

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR APPROVAL OF A)	CASE NO.
SPECIAL CONTRACT AND FOR WAIVER OF 807)	2025-00054
KAR 5:041, SECTION 6(2)(C))	

ORDER

On March 4, 2025, Duke Energy Kentucky, Inc. (Duke Kentucky) filed an application seeking an extension of the Commission’s approval in Case No. 2021-00192¹ of a special contract with Northern Kentucky Water District (Northern Kentucky District) and deviation from the application of 807 KAR 5:041, Section 6(2)(c).

According to a report filed jointly by Duke Kentucky and Northern Kentucky District,² the startup of water pumps utilized by Northern Kentucky District were causing a voltage drop in a shared distribution circuit that exceeded the level permitted by 807 KAR 5:041, Section 6(2)(c).³ To reduce the impact on other customers on the circuit, Duke Kentucky and Northern Kentucky District entered into a written agreement in which Northern Kentucky District agreed to shift its pump start-up time to non-peak hours. In

¹ Case No. 2021-00192, *Duke Energy Kentucky, Inc.’s Application for Approval of a Special Contract and for Waiver of 807 KAR 5:041, Section 6(2)(c)* (Ky. PSC Mar. 4, 2022), Order at 13.

² Case No. 2021-00192, filed Mar. 4, 2025 Final Report of Duke Kentucky and Northern Kentucky District.

³ 807 KAR 5:041, Section 6(2)(c) states “Where utility distribution facilities supplying customers are reasonably adequate and of sufficient capacity to carry actual loads normally imposed, the utility may require that starting and operating characteristics of equipment on customer premises shall not cause an instantaneous voltage drop of more than four (4) percent of standard voltage nor cause objectionable flicker in other customer’s lights.”

exchange, Northern Kentucky District took service under a variation of the Rate DT tariff, a move expected to reduce the electric rates for Northern Kentucky District. The agreement included an exemption for peak-time pump start-up during emergencies. As noted above, this agreement reduced but did not fully correct the voltage drop, so the Commission granted a deviation from 807 KAR 5:041, Section 6(2)(c), limited approval of the contract to three years, and required the parties to file a report outlining potential permanent solutions to the voltage issue.⁴ The Commission's deviation and approval of the agreement expired on March 4, 2025. On that date, the parties jointly filed the above-referenced report in Case No. 2021-00192 with options for addressing the issue; however, the parties disagree on selecting a solution. Consequently, Duke Kentucky has asked for an extension of the deviation and present agreement so the voltage issue will continue to be mitigated while giving the parties additional time to come to a new agreement, obtain a certificate of public convenience and necessity if necessary, and construct improvements.⁵

The Commission finds that, prior to making a final ruling on Duke Kentucky's requests, Northern Kentucky District should be notified of this request and provided an opportunity to intervene. The Commission also finds that pending a final ruling, the special contract approval and deviation from 807 KAR 5:041, Section 6(2)(c) shall be temporarily extended to mitigate the effect of voltage drops on other customers. If Duke Kentucky seeks to extend or modify the contract prior to the expiration of its term on March 19, 2026, it must do so on or before January 19, 2026, to prevent any uncertainty

⁴ Case No. 2021-00192, Mar. 4, 2022 Order at 13.

⁵ Application at 2, 9-10.

regarding contract, tariff, and deviation applicability upon contract expiration. Any such extension or modification request must be accompanied by a fully executed written contract.

IT IS THEREFORE ORDERED that:

1. A copy of this Order and Duke Kentucky's application shall be served by certified mail upon Northern Kentucky District at Attn: Tom Edge, General Counsel, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Kentucky 41018-0640.


2. Northern Kentucky District shall have 30 days from service of this Order to file a request for intervention pursuant to 807 KAR 5:001, Section 4(11).

3. The special contract approval and deviation from 807 KAR 5:041, Section 6(2)(c) granted by Order dated March 4, 2022 in Case No. 2021-00192 shall be extended until a final Order is rendered in the present case or until March 19, 2026, whichever occurs first.

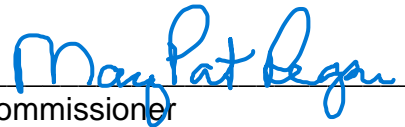
4. If Duke Kentucky seeks to extend or modify the contract prior to the expiration of its term on March 19, 2026, it shall do so on or before January 19, 2026, and shall include a fully executed written contract.

5. Nothing in this Order shall be construed as preventing the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director



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