

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))

O R D E R

On March 4, 2025, Duke Energy Kentucky, Inc. (Duke Kentucky) filed an application seeking an extension of the Commission's approval in Case No. 2021-001921 of a special contract with Northern Kentucky Water District (Northern Kentucky District) and deviation from the application of 807 KAR 5:041, Section 6(2)(c).¹

According to a report filed jointly by Duke Kentucky and Northern Kentucky District,² the startup of water pumps utilized by Northern Kentucky District were causing a voltage drop in a shared distribution circuit that exceeded the level permitted by 807 KAR 5:041, Section 6(2)(c).³ 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

¹ 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.

² Case No. 2021-00192, Mar. 4, 2025 Final Report of Duke Kentucky and Northern Kentucky District.

³ 807 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."

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.⁴ 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 asked for an extension of the deviation and present agreement 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.⁵

On April 24, 2025, The Commission issued an Order requiring Northern Kentucky District to be notified of this new case and allowing Northern Kentucky District an opportunity to intervene. Pending a final ruling, the special contract approval and deviation from 807 KAR 5:041, Section 6(2)(c) was temporarily extended to mitigate the effect of voltage drops on other customers. By Order dated June 10, 2025, Northern

⁴ Case No. 2021-00192, Mar. 4, 2022 Order at 13.

⁵ Application at 2, 9–10.

Kentucky District was permitted to intervene and noted its support of extending the special contract.⁶

Having reviewed the record and being advised, the Commission finds that the special contract approval and deviation from 807 KAR 5:041, Section 6(2)(c) should be extended through March 19, 2029, subject to the following conditions: (1) Duke Kentucky must file an executed copy of an extension of the expiring special contract on or before the expiration date of March 19, 2026, or the approval and deviation will terminate; (2) Duke Kentucky shall monitor the voltage on Northern Kentucky District's distribution feeder and file into the record of this case annual reports beginning December 31, 2026, summarizing the frequency and magnitude of voltage drops; and (3) if Duke Kentucky proposes to again extend the special contract and deviation upon the expiration of the special contract extension, it should request such an extension no later than January 19, 2029, to prevent any uncertainty as to the continued application of the special contract and deviation during the pendency of Duke Kentucky's request.

IT IS THEREFORE ORDERED that:

1. Duke Kentucky's request to extend its special contract as described in its application in this case is granted.
2. Duke Kentucky shall file an executed copy of an extension of the expiring special contract on or before the expiration date of March 19, 2026, or the approval and deviation granted in this Order will terminate on March 20, 2026.

⁶ Motion to Intervene (filed May 27, 2025), at 1.

3. Duke Kentucky shall monitor the voltage on Northern Kentucky District's distribution feeder and file into the post-case record of this case annual reports beginning December 31, 2026, summarizing the frequency and magnitude of voltage drops.

4. If Duke Kentucky proposes to again extend the special contract and deviation upon the expiration of this special contract extension, it should request such an extension no later than January 19, 2029.

5. This case is closed and shall be removed from the Commission's Docket.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


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