

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application of Duke)
Energy Kentucky, Inc., for: 1) An)
Adjustment of the Electric Rates; 2)) Case No. 2022-00372.
Approval of New Tariffs; 3) Approval of)
Accounting Practices to Establish)
Regulatory Assets and Liabilities; and 4))
All Other Required Approvals and Relief.)

**DUKE ENERGY KENTUCKY, INC.'S APPLICATION FOR AUTHORITY TO
ADJUST ELECTRIC RATES, APPROVAL OF NEW TARIFFS, APPROVAL OF
ACCOUNTING PRACTICES TO ESTABLISH REGULATORY ASSETS AND
LIABILITIES, AND FOR ALL OTHER REQUIRED APPROVALS AND RELIEF**

Applicant, Duke Energy Kentucky, Inc., (Duke Energy Kentucky or the Company), by counsel, pursuant to KRS 278.180, KRS 278.190, KRS 278.192, 807 KAR 5:001 Section 14 and Section 16, and other applicable law, hereby applies to the Kentucky Public Service Commission (Commission) for authority to adjust its electric rates, approval of new tariffs, including, but not limited to, approval of certain accounting practices to establish regulatory assets and liabilities, and for all other required approvals and relief (collectively this Application). As set forth in the Company's Notice of Intent filed on November 1, 2022, in accordance with KRS 278.180(1), and 807 KAR 5:001, Section 16(2), this Application is supported by a fully forecasted test period consisting of the twelve months ending June 30, 2024. The Notice of Intent was served upon the Attorney General of the Commonwealth of Kentucky, Office of Rate Intervention. A copy of the Notice of Intent is attached hereto at Vol. 1, Tab 1 of the filing requirements.

In support of this Application, Duke Energy Kentucky respectfully states as follows:

Introduction

1. Duke Energy Kentucky is a “utility” as defined in KRS 278.010(3) and is subject to the Commission’s jurisdiction pursuant to KRS 278.040. In accordance with 807 KAR 5:001, Section 14(1), Duke Energy Kentucky is a Kentucky corporation with its principal office and principal place of business at 139 East Fourth Street Cincinnati, Ohio 45202. The Company’s local office in Kentucky is Duke Energy Erlanger Ops Center, 1262 Cox Road, Erlanger, Kentucky 41018. The Company further states that its electronic mail address for purposes of this matter is KYfilings@duke-energy.com.

2. Duke Energy Kentucky is a utility engaged in the electric and natural gas business. As part of its electric service, Duke Energy Kentucky generates electricity, which it distributes and sells in Boone, Campbell, Grant, Kenton and Pendleton Counties. Duke Energy Kentucky purchases, sells, stores, and transports natural gas in Boone, Bracken, Campbell, Gallatin, Grant, Kenton and Pendleton Counties, Kentucky.

3. Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky states that it was originally incorporated in the Commonwealth of Kentucky on March 20, 1901, and attests that it is currently in good standing in said Commonwealth. Pursuant to 807 KAR 5:001, Section 14(2), a certified copy of Duke Energy Kentucky’s certificate of good standing from the Kentucky Secretary of State is attached at Vol. 1, Tab 5 of this filing, and is incorporated by reference. Duke Energy Kentucky has on file with the Office of the Secretary of State a certificate for the following assumed name: “Duke Energy.” The required certificate of assumed name is attached at Vol. 1, Tab 9 of this filing, and is

incorporated by reference.

4. This Application constitutes notice to the Commission pursuant to KRS 278.180(1) of the changes proposed to be made to Duke Energy Kentucky's electric rates. Duke Energy Kentucky is also filing its Certificate of Notice to the public of the changes in its tariffs that result in increased rates, which Certificate is attached hereto at Vol. 1, Tab 12 of this Application.

5. Pursuant to 807 KAR 5:001 Section 8, on November 1, 2022, Duke Energy Kentucky filed with the Commission, its notice of intent to use electronic filing procedures in this proceeding. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Sarah E. Lawler
Vice President of Rates and Regulatory Strategy Ohio/Kentucky
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202
Phone: (513) 287-2576
Sarah.Lawler@duke-energy.com

Rocco O. D'Ascenzo (92796)
Deputy General Counsel
Larisa Vaysman (98944)
Senior Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202
Phone: (513) 287-4320
Fax: (513) 370-5720
Rocco.D'Ascenzo@duke-energy.com
Larisa.Vaysman@duke-energy.com

Elizabeth M. Brama, *Pro Hac Vice*
Valerie T. Herring (99361)
TAFT STETTINIUS & HOLLISTER LLP
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

Phone: (612) 977-8400
Fax: (612) 977-8650
ebrama@taflaw.com

Adjustment of Electric Rates

6. Duke Energy Kentucky's present electric rates and charges, which are based on costs forecasted during the twelve months ended March 31, 2021, were authorized by this Commission by Order dated April 27, 2020, and as amended on rehearing by Order dated October 16, 2020, in Case No. 2019-00271.¹

7. In accordance with the provisions of KRS 278.180, KRS 278.190, and KRS 278.192, Duke Energy Kentucky requests Commission approval of a change in existing rates, including but not limited to a change in its depreciation rates, establishment of new rates, and changes in terms, conditions and tariffs for electric service. Duke Energy Kentucky proposes to implement and change its existing rates and tariffs to those rates and charges set forth in the proposed tariff(s) attached hereto at Schedule L contained in Volume 11, of this Application. A comparison of the present and proposed rates and charges is attached hereto in the notice contained in Vol. 1, Tab 12 and in Volume 11, Schedule L of this Application.

8. Duke Energy Kentucky has several special contracts on file with this Commission consisting primarily of interconnection agreements, economic development incentives pursuant to the Company's Development Incentive Rider (Rider DIR) and Back-Up Delivery Point/Reserve Capacity service agreements pursuant to the Company's Commission-approved Back-Up Delivery Point Rider (Rider BDP). In addition, Duke

¹ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All other Required Approvals and Relief* Case No. 2019-271, (Ky. P.S.C. Order) (April 27, 2020); (Order) (Oct. 16, 2020).

Energy Kentucky has one special contract for the purchase and sale of renewable energy credits to a specific customer. With this Application, Duke Energy Kentucky is not seeking to change any of those special contracts, except to the extent such contracts incorporate base rates charges or other standard tariff provisions that are impacted by the Company's Application.

9. Duke Energy Kentucky seeks to adjust its electric base rates (including fuel) to a new total of \$453.5 million, which reflects an increase from its current rates of approximately \$75.2 million. The increase in base rates takes into account the offsetting impact of cost-effective energy efficiency in terms of adjustments to the Company's load forecast as used in its Application. The monthly residential electric bill increase (total bill) due to the proposed electric base rates will be approximately 21.4 percent or approximately \$25 for a residential customer using 1,000 kWh of electricity (the typical monthly consumption of a Duke Energy Kentucky residential customer). The amounts of the proposed new total rates are at Vol. 10, Schedule A of this filing, and are incorporated by reference. The proposed new charges and the impact of the proposed adjustment on each customer class are provided at Volume 11, Schedule N of this Application, and are incorporated by reference. Duke Energy Kentucky states that it will implement this adjustment effective January 3, 2023.

10. In its Application, Duke Energy Kentucky is proposing new rates for electric service, clarifying language changes to several tariffs and service regulations, as well as new tariffs and surcharges related to: 1) recovery of undepreciated remaining net book value of generating assets at the time of retirement; 2) a surcharge for recovery of unplanned incremental distribution-related investments that are required pursuant to a

municipal ordinance or franchise; 3) two new tariffs to support electric vehicle (EV) charging infrastructure; 4) a new, voluntary, community-based solar program called Clean Energy Connection; 5) a new hedging program for managing the Company's participation in the PJM Interconnection LLC markets to mitigate price volatility for customers; 6) a change to its Fuel Adjustment Clause to base the monthly charge upon a twelve month-rolling average rate to mitigate volatility; and 7) a new Time of Use rate. In addition, the Company is requesting changes to accounting methods to establish and implement deferrals for regulatory assets and liabilities related to the aforementioned mechanisms and to continue all other existing deferrals.

Support for Change in Existing Rates and Tariffs

11. In accordance with 807 KAR 5:001 Section 16(1)(b)(1), Duke Energy Kentucky states that the primary reason for this requested change in rates, terms, conditions and tariffs is that Duke Energy Kentucky's earned rate of return on rate base obtained from its current electric operations is projected to be 2.738 percent, which is inadequate to enable the Company to continue providing safe, reasonable, and reliable service to its customers and is insufficient to afford Duke Energy Kentucky a reasonable opportunity to earn a fair return on its investment property that is used to provide such service while attracting necessary capital at reasonable rates. In addition, the Company is seeking to recover, through amortization, certain regulatory assets, including but not limited to: 1) incremental planned outage O&M expense; 2) incremental purchased power expense for forced outages; and 3) rate case expenses resulting from this instant rate case.

12. In accordance with 807 KAR 5:001 Section 16(1)(b)(1), a more detailed statement of the reasons for the general adjustment of existing rates is provided in the direct

testimony of Company witnesses Ms. Amy B. Spiller and Ms. Sarah E. Lawler as well as others, filed contemporaneously with this Application, and incorporated by reference.

13. Duke Energy Kentucky certifies that its annual reports, including the annual report for the year ending 2021, are on file with this Commission as required by 807 KAR 5:006, Section 4(1).

14. The aggregate total revenue from Duke Energy Kentucky's non-regulated incidental activities exceeds the lesser of 2 percent of Duke Energy Kentucky's total revenue or \$1 million, annually; therefore, Duke Energy Kentucky is required under KRS 278.2203 and KRS 278.2205 to submit a cost allocation manual (CAM) with this filing. The Company periodically submits its CAM to the Commission when material changes are made. The Company last provided the Commission with a copy of its CAM by electronic delivery on March 31, 2022. A copy of the CAM is included in Volumes 16 and 17 of this Application.

15. Pursuant to 807 KAR 5:001, Section 16(1)(b)(8), Duke Energy Kentucky states that its proposed tariffs and proposed tariff changes are provided at Volume 11, Schedule L of this filing, and are incorporated by reference. The effective date of the proposed tariffs and proposed tariff changes is January 3, 2023.

16. Pursuant to 807 KAR 5:001, Section 16(1)(b)(5), Duke Energy Kentucky states that it has complied with 807 KAR 5:011, Section 16(2) and 807 KAR 5:001, Sections 17(3) and (4) by delivering to the newspapers of general circulation in its service territory area a copy of a Legal Notice for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications to be made no later than the date this Application is filed with the Commission. A copy of the Legal Notice is attached

at Volume 1, Tab 12 of this Application, Notice and Statement, and is incorporated by reference. Duke Energy Kentucky states that it will implement this adjustment effective January 3, 2023.

17. Pursuant to 807 KAR 5:001, Section 17, Duke Energy Kentucky states that it has filed with the Executive Director of this Commission a written notice of its intention to file this Application, and e-mailed a copy to the Utility Intervention and Rate Division of the Attorney General's office. A copy of the written notice is attached at Volume 1, Tab 1, of this filing, and is incorporated by reference.

18. Pursuant to 807 KAR 5:001, Section 17, Duke Energy Kentucky states that it will post a copy of this filing at its place of business on the date on which this Application is filed and it will remain posted until this Commission has finally determined Duke Energy Kentucky's electric rates and will also be posted, within five business days of the date of filing this Application with the Commission, on Duke Energy Kentucky's website www.duke-energy.com, which will contain a hyperlink to the Commission's website where this Application can be viewed.

19. Pursuant to 807 KAR 5:001, Section 12, Duke Energy Kentucky states that its financial exhibit is provided at Volume 1, Tab 3 of this filing, and is incorporated by reference.

20. Duke Energy Kentucky supports its request for a change in existing rates and tariffs for electric service with the verified testimony and exhibits of the following:

- a.) Amy B. Spiller, President, Duke Energy Kentucky;
- b.) Ron A. Adams, General Manager, Transmission Vegetation Management Strategy;

- c.) Christopher R. Bauer, Director, Corporate Finance and Assistant Treasurer;
- d.) Grady “Tripp” S. Carpenter, Manager Financial Forecasting II;
- e.) Jacob S. Colley, Director of Customer Services Strategy;
- f.) Huyen C. Dang, Director of Accounting;
- g.) Cormack C. Gordon, Director Transportation Electrification;
- h.) Paul L. Halstead, Director Jurisdictional Rate Administration;
- i.) Retha I. Hunsicker, Vice President, Customer Experience Design and Solutions;
- j.) Jeffrey T. Kopp, Senior Managing Director the Utility Consulting Department, 1898 & Company;
- k.) Sarah E. Lawler, Vice President, Rates and Regulatory Strategy for Ohio and Kentucky;
- l.) William C. Luke, Vice President Midwest Generation;
- m.) James J. McClay, Managing Director of Natural Gas Trading;
- n.) Max W. McClellan, Lead Load Forecasting Analyst;
- o.) Dominic “Nick” J. Melillo, Director Distribution Asset Management;
- p.) Paul M. Normand, Principal, Management Applications Consulting, Inc.;
- q.) Joshua A. Nowak, Assistant Vice President Concentric Energy Advisors, Inc.;
- r.) John R. Panizza, Director, Tax Operations;
- s.) Scott Park, Managing Director IRP and Analytics;

- t.) Lisa M. Quilici, Senior Vice President Concentric Energy Advisors, Inc.;
- u.) Bruce L. Sailors, Director, Jurisdictional Rate Administration;
- v.) Jeffrey R. Setser, Director of Allocations and Reporting;
- w.) John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC;
- x.) Lisa D. Steinkuhl, Director Rates & Regulatory Planning;
- y.) Jacob J. Stewart, Director, Health and Wellness;
- z.) John D. Swez, Managing Director, Trading and Dispatch;
- aa.) Danielle L. Weatherston, Manager Accounting II; and
- bb.) James E. Ziolkowski, Director, Rates & Regulatory Planning.

21. Duke Energy Kentucky further supports its request for a change in its existing rates and tariffs for electric service with the following exhibits complying with the requirements of 807 KAR 5:001, Sections 14, 16, and 17:

Tab	Filing Requirement	Description
4	807 KAR 5:001 Section 14(1)	Name, Address, Facts
5	807 KAR 5:001 Section 14(2)	Corporation in good standing
6	807 KAR 5:001 Section 14(3)	LLC- in good standing
7	807 KAR 5:001 Section 14(4)	LP- Agreement
8	807 KAR 5:001 Section 16(1)(b)(1)	Reason for Rate Adjustment
9	807 KAR 5:001 Section 16(1)(b)(2)	Certificate of Assumed Name
10/ Schedule L, Vol. 11	807 KAR 5:001 Section 16(1)(b)(3)	New/revised Tariff w/ effective date
11/ Schedule L, Vol. 11	807 KAR 5:001 Section 16(1)(b)(4)	Proposed Tariff Changes
12	807 KAR 5:001 Section 16(1)(b)(5)	Statement about Customer Notice
13	807 KAR 5:001 Section 16(2)	Notice of Intent

14	807 KAR 5:001 Section 16(3)	Compliance with 807 KAR 5:051, Section 2
15	807 KAR 5:001 Section 16(6)(a)	Financial Data
16	807 KAR 5:001 Section 16(6)(b)	Forecasted Adjustments
17	807 KAR 5:001 Section 16(6)(c)	Capitalization and Rate Base
18	807 KAR 5:001 Section 16(6)(d)	No Revisions to Forecast
19	807 KAR 5:001 Section 16(6)(e)	Alternative Forecast
20	807 KAR 5:001 Section 16(6)(f)	Reconciliation of Rate Base and Capital
21/ Testimony Vol. 13-15	807 KAR 5:001 Section 16(7)(a)	Testimony
22	807 KAR 5:001 Section 16(7)(b)	Capital Construction Budget
23	807 KAR 5:001 Section 16(7)(c)	Description of Factors Supporting Forecast
24	807 KAR 5:001 Section 16(7)(d)	Annual and Monthly Budgets
25	807 KAR 5:001 Section 16(7)(e)	Attestation
26	807 KAR 5:001 Section 16(7)(f)	Major Construction Projects
27	807 KAR 5:001 Section 16(7)(g)	Other Construction Projects
28	807 KAR 5:001 Section 16(7)(h)	Financial Forecasts
28	807 KAR 5:001 Section 16(7)(h)(1)	Operating Income Statement
28	807 KAR 5:001 Section 16(7)(h)(2)	Balance Sheet
28	807 KAR 5:001 Section 16(7)(h)(3)	Statement of Cash Flows
28	807 KAR 5:001 Section 16(7)(h)(4)	Revenue Requirements
28	807 KAR 5:001 Section 16(7)(h)(5)	Load Forecast
28	807 KAR 5:001 Section 16(7)(h)(6)	Access Line Forecast (telephone)
28	807 KAR 5:001 Section 16(7)(h)(7)	Mix of Generation
28	807 KAR 5:001 Section 16(7)(h)(8)	Mix of Gas Supply
28	807 KAR 5:001 Section 16(7)(h)(9)	Employee Level
28	807 KAR 5:001 Section 16(7)(h)(10)	Labor Cost Changes
28	807 KAR 5:001 Section 16(7)(h)(11)	Capital Structure Requirement
28	807 KAR 5:001 Section 16(7)(h)(12)	Rate Base
28	807 KAR 5:001 Section 16(7)(h)(13)	Gallons of Water to be sold
28	807 KAR 5:001 Section 16(7)(h)(14)	Customer Forecast (gas/water)
28	807 KAR 5:001 Section 16(7)(h)(15)	Sales Volume Forecast (gas)
28	807 KAR 5:001 Section 16(7)(h)(16)	Toll and Access Forecast (telephone)
28	807 KAR 5:001 Section 16(7)(h)(17)	A Detailed Explanation of Other Info.
29	807 KAR 5:001 Section 16(7)(i)	FERC Audit Reports
30	807 KAR 5:001 Section 16(7)(j)	Stock or Bond Prospectus
31	807 KAR 5:001 Section 16(7)(k)	FERC Form 1
32	807 KAR 5:001 Section 16(7)(l)	Annual Reports to Stockholders (2 yrs.)

33	807 KAR 5:001 Section 16(7)(m)	Chart of Accounts
34	807 KAR 5:001 Section 16(7)(n)	12 months Managerial Reports
35	807 KAR 5:001 Section 16(7)(o)	Monthly Budget Variance Reports
36	807 KAR 5:001 Section 16(7)(p)	Utility 10-Ks, 8-Ks, 10-Qs
37	807 KAR 5:001 Section 16(7)(q)	Independent Auditor Opinion Report
38	807 KAR 5:001 Section 16(7)(r)	Quarterly Reports to Stockholders (5 qtrs.)
39/ Attachment JS-1	807 KAR 5:001 Section 16(7)(s)	Depreciation Study Summary
40	807 KAR 5:001 Section 16(7)(t)	List of Computer Software, Hardware, etc.
41	807 KAR 5:001 Section 16(7)(u)	Affiliate Allocations/Charges
42	807 KAR 5:001 Section 16(7)(v)	Cost of Service Study
43	807 KAR 5:001 Section 16(7)(w)	Incumbent Local Exchange Carriers
44	807 KAR 5:001 Section 16(8)(a)	Financial Summaries
45	807 KAR 5:001 Section 16(8)(b)	Rate Base Summary
46	807 KAR 5:001 Section 16(8)(c)	Operating Income Statements
47	807 KAR 5:001 Section 16(8)(d)	Summary of Adjustments to Operating Income
48	807 KAR 5:001 Section 16(8)(e)	Federal and State Income Tax Summary
49	807 KAR 5:001 Section 16(8)(f)	Summary of Membership Dues
50	807 KAR 5:001 Section 16(8)(g)	Payroll Costs
51	807 KAR 5:001 Section 16(8)(h)	Gross Revenue Conversion Factor
52	807 KAR 5:001 Section 16(8)(i)	Comparative Income Statements
53	807 KAR 5:001 Section 16(8)(j)	Cost of Capital Summary
54	807 KAR 5:001 Section 16(8)(k)	Financial Data and Earnings Measures
55/ Schedule L, Vol. 11	807 KAR 5:001 Section 16(8)(l)	Narrative Description of Tariff Changes
56/ Schedule M, Vol. 11	807 KAR 5:001 Section 16(8)(m)	Revenue Summaries
57/ Schedule N, Vol. 11	807 KAR 5:001 Section 16(8)(n)	Typical Bill Comparison
60	807 KAR 5:001 Section 17(1)	Sample Notices Posted
61	807 KAR 5:001 Section 17(2)	Customer Notice Method

62	807 KAR 5:001 Section 17(3)	Proof of Notice
63	807 KAR 5:001 Section 17(4)	Customer Notice Content
Vol. 16-17	KRS 278.2203 and 278.2205	Cost Allocation Manual

22. Pursuant to KRS 278.192(1) and 807 KAR 5:001 Section 16(1)(a)(2), Duke Energy Kentucky has utilized a forward-looking test period for the twelve months ending June 30, 2024. This test period corresponds to the first twelve calendar month period the proposed rates will be in effect following the six-month suspension of the proposed rates.

23. The testimony and exhibits to this Application demonstrate that the rates, terms, conditions and tariffs proposed are fair, just, and reasonable under KRS 278.030.

New Tariffs/Services/Deferrals

24. Pursuant to the Commission’s statutory rate-making authority to allow recovery of costs through fair, just, and reasonable rates embodied in KRS 278.180, KRS 278.192, and as confirmed by the Supreme Court of the Commonwealth of Kentucky in *Kentucky Public Service Comm’n v. Commonwealth ex rel. Conway*, 324 S.W.3d 373 (Ky. 2010), the Company is proposing to implement, without limitation, certain new programs, policies, and tariffs, and to modify existing policies and tariffs, including but not limited to, the following:

- a.) Surcharge recovery of undepreciated remaining net book value of generating assets at the time of retirement (Rider GTM);
- b.) Two new tariffs to support EV infrastructure i.) an EV Service Equipment (EVSE) tariff for customers to pay a flat monthly rate to have an EV charger installed at their home or business and certain maintenance for the charger during the duration of the contract (Rate EVSE); and ii.) a make-ready credit for customer wishing to install

- a new EV charging station (Rate MRC);
- c.) A modification to the Company's existing Local Government Fee tariff and a new surcharge mechanism for recovery of unplanned and incremental processes and electric delivery system investments, including, but not limited to, undergrounding and temporary facility relocations that are outside the utility's regular system-wide construction plans and required pursuant to local city ordinances and/or franchise agreements (Rider ILIC);
 - d.) A new voluntary community-based solar program, Clean Energy Connection for customers wishing to invest in renewable energy resources to meet sustainability goals;
 - e.) A new hedging program for managing the Company's participation in the PJM Interconnection LLC markets to mitigate price volatility for customers;
 - f.) A change to its Fuel Adjustment Clause to base the monthly charge upon a twelve month-rolling average rate to mitigate volatility;
 - g.) An Optional, Experimental Residential Time of Use with Critical Peak Pricing (Rate RS-TOU-CPP);
 - h.) Eliminating tariffs that have previously been withdrawn, have expired, or are no longer in use;
 - i.) Other tariff language changes, including but limited to, changes to its late payment fee calculation; and
 - j.) Changes to accounting methods to establish and implement deferrals

for regulatory assets and liabilities related to the aforementioned mechanisms and continue existing deferrals.

Establishment of Regulatory Assets and Liabilities

25. As part of this proceeding, Duke Energy Kentucky is seeking Commission authorization to create deferral mechanisms associated with its EV proposals, Rider GTM and new residential time of use rate, Rate RS-TOU-CPP. The deferral authority will allow the Company to debit or credit regulatory asset accounts when actual expenses for these costs are incurred. Duke Energy Kentucky further proposes that any regulatory asset or liability created be reviewed for recovery through amortization as part of the Company's next electric base rate case.

26. Financial Accounting Standards Board Accounting Standards Codification (FASB Codification or ASC) requires utility management to defer and capitalize a current cost as a regulatory asset or a current obligation as a regulatory liability when in management's judgment the cost is probable of recovery, or the obligation is probable of refund in future ratemaking proceedings. Evidence of probable recovery includes orders from the regulatory authority specifically authorizing deferral of the current cost or current obligation for later review and recovery or refund through rates. Duke Energy Kentucky is requesting authorization in this case to permit its deferral of the above-described costs that are incremental to base rates, with carrying charges, with the recovery of any accumulated balances to be addressed in a future base rate proceeding.

WHEREFORE, Duke Energy Kentucky respectfully requests the Kentucky Public Service Commission to enter an Order:

1. Approving the new rates and new and revised tariff sheets for electric service;
2. Authorizing Duke Energy Kentucky to establish regulatory assets for its EV proposals, Rider GTM, and new residential time of use rate;
3. Approving amortization of new and existing regulatory assets;
4. Approving Duke Energy Kentucky's proposed depreciation rates;
5. Approving new tariffs and programs;
6. Approving the proposed Rider ILIC for recovery of local government mandated investments and processes;
7. Proposals to reduce volatility in customer rates from market commodities through a change to its Fuel Adjustment Clause and new Hedging Plan proposal;
8. Approving the Company's proposed EV programs;
9. Approving the Company's Clean Energy Connection program;
10. Approving the Company's new residential time of use rate; and
11. Granting all other waivers and relief to which Duke Energy Kentucky may be entitled, including, but not limited to, waiver of 807 KAR 5:006, Sec.7(1)(a)(3), to provide usage information only, and not beginning and ending meter readings on customer bills for those electing service under

proposed, optional Rate RS-TOU-CPP. The Commission has previously granted such waivers for similar interval-billed rates.²

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco O. D'Ascenzo (92796)
Deputy General Counsel
Larisa Vaysman (98944)
Senior Counsel
Duke Energy Business Services LLC
139 East Fourth Street
Cincinnati, OH 45202
Phone: (513) 287-4320
Fax: (513) 370-5720
Rocco.D'Ascenzo@duke-energy.com
Larisa.Vaysman@duke-energy.com

And

Elizabeth M. Brama, *Pro Hac Vice*
Valerie T. Herring (99361)
TAFT STETTINIUS & HOLLISTER LLP
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Phone: (612) 977-8400
Fax: (612) 977-8650


Counsel for Duke Energy Kentucky, Inc.

² See In the Matter Of: Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Electric Rates; 2) Approval of New Tariff; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief, Case No. 2019-00271, pg. 72, (KY.P.S.C. April 27, 2020).

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on December 1, 2022; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.³

Hon. John Horne
The Office of Attorney General
Utility Intervention and Rate Division
700 Capital Ave., Ste 20
Frankfort, Kentucky 40601



Counsel for Duke Energy Kentucky, Inc.

³*In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19, Order, Case No. 2020-00085 (Ky. P.S.C. July 22, 2021).*