COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY KENTUCKY, INC. FOR (1) AN ADJUSTMENT OF 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. 2022-00372

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on May 11, 2023 in this proceeding;

- Certification of the accuracy and correctness of the digital video recording;

- All exhibits introduced at the evidentiary hearing conducted on May 11, 2023 in this proceeding;

- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on May 11, 2023.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at https://youtu.be/S_BZ93HmxsE.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 19th day of July 2023.

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

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ELECTRONIC APPLICATION OF DUKE ENERGY KENTUCKY, INC. FOR (1) AN ADJUSTMENT OF 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. 2022-00372

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on May 11, 2023. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on May 11, 2023;

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the Formal Hearing of May 11, 2023; and

4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of May 11, 2023, and the time at which each occurred.

Signed this 30th day of June, 2023.

Candace H. Sacre
Administrative Specialist III

Stephanie Schweighardt
Kentucky State at Large ID# KYNP 64180
Commission Expires: January 14, 2027

Session Report - Detail

2022-00372 11May2023

Duke Energy Kentucky, Inc. (Duke Kentucky)

Date:	Type:	Location:	Department:
5/11/2023	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Richard Baudino; Steve Chriss; Randy Futral; Lane Kollen; Patricia Kravtin; Sarah Lawler; Bruce Sailers; Sarah Shenstone Harris; Amy Spiller
Judge: Kent Chandler; Angie Hatton; Mary Pat Regan
Clerk: Candace Sacre

Event Time	Log Event	
9:09:12 AM	Session Started	
9:09:35 AM	Video Conference Activated	
9:09:37 AM	Chairman Chandler	
	Note: Sacre, Candace	Back on the record in Case No. 2022-00372.
9:09:42 AM	Chairman Chandler	
	Note: Sacre, Candace	Next witness?
9:09:46 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Bruce Sailers.
9:09:52 AM	Chairman Chandler	
	Note: Sacre, Candace	Witness is sworn.
9:10:00 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Examination. Name and address?
9:10:19 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Direct Examination. Title?
9:10:37 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Cause be filed testimony and responses?
9:10:43 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Changes?
9:11:11 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Also changes to tariff schedules?
9:11:48 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Copies of tariff changes. (Click on link for further comments.)
9:11:56 AM	Chairman Chandler	
	Note: Sacre, Candace	Provide those and identify ones would like to name 2, 3, and 4. (Click on link for further comments.)
9:11:57 AM	MARKED - HEARING EXHIBIT DK 2	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF DATED 2022 WITH MARK-UP
9:11:58 AM	MARKED - HEARING EXHIBIT DK 3	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF DATED 2023 CLEAN COPY
9:11:59 AM	MARKED - HEARING EXHIBIT DK 4	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF IN EFFECT WITH MARGIN NOTES
9:17:15 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Walk through changes made on these?
9:17:49 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Remaining exhibits show change required by Schedule L?

9:17:59 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Offer Exhibits 2, 3, and 4 for the record. (Click on link for further comments.)
9:18:00 AM	HEARING EXHIBIT DK 2	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF DATED 2022 WITH MARK-UP
9:18:01 AM	HEARING EXHIBIT DK 3	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF DATED 2023 CLEAN COPY
9:18:16 AM	HEARING EXHIBIT DK 4	
	Note: Sacre, Candace	ATTY HERRING DUKE KENTUCKY - WITNESS SAILERS
	Note: Sacre, Candace	TARIFF IN EFFECT WITH MARGIN NOTES
9:18:19 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Other changes?
9:18:25 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Asked same questions, answers be same?
9:18:32 AM	Atty Herring Duke Kentucky - witness Sailers	
	Note: Sacre, Candace	Intent testimony and data requests received as evidence?
9:18:43 AM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
9:19:02 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Cross Examination. Direct testimony in front of you?
9:19:15 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Refer to page 15, lines 25-30, state that Rate RS-TOU-CPP, reading (click on link for further comments), correct?
9:19:45 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Refer to direct testimony, page 1, lines 2-4, state regarding rate RS-TOU-CPP, reading (click on link for further comments), correct?
9:20:27 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	I apologize, in direct state, at page 15, bottom of page, discuss benefits new tariff sheets for EV customers, correct?
9:21:14 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	One of key goals of RS-TOU-CPP facilitate continuing customer adoption of technology such as EVs?
9:21:45 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Redesign intended to promote off-peak charging?
9:21:51 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rate design intended provide savings for EV customers?
9:22:00 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Incentivize participation off-peak charging?
9:22:07 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	In order rate RS-TOU-CPP work as intended customers must enroll?
9:22:17 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Having off-peak rate intended to benefit EV customers?
9:22:38 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rebuttal, page 2, lines 19-21, state, reading (click on link for further comments), correct?
9:23:17 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Super off-peak rate, another name for that?
9:23:25 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Super off-peak discount same throughout?
9:23:31 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Refer direct, first attachment, second page, different residential service rates, residential service rate RS, energy charge kW hour?

9:24:31 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	For customer who chooses RS-TOU-CPP, off-peak charge be what?
9:24:52 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Proposed rate residential service and proposed off-peak rate for RS-TOU-CPP difference less than one cent?
9:25:11 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	For discount per kW hour, what proposed rate for RS-TOU-CPP?
9:25:26 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Difference between proposed RS rate and super off-peak/discount rate per kW hour?
9:25:48 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Difference between RS rate of 10.7428 cents and discount rate of 7.9534 cents less than three cents?
9:26:03 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Per kW hour?
9:26:07 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Examined Shenstone Harris testimony for writing rebuttal testimony?
9:26:15 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Have testimony in front of you?
9:26:33 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rebuttal, do not dispute conclusions difference between on-peak and off-peak savings per month for EV customer?
9:26:54 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rebuttal, do not take on discussion savings for EV customer per month?
9:27:23 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	EV customers differential same as for all customers per kW hour?
9:27:41 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Company could strengthen on-peak to off-peak differential and differential between regular RS rate and off-peak and RS-TOU-CPP rate?
9:28:37 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	As customer folks not taking time look at LMP differential and broader disaggregation?
9:29:09 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	To incentivize customer, thing most salient changing difference between rate RS and rate RS-TOU-CPP?
9:29:36 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	When talking about how incentivize customer, said customer looking at rates in front of them, changing differential between rate RS and RS-TOU-CPP would incentivize customer?
9:30:20 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Strengthening differential between rate RS and rate for RS-TOU-CPP increase incentives EV customers enrolled in rate RS-TOU-CPP charge during off-peak hours?
9:30:54 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Strengthening differential between RS rate and rates for RS-TOU-CPP increase enrollment in RS-TOU-CPP?
9:31:20 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Differential between RS and RS-TOU-CPP off-peak of one cent unlikely incentivize customers?
9:31:38 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Objection, calls for speculation. (Click on link for further comments.)
9:31:53 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	In direct, described design incentivize adoption of EVs?

9:32:13 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	In direct, state this rate facilitates adoption of EVs?
9:32:31 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	By strengthening differential between off-peak or super off-peak and ordinary residential rate, would create bill savings and incentives join RS-TOU-CPP rate?
9:32:56 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Objection, again calls for speculation. (Click on link for further comments.)
9:33:24 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Greater EV adoption means more sale electricity?
9:33:38 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Also means for customer load spread over larger number of customers?
9:34:01 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Pushes rates downwards all customers?
9:34:10 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Discuss rate DT, page 9, lines 12-15, direct, describe updating structure of rate GT and rider LM, quote, reading (click on link for further comments), correct?
9:34:58 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rebuttal, page 6, lines 20-22, state, reading (click on link for further comments), correct?
9:35:49 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	If individual customer maximizing use at off-peak time, not necessarily adding stress and costs to distribution system?
9:36:07 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	If individual customer using distribution system using not at time of peak demand, minimizing stress and cost to distribution system?
9:37:14 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Distribution system peaks?
9:37:21 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	You would say sort of as work way closer to distribution point becomes more and more true?
9:37:35 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Operating at off-peak time that is minimizing stress compared to operating at on-peak time?
9:38:01 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Just talking about rate RS-TOU-CPP, understanding is design intended to divert customers to off-peak times for that reason?
9:39:22 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Imagine have three industrial customers, each uses very large megawatts, when designing rate prefer those customers using electricity same eight hours?
9:39:58 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Examination. Why not?
9:40:53 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Under example, three industrial customers, each uses peak demand thousand MW, utility expect sell 30 million kW hours a year, make sense?
9:42:01 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Be done in infinite number of ways, that system over year still sells 30 million kW hours of electricity but peak demand of system is only thousand megawatts?

9:43:05 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Could all run first eight hours of day, that system also sells 30 million kW a year but peak demand is 3,000 megawatts?
9:43:18 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Is operating a system, meeting customer demand, have a monopoly system, customers demand something, provide it to them, service obligation, then what talking about, certain changes in price depending on when use electricity?
9:44:09 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	First scenario, only build production/transmission up to a thousand megawatts and reserve margin, bring system up to 1100 megawatts?
9:44:40 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Under second scenario, could build three different distribution circuits 1,000 megawatts each?
9:45:41 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	May be asking about diversity load, on production and transmission largest driver fixed cost, transmission and generation large driver what deemed fixed cost, company have to build transmission meet 3,000 MW demand?
9:46:24 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Second scenario, all use it coincident?
9:46:27 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Is a benefit to company, place to invest, not a terrible situation company earns return on investment, given friction how balance that against maximizing opportunity to make investments?
9:49:27 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Are not rates making utility indifferent how customers use electricity?
9:49:42 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Not price signal, cost of service-based rate so can meet revenue requirement?
9:50:06 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Backwards looking amount based on embedded costs, or forward-looking amount based on expected cost user driving based off how use electricity?
9:50:55 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Reflection of fact more person uses during those periods pay larger share costs already invested in system, or based off cost person is driving investments will need to be made?
9:51:21 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Reflective pay larger amount of system assets in place for their benefit, or reflective of cost driving for assets have to be put into system serve them going forward?
9:52:15 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	When you say price signal, really mean cost signal?
9:52:48 AM	Chairman Chandler	
	Note: Sacre, Candace	Counsel?
9:52:51 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Cross Examination (cont'd). Rebuttal, page 7, line 14-17, reading (click on link for further comments)?
9:53:24 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Discussion off-peak versus on-peak, testimony refers to off-peak, what mean by off-peak?

9:53:58 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Actually is DT, correct?
9:54:17 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Discussing on-peak and off-peak, clarify, named off-peak for distribution system, substation level, when talking off-peak here talking off-peak for distribution system in entirety?
9:54:44 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Here where discussing different setup, imagine under current rate design, EV load at off-peak, no additional demand charge, customer large electric trucks, require chargers hundreds of kilowatts?
9:55:12 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Charger size for electric vehicle affect peak demand?
9:55:27 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Commercial electric vehicle fleet could add significant load during peak demand?
9:55:50 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace During customers time of peak demand?
9:55:57 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Add significant load to system?
9:56:12 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Difference would be if adding toward system peak period add significant load?
9:56:26 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Incentivizing commercial electric fleet charge off-peak where exceeds maximum demand would prevent future load being added?
9:56:57 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Decrease stress on system?
9:57:10 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace All else being equal, decrease costs all customers?
9:57:34 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Said entire line of thinking what already done with rate DT?
9:57:47 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Rate DT, attempting to accomplish divert commercial fleet use of electricity off-peak time?
9:58:18 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Only incentivizes customers charge off-peak to system until customer off-peak demand exceeds customer maximum demand?
9:58:36 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Page 7, lines 14-17, state, reading (click on link for further comments), correct?
9:59:10 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace If off-peak demand exceeds customer maximum demand, EV load requires additional demand charge bill?
9:59:31 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Not proposing time-limited demand charges?
9:59:40 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Describes time-limited demand charges?
10:01:01 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Is additional demand charge bill impact if off-peak demand exceeds maximum demand?
10:01:19 AM Atty Huddleston Sierra Club - witness Sailers
Note: Sacre, Candace Incentivizing commercial EV fleet charge off-peak where exceeds current maximum demand prevents new future load?

10:01:34 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Something like time-bearing volumetric charge or time-limited demand charge would do that?
10:02:06 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Shenstone Harris recommendations for rate DT time-limited demand charges or time-varying volumetric charges?
10:02:21 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Time-bearing volumetric charge only to certain point under rate DT?
10:03:04 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	EV load requires, once customer demand exceeds maximum, requires additional demand charge?
10:03:26 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Decreasing off-peak demand charge incentivize large EV customers charge off-peak?
10:03:47 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Point is would incentivize them shift loads to off-peak time?
10:04:08 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Further reduced rate incentivize them?
10:04:21 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Direct, page 25, lines 17-20, rider LM, reading (click on link for further comments), correct?
10:05:21 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Rebuttal, page 10, lines 13-16, reading (click on link for further comments), correct?
10:06:03 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Incentivizing commercial EV fleet charge off-peak where exceeds maximum demand prevent new future load?
10:06:59 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	If charging exceeds customer maximum demand, rider LM not incentivize off-peak charging as much as could as reducing price?
10:07:29 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	Include for commercial electric vehicle fleet?
10:07:41 AM	Atty Huddleston Sierra Club - witness Sailers	
	Note: Sacre, Candace	EV charging load can be fairly significant for company?
10:08:02 AM	Chairman Chandler	
	Note: Sacre, Candace	Recess until 10:25.
10:08:30 AM	Session Paused	
10:26:59 AM	Session Resumed	
10:27:02 AM	Chairman Chandler	
	Note: Sacre, Candace	Back on the record in 2022-00372.
10:27:12 AM	Chairman Chandler	
	Note: Sacre, Candace	Counsel for KBCA, questions?
10:27:19 AM	Atty Wigger Kentucky Broadband & Cable	
	Note: Sacre, Candace	Passed out some documents may be referencing during cross. (Click on link for further comments.)
10:28:24 AM	Chairman Chandler	
	Note: Sacre, Candace	Mark each individual exhibit? (Click on link for further comments.)
10:28:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Cross Examination. Pole attachments, submitted rebuttal?
10:28:53 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Part of purpose of rebuttal address testimony Patricia Kravtin?
10:29:00 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Submitted testimony on behalf of KBCA?

10:29:04 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Read that testimony?
10:29:07 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	In testimony, takes issues with two aspects of pole attachment rate?
10:29:16 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	First issue nonunitized poles?
10:29:20 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Second issue, distribution of attachments on poles?
10:29:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Start with nonunitized polls, nonunitized poles are poles recorded on property records as unspecified property units, right?
10:29:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Nonunitized pole, reading (click on link for further comments), right?
10:30:09 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Depending on lag in accounting process, nonunitized poles can remain unspecified for year or longer?
10:30:29 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Potential for mismatches investment dollars and property units?
10:30:47 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	If lag in reporting poles, create difference poles recorded and nonunitized poles not added?
10:30:58 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Objection, outside scope of testimony. (Click on link for further comments.)
10:31:35 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Lag in accounting process create mismatch investment dollars and property units?
10:31:47 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Difference in number of poles and investment amount?
10:32:17 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke identified 2,464 nonunitized poles not finalized when did first calculation?
10:32:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Identified 2,464 what would call it?
10:33:07 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Nonunionized and estimated retirements?
10:33:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Binder, tab 7, Duke response to KBCA DR-01-011?
10:33:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Look at as of Dec 20, see under quantity says nonunitized and estimated retirements?
10:33:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Have 3,375 there?
10:33:53 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Asterisk next to that, bottom of page, asterisk says, reading (click on link for further comments), right?
10:34:08 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Some portion Duke end up finalizing?
10:34:22 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	That was 911?
10:34:52 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Stating poles not finalized means not include in number of poles in calculation?

10:35:07 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not include in pole count in calculation?
10:35:13 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	How incorrect?
10:36:01 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree of 3,375 number 911 finalized in 2021?
10:36:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	When Kravtin did analysis, took 2,464 nonunitized units and recalculated pole attachment rate?
10:36:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	What she did, agree?
10:37:00 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Kravtin calculation operated to lower pole attachment rate from $9.99 Duke requesting to $9.62?
10:37:12 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Reduced pole rate 30 cents per pole?
10:37:19 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Lowered rate for three-year user pole from $8.62 to $7.96?
10:37:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Almost 70 cents?
10:37:35 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assert Kravtin not use correct numbers of 35-foot, 40-foot, and 45-foot nonunitized poles?
10:37:46 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Prior to testimony, Duke not report number of 35-foot, 40-foot, and 45-foot nonunitized poles?
10:37:58 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Prior to testimony, Duke not report number of 35-foot, 40-foot, and 45-foot nonunitized poles?
10:38:21 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	In testimony, assert some of 2,464 nonunitized poles, of those 22 35 -foot poles?
10:38:41 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Testimony, tab 1, page 14, lines 3-4, rebuttal, here say, reading (click on link for further comments), see that?
10:39:21 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Of those nonunitized assets, saying 22 are 35-foot poles?
10:39:53 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Identified 22 were 35-foot poles?
10:39:58 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Identified 9 were 40-foot poles?
10:40:04 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	And 35 were 45-foot poles?
10:40:12 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Total 71 poles?
10:40:20 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Could be additional 35-, 40-, and 45-foot poles remaining nonunitized poles identified?
10:41:08 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Was 2,393?
10:41:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	In bucket of nonunitized poles, additional 35-foot, 40-foot, and 45-foot poles?

10:42:03 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	How know are very few?
10:42:16 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Say numbers not available?
10:42:20 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Why?
10:42:35 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Correct assets installed in 2021?
10:43:01 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assets left, assets installed one, two, three years ago?
10:43:13 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Still not unitized?
10:43:17 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know when will be?
10:43:20 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	That long lag when assets installed and unitized normal practice?
10:43:28 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Who would?
10:43:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Looking how include in pole attachment rate could add 35-foot, 40-foot, or 45-foot nonunitized poles to count in rate formula proportion of poles otherwise has?
10:44:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Number of poles ununitized, told earlier some be 35-, 40-, or 45-feet, since not know which, could estimate based on proportion already in system?
10:45:18 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Something Duke not do here?
10:45:30 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	That choice results in higher attachment rates imposed?
10:45:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree more poles include in formula lower attachment rate?
10:45:57 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree more poles in rate lower the rate?
10:46:13 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know Duke average percentage pole replacements per year is?
10:46:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Investment associated nonunionized poles into formula, assert adding nonunitized poles to rate formula not change rate?
10:46:55 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	What you did?
10:47:03 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke not provide information showing investment for 71 poles added back in?
10:47:24 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Attachment referring to is BLS rebuttal 1?
10:47:28 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 4 in binder, just referenced attached to rebuttal?
10:47:41 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Revised attachment rate calculation incorporating 71 unitized poles?
10:47:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Cost number of poles and source, see that?
10:48:01 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Look 45-foot pole line, list 10,976 45-foot poles?

10:48:16 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Compare to direct, BLS-7, tab 3, or tab 13 blown-up screenshot both boxes, with me?
10:48:45 AM	Chairman Chandler	
	Note: Sacre, Candace	Tab 13 KBCA 1. (Click on link for further comments.)
10:48:46 AM	MARKED - HEARING EXHIBIT KBCA 1	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE- WITNESS SAILERS
	Note: Sacre, Candace	ATTACHMENT BLS-7 AND ATTACHMENT BLS-REBUTTAL-1
10:49:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 13, KBCA 1, on right have what just looking at in rebuttal, correct?
10:49:37 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	If want to compare, go ahead, or subject to check?
10:49:43 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Left same section of spreadsheet from BLS-7?
10:49:55 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	45-foot pole line, established number of poles in rebuttal 10,976?
10:50:06 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Increase of 40 from BLS-7 number of poles 10,936?
10:50:20 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	What label as cost/investment increased from $19,253,744 BLS-7 to $19,328,392 in rebuttal exhibit 1?
10:50:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Increase a little more than $74,000 for 40 unitized poles?
10:50:46 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	BLS-rebuttal-1, extra column says source?
10:50:53 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	And source says asset accounting?
10:50:58 AM	Atty Wigger Kentucky Broadband & Cable	
	Note: Sacre, Candace	Pull up Duke response KBCA-DR-01-05.
10:51:04 AM	Chairman Chandler	
	Note: Sacre, Candace	Pull up on screen. (Click on link for further comments.)
10:51:36 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	See document?
10:51:41 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 2021 at bottom, see that?
10:51:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Asset accounting number of polls in investment data?
10:52:02 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Reason doubt asset accounting in rebuttal?
10:52:25 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know where numbers come?
10:52:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Beyond that, not know numbers accurate?
10:52:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	No reason to doubt information given you?
10:52:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Seen spreadsheet before?
10:52:59 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Have no idea what information says?
10:53:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Contains information about polls?

10:53:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Includes things like pole height?
10:53:30 AM	Atty Wigger Kentucky Broadband & Cable	
	Note: Sacre, Candace	Pull up column Q?
10:53:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Line 1, pole, wood, 30 feet or less?
10:53:44 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Scroll down, different pole heights for poles identified?
10:53:52 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Nonunitized poles Duke not disclosed pole height?
10:54:12 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Row 600, column Q, instead of pole, wood, 30 feet or 40 feet, says nonunitized?
10:54:27 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	KBCA or Commission cannot identify 71 poles not unitized that now unitized and added to attachment formula?
10:54:44 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tell which poles nonunitized when filed original testimony that now unitized?
10:55:03 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree tens of thousands of rows?
10:55:10 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	No way know KBCA or Commission know whether Duke properly calculated rate using numbers now unitized poles and investment associated?
10:55:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not go back and check math not know which 71 poles added into formula?
10:55:43 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Something Duke provide?
10:55:44 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Something willing provide?
10:55:51 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke agree provide KBCA and Commission information pole height and investment each of 71 poles identified?
10:56:10 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Rebuttal exhibit looked at source listed in asset accounting?
10:56:14 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	What asking want to see actual investment associated each of poles now unitized?
10:56:30 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke agree provide KBCA information pole height and investment each nonunitized pole installed each year?
10:56:54 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke not track height of nonunitized poles?
10:57:11 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	How determine heights once unitized?
10:57:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know how Dang determines height nonunitized poles then unitized?
10:57:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Some point be recorded?
10:57:51 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 14, KBCA 2, has two boxes, one screenshot top portion BLS-7, see that?

10:58:32 AM	Chairman Chandler	
	Note: Sacre, Candace	Mark as KBCA 2. (Click on link for further comments.)
10:58:33 AM	MARKED - HEARING EXHIBIT KBCA 2	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	ATTACHMENT BLS-7 & KBCA-DR-01-005_ATTACHMENT
10:58:39 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Top of BLS-7 three red boxes under number of poles?
10:58:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know what pivot table is?
10:58:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Bottom box pivot table 2021 tab Duke response to KBCA 01-005, random number of poles 35-foot poles, 40-foot poles, and 45-foot poles, see box?
10:59:10 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Look 40-foot poles, quantity in pivot table 16,827?
10:59:19 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Under 40-foot poles in rate calculation BLS-7 says 16,707?
10:59:28 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Explain why discrepancy number of poles account 364 data and number in rate calculation?
11:00:01 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	2021 tab on DR-01-005 poles as of 2021?
11:00:13 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know if changing daily, or 2022 be changing as things added in?
11:00:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Second issue rebuttal, distribution of attachments on poles, agree Duke charges different rates?
11:01:02 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Familiar Admin Case 251?
11:01:08 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Referenced in testimony?
11:01:16 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Methodology for calculating rates for pole attachment space?
11:01:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Analyzes situations two users and three users?
11:01:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assumes two users 35- to 40-foot poles?
11:01:46 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assumes half on 35-foot poles and half on 40-foot?
11:02:48 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 2, exhibit 2, Kravtin testimony, page 11 administrative order, second paragraph, second sentence, reading (click on link for further comments), see that?
11:03:48 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Page 11, paragraph 2, second sentence, reading (click on link for further comments), see that?
11:04:15 AM	Atty Wigger Kentucky Broadband & Cable- witness Sailers	
	Note: Sacre, Candace	What doing saying average pole height 37.5?
11:04:29 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Calculation works have equal attachments 35-foot poles and 40-foot poles?
11:04:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Just average, not weighted average?

11:05:12 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	251 assumes three users?
11:05:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Looking at average pole height?
11:05:35 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Why assumption presumes average of 42.5 pole height?
11:05:44 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Average height of 40- and 45-foot pole, with me?
11:05:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Usable space assumptions based on average pole heights?
11:06:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Page13, AO 251, paragraphs 2 and 3, reading (click on link for further comments), see that?
11:07:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Usable space assumption based on average pole height?
11:07:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Same thing for three-user, again, using average height?
11:07:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree cost 50-foot pole not included?
11:07:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	AO 251 usable space, Order not determine usable space?
11:08:22 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	AO 251 determines unusable space on poles?
11:08:36 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Object. (Click on link for further comments.)
11:09:00 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Sets assumptions three components unusable space?
11:09:12 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assumes six feet in ground?
11:09:19 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assumes 20 feet to lowest attachment?
11:09:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Assumes 3.3 feet safety space?
11:09:33 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Those numbers not vary by pole height?
11:09:43 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Says don't?
11:09:48 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Same six feet buried in ground?
11:09:58 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Under AO 251, Commission stated, reading (click on link for further comments), correct?
11:10:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree major means notable?
11:10:32 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Objection, legal conclusion. (Click on link for further comments.)
11:11:07 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Opine no major discrepancy?
11:11:17 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Testimony, Tab 1, page 16, rebuttal, reading (click on link for further comments)?
11:11:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Opining no major discrepancy?

11:12:11 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Focusing on prior testimony where state, reading (click on link for further comments), your opinion?
11:12:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Major discrepancy, major mean notable or conspicuous?
11:12:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Answer question asking?
11:13:04 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	How you define?
11:13:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	When said not agree Kravtin, had no definition major discrepancy be?
11:13:40 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Turn Tab 16, binder?
11:13:51 AM	Chairman Chandler	
	Note: Sacre, Candace	Marked KBCA 3, Tab 16.
11:13:53 AM	MARKED - HEARING EXHIBIT KBCA 3	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	DUKE ACTUAL DISTRIBUTION, DESCRIPTION 2 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 35-FOOT POLES AND 40-FOOT POLES
11:14:05 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	See bottom where says Source: KBCA-DR-02-002?
11:14:14 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Bracket by bracket, top says Duke Actual Distribution, see that?
11:14:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Description 2 User Poles?
11:14:28 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Quantity and Percentage of Attachments?
11:14:33 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Quantity, based on Duke numbers?
11:14:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Tab 8, responses, KBCA-DR-02-002, check, can go back?
11:15:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Match numbers third-party pole attachments reported in KBCA-DR-02-002?
11:15:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	First one Duke own numbers?
11:15:51 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Then see Admin 251 Presumed Distribution?
11:15:56 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Thirty-five- and 40-foot poles?
11:16:00 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Fifty percent percentages attachments?
11:16:05 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Variance for 35- and 40-foot poles?
11:16:11 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Variance is difference 35 foot poles 50 percent presumed and actual percentage of attachments?
11:16:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	For 35-foot poles, variance 26.91 percent?
11:16:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	26 percent off presumption AO 251?

11:16:47 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree 26 percent major variance?
11:17:27 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not asking deviation attachment charge, distribution of attachments on poles, 27 almost 30 percent variance pretty noticeable?
11:17:46 AM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Objection, asked and answered. (Click on link for further comments.)
11:17:53 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree 30-percent variance noticeable?
11:18:06 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Familiar with pole attachment tariffs?
11:18:17 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Aware Duke audits poles?
11:18:29 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Aware audit as fact?
11:18:41 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	If third-party had 26 percent more attachments than Duke expecting, be big discrepancy?
11:18:58 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke be pretty concerned?
11:19:06 AM	Atty Wigger Kentucky Broadband & Cable	
	Note: Sacre, Candace	Tab 15, mark KBCA 4, please.
11:19:12 AM	Chairman Chandler	
	Note: Sacre, Candace	KBCA Exhibit 4.
11:19:13 AM	MARKED - HEARING EXHIBIT KBCA 4	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	DUKE ACTUAL DISTRIBUTION, DESCRIPTION - 3 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 40-FOOT POLES, 45-FOOT POLES, AND 50-FOOT POLES
11:19:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Like chart were looking at, this time three-user poles?
11:19:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	By three-user, have 40- and 45-foot and also 50-foot poles?
11:19:29 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Same setup?
11:19:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Quantity attachments based on Duke reported?
11:19:47 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Percentage of attachments based on KBCA-DR-02-002?
11:20:06 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Admin 251 presumed distribution have 50 percent?
11:20:08 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Admin 251 not talk about 50-foot poles, zero there?
11:20:16 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Variance expect or presumed 40-foot poles be 1.47 percent?
11:20:27 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Be 10.65 percent 45-foot poles?
11:20:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	12.13 percent 50-foot poles?
11:20:56 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree AO 251 came out 1982?

11:21:02 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Then had fewer 50-plus-foot poles than today?
11:21:10 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree almost same number attachments on 50-foot than does on 35 -foot poles?
11:21:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Looking at Tab 8, Response to KVCA-DR-02-002?
11:21:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Looks like 8,606 attachments to 35-foot poles?
11:21:45 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	And 7,164 attachments to 50-foot poles?
11:21:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	And 2500 to 55-foot poles?
11:21:54 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Same number attachments 50-foot poles as 35-foot poles?
11:22:06 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Roughly ten percent?
11:22:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	The 50-foot pole attachments account for roughly ten percent of attachments?
11:22:24 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Duke putting in 50-foot poles for a reason?
11:22:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Benefits installing taller pole?
11:22:37 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	One is 50-foot poles more usable space?
11:22:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree 50-foot more usable space?
11:23:14 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Looked at Admin Case 251 earlier, three parts of pole Order excludes from usable space, remember that?
11:23:25 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Part in ground, parts to lowest attachment, and safety space?
11:23:28 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Safety space not change?
11:23:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not change in Admin Order 251?
11:23:52 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not know today if safety space on pole is 3.33 feet?
11:24:00 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not know if number applies today?
11:24:09 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Still 20 feet from ground to lowest attachment?
11:24:23 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree Order 251 presumes six feet in ground?
11:24:31 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Know standard safety formula how much pole bury in ground?
11:24:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Ever heard is ten percent pole height plus two feet?
11:24:44 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	For 50-foot pole be seven feet?
11:24:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Only foot more than 45-foot pole?

11:25:14 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not contesting 50-foot pole more unusable space than 40-foot?
11:25:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Extra usable space can be rented out to attachers?
11:25:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Broadband providers pay Duke rental fees?
11:25:48 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree accounting for 50-poles way Kravtin did results in lower attachment rate?
11:26:05 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Read Kravtin calculation?
11:26:13 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Agree using her calculations results in lower attachment rate?
11:26:22 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Fact agree calculations result in lower attachment rate?
11:26:34 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not performed calculations, not recalculated using factors Kravtin used but your distribution of poles?
11:26:51 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Recalculated pole attachment rates using factors by Kravtin but your distribution of poles?
11:27:25 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not contest distribution data Kravtin used calculate revised usable space factor?
11:27:38 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Data comes from Duke?
11:27:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not contest data Kravtin used recalculate two-user usable space factor based on poll height 38.85 feet?
11:28:11 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Answer is correct, not contest data Kravtin used?
11:28:32 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Contested doing her doing calculation, not contest actual numbers used?
11:28:49 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not find you contesting underlying data Kravtin used?
11:29:03 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not contest underlying data used to calculate three-user usable space factor based on height of 43.2 feet?
11:29:24 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Did use 50-foot poles, not protest her math?
11:29:35 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Actually two separate things, whether include 50-foot poles and whether include investment?
11:29:42 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Just asking including 50-foot poles, not contest way recalculated usable space factor for three-user pole with 50-foot poles?
11:29:55 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Did any calculations with her factors but adding investment and poles identified in your testimony?
11:30:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Surprise to know two-user rate under scenario be $8.57?
11:30:39 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Three-user rate $8.18?

11:30:48 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Proposal raise two-user rate by 16 percent?
11:31:04 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Sixteen percent increase one bill?
11:31:08 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Proposal raise three-user rate by 19 percent?
11:31:15 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Differences have effect on what cost broadband providers provide service?
11:31:26 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Not know raising rate by 20 percent have effect on broadband providers provide service?
11:31:36 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Raising rates by 16 and 19 percent has effect on what cost broadband providers provide service?
11:31:50 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	Raise cost of attachment for providers and make more expensive?
11:31:59 AM	Atty Wigger Kentucky Broadband & Cable - witness Sailers	
	Note: Sacre, Candace	By extension, raise cost to customers?
11:32:23 AM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
11:32:42 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Cross Examination. Line extension policy and installation proposed changes in tariff, as policy in place now what costs customers responsible?
11:34:48 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Three-year estimate on load in revenues, what components go in to making that estimate?
11:35:27 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Mentioned two ways customer make arrangements cover cost?
11:35:36 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	What were those?
11:36:33 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Not have preference what choose, just options?
11:36:41 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	What cost change in installation?
11:36:49 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Currently?
11:37:27 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Little different credit only option?
11:37:37 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Proposed tariff, how change for installation?
11:38:39 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Under proposed how affect differences?
11:39:02 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Even installation now have two options?
11:39:10 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Critical peak rate, optional rate, requesting waiver of regulation part of proposing rate?
11:39:34 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Requesting waiver relates to meter reading on bill?
11:39:46 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Proposing use only usage information?

11:40:03 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Familiar with other utility asking for waiver?
11:40:31 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Tariff similar any other Duke subsidiaries?
11:40:49 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Similarly to what proposed?
11:41:12 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Asked for copies able provide?
11:41:23 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	AMI meters, related case, DSM case 2022-00251, mention reason requesting waiver utilize those?
11:42:13 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Have AMI all customers?
11:42:19 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Percentage wise?
11:42:50 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Examination. All RS customers smart meter unless service under Rate AMO?
11:43:49 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Cross Examination (cont'd). Rebuttal, page 5, lines 8-9, mention technology customers use with rate, feel those technologies residential customers have access?
11:45:09 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Not large number, would say, four or five hundred?
11:45:23 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Direct mention introducing as optional tariff now, may transition to DSM program?
11:46:04 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Explain peak time rebates and why think this might be cost effective, not know yet?
11:47:00 AM	Staff Atty Tussey PSC - witness Sailers	
	Note: Sacre, Candace	Not done analysis as to benefits related to cost?
11:47:30 AM	Chairman Chandler	
	Note: Sacre, Candace	Commissioner?
11:47:39 AM	Commissioner Regan - witness Sailers	
	Note: Sacre, Candace	Examination. Get data from asset management team?
11:47:50 AM	Commissioner Regan - witness Sailers	
	Note: Sacre, Candace	Pull data from system using?
11:47:55 AM	Commissioner Regan - witness Sailers	
	Note: Sacre, Candace	Input from operations team in field?
11:48:29 AM	Commissioner Regan - witness Sailers	
	Note: Sacre, Candace	Human input?
11:48:33 AM	Commissioner Regan	
	Note: Sacre, Candace	Will follow that up.
11:48:34 AM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	COMMISSIONER REGAN - WITNESS SAILERS
	Note: Sacre, Candace	HOW DATA GETS FROM FIELD TO SYSTEM USED BY ASSET MANAGEMENT TEAM
11:48:51 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Examination. RS-TOU-CPP rate, want that rate?
11:49:05 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Peak time rebate implemented pursuant to stipulation?

11:49:12 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Distinction important proposed CPP indifferent whether cost beneficial?
11:50:06 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Peak time rebate DSM program have time varying rates other than peak event?
11:50:29 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	RS-TOU-CPP?
11:50:43 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Significant distinction?
11:50:52 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Similar to peak time rebate?
11:50:55 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Times generally same?
11:51:05 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	On peak, off peak, super off peak related to cost of production, cost of transmission?
11:52:02 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Cost causation, what action drove costs?
11:52:31 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Assigning costs to customers drove costs, past tense?
11:52:54 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Used term cost causation couple of times, agree assigning costs to those customers that drove imbedded costs?
11:53:31 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Different than what discussing brand new rate, not assigning different values based on costs drove, making sure change behavior not drive additional costs?
11:54:24 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Signal really only one rate in relation to another rate?
11:54:34 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Not in relation cost people will drive?
11:55:10 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Talk about setting price signals, higher this time period, lower this period, not related at all to costs drive when use, LMP example, agree?
11:56:30 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Equating rate recover imbedded cost with a price?
11:56:48 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Entire system advanced metering?
11:57:12 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	RS customers advanced meters?
11:57:20 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Even opted out, still give same meter, just has communication model off?
11:57:40 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Still able receive interval usage between readings?
11:58:11 AM	Chairman Chandler	
	Note: Sacre, Candace	Will clarify in post-hearing data request.
11:58:12 AM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS SAILERS
	Note: Sacre, Candace	OPTED OUT ABLE RECEIVE INTERVAL USAGE BETWEEN READINGS
11:58:22 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Time of use CPP experimental program, 1000 customers?

11:58:34 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Net monthly bill using customer charge and four different energy charges?
11:58:48 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Critical peak kilowatt hours, on peak kilowatt hours, off peak kilowatt hours, and discount kilowatt hours?
11:58:58 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Proposed rates same energy charge critical peak both summer and winter?
11:59:09 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Same for on peak summer and winter?
11:59:16 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Same off peak and discount kilowatt hours summer and winter?
11:59:25 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Why provide summer and winter with same rates?
11:59:44 AM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Two tables two different amounts, exactly same?
12:00:21 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Exact same amount?
12:00:30 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Rating periods?
12:00:38 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Discount period 1 am to 6 am, Mon-Sun?
12:00:46 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	All throughout year?
12:00:49 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Summer on peak 2 pm to 8 pm, Mon-Fri, not holidays?
12:01:08 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Summer on peak never weekends, never holidays, Mon-Fri?
12:01:24 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Winter on peak, 6 am to 9 am, again 6 pm to 9 pm, weekdays, not holidays?
12:01:38 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Critical peak periods, super on peak, summer on peak, winter on peak, three time periods?
12:02:23 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Winter on peak, 6 am to 9 pm, then again 6 pm to 9 pm, critical peak during winter on peak, during summer on peak?
12:02:49 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Implementing those through communications?
12:03:04 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Off peak, balance?
12:03:22 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Do this as career, how long?
12:03:32 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Friends and family not involved industry?
12:03:36 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Talking about job, eyes glaze over?
12:03:45 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	You understand this, supported that tariff, talk about friends and family, be easy for them, simple enough proposal?
12:06:18 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Definition of winter and summer?

12:06:40 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Billing periods, weird having less four seasons, happening in Oct Nov Mar Apr May times considered shoulder months?
12:07:27 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	When talking about savings driving, savings eroded in those time periods?
12:08:00 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	In winter, more usage 6 am Dec Jan Feb day than 6 am Apr or May day?
12:08:17 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Deviation from that greater impact?
12:09:42 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Simple as can get?
12:10:05 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Difference in shoulder months verse winter/summer months, not studying if implemented net benefits?
12:11:08 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Get rid of PTR or CPP?
12:11:18 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Defined dates, catchall critical peak periods, any day system emergency, defined by tariff?
12:12:15 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Never on holidays unless system emergency, in that event charge more?
12:12:29 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	During event?
12:12:34 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	How make call?
12:13:44 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Talking about emailing two hours, one hour before event?
12:13:58 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Time sign up, ask opt in provide cell phone when sign up or separate action?
12:14:21 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Lesson learned from peak time rebate?
12:14:47 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Anticipate using mass media?
12:15:13 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Apply to entirety of both time periods?
12:15:38 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Dec 12, tell somebody critical peak day, two time periods winter days?
12:15:56 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Critical peak rate in effect both time periods?
12:16:14 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	In winter, significant event, tomorrow critical peak day, what time period?
12:16:42 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Time period different?
12:17:40 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Today, going on nightly news, in future implemented, begging all but 1,000, idea behind system emergency carve out?
12:18:32 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	AMI number of years?

12:18:47 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Agreement approved 2016, rollout 2017?
12:18:54 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Long enough do two-year pilot on PTR?
12:19:00 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Operate other jurisdictions?
12:19:10 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Ohio?
12:19:16 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Aware restructured states opportunity shop for programs?
12:19:37 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Not in position but Weinbtraub, discussed optionality but get smart meters first?
12:20:58 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Person not do on own?
12:21:11 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Probably healthy understanding of tariffs and rates, ordinary person not do it?
12:21:49 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Rate comparison tool, something not yet exit, mentioned, saying customers able go to website, figure out how fare under proposal?
12:22:36 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Average RS customer applied to rate what impact bill be?
12:23:05 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Is your expectation?
12:23:10 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Rounding error?
12:23:17 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Hope providing customers have less bills?
12:23:32 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Everybody participated, default rate, revenues less?
12:24:00 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Question Walmart had Ziolkowski about RRI?
12:24:17 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Heard of relative rate of return?
12:24:26 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Residential class poor relative rate of return?
12:24:48 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Default application RS-TOU-CPP exacerbate that?
12:25:14 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	People actually shifting load not necessarily using electricity at 12 CPs?
12:25:25 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Actually increase relative rate of return, using less electricity?
12:26:06 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	Post-hearing data request when rate calculator go into effect, ask for dumby login?
12:26:42 PM	Chairman Chandler - witness Sailers	
	Note: Sacre, Candace	What asking for, if available, a dumby login?
12:26:52 PM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS SAILERS
	Note: Sacre, Candace	WHEN CALCULATOR IN EFFECT AND DUMBY LOGIN INFORMATION
12:26:53 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?

12:27:20 PM	Chairman Chandler	
	Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
12:28:10 PM	Chairman Chandler	
	Note: Sacre, Candace	Recess until 1:15.
12:28:40 PM	Session Paused	
1:24:59 PM	Session Resumed	
1:25:14 PM	Chairman Chandler	
	Note: Sacre, Candace	Back on record in Case No. 2022-00372.
1:25:21 PM	Chairman Chandler	
	Note: Sacre, Candace	During cross of Sailers, marked number of documents. Intend on introducing.
1:25:55 PM	Atty Osterloh Kentucky Broadband & Cable	
	Note: Sacre, Candace	Introduce documents. (Click on link for further comments.)
1:26:06 PM	Chairman Chandler	
	Note: Sacre, Candace	Any objection? (Click on link for further comments.)
1:26:27 PM	Chairman Chandler	
	Note: Sacre, Candace	Admit KBCA 1, 2, 3, and 4.
1:26:28 PM	HEARING EXHIBIT KBCA 1	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	ATTACHMENT BLS-7 AND ATTACHMENT BLS-REBUTTAL-1
1:26:29 PM	HEARING EXHIBIT KBCA 2	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	ATTACHMENT BLS-7 & KBCA-DR-01-005_ATTACHMENT
1:26:30 PM	HEARING EXHIBIT KBCA 3	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	DUKE ACTUAL DISTRIBUTION, DESCRIPTION 2 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 35-FOOT POLES AND 40-FOOT POLES
1:26:31 PM	HEARING EXHIBIT KBCA 4	
	Note: Sacre, Candace	ATTY WIGGER KENTUCKY BROADBAND & CABLE - WITNESS SAILERS
	Note: Sacre, Candace	DUKE ACTUAL DISTRIBUTION, DESCRIPTION - 3 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 40-FOOT POLES, 45-FOOT POLES, AND 50-FOOT POLES
1:27:28 PM	Chairman Chandler	
	Note: Sacre, Candace	Direct of Sailers asked to mark DEK 2, DEK 3, and DEK 4 new tariff. How intend to offer these?
1:28:21 PM	Atty Herring Duke Kentucky	
	Note: Sacre, Candace	Did offer and were admitted. (Click on link for further comments.)
1:29:15 PM	Chairman Chandler	
	Note: Sacre, Candace	Witness?
1:29:17 PM	Atty Grundmann Walmart	
	Note: Sacre, Candace	Steve Chriss.
1:29:22 PM	Chairman Chandler	
	Note: Sacre, Candace	Witness is sworn.
1:29:30 PM	Chairman Chandler - witness Chriss	
	Note: Sacre, Candace	Examination. Name and address?
1:29:47 PM	Atty Grundmann Walmart - witness Chriss	
	Note: Sacre, Candace	Cross Examination. Title and employer?
1:29:54 PM	Atty Grundmann Walmart - witness Chriss	
	Note: Sacre, Candace	Cause be filed direct and corrected?

1:30:10 PM	Atty Grundmann Walmart - witness Chriss	
	Note: Sacre, Candace	Prepared by you?
1:30:13 PM	Atty Grundmann Walmart - witness Chriss	
	Note: Sacre, Candace	Changes or corrections?
1:30:20 PM	Atty Grundmann Walmart - witness Chriss	
	Note: Sacre, Candace	Adopt as testimony?
1:30:53 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
1:30:57 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Cross Examination. Reviewed authorized electric ROEs time period 2019 to present?
1:31:19 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Discuss on page 10 of direct?
1:31:29 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	To present, through March 7 2023?
1:31:41 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Exhibit SWC-3?
1:31:48 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Any analysis how capital market conditions changed between 2019 and present?
1:32:00 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	COVID-19 in 2020, effect on economy?
1:32:15 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Entered period of increasing interest rates?
1:32:23 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Period of higher inflation?
1:32:30 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Peak 9.1 percent Jul 2022 highest since 1980s?
1:32:45 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Federal reserve tightened monetary policy?
1:32:59 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Performed market analyses in current environment as compared to 2019?
1:33:13 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Refer to SWC-3, page 5, schedule shows combinations of ROE 2019 to present?
1:33:48 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Schedule regularly prepare?
1:33:54 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Page10, direct, average ROE 9.68 percent in 2023?
1:34:14 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	So far, through Mar 7 2023?
1:34:20 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Aware since Mar 7 S&P two additional ROEs including 9.9 percent Upper Peninsula Power?
1:34:44 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	In addition UPCO ROE, 10.00 percent ROE Liberty Utilities in CA, aware?
1:35:04 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Exhibit SWC-3, reported authorized equity ratios?
1:35:12 PM	Atty Brama Duke Kentucky - witness Chriss	
	Note: Sacre, Candace	Page 5, 2022 recorded average authorized equity ratio 50.47 percent?

1:35:28 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Look at pages 3 and 4 of exhibit, listed decisions calculate ratio for 2022?
1:35:46 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace In 2022 average, included equity ratios from Arkansas, Indiana, and Michigan?
1:36:07 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Page 3, third of way down?
1:36:20 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Agree include ratios for Arkansas, Indiana, and Michigan?
1:36:28 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Four data points from states and utilities?
1:36:43 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace See Consumers Energy Michigan, Indiana-Michigan Power Indiana, Southwestern Power Arkansas, and DTE Electric Michigan?
1:37:06 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Include noninvestor supplied capital?
1:37:17 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Know if Kentucky included such capital structures?
1:37:37 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Agree equity ratio for 2022 be 52.13 percent if excluded Arkansas, Indiana, and Michigan?
1:37:58 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Seem like in ballpark?
1:38:22 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Part of question on page 3 three from 2022 Indiana-Michigan Power equity ratio 40.70 percent?
1:38:42 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace If look at Southwestern, 44.54 percent?
1:38:49 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace For DTE, 39.62 percent?
1:38:54 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Dragging down average?
1:39:07 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Page 5, summary data?
1:39:19 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Average equity ratio is 52.31 percent?
1:39:30 PM Atty Brama Duke Kentucky - witness Chriss
Note: Sacre, Candace Requested equity ratio of 52.145 below 2023 average?
1:39:44 PM Chairman Chandler
Note: Sacre, Candace Questions?
1:40:12 PM Chairman Chandler
Note: Sacre, Candace Next witness?
1:40:17 PM Atty Brama Duke Kentucky
Note: Sacre, Candace Sarah Lawler.
1:40:22 PM Chairman Chandler
Note: Sacre, Candace Witness is sworn.
1:40:26 PM Chairman Chandler - witness Lawler
Note: Sacre, Candace Examination. Name and address?
1:40:40 PM Atty Brama Duke Kentucky - witness Lawler
Note: Sacre, Candace Direct Examination. Position and employer?
1:40:54 PM Atty Brama Duke Kentucky - witness Lawler
Note: Sacre, Candace Cause be filed direct and rebuttal as well as responses?

1:41:02 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Corrections or updates?
1:41:08 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Intention testimony and responses to be admitted?
1:41:18 PM	Chairman Chandler	
	Note: Sacre, Candace	Ms. Goad?
1:41:20 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Cross Examination. Not attorney?
1:41:26 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Apply expertise in utility rate and regulation to discuss SB 4?
1:41:37 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Rebuttal, page 7, Lines 8-19, read into record?
1:44:02 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Based upon excerpt, net book value for East Bend considered net incremental cost?
1:44:44 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Saying in last sentence, including net book value as net incremental cost?
1:45:03 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Agree net book value consists of sunk costs and not incremental costs?
1:45:13 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Testimony today net book value incremental cost and not sunk cost?
1:45:50 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Customers required to pay net book value for East Bend whether producing or retired?
1:46:13 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Refer to rebuttal, page 14, line 21, read bottom paragraph to page 15?
1:47:09 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Last sentence talk about Commission not consider impact of rate shock, admitting $25 average customer's bill constitutes rate shock?
1:47:36 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Explain what mean by that sentence?
1:48:46 PM	Asst Atty General Goad - witness Lawler	
	Note: Sacre, Candace	Believe average rate increase constitute rate shock?
1:49:34 PM	Chairman Chandler	
	Note: Sacre, Candace	Sierra Club?
1:49:36 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Cross Examination. Staying on page 14, lines 6-15, tenets of ratemaking policy about equity intergenerational users, describe why applicable?
1:50:56 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Not want customers from 2035 to 2041 paying for asset not used/useful because retired?
1:51:33 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Crux of argument plant retire in 2035 for six years customers paying for asset not generating for them?
1:52:05 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	One of purposes align depreciation East Bend and Woodsdale with projected useful life?
1:52:22 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	In March 2023, SB 4 became law?
1:52:28 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Review statutes and regulations as part of job?

1:52:36 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Law imposes new requirements before fossil fueled generating asset retire?
1:52:49 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Law creates presumption against retirement?
1:52:59 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Presumption against retirement be overcome with evidence?
1:53:14 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Upon retirement date, customers not exposed to net incremental cost?
1:53:29 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Can be no stranded cost utility seeks when unit retires?
1:53:47 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Undepreciated net book value expenses be zero when retires unit?
1:54:11 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Essential Commission align depreciation with remaining useful life?
1:54:24 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Think state impossible meet burden to retire fossil fuel generating unit?
1:54:35 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Result in customers pay for operation, maintenance, and capital investments for unit sitting idle?
1:54:51 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Keeping uneconomic unit operational costs incurred new environmental rules?
1:55:01 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Best align depreciation with probable end useful life?
1:55:14 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Rebuttal, page 14, lines 2-3, lives of asset change?
1:55:41 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	New environmental rules constitute factor change useful life?
1:56:01 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Had to comply, change useful life of unit?
1:56:11 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Look at possibility, mark Sierra Club 7 and 8, 111(d) rule, Exhibit 7 Fact Sheet and Exhibit 8 proposed rule issued today. (Click on link for further comments.)
1:57:03 PM	Chairman Chandler	
	Note: Sacre, Candace	Counsel have copy of entire rule? (Click on link for further comments.)
1:59:32 PM	Chairman Chandler	
	Note: Sacre, Candace	Recess until taken care of.
2:00:06 PM	Session Paused	
2:09:10 PM	Session Resumed	
2:09:23 PM	Chairman Chandler	
	Note: Sacre, Candace	Back on record in Case No. 2022-00372.
2:09:33 PM	Chairman Chandler	
	Note: Sacre, Candace	Identify documents?
2:09:38 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Mark SC Exhibit 7 a copy of the Fact Sheet for Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants Proposed Rule.

2:09:54 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Mark SC Exhibit 8 40 CFR Part 60 EPA New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; reading (click on link for further comments).
2:10:33 PM	Chairman Chandler	
	Note: Sacre, Candace	So marked.
2:10:36 PM	MARKED - HEARING EXHIBIT SC 7	
	Note: Sacre, Candace	ATTY HENRY SIERRA CLUB - WITNESS LAWLER
	Note: Sacre, Candace	FACT SHEET GREENHOUSE GAS STANDARDS AND GUIDELINES FOR FOSSIL FUEL-FIRED POWER PLANTS PROPOSED RULE
2:10:37 PM	MARKED - HEARING EXHIBIT SC 8	
	Note: Sacre, Candace	ATTY HENRY SIERRA CLUB - WITNESS LAWLER
	Note: Sacre, Candace	40 CFR PART 60 NEW SOURCE PERFORMANCE STANDARDS FOR GREENHOUSE GAS EMISSIONS FROM NEW, MODIFIED, AND RECONSTRUCTED FOSSIL FUEL-FIRED ELECTRIC GENERATING UNITS; EMISSION GUIDELINES FOR GREENHOUSE GAS EMISSIONS FROM EXISTING FOSSIL FUEL-FIRED ELECTRIC GENERATING UNITS; AND REPEAL OF THE AFFORDABLE CLEAN ENERGY RULE
2:10:45 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Cross Examination (cont'd). Heard of Clean Air Act?
2:10:50 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Heard of Rule 111(d) under Clean Air Act?
2:10:56 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	U.S. EPA just issued proposed rule under Clean Air Act 111(d), heard rumors was coming?
2:11:13 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Know 111(d) expected regulate carbon dioxide emissions from fossil-generating units?
2:11:33 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Know it would apply to existing plants?
2:11:38 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	East Bend coal-fired plant?
2:11:43 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Knew was coming and could impact coal-fired units?
2:12:05 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	SC 7, page 6, see section header Emission Guidelines for Existing Fossil Fuel-Fired Steam Generating EGUs (Primarily Existing Coal Units), see that?
2:13:38 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Second bullet, read?
2:14:16 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Even though not attorney, emission limit of 88.4 percent as reduction rate, understand that?
2:14:37 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Understand emission limitation probably lead to additional costs?
2:14:45 PM	Atty Brama Duke Kentucky	
	Note: Sacre, Candace	Objection, outside scope and calls for speculation. (Click on link for further comments.)
2:15:39 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	If new regulation issued and called for significant capital costs to comply with law, also two off ramps, would utility want evaluate retire unit rather than incur capital costs?

2:16:36 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	One retirement year 2035 only 20 percent capacity factor, would utility want to evaluate in best interest of ratepayers pay costs operate unit at 20 percent?
2:17:13 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Other off ramp said not have to reduce emissions but retire by 2032, company want to evaluate 2032 better versus another option?
2:17:34 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Two finalized laws and four proposed rules have significant cost on generating unit, would company look whether slate of rules could accelerate planned retirement of unit?
2:18:01 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	If after evaluation done necessitated bump up retirement date, should depreciation rate also bumped up?
2:18:19 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	If slate of rules increased likelihood earlier retirement date, have that fact plus fact SB 4 says not any net book value on books, should utility accelerate depreciation so has options pick off-ramp in best interests of ratepayers?
2:19:11 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Chairman had conversations about resource adequacy, take up to six years, here?
2:19:30 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Concern capacity and energy meet demand in appropriate time frame, company open doing new evaluation when appropriate date retire unit?
2:19:59 PM	Atty Brama Duke Kentucky	
	Note: Sacre, Candace	Objection, outside scope. (Click on link for further comments.)
2:24:40 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Move to admit SC 7 and administrative notice of SC 8. (Click on link for further comments.)
2:25:35 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Cross Examination (cont'd). Rebuttal, page 12, lines 19-20, responding to Kollen suggestion Commission wait and address East Bend depreciation request until later?
2:25:38 PM	HEARING EXHIBIT SC 7	
	Note: Sacre, Candace	ATTY HENRY SIERRA CLUB - WITNESS LAWLER
	Note: Sacre, Candace	FACT SHEET GREENHOUSE GAS STANDARDS AND GUIDELINES FOR FOSSIL FUEL-FIRED POWER PLANTS PROPOSED RULE
2:25:54 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	State, reading (click on link for further comments), correct?
2:26:14 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Rebuttal, page 12, lines 4-14, in paragraph, you state, reading (click on link for further comments), correct?
2:26:31 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Rebuttal, page 12, same lines 4 -14, reading (click on link for further comments), correct?
2:28:05 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	If new regulation require unit retire sooner 2035, in best interests of ratepayers accelerate depreciation faster?
2:28:54 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Page 12, lines 19-20, depreciation perspective not wait too late to make decision?
2:29:17 PM	Atty Henry Sierra Club - witness Lawler	
	Note: Sacre, Candace	Making sure useful life and depreciation aligned?

2:29:31 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
2:29:40 PM	Staff Atty Temple PSC - witness Lawler	
	Note: Sacre, Candace	Cross Examination. Incremental load investment charge, wanted make sure no municipality passed ordinance company worried about?
2:30:15 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
2:30:22 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Examination. EGU retires early undepreciated value stranded asset cost?
2:30:48 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Have copy of SB 4?
2:30:53 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Reviewed bill?
2:31:38 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	What say at top?
2:31:46 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Text be same, section 2 shall be rebuttal presumption?
2:32:04 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Referring to earlier in testimony?
2:32:30 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Rebuttal presumption, SB 4 created rebuttable presumption, reading (click on link for further comments), net incremental costs undepreciated value of plant?
2:33:18 PM	Chairman Chandler - witness Lawless	
	Note: Sacre, Candace	Stranded asset costs?
2:33:21 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Section 2(2), shall be a rebuttable presumption again, reading (click on link for further comments), provides list of evidence, saying stranded asset recovery net incremental cost but read bill not recover stranded asset costs unless prove no stranded asset costs?
2:34:44 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	How make sense?
2:35:12 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Not question, read this as saying, have to prove no undepreciated value of retired power plant?
2:36:04 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Second sentence about more than just retirement, first action, Section 2(2), first item, shall approve retirement, not approve surcharge decommissioning, agree?
2:36:56 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Or take any other action allows recovery of cost for retirement of electric generating unit including stranded asset recover, understanding undepreciated value net incremental cost?
2:37:34 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Also asked agree undepreciated value stranded asset cost, also agreed?
2:37:42 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Agree stranded asset cost is net incremental cost?
2:37:49 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Agree not recover undepreciated cost unless prove are no undepreciated costs?

2:38:16 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Concern with intergenerational inequity making sure folks after plant not have value not pay costs of plant?
2:38:45 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Read SB 4 keep uneconomic plant from retiring?
2:38:58 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Concern you had?
2:39:07 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Would drive whatever expenses necessary to keep open?
2:39:22 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Idle?
2:39:39 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Given consideration whether intent keep uneconomic plant from retiring?
2:40:08 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Hear debate SB 4, hearings, floor debates?
2:40:18 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Supporters discuss concerns resource adequacy, lights going out?
2:40:28 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Job of combustion turbines, may go year not operating, may be years or months between operating, there for meeting peak demand, your understanding?
2:41:02 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Built for that?
2:41:14 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Available for extreme times, provide value to consumers?
2:41:32 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Almost for us to determine?
2:41:58 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Questions for Steinkuhl, about test year expenses and deferral related to replacement power?
2:42:29 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Deferred incremental forced replacement power cost forced outages since last rate case?
2:42:36 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Proposing recover those?
2:42:39 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Think power prices be lower in '23 than '22?
2:42:56 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Testimony of Swez?
2:43:03 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Replacement power lower than test year amount, will defer detriment as regulatory liability?
2:43:23 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Proposal amortize regulatory assets?
2:44:19 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	One of couple reg assets have in this case?
2:44:32 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Between what unwound under ARAM and unprotected?
2:44:38 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Proposing regulatory assets/liabilities in rate base?
2:44:46 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Why not?

2:45:00 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Carry return while being deferred?
2:45:12 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Carry return even at debt rate?
2:46:27 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Not think deferred O&M earned long-term debt rate was denied inclusion?
2:46:37 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	In 2017-00321 case?
2:46:41 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Why all regulatory assets show up on amortization schedule?
2:47:39 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Case where have capitalization '21 gas case?
2:47:49 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Doing return on capitalization or rate base here?
2:48:00 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	What distinction between amortizing opposed including in rate base?
2:48:27 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Proposed amortization replacement power forced outages proposing straight line amortize return of and not proposing return?
2:48:50 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Alternative proposal to Kollen suggestion?
2:49:13 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Proposal weighted average cost of capital or long-term debt rate?
2:49:33 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Between amortization and inclusion of rate base, impact perspective how long balances be recovered?
2:49:59 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	For customers matters, greater carrying charge longer it goes?
2:50:37 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
2:50:40 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Redirect Examination. SB 4, do you have still?
2:50:45 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	What stranded cost, what incremental cost, cost of plant become stranded before retirement?
2:51:11 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Company proposing depreciate and align best can life of plant, have bearing on whether have stranded cost?
2:51:26 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Net incremental cost include stranded cost or cost new generation?
2:51:51 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Net incremental costs could include either stranded costs or new generation?
2:51:58 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Company proposing actual retirement East Bend or Woodsdale?
2:52:11 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	What happens if company depreciation request granted but need extend life East Bend, what happen?
2:52:51 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	To what extent setting depreciation aligning with 2035 life provide flexibility to Commission life of East Bend?
2:54:21 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Here yesterday Bauer on stand?

2:54:27 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Large issues impact on cash flow?
2:54:50 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Heard Bauer impact cash flow on credit metrics and credit ratings?
2:54:56 PM	Atty Brama Duke Kentucky - witness Lawler	
	Note: Sacre, Candace	Concern not just time value of money but cash flow as well?
2:55:37 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
2:55:42 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Recross Examination. When build new asset, Duke usually request QUIP?
2:56:01 PM	Chairman Chandler - witness Lawler	
	Note: Sacre, Candace	Examination. Distinction whether seeking set rates based on rate or capitalization?
2:56:11 PM	Chairman Chandler	
	Note: Sacre, Candace	Counsel?
2:56:47 PM	Chairman Chandler	
	Note: Sacre, Candace	Procedural discussions. (Click on link for further comments.)
2:59:54 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Examination. Number of questions for Colley regarding in-person payment opportunities, anybody made you aware?
3:00:18 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	One location in Kentucky accept in-person payments without charging additional $1.50, aware only one location?
3:01:04 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Why not more options?
3:02:20 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Already case when got there?
3:02:35 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	When you went into your current position, Monmouth office open then?
3:02:45 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Since in this position, not had offering at Duke location?
3:03:28 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Say offerings, with exception single location, customers pay for offering?
3:03:40 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Negative feedback on that?
3:03:53 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	How many customers pay in person?
3:03:59 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Heard 400?
3:04:14 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
3:04:26 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Cross Examination. Company willing say look at slate of proposed rules so Commission have a fuller picture of compliance costs?
3:06:02 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Case with regard to Big Sandy, Commission considering if utility not consider cost comply, would own as zero dollars, agree to disagree?
3:06:31 PM	Atty D'Ascenzo Duke Kentucky	
	Note: Sacre, Candace	Object, counsel testifying, no foundation. (Click on link for further comments.)

3:06:43 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Company position not consider proposed regulations when considering comply with finalized rule?
3:07:11 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	CPCN use forecasted information other variables?
3:07:28 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	CPCN look at forecasted LMPs, market prices?
3:07:42 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	In general, rate cases number of variables forecasted?
3:07:53 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Not known variables be but forecast viable range?
3:08:11 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Forecasting used as common practice?
3:08:18 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Forecasting compliance costs with environmental rules outside what appropriate in CPCN?
3:08:45 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Proposed rule, no?
3:09:04 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	What are lifecycles?
3:09:21 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	At what stage company start forecasting compliance costs?
3:09:27 PM	Atty D'Ascenzo Duke Kentucky	
	Note: Sacre, Candace	Objection, calls for speculation. (Click on link for further comments.)
3:09:29 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	How far in advance utility look, two years, three years, five years?
3:09:38 PM	Atty D'Ascenzo Duke Kentucky	
	Note: Sacre, Candace	Objection, compound question. (Click on link for further comments.)
3:09:46 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	How far advance compliance obligation company forecasting compliance costs?
3:10:18 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Look at rules and cost compliance when proposed?
3:10:30 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	If seek CPCN to comply with rule, share information possible compliance cost and other rules with Commission?
3:11:28 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Familiar with modeling for IRP 2021?
3:11:36 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Modeling for IRP 2021 included carbon price?
3:11:46 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Carbon tax be proxy other environmental rules?
3:11:58 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Similar analysis not accompany CPCN?
3:12:21 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	If Commission concerned how handle piecemeal nature of regulations, how best Commission consider issues?
3:12:34 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Not have any advice on how handle when regulations come in cyclical fashion?
3:13:02 PM	Atty D'Ascenzo Duke Kentucky	
	Note: Sacre, Candace	Objection, asked and answered. (Click on link for further comments.)

3:13:08 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	In next IRP, company intend look how comply with proposed regulations?
3:13:32 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Include proposed or only finalized?
3:13:44 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Appropriate next IRP Duke consider how 111(d) rule impact generating resources?
3:14:03 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	If was Good Neighbor Rule, think also be considered?
3:14:20 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Know criteria use whether deemed appropriate include?
3:14:34 PM	Atty Henry Sierra Club - witness Spiller	
	Note: Sacre, Candace	Majority proposed rules considered?
3:14:42 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
3:14:48 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Examination. Heard term, throwing good money after bad?
3:14:55 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Requirement for CPCN utility must show need and proposal least cost, most reasonable alternative, agree?
3:15:27 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Least cost, most reasonable alternative is absence of wasteful duplication, previous experience?
3:15:37 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	In that, be situations have power plant retire in two years, not propose upgrades $100 million continue two years without upgrade and expect retire?
3:16:26 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Duke not make proposal let's spend $100 million but customers get no economic benefit not extend life expect something in two years forces retirement of plant?
3:17:01 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Environmental regulations passed in piecemeal fashion, believe reasonable ignore risk expected/proposed rules have on decision making, reasonable ignore making CPCN decisions?
3:17:58 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	And to original proposal?
3:18:02 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Seems is spectrum making decisions today based on speculative concerns all way to ignoring anything happens after tomorrow, bookends of questions being asked?
3:18:34 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Reasonable assume DEK take into account and provide weight to risks or certain actions may occur in future making proposal in CPC and alternatives weighing different outcomes, how apply to proposal and alternatives?
3:19:41 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Generation exists to produce energy to serve consumers, need?
3:19:57 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Know when next IRP filing is?
3:20:06 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Conversations with Park about IRP in 2024?

3:20:27 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Personal perspective things move faster, moving faster in electric industry?
3:20:53 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Do IRPs every three years, stale by time filed with us, by time get it input from two, three years before?
3:21:30 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Necessarily mean Commission have confidence utilities internally reviewing and weighing factors, confidence that not have to wait how considering risks and options?
3:24:26 PM	Chairman Chandler - witness Spiller	
	Note: Sacre, Candace	Final item would seem responses were of the kind of we'll look at that next IRP, expect to see in next IRP, thank you for your answer on that, not waiting to kick the tires on increasing risks?
3:25:16 PM	Chairman Chandler	
	Note: Sacre, Candace	Happy to hear that, appreciate it.
3:25:25 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
3:25:29 PM	Chairman Chandler	
	Note: Sacre, Candace	Anything else?
3:26:06 PM	Chairman Chandler	
	Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
3:27:12 PM	Chairman Chandler	
	Note: Sacre, Candace	Call your witness?
3:27:16 PM	Atty Werner Kentucky Broadband & Cable	
	Note: Sacre, Candace	Patricia Kravtin.
3:27:18 PM	Chairman Chandler	
	Note: Sacre, Candace	Witness is sworn.
3:27:26 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Examination. Name and address?
3:27:42 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Direct Examination. For whom work?
3:27:48 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Title or position?
3:27:56 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Prepare and cause be filed testimony and responses?
3:28:02 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Corrections?
3:28:21 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Any other corrections?
3:28:26 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Asked those questions today, would answers be same?
3:28:33 PM	Atty Werner Kentucky Broadband & Cable - witness Kravtin	
	Note: Sacre, Candace	Adopt testimony and responses as testimony in hearing?
3:28:46 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
3:29:08 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Cross Examination. Have testimony in front of you?
3:29:12 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Page 4, state served as witness in several other Kentucky proceedings?
3:29:33 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	All proceedings related to pole attachment regulations?

3:29:40 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Commission make any changes to methods used by utilities perform pole attachment calculations?
3:30:06 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Not see where disputed utility poll attachment charges be calculated in accordance with Commission decision referencing in Administrative Case 251?
3:30:37 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Not dispute regulation should be calculating under is administrative case?
3:30:52 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Direct, page 6, one KBCA issues how Duke calculated charge is Duke calculation not take into account attachments on 50-foot poles?
3:32:12 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Looking at testimony in middle where state, reading (click on link for further calculations), portion referencing, see that?
3:33:07 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Focus on fifty-foot pole issue, decision in 251 attach that as exhibit to testimony?
3:33:25 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Familiar with decision?
3:33:30 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Have decision in front of you?
3:33:47 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Page 12, heading usable space, understanding Commission discusses assumptions calculate usable space on pole heights?
3:34:22 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Commission not discuss usable space 50-foot pole?
3:35:05 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	No discussion of 50-foot poles?
3:35:23 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Commission not perform analysis of 50-foot pole?
3:36:07 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Did you perform analysis usable space 50-foot pole for this proceeding?
3:37:24 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Aware whether company done analysis of its 50-foot poles space for attachments?
3:38:08 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Usable space part of calculation?
3:38:55 PM	Atty Herring Duke Kentucky - witness Kravtin	
	Note: Sacre, Candace	Agree Commission decision in Admin 251 controls?
3:40:01 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
3:40:10 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Examination. Noticed in CV first time presenting testimony was in Kentucky, welcome back.
3:40:48 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Experience where going on other places, testified for KCTA and other CATV attachments?
3:41:09 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Swath of investor-owned groups, even with Admin 251, working across entire territory, all investor-owned implementing 251 same way used/unused space in calculation?

3:44:08 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Distinction between use of average verse weighted average for 30-35 and 40-45 foot poles?
3:44:40 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Argument material discrepancy 1982 order, aware other utilities have relative number same size poles consistent across all territories, make sense?
3:46:50 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Exhibit 2, page 11, usable space, testimony, in 1982, Commission said, reading (click on link for further comments), what recommend using calculating average height?
3:50:46 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Other question Sailers could not answer, physics of pole, height of pole dictates depth must be buried?
3:51:23 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Know what general rule is?
3:51:36 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Admin 251, usable space whatever left over after determine unusable space?
3:51:49 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Averages calculated here are 32.5 and 37.5 feet?
3:52:05 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Not necessarily lead to poles buried six feet?
3:53:23 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Page 12, Order, trying give amount CATV operator responsbile for, one foot?
3:53:43 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Which is five and a half feet for 32.5-foot pole?
3:54:09 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Next page?
3:54:12 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Next page, first one, 37.5 feet results in one foot of 8.17 feet?
3:54:30 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	That results in .1224?
3:54:36 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Input in determining rate for CATV?
3:54:45 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Why asking, going to four decimal points determining rate but averages for determining height of pole?
3:56:09 PM	Chairman Chandler - witness Kravtin	
	Note: Sacre, Candace	Calculation of rate, use averages, mean not care if .1224 was .12 or .13, would matter in determining rate?
3:57:50 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
3:57:53 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
3:58:12 PM	Chairman Chandler	
	Note: Sacre, Candace	Recess until 4:10.
3:58:49 PM	Session Paused	
4:14:56 PM	Session Resumed	
4:15:20 PM	Chairman Chandler	
	Note: Sacre, Candace	Back on the record in Case No. 2022-00372.
4:15:25 PM	Chairman Chandler	
	Note: Sacre, Candace	Call your witness.

4:15:30 PM Atty Henry Sierra Club
Note: Sacre, Candace Sarah Shenstone Harris.
4:15:34 PM Chairman Chandler
Note: Sacre, Candace Witness is sworn.
4:15:46 PM Chairman Chandler - witness Shenstone Harris
Note: Sacre, Candace Examination. Name and address?
4:16:02 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace Direct Examination. Same Shenstone Harris caused testimony be filed?
4:16:10 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace Modifications?
4:16:16 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace What are changes?
4:16:30 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace Any other?
4:17:13 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace Only changes?
4:17:16 PM Atty Henry Sierra Club - witness Shenstone Harris
Note: Sacre, Candace Asked today, answers be same?
4:17:39 PM Chairman Chandler
Note: Sacre, Candace Questions?
4:17:51 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Cross Examination. Perspective reviewing company's testimony, ever been coal plant operator?
4:18:10 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace CT or CC gas plant operator?
4:18:16 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Look at resume, spent time modeling potential generation and power supply decisions?
4:18:28 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Prepare own models?
4:18:31 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Why do that?
4:18:36 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Why prepare own models?
4:18:42 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace What value completing own analyses opposed to relying on others analyses?
4:19:04 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace When doing modeling, what value of doing own models versus on somebody else's models?
4:19:15 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Direct, page 7, relied on work papers, exhibits, and responses of Duke witnesses?
4:19:43 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Also rely on public information other Commission proceedings and documents?
4:19:50 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Not conduct model useful life of East Bend, Woodsdale, or other Duke facility?
4:20:11 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Conduct own resource plan?

4:20:18 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Analysis retirement date comparing cost versus benefits operating East Bend?
4:20:40 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Complete resource plan also look at comparison of East Bend versus alternative sources needed?
4:20:56 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not estimated cost per megawatt replacing East Bend with renewables?
4:21:04 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not calculated cost megawatt hour replacing East Bend?
4:21:20 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Question is what analyses conducted, not estimated that cost?
4:21:43 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	When look at cost of CT plant when looking at, not hear what you said?
4:21:53 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not estimated cost per megawatt of replacing East Bend with renewables, only question?
4:22:04 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Did conduct analysis natural gas unit replacement?
4:22:16 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Said was conservative or high level, trying to get to where you characterize analysis?
4:22:35 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not assess whether renewable resources be located within Duke service territory?
4:22:49 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not assess whether renewable resources to extent play role in replacement of East Bend within/outside Duke territory?
4:23:05 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not analyze what percentage energy needs come from market purchases?
4:23:25 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Said earlier East Bend should retire around 2030, Sierra Club position?
4:23:41 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	What SC advocating for?
4:24:26 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Is SC advocating retirement by 2030?
4:24:34 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Agree regulated utility obligation to serve customers?
4:24:42 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Unlike nonregulated, Duke not choose stop serving customers based on cost benefit analysis?
4:25:10 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Duke needs cost of replacement units, market energy purchases, or other needs to serve load?
4:25:27 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	SC position East Bend retired by 2030, less than seven years?
4:25:43 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Where in testimony evaluate capability replace East Bend by 2030?
4:26:16 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Where do evaluate feasibility taking East Bend offline by 2030?

4:26:37 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Hear Parks testimony company not identified replacement type?
4:26:46 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Mean not plan out in marketplace?
4:26:53 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Be necessary steps?
4:26:57 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Here for Swez testimony PJM requires three years looking at interconnections?
4:27:21 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Company needs CPCN?
4:27:30 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Experience how long plan, prepare, obtain CPCN?
4:27:57 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Know how long it takes?
4:28:04 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Hear testimony take four-six years for approval interconnection and CPCN?
4:28:25 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace On top of that, time for construction?
4:28:32 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Not involved with operating generation facility, not get into time takes?
4:28:52 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Page 14, direct, lines 18-22, country's experience inflation and supply chain challenges?
4:29:25 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Supply chain and inflationary challenges access to materials, vendors, parts/equipment more challenging?
4:29:37 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Repeating, also correct (click on link for further comments)?
4:29:57 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Understand Duke not requesting actual retirement date?
4:30:11 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace SC agree if Commission not agree 2030 probable retirement date then 2035 preferable?
4:30:58 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace SC agree general principle ratemaking commission should typically -
4:31:03 PM Atty Henry Sierra Club
Note: Sacre, Candace Objection, expert hired represent SC. (Click on link for further comments.)
4:31:39 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace SC agree appropriate for commission to align depreciation and decommissioning costs with remaining useful life?
4:31:54 PM Atty Henry Sierra Club
Note: Sacre, Candace Objection, speaks for her own opinion not Sierra Club. (Click on link for further comments.)
4:33:11 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Agree principle ratemaking commission align depreciation and decommissioning costs with remaining useful life?
4:34:00 PM Atty Brama Duke Kentucky - witness Shenstone Harris
Note: Sacre, Candace Also agree aligning depreciation with probable life provides flexibility adjust retirement down road?

4:34:15 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Also agree aligning depreciation with probable life provides flexibility adjust retirement down road?
4:34:38 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	If life extended beyond depreciation term, a commission can readjust depreciation align new facts?
4:34:58 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Page 40-49 of testimony, securitization, line 10, reading (click on link for further comments)?
4:35:49 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	What mean by irrevocable and nonbypassable?
4:36:30 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	If company choose securitization and Commission or company determines East Bend operate longer then end date, no going back under securitization model?
4:37:00 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Your position good goal incentivize closure coal plants is good?
4:37:19 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Is your view incentivizing closure of coal plants opposed to keeping open is good thing?
4:37:30 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Closure of coal plants, retiring early?
4:37:33 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Objection, outside scope of proceeding. (Click on link for further comments.)
4:38:12 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Good thing to close coal plants as early as feasible?
4:38:37 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Page 30 of direct, line 6-7, reading (click on link for further comments)?
4:39:17 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Agree unless battery storage more feasible wind displaces base load/resources when wind blows and solar only when sun shines?
4:39:43 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not see where speak about dispatchability, miss anything?
4:39:58 PM	Atty Henry Sierra Club	
	Note: Sacre, Candace	Objection, in middle of answer. (Click on link for further comments.)
4:40:54 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	On same page, state, reading (click on link for further comments)?
4:41:37 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Looked at footnote reference page 30, not see anything speaks to what high end LMPs might be?
4:43:12 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Review of testimony only speaks to 26 percent low end future LMP range, not see high end could be, miss anything?
4:43:41 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Page 42, direct, bottom and on to page 43, speak other risks coal plant operations?
4:44:24 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Provide analysis quantification how risks affect Duke modeling 2035 to 2030?
4:44:45 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Assertion did not?
4:45:07 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	EV adoption, RS-TOU-CPP, DT, and Rider LM, talk about each?

4:45:27 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	RS-TOU-CPP is whole account rate?
4:45:31 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not EV specific rate?
4:45:37 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Rate DT and Rider LM customer entire account load?
4:45:45 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Agree Commission investigation specific to EV adoption/rates?
4:45:56 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	RS-TOU-CPP not incentive enough customers adopt rate?
4:47:08 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Recommendation solve problem company strengthen on-peak, off-peak differential?
4:47:34 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not quantify what differential be?
4:47:40 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Rate differential not big enough based on savings to customers?
4:48:03 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Stated in dollars or cents?
4:48:11 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	RS-TOU-CPP, page 56 of testimony, Table 3, analysis specific to EVs?
4:48:40 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Sailers speaking percentage change in rate?
4:49:04 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Possible what consider insignificant dollar differential function of low pricing?
4:49:23 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Speaking in terms insignificant dollar differential, not a function of rate already low?
4:50:02 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Saw in testimony spoke to programs elsewhere not work?
4:50:21 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Testimony offer evidence higher differential succeeded in creating higher enrollment rates?
4:50:52 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	In order understand what big enough, have quantification what should be?
4:51:06 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Page 65 of testimony, Table 4, analysis Rate DT?
4:51:22 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Comparison specific commercial customers with EV fleet?
4:51:33 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Rider LM concerns hinge on fact including off-peak hours result in paying too much off-peak hours?
4:51:54 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Again, EV charging?
4:52:00 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Same table Rider LM page 67 specific to commercial customers EV fleet?
4:52:39 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Not provide whole account analysis?

4:52:45 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Have quantitative analysis to show say be incorrect Sailers testimony say participation Rider LM lowers customer bill?
4:53:24 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Have any quantitative analysis dispute Sailers testimony?
4:53:55 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
4:54:07 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Examination. Consulting expert now?
4:54:13 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Previously worked at utility?
4:54:16 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Integrated resource planning?
4:54:23 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Customers care about rates or bills?
4:54:31 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Reason for that?
4:54:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Have friends/family eyes glaze over when talk about job?
4:54:48 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Personally know friends or family know what rates are?
4:54:58 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Appreciation for what utility bill is?
4:55:28 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	More likely know what end bill is than are rate?
4:55:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	RS-TOU-CPP tariff, Duke RS rate ten cents?
4:56:08 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Less than Cambridge, Mass?
4:56:12 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Less than California?
4:56:14 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Places in U.S. ordinary RS Tariff quarter, 30 cents kilowatt hour?
4:56:26 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Seen Duke customer charge?
4:56:33 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Duke fairly low or fairly high customer charge?
4:56:46 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	RS-TOU-CPP Sailers referring to $13, what say that is relative to experience?
4:57:01 PM	Atty Brama Duke Kentucky - witness Shenstone Harris	
	Note: Sacre, Candace	Agree what not recovered customer charge recovered by volumetric charge?
4:57:13 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Tariff only has customer charge and volumetric, what not recovered customer charges recover through volumetric component?
4:57:25 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Four-part time of use CPP charge, fine with having four distinct parts?
4:58:20 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Why how simple matter?
4:58:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Understanding or implementation or both?

4:58:47 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Analysis determined East Bend no longer economic?
4:59:02 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Compared to cost to operate and revenues in market?
4:59:15 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Duke vertically integrated utility?
4:59:20 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	If Duke leaves PJM, now PJM has penalty to leave RTO?
4:59:31 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Aware Kentucky PSC had to agree allow Duke join PJM?
4:59:48 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Make sense inverse be true?
5:00:11 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	As vertically integrated utility meet native load, why definition economic revenues from market instead of stay open costs more/less than replacement?
5:01:23 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Regardless how much Duke/East Bend/Woodsdale lose in market, customers paying embedded costs?
5:01:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Be case in market or out of market?
5:01:43 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Why market revenues matter if customers on hook for embedded costs?
5:02:03 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Economic to what alternative, what as alternative to status quo?
5:02:34 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Did analysis said East Bend uneconomic?
5:02:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	What counterfactual to actual experience East Bend?
5:02:52 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	To a counterfactual?
5:03:02 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	But what alternative?
5:03:11 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Not analysis you did?
5:03:13 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Agree is analysis determine current plant economic or not?
5:03:33 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	That is alternative, uneconomic and East Bend retires, replacement capacity value be counterfactual whether retire?
5:03:45 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Going forward analysis?
5:03:48 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Should ignore sunk costs?
5:03:53 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Should take into account stay open costs, cost of production, expected revenues, things like that?
5:04:08 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Similar/same analysis having do environmental upgrades verse not complying and retire?
5:04:33 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	When say uneconomic your analysis, take into consideration additional cost utility incur if not member of PJM?

5:04:38 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Agree additional costs incur if said forget market revenues, forget market costs, do stand-alone basis, are additional costs incur foregoing through RTO membership?
5:05:02 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Heard of contingency reserves?
5:05:12 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Utilities have to carry contingency reserves equal to largest single contingency?
5:05:24 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Ordinarily, largest single contingency biggest unit currently on system?
5:05:30 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	If 2,000 MW largest operating plan, need have 2,000 megawatts reserves contingency?
5:05:49 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Duke has two generating plants, one multiple units?
5:05:59 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	East Bend and Woodsdale?
5:06:01 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Ignoring behind meter stuff?
5:06:03 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Duke, to comply with NERC, have to carry own contingency reserves or enter into agreements other utilities carry their portion?
5:06:30 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	If part of PJM, pay their share; if not, come up with own?
5:06:37 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Cost be incurred not taken into account in determination economic?
5:06:56 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Taking into account risk proposed environmental compliance costs represent to individual EGU?
5:07:15 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	How recommend taking into account risks when modeling if costs not yet determinable?
5:08:13 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Can kick it to Duke, but the buck stops here, ends of spectrum, make sure have appreciation not have recommendations how take considerations into account?
5:09:03 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	Seen in experience folks using COS assumption EGUs seen decades environmental compliance costs and assuming going forward like historical compliance costs?
5:09:34 PM	Chairman Chandler - witness Shenstone Harris	
	Note: Sacre, Candace	When say picking up speed, mean speed occur, magnitude of impact, or other metric?
5:09:59 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
5:10:05 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Redirect Examination. Case about retiring East Bend and Woodsdale or pegging depreciation to anticipated retirement dates?
5:10:16 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Is this case about retiring East Bend and Woodsdale or about pegging depreciation to anticipated retirement dates?

5:10:28 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Recommended Commission peg depreciation to 2030 instead of 2035, based on analysis or other information?
5:11:04 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Saying modeling in Duke IRP supports recommendation?
5:11:22 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	What events happened since Duke modeling that support recommendation?
5:11:56 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Under Inflation Reduction Act, provisions would lose value if Duke waited until 2035 how replace any unit?
5:12:21 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	One of ways figure out take advantage, how recommend figure out value?
5:12:35 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	How Duke figure out value of Inflation Reduction Act?
5:12:48 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Timeframe for new resource interconnected and approval for CPCN, those actions favor earlier action or waiting?
5:13:28 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Supply chain and inflation issues, think those favor waiting take action or take action earlier?
5:13:43 PM	Atty Grundmann Walmart	
	Note: Sacre, Candace	Object to line. (Click on link for further comments.)
5:14:26 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Supply chain and inflation issues, asked those issues favor earlier action or waiting?
5:14:42 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Opinion based on economics of facility?
5:15:15 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Conversation with counsel risk of aging coal plants, Duke modeling handled in reasonable manner, how Duke handle fixed costs?
5:16:08 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	In analysis look at cost of East Bend compared to BRA or auction or something else?
5:16:29 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Consider net CONE be considering a replacement resource?
5:16:47 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Did look at cost and revenues plant and compared to alternative?
5:16:57 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Conversation with Chairman grappling with new regulations, 111(d) just today, how comply with rule like that?
5:17:25 PM	Atty Brama Duke Kentucky	
	Note: Sacre, Candace	Objection, proposed rule or rule? (Click on link for further comments.)
5:18:44 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Have any insights now?
5:19:17 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Analysis talking about looking at prospective costs compared to all-in costs of alternative?
5:19:53 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Duke can purchase energy from PJM?
5:20:00 PM	Atty Henry Sierra Club - witness Shenstone Harris	
	Note: Sacre, Candace	Also purchase bilateral contracts?

5:20:53 PM	Chairman Chandler	
	Note: Sacre, Candace	Additional questions?
5:20:56 PM	Chairman Chandler	
	Note: Sacre, Candace	Anything else?
5:21:26 PM	Chairman Chandler	
	Note: Sacre, Candace	First witness?
5:21:30 PM	Asst Atty General Goad	
	Note: Sacre, Candace	Lane Kollen.
5:22:50 PM	Chairman Chandler	
	Note: Sacre, Candace	Witness is sworn.
5:22:56 PM	Chairman Chandler - witness Kollen	
	Note: Sacre, Candace	Examination. Name and address?
5:23:16 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Direct Examination. What your occupation?
5:23:25 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Cause be filed testimony?
5:23:30 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Additions or corrections?
5:23:34 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Sponsor responses to discovery requests?
5:23:41 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Asked same questions, answers be same?
5:23:45 PM	Asst Atty General Goad - witness Kollen	
	Note: Sacre, Candace	Intention adopt testimony in this matter?
5:24:00 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
5:24:06 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	Cross Examination. Listening cross examining Halstead about Clean Energy Connection program?
5:24:18 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	Questions were context of, if Commission approve Clean Energy Connection now, future CPCN, company gauge customer interest in program, hear those questions?
5:24:49 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	Agree concept approve tariff future CPCN give company ability gauge interest from customers?
5:26:01 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	My point, your understanding assume future CPCN project subject Clean Energy Connection tariff program, goal not impose costs on nonparticipating customers?
5:27:33 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	Review Clean Energy Connection program approved Duke Energy Florida?
5:27:42 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	Aware Duke Energy Florida implemented Clean Energy Connection?
5:27:54 PM	Atty Grundmann Walmart - witness Kollen	
	Note: Sacre, Candace	When saw testimony Halstead, not look how program worked?
5:28:29 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
5:28:38 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Cross Examination. Are CPA?
5:29:15 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Not engineer?

5:29:18 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Not attorney?
5:29:21 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Also not certified depreciation professional?
5:29:26 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Recommendation East Bend 2 maintain retirement date of 2040 calculate depreciation expense?
5:30:00 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Understanding company proposal change depreciation date to 2035?
5:30:13 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Agree company proposal based on 2021 IRP?
5:31:50 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Neither you nor other OAG witnesses provided modeling?
5:33:02 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Under recommendation East Bend depreciation rates reflect 2041 retirement date and Woodsdale 2040?
5:33:22 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Provide analysis in testimony impact to customers retiring those 12-month period?
5:34:02 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Agree substantial impact on ratepayers?
5:34:56 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Direct, page 31, line 2, discuss possibility new capacity, retires East Bend 2 prior 2041?
5:35:27 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Agree assuming no change depreciable life prior be undepreciated net book value?
5:36:17 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	In room when Lawler testified?
5:36:24 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Recall purpose of company proposing 2035 date reduce net book value?
5:38:04 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Page 30, lines 4-7, discussing recovery remaining net book value East Bend 2 if plant retired 2035?
5:38:26 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Testify remaining costs be considered "cost transitioning to new capacity?"
5:39:51 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Those future customers paying for large undepreciated net book value in addition new generation?
5:40:48 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Paying for resource no longer operating?
5:41:04 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Not disagree East Bend 2 operating/generating energy for customers?
5:41:26 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Direct, page 29, discuss recommendation not change depreciation rate?
5:42:05 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Recommendation future CPCN proceeding Commission approve replacement resource, time to adjust rate?
5:43:33 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Recommendation, page 37, discussing end-of-life materials/supply inventories?

5:43:54 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Not dispute end of life for Woodsdale and East Bend be materials and supply?
5:44:36 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Not performed studies/analyses contradict ones by company?
5:45:08 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Based on current materials and supply?
5:46:00 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Page 11, discuss reduce revenue lag days cash working capital calculation?
5:46:20 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Recommendation based on assumption line 12 Duke sells prior day accounts receivable on daily basis?
5:47:24 PM	Atty Herring Duke Energy - witness Kollen	
	Note: Sacre, Candace	Whether did watch that part of proceeding?
5:47:44 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
5:48:03 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
5:48:14 PM	Chairman Chandler	
	Note: Sacre, Candace	Ms. Goad?
5:48:16 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Randy Futral.
5:48:43 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Witness is sworn.
5:48:49 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Examination. Name and address?
5:49:08 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Direct Examination. Occupation?
5:49:14 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Cause be filed testimony?
5:49:18 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Additions, corrections?
5:49:23 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Sponsor responses?
5:49:29 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Asked same questions, answers be same?
5:49:33 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Intention adopt testimony and responses?
5:49:41 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
5:50:01 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Cross Examination. Understanding Dept of Revenue establishes property taxes based on calendar year data?
5:50:25 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Question 36, discovery responses, question was, reading (click on link for further comments), correct?
5:51:01 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Say no, and go on to explain why?
5:51:06 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Say in response observed Duke operating income decrease 2021 before new rates go into effect?
5:51:33 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Mean I-1?

5:51:41 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Not think appropriate reflect reductions operating income?
5:51:55 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Outlined in response?
5:51:58 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Basis for comparing Schedule I-1 from application, note operating income 2021 $59.813 million?
5:52:29 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Calendar year 2021?
5:52:34 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Actual data from 2021?
5:52:38 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Schedule I-1 projected base year electric operating income fall to $48.705 million?
5:52:55 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Projected base year?
5:53:09 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Accept twelve months ended Feb 28 2023?
5:53:20 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Not calendar year?
5:53:24 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Same time in Schedule I about base period and test year comparisons?
5:53:35 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Time Schedule I filed base period six months actual data through Aug 31 2022 and six months forecast?
5:53:50 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Turning to discovery Question 36, after talking '21 and projected base year, say electric operating income increase slightly to $50.991 million forecasted test year prior any rate increases?
5:54:14 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Agree forecasted test year 12 months ending Jun 30 2024?
5:54:28 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Again not calendar year?
5:54:33 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Familiar with FERC Form 1 is?
5:54:38 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Explain what is?
5:55:14 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Agree provides actual data for prior period?
5:55:25 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	FERC Form 1 publicly available document?
5:55:31 PM	Atty Brama Duke Kentucky	
	Note: Sacre, Candace	Ask can approach witness. (Click on link for further comments.)
5:55:48 PM	Chairman Chandler	
	Note: Sacre, Candace	Short recess, five minutes.
5:56:12 PM	Session Paused	
6:07:39 PM	Session Resumed	
6:08:07 PM	Chairman Chandler	
	Note: Sacre, Candace	Back on the record in Case No. 2022-00372.
6:08:14 PM	Chairman Chandler	
	Note: Sacre, Candace	Continue with cross.

6:08:19 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Cross Examination (cont'd). Before break talking about FERC Form 1, recall?
6:08:27 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Provided what marked DEK 5, see that?
6:08:38 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Recognize document?
6:08:51 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Includes statement of income, net operating income current and prior year?
6:09:11 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Take a look at DEK 5, first two pages indicate Duke Kentucky FERC Form 1 2022?
6:09:28 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Green tab, turn to that page?
6:09:53 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	See statement of income?
6:10:03 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Look at column headings, find headings labeled electric utility?
6:10:22 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Electric utility, current year to date?
6:10:29 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Current year to date 2022?
6:10:35 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Next to it, electric utility, previous year to date, 2021?
6:10:43 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Move down to Row 27?
6:10:54 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Net utility operating income, enter total line 2 less 25?
6:11:02 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Electric utility, previous year to date, 2021, net utililty operating income of $59,813,236 referenced in discovery?
6:11:23 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Column to left, 2022 actual calendar year net utililty operation income for electric department, total $61,216,563?
6:11:44 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Increase of $2 million in income?
6:11:58 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Those data points represent net utility operating income increase from 2021 to 2022?
6:12:20 PM	Chairman Chandler	
	Note: Sacre, Candace	Introduce this?
6:12:24 PM	Atty Brama Duke Kentucky - witness Futral	
	Note: Sacre, Candace	Move admission DEK 5.
6:12:25 PM	HEARING EXHIBIT DEK EXHIBIT 5	
	Note: Sacre, Candace	ATTY BRAMA DUKE KENTUCKY - WITNESS FUTRAL
	Note: Sacre, Candace	DUKE ENERGY KENTUCKY FERC FORM 1
6:13:12 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
6:13:16 PM	Asst Atty General Goad - witness Futral	
	Note: Sacre, Candace	Redirect Examination. Did Duke property tax expert Panizza cite to FERC financial report or use in testimony?
6:16:40 PM	Chairman Chandler	
	Note: Sacre, Candace	Additional questions?

6:16:51 PM	Chairman Chandler	
	Note: Sacre, Candace	Ms. Goad?
6:16:55 PM	Asst Atty General Goad	
	Note: Sacre, Candace	Richard Baudino.
6:17:18 PM	Chairman Chandler	
	Note: Sacre, Candace	Witness is sworn.
6:17:25 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Examination. Name and address?
6:17:45 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Direct Examination. Occupation?
6:17:51 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Cause be filed testimony?
6:17:55 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Additions, corrections?
6:18:00 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Sponsor responses?
6:18:06 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Asked same questions, responses be same?
6:18:10 PM	Asst Atty General Goad - witness Baudino	
	Note: Sacre, Candace	Intention adopt direct as testimony?
6:18:18 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
6:18:46 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Cross Examination. Page 42, direct, lines 11-13, note EEI reported average allowed ROEs in third and fourth quarters 2022 9.34 percent and 9.73 percent?
6:19:23 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Source EEI cited in footnote 22?
6:19:30 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Know where obtains data?
6:19:37 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Is that S&P Global Market Intelligence and RRA?
6:19:46 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Now called S&P Capital IQ?
6:19:54 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	All same thing?
6:19:56 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Same source Nowak cited figure 1 rebuttal?
6:20:10 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Have Nowak rebuttal testimony?
6:20:23 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Page 7, rebuttal, Nowak rebuttal, page 7, figure 1, cites for source S&P Capital IQ Pro RRA data?
6:21:40 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	He specifies in figure set of ROEs for vertically integrated electric utilities?
6:21:53 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Agree Duke Kentucky vertically integrated electric utility?
6:22:02 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Other vertically integrated electric utilities are better proxy for risks to Duke than distribution utilities?
6:22:11 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	But RRA includes other cases in database, transmission only cases limited issue riders?

6:22:26 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Not transmission only or limited issue rider case?
6:22:35 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Most recent data cite in direct reported average ROE was 9.73 percent?
6:22:46 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Eighteen basis points above recommendation?
6:23:00 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Aware since fourth quarter 2022 Moody's change Duke outlook stable to negative?
6:23:12 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Look at data figure 1 Nowak rebuttal determine average ROE end quarter 2022?
6:23:32 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Have basis to dispute limiting data to fourth quarter 2022 average up 9.87 percent?
6:23:48 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace See figure 1 authorized ROEs compared to yield on 30-year U.S. Treasury?
6:24:00 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Based on trend in chart, agree yield increased substantially in third quarter 2022 before leveling out between 3.5 and 4 percent?
6:24:14 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Agree overall back a little further in time on chart clear upward trend and higher interest rates seen since Jan 1 of 2020?
6:24:27 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Agree average yield on 30-year Treasury increased from 2.3 percent first quarter 2021 to 3.26 third quarter 2022?
6:25:31 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Talked about in third quarter 2022, after leveled between 3.5 and four, asking increases earlier three quarters 2022?
6:25:51 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Look at page 19 of direct, indicate range of DCF model results of 8.89 to 10.51 with average 9.48?
6:26:40 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Method 2 relied on average 9.58 percent?
6:26:50 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Agree market credit rating agencies and investors how look at credit rating and potential of utility consider business and regulatory risk as well as investment?
6:27:17 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Reason ask not see in testimony business risk or regulatory risk?
6:28:11 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Consider specific factors choosing within range specific issues regulatory or cash flow issues?
6:28:48 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Rely on CAPM establishing range or recommendations?
6:29:08 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace True over last ten years ROE proposals made have relied on DCF method?
6:29:21 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Used constant growth form of DCF?
6:29:25 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Constant growth analysis requires assumptions hold true including constant growth rate earnings and dividends?

6:29:37 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace And stable dividend payout ratio?
6:29:40 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace And constant price to earnings ratio?
6:29:45 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Last ten years price to earnings ratio remained constant?
6:30:22 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace All more reason consider multiple variables?
6:30:29 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Ultimately, based on constant growth DCF?
6:30:40 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Page 30, lines 9-12, forward looking ROE 12.48 impossibly high and represents extreme outlier?
6:31:08 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Also say due to high growth rate of 11.58 percent?
6:31:17 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Refer to forecasts of long-run GDP growth 4.0 percent to state 11.58 percent constant growth rate not sustainable?
6:31:34 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace GDP growth rate, not specific any one company or utility industry in general?
6:31:45 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Reflects different market participants affect changes in GDP?
6:31:57 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Some companies growth expand, others will contract or disappear?
6:32:08 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Some of many companies contribute overall GDP growth will expand, others contract or disappear?
6:32:23 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Rates of growth vary for companies within overall market?
6:32:33 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace True not just for utilities in any one state but all market participants in GDP growth rate?
6:32:55 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Range of CAPM outcomes between 8.30 and 12.8 percent?
6:33:37 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Based on discussion testimony page 30 what did was remove high end CAPM range?
6:34:12 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Did that because growth rates unreasonable, not compare to GDP takes into account growth rates of entire economy?
6:35:52 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Agree not setting rates indefinitely?
6:37:15 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Nobody recommending 12.48 percent, disagree with Nowak but not recommending 12.48 percent ROE either?
6:37:33 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Just answer question if not mind, please?
6:37:37 PM Asst Atty General Goad
Note: Sacre, Candace Objection, Baudino should be able to finish response. (Click on link for further comments.)
6:38:00 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace GDP is average?

6:38:12 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace S&P growth rates Nowak uses from ValueLine?
6:38:18 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Your 11.58 percent growth rate you reject is based on ValueLine?
6:38:23 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Consider ValueLine well-respected source for data?
6:38:35 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Say Nowak have considered ValueLine dividend growth forecast as you did with DCF?
6:38:45 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Say that several times, refer to ValueLine in testimony?
6:38:53 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Found calculation error in ValueLine data?
6:38:59 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace In data have used, found mathematical error in way ValueLine calculated number?
6:39:16 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Page 35, testify, acknowledge DCF approach similar to Nowak?
6:40:01 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Stated in testimony Nowak approach to DCF reasonable?
6:40:09 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Reviewed Nowak rebuttal attachment JCNR-2?
6:40:34 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Provides his constant growth DCF analysis through Mar 31 2023?
6:40:46 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Contains updated constant growth DCF analysis through Mar 31 2023?
6:41:01 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace If look at page 1 of rebuttal attachment JCNR-2, see line labeled proxy group mean?
6:41:28 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace See on line Nowak updated proxy group mean constant growth DCF is 10 percent?
6:42:13 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace CAP structure, appears did review company cost short-term and long-term debt?
6:42:31 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Basis for rejecting requested common equity ratio of 52.5 percent, it is excessive when compared to Duke recent historical common equity percentage?
6:42:45 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Understand Commission asked authorize capital structure/equity ratio going forward?
6:42:54 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Understand testimony company manage equity ratio to what Commission authorizes?
6:43:07 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace Agree utilities tend to manage equity ratio to align with what Commission authorizes equity ratio?
6:43:36 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace If not, customers get benefits reduced cost of capital, good credit ratings with company covering incremental cost?
6:43:52 PM Atty Brama Duke Kentucky - witness Baudino
Note: Sacre, Candace If utility obtain historical equity ratio currently managing mean utility never improve equity?

6:45:27 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Rate case whole point establish what credit equity ratio be going forward?
6:45:38 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Noted page 32 reason keep equity ratio 50 percent because company able hold on to credit ratings that rate?
6:45:54 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Duke Kentucky S&P credit ratings A- in 2020 and BBB+ in 2021 and 2022?
6:46:03 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Already referenced negative outlook from Moody's?
6:46:42 PM	Atty Brama Duke Kentucky - witness Baudino	
	Note: Sacre, Candace	Agree historical equity ratio should change if historical capitalization no longer sufficient maintain rating?
6:47:18 PM	Chairman Chandler	
	Note: Sacre, Candace	Questions?
6:47:27 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Examination. Counsel asked along lines of not setting rates forever, just setting rates now, remember?
6:47:50 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	If setting rates forever and expecting reset at some period, change opinion using forecasted interest rates and determining ROE proxies?
6:48:12 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Rates periodically set argue using more definite near-term information opposed forecasted information?
6:49:26 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	With forecast talking about last document, referring ValueLine growth rates?
6:49:35 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Three- to five-year growth rates?
6:49:42 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	If expect utility reset rates within three-year or five-year period, be taken into account considering disparate growth rates and setting ROE proxy?
6:50:58 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	If reasonably using information make investment decisions, Commission should use same breadth of information what required rate of return?
6:51:43 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	CAPM results are varied between high and low?
6:51:56 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Wider than normally is?
6:52:15 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Driver of disparity?
6:52:19 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Betas always relatively low, relative to market all betas fairly low?
6:52:46 PM	Chairman Chandler - witness Baudino	
	Note: Sacre, Candace	Come down from peak?
6:53:08 PM	Chairman Chandler	
	Note: Sacre, Candace	Redirect?
6:53:11 PM	Chairman Chandler	
	Note: Sacre, Candace	Additional questions?
6:53:22 PM	Chairman Chandler	
	Note: Sacre, Candace	Entirety of witnesses?

6:53:43 PM	Chairman Chandler	
	Note: Sacre, Candace	Exhibits. (Click on link for further comments.)
6:55:24 PM	Chairman Chandler	
	Note: Sacre, Candace	Errata. (Click on link for further comments.)
6:57:41 PM	Chairman Chandler	
	Note: Sacre, Candace	Post-hearing data requests/responses. (Click on link for further comments.)
6:59:37 PM	Chairman Chandler	
	Note: Sacre, Candace	Briefing process/schedule. (Click on link for further comments.)
7:02:45 PM	Chairman Chandler	
	Note: Sacre, Candace	Corrected testimony/errata. (Click on link for further comments.)
7:06:19 PM	Chairman Chandler	
	Note: Sacre, Candace	Review. (Click on link for further comments.)
7:07:24 PM	Chairman Chandler	
	Note: Sacre, Candace	Hearing adjourned.
7:07:41 PM	Session Ended	

Exhibit List Report

2022-00372 11May2023

Duke Energy Kentucky, Inc. (Duke Kentucky)

Name:	Description:
HEARING EXHIBIT DK 2	TARIFF DATED 2022 WITH MARK-UP
HEARING EXHIBIT DK 3	TARIFF DATED 2023 CLEAN COPY
HEARING EXHIBIT DK 4	TARIFF IN EFFECT WITH MARGIN NOTES
HEARING EXHIBIT DK 5	DUKE ENERGY KENTUCKY FERC FORM 1
HEARING EXHIBIT KBCA 1	ATTACHMENT BLS-7 AND ATTACHMENT BLS-REBUTTAL-1
HEARING EXHIBIT KBCA 2	ATTACHMENT BLS-7 & KBCA-DR-01-005_ATTACHMENT
HEARING EXHIBIT KBCA 3	DUKE ACTUAL DISTRIBUTION, DESCRIPTION - 2 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 35-FOOT POLES AND 40-FOOT POLES
HEARING EXHIBIT KBCA 4	DUKE ACTUAL DISTRIBUTION, DESCRIPTION - 3 USER POLES, ADMIN 251 PRESUMED DISTRIBUTION, AND VARIANCE 40-FOOT POLES, 45-FOOT POLES, AND 50-FOOT POLES
HEARING EXHIBIT SC 7	FACT SHEET GREENHOUSE GAS STANDARDS AND GUIDELINES FOR FOSSIL FUEL-FIRED POWER PLANTS PROPOSED RULE
HEARING EXHIBIT SC 8	40 CFR PART 60 NEW SOURCE PERFORMANCE STANDARDS FOR GREENHOUSE GAS EMISSIONS

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Page 1 of 4

RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS and RS-TOU-CPP (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class). (N)

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

DSM Charge = PC + LR + PI + BA

Where: **PC = DSM PROGRAM COST RECOVERY**. For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ ~~April 27, 2020~~ in Case No. 2022~~19~~-00372~~71~~.
Issued: December~~May~~ 1, 2022~~0~~
Effective: January~~May~~ ~~3~~1, 2023~~0~~
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

HEARING EXHIBIT DK 2

LR = LOST REVENUE FROM LOST SALES RECOVERY. Revenues from lost sales due to DSM programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

(1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.

(2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

(3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.

(4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount

established for the same twelve-month period.

BA = DSM BALANCE ADJUSTMENT (Cont.d)

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

(2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

SERVICE REGULATIONS

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

KY. P.S.C. Electric No. 2
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Page 1 of 2

ENVIRONMENTAL SURCHARGE MECHANISM RIDER

APPLICABILITY

This rider is applicable to all retail sales in the Company's electric service area beginning with the billing month June 2018. Rate RTP program participants utilize the applicable portions of the Baseline Charge and Program Charge, as those terms are defined in Rate RTP, for this rider.

Standard electric rate schedules subject to this schedule are:
Residential: Rate Schedules RS and RS-TOU-CPP (N)
Non-Residential: Rate Schedules DS, EH, SP, DP, DT, GSFL, TT, SL, TL, UOLS, NSU, SC, SE, and LED

RATE

The monthly billing amount under each of the schedules to which this rider is applicable, shall be increased or decreased by a percentage factor according to the following formula:

Environmental Surcharge Billing Factor = Jurisdictional E(m) / R(m)

DEFINITIONS

For all Plans:

E(m) = RORB + OE – EAS + Prior Period Adjustment + (Over)Under Recovery

RORB = (RB/12)*ROR

RB = the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, accumulated deferred taxes, accumulated investment tax credits, CWIP and emission allowance inventory.

ROR = the Rate of Return on the Environmental Compliance Rate Base, designated as the cost of debt and pretax cost of equity for environmental compliance plan projects approved by the Commission.

OE = the Operating Expenses, defined as the monthly depreciation expense, taxes other than income taxes, amortization expense, emission allowance expense and environmental reagent expense.

EAS = proceeds from Emission Allowance Sales.

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DEFINITIONS (Contd.)

Prior Period Adjustment is the amount resulting from the amortization of amounts determined by the Commission during six-month and two-year reviews.

(Over) or Under Recovery is a one-month "true-up" adjustment.

Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission.

(1) Total E(m), (the environmental compliance plan revenue requirement), is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment to arrive at Adjusted Jurisdictional E(m). Adjusted Jurisdictional E(m) is allocated to Residential and Non-Residential on the basis of Revenue as a Percentage of Total Revenue for the 12 months ending with the Current Month.

(2) Residential R(m) is the average of total monthly residential revenue for the 12 months ending with the current expense month. Total revenue includes residential revenue, including all riders, but excluding environmental surcharge mechanism revenue.

(3) Non-Residential R(m) is the average of total monthly non-residential revenue for the 12 months ending with the current expense month. Total revenue includes non-residential revenue, including all riders, but excluding environmental surcharge mechanism revenue, base fuel revenue and FAC revenue.

(4) The current expense month (m) shall be the second month proceeding the month in which the Environmental Surcharge is billed.

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

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Page 1 of 3

RIDER PSM
PROFIT SHARING MECHANISM

APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month March 2023. (T)

PROFIT SHARING RIDER FACTORS

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

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

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1~~January 31~~, 2022~~3~~
Effective: January 3~~March 2~~, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
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Page 2 of 3

PROFIT SHARING RIDER FACTORS Contd.

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

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

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

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

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

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Page 3 of 3

Rate Group	Rate ($/ kWh)	
Rate RS, Residential Service	0.011373	~~(R)~~
Rate RS-TOU-CPP, Redidential Service Time of Use with Critical Peak Pricing	0.011373	(N)
Rate DS, Service at Secondary Distribution Voltage	0.011373	~~(R)~~
Rate DP, Service at Primary Distribution Voltage	0.011373	~~(R)~~
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.011373	~~(R)~~
Rate EH, Optional Rate for Electric Space Heating	0.011373	~~(R)~~
Rate GS-FL, General Service Rate for Small Fixed Loads	0.011373	~~(R)~~
Rate SP, Seasonal Sports Service	0.011373	~~(R)~~
Rate SL, Street Lighting Service	0.011373	~~(R)~~
Rate TL, Traffic Lighting Service	0.011373	~~(R)~~
Rate UOLS, Unmetered Outdoor Lighting	0.011373	~~(R)~~
Rate NSU, Street Lighting Service for Non-Standard Units	0.011373	~~(R)~~
Rate SC, Street Lighting Service – Customer Owned	0.011373	~~(R)~~
Rate SE, Street Lighting Service – Overhead Equivalent	0.011373	~~(R)~~
Rate LED, LED Street Lighting Service	0.011373	~~(R)~~
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.011373	~~(R)~~
Other	0.011373	

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1~~January 31~~, 2022~~3~~
Effective: January 3~~March 2~~, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

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

KY.P.S.C. Electric No. 2
Third Revised Sheet No. 75
Cancels and Supersedes
Second Revised Sheet No. 75
Page 1 of 4

RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS and RS-TOU-CPP (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class). (N)

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

DSM Charge = PC + LR + PI + BA

Where: **PC = DSM PROGRAM COST RECOVERY**. For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

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Issued: December 1, 2022
Effective: January 3, 2023
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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LR = LOST REVENUE FROM LOST SALES RECOVERY.

Revenues from lost sales due to DSM programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and

n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

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PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

(1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.

(2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

(3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.

(4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

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Erlanger, KY 41018

BA = DSM BALANCE ADJUSTMENT (Cont.d)

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

(2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

SERVICE REGULATIONS

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

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

KY. P.S.C. Electric No. 2
Third Revised Sheet No. 76
Cancels and Supersedes
Second Revised Sheet No. 76
Page 1 of 2

ENVIRONMENTAL SURCHARGE MECHANISM RIDER

APPLICABILITY

This rider is applicable to all retail sales in the Company's electric service area beginning with the billing month June 2018. Rate RTP program participants utilize the applicable portions of the Baseline Charge and Program Charge, as those terms are defined in Rate RTP, for this rider.

Standard electric rate schedules subject to this schedule are:
Residential: Rate Schedules RS and RS-TOU-CPP (N)
Non-Residential: Rate Schedules DS, EH, SP, DP, DT, GSFL, TT, SL, TL, UOLS, NSU, SC, SE, and LED

RATE

The monthly billing amount under each of the schedules to which this rider is applicable, shall be increased or decreased by a percentage factor according to the following formula:

Environmental Surcharge Billing Factor = Jurisdictional E(m) / R(m)

DEFINITIONS

For all Plans:

E(m) = RORB + OE – EAS + Prior Period Adjustment + (Over)Under Recovery

RORB = (RB/12)*ROR

RB = the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, accumulated deferred taxes, accumulated investment tax credits, CWIP and emission allowance inventory.

ROR = the Rate of Return on the Environmental Compliance Rate Base, designated as the cost of debt and pretax cost of equity for environmental compliance plan projects approved by the Commission.

OE = the Operating Expenses, defined as the monthly depreciation expense, taxes other than income taxes, amortization expense, emission allowance expense and environmental reagent expense.

EAS = proceeds from Emission Allowance Sales.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1, 2022
Effective: January 3, 2023
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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

DEFINITIONS (Contd.)

Prior Period Adjustment is the amount resulting from the amortization of amounts determined by the Commission during six-month and two-year reviews.

(Over) or Under Recovery is a one-month "true-up" adjustment.

Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission.

(1) Total E(m), (the environmental compliance plan revenue requirement), is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment to arrive at Adjusted Jurisdictional E(m). Adjusted Jurisdictional E(m) is allocated to Residential and Non-Residential on the basis of Revenue as a Percentage of Total Revenue for the 12 months ending with the Current Month.

(2) Residential R(m) is the average of total monthly residential revenue for the 12 months ending with the current expense month. Total revenue includes residential revenue, including all riders, but excluding environmental surcharge mechanism revenue.

(3) Non-Residential R(m) is the average of total monthly non-residential revenue for the 12 months ending with the current expense month. Total revenue includes non-residential revenue, including all riders, but excluding environmental surcharge mechanism revenue, base fuel revenue and FAC revenue.

(4) The current expense month (m) shall be the second month proceeding the month in which the Environmental Surcharge is billed.

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1, 2022
Effective: January 3, 2023
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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

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

RIDER PSM
PROFIT SHARING MECHANISM

APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month March 2023.

PROFIT SHARING RIDER FACTORS

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

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

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1, 2022
Effective: January 3, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

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PROFIT SHARING RIDER FACTORS Contd.

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

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

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

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

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

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

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

Rate Group	Rate ($/ kWh)	
Rate RS, Residential Service	0.011373	
Rate RS-TOU-CPP, Redidential Service Time of Use with Critical Peak Pricing	0.011373	(N)
Rate DS, Service at Secondary Distribution Voltage	0.011373	
Rate DP, Service at Primary Distribution Voltage	0.011373	
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.011373	
Rate EH, Optional Rate for Electric Space Heating	0.011373	
Rate GS-FL, General Service Rate for Small Fixed Loads	0.011373	
Rate SP, Seasonal Sports Service	0.011373	
Rate SL, Street Lighting Service	0.011373	
Rate TL, Traffic Lighting Service	0.011373	
Rate UOLS, Unmetered Outdoor Lighting	0.011373	
Rate NSU, Street Lighting Service for Non-Standard Units	0.011373	
Rate SC, Street Lighting Service – Customer Owned	0.011373	
Rate SE, Street Lighting Service – Overhead Equivalent	0.011373	
Rate LED, LED Street Lighting Service	0.011373	
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.011373	
Other	0.011373	

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2022-00372.
Issued: December 1, 2022
Effective: January 3, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

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KY.P.S.C. Electric No. 2
Second Revised Sheet No. 75
Cancels and Supersedes
First Revised Sheet No. 75
Page 1 of 4

RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class). (N)

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

DSM Charge = PC + LR + PI + BA

Where: **PC = DSM PROGRAM COST RECOVERY**. For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

LR = LOST REVENUE FROM LOST SALES RECOVERY. Revenues from lost sales due to DSM

Issued by authority of an Order of the Kentucky Public Service Commission dated April 27, 2020 in Case No. 2019-00271.
Issued: May 1, 2020
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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

HEARING EXHIBIT DK 4

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Erlanger, KY 41018

programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Issued by authority of an Order of the Kentucky Public Service Commission dated April 27, 2020 in Case No. 2019-00271.
Issued: May 1, 2020
Effective: May 1, 2020
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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

KY.P.S.C. Electric No. 2
Second Revised Sheet No. 75
Cancels and Supersedes
First Revised Sheet No. 75
Page 3 of 4

PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

(1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.

(2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

(3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.

(4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

Issued by authority of an Order of the Kentucky Public Service Commission dated April 27, 2020 in Case No. 2019-00271.
Issued: May 1, 2020
Effective: May 1, 2020
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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1262 Cox Road
Erlanger, KY 41018

BA = DSM BALANCE ADJUSTMENT (Cont.d)

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

(2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

SERVICE REGULATIONS

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

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

KY. P.S.C. Electric No. 2
Second Revised Sheet No. 76
Cancels and Supersedes
First Revised Sheet No. 76
Page 1 of 2

ENVIRONMENTAL SURCHARGE MECHANISM RIDER

APPLICABILITY

This rider is applicable to all retail sales in the Company's electric service area beginning with the billing month June 2018. Rate RTP program participants utilize the applicable portions of the Baseline Charge and Program Charge, as those terms are defined in Rate RTP, for this rider.

Standard electric rate schedules subject to this schedule are:
Residential: Rate Schedule RS (N)
Non-Residential: Rate Schedules DS, EH, SP, DP, DT, GSFL, TT, SL, TL, UOLS, NSU, SC, SE, and LED

RATE

The monthly billing amount under each of the schedules to which this rider is applicable, shall be increased or decreased by a percentage factor according to the following formula:

Environmental Surcharge Billing Factor = Jurisdictional E(m) / R(m)

DEFINITIONS

For all Plans:

E(m) = RORB + OE – EAS + Prior Period Adjustment + (Over)Under Recovery

RORB = (RB/12)*ROR

RB = the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, accumulated deferred taxes, accumulated investment tax credits, CWIP and emission allowance inventory.

ROR = the Rate of Return on the Environmental Compliance Rate Base, designated as the cost of debt and pretax cost of equity for environmental compliance plan projects approved by the Commission.

OE = the Operating Expenses, defined as the monthly depreciation expense, taxes other than income taxes, amortization expense, emission allowance expense and environmental reagent expense.

EAS = proceeds from Emission Allowance Sales.

Issued by authority of an Order of the Kentucky Public Service Commission dated March 4, 2022 in Case No. 2021-00290.
Issued: March 7, 2022
Effective: March 7, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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

DEFINITIONS (Contd.)

Prior Period Adjustment is the amount resulting from the amortization of amounts determined by the Commission during six-month and two-year reviews.

(Over) or Under Recovery is a one-month "true-up" adjustment.

Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission.

(1) Total E(m), (the environmental compliance plan revenue requirement), is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment to arrive at Adjusted Jurisdictional E(m). Adjusted Jurisdictional E(m) is allocated to Residential and Non-Residential on the basis of Revenue as a Percentage of Total Revenue for the 12 months ending with the Current Month.

(2) Residential R(m) is the average of total monthly residential revenue for the 12 months ending with the current expense month. Total revenue includes residential revenue, including all riders, but excluding environmental surcharge mechanism revenue.

(3) Non-Residential R(m) is the average of total monthly non-residential revenue for the 12 months ending with the current expense month. Total revenue includes non-residential revenue, including all riders, but excluding environmental surcharge mechanism revenue, base fuel revenue and FAC revenue.

(4) The current expense month (m) shall be the second month proceeding the month in which the Environmental Surcharge is billed.

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated March 4, 2022 in Case No. 2021-00290.
Issued: March 7, 2022
Effective: March 7, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
4580 Olympic Blvd
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Seventieth Revised Sheet No 82
Cancels and Supersedes
Sixty- Nineth Revised Sheet No 82
Page 1 of 3

RIDER PSM
PROFIT SHARING MECHANISM

APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month March 2023. (T)

PROFIT SHARING RIDER FACTORS

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

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

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

Duke Energy Kentucky, Inc.
4580 Olympic Blvd
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Seventieth Revised Sheet No 82
Cancels and Supersedes
Sixty- Nineth Revised Sheet No 82
Page 2 of 3

PROFIT SHARING RIDER FACTORS Contd.

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

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

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

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

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

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. _____
Issued: January 31, 2023
Effective: March 2, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
4580 Olympic Blvd
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Seventieth Revised Sheet No 82
Cancels and Supersedes
Sixty- Nineth Revised Sheet No 82
Page 3 of 3

Rate Group	Rate ($/ kWh)	
Rate RS, Residential Service	0.011373	(R)
Rate DS, Service at Secondary Distribution Voltage	0.011373	(R)
Rate DP, Service at Primary Distribution Voltage	0.011373	(R)
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.011373	(R)
Rate EH, Optional Rate for Electric Space Heating	0.011373	(R)
Rate GS-FL, General Service Rate for Small Fixed Loads	0.011373	(R)
Rate SP, Seasonal Sports Service	0.011373	(R)
Rate SL, Street Lighting Service	0.011373	(R)
Rate TL, Traffic Lighting Service	0.011373	(R)
Rate UOLS, Unmetered Outdoor Lighting	0.011373	(R)
Rate NSU, Street Lighting Service for Non-Standard Units	0.011373	(R)
Rate SC, Street Lighting Service – Customer Owned	0.011373	(R)
Rate SE, Street Lighting Service – Overhead Equivalent	0.011373	(R)
Rate LED, LED Street Lighting Service	0.011373	(R)
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.011373	(R)
Other	0.011373	(R)

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. _____
Issued: January 31, 2023
Effective: March 2, 2023
Issued by: Amy B. Spiller, President /s/ Amy B. Spiller

THIS FILING IS
Item 1: ☐ An Initial (Original) Submission OR ☑ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Duke Energy Kentucky, Inc.	End of: 2022/ Q4

FERC FORM NO. 1 (REV. 02-04)

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

one million megawatt hours of total annual sales,

100 megawatt hours of annual sales for resale,

500 megawatt hours of annual power exchanges delivered, or

500 megawatt hours of annual wheeling for others (deliveries plus losses).

What and Where to Submit

Submit FERC Form Nos. 1 and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 1 and 3-Q taxonomies.

The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:
Secretary
Federal Energy Regulatory Commission 888 First Street, NE
Washington, DC 20426

For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and" firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE], we have also reviewed schedules [NAME OF SCHEDULES] of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases." The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission's website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online.

Federal, State, and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from https://www.ferc.gov/general-information-0/electric-industry-forms.

When to Submit

FERC Forms 1 and 3-Q must be filed by the following schedule:

FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not

Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

'Person' means an individual or a corporation;

'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

"project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

'To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304.

Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies* 10

display a valid control number (44 U.S.C. § 3512 (a)).

FERC FORM NO. 1
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

GENERAL INSTRUCTIONS

Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IDENTIFICATION The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

GENERAL PENALTIES

The Commission may assess up to $1 million per day per violation of its rules and regulations. See FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

01 Exact Legal Name of Respondent	02 Year/Period of Report
Duke Energy Kentucky, Inc.	End of: 2022/Q4
03 Previous Name and Date of Change (If name changed during year)	
/	
04 Address of Principal Office at End of Period (Street, City, State, Zip Code)	
1262 Cox Road, Erlanger, KY 41018	

05 Name of Contact Person	06 Title of Contact Person
Kalejah Pierce	Accounting Analyst II
07 Address of Contact Person (Street, City, State, Zip Code)	
526 S. Church Street, Charlotte, NC 28202	
08 Telephone of Contact Person, Including Area Code	09 This Report is An Original / A Resubmission
704-731-4024	(1) ☐ An Original
	(2) ☑ A Resubmission
	10 Date of Report (Mo, Da, Yr)
	04/14/2023

Annual Corporate Officer Certification

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name	03 Signature	04 Date Signed (Mo, Da, Yr)
Cynthia S. Lee	Cynthia S. Lee	04/14/2023
02 Title		
VP, CAO, and Controller		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
	Identification	1	
	List of Schedules	2	
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106	
7	Important Changes During the Year	108	
8	Comparative Balance Sheet	110	
9	Statement of Income for the Year	114	
10	Statement of Retained Earnings for the Year	118	
12	Statement of Cash Flows	120	
12	Notes to Financial Statements	122	
13	Statement of Accum Other Comp Income, Comp Income, and Hedging Activities	122a	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200	
15	Nuclear Fuel Materials	202	N/A
16	Electric Plant in Service	204	
17	Electric Plant Leased to Others	213	N/A

18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224	N/A
22	Materials and Supplies	227	
23	Allowances	228	
24	Extraordinary Property Losses	230a	N/A
25	Unrecovered Plant and Regulatory Study Costs	230b	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254b	N/A
33	Long-Term Debt	256	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262	
36	Accumulated Deferred Investment Tax Credits	266	
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272	
39	Accumulated Deferred Income Taxes-Other Property	274	
40	Accumulated Deferred Income Taxes-Other	276	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300	
43	Regional Transmission Service Revenues (Account 457.1)	302	
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310	

46	Electric Operation and Maintenance Expenses	320	
47	Purchased Power	326	
48	Transmission of Electricity for Others	328	
49	Transmission of Electricity by ISO/RTOs	331	N/A
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant (Account 403, 404, 405)	336	
53	Regulatory Commission Expenses	350	
54	Research, Development and Demonstration Activities	352	
55	Distribution of Salaries and Wages	354	
56	Common Utility Plant and Expenses	356	REVISED
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	N/A
60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
61	Electric Energy Account	401a	
62	Monthly Peaks and Output	401b	
63	Steam Electric Generating Plant Statistics	402	
64	Hydroelectric Generating Plant Statistics	406	N/A
65	Pumped Storage Generating Plant Statistics	408	N/A
66	Generating Plant Statistics Pages	410	N/A
0	Energy Storage Operations (Large Plants)	414	N/A
67	Transmission Line Statistics Pages	422	
68	Transmission Lines Added During Year	424	
69	Substations	426	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	

	Stockholders' Reports (check appropriate box)		
	Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted ☐ No annual report to stockholders is prepared		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Cynthia S. Lee

Vice President, Chief Accounting Officer and Controller

526 S. Church Street, Charlotte, NC 28202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Incorporation: KY

Date of Incorporation: 1901-03-20

Incorporated Under Special Law:

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

(a) Name of Receiver or Trustee Holding Property of the Respondent: N/A

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created: N/A

(d) Date when possession by receiver or trustee ceased:

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Kentucky - Gas and Electric

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes

(2) ☑ No

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Duke Energy Kentucky, Inc is a wholly owned subsidiary of Duke Energy Ohio, Inc. Duke Energy Ohio, Inc. is a wholly owned subsidiary of Cinergy Corp. , which is a wholly owned subsidiary of Duke Energy Corporation.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	N/A			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	Date Started in Period (d)	Date Ended in Period (e)
1	Executive Vice President, Chief Legal Officer and Secretary	Kodwo Ghartey-Tagoe	673,002		
2	Senior Vice President	R. Alexander Glenn	510,625		
3	Chief Executive Officer	Lynn J. Good	1,500,000		
4	Executive Vice President and Chief Operating Officer	Dhiaa M. Jamil	903,611		
5	Executive Vice President	Julie S. Janson	777,026		
6	Vice President, Chief Accounting Officer and Controller	Cynthia S. Lee	319,815		
7	Senior Vice President, Corporate Development and Treasurer	Karl W. Newlin	539,556		
8	Senior Vice President, Chief Human Resources Officer	Ronald R. Reising	498,818		
9	Senior Vice President, External Affairs and Communications	Louis E. Renjel	483,750		
10	Executive Vice President and Chief Financial Officer	Brian D. Savoy	626,000	2022-09-01	
11	Executive Vice President and Chief Commercial Officer	Brian D. Savoy	579,630	2022-01-01	2022-08-31
12	Executive Vice President, Customer Experience, Solutions, and Services	Harry K. Sideris	607,257		
13	President	Amy B. Spiller	323,516		
14	Executive Vice President and Chief Financial Officer	Steven K. Young	802,824	2022-01-01	2022-08-31
15	Executive Vice President and Chief Commercial Officer	Steven K. Young	802,824	2022-09-01	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), name and abbreviated titles of the directors who are officers of the respondent.
2. Provide the principle place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)	Member of the Executive Committee (c)	Chairman of the Executive Committee (d)
1	R. Alexander Glenn, Senior Vice President	526 S Church St, Charlotte NC 28202	true	
2	Lynn J. Good, Chief Executive Officer	526 S Church St, Charlotte NC 28202		true
3	Dhiaa M. Jamil, Executive Vice President and Chief Operating Officer	526 S Church St, Charlotte NC 28202	true	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

INFORMATION ON FORMULA RATES

Does the respondent have formula rates?	☐ Yes ☑ No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number (a)	FERC Proceeding (b)
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

INFORMATION ON FORMULA RATES - FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	☑ Yes ☐ No

If yes, provide a listing of such filings as contained on the Commission's eLibrary website.

Line No.	Accession No. (a)	Document Date / Filed Date (b)	Docket No. (c)	Description (d)	Formula Rate FERC Rate Schedule Number or Tariff Number (e)
1	20120515-5244	05/15/2012	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
2	20130129-5070	01/29/2013	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
3	20130515-5122	05/15/2013	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
4	20140515-5149	05/15/2014	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
5	20150515-5244	05/15/2015	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
6	20150617-5152	06/17/2015	ER15-1932-000	Section 205	PJM OATT, Attachment H-22A
7	20160513-5092	05/13/2016	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
8	20161130-5416	11/30/2016	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
9	20170509-5150	05/09/2017	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
10	20180129-5213	01/29/2018	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
11	20180402-5140	04/02/2018	ER18-1274-000	Section 205	PJM OATT, Attachment H-22A & H-22B
12	20180515-5331	05/15/2018	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
13	20181214-5040	12/14/2018	ER19-555-000	Section 205	PJM OATT, Attachment H-22A
14	20190329-5217	03/29/2019	ER19-1483-000	Section 205	PJM OATT, Attachment H-22A
15	20190515-5112	05/15/2019	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
16	20200207-5054	02/07/2020	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
17	20200515-5123	05/15/2020	ER20-1832-000	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
18	20200515-5294	05/15/2020	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A

19	20210115-5207	01/15/2021	ER20-1832-001	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
20	20210121-5326	01/21/2021	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
21	20210316-5124	03/16/2021	ER21-1450-000	Section 205	PJM OATT, Attachment H-22A
22	20210517-5120	05/17/2021	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
23	20220118-5334	01/18/2022	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
24	20220315-5149	03/15/2022	ER-22-1338-000	Section 205	PJM OATT, Attachment H-22A
25	20220321-5144	03/21/2022	ER20-1832-002	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
26	20220516-5130	05/16/2022	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
27	20221121-5093	11/21/2022	ER23-470-000	Section 205	PJM OATT, Attachment H-22A

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

INFORMATION ON FORMULA RATES - Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s). (a)	Schedule (b)	Column (c)	Line No. (d)
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Pages 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

None

See Notes to Financial Statements, Note 1, "Summary of Significant Accounting Policies"

See Notes to Financial Statements, Note 2, "Regulatory Matters"

None

There are no changes to report during the fourth quarter 2022.

There are no changes to report during the third quarter 2022.

There are no changes to report during the second quarter 2022.

There are no changes to report during the first quarter 2022.

See Notes to Financial Statements, Note 5, "Debt and Credit Facilities"
None
During the fourth quarter 2022, there were no large scale wage changes to report. During the third quarter 2022, there were no large scale wage changes to report. During the second quarter 2022, there were no large scale wage changes to report. During the first quarter 2022, there were no large scale wage changes to report.
See Notes to Financial Statements, Note 2, "Regulatory Matters" and Note 3,"Commitments and Contingencies"
None
None

There are no changes to major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the fourth quarter 2022.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the fourth quarter 2022 are as follows:

Appointments effective 12/01/2022	
Jay R. Alvaro	Vice President, Employee and Labor Relations
Cameron D. McDonald	Vice President, Talent Acquisition and Talent Management
Sharene J. Pierce	Vice President and Chief Diversity and Inclusion Officer
Martin Strasburger	Vice President, Chief Security and Information Security Officer
Resignations effective 12/31/2022	
Bruce Barkley	Vice President, Regulatory and Community Relations and Gas Supply
Diane V. Denton	Vice President, Integrated Planning, Florida and Midwest
Janet Rhoton	Vice President, Human Resources, Executive Development & Engagement
L. Stanford Sherill, Jr.	Vice President, Human Resources and Employee & Labor Relations
Resignations effective 12/01/2022	
Cameron D. McDonald	Vice President, Chief Diversity and Inclusion Officer, Talent Agility and Acquisition
Martin Strasburger	Vice President and Chief Information Security Officer
Resignations effective 10/31/2022	
Forest W. Rogers, Jr.	Senior Vice President, Transmission Maintenance and Construction

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the third quarter 2022 are as follows:

Appointments effective 09/01/2022	
Brian D. Savoy	Executive Vice President and Chief Financial Officer
Steven K. Young	Executive Vice President and Chief Commercial Officer
Resignations effective 09/16/2022	
Nancy M. Wright	Assistant Corporate Secretary
Resignations effective 09/01/2022	
Brian D. Savoy	Executive Vice President, Chief Strategy and Commercial Officer
Steven K. Young	Executive Vice President and Chief Financial Officer
Resignations effective 08/01/2022	
Cecil T. Gurganus	Vice President, Midwest Generation
Brett Phipps	Managing Director, Fuel Procurement

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the second quarter 2022 are as follows:

Appointments effective 05/01/2022	
Lon Huber	Senior Vice President, Pricing and Customer Solutions
Retha Hunsicker	Vice President, Customer Experience Design and Solutions
Appointments effective 04/01/2022	
William C. Luke	Vice President, Midwest Generation
Resignations effective 06/30/2022	
Peter E. Toomey	Senior Vice President, Strategic Regulatory Initiatives
Robert P. Vary	Senior Vice President, Sales and Relationship Management
Resignations effective 05/31/2022	
Melody Birmingham	Senior Vice President and Chief Administrative Officer
Resignations effective 05/01/2022	
Retha Hunsicker	Vice President, Customer Connect Solutions
Resignations effective 04/10/2022	
Michael Luhrs	Vice President, Integrated Grid Strategy

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the first quarter 2022 are as follows:

Appointments effective 03/01/2022	
Alexander J. Weintraub	Senior Vice President and President, Natural Gas Business
Appointments effective 02/01/2022	
Cassandra M. Springer	Assistant Corporate Secretary
Appointments effective 01/17/2022	
Martin Strasburger	Vice President and Chief Information Security Officer
Appointments effective 01/01/2022	
Jessica Brooks Bishop	Vice President, Customer Care

N/A	
Larry E. Hatcher	Senior Vice President, Customer Experience and Services
Resignations effective 03/01/2022	
Alexander J. Weintraub	Senior Vice President, Natural Gas Business
Resignations effective 02/25/2022	
Dennis P. Gilbert, Jr.	Vice President and Chief Information Security Officer
Resignations effective 01/01/2022	
Barbara A. Higgins	Senior Vice President and Chief Customer Officer
Larry E. Hatcher	Senior Vice President, Customer Services
Mia S. Haynes	Vice President, Customer Care
Joni Y. Davis	Vice President, Chief of Staff and Chief Diversity and Inclusion Officer
Keith G. Butler	Senior Vice President and Chief Security Officer

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200	3,141,482,103	2,996,350,732
3	Construction Work in Progress (107)	200	96,808,176	96,259,188
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,238,290,279	3,092,609,920
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	1,067,492,714	1,073,764,061
6	Net Utility Plant (Enter Total of line 4 less 5)		2,170,797,565	2,018,845,859
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,170,797,565	2,018,845,859
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		1,267,876	1,247,563
19	(Less) Accum. Prov. for Depr. and Amort. (122)			
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224		
23	Noncurrent Portion of Allowances	228		

24	Other Investments (124)		1,500	1,500
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		16,155,189	16,381,482
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			111,502
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		17,424,565	17,742,047
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		3,326,498	5,482,547
36	Special Deposits (132-134)			
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		25,957,928	20,694,605
41	Other Accounts Receivable (143)		1,622,091	2,142,390
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		530,729	314,921
43	Notes Receivable from Associated Companies (145)		53,343,537	22,396,503
44	Accounts Receivable from Assoc. Companies (146)		2,175,359	9,106,248
45	Fuel Stock (151)	227	38,881,864	32,848,807
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	17,915,826	16,707,317
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		

52	Allowances (158.1 and 158.2)	228	18,470	19,189
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227	1,478,647	(22,522)
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		340,112	1,293,933
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		29,779	4,020
61	Accrued Utility Revenues (173)			
62	Miscellaneous Current and Accrued Assets (174)		26,035,509	10,884,227
63	Derivative Instrument Assets (175)		4,801,453	1,635,966
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			111,502
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		175,396,344	122,766,807
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		2,838,745	2,718,168
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	103,143,714	140,633,411
73	Prelim. Survey and Investigation Charges (Electric) (183)		500,583	389,939
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)			5
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	2,377,047	2,215,689

79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		
81	Unamortized Loss on Reaquired Debt (189)		272,341	394,481
82	Accumulated Deferred Income Taxes (190)	234	74,456,012	70,722,124
83	Unrecovered Purchased Gas Costs (191)		1,082,583	1,128,482
84	Total Deferred Debits (lines 69 through 83)		184,671,025	218,202,299
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,548,289,499	2,377,557,012

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $33 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

(b) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

(c) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of ($1) is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

(d) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)		18,838,946	18,838,946
7	Other Paid-In Capital (208-211)	253	273,655,189	273,655,189
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	578,920,356	520,368,338
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	Total Proprietary Capital (lines 2 through 15)		880,194,486	821,642,468
17	**LONG-TERM DEBT**			
18	Bonds (221)	256		
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256	25,000,000	25,000,000
21	Other Long-Term Debt (224)	256	756,720,000	706,720,000
22	Unamortized Premium on Long-Term Debt (225)			

23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		161,775	174,038
24	Total Long-Term Debt (lines 18 through 23)		781,558,225	731,545,962
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		8,034,225	8,378,503
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		(128,556)	(79,788)
29	Accumulated Provision for Pensions and Benefits (228.3)		27,056,733	30,843,612
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities		1,547,895	3,693,879
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		107,821,238	93,282,532
35	Total Other Noncurrent Liabilities (lines 26 through 34)		144,331,535	136,118,738
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			
38	Accounts Payable (232)		65,496,093	45,980,386
39	Notes Payable to Associated Companies (233)		81,232,000	102,596,001
40	Accounts Payable to Associated Companies (234)		20,525,341	14,614,111
41	Customer Deposits (235)		9,144,474	9,122,676
42	Taxes Accrued (236)	262	39,215,893	9,222,510
43	Interest Accrued (237)		7,769,371	7,529,336
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		4,249,492	2,940,535
48	Miscellaneous Current and Accrued Liabilities (242)		17,783,558	5,943,819
49	Obligations Under Capital Leases-Current (243)		344,278	317,820
50	Derivative Instrument Liabilities (244)		1,956,185	4,644,858

51	(Less) Long-Term Portion of Derivative Instrument Liabilities		1,547,895	3,693,879
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		246,168,790	199,218,173
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		2,520,949	1,645,440
57	Accumulated Deferred Investment Tax Credits (255)	266	3,364,566	3,559,977
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	14,807,673	14,246,484
60	Other Regulatory Liabilities (254)	278	124,170,465	130,898,991
61	Unamortized Gain on Reaquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		327,209,898	301,962,482
64	Accum. Deferred Income Taxes-Other (283)		23,962,912	36,718,297
65	Total Deferred Credits (lines 56 through 64)		496,036,463	489,031,671
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,548,289,499	2,377,557,012

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	671,899,503	514,640,093			515,342,766	399,019,808	156,556,737	115,620,285		
3	Operating Expenses											
4	Operation Expenses (401)	320	419,646,772	286,402,185			329,769,095	225,147,072	89,877,677	61,255,113		

5	Maintenance Expenses (402)	320	34,590,833	38,272,692			32,244,328	36,185,319	2,346,505	2,087,373		
6	Depreciation Expense (403)	336	66,082,094	64,618,518			49,783,713	48,640,753	16,298,381	15,977,765		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336										
8	Amort. & Depl. of Utility Plant (404-405)	336	8,632,951	7,862,366			4,314,108	3,543,320	4,318,843	4,319,046		
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		20,189,089	12,706,512			18,961,249	10,201,756	1,227,840	2,504,756		
13	(Less) Regulatory Credits (407.4)		1,158,927	7,000,556			1,067,661	6,897,985	91,266	102,571		
14	Taxes Other Than Income Taxes (408.1)	262	22,423,684	20,498,702			17,452,041	15,842,108	4,971,643	4,656,594		
15	Income Taxes - Federal (409.1)	262	9,255,847	(8,052,386)			8,497,247	(8,317,550)	758,600	265,164		
16	Income Taxes - Other (409.1)	262	1,330,719	(2,502,787)			1,145,949	(2,533,237)	184,770	30,450		
17	Provision for Deferred Income Taxes (410.1)	234, 272	59,485,831	59,111,911			43,299,864	47,582,356	16,185,967	11,529,555		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	56,362,309	38,405,762			45,269,083	30,003,029	11,093,226	8,402,733		
19	Investment Tax Credit Adj. - Net (411.4)	266	(195,412)	(58,058)			77	(428)	(195,489)	(57,630)		
20	(Less) Gains from Disp. of Utility Plant (411.6)											
21	Losses from Disp. of Utility Plant (411.7)											

22	(Less) Gains from Disposition of Allowances (411.8)		5,004,724	183,883			5,004,724	183,883				
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)											
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		578,916,448	433,269,454			454,126,203	339,206,572	124,790,245	94,062,882		
27	Net Util Oper Inc (Enter Tot line 2 less 25)		92,983,055	81,370,639			61,216,563	59,813,236	31,766,492	21,557,403		
28	Other Income and Deductions											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,308,498	1,418,388								
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		82,509	132,598								
33	Revenues From Nonutility Operations (417)		10,621	(5)								
34	(Less) Expenses of Nonutility Operations (417.1)		75,829	65,209								
35	Nonoperating Rental Income (418)											
36	Equity in Earnings of Subsidiary Companies (418.1)	119										
37	Interest and Dividend Income (419)		2,871,690	981,836								

38	Allowance for Other Funds Used During Construction (419.1)		1,249,377	1,259,856								
39	Miscellaneous Nonoperating Income (421)		888,030	977,722								
40	Gain on Disposition of Property (421.1)		192,167									
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		6,362,045	4,439,990								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)		121,978									
44	Miscellaneous Amortization (425)											
45	Donations (426.1)		559,067	413,987								
46	Life Insurance (426.2)		(9,559)	(9,857)								
47	Penalties (426.3)		4	166,667								
48	Exp. for Certain Civic, Political & Related Activities (426.4)		579,668	454,776								
49	Other Deductions (426.5)		11,073,319	3,817,077								
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		12,324,477	4,842,650								
51	Taxes Applic. to Other Income and Deductions											
52	Taxes Other Than Income Taxes (408.2)	262	3,621	(1,176)								
53	Income Taxes-Federal (409.2)	262	238,262	1,098,161								
54	Income Taxes-Other (409.2)	262	59,303	273,404								
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	1,785,096	514,292								

56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	3,591,490	1,918,797								
57	Investment Tax Credit Adj.-Net (411.5)											
58	(Less) Investment Tax Credits (420)											
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(1,505,208)	(34,116)								
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(4,457,224)	(368,544)								
61	Interest Charges											
62	Interest on Long-Term Debt (427)		27,687,076	25,860,084								
63	Amort. of Debt Disc. and Expense (428)		421,127	555,657								
64	Amortization of Loss on Reaquired Debt (428.1)		122,140	122,723								
65	(Less) Amort. of Premium on Debt-Credit (429)											
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)											
67	Interest on Debt to Assoc. Companies (430)		1,480,518	141,453								
68	Other Interest Expense (431)		1,374,974	1,366,279								
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,112,022	449,681								
70	Net Interest Charges (Total of lines 62 thru 69)		29,973,813	27,596,515								

71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		58,552,018	53,405,580									
72	Extraordinary Items												
73	Extraordinary Income (434)												
74	(Less) Extraordinary Deductions (435)												
75	Net Extraordinary Items (Total of line 73 less line 74)												
76	Income Taxes-Federal and Other (409.3)	262											
77	Extraordinary Items After Taxes (line 75 less line 76)												
78	Net Income (Total of line 71 and 77)		58,552,018	53,405,580									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		520,368,338	466,962,758
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
4.1	Current Expected Credit Losses (CECL) adjustments	283		
4.2	Current Expected Credit Losses (CECL) adjustments	190		
4.3				
4.4				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
10.1				
10.2				
10.3	Current Expected Credit Losses (CECL) adjustments	186		
10.4	Current Expected Credit Losses (CECL) adjustments	144		
15	TOTAL Debits to Retained Earnings (Acct. 439)			

16	Balance Transferred from Income (Account 433 less Account 418.1)		58,552,018	53,405,580
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Cash Dividend to Parent			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		578,920,356	520,368,338
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		578,920,356	520,368,338
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
52.1	Transfers from Unappropriated Retained Earnings (Account 216)			
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	58,552,018	53,405,580
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	66,082,094	64,618,518
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of Primary Nuclear Fuel		
5.2	Plant Items	8,632,951	10,133,866
5.3	Debt Discount, Premium, Expense, and Loss on Reacquired Debt	543,267	678,380
8	Deferred Income Taxes (Net)	1,317,128	19,301,644
9	Investment Tax Credit Adjustment (Net)	(195,412)	(58,058)
10	Net (Increase) Decrease in Receivables	2,885,225	(21,718,559)
11	Net (Increase) Decrease in Inventory	(8,742,735)	(1,851,589)
12	Net (Increase) Decrease in Allowances Inventory	719	732
13	Net Increase (Decrease) in Payables and Accrued Expenses	50,278,727	(18,305,865)
14	Net (Increase) Decrease in Other Regulatory Assets	33,520,886	(7,585,119)
15	Net Increase (Decrease) in Other Regulatory Liabilities	684,996	(2,479,911)
16	(Less) Allowance for Other Funds Used During Construction	1,249,377	1,259,856

17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):		
18.2	Special funds	(1,462,176)	(2,197,548)
18.3	Prepayments	74,689	5,479,620
18.4	Miscellaneous Current and Accrued Assets	(1,307,047)	(445,803)
18.5	Preliminary Survey and Investigation Charges	(110,644)	57,260
18.6	Clearing Accounts	6	(1)
18.7	Temporary Facilities		
18.8	Miscellaneous Deferred Debits	(161,358)	(59,549)
18.9	Unrecovered Purchased Gas Costs	45,899	(4,642,503)
18.10	Accumulated Other Comprehensive Income		
18.11	Obligations Under Capital Leases - Noncurrent	(344,278)	(317,819)
18.12	Accumulated Provisions	1,700,257	369,326
18.13	Accumulated Provision for Rate Refund		
18.14	Contribution to Pension Plan	(852,924)	
18.15	Customer Advances for Construction	368,198	50,413
18.16	Other Deferred Credits	561,189	(376,163)
18.17	Derivative Instruments	(672,243)	148,527
18.18	Net Utility Plant and Nonutility Property	(34,901,051)	12,616,650
18.19	Debt Expenses	(3,500)	(23,500)
18.20	Deferred Income Taxes	311,421	391,237
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	175,556,925	105,929,910
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(172,699,698)	(181,350,003)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	(3,425,677)	(289,169)

29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(1,249,377)	(1,259,856)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(174,875,998)	(180,379,316)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
49	Net (Increase) Decrease in Receivables	(30,947,034)	(1,365,744)
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Cost of Removal net of salvage		
53.2	Other (provide details in footnote):		
53.3	Other investments		
53.4	Withdrawals, issuances, and redemptions of restricted funds held in trust		
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(205,823,032)	(181,745,060)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		

61	Long-Term Debt (b)	50,000,000	50,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
64.2	Notes Payable to Associated Companies		
64.3	Other Financing Activities (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
67.2	Contribution from Parent		50,000,000
70	Cash Provided by Outside Sources (Total 61 thru 69)	50,000,000	100,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)	(380,026)	(50,014,560)
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):		
76.2	Intercompany Notes Payable MoneyPool	(21,364,001)	27,124,001
76.3	Premium payments and fees on deferred debt	(145,915)	(108,719)
76.4	Fair market value adjustment		
76.5	Bond Issuance Costs		
78	Net Decrease in Short-Term Debt (c)		
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	28,110,058	77,000,722
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	(2,156,049)	1,185,572

88	Cash and Cash Equivalents at Beginning of Period	5,482,547	4,296,975
90	Cash and Cash Equivalents at End of Period	3,326,498	5,482,547

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: CashAndCashEquivalents

	YTD December 2022	YTD December 2021
Supplemental Disclosures (in thousands)		
Cash paid for interest, net of amount Capital	$ 28,005	$ 25,688
Cash paid / (refunded) for income taxes	$ (11,154)	$ 2,019
Significant non-cash transactions (in thousands)		
AFUDC - equity component	$ 1,249	$ 1,260
Accrued capital expenditures	$ 30,310	$ 28,490
Cash and Cash Equivalents at End of period:		
Cash (131)	$ 3,326,498	$ 5,482,547
Working Funds (135)	$ 0	$ 0
Temporary Cash Investments (136)	$ 0	$ 0
	$ 3,326,498	$ 5,482,547

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

This Federal Energy Regulatory Commission (FERC) Form 1 has been prepared in conformity with the requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles in the United States of America (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP

- GAAP requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and certain information about their products and services, which are not required for FERC reporting purposes.
- GAAP requires that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires that majority-owned subsidiaries be separately reported as Investment in Subsidiary Companies, unless an appropriate waiver has been granted by the FERC.
- FERC requires that income or losses of an unusual nature and infrequent occurrence, which would significantly distort the current year's income, be recorded as extraordinary income or deductions, respectively.
- GAAP requires that removal and nuclear decommissioning costs for property that does not have an associated legal retirement obligation be presented as a regulatory liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes.
- GAAP requires the regulatory assets and liabilities resulting from the implementation of ASC 740-10 (formerly SFAS No. 109) be presented as a net amount on the balance sheet. For FERC reporting purposes, these assets and liabilities are presented separately and are included in the Other Regulatory Asset and Other Regulatory Liability line items.
- GAAP requires that the current portion of regulatory assets and regulatory liabilities be reported as current assets and current liabilities, respectively, on the Balance Sheet. FERC requires that the current portion of regulatory assets and liabilities be reported as Regulatory Assets within Deferred Debits and Regulatory Liabilities within Deferred Credits, respectively.
- GAAP requires that the current portion of long-term debt and preferred stock be reported as a current liability on the Balance Sheet. FERC requires that the current portion of long-term debt and preferred stock be reported as Long-term Debt and Proprietary Capital.
- GAAP requires that any deferred costs associated with a specific debt issuance be presented as a reduction to debt on the Balance Sheet. FERC requires any Unamortized Debt Expense to be separately stated as a Deferred Debit on the Balance Sheet.
- GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (e.g. an account within Accounts Receivable with a credit balance) be reclassed to the appropriate side of the Balance Sheet. FERC does not require certain accounts which are not in a natural position for their respective line item to be reclassed, as long as the line item in total is in its natural position.
- GAAP requires that regulated assets that are abandoned or retired early, including the cost of the asset and its associated accumulated depreciation, be reclassified to a separate regulatory asset on the Balance Sheet. For FERC reporting purposes, those assets which have been abandoned but are still operating are maintained in their original balance sheet accounts.
- GAAP requires that the current portion of Asset Retirement Obligations be reported as current liabilities on the Balance Sheet. For FERC reporting purposes, these liabilities are not reported separately and are reflected as Asset Retirement Obligations within the Other Noncurrent Liabilities section of the Balance Sheet.
- GAAP requires service cost related to pensions and Post-Retirement Benefits Other Than Pensions (PBOP) to be reported with other compensation costs arising from services rendered by employees during the period and included in a subtotal of income from operations on the income statement. Non-service cost components are presented separately outside the subtotal of income from operations on the income statement. For FERC reporting purposes, costs related to pensions and PBOP is included in the Net Utility Operating Income of the income statement.

Duke Energy Kentucky's notes to the financial statements have been prepared in conformity with GAAP. Accordingly, certain footnotes are not reflective of Duke Energy Kentucky's financial statements contained herein. Management has evaluated the impact of events occurring after December 31, 2022 up to March 24, 2023, the date that Duke Energy Kentucky's U.S. GAAP financial statements were issued.

Management has evaluated the impact of events occurring after December 31, 2022 up to February 27, 2023 (March 24, 2023 for DE Kentucky), the date that the Company's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through April 14, 2023. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Duke Energy Kentucky is a combination electric and natural gas regulated public utility company that provides service in northern Kentucky. Duke Energy Kentucky's principal lines of business include generation, transmission, distribution and sale of electricity, as well as the transportation and sale of natural gas. Duke Energy Kentucky is subject to the regulatory provisions of the KPSC and the FERC. Duke Energy Kentucky's common stock is wholly owned by Duke Energy Ohio, Inc., an indirect wholly owned subsidiary of Duke Energy.
Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Current Assets and Liabilities

The following table provides a description of amounts included in Other within Current Assets or Current Liabilities that exceed 5% of total Current Assets or Current Liabilities on the Duke Energy Kentucky Balance Sheets at either December 31, 2022, or 2021.

		December 31,	
(in thousands)	Location	2022	2021
Income Taxes Receivable	Current Assets	$	$ 8,717
Collateral Assets	Current Assets	18,868	7,498

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to GAAP, Duke Energy Kentucky must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The majority of Duke Energy Kentucky's operations are subject to price regulation for the sale of electricity and natural gas by the KPSC or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient natural gas or electric services can be sold to recover those costs, Duke Energy Kentucky applies regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, regulatory assets and regulatory liabilities are recognized on the Balance Sheets and are amortized consistent with the treatment of the related cost in the ratemaking process. Regulatory assets are reviewed for recoverability each reporting period. If a regulatory asset is no longer deemed probable of recovery, the deferred cost is charged to earnings. See Note 2 for further information.

Duke Energy Kentucky utilizes cost-tracking mechanisms, commonly referred to as fuel adjustment clauses or purchased gas adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs, portions of purchased power, natural gas costs and hedging costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded either as an adjustment to Operating Revenues, Operating Expenses - Fuel used in electric generation and purchased power or Operating Expenses - Cost of natural gas on the Statements of Operations with an off-setting impact on regulatory assets or regulatory liabilities.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents.

Inventory

Inventory related to regulated operations is valued at historical cost. Inventory is charged to expense or capitalized to property, plant and equipment when issued, primarily using the average cost method. Excess or obsolete inventory is written-down to the lower of cost or net realizable value. Once inventory has been written-down, it creates a new cost basis for the inventory that is not subsequently written-up. Provisions for inventory write-offs were not material at December 31, 2022, and 2021. The components of inventory are presented in the table below.

	December 31,	
(in thousands)	2022	2021
Materials and supplies	$ 19,395	$ 16,685
Coal	33,706	18,978
Natural gas, oil and other	5,175	13,871
Total inventory	$ 58,276	$ 49,534

Long-Lived Asset Impairments

Duke Energy Kentucky evaluates long-lived assets for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written-down to its then-current estimated fair value and an impairment charge is recognized.

Duke Energy Kentucky assesses the fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Triggering events to reassess cash flows may include, but are not limited to, significant changes in commodity prices, the condition of an asset or management's interest in selling the asset.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. Duke Energy Kentucky capitalizes all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See "Allowance for Funds Used During Construction and Interest Capitalized" below for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by the KPSC and/or the FERC when required. The composite weighted average depreciation rate was 2.4% for the years ended December 31, 2022, and 2021.

In general, when Duke Energy Kentucky retires its regulated property, plant and equipment, the original cost plus the cost of retirement, less salvage value and any depreciation already recognized, is charged to accumulated depreciation. However, when it becomes probable a regulated asset will be retired substantially in advance of its original expected useful life or will be abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Facilities to be retired, net on the Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory assets on the Balance Sheets if deemed recoverable (see discussion of long-lived asset impairments above). The carrying value of the asset is based on historical cost if Duke Energy Kentucky is allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the incremental borrowing rate.

When Duke Energy Kentucky sells entire regulated operating units, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the KPSC and/or the FERC. See Note 7 for further information.

Leases

Duke Energy Kentucky determines if an arrangement is a lease at contract inception based on whether the arrangement involves the use of a physically distinct identified asset and whether Duke Energy Kentucky has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period as well as the right to direct use of the asset. As a policy election, Duke Energy Kentucky does not evaluate arrangements with initial contract terms of less than one year as leases.

Operating leases are included in Operating lease ROU assets, net, Other current liabilities and Operating lease liabilities on the Balance Sheets.

For lessee and lessor arrangements, Duke Energy Kentucky has elected a policy to not separate lease and non-lease components for all asset classes. For lessor arrangements, lease and non-lease components are only combined under one arrangement and accounted for under the lease accounting framework if the non-lease components are not the predominant component of the arrangement and the lease component would be classified as an operating lease.

Allowance for Funds Used During Construction and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Statements of Operations as non-cash income in Other Income and Expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense on the Statements of Operations. After construction is completed, Duke Energy Kentucky is permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the effective tax rate when capitalized and increases the effective tax rate when depreciated or amortized. See Note 15 for additional information.

Asset Retirement Obligations

AROs are recognized for legal obligations associated with the retirement of property, plant and equipment. Substantially all AROs are related to regulated operations. When recording an ARO, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. For operating plants, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired plants, the present value of the liability is recorded as a regulatory asset unless determined not to be probable of recovery.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. Duke Energy Kentucky receives amounts to fund the cost of the ARO from regulated revenues. As a result, amounts recovered in regulated revenues, accretion expense and depreciation of the associated asset are

netted and deferred as a regulatory asset or regulatory liability.

Obligations for closure of ash basins are based upon discounted cash flows of estimated costs for site-specific plans, if known, or probability weightings of the potential closure methods if the closure plans are under development and multiple closure options are being considered and evaluated on a site-by-site basis. See Note 6 for further information.

Accounts Payable

During 2020, Duke Energy established a supply chain finance program (the "program") with a global financial institution. Duke Energy Kentucky is a participant in this enterprise-wide program offered to suppliers. The program is voluntary and allows Duke Energy Kentucky suppliers, at their sole discretion, to sell their receivables from Duke Energy Kentucky to the financial institution at a rate that leverages Duke Energy Kentucky's credit rating and, which may result in favorable terms compared to the rate available to the supplier on their own credit rating. Suppliers participating in the program determine at their sole discretion which invoices they will sell to the financial institution. Suppliers' decisions on which invoices are sold do not impact Duke Energy Kentucky's payment terms, which are based on commercial terms negotiated between Duke Energy Kentucky and the supplier regardless of program participation. The commercial terms negotiated between Duke Energy Kentucky and its suppliers are consistent regardless of whether the supplier elects to participate in the program. Duke Energy Kentucky does not issue any guarantees with respect to the program and does not participate in negotiations between suppliers and the financial institution. Duke Energy Kentucky does not have an economic interest in the supplier's decision to participate in the program and receives no interest, fees or other benefit from the financial institution based on supplier participation in the program.

Suppliers invoices sold to the financial institution under the program were immaterial for the years ended December 31, 2022, and 2021, respectively, for Duke Energy Kentucky. All activity related to amounts due to suppliers who elected to participate in the program are included within Net cash provided by operating activities on the Statements of Cash Flows.

Revenue Recognition

Duke Energy Kentucky recognizes revenue as customers obtain control of promised goods and services in an amount that reflects consideration expected in exchange for those goods or services. Generally, the delivery of electricity and natural gas results in the transfer of control to customers at the time the commodity is delivered and the amount of revenue recognized is equal to the amount billed to each customer, including estimated volumes delivered when billings have not yet occurred. See Note 13 for further information.

Derivatives and Hedging

Derivative instruments may be used in connection with commodity price and interest rate activities, including swaps, futures, forwards and options. All derivative instruments, except those that qualify for the normal purchase/normal sale exception, are recorded on the Balance Sheets at fair value. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or regulatory liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact. See Note 10 for further information.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities become probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are expensed. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets. See Notes 2 and 3 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. Duke Energy Kentucky has a tax-sharing agreement with Duke Energy, and income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. Investment tax credits associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Accumulated deferred income tax is valued using the enacted tax rate expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. In the event of a change in tax rates, deferred tax assets and liabilities are remeasured as of the enactment date of the new rate. To the extent that the change in the value of the deferred tax represents an obligation to customers, the impact of the remeasurement is deferred to a regulatory liability. Remaining impacts are recorded in income from continuing operations. If Duke Energy Kentucky's estimate of the tax effect of reversing temporary differences is not reflective of actual outcomes, is modified to reflect new developments or interpretations of the tax law, is revised to incorporate new accounting principles, or changes in the expected timing or manner of the reversal then Duke Energy Kentucky's results of operations could be impacted.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net, in the Statements of Operations. See Note 15 for further information.

Dividend Restrictions

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35% equity in its capital structure.

New Accounting Standards

The following new accounting standard was adopted by Duke Energy Kentucky in 2021.

Leases with Variable Lease Payments.Leases with Variable Lease Payments. In July 2021, the Financial Accounting Standards Board (FASB) issued new accounting guidance requiring lessors to classify a lease with variable lease payments that do not depend on a reference index or rate as an operating lease if both of the following are met: (1) the lease would have to be classified as a sales-type or direct financing lease under prior guidance, and (2) the lessor would have recognized a day-one loss. Duke Energy Kentucky elected to adopt the guidance immediately upon issuance of the new standard and will be applying the new standard prospectively to new lease arrangements meeting the criteria. Duke Energy Kentucky did not have any lease arrangements that this new accounting guidance materially impacted.

2. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

Duke Energy Kentucky records regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following table represents the regulatory assets and liabilities on the Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in thousands)	2022	2021	a Return	Period Ends
Regulatory Assets[a]				
East Bend deferrals	$ 32,515	36,428	X	(c)
Accrued pension and other post-retirement benefits	27,144	31,454		(b)
Deferred fuel and purchased gas costs	13,422	19,588		(d)(g)2023
East Bend outage normalization	9,557	8,209		(c)

East Bend outage normalization		5,537		6,309	(c)
Deferred Forced Outage Purchased Power		5,650		84	(c)
ESM Deferral		4,751		1,196	(d)2023
Advanced Metering Infrastructure		3,130		3,498	2033
Deferred gas integrity costs		1,949		2,214	X 2029
Hedge costs and other deferrals		1,548		4,220	(e)
Demand side management/Energy efficiency costs		1,438		4,685	(c)(d)
Vacation accrual		1,121		1,242	2023
Carbon management research grant		1,067		1,267	2028
Storm cost deferrals		818		2,011	(c)
Deferred debt expense		272		394	2036
AROs – coal ash		—		32,776	X (c)(g)
Other		648		831	(c)(d)
Total regulatory assets		105,030		150,197	
Less: current portion		34,489		35,031	
Total noncurrent regulatory assets	$	70,541	$	115,166	
Regulatory Liabilities[a]					
Net regulatory liability related to income taxes	$	110,866		118,253	(c)
Profit sharing mechanism		9,087		—	2023
Deferred fuel and purchased gas costs		7,817		3,699	(d)2023
Accrued pension and other post-retirement benefits		5,836		6,169	(b)
Hedge costs and other deferrals		3,125		107	(e)
Demand side management/Energy efficiency costs		1,595		848	(c)(d)
Costs of removal		(9,503)		747	(f)
Other		182		48	(c)(e)
Total regulatory liabilities		129,005		129,871	
Less: current portion		25,644		9,241	
Total noncurrent regulatory liabilities	$	103,361	$	120,630	

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 14 for further information.
(c) The expected recovery or refund period varies or has not been determined.
(d) Deferred costs are recovered through a rider mechanism.
(e) Some amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled.
(f) Represents funds received from customers to cover future removal of property, plant and equipment from retired or abandoned sites as property is retired. Included in rate base and recovered over the life of associated assets.
(g) Certain amounts are recovered through rates.

RATE RELATED INFORMATION

The KPSC approves rates for retail electric and natural gas services within the Commonwealth of Kentucky. The FERC approves rates for electric sales to wholesale customers served under cost-based rates, as well as sales of transmission service.

Duke Energy Kentucky Natural Gas Base Rate Case

On December 1, 2022, Duke Energy Kentucky filed a rate case with the KPSC requesting an annualized increase in electric base rates of approximately $75 million and an ROE of 10.35%. This is an overall increase in rates of approximately 17.8%. The request for rate increase is driven by capital investments to strengthen the electricity generation and delivery systems along with adjusted depreciation rates for the East Bend and Woodsdale generation stations to support the energy transition. Duke Energy Kentucky is also requesting new programs and tariff updates, including a voluntary community-based renewable subscription program and two EV charging programs. A procedural schedule was issued on December 19, 2022, scheduling the evidentiary hearing for May 9, 2023. New rates are anticipated to go into effect around July 15, 2023. Duke Energy Kentucky cannot predict the outcome of this matter.

Midwest Propane Cavern

Duke Energy Kentucky used propane stored in a cavern to meet peak demand during winter for several decades. Duke Energy Ohio installed a new natural gas pipeline (the Central Corridor Project) in its Ohio service territory to increase system reliability and enable the retirement of older infrastructure. Once the Central Corridor Project was complete and placed in service, the propane peaking facility was no longer necessary and was retired. On October 7, 2021, and November 4, 2021, Duke Energy Ohio and Duke Energy Kentucky, respectively, filed requests with the Public Utility Commission of Ohio and the KPSC to establish a regulatory asset for their share of expenses incurred related to the retirement of the propane storage cavern and associated propane-air facilities. On January 31, 2022, the KPSC issued an order denying Duke Energy Kentucky's request. As a result of the KPSC order, Duke Energy Kentucky recorded a $6.7 million and $0.9 million charge to
Impairment of assets and other charges on Duke Energy Kentucky's Statement of Operations and Comprehensive Income in 2022 and 2021, respectively. There is $0 and $2.6 million related to the propane caverns in Net property, plant and equipment on Duke Energy Kentucky's Balance Sheets as of December 31, 2022, and 2021, respectively.

3. COMMITMENTS AND CONTINGENCIES

GENERAL INSURANCE

Duke Energy Kentucky has insurance and/or reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison Insurance Company Limited, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. Duke Energy Kentucky's coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations. Duke Energy Kentucky self-insures its electric transmission and distribution lines against loss due to storm damage and other natural disasters.

The cost of Duke Energy Kentucky's coverage can fluctuate year to year reflecting claims history and conditions of the insurance and reinsurance markets.

In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Kentucky's results of operations, cash flows or financial position. Duke Energy Kentucky is responsible to the extent losses may be excluded or exceed limits of the coverage available.

ENVIRONMENTAL

Duke Energy Kentucky is subject to federal, state and local regulations regarding air and water quality, hazardous and solid waste disposal, coal ash and other environmental matters. These regulations can be changed from time to time, imposing new obligations on Duke Energy Kentucky.

Remediation Activities

In addition to the AROs discussed in Note 6, Duke Energy Kentucky is responsible for environmental remediation at various sites. These include certain properties that are part of ongoing operations and sites formerly owned or used by Duke Energy Kentucky. These sites are in various stages of investigation, remediation and monitoring. Managed in conjunction with relevant federal, state and local agencies, remediation activities vary based upon site condition and location, remediation requirements, complexity and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, Duke Energy Kentucky could potentially be held responsible for environmental impacts caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives and/or regulatory decisions have not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other on the Statements of Operations unless regulatory recovery of the costs is deemed probable.

Duke Energy Kentucky has accrued approximately $618 thousand and $668 thousand of probable and estimable costs related to its various environmental sites in Other within Other Noncurrent Liabilities on the Balance Sheets as of December 31, 2022, and 2021, respectively. Additional losses in excess of recorded reserves are expected to be immaterial for the stages of investigation, remediation and monitoring for the environmental sites that have been evaluated. The maximum amount of the range for all stages of Duke Energy Kentucky's environmental sites cannot be determined at this time.

LITIGATION

Duke Energy Kentucky is involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. Duke Energy Kentucky believes the final disposition of these proceedings will not have a material effect on its results of operations, cash flows or financial position. Duke Energy Kentucky expenses legal costs related to the defense of loss contingencies as incurred.

OTHER COMMITMENTS AND CONTINGENCIES

General

As part of its normal business, Duke Energy Kentucky is party to various financial guarantees, performance guarantees and other contractual commitments to extend guarantees of credit and other assistance to various third parties. These guarantees involve elements of performance and credit risk, which are not included on the Balance Sheets. The possibility of Duke Energy Kentucky having to honor its contingencies is largely dependent upon future operations of various third parties or the occurrence of certain future events.

Purchase Obligations

Pipeline and Storage Capacity Contracts

Duke Energy Kentucky enters into pipeline and storage capacity contracts that commit future cash flows to acquire services needed in its business. Costs arising from capacity commitments are recovered via the Gas Cost Adjustment Clause in Kentucky. The time period for fixed payments under these pipeline and storage capacity contracts is up to 21 years.

Certain storage and pipeline capacity contracts require the payment of demand charges that are based on rates approved by the FERC in order to maintain rights to access the natural gas storage or pipeline capacity on a firm basis during the contract term. The demand charges that are incurred in each period are recognized in the Statements of Operations as part of natural gas purchases and are included in Cost of natural gas.

The following table presents future unconditional purchase obligations under these contracts.

(in thousands)	December 31, 2022
2023	$ 16,239
2024	21,875
2025	15,535
2026	13,113
2027	12,719
Thereafter	191,841
Total	$ 271,322

4. LEASES

As part of its operations, Duke Energy Kentucky leases space on communication towers, meters and office space under various terms and expiration dates. Certain Duke Energy Kentucky lease agreements include options for renewal and early termination. The intent to renew a lease varies depending on the lease type and asset. Renewal options that are reasonably certain to be exercised are included in the lease measurements. The decision to terminate a lease early is dependent on various economic factors. No termination options have been included in any of the lease measurements.

Duke Energy Kentucky has certain lease agreements, which include variable lease payments that are based on the usage of an asset. These variable lease payments are not included in the measurement of the ROU assets or operating lease liabilities on the Balance Sheets.

The following table presents the components of lease expense and are included in Operations, maintenance and other on the Statements of Operations.

	Years Ended December 31,	
(in thousands)	2022	2021
Operating lease expense	$ 1,768	$ 1,801
Short-term lease expense	53	1
Variable lease expense	45	51
Total lease expense	$ 1,866	$ 1,853

The following table presents operating lease maturities and a reconciliation of the undiscounted cash flows to operating lease liabilities.

(in thousands)	December 31, 2022
2023	$ 700
2024	712
2025	725
2026	739

2027	753
Thereafter	7,874
Total operating lease payments	11,503
Less: present value discount	(3,125)
Total operating lease liabilities[a]	$ 8,378

(a) Certain operating lease payments include renewal options that are reasonably certain to be exercised.

The following tables contain additional information related to leases.

		December 31,	
(in thousands)	Classification	2022	2021
Assets			
Operating	Operating lease ROU assets, net	$ 8,016	$ 8,407
Total lease assets		$ 8,016	$ 8,407
Liabilities			
Current			
Operating	Other current liabilities	$ 344	318
Noncurrent			
Operating	Operating lease liabilities	8,034	8,379
Total lease liabilities		$ 8,378	$ 8,697

	Years ended December 31,	
(in thousands)	2022	2021
Cash paid for amounts included in the measurement of lease liabilities[a]		
Operating cash flows from operating leases	$ 688	$ 676

(a) No amounts were classified as investing cash flows from operating leases for the years ended December 31, 2022, and 2021.

	December 31,	
	2022	2021
Weighted-average remaining lease term (years)		
Operating leases	15	16
Weighted-average discount rate[a]		
Operating leases	4.4%	4.4%

(a) The discount rate is calculated using the rate implicit in a lease if it is readily determinable. Generally, the rate used by the lessor is not provided to Duke Energy Kentucky and in these cases the incremental borrowing rate is used. Duke Energy Kentucky will typically use its fully collateralized incremental borrowing rate as of the commencement date to calculate and record the lease. The incremental borrowing rate is influenced by the lessee's credit rating and lease term and as such may differ for individual leases, embedded leases or portfolios of leased assets.

5. DEBT AND CREDIT FACILITIES

SUMMARY OF DEBT AND RELATED TERMS

The following table summarizes outstanding debt.

			December 31,	
(in thousands)	Weighted Average Interest Rate	Year Due	2022	2021
Unsecured debt	4.03%	2023 - 2057	$ 680,000	$ 680,000
Tax-exempt bonds[a][b]	3.72%	2027	76,720	26,720
Money pool borrowings[b][c]	4.31%	2027	106,232	127,596
Unamortized debt discount and premium, net			(161)	(174)
Unamortized debt issuance costs			(2,402)	(2,325)
Total debt	4.04%		$ 860,389	$ 831,817
Short-term money pool borrowings			(81,232)	(102,596)
Current maturities of long-term debt			(74,980)	—
Total long-term debt			$ 704,177	$ 729,221

(a) Includes $27 million that is secured by a bilateral letter of credit agreement at December 31, 2022, and 2021.
(b) Floating-rate debt. At December 31, 2021, the weighted average interest rate was 0.12% and 0.36% for tax-exempt bonds and money pool borrowings, respectively.
(c) Includes $25 million classified as Long-Term Debt Payable to Affiliated Companies on the Balance Sheets at December 31, 2022, and 2021.

MATURITIES AND CALL OPTIONS

The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable.

(in thousands)	December 31, 2022
2023	$ 75,000
2024	—
2025	95,000
2026	

2026	45,000
2027	101,720
Thereafter	465,000
Total long-term debt, including current maturities	$ 781,720

Duke Energy Kentucky has the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

SHORT-TERM OBLIGATIONS CLASSIFIED AS LONG-TERM DEBT

Certain tax-exempt bonds that may be put to Duke Energy Kentucky at the option of the holder and money pool borrowings, which are short-term obligations by nature, are classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's Master Credit Facility and Duke Energy Kentucky's other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy Kentucky has the ability to refinance these short-term obligations on a long-term basis. See "Available Credit Facilities" below for additional information.

At December 31, 2022, and 2021, $27 million of tax-exempt bonds and $25 million of money pool borrowings were classified as Long-Term Debt and Long-Term Debt Payable to Affiliated Companies, respectively, on the Balance Sheets.

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

In June 2022, Duke Energy Kentucky closed on a $50 million 5-year fixed-to-maturity tax-exempt bond with a 3.7% coupon maturing in August 2027. The proceeds were used to provide funds to refund the prior bonds previously issued by the issuer, which were loaned to refinance certain air and water pollution control facilities and solid waste disposal facilities.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2022, Duke Energy amended its existing Master Credit Facility to increase the amount of the facility from $8 billion to $9 billion and to extend the termination date to March 2027. Duke Energy Kentucky has borrowing capacity under the Master Credit Facility up to a specified sublimit. Duke Energy has the unilateral ability at any time to increase or decrease Duke Energy Kentucky's borrowing sublimit, subject to a maximum sublimit. The amount available to Duke Energy Kentucky under the Master Credit Facility may be reduced to backstop issuances of commercial paper. At December 31, 2022, Duke Energy Kentucky had a borrowing sublimit of $175 million and available capacity of $69 million under the Master Credit Facility.

Duke Energy Kentucky and Duke Energy Indiana, LLC, a subsidiary of Duke Energy, collectively have a $156 million bilateral letter of credit agreement. In March 2022, the bilateral letter of credit agreement was amended to extend the termination date from February 2023 to February 2026. Duke Energy Kentucky may request the issuance of letters of credit up to $27 million on its behalf to support various series of tax-exempt bonds. This credit facility may not be used for any purpose other than to support the tax-exempt bonds.

Term Loan Facility

In October 2021, Duke Energy Kentucky entered into a two-year term loan facility with commitments totaling $50 million. The term loan was fully drawn at the time of closing with borrowings under the facility used to pay down short-term debt and for general corporate purposes. The balance is classified as Current maturities of long-term debt on Duke Energy Kentucky's Balance Sheet at December 31, 2022.

OTHER DEBT MATTERS

Money Pool

Duke Energy Kentucky receives support for its short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating under this arrangement. The money pool is structured such that Duke Energy Kentucky separately manages its cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy may loan funds to its participating subsidiaries, but may not borrow funds through the money pool.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-Term Debt Payable to Affiliated Companies on the Balance Sheets.

Restrictive Debt Covenants

Duke Energy Kentucky's debt and credit agreements contain various financial and other covenants. Duke Energy's Master Credit Facility contains a covenant requiring the debt-to-total capitalization ratio not to exceed 65% for each borrower. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2022, Duke Energy Kentucky was in compliance with all covenants related to its debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the debt or credit agreements contain material adverse change clauses.

6. ASSET RETIREMENT OBLIGATIONS

Duke Energy Kentucky records an ARO when it has a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Certain assets have an indeterminate life, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these AROs will be recorded when a fair value is determinable.

Duke Energy Kentucky's regulated electric and regulated natural gas operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from the KPSC. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. See Note 2 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Balance Sheets as of December 31, 2022, and 2021.

Duke Energy Kentucky is subject to state and federal regulations covering the closure of coal ash impoundments, including the EPA Coal Combustion Residuals (CCR) Rule. AROs recorded on the Balance Sheets include the legal obligation for the disposal of CCR, which is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon specific closure plans. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites. Closure methods considered include removing the water from ash basins, consolidating material as necessary and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined structural fill or lined landfill or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations and other agreements. The ARO amount will be adjusted as additional information is gained through the closure and post-closure process, including acceptance and approval of compliance approaches, which may change management assumptions, and may result in a material change to the balance. Asset retirement costs associated with coal ash AROs at the East Bend Station are included within Property, Plant and Equipment on the Balance Sheets.

In addition to the coal ash AROs, Duke Energy Kentucky also has legal obligations related to the retirement of gas mains and asbestos remediation.

The following table presents the changes in the liability associated with AROs.

(in thousands)	Years Ended December 31, 2022	2021
Balance at beginning of period	$ 93,282	$ 76,112
Accretion expense[a]	3,580	2,518
Liabilities settled	(13,420)	(2,761)

Revisions to estimates of cash flows[b]		24,379		17,413
Balance at end of period		$ 107,821		$ 93,282

(a) All accretion expense for the years ended December 31, 2022, and 2021, relates to Duke Energy Kentucky's regulated operations and has been deferred in accordance with regulatory accounting treatment.
(b) Related to ash basin and landfill closure costs at the East Bend Station.

(c) Related to changes in routine maintenance cost estimates for ash impoundments.

7. PROPERTY, PLANT AND EQUIPMENT

The following table summarizes property, plant and equipment.

	Average Remaining Useful Life	December 31,	
(in thousands)	(Years)	2022	2021
Land		$ 51,303	$ 41,365
Plant			
Electric generation, distribution and transmission	47	2,149,022	2,073,113
Natural gas transmission and distribution	57	797,622	757,878
Other buildings and improvements	61	14,767	14,197
Equipment	12	42,911	36,869
Construction in process		98,107	97,535
Other	11	77,810	60,455
Total property, plant and equipment		3,231,542	3,081,412
Accumulated depreciation and amortization		(1,069,120)	(1,063,561)
Facilities to be retired, net		—	1,769
Net property, plant and equipment[a]		$ 2,162,422	$ 2,019,620

(a) The debt component of AFUDC totaled $1.1 million and $450 thousand at December 31, 2022, and 2021, respectively.

8. OTHER INCOME AND EXPENSES, NET

The components of Other Income and Expenses, net on the Statements of Operations are as follows.

	Years Ended December 31,	
(in thousands)	2022	2021
Income/(Expense):		
Interest income	$ 2,872	$ 982
AFUDC equity	1,249	1,260
Other	(265)	2,612
Other Income and Expenses, net	$ 3,856	$ 4,854

9. RELATED PARTY TRANSACTIONS

Duke Energy Kentucky engages in related party transactions, which are generally performed at cost and in accordance with KPSC and FERC regulations. Refer to the Balance Sheets for balances due to or from related parties. Material amounts related to transactions with related parties included in the Statements of Operations are presented in the following table.

	Years Ended December 31,	
(in thousands)	2022	2021
Corporate governance and shared service expenses[a]	$ 85,315	$ 83,976

(a) Duke Energy Kentucky is charged its proportionate share of costs, primarily related to human resources, employee benefits, information technology, legal and accounting fees, as well as other third-party costs, from a consolidated affiliate of Duke Energy. These amounts are recorded in Operation, maintenance and other within Operating Expenses on the Statements of Operations.

In addition to the amounts presented above, Duke Energy Kentucky has other affiliate transactions, including certain indemnification coverages through Duke Energy's wholly owned captive insurance subsidiary, rental of office space, participation in a money pool arrangement with Duke Energy and certain of its subsidiaries, other operational transactions and its proportionate share of certain charged expenses. See Note 5 for more information regarding the money pool.

Certain trade receivables have been sold by Duke Energy Kentucky to CRC, an unconsolidated entity formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price. See Note 12 for further information related to the sales of these receivables.

Intercompany Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and jurisdictional returns. Duke Energy Kentucky has a tax sharing agreement with Duke Energy for the allocation of consolidated tax liabilities and benefits. Income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Duke Energy Kentucky had an intercompany tax receivable balance of $13 million and $9 million at December 31, 2022, and 2021, respectively. These amounts are included in Other current assets on the Balance Sheets.

10. DERIVATIVES AND HEDGING

COMMODITY PRICE RISK

Duke Energy Kentucky has limited exposure to market price changes of fuel and emission allowance costs incurred for its retail customers due to the use of cost tracking and recovery mechanisms. Duke Energy Kentucky does have exposure to the impact of market fluctuations in the prices of electricity, fuel and emission allowances associated with its generation output not utilized to serve retail operations or committed load (off-system, wholesale power sales). Duke Energy Kentucky's outstanding commodity derivatives, FTRs, had a notional volume of 1,820 gigawatt-hours and 1,681 gigawatt-hours at December 31, 2022, and 2021, respectively.

See Note 11 for additional information on the fair value of commodity derivatives.

See Note 11 for additional information on the fair value of commodity derivatives.

INTEREST RATE RISK

Duke Energy Kentucky is exposed to changes in interest rates as a result of its issuance or anticipated issuance of variable-rate and fixed-rate debt. Interest rate risk is managed by limiting variable-rate exposure to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, Duke Energy Kentucky may enter into financial contracts including interest rate swaps and U.S. Treasury lock agreements. The notional amount of interest rate swaps outstanding was $26.7 million at December 31, 2022, and 2021. Financial contracts entered into by Duke Energy Kentucky are not designated as a hedge because they are accounted for under regulatory accounting. With regulatory accounting, the mark-to-market gains or losses are deferred as regulatory liabilities or assets, respectively. Regulatory assets and regulatory liabilities are amortized consistent with the treatment of related costs in the ratemaking process. The accrual of interest on swaps is recorded as Interest Expense on the Statements of Operations.

See Note 11 for additional information on the fair value of interest rate derivatives.

CREDIT RISK

Duke Energy Kentucky analyzes the financial condition of counterparties prior to entering into agreements and establishes credit limits and monitors the appropriateness of those limits on an ongoing basis. Credit limits and collateral requirements for retail electric customers are established by the KPSC.

Duke Energy Kentucky's industry has historically operated under negotiated credit lines for physical delivery contracts. Duke Energy Kentucky may use master collateral agreements to mitigate certain credit exposures. The collateral agreements require certain counterparties to post cash or letters of credit for the amount of exposure in excess of an established threshold. The threshold amount represents an unsecured credit limit determined in accordance with the corporate credit policy. Collateral agreements also provide that the inability to post collateral is sufficient cause to terminate contracts and liquidate all positions.

Duke Energy Kentucky also obtains cash or letters of credit from customers to provide credit support outside of collateral agreements, where appropriate, based on its financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each transaction.

11. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient. Fair value measurements are classified in three levels based on the fair value hierarchy as defined by GAAP.

Fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. Duke Energy Kentucky has not elected to record any of these items at fair value.

Commodity derivatives

If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. The valuation technique and unobservable input for an FTR is regional transmission organization auction pricing and FTR price - per megawatt-hour, respectively.

Interest rate derivatives

All over-the-counter interest rate contract derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

QUANTITATIVE DISCLOSURES

	December 31, 2022			
(in thousands)	Total Fair Value		Level 2	Level 3
Derivative assets[a]	$ 4,560		$	$ 4,560
Derivative liabilities[b]	(1,956)		(1,956)	—
Net assets (liabilities	$ 2,604	$	(1,956)	$ 4,560

	December 31, 2021			
(in thousands)	Total Fair Value		Level 2	Level 3
Derivative assets[a]	$ 1,636		0	$ 1,636
Derivative liabilities[b]	(4,645)		(4,645)	0
Net (liabilities) assets	$ (3,009)	$	(4,645)	$ 1,636

(a) Included in Other within Current Assets and Other within Other Noncurrent Assets on the Balance Sheets. The amounts classified as Level 3 relate to FTRs.
(b) Included in Other within Current Liabilities and Other within Other Noncurrent Liabilities on the Balance Sheets. The amounts classified as Level 2 relate to interest rate swaps.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

	Derivatives (net)		
	Years Ended December 31,		
(in thousands)	2022		2021
Balance at beginning of period	$ 1,636	$	1,380
Purchases, sales, issuances and settlements			
Purchases	3,660		3,332
Settlements	(3,800)		(3,419)
Total gains included on the Balance Sheets as regulatory assets or liabilities	3,064		343
Balance at end of period	$ 4,560	$	1,636

OTHER FAIR VALUE DISCLOSURES

The fair value of long-term debt, including current maturities, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates determined are not necessarily indicative of the amounts Duke Energy Kentucky could have

The fair value of long-term debt, including current maturities, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates determined are not necessarily indicative of the amounts Duke Energy Kentucky could have settled in current markets. The fair value of long-term debt is determined using Level 2 measurements.

	December 31, 2022		December 31, 2021	
(in thousands)	Book value	Fair value	Book value	Fair value
Long-Term debt, including current maturities	$ 779,157	$ 694,225	$ 729,221	$ 793,431

At December 31, 2022, and 2021, the fair value of cash and cash equivalents, accounts and notes receivable, and accounts and notes payable are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

12. VARIABLE INTEREST ENTITIES

A variable interest entity (VIE) is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) what party has rights to receive benefits or is obligated to absorb losses that could potentially be significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment.

Cinergy Receivables Company

CRC is a bankruptcy remote, special purpose entity that is an affiliate of Duke Energy Kentucky. As discussed below, Duke Energy Kentucky does not consolidate CRC as it is not the primary beneficiary. On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity, natural gas and related services from Duke Energy Kentucky. CRC borrows amounts under a credit facility to buy the receivables from Duke Energy Kentucky. Borrowing availability from the credit facility is limited to the amount of qualified receivables sold to CRC which generally exclude receivables past due more than a predetermined number of days and reserves for expected past due balances. The sole source of funds to satisfy the related debt obligation is cash collections from the receivables. Amounts borrowed under the credit facility are reflected on the Balance Sheets as Long-Term Debt.

The proceeds Duke Energy Kentucky receives from the sale of receivables to CRC are approximately 75% cash and 25% in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Duke Energy Kentucky had receivables of $53.3 million and $22.4 million from CRC at December 31, 2022, and 2021, respectively. These balances are included in Receivables from affiliated companies on the Balance Sheets and reflect Duke Energy Kentucky's retained interest in receivables sold to CRC.

CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the activities that most significantly impact the economic performance of the entity is not held by the equity holder and (iii) deficiencies in net worth of CRC are funded by Duke Energy. The most significant activities that impact the economic performance of CRC are decisions made to manage delinquent receivables. Duke Energy is considered the primary beneficiary and consolidates CRC as it makes these decisions. Duke Energy Kentucky does not consolidate CRC.

The subordinated note held by Duke Energy Kentucky is stated at fair value. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated basis of the subordinated note is not materially different than the face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Kentucky on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the note since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred. Duke Energy Kentucky's maximum exposure to loss does not exceed the carrying value.

Key assumptions used in estimating fair value are detailed in the following table.

	2022	2021
Anticipated credit loss ratio	0.4%	0.4%
Discount rate	2.7%	1.1%
Receivables turnover rate	11.4%	11.4%

The following table presents gross and net receivables sold.

	December 31,	
(in thousands)	2022	2021
Receivables sold	$ 102,233	$ 76,127
Less: Retained interests	53,344	22,397
Net receivables sold	$ 48,889	$ 53,730

The following table shows sales and cash flows related to receivables sold.

	Years Ended December 31,	
(in thousands)	2022	2021
Sales		
Receivables sold	$ 671,672	$ 516,369
Loss recognized on sale	3,683	1,657
Cash flows		
Cash proceeds from receivables sold	$ 637,042	$ 513,346
Collection fees received	336	258
Return received on retained interests	2,635	976

Cash flows from sales of receivables are reflected within Cash Flows from Operating Activities and Cash Flows from Investing Activities on the Statements of Cash Flows.
Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, maintenance and other on the Statements of Operations. The loss recognized on sales of receivables is calculated monthly by multiplying receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted average formula that considers charge-off history, late charge history and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is the prior month-end Daily Simple Secured Overnight Financing Rate (SOFR) plus a fixed rate of 1.00%.

13. REVENUE

Duke Energy Kentucky recognizes revenue consistent with amounts billed under tariff offerings or at contractually agreed upon rates based on actual physical delivery of electric or natural gas service, including estimated volumes delivered when billings have not yet occurred. As such, the majority of Duke Energy Kentucky's revenues have fixed pricing based on the contractual terms of the published tariffs, with variability in expected cash flows attributable to the customer's volumetric demand and ultimate quantities of energy or natural gas supplied and used during the billing period. The stand-alone selling price of related sales are designed to support recovery of prudently incurred costs and an appropriate return on invested assets and are primarily governed by published tariff rates or contractual agreements approved by relevant regulatory bodies. Certain excise taxes and franchise fees levied by

state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis as part of revenues. Duke Energy Kentucky elects to account for all other taxes net of revenues.

Performance obligations are satisfied over time as energy or natural gas is delivered and consumed with billings generally occurring monthly and related payments due within 30 days, depending on regulatory requirements. In no event does the timing between payment and delivery of the goods and services exceed one year. Using this output method for revenue recognition provides a faithful depiction of the transfer of electric and natural gas service as customers obtain control of the commodity and benefit from its use at delivery. Additionally, Duke Energy Kentucky has an enforceable right to consideration for energy or natural gas delivered at any discrete point in time and will recognize revenue at an amount that reflects the consideration to which Duke Energy Kentucky is entitled for the energy or natural gas delivered.

As described above, the majority of Duke Energy Kentucky's tariff revenues are at-will and, as such, related contracts with customers have an expected duration of one year or less and will not have future performance obligations for disclosure.

Duke Energy Kentucky earns substantially all of its revenues through the sale of electricity and natural gas.

Electricity Sales

Electric sales revenues are earned primarily through retail and wholesale electric service through the generation, transmission, distribution and sale of electricity. Duke Energy Kentucky generally provides retail electric service customers with their full electric load requirements and sells wholesale block sales of electricity into the market.

Retail electric service is generally marketed throughout Duke Energy Kentucky's electric service territory through standard service offers. The standard service offers are through tariffs determined by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components such as an energy charge, customer charge, demand charge and applicable riders. Duke Energy Kentucky considers each of these components to be aggregated into a single performance obligation for providing electric service. Electricity is considered a single performance obligation satisfied over time consistent with the series guidance and is provided and consumed over the billing period, generally one month. Retail electric service is typically provided to at-will customers who can cancel service at any time, without a substantive penalty. Additionally, Duke Energy Kentucky adheres to applicable regulatory requirements to ensure the collectability of amounts billed and appropriate mitigating procedures are followed when necessary. As such, revenue from contracts with customers is equivalent to the electricity supplied and billed in that period (including unbilled estimates).

Wholesale electric service is provided through block sales of electricity. Revenues for block sales are recognized monthly as energy is delivered and stand-ready service is provided, consistent with invoiced amounts and unbilled estimates.

Natural Gas Sales

Natural gas sales revenues are earned through retail natural gas service through the transportation, distribution and sale of natural gas. Duke Energy Kentucky generally provides natural gas service customers with all natural gas load requirements. Additionally, while natural gas can be stored, substantially all natural gas provided by Duke Energy Kentucky is consumed by customers simultaneously with receipt of delivery.

Retail natural gas service is marketed throughout Duke Energy Kentucky's natural gas service territory using published tariff rates. The tariff rates are established by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components, such as a commodity charge, customer or monthly charge and transportation costs. Duke Energy Kentucky considers each of these components to be aggregated into a single performance obligation for providing natural gas service. For contracts where Duke Energy Kentucky provides all of the customer's natural gas needs, the delivery of natural gas is considered a single performance obligation satisfied over time, and revenue is recognized monthly based on billings and unbilled estimates as service is provided and the commodity is consumed over the billing period. Additionally, natural gas service is typically at-will and customers can cancel service at any time, without a substantive penalty. Duke Energy Kentucky also adheres to applicable regulatory requirements to ensure the collectability of amounts billed and receivable and appropriate mitigating procedures are followed when necessary.

Disaggregated Revenues

For electric and natural gas sales, revenue by customer class is most meaningful to Duke Energy Kentucky as each respective customer class collectively represents unique customer expectations of service, generally has different energy and demand requirements and operates under tailored, regulatory approved pricing structures. Additionally, each customer class is impacted differently by weather and a variety of economic factors including the level of population growth, economic investment, employment levels and regulatory activities. As such, analyzing revenues disaggregated by customer class allows Duke Energy Kentucky to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Disaggregated revenues are presented as follows:

(in thousands)	Years Ended December 31,	
By market or type of customer	**2022**	**2021**
Electricity Sales		
Residential	$ 200,151	$ 158,494
General	185,987	154,570
Industrial	72,946	59,299
Wholesale[a]	51,207	15,523
Other revenues	(402)	10,384
Total Electricity Sales revenue from contracts with customers	$ 509,889	$ 398,270
Natural Gas Sales		
Residential	$ 100,190	$ 75,340
Commercial	46,646	32,142
Industrial	6,610	5,249
Other revenues	3,109	2,890
Total Natural Gas Sales revenue from contracts with customers	$ 156,555	$ 115,621
Total revenue from contracts with customers	$ 666,444	$ 513,891
Other revenue sources[b]	$ 1,685	6,301
Total revenues	$ 668,129	$ 520,192

(a) Duke Energy Kentucky nets wholesale electric sales and purchases on an hourly basis. As such, the net position may result in fluctuations between positive and negative net revenues at the end of a reporting period.
(b) Other revenue sources include revenues from derivatives, leases and alternative revenue programs that are not considered revenues from contracts with customers.

Duke Energy Kentucky adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The following table presents the reserve for credit losses for trade and other receivables based on adoption of the new standard.

(in thousands)	
Balance at December 31, 2020	$ 324
Write-offs	(7)
Credit Loss Expense	(2)
Balance at December 31, 2021	$ 315
Write-offs	(6)
Credit Loss Expense	222

Balance at December 31, 2022	$	531

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables.

The aging of trade receivables is presented in the table below.

	December 31,	
(in thousands)	**2022**	**2021**
Unbilled Receivables[a][b]	$ 13,722	$ 326
Current	3,518	2,346
0-30 days past due	700	177
31-60 days past due	181	34
61-90 days past due	729	2,534
91+ days past due	3,480	2,535
Deferred Payment Arrangements[c]	—	21
Trade and Other Receivables	$ 22,330	$ 7,973

(a) Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed and are included in Receivables on the Duke Energy Kentucky Balance Sheets. Unbilled receivables relate to transactions with PJM Interconnection, LLC.
(b) Duke Energy Kentucky sells, on a revolving basis, nearly all of its retail accounts receivable, including receivables for unbilled revenues, to CRC. As discussed further in Note 12, Duke Energy Kentucky accounts for these transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Balance Sheets. Receivables for unbilled revenues included in the sales of accounts receivable to CRC were $44 million and $27 million at December 31, 2022, and 2021, respectively.
(c) Due to ongoing financial hardships impacting customers, Duke Energy has permitted customers to defer payment of past-due amounts through installment payment plans.

14. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy Kentucky participates in qualified, non-contributory defined benefit retirement plans, which consist of the Duke Energy Retirement Cash Balance Plan (RCBP), which is an active plan, and the Duke Energy Legacy Pension Plan (DELPP), which is an inactive plan. Duke Energy Kentucky participants also participate in non-qualified defined benefit retirement plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Kentucky. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings based on age and/or years of service and interest credits. Certain employees are covered under plans that use a final average earnings formula. Under these average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year or four-year average earnings, (ii) highest three-year or four-year average earnings in excess of covered compensation per year of participation (maximum of 35 years) and/or (iii) highest three-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains, and Duke Energy Kentucky participates in, non-qualified, non-contributory defined benefit retirement plans which cover certain executives. The qualified and non-qualified non-contributory defined benefit plans are closed to new participants.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations. Actuarial losses experienced by the defined benefit retirement plans in remeasuring plan assets as of December 31, 2022, were primarily attributable to actual investment performance that was less than expected investment performance. Actuarial gains experienced by the defined benefit retirement plans in remeasuring plan obligations as of December 31, 2022, were primarily attributable to the increase in the discount rate used to measure plan obligations.

As a result of the application of settlement accounting due to total lump-sum benefit payments exceeding the settlement threshold (defined as the sum of service cost and interest cost on projected benefit obligation components of net periodic benefit costs) for one of its qualified pension plans, Duke Energy Kentucky recognized settlement charges of $1,973 thousand which were recorded to Other Income and Expenses, net, within the Statements of Operations as of December 31, 2022. Settlement charges include amounts allocated by Duke Energy for employees of Duke Energy Kentucky and allocated charges for their proportionate share of settlement charges for employees of Duke Energy's shared services affiliate.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. Actual contributions for Duke Energy Kentucky were $853 thousand for the year ended December 21, 2022. Duke Energy Kentucky did not make any contributions in 2021.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective plan for the periods presented prior to capitalization of amounts reflected as Net property, plant and equipment, on the Balance Sheets. Only the service cost component of net periodic benefit costs is eligible to be capitalized. The remaining non-capitalized portions of net periodic benefit costs are classified as either: (i) service cost, which is recorded in Operations, maintenance and other on the Statements of Operations; or as (ii) components of non-service cost, which is recorded in Other income and expenses, net, on the Statements of Operations. Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of Duke Energy Kentucky. Additionally, Duke Energy Kentucky is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Kentucky. These allocated amounts are included in the governance and shared services costs discussed in Note 9.

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Years Ended December 31,	
(in thousands)	**2022**	**2021**
Service cost	$ 953	$ 1,212
Interest cost on projected benefit obligation	3,089	3,031
Expected return on plan assets	(4,850)	(6,207)
Amortization of prior service credit	(85)	(95)
Amortization of actuarial loss	1,333	2,118
Amortization of settlement charges	1,973	—
Net periodic pension costs	$ 2,413	$ 59

Amounts Recognized in Regulatory Assets

	December 31,	
(in thousands)	**2022**	**2021**
Regulatory assets, net (decrease)	$ (7,031)	$ (4,069)

Reconciliation of Funded Status to Net Amount Recognized

(in thousands)	Years Ended December 31, 2022	2021
Change in Projected Benefit Obligation		
Obligation at prior measurement date	$ 104,450	$ 120,132
Service cost	876	1,124
Interest cost	3,089	3,031
Actuarial (gains) losses	(20,783)	(1,741)
Benefits paid	(13,325)	(15,153)
Transfers [a]	1,201	(2,943)
Obligation at measurement date	$ 75,508	$ 104,450
Accumulated Benefit Obligation at measurement date	$ 74,442	$ 101,920
Change in Fair Value of Plan Assets		
Plan assets at prior measurement date	$ 93,654	$ 106,173
Actual return on plan assets	(14,630)	5,577
Benefits paid	(13,325)	(15,153)
Employer contributions	853	—
Transfers [a]	1,201	(2,943)
Plan assets at measurement date	$ 67,753	$ 93,654
Funded status of plan	$ (7,755)	$ (10,796)

(a) Transfers represents net amounts associated with plan participants that have moved to/from other Duke Energy subsidiaries.

Amounts Recognized in the Balance Sheets

(in thousands)	December 31, 2022	2021
Prefunded pension[a]	$ 16,155	$ 16,381
Noncurrent pension liability[b]	23,910	27,177
Net liability recognized	$ (7,755)	$ (10,796)
Regulatory assets	$ 22,660	$ 29,961

(a) Included in Other within Investments and Other Assets on the Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

(in thousands)	December 31, 2022	2021
Projected benefit obligation	$ 28,974	$ 41,707
Accumulated benefit obligation	27,728	39,177
Fair value of plan assets	4,884	14,530

Assumptions Used for Pension Benefits Accounting

	December 31, 2022	2021
Benefit Obligations		
Discount rate	5.60 %	2.90 %
Interest crediting rate	4.35 %	4.00 %
Salary increase	3.50 %	3.50 %
Net Periodic Benefit Cost		
Discount rate	2.90 - 5.70%	2.60 %
Interest crediting rate	4.00 %	4.00 %
Salary increase	3.50 %	3.50 %
Expected long-term rate of return on plan assets	6.50 %	6.50 %

The discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

NON-QUALIFIED PENSION PLANS

The accumulated benefit obligation, which equals the projected benefit obligation for non-qualified pension plans, was zero for Duke Energy Kentucky as of December 31, 2022. Employer contributions, which equal benefits paid for non-qualified pension plans, were zero for the year ended December 31, 2022. Net periodic pension costs for non-qualified pension plans were not material for the years ended December 31, 2022, or 2021.

OTHER POST-RETIREMENT BENEFIT PLANS

Duke Energy provides, and Duke Energy Kentucky participates in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care benefits include medical, dental and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2022, and 2021.

Components of Net Periodic Other Post-Retirement Benefit Costs

	Years Ended December 31,	
(in thousands)	2022	2021
Service cost	$ 51	$ 81
Interest cost on projected benefit obligation	112	112
Expected return on plan assets	(62)	(67)
Amortization of prior service credit	(66)	(220)
Amortization of actuarial loss	188	214
Net periodic post-retirement pension costs	$ 223	$ 120

Amounts Recognized in Regulatory Assets and Regulatory Liabilities

	December 31,	
(in thousands)	2022	2021
Regulatory assets, net decrease	$ (1,447)	$ (187)
Regulatory liabilities, net increase	(333)	(128)

Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

	Years Ended December 31,	
(in thousands)	2022	2021
Change in Projected Benefit Obligation		
Accumulated post-retirement benefit obligation at prior measurement date	$ 4,194	$ 4,619
Service cost	51	81
Interest cost	112	112
Plan participants' contributions	179	179
Actuarial gains	(8)	(284)
Benefits paid	(616)	(513)
Accrued retiree drug subsidy	—	—
Accumulated post-retirement benefit obligation at measurement date	$ 3,912	$ 4,194
Change in Fair Value of Plan Assets		
Plan assets at prior measurement date	$ 1,575	$ 1,750
Actual return on plan assets	(234)	104
Plan participants' contributions	179	179
Benefits paid	(616)	(513)
Employer contributions	339	55
Plan assets at measurement date	$ 1,243	$ 1,575
Funded status of plan	$ (2,669)	$ (2,619)

Amounts Recognized in the Balance Sheets

	December 31,	
(in thousands)	2022	2021
Current post-retirement liability[(a)]	$ 166	$ 168
Noncurrent post-retirement liability[(b)]	2,503	2,451
Total accrued post-retirement liability	$ 2,669	$ 2,619
Regulatory assets	$ —	$ 1,447
Regulatory liabilities	$ 5,863	$ 6,169

(a) Included in Other within Current Liabilities on the Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

Assumptions Used for Other Post-Retirement Benefits Accounting

	December 31,	
	2022	2021
Benefit Obligations		
Discount rate	5.60 %	2.90 %
Net Periodic Benefit Cost		
Discount rate	2.90 %	2.60 %
Expected long-term rate of return on plan assets	6.50 %	6.50 %

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Assumed Health Care Cost Trend Rate

	December 31,	
	2022	2021
Health care cost trend rate assumed for next year	6.50 %	6.25 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.75 %	4.75 %
Year that the rate reaches the ultimate trend rate	2030-2032	2028

Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Kentucky in its qualified and other post-retirement benefit plans over the next 10 years. These benefit payments reflect expected future service, as appropriate.

(in thousands)	Qualified Plans	Other Post-Retirement Plans	Total
Years ending December 31,			
2023	$ 6,620	$ 741	$ 7,361
2024	6,399	622	7,021
2025	6,203	516	6,719
2026	6,255	456	6,711
2027	6,196	384	6,580
2028–2032	30,348	1,242	31,590

MASTER RETIREMENT TRUST

The assets for the Duke Energy Kentucky plans discussed above are derived from the Master Retirement Trust (Master Trust) that is held by Duke Energy and, as such, Duke Energy Kentucky is allocated its proportionate share of assets discussed below. Assets for both the qualified pension and other post-retirement benefits are maintained in the Master Trust. Duke Energy also invests other post-retirement assets in Voluntary Employees' Beneficiary Association trusts. The investment objective is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. As of December 31, 2022, Duke Energy assumes pension and other post-retirement plan assets will generate a long-term rate of return of 8.25% for the RCBP account assets and 6.5% for the DELPP account assets. The expected long-term rate of return was developed using a weighted average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers, where applicable. The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their high expected return. Debt securities are primarily held to hedge the qualified pension plan liability. Return seeking debt securities, hedge funds and other global securities are held for diversification. Investments within asset classes are diversified to achieve broad market participation and reduce the impact of individual managers or investments.

Effective January 1, 2023, the target asset allocation for the RCBP account assets is 35% liability hedging and 65% return-seeking assets and the target asset allocation for the DELPP account assets is 80% liability hedging assets and 20% return-seeking assets. Duke Energy periodically reviews its asset allocation targets, and over time, as the funded status of the benefit plans increase, the level of asset risk relative to plan liabilities may be reduced to better manage Duke Energy's benefit plan liabilities and reduce funded status volatility.

The following table includes the target asset allocations by asset class at December 31, 2022, and the actual asset allocations for the RCBP assets.

Asset Category	Target Allocation	Actual Allocation at December 31, 2022	2021
Global equity securities	45 %	49 %	24 %
Global private equity securities	2 %	2 %	1 %
Debt securities	35 %	30 %	62 %
Return seeking debt securities	7 %	7 %	4 %
Hedge funds	4 %	6 %	3 %
Real estate and cash	7 %	6 %	6 %
Total	100 %	100 %	100 %

The following table includes the target asset allocations by asset class at December 31, 2022, and the actual asset allocations for the DELPP assets.

Asset Category	Target Allocation	Actual Allocation at December 31, 2022	2021
Global equity securities	14 %	14 %	24 %
Global private equity securities	1 %	— %	1 %
Debt securities	80 %	80 %	62 %
Return seeking debt securities	2 %	2 %	4 %
Hedge funds	1 %	2 %	3 %
Real estate and cash	2 %	2 %	6 %
Total	100 %	100 %	100 %

EMPLOYEE SAVINGS PLAN

Duke Energy Kentucky also participates in employee savings plans sponsored by Duke Energy. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100% of employee before-tax and Roth 401(k) contributions and, as applicable, after-tax contributions of up to 6% of eligible pay per period.

For new and rehired non-union and certain unionized employees who are not eligible to participate in Duke Energy's defined benefit plans, an additional employer contribution of 4% of eligible pay per pay period, which is subject to a three-year vesting schedule, is provided to the employee's savings plan account.

Duke Energy Kentucky's expense related to its proportionate share of pretax employer contributions and the additional 4% employer contribution was $1,385 thousand and $1,215 thousand for the years ended December 31, 2022, and 2021, respectively.

15. INCOME TAXES

INCOME TAX EXPENSE

Components of Income Tax Expense

	Years Ended December 31,	
(in thousands)	2022	2021
Current income taxes		
Federal	$ 9,494	$ (6,954)
State	1,390	(2,229)
Total current income taxes	10,884	(9,183)
Deferred income taxes		
Federal	(396)	14,419
State	1,713	4,892
Total deferred income taxes[a]	1,317	19,311
Investment tax credit amortization	(195)	(58)
Total income tax expense included in Statements of Operations	$ 12,006	$ 10,070

Statutory Rate Reconciliation

The following table presents a reconciliation of income tax expense at the U.S. federal statutory tax rate to actual tax expense.

	Years Ended December 31,	
(in thousands)	2022	2021
Income tax expense, computed at the statutory rate of 21%	$ 14,817	$ 13,328
State income tax, net of federal income tax effect	2,452	2,104
Amortization of excess deferred income tax	(4,887)	(4,741)
Tax Credits	(403)	(313)
Other items, net	27	(308)
Total income tax expense	$ 12,006	$ 10,070
Effective tax rate	17.0 %	15.9 %

16. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 21, 2023. For information on subsequent events related to employee benefit plans, see Note 14.

DEFERRED TAXES

Net Deferred Income Tax Liability Components

	Years Ended December 31,	
(in thousands)	2022	2021
Deferred credits and other liabilities	1,991	$
Lease obligations	2,088	2,141
Tax credits and NOL carryforwards	5,310	5,069
Pension, post-retirement and other employee benefits	3,117	4,387
Regulatory liabilities and deferred credits	10,105	—
Investments and other liabilities	—	467
Other	1,008	468
Total deferred income tax assets	23,619	12,532
Accelerated depreciation rates	(300,336)	(278,714)
Regulatory assets and deferred credits	—	(1,777)
Total deferred income tax liabilities	(300,336)	(280,491)
Net deferred income tax liabilities	$ (276,717)	$ (267,959)

The following table presents the expiration of tax credits and NOL carryforwards.

	December 31, 2022		
	Amount	Expiration Year	
(in thousands)			
General business credits	$ 5,242	2024	— 2042
Charitable contribution carryforward	33	2024	— 2025
State NOL carryforward	35	2037	

Total tax credits and NOL carryforwards		$ 5,310	
Name of Respondent Duke Energy Kentucky, Inc. The following table presents changes to unrecognized tax benefits.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

(in thousands)	Years Ended December 31, 2022	2021
Unrecognized tax benefits – January 1	$ 474	$ 434
Unrecognized tax benefit increases	27	40
Unrecognized tax benefits – December 31	$ 501	$ 474

~~1. Report in columns (b), (c), (d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.~~
~~2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.~~
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
~~4. Report data on a year-to-date basis.~~

The following table includes additional information regarding the unrecognized tax benefits at December 31, 2022. Duke Energy Kentucky does not expect a decrease in unrecognized tax benefits within the next 12 months.

(in thousands)	December 31, 2022
Amount that if recognized, would affect the effective tax rate or regulatory liability[a]	$ 501

(a) Duke Energy Kentucky is unable to estimate the specific amounts that would affect the effective tax rate versus the regulatory liability.

OTHER TAX MATTERS

Duke Energy Kentucky recognizes no interest income, interest expense or penalties related to income taxes on the Statements of Operations for 2022, or 2021. As of December 31, 2022, and 2021, no amounts were recognized on the Balance Sheets for interest or penalties related to income taxes.

Duke Energy Kentucky is no longer subject to U.S. federal examination for years before 2016. With few exceptions, Duke Energy Kentucky is no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 2016.

Line No.	Item (a)	Unrealized Gains and Losses on Available-For-Sale Securities (b)	Minimum Pension Liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	Balance of Account 219 at Beginning of Preceding Year									
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value									
4	Total (lines 2 and 3)								53,405,580	53,405,580
5	Balance of Account 219 at End of Preceding Quarter/Year									
6	Balance of Account 219 at Beginning of Current Year									
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value									
9	Total (lines 7 and 8)								58,552,018	58,552,018
10	Balance of Account 219 at End of Current Quarter/Year									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company For the Current Year/Quarter Ended (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)
1	UTILITY PLANT							
2	In Service							
3	Plant in Service (Classified)	2,829,954,100	2,057,804,272	728,816,160				43,333,668
4	Property Under Capital Leases	8,015,743	[e]8,015,743					
5	Plant Purchased or Sold							
6	Completed Construction not Classified	303,478,776	186,522,479	116,910,527				45,770
7	Experimental Plant Unclassified							
8	Total (3 thru 7)	3,141,448,619	2,252,342,494	845,726,687				43,379,438
9	Leased to Others							
10	Held for Future Use	33,484	33,484					
11	Construction Work in Progress	96,808,176	68,720,279	22,690,940				5,396,957
12	Acquisition Adjustments							
13	Total Utility Plant (8 thru 12)	3,238,290,279	2,321,096,257	868,417,627				48,776,395
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,067,492,714	840,576,650	199,648,398				27,267,666
15	Net Utility Plant (13 less 14)	2,170,797,565	1,480,519,607	668,769,229				21,508,729
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
17	In Service:							
18	Depreciation	1,010,317,484	821,792,072	183,689,521				4,835,891

19	Amortization and Depletion of Producing Natural Gas Land and Land Rights							
20	Amortization of Underground Storage Land and Land Rights							
21	Amortization of Other Utility Plant	57,175,230	18,784,578	15,958,877				22,431,775
22	Total in Service (18 thru 21)	1,067,492,714	840,576,650	199,648,398				27,267,666
23	Leased to Others							
24	Depreciation							
25	Amortization and Depletion							
26	Total Leased to Others (24 & 25)							
27	Held for Future Use							
28	Depreciation							
29	Amortization							
30	Total Held for Future Use (28 & 29)							
31	Abandonment of Leases (Natural Gas)							
32	Amortization of Plant Acquisition Adjustment							
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,067,492,714	840,576,650	199,648,398				27,267,666

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Property Under Capital Leases includes Net Operating Leases of $8,015,745.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)	Changes during Year Amortization (d)	Changes during Year Other Reductions (Explain in a footnote) (e)	Balance End of Year (f)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)					
2	Fabrication					
3	Nuclear Materials					
4	Allowance for Funds Used during Construction					
5	(Other Overhead Construction Costs, provide details in footnote)					
6	SUBTOTAL (Total 2 thru 5)					
7	Nuclear Fuel Materials and Assemblies					
8	In Stock (120.2)					
9	In Reactor (120.3)					
10	SUBTOTAL (Total 8 & 9)					
11	Spent Nuclear Fuel (120.4)					
12	Nuclear Fuel Under Capital Leases (120.6)					
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)					
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)					
15	Estimated Net Salvage Value of Nuclear Materials in Line 9					
16	Estimated Net Salvage Value of Nuclear Materials in Line 11					

17	Est Net Salvage Value of Nuclear Materials in Chemical Processing					
18	Nuclear Materials held for Sale (157)					
19	Uranium					
20	Plutonium					
21	Other (Provide details in footnote)					
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of the prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date.

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. INTANGIBLE PLANT						
2	(301) Organization						
3	(302) Franchise and Consents						
4	(303) Miscellaneous Intangible Plant	20,741,865	10,204,118	19,287		519,508	31,446,204
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	20,741,865	10,204,118	19,287		519,508	31,446,204
6	2. PRODUCTION PLANT						
7	A. Steam Production Plant						
8	(310) Land and Land Rights	7,046,984					7,046,984
9	(311) Structures and Improvements	183,717,638	209,147	824,800			183,101,985
10	(312) Boiler Plant Equipment	553,352,314	8,795,574	4,361,523			557,786,365
11	(313) Engines and Engine-Driven Generators						
12	(314) Turbogenerator Units	109,285,791	18,345,345	12,191,731			115,439,405

13	(315) Accessory Electric Equipment	48,173,350	5,407,453	3,836,201			49,744,602
14	(316) Misc. Power Plant Equipment	23,997,106	273,330	139,428			24,131,008
15	(317) Asset Retirement Costs for Steam Production	100,701,443	62,653,805		(33,350,843)		130,004,405
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,026,274,626	95,684,654	21,353,683	(33,350,843)		1,067,254,754
17	B. Nuclear Production Plant						
18	(320) Land and Land Rights						
19	(321) Structures and Improvements						
20	(322) Reactor Plant Equipment						
21	(323) Turbogenerator Units						
22	(324) Accessory Electric Equipment						
23	(325) Misc. Power Plant Equipment						
24	(326) Asset Retirement Costs for Nuclear Production						
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)						
26	C. Hydraulic Production Plant						
27	(330) Land and Land Rights						
28	(331) Structures and Improvements						
29	(332) Reservoirs, Dams, and Waterways						
30	(333) Water Wheels, Turbines, and Generators						
31	(334) Accessory Electric Equipment						
32	(335) Misc. Power Plant Equipment						
33	(336) Roads, Railroads, and Bridges						
34	(337) Asset Retirement Costs for Hydraulic Production						
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)						
36	D. Other Production Plant						
37	(340) Land and Land Rights	3,035,570	(776,981)				2,258,589

38	(341) Structures and Improvements	36,379,260	33,187	9,739			36,402,708
39	(342) Fuel Holders, Products, and Accessories	61,310,890					61,310,890
40	(343) Prime Movers	10,340,709	165,324				10,506,033
41	(344) Generators	221,062,231	664,245				221,726,476
42	(345) Accessory Electric Equipment	21,475,861	128,563	11,702			21,592,722
43	(346) Misc. Power Plant Equipment	5,152,110	33,388				5,185,498
44	(347) Asset Retirement Costs for Other Production						
44.1	(348) Energy Storage Equipment - Production						
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	358,756,631	247,726	21,441			358,982,916
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,385,031,257	95,932,380	21,375,124	(33,350,843)		1,426,237,670
47	3. Transmission Plant						
48	(350) Land and Land Rights	3,388,950	5,753,860				9,142,810
48.1	(351) Energy Storage Equipment - Transmission						
49	(352) Structures and Improvements	5,985,540	47,505				6,033,045
50	(353) Station Equipment	58,435,476	149,590	(592,101)		(3,287)	59,173,880
51	(354) Towers and Fixtures						
52	(355) Poles and Fixtures	15,265,503	267,884	(65,025)			15,598,412
53	(356) Overhead Conductors and Devices	12,890,200	3,618,548	(329,007)			16,837,755
54	(357) Underground Conduit						
55	(358) Underground Conductors and Devices						
56	(359) Roads and Trails						
57	(359.1) Asset Retirement Costs for Transmission Plant						
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	95,965,669	9,837,387	(986,133)		(3,287)	106,785,902
59	4. Distribution Plant						

60	(360) Land and Land Rights	17,091,984	4,091,813				21,183,797
61	(361) Structures and Improvements	1,420,206	270,926	10,720			1,680,412
62	(362) Station Equipment	116,995,252	4,882,396	(6,684,875)		3,287	128,565,810
63	(363) Energy Storage Equipment – Distribution						
64	(364) Poles, Towers, and Fixtures	74,482,036	2,886,964	593,426			76,775,574
65	(365) Overhead Conductors and Devices	152,067,838	7,680,045	3,218,404			156,529,479
66	(366) Underground Conduit	43,372,544	566,337	2,473			43,936,408
67	(367) Underground Conductors and Devices	81,870,581	3,942,938	148,820			85,664,699
68	(368) Line Transformers	74,015,440	4,379,643	858,735			77,536,348
69	(369) Services	22,230,247	(969,277)	613			21,260,357
70	(370) Meters	28,534,851	2,569,202	257			31,103,796
71	(371) Installations on Customer Premises	862,336	339,900	30,248			1,171,988
72	(372) Leased Property on Customer Premises	9,647					9,647
73	(373) Street Lighting and Signal Systems	9,734,404	769,658	284,495			10,219,567
74	(374) Asset Retirement Costs for Distribution Plant						
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	622,687,366	31,410,545	(1,536,684)		3,287	655,637,882
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT						
77	(380) Land and Land Rights						
78	(381) Structures and Improvements						
79	(382) Computer Hardware						
80	(383) Computer Software						
81	(384) Communication Equipment						
82	(385) Miscellaneous Regional Transmission and Market Operation Plant						
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper						

84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)						
85	6. General Plant						
86	(389) Land and Land Rights						
87	(390) Structures and Improvements	165,342					165,342
88	(391) Office Furniture and Equipment	3,167,977	3,188,327	376,829			5,979,475
89	(392) Transportation Equipment	1,331,220	9,107	127,921			1,212,406
90	(393) Stores Equipment						
91	(394) Tools, Shop and Garage Equipment	3,161,673	370,197	6,943			3,524,927
92	(395) Laboratory Equipment						
93	(396) Power Operated Equipment	11,770					11,770
94	(397) Communication Equipment	8,997,156	4,494,476	166,461			13,325,171
95	(398) Miscellaneous Equipment						
96	SUBTOTAL (Enter Total of lines 86 thru 95)	16,835,138	8,062,107	678,154			24,219,091
97	(399) Other Tangible Property						
98	(399.1) Asset Retirement Costs for General Plant						
99	TOTAL General Plant (Enter Total of lines 96, 97, and 98)	16,835,138	8,062,107	678,154			24,219,091
100	TOTAL (Accounts 101 and 106)	2,141,261,295	155,446,537	19,549,748	(33,350,843)	519,508	2,244,326,749
101	(102) Electric Plant Purchased (See Instr. 8)						
102	(Less) (102) Electric Plant Sold (See Instr. 8)						
103	(103) Experimental Plant Unclassified						
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	2,141,261,295	(a) 155,446,537	19,549,748	(33,350,843)	519,508	2,244,326,749

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: ElectricPlantInServiceAdditions

The balances above do not include Operating Lease Activity

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (a)	* (Designation of Associated Company) (b)	Description of Property Leased (c)	Commission Authorization (d)	Expiration Date of Lease (e)	Balance at End of Year (f)
1						
2						
3						
4						
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33						
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35						
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39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

21	Other Property:			
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
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40				
41				
42				
43				
44				
45				
46				
47	TOTAL			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts).
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	DISTRIBUTION PLANT	
2	DEK AERO SOLAR	6,150,414
3	RICHWOOD BANK 4	3,929,174
4	AERO TO CVG SOUTH LN EXT	2,996,851
5	DISTRIBUTION OVERHEAD/UNDERGROUND LINE IMPROVEMENTS	2,785,790
6	AERO SUB DIST EXITS	1,938,538
7	THOMAS MORE 41 LN EXT	1,072,042
8	PROJECTS LESS THAN $1 MILLION	7,355,879
9	GENERAL PLANT	
10	DEK MICROWAVE	2,551,080
11	DEK TOWERS, SHELTERS & POWER SUPPLIES	1,965,522
12	PROJECTS LESS THAN $1 MILLION	3,189,200
13	INTANGIBLE PLANT	
14	SMART GRID DEE DMS ADMS	1,849,785
15	PROJECTS LESS THAN $1 MILLION	2,968,846
16	PRODUCTION PLANT	
17	NORTH THICKENER TANK REPLACEMENT	2,271,755
18	OPTIM U3 GEN FIELD REWIND	1,911,682
19	STORM WATER - ZINC MITIGATION	1,762,456
20	PROJECTS LESS THAN $1 MILLION	6,106,215
21	TRANSMISSION PLANT	

22	138 KV LINE FROM WOODSPOINT SUBSTATION TO AERO SUBSTATION	9,559,395
23	REBUILD CLARYVILLE TO POLE	3,670,674
24	REBUILD HWY 177 POLE	3,484,998
25	PROJECTS LESS THAN $1 MILLION	1,199,983
43	Total	68,720,279

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 12, column (c), and that reported for electric plant in service, page 204, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item (a)	Total (c + d + e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased To Others (e)
	Section A. Balances and Changes During Year				
1	Balance Beginning of Year	825,981,502	825,981,502		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	49,783,713	49,783,713		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	94,888	94,888		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9.1	Other Accounts (Specify, details in footnote):				
9.2	EastBend Depreciation	(490,618)	(490,618)		
9.3	Common Plant Depreciation	112,015	112,015		
9.4	ARO Depreciation Deferred	4,000,311	4,000,311		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	53,500,309	53,500,309		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(19,131,944)	(19,131,944)		
13	Cost of Removal	(14,613,595)	(14,613,595)		

14	Salvage (Credit)	230,449	230,449		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	(33,515,090)	(33,515,090)		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17.1	Other Debit or Cr. Items (Describe, details in footnote):				
17.2	Other Cost of Removal/Salvage Activity	(48,946)	(48,946)		
17.3	Main Basin ARO	(24,371,013)	(24,371,013)		
17.4	Gain & Loss on sale/disposal of assets	11,071	11,071		
17.5	Misc. Adjustments	234,239	234,239		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	821,792,072	821,792,072		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	448,375,380	448,375,380		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	201,405,690	201,405,690		
25	Transmission	12,684,422	12,684,422		
26	Distribution	155,338,325	155,338,325		
27	Regional Transmission and Market Operation				
28	General	3,988,255	3,988,255		
29	TOTAL (Enter Total of lines 20 thru 28)	821,792,072	821,792,072		

FOOTNOTE DATA

(a) Concept: BookCostOfRetiredPlant

Intangible Retirements and General Plant Assets Retirements of $417,804 not reported on FERC Page 219.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-TOTAL by company and give a TOTAL in columns (e), (f), (g) and (h). (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.
4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1								
2								
3								
4								
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31								
32								
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39								
40								
41								
42	Total Cost of Account 123.1 $		Total					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	32,848,807	38,881,864	Gas and Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	(D) 6,399,020	(D) 2,217,861	Gas and Electric
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	10,094,202	15,485,923	Electric
8	Transmission Plant (Estimated)	101	31	Electric
9	Distribution Plant (Estimated)	213,994	212,011	Gas and Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	16,707,317	17,915,826	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	(D) (22,522)	(D) 1,478,647	Gas and Electric
17				
18				
19				

20	TOTAL Materials and Supplies	49,533,602	58,276,337	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: PlantMaterialsAndOperatingSuppliesConstruction

Production 5,817,184Transmission 302Distribution 581,534

(b) Concept: PlantMaterialsAndOperatingSuppliesConstruction

Production 1,550,407Transmission 371Distribution 667,083

(c) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of ($1) is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

(d) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $33 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on Line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.
6. Report on Line 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		Year One		Year Two		Year Three		Future Years		Totals	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)	No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)
1	Balance-Beginning of Year	[a]208,112	16,417	41,828		38,518		34,140		887,110		1,209,708	16,417
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)												
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9													
10													
11													
12													
13													
14													

15	Total												
16													
17	Relinquished During Year:												
18	Charges to Account 509	3,433	137									3,433	137
19	Other:												
20	Allowances Used												
20.1	Allowances Used												
21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total	3,433	137									3,433	137
29	Balance-End of Year	204,679	16,280	41,828		38,518		34,140		887,110		1,206,275	16,280
30													
31	Sales:												
32	Net Sales Proceeds(Assoc. Co.)												
33	Net Sales Proceeds (Other)												
34	Gains												
35	Losses												
	Allowances Withheld (Acct 158.2)												
36	Balance-Beginning of Year	279		279		279		279		13,671		14,787	
37	Add: Withheld by EPA									279		279	
38	Deduct: Returned by EPA												
39	Cost of Sales												
40	Balance-End of Year	279		279		279		279		13,950		15,066	

41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)												
45	Gains												
46	Losses												

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule and the Acid Rain Program.

(b) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule and the Acid Rain Program.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on Line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.
6. Report on Line 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		Year One		Year Two		Year Three		Future Years		Totals	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)	No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)
1	Balance-Beginning of Year	12,021	2,772	5,384		3,615						21,020	2,772
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)												
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9													
10													
11													
12													
13													
14													

15	Total													
16														
17	Relinquished During Year:													
18	Charges to Account 509	2,694	495										2,694	495
19	Other:													
20	Allowances Used													
20.1	Allowances Used													
21	Cost of Sales/Transfers:													
22	Cost of Sales		87											87
23														
24														
25														
26														
27														
28	Total		87											87
29	Balance-End of Year	9,327	2,190	5,384		3,615							18,326	2,190
30														
31	Sales:													
32	Net Sales Proceeds(Assoc. Co.)													
33	Net Sales Proceeds (Other)													
34	Gains													
35	Losses													
	Allowances Withheld (Acct 158.2)													
36	Balance-Beginning of Year													
37	Add: Withheld by EPA													
38	Deduct: Returned by EPA													
39	Cost of Sales													
40	Balance-End of Year													

41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)												
45	Gains												
46	Losses												

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule only.

(b) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule only.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						

22						
23						
24						
25						
26						
27						
28						
20	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of COmmission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					

19					
20	Total				
21	**Generation Studies**				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39	Total				
40	Grand Total				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	INCOME TAXES	5,629,141	3,464			5,632,605
2	DEMAND SIDE MANAGEMENT COSTS - (Amortized in accordance with rider revenue) - Order #2017-321, Order #2015-368, Order #2014-388	4,684,756	(3,246,326)			1,438,430
3	INTEREST RATE HEDGES (Amortized over life associated debt) - Order #2006-563	3,693,879	(2,145,984)			1,547,895
4	ESM DEFERRAL - Order #2017-321	2,183,711	6,946,914			9,130,625
5	FTR DEFERRAL					
6	REPS INCREMENTAL COSTS					
7	ARO OTHER REGULATORY ASSET	276,656	47,625			324,281
8	GAS ARO OTHER REGULATORY ASSET	6,910,286	640,499			7,550,785
9	ARO CONTRA-REGULATORY ASSET - Order #2017-321	(988,059)	(3,391,962)			(4,380,021)
10	COAL ASH DEFERRED SPEND - Order #2015-187	1,082,696	(1,065,852)			16,844
11	COAL ASH ARO - Order #2015-187	18,684,744	(36,762,785)			(18,078,041)
12	COAL ASH CONTRA EQUITY - Order #2017-321	(619,279)	94,620			(524,659)
13	SPEND RA AMORTIZATION (NC & MW) - Order #2017-321	12,197,343		182.3, 407.3, 421, 431	1,509,458	10,687,885

14	SPEND RA AMORTIZATION (SC & FL) - Order #2017-321	1,430,812	12,538,629	407.3	7,118,497	6,850,944
15	DEK DEFERRED STORM EXPENSE - Order #2018-416	700,702		593	210,211	490,491
16	CARBON MANAGEMENT REGULATORY ASSET (Amortized 120 months, beginning May 2018) -Order#2017-321- Order#2008-308	1,266,641		407.3	199,996	1,066,645
17	HURRICANE IKE REGULATORY ASSET (Amortized 60 months, beginning May 2018) Order #2017-321, Order #2008-476	1,310,048		407.3	982,536	327,512
18	EAST BEND PLANT O&M DEFERRAL (Amortized 120 months, beginning May 2018) Order #2017-321, Order #2014-201	26,719,573		407.3, 407.4	3,422,608	23,296,965
19	EAST BEND DEPRECIATION DEFERRAL (Amortized over remaining life of asset) Order#2015-120	9,708,267		403	490,618	9,217,649
20	Non-AMI Meter NBV (Amortized 146 months, beginning May 2018) Order #2017-321	3,498,449		407.3, 421	368,588	3,129,861
21	Opt-Out IT Modification (Amortized 60 months, beginning May 2018) Order #2017-321, Order #2016-152	41,920		407.3	31,440	10,480
22	Plant Outage Normalization Order - #2017-321	8,309,265	1,247,974			9,557,239
23	Deferred Forced Outage Purchased Power Order #2017-321	83,791	5,566,183			5,649,974
24	GAS RATE CASE DEFERRAL (Amortized 60 months, beginning April 2019) - Order #2018-261	114,821		928	51,031	63,790
25	DEFERRED GAS INTEGRITY COSTS (Amortized 120 months, beginning April 2018) Order #2018-261, Order #2016-159	2,213,960		407.3, 407.4	265,458	1,948,502
26	OTHER REGULATORY ASSETS - GENERAL ACCOUNTING - FERC Docket No. A107-1-000	26,561,932	(2,624,198)	128, 182.3, 228, 253, 254, 926	1,278,084	22,659,650
27	PENSION POST RETIRE PURCHASE ACCOUNTING - Q - FERC Docket No. A107-1-000	3,399,439		128, 182.3, 228.3, 926	158,796	3,240,643
28	PENSION POST RETIRE PURCHASE ACCOUNTING - NQ - FERC Docket No. A107-1-000	46,092	(78,595)	128, 182.3, 228.3, 253, 254, 926	2,448	(34,951)
29	PENSION POST RETIRE PURCHASE ACCOUNTING - FAS - FERC Docket No. A107-1-000	1,446,886		228.3, 254, 926	167,820	1,279,066
30	Misc. ST Reg Assets	44,939	(44,939)			

31	Cust. Connect Deferral LT Order #2021-00190		918,578			918,578
32	Deferred CIS O&M Current Order # 2021-00190		124,047			124,047
44	TOTAL	140,633,411	(21,232,108)		16,257,589	103,143,714

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Credits Account Charged (d)	Credits Amount (e)	
1	Vacation accrual	1,242,479	(121,046)			1,121,433
2	Straight Line Lease Deferral - amortized 01/20 - 12/38	289,067	761,352	242	687,660	362,759
3	DEK 2017 Rate Case - amortized 05/18 - 04/23	256,394		928	78,890	177,504
4	DEK 2019 Rate Case - Electric - amortized 05/20 - 04/25	226,112		928	67,834	158,278
5	DEK 2021 Rate Case - Gas - amortized 01/22 - 12/26	145,139	80,085	928	44,939	180,285
6	Indirect overhead allocation pool - Undistributed	56,498	17,651			74,149
7	DEK 2022 Rate Case - Electric		302,639			302,639
8	Validation Adjustment					
47	Miscellaneous Work in Progress					
48	Deferred Regulatroy Comm. Expenses (See pages 350 - 351)					
49	TOTAL	2,215,689				2,377,047

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

(b) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Electric	53,751,239	56,936,752
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	53,751,239	56,936,752
9	Gas		
10		16,970,885	17,519,260
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)	16,970,885	17,519,260
17.1	Other (Specify)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	70,722,124	74,456,012

Notes

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares (e)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	Common Stock	1,000,000	15.00		585,333	8,779,995				
7	Total	1,000,000			585,333	8,779,995				
8	Preferred Stock (Account 204)									
9										
10										
11										
12	Total									
1	Capital Stock (Accounts 201 and 204) - Data Conversion									
2										
3										
4										
5	Total	1,000,000			585,333	8,779,995				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 2023-04-14	Year/Period of Report End of: 2022/ Q4

Other Paid-in Capital

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	148,811,383
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	148,811,383
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	124,843,806
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	
16	Ending Balance Amount	124,843,806
17	**Historical Data - Other Paid in Capital**	

18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	273,655,189

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

21		
22	TOTAL	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds, and in column (b) include the related account number.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received, and in column (b) include the related account number.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued, and in column (b) include the related account number.
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a)principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (m). Explain in a footnote any difference between the total of column (m) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)	Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZATION PERIOD Date From (j)	AMORTIZATION PERIOD Date To (k)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (l)	Interest for Year Amount (m)
1	Bonds (Account 221)												
2													
3													
4													
5	Subtotal												
6	Reacquired Bonds (Account 222)												
7													
8													
9													
10	Subtotal												

11	Advances from Associated Companies (Account 223)												
12	Intercompany Moneypool Notes Payable-Long Term, 4.606%		25,000,000					12/15/2014	03/18/2027	12/15/2014	03/18/2027	25,000,000	1,480,518
13	Subtotal		25,000,000									25,000,000	1,480,518
14	Other Long Term Debt (Account 224)												
15	6.20% SERIES DUE IN 2036		65,000,000		653,550		367,900	03/07/2006	03/10/2036	03/07/2006	03/10/2036	65,000,000	4,030,000
16	2008 SERIES POLLUTION CONTROL REFUNDING BONDS DUE IN 2027 3.700%		50,000,000		691,754			06/27/2022	08/01/2027	06/27/2022	08/01/2027	50,000,000	945,556
17	2010 SERIES A POLLUTION CONTROL REFUNDING BONDS DUE IN 2027, 3.750%		26,720,000		939,966			02/01/2012	08/01/2027	02/01/2012	08/01/2027	26,720,000	348,795
18	TERM LOAN DUE IN 2023, 4.272%		50,000,000					10/12/2021	10/12/2023	10/12/2021	10/12/2023	50,000,000	1,116,226
19	3.42% SERIES DUE IN 2026		45,000,000		220,191			01/05/2016	01/15/2026	01/05/2016	01/15/2026	45,000,000	1,539,000
20	4.45% SERIES DUE IN 2046		50,000,000		247,535			01/05/2016	01/15/2046	01/05/2016	01/15/2046	50,000,000	2,225,000
21	3.35% SERIES DUE IN 2029		30,000,000		124,475			09/07/2017	09/15/2029	09/07/2017	09/15/2029	30,000,000	1,005,000
22	4.11% SERIES DUE IN 2047		30,000,000		124,475			09/07/2017	09/15/2047	09/07/2017	09/15/2047	30,000,000	1,233,000

23	4.26% SERIES DUE IN 2057		30,000,000		124,475			09/07/2017	09/15/2057	09/07/2017	09/15/2057	30,000,000	1,278,000
24	4.01% SERIES DUE IN 2023		25,000,000		111,522			10/03/2018	10/15/2023	10/03/2018	10/15/2023	25,000,000	1,002,500
25	4.18% SERIES DUE IN 2028		40,000,000		156,522			10/03/2018	10/15/2028	10/03/2018	10/15/2028	40,000,000	1,672,000
26	4.62% SERIES DUE IN 2048		35,000,000		141,522			12/12/2018	12/15/2048	12/12/2018	12/15/2048	35,000,000	1,617,000
27	4.32% SERIES DUE IN 2049		40,000,000		195,082			07/17/2019	07/15/2049	07/17/2019	07/15/2049	40,000,000	1,728,000
28	3.23% SERIES DUE IN 2025		95,000,000		415,082			09/26/2019	10/01/2025	09/26/2019	10/01/2025	95,000,000	3,068,500
29	3.56% SERIES DUE IN 2029		75,000,000		335,082			09/26/2019	10/01/2029	09/26/2019	10/01/2029	75,000,000	2,670,000
30	2.65% SERIES DUE IN 2030		35,000,000		127,283			09/15/2020	09/15/2030	09/15/2020	09/15/2030	35,000,000	927,500
31	3.66% SERIES DUE IN 2050		35,000,000		127,283			09/15/2020	09/15/2050	09/15/2020	09/15/2050	35,000,000	1,281,000
32	(d) Footnote												
33	Subtotal		756,720,000		4,735,799		367,900					756,720,000	27,687,076
33	TOTAL		781,720,000									781,720,000	29,167,594

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this note. The interest rate is as of December 31, 2022.

(b) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this pollution control bond. The interest rate is as of December 31, 2022.

(c) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this term loan bond. The interest rate is as of December 31, 2022.

(d) Concept: ClassAndSeriesOfObligationCouponRateDescription

On December 2, 2022 the Kentucky PSC approved Duke Energy Kentucky's long-term financing application authorizing the issuance of up to $275 million of secured and/or unsecured notes, and $76.72 million of tax-exempt private activity bonds to refund existing tax exempt bonds. Authorization expires 12/31/2024.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	58,552,018
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	1,906,698
6	Total	1,906,698
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal & State Income Tax Deducted for Books	12,005,847
11	Bad Debts	215,809
12	Book Depreciation	74,297,150
13	Capitalized Hardware/Software	137,055
14	Coal Ash Spend, Net of Capitalized Portion	3,508,863
15	Deferred Revenue	501,061
16	Demand Side Management Deferral	3,993,396
17	Emissions Allowance Expense	216
18	Gas Supplier Refunds	576,963
19	Impairment of Plant Assets	6,909,955
20	Lease Adjustments	578,135

21	Lobbying	360,000
22	Loss on Reacquired Debt	122,140
23	Meals	36,240
24	Offsite Gas Storage Costs	1,027,688
25	Penalties	4
26	Property Tax Reserves	14,107,595
27	Rate Refunds	588,621
28	Regulatory Asset - Carbon Management	199,996
29	Regulatory Asset - Deferred Plant Costs	3,913,226
30	Regulatory Asset - Deferred Revenue	18,973,115
31	Regulatory Asset - FAS 158	4,057,656
32	Regulatory Asset - Non-AMI Meters	368,588
33	Regulatory Asset - Opt Out Tariff IT Modifications	31,440
34	Regulatory Asset - Vacation Carryover	121,045
35	Regulatory Asset- Storm Damage Recovery	982,536
36	Regulatory Liability - Rate Case Expenses	67,834
37	Regulatory Liability - RSLI & Other Misc Dfd Costs	265,458
38	Storm Cost Deferral	255,150
39	Tax Interest Capitalized	1,963,211
40	Transportation Benefits	24,000
41	Unamortized Debt Premium	14,262
42	Unbilled Revenue - Fuel	124,163
43	Total	150,328,418
14	Income Recorded on Books Not Included in Return	
15	Allowance for Funds Used During Construction	1,249,377
16	Total	1,249,377
19	Deductions on Return Not Charged Against Book Income	
20	State Income Tax Deduction	1,390,041

21	AFUDC Interest	1,112,022
22	Asset Retirement Obligation	81,668
23	Benefits Accruals	5,168,113
24	Cares Act Reserve	404,161
25	COLI Adjustments	9,559
26	Cost of Removal	18,355,504
27	Deferred Costs - Customer Connect	1,042,625
28	Environmental Reserve	48,768
29	Equipment/T&D Repairs	22,127,840
30	Mark to Market	16,257
31	MGP Sites	50,536
32	Non-Cash Overhead Basis Adjustment	340,444
33	Regulatory Asset - ESM Deferral	3,554,952
34	Regulatory Asset - Rate Case Expenses	207,864
35	Regulatory Asset - Transition from MISO to PJM	241,727
36	Regulatory Liability - Outage Costs	6,814,157
37	Tax Depreciation/Amortization	77,100,000
38	Tax Gains/Losses	12,440,000
39	Total	150,506,238
27	Federal Tax Net Income	59,031,519
28	Show Computation of Tax:	
29	Tax at 21% for Electric, Water, Non-Utility and Gas	12,396,619
30	Prior Year Federal Tax True Ups	(2,902,510)
31	Total Federal Income Tax	9,494,109

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TAXES ACCRUED, PREPAID AND CHARGES DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estim amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (g) and (h). The balancing of this pa affected by the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (d).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the a charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the taxes charged to utility plant or other bala accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CH		
					Taxes Accrued (Account 236) (e)	Prepaid Taxes (Include in Account 165) (f)				Taxes Accrued (Account 236) (j)	Prepaid Taxes (Included in Account 165) (k)	Electric (Account 408.1, 409.1) (l)	Extraordinary Items (Account 409.3) (m)	Adjustm to Ret Earnin (Accou 439) (n)
1	Social Security Tax	Federal Tax	Federal	2022	216,342		1,230,966	1,770,733		(323,425)		1,686,742		
2	**Subtotal Federal Tax**				216,342		1,230,966	1,770,733		(323,425)		1,686,742		
3	Sales and Use	State Tax	KY	2022	143,795				[a](143,795)					
4	**Subtotal State Tax**				143,795				(143,795)					
5	Property Tax	Local Tax	KY	2022	14,825,048				[b](14,825,048)					
6	**Subtotal Local Tax**				14,825,048				(14,825,048)					
7	State Property Tax	Property Tax	KY	2022	2,604,132		19,855,185	11,744,464	[c]14,825,048	25,539,901		15,509,813		
8	**Subtotal Property Tax**				2,604,132		19,855,185	11,744,464	14,825,048	25,539,901		15,509,813		

9	Fed Unemployment	Unemployment Tax	Federal	2022	638		8,009	8,255		392		5,859		
10	State Unemployment	Unemployment Tax	Various	2022	579		10,294	24,278		(13,405)		9,903		
11	**Subtotal Unemployment Tax**				1,217		18,303	32,533		(13,013)		15,762		
12	KY Sales and Use Tax	Sales And Use Tax	KY	2022	0	0	2,727,118	2,341,486	(d)38,824	424,456		270,609		
13	OH Sales and Use Tax	Sales And Use Tax	OH	2022	0	0	49,198	39,002	(g)7,540	17,736		(41,366)		
14	Other Sales and Use Tax	Sales And Use Tax	Other	2022	0	0	2,173		(f)97,431	99,604				
15	**Subtotal Sales And Use Tax**				0	0	2,778,489	2,380,488	143,795	541,796		229,243		
16	Fed Income Tax	Income Tax	Federal	2022	(6,757,397)		9,494,109	(8,402,128)		11,138,840		8,497,247		
17	State Income Tax	Income Tax	KY	2022	(1,810,628)		1,390,022	(2,752,400)		2,331,794		1,145,949		
18	**Subtotal Income Tax**				(8,568,025)		10,884,131	(11,154,528)		13,470,634		9,643,196		
19	State Franchise	Franchise Tax	Various	2022	1		(1)					10,481		
20	**Subtotal Franchise Tax**				1		(1)					10,481		
21	Miscellaneous Tax	Miscellaneous Other Tax	Various	2022	0	0	8,144	8,144		0				
22	**Subtotal Miscellaneous Other Tax**				0	0	8,144	8,144		0				
40	TOTAL				9,222,510		34,775,217	4,781,834		39,215,893		27,095,237		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: TaxAdjustments

The balance at the beginning of the year is being transferred to lines 12, 13, and 14 in order to break out additional state details.

(b) Concept: TaxAdjustments

Transfer to line 7.

(c) Concept: TaxAdjustments

Transfer from line 5.

(d) Concept: TaxAdjustments

A portion of the balance at the beginning of year from line 3 is being transferred to this line in order to break out additional state details.

(e) Concept: TaxAdjustments

A portion of the balance at the beginning of year from line 3 is being transferred to this line in order to break out additional state details.

(f) Concept: TaxAdjustments

A portion of the balance at the beginning of year from line 3 is being transferred to this line in order to break out additional state details.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION (j)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)				
1	Electric Utility									
2	3%									
3	4%									
4	7%									
5	10%	(77)			411.4	(77)			30 years	
6	30%	3,235,578						3,235,578	25 years	
8	TOTAL Electric (Enter Total of lines 2 thru 7)	3,235,501				(77)		3,235,578		
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)									
10										
11	Gas - 4	881			411.4	881			46 years	
12	Gas -10	323,596			411.4	194,608		128,988	45 years	
13	Total Gas	324,476				195,489		128,988		
47	OTHER TOTAL									
48	GRAND TOTAL	3,559,977				195,412		3,364,566		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	MISO MTEP Accrual	12,096,525			(241,727)	11,854,798
2	Deferred Revenue -Outdoor Lighting	1,106,990	415	171,798	672,858	1,608,050
3	Amort period 10 years over life					
4	of contracts					
5	MGP Reserve	668,331			(50,536)	617,795
6	FTR MTM gains/losses	158,441	175	158,441		
7	Gas Refunds	150,066	805;191	318,208	895,172	727,030
8	Amort period varies					
9	SCHM Exec Cash Bal Plan	66,131			(66,131)	
47	TOTAL	14,246,484		648,447	1,209,636	14,807,673

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
							Debits		Credits		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Accelerated Amortization (Account 281)										
2	Electric										
3	Defense Facilities										
4	Pollution Control Facilities										
5	Other										
5.1	Other (provide details in footnote):										
8	TOTAL Electric (Enter Total of lines 3 thru 7)										
9	Gas										
10	Defense Facilities										
11	Pollution Control Facilities										
12	Other										
12.1	Other (provide details in footnote):										
15	TOTAL Gas (Enter Total of lines 10 thru 14)										
16	Other										
16.1	Other										

16.2	Other										
17	TOTAL (Acct 281) (Total of 8, 15 and 16)										
18	Classification of TOTAL										
19	Federal Income Tax										
20	State Income Tax										
21	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits		
							Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Account 282										
2	Electric	227,752,649	35,593,790	14,650,632	217,546	1,921,158	282	101,291		219,210 (b)	247,110,114
3	Gas	74,209,833	12,765,697	6,043,584	1,028,607	1,670,332	182	305,787		115,350 (b)	80,099,784
4	Other (Specify)										
5	Total (Total of lines 2 thru 4)	301,962,482	48,359,487	20,694,216	1,246,153	3,591,490		407,078		334,560	327,209,898
6											
7											
8											
9	TOTAL Account 282 (Total of Lines 5 thru 8)	301,962,482	48,359,487	20,694,216	1,246,153	3,591,490		407,078		334,560	327,209,898
10	Classification of TOTAL										
11	Federal Income Tax	247,769,140	37,964,472	16,604,597	997,749	2,875,573		178,905		185,711	267,257,997
12	State Income Tax	54,193,342	10,395,015	4,089,619	248,404	715,917		228,173		148,849	59,951,901
13	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherPropertyAdjustmentsCreditedToAccount

Offset to account 182 181,285 Offset to account 146 37,925 Total 219,210

(b) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherPropertyAdjustmentsCreditedToAccount

Offset to account 182 14,058 Offset to account 282 101,292 Total 115,350

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Provide in the space below explanations for Page 276. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits		
							Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Account 283										
2	Electric										
3	Electric	31,279,406	5,296,025	18,012,864			146	13,317		93,585 (a)	18,642,835
9	TOTAL Electric (Total of lines 3 thru 8)	31,279,406	5,296,025	18,012,864				13,317		93,585	18,642,835
10	Gas										
11	Gas	5,438,891	2,038,042	2,079,807				82,869 (a)	146	5,820	5,320,077
17	TOTAL Gas (Total of lines 11 thru 16)	5,438,891	2,038,042	2,079,807				82,869		5,820	5,320,077
18	TOTAL Other										
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	36,718,297	7,334,067	20,092,671				96,186		99,405	23,962,912
20	Classification of TOTAL										
21	Federal Income Tax	29,782,568	5,872,116	16,087,457				32,549		25,322	19,560,000
22	State Income Tax	6,935,729	1,461,951	4,005,214				63,637		74,083	4,402,912
23	Local Income Tax										

NOTES

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsCreditedToAccount

Offset to account 182	78,456	Offset to account 146	15,129 Total	93,585

(b) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsDebitedToAccount

Offset to account 182	77,592	Offset to account 146	5,277 Total	82,869

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	INCOME TAXES	123,882,196	190, 411	7,383,216		116,498,980
2	PENSION COSTS	6,168,969	182.3, 228.3, 254, 926	65,736	(267,699)	5,835,534
3	DSM ENERGY EFFICIENCY- Order #2015-00368	847,826			747,069	1,594,895
4	DEFERRED FORCED OUTAGE- Order #2017-00321					
5	Tax Regulatory Liab - Reclass				241,056	241,056
41	TOTAL	130,898,991		7,448,952	720,426	124,170,465

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Electric Operating Revenues

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.
6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See page 108, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e)	AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f)	AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g)
1	Sales of Electricity						
2	(440) Residential Sales	200,134,403	158,444,225	1,518,206	1,497,185	134,068	130,738
3	(442) Commercial and Industrial Sales						
4	Small (or Comm.) (See Instr. 4)	158,778,513	139,152,281	1,448,218	1,533,224	13,031	14,235
5	Large (or Ind.) (See Instr. 4)	72,940,893	59,283,498	755,019	750,976	336	356
6	(444) Public Street and Highway Lighting	1,859,753	1,680,436	12,832	13,143	567	530
7	(445) Other Sales to Public Authorities	25,333,652	13,693,368	241,213	150,815	899	655
8	(446) Sales to Railroads and Railways						
9	(448) Interdepartmental Sales	110,541	53,505	1,071	666		
10	TOTAL Sales to Ultimate Consumers	459,157,755	372,307,313	3,976,559	3,946,009	148,901	146,514
11	(447) Sales for Resale	51,207,036	15,522,798	492,508	553,959	1	1
12	TOTAL Sales of Electricity	510,364,791	387,830,111	4,469,067	4,499,968	148,902	146,515
13	(Less) (449.1) Provision for Rate Refunds	9,275,161	(1,162,077)				

14	TOTAL Revenues Before Prov. for Refunds	501,089,630	388,992,188	4,469,067	4,499,968	148,902	146,515
15	Other Operating Revenues						
16	(450) Forfeited Discounts						
17	(451) Miscellaneous Service Revenues	(b) 241,789	(d) 208,589				
18	(453) Sales of Water and Water Power						
19	(454) Rent from Electric Property	1,545,653	1,521,736				
20	(455) Interdepartmental Rents						
21	(456) Other Electric Revenues	(b) 4,476,371	(d) 2,970,600				
22	(456.1) Revenues from Transmission of Electricity of Others	5,887,584	2,894,440				
23	(457.1) Regional Control Service Revenues	218,485	229,226				
24	(457.2) Miscellaneous Revenues	(c) 1,883,254	(f) 2,203,029				
25	Other Miscellaneous Operating Revenues						
26	TOTAL Other Operating Revenues	14,253,136	10,027,620				
27	TOTAL Electric Operating Revenues	515,342,766	399,019,808				

Line12, column (b) includes $ 10,813,638 of unbilled revenues.
Line12, column (d) includes 89,231 MWH relating to unbilled revenues

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: MiscellaneousServiceRevenues		
Non-Utility Miscellaneous Revenue	$	281,111
Power Delivery Revenue		13,730
Green Power		13,530
Jobbing and Contract Work		(66,582)
Total	$	241,789
(b) Concept: OtherElectricRevenue		
RSG Revenue - MISO Make Whole	$	4,469,491
Other Electric Revenues		6,250
Profit Or Loss On Sale Of M&S		—
Data Processing Service		80
Sales & Use Tax Collection Fee		550
Gross Up-Contr In Aid Of Const		—
Total	$	4,476,371
(c) Concept: MiscellaneousRevenue		
PJM Reactive Rev	$	1,883,254
Total	$	1,883,254
(d) Concept: MiscellaneousServiceRevenues		
Non-Utility Miscellaneous Revenue	$	171,947
Power Delivery Revenue		48,293
Green Power		13,997
Jobbing and Contract Work		(25,648)
Total	$	208,589
(e) Concept: OtherElectricRevenue		
RSG Revenue - MISO Make Whole	$	2,984,979
Other Electric Revenues		15000
Profit Or Loss On Sale Of M&S		654
Data Processing Service		960
Sales & Use Tax Collection Fee		600
Gross Up-Contr In Aid Of Const		(31,593)
Total	$	2,970,600
(f) Concept: MiscellaneousRevenue		
PJM Reactive Rev	$	2,203,029
Total	$	2,203,029

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Scheduling, System Control, and Dispatch	66,916	113,517	171,999	218,485
46	TOTAL	66,916	113,517	171,999	218,485

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Residential SHEET 30 (1)	1,488,391	195,930,541	133,982	11,109	0.1316
2	Residential SHEET 62	950	103,116	86		0.1085
41	TOTAL Billed Residential Sales	1,489,341	196,033,657	134,068	11,109	0.1316
42	TOTAL Unbilled Rev. (See Instr. 6)	28,865	4,100,746			0.1421
43	TOTAL	1,518,206	200,134,403	134,068	11,109	0.1318

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	SHEET 40 (8)					
2	SHEET 42 (9)					
41	TOTAL Billed Small or Commercial					
42	TOTAL Unbilled Rev. Small or Commercial (See Instr. 6)					
43	TOTAL Small or Commercial	1,448,218	158,778,513	13,031		

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
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41	TOTAL Billed Large (or Ind.) Sales					
42	TOTAL Unbilled Rev. Large (or Ind.) (See Instr. 6)					
43	TOTAL Large (or Ind.)	755,019	72,940,893	336		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	SHEET 40 (8)	1,271,082	141,514,667	7,891	161,080	0.1113
2	SHEET 42 (9)	4,137	437,874	26	159,115	0.1058
3	SHEET 43 (10)	2	369	0		0.1845
4	SHEET 44 (11)	4,513	543,888	28	161,179	0.1205
5	SHEET 60 (18)	3	402	0		0.1340
6	SHEET 69 (19)			0		
7	SHEET 61 (17)			0		
8	SHEET 62(15)	2,611	232,834	16	163,188	0.0892
9	SHEET 51 (14)	117,207	10,144,529	728	160,999	0.0866
10	SHEET 41 (13)	746,049	72,297,407	4,632	161,064	0.0969
11	SHEET 45 (12)	7,424	882,363	46	161,391	0.1189
12	SHEET 30 (7)					
13	SHEET 73(22)					
41	TOTAL Billed Commercial and Industrial Sales	2,153,028	226,054,333	13,367	1,128,015	0.1050
42	TOTAL Unbilled Rev. (See Instr. 6)	50,209	5,665,073			0.1128
43	TOTAL	2,203,237	231,719,406	13,367	1,128,015	0.1052

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Sheet 40 (24)	3,195	394,815	141	22,660	0.1236
2	Sheet 60 (25)	5,596	990,790	247	22,656	0.1771
3	Sheet 66 (26)	247	57,718	11	22,455	0.2337
4	Sheet 62	1,619	139,029	72	22,486	0.0859
5	SHEET 68	68	4,665	3	22,667	0.0686
6	SHEET 69 (19)	1,033	185,287	46	22,457	0.1794
7	Sheet 61 (29)	1,074	87,449	47	22,851	0.0814
41	TOTAL Billed Public Street and Highway Lighting	12,832	1,859,753	567	158,230	0.1449
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL	12,832	1,859,753	567	158,230	0.1449

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	SHEET 30 (30)					
2	SHEET 40(31)	133,058	15,073,408	518	256,869	0.1133
3	SHEET 42(32)	5,149	527,474	20	257,450	0.1024
4	SHEET 43 (33)	122	18,815	0		0.1542
5	SHEET 44 (34)	119	14,486	0		0.1217
6	SHEET 45 (35)	4,248	438,462	17	249,882	0.1032
7	SHEET 41 (36)	65,778	6,350,638	256	256,945	0.0965
8	SHEET 51 (37)	22,187	1,826,128	86	257,988	0.0823
9	SHEET 65 (38)					
10	SHEET 73 (41)					
11	SHEET 62 (43)	395	36,422	2	197,500	0.0922
41	TOTAL Billed Other Sales to Public Authorities	231,056	24,285,833	899	1,476,635	0.1051
42	TOTAL Unbilled Rev. (See Instr. 6)	10,157	1,047,819			0.1032
43	TOTAL	241,213	25,333,652	899	1,476,635	0.1050

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Interdepartmental Sales	1,071	110,541			0.1032
41	TOTAL Billed Interdepartmental Sales	1,071	110,541			0.1032
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL	1,071	110,541			0.1032

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
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41	TOTAL Billed Provision For Rate Refunds					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL		9,275,161			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
41	TOTAL Billed - All Accounts	3,887,328	448,344,117	148,901	2,773,989	0.1153
42	TOTAL Unbilled Rev. (See Instr. 6) - All Accounts	89,231	10,813,638			0.1212
43	TOTAL - All Accounts	3,976,559	459,157,755	148,901	2,773,989	0.1155

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

   RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

   LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.

   IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.

   SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

   LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.

   IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

   OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

   AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k).
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,line 24.
10. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW) (d)	ACTUAL DEMAND (MW)		Megawatt Hours Sold (g)	REVENUE			Total ($) (h+i+j) (k)
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)		Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	

			(c)								
1	PJM Settlement, Inc.	OS	MBRT1				493,171	1,537,235	49,662,685		51,199,920
2	PJM Settlement, Inc.	AD	MBRT1				(663)		7,116		7,116
15	Subtotal - RQ										
16	Subtotal-Non-RQ						492,508	1,537,235	49,669,801		51,207,036
17	Total						492,508	1,537,235	49,669,801		51,207,036

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c) (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	2,152,838	2,473,587
5	(501) Fuel	81,365,197	55,555,683
6	(502) Steam Expenses	18,288,601	15,449,544
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	762,945	733,945
10	(506) Miscellaneous Steam Power Expenses	1,596,342	1,422,135
11	(507) Rents		
12	(509) Allowances	632	733
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	104,166,555	75,635,627
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	1,850,692	2,174,570
16	(511) Maintenance of Structures	3,059,078	6,094,616
17	(512) Maintenance of Boiler Plant	9,678,546	11,047,145
18	(513) Maintenance of Electric Plant	2,483,188	3,455,166
19	(514) Maintenance of Miscellaneous Steam Plant	2,271,346	3,378,280
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	19,342,850	26,149,777
21	TOTAL Power Production Expenses-Steam Power (Enter Total of Lines 13 & 20)	123,509,405	101,785,404

22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuclear. Power (Enter Total of lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		

49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (Total of Lines 50 & 58)		
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	291,805	302,851
63	(547) Fuel	14,710,136	4,448,773
64	(548) Generation Expenses	240,412	134,838
64.1	(548.1) Operation of Energy Storage Equipment		
65	(549) Miscellaneous Other Power Generation Expenses	1,212,513	1,087,335
66	(550) Rents		
67	TOTAL Operation (Enter Total of Lines 62 thru 67)	16,454,866	5,973,797
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	207,298	245,684
70	(552) Maintenance of Structures	166,953	320,854
71	(553) Maintenance of Generating and Electric Plant	647,118	919,762
71.1	(553.1) Maintenance of Energy Storage Equipment		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	296,228	333,146
73	TOTAL Maintenance (Enter Total of Lines 69 thru 72)	1,317,597	1,819,446
74	TOTAL Power Production Expenses-Other Power (Enter Total of Lines 67 & 73)	17,772,463	7,793,243

75	E. Other Power Supply Expenses		
76	(555) Purchased Power	142,594,801	96,616,963
76.1	(555.1) Power Purchased for Storage Operations	0	
77	(556) System Control and Load Dispatching	37	118
78	(557) Other Expenses	3,772,654	(13,298,638)
79	TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78)	146,367,492	83,318,443
80	TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79)	287,649,360	192,897,090
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	3,710	4,185
85	(561.1) Load Dispatch-Reliability	84,220	74,182
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	370,259	361,043
87	(561.3) Load Dispatch-Transmission Service and Scheduling	49,714	46,470
88	(561.4) Scheduling, System Control and Dispatch Services	1,988,719	2,768,097
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	2,046,435	2,073,859
93	(562) Station Expenses	127,509	115,176
93.1	(562.1) Operation of Energy Storage Equipment		
94	(563) Overhead Lines Expenses	116,780	15,778
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	21,126,946	19,455,367
97	(566) Miscellaneous Transmission Expenses	104,372	126,660
98	(567) Rents		
99	TOTAL Operation (Enter Total of Lines 83 thru 98)	26,018,664	25,040,817
100	Maintenance		

101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures	27,569	28,359
103	(569.1) Maintenance of Computer Hardware		42
104	(569.2) Maintenance of Computer Software	50,073	119,067
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	237,523	180,022
107.1	(570.1) Maintenance of Energy Storage Equipment		
108	(571) Maintenance of Overhead Lines	637,356	310,946
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of Lines 101 thru 110)	952,521	638,436
112	TOTAL Transmission Expenses (Total of Lines 99 and 111)	26,971,185	25,679,253
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	1,800,217	1,922,719
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	1,800,217	1,922,719
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		

128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Operation Expenses (Enter Total of Lines 123 and 130)	1,800,217	1,922,719
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	80,623	55,870
135	(581) Load Dispatching	339,858	373,632
136	(582) Station Expenses	99,295	92,075
137	(583) Overhead Line Expenses	224,989	232,087
138	(584) Underground Line Expenses	402,156	352,338
138.1	(584.1) Operation of Energy Storage Equipment		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	478,901	410,391
141	(587) Customer Installations Expenses	678,611	639,140
142	(588) Miscellaneous Expenses	2,003,402	1,298,812
143	(589) Rents	59,153	73,642
144	TOTAL Operation (Enter Total of Lines 134 thru 143)	4,366,988	3,527,987
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	96,278	61,664
147	(591) Maintenance of Structures		2,955
148	(592) Maintenance of Station Equipment	362,911	361,551
148.1	(592.2) Maintenance of Energy Storage Equipment		
149	(593) Maintenance of Overhead Lines	9,286,304	6,352,091
150	(594) Maintenance of Underground Lines	212,988	190,198
151	(595) Maintenance of Line Transformers	17,696	34,129
152	(596) Maintenance of Street Lighting and Signal Systems	201,280	201,665

153	(597) Maintenance of Meters	407,922	343,491
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of Lines 146 thru 154)	10,585,379	7,547,744
156	TOTAL Distribution Expenses (Total of Lines 144 and 155)	14,952,367	11,075,731
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	99,205	93,650
160	(902) Meter Reading Expenses	225,910	294,899
161	(903) Customer Records and Collection Expenses	4,740,425	4,510,262
162	(904) Uncollectible Accounts	(667,004)	224,295
163	(905) Miscellaneous Customer Accounts Expenses	159	115
164	TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163)	4,398,695	5,123,221
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	112	82
169	(909) Informational and Instructional Expenses	7,573	7,223
170	(910) Miscellaneous Customer Service and Informational Expenses	329,779	268,693
171	TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170)	337,464	275,998
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	1,349,190	1,410,637
176	(913) Advertising Expenses	42,864	40,506
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of Lines 174 thru 177)	1,392,054	1,451,143
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		

181	(920) Administrative and General Salaries	7,986,363	8,771,467
182	(921) Office Supplies and Expenses	3,626,387	3,236,471
183	(Less) (922) Administrative Expenses Transferred-Credit	(1)	3
184	(923) Outside Services Employed	1,841,188	2,079,112
185	(924) Property Insurance	1,467,670	1,032,286
186	(925) Injuries and Damages	449,816	605,631
187	(926) Employee Pensions and Benefits	7,199,694	5,220,484
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	771,570	839,865
190	(929) (Less) Duplicate Charges-Cr.	709,633	514,500
191	(930.1) General Advertising Expenses	113,397	59,365
192	(930.2) Miscellaneous General Expenses	830,065	686,255
193	(931) Rents	889,582	860,887
194	TOTAL Operation (Enter Total of Lines 181 thru 193)	24,466,100	22,877,320
195	Maintenance		
196	(935) Maintenance of General Plant	45,981	29,916
197	TOTAL Administrative & General Expenses (Total of Lines 194 and 196)	24,512,081	22,907,236
198	TOTAL Electric Operation and Maintenance Expenses (Total of Lines 80, 112, 131, 156, 164, 171, 178, and 197)	362,013,423	261,332,391

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

PURCHASED POWER (Account 555)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

   RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

   LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

   IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

   SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

   LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

   IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

   EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

   OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

   AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) the megawatthours shown on bills rendered to the respondent for energy storage purchases. Report in columns (i) and (j) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments, in column (m). Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (n) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported as Purchases on Page 401, line 10. The total amount in column (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

					Actual Demand (MW)			POWER EXCHANGES	COST/SETTLEMENT OF POWER

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	Ferc Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)	MegaWatt Hours Purchased (Excluding for Energy Storage) (g)	MegaWatt Hours Purchased for Energy Storage (h)	MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	Demand Charges ($) (k)	Energy Charges ($) (l)	Other Charges ($) (m)	Total (k+l+m) of Settlement ($) (n)
1	L'Oreal	IU	(1)									120		120
2	PJM Settlement, Inc	OS	MBRT1				1,882,287					143,790,903		143,790,903
3	PJM Settlement, Inc	AD	MBRT1				(3,195)						(266,735)	(266,735)
4	Wells Fargo Securities	OS	NJ									(929,487)		(929,487)
15	TOTAL						1,879,092	0	0	0	0	142,861,536	(266,735)	142,594,801

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: RateScheduleTariffNumber

The number "1" notation designates FERC approved Tariff and/or Rate Schedule as on file with the Commission. The tariff is applicable to qualifying cogeneration and small power production facilities.

(b) Concept: RateScheduleTariffNumber

NJ = Non-Jurisdictional Agreement.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as "wheeling")

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (0) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	Ferc Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS			
									Megawatt Hours Received (i)	Megawatt Hours Delivered (j)	Demand Charges ($) (k)	Energy Charges ($) (l)	Other Charges ($) (m)	Total Revenues ($) (k+l+m) (n)
1	PJM			OS							176,101		5,711,483	5,887,584
35	TOTAL							0	0	0	176,101	0	5,711,483	5,887,584

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Page 328 Line 1 Column M

PJM Financial Transmission Rights (FTRs)	5,656,157
Facilities Charges	55,325
Total Other Charges	5,711,483

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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40	TOTAL				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter ""TOTAL"" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			MegaWatt Hours Received (c)	MegaWatt Hours Delivered (d)	Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Midcontinent ISO	LFP					557,000 [a]	557,000
2	PJM Interconnection	LFP			20,569,946			20,569,946
	TOTAL		0	0	20,569,946	0	557,000	21,126,946

FOOTNOTE DATA

(a) Concept: OtherChargesTransmissionOfElectricityByOthers

Accretion of the MTEP obligation.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	45,253
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	2,324
4	Pub and Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn greater than or equal to 5,000 show purpose, recipient, amount. Group if less than $5,000	
6	Business and Service Company Support	564,304
7	Director's Fees and Expenses	48,387
8	Shareholder's Communications/System	144,237
9	Dues and Subscriptions to Various Organizations	42,578
10	Account Analysis Reconciliation Adjustments	(17,018)
46	TOTAL	830,065

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Depreciation and Amortization of Electric Plant (Account 403, 404, 405)

1. Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
   Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
   In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
   For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type of mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			3,305,763		3,305,763
2	Steam Production Plant	22,229,459				22,229,459
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	11,188,206				11,188,206
7	Transmission Plant	2,032,865				2,032,865
8	Distribution Plant	13,732,059				13,732,059
9	Regional Transmission and Market Operation					
10	General Plant	713,139		885,389		1,598,528
11	Common Plant-Electric	(112,015)		122,956		10,941
12	TOTAL	49,783,713		4,314,108		54,097,821

B. Basis for Amortization Charges

Line No.	C. Factors Used in Estimating Depreciation Charges						
	Account No. (a)	Depreciable Plant Base (in Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	311 - East Bend						
13	312 - East Bend - Boiler						
14	312 - East Bend - SCR						
15	3120 - East Bend 2 - Catalyst						
16	314 - East Bend - Turbogen						
17	315 - East Bend						
18	316 - East Bend						
19	3410 - Woodsdale Struc & Impv						
20	3420 - Woodsdale Fuel Hold Prd						
21	3430 - Woodsdale Prime Movers						
22	3431 - Woodsdale CT Rotables						
23	3440 - Woodsdale Generators						
24	3446 - Crittenden Solar - Gen						
25	3446 - Walton 1 Solar						
26	3446 - Walton 2 Solar						
27	3450 - Woodsdale Acc Elec Equipment						

28	3456 - Crittenden Solar						
29	3456 - Walton 1 Solar						
30	3456 - Walton 2 Solar						
31	3460 - Woodsdale Misc Plant Equipment						
32	3501 - Trans Rights of Way						
33	3520 - Trans Structure & Improvments						
34	3530 - Trans Station Equipment						
35	3531 - Woodsdale						
36	3532 - Major Equipment						
37	3534 - Step-up Equipment						
38	3550 - Trans Poles & Fixtures						
39	3560 - Trans OH Conduct & Device						
40	3561 - Trans OH Conduct-ClearRW						
41	3601 - Distrib Rights of Way						
42	3610 - Dist Structures & Improvments						
43	3620 - Dist Station Equipment						
44	3622 - Major Equipment (Distri)						

45	3640 - Poles, Towers & Fixtures						
46	3650 - Distr OH Conduct &Device						
47	3651 - Distr OH Conduct-ClearRW						
48	3660 - Distrib UG Conduits						
49	3670 - Distr UG Conduct &Device						
50	3680 - Line Transformers						
51	3682 - Cust Transformer Install						
52	3691 - UG Services						
53	3692 - OH Services						
54	3700 - Meters						
55	3700 - Meters Instrum Transformer						
56	3702 - Meters - AMI						
57	3711 - Area Lighting Cust Prem						
58	3712 - Company-owned Outdoot Lt						
59	3731 - Street Lighting OH						
60	3732 - Streetlighting Boulevard						
61	3733 - Streetlight Cust Pri Out						

62	3734 - Light Choice OLE - Public						
63	3900 - Structures & Improvement						
64	3910 - Office Furniture and Equipment						
65	3910 - Office Furniture andEquipment						
66	3911 - Electronic Data Proc Equipment						
67	3920 - Elec Transportation						
68	3921 - Trailers Group						
69	3940 - Tools, Shop & Garage Equipment						
70	3970 - Elec Communication Equipment						

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in columns (f), (g), and (h), expenses incurred during the year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

						EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR		
						CURRENTLY CHARGED TO						
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (d)	Deferred in Account 182.3 at Beginning of Year (e)	Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)
1	Kentucky Public Service Commission - Gas	171,825		171,825		Gas	928	171,825				
2	Kentucky Public Service Commission - Electric	610,167		610,167		Electric	928	610,167				
3	(a) Request for Rate Increase - Electric KPSC Case No. 2017-00321		78,890	78,890	256,394	Electric	928	78,890			78,890	177,504
4	(b) Request for Rate Increase - Gas KPSC Case No. 2018-00261		51,031	51,031	114,821	Gas	928	51,031			51,031	63,790
5	(c) Request for Rate Increase - Electric KPSC Case No. 2019-00271		67,834	67,834	226,112	Electric	928	67,834			67,834	158,278
6	(d) Request for Rate Increase - Gas KPSC Case No. 2021-00190		65,354	65,354	145,138	Gas	928	65,354	80,085		44,939	180,284

7	Request for Rate Increase - Electric KPSC Case No. 2022-00372								302,639			302,639
8	Misc. Regulatory Expenses - Gas		6,797	6,797		Gas	928	6,797				
9	Misc. Regulatory Expenses - Electric		14,679	14,679		Electric	928	14,679				
46	TOTAL	781,992	284,585	1,066,577	742,465			1,066,577	382,724		242,694	882,495

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: RegulatoryCommissionDescription

The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

(b) Concept: RegulatoryCommissionDescription

The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

(c) Concept: RegulatoryCommissionDescription

The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

(d) Concept: RegulatoryCommissionDescription

The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

(e) Concept: RegulatoryCommissionDescription

The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D and D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D and D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:
   Classifications:

Electric R, D and D Performed Internally:

Generation

hydroelectric

Recreation fish and wildlife
Other hydroelectric

Fossil-fuel steam
Internal combustion or gas turbine
Nuclear
Unconventional generation
Siting and heat rejection

Transmission

Overhead
Underground
Distribution
Regional Transmission and Market Operation
Environment (other than equipment)
Other (Classify and include items in excess of $50,000.)
Total Cost Incurred

Electric, R, D and D Performed Externally:

Research Support to the electrical Research Council or the Electric Power Research Institute
Research Support to Edison Electric Institute
Research Support to Nuclear Power Groups
Research Support to Others (Classify)
Total Cost Incurred

3. Include in column (c) all R, D and D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D and D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D and D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e).
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D and D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by ""Est.""
7. Report separately research and related testing facilities operated by the respondent.

Line No.	Classification (a)	Description (b)	Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)
					Amounts Charged In Current Year: Account (e)	Amounts Charged In Current Year: Amount (f)	
1	A. Electric R, D&D Performed Internally:						
2	Distribution	Research & Development Administration Costs	2,324		930.70	2,324	
3	TOTAL ELECTRIC R, D&D PERFORMED INTERNALLY		2,324			2,324	

4	B. Electric R, D&D Performed Externally:						
5	Electric Power Research Institute	Electric Power Research Institute Membership		147,183	Various	147,183	
6		Other (Less than $50K each)					
7	TOTAL ELECTRIC R, D&D PERFORMED EXTERNALLY			147,183		147,183	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	8,189,186		
4	Transmission	544,978		
5	Regional Market			
6	Distribution	1,665,550		
7	Customer Accounts	1,941,465		
8	Customer Service and Informational	126,991		
9	Sales			
10	Administrative and General	7,522,090		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	19,990,260		
12	Maintenance			
13	Production	4,364,927		
14	Transmission	282,004		
15	Regional Market			
16	Distribution	2,004,512		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	6,651,443		
19	Total Operation and Maintenance			

20	Production (Enter Total of lines 3 and 13)	12,554,113		
21	Transmission (Enter Total of lines 4 and 14)	826,982		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	3,670,062		
24	Customer Accounts (Transcribe from line 7)	1,941,465		
25	Customer Service and Informational (Transcribe from line 8)	126,991		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	7,522,090		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	26,641,703	674,429	27,316,132
29	Gas			
30	Operation			
31	Production - Manufactured Gas	77,281		
32	Production-Nat. Gas (Including Expl. And Dev.)			
33	Other Gas Supply	350,918		
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution	2,944,957		
37	Customer Accounts	1,436,443		
38	Customer Service and Informational	193,987		
39	Sales			
40	Administrative and General	2,059,114		
41	TOTAL Operation (Enter Total of lines 31 thru 40)	7,062,700		
42	Maintenance			
43	Production - Manufactured Gas	21,580		
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

48	Distribution	751,441		
49	Administrative and General	10,098		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	783,119		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)	98,861		
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)	350,918		
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)	3,696,398		
58	Customer Accounts (Line 37)	1,436,443		
59	Customer Service and Informational (Line 38)	193,987		
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)	2,069,212		
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	7,845,819	6,705	7,852,524
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	34,487,522	681,134	35,168,656
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	12,078,475	654,757	12,733,232
69	Gas Plant	7,298,136	367,849	7,665,985
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	19,376,611	1,022,606	20,399,217
72	Plant Removal (By Utility Departments)			
73	Electric Plant	3,911,396		3,911,396
74	Gas Plant	535,954		535,954

75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	4,447,350		4,447,350
77	Other Accounts (Specify, provide details in footnote):			
78	Other Accounts (Specify, provide details in footnote):			
79	Projects For Duke's Subsidiaries & Merchandising	37,592		37,592
80	Other Work in Progress	285,279		285,279
81	Other Accounts	1,165,711		1,165,711
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	1,488,582		1,488,582
96	TOTAL SALARIES AND WAGES	59,800,065	1,703,740	61,503,805

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Electric Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to the order of the Commission or other authorization.

1. COMMON UTILITY PLANT
COMMON PLANT IN SERVICE

Account Title	Bal. Beg. of Yr	Additions (A)	Retirements	Transfers (B)	Balance YE
303 Misc. Intangible Plant	22,366,609	58,394	0	0	22,425,003
370 Common AMI Meters	—	—	—	—	—
389 Land and Land Rights	1,041,678	—	—	—	1,041,678
390 Struct & Improvements	13,804,372	14,647	(4,891)	—	13,814,128
391 Office Furniture & Equipment	753,511	9,798	(5,177)	—	758,132
Electronic Data Processing	40,535	—		—	40,535
392 Transportation Equipment	—	—	—	—	—
393 Stores Equipment	—	—	—	—	—
394 Tools, Shop & Garage Equip	113,850	—	—	—	113,850
395 Laboratory Equipment	—	—	—	—	—
397 Communication Equipment	6,414,003	—	(2,110,693)	—	4,303,310
398 Miscellaneous Equipment	95,301	—	—	—	95,301
399 ARO General Plant	226,897	560,604	—	—	787,501
Total Common Plt in Service	44,856,756	643,443	(2,120,761)	—	43,379,438
CWIP	2,079,014	3,317,942	—	—	5,396,957
Total Common Utility Plant in Ser.	46,935,770	3,961,385	(2,120,761)	—	48,776,395

ALLOCATION OF COMMON PLANT TO UTILITY DEPARTMENTS (C)

Summary by Account Estimated as of 12/31/2022

Gas Department	28.77%	14,032,969
Electric Department	71.23%	34,743,426
	100.00%	48,776,395

(A) Classification of Account 106, Completed Construction Not Classified, included in the Additions column.

(B) Represents reclassification between utility departments and primary plant accounts.

(C) The percentages used to allocate Common Plant to utility departments are the weighted averages resulting from the application of allocation factors to the investment based on Gross Plant as of 12/31/2022.

2. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF COMMON UTILITY PLANT

Balance - Beginning of Year		29,646,364
Depreciation provision for the year charged to:		
(403) Depreciation Expense (1)	(162,077)	
(404) Amortization-Limited Term Plant	122,956	
(403.1) Depreciation Expense (1)	35,473	
		(3,648)
Net Charges for Plant Retired:		
Book Cost of Plant Retired	(2,120,761)	

Cost of Removal	(254,288)	
Salvage (Credit)	—	
		(2,375,049)
Other Items:		
Transfers & Adjustments	—	
		—
Balance - End of the Year		27,267,667

ALLOCATION OF ACCUMULATED PROVISION FOR DEPRECIATION TO UTILITY DEPARTMENTS (3)

Summary by Account Estimated as of 12/31/2022

Gas Department	28.77%	7,844,908
Electric Department	71.23%	19,422,760
	100.00%	27,267,668

METHOD OF DETERMINATION OF DEPRECIATION & AMORTIZATION

Common Plant in Service	Rate (4)
Miscellaneous Intangible Plant	Note (2)
Structures and Improvements	1.95%
Office Furniture and Equipment	5.00%
Electronic Data Processing Equipment	20.00%
Tools, Shop & Garage Equipment	4.00%
Transportation & Power Operated Equipment	Note (4)
Communication Equipment	6.67%
Miscellaneous Equipment	6.67%

(1) The Respondent determines its monthly provision for depreciation by the application of rates to the previous month's balance of property capitalized in each primary plant account plus total Account 106 - Completed Construction Not Classified.

(2) The Respondent amortized its investment in Miscellaneous Intangible Plant equally over 60 months for certain projects.

(3) The percentages used to allocate the Common Plant Accumulated Provision for Depreciation balances to utility departments are the weighted averages resulting from the application of allocation factors to the balance of Common Plant Accumulated Provision at 12/31/2022. These factors are based on Gross Plant as of 12/31/2022.

(4) In 1997, the Respondent adopted vintage year accounting for general plant accounts in accordance with FERC Accounting Release No. 15.

(5) The Respondent amortized its investment in Transportation & Power Operated Equipment over the estimated lives of the individual assets.

3. COMMON UTILITY PLANT EXPENSE ACCOUNTS

Common utility plant expense accounts are not maintained, but such expenses are allocated to gas and electric departments principally on one or more of the following bases:

Floor space utilized for buildings and office equipment

General labor - total company

Number of gas and electric customers
IT operations
Number of contracts
Three factor formula

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

4. COMMISSION APPROVAL

Prior to establishment of original cost, Messrs. Brenner and Eilers of the respondent and Campbell and Schwartz from Columbia System met with Mr. Smith of the Federal Power Commission to discuss amongst other things, the Federal Power Commission's permission to use the Common Utility Plant accounts. It was pointed out by the representatives of the Respondent that because of the nature of the Respondent's operations it was impossible and impractical to assign certain types of equipment directly to either gas or electric utility plant. Because of the facts presented, Mr. Smith gave the Respondent's respresentatives verbal permission to use the common plant accounts.

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	16,296,982	48,492,168	110,284,168	142,651,566
2.1	Net Purchases (Account 555.1)				
3	Net Sales (Account 447)	8,202,701	21,962,676	29,468,492	50,874,221
4	Transmission Rights	87,351	2,093,230	4,429,053	5,656,158
5	Ancillary Services				
6	Other Items (list separately)				
7	Ancillary Services (Account 555)	253,086	340,754	125,624	872,603
8	Ancillary Services (Account 447)	61,424	184,827	332,410	332,816
46	TOTAL	24,901,544	73,073,655	144,639,747	200,387,364

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.
In columns for usage, report usage-related billing determinant and the unit of measure.

1. On Line 1 columns (b), (c), (d), and (e) report the amount of ancillary services purchased and sold during the year.
2. On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.
3. On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.
4. On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.
5. On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
6. On Line 7 columns (b), (c), (d), and (e) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollar (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch			702,058			(b)239,586
2	Reactive Supply and Voltage			1,292,815			1,881,230
3	Regulation and Frequency Response			1,618,341			
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other			917,904			(b) 6,080,644
8	Total (Lines 1 thru 7)			4,531,117			8,201,460

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: AncillaryServicesSoldAmount

Revenues from PJM

(b) Concept: AncillaryServicesSoldAmount

Facilities Charge Revenues from PJM are included in total Other Revenues. ($55,325.40)

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

1. Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report on Column (b) by month the transmission system's peak load.
3. Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
4. Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
	NAME OF SYSTEM: Duke Energy Kentucky									
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									

17	Total									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Monthly ISO/RTO Transmission System Peak Load

1. Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report on Column (b) by month the transmission system's peak load.
3. Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
4. Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
5. Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Import into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
	NAME OF SYSTEM: Enter System									
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									

16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 2023-04-14	Year/Period of Report End of: 2022/ Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	3,976,559
3	Steam	2,777,700	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	492,508
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	543
7	Other	101,264	27	Total Energy Losses	288,446
8	Less Energy for Pumping		27.1	Total Energy Stored	
9	Net Generation (Enter Total of lines 3 through 8)	2,878,964	28	TOTAL (Enter Total of Lines 22 Through 27.1) MUST EQUAL LINE 20 UNDER SOURCES	4,758,056
10	Purchases (other than for Energy Storage)	1,879,092			
10.1	Purchases for Energy Storage	0			
11	Power Exchanges:				
12	Received	0			
13	Delivered	0			
14	Net Exchanges (Line 12 minus line 13)	0			
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				

19	Transmission By Others Losses	
20	TOTAL (Enter Total of Lines 9, 10, 10.1, 14, 18 and 19)	4,758,056

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirement Sales for Resale & Associated Losses (c)	Monthly Peak - Megawatts (d)	Monthly Peak - Day of Month (e)	Monthly Peak - Hour (f)
	NAME OF SYSTEM: Duke Energy Kentucky					
29	January	414,587	19,406	690	26	8
30	February	347,593	13,087	627	8	8
31	March	465,599	133,388	591	28	7
32	April	311,733	12,523	511	1	9
33	May	364,359	38,160	714	31	16
34	June	524,841	113,615	810	22	15
35	July	441,639	5,402	794	20	17
36	August	411,548	4,205	769	3	15
37	September	387,623	52,792	776	21	16
38	October	289,189	5,582	495	20	7
39	November	328,509	7,027	570	17	19
40	December	470,836	87,321	770	23	19
41	Total	4,758,056	492,508			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Steam Electric Generating Plant Statistics

1. Report data for plant in Service only.
2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants.
3. Indicate by a footnote any plant leased or operated as a joint facility.
4. If net peak demand for 60 minutes is not available, give data which is available, specifying period.
5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant.
6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct.
7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20.
8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.
9. Items under Cost of Plant are based on USofA accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses.
10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants.
11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant.
12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Line No.	Item (a)	Plant Name: 0	Plant Name: East Bend	Plant Name: Miami Fort 6	Plant Name: Woodsdale CT
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)		Steam [a]	Steam [a]	Combustion Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		Conventional	Conventional	Conventional
3	Year Originally Constructed		1981	1960	1992
4	Year Last Unit was Installed		1981	1960	1993
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		[c]768	[c]168	[c]572
6	Net Peak Demand on Plant - MW (60 minutes)		617		494
7	Plant Hours Connected to Load		6,400		788
8	Net Continuous Plant Capability (Megawatts)				
9	When Not Limited by Condenser Water		600		564
10	When Limited by Condenser Water		600		476
11	Average Number of Employees		84		17
12	Net Generation, Exclusive of Plant Use - kWh		2,777,700,000		101,264,000

13	Cost of Plant: Land and Land Rights		7,036,025		2,258,588
14	Structures and Improvements		183,101,985		36,402,708
15	Equipment Costs		747,101,381		308,113,873
16	Asset Retirement Costs		130,004,406		
17	Total cost (total 13 thru 20)		1,067,243,797		346,775,169
18	Cost per KW of Installed Capacity (line 17/5) Including		1,389.6404		606.2503
19	Production Expenses: Oper, Supv, & Engr		2,150,205		287,127
20	Fuel		[0]79,902,243		[0]14,683,042
21	Coolants and Water (Nuclear Plants Only)				
22	Steam Expenses		18,288,601		239,665
23	Steam From Other Sources				
24	Steam Transferred (Cr)				
25	Electric Expenses		762,945		1,152,935
26	Misc Steam (or Nuclear) Power Expenses		1,596,341		1
27	Rents				
28	Allowances				
29	Maintenance Supervision and Engineering		1,850,692		195,122
30	Maintenance of Structures		3,059,079		166,953
31	Maintenance of Boiler (or reactor) Plant		9,677,884	662	
32	Maintenance of Electric Plant		2,428,248	54,940	647,118
33	Maintenance of Misc Steam (or Nuclear) Plant		2,271,346		296,228
34	Total Production Expenses	0	121,987,584	55,602	17,668,191
35	Expenses per Net kWh				

35	**Plant Name**	East Bend	East Bend	Woodsdale CT	Woodsdale CT
36	Fuel Kind	Coal	Oil	Gas	Oil
37	Fuel Unit	T	bbl	Mcf	bbl
38	Quantity (Units) of Fuel Burned	1,296,089	29,595	1,384,853	60,032

39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12,110	138,545	1	138,382
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	66.790	156.740	6.516	128.567
41	Average Cost of Fuel per Unit Burned	58.410	142.005	6.516	94.270
42	Average Cost of Fuel Burned per Million BTU	2.411	24.404	6.338	16.221
43	Average Cost of Fuel Burned per kWh Net Gen	0.027	0.002	0.089	0.056
44	Average BTU per kWh Net Generation	11,302.000	11,302.000	17,504.000	17,504.000

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: PlantKind

Effective 12-30-14, East Bend is owned 100% by Duke Energy Kentucky, Inc. Prior to that, East Bend was commonly owned by Duke Energy Kentucky, Inc. and the Dayton Power and Light Company with undivided interest of 69% and 31% respectively. Fuel expenses were shared on the basis of energy usage and other expenses were shared on an ownership basis.

(b) Concept: PlantKind

Miami Fort U6 retired 2015.

(c) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

(d) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce. Miami Fort U6 retired 5/31/2015.

(e) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

(f) Concept: FuelSteamPowerGeneration

Excludes coal handling, sale of fly ash, and other miscellaneous costs to fuel expense Account 501 = $1,462,954.

(g) Concept: FuelSteamPowerGeneration

Excludes natural gas handling cost of $27,094.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Hydroelectric Generating Plant Statistics

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings).
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

Line No.	Item (a)	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:
1	Kind of Plant (Run-of-River or Storage)					
2	Plant Construction type (Conventional or Outdoor)					
3	Year Originally Constructed					
4	Year Last Unit was Installed					
5	Total installed cap (Gen name plate Rating in MW)					
6	Net Peak Demand on Plant-Megawatts (60 minutes)					
7	Plant Hours Connect to Load					
8	**Net Plant Capability (in megawatts)**					
9	(a) Under Most Favorable Oper Conditions					
10	(b) Under the Most Adverse Oper Conditions					
11	Average Number of Employees					
12	Net Generation, Exclusive of Plant Use - kWh					
13	**Cost of Plant**					
14	Land and Land Rights					
15	Structures and Improvements					
16	Reservoirs, Dams, and Waterways					

17	Equipment Costs					
18	Roads, Railroads, and Bridges					
19	Asset Retirement Costs					
20	Total cost (total 13 thru 20)					
21	Cost per KW of Installed Capacity (line 20 / 5)					
22	**Production Expenses**					
23	Operation Supervision and Engineering					
24	Water for Power					
25	Hydraulic Expenses					
26	Electric Expenses					
27	Misc Hydraulic Power Generation Expenses					
28	Rents					
29	Maintenance Supervision and Engineering					
30	Maintenance of Structures					
31	Maintenance of Reservoirs, Dams, and Waterways					
32	Maintenance of Electric Plant					
33	Maintenance of Misc Hydraulic Plant					
34	Total Production Expenses (total 23 thru 33)					
35	Expenses per net kWh					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

Pumped Storage Generating Plant Statistics

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings).
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on Line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

Line No.	Item (a)	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:
1	Type of Plant Construction (Conventional or Outdoor)				
2	Year Originally Constructed				
3	Year Last Unit was Installed				
4	Total installed cap (Gen name plate Rating in MW)				
5	Net Peak Demaind on Plant-Megawatts (60 minutes)				
6	Plant Hours Connect to Load While Generating				
7	Net Plant Capability (in megawatts)				
8	Average Number of Employees				
9	Generation, Exclusive of Plant Use - kWh				
10	Energy Used for Pumping				
11	Net Output for Load (line 9 - line 10) - Kwh				
12	**Cost of Plant**				
13	Land and Land Rights				
14	Structures and Improvements				
15	Reservoirs, Dams, and Waterways				
16	Water Wheels, Turbines, and Generators				

17	Accessory Electric Equipment				
18	Miscellaneous Powerplant Equipment				
19	Roads, Railroads, and Bridges				
20	Asset Retirement Costs				
21	Total cost (total 13 thru 20)				
22	Cost per KW of installed cap (line 21 / 4)				
23	**Production Expenses**				
24	Operation Supervision and Engineering				
25	Water for Power				
26	Pumped Storage Expenses				
27	Electric Expenses				
28	Misc Pumped Storage Power generation Expenses				
29	Rents				
30	Maintenance Supervision and Engineering				
31	Maintenance of Structures				
32	Maintenance of Reservoirs, Dams, and Waterways				
33	Maintenance of Electric Plant				
34	Maintenance of Misc Pumped Storage Plant				
35	Production Exp Before Pumping Exp (24 thru 34)				
36	Pumping Expenses				
37	Total Production Exp (total 35 and 36)				
38	Expenses per kWh (line 37 / 9)				
39	Expenses per KWh of Generation and Pumping (line 37/(line 9 + line 10))				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating).
2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 402.
4. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (MW) (c)	Net Peak Demand MW (60 min) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Generation Type (m)
									Fuel Production Expenses (i)	Maintenance Production Expenses (j)			
1													
2													
3													
4													
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

ENERGY STORAGE OPERATIONS (Large Plants)

1. Large Plants are plants of 10,000 Kw or more.
2. In columns (a) (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and location.
3. In column (d), report Megawatt hours (MWH) purchased, generated, or received in exchange transactions for storage.
4. In columns (e), (f) and (g) report MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (d) should include MWHs delivered/provided to a gene
5. In columns (h), (i), and (j) report MWHs lost during conversion, storage and discharge of energy.
6. In column (k) report the MWHs sold.
7. In column (l), report revenues from energy storage operations. In a footnote, disclose the revenue accounts and revenue amounts related to the income generating activity.
8. In column (m), report the cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If power was purchased from an affiliated seller spec fuel costs for storage operations associated with self-generated power included in Account 501 and other costs associated with self-generated power.
9. In columns (q), (r) and (s) report the total project plant costs including but not exclusive of land and land rights, structures and improvements, energy storage equipment, turbines, compressors, genera purpose is to integrate or tie energy storage assets into the power grid, and any other costs associated with the energy storage project included in the property accounts listed.

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	MWHs (d)	MWHs delivered to the grid to support Production (e)	MWHs delivered to the grid to support Transmission (f)	MWHs delivered to the grid to support Distribution (g)	MWHs Lost During Conversion, Storage and Discharge of Energy Production (h)	MWHs Lost During Conversion, Storage and Discharge of Energy Transmission (i)	MWHs Lost During Conversion, Storage and Discharge of Energy Distribution (j)	MWHs Sold (k)	Revenues from Energy Storage Operations (l)	Power Purchased for Storage Operations (555.1) (Dollars) (m)	Fuel Co from associat fuel accoun for Stora Operatic Associa with Se Generat Powe (Dollar (n)
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below the for each voltage. If required by a State commission to report individual lines for all voltages, do so but do not group totals for each voltage under 132 kilovolts.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
4. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission lin supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distingu line.
5. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state to such structures are included in the expenses reported for the line designated.
6. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher v transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g).
7. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and a transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statemen and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the responden accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
8. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated com
9. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Line No.	DESIGNATION		VOLTAGE (KV) - (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) - (In the case of underground lines report circuit miles)		Number of Circuits	Size of Conductor and Material	COST OF LINE (Include in column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, E	
	From	To	Operating	Designated		On Structure of Line Designated	On Structures of Another Line			Land	Construction Costs	Total Costs	Operation Expenses	Mai E:
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	69KV TRANSMISSION POOL		69.00	69.00	POLE	101.90	4			1,108,073	30,745,385	31,853,458		
2	30689 Aero	Oakbrook	138.00	138.00	Pole	1.07		1	954ACSR45X7					
3	138KV Summary									7,728,451	1,606,960	9,335,411		
4	O&M Expenses												116,780	
5					TOTAL	102.97	4.11	1		8,836,524	32,352,345	41,188,869	116,780	
36	TOTAL													

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		CONDUCTORS			Voltage KV (Operating)	LINE COST					Constructic
	From	To		Type	Average Number per Miles	Present	Ultimate	Size	Specification	Configuration and Spacing		Land and Land Rights	Poles, Towers and Fixtures	Conductors and Devices	Asset Retire. Costs	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
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44	TOTAL		0.00		0	0	0										

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).
5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation		VOLTAGE (In MVa)			Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	Conversion Apparatus and Special Equipment		
		Transmission or Distribution (b)	Attended or Unattended (b-1)	Primary Voltage (In MVa) (c)	Secondary Voltage (In MVa) (d)	Tertiary Voltage (In MVa) (e)				Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)
1	AERO BOONE CO	Transmission		138	13	0	90	4	0			
2	ALEXANDRIA SOUTH-CAMPBELL CO	Distribution		69	13	0	11	1	0			
3	ATLAS-KENTON CO	Distribution		69	13	0	11	1	0			
4	AUGUSTINE-COVINGTON, KY	Distribution		138	13	0	67	3	0			
5	BEAVER-BOONE CO.	Distribution		69	13	0	21	2	0			
6	BELLEVUE-CAMPBELL CO.	Distribution		138	13	0	45	2	0			
7	BLACKWELL-GRANT CO.	Transmission		138	69	0	150	1	0			
8	BUFFINGTON-KENTON CO.	Transmission		345	138	13	1178	7	1			
9	CLARYVILLE-CAMBELL CO.	Distribution		69	13	0	32	3	0			

10	COLD SPRING-KENTON CO.	Distribution		138	13	0	33	2	0			
11	CONSTANCE-KENTON CO.	Distribution		138	13	0	45	2	0			
12	COVINGTON - KENTON CO.	Distribution		69	13	0	45	2	0			
13	CRESCENT-KENTON CO.	Distribution		138	13	0	67	3	0			
14	CRITTENDEN-GRANT CO.	Distribution		69	13	0	21	2	0			
15	DAYTON - CAMPBELL CO.	Distribution		138	13	0	22	1	0			
16	DECOURSEY-KENTON CO.	Distribution		69	13	0	11	1	0			
17	DIXIE FLORENCE CO.	Distribution		69	13	0	67	3	0			
18	DONALDSON ERLANGER CO.	Transmission		138	13	0	90	4	0			
19	DRY RIDGE-GRANT CO.	Distribution		69	13	0	21	2	0			
20	EMPIRE - BOONE CO.	Distribution		69	13	0	25	2	0			
21	FLORENCE-BOONE CO.	Distribution		138	13	0	67	3	0			
22	GRANT-GRANT CO.	Distribution		69	13	0	21	2	0			
23	HANDS-KENTON CO.	Distribution		138	13	0	45	2	0			
24	HEBRON- BOONE CO.	Distribution		138	13	0	45	2	0			
25	KENTON FORT WRIGHT CO.	Transmission		138	66	0	167	3	0			
26	KY. UNIVERSITY-CAMP. CO.	Distribution		138	13	0	45	2	0			
27	LIMABURG FLORENCE CO.	Distribution		69	13	0	31	3	0			
28	LONGBRANCH-BOONE CO.	Distribution		138	13	0	45	2	0			

29	MARSHALL-CAMPBELL CO.	Distribution		69	13	0	11	1	0				
30	MT ZION FLORENCE CO.	Distribution		138	13	0	45	2	0				
31	OAKBROOK - BOONE CO	Distribution		138	69	0	172	2	0				
32	RICHWOOD - BOONE CO.	Distribution		69	13	0	32	3	0				
33	SILVER GROVE - CAMPBELL CO.	Transmission		138	13	0	422	2	0				
34	THOMAS MORE - KENTON CO.	Distribution		69	13	0	22	1	0				
35	VERONA - KENTON CO.	Distribution		69	13	0	21	2	0				
36	VILLA-CRESTVIEW HLS., KY	Distribution		69	13	0	45	2	0				
37	WHITE TOWER-KENTON CO.	Distribution		69	13	0	21	2	0				
38	WILDER-WILDER, KY.	Transmission		138	69	13	502	4	0				
39	YORK-NEWPORT, KY.	Distribution		138	13	0	22	1	0				
40	TOTAL Transmission Substations						2599	25	1	—			
41	TOTAL Distribution Substations						1234	64		—			
42	TOTAL Generation Substations									—			
43	TOTAL						3833	89	1	0	0	0	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2	Services Provided by Duke Energy Business Services	Duke Energy Business Services, LLC	Various	153,626,933
3	Customer and Market Services	Duke Energy Carolinas, LLC	Various	6,378,534
4	Generation Services	Duke Energy Carolinas, LLC	Various	1,336,742
5	Other Goods and Services	Duke Energy Carolinas, LLC	Various	1,962,880
6	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	2,248,291
7	Customer and Market Services	Duke Energy Progress, LLC	Various	234,139
8	Generation Services	Duke Energy Progress, LLC	Various	53,732
9	Other Goods and Services	Duke Energy Progress, LLC	Various	552,199
10	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	181,261
11	Customer & Market Services	Duke Energy Florida, LLC	Various	249,724
12	Generation Services	Duke Energy Florida, LLC	Various	41,769
13	Other goods and Services	Duke Energy Florida, LLC	Various	4,539
14	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	10,519
15	Customer and Market Services	Duke Energy Indiana, LLC	Various	81,173
16	Generation Services	Duke Energy Indiana, LLC	Various	16,873,692
17	Other Goods and Services	Duke Energy Indiana, LLC	Various	(1,420,002)
18	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	353,034
19	Customer and Market Services	Duke Energy Ohio, Inc.	Various	2,427,288

20	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	3,571,140
21	Other Goods and Services	Duke Energy Ohio, Inc.	Various	
22	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	9,790,683
23	Gas Distribution Services	Piedmont Natural Gas Company, Inc.	Various	7,336,714
24	Other Goods and Services	Duke Energy Commercial Enterprises	Various	3,547
19				
20	**Non-power Goods or Services Provided for Affiliated**			
21	Customer and Market Services	Duke Energy Carolinas, LLC	Various	
22	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	
23	Generation Services	Duke Energy Carolinas, LLC	Various	329,547
24	Other Goods and Services	Duke Energy Carolinas, LLC	Various	27
25	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	25,505
26	Customer and Market Services	Duke Energy Progress, LLC	Various	
27	Gas Distribution Services	Duke Energy Progress, LLC	Various	143
28	Generation Services	Duke Energy Progress, LLC	Various	181
29	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	55,730
30	Customer and Market Services	Duke Energy Florida, LLC	Various	29,029
31	Generation Services	Duke Energy Florida, LLC	Various	3,156
32	Other Goods and Services	Duke Energy Florida, LLC	Various	1,265
33	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	263,257
34	Transmission and Distribution Services	Duke Energy Business Services LLC	Various	
35	Customer and Market Services	Duke Energy Indiana, LLC	Various	2,171
36	Gas Distribution Services	Duke Energy Indiana, LLC	Various	
37	Generation Services	Duke Energy Indiana, LLC	Various	1,295,501
38	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	83,561
39	Customer and Market Services	Duke Energy Ohio, Inc.	Various	92,881
40	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	2,334,486
41	Other Goods and Services	Duke Energy Ohio, Inc.	Various	179,000

42	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	1,118,870
43	Generation Services	Duke Energy Ohio, Inc.	Various	14,618
44	Gas Distribution Services	KO Transmission Company	Various	7,054
45	Transmission and Distribution Services	Piedmont Natural Gas Company, Inc.	Various	505
46	Gas Distribution Services	Piedmont Natural Gas Company, Inc.	Various	28,931
42				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☐ An Original (2) ☑ A Resubmission	Date of Report: 04/14/2023	Year/Period of Report End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNonPowerGoodOrService

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems

Number of Central Processing Unit Seconds Ratio/Millions of Instructions per Second

Number of Personal Computer Workstations Ratio

Number of Information Systems Servers Ratio

Number of Employees Ratio

Meters

Number of Customers Ratio

Transportation

Number of Employees Ratio

Three Factor Formula

Electric System Maintenance

Circuit Miles of Electric Transmission Lines Ratio

Circuit Miles of Electric Distribution Lines Ratio

Marketing and Customer Relations and Grid Solutions

Number of Customers Ratio

Electric Transmission & Distribution Engineering & Construction

Electric Transmission Plant's Construction - Expenditures Ratio

Electric Distribution Plant's Construction - Expenditures Ratio

Power Engineering & Construction

Electric Production Plant's Construction - Expenditures Ratio

Human Resources

Number of Employees Ratio

Supply Chain

Procurement Spending Ratio

Inventory Ratio

Facilities

Square Footage Ratio

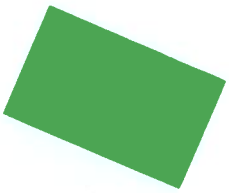
Accounting

Three Factor Formula

Generating Unit MW Capability Ratio

Power Planning and Operations

Electric Peak Load Ratio
Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
Sales Ratio
Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
Generating Unit MW Capability Ratio
Public Affairs
Three Factor Formula
Weighted Avg of Number of Customers Ratio and Number of Employees Ratio
Legal
Three Factor Formula
Rates
Sales Ratio
Finance
Three Factor Formula
Rights of Way
Circuit Miles of Electric Transmission Lines Ratio
Circuit Miles of Electric Distribution Lines Ratio
Electric Peak Load Ratio
Internal Auditing
Three Factor Formula
Environmental, Health and Safety
Three Factor Formula
Sales Ratio
Fuels
Sales Ratio
Investor Relations
Three Factor Formula
Planning
Three Factor Formula
Executive
Three Factor Formula



HEARING EXHIBIT KBCA 1

Attachment BLS-7
Page 1 of 1

Cost	# of Poles	
$5,063,896	6,584	35'
$16,761,296	16,707	40'
$19,253,744	10,936	45'
$41,078,936	34,227	Sum
$74,482,036		Poles, Towers & Fixtures
0.067988152		
0.225038104		
0.258501848		
0.551528105		

Attachment BLS-Rebuttal-1
Page 1 of 1

Cost	# of Poles		Source
$5,079,623	6,606	35'	Asset Accounting
$16,776,621	16,716	40'	Asset Accounting
$19,328,392	10,976	45'	Asset Accounting
$41,184,636	34,298	Sum	
$74,482,036		Poles, Tow	FF1
0.068199307		35' % of Total	
0.225243862		40' % of Total	
0.259504075		45' % of Total	
0.552947243			

HEARING EXHIBIT KBCA 2

Duke Energy Kentucky
Case No. 2022-00372
Revised CATV Pole Attachment Formula - Adminstrative Case No. 251
For Use of Electric Utility Poles
BASED UPON 2021 FERC FORM 1 DATA

	FCC Pole Attachment Rate Formula	Amount				
		35'	40'	45'	Two User	Three User
1	Gross Pole Investment	$5,063,896	$16,761,296	$19,253,744	$21,825,192	$36,015,040
2	Pole Depreciation Reserve	$1,898,245	$6,283,117	$7,217,433	$8,181,362	$13,500,550
3	Appurtenance Factor	$380,975	$1,261,011	$1,448,527	$1,641,986	$2,709,539
4	Accumulated Deferred Taxes (Poles)	($625,819)	($2,071,436)	($2,379,464)	($2,697,255)	($4,450,900)
5	Net Pole Investment	$2,539,832	$8,406,743	$9,656,847	$10,946,575	$18,063,590
6	Number of Poles	6,584	16,707	10,936	23,291	27,643
7	Net Investment Per Bare Pole	$327.89	$427.71	$750.58	$399.49	$555.44
8	Pole Maintenance					
	A. Maintenance of Overhead Lines	$6,352,091	$6,352,091	$6,352,091	$6,352,091	$6,352,091
	B. Total Investment in Poles, Conductors, Services	$248,780,121	$248,780,121	$248,780,121	$248,780,121	$248,780,121
	C. Depreciation Reserve	$72,815,839	$72,815,839	$72,815,839	$72,815,839	$72,815,839
	D. Accumulated Deferred Taxes	($30,735,651)	($30,735,651)	($30,735,651)	($30,735,651)	($30,735,651)
	E. Total Investment in Poles - Net	$145,228,631	$145,228,631	$145,228,631	$145,228,631	$145,228,631
	F. Pole Maintenance Ratio	4.37%	4.37%	4.37%	4.37%	4.37%
9	Depreciation	4.17%	4.17%	4.17%	4.17%	4.17%
10	Administration	2.19%	2.19%	2.19%	2.19%	2.19%
11	Taxes (Normalize				6%	2.16%
12	Rate of Return				0%	7.530%
13	Total Carrying Ch				2%	20.42%
14	Allocated Space				4%	7.59%
15	Maximum Rate Pe				99	$8.61

Row Labels	Sum of activity_quantity	Sum of activity_cost
Pole: Wood, 35	6584	$5,063,896.02
Pole: Wood, 40	16827	$16,761,296.16
Pole: Wood, 45	10940	$19,253,743.97
Grand Total	**34351**	**$41,078,936.15**

Source: Attachment BLS-7 & KBCA-DR-01-005_Attachment

Duke Actual Distribution

2021	Description - 2 User Poles	Quantity of Attachments	Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 35'	8,606	23.09%	35	8.1
	Pole: Wood, 40'	28,669	76.91%	40	30.8
	Total	37,275	100.00%		**38.85**

Admin 251 Presumed Distribution

2021	Description - 2 User Poles	Quantity of Attachments	Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 35'		50.00%	35	17.5
	Pole: Wood, 40'		50.00%	40	20.0
	Total		100.00%		**37.50**

Variance

2021	Description - 2 User Poles	Quantity of Attachments	Variance by Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 35'		26.91%	35	9.4
	Pole: Wood, 40'		-26.91%	40	(10.8)
	Total		0.00%		**(1.35)**

Source: KBCA-DR-02-002

Duke Actual Distribution

2021	Description - 3 User Poles	Quantity of Attachments	Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 40'	28,669	48.53%	40	19.4
	Pole: Wood, 45'	23,245	39.35%	45	17.7
	Pole: Wood, 50'	7,164	12.13%	50	6.1
	Total	59,078	100.00%		**43.2**

Admin 251 Presumed Distribution

2021	Description - 3 User Poles	Quantity of Attachments	Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 40'		50.00%	40	20.0
	Pole: Wood, 45'		50.00%	45	22.5
	Pole: Wood, 50'		0.00%	50	-
	Total		100.00%		**42.5**

Variance

2021	Description - 3 User Poles	Quantity of Attachments	Variance by Percentage of Attachments	Pole Height	Weighted by Percentage of Attachments
	Pole: Wood, 40'		1.47%	40	0.6
	Pole: Wood, 45'		10.65%	45	4.8
	Pole: Wood, 50'		-12.13%	50	(6.1)
	Total				**(0.7)**

Source: KBCA-DR-02-002

FACT SHEET

GREENHOUSE GAS STANDARDS AND GUIDELINES FOR FOSSIL FUEL-FIRED POWER PLANTS PROPOSED RULE

Summary

On May 11, 2023, the U.S. Environmental Protection Agency (EPA) announced proposed new carbon pollution standards for coal and gas-fired power plants that will protect public health, reduce harmful pollutants and deliver up to $85 billion in climate and public health benefits over the next two decades. Consistent with EPA's traditional approach to establishing pollution standards under the Clean Air Act, the proposed limits and guidelines require ambitious reductions in carbon pollution based on proven and cost-effective control technologies that can be applied directly to power plants. They also provide owners and operators of power plants with ample lead time and substantial compliance flexibilities, allowing power companies and grid operators to make sound long-term planning and investment decisions, and supporting the power sector's ability to continue delivering reliable and affordable electricity.

President Biden's policy agenda has driven momentum in the power sector to cut GHGs and is moving us closer to avoiding the worst impacts of climate change. Together with other recent EPA actions to address health-harming pollution from the power sector, the proposed rules deliver on the Administration's commitment to reduce pollution from the power sector while providing long-term regulatory certainty and operational flexibility.

Overview

- EPA is proposing Clean Air Act emission limits and guidelines for carbon dioxide (CO_2) from fossil fuel-fired power plants based on cost-effective and available control technologies. The power sector is the largest stationary source of greenhouse gases (GHGs), emitting 25 percent of the overall domestic emissions in 2021. These emissions are almost entirely the result of the combustion of fossil fuels in the electric generating units (EGUs) that are the subjects of these proposals.
- The proposals would set limits for new gas-fired combustion turbines, existing coal, oil and gas-fired steam generating units, and certain existing gas-fired combustion turbines. Consistent with EPA's traditional approach to establishing pollution standards for power plants under section 111 of the Clean Air Act, the proposed standards are based on technologies such as carbon capture and sequestration/storage (CCS), low-GHG hydrogen co-firing, and natural gas co-firing, which can be applied directly to power plants that use fossil fuels to generate electricity.
- As laid out in section 111 of the Clean Air Act, the proposed new source performance standards (NSPS) and emission guidelines reflect the application of the best system of emission reduction (BSER) that, taking into account costs, energy requirements, and other statutory factors, is adequately demonstrated for the purpose of improving the emissions performance of the covered electric generating units.

- EPA has evaluated the emissions reductions, benefits, and costs of the proposals to limit CO2 from the existing coal fleet and new natural gas units. EPA projects these proposals would cut 617 million metric tons of CO2 through 2042 along with tens of thousands of tons of PM2.5, SO2, and NOx – harmful air pollutants that are known to endanger public health.
    - Between 2024 and 2042, projected net climate and health benefits from these emissions reductions range from $64 billion-to $85 billion, an annual net benefit that ranges from $5.4 billion to $5.9 billion.
    - These estimates do not include the impact of the proposed requirements for existing gas-fired combustion turbines or third phase of the NSPS. EPA performed a separate analysis of these proposed requirements that estimates they would reduce between 214 and 407 million metric tons of CO2 cumulatively through 2042.
- In 2030 alone, the health benefits of the proposals on new gas and existing coal include approximately 1,300 avoided premature deaths; more than 800 avoided hospital and emergency room visits; approximately 2,000 avoided cases of asthma onset; more than 300,000 avoided cases of asthma symptoms; 38,000 avoided school absence days; and 66,000 lost work days.
- The quantified climate and health benefits include the value of multiple climate change impacts, including (but not limited to) changes in net agricultural productivity, human health effects, property damage from increased flood risk natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services.
- The proposals provide utilities options for meeting these standards as well as the time needed to plan and invest for compliance and continue to support a reliable supply of affordable electricity.
- The more frequently and longer a unit operates, and the greater its capacity, the more cost-effective it is to install controls for CO2 emissions. These proposals considered this fact to create subcategories in the standards and guidelines. For some subcategories, the proposals phase in technology standards over time in recognition of the time needed to plan for and install controls.
- EPA is also simultaneously proposing to repeal the Affordable Clean Energy (ACE) rule.
- The proposals build on and respond to extensive stakeholder engagement. EPA looks forward to continuing to engage stakeholders as we work toward finalizing these proposals.
- EPA will take comment on these proposals for 60 days after publication in the Federal Register and hold a virtual public hearing. Registration for the public hearing will open after the proposal is published in the Federal Register.
- EPA will host virtual trainings on June 6 and 7 to provide communities and Tribes with information about the proposal and about participating in the public comment process. Registration information will be available on the web at Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants.

Proposed Technology-Based Standards

- The technology-based standards EPA is proposing that would cut CO_2 from power plants include:
    - Updates to the New Source Performance Standards (NSPS) for fossil fuel-fired stationary combustion turbines (generally natural gas-fired)
    - Emission guidelines for large, frequently used existing fossil fuel-fired stationary combustion turbines (generally natural gas-fired)
    - Emission guidelines for existing fossil fuel-fired steam generating EGUs (generally coal-fired)
- These proposed actions consider the extensive input received from a broad range of stakeholders on a variety of topics, including the operation of these regulated sources, in light of the rapid evolution of the power sector. At the same time, these proposed actions ensure that new and certain existing natural gas-fired combustion turbines and existing steam EGUs achieve significant and cost-effective reductions in GHG emissions through the application of adequately demonstrated control technologies.
- These proposed standards are designed to allow the power sector continued resource and operational flexibility and to facilitate long-term planning. Among other things, these elements include:
    - subcategories of new natural gas-fired combustion turbines that allow for the stringency of GHG emission standards to vary by capacity factor;
    - subcategories for existing steam EGUs that are based on operating horizons and fuel, and that accommodate the stated plans of many power companies to voluntarily cease operation of some sources;
    - compliance deadlines for both new and existing EGUs that provide ample lead time for states and utilities to plan; and
    - proposed state plan flexibilities.
- Starting in 2030, the proposals would generally require more CO2 emissions control at fossil fuel-fired power plants that operate more frequently and for more years and would phase in increasingly stringent CO2 requirements over time. The proposed requirements vary by the type of unit (new or existing, combustion turbine or utility boiler, coal-fired or natural gas-fired), how frequently it operates (base load, intermediate load, or low load (peaking) and its operating horizon (i.e., planned operation after certain future dates).
- State plans would reflect limits that go into place in 2030 for existing coal-fired units. Depending on the expected length of the units' period of operation, those proposed limits are based on CO2 emission rates achieved by natural gas co-firing or CCS.
- Limits for natural gas-fired combustion turbines are based on CCS and/or use of low-GHG hydrogen and vary based on whether the units are new or existing, and whether they are used for baseload or intermediate load generation.

- State plans would reflect limits that go into place for existing natural gas-fired combustion turbines in 2035, for turbines that install CCS; or 2032 and 2038, for turbines that co-fire with low-GHG hydrogen.
- Limits for new natural gas-fired combustion turbines would apply as soon as they are constructed and , similar to limits for existing sources, become more stringent in 2035, for turbines that install CCS; or 2032 and 2038, for turbines that co-fire with low-GHG hydrogen.

- EPA has designed these proposed standards and emission guidelines in a way that is compatible with the nation's overall need for a reliable supply of affordable electricity.
  - EPA has carefully considered the importance of maintaining resource adequacy and grid reliability in developing these proposals. These proposed NSPS and emission guidelines provide extensive lead time and compliance flexibilities, preserving the ability of power companies and grid operators to maintain the reliability of the nation's electric power system.

Updates to the New Source Performance Standards for Fossil Fuel-fired Stationary Combustion Turbines (Primarily New Natural Gas Units)

- EPA is proposing to update and establish more protective NSPS for GHG emissions from new and reconstructed fossil fuel-fired stationary combustion turbine EGUs that are based on highly efficient generating practices in addition to CCS or co-firing low-GHG hydrogen.
- For new and reconstructed fossil fuel-fired combustion turbines, EPA is proposing to create three subcategories based on the function the combustion turbine serves:
  - a low load ("peaking units") subcategory that consists of combustion turbines with a capacity factor of less than 20 percent;
  - an intermediate load subcategory for combustion turbines with a capacity factor that ranges between 20 percent and a source-specific upper bound that is based on the design efficiency of the combustion turbine;
  - and a base load subcategory for combustion turbines that operate above the upper-bound threshold for intermediate load turbines.
- This subcategorization approach is similar to the current NSPS for these sources, which, in 2015, established subcategories for base load and non-base load units.
- This revised approach to subcategories recognizes that power companies are building new natural gas-fired combustion turbines with plans to operate them at varying levels of capacity, in coordination with existing and expected energy sources.
- For each subcategory, EPA is proposing a distinct BSER and standard of performance based on its evaluation of the statutory factors, including feasibility, emissions reductions, and cost-reasonableness of available controls.

- For the low load subcategory, EPA is proposing that the BSER is the use of lower emitting fuels (*e.g.*, natural gas and distillate oil) with standards of performance ranging from 120 lb CO_2/MMBtu to 160 lb CO_2/MMBtu, depending on the type of fuel combusted.
- For the intermediate load and baseload subcategories, EPA is proposing an approach in which the BSER has several components: (1) highly efficient generation; and (2) depending on the subcategory, use of CCS or co-firing low-GHG hydrogen.
- These components form the basis of a standard of performance that applies to affected facilities in phases. Affected facilities are those that commence construction or reconstruction after the date of publication in the *Federal Register* of this proposed rulemaking.
    - Phase 1: Affected facilities must meet a first phase standard of performance, based on highly efficient generation, by the date the rule is promulgated or upon initial startup of the facility for units that commence construction after the date of promulgation.
    - Phases 2 and 3: Affected facilities in the intermediate load and base load subcategories must also meet more stringent phases of the standard of performance at specified compliance deadlines in the future. These compliance deadlines allow time for affected sources to plan for and install controls.
        - Intermediate load affected facilities must meet a second phase standard based on 30% low-GHG hydrogen (by volume) by 2032.
        - Base load affected facilities that follow the CCS pathway must meet a second phase standard based on 90% capture of CO2, using CCS, by 2035
        - Baseload affected facilities that follow the low-GHG hydrogen pathway must meet a second phase standard based on co-firing 30% low-GHG hydrogen by volume by 2032 and a third phase standard based on co-firing 96% by volume low-GHG hydrogen by 2038.
- EPA is proposing to define low-GHG hydrogen as that produced with an overall emissions intensity of less than 0.45 kgCO2e/kgH2 with the boundary conditions of well-to-gate, consistent with the Congressional definitions provided in section 45V(b)(2)(D) of the Inflation Reduction Act. This definition ensures that only lowest-GHG hydrogen can qualify as part of the combustion turbine co-firing BSER.

Emission Guidelines for Large and Frequently Used Existing Fossil Fuel-Fired Stationary Combustion Turbines (Primarily Existing Natural Gas Units)

- EPA is proposing emission guidelines for large and frequently used existing stationary combustion turbines.
- Large, frequently operated turbines are larger than 300 MW with a capacity factor of greater than 50 percent.

- Because these existing combustion turbines are similar to new stationary combustion turbines, EPA is proposing a BSER that is consistent with the second and third phases of the BSER for new base load combustion turbines.
- Specifically, EPA is proposing that BSER for these units is based on either 90 percent capture of CO2 using CCS by 2035, or co-firing of 30% by volume low-GHG hydrogen beginning in 2032 and co-firing 96% by volume low-GHG hydrogen beginning in 2038.
- Further, EPA is soliciting comment on how the Agency should approach its legal obligation to establish emission guidelines for the remaining existing fossil fuel-fired combustion turbines not covered by this proposal, including smaller frequently used existing fossil fuel-fired combustion turbine EGUs and less frequently used existing fossil fuel-fired combustion turbines.

Emission Guidelines for Existing Fossil Fuel-Fired Steam Generating EGUs (Primarily Existing Coal Units)

- EPA is proposing to establish new emission guidelines for existing fossil fuel-fired steam generating EGUs that reflect the application of CCS and the availability of natural gas co-firing.
- EPA is proposing that the BSER for coal-fired steam EGUs that will operate in the long-term (i.e., after December 31, 2039) is the use of carbon capture and storage (CCS) with 90 percent capture of CO2. The associated degree of emission limitation is an 88.4 percent reduction in emission rate (lb CO2/MWh-gross basis).
- EPA has determined that CCS satisfies the BSER criteria for these sources because it is adequately demonstrated, achieves significant reductions in GHG emissions, and is highly cost-effective.
- Although the EPA considers CCS to be a broadly applicable BSER, the Agency also recognizes that CCS will be most cost-effective for existing steam EGUs that are in a position to recover the capital costs associated with CCS over a sufficiently long period of time.
- In response to industry input, and recognizing that the cost-effectiveness of CO2 controls depends on the period of time over which a plant will be operated, EPA is proposing to divide the subcategory for coal-fired units into additional subcategories based on operating horizon (*i.e.*, dates for electing to permanently cease operation) and, for one of those subcategories, load level (*i.e.*, annual capacity factor), with a separate BSER and degree of emission limitation corresponding to each subcategory. For each subcategory, EPA is proposing standards of performance reflecting controls that are cost-effective and achievable for existing plants in that subcategory.
    - For units that elect to commit to permanently cease operations prior to January 1, 2040, and that are not in other subcategories, EPA is proposing that the BSER is co-firing 40 percent natural gas on a heat input basis. The associated degree of emission limitation is a 16 percent reduction in emission rate (lb CO_2/MWh-gross basis).

- For units that elect to commit to permanently cease operations prior to January 1, 2035, and commit to operate with an annual capacity factor limit of 20 percent, EPA is proposing that the BSER is routine methods of operation and maintenance. The associated degree of emission limitation is no increase in emission rate.
- For units that elect to commit to permanently cease operations prior to January 1, 2032, EPA is proposing that the BSER is routine methods of operation and maintenance. The associated degree of emission limitation is no increase in emission rate.

- EPA is also proposing emission guidelines for natural gas- and oil-fired steam generating units, with additional subcategorization by capacity factor. For each of the proposed subcategories, the BSER is routine methods of operation and maintenance and the degree of emission limitation is no increase in emission rate.

Standards for New, Reconstructed and Modified Coal Units

- The 2015 standards for new coal units, based on CCS, and for reconstructed coal units, based on efficiency, remain in place.
- EPA determined not to review the new and reconstructed standards because we anticipate no further new units.
- EPA reviewed and is proposing to revise the standards for modified units to be based on the BSER of CCS with 90 percent capture, to ensure consistency for any existing units currently subject to the emission guidelines that may modify and become subject to the NSPS.

Additional Areas of Comment

- EPA is soliciting comment on a number of variations to the subcategories and BSER determinations, as well as the associated degrees of emission limitation and standards of performance.
- EPA is also soliciting comment on BSER options and associated degrees of emission limitation for existing fossil fuel-fired stationary combustion turbines for which no BSER is being proposed (i.e., fossil fuel-fired stationary combustion turbines that are not large, frequently operated turbines).

Emissions Changes, Benefits and Costs

- EPA estimated the national emissions changes, benefits and costs in a Regulatory Impact Analysis (RIA). The RIA presents information about the NSPS for new gas turbines and the emission guidelines for existing coal units together. The RIA also provides estimates about the emission changes associated with the existing source gas proposal and another element of the NSPS for new gas turbines.

- The RIA estimates are presented two ways – as present values (PV) and equivalent annualized values (EAV). The PV is the costs or benefits over the 19-year period of 2024 to 2042. The EAV represents the value for each year of the analysis.
- EPA projects the proposals to limit CO2 from the existing coal fleet and new natural gas units will avoid 617 million metric tons total of CO2 from 2028-2042 along with tens of thousands of tons of nitrogen oxides (NOx), sulfur dioxide (SO2), and fine particulate matter (PM2.5). Climate and health benefits exceed the costs by $64 billion-$85 billion from 2024-2042, which is an annual net benefit of $5.4 billion to $5.9 billion.
    - These estimates do not include the impact of the proposed requirements for existing gas-fired combustion turbines. EPA performed a separate analysis of these proposed requirements that estimates they would reduce 214-407 million metric tons of CO2 cumulatively between 2028-2042.
- In 2030 alone, the health benefits of the proposals on existing coal and new natural gas power plants include approximately 1,300 avoided premature deaths; more than 600 avoided hospital and emergency room visits; more than 1,400 avoided cases of asthma onset; more than 300,000 avoided cases of asthma symptoms; 38,000 avoided school absence days; and 66,000 lost work days.
- EPA's national-level analysis of emission reduction and public health impacts finds that these proposals would achieve nationwide reductions in EGU emissions of multiple health-harming air pollutants including nitrogen oxides (NOx), sulfur dioxide (SO2), and fine particulate matter (PM2.5). These reductions in health-harming pollution would result in significant public health benefits including avoided premature deaths, reductions in new asthma cases and incidences of asthma symptoms, reductions in hospital admissions and emergency department visits, and reductions in lost work and school days.
- The quantified climate and health benefits include the value of all climate change impacts (both negative and positive), including (but not limited to) changes in net agricultural productivity, human health effects, property damage from increased flood risk natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services.
- The monetized benefits estimates provide an incomplete overview of the beneficial impacts of the proposals. The monetized benefits estimates do not include important climate benefits that were not monetized in the RIA. In addition, important health, welfare, and water quality benefits anticipated under these proposed rules are not quantified or monetized. EPA anticipates that taking non-monetized effects into account would show the proposals to be more net beneficial than the tables in this section reflect.

State Plans for Existing Power Plants

- Under section 111(d) of the Clean Air Act, states must submit plans to EPA that provide for the establishment, implementation and enforcement of standards of performance for existing sources. These state plans must generally establish standards that are at least as

stringent as EPA's emission guidelines. States may take into account remaining useful life and other factors when applying standards of performance to individual existing sources.

- EPA proposed revisions to the general implementing regulations for emission guidelines under CAA section 111 (also referred to as "subpart Ba") in December 2022 that, if finalized, would also apply to these emission guidelines.
- A few areas specific to existing power plants and CO2 in state plans include:
    - **State plan submission deadline:** EPA is proposing to require that states submit plans to EPA within 24 months of the effective date of the emissions guidelines.
    - **State plan components:** EPA is proposing requirements specific to these emission guidelines to ensure transparency, including a website hosted by EGU owners/operators to publish documentation and information related to compliance with the state plan.
    - **Compliance deadline for sources:** EPA is proposing that existing steam generating units must start complying with their standards of performance on January 1, 2030. Existing combustion turbine units must start complying with their standards of performance on January 1, 2032, or January 1, 2035, depending on their subcategory.
    - **Presumptive standards:** EPA is proposing methodologies for states to use in establishing presumptively approvable standards of performance for most types of affected EGUs.
    - **Remaining Useful Life and Other Factors (RULOF):** States would apply EPA's framework, as we proposed to revise it in the subpart Ba rulemaking, for applying a less stringent standards based on a particular facility's remaining useful life or other factors. To receive a less stringent standard, a state must demonstrate that a facility cannot reasonably achieve the stringency achievable through application of the BSER.
    - **Compliance flexibilities/trading:** In the proposed rule for existing power plants, EPA is proposing to allow trading and averaging for state plans under the particular circumstances of these emission guidelines. EPA is taking comment on what limitations or requirements should apply to ensure that trading and averaging mechanisms are at least as protective as EPA's emission guidelines. If EPA determines that trading and averaging are appropriate, states would not be required to allow for such compliance mechanisms in their state plans, but could elect to include them.

Environmental Justice Analysis

- President Biden's policy agenda has driven momentum in the power sector to cut GHGs and is moving us closer to avoiding the worst impacts of climate change, which is already having a disproportionate impact on communities disproportionately burdened by pollution. The

proposed rules deliver on the Administration's commitment to reduce pollution from the power sector and reduce climate impacts for communities.

- These proposals include an environmental justice analysis that quantitatively evaluates:
    - the proximity of affected facilities to potentially vulnerable and/or overburdened populations for consideration of local pollutants impacted by these proposals and
    - the distribution of ozone and PM2.5 concentrations in the baseline and changes due to the proposed rulemakings across different demographic groups on the basis of race, ethnicity, poverty status, employment status, health insurance status, age, sex, educational attainment, and degree of linguistic isolation.
- The environmental justice assessment also includes discussions of climate impacts across various demographic groups.
- EPA has evaluated how the air quality impacts associated with these proposals would be distributed, with particular focus on potentially vulnerable populations.
    - These proposals are anticipated to lead to modest but widespread reductions in ambient levels of PM2.5 for a large majority of the nation's population, as well as reductions in ambient PM2.5 exposures that are similar in magnitude across all racial, ethnic, income and linguistic groups.
    - Similarly, EPA found that the proposed standards are anticipated to lead to modest but widespread reductions in ambient levels of ground-level ozone for some of the nation's population, and that in all but one of the years evaluated the proposed standards would lead to similar reductions in ambient ozone exposures across all demographic groups.
    - Although reductions in PM2.5 and ozone exposures are small relative to baseline levels, and although disparities in PM2.5 and ozone exposure would continue to persist following these proposals, EPA's analysis indicates that the air quality benefits of these proposals would be broadly distributed.
- EPA has evaluated the percent of potentially vulnerable and/or overburdened populations living near three categories of facilities associated with these proposals. These proximity analyses provide information as to whether there may be potential EJ concerns associated with environmental stressors, such as local hazardous air pollution, emitted from sources affected by the regulatory action for certain population groups of concern.
- The following subsets of affected facilities were separately evaluated:
    - All coal plants (140 facilities) with units potentially subject to the proposed 111 rules: Comparison of the percentage of various populations (race/ethnicity, age, education, poverty status, income, and linguistic isolation) living near the facilities to average national levels.
    - Coal plants retiring by January 1, 2032 (3 facilities) with units potentially subject to the proposed 111 rules: Comparison of the percentage of various populations (race/ethnicity, age, education, poverty status, income, and linguistic isolation) living near the facilities to average national levels.

- Coal plants retiring between January 1, 2032, to January 1, 2040, (19 facilities) with units potentially subject to the proposed 111 rules: Comparison of the percentage of various populations (race/ethnicity, age, education, poverty status, income, and linguistic isolation) living near the facilities to average national levels.

- The proximity analysis of the full population of potentially affected units greater than 25 MW indicated that the demographic percentages of the population within 10 km and 50 km of the facilities are relatively similar to the national averages.
    - The proximity analysis of the 19 units that will retire from January 1, 2032, to January 1, 2040 (a subset of the total 140 units) found that the percent of the population within 10 km that is African American is higher than the national average.
    - The proximity analysis for the 3 units that will retire by January 1, 2032 (a subset of the total 140 units) found that for both the 10 km and 50 km populations the percent of the population that is American Indian for one facility is significantly above the national average, the percent of the population that is Hispanic/Latino for another facility is substantially above the national average, and all three facilities were well above the national average for both the percent below the poverty level and the percent below two times the poverty level.

Meaningful Engagement

- EPA's proposed emission guidelines for existing fossil fuel-fired steam generating units as well as existing fossil fuel-fired stationary combustion turbines would require states to undertake meaningful engagement with affected stakeholders, including communities that are most affected by and vulnerable to emissions from these EGUs. This ensures that the priorities, concerns and perspectives of these communities are heard during the planning process.
- Meaningful engagement requirements are intended to ensure that the perspectives, priorities and concerns of affected communities are included in the process of establishing and implementing standards of performance for existing EGUs, including decisions about compliance strategies and compliance flexibilities that may be included in a state plan.
- In engaging with stakeholders in the development of these proposed emission guidelines, community representatives raised strongly held concerns about the potential health, environmental, and safety impacts of CCS.
- In outreach with potentially vulnerable communities, residents voiced two primary concerns. First, there is the concern that their communities have experienced historically disproportionate burdens from the environmental impacts of energy production, and second, that as the sector evolves to use new technologies such as CCS and hydrogen, they may continue to face disproportionate burdens.
- With regards to CCS, the EPA is proposing that CCS is a component of the BSER for new base load stationary combustion turbine EGUs, existing coal-fired steam generating units that

intend to operate after 2040, and large and frequently operated existing stationary combustion turbine EGUs.

- EPA recognizes and has given careful consideration to the various concerns that potentially vulnerable communities have raised with regards to the use of CCS.
- EPA's proposal follows guidance from the Council on Environmental Quality to ensure that the advancement of carbon capture, utilization, and sequestration technologies are done in a responsible manner that incorporates the input of communities and reflects the best available science. Consistent with this guidance, EPA will engage with communities and stakeholders on opportunities to improve environmental review of carbon capture and sequestration.

Repeal of the Affordable Clean Energy Rule

- EPA is simultaneously proposing to repeal the Affordable Clean Energy (ACE) rule because the emission guidelines established in ACE do not reflect the BSER for steam generating EGUs and are inconsistent with section 111 of the CAA in other respects.

Background

- In October 2015, EPA issued a final rule to regulate GHGs from new power plants under section 111(b) of the CAA and issued a final rule to regulate GHGs from existing power plants under CAA section 111(d), which was more commonly referred to as the clean power plan (CPP).
- On June 19, 2019, EPA issued the Affordable Clean Energy (ACE) Rule which replaced the 2015 CPP and established emission guidelines for states to develop plans to address GHG emissions from existing coal-fired power plants.
- On January 19, 2021, the ACE Rule was vacated and remained vacated through October 26, 2022. The rule was then reinstated on October 27, 2022, which meant states were once again obligated to submit the state plans required under the rule.
- On March 7, 2023, EPA extended the state submittal deadline under the ACE Rule to April 15, 2024, making it clear that states are not expected to take immediate action to develop and submit plans under Clean Air Act section 111(d) with respect to greenhouse gas emissions from power plants at this time.

Public Hearing and Comment

- EPA will hold a virtual public hearing for this proposed action. Further details will be announced at Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants.

- EPA will accept comment on the proposal for 60 days after publication in the *Federal Register*. Comments, identified by Docket ID No. EPA-HQ-OAR-2023-0072, may be submitted by one of the following methods:
    - Go to https://www.regulations.gov/ and follow the online instructions for submitting comments.
    - Send comments by email to a-and-r-docket@epa.gov, Attention Docket ID No. EPA-HQ-OAR-2023-0072 in the subject line of the message.
    - Fax your comments to: (202) 566-9744, Attention Docket ID No. EPA-HQ-OAR-2023-0072.
    - Mail your comments to: EPA Docket Center, Environmental Protection Agency, Mail Code: 28221T, 1200 Pennsylvania Ave, NW, Washington, DC 20460, Attention Docket ID No. EPA-HQ-OAR-2023-0072.
    - Deliver comments in person to: EPA Docket Center, 1301 Constitution Ave., NW, Room 3334, Washington, DC. Note: In-person deliveries (including courier deliveries) are only accepted during the Docket Center's normal hours of operation. Special arrangements should be made for deliveries of boxed information.

For More Information

- Interested parties can download a copy of the proposed rule from Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants
- Today's action and other background information are also available electronically at https://www.regulations.gov/, EPA's electronic public docket and comment system.
    - The Public Reading Room is located at the EPA Headquarters library, room number 3334 in the EPA WJC West Building, 1301 Constitution Avenue, NW, Washington, DC. Hours of operation are 8:30 a.m. to 4:30 p.m., eastern standard time, Monday through Friday, excluding federal holidays.
    - Visitors are required to show photographic identification, pass through a metal detector, and sign the EPA visitor log. All visitor materials will be processed through an X-ray machine as well. Visitors will be provided a badge that must be visible at all times.
    - Materials for this proposed action can be accessed using Docket ID No. EPA-HQ-OAR-2023-0072.

6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 60

[EPA-HQ-OAR-2023-0072; FRL-8536-02-OAR]

RIN 2060-AV09

New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule

AGENCY: Environmental Protection Agency (EPA)

ACTION: Proposed rule.

SUMMARY: In this notice, the Environmental Protection Agency (EPA) is proposing five separate actions under section 111 of the Clean Air Act (CAA) addressing greenhouse gas (GHG) emissions from fossil fuel-fired electric generating units (EGUs). The EPA is proposing revised new source performance standards (NSPS), first for GHG emissions from new fossil fuel-fired stationary combustion turbine EGUs and second for GHG emissions from fossil fuel-fired steam generating units that undertake a large modification, based upon the 8-year review required by the CAA. Third, the EPA is proposing emission guidelines for GHG emissions from existing fossil fuel-fired steam generating EGUs, which include both coal-fired and oil/gas-fired steam generating EGUs. Fourth, the EPA is proposing emission guidelines for GHG emissions from the largest, most frequently operated existing stationary combustion turbines and is soliciting comment on approaches for emission guidelines for GHG emissions for the remainder

of the existing combustion turbine category. Finally, the EPA is proposing to repeal the Affordable Clean Energy (ACE) Rule.

DATES: *Comments.* Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Comments on the information collection provisions submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) are best assured of consideration by OMB if OMB receives a copy of your comments on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Public Hearing. The EPA will hold a virtual public hearing on **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and **[INSERT DATE 22 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. See **SUPPLEMENTARY INFORMATION** for information on registering for a public hearing.

ADDRESSES: You may send comments, identified by Docket ID No. EPA-HQ-OAR-2023-0072, by any of the following methods:

- Federal eRulemaking Portal: *https://www.regulations.gov* (our preferred method). Follow the online instructions for submitting comments.
- Email: *a-and-r-docket@epa.gov*. Include Docket ID No. EPA-HQ-OAR-2023-0072 in the subject line of the message.
- Fax: (202) 566-9744. Attention Docket ID No. EPA-HQ-OAR-2023-0072.
- Mail: U.S. Environmental Protection Agency, EPA Docket Center, Docket ID No. EPA-HQ-OAR-2023-0072, Mail Code 28221T, 1200 Pennsylvania Avenue, NW, Washington, DC 20460.

- Hand/Courier Delivery: EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue, NW, Washington, DC 20004. The Docket Center's hours of operation are 8:30 a.m.–4:30 p.m., Monday–Friday (except Federal holidays).

Instructions: All submissions received must include the Docket ID No. for this rulemaking. Comments received may be posted without change to *https://www.regulations.gov*, including any personal information provided. For detailed instructions on sending comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: For questions about these proposed actions, contact Mr. Christian Fellner, Sector Policies and Programs Division (D243-02), Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina 27711; telephone number: (919) 541-4003; and email address: *fellner.christian@epa.gov* or Ms. Lisa Thompson, Sector Policies and Programs Division (D243-02), Office of Air Quality Planning and Standards, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina 27711; telephone number: (919) 541-9775; and email address: *thompson.lisa@epa.gov*.

SUPPLEMENTARY INFORMATION:

Participation in virtual public hearing. The public hearing will be held via virtual platform on **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and **[INSERT DATE 22 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and will convene at 11:00 a.m. Eastern Time (ET) and conclude at 7:00 p.m. ET each day. If the EPA receives a high volume of registrations for the public hearing, the EPA may continue the public hearing on **[INSERT**

DATE 23 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. On each hearing day, the EPA may close a session 15 minutes after the last pre-registered speaker has testified if there are no additional speakers. The EPA will announce further details at *https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power*.

The EPA will begin pre-registering speakers for the hearing no later than 1 business day following the publication of this document in the *Federal Register*. The EPA will accept registrations on an individual basis. To register to speak at the virtual hearing, please use the online registration form available at *https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power* or contact the public hearing team at (888) 372-8699 or by email at *SPPDpublichearing@epa.gov*. The last day to pre-register to speak at the hearing will be **[INSERT DATE 14 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Prior to the hearing, the EPA will post a general agenda that will list pre-registered speakers in approximate order at: *https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power*.

The EPA will make every effort to follow the schedule as closely as possible on the day of the hearing; however, please plan for the hearings to run either ahead of schedule or behind schedule.

Each commenter will have 4 minutes to provide oral testimony. The EPA encourages commenters to provide the EPA with a copy of their oral testimony by submitting the text of your oral testimony as written comments to the rulemaking docket.

The EPA may ask clarifying questions during the oral presentations but will not respond to the presentations at that time. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral testimony and supporting information presented at the public hearing.

Please note that any updates made to any aspect of the hearing will be posted online at *https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power*. While the EPA expects the hearing to go forward as described in this section, please monitor our website or contact the public hearing team at (888) 372-8699 or by email at *SPPDpublichearing@epa.gov* to determine if there are any updates. The EPA does not intend to publish a document in the *Federal Register* announcing updates.

If you require the services of an interpreter or a special accommodation such as audio description, please pre-register for the hearing with the public hearing team and describe your needs by **[INSERT DATE 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. The EPA may not be able to arrange accommodations without advanced notice.

Docket. The EPA has established a docket for these rulemakings under Docket ID No. EPA-HQ-OAR-2023-0072. All documents in the docket are listed in the Regulations.gov index. Although listed in the index, some information is not publicly available, *e.g.*, Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy.

Written Comments. Direct your comments to Docket ID No. EPA-HQ-OAR-2023-0072 at *https://www.regulations.gov* (our preferred method), or the other methods identified in the ADDRESSES section. Once submitted, comments cannot be edited or removed from the docket.

The EPA may publish any comment received to its public docket. Do not submit to the EPA's docket at *https://www.regulations.gov* any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. This type of information should be submitted as discussed in the *Submitting CBI* section of this document.

Multimedia submissions (audio, video, *etc.*) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the Web, cloud, or other file sharing system). Please visit *https://www.epa.gov/dockets/commenting-epa-dockets* for additional submission methods; the full EPA public comment policy; information about CBI or multimedia submissions; and general guidance on making effective comments.

The *https://www.regulations.gov* website allows you to submit your comment anonymously, which means the EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to the EPA without going through *https://www.regulations.gov*, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any digital storage media you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the EPA may not be able to consider your comment. Electronic files should not include special characters or any form of encryption and should be free of any defects or viruses.

Submitting CBI. Do not submit information containing CBI to the EPA through *https://www.regulations.gov*. Clearly mark the part or all of the information that you claim to be CBI. For CBI information on any digital storage media that you mail to the EPA, note the docket ID, mark the outside of the digital storage media as CBI, and identify electronically within the digital storage media the specific information that is claimed as CBI. In addition to one complete version of the comments that includes information claimed as CBI, you must submit a copy of the comments that does not contain the information claimed as CBI directly to the public docket through the procedures outlined in *Written Comments* section of this document. If you submit any digital storage media that does not contain CBI, mark the outside of the digital storage media clearly that it does not contain CBI and note the docket ID. Information not marked as CBI will be included in the public docket and the EPA's electronic public docket without prior notice. Information marked as CBI will not be disclosed except in accordance with procedures set forth in 40 Code of Federal Regulations (CFR) part 2.

Our preferred method to receive CBI is for it to be transmitted electronically using email attachments, File Transfer Protocol (FTP), or other online file sharing services (*e.g.*, Dropbox, OneDrive, Google Drive). Electronic submissions must be transmitted directly to the OAQPS CBI Office at the email address *oaqpscbi@epa.gov* and, as described above, should include clear CBI markings and note the docket ID. If assistance is needed with submitting large electronic files that exceed the file size limit for email attachments, and if you do not have your own file sharing service, please email *oaqpscbi@epa.gov* to request a file transfer link. If sending CBI information through the postal service, please send it to the following address: OAQPS Document Control Officer (C404-02), OAQPS, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina 27711, Attention Docket ID No. EPA-HQ-OAR-2023-

0072. The mailed CBI material should be double wrapped and clearly marked. Any CBI markings should not show through the outer envelope.

Preamble acronyms and abbreviations. Throughout this document the use of "we," "us," or "our" is intended to refer to the EPA. The EPA uses multiple acronyms and terms in this preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, the EPA defines the following terms and acronyms here:

ACE	Affordable Clean Energy rule
BACT	best available control technology
BSER	best system of emissions reduction
Btu	British thermal unit
CAA	Clean Air Act
CBI	Confidential Business Information
CCS	carbon capture and sequestration/storage
CCUS	carbon capture, utilization, and sequestration/storage
CFR	Code of Federal Regulations
CHP	combined heat and power
CO_2	carbon dioxide
CO_2e	carbon dioxide equivalent
CPP	Clean Power Plan
CSAPR	Cross-State Air Pollution Rule
DOE	Department of Energy
DOI	Department of the Interior
DOT	Department of Transportation
EGU	electric generating unit
EIA	Energy Information Administration
EJ	environmental justice
EO	Executive Order
EOR	enhanced oil recovery
EPA	Environmental Protection Agency
FEED	front-end engineering and design
FGD	flue gas desulfurization
FR	*Federal Register*
FrEDI	Framework for Evaluating Damages and Impacts
GHG	greenhouse gas
GHGRP	Greenhouse Gas Reporting Program
GW	gigawatt
HHV	higher heating value
HRSG	heat recovery steam generator
IBR	incorporate by reference

ICR	information collection request
IGCC	integrated gasification combined cycle
IIJA	Infrastructure Investment and Jobs Act
IPCC	Intergovernmental Panel on Climate Change
IRC	Internal Revenue Code
IRP	integrated resource plan
kg	kilogram
kWh	kilowatt-hour
LCOE	levelized cost of electricity
LHV	lower heating value
LNG	liquefied natural gas
MMBtu/hr	million British thermal units per hour
MMst	million short tons
MMT CO_2e	million metric tons of carbon dioxide equivalent
MW	megawatt
MWh	megawatt-hour
NAAQS	National Ambient Air Quality Standards
NAICS	North American Industry Classification System
NCA4	2017–2018 Fourth National Climate Assessment
NETL	National Energy Technology Laboratory
NGCC	natural gas combined cycle
NOx	nitrogen oxides
NREL	National Renewable Energy Laboratory
NSPS	new source performance standards
NSR	New Source Review
OMB	Office of Management and Budget
PM	particulate matter
PSD	Prevention of Significant Deterioration
PUC	public utilities commission
RIA	regulatory impact analysis
RPS	renewable portfolio standard
RTO	Regional Transmission Organization
SCR	selective catalytic reduction
SIP	State Implementation Plan
U.S.	United States
U.S.C.	United States Code

Organization of this document. The information in this preamble is organized as follows:

G. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks Populations and Low-Income Populations
H. Executive Order 13211: Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use
I. National Technology Transfer and Advancement Act (NTTAA) and 1 CFR Part 51
J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

I. Executive Summary

In 2009, the EPA concluded that GHG emissions endanger our nation's public health and welfare.[1] Since that time, the evidence of the harms posed by GHG emissions has only grown and Americans experience the destructive and worsening effects of climate change every day. Fossil fuel-fired EGUs are the nation's largest stationary source of GHG emissions, representing 25 percent of the United States' total GHG emissions in 2020. At the same time, a range of cost-effective technologies and approaches to reduce GHG emissions from these sources are available to the power sector, and multiple projects are in various stages of operation and development—including carbon capture and sequestration/storage (CCS) and co-firing with lower-GHG fuels. Congress has also acted to provide funding and other incentives to encourage the deployment of these technologies to achieve reductions in GHG emissions from the power sector.

In this notice, the EPA is proposing several actions under section 111 of the Clean Air Act (CAA) to reduce the significant quantity of GHG emissions from new and existing fossil fuel-fired EGUs by establishing new source performance standards (NSPS) and emission guidelines that are based on available and cost-effective technologies that directly reduce GHG emissions from these sources. Consistent with the statutory command of section 111, the

[1] 74 FR 66496 (December 15, 2009).

proposed NSPS and emission guidelines reflect the application of the best system of emission reduction (BSER) that, taking into account costs, energy requirements, and other statutory factors, is adequately demonstrated.

Specifically, the EPA is proposing to update and establish more protective NSPS for GHG emissions from new and reconstructed fossil fuel-fired stationary combustion turbine EGUs that are based on highly efficient generating practices, hydrogen co-firing, and CCS. The EPA is also proposing to establish new emission guidelines for existing fossil fuel-fired steam generating EGUs that reflect the application of CCS and the availability of natural gas co-firing. The EPA is simultaneously proposing to repeal the Affordable Clean Energy (ACE) rule because the emission guidelines established in ACE do not reflect the BSER for steam generating EGUs and are inconsistent with section 111 of the CAA in other respects. To address GHG emissions from existing fossil fuel-fired stationary combustion turbines, the EPA is proposing emission guidelines for large and frequently used existing stationary combustion turbines. Further, the EPA is soliciting comment on how the Agency should approach its legal obligation to establish emission guidelines for the remaining existing fossil fuel-fired combustion turbines not covered by this proposal, including smaller frequently used, and less frequently used, combustion turbines.

Each of the NSPS and emission guidelines proposed here would ensure that EGUs reduce their GHG emissions in a manner that is cost-effective and improves the emissions performance of the sources, consistent with the applicable CAA requirements and caselaw. These proposed standards and emission guidelines, if finalized, would significantly decrease GHG emissions from fossil fuel-fired EGUs and the associated harms to human health and welfare. Further, the

EPA has designed these proposed standards and emission guidelines in a way that is compatible with the nation's overall need for a reliable supply of affordable electricity.

A. Climate Change and the Power Sector

These proposals focus on reducing the emissions of GHGs from the power sector. The increasing concentrations of GHGs in the atmosphere are, and have been, warming the planet, resulting in serious and life-threatening environmental and human health impacts. The increased concentrations of GHGs in the atmosphere and the resulting warming have led to more frequent and more intense heat waves and extreme weather events, rising sea levels, and retreating snow and ice, all of which are occurring at a pace and scale that threatens human welfare.

The power sector in the United States (U.S.) is both a key contributor to the cause of climate change and a key component of the solution to the climate challenge. In 2020, the power sector was the largest stationary source of GHGs, emitting 25 percent of the overall domestic emissions.[2] These emissions are almost entirely the result of the combustion of fossil fuels in the EGUs that are the subjects of these proposals.

The power sector possesses many opportunities to contribute to solutions to the climate challenge. Particularly relevant to these proposals are several key technologies (co-firing of low-GHG fuels and CCS) that can allow steam generating EGUs and stationary combustion turbines (the focus of these proposals) to provide power while emitting significantly lower GHG emissions. Moreover, with the increased electrification of other GHG-emitting sectors of the economy, such as personal vehicles, heavy-duty trucks, and the heating and cooling of buildings,

[2] *https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions.*

a power sector with lower GHG emissions can also help reduce pollution coming from other sectors of the economy.

B. Overview of the Proposals

As noted above, these actions include proposed BSER determinations and accompanying standards of performance for GHG emissions from new and reconstructed fossil fuel-fired stationary combustion turbines, proposed repeal of the ACE Rule, proposed BSER determinations and emission guidelines for existing fossil fuel-fired steam generating units, proposed BSER determinations and emission guidelines for large, frequently used existing fossil fuel-fired stationary combustion turbines, and solicitation for comment on potential BSER options and emission guidelines for existing fossil fuel-fired stationary combustion turbines not otherwise covered by the proposal.

The EPA is taking these actions consistent with the process that CAA section 111 establishes. Under CAA section 111, once the EPA has identified a source category that emits dangerous air pollutants, it proceeds to regulate new sources and, for GHGs and certain other air pollutants, existing sources. The central requirement is that the EPA must determine the "best system of emission reduction … adequately demonstrated," taking into account the cost of the reductions, non-air quality health and environmental impacts, and energy requirements. CAA section 111(a)(1). The EPA may determine that different sets of sources have different characteristics relevant for determining the BSER and may subcategorize sources accordingly.

Once it determines the BSER, the EPA must determine the "degree of emission limitation" achievable by application of the BSER. For new sources, the EPA determines the standard of performance with which the sources must comply, which is a standard for emissions that reflects the degree of emission limitation. For existing sources, the EPA includes the

information it has developed concerning the BSER and associated degree of emission limitation into emission guidelines and directs the states to adopt state plans that contain standards of performance that are consistent with the emission guidelines.

Since the early 1970s, the EPA has promulgated regulations under section 111 for more than 60 source categories, which has established a robust regulatory history. During this period, the courts, primarily the U.S. Court of Appeals for the D.C. Circuit and the Supreme Court, have developed a body of caselaw interpreting section 111. As the Supreme Court has recognized, in these CAA section 111 actions, the EPA has determined the BSER to be "measures that improve the pollution performance of individual sources," including add-on controls and clean fuels. *West Virginia v. EPA,* 142 S. Ct. 2587, 2614 (2022). For present purposes, several of a BSER's key features include that costs of controls must be reasonable, that the EPA may determine a control to be "adequately demonstrated" even if it is new and not yet in widespread commercial use, and, further, that the EPA may reasonably project the development of a control system at a future time and establish requirements that take effect at that time. The actions that the EPA is proposing are consistent with the requirements of CAA section 111 and its regulatory history and caselaw.

1. New and Reconstructed Fossil Fuel-Fired Combustion Turbines

For new and reconstructed fossil fuel-fired combustion turbines, the EPA is proposing to create three subcategories based on the function the combustion turbine serves: a low load ("peaking units") subcategory that consists of combustion turbines with a capacity factor of less than 20 percent; an intermediate load subcategory for combustion turbines with a capacity factor that ranges between 20 percent and a source-specific upper bound that is based on the design efficiency of the combustion turbine; and a base load subcategory for combustion turbines that

operate above the upper-bound threshold for intermediate load turbines. This subcategorization approach is similar to the current NSPS for these sources, which includes separate subcategories for base load and non-base load units; however, the EPA is now proposing to subdivide the non-base load subcategory into a low load subcategory and a separate intermediate load subcategory. This revised approach to subcategories is consistent with the fact that utilities and power plant operators are building new combustion turbines with plans to operate them at varying levels of capacity, in coordination with existing and expected energy sources. These patterns of operation are important for the type of controls that the EPA is proposing as the BSER for these turbines, in terms of the feasibility of, emissions reductions that would be achieved by, and cost-reasonableness of, those controls.

For the low load subcategory, the EPA is proposing that the BSER is the use of lower emitting fuels (*e.g.*, natural gas and distillate oil) with standards of performance ranging from 120 lb CO_2/MMBtu to 160 lb CO_2/MMBtu, depending on the type of fuel combusted.[3] For the intermediate load and base load subcategories, the EPA is proposing an approach in which the BSER has multiple components: (1) Highly efficient generation; and (2) depending on the subcategory, use of CCS or co-firing low-GHG hydrogen.

These components of the BSER for the intermediate and base load subcategories form the basis of a standard of performance that applies in multiple phases. That is, affected facilities—which are facilities that commence construction or reconstruction after the date of publication in

[3] In the 2015 NSPS, the EPA referred to clean fuels as fuels with a consistent chemical composition (*i.e.*, uniform fuels) that result in a consistent emission rate of 69 kilograms per gigajoule (kg/GJ) (160 lb CO_2/MMBtu). Fuels in this category include natural gas and distillate oil. In this rulemaking, the EPA refers to these fuels as both lower emitting fuels or uniform fuels.

the *Federal Register* of this proposed rulemaking—must meet the first phase of the standard of performance, which is based exclusively on application of the first component of the BSER (highly efficient generation), by the date the rule is promulgated. Affected sources in the intermediate load and base load subcategories must also meet the second and in some cases third and more stringent phases of the standard of performance, which are based on the continued application of the first component of the BSER and the application of the second and in some cases third component of the BSER. For base load units, the EPA is proposing two pathways as potential BSER—(1) the use of CCS to achieve a 90 percent capture of GHG emissions by 2035 and (2) the co-firing of 30 percent (by volume) low-GHG hydrogen by 2032, and ramping up to 96 percent by volume low-GHG hydrogen by 2038. These two BSER pathways both offer significant opportunities to reduce GHG emissions but, may be available on slightly different timescales. Depending upon the phase in periods for both CCS and hydrogen, the CCS pathway could provide greater cumulative emission reductions than the low GHG hydrogen pathway. The EPA seeks comment specifically upon the percentages of hydrogen co-firing and CO_2 capture as well as the dates that meet the statutory BSER criteria for each pathway. The EPA solicits comment on the differences in emissions reductions in both scale and time that would result from the two standards and BSER pathways, including how to calculate the different amounts of emission reductions, how to compare them, and what conclusions to draw from those differences. The EPA also seeks comment on whether the Agency should finalize both pathways as separate subcategories with separate standards of performance, or whether it should finalize one pathway with the option of meeting the standard of performance using either system of emission reduction, *e.g.*, a single standard based on application of CCS with 90 percent capture, which could also be met by co-firing 96 percent (by volume) low-GHG hydrogen.

It should be noted that utilization of highly efficient generation is a logical complement to both CCS and co-firing of low-GHG hydrogen because, from both an economic and emissions perspective, that configuration will provide the greatest reductions at the lowest cost. This approach reflects the EPA's view that the BSER for the intermediate load and base load subcategories should reflect the deeper reductions in GHG emissions that can be achieved by implementing CCS and co-firing low-GHG hydrogen with the most efficient stationary combustion turbine configuration available. However, in proposing that compliance begins in 2032 (for co-firing with low-GHG hydrogen) and 2035 (for use of CCS), the EPA recognizes that building the infrastructure required to support wider use of CCS and qualified low-GHG hydrogen in the power sector will take place on a multi-year time scale.

More specifically, with respect to the first phase of the standards of performance, the EPA is proposing that the BSER for both the intermediate load and base load subcategories includes highly efficient generating technology (*i.e.*, the most efficient available turbines). For the intermediate load subcategory, the EPA is proposing that the BSER includes highly efficient simple cycle combustion turbine technology with an associated first phase standard of 1,150 lb CO_2/MWh-gross. For the base load subcategory, the EPA is proposing that the BSER includes highly efficient combined cycle technology with an associated first phase standard of 770 lb CO_2/MWh-gross for larger combustion turbine EGUs with a base load rating of 2,000 MMBtu/h or more. For smaller base load combustion turbines (with a base load rating of less than 2,000 MMBtu/h), the proposed associated standard would range from 770 to 900 lb CO_2/MWh-gross depending on the specific base load rating of the combustion turbine. These standards would apply immediately upon the effective date of the final rule.

With respect to the second phase of the standards of performance, for the intermediate load subcategory, the EPA is proposing that the BSER includes co-firing 30 percent by volume low-GHG hydrogen (unless otherwise noted, all co-firing hydrogen percentages are on a volume basis) with an associated standard of 1,000 lb CO_2/MWh-gross, compliance with which would be required starting in 2032. For the base load subcategory, to elicit comment on both pathways, the EPA is proposing to subcategorize further into base load units that are adopting the CCS pathway and base load units that are adopting the low-GHG hydrogen co-firing pathway. For the subcategory of base load units that are adopting the CCS pathway, the EPA is proposing that the BSER includes the use of CCS with 90 percent capture of CO_2 with an associated standard of 90 lb CO_2/MWh-gross, compliance with which would be required starting in 2035. For the subcategory of base load units that are adopting the low-GHG hydrogen co-firing pathway, the EPA is proposing that the BSER includes co-firing 30 percent (by volume) low-GHG hydrogen with an associated standard of 680 lb CO_2/MWh-gross, compliance with which would be required starting in 2032, and co-firing 96 percent (by volume) low-GHG hydrogen by 2038, which corresponds to a standard of performance of 90 lb CO_2/MWh-gross. In both cases, the second (and sometimes third) phase standard of performance would be applicable to all combustion turbines that were subject to the first phase standards of performance.

2. Existing and Modified Fossil Fuel-Fired Steam Generating Units and ACE Repeal

With respect to existing coal-fired steam generating units, the EPA is proposing to repeal and replace the existing ACE Rule emission guidelines. The EPA recognizes that, since it promulgated the ACE Rule, the costs of CCS have decreased due to technology advancements as well as new policies including the expansion of the Internal Revenue Code section 45Q tax credit for CCS in the Inflation Reduction Act (IRA); and the costs of natural gas co-firing have

decreased as well, due in large part to a decrease in the difference between coal and natural gas prices. As a result, the EPA considered both CCS and natural gas co-firing as candidates for BSER for existing coal-fired steam EGUs.

Based on the latest information available to the Agency on cost, emission reductions, and other statutory criteria, the EPA is proposing that the BSER for existing coal-fired steam EGUs that expect to operate in the long-term is CCS with 90 percent capture of CO_2. The EPA has determined that CCS satisfies the BSER criteria for these sources because it is adequately demonstrated, achieves significant reductions in GHG emissions, and is highly cost-effective.

Although the EPA considers CCS to be a broadly applicable BSER, the Agency also recognizes that CCS will be most cost-effective for existing steam EGUs that are in a position to recover the capital costs associated with CCS over a sufficiently long period of time. During the early engagement process (see Docket ID No. EPA-HQ-OAR-2022-0723-0024), industry stakeholders requested that the EPA "[p]rovide approaches that allow for the retirement of units as opposed to investments in new control technologies, which could prolong the lives of higher-emitting EGUs; this will achieve maximum and durable environmental benefits." Industry stakeholders also suggested that the EPA recognize that some units may remain operational for a several-year period but will do so at limited capacity (in part to assure reliability), and then voluntarily cease operations entirely (see Docket ID No. EPA-HQ-OAR-2022-0723-0029).

In response to this industry stakeholder input and recognizing that the cost effectiveness of controls depends on the unit's expected operating time horizon, which dictates the amortization period for the capital costs of the controls, the EPA believes it is appropriate to establish subcategories of existing steam EGUs that are based on the operating horizon of the units. The EPA is proposing that for units that expect to operate in the long-term (*i.e.*, those that

plan to operate past December 31, 2039), the BSER is the use of CCS with 90 percent capture of CO_2 with an associated degree of emission limitation of an 88.4 percent reduction in emission rate (lb CO_2/MWh-gross basis). As explained in detail in this proposal, CCS with 90 percent capture of CO_2 is adequately demonstrated, cost reasonable, and achieves substantial emissions reductions from these units.

The EPA is proposing to define coal-fired steam generating units with medium-term operating horizons as those that (1) Operate after December 31, 2031, (2) have elected to commit to permanently cease operations before January 1, 2040, (3) elect to make that commitment federally enforceable and continuing by including it in the state plan, and (4) do not meet the definition of near-term operating horizon units. For these medium-term operating horizon units, the EPA is proposing that the BSER is co-firing 40 percent natural gas on a heat input basis with an associated degree of emission limitation of a 16 percent reduction in emission rate (lb CO_2/MWh-gross basis). While this subcategory is based on a 10-year operating horizon (*i.e.*, January 1, 2040), the EPA is specifically soliciting comment on the potential for a different operating horizon between 8 and 10 years to define the threshold date between the definition of medium-term and long-term coal-fired steam generating units (*i.e.*, January 1, 2038 to January 1, 2040), given that the costs for CCS may be reasonable for units with amortization periods as short as 8 years. For units with operating horizons that are imminent-term, *i.e.*, those that (1) Have elected to commit to permanently cease operations before January 1, 2032, and (2) elect to make that commitment federally enforceable and continuing by including it in the state plan, the EPA is proposing that the BSER is routine methods of operation and maintenance with an associated degree of emission limitation of no increase in emission rate (lb CO_2/MWh-gross basis). The EPA is proposing the same BSER determination for units in the near-term operating

horizon subcategory, *i.e.*, units that (1) Have elected to commit to permanently cease operations by December 31, 2034, as well as to adopt an annual capacity factor limit of 20 percent, and (2) elect to make both of these conditions federally enforceable by including them in the state plan. The EPA is also soliciting comment on a potential BSER based on low levels of natural gas co-firing for units in these last two subcategories.

The EPA is not proposing to revise the NSPS for newly constructed or reconstructed fossil fuel-fired steam generating units, which it promulgated in 2015 (80 FR 64510; October 23, 2015). This is because the EPA does not anticipate that any such units will construct or reconstruct and is unaware of plans by any companies to construct or reconstruct a new coal-fired EGU. The EPA is proposing to revise the standards of performance that it promulgated in the same 2015 action for coal-fired steam generators that undertake a large modification (*i.e.*, a modification that increases its hourly emission rate by more than 10 percent) to mirror the emissions guidelines, discussed below, for existing coal-fired steam generators. This will ensure that all existing fossil fuel-fired steam generating sources are subject to the emission controls whether they modify or not.

The EPA is also proposing emission guidelines for existing natural gas-fired and oil-fired steam generating units. Recognizing that virtually all of these units have limited operation, the EPA is, in general, proposing that the BSER is routine methods of operation and maintenance with an associated degree of emission limitation of no increase in emission rate (lb CO_2/MWh-gross).

3. Existing Fossil Fuel-Fired Stationary Combustion Turbines

The EPA is also proposing emission guidelines for large (*i.e.*, greater than 300 MW), frequently operated (*i.e.*, with a capacity factor of greater than 50 percent), existing fossil fuel-

fired stationary combustion turbines. Because these existing combustion turbines are similar to new stationary combustion turbines, the EPA is proposing a BSER that is similar to the BSER for new base load combustion turbines. The EPA is not proposing a first phase efficiency-based standard of performance; but the EPA is proposing that BSER for these units is based on either the use of CCS by 2035 or co-firing of 30 percent (by volume) low-GHG hydrogen by 2032 and co-firing 96 percent low-GHG hydrogen by 2038.

For the emission guidelines for existing fossil fuel-fired steam generating units and large, frequently operated fossil fuel-fired combustion turbines, the EPA is also proposing state plan requirements, including submittal timelines for state plans and methodologies for determining presumptively approvable standards of performance consistent with BSER. This proposal also addresses how states can implement the remaining useful life and other factors (RULOF) provision of CAA section 111(d) and how states can conduct meaningful engagement with impacted stakeholders. Finally, the EPA is proposing to allow states to include trading or averaging in state plans so long as they demonstrate equivalent emissions reductions, and this proposal discusses considerations related to the appropriateness of including such compliance flexibilities.

Finally, the EPA is soliciting comment on a number of variations to the subcategories and BSER determinations, as well as the associated degrees of emission limitation and standards of performance, summarized above. The EPA is soliciting comment on the capacity and capacity factor threshold for inclusion in the subcategory of large, frequently operated turbines (*e.g.*, capacities between 100 MW and 300 MW for the capacity threshold and a lower capacity factor threshold (*e.g.*, 40 percent). The EPA is also soliciting comment on BSER options and associated degrees of emission limitation for existing fossil fuel-fired stationary combustion turbines for

which no BSER is being proposed (*i.e.*, fossil fuel-fired stationary combustion turbines that are not large, frequently operated turbines).

C. Recent Developments in Emissions Controls and the Electric Power Sector

Several recent developments concerning emissions controls and the state of the electric power sector are relevant for the EPA's determination of the BSER for existing coal-fired steam generating EGUs and natural gas-fired combustion turbines. These include developments that have led to significant reductions in the cost of CCS; expected increases in the availability and expected reductions in the cost of low-GHG hydrogen; and announced and planned retirements of coal-fired power plants.

In recent years, the cost of CCS has declined in part because of process improvements learned from earlier deployments of CCS and other advances. In addition, the IRA, enacted in 2022, extended and significantly increased the tax credit for CCS under Internal Revenue Code (IRC) section 45Q. As explained in detail in the BSER discussions later in this preamble, these changes support the EPA's proposed conclusion that CCS is the BSER for a number of subcategories in these proposals.

In addition, in both the Infrastructure Investment and Jobs Act (IIJA), enacted in 2021, and the IRA, Congress provided extensive support for the development of hydrogen produced through low-GHG methods. This support includes investment in infrastructure through the IIJA and the provision of tax credits in the IRA to incentivize the manufacture of hydrogen through low GHG-emitting methods. These changes also support the EPA's proposal that co-firing low-GHG hydrogen is BSER for certain subcategories of stationary combustion turbines.

The IIJA and IRA have also been part of the reason why many utilities and power generating companies have recently announced plans to change the mix of their generating

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