

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR AN ORDER)	
DECLARING THE CONSTRUCTION OF)	CASE NO.
SOLAR FACILITIES IS AN ORDINARY)	2020-00385
EXTENSION OF EXISTING SYSTEMS IN THE)	
USUAL COURSE OF BUSINESS)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission the following information 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 Application, pages 3 and 4, paragraph 8, discussing three previous small solar facilities that were determined to be in the ordinary course of business. State whether Duke Kentucky contends it could construct as much solar capacity as it wants without obtaining a Certificate of Public Convenience and Necessity (CPCN) so long as it constructs the facilities in increments of 2-3 MWs. If not,

identify the point or points at which Duke Kentucky contends that the construction of solar generating facilities in increments of 2-3 MWs would require a CPCN. Explain each basis for your response.

2. Refer to Duke Kentucky's Application, pages 4–6, paragraph 9(c).

a. Explain whether Duke Kentucky is aware of whether the lease payment [REDACTED].

b. [REDACTED].

c. Aside from the roof top solar installation, explain whether Duke Kentucky is working with Amazon in satisfying its sustainability goals and, if so, how.

d. [REDACTED].

e. [REDACTED].

3. Refer to Duke Kentucky's Application, pages 4–7, paragraph 9(e).

a. Provide any analyses or estimates performed by or on behalf of Duke Kentucky to determine the net revenue that is expected to be generated and shared with customers from the sale of RECs from the proposed solar facility.

b. Provide any analyses or estimates Duke Kentucky has performed to determine any revenue that will be generated from the installation of the solar facility.

4. Refer to Duke Kentucky's Application, pages 8 and 9, paragraph 12.

a. Explain how the experience Duke Kentucky gains from the operation of a small solar facility will shorten the learning curve of having to operate a large solar facility.

b. Explain whether there are any Duke Kentucky affiliates operating large solar facilities and why Duke Kentucky could not access that experience in the event of carbon legislation.

c. Explain how the experience Duke Kentucky gains from the operation of the small solar facility at issue in this matter will differ from the experience Duke Kentucky has gained operating other small solar facilities in Kentucky.

5. Refer to Duke Kentucky's Application, page 9, paragraph 13. The analysis for Duke Kentucky's 2018 Integrated Resource Plan (IRP) was conducted in late 2017 and is approximately three years old. Explain whether Duke Kentucky has conducted any further analyses on cost-effectiveness of generation technologies and how these technologies would be added to Duke Kentucky's generation fleet.

6. Explain in detail the current need for the proposed solar project.

7. Provided the estimated annual increase in operation and maintenance expenses arising from the proposed solar facility, and explain how the expected expenses were determined.

8. Provide the estimated useful life of the proposed solar facility, and explain how that estimate was made.

9. State whether Duke Kentucky has solicited or obtained bids for the construction of the proposed solar facility, and if so, provide any requests for proposal or

similar solicitation of bids sent to potential contractors and any bids received from contractors.

10. Explain how Duke Kentucky chose or will choose the contractors that will perform the work to construct the solar facility, and explain why that method is reasonable for ensuring the least cost.

11. Identify all other sites considered by Duke Kentucky for the location of the proposed generating facility, and explain why the roof of the new Amazon Air Hub Facility was chosen, including a discussion of whether that location was determined to be the least cost alternative location for the facility. If no other sites were considered, explain why no other sites were considered and how Duke Kentucky was able to determine that the proposed site is the appropriate and least cost location to suit Duke Kentucky's needs.

12. State whether Duke Kentucky evaluated the increased risk, if any, of placing the proposed solar facility on the roof of the Amazon Air Hub Facility as opposed to placing it at a standalone site, and if so, provide the results of that evaluation.

13. Identify any additional expected costs likely to arise from the placement of the proposed solar facility on the roof of the Amazon Air Hub Facility as opposed to placing it at a standalone site, including the cost of any additional insurance necessary due to the placement and any expected cost to indemnify Amazon for any loss arising from the placement of the proposed solar facility on the Amazon Air Hub Facility.

14. State whether Duke Kentucky contends that the proposed solar facility is an extension of an existing solar facility. If so, identify the solar facility for which the proposed solar facility is an extension and describe the location of the existing facility.

15. Provide a copy of the lease agreement or the proposed lease agreement for the site at which Duke Kentucky intends to place the proposed solar facility.



Linda C. Bridwell, PE
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Public Service Commission
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DATED FEB 01 2021

cc: Parties of Record

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