

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE)	
PUBLIC SERVICE COMMISSION OF THE)	
ENVIRONMENTAL SURCHARGE MECHANISM)	CASE NO.
OF DUKE ENERGY KENTUCKY, INC. FOR THE)	2020-00142
SIX-MONTH BILLING PERIOD ENDING)	
NOVEMBER 30, 2019)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within 14 days of the date of this request. The Commission directs Duke Kentucky to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Duke Kentucky's ES Form 2.10 for the expense months of April 2019 through September 2019 produced in response to Commission Staff's First Request for Information (Staff's First Request), Item 1, Attachments 2 through 7. For each expense month, confirm that Gross Plant in Service, as shown in column 2 of the relevant ES Form 2.10, does not include Allowance for Funds Used During Construction (AFUDC).

For each expense month for which this cannot be confirmed, provide the AFUDC amounts included in Gross Plant in Service for that month, and explain why those amounts are included.

2. Refer to Duke Kentucky's response to Staff's First Request, Item 1, Attachment 7, pages 8–10 of 15, and Case No. 2015-00187, Order at page 5.²

a. Explain how the carrying charges shown in column 4 and the rate used to calculate those carrying charges are calculated prior to April 2018. Provide an Excel spreadsheet, unprotected and with formulas intact, showing how those carrying charges were calculated in each month and how the rate used to calculate the carrying charges in each month was calculated from the short-term debt rate, the long-term debt rate, and applicable return on equity.

b. Explain how the carrying charges shown in column 4 and the rate used to calculate those carrying charges are calculated after April 2018. Provide an Excel spreadsheet, unprotected and with formulas intact, showing how those carrying charges were calculated in each month and how the rate used to calculate the carrying charges in each month was calculated from the short-term debt rate, the long-term debt rate, and applicable return on equity.

c. Explain how the carrying charge calculation for each period complies with the calculation approved in Case No. 2015-00187, and if the carrying charge calculation for each period does not comply with the method approved in Case No. 2015-00187, explain why it does not comply.

² Case No. 2015-00187, *Application of Duke Energy Kentucky, Inc. for an Order Approving the Establishment of a Regulatory Asset for the Liabilities Associated with Ash Pond Asset Retirement Obligations* (Ky. PSC Dec. 15, 2015).

d. For any month in which the carrying charge was calculated using a method that was different than the method approved in Case No. 2015-00187, calculate the carrying charge using the method approved in that case. Provide an Excel spreadsheet, unprotected and with formulas intact, showing how those carrying charges were calculated in each month and how the rate used to calculate the carrying charges in each month was calculated from the short-term debt rate, the long-term debt rate, and applicable return on equity.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 1, Attachment 7, pages 8 of 15. Provide an itemized explanation of the "Cash Spend" for each month shown in column 7, and explain why the "Cash Spend" fluctuated so significantly from month to month.



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Acting Executive Director
Public Service Commission
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DATED AUG 31 2020

cc: Parties of Record

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