

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.)	2021-00057
FROM NOVEMBER 1, 2018 THROUGH OCTOBER)	
31, 2020)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on March 4, 2021, established this case to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Duke Energy Kentucky, Inc., (Duke Kentucky) for the period from November 1, 2018, through October 31, 2020, and to determine the amount of fuel costs that should be included in its base rates.

In establishing this review, the Commission ordered Duke Kentucky to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. Duke Kentucky submitted this information on March 22, 2021, and filed responses to Commission Staff's Second Requests for Information on April 16, 2021. A public hearing was held on May 18, 2021. On May 27, 2021, Duke Kentucky filed its responses to the Commission's post-hearing data request on May 27, 2021. There are no intervenors in this proceeding.

Having considered the evidence of record and being otherwise sufficiently advised, finds that during the period under review, the Commission Duke Kentucky has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of

improper calculation or improper fuel procurement practices for the last six months of the period under review, from May 1, 2020, to October 31, 2020.

Base Fuel Cost

Duke Kentucky is proposing to increase the amount of fuel costs included in base rates and proposes that the month of March 2020 and a base fuel cost of \$0.025401¹ be used as the base period for the purpose of arriving at the base fuel cost and the kilowatt-hour (kWh) sales components of its FAC.² Given that Duke Kentucky's current base fuel cost is \$0.023837 per kWh, the proposal would result in an increase of \$0.001564³ per kWh.⁴ Duke Kentucky states that March 2020 was selected as the proposed base period because, during the test period, it represents the historical fuel rate over the 24-month review period.⁵

When establishing the appropriate level of base fuel cost to be included in Duke Kentucky's rates, the Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by Duke Kentucky. An analysis of Duke Kentucky's monthly fuel clause filings illustrates that

¹ Duke Kentucky's Response to Commission Staff First Request for Information (Staff's First Request) (filed Mar. 22, 2021), Item 22.

² Duke Kentucky last made a change to the fuel cost included in base rates in Case No. 2017-00005, *Electronic Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2014, Through October 31, 2016* (Ky. PSC July 31, 2017).

³ Duke Kentucky's Response to Staff First Request, Item 25.

⁴ See Direct Testimony of Libbie S. Miller (filed Mar. 22, 2021) at 4, noting that the FAC resulted in a charge to customers in 18 out of the 24 months in the review period. The average monthly fuel rate over the review period is \$0.001564 per kWh higher than the current base fuel rate and was the basis for determining the new base fuel rate.

⁵ Duke Kentucky's Response to Staff First Request, Item 22.

the fuel cost billed for the two-year review period ranged from a low of \$0.019153⁶ per kWh in June 2020 to a high of \$0.037271⁷ per kWh in October 2019. Based upon its review, the Commission finds that Duke Kentucky's proposed base fuel rate of \$0.025401 per kWh should be approved.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Duke Kentucky through the FAC for the period from November 1, 2018, through October 31, 2020, are approved.

2. Duke Kentucky's proposed base fuel cost of \$0.025401 per kWh is approved.

3. Duke Kentucky shall increase its base energy rates by \$0.001564 per kWh and the new rates reflect the reestablishment of base fuel costs.

4. The rates in the Appendix to this Order are approved effective with service rendered on and after August 1, 2021. The rates in the Appendix to this Order are designed to reflect the increase of \$0.001564 per kWh to base energy rates, which is the differential between the old base fuel cost of \$0.023837 per kWh and the new base fuel cost of \$0.025401 per kWh.

5. Beginning with the expense month for August 2021, Duke Kentucky shall use a FAC rate based upon a base fuel cost of \$0.025401 per kWh.

6. Duke Kentucky shall file with the Commission, within 20 days of the date of entry of this Order, the original and an electronic version of the information requested in the Appendix to this Order.

⁶ Duke Kentucky's monthly FAC filing, July 2020.

⁷ *Id.*, November 2019.

7. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED
AUG 02 2021
KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00057

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00057 DATED AUG 02 2021

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

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh:
All kWh per month \$ 0.080995

SCHEDULE DS
SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

Energy Charge per kWh:
First 6,000 kWh \$ 0.089170
Next 300 kWh/ kW \$ 0.055342
Additional kWh \$ 0.045604

SCHEDULE DT
TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

Energy Charge per kWh:
Summer on-peak \$ 0.048389
Winter on-peak \$ 0.046262
Off-peak \$ 0.039909

SCHEDULE EH
ELECTRIC SPACE HEATING

Energy Charge per kWh:
All kWh per month \$ 0.069268

SCHEDULE SP
SEASONAL SPORTS SERVICE

Energy Charge per kWh:
All kWh per month \$ 0.107965

SCHEDULE GS-FL
OPTIONAL UNMETERED GENERAL SERVICE FOR SMALL FIXED LOADS

Energy Charge per kWh:	
Load range of 540 to 720 hours per month	\$ 0.091069
Loads less than 540 hours per month	\$ 0.104699

SCHEDULE DP
SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

Energy Charge per kWh:	
First 300 kWh/kW	\$ 0.057053
Additional kWh	\$ 0.048481

SCHEDULE TT
TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

Energy Charge per kWh:	
Summer:	
On Peak kW	\$ 0.053306
Off Peak kW	\$ 0.043936
Winter:	
On Peak kW	\$ 0.050959
Off Peak kW	\$ 0.043936

SCHEDULE SL
STREET LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Standard Fixture (Cobra Head) Served Overhead:

Mercury Vapor:	
7,000 Lumens	\$ 7.92
7,000 Lumens - Open Refractor	\$ 6.64
10,000 Lumens	\$ 9.18
21,000 Lumens	\$ 12.32

Metal Halide:	
14,000 Lumens	\$ 7.92
20,500 Lumens	\$ 9.18
36,000 Lumens	\$ 12.32

Sodium Vapor:	
9,500 Lumens	\$ 8.71
9,500 Lumens - Open Refractor	\$ 6.56

16,000 Lumens	\$ 9.53
22,000 Lumens	\$ 12.36
27,500 Lumens	\$ 12.36
50,000 Lumens	\$ 16.71
Sodium Vapor Decorative Fixtures:	
9,500 Lumens - Rectilinear	\$ 10.82
22,000 Lumens - Rectilinear	\$ 13.43
50,000 Lumens - Rectilinear	\$ 17.86
50,000 Lumens - Setback	\$ 26.43
Standard Fixture (Cobra Head) Served Underground:	
Mercury Vapor:	
7,000 Lumens	\$ 8.07
7,000 Lumens - Open Refractor	\$ 6.64
10,000 Lumens	\$ 9.35
21,000 Lumens	\$ 12.63
Metal Halide:	
14,000 Lumens	\$ 8.07
20,500 Lumens	\$ 9.35
36,000 Lumens	\$ 12.63
Sodium Vapor:	
9,500 Lumens	\$ 8.71
9,500 Lumens - Open Refractor	\$ 6.65
16,000 Lumens	\$ 9.50
22,000 Lumens	\$ 12.36
27,500 Lumens	\$ 12.41
50,000 Lumens	\$ 16.71
Decorative Fixture (Cobra Head) Served Underground:	
Mercury Vapor:	
7,000 Lumens- Town & Country	\$ 8.34
7,000 Lumens- Holophane	\$ 10.45
7,000 Lumens- Gas Replica	\$ 23.75
7,000 Lumens- Granville	\$ 8.43
7,000 Lumens - Aspen	\$ 15.08
Metal Halide:	
14,000 Lumens - Traditionaire	\$ 8.33
14,000 Lumens - Granville Acorn	\$ 15.08
14,000 Lumens - Gas Replica	\$ 23.83
14,500 Lumens - Gas Replica	\$ 23.83

Sodium Vapor:

9,500 Lumens- Town & Country	\$ 12.08
9,500 Lumens - Holophane	\$ 13.09
9,500 Lumens- Rectilinear	\$ 9.77
9,500 Lumens- Gas Replica	\$ 24.56
9,500 Lumens - Apsen	\$ 15.24
9,500 Lumens - Traditionaire	\$ 12.08
9,500 Lumens - Granville Acorn	\$ 15.24
22,000 Lumens - Rectilinear	\$ 13.50
50,000 Lumens - Rectilinear	\$ 17.92
50,000 Lumens - Setback	\$ 26.43

SCHEDULE TL
TRAFFIC LIGHTING SERVICE

Energy Charge per kWh:

Energy only	\$ 0.043437
Energy w/maintenance	\$ 0.066624

SCHEDULE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE

Energy Charge per kWh:

All kWh per month	\$ 0.042793
-------------------	-------------

SCHEDULE LED
LED OUTDOOR LIGHTING ELECTRIC SERVICE

Energy Charge per kWh:

All kWh per month	\$ 0.042793
-------------------	-------------

SCHEDULE NSU
STREET LIGHTING SERVICE NON-STANDARD UNITS

Company Owned:

2,500 Lumens – Boulevard Incandescent Series	\$ 10.22
2,500 Lumens – Boulevard Incandescent Multiple	\$ 7.98
10,000 Lumens – Mercury Vapor	\$ 18.63
2,500 Lumens – Incandescent	\$ 7.91
2,500 Lumens – Mercury Vapor	\$ 7.45
21,000 Lumens – Mercury Vapor	\$ 11.97

Customer Owned:

2,500 Lumens – Steel Boulevard Incandescent Series	\$ 6.06
2,500 Lumens – Steel Boulevard Incandescent Multiple	\$ 7.71

SCHEDULE SC
STREET LIGHTING SERVICE- CUSTOMER OWNED

Rate per Light per Month: (Lumens Approximate)

Standard Fixture (Cobra Head):

Mercury Vapor:

7,000 Lumens –	\$ 4.71
10,000 Lumens –	\$ 6.02
21,000 Lumens –	\$ 8.37

Metal Halide:

14,000 Lumens –	\$ 4.71
20,500 Lumens –	\$ 6.02
36,000 Lumens –	\$ 8.37

Sodium Vapor:

9,500 Lumens –	\$ 5.60
16,000 Lumens –	\$ 6.27
22,000 Lumens –	\$ 6.91
27,500 Lumens –	\$ 6.91
50,000 Lumens –	\$ 9.45

Decorative Fixture:

Mercury Vapor:

7,000 Lumens- Holophane	\$ 5.97
7,000 Lumens - Town & Country	\$ 5.91
7,000 Lumens- Gas Replica	\$ 5.97
7,000 Lumens- Aspen	\$ 5.97

Metal Halide:

14,000 Lumens – Traditionaire	\$ 5.91
14,000 Lumens – Granville Acorn	\$ 5.97
14,000 Lumens – Aspen	\$ 5.97

Sodium Vapor:

9,500 Lumens – Town & Country	\$ 5.52
9,500 Lumens – Traditionaire	\$ 5.52
9,500 Lumens – Granville Acorn	\$ 5.76
9,500 Lumens – Rectilinear	\$ 5.52
9,500 Lumens – Apsen	\$ 5.76
9,500 Lumens – Holophane	\$ 5.76
9,500 Lumens – Gas Replica	\$ 5.76
22,000 Lumens - Rectilinear	\$ 7.32
50,000 Lumens - Rectilinear	\$ 9.77

SCHEDULE SE
STREET LIGHTING SERVICE- OVERHEAD EQUIVALENT

Decorative Fixture:

Mercury Vapor:

7,000 Lumens – Town & Country	\$ 8.13
7,000 Lumens – Holophane	\$ 8.16
7,000 Lumens – Gas Replica	\$ 8.16
7,000 Lumens – Aspen	\$ 8.16

Metal Halide:

14,000 Lumens – Traditionaire	\$ 8.13
14,000 Lumens – Granville Acorn	\$ 8.16
14,000 Lumens – Gas Replica	\$ 8.16

Sodium Vapor:

9,500 Lumens – Town & Country	\$ 8.80
9,500 Lumens – Traditionaire	\$ 8.93
9,500 Lumens – Granville Acorn	\$ 8.80
9,500 Lumens – Rectilinear	\$ 8.92
9,500 Lumens – Apsen	\$ 8.92
9,500 Lumens – Holophane	\$ 8.80
9,500 Lumens – Gas Replica	\$ 8.92
22,000 Lumens – Rectilinear	\$ 12.69
50,000 Lumens – Rectilinear	\$ 16.88
50,000 Lumens – Setback	\$ 16.88

*Kristen Ryan
Senior Paralegal
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

*Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201