

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. FOR A DECLARATORY ORDER	)	CASE NO.
REGARDING RECOVERY OF COSTS TO	)	2025-00142
CONVERT CUSTOMERS TO ALTERNATE	)	
SOURCE OF FUEL	)	

ORDER

On June 3, 2025, Duke Energy Kentucky, Inc. (Duke Kentucky) filed an application for a declaratory Order in which it stated that it provides the service line and metering equipment to connect 27 total gas customers to direct taps on an interstate gas transmission line owned and operated by TC Energy.<sup>1</sup> Duke Kentucky further stated that TC Energy intends to abandon the pipeline, and that the customers now attached to and receiving gas from the existing line will not be able to tap onto the new transmission line.<sup>2</sup> Duke Kentucky requested that the Commission enter a Declaratory Order that Duke Kentucky can recover the costs to convert to an alternative fuel source 25 of the 27 direct-tap customers.<sup>3</sup>

On November 3, 2025, Duke Kentucky filed a motion for an informal conference with Commission Staff.<sup>4</sup> The Commission granted the motion by Order entered on

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<sup>1</sup> Duke Kentucky's Application for a Declaratory Order (Application) (filed June 3, 2025) at 2.

<sup>2</sup> Application at 2.

<sup>3</sup> Application at 3.

<sup>4</sup> Duke Kentucky's Motion for Informal Conference (filed Nov. 3, 2025).

November 12, 2025, and scheduled an informal conference for November 14, 2025,<sup>5</sup> at which representatives of Duke Kentucky made a presentation to Commission Staff (Presentation).

Following the informal conference , Duke Kentucky filed a copy of the Presentation along with a motion for confidential treatment of the Presentation pursuant to KRS 61.878 and 807 KAR 5:001, Section 13.<sup>6</sup> In support of the motion, Duke Kentucky stated that the presentation included information regarding cost estimates and the location of natural gas transmission lines the public disclosure of which would permit an unfair commercial advantage to third parties and disclose critical infrastructure.<sup>7</sup> Duke Kentucky argued that the Presentation is therefore exempt from disclosure pursuant to KRS 61.878(1)(c)(1) and 61.878(1)(m)(1) and requested it remain confidential for an indefinite period.<sup>8</sup> Specifically, Duke Kentucky argued that estimated costs were publicly disclosed, Duke Kentucky would be at a commercial disadvantage because customers and potential suppliers would know the prices Duke Kentucky is prepared to pay for the project objections pursuant to KRS 61.878(1)(c)(1).<sup>9</sup> Regarding the location of Duke Kentucky and TC Energy's gas lines, Duke Kentucky argued that this information would have "a reasonable likelihood of threatening public safety by exposing a vulnerability in

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<sup>5</sup> Order (Ky. PSC Nov. 12, 2025).

<sup>6</sup> Duke Kentucky's Motion for Confidential Treatment (Motion) (filed Nov.17, 2025).

<sup>7</sup> Motion at 2.

<sup>8</sup> Motion at 2-4.

<sup>9</sup> Motion at 2.

preventing, protecting against, mitigating, or responding to a terrorist act . . . ,” specifically exempted from public disclosure pursuant to KRS 61.878(1)(m)(1).<sup>10</sup>

### DISCUSSION AND FINDINGS

The Commission finds that Duke Kentucky’s application for declaratory Order does not provide sufficient information to enable the Commission to rule on the requested relief. Accordingly, the Commission finds that the procedural schedule attached as Appendix A to this Order should be established to ensure the timely processing of Duke Kentucky’s request. The Commission may expand the procedural schedule in this matter to further facilitate the processing of this case based on how the record develops and whether any party is granted intervention.

The Commission also finds that Duke Kentucky should be required to provide written notice to customers likely to be affected by this application and that a deadline for intervention should be established to facilitate the orderly processing of this case.

The Commission further finds that Duke Kentucky shall respond to Commission Staff’s Request for Information attached to this Order as Appendix B by the date set forth on the request and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

Finally, the Commission finds that the information in the Presentation is generally recognized as confidential or proprietary and meets the criteria for confidential treatment. The Commission finds that the Presentation should therefore be exempted from public disclosure pursuant to 807 KAR 5:001, Section 13, KRS 61.878(1)(c)(1), and KRS 61.878(m)(1). The cost estimates provided shall remain confidential for a ten-year

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<sup>10</sup> Motion at 3.

period pursuant to KRS 61.878(1)(c)(1), and any maps or details indicating the location of Duke Kentucky and TC Energy's gas lines shall remain confidential for an indefinite period.

IT IS THEREFORE ORDERED that:

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

2. On or before the date set forth in the procedural schedule, Duke Kentucky shall serve by first class mail copies of its application for a declaratory Order and this Order on each of its customers who currently receive gas service by direct tap on the TC Energy transmission pipeline.

3. On or before the date set forth in the procedural schedule, Duke Kentucky shall file its responses to Commission Staff's Request for Information, attached to this Order as Appendix B.

4. Duke Kentucky shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.

5. Duke Kentucky's November 17, 2025 motion for confidential treatment is granted in part and denied in part.

6. The costs estimate information set forth in the Presentation is granted confidential treatment by this Order pursuant to KRS 61.878(1)(c)(1) for a period of ten years from the date of this Order, thus shall not be placed in the public record or made available for public inspection until expiration of that period or upon further order of this Commission.

7. The gas pipeline location information set forth in the Presentation is granted confidential treatment by this Order shall not be placed in the public record or made available for public inspection for an indefinite period or until further order of this Commission.

8. Duke Kentucky shall file a redacted public version of the Presentation provided during the November 14, 2025 informal conference.

9. Use of the designated material granted confidential treatment by this Order in any Commission proceeding shall comply with 807 KAR 5:001, Section 13(9).

10. If the designated material granted confidential treatment by this Order becomes publicly available or no longer qualifies for confidential treatment, Duke Kentucky shall inform the Commission and file with the Commission an unredacted copy of the designated material.


11. If a nonparty to this proceeding requests to inspect the material granted confidential treatment by this Order and the period during which the material has been granted confidential treatment has not expired, Duke Kentucky shall have 20 days from receipt of written notice of the request to demonstrate that the material still falls within the exclusions from disclosure requirements established in KRS 61.878. If Duke Kentucky is unable to make such demonstration, the requested material shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

12. The Commission shall not make the requested material available for inspection for 30 days from the date of service of an Order finding that the material no longer qualifies for confidential treatment in order to allow Duke Kentucky to seek a remedy afforded by law.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2025-00142 DATED DEC 16 2025

Duke Kentucky shall serve by first class mail copies of its application for a declaratory Order and this Order on each of its customers who will lose gas service if the TC Energy transmission pipeline is abandoned no later than ..... 01/05/2026

Duke Kentucky shall file proof that notice was provided pursuant to this procedural schedule no later than..... 01/09/2026

Duke Kentucky shall file responses to the requests for information set forth in Appendix B of this Order no later than ..... 01/09/2026

Motions for intervention shall be filed no later than ..... 01/16/2026

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00142 DATED DEC 16 2025

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

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 9, 2026. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. 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 the 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.

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect or incomplete

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<sup>1</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).



when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

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

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Duke Kentucky's Application, page 4, requesting that the Commission enter a declaratory order declaring that the costs associated with converting these customers to an alternate fuel source are recoverable costs.

a. Identify the statutes and administrative regulations that Duke Kentucky contends would govern the requested declaration that the costs are recoverable and explain the relevance of such statutes and regulations.

b. State whether Duke Kentucky is requesting specific accounting authority for such costs, and if so, explain what authority is being requested.

c. State whether any statute, regulation, or other legal requirement prevents Duke Kentucky from incurring such costs absent a declaration from the Commission.

2. State whether Duke Kentucky has any customers who receive service by direct “farm tap” on an interstate transmission line other than the 27 customers described in Duke Kentucky’s application for declaratory Order and, if so, provide the number, service location, and source of gas of said customers.

3. Provide a history of the retail gas service provided to the 27 customers who receive gas service by direct tap on the section of the TC Energy transmission line that is proposed to be abandoned, including:

a. The date of service that each direct tap was established.

b. State whether the gas service via direct tap on the TC Energy transmission line was available or offered to the public, or was it limited to owners of property from whom rights of way were required for construction of the pipeline.

c. State whether new direct “farm taps” have been added since construction of the transmission line. If so, provide the number of additional “farm taps” and the date the taps were added.

d. Explain whether Duke Kentucky has owned and operated the metering equipment, service lines, regulators, and any other facilities used to provide gas service to the 27 “farm tap” customers since the direct taps were established on the TC Energy line. If not, provide the previous operator(s), the date when Duke Kentucky began to own or operate these facilities, and any agreements between Duke Kentucky.

e. Any prior operator of these facilities, including any affiliate, concerning the responsibility to serve these 27 customers.

f. Identify all rates that the 27 customers are currently charged for service, and if applicable, the tariff page(s) on which each such rate is located. Explain any differences between the tariff rates and the rates the 27 customers are charged.

4. State whether TC Energy is required to apply for approval of the Federal Energy Regulatory Commission (FERC) to replace and abandon the transmission line. If so, state the status of any application for approval to abandon the line.

5. State whether Duke Kentucky plans to intervene or otherwise participate in any proceeding before FERC regarding the proposed replacement and abandonment of the transmission pipeline at issue.

6. Describe TC Energy's duty to mitigate the harm to customers who will lose gas service upon abandonment of the line and TC Energy's plans to mitigate said harms.

7. Provide a copy of all contracts between Duke Kentucky and TC Energy or KO Transmission regarding gas service to customers served by direct tap on a transmission pipeline.

8. Provide a copy of all contracts concerning gas service between any of the 27 customers served by a direct tap on the transmission line at issue and TC Energy, KO Transmission, and/or Duke Kentucky.

9. Identify each option that Duke of Kentucky has considered to mitigate the harm to the 27 customers who will lose access to gas if the transmission line is abandoned.

10. Provide Duke Kentucky's expected timeline to implement each of its proposed solutions given that the transmission line will continue in operation and will not be abandoned by TC Energy until 2028.

11. Identify the alternative fuel source(s) that Duke Kentucky intends to provide or pay for in a settlement agreement with the customers who cannot be connected to Duke Kentucky's existing distribution system.

12. Identify any tariff or rate changes that may be necessitated by Duke Kentucky's proposed solutions to the abandonment of the TC Energy line.

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