

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF DUKE ENERGY KENTUCKY, INC.)	2025-00342
FROM NOVEMBER 1, 2022 THROUGH)	
OCTOBER 31, 2024)	

DIRECT TESTIMONY OF

LIBBIE S. MILLER

ON BEHALF OF

DUKE ENERGY KENTUCKY, INC.

January 23, 2026

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I. INTRODUCTION AND PURPOSE

1 **Q. STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Libbie S. Miller. My business address is 139 East Fourth Street,
3 Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by the Duke Energy Business Services LLC (DEBS) as Rates and
6 Regulatory Strategy Manager for Duke Energy Kentucky, Inc., (Duke Energy
7 Kentucky or Company) and Duke Energy Ohio, Inc. (Duke Energy Ohio). DEBS
8 provides various administrative and other services to Duke Energy Kentucky and
9 other affiliated companies of Duke Energy Corporation (Duke Energy).

10 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
11 **QUALIFICATIONS.**

12 A. I earned a Bachelor of Science in Accounting from Indiana State University,
13 Terre Haute, Indiana, in 1988. I also am a Certified Public Accountant licensed in
14 Indiana. I began my career with Public Service Indiana, in 1988, where I held
15 positions in Fuels Accounting, Corporate Accounting, and Financial Systems. I
16 transferred to Cincinnati, Ohio, in 1995 with the inception of Cinergy Corp., the
17 parent of Duke Energy Ohio, where I continued working in Financial Systems and
18 later held various accounting positions within the generation business. In 2015, I
19 worked in Program Performance supporting Energy Efficiency and Demand
20 Response customer programs for Duke Energy Indiana. In January 2018, I
21 became Lead Analyst, Rates and Regulatory Strategy for Duke Energy Kentucky

1 and Duke Energy Ohio. In 2022, I assumed my current position as Rates and
2 Regulatory Strategy Manager.

3 **Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC**
4 **SERVICE COMMISSION?**

5 A. Yes. I have provided testimony in proceedings before the Kentucky Public
6 Service Commission regarding Duke Energy Kentucky's Fuel Adjustment Clause
7 (FAC) and Environmental Surcharge Mechanism (ESM).

8 **Q. PLEASE DESCRIBE YOUR DUTIES AS RATES AND REGULATORY**
9 **STRATEGY MANAGER.**

10 A. As Rates and Regulatory Strategy Manager, I am responsible for the preparation
11 of various monthly, quarterly, and annual rate recovery mechanisms. I also
12 prepare other schedules used in retail rate filings for Duke Energy Kentucky and
13 Duke Energy Ohio.

14 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

15 A. The purpose of my direct testimony is to respond to Paragraph 6(k) of the
16 Commission's December 19, 2025 Order (Order), and to sponsor the calculation
17 of Duke Energy Kentucky's FAC, including the adjustments during the review
18 period of November 1, 2022 through October 31, 2024 (Review Period). I support
19 the Company's decision to increase its base fuel rate and the calculation of the
20 proposed base fuel rate to be set in this proceeding. Finally, I sponsor several of
21 Duke Energy Kentucky's responses to the Commission's Data Requests contained
22 in Appendix B of the Order.

II. DISCUSSION

A. The Company's FAC Calculation

1 **Q. PLEASE COMMENT GENERALLY ON THE REASONABLENESS OF**
2 **DUKE ENERGY KENTUCKY'S CALCULATION OF ITS FAC RATE**
3 **DURING THE REVIEW PERIOD.**

4 A. The monthly FAC rates were prepared by me or under my direction and control
5 and, to the best of my knowledge, information, and belief, accurately reflect the
6 Company's actual fuel and economy power costs, apart from the small-in-
7 magnitude inadvertent error described in the Company's response to STAFF-DR-
8 01-042.

9 **Q. WHAT IS THE COMPANY'S CURRENT BASE FUEL RATE AND WHEN**
10 **WAS IT LAST MODIFIED.**

11 A. In its May 6, 2024 Order in Case No. 2023-00012, the Company's previous two-
12 year review, the Commission ordered Duke Energy Kentucky's proposed base
13 fuel cost of \$0.033780 per kWh be approved.

14 **Q. IN YOUR OPINION WAS THE COMPANY'S BASE FUEL RATE**
15 **DURING THE REVIEW PERIOD ACCURATE AND REASONABLE?**

16 A. Yes.

17 **Q. WHAT RATE DOES THE COMPANY PROPOSE FOR THE BASE FUEL**
18 **RATE IN THE UPCOMING TWO-YEAR PERIOD FOR THE FAC?**

19 A. As shown in response to STAFF-DR-01-026, the Company proposes to set its
20 base fuel rate at 0.035797 \$/kWh, which is an increase of 0.002017 \$/kWh over
21 its current base fuel rate.

1 **Q. WHAT MONTH IS THE COMPANY USING AS THE BASE PERIOD**
2 **FOR ITS PROPOSED BASE FUEL RATE?**

3 A. As shown in response to STAFF-DR-01-024, the Company is proposing to use
4 August 2023 as the month to represent the base period.

5 **Q. WHAT IS YOUR RATIONALE FOR DETERMINING THIS TO BE A**
6 **REASONABLE LEVEL FOR THE BASE FUEL RATE?**

7 A. The Company performed an analysis of the actual fuel rates in the 2-year review
8 period, 2-year forecasted period, and actuals after the end of the review period,
9 November 2024 through November 2025. The Company's proposed base fuel rate
10 is near both the average and median of the actual total native fuel rate of the 2-
11 year review period as well as the post-review period of November 2024 through
12 November 2025.

13 **Q. WHAT ARE THE COMPANY'S 2026 AND 2027 PROJECTED FUEL**
14 **RATES?**

15 A. The Company's projected average fuel rates for the calendar years 2026 and 2027
16 are \$0.037369 \$/kWh and \$0.41365 \$/kWh, respectively.

17 **Q. WHY DID THE COMPANY DECIDE TO USE HISTORICAL COSTS**
18 **RATHER THAN PROJECTED COSTS IN DETERMINING ITS**
19 **PROPOSED BASE FUEL RATE?**

20 A. The Company has chosen to use historical costs in determining its proposed base
21 fuel rate because the Company deems the historical costs to best represent costs
22 going forward. The Company did analyze the most recent 2026 and 2027 forecast
23 prepared in the fall of 2025. While the average of the 2026 forecast is similar, but

1 slightly higher, to what the Company is seeing on the actual side, the average of
2 the 2027 forecast came in higher than all of the other statistics in our analysis.
3 Because of less precision in a forecast due to uncertainties and more assumptions,
4 and the fact that Ms. Hughes, Mr. McClay, and Mr. Swez employ mitigating
5 factors to lower costs into everyday operations of the coal, gas, and PJM power
6 markets, the Company has chosen to use actual historical costs in determining the
7 proposed base fuel rate for the future.

8 **Q. IN YOUR OPINION IS THE COMPANY'S PROPOSED BASE FUEL**
9 **RATE REASONABLE?**

10 A. Yes, the Company's proposed base fuel rate of \$0.035797 \$/kWh based on the
11 month of August 2023 is reasonable.

12 **Q. PLEASE EXPLAIN HOW THE COMPANY RECORDS COAL**
13 **CONSUMPTION WHEN ITS EAST BEND GENERATING UNIT IS IN**
14 **RESERVE SHUTDOWN.**

15 A. Mr. Swez explains on page 9 of his direct testimony that if a unit is not running
16 during a reserve shutdown, coal is not consumed. Therefore, coal consumption is
17 not recorded on the Company's books for a reserve shutdown.

B. Data Requests and Tariffs Sponsored

1 **Q. PLEASE IDENTIFY THE RESPONSES TO COMMISSION DATA**
2 **REQUESTS YOU ARE SPONSORING.**

3 A. I sponsor the Company's responses to Data Request Numbers 13, 15, 19, 20, 23
4 through 28, 30, 32, 33, 35, and 39 through 43. These responses were prepared by
5 me and/or under my direction and control and are true and accurate to the best of
6 my knowledge and belief.

7 **Q. IS DUKE ENERGY KENTUCKY PROVIDING COPIES OF ITS**
8 **PROPOSED TARIFFS REFLECTING THE CHANGE IN THE BASE**
9 **FUEL RATE DESCRIBED IN YOUR DIRECT TESTIMONY?**

10 A. Yes. A copy of the Company's proposed tariffs reflecting the proposed change in
11 the base fuel rate and the resulting change in base rates are included in the
12 attachment responding to STAFF-DR-01-028. That attachment was prepared at
13 my request and/or under my direction and control.

14 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IN**
15 **THIS CASE?**

16 A. I recommend the Commission approve the charges and credits applied by Duke
17 Energy Kentucky through the FAC for the period from November 1, 2022
18 through October 31, 2024. In addition, I recommend the Commission approve a
19 new fuel base rate for Duke Energy Kentucky of \$0.035797/kWh based on the
20 August 2023 expense period as the base period. The Company requests that the
21 new fuel base rate be approved effective with services rendered on or after the
22 first day of the month following the Commission's Final Order in this proceeding.

III. CONCLUSION

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

2 **A. Yes.**

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Libbie S. Miller, Rates & Regulatory Strategy Manager, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of her knowledge, information, and belief.



Libbie S. Miller, Affiant

Subscribed and sworn to before me Libbie S. Miller on this 22nd day of January, 2026.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027