

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 FIRST REQUEST FOR INFORMATION TO  
THE ATTORNEY GENERAL

The Attorney General of the Commonwealth, by and through the Office of Rate Intervention (Attorney General), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on September 26, 2025. The Commission directs the Attorney General to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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

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<sup>1</sup> 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.

The Attorney General shall make timely amendment to any prior response if the Attorney General 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 the Attorney General fails or refuses to furnish all or part of the requested information, the Attorney General 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, the Attorney General 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 Direct Testimony of Richard Baudino (Baudino Direct Testimony). Confirm that no outliers were excluded from any analyses used to determine the Return on Equity (ROE) recommendation. If outliers were excluded, provide the analyses with outliers included, highlighting any previously excluded outliers.

2. Refer to the Baudino Direct Testimony, page 14, lines 21–23.

a. Explain whether a proxy group of seven regulated gas distribution utilities represents an appropriate sample size from which to derive statistically significant ROE estimates.

b. In addition to using gas utilities, explain whether including water utilities as additional proxy companies would be appropriate in the DCF and CAPM analyses.

3. Refer to the Baudino Direct Testimony, page 24, lines 1–4. Elaborate on why the “historical risk premium of stock returns over the long-term government bond returns has been significantly influenced upward by substantial growth in the P/E (price-earnings) ratio” is important and why Duff and Phelps subtracted out the P/E ratio for stocks from the historical risk premium.



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DATED **SEP 15 2025**

cc: Parties of Record

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