

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND 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 on July 17, 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 person supervising the preparation of the response on behalf of the entity that 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).

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 Application, Schedule L, page 6 of 6. Explain why installation staff is not available after normal business hours for Meter Pulse Service customers.

2. Refer to the Application, Schedule L-1, page 81 of 90. Explain what would necessitate Duke Kentucky elevating the curtailment of gas from Stage 1 to Stage 2 and from Stage 2 to Stage 3.

3. Refer to the Application, Schedule L-1, page 82 of 90. Explain how Duke Kentucky will determine the authorized daily volumetric limitation for Non-Priority Use Customers during a curtailment event.

4. Refer to the Application, Schedule L-1, pages 89–90 of 90. Explain why this bill format example only has two pages.

5. Refer to the Direct Testimony of Bruce L. Sailors (Sailors Direct Testimony), page 13, lines 16–18, regarding the seasonal soft close option. Also refer to Schedule L, page 5 of 6.

a. For calendar year 2023, 2024, and 2025 to date, provide the number of customers that used the seasonal soft close option.

b. For calendar year 2023, 2024, and 2025 to date, provide the monthly usage for each customer that used the seasonal soft close option from when the account went into soft close status to when the soft close status ended.

c. Explain any concerns or confusion customers have expressed regarding the seasonal soft close option.

d. Explain how eliminating the seasonal soft close option will improve the customer experience.

6. Refer to Sailors Direct Testimony, page 15, lines 14–22 and page 16, lines 10–14.

a. Explain whether the revision to define the source of the highest incremental gas cost paid by Duke Kentucky is a departure from Duke Kentucky's current practice or just a clarification of the current practice.

b. Provide support for the \$15/dekatherms (DTH) flat fee.

c. For calendar years 2023, 2024, and 2025 to date, provide the number of times suppliers have failed to comply with an Operational Flow Order (OFO) and indicate how many resulted in under-deliveries and how many resulted in over-deliveries.

(1) For any non-compliance with an OFO that resulted in under-deliveries, provide the fees paid by the supplier under the current tariff and the fees the supplier would have paid if the proposed tariff were in effect.

(2) For any non-compliance with an OFO that resulted in over-deliveries, provide the fees paid by the supplier under the current tariff and the fees the supplier would have paid if the proposed tariff were in effect.

d. Provide an estimate for 2023 through the current date of the dollar amount by which Duke Kentucky or its system supply customers have been disadvantaged by the current provisions of the tariff.

e. Explain why it is reasonable to confiscate suppliers' gas in the event of an over-delivery as opposed to paying the lowest cost of gas in its system supply as the current tariff specifies.

7. Refer to Sailors Direct Testimony, Confidential Attachment BLS-3. Provide support for the contracted reconnection rate.

8. Refer to Sailors Direct Testimony, page 13, lines 21-22 and Confidential Attachment BLS-3. Reconcile the explanation for the increased reconnection charge provided at the informal conference held on June 20, 2025 and testimony.

9. Provide a copy of Duke Kentucky's Transmission Integrity Management Program (TIMP).

10. Provide a copy of Duke Kentucky's Distribution Integrity Management Program (DIMP).

11. Provide the lost and unaccounted for natural gas as reported on the most recent PHMSA Annual 7100 filing.

12. Provide the location of any master meters owned by Duke Kentucky.

13. Refer to the Direct Testimony of Joshua Nowak (Nowak Direct Testimony), generally.

a. Provide an electronic copy of the return on equity (ROE) workpapers in Excel spreadsheet format with all formulas, columns, and rows intact and fully accessible.

b. Provide each of the Value Line Investment Survey company profile sheets supporting the ROE analyses.

c. Confirm that Duke Kentucky did not exclude any outliers in the ROE evaluation. If Duke Kentucky did exclude outliers, identify all excluded outliers, and explain why they were excluded.

14. Refer to the Nowak Direct Testimony, page 31, lines 14-16.

a. Provide support for the use of S&P Capital IQ consensus analysts' forecasts of earnings growth in the discounted cash flow (DCF) analyses.

b. Provide a comparison of Yahoo! Finance and S&P Capital IQ as sources of analysts' forecasts for growth.

15. Refer to the Nowak Direct Testimony, page 31, lines 12-22, page 32, and Attachment JCN-4. Provide an update to the DCF analyses including Value Line dividend per share growth rates.

16. Refer to the Nowak Direct Testimony, page 35, line 20 and page 36, lines 1-4. Refer also to Attachment JCN-6.

a. Explain why Yahoo! Finance Beta values, once adjusted, should not be included in the analyses in addition to Value Line and Bloomberg Beta values.

b. Provide the adjusted Yahoo! Finance Beta Values for the proxy group companies.

17. Refer to the Nowak Direct Testimony, Attachment JCN-4. The Earnings Growth rate values from Zacks and S&P Cap. IQ show 'n/a' for proxy group companies. Confirm that these unavailable values were not supplemented in the Average Projected EPS Growth Rate calculation, and rather this calculation relied only on the available EPS data from the two other sources for these companies. If not confirmed, explain.

18. Refer to the Nowak Direct Testimony, pages 36, and Attachments JCM-5 and JCM-6.

a. Explain why it is not inconsistent to use a Value Line Beta value, which is based on the broader New York Stock Exchange Composite Index, and a market risk premium based on the much narrower S&P 500 Index, in the CAPM analyses.

b. Provide the expected market return using the broader New York Stock Exchange Composite Index as the market proxy and provide an update to the CAPM analyses using this market return.

c. For rate making purposes for state regulated electric utilities, explain why the Federal Energy Regulatory Commission (FERC) methodology of only considering growth rates between 0 percent and 20 percent is reasonable.

19. Provide any Pipeline and Hazardous Materials Safety Administration (PHMSA) bulletins for the past 60 days related to Aldyl-A pipe.

20. Refer to Case No. 2021-00190,² the Direct Testimony of John Spanos, Attachment JS-1, Depreciation Study, page 7 of 237 and the Direct Testimony of John Spanos (Spanos Direct Testimony), Attachment JJS-1, Depreciation Study, page 7 of 241 in this matter. Explain why Production Plant is not included in the most recent Depreciation Study Calculation's Original Cost, Accrual Rates and Amounts.

21. Refer to Case No. 2021-00190, Spanos Direct Testimony, Attachment JS-1, Depreciation Study, page 7 of 237 and the Spanos Direct Testimony, Attachment JJS-1, Depreciation Study, page 7 of 241 in this matter. Explain the decrease in the proposed General Plant rate.

22. Refer to Spanos Direct Testimony, Attachment JJS-1, Depreciation Study, Page 20 of 241. For accounts listed under General Plant, explain the variance in both rate and composite remaining life of each one compared to the 2021 Depreciation Study.

23. Refer to the Direct Testimony of Jefferson Brown (Brown Direct Testimony), page 17, lines 14-16. Confirm that Duke Kentucky is asking for the Rider PMM to be effective five years in addition to the seven-year initial approved period³ for a total of 12 years. If not confirmed, explain the response.

24. Refer to the Brown Direct Testimony, page 19, lines 15-16. Provide specific cost breakdown of the estimated expense provided.

² Case No. 2021-00190, *Electronic Application of Duke Energy Kentucky, Inc. For: 1) An Adjustment of the Natural Gas Rates; 2) Approval of New Tariffs, and 3) All Other Required Approvals, Waivers, and Relief.*

³ Case No. 2021-00190, Dec. 12, 2021 Order, Attachment A, Settlement at 7.

25. Provide a map of the service territory with the Aldyl-A type pipe designated.
26. Refer to the late fee annual reports filed in the post-case filings for Case No. 2021-00190 and the final rehearing Order⁴ in that matter.
- a. Provide the total amount of late payment charges waived from the rehearing Order to the present date. For the year 2025, provide the month and the amount.
- b. Provide the current amount as of the date of this request, of the regulatory asset recorded as a result of the late payment charge waivers.
- c. Explain whether Duke Kentucky intends to request to roll that amount into base rates at this time.
- d. Explain whether Duke Kentucky intends to continue the late payment waivers.
27. Refer to the Direct Testimony of Daniel Dane (Dane Direct Testimony) generally. Explain why a 2024 study period was not used, as 2024 would still provide historical data.
28. Refer to the Dane Direct Testimony, page 7, lines 10-11. Explain why a bank lag was included in the revenue lag calculation. Include in this response whether this is normally included lead lag study standard practice.
29. Refer to the Dane Direct Testimony, page 11, lines 12-15. Explain how the random sample of invoices were selected.

⁴ Case No. 2021-00190, Jan. 25, 2022 Order at 4-5.

30. Explain how the DEBS Service Agreement impacts the lead lag calculation. Include in the response a discussion of invoices, deposits, and customer payments specifically.

31. Refer to Schedule B-2.1 page 4. Explain the calculation of the 29.25 percent used for Common Plant Allocated to Gas.



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DATED JUL 01 2025

cc: Parties of Record

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