

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE	)	
PUBLIC SERVICE COMMISSION OF THE	)	
ENVIRONMENTAL SURCHARGE MECHANISM	)	CASE NO.
OF DUKE ENERGY KENTUCKY, INC. FOR THE	)	2020-00142
SIX-MONTH BILLING PERIOD ENDING	)	
NOVEMBER 30, 2019	)	

ORDER

On April 13, 2018, the Commission approved Duke Energy Kentucky, Inc.'s (Duke Kentucky) environmental compliance plan and environmental surcharge application and established a surcharge mechanism.<sup>1</sup> Pursuant to KRS 278.183(3), at six-month intervals, the Commission must review the past operations of the environmental surcharge, disallow any surcharge amounts found not to be just and reasonable, and reconcile past surcharges with actual costs recoverable pursuant to KRS 278.183(1). Therefore, the Commission hereby initiates the six-month review of the surcharge as billed from June 1, 2019, to November 30, 2019.<sup>2</sup>

As 807 KAR 5:001, Section 8, permits the Commission to direct the use of electronic filing procedures for proceedings, which we initiate on our own motion, we find that electronic filing procedures should be used. As such, Duke Kentucky shall follow the

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<sup>1</sup> Case No. 2017-00321, *Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of the Electric Rates; 2) Approval of an Environmental Compliance Plan and Surcharge Mechanism; 3) Approval of New Tariffs; 4) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 5) All Other Required Approvals and Relief* (Ky. PSC Apr. 13, 2018).

<sup>2</sup> Because Duke Kentucky's surcharge is billed on a two-month lag, the amounts billed are based on costs incurred from April 2019 through September 2019.

procedures set forth in 807 KAR 5:001, Section 8, when filing any document or paper in this matter. To facilitate this review, a procedural schedule is set forth in Appendix A to this Order. In accordance with that schedule, Duke Kentucky is to file prepared direct testimony in support of the reasonableness of the application of its environmental surcharge mechanism during the period under review. In addition, Duke Kentucky is to file its response to the information requested in Appendix B to this Order.

All requests for intervention should be filed by the date set forth in Appendix A. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceedings which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction.

Based on the foregoing, the Commission further finds that any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of electricity consumed by the movant or a general statement regarding a potential impact of a possible modification of rates will not be deemed sufficient to establish a special interest.

IT IS THEREFORE ORDERED that:

1. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to the service and electronic filing of papers shall be followed in this proceeding.

2. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, Duke Kentucky shall file a written statement, with a copy to parties of record, that it waives any right to service of Commission orders by United States mail and that it or its authorized agent possesses the facilities to receive electronic submissions.

3. The Commission directs all parties to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>3</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency.

4. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, Duke Kentucky shall file a written statement with a copy to parties of record that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possesses the facilities to receive electronic submissions.

5. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

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<sup>3</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

b. Within seven days of the date of an Order of the Commission granting its intervention, file with the Commission a written statement that:

(1) It, or its authorized agent, possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.

6. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

7. The procedural schedule set forth in Appendix A to this Order shall be followed in this proceeding.

8. Any person who submits a motion to intervene filed after the date set forth in Appendix A shall show a basis for the intervention and good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

9. Duke Kentucky shall, by the date set forth in Appendix A, file its prepared direct testimony in support of the reasonableness of the application of its environmental surcharge mechanism during the period under review.

10. a. The information requested in Appendix B to this Order is due by the date set forth in Appendix A. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed, and shall include the name of the witness responsible for responding to the questions related to the information provided,

with the original in paper medium and an electronic version to the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

11. Within seven days of the Commission's granting of intervention to a party, Duke Kentucky shall provide the party with a copy of its monthly environmental surcharge reports as filed with the Commission for the review period.

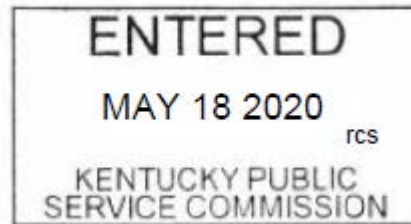
12. Duke Kentucky's monthly environmental surcharge reports and supporting data for the review period are hereby incorporated by reference into the record of this case.

13. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

14. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

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By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2020-00142 DATED MAY 18 2020

Duke Kentucky shall file its prepared direct testimony and responses to the information requested in Appendix B no later than ..... 06/12/20

A person interested in becoming a party to this proceeding shall file a motion to intervene with the Commission pursuant to 807 KAR 5:001, Section 4(11), no later than ..... 06/19/20

Additional requests for information to Duke Kentucky shall be filed no later than ..... 07/06/20

Duke Kentucky shall file responses to additional requests for information no later than..... 07/20/20

Intervenor testimony, if any, in verified prepared form shall be filed no later than ..... 08/03/20

Requests for information to Intervenors shall be filed no later than..... 08/17/20

Intervenors shall file responses to requests for information no later than..... 08/31/20

Last day for Duke Kentucky to request a hearing or submit this case for decision based on the record ..... 09/14/20



## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00142 DATED MAY 18 2020

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO DUKE ENERGY KENTUCKY, INC.

1. Provide a summary schedule showing the calculation of E(m) and the surcharge factor for the expense months covered by the billing periods under review. Use ES Form 1.10 as a model for this summary. The summary schedule is to incorporate any corrections or revision to the monthly surcharge filings Duke Kentucky has submitted for the billing period under review. Provide the schedule in Excel spreadsheet format with formulas intact and unprotected and all rows and columns accessible.

2. For the period under review, provide a calculation of any additional over- or under-recovery amount Duke Kentucky believes needs to be recognized, and, if any, propose an amortization period. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns accessible.

3. Provide the actual average residential customer's monthly usage as of November 2019. Based on this usage amount, provide the dollar impact any additional over- or under-recovery will have on the average residential customer's monthly bill for the requested amortization period.

4. Refer to ES Form 2.30, Inventory and Expense of Emission Allowances, for each of the expense months covered by the applicable billing period.

- a. For the sulfur dioxide emission allowance inventory, explain the reason(s) for any purchases of allowances reported during these expense months.
- b. For the nitrogen oxide emission allowance inventory, explain the reason(s) for any purchases of allowances reported during these expense months.
- c. For each month in the six-month review period, explain how any purchases of allowances comply with Duke Kentucky's emissions allowance strategy plan.
- d. For each month in the six-month review period, provide the calculation that supports the total cost of allowances utilized that is then carried to ES Form 2.00. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with formulas intact and unprotected and all rows and columns accessible.
- e. Provide an explanation for any fluctuations in the monthly average cost of allowances determined in 4.d.

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