

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	CASE NO.
INC. TO CONTINUE THE HOME ENERGY)	2014-00094
ASSISTANCE PROGRAM)	

ORDER

On March 25, 2014, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed an application seeking approval to continue its Home Energy Assistance ("HEA") program for a period beginning September 25, 2014, and continuing through December 31, 2017. Duke Kentucky received authorization in Case No. 2011-00109¹ to continue its HEA program for a three-year period ending September 24, 2014. The Final Order in Case No. 2011-00109 directed Duke Kentucky to file an application if it intended to continue the HEA program beyond the September 24, 2014 expiration date and stated that such application should be filed no later than six months prior to the September 24, 2014 expiration date. The instant application is submitted by Duke Kentucky in compliance with that directive.

The existing HEA program is administered under Duke Kentucky's Wintercare program, which provides assistance to low-income customers to help pay their gas and/or electric bills. The Wintercare program is funded solely by Duke Kentucky employees, customers, and shareholders. In Case No. 2011-00109, Duke Kentucky committed to contribute an additional \$25,000 in shareholder funding in support of the

¹ Case No. 2011-00109, Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home Energy Assistance Program (Ky. PSC Aug. 18, 2011).

HEA program. Duke Kentucky indicates it will continue to contribute this level of shareholder funding through the duration of the HEA program should the Commission approve its continuation through December 31, 2017.²

The HEA program is available to Duke Kentucky's customers who meet an income qualification level of up to 150 percent of the federal poverty level. The Northern Kentucky Community Action Commission ("NKCAC") implements the HEA program by determining the income qualification of participants and providing the relevant information to Duke Kentucky. Duke Kentucky applies the HEA-related bill credit to the eligible customer's bill and notifies the customer of the credits through a bill message. To the extent qualifying customers have other assistance available at the time of need (e.g., Low income Home Energy Assistance Program or Wintercare), HEA program funds are not expended for those customers. HEA funds are available for income-qualifying customers once other low-income program funds have been depleted. The assistance period for the HEA program is July 1 to June 30. Eligible customers may receive up to \$300 per assistance period. Duke Kentucky notes that since the current program was approved in 2011, the HEA funds have assisted approximately 3,500 families.

Duke Kentucky currently charges residential electric and gas customers \$0.10 per account per month. Customers who receive both electric and gas service have two accounts, and therefore pay a total of \$0.20 per month. In its application, Duke Kentucky states that as of March 2014, it had 18,615 gas-only customers, 51,012

² Duke Kentucky's response to Item 4 of Commission Staff's Initial Request for Information.

electric-only customers, and 71,457 combination gas-and-electric customers.³ This is expected to generate approximately \$22,338.00 annually in revenues from gas-only customers; \$61,214.40 from electric-only customers; and \$171,496.80 from combined gas and electric customers, with total HEA revenues of \$255,049.20.⁴ The total annual bill impacts to customers are expected to be approximately \$1.20 for gas- and electric-only customers, and approximately \$2.40 for combined gas and electric customers.

Pursuant to the Commission's Final Order in Case No. 2008-00100,⁵ Duke Kentucky files an annual progress report for the HEA program along with its annual Demand-Side Management filing. Among other things, Duke Kentucky is required to report on the number of clients served by the program, the number of clients not served due to exhaustion of funds, the date the funds were depleted for the 12-month assistance period, the total amounts collected under the program with a breakdown between gas accounts and electric accounts, the total number of disbursements, and NKCAC's actual administrative costs associated with implementing the program.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Duke Kentucky's request to continue the HEA program through December 31, 2017, is reasonable and should be approved. Duke Kentucky will be allowed to continue the imposition of its HEA surcharge on a per-account-per-month basis following the expiration of the current three-year period on September 24, 2014, through December 31, 2017.

³ Application, pages 2-3.

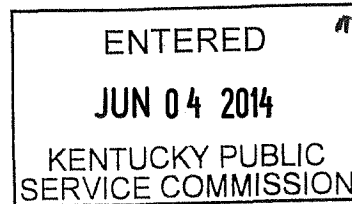
⁴ *Id.* at 3.

⁵ Case No. 2008-00100, The Application of Duke Energy Kentucky, Inc. to Reinstitute a Home Energy Assistance Program (Ky. PSC Sept. 25, 2008).

IT IS THEREFORE ORDERED that:

1. Duke Kentucky's request to continue its HEA program following the expiration of its current HEA program through December 31, 2017, is approved.
2. Within 20 days of the date of this Order, Duke shall file with this Commission, using the Commission's electronic Tariff Filing System, revised HEA program tariff sheets as approved herein and reflecting that it was approved pursuant to this Order.
3. Duke Kentucky's application to continue or terminate the HEA program shall be filed with the Commission no later than six months prior to the December 31, 2017 expiration of the program.

By the Commission



ATTEST:


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