Futral, and Baudino's testimony.

6. Please provide copies of any and all documents not created by Messrs. Kollen, Futral, and Baudino, including but not limited to, analysis, summaries, cases, reports, evaluations, *etc.*, that Messrs. Kollen, Futral, and Baudino relied upon, referred to, or used in the development of their testimony.

7. Please provide copies of any and all presentations or publications made, written, or presented by Messrs. Kollen, Futral, Baudino, and any agent/employee of J. Kennedy and Associates in a non-adjudicative forum within the last three years involving or relating to the following: 1) utility rate-making; 2) rate of return; 3) pipeline safety; 4) Aldyl-A pipe safety; or 3) rider cost recovery.

8. Please refer to Messrs. Kollen, Futral, and Baudino's testimony where they indicate they are testifying "on behalf of the Office of the Attorney General of the Commonwealth of Kentucky." To avoid unnecessary litigation expense and to promote judicial economy, please indicate whether the Attorney General agrees with the arguments and claims made by Messrs. Kollen, Futral, and Baudino and, if not, please identify which specific arguments or claims the Attorney General disclaims.

9. Please identify whether the Attorney General is taking any additional positions or making any additional recommendations on the Company's Application that are not being offered by the direct testimonies of Messrs. Kollen, Futral, and Baudino in this proceeding.

10. Please confirm that Messrs. Kollen, Futral, and Baudino are not natural gas service customers of Duke Energy Kentucky.

11. Please confirm that J. Kennedy and Associates is not a natural gas service customer of Duke Energy Kentucky.

12. Please state whether there are any agreements between the Attorney General and any entity exhibiting interest in the above-captioned proceeding, or any member or affiliate of an entity exhibiting interest to the proceeding, that concern said proceeding. For purposes of this Request, "entity exhibiting interest" includes any person, business, or corporation, including but not limited to a customer of Duke Energy Kentucky that has not filed a motion to intervene in the above-captioned proceeding. To the extent that the Attorney General contends that any such documents are privileged, please provide a privilege log for the same.

Questions for Witness Kollen

13. Please refer to the Direct Testimony of Mr. Kollen at page 11, line 20 through page 12, line 4 which states, “The 34.8 collection lag days reflects the termination of the Company’s receivables financing program in March 2024, which lengthened the collection lag days to 34.8, from the 1.46 days when the receivables financing program was still in effect and receivables were sold and converted into cash on a daily basis.”

(a) Confirm in Case No. 2022-00372, the Commission rejected the Attorney General’s recommend calculation of 1.46 days to account for the sales of accounts receivable and concluded “Duke Kentucky’s revised lead/lag study provides a reasonable measure of cash working capital because it reflects the actual cash flows of Duke Kentucky’s electric operations, and the Attorney General’s adjustment is not in the best interest of customers at this time.” If no, please explain and provide all supporting workpapers and analysis.

(b) Please explain and provide all evidence demonstrating how receivables were “sold and converted into cash on a daily basis”?

14. Please refer to the Direct Testimony of Mr. Kollen at page 13, lines 11-12, please provide any and all evidence supporting Mr. Kollen’s assertion that the Company’s sale of its receivables to CRC resulted in “daily flows of cash between [the Company] and CRC.”

15. Please refer to the Direct Testimony of Mr. Kollen at page 26, lines 6-8, Mr. Kollen discusses how card fees have impacted “non-assistance customers”, how will eliminating the card payment fee impact customers that receive agency assistance?

16. Please refer to the Direct Testimony of Mr. Kollen at page 26, lines 12-13, where he testifies that “[t]his shift would socialize this cost from someone who choose these options to all customers, including those who don’t choose these options.” Please explain how the costs for all other payment methods are currently recovered by the Company.

17. Please refer to the Direct Testimony of Mr. Kollen at page 10. Please provide docket numbers and Commission Orders supporting the statement that the Commission “has repeatedly included long term debt interest expense in the calculation of CWC for all other investor-owned utilities that use the lead/lag approach.”

Questions for Witness Baudino

18. Please refer to the Direct Testimony of Mr. Baudino generally.

- (a) Please identify each rate case for an investor-owned regulated electric utility, natural gas utility or combination electric and natural gas utility, in which Mr. Baudino has testified in the last three years.
- (b) Please provide Mr. Baudino’s recommended return on equity for each rate case identified in part (a).
- (c) Please provide the prevailing yield on long-term Treasury bonds at the time Mr. Baudino submitted his recommended return on equity for each rate case identified in part (a).

19. Refer to the Direct Testimony of Mr. Baudino generally.
 - (a) Please provide an electronic copy of the return on equity (ROE) workpapers in Excel spreadsheet format with all formulas, columns, and rows intact and fully accessible.
 - (b) Please provide a copy of all cited materials and source documents.
20. Refer to Mr. Baudino Direct Testimony at 28-29 and Exhibit RAB-4:
 - (a) Please provide all assumptions and calculations used to estimate adjusted Beta coefficients from S&P Capital IQ.
 - (b) Please confirm that estimates from S&P Capital IQ are calculated based on 5-years of returns.
 - (c) Over what frequency were returns observed (e.g. weekly, monthly) in calculating S&P Capital IQ Beta coefficients.
 - (d) What reference index was used to represent the market in the calculation of S&P Capital IQ Beta coefficients?
 - (e) Please confirm that Mr. Baudino provided ROE testimony and analyses in the Company's last gas rate proceeding (Case Number: 2021-00190).
 - (f) Please confirm that Mr. Baudino did not rely upon S&P Capital IQ Beta coefficients in the Company's last gas rate proceeding (Case Number: 2021-00190)

21. Refer to Mr. Baudino Direct Testimony at 28 and Exhibit RAB-4.

- (a) Please confirm that Mr. Baudino relied upon Market Risk Premium estimates from: Value Line (forward looking risk premium), Historical (Arithmetic Mean, Supply Side MRP, and Supply Side Less WWII Bias), Kroll, KPMG IESE Survey, Damodaran.
- (b) Please confirm that Mr. Baudino did not rely upon Historical Supply Side Less WWII Bias, Kroll, KPMG IESE Survey, and Damodaran estimates of the Market Risk Premium in the Company's last gas rate proceeding (Case Number: 2021-00190).

Questions for Witness Futral

22. Please refer to the Direct Testimony of Mr. Futral at page 10, lines 9-12, please explain how Mr. Futral's recommendation avoids "excessive recovery of these costs..."

23. Please refer to the Direct Testimony of Mr. Futral at page 15, lines 14-16, please provide all documents supporting Mr. Futral's assertion, relative to Duke Energy Kentucky, that "[g]as customer bills increased substantially during this period due to the higher commodity price of gas leading to higher receivable balances in later months."

24. Please refer to the Direct Testimony of Mr. Futral at pages 10-14, please confirm that Mr. Futral's recommendation to use 2024 data in the Company's lead/lag study only applies to the computation of lag days. If no, please explain your response.

25. Please refer to the Direct Testimony of Randy Futral at page 12. Please provide all analyses Mr. Futral relied upon in his Direct Testimony to support his conclusion that 2022 increases in natural gas prices were temporary, non-recurring events.

26. Please refer to the Direct Testimony of Randy Futral at page 13, lines 18-19. Please provide all analyses performed by Mr. Futral to support his finding that natural gas prices in 2022 led to an increase in the length of time between when customers were billed for service in 2023 and when they paid their bills (i.e., the collections lag).

Respectfully Submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Rocco D'Ascenzo

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on September 16, 2025; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.¹

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/s/Rocco D'Ascenzo
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¹ *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Case No. 2020-00085, Order (Ky. P.S.C. July 22, 2021).