

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY )	
KENTUCKY, INC. FOR AN ADJUSTMENT TO )	CASE NO.
RIDER ASRP RATES AND FOR TARIFF )	2018-00198
APPROVAL )	

ORDER

On July 2, 2018, Duke Energy Kentucky, Inc. (Duke Kentucky), submitted an application for approval of its proposed Accelerated Service Line Replacement Program (ASRP) projections, rates, and tariff pursuant to the Commission’s Order in Case No. 2015-00210, which approved the ASRP and associated rates.<sup>1</sup> The application proposed for the new rates to become effective on January 2, 2019. On July 25, 2018, the Commission issued an Order suspending Duke Kentucky’s proposed rates for six months from the proposed effective date of January 2, 2019, up to and including July 2, 2019, and established a procedural schedule for the processing of this case. Duke Kentucky responded to two Commission Staff Requests for Information. There are no intervenors in this case. The matter stands submitted to the Commission for a decision.

Duke Kentucky proposes a 2019 projected ASRP revenue requirement of \$3,404,453, and a reconciliation of actual and projected costs, taking into account actual

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<sup>1</sup> Case No. 2015-00210, *Application of Duke Energy Kentucky, Inc., for a Certificate of Public Convenience and Necessity Authorizing the Implementation of an Accelerated Service Line Replacement Program, Approval of Ownership of Service Lines, and a Gas Pipeline Replacement Surcharge* (Ky. PSC Feb. 2, 2016).

revenue recovered through Rider ASRP. During 2017, Duke Kentucky experienced an under-recovery of its ASRP revenues of \$439,690, which it also seeks to recover. Thus, Duke Kentucky's total ASRP revenue requirement for 2019 is \$3,844,143.<sup>2</sup>

However, in Duke Kentucky's pending rate case, Case No. 2018-00261, Duke Kentucky requests to place all associated ASRP investment into rate base<sup>3</sup> and discontinue "Rider ASRP mechanism effective with new base rates and subject to any final necessary true-up required for the balance of Rider ASRP revenue requirement collections and the effective date of new rates in this case."<sup>4</sup> Therefore, the Commission will determine in Case No. 2018-00261 whether Duke Kentucky's Rider ASRP rates continue to be effective once new base rates are approved in that base rate case.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in Duke Kentucky's filing, along with its responses to Commission Staff's Requests for Information, is in sufficient detail to support the reasonableness of its proposed ASRP adjustment.

IT IS THEREFORE ORDERED that:

1. The ASRP rates as proposed by Duke Kentucky and set forth in the Appendix to this Order are approved effective for Duke Kentucky's first January 2019 billing cycle.

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<sup>2</sup> Application, Exhibit 1.

<sup>3</sup> Case No. 2018-00261, *Electronic Application of Duke Energy Kentucky, Inc., for Authority to 1) Adjust Natural Gas Rates 2) Approval of a Decoupling Mechanism 3) Approval of New Tariffs 4) And for all other Required Approvals, Waivers, and Relief* (Ky. PSC Aug. 31, 2018), Direct Testimony of Gary J. Hebbeler at 3.

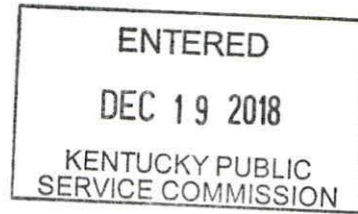
<sup>4</sup> *Id.* at 23–24.

2. Within 20 days of the date of this Order, Duke Kentucky shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.

3. This case is hereby closed and will be removed from the Commission's docket.

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By the Commission



ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00198 DATED **DEC 19 2018**

The following rates and charges are prescribed for the customers in the area served by Duke Energy Kentucky, Inc. for the revenue month beginning January 2019. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

#### Accelerated Service Line Replacement Program Rider Rates:

Rate RS, Residential Service	\$ 3.22/month Per Customer
GS, General Service	\$ 3.21/month Per Customer
DGS, Distributed Generation Service	\$ .00078/Ccf
FT-L, Firm Transportation Service – Large	\$ .00078/Ccf
IT, Interruptible Transportation Service	\$ .00067/Ccf
SSIT, Spark Spread Interruptible Transportation Rate	\$ .00067/Ccf

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