

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,) CASE NO.
INC. FOR AN ADJUSTMENT OF GAS RATES) 2009-00202

O R D E R

On July 1, 2009, Duke Energy Kentucky, Inc. (“Duke Energy”) tendered for filing an application for an adjustment of its gas rates based on a forecasted test period. The application proposed that the new rates become effective on July 31, 2009. By letter dated July 13, 2009, the Commission notified Duke Energy that its rate application was rejected as deficient because it did not include the information necessary to satisfy the filing requirements contained in 807 KAR 5:001, Sections 10(9)(h)(11) and 10(9)(h)(12) for its capital structure requirements and its rate base in the three-year period for which it is required to provide its future construction budgets.

In response to the Commission’s rejection letter, Duke Energy filed, on July 16, 2009, a motion for reconsideration of the rejection along with the information cited in the July 13, 2009 letter. The Commission denied the motion, accepted the information and considered the application filed as of July 16, 2009.¹

Based on that filed date and the 30 days’ notice requirement set forth in KRS 278.180(1), the earliest possible effective date for Duke Energy’s proposed gas rates is August 15, 2009. Based on a review of the application, the Commission further finds that an investigation will be necessary to determine the reasonableness of the proposed

¹ Case No. 2009-00202, Order dated July 29, 2009.

rates and that the investigation cannot be completed by August 15, 2009. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for six months.

On July 10, 2009, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), moved for intervention in this matter and that motion was granted by the Commission's July 20, 2009 Order. The AG also moved for a modified procedural schedule in which the date for initial data requests from intervenors would be no earlier than August 17, 2009. In support of his motion, the AG states that the experts he retained for this case have pre-existing commitments that prevent them from beginning their review of Duke Energy's application until August 1, 2009. The AG's motion avers that counsel for Duke Energy had stated that he does not object to the motion for a modified procedural schedule.

The Commission finds that the AG has provided sufficient support for his motion for a modified procedural schedule. We further find that the motion for a procedural schedule is reasonable and should be granted.

The Commission expects the parties to use their best efforts to informally resolve any discovery disputes. Any such informal resolution should be promptly reduced to writing and filed with the Commission and all parties of record. Absent informal resolution, an objection or motion should be filed at least four business days prior to the established due date. If this deadline is not met, the filing party should include in the written objection or motion a full and complete explanation for such failure.

IT IS THEREFORE ORDERED that:

1. Duke Energy's rate application is accepted for filing as of July 16, 2009.

2. Duke Energy's proposed rates, which are to be effective on August 15, 2009, are suspended for six months, up to and including February 14, 2010.

3. The procedural schedule set forth in the Appendix which is attached hereto and incorporated herein shall be followed.

4. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and 10 copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or 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.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

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

5. Any party filing testimony shall file an original and 10 copies with the Commission, with copies to all parties of record.

6. Duke Energy shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Duke Energy shall forward a duplicate of the notice and request to the Commission.

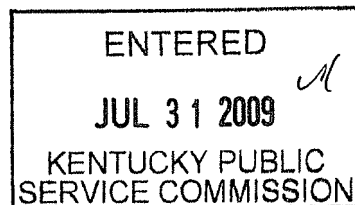
7. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

8. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

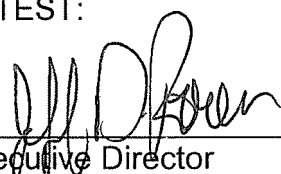
9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00202 DATED JUL 31 2009

All requests for information to Duke Energy shall be filed no later than	08/17/09
Duke Energy shall file responses to requests for information no later than	08/31/09
All supplemental requests for information to Duke Energy shall be filed no later than	09/14/09
Duke Energy shall file response to supplemental requests for information no later than	09/28/09
Intervenor testimony, if any, shall be filed in verified prepared form no later than	10/12/09
All requests for information to Intervenors shall be filed no later than	10/26/09
Intervenors shall file responses to requests for information no later than	11/09/09
Duke Energy shall file its rebuttal testimony in verified form no later than	11/23/09
Last day for Duke Energy to publish notice of hearing.....	To be scheduled
Public Hearing to be held in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination of witnesses of Duke Energy and Intervenors.....	To be scheduled
Simultaneous Briefs, if any	To be scheduled

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