

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR: 1) AN ADJUSTMENT OF)	
THE ELECTRIC RATES; 2) APPROVAL OF AN)	CASE NO.
ENVIRONMENTAL COMPLIANCE PLAN AND)	2017-00321
SURCHARGE MECHANISM; 3) APPROVAL OF)	
NEW TARIFFS; 4) APPROVAL OF ACCOUNTING)	
PRACTICES TO ESTABLISH REGULATORY)	
ASSETS AND LIABILITIES; AND 5) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

ORDER

On September 1, 2017, Duke Energy Kentucky, Inc. (“Duke Kentucky”) tendered for filing an application which requested, among other things: an adjustment of its electric rates based on a forecasted test period; approval of an environmental compliance plan and surcharge mechanism; approval of new tariffs; and authority to establish regulatory assets and liabilities for accounting purposes. The application proposed that the new rates become effective on October 1, 2017.

By letter dated September 7, 2017, the Commission notified Duke Kentucky that its application was rejected because it contained filing deficiencies and that the application would not be deemed filed until the deficiencies were cured. On September 15, 2017, Duke Kentucky tendered certain revised tariffs, a revised billing analysis, supplemental monthly financial statements, and a revised customer notice to cure the deficiencies. The September 15, 2017 submittal also contained additional 8-K reports that were not originally included in the application. Duke Kentucky states that the

publication of the corrected customer notice would be completed by September 14, 2017.

Having reviewed Duke Kentucky's September 15, 2017 filing, and being otherwise sufficiently advised, the Commission finds that Duke Kentucky has cured all of the filing deficiencies and that Duke Kentucky's application should be deemed filed as of September 15, 2017.

Pursuant to KRS 278.180(1), no change in utility rates is permitted except upon 30 days' notice to the Commission. Therefore, since the application was accepted for filing as of September 15, 2017, the earliest date that Duke Kentucky's proposed rates can be effective is October 15, 2017. Having reviewed the application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that such an investigation cannot be completed by October 15, 2017. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for six months, up to and including April 14, 2018. The Commission notes, however, that Duke Kentucky is also requesting approval of an Environmental Compliance Plan and the establishment of an Environmental Surcharge via an Environmental Surcharge Mechanism Rider ("ESM Rider") tariff. Pursuant to KRS 278.183(2), the Commission is required to conduct a hearing within six months of submittal of the application to make a determination on the reasonableness of the Environmental Compliance Plan and associated ESM Rider tariff.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed rates. The procedural schedule is attached hereto as an Appendix to this Order and is incorporated herein.

IT IS THEREFORE ORDERED that:

1. Duke Kentucky's proposed rates are suspended for six months, up to and including April 14, 2018.

2. Duke Kentucky's proposed ESM Rider tariff cannot become effective until March 14, 2018, in accordance with KRS 278.183(2).

3. The procedural schedule set forth in the Appendix to this Order shall be followed.

4. a. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to questions related to the information provided, with an original and six copies in paper medium and an electronic version to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. Any 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 the personal information cannot be read.

5. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8, and shall also file an original and six copies in paper medium. The original and copies in paper medium shall be appropriately bound, tabbed and indexed.

6. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility

service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after October 13, 2017, shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. Duke Kentucky shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." 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 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

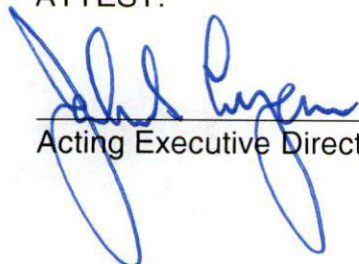
10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

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

By the Commission

ENTERED
SEP 27 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00321 DATED **SEP 27 2017**

All requests for intervention shall be filed by	10/13/17
All requests for information to Duke Kentucky shall be filed no later than.....	10/27/17
Duke Kentucky shall file responses to requests for information no later than	11/13/17
All supplemental requests for information to Duke Kentucky shall be filed no later than	11/29/17
Duke Kentucky shall file responses to supplemental requests for information no later than	12/13/17
Intervenor testimony, if any, in verified prepared form shall be filed no later than	12/29/17
All requests for information to Intervenors shall be filed no later than.....	01/17/18
Intervenors shall file responses to requests for information no later than	01/31/18
Duke Kentucky shall file, in verified prepared form, its rebuttal Testimony, if any, no later than	02/14/18
Last day for Duke Kentucky to publish notice of hearing.....	To be scheduled
Public Hearing to be held in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination of witnesses of Duke Kentucky and Intervenors.....	To be scheduled
Simultaneous Briefs, if any.....	To be scheduled

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