

**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 )

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**APPLICATION**

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Now comes Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), pursuant to KRS 278.030(1), 278.040(2), 278.509, 807 KAR 5:001, Section 14, and other applicable law, and hereby respectfully requests approval from the Kentucky Public Service Commission (Commission) to revise its current Rider Net Metering II, KYPSC Electric No. 2, Sheet No. 84, in accordance with KRS 278.465 through 278.468 and with the Commission’s previous order in Case No. 2023-00413, as follows:

- Use a single Avoided Cost Excess Generation Credit (ACEGC) value for both residential and non-residential customers, instead of using two different values; and
- Set the ACEGC credit value to \$0.065427 per kWh, which represents an increase from both the residential and non-residential current values (\$0.062924 and \$0.063255, respectively).

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

## I. INTRODUCTION

1. Duke Energy Kentucky is an investor-owned utility engaged in the business of furnishing natural gas and electric services to various municipalities and unincorporated areas in Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in the Commonwealth of Kentucky.

2. Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky is a Kentucky corporation originally incorporated on March 20, 1901 and a public utility as that term is defined in KRS 278.010(3). The Company attests that it is currently in good standing and is subject to the Commission's jurisdiction. A certified copy of Duke Energy Kentucky's certificate of good standing from the Kentucky Secretary of State and a certificate for the following assumed name: "Duke Energy" is on file with the Kentucky Secretary of State and on file with the Commission in Case No. 2024-00354.<sup>1</sup> In addition, the Company has attached as Exhibit 1 a certified Certificate of Existence dated August 4, 2025.

3. Pursuant to 807 KAR 5:001, Section 14(1), Duke Energy Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202. Duke Energy Kentucky's local office in Kentucky is the Duke Energy Erlanger Operations Center, 1262 Cox Road, Erlanger, Kentucky 41018.

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<sup>1</sup> *In the Matter of the 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, Application (Dec. 2, 2024).

4. Copies of all orders, pleadings and other communications related to this proceeding should be sent to:

Larisa M. Vaysman  
Associate General Counsel  
Duke Energy Kentucky, Inc.  
139 E. 4<sup>th</sup> St., Cincinnati, OH 45202  
Larisa.Vaysman@duke-energy.com  
KYfilings@duke-energy.com

5. On January 1, 2020, Senate Bill 100, An Act Related to Net Metering (SB 100), took effect in Kentucky, revising the statutory scheme governing net metering. The revisions included increasing the maximum rated capacity for net metering, netting based on “dollar value of electricity” rather than “electricity,” eliminating any obligation to offer net metering after the cumulative generating capacity of net metering systems reaches one percent (1%) of a supplier’s single hour peak load during a calendar year, and permitting utilities to request approval of new net metering rates in compliance with KRS 278.465 through 278.468.

6. After the SB 100 revisions, KRS 278.466(3) provided that the rate to be used for compensating net metering generation “shall be set by the commission using the ratemaking processes under this chapter.”

7. On December 21, 2023, the Commission accepted Duke Energy Kentucky’s Application to, among other things, establish a new net metering rate, Rider NM II, to serve prospective net metering customers.<sup>2</sup>

8. On October 11, 2024, after conducting a hearing with the Company and several intervenors participating, the Commission approved Duke Energy Kentucky’s

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<sup>2</sup> *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval*, Case No. 2023-00413, Deficiency Cured Letter (Dec. 21, 2023).

Application, subject to certain modifications and instructed the Company to “file an application to update its NM tariff and rates either 60 days after the conclusion of its 2024 IRP case or 90 days prior to Duke Kentucky reaching its 1 percent net metering cap pursuant to KRS 278.466(1), whichever occurs first.”<sup>3</sup>

9. On June 4, 2025, the Company’s integrated resource plan (IRP) case concluded by Commission order in Case No. 2024-00197.<sup>4</sup>

10. Consistent with KRS 278.466 and the Commission’s order in Case No. 2023-00413, Duke Energy Kentucky is filing this Application, in which it proposes to update and modify its Rider NM II tariff, Sheet No. 84, as described further below and in the direct testimony of Company witness Bruce L. Sailors.

## **II. KYPSC NO. 2, SHEET NO. 84, RIDER NET METERING II**

11. KRS 278.466(3) provides that the rate to be used for compensating net metering generation “shall be set by the commission using the ratemaking processes under this chapter,” for those generating facilities which were not in service prior to the initial implementation of Rider NM II.

12. KRS 278.266(5) authorizes Duke Energy Kentucky “to implement rates to recover from its eligible customer-generators all costs necessary to serve its eligible customer-generators, including but not limited to fixed and demand-based costs, without regard for the rate structure for customers who are not eligible customer-generators.”

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<sup>3</sup> *Id.*, Order, pp. 43-44 (Ky. P.S.C. Oct. 11, 2024).

<sup>4</sup> *In the Matter of the Electronic 2024 Integrated Resource Plan of Duke Energy Kentucky, Inc.*, Case No. 2024-00197, Order, p. 1 (Ky. P.S.C. June 4, 2025) (“[T]his case shall be closed. . .”).

13. In approving the Company’s current version of Rider NM II, subject to certain modifications, the Commission offered the following direction to the Company with regard to various aspects of the rate calculation:<sup>5</sup>

- On page 33, regarding Generation Capacity Avoided Cost: “The Commission accepts Duke Kentucky’s avoided capacity costs as modified in this Order; however, the Commission will require Duke Kentucky file another Net Metering application after the conclusion of its 2024 IRP filing with updated rates that utilize public and transparent available data considering the Commission has utilized this for all other vertically integrated utilities in Kentucky.”
- On page 34, regarding Generation Capacity Avoided Cost: “Duke Kentucky should use publicly accessible information for avoided capacity costs, such as the NREL ATB, PJM Net CONE or explain why the Commission should rely upon other ‘confidential’ information in future filings in any application, including DSM applications and IRP’s.”
- On page 32, regarding Avoided T&D Cost: “Therefore, the Commission will utilize the T&D values listed in Duke Kentucky’s rebuttal testimony until its next filing in which the Commission expects Duke Kentucky to file updated and additional evidence in regard to avoided transmission and distribution values.”
- On page 33, regarding Avoided T&D Cost: “The Commission also finds that Duke Kentucky should utilize updated avoided transmission capacity and

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<sup>5</sup> *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval*, Case No. 2023-00413, Order, pp. 32-36 (Ky. P.S.C. Oct. 11, 2024).

distribution capacity cost information from its 2024 IRP filing to reflect more accurate avoided costs in its next filing.”

- On page 35, regarding Avoided Energy Cost: “Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Duke Kentucky’s method for calculating avoided energy costs is reasonable and should be approved.”
- On page 36, regarding Avoided Ancillary Services Costs: “The Commission finds that using forecasted prices for ancillary services are reasonable and should be accepted. However, the Commission expects Duke Kentucky to file additional evidence and testimony in the next NM case regarding the ancillary services based on the IRP findings as well as any other environmental compliance impacts that may impact those costs.”

14. Accordingly, the Company has prepared this Application to update the Rider NM II in two respects: (1) to use a single Avoided Cost Excess Generation Credit (ACEGC) value for both residential and non-residential customers, instead of using two different values, which enables the Company to increase its reliance on publicly available PVWatts data; and (2) set the ACEGC credit value to \$0.065427 per kWh, which represents an increase from both the residential and non-residential current values (\$0.062924 and \$0.063255, respectively).

15. On the basis of calculations described in the testimony of Mr. Bruce Sailors, Duke Energy Kentucky proposes to compensate all Rider NM II customers for exported energy to the grid at the rate of \$0.065427 per kWh.

16. Duke Energy Kentucky is not proposing any other changes to the Rider NM II tariff.

17. In calculating the above ACEGC, Duke Energy Kentucky has considered and reviewed potential avoided costs associated with energy generation capacity, environmental compliance, carbon, ancillary services, transmission capacity, distribution capacity, and potential jobs benefits. For the reasons further detailed in the testimonies of Company witnesses Bruce L. Sailers, Dominic (“Nick”) J. Melillo, Nathan Gagnon, and John D. Swez, the Company has found, based on its review and updated evidence, that there was insufficient basis to include separate and/or additional avoided costs for the environmental, carbon, ancillary services, and jobs benefits factors.

18. In performing the above-described calculations, Mr. Sailers relies on inputs described in the direct testimony of Company witness Nathan Gagnon, as well as Mr. Gagnon’s analysis and conclusions, regarding the avoided costs associated with energy, generation capacity, environmental, and carbon. Additionally, Mr. Sailers relies on inputs provided by Company witness Dominic (“Nick”) J. Melillo pertaining to avoided transmission capacity and distribution capacity costs. Finally, Mr. Sailers relies on the analysis of Mr. John D. Swez, who concludes that no ancillary services costs are avoided as a result of net metering customer-generators’ activity.

19. Duke Energy Kentucky believes that its revisions to Rider Net Metering II comply with the statutory requirements of KRS 248.465 to 468 and implement, as much as possible, the guidance given in the order in Case No. 2023-00413.

20. The rate in the above rider is proposed to go into effect September 4, 2025.

21. The rate that Duke Energy Kentucky seeks to implement beginning September 4, 2025 for bills rendered on and after, is reflected in:

- The proposed revised version of Ky.P.S.C. Electric No. 2, Rider Net Metering II, Sheet No. 84, as attached hereto as Exhibit 2, which includes redline, marked, and clean copies; and,

WHEREFORE, Duke Energy Kentucky respectfully requests that its proposed tariff revisions be approved.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Larisa M. Vaysman

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Larisa M. Vaysman (98944)

Associate General Counsel

Sheena McGee Leach (1000598)

Staff Attorney

Duke Energy Business Services LLC

139 East Fourth Street, 1303-Main

Cincinnati, Ohio 45202

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larisa.vaysman@duke-energy.com

sheena.mcgee@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 August 4, 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.<sup>6</sup>

John G. Horne, II  
The Office of the Attorney General  
Utility Intervention and Rate Division  
700 Capital Avenue, Ste 118  
Frankfort, Kentucky 40601-8204

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

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<sup>6</sup>*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).*

**Commonwealth of Kentucky**  
**Michael G. Adams, Secretary of State**

Michael G. Adams  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 340626  
Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**DUKE ENERGY KENTUCKY, INC.**

DUKE ENERGY KENTUCKY, INC. is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is March 20, 1901 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 4<sup>th</sup> day of August, 2025, in the 234<sup>th</sup> year of the Commonwealth.



*Michael G. Adams*

Michael G. Adams  
Secretary of State  
Commonwealth of Kentucky  
340626/0052929

KY P.S.C. Electric No. 2  
First Revised Sheet No. 84  
Cancels and Supersedes KY P.S.C.  
 Duke Energy Kentucky, Inc.  
Electric No. 2  
 1262 Cox Road  
 Erlanger, KY 41018

Original Sheet No. 84  
 Page 1 of 3

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**RIDER NM II**  
**NET METERING II RIDER**

(N)

**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 1, 2025. 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 may be prohibited from simultaneous participation in both this Rider NM-II and any Energy Resource Aggregation or 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 such participation may result in termination in this Rider NM-II prior to such PJM market participation.

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated October 11, 2024 in Case No. 20253-00258413.  
 Issued: August 4 October 31, 2025  
 Effective: September 4 January 1, 2025  
 Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.  
~~Electric No. 2~~  
1262 Cox Road  
Erlanger, KY 41018

KY P.S.C. Electric No. 2  
First Revised Sheet No. 84  
Cancels and Supersedes KY P.S.C.

Original Sheet No. 84  
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**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 only to per kWh charges of the customer's electric bill.

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 transferrable 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.

(N)

KY P.S.C. Electric No. 2  
First Revised Sheet No. 84  
Electric No. 2  
 Duke Energy Kentucky, Inc.  
 1262 Cox Road  
 Erlanger, KY 41018  
Original Sheet No. 84  
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Cancels and Supersedes KY P.S.C.

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**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.

(N)

Excess Generation Avoided Cost Credit per kWh <del>(Residential):</del>	\$0.06 <del>54272924</del>	(I,T)
<del>Excess Generation Avoided Cost Credit per kWh (Non-Residential):</del>	<del>\$0.063255</del>	(D)

(I,T)

(D)

**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.

Duke Energy Kentucky, Inc.  
1262 Cox Road  
Erlanger, KY 41018

KY P.S.C. Electric No. 2  
Original Sheet No. 84  
Page 1 of 3

## RIDER NM II

### NET METERING II RIDER

(N)

#### 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 1, 2025. 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 may be prohibited from simultaneous participation in both this Rider NM-II and any Energy Resource Aggregation or 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 such participation may result in termination in this Rider NM-II prior to such PJM market participation.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated October 11, 2024 in Case No. 2023-00413.

Issued: October 31, 2024

Effective: January 1, 2025

Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.  
1262 Cox Road  
Erlanger, KY 41018

KY P.S.C. Electric No. 2  
Original Sheet No. 84  
Page 2 of 3

## 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 only to per kWh charges of the customer's electric bill.

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 transferrable 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.

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1262 Cox Road  
Erlanger, KY 41018

KY P.S.C. Electric No. 2  
Original Sheet No. 84  
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### 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):	<u>\$0.062924</u>
Excess Generation Avoided Cost Credit per kWh (Non-Residential):	<u>\$0.063255</u>

### 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.

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Issued: October 31, 2024

Effective: January 1, 2025

Issued by Amy B. Spiller, President /s/ Amy B. Spiller



**RIDER NM II**  
**NET METERING II RIDER**

**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 1, 2025. 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 may be prohibited from simultaneous participation in both this Rider NM-II and any Energy Resource Aggregation or 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 such participation may result in termination in this Rider NM-II prior to such PJM 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 only to per kWh charges of the customer's electric bill.

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 transferrable 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.

Duke Energy Kentucky, Inc.  
1262 Cox Road  
Erlanger, KY 41018

**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: \$0.065427

(I,T)  
(D)

**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.