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## **VIA ELECTRONIC FILING**

September 17, 2024

Ms. Linda Bridwell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615

## Re: <u>Case No. 2022-00372</u>

In the Matter of: The Electronic Application of Duke Energy Kentucky, Inc. (1) An Adjustment of 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

Dear Ms. Bridwell:

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company) hereby wishes to clarify to the Kentucky Public Service Commission (Commission) that it has not put the proposed Rate RS-TOU-CPP into effect and has not included the proposed Sheet No. 35 in its tariff. Duke Energy Kentucky believes that this is in accordance with the Commission's July 1, 2024 Order in this case, as further detailed below, but erring on the side of caution and to avoid any inadvertent misunderstanding, clarifies the matter in this letter.

In the Company's Application in this case, the Company proposed a new Time of Use with Critical Peak Pricing rate schedule (Rate RS-TOU-CPP),<sup>1</sup> along with an accompanying waiver of 807 KAR 5:006 Section 7(1)(a)(3), which requires present and last preceding meter reads to be displayed on bills.<sup>2</sup> The Commission's October 12, 2023, Order approved Rate RS-TOU-CPP, but denied the accompanying waiver request.<sup>3</sup> Rate RS-TOU-CPP was included in Appendix B, to the October 12, 2023 Order as an approved rate.

When the Company filed tariffs in accordance with the October 12, 2023, Order, it did not include Rate RS-TOU-CPP in its filing, as it was unable to implement the rate without the waiver and filed for rehearing on the matter. In its review of the tariff filing, Commission Staff noted that Rate Schedule RS-TOU-CPP had been omitted from the filing, and stated that "Staff assumed that Duke was waiting on a final decision on its request for rehearing before including RS-TOU-CPP in the tariff as Duke had indicated that it could not offer that rate schedule without the waiver on the bill

<sup>&</sup>lt;sup>1</sup> Application at Direct Testimony of Bruce Sailers (Sailers Direct Testimony), pp. 17–18 (Dec. 14, 2022).

<sup>&</sup>lt;sup>2</sup> *Id.*, p. 18.

<sup>&</sup>lt;sup>3</sup> Order, p. 49 (approving Rate RS-TOU-CPP), p. 89, Paragraph 27 (denying waiver) (October 12, 2023).

format."<sup>4</sup> The Company confirmed this understanding and removed references to Rate RS-TOU-CPP from other tariff sheets.<sup>5</sup>

In a Petition for Rehearing, Duke Energy Kentucky explained that, without the requested waiver, Rate RS-TOU-CPP would be cost prohibitive to implement, as it would require considerable system reprogramming.<sup>6</sup> On rehearing, the Commission affirmed its denial of the waiver request.<sup>7</sup>

The Company understood the Order on rehearing as denying the waiver and as inferring that, therefore, the Company would not offer Rate RS-TOU-CPP. The Commission stated that, "[a]s a result of the Commission's denial of the waiver . . ., several issues raised by Duke Kentucky in its rehearing petition [in relation to Rate RS-TOU-CPP] are moot."<sup>8</sup> This suggested the Commission expected the Company not to offer the rate, as the rate would otherwise have required corrections. Additionally, Rate RS-TOU-CPP was not included in Appendix C to the July 1, 2024, Order. However, because Rate RS-TOU-CPP did appear as an approved rate in Appendix B to the October 12, 2023 Order, the Company believes there is a small amount of ambiguity and clarification may be helpful.

Accordingly, Duke Energy Kentucky clarifies that it is not currently offering Rate RS-TOU-CPP, and that this rate was not included in either of its two tariff filings in compliance with the October 12, 2023, and July 1, 2024, Orders, TFS2023-00494 and TFS2024-00331, respectively, both of which were accepted by the Commission. The Company believes that not offering Rate RS-TOU-CPP is in accordance with the Commission's July 1, 2024, Order.

I certify that this electronically filed document is a true and accurate copy of the original document and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021, Order in Case No. 2020-00085, no paper copy of this filing will be made.

Respectfully submitted,

/s/Larisa M. Vaysman

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<sup>&</sup>lt;sup>4</sup> TFS2023-00494, Support Document, p. 2, available at

https://psc.ky.gov/trf4/uploadedFiles/1001200\_Duke\_Energy\_Kentucky\_Inc\_/12182023123645/DukeElectric\_Rat eCase\_2022-00372\_Tariffs\_Revisions\_Correspondence.pdf.

<sup>&</sup>lt;sup>5</sup> Id.

<sup>&</sup>lt;sup>6</sup> Duke Energy Kentucky Inc.'s Petition for Rehearing, p. 8 (Nov. 1, 2023).

<sup>&</sup>lt;sup>7</sup> Order, p. 8 (July 1, 2024).

<sup>&</sup>lt;sup>8</sup> Id.