



approve stipulation and settlement (Joint Motion), as well as a joint stipulation, settlement agreement and recommendation (Joint Agreement). The Joint Agreement is included as an Appendix to this Order.

### BACKGROUND

Complainant purchased the property at issue in 2022.<sup>1</sup> The property had been in the Complainant's family since 1918, during which time the first floor of the property was used as a business until its closure in 2016.<sup>2</sup> Mr. Droганes maintained that there was not an active business or commercial enterprise on the property and that he did not plan to operate such an enterprise.<sup>3</sup> Despite this, Mr. Droганes contended that Duke Kentucky continued to charge the Complainant the higher, commercial, rates for electricity and gas as opposed to residential rates.<sup>4</sup> In 2023, Mr. Droганes filled out a rate change form to request the residential rate, but was told that the case had been closed without changing his electric and gas rates.<sup>5</sup> On April 24, 2024, Mr. Droганes filed a complaint, initiating this case.

On January 6, 2026, the parties submitted a Joint Agreement for Commission approval. The agreement provides in relevant part that:

1. The parties agree that Mr. Droганes is entitled to a refund from January 14, 2023, through September 24, 2025, for both his electric and natural gas service in the amount of \$1,329.36, which is the difference between what Mr. Droганes was charged

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<sup>1</sup> Complaint at 3.

<sup>2</sup> Complaint at 3.

<sup>3</sup> Complaint at 3.

<sup>4</sup> Complaint at 3.

<sup>5</sup> Complaint at 3.

as a commercial customer versus what he would have been charged as a residential customer.

2. The parties agree that Mr. Droganes' residence, as of September 24, 2025, will take service under Tariff KY P.S.C. Electric No. 2, Seventeenth Revised Sheet No. 30, Rate RS, Residential Service for so long as the second floor is used as a residence and the first floor of the premises is not used as a commercial enterprise or business.

3. The parties agree that based on this agreement, Mr. Droganes withdraws his request for a hearing.

4. The parties agree that the stipulation will act as a full and final settlement of the issues raised in Mr. Droganes' complaint.

#### DISCUSSION

On its face, the Joint Agreement appears reasonable. It is generally preferable when parties reach a resolution without expending the Commission's administrative resources. Because the parties have reached a settlement, the Commission finds that the Joint Motion should be granted and the Joint Agreement should be accepted and approved.

A copy of this Order shall be served on Sam Ollie Droganes by U.S. Postal Service First Class mail, at P.O. Box 703, 207 Pike St., Covington, Ky 41011.

IT IS THEREFORE ORDERED that:

1. Duke Kentucky and Mr. Droganes' Joint Motion to Approve Stipulation and Settlement Agreement is granted.

2. The Joint Stipulation, Settlement Agreement and Recommendation is accepted and approved.

3. A copy of this Order shall be served on Sam Ollie Droganes by the U.S. Postal Service First Class mail, at P.O. Box 703, 207 Pike St. Covington, Kentucky 41011.

4. This case is closed and is removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION

  
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Chairman

  
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Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Executive Director

ENTERED  
FEB 12 2026  
AB  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00123 DATED FEB 12 2026

FIVE PAGES TO FOLLOW



proceeding. The Parties request that the Commission issue an Order approving this Stipulation in its entirety and closing this matter.

NOW, THEREFORE, for and in consideration of the mutual premises set forth above and the terms and conditions set forth herein, the Parties agree as follows:

1. Refund: The Parties agree that Mr. Droganes is entitled to a refund from January 14, 2023, through September 24, 2025, for both his electric and natural gas service. This amounts to \$1,329.36, which is the difference between what Mr. Droganes was charged as a commercial customer verses what he would have been charged as a residential customer. A summary of the adjustments agreed to by the Parties to arrive at this refund amount is provided separately as an Excel spreadsheet.

2. Rate Classification: The Parties agree that Mr. Droganes residence, as of September 24, 2025, will take service under Tariff KY P.S.C. Electric No. 2, Seventeenth Revised Sheet No. 30, Rate RS, Residential Service for so long as the second floor is used as a residence and the first floor of the premises is not used for a commercial enterprise or business. If, however, the first floor of the premises begins to be used as a commercial enterprise or business, by Mr. Droganes or any other person, then the service at that premises will be placed on an appropriate non-residential rate, unless Mr. Droganes separately wires the premises such that the second-floor residence is separately metered from the first floor business.

3. Request for Hearing: The Parties agree that based on this Joint Stipulation and Settlement Agreement, Mr. Droganes withdraws his request for a Formal Hearing.

4. Filing of Stipulation: Following the execution of this Stipulation, the Parties shall cause the Stipulation to be filed with the Commission with a request to the Commission for consideration and approval of this Stipulation.

5. Commission Approval: The Parties to this Stipulation shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved.

6. Effect of Non-Approval: If the Commission does not accept and approve this Stipulation in its entirety or imposes any additional conditions or requirements upon the signatory Parties, then: (a) any Party may elect, in writing docketed in this proceeding, within ten (10) days of such Commission Order, that this Stipulation shall be void and withdrawn by the Parties hereto from further consideration by the Commission and neither Party shall be bound by any of the provisions herein; and (b) each Party shall have the right, within twenty (20) days of the Commission's Order, to file a petition for rehearing, including a notice of termination of and withdrawal from the Stipulation; and, (c) in the event of such termination and withdrawal of the Stipulation, neither the terms of this Stipulation nor any matters raised during the settlement negotiations shall be binding on any of the signatory Parties to this Stipulation or be construed against any of the signatory Parties. Should the Stipulation be voided or vacated for any reason after the Commission has approved the Stipulation and thereafter any implementation of the terms of the Stipulation has been made, then the Parties shall be returned to the *status quo* existing at the time immediately prior to the execution of this Stipulation.

7. Commission Jurisdiction: This Stipulation shall in no way be deemed to divest the Commission of its jurisdiction under Chapter 278 of the Kentucky Revised Statutes.

8. Complete Agreement: This Stipulation constitutes the complete agreement and understanding among the Parties hereto, and any and all oral statements, representations or agreements made prior hereto or contained contemporaneously herewith shall be null and void and

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shall be deemed to have been merged into this Stipulation. This Stipulation will act as a full and final settlement of the issues raised in Mr. Droganes' complaint.

9. Implementation of Stipulation: For the purpose of this Stipulation only, the terms are based upon the independent analysis of the Parties to reflect a just and reasonable resolution of the issues herein and are the product of compromise and negotiation.

10. Admissibility and Non-Precedential Effect: Neither the Stipulation nor any of the terms set forth herein shall be admissible in any court or administrative agency, including the Commission, except insofar as such court or agency is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not have any precedential value in this or any other jurisdiction.

11. Authorizations: The signatories hereto warrant that they have informed, advised, and consulted with the respective Parties hereto in regard to the contents of this Stipulation, and based upon the foregoing, are authorized to execute this Stipulation on behalf of the Parties hereto.

12. Commission Approval: This Stipulation is subject to the acceptance of and approval by the Commission.

IN WITNESS WHEREOF, this Stipulation has been agreed to and is effective as of this December 19, 2025. By affixing their signatures below, the undersigned Parties respectfully request the Commission to issue its Order approving and adopting this Stipulation. The Parties hereto have hereunto affixed their signatures.

SD 12.19.25

Duke Energy Kentucky, Inc.

BY: [Signature] 12/23/25  
NAME  
TITLE Deputy General Counsel

Sam Ollie Droganes

BY: Sam Droganes 12-19-25  
Sam Droganes

SD 12-19-25

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