

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

This matter arises upon the motion of the Northern Kentucky Water District (Northern Kentucky District), filed May 27, 2025, for full intervention. As a basis for its motion, Northern Kentucky District stated that as a party to the special contract at issue in this case, it is an interested party.<sup>1</sup>

This case arose from Case No. 2021-00192,<sup>2</sup> in which Duke Energy Kentucky, Inc. (Duke Kentucky) sought approval of a special contract with Northern Kentucky District and a deviation from 807 KAR 5:041, Section 6(2)(c).<sup>3</sup> Duke Kentucky and Northern Kentucky District agreed that the startup of water pumps utilized by Northern Kentucky District were causing a voltage drop in a shared distribution circuit that exceeded the level

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<sup>1</sup> Northern Kentucky District's Motion to Intervene (Motion) (filed May 27, 2025) at 1.

<sup>2</sup> 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.

<sup>3</sup> 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."

permitted by 807 KAR 5:041, Section 6(2)(c).<sup>4</sup> 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 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.<sup>5</sup> 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 by application in the present case 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.<sup>6</sup> On April 24, 2025, the Commission entered an Order temporarily continuing application of the special contract and deviation pending resolution of this case and notifying Northern Kentucky District of this case so it could file a motion to intervene.

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<sup>4</sup> Case No. 2021-00192, (filed Mar. 4, 2025) Final Report of Duke Kentucky and Northern Kentucky District.

<sup>5</sup> Case No. 2021-00192, (Ky. PSC Mar. 4, 2022), Order at 13.

<sup>6</sup> Application (filed Mar. 4, 2025) at 2, 9-10.

### LEGAL STANDARD

The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), has the statutory right to intervene in Commission cases pursuant to KRS 367.150(8)(b). With limited exception, intervention by all others is permissive and within the sole discretion of the Commission.<sup>7</sup>

The regulatory standard for permissive intervention, set forth in 807 KAR 5:001, Section 4, is twofold. Commission regulation 807 KAR 5:001, Section 4(11), requires a person to set forth in the motion to intervene either (1) a special interest in the proceeding that is not otherwise adequately represented in the case, or (2) that 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.

### DISCUSSION AND FINDINGS

Based on a review of the pleadings at issue and being otherwise sufficient advised, the Commission finds that Northern Kentucky District has a special interest in the proceeding over which the Commission has jurisdiction that is not otherwise adequately represented. Although Northern Kentucky District agreed with Duke Kentucky in supporting continued application of the special contract,<sup>8</sup> its position on how to resolve the underlying issue necessitating the special contract and deviation differs from Duke Kentucky's.<sup>9</sup> As a party to the contract, Northern Kentucky District should be permitted to participate to protect its contractual interests.

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<sup>7</sup> KRS 164.2807.

<sup>8</sup> Motion at 1.

<sup>9</sup> Application at 6.

Based on the above, the Commission finds that Northern Kentucky District should be granted full rights of a party in this proceeding. The Commission directs Northern Kentucky District to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>10</sup> regarding filings with the Commission.

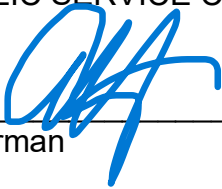
IT IS HEREBY ORDERED that:

1. Northern Kentucky District's motion to intervene is granted.
2. Northern Kentucky District is entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. Northern Kentucky District shall comply with all provisions of the Commission's regulations, 807 KAR 5:001, Section 8, related to the service and electronic filing of documents.

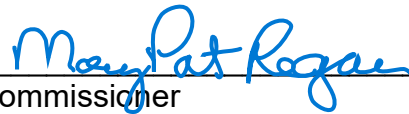
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<sup>10</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION

  
Chairman

Vice Chairman

  
Commissioner

ATTEST:

   
Executive Director



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