

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY, INC.)
FOR AN ADJUSTMENT TO RIDER NM RATES AND FOR) CASE NO.
TARIFF APPROVAL) 2023-00413

**DUKE ENERGY KENTUCKY, INC.’S RESPONSE
TO THE DECEMBER 14, 2023 DEFICIENCY NOTICE**

I. INTRODUCTION

Comes now Duke Energy Kentucky, Inc., (Duke Energy Kentucky or the Company) and, for its response to the Kentucky Public Service Commission (Commission)’s December 14, 2023 Deficiency Notice, states as follows:

A. Deficiencies

1. 807 KAR 5:011, Section 8:

“Public Notice, as well as Customer Notice, is required if a charge, fee, or rule regarding the provision of service is changed, revised, or initiated and the change will affect the amount that a customer pays for service or the quality, delivery, or rendering of a customer’s service.”

Response: In accordance with the above regulation, Duke Energy Kentucky, Inc. has initiated publication of the customer notice required by 807 KAR 5:011, Section 8(2). Please see scheduled publication dates below for all newspapers:

Falmouth Outlook	December 5, 12, and 19, 2023
Warsaw	December 6, 13, and 20, 2023
Williamstown	December 7, 14, and 21, 2023
KY Enquirer	December 6, 13, and 20, 2023
Link KY	December 8, 15, and 22, 2023

Once the Company receives the tear sheets, it will submit them within 45 days of filing of the application, as required. Please see Attachment 1 for a copy of the notice.

Additionally, the Company has given public notice in accordance with 807 KAR 5:011, Section 8(1). The web site posting may be viewed at this link: <https://www.duke-energy.com/home/billing/rates/rate-adjustment-applications>.

II. CONCLUSION

For the foregoing reasons, Duke Energy Kentucky respectfully requests that the Commission issue an order finding that with the actions described above the Company's application is deemed to meet the minimum filing requirements and that the application be accepted for filing as of the date of this submittal.

Respectfully submitted,

/s/Larisa M. Vaysman

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Larisa M. Vaysman (98944)

Senior Counsel

Duke Energy Business Services LLC

139 East Fourth Street, 1303-Main

Cincinnati, Ohio 45201-0960

Phone: (513) 287-4320

Fax: (513) 370-5720

larisa.vaysman@duke-energy.com

Counsel for Duke Energy Kentucky, Inc.

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 19, 2023; 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.¹

John G. Horne, II
The Office of the Attorney General
Utility Intervention and Rate Division
700 Capital Avenue, Ste. 20
Frankfort, Kentucky 40601
John.Horne@ky.gov

/s/Larisa M. Vaysman _____
Counsel for Duke Energy Kentucky, Inc.

¹ *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).

NOTICE

Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or "Company") hereby gives notice that, in an application to be filed no sooner than December 11, 2023, Duke Energy Kentucky will be seeking approval by the Public Service Commission, Frankfort, Kentucky to revise KYPSC No. 2 Sheet 89 and to create KYPSC No. 2 Sheets 83 and 84, proposed to become effective on and after January 11, 2024.

Duke Energy Kentucky seeks approval to revise these rates as follows:

**Net Metering I Rider
(Electric Tariff Sheet No. 89)**

This rider is renamed from Net Metering Rider to Net Metering I Rider. This rider will be grandfathered for current participants. Current interconnection requirements are not changed but they are deleted from this tariff sheet and placed into the separate new Electric Tariff Sheet No. 89, as described below.

The AVAILABILITY section will be revised, in accordance with KRS 278.465 through 278.468, to close the rider to new participation, specify that the rider will terminate 25 years after the effective date of KYPSC Electric No. 2 Sheet No. 84, or January 11, 2049, and to add that customers electing to terminate their participation in this rider will not be able to rejoin. Additionally, a provision will be added that customers who alter their generating facility beyond like replacement of equipment resulting in a material increase in the generating capacity will be removed from participation in this rider and will be required to reapply for interconnection under current applicable options for customer-generators. Finally, a provision will be added prohibiting customer-generators from simultaneous participation in this rider and any Distributed Energy Resource Aggregation or with any Distributed Energy Resource Aggregator, as those terms are defined by PJM or subsequent Regional Transmission Organization, other than an aggregation formed by Duke Energy Kentucky acting as the aggregator.

**Rider Net Metering II
(Electric Tariff Sheet No. 84)**

Proposed New Service:

AVAILABILITY

Net Metering is available to eligible customer-generators in the Company's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity, including capacity participating under KYPSC Electric No. 2 Sheet No. 89 Rider NM I, of 1% of the Company's single hour peak load in Kentucky during the previous year. If the cumulative generating capacity of net metering systems reaches one percent (1%) of the Company's single hour peak load during the previous year the Company's obligation to offer net metering to a new customer-generator may be limited. This Rider NM II will be effective and available to eligible Customer-generators on January 11, 2024. An eligible customer-generator shall mean a retail electric customer of the Company with a generating facility that:

- (1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- (2) Has a rated capacity of not greater than forty-five (45) kilowatts;
- (3) Is located on the customer's premises;
- (4) Is owned and operated by the customer;
- (5) Is connected in parallel with the Company's electric distribution system; and
- (6) Has the primary purpose of supplying all or part of the customer's own electricity requirements.

Eligible Customer-generators taking service under Rider NM II and a standard rate schedule with a two-part rate structure may continue to take service under a two-part rate structure for 25 years after the start of service under Rider NM II.

Customers served under this Rider NM II will not be eligible for the Company's Rider AMO, Advanced Meter Opt-out. In addition, customers receiving temporary service are not eligible for this Rider NM II.

The term "Customer" hereinafter shall refer to any customer requesting or receiving Net Metering services under this tariff.

Regarding the net metering generating facility, Customer-generators are prohibited from simultaneous participation in both this Rider NM II and any Distributed Energy Resource Aggregation or with any Distributed Energy Resource Aggregator, as those terms are defined by PJM or subsequent Regional Transmission Organization, other than an aggregation formed by Duke Energy Kentucky acting as the aggregator. Customer-generators who desire to participate in PJM markets through a third party aggregator must contact the Company and terminate participation in this Rider NM II prior to such wholesale market participation.

METERING

The Company shall provide net metering services, without any cost to the Customer for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Customer of his or her responsibility to pay metering costs embedded in the utility's Commission-approved base rates.

The standard kilowatt-hour metering system shall use one of the following methods, as determined solely by the Company:

- (1) A single standard kilowatt-hour meter capable of measuring the flow of electricity in two (2) directions and registering the amount of flow in each direction in two separate registers, one measuring the flow of electricity from the Company to the Customer and the other measuring the flow of electricity from the Customer to the Company.
- (2) If method (1) is not feasible, two standard kilowatt-hour meters may be used, one measuring the flow of electricity from the Company to the Customer and the other measuring the flow of electricity from the Customer to the Company or a single standard kilowatt hour meter capable of measuring the flow of electricity in two (2) directions and registering the net amount in one register, as determined by the Company.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Customer's expense.

BILLING

The Company shall measure the amount of electricity delivered by the Company to the Customer during the billing period, in accordance with one of the methods listed under "METERING". The Customer bill will be calculated in accordance with the Customer's standard rate schedule. Bill charges will be in accordance with the same standard tariff that would apply if the Customer were not a customer-generator. Billing for Customer demand is as described in the Customer's standard tariff for receiving electric service.

The Company shall measure the amount of electricity delivered by the Customer to the Company during the billing period, in accordance with one of the methods listed under "METERING". The Company will provide a bill credit for each kWh Customer produces to the Company's grid. The dollar-denominated bill credit will be applied to the customer's electric bill subject to minimum bill provisions of the standard rate schedule.

For each billing period, the Company will net the dollar value of the total energy consumed and the dollar value of the total energy exported by the Customer. Any bill credits not applied to a Customer's electric bill in a billing period are "unused excess billing-period credits." Any unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferable between Customers or locations. For joint accounts, unused excess billing-period credits will be carried forward as long as at least one joint account holder remains in the same location.

Excess generation purchases by the Company will be recovered in Company's Fuel Adjustment Clause.

EXCESS GENERATION AVOIDED COST CREDIT RATE

The Company will provide a bill credit for each kWh Customer produces to the Company's grid using the rate below.

Excess Generation Avoided Cost Credit per kWh (Residential):	\$0.057132
Excess Generation Avoided Cost Credit per kWh (Non-Residential):	\$0.057463

APPLICATION AND APPROVAL PROCESS

The Customer shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from the Company prior to connecting the generator facility to the Company's system. Applications will be submitted by the Customer and reviewed and processed by the Company according to either Level 1 or Level 2 processes defined in Company's KYPSC Electric No. 2 Sheet No. 83, Interconnection.

Application forms along with instructions on how to submit an application are available on the Company's website.

**Interconnection
(Electric Tariff Sheet No. 83)**

Proposed New Tariff Sheet:

There are no changes to the Company's interconnection requirements. They are relocated from the net metering tariff sheet to this separate, new tariff sheet.

The foregoing rates do not reflect a change to current net metering participant bills. Proposed Rider Net Metering II will comply with net metering requirements and provide customers the referenced credits for excess generation.

Total Increase (\$) and Total Increase (%) are not applicable.

The average monthly bill for each customer class to which the proposed rates will apply are not applicable.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the 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 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 requesting same through email at DEInquiries@duke-energy.com or by telephone at (513) 287-4366. 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 am. To 4:30 p.m., and at the following Company offices: 1262 Cox Road, Erlanger, Kentucky 41018. Written 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
1262 COX ROAD
ERLANGER, KENTUCKY 41018
(513) 287-4366