



Steven L. Beshear
Governor

David L. Armstrong
Chairman

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

James W. Gardner
Vice Chairman

May 23, 2014

PARTIES OF RECORD

Re: Case No. 2014-00164
Purchased Gas Adjustment Filing of Duke Energy Kentucky, Inc.

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Staff Attorney Virginia Gregg at 502-782-2584.

Sincerely

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

VG/kar
Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Virginia Gregg, Staff Attorney

DATE: May 22, 2014

RE: Case No. 2014-00164
Purchased Gas Adjustment Filing of
Duke Energy Kentucky, Inc.

On May 21, 2014, an informal telephonic conference ("IC") was conducted at the Commission Offices in Frankfort, Kentucky. A list of the attendees is attached hereto.

The purpose of the conference was to discuss several issues in the above case, including the suppliers of interstate pipeline transportation and storage service available to Duke Energy Kentucky, Inc. ("Duke Kentucky") and the current arrangements and cost of such services as set out in Duke Kentucky's Gas Cost Adjustment application.

Staff requested additional information regarding the pipeline and storage arrangements and associated demand (fixed) costs for Texas Gas Transmission and ANR Pipeline listed in the application. Representatives for Duke Kentucky explained its general process for obtaining the most economical rates for service possible from its available interstate pipeline suppliers, and stated that the addition of services from these two pipeline companies was the result of negotiation. Duke Kentucky confirmed that interstate pipeline suppliers available to it include Columbia Gas Transmission Corporation, Columbia Gulf Transmission Corporation, KO Transmission Company, Texas Gas Transmission, Tennessee Gas Pipeline Company, ANR Pipeline Company, Texas Eastern Transmission, and Panhandle Eastern Pipeline Company. Staff also questioned the decrease in projected gas sales used to calculate the rates set out in the GCA application. Representatives for Duke Kentucky stated that the specific projections were supplied by the budgeting group who do load forecasting. At Staff's request, Duke Kentucky representatives agreed to supplement the record regarding this projected decrease in sales volume.

The conference was then adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
DUKE ENERGY KENTUCKY, INC.) 2014-00164

May 21, 2014

Please sign in:

NAME	REPRESENTING
<u>Leah Faulkner</u>	<u>PSC-FA</u>
<u>Matthew Baver</u>	<u>PSC-FA</u>
<u>Bob Russell</u>	<u>PSC-FA</u>
<u>JEFF SHAW</u>	<u>PSC-FA</u>
<u>Virginia Gregg</u>	<u>PSC-Legal</u>
<u>Via Teleconferencing</u>	
<u>Larry Cook</u>	<u>Ky Attorney General's</u>
<u>Kristen Ryan</u>	<u>Duke Energy</u>
<u>Rocco D'Ascenzo</u>	<u>Duke</u>
<u>Susan Miller</u>	<u>Duke</u>
<u>Jeff Kern</u>	<u>Duke</u>

Case No. 2014-00164

May 21, 2014

NAME

REPRESENTING

Laura Smith
John Linton
Peggy Loub

Duke
Duke
Duke