

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF DUKE ENERGY)	
KENTUCKY, INC.'S ACCOUNTING SALE OF)	CASE NO.
NATURAL GAS NOT USED IN ITS)	2014-00078
COMBUSTION TURBINES)	

ORDER

On February 3, 2014, the Commission received a letter from Duke Energy Kentucky, Inc. ("Duke Kentucky") setting forth a proposed accounting treatment for natural gas that was purchased in January 2014 for use in Duke Kentucky's combustion turbines at the Woodsdale Station ("Woodsdale"), but which was unused and subsequently sold.

On February 17, 2014, the Commission received a letter from the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), acknowledging and responding to Duke Kentucky's February 3, 2014 letter. In his response, the AG expressed the position that this matter should be addressed through a formal proceeding. Thereafter, on March 14, 2014, the Commission established a case to investigate and address Duke Kentucky's proposed accounting treatment for the cost of gas purchased for Woodsdale, but not burned.

A procedural schedule was issued on April 1, 2014. On April 2, 2014, Duke Energy filed direct testimony of witnesses John D. Swez and Lisa Steinkuhl. On April 4, 2014, the AG was granted intervention in this matter. The Commission and the AG both

issued requests for information to Duke Kentucky on April 25, 2014, and May 23, 2014, to which Duke Kentucky responded on May 9, 2014, and June 6, 2014, respectively.

Having reviewed the record in this case and being otherwise sufficiently advised, the Commission finds that a formal hearing is in the public interest and should be set in this matter.

IT IS THEREFORE ORDERED that:

1. A formal hearing in this matter shall be held on Wednesday, October 1, 2014, beginning at 10:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of hearing evidence in this case, and shall continue until completed.

2. Pursuant to 807 KAR 5:001, Section 9(2)(b), Duke Kentucky shall provide notice to the public of the purpose, time, place, and date of the hearing. Duke Kentucky shall provide a copy of the notice to the Commission on or before the date of the hearing.

3. Unless the Commission directs otherwise, Duke Kentucky shall file with the Commission responses to requests for information made at the hearing no later than October 15, 2014.

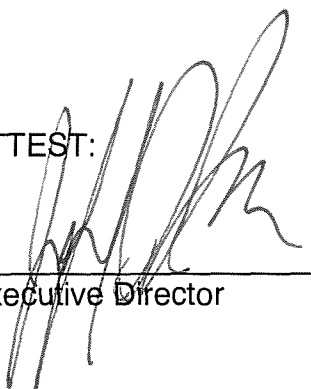
4. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9)(a), the record of the formal hearing in this matter shall be a digital video recording.

5. Commission Staff shall cause to be made a written exhibit list and a written hearing log of the date and time of each witness's testimony as recorded on the digital video recording and shall file it with the Commission, along with all exhibits and a copy of the video transcript of the hearing.

By the Commission

ENTERED
JUL 24 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2014-00078