

November 4, 2024

Via Email to PSCED@ky.gov and U. S. Mail

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED
NOV 04 2024
PUBLIC SERVICE
COMMISSION

Re: *Sam Ollie Droganes v. Duke Energy Kentucky, Inc.* – **Case No. 2024-00123**

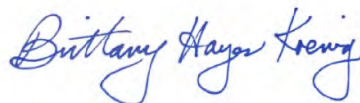
Dear Ms. Bridwell:

Please find attached for electronic filing with the Commission, Duke Energy Kentucky, Inc.'s Answer to the Complaint in the above-styled case.

This is to certify that this is a true and accurate copy of the document that was filed via email with the Commission on November 4, 2024. A copy of this filing was emailed and mailed via U.S. Mail on November 4, 2024 to the Complainant and the PSC.

If you have any questions, please let me know.

Very truly yours,



Brittany Hayes Koenig

Enclosure
CC: Sam Ollie Droganes
via U.S. Mail

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

SAM OLLIE DROGANES	COMPLAINANT)	
)	
V.)	CASE NO.
)	2024-00123
DUKE ENERGY)	
KENTUCKY, INC.	DEFENDANT)	

DUKE ENERGY KENTUCKY, INC.’S ANSWER

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, pursuant to the Commission’s October 25, 2024 Satisfy or Answer Order and does hereby tender its Answer to the Complaint filed by Mr. Sam Ollie Droganes on or about April 24, 2024, respectfully stating as follows:

I. INTRODUCTION

1. Duke Energy Kentucky received a PSC Consumer Inquiry System Complaint entitled “Premium Specialty-910119306530 (informal complaint) on February 21, 2024. After performing a review of relevant service orders, the following information was noted regarding an investigation on or about October 25, 2023. A copy of a service order for “billing meter investigation” is attached as Exhibit 1.

2. On or about October 25, 2023, a technician representing Duke Energy Kentucky, visited the service address listed as:

Premium Specialty
Sam Droganes
207 W. Pike Street
Unit 1
Covington, KY 41011.

3. The technician investigated the location to determine if the locations were residential or commercial. Duke Energy Kentucky found that 207 Pike Street, Floor 2, was a residential space and the residential rate applies and that 207 Pike Street, Unit 1, was a vacant commercial space and the commercial rate applies. Any renovations to the commercial space turning the commercial space into residential living space, can be evaluated to determine whether the rate could change. The bill rate does not change because the building or unit is vacant. Duke Energy Kentucky does not have any record of a request from the customer to investigate the space again since October 2023.

4. (A copy of Duke Energy Kentucky’s Residential Service Tariff is attached to this Answer as Exhibit 2.).

5. As of February 22, 2024, the service at 207 Pike Street, Unit 1, Covington, Kentucky 41011 was in the name of “Premium Specialty” and was listed as a commercial location. The service at 207 Pike Street, Fl. 2, Covington, KY 41011, was in the name of “Sam Droganes” and was listed as a residential location. Duke Energy Kentucky representatives from Consumer Affairs left a voicemail for Mr. Droganes and contact information regarding the investigation. (A copy of Duke Energy Kentucky’s internal communication to resolve this Complaint is attached to this Answer as Exhibit 3.)

6. Mr. Droganes filed a complaint with the Kentucky Public Service Commission (Commission) on or about April 24, 2024.

II. ANSWER

7. With respect to the personal information included in the Complaint, Duke Energy Kentucky generally admits;

a. that the Complainant’s name is Sam Droganes;

b. that the Complainant is a customer of Duke Energy Kentucky, Inc.;

c. that the Complainant's service address at 207 Pike Street, Floor 2, Covington, Ky 41011 is listed as a residential location and the service address for Premium Specialty at 207 Pike Street, Unit 1, Covington, Ky 41011 is listed as a commercial location.

8. With respect to the additional information contained in the narrative of the Complaint, Duke Energy Kentucky denies that it requires a bathroom, bedroom, and kitchen on both floors to apply the residential rate to the first floor at 207 Pike Street, Covington, Kentucky.

9. Any averments contained in the Complaint which are not herein expressly admitted are hereby expressly denied.

III. AFFIRMATIVE DEFENSES

10. Mr. Droganes has not set forth a sufficient factual basis to support the relief he seeks.

11. Duke Energy Kentucky has acted fully consistent with its tariffs and the Filed Rate Doctrine set forth in KRS 278.160 therefore bars his claims.

12. Mr. Droganes has generally failed to sustain his burden of proof under applicable statutes, including but not limited to, KRS 278.260, KRS 278.270 and KRS 278.280.

WHEREFORE, on the basis of the foregoing, Duke Energy Kentucky, Inc. respectfully requests the Commission to dismiss the Complaint.

This 4th day of November, 2024.

Respectfully submitted,



L. Allyson Honaker
Brittany Hayes Koenig
Heather S. Temple
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heather@hloky.com

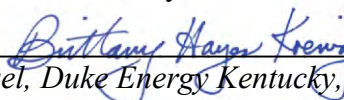
Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that true and accurate copy of the foregoing has been emailed to the Kentucky Public Service Commission at PSCED@ky.gov. In addition, a true and accurate copy of the foregoing was placed in the U.S. mail, postage prepaid, on November 4, 2024 addressed to the following:

Sam Ollie Droganes
P.O. Box 703
207 Pike St.
Covington, KY 41011

Ms. Linda C. Bridwell, P.E. Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602



Counsel, Duke Energy Kentucky, Inc.

EXHIBIT 1

Orders

Display Service Order (100009209295) Order Type: Investigation Order MAT Code: Billing Meter Investigation Remote No

Order Status: Cancelled

Reference Order Number:

Existing Comment: [SS9 PP1SERVUSER 10/26/2023 13:34:52] FR @ prem 102623 with owner,verified #320295977 @ 207 W.Pike, CovingtonKt, 41011, misc-1fl, (found vacant commerical space notbeing used)comm rate still applies non-residential, update serviceaddress

Primary Person Name: PREMIUM SPECIALTY

Primary Number / Extn:

Secondary Person Name:

Secondary Number / Extn:

Call Ahead: Office Review:

Reason:

Meter Type:

Rate Category: KY - Service At Distribution Voltage

Business Unit: MW-FLD-SVC

Wanted Date: 10/25/2023

Wanted Time: 08:00:00 16:00:00

Requested By: Customer Internal

Service Fee:

Fee Waiver Flag:

Waiver Reason:

Premise ID 5207312975

Conn. Obj. Ext. ID 4006458817

Installation Point ID 26239013

Premise Type 0001

Consent Disclosure Agreement No

House Number 207

Floor -

Street W Pike St

City Covington

Postal Code 41011-2321

State Kentucky

Country/Region United States

EXHIBIT 2

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to electric service other than three phase service, for all domestic purposes in private residences, single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where distribution lines are adjacent to the premises to be served.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, Rate DS, Service At Distribution Voltage, is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate			
(a) Customer Charge	\$13.00	per month	(I)
(b) Energy Charge			
All kilowatt hours	\$0.099654	per kWh	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 76, Rider ESM, Environmental Surcharge Mechanism Rider

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 82, Rider PSM, Profit Sharing Mechanism

The minimum charge shall be the Customer Charge as shown above.

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Fourteenth Revised Sheet No. 30
Cancels and Supersedes
Thirteenth Revised Sheet No. 30
Page 2 of 2

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 2.3%, is due and payable. Customers who receive a pledge for or notice of low income assistance from an authorized agency, or another public or charitable source, will not be assessed or required to pay a late payment charge for the current bill for which the pledge or notice is received. An authorized agency is an organization in Kentucky that administers federal Low-Income Home Energy Assistance Programs and/or the Home Energy Assistance Programs offered by Duke Energy Kentucky.

(R)

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

(T)

Issued by authority of an Order of the Kentucky Public Service
Commission dated October 12, 2023 in Case No. 2022-00372.

Issued: October 27, 2023

Effective: October 13, 2023

Issued by Amy B. Spiller, President /s/ Amy B. Spiller

EXHIBIT 3

From: [REDACTED]
Subject: RE: PSCY Complaint- Premium Specialty-910119306530
Date: Thursday, February 22, 2024 8:39:07 AM
Attachments: [REDACTED]
Importance: High

Thanks [REDACTED],
Please note that on the "original" request this was listed as 207 Pike, Covington Ky 41011.
Please ensure that for the account the investigation was processed on, and the meter numbers the service address was corrected to 207 W. Pike, Covington Ky, 41011, as there is a 207 Pike, Covington Ky 41011 that should be residential property....
Please verify in system and with meter numbers on the orders.
The investigation that was processed by Field Routing was done on a mixed-use property with upper floor "verified" as residential use – those meters associated with 2 floor should be coded "residential" and the 1st floor being vacant commercial space – commercial.
Please list meter numbers and what the billing status shows.
Thanks in advance.

[REDACTED]
FIELD INVESTIGATOR
DUKE-ENERGY
[REDACTED]
[REDACTED]@duke-energy.com

From: [REDACTED]@duke-energy.com
Sent: Thursday, February 22, 2024 7:40 AM
To: [REDACTED]@duke-energy [REDACTED]
[REDACTED]
[REDACTED]

Subject: RE: PSCY Complaint- Premium Specialty-910119306530
[REDACTED] – We did not get another request to reverify. Here are your findings from the original billing investigation order:

[REDACTED]



[REDACTED]
[REDACTED]
[REDACTED]



From: [REDACTED]@duke-energy.com
Sent: Wednesday, February 21, 2024 2:56 PM
To: [REDACTED]@duke-energy.com; [REDACTED]@duke-energy.com; [REDACTED]

[redacted] duke-energy.com>; [redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>; [redacted]

[redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>

Subject: RE: PSCKY Complaint- Premium Specialty-910119306530

Importance: High

Also, please reverify if this inquiry is for: **207 Pike Street, Covington Ky 41011 or 207 W. Pike, Covington Ky 41011.**

To be clear with the search for the investigation orders and the actual meter numbers involved.

Attention: [redacted] and or [redacted], I note that [redacted] isn't here today, if possible, could either of you send this information regarding the actual completed investigation orders and the meter numbers listed for the service addresses.

Tomorrow is fine since [redacted] is out.

Thanks in advance.

[redacted]
FIELD INVESTIGATOR

DUKE-ENERGY

[redacted]
From: [redacted]

Sent: Wednesday, February 21, 2024 1:54 PM

To: [redacted]
[redacted]
[redacted]

[redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>

Subject: RE: PSCKY Complaint- Premium Specialty-910119306530

Importance: High

Sorry I did not include answer to last sentence in email.

A bill rate doesn't change just because a building, unit etc is vacant .

A vacant property would remain at the current bill rate (either residential or commercial) from time of vacancy.

If the vacant property changed the status and was "no longer vacant" – and the customer stated also stated it has been changed from commercial to residential, the field investigation would need to note on premise – actual residential living accessed on premise.

(example if any commercial signage on premise it would have to be removed, does the property now have actual residential living space – Bedroom, bath, kitchen etc.)

These are just examples of what would be looked for on premise, not just a "vacant" building, unit, or room.

Hope this explanation helps.

[redacted]
FIELD INVESTIGATOR

DUKE-ENERGY

[redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>

From: [redacted]

Sent: Wednesday, February 21, 2024 1:45 PM

To: [redacted]
[redacted]
[redacted]

[redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>

Subject: RE: PSCKY Complaint- Premium Specialty-910119306530

Importance: High

Good Afternoon,

Per the information you have provided (as Field Routing doesn't have access to SAP and or C4C), the field investigation was processed on or about October 2023.

If the property owner completed any work after the date of the completed field investigation, (example- the property is no longer vacant and is now occupied as a "residential living space".)

An updated request would need to have been forwarded to Field Routing, to note that the space is no longer vacant and is now being occupied as a residential living space.

Attention: [redacted], please review and send "original completed investigation order processed by field routing. Also verify if any additional request were sent to "re-verify" an updated status on premise.

Also please note cc's to copy for field routing should include: [redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>; [redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)> and [redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>.

Thanks in advance.

[redacted]
FIELD INVESTIGATOR

DUKE-ENERGY

[redacted] <[\[redacted\]@duke-energy.com](mailto:[redacted]@duke-energy.com)>

From: [REDACTED]@duke-energy.com>

Sent: Wednesday, February 21, 2024 10:31 AM

To: [REDACTED]
[REDACTED]@duke-energy.com>

Subject: PSC KY Complaint- Premium Specialty-910119306530

Importance: High

Good morning,

We received the below complaint from the Kentucky Commission about a customer who is wanting to have the rate changed for this property.

“Customer states he has been dealing with Duke on this issue since September 2023. Customer states he has bought the property at 207 West Pike Street and has turned it into his primary resident. This building is two story, there was a business on the first floor, which is no longer there, he is being charged a commercial rate which according to customer is now an extension of his resident. He has been told the classification will be changed and then he is told it will not be changed. Please give description of residential classification from tariff to the PSC along with the history background on this account. Thank you.”

I saw a service order (100009209295) was completed on October 26, 2023, stating meter # 320295977 at 207 W. Pike St. Fl. 1, Covington, KY 41011 was a vacant commercial space not being used but the commercial rate still applies. Is there anything more the customer can do to get that changed? If not, can you help me explain to the commission why this will not be allowed?

Thank you,

[REDACTED]
Midwest Consumer Affairs
[REDACTED]



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