

**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	)	

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**DUKE ENERGY KENTUCKY, INC'S REPLY BRIEF**

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Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) by and through the undersigned counsel, pursuant to the Kentucky Public Service Commission's (Commission) March 10, 2026 Order setting forth a procedural schedule, and for its reply brief respectfully states as follows:

The Application states that \$25,000 is an *estimate* of the cost to convert customers.<sup>1</sup> It has never been an offer to any of the customers. Duke Energy Kentucky clarified in its responses to Morning Scott, LLC's requests for information, "Duke Energy Kentucky understands that every customer's situation is unique and the cost to convert might be less or more than \$25,000 depending on the situation. The \$25,000 is an estimate that could be negotiated once a final order is received in this proceeding."<sup>2</sup> The costs will vary depending on location of the tank, size, number of appliances, if appliances can be converted, and installation costs.<sup>3</sup> Depending on the Commission's order in this case, Duke Energy Kentucky is more than willing to take Tom Mason's, Morning Scott, LLC's, and any other customer's estimate's, quotes, and other relevant

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<sup>1</sup> Application (filed June 3, 2025, p. 3).

<sup>2</sup> Duke Energy Kentucky's Responses to Morning Scott, LLC's First Request for Information No. 9 (filed March 30, 2026).

<sup>3</sup> Duke Energy Kentucky's Responses to Morning Scott, LLC's First Request for Information No. 10 (filed March 30, 2026).

factors into consideration. However, Duke Energy Kentucky is awaiting a decision in this case before making any offers or entering into any negotiations with the customers.

It is true that Duke Energy Kentucky has not completed detailed engineering to estimate the costs to build new infrastructure. The Company does have expertise in the method and cost of constructing natural gas delivery systems spanning several miles in order to develop a reasonable estimate of costs. Nonetheless, it is irrefutable that constructing new natural gas distribution mains running several miles to continue service to the customers affected by TC Energy's abandonment is a significantly more costly alternative. Before investing in engineering plans, Duke Energy Kentucky sought the Commission's guidance on how to proceed. Duke Energy Kentucky filed its Application in this proceeding as it represents the best, least-cost option to benefit all of its customers. It would be imprudent for Duke Energy Kentucky to waste resources to perform detailed engineering for something that may never be needed if the Commission agrees with the fuel conversion solution.

Duke Energy Kentucky is regulated by the Commission. TC Energy is regulated by FERC, not the Commission. Duke Energy Kentucky filed this application seeking guidance from its regulating body in order to determine the best outcome in this unique situation – not to preempt or eliminate FERC's role in regulating TC Energy. Although Duke Energy Kentucky and TC Energy have had discussions regarding TC Energy's abandonment of its pipeline, there have been no conversations regarding TC Energy providing any financial support to any of Duke Energy Kentucky's customers. These customers were not customers of TC Energy. This is not inconsistent with the information provided by Duke Energy Kentucky in this proceeding.

Duke Energy Kentucky has standing under 807 KAR 5:001, Section 19 to file the request for a declaratory order in this proceeding. Duke Energy Kentucky is "substantially affected" by

TC Energy's abandonment of the line because once abandoned, there is no infrastructure in place to serve 25 current Duke Energy Kentucky customers. TC Energy's actions not only impact Duke Energy Kentucky's customers, but also impact Duke Energy Kentucky directly. Duke Energy Kentucky is willing to work together with its customers and with the Commission to come up with the best solution for a less than desirable situation to mitigate those negative impacts as best as possible. Duke Energy Kentucky understands the concerns of Tom Mason and Morning Scott, LLC and shares those same concerns. That is why guidance from the Commission is crucial to obtain direction on how to move forward before the line is abandoned by TC Energy. For these reasons, Duke Energy respectfully requests that the Commission enter an order declaring that Duke Energy Kentucky can recover the costs of converting the customers to an alternate fuel source as costs of removal of the existing service or otherwise direct Duke Energy Kentucky to build infrastructure to serve these customers and confirm that CPCNs are not required so that Duke Energy Kentucky can complete construction in time for service to be established before TC Energy abandons its pipeline.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing was transmitted to the Commission on April 6, 2026, and that there are no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to prior Commission Orders, no paper copies of this filing will be made.

A handwritten signature in blue ink, appearing to read "Meredith Anne".

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*Counsel for Duke Energy Kentucky, Inc.*