

## NOTICE

### Profit Sharing Mechanism Rider (Electric Tariff Sheet No. 82)

**Current Profit Sharing Rider Factors:**

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest \$0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

$$\text{Rider PSM Factor} = (((\text{OSS} + \text{NF} + \text{CAP} + \text{REC}) \times 0.90) + \text{R}) / \text{S}$$

where:

**OSS=** Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

**NF =** Net proceeds from non-fuel-related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

**CAP=** Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

**REC=** Net proceeds from the sales of renewable energy credits.

**R =** Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

**S =** Current period sales in kWh as used in the Rider FAC calculation.

The Company proposes to revise the list of PJM Interconnection LLC Billing Line Items and the formula to calculate the Rider PSM Factor.

**Proposed Profit Sharing Rider Factors:**

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest \$0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

$$\text{Rider PSM Factor} = (((\text{OSS} + \text{NF} + \text{CAP} + \text{CPI} + \text{GS} + \text{REC}) \times 0.90) + \text{R}) / \text{S}$$

where:

**OSS=** Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 1215, 1216, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 2366, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415, 2930, 1980, 2980 and 1999.

**NF =** Net proceeds from non-fuel-related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 2240, 2241, 1242, 1243, 1245, 2245, 1246, 2246, 1330, 2330, 1361, 2361, 2367, 1471, 1362, 2362, 2368, 1472, 1475, 1371, 2371, 1376, 2376, 1380, 2380, 1390, 2390, 1980, 2980 and 1999.

**CAP=** Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2017-00321, dated April 13, 2018, capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

Includes FRR capacity costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1600, 2600, 1666, 2666, 1667, 2667, 1669, 2669, 1670, 2670, 1681, 2681, 1980, 2980, 1985 and 1999.

**CPI =** Net proceeds of capacity performance insurance.

**GS =** Net proceeds from the sale of surplus gas on the pipelines.

**REC=** Net proceeds from the sales of renewable energy credits.

**R =** Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

**S =** Current period sales in kWh as used in the Rider FAC calculation.

### Charge for Reconnection of Service (Electric Tariff Sheet No. 91)

	<u>Current Rate</u>	<u>Proposed Rate</u>
Reconnections that can be accomplished remotely	\$5.60	\$6.50
Reconnections that cannot be accomplished remotely	\$8.25	\$5.80
Reconnections where service was disconnected at pole	\$18.00	\$16.50
After-hours reconnection charge	\$40.00	N/A

### Distribution Pole Attachments-Rate DPA (Electric Tariff Sheet No. 92)

	<u>Current Rate</u>	<u>Proposed Rate</u>
Two-user pole annual rental per foot	\$8.59	\$7.50
Three-user pole annual rental per foot	\$7.26	\$7.50
Conduit fee per linear foot	\$0.27	\$0.67

### Real Time Pricing Program-Rate RTP (Electric Tariff Sheet No. 99)

	<u>Current Rate</u>	<u>Proposed Rate</u>
Energy Delivery Charge (Credit) per kWh from Customer Base Load		
Secondary Service	2.0034¢	3.3518¢
Primary Service	1.6479¢	2.8504¢
Transmission Service	0.6915¢	1.0568¢
Program Charge per billing period	\$183.00	\$183.00

The foregoing rates reflect a proposed increase in electric revenues of approximately \$70,008,476 or 14.69% over current total electric revenues to Duke Energy Kentucky. The estimated amount of increase per customer class is as follows:

	<u>Total Increase (\$)</u>	<u>Total Increase (%)</u>
Rate RS – Residential Service	\$33,271,203	16.2%
Rate DS – Service at Distribution Voltage	\$19,167,181	14.1%
Rate DT – Time-of-Day Rate for Service at Distribution Voltage	\$15,314,005	14.1%
Rate EH – Optional Rate for Electric Space Heating	\$272,039	13.9%
Rate SP – Seasonal Sports Service	\$7,566	14.2%
Rate GS-FL – General Service Rate for Small Fixed Loads	\$119,011	14.2%
Rate DP – Service at Primary Distribution Voltage	\$53,265	5.9%
Rate TT – Time-of-Day Rate for Service at Transmission Voltage	\$1,240,683	8.0%
Rate SL – Street Lighting Service	\$198,711	13.8%
Rate TL – Traffic Lighting Service	\$13,791	13.1%
Rate UOLS – Unmetered Outdoor Lighting Electric Service	\$81,072	13.1%
Rate NSU – Street Lighting Service for Non-Standard Units	\$13,460	13.8%
Rate SC – Street Lighting Service – Customer-Owned	\$861	13.1%
Rate SE – Street Lighting Service – Overhead Equivalent	\$35,981	13.8%
Rate LED – Street Lighting Service – LED Outdoor Lighting	\$2,807	14.0%
Rate RTP – Experimental Real Time Pricing Program	\$60,394	9.8%
Interdepartmental	\$4,994	14.9%
Special Contracts	\$135,535	13.7%
Reconnection Charges	\$8,323	15.1%
Rate DPA - Pole and Line Attachments	\$7,594	1.1%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

	<u>Average kWh/Bill</u>	<u>Monthly Increase (\$)</u>	<u>Percent Increase (%)</u>
Rate RS – Residential Service:	904	\$21.47	16.1%
Rate DS – Service at Distribution Voltage	7,079	\$168.98	14.2%
Rate DT – Time-of-Day Rate for Service at Distribution Voltage	611,498	\$6,030.34	13.9%
Rate EH – Optional Rate for Electric Space Heating	19,031	\$133.46	13.7%
Rate SP – Seasonal Sports Service	1,971	\$35.66	15.0%
Rate GS-FL – General Service Rate for Small Fixed Loads	537	\$10.92	15.3%
Rate DP – Service at Primary Distribution Voltage	64,391	\$1,597.25	6.0%
Rate TT – Time-of-Day Rate for Service at Transmission Voltage	1,188,866	\$8,442.80	8.1%
Rate SL – Street Lighting Service *	66	\$1.92	13.7%
Rate TL – Traffic Lighting Service	921	\$8.84	13.1%
Rate UOLS – Unmetered Outdoor Lighting Electric Service	279	\$2.64	13.0%
Rate NSU – Street Lighting Service for Non-Standard Units*	49	\$1.67	13.9%
Rate SC – Street Lighting Service – Customer Owned *	44	\$0.41	12.8%
Rate SE – Street Lighting Service – Overhead Equivalent *	59	\$1.75	13.8%
Rate LED – Street Lighting Service – Led Outdoor Lighting *	18	\$1.23	14.0%
Rate RTP – Experimental Real Time Pricing Program	275,766	\$1,233.48	15.9%
Interdepartmental	N/A	\$416.17	14.9%
Reconnection Charge (per remote reconnection)	N/A	\$0.90	16.1%
Reconnection Charge (at meter per reconnection)	N/A	(\$2.45)	-29.7%
Reconnection Charge (at pole per reconnection)	N/A	(\$1.50)	-8.3%
Rate DPA – Pole and Line Attachments (2-user attachment per foot)	N/A	(\$1.09)	-12.7%
Rate DPA – Pole and Line Attachments (3-user attachment per foot)	N/A	\$0.24	3.3%
Rate DPA – Conduit Fee	N/A	\$0.40	148.1%

\*For these lighting schedules, values represent average monthly kWh usage per fixture.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person with a substantial interest in the matter may, by written request within thirty (30) days after publication of this notice of the proposed rate changes, request leave to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Such motion shall be submitted to the Kentucky Public Service Commission, P. O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615,

and shall set forth the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication the Commission may take final action on the application.

Intervenors may obtain copies of the application and other filings made by the Company by requesting same through email at [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4366. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m., and at the following Company offices: 1262 Cox Road, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

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