

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	
ADJUSTMENT FILING OF DUKE)	CASE NO.
ENERGY KENTUCKY, INC.)	2019-00135

ORDER

On April 30, 2019, Duke Energy Kentucky, Inc. (Duke Kentucky), filed in accordance with its Gas Cost Adjustment (GCA) Tariff, its GCA report and a proposed GCA rate to be effective May 31, 2019. Commission Staff issued a request for information to Duke Kentucky. On May 15, 2018, Duke Kentucky filed its response to the Commission Staff's data request. Duke Kentucky provided updated GCA report sheets along with its responses to Commission Staff's request for information reflecting a change in language from a monthly GCA report to a quarterly filing as ordered in Case No. 2018-00261.¹

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke Kentucky's GCA report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Duke Kentucky stated that the commodity portion of the Expected Gas Cost (EGC) calculation for its GCA report was based in the NYMEX price for the month of June 2019. While the Commission understands that the EGC is an estimated cost and will be

¹ Case No. 2018-00261, *Electronic Application of Duke Energy Kentucky, Inc. For Authority To 1) Adjust Natural Gas Rates 2) Approval Of A Decoupling Mechanism 3) Approval Of New Tariffs 4) And For All Other Required Approvals, Waivers, And Relief* (Ky. PSC Mar. 27, 2019).

trued up in future GCA reports, the Commission previously ordered Duke Kentucky to change its EGC calculation to reflect a quarterly average in its Order dated March 27, 2019, in Case No. 2018-00261.² The Commission will allow the EGC to be based on the June 2019 NYMEX price for this GCA report only. Duke Kentucky should base all future EGC calculations to reflect a quarterly average as directed in Case No. 2018-00261.³ Duke Kentucky's GCA report sets out an EGC of \$3.452 per Mcf, which is a decrease of \$.276 per Mcf from its previous EGC of \$3.728 per Mcf.

3. Duke Kentucky's GCA report sets out no current quarter supplier Refund Adjustment (RA). Duke Kentucky's total RA is (\$.005) per Mcf, which is no change from its previous total RA.

4. Duke Kentucky's GCA report sets out a current quarter Actual Adjustment (AA) of (\$.427) per Mcf. Duke Kentucky's total AA is (\$.224) per Mcf, which is a decrease of \$.531 per Mcf from its previous total AA of \$.307 per Mcf.

5. Duke Kentucky's GCA report sets out a current quarter Balance Adjustment (BA) of (\$.032) per Mcf. Duke Kentucky's total BA is (\$.015) per Mcf, which is a decrease of \$.028 per Mcf from its previous total BA of \$.013 per Mcf.

6. Duke Kentucky's GCA is \$3.208 per Mcf, which is a decrease of \$.835 per Mcf from its previous GCA of \$4.043 per Mcf.

7. Duke Kentucky's application sets out a Gas Cost Adjustment Transition (GCAT) Rider rate of (\$.0244) per 100 cubic feet. This Gas Cost Adjustment Transition

² Case No. 2018-00261, *Electronic Application of Duke Energy Kentucky, Inc. For Authority To 1) Adjust Natural Gas Rates 2) Approval Of A Decoupling Mechanism 3) Approval Of New Tariffs 4) And For All Other Required Approvals, Waivers, And Relief* (Ky. PSC Mar. 27, 2019).

³ *Id*

GCA rate will be applicable to customers who begin receiving Rate FT-L transportation service after the effective date of this Order and who paid gas supply costs through the GCA during the 12-month period before they began receiving FT-L service. On May 13, 2019, Duke Kentucky filed an updated supplemental filing correcting a clerical error regarding its GCA Rider tariff page included in its GCA report.

8. The rates as proposed by Duke Kentucky and set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for final meter readings by Duke Kentucky on and after May 31, 2019.

9. The Commission finds that Duke Kentucky should conduct a careful and thorough review to minimize any potential errors in its future GCA reports. Failure to minimize errors in future filings may adversely affect the timely processing of Duke Kentucky's GCA reports.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Duke Kentucky and set forth in the Appendix to this Order are approved for final meter readings on and after May 31, 2019.

2. Within 20 days of the date of entry of this Order, Duke Kentucky shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

3. Duke Kentucky shall continue to file an electronic version of its GCA report containing the supporting calculations used to compute the GCA in Excel spreadsheet

format with all formulas intact and unprotected and with all columns and rows accessible as ordered in Case No. 2018-00143.⁴

4. This case is closed and removed from the Commission's docket.

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⁴ Case No. 2018-00143, *Electronic Purchase Gas Adjustment of Duke Energy Kentucky, Inc.* (Ky. PSC May 23, 2018).

By the Commission

ENTERED
MAY 28 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00135

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00135 DATED **MAY 28 2019**

The following rates and charges are prescribed for the customers in the area served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	<u>Base</u> <u>Rate</u>		<u>Gas Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
Commodity Charge for All Ccf Consumed	\$.46920	plus	\$.32080	\$.79000

RATE GS
GENERAL SERVICE

	<u>Base</u> <u>Rate</u>		<u>Gas Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
Commodity Charge for All Ccf Consumed	\$.29243	plus	\$.32080	\$.61323

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0244) per 100 cubic feet. This rate shall be in effect during June 2019 through August 2019 and shall be updated quarterly, concurrent with the Company's GCA filings.

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