COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,	)	CASE NO.
INC. FOR AN ADJUSTMENT TO RIDER NM II	)	2025-00258
RATES AND FOR TARIFF APPROVAL	)	

DUKE ENERGY KENTUCKY, INC.'S APPLICATION FOR REHEARING

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), by counsel, and petitions the Kentucky Public Service Commission (Commission) for rehearing, pursuant to KRS 278.400, of the Commission's Order entered herein on June 1, 2026 (June Order).[1] Specifically, Duke Energy Kentucky seeks rehearing and clarification with respect to the following two Commission directives in the June Order:

> *[T]he Commission orders Duke Kentucky to bring forward data in future filings that show the actual distributed solar contribution to transmission system peak varies from the contribution calculated using PV Watts data, as this information may inform future adjustments to the avoided transmission capacity rate.*[2]
>
> ....
>
> *In future filings, Duke Kentucky should bring forward data that shows how the actual distributed solar contribution to distribution system peak varies from the contribution calculated from PV Watts data and utilize the data to inform its future filings related to avoided distribution costs.*[3]

While the Company has no objection to utilizing actual data to inform its future filings regarding the components of avoided transmission costs and avoided distribution

[1] Final Order (Ky. P.S.C. Jun. 1, 2026) (June Order).

[2] *Id.*, p. 21.

[3] *Id.*, p. 25.

costs respectively, the Company respectfully requests that the Commission clarify that the Company, in its future filings, needs only to bring forward data of actual utility-metered output to the grid (also known as excess generation), and not data of the total solar generation that occurs from the customer's facilities, the latter of which is not measured by or available to the Company. Requiring Duke Energy Kentucky to provide data on the solar facilities' total generation would be both unreasonable and unlawful, as the Company is not required to and does not meter such output.

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

I. BACKGROUND

On August 4, 2025, Duke Energy Kentucky filed its Application in this case, requesting approval to revise its Net Metering II Rider (Rider NM II) to a single Avoided Cost Excess Generation Credit (ACEGC) value for both residential and non-residential customers, with the following calculated components and total value for the ACEGC:[4]

Avoided Cost Category	ACEGC ($/kWh)
Energy	$0.057770
Environmental	Included in Energy
Carbon	Included in Energy
Ancillary Services	Not Included
Generation	$0.003577
Transmission	$0.000331
Distribution	$0.003749
Job Creation	Not Included
Total	**$0.065427**

After several rounds of discovery by Staff of the Commission (Staff), and pursuant to the procedural schedule issued on August 18, 2025, the Company requested to submit

[4] Direct Testimony of Bruce L. Sailers, p. 13, Table 2.

the matter on the record on December 4, 2025. One additional data request was issued by Staff, to which the Company responded on January 6 and January 16, 2026.

A hearing on this matter was not conducted and the Commission issued the June Order on June 1, 2026. In the June Order, the Commission instructed the Company to recalculate certain components of the proposed rate and to file the workpapers for those calculations in post-case correspondence.[5] Additionally, the Commission instructed the Company to "file an application to update its Rider NM II tariff and rates in accordance with the methodologies described in this Order to coincide with Duke Kentucky's cogeneration and small power production sale and purchase tariff sheets starting in 2028 and every two years thereafter."[6] Regarding these periodic filings, the Commission specifically directed Duke Energy Kentucky as follows:

> *[T]he Commission orders Duke Kentucky to bring forward data in future filings that show the actual distributed solar contribution to transmission system peak varies from the contribution calculated using PV Watts data, as this information may inform future adjustments to the avoided transmission capacity rate.*[7]
>
> ....
>
> *In future filings, Duke Kentucky should bring forward data that shows how the actual distributed solar contribution to distribution system peak varies from the contribution calculated from PV Watts data and utilize the data to inform its future filings related to avoided distribution costs.*[8]

In this Application for Rehearing, the Company respectfully seeks that the Commission clarify the meaning of the term "actual distributed solar contribution" in both of the above directives in a manner that is consistent with the meter data that the Company

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[5] *See* June Order, pp. 27-28

[6] *Id.*, p. 28.

[7] *Id.*, p. 21.

[8] *Id.*, p. 25.

possesses: specifically, that the required data on “actual distributed solar contribution” refers only to the Company’s data of metered output to the grid, and ***not*** data of the total solar generation that is output behind the meter by the customer’s facilities (which is not measured by or available to the Company).

II. ARGUMENT

Duke Energy Kentucky does not object to the Commission’s adjustments to its ACEGC methodology or to its directive to update the Rider NM II rate every two years. However, Duke Energy Kentucky respectfully requests that the Commission grant rehearing to clarify that the Company, in its future filings, needs only to bring forward data of actual utility-metered output to the grid (also known as excess generation), and not data of the total solar generation that occurs from the customer’s facilities, the latter of which is not measured by or available to the Company. The Company requests this clarification be made for both the transmission and distribution components.

Duke Energy Kentucky meters customers’ usage and their excess generation on two separate meter channels. When a customer consumes part of his or her solar-generated energy, such self-consumed energy never reaches the Company’s meter and is not measured. The Company’s generation meter channel measures only that solar energy which is actually delivered to the utility grid, i.e., the excess generation.[9]

In the June Order, the Commission orders the Company, in its future filings beginning in 2028, to “bring forward data . . . that show the actual distributed solar contribution to transmission system peak varies from the contribution calculated using PV

[9] *See* Duke Energy Kentucky Response to STAFF-DR-02-010 (“The Company does not directly meter the output from customer generators and therefore does not have solar production data. The Company is unable to provide solar production data or the amount of energy consumed by the customer onsite from the solar installation. However, the Company does meter the amount of energy that is exported to the grid . . . .”).

Watts data," and to do similarly for the distribution system.[10] Taken literally, the phrase "actual distributed solar contribution" could be interpreted to mean the total solar generation produced by the customer's facilities, but such an interpretation would be unreasonable and unlawful, as the Company does not collect or measure such data. Accordingly, the Company requests that the Commission grant rehearing to clarify that this directive only requires the Company to bring forward data on the utility-metered excess generation, *i.e.*, only that energy which is exported to the utility grid. The Company's meters collect this information and therefore ordering the Company to use it to inform future filings would be both reasonable and lawful.

III. <u>CONCLUSION</u>

WHEREFORE, on the basis of the foregoing, Duke Energy Kentucky respectfully requests that the Commission grant rehearing of the June Order in accordance with the discussion above.

[10] *See* June Order, pp. 21 and 25, respectively.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

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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 June 19, 2026; 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.[11]

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

[11] *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19,* Case No. 2020-00085, Order (July 22, 2021).