

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF DUKE ENERGY KENTUCKY, INC.)	2021-00296
FROM NOVEMBER 1, 2020 THROUGH APRIL 30,)	
2021)	

ORDER

Pursuant to 807 KAR 5:056, the Commission established this case on August 18, 2021, to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Duke Energy Kentucky, Inc. (Duke Kentucky) for the six months that ended on April 30, 2021. As part of this review, Duke Kentucky responded to two requests for information.

A review of Duke Kentucky's monthly FAC filings shows that the fuel cost billed for the six months under review ranged from a low of \$0.022761 per kWh in December 2020 to a high of \$0.025802 per kWh in April 2021 with a six-month average of \$0.024723 per kWh.

Commission Staff, in its second request for information, requested *inter alia*, that Duke Kentucky review its FAC tariff to determine if any changes were necessary to correspond with recent changes to 807 KAR 5:056.¹ Duke Kentucky stated that it did not believe that any revisions were necessary to its FAC tariff.² The Commission disagrees with Duke Kentucky and finds that Duke Kentucky shall make revisions to its FAC tariff to

¹ Commission Staff's Second Request for Information (Staff's Second Request) (Ky. PSC Dec. 7, 2021), Item 9.

² Duke Kentucky's Responses Staff's Second Request (filed Jan. 4, 2022), Item 9.

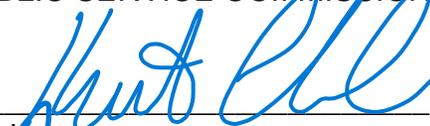
correspond with the language of 807 KAR 5:056. In order to correspond with the regulation, Duke Kentucky shall include the following language in Section (2)(f) of its FAC tariff: "In making the calculations of fuel cost, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation until approval is obtained." In addition, the Commission finds that Duke Kentucky's revised FAC tariff shall remove the "including but not limited to" language from Section 2(e) as the Commission does not allow Duke Kentucky to pass through unlisted items through the FAC rate without first gaining Commission approval. Having reviewed the FAC tariff and being otherwise sufficiently advised, the Commission finds that the revisions to the FAC tariff discussed herein are reasonable and should be approved

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds no evidence of improper calculation or application of Duke Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that:

1. The charges and credits billed by Duke Kentucky through its FAC from November 1, 2020, through April 30, 2021, are approved.
2. Within 20 days of the date of the 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 revisions ordered herein and reflecting that they were approved pursuant to this Order.
3. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman

Commissioner

ENTERED
MAR 24 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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