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January 2, 2018

VIA HAND DELIVERY

PUBLIC SERVICE COMMISSION

JAN 02 2018

Ms. Gwen R. Pinson Executive Director Kentucky Public Service Commission P.O. Box 615 211 Sower Boulevard Frankfort, Kentucky 40602

RE: Case No. 2017-00477

Dear Ms. Pinson:

Enclosed, please find a copy of Duke Energy Kentucky, Inc.'s Notice of Appearance of Counsel and Motion for an Extension of Time and Response to the Attorney General's Motion to Consolidate. Please file both of these documents in the record of the above-referenced docket and return file-stamped copies of same to my office. Should you have any questions, please do not hesitate to give me a call.

Sincerely, David S. Samford

Enc.

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JAN 02 2018

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

V.

KENTUCKY UTILITIES COMPANY, LOUISVILLE GAS AND ELECTRIC COMPANY, KENTUCKY POWER COMPANY, AND DUKE ENERGY KENTUCKY, INC.

DUKE ENERGY KENTUCKY, INC.'S MOTION FOR AN EXTENSION OF TIME AND RESPONSE TO THE ATTORNEY GENERAL'S MOTION TO CONSOLIDATE

Comes now Duke Energy Kentucky, Inc. ("Duke Energy Kentucky"), by counsel, and hereby moves the Commission for an Order extending the deadline by which Duke Energy Kentucky must file its Answer in the above-styled matter and responding to the Motion to Consolidate filed by the Attorney General's Office of Rate Intervention ("AG"), respectfully stating as follows:

Kentucky Industrial Utility Customers, Inc. ("KIUC") filed its complaint in this proceeding on December 21, 2017. The Commission entered an Order on December 27, 2017 giving Duke Energy Kentucky ten (10) days to file its Answer to KIUC's Complaint. Currently Duke Energy Kentucky's Answer is due on January 8, 2017.¹ Pursuant to 807 KAR 5:001 Section 20(4)(b), the Commission may extend or shorten this time in its discretion.

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¹ Duke Energy Kentucky hereby expressly reserves all rights, claims, defenses, pleas and other matters, theories or doctrines that may be asserted in law, equity or otherwise and nothing herein shall be construed as an admission of any averment set forth in KIUC's complaint.

On December 27, 2017, the Commission also entered an Order establishing an investigation involving other regulated utilities into the same issues raised in KIUC's Complaint in the above-styled matter.² On December 28, 2017, the Attorney General filed a motion to intervene in both the complaint case filed by KIUC and the investigation case initiated by the Commission. Additionally, the Attorney General filed a motion to consolidate the cases, to allow the parties to the KIUC complaint case to have an additional twenty (20) days to tender an Answer, to allow electronic filing procedures to be followed in both cases and to hold an informal conference for all the parties in both cases. Also, in an email to counsel for the parties to the KIUC complaint case to file an Answer to its complaint by twenty (20) days.

Duke Energy Kentucky hereby requests a twenty (20) day extension of time to file an Answer in this proceeding, which will put this matter on the same timeline as the investigation opened by the Commission in Case No. 2017-00481. The extension is authorized by 807 KAR 5:001 Section 20(4)(b) and warranted by the complex nature of the underlying tax legislation that has given rise to KIUC's complaint. KIUC does not object to the extension of time and will not be prejudiced by the brief delay. Thus, Duke Energy Kentucky also supports that portion of the AG's motion that also requests that the parties to the KIUC complaint case be afforded the additional time to file an Answer.

Moreover, Duke Energy Kentucky does not object to the use of electronic filing procedures in this case and believes that converting this case to an electronic docket will allow for greater efficiency while also reducing the overall cost of the proceeding. Likewise, Duke Energy

² In the Matter of: An Investigation of the Impact of the Tax Cuts and Job Act on the Rates of Atmos Energy Corporation, Delta Natural Gas Company, Inc., Columbia Gas of Kentucky, Inc., Kentucky-American Water Company, and Water Service Corporation of Kentucky, Case No. 2017-00481.

Kentucky does not object to the Commission scheduling an informal conference for all parties to both cases before the Commission.

Duke Energy Kentucky does not agree, however, with the AG's request to consolidate both the KIUC complaint case and the case initiated by the Commission into a single docket. The Company believes that there are likely to be differences in how the recently-enacted federal tax legislation will effect various utilities and believes that it would instead be more appropriate to address the impact of said legislation in separate, utility-specific proceedings. As pointed out in KIUC's complaint, the use of separately-docketed proceedings was the method by which the Commission last addressed the subject of comprehensive federal tax reform in 1986-87. The Company believes that separate proceedings will be the most economical and efficient method to address the issues raised in KIUC's complaint.

WHEREFORE, Duke Energy Kentucky respectfully requests an Order from the Commission:

- Extending to January 26, 2018, the deadline by which Duke Energy Kentucky must file its Answer to KIUC's complaint in this matter;
- Allowing Duke Energy Kentucky to use electronic filing procedures in this case and in any separately-docketed proceeding;
- Scheduling an informal conference for all effected utilities with the Commission Staff and AG; and
- 4) Entering an Order establishing separate dockets for each utility.

This 2nd day of January 2018.

Duke Energy Kentucky, Inc.

Amy B. Spiller, Deputy General Counsel Rocco O. D'Ascenzo, Associate General Counsel 139 East Fourth Street Cincinnati, OH 45102 (513) 287-4320 amy.spiller@duke-energy.com rocco.d'ascenzo@duke-energy.com

and

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Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served, by delivering same to the custody and care of the U.S. Postal Service, postage pre-paid, this 2nd day of January, 2018, addressed to the following:

Rebecca W. Goodman Kent A. Chandler Lawrence W. Cook Justin M. McNeil Assistant Attorneys General 700 Capital Ave., Suite 20 Frankfort, KY 40601

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Counsel for Duke Energy Kentucky, Inc.