

Residential rate effective April 1, 2019, should have been calculated based on the line labeled Non-Residential Annual Gas Sales from Most Recent Rate Case, resulting in a surcredit (\$0.0200) per Ccf.

IT IS THEREFORE ORDERED *nunc pro tunc* that:

1. The October 31, 2018 Order is amended to the limited extent that Appendices B and C are corrected, as attached hereto, to reflect that the Non-Residential Tax Refund Rider Rate effective April 1, 2019, is (\$0.0200).
2. Within 20 days of the date of this Order, Duke Kentucky shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariffs as set forth in this Order, reflecting that they were approved pursuant to this Order.
3. All other provisions of the October 31, 2018 Order shall remain in full force and effect.
4. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED
NOV 09 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00036 DATED **NOV 09 2018**

TWO PAGES TO FOLLOW

From: Raff, Richard G (PSC)
To: [D'Ascenzo, Rocco O](#); [David Samford](#); [Chandler, Kent A \(KYOAG\)](#); [Goodman, Rebecca \(KYOAG\)](#); "Michael Kurtz"
Cc: [Bellamy, Ben A \(PSC\)](#); [Pinney, Jeb E \(PSC\)](#); "Raff, Richard G (PSC)"
Subject: FW: Case No. 2018-0036
Date: Thursday, November 1, 2018 4:19:00 PM

Rocco,

Jeb forwarded to me your email below regarding an issue with the calculation of the non-residential tax refund rate effective April 2019. Your email will be considered as a request for clarification and will be addressed by the Commission.

Richard.

From: D'Ascenzo, Rocco <Rocco.D'Ascenzo@duke-energy.com>
Sent: Thursday, November 1, 2018 10:41 AM
To: Vinsel, Nancy (PSC) <Nancy.Vinsel@ky.gov>; Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>; Chandler, Kent A (KYOAG) <Kent.Chandler@ky.gov>; Michael Kurtz <MKurtz@bkllawfirm.com>; Pinney, Jeb E (PSC) <Jeb.Pinney@ky.gov>
Cc: David Samford (david@gosssamfordlaw.com) <david@gosssamfordlaw.com>
Subject: Case No. 2018-0036

Jeb/ Nancy:

Duke Energy Kentucky is reviewing the Commission's Order from yesterday in the TCJA Case for preparation of our compliance tariffs. We believe there is an inadvertent error in the calculation of the nonresidential rate in Appendix B and C as it relates to the annualized refund for non-residential customers after April 1, 2019.

Appendix B, Line 31 states that the Non- Residential Tax Refund Rider Rate per ccf after April 1, 2019 was determined by the formula of Line 8 * Line 14 ÷ Line 19. We believe the formula is accurate, but that the calculation inadvertently used Line 23, the Pro-rated usage of 45,414,738 as the denominator instead of Line 19, the Annual Gas Sales, of 63,964,420. Using the Line 19 Annual Gas Sales as the denominator produces the a non-residential rate of (0.0200) beginning April 1, 2019.

Line 8 x Line 14 ÷ Line 19
 $3,002,910 \times 42.7\% \div 63,964,420 = 0.0200$

We would be happy to discuss further with Staff and Parties, but wonder if the Commission would consider issuing a corrected Appendix B and C? Thank you.

Rocco O. D'Ascenzo
Deputy General Counsel
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APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00036 DATED **NOV 09 2018**

		Duke Kentucky		
		Overall Revenue Reduction and Rate Calculations		
1	Current FIT Reduction	\$	(1,430,257)	
2	Amortization Excess ADIT- Protected	\$	(772,711)	
3	Amortization Excess ADIT- Unprotected	\$	(38,046)	
4				
5	Income Tax Expense Reduction	\$	(2,241,013)	
6	Multiplied by: GRCF	\$	1.34	
7				
8	Annual Revenue Requirement Reduction	\$	(3,002,910)	
9	15 Month Revenue Requirement Reduction	\$	(3,753,638)	Line 8*15/12
<hr/>				
10				
11			<u>% of Total</u>	
12	Total Gas Revenue (Base & All riders)			
13	Residential Revenue	\$59,228,599	57.3%	
14	Non-Residential Revenue	44,065,602	42.7%	
15	Total Gas Revenue	<u>\$103,294,201</u>	<u>100.0%</u>	
16				
17	Annual Gas Sales (CCF) from Most Recent Rate Case			
18	Residential Usage		68,500,260	Revenue & Sales From Test Year Used in 2009-00202
19	Non-Residential Usage		63,964,420	
20				
21	Pro rated Gas Sales from Prior Case			
22	Residential Usage		48,635,185	Line 18 * 70%
23	Non-Residential Usage		45,414,738	Line 19 * 70%
24				
25	Refund November 1, 2018 - March 31, 2019			
26	Residential Tax Refund Rider Rate per ccf		(\$0.0443)	Line 9 * Line 13 ÷ Line 22
27	Non-Residential Tax Refund Rider Rate per ccf		(\$0.0353)	Line 9 * Line 14 ÷ Line 23
28				
29	Refund April 1, 2019 to effective date of new base rates			
30	Residential Tax Refund Rider Rate per ccf		(\$0.0251)	Line 8 * Line 13 ÷ Line 18
31	Non-Residential Tax Refund Rider Rate per ccf		(\$0.0200)	Line 8 * Line 14 ÷ Line 19

APPENDIX C

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COMMISSION IN CASE NO. 2018-00036 DATED **NOV 09 2018**

The following rates and charges are prescribed for the customers in the area served by Duke Kentucky Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

RIDER TCJA

TAX CUTS AND JOBS ACT RIDER

TCJA Surcredit per Ccf

Effective November 1, 2018 – March 31, 2019

Residential	(\$0.0443)
Non-Residential	(\$0.0353)

Effective April 1, 2019

Residential	(\$0.0251)
Non-Residential	(\$0.0200)

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