

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

|                                    |   |            |
|------------------------------------|---|------------|
| ELECTRONIC REVIEW OF THE PILOT     | ) |            |
| PROGRAM FOR ECONOMIC DEVELOPMENT   | ) | CASE NO.   |
| EXTENSIONS OF SERVICE OF GAS LOCAL | ) | 2022-00403 |
| DISTRIBUTION COMPANIES             | ) |            |

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**COMMENTS OF DUKE ENERGY KENTUCKY, INC.**

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**I. INTRODUCTION**

Please accept these comments submitted on behalf of Duke Energy Kentucky, Inc., (Duke Energy Kentucky or Company) in response to the Kentucky Public Service Commission’s (Commission) request for comments from gas local distribution companies in order to develop a record that the Commission can draw upon as it considers if changes to the EDX Pilot Program are warranted.<sup>1</sup>

**II. BACKGROUND**

On January 24, 2020, the Commission issued an Order establishing an administrative case to review the procedure for approval of economic development extensions (EDXs), which are extensions of service in the ordinary course of business to potential economic development projects for gas local distribution companies (LDCs).<sup>2</sup> The Commission, on May 4, 2020, issued an Order establishing the EDX Pilot Program.

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<sup>1</sup> Case No. 2022-00403, *Electronic Review of the Pilot Program for Economic Development Extensions of Service of Gas Local Distribution Companies* (Ky. PSC Dec. 13, 2022).

<sup>2</sup> Case No. 2020-00001, *Electronic Investigation of a Pilot Program for Economic Development Extensions of Service of Gas Local Distribution Companies* (Ky. PSC Jan. 24, 2020).

The May 4, 2020 Order also provided that the Commission will conduct periodic reviews of implementation of the EDX Pilot Program.<sup>3</sup>

Under the EDX program, a local distribution company with a viable and qualifying project, may apply and be granted approval to create a regulatory asset to defer property taxes related to the EDX capital investment, including costs of land, until the effective date of new base rates in its next natural gas case, and be authorized accrue carrying costs at the utility's approved long-term debt rate. Duke Energy Kentucky appreciates the opportunity to provide comments regarding the EDX Pilot Program.

### **III. DISCUSSION**

Duke Energy Kentucky supports economic development in its service territory and encourages the Commission to continue its historic flexibility and support for economic development opportunities for existing and new utility customers. Whether through the EDX Pilot or similar program, or through existing Commission-approved economic development tariffs, and special contracts as the circumstances warrant, utilities and the Commission have worked together to provide reasonable incentives and opportunities for economic development. This partnership should be encouraged and continued. While to date, Duke Energy Kentucky has not had a project that would meet the program parameters for an EDX, the Company continually looks for opportunities to leverage this and other economic development tools to benefit the Commonwealth. All stakeholders benefit through the addition of new industry, jobs, and load in the utility's service territory.

Accordingly, the Company supports the continuation of the EDX program as a potential tool to attract jobs, and industry to the Commonwealth.

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<sup>3</sup> Case No. 2020-00001, *Electronic Investigation of a Pilot Program for Economic Development Extensions of Service of Gas Local Distribution Companies* (Ky. PSC May 4, 2020) Order at 2.

#### IV. CONCLUSION

Duke Energy Kentucky appreciates the opportunity to offer its comments regarding the EDX Pilot Program and hopes that its comments will aid the Commission in its formal review.

Respectfully submitted,

*/s/Rocco D'Ascenzo*

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**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on January 20<sup>th</sup>, 2023; and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

*/s/Rocco D'Ascenzo*  
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*Counsel for Duke Energy Kentucky, Inc.*