

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In The Matter Of:)
)
THE APPLICATION OF DUKE)
ENERGY KENTUCKY, INC.) Case No. 2014-00094
TO CONTINUE HOME ENERGY)
ASSISTANCE PROGRAM)
)

**APPLICATION OF DUKE ENERGY KENTUCKY, INC. TO CONTINUE THE HOME
ENERGY ASSISTANCE PROGRAM**

Pursuant to KRS 278.285, Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company) moves the Commission for an Order to continue its Home Energy Assistance (HEA) program for a three-year period, through December 31, 2017. In support of this Application, Duke Energy Kentucky states as follows:

1. Duke Energy Kentucky is a Kentucky corporation in good standing and, as a public utility as that term is defined in KRS 278.010(3), is subject to the Commission's jurisdiction. Duke Energy Kentucky is engaged in the business of furnishing gas and electric services to various municipalities and unincorporated areas in Boone, Campbell, Gallatin, Grant, Kenton and Pendleton Counties in the Commonwealth of Kentucky.

2. Duke Energy Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202. The Company's local office in Kentucky is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky 41018.

3. Duke Energy Kentucky has been incorporated since March 20, 1901 and its articles of incorporation are on file with the Commission in Case No. 2013-00097 and are incorporated by reference herein pursuant to 807 KAR 5:001, Section 14(2).

4. The Commission most recently approved Duke Energy Kentucky's Home Energy Assistance (HEA) program by Order dated August 18, 2011, in Case No. 2011-00109 (Order).¹

5. Among other things, the Order required Duke Energy Kentucky to file an application to continue the HEA program no later than six months prior to the expiration of the program. Consistent with that Order, Duke Energy Kentucky now submits its request for approval to continue the HEA program.

6. The existing HEA program is administered under Duke Energy Kentucky's Wintercare program which provides assistance to low-income customers to help pay their gas and/or electric bills. Eligibility for Wintercare assistance is based on need and does not necessarily follow government assistance guidelines. The Wintercare program is completely funded by Duke Kentucky employees, customers, and shareholders. Consistent with the Commission's Order in Case No. 2011-00109, Duke Energy Kentucky customers with an income level of up to 150 percent of the federal poverty guidelines are also eligible for HEA assistance. To the extent qualifying customers at or below 150 percent of the federal poverty level have other assistance available at the time of need, *e.g.*, Low Income Home Energy Assistance Program (LIHEAP) or Wintercare, HEA program funds would not be 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 proposed HEA program is July 1 to June 30. Eligible customers may receive up to \$300 per assistance period.

7. Duke Energy Kentucky currently charges residential electric customers and residential gas customers \$0.10 per account per month. Customers who receive electric and gas service have two accounts and pay a total of \$0.20 per month. Presently, Duke Energy Kentucky

¹ *In the Matter of the Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home Energy Assistance Program, Case No. 2011-00109 (Order) (August 18, 2011).*

has 18,615 gas only customers, 51,012 electric only customers, and 71,457 combination gas and electric customers. 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 combination gas and electric customers for a total of \$255,049.20. The total annual bill cost impacts to customers are expected to be approximately \$1.20 for gas customers, approximately \$1.20 for electric customers, and \$2.40 for customers receiving both gas and electric service. The worksheet at Attachment A shows the estimated bill impacts and the estimated revenues.

8. Attachment B is the proposed tariff showing continuation of the HEA program in tracked changed form and final form. The proposed new rate for Rider DSMR is the subject of Case No. 2013-00395 currently before this Commission. The Company's request to continue the HEA program does not impact the DSMR rates proposed in Case No. 2013-00395 because they are separate charges.

9. Since the Commission approved the current HEA program in 2011, the HEA funds have assisted approximately 3,530 families through January 2014, to help pay their utility bills in Duke Energy Kentucky's territory.

10. Consistent with the Commission's Order in Case No. 2011-00109, Duke Energy Kentucky files an annual progress report for the HEA program along with its annual Demand Side Management filing. Duke Energy Kentucky reports on the following:

- the number of clients serviced by the program;
- the number of clients not served due to the exhaustion of funds;
- the date the funds were depleted for the twelve-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
- the NKCAC's actual administrative costs associated with implementing the program.

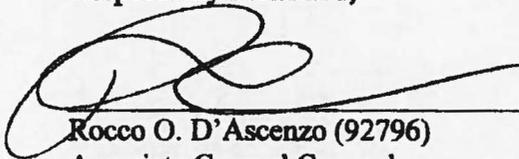
Duke Energy Kentucky commits to continue this annual reporting for the duration of the program.

11. This Application is timely filed as the Commission's Order dated August 18, 2011, required Duke Energy Kentucky to file an application to continue the HEA program no later than six months prior to the expiration of the program. Thus, the Application is due on or about March 25, 2014.

12. Duke Energy Kentucky submits that the above circumstances constitute good cause and therefore requests the Commission to approve this application after 30 days notice, as provided in KRS 278.180(1).

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission grant the relief requested in this Motion.

Respectfully submitted,



Rocco O. D'Ascenzo (92796)
Associate General Counsel
Amy B. Spiller (85309)
Deputy General Counsel
Duke Energy Business Services LLC
139 East Fourth Street, 1313 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
e-mail: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via ordinary mail, postage prepaid, this 25th day of March, 2014:

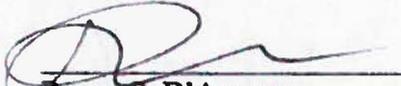
Jennifer Hans
The Office of the Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601
Jennifer.hans@ag.ky.gov

Richard Raff
Public Service Commission
211 Sower Boulevard, PO Box 615
Frankfort, Kentucky 40602
Richard.raff@ky.gov

Florence W. Tandy
Northern Kentucky Community Action Commission
P.O. Box 193
Covington, Kentucky 41012
ftandy@nkcac.org

Carl Melcher
Northern Kentucky Legal Aid, Inc.
302 Greenup
Covington, Kentucky 41011
cmelcher@lablaw.org

Peter Nienaber
Northern Kentucky Legal Aid, Inc.
302 Greenup
Covington, Kentucky 41011
pnienaber@lablaw.org


Rocco O. D'Ascenzo

**Duke Energy Kentucky, Inc.
Proposed Gas and Electric Heat Fund Rate**

1) Typical Residential Gas Customer Bill Before Gas Heat Fund (6.12 Mcf) (a)	\$72.45
2) Purposed Heat Fund Amount @ \$0.10	\$0.10
3) Impact of Heat Fund on Typical Bill	0.138%
4) Annual Gas Heat Fund Total	\$1.20
5) Typical Residential Electric Customer Bill Before Electric Heat Fund (1,003 kWh) (a)	\$93.40
6) Purposed Heat Fund Amount @ \$0.10	\$0.10
7) Impact of Heat Fund on Typical Bill	0.107%
8) Annual Electric Heat Fund Total	\$1.20
9) Typical Residential Combination Bill Before Gas and Electric Heat Funds (a)	\$165.85
10) Purposed Heat Fund Amount @ \$0.20	\$0.20
11) Impact of Heat Fund on Typical Bill	0.121%
12) Annual Gas and Electric Heat Fund Total	\$2.40
13) Total Proposed Annual Heat Fund Amount to be Collected (b)	\$255,049.20

a) Based on 2013 average usage and March 2014 rates

b) 18,615 residential gas only customers, 51,012 residential electric only customers, 71,457 residential combination customers

Duke Energy Kentucky
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY P.S.C. Gas No. 2
~~Thirteenth~~ Revised Sheet No. 62
Cancels and Supersedes
~~Twelfth~~ Revised Sheet No. 62
Page 1 of 1

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RIDER DSMR
DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is (\$0.038919) per hundred cubic feet.

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A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through ~~December 2017~~.

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The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service
Commission in Case No. 2014-~~dated~~.

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Issued: ~~March 26, 2014~~

Deleted: 00313

Effective: ~~September 25, 2014~~

Deleted: December 19, 2013

Issued by James P. Henning, President /s/ James P. Henning

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KY.P.S.C. Electric No. 2
~~Thirteenth~~ Revised Sheet No. 78
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DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.002003 per kilowatt-hour.

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A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through ~~December 2017~~.

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The DSMR to be applied to non-residential distribution service customer bills is \$0.001132 per kilowatt-hour.

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The DSMR to be applied for transmission service customer bills is \$0.001070 per kilowatt-hour.

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The DSMR to be applied for transmission service customer bills is \$0.001070 per kilowatt-hour.

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