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VIA OVERNIGHT MAIL

November 6, 2015

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Application for Accounting Authority, Case No. 2015-00187

Dear Mr. Derouen:

On June 10, 2015, Duke Energy Kentucky, Inc., (Duke Energy Kentucky) filed its application in this proceeding requesting specific accounting treatment for asset retirement obligations (AROs) created as a result of the recently enacted Federal Coal Combustion Residuals (CCR) regulation. As explained in its application, the enactment of the CCR, which in part, changes how coal ash impoundments must be constructed, maintained, and eventually decommissioned, has resulted in accounting implications that impact Duke Energy Kentucky immediately in 2015. The Commission's Staff has conducted a thorough investigation into the Company's application to date, submitting four rounds of data requests.

In reviewing the record, Duke Energy Kentucky respectfully wishes to submit a clarification to its discovery response to Staff DR-03-004. In this request, Staff asks the Company regarding latest possible date that the Commission could issue an order for the Company to record entries in its books for calendar year 2015. Although the response provided in Staff DR-03-004 is correct, that the January 7, 2015 is latest possible date that the Company could make an entry on its books for calendar year 2015, Duke Energy Kentucky wishes to clarify that the Company respectfully requests that the Commission issue its order as soon as practical and before December 31, 2015 so there is ample time to make any necessary corrections and adjustments to Duke Energy Kentucky's books and records prior to their closing on or about January 7, 2015.

If it would be helpful to staff in terms of evaluating the Company's request, Duke Energy Kentucky is happy to schedule a technical conference, in person or by telephone, to respond to any questions or issues that remain.

Sincerely,

Rocco O. D'Ascenzo