

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

In this case, Duke Energy Kentucky, Inc. (Duke Kentucky) seeks a declaratory order that costs to convert to an alternative fuel source 25 customers who will lose gas service upon abandonment of an interstate transmission line operated by TC Energy are recoverable. On December 16, 2025, the Commission entered an Order establishing a procedural schedule with requests for information. The Order required Duke Kentucky to provide a copy of its application and the order to all affected customers, and provided that motions for intervention shall be filed by January 16, 2026.¹ Two timely motions to intervene were filed.

MOTIONS TO INTERVENE

Morning Scott, LLC

Morning Scott, LLC (Morning Scott) filed a motion to intervene on December 5, 2026.² Morning Scott alleged in its motion that it is one of the customers that will lose gas service as a result of the abandonment of the TC Energy transmission line, and that

¹ Order (Ky. PSC Dec. 16, 2025) at 4.

² Motion to Intervene of Morning Scott, LLC. (Morning Scott's Motion) (filed Dec. 5, 2025).

it has a special interest in this case because it is a customer of Duke Kentucky that would be directly impacted by the abandonment of the TC Energy transmission line and by Duke Kentucky's alleged proposal to pay customers who will lose gas service \$25,000 to convert to an alternative fuel source.³ Morning Scott claimed the cost to convert its property to propane would substantially exceed this amount, and that the cost to convert to electric service would be even more expensive.⁴

Morning Scott stated that its interest in the proceeding is not adequately represented in the case because it is the only one with "sufficient information to provide the Commission with particulars about its property and the associated costs for conversion."⁵ Morning Scott further alleged that because of its special interest in the proceeding, its intervention "is likely to present issues or develop facts that will assist the Commission in fully considering the matters at hand."⁶

Duke Kentucky filed a response to the motion on December 12, 2026, in which it argued that Morning Scott has not met its burden to show that it has a special interest that is not otherwise adequately represented.⁷ Duke Kentucky stated that the amount of potential payments to customers to convert to an alternative fuel source is not at issue in this case, and that therefore, Morning Scott's intervention would cause delay without developing facts or assisting the Commission.⁸

³ Morning Scott's Motion at 2-3.

⁴ Morning Scott's Motion at 3.

⁵ Morning Scott's Motion at 3-4.

⁶ Morning Scott's Motion at 4.

⁷ Duke Kentucky's Response to Morning Scott's Motion (filed Dec. 2, 2025) at 2.

⁸ Duke Kentucky's Response to Morning Scott's Motion at 3.

Morning Scott filed a reply on December 16, 2026.⁹ Morning Scott asserted it has a special interest in the case because whether it continues to receive gas service or is required to convert to an alternative fuel directly impacts Morning Scott's use and enjoyment of its property.¹⁰ Morning Scott stated this interest is not represented in the case. Morning Scott stated that it can assist the Commission by presenting and developing facts about costs involved in converting from natural gas to an alternative fuel.¹¹

Tom Mason

Tom Mason filed a Motion to Intervene on January 16, 2026.¹² Mr. Mason stated that he has a special interest in this matter because the abandonment of gas service to his property would directly impact his use and enjoyment of his property.¹³ Mr. Mason claimed that conversion of his property to an alternative fuel source would cost significantly more than the \$25,000 estimate provided by Duke Kentucky.¹⁴ Mr. Mason stated that his knowledge of conversion costs for his property would assist the Commission in fully considering this matter.¹⁵

⁹ Reply to Duke Kentucky's Response to Morning Scott's Motion (Morning Scott's Reply) (filed Dec. 16, 2025).

¹⁰ Morning Scott's Reply at 3.

¹¹ Morning Scott's Reply at 4.

¹² Motion to Intervene of Tom Mason (Mason's Motion) (filed Jan. 16, 2026).

¹³ Mason's Motion at 3.

¹⁴ Mason's Motion at 3.

¹⁵ Mason's Motion at 3.

On January 23, 2026, Duke Kentucky filed a response to Mr. Mason's motion.¹⁶ Duke Kentucky argued with the exception of the Attorney General, intervention is permissive and “within the sole discretion of the Commission.”¹⁷ Duke Kentucky asserted that Mason did not meet his burden to show that he has a special interest that is not otherwise adequately represented.¹⁸ Duke Kentucky stated that the amount of potential payments to customers to convert to an alternative fuel source is not at issue in this case, and that therefore, Mr. Mason's intervention would cause delay without developing facts or assisting the Commission.¹⁹

Mr. Mason filed a reply to Duke's response on January 28, 2026.²⁰ Mr. Mason argued that contrary to Duke Kentucky's position that intervention is in the sole discretion of the Commission, the Commission must grant intervention if it is established that the movant has a special interest not otherwise adequately represented or intervention would assist the Commission without unduly complicating or delaying the case.²¹ Mr. Mason contended that he has a special interest in maintaining utility service to his property in the event the transmission line is abandoned as well as in Duke Kentucky's proposed conversion of his service to an alternative fuel source.²²

¹⁶ Duke Kentucky's Response to Request for Intervention of Tom Mason (Response to Mason's Motion) (filed Jan. 23, 2026).

¹⁷ Response to Mason's Motion at 1.

¹⁸ Response to Mason's Motion at 2.

¹⁹ Response to Mason's Motion at 3-4.

²⁰ Reply to Duke Kentucky's Response to Request for Intervention by Tom Mason (Mason's Reply) (filed Jan. 28, 2026).

²¹ Mason's Reply at 1.

²² Mason's Reply at 3.

LEGAL STANDARD

Intervention is permissive for all except the Attorney General, who has a statutory right to intervene. The regulatory standard for permissive intervention is set forth in 807 KAR 5:001, Section 4(11):

- (a) A person who wishes to become a party to a case before the commission may, by timely motion, request leave to intervene.
1. The motion shall include the movant's full name, mailing address, and electronic mail address and shall state his or her interest in the case and how intervention is likely to present issues or develop facts that will assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.

...

- (b) The commission shall grant a person leave to intervene if the commission finds that he or she has made a timely motion for intervention and that he or she has a special interest in the case that is not otherwise adequately represented or that his or her intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.

Although the regulation provides that the Commission “shall” grant the motion to intervene if either standard is met, the Commission has discretion to determine what qualifies as a special interest and whether intervention will assist it without unduly complicating the proceedings.²³ On this point, the Kentucky Court of Appeals stated:

The Commission is granted the discretion to decide whether a person “has a special interest in the case that is not otherwise adequately represented” or whether such person’s “intervention is likely to present issues or to develop facts that

²³ See, e.g., *Iola Capital v. Pub. Serv. Comm'n of Kentucky*, 659 S.W.3d 563, 574 (Ky. Ct. App. 2022).

assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.” . . .Those decisions will not be disturbed by our courts unless they are clearly arbitrary.²⁴

FINDINGS

The Commission finds that each Morning Scott and Tom Mason (collectively, Movants) have a special interest in Duke Kentucky’s obligations to customers that will be directly affected by the proposed abandonment of the TC Energy transmission pipeline. These interests are clearly different from Duke Kentucky’s other ratepayers’ interests in the abandonment of the TC Energy line because they will lose gas service. Additionally, Duke Kentucky’s ability to recover fuel conversion costs from other ratepayers is based, in part, on its argument to that it has an obligation to serve customers whose service will be terminated, which may depend on the nature of service provided.²⁵ Additionally, Movants could have information regarding the nature and history of their gas service off of the TC Energy line that could assist the Commission in determining the extent of Duke Kentucky’s obligations upon abandonment of the pipeline.

The Commission finds that the procedural schedule established by the Commission’s December 16, 2025 Order should be amended to allow the parties to exchange one round of requests for information and an opportunity to file simultaneous briefs and response briefs in the discretion of any party. To minimize the potential that allowing intervention could unduly complicate or delay the proceedings, the Commission finds that information requests should be limited to the threshold issue of whether Duke

²⁴ *Iola Capital*, 659 S.W.3d, at 574 (quoting KAR 5:001, Section 4(11)(c)).

²⁵ See KRS 278.485 (indicating certain limits on the service obligations to so called “farm tap” customers).

Kentucky has an obligation to serve those customers that will lose gas service as a result of the abandonment of the TC Energy line and such that it can recover from ratepayers the cost to convert to an alternative fuel source those customers. This includes the history and operation of the direct taps on the TC Energy pipeline and whether the metering and other equipment that Duke Kentucky operates to deliver gas to the customers with direct taps are facilities used to provide gas service “to or for the public” within the meaning of KRS 278.01(3)(b).

IT IS HEREBY ORDERED that:

1. Morning Scott’s motion to intervene is granted.
2. Tom Mason’s motion to intervene is granted.
3. Morning Scott and Tom Mason are entitled to the full rights of a party and shall be served with the Commission’s Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
4. Morning Scott and Tom Mason shall comply with all provisions of the Commission’s regulations, 807 KAR 5:001, Section 8, related to the service and electronic filing of documents.
5. The procedural schedule previously issued in this matter is amended, and the procedural schedule set forth in the Appendix to this Order shall be followed.
6. The parties shall respond to any requests for information propounded by Commission Staff as provided in those requests.

7. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of service of this Order, Morning Scott and Tom Mason shall file a written statement with the Commission that:

a. Certifies that it, or its agent, possesses the facilities to receive electronic transmissions; and

b. Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

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PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00142 DATED MAR 10 2026

All requests for information shall be filed no later than 03/16/2026

All responses to requests for information shall be filed no later than 03/23/2026

Simultaneous memorandum briefs, if any, addressing the merits of
Duke Kentucky's Application shall be filed no later than..... 03/30/2026

Simultaneous response briefs, if any, shall be filed no later than..... 04/06/2026

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