

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY INDUSTRIAL UTILITY)	
CUSTOMERS, INC.)	
)	
COMPLAINANT)	
)	CASE NO.
V.)	2018-00036
)	
DUKE ENERGY KENTUCKY, INC.)	
)	
DEFENDANT)	

ORDER

The Commission, on its own motion, hereby finds that this case should be opened to investigate the formal complaint filed by Kentucky Industrial Utility Customers, Inc. (“KIUC”) alleging that, due to the federal corporate tax reduction, the rates of Duke Energy Kentucky, Inc. (“Duke Kentucky”) are no longer fair, just, and reasonable. KIUC’s complaint, originally filed against four utilities as Defendants in Case No. 2017-00477,¹ requests the establishment of regulatory liabilities to provide customers of each of the Defendants rate reductions because of tax expense savings from January 1, 2018, forward.

As discussed in the Order entered today in Case No. 2017-00477, the Commission granted motions in that case to establish separate, utility-specific

¹ *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Company, Louisville Gas and Electric Company, Kentucky Power Company, and Duke Energy Kentucky, Inc.* (filed Dec. 21, 2017).

proceedings, with one combined proceeding for Kentucky Utilities Company and Louisville Gas and Electric Company, to review the allegations set forth by KIUC. Therefore, this case is established to review the impacts of the federal corporate tax rate reduction on the rates of Duke Kentucky. A substantial portion of the impacts of the tax rate reduction is likely to be addressed in Duke Kentucky's pending case to adjust its electric rates (Case No. 2017-00321). Other rate implications of the tax rate reduction, including the impact on Duke Kentucky's gas rates, remain to be determined and will be reflected in rates through this proceeding.

As 807 KAR 5:001, Section 8, permits the Commission to direct the use of electronic filing procedures for cases that we initiate on our own motion, we find that electronic filing procedures should be used in this case. Duke Kentucky, KIUC, and the Attorney General of the Commonwealth of Kentucky, by and through his office of Rate Intervention ("Attorney General"), will be made parties to this case, and each should follow the procedures set forth in 807 KAR 5:001, Section 8, when filing any document or paper in this matter.

Pursuant to 807 KAR 5:001, Section 8, unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party should be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means. Such parties should file with the Commission, within seven days of the date of entry of any Order of the Commission granting intervention, a written statement that certifies that the party or the party's authorized agent possesses the facilities to receive electronic

transmissions and sets forth the electronic mail address to which all electronic notices and messages related to the proceedings should be served.

IT IS THEREFORE ORDERED that:

1. This case is opened to investigate KIUC's complaint, which is transferred from Case No. 2017-00477, regarding the impacts of the federal corporate tax rate reduction on the rates of Duke Kentucky.

2. The record in Case No. 2017-00477 is incorporated by reference.

3. Duke Kentucky, KIUC, and the Attorney General are made parties to this case and, pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, each shall file a written statement, with a copy to parties of record, that certifies that it, or its authorized agent, possesses the facilities to receive electronic transmissions and sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.

4. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

5. Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

6. Duke Kentucky shall continue to record deferred liabilities on its respective books for electric and gas service, as applicable, as Ordered in Case No. 2017-00477

to reflect the reduction in the federal corporate tax rate to 21 percent and the associated savings in excess deferred taxes, on an interim basis until utility rates are adjusted to reflect the federal tax savings.

7. Duke Kentucky shall give notice of any hearing in accordance with the provisions set out in 807 KAR 5:001, Section 9(2). At the time publication is requested, Duke Kentucky shall forward a duplicate of the notice and request to the Commission.

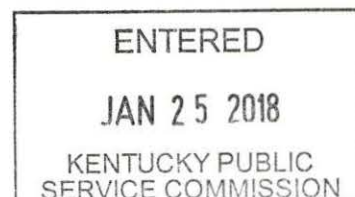
8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Pursuant to KRS 278.360 and KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extension of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

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

By the Commission



ATTEST:


Executive Director

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Rebecca W Goodman
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

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

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Kent Chandler
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

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

*E. Minna Rolfes-Adkins
Paralegal
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201