

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY )  
KENTUCKY, INC. FOR: 1) AN ADJUSTMENT OF )  
THE ELECTRIC RATES; 2) APPROVAL OF AN )  
ENVIRONMENTAL COMPLIANCE PLAN AND )  
SURCHARGE MECHANISM; 3) APPROVAL OF )  
NEW TARIFFS; 4) APPROVAL OF ACCOUNTING )  
PRACTICES TO ESTABLISH REGULATORY )  
ASSETS AND LIABILITIES; AND 5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )

CASE NO. 2017-00321

NORTHERN KENTUCKY UNIVERSITY'S RESPONSES TO COMMISSION  
STAFF'S INITIAL REQUEST FOR INFORMATION  
DATED JANUARY 16, 2018

FILED: JANUARY 31, 2018

Northern Kentucky University's Responses to Commission Staff's Initial Request for  
Information

Dated January 16, 2018

Q-1. Refer to the Direct Testimony of Brian C. Collins, page 17, lines 17-21, wherein Mr. Collins states, "[i]f Rider FTR is granted, NITS related costs, as well as other costs incurred on a demand basis, should be allocated on the basis of demand and collected from classes based on \$ per kW charge as opposed to the collection of these costs on a \$ per kWh or energy basis as proposed by the utility." Explain in detail how customer classes without demand charges would be allocated Network Integrated Transmission Costs.

A-1. It is Mr. Collins' understanding that the Company calculates test year 12 CP demands for all rate classes in its class cost of service studies. Therefore, all demand classified costs associated with Rider FTR can be allocated to all classes on the basis of 12 CP.

With respect to class rate design for the recovery of demand classified Rider FTR costs, it is Mr. Collins' position that for those customer classes that have demand meters, and as a result, base rate demand charges, the respective allocated demand classified costs under Rider FTR for each of those classes would be recovered on a \$ per kW basis. For those classes that do not have demand meters, and as a result, no base rate demand charges, the respective allocated demand classified costs under Rider FTR for each of those classes would be recovered on a \$ per kWh basis.

Respondent: Brian C. Collins