

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR: 1) AN ADJUSTMENT OF)	
THE ELECTRIC RATES; 2) APPROVAL OF NEW)	CASE NO.
TARIFFS; 3) APPROVAL OF ACCOUNTING)	2024-00354
PRACTICES TO ESTABLISH REGULATORY)	
ASSETS AND LIABILITIES; AND 4) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

COMMISSION STAFF’S POST-HEARING REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due no later than June 13, 2025. The Commission directs Duke Kentucky to the Commission’s July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

1. Refer to the Rebuttal Testimony of Sarah Lawler, page 11, lines 10-12. Provide the workpapers for this calculation in Excel format with all formulas intact and cells unlocked.

2. Explain how Duke Kentucky is billed the Billing Line Items (BLI) by PJM and how Duke Kentucky tracks the recovery and payment of those PJM BLIs. Provide an

example of the billing sheet provided by PJM to Duke Kentucky to assist in the explanation.

3. Refer to the Application, Volume 12, Schedule L-2.2, pages 74 through 77.

a. Provide a copy of any policy or similar document explaining the cost allocation methodology used by Duke Kentucky to allocate PJM BLIs that appear in the Fuel Adjustment Clause (FAC) and Rider Profit Sharing Mechanism (PSM).

b. If no written methodology exists, provide a step-by-step explanation of the methodology.

c. Provide a specific definition of “native” and “non-native” as those terms are used in the FAC and Rider PSM tariffs to allocate portions of BLIs.

4. Refer to the Application, Volume 12, Schedule L-2.2, pages 76 through 77. Duke Kentucky’s proposal includes PJM BLIs 1980, 2980, and 1999 in three of the Rider PSM Rider components: the OSS; the NF; and the CAP. Explain how Duke Kentucky plans to differentiate these PJM BLIs between each component to ensure that there is not a double recovery.

5. Refer to the Application, Volume 12, Schedule L-2.2, pages 76 through 77. Duke Kentucky’s proposal includes PJM BLIs 1216, 1980, 2980, and 1999 in the FAC and in the PSM Rider. Explain in detail how Duke Kentucky plans to differentiate these PJM BLIs between the FAC Rider and PSM Rider to ensure that there is not a double recovery.

6. Refer to the Commission's final Order in Case No. 2024-00285 issued on May 16, 2025.²

a. Provide a tariff sheet showing Duke Kentucky's currently approved Rider PSM Tariff redlined with edits currently proposed in this case. If there are no changes to the redlined tariffs included in Volume 12, Schedule L-2.2, pages 76 through 77, you may respond to this request by simply indicating the same.

b. Provide a tariff sheet showing Duke Kentucky's Rider PSM Tariff, as currently proposed in this case, redlined with amendments to the Rider PSM approved in Case No. 2024-00285 after the transition to the RPM construct.

7. Refer to the Direct Testimony of John D. Swez, at page 35 through 48

a. Explain how Duke Kentucky is notified, or otherwise becomes aware, that it may be subject to a penalty from PJM, including whether it is informed of a penalty prior to receiving a bill from PJM.

b. Explain how a penalty is reported to the Commission if Duke Kentucky receives a penalty from PJM.

c. For the last five-year, provide each instance Duke Kentucky has received a penalty from PJM, describe the penalty in detail, identify the method in which the Commission was notified of the penalty, and identify and describe any corresponding credits.

² Case No. 2024-00285, *Electronic Application of Duke Energy Kentucky, Inc. to Become a Full Participant in the PJM Interconnection, LLC, Base Residual and Incremental Auction Construction for the 2027/2028 Delivery Year and for Necessary Accounting and Tariff Changes* (Ky. PSC May, 16, 2025), Order.

8. Regarding Duke Kentucky's request to expand the fee-free payment options available to residential customers to include payments by debit, credit, prepaid cards, and electronic check.

a. Provide the current percentage of Duke Kentucky customers that pay by debit, credit, prepaid cards, or electronic check.

b. In other Duke Energy Corporation subsidiary service territories where a current fee-free program for card payers is in place, provide the percentage of customers that pay by debit, credit, prepaid cards, or electronic check.

c. If the fee-free payment request were approved, provide Duke Kentucky's estimated percentage of customers who would make payments by debit, credit, prepaid card, or electronic check, and explain how that estimate was determined.

d. If the fee-free payment request were approved, explain whether Duke Kentucky estimates that the percentage of customers who pay by debit, credit, prepaid cards, or electronic check would closely mirror other Duke Energy Corporation subsidiary service territories where a fee-free program is already in place. Explain why or why not.

e. If the fee-free payment request were approved, provide the impact on the bill of an average residential customer in Duke Kentucky's territory.

f. Provide the per transaction cost and total test year expense to process residential customer payments via check, money order, cash, automated bank draft, and electronic funds transfer.

9. Refer to Duke Kentucky's response to the Attorney General's Second Request for Information, Item 48, AG-DR-02-048 Conf Attachment.xlsx.

a. Explain why the amount reflected in G38 of Tab 2023 – Consolidated is a negative number and the amount in G39 of Tab 2023 – Consolidated is a positive number and provide workpapers showing the calculation of those amounts.

b. For Tabs 2023 – Consolidated and 2024 – Consolidated, explain what the amounts reflected on Excel lines 43 and 70 represent as well as how and why portions of those amounts are allocated to Duke Kentucky.

c. For Tab 2024 Summary, explain what the amounts in B18 and B21 represent, how they are calculated, how they are distinct from the amounts in D18 and D19, respectively, and why the amounts in B21 are used to calculate the ratios in Column C.

d. For Tab 2023 Summary, explain what the amounts in B18 and B21 represent, how they are calculated, how they are distinct from the amounts in D18 and D19, respectively, and why the amounts in B21 are used to calculate the ratios in Column C.

e. Explain how the amount in I39 of Tab 2024 – Consolidated is calculated and why it is not the sum of the amounts in E39 and G39.

f. Explain why any deferred tax assets associated with a net operating loss carryforward, if any, attributed to Duke Kentucky should not be assumed to be eliminated for ratemaking purposes if the net operating loss carryforward, if any, attributed to Duke Kentucky is assumed to be fully utilized when calculating the extent to which the CAMT deferred tax asset should be allocated to Duke Kentucky.

g. Explain whether the amount in G39 of Tab 2024 – Consolidated would be zero on a similar consolidated sheet for 2025, and if so, how that would affect

the allocation in 2025. If the amount in G39 would not be zero on a similar consolidated sheet for 2025, explain why it would not be zero.

h. State whether any deferred tax assets arising from net operating loss carryforwards are included in rate base for the base period, and if so, identify where and the amount of those deferred tax assets in each month of the base period.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAY 30 2025

cc: Parties of Record

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

*Sarah Lawler
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Carrie H Grundmann
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103

*Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

*Debbie Gates
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Larisa Vaysman
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Elizabeth Brama
Taft Stettinius & Hollister LLP
1717 Dixie Highway, Suite 340
Covington, KY 41011-4707

*Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Hikmat N. Al-Chami
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103

*Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

*Minna Sunderman
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201