

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

The Electronic Application of Duke Energy)
Kentucky, Inc. for a Certificate of Public)
Convenience and Necessity to Construct Phase) 2018-00156
Two of its West Landfill and for Approval to)
Amend its Environmental Compliance Plan for)
Recovery by Environmental Surcharge Mechanism)

CERTIFICATE OF NOTICE AND PUBLICATION

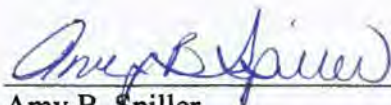
Pursuant to the Kentucky Public Service Commission's Regulation 807 KAR 5:001, Section 16(1)(b)(5), I hereby certify that I am Amy B. Spiller, President of Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), a utility furnishing retail electric and gas service within the Commonwealth of Kentucky, which, on the 15th day of June 2018, will file an application with the Kentucky Public Service Commission requesting an order authorizing Duke Energy Kentucky to recover the environmental compliance costs of Phase Two amending its 2017 Environmental Compliance Plan via its environmental surcharge through its Rate Schedule ESM as required by KRS 278.183, and as applicable KRS 278.020(1), and requesting an order granting Duke Energy Kentucky a Certificate of Public Convenience and Necessity for the construction of Phase Two of the Company's West Landfill located at its East Bend Generating Station. Duke Energy Kentucky is proposing no changes to its Environmental Surcharge Mechanism tariff sheet, K.Y.P.S.C. No. 19, Sheet No. 76 other than to change its issue and effective date; and that notice to the public of the filing of the application is being given in all respects as required by 807 KAR 5:001, Section 17 and 807 KAR 5:001, Sections 8(2)(c) and 9(2), as follows:

On the 15th day of June 2018, the notice to the public was delivered for exhibition and public inspection at 4580 Olympic Boulevard, Erlanger, Kentucky 41018 and the same will be kept open to public inspection at said office in conformity with the requirements of 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a).

I further certify that more than twenty (20) customers will be affected by said change by way of an increase in their rates or charges, and that on the 7th day of June 2018, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication therein once a week for three consecutive weeks beginning on June 12, 2018, a notice of the filing of Duke Energy Kentucky's application, including its proposed rates, a copy of said notice being attached hereto as Exhibit A, and a list of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, a copy of said list being attached hereto as Exhibit B. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion of same pursuant to 807 KAR 5:001, Section 17(3)(b).

Also beginning on June 15, 2018, Duke Energy Kentucky posted on its website a complete copy of the Company's application and a hyperlink to the location on the Kentucky Public Service Commission's website where the case documents and tariff filings are available.

Given under my hand this 15th day of June 2018.



Amy B. Spiller
President, Duke Energy Kentucky, Inc.
139 E. 4th Street
Cincinnati, Ohio 45202

Subscribed and sworn to before me, a Notary Public, in and before said County and State,
this 15th day of June 2018.

E. Minna Rolfes-Adkins

Notary Public

My Commission expires: July 8, 2022

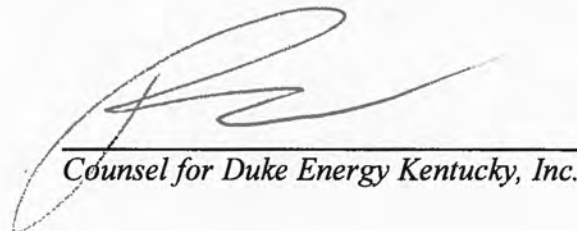


E. MINNA ROLFES-ADKINS
Notary Public, State of Ohio
My Commission Expires
July 8, 2022

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Duke Energy Kentucky, Inc.'s June 15, 2018 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission directly on June 15, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and one copy of the filing is being delivered via 2nd day mail to the Commission on June 15, 2018; and that on June 15, 2018, electronic mail notification of the electronic filing will be provided to the following:

Rebecca Goodman
Office of the Attorney General
Office of Rate Intervention
700 Capitol Avenue, Ste. 20
Frankfort, KY 40601
Rebecca.Goodman@ky.gov



Counsel for Duke Energy Kentucky, Inc.

Exhibit A

Notice of the Filing

NOTICE TO CUSTOMERS OF
DUKE ENERGY KENTUCKY, INC.

RECOVERY BY ENVIRONMENTAL SURCHARGE OF DUKE ENERGY KENTUCKY, INC.'S
AMENDMENT TO ITS 2017 ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or "Company") is filing with the Kentucky Public Service Commission ("Commission") on June 15, 2018 in Case No. 2018-00156, an Application pursuant to Kentucky Revised Statute 278.183 for approval of the construction of Phase Two of the Company's West Landfill ("Phase Two") located at its East Bend Generating Station ("East Bend") and an amendment of the Company's Environmental Compliance Plan to include Phase Two for the purpose of recovering the capital costs associated with Phase Two through an increase in the environmental surcharge on customers' bills beginning December 1, 2018 under the Company's existing ESM Rider, also known as the environmental surcharge mechanism. The total capital cost of Phase Two in the Company's 2017 Environmental Compliance Plan is estimated to be \$23.3 million.

Federal and state environmental regulations require Duke Energy Kentucky to build and upgrade equipment and facilities that produce energy from coal to operate in an environmentally sound manner. Specifically, the Company is seeking Commission approval of a Certificate of Public Convenience and Necessity for the construction of Phase Two of the landfill at East Bend. This Phase Two construction project requires an amendment of Duke Energy Kentucky's 2017 Environmental Compliance Plan that was approved by the Commission in 2018.

Additionally, Duke Energy Kentucky is seeking an order approving Phase Two for purposes of recovering the costs of Phase Two through its Environmental Surcharge tariff. Phase Two is required for the Company to comply with the U.S. Environmental Protection Agency's federal *Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities* ("Federal CCR Rule"), and other environmental requirements that apply to Duke Energy Kentucky facilities used in the production of energy from coal. The total capital cost of Phase Two for which the Company is seeking recovery at this time is estimated to be \$23.3 million. O&M costs related to Phase Two will be similar to O&M costs incurred in Phase One and are not distinguishable.

The impact on Duke Energy Kentucky's customers is estimated to be a 0.02% increase in 2018 with a maximum increase of 0.83% in 2020. For a Duke Energy Kentucky residential customer using 919 kilowatt hours per month (kWh/mo.), the initial monthly increase is expected to be \$0.02 during 2018, with the maximum monthly increase expected to be \$0.75 during 2020.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person with a substantial interest in the matter may, by written request within thirty (30) days after publication of this notice of the proposed rate changes, request leave to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Such motion shall be submitted to the Kentucky Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615, and shall set forth the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication the Commission may take final action on the application.

Intervenors may obtain copies of the application and other filings made by the Company by contacting Ms. Minna Rolfes-Adkins at 139 East Fourth Street, Cincinnati, Ohio 45202 or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., and at the following Company offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY
P.O. BOX 615
211 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40602-0615
(502) 564-3940

DUKE ENERGY KENTUCKY
4580 OLYMPIC BOULEVARD
ERLANGER, KENTUCKY 41018
(513) 287-4315

Exhibit B

Listing of Newspapers Publishing Notice

List of Newspapers in Duke Energy Kentucky Territory

Campbell County Recorder
Covington Kentucky Enquirer
Falmouth Outlook
Kenton County Recorder
Warsaw Gallatin County News
Williamstown Grant County News
