

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.
APPROVAL OF NEW TARIFFS; 3) APPROVAL) 2024-00354
OF ACCOUNTING PRACTICES TO ESTABLISH)
REGULATORY ASSETS AND LIABILITIES;)
AND 4) ALL OTHER REQUIRED APPROVALS)
AND RELIEF.

**DUKE ENERGY KENTUCKY, INC.'S REPLY IN SUPPORT OF
THE KROGER CO.'s PETITION FOR REHEARING**

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, and respectfully submits the following reply to The Kroger Co.'s (Kroger) Petition for Rehearing (Petition) filed October 22, 2025 regarding the Commission's October 2, 2025 Order in the above-styled proceeding (2025 Rate Case Order).¹ In the 2025 Rate Case Order, the Commission granted, among other things, an electric base rate increase of \$43,693,311.² Kroger's Petition raises one issue: the rate design for Rate DS.³ The Company does not oppose Kroger's Petition; however, if the Commission grants rehearing and authorizes the requested change, Duke Energy Kentucky respectfully requests that the authorized rate design be applied prospectively rather than retroactively.

¹ *In the Matter of 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. 2024-00354, Order, p. 44 (Ky. PSC Oct. 2, 2025) (2025 Rate Case Order).

² *Id.*

³ Kroger's Petition for Rehearing (Oct. 22, 2025).

I. MEMORANDUM IN SUPPORT

1. Duke Energy Kentucky Does Not Oppose Kroger's Petition For Rehearing.

As Kroger stated in its Petition, Duke Energy Kentucky and Kroger were the only Parties to take a position on the Rate DS rate design.⁴ After direct testimony was filed, and as in rebuttal testimony and during the cross examination of Duke Energy Kentucky Witness Bruce Sailors, as well as during the live testimony of Kroger witness Mr. Bieber, the Parties both testified as to a mutually agreeable path to resolve their respective positions regarding the design of Rate DS.⁵ At the evidentiary hearing, Mr. Sailors testified that the Company would be agreeable to the alternative rate design.⁶ Both Parties recommended this alternative approach in their post-hearing briefs and no other party to this case objected to this alternative approach.⁷

The Commission's 2025 Rate Case Order approved Duke Energy Kentucky's originally filed recommendation but did not discuss the alternative recommendation reached by the Parties that would resolve their respective Rate DS design positions. The Company does not oppose Kroger's request that the Commission approve the alternative Rate DS rate design described in Mr. Sailors' Rebuttal Testimony.⁸

⁴ *Id.* at 1.

⁵ Rebuttal Testimony of Bruce L. Sailors, p. 7 (Apr. 9, 2025).

⁶ Kroger's Petition for Rehearing, p. 3 (Oct. 22, 2025); HVR at 4:43:50-4:45:50 (May 22, 2025).

⁷ Initial Post-Hearing Duke Energy Kentucky Brief, pp. 74-75 (June 16, 2025); Initial Post-Hearing Kroger Brief, p. 7 (June 16, 2025).

⁸ Rebuttal Testimony of Bruce L. Sailors, p. 7 (Apr. 9, 2025).

2. If the Commission Grants Rehearing And Approves The Alternative Rate Design, Any Changes Should be Applied Prospectively, Not Retroactively, To Avoid Customer Confusion.

While Duke Energy Kentucky does not oppose Kroger's Petition, the Company respectfully requests that if the Commission grants Kroger's Petition for Rehearing and authorizes a change to the alternative rate design, such changes should be effective prospectively and not applied retroactively to customer bills.

The Commission issued its 2025 Rate Case Order on October 2, 2025, and the Company's customers have been billed under the current Rate DS rate design since the Company put its rates into effect subject to refund on or about July 3, 2025. Retroactive application of the alternative rate design, would require the Company to cancel and rebill all affected Rate DS customers. This would cause significant customer confusion and a potential for billing disputes as the Company has already initiated the refund process to reflect the final rates approved in the Commission's 2025 Rate Case Order. The longer the period between the original 2025 Rate Case Order and any final decision if rehearing is granted on this issue, there is a greater likelihood of customer confusion and an administrative burden from retroactive billing adjustments. Prospective application of any changes in the rate design, as approved by the Commission, would avoid these potential complications while fulfilling the intent of both Parties' recommendations.

II. CONCLUSION

WHEREFORE, on the basis of the foregoing, Duke Energy Kentucky does not oppose Kroger's Petition for Rehearing. However, the Company respectfully requests that if the Commission grants rehearing and approves the alternative Rate DS design, such changes be made effective at the time of the Commission's order, and not retroactively.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/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 in paper medium; that the electronic filing was transmitted to the Commission on October 24, 2025; 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.⁹

/s/Rocco D'Ascenzo

Counsel for Duke Energy Kentucky, Inc.

⁹ *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Case No. 2020-00085, Order (Ky. P.S.C. July 22, 2021).