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PSC to Hold Meeting on Rate Cases in Northern Kentucky

Meeting on Jan. 24 will take public comments in both the Duke Energy Kentucky natural gas case and the Northern Kentucky Water District case

FRANKFORT, Ky. (Jan. 8, 2019) – The Kentucky Public Service Commission (PSC) will hold a public meeting to provide information and receive public comments on two rate cases affecting customers in northern Kentucky: a request by Duke Energy Kentucky to increase its rates for delivery of natural gas and a request by the Northern Kentucky Water District (NKWD) for a general rate increase.

Details of the combined meeting are as follows:

Thursday, Jan. 24, 5:30 p.m. EST Auditorium Dixie Heights High School 3010 Dixie Highway Edgewood, KY 41017

The public comment period will be preceded by a presentation by PSC staff on the regulatory processes governing the cases and an overview of the Duke Kentucky and NKWD applications.

Public comments also will be taken at the beginning of the PSC's formal evidentiary hearings in the two cases. The Duke Kentucky hearing is scheduled for 9 a.m. EST on Feb. 5, and the NKWD hearing is set for 9 a.m. EST on Feb. 27. Both will be at the PSC offices in Frankfort.

"This meeting is an opportunity for affected ratepayers to make their views known directly to the commission," PSC Chairman Michael Schmitt said. "The PSC encourages ratepayers to attend the information session to gain a more complete understanding of how Kentucky law requires the PSC to determine fair, just and reasonable rates."

The presentation by PSC staff and a question-and-answer period will last about an hour. Public comments will begin at about 6:30 p.m. EST.

Duke Kentucky's request to increase revenue from natural gas operations by about 10 percent would add about \$5.78 to the typical residential customer's average monthly bill, according to the company's application. Duke Kentucky is proposing to increase the monthly customer charge from \$16 to \$17.50 and the delivery charge per 1,000 cubic feet from \$3.72 to \$4.87. Those increases would be partly offset by the removal of a surcharge that has funded a nearly-completed program to replace aging and potentially unsafe gas lines.

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The Duke Kentucky application covers only the utility's base rates. The commodity cost of natural gas is calculated separately every month and passed on to customers on a dollar-for-dollar basis. It is not regulated and fluctuates in response to market conditions.

Duke Kentucky's base rates for natural gas were last adjusted in December 2009. The utility has about 103,000 natural gas customers in Boone, Bracken, Campbell, Gallatin, Grant, Kenton and Pendleton counties. More than 82,000 of them also receive electric service from Duke Kentucky.

NKWD's most recent rate increase came in January 2016. The utility is now seeking to increase residential rates by 11 percent over two years, with the first phase of the increase coming in April 2019 and the second phase following a year later.

The increases would total about \$3.84 per month for a typical residential customer, with each of the two phases coming to about \$1.92 per month, according to NKWD's application. Under the two-phase proposal, the monthly customer charge would increase from \$16.40 to \$17.50 initially, and then to \$18.50. The remainder of the increase would come through higher charges on water consumption.

NKWD has nearly 83,000 retail customers in Kenton, Campbell and Boone counties and sells water at wholesale to other water distribution systems in Pendleton, Boone and Grant counties.

In addition to the public meetings, the PSC will conduct a formal evidentiary hearing in each case at the PSC offices at 211 Sower Boulevard in Frankfort. The Duke Kentucky hearing begins on Tuesday, Feb. 5. The NKWD hearing is set for Wednesday, Feb. 27. Both will begin at 9 a.m. EST, are open to the public and may be viewed live on the PSC website, psc.ky.gov.

Written comments will be accepted through the conclusion of the evidentiary hearing in each case. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460, submitted via e-mail to the PSC website or submitted in person at the public meeting or at the PSC offices.

The Duke Kentucky and NKWD applications and other records in the cases are available on the PSC website, psc.ky.gov. The Duke Kentucky case number is 2018-00261; the NKWD case number is 2018-00291.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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