

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF DUKE)	CASE NO.
ENERGY KENTUCKY, INC. FROM NOVEMBER)	2015-00236
1, 2014 THROUGH APRIL 30, 2015)	

ORDER

Pursuant to 807 KAR 5:056, the Commission established this case on August 14, 2015, to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Duke Energy Kentucky, Inc. ("Duke Kentucky") for the six-month period that ended on April 30, 2015. As part of this review, Duke Kentucky submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission scheduled a public hearing to be held in this matter on October 7, 2015. On October 20, 2015, Duke Kentucky filed its response to requests made at the hearing.

At the October 7, 2015 hearing in this matter, Duke Kentucky notified the Commission that Duke Kentucky had failed to publish public notice of the hearing. Since Duke Kentucky's witnesses were present at the hearing, the Commission proceeded with cross examination of the witnesses, but on October 29, 2015, the Commission issued a supplemental Order scheduling a second hearing for November 23, 2015 for the purpose of taking public comment. On November 19, 2015, Duke Kentucky filed its notice of publication. Accompanying that notice was a motion to

deviate from the notice of publication requirements set forth in the Commission's October 29, 2015 Order, ordering paragraph 2, which states: "[n]ot less than seven days and no more than 21 days prior to the scheduled hearing, Duke Energy Kentucky shall publish in a newspaper of general circulation in each area in which it serves notice of the purpose, time, place, and date of the scheduled hearing." Duke Kentucky states that the notice timely ran in five of the seven newspapers that are in circulation in its service area, but the remaining two newspapers, the Campbell County Recorder and the Kenton Community Recorder, did not timely publish due to faults of the newspaper, not Duke Kentucky. Duke Kentucky was informed of the omission on November 17, 2015, past the date at which it could have notice timely published in those two newspapers. Duke Kentucky asks for deviation from the notice of publication requirement on grounds that another newspaper of general circulation in Campbell and Kenton County, the Kentucky Enquirer, did timely publish notice. In the alternative, Duke Kentucky requests the Commission find that it has substantially complied with the Commission's October 29, 2015 Order in this proceeding.

The Commission has previously established Duke Kentucky's base fuel cost as 29.117 mills per kWh.¹ A review of Duke Kentucky's monthly FAC filings shows that the fuel cost billed for the six-month period under review ranged from a low of 26.162 mills in February 2015 to a high of 27.096 mills in November 2014, with a six-month average of 26.55 mills.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Duke

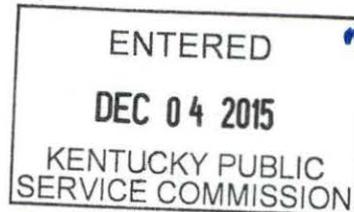
¹ Case No. 2014-00454, *An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2012 through October 31, 2014* (Ky. PSC Aug. 11, 2015).

Kentucky's FAC charges or improper fuel procurement practices. The Commission also finds that Duke Kentucky substantially complied with the Commission's notice requirements for the November 23, 2015 hearing and has ensured that the public had sufficient notice of that proceeding and a meaningful opportunity to participate, and therefore believes deviation from the notice requirements is appropriate.

IT IS THEREFORE ORDERED that:

1. The charges and credits billed by Duke Kentucky through its FAC for the period November 1, 2014, through April 30, 2015, are approved.
2. Duke Kentucky's motion to deviate from the requirements of 807 KAR 5:001, Section 9(2)(b)(2), is granted.

By the Commission



ATTEST:



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