

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)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on March 23, 2026. The Commission directs Duke Kentucky to the Commission's July 22, 2021, Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1a–b.

a. State whether Duke Kentucky believes that "the costs associated with converting these customers to an alternate fuel source" (Conversion Costs) are "removal costs" or retirement costs for the pipeline and/or other property and explain the basis for Duke Kentucky's response for each property item.

b. Explain why Duke Kentucky would be responsible for the “removal costs” or retirement costs.

c. State whether Duke Kentucky has previously treated costs associated with converting customers to an alternate fuel source as removal costs. Retirement costs or is aware of that treatment being used by others and identify and explain any such previous treatment.

d. Provide any case, accounting standard, or other similar document supporting Duke Kentucky’s contention that the Conversion Costs are removal costs, retirement costs, or other costs that are Duke Kentucky’s responsibility.

2. Refer to Duke Kentucky’s response to Staff’s First Request, Item 1b, in which Duke Kentucky states “the Company would request accounting treatment the Commission believes would be necessary” if the Commission believes that the Conversion Costs would not be removal costs. Explain what accounting treatments Duke Kentucky contends would be reasonable and appropriate if it is determined that the Conversion Costs would not be removal costs and explain each basis for Duke Kentucky’s response.

3. Refer to Duke Kentucky’s Response to Staff’s First Request for Information (Staff’s First Request), Item 3.c.

a. Explain the process by which new direct, physical taps for retail gas service were added to the transmission line after its construction, including any application process and use agreements, and explain if and how it differed over time depending on when the taps were made.

b. State whether the additions of new direct “farm” taps to the transmission line were governed by or addressed in any agreement between Duke Kentucky or its predecessor and the transmission line operator. If so, produce copies of the agreement(s).

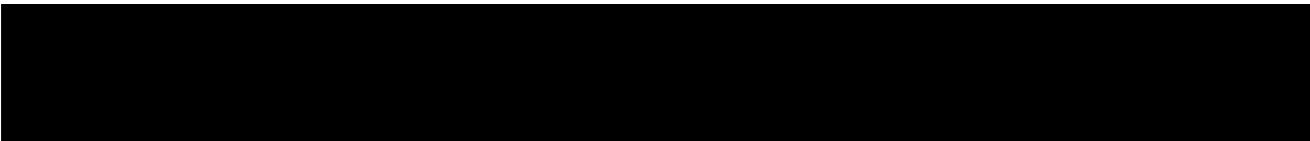
c. Explain whether Duke Kentucky had the right to add new retail customers via direct tap to the transmission line in its discretion or whether it needed additional authority from the transmission line owner for each tap, including the nature of authority it needed and the process for obtaining it.

d. Produce copies of all communications between Duke Kentucky and the transmission line operator concerning new direct “farm” tap customers added to the transmission line since January 1, 2016.

e. Refer also to Duke Kentucky’s STAFF-DR-01-003(a) Confidential Attachment. Confirm that the “Date of Tap” column refers to the date the service tap was physically added to the transmission line and not the date the specific customer’s account was created.

4. Refer to Duke Kentucky’s response to Staff’s First Request, Item 7, and the Purchase and Sale Agreement between KO Transmission and TC Energy provided in Duke Kentucky’s STAFF-DR-01-007 Confidential Attachment.

a. Describe any efforts referred to in Section 4.7 of the agreement 



b. Provide copies of all correspondence and agreements concerning a possible interconnection agreement for these farm taps.

c. State whether Duke Kentucky ever had an interconnection agreement with KO Transmission for these farm taps and, if so, provide a copy of the agreement.

5. Refer to Duke Kentucky's response to Staff's First Request, Item 8, and the contracts provided in Duke Kentucky's STAFF-DR-01-008 Confidential Attachment.

a. Confirm that all contracts provided concern gas service to one of the 27 properties that currently receive service by a direct tap on the transmission line at issue in this proceeding, including the agreements for conditional limited time gas service.

b. Describe the distribution company's rights and obligations under the agreements for conditional limited time gas service in the event it becomes necessary for the transmission company to relocate or abandon the transmission line providing gas service.

c. Describe the transmission company's rights and obligations under the agreements for conditional limited time gas service in the event it becomes necessary for the transmission company to relocate or abandon the transmission line providing gas service.

6. Refer to Duke Kentucky's response to Staff's First Request, Item 8, and STAFF-DR-01-008 CONF Attachment 1 through STAFF-DR-01-008 CONF Attachment 6.

a. Explain why the service providers in STAFF-DR-01-008 CONF Attachment 5 and STAFF-DR-01-008 CONF Attachment 6 were Columbia Gas of Kentucky, Inc. and Columbia Gas Transmission Corporation whereas STAFF-DR-01-008

CONF Attachment 1 through STAFF-DR-01-008 CONF Attachment 5 are with Duke Kentucky.

b. Identify the date on which Duke Kentucky, as distinguished from Columbia Gas of Kentucky, Inc., Columbia Gas Transmission Corporation, or some other entity, began entering into contracts to initiate service to customers served by a direct tap on the transmission line at issue, and explain the circumstances under which Duke Kentucky began initiating such service instead of Columbia Gas of Kentucky, Inc., Columbia Gas Transmission Corporation, or some other entity.

7. Explain whether Duke Kentucky investigated the cost of offering to convert customers to electric appliances in lieu of offering propane conversions, and if so, explain the expected relative costs of both options and why propane conversion was identified as the most cost-effective option. If electric conversion was not explored as an option, explain why it was not explored as an option.

8. Explain whether the transmission line at issue has ever obtained gas directly from producing wells located within this state as distinguished from an interstate pipeline, and if so, explain when and the circumstances under which it obtained gas directly from producing wells located within this state.

9. Provide copies of all communications and agreements concerning the proposed abandonment of the TC Energy transmission line between Duke Kentucky and TC Energy.

10. Provide copies of all communications concerning the proposed abandonment of the TC Energy transmission line between the farm-tap customers that will lose service as a result of the abandonment and TC Energy and/or Duke Kentucky.

11. Refer to *Columbia Gas Transmission, LLC, KO Transmission Co.*, 153 FERC ¶ 61,042 (Oct. 15, 2015), 2015 WL 6084010. In this case, Columbia Gas Transmission, LLC (Columbia Transmission) and KO Transmission asked for approval to abandon and replace another portion of the KO Transmission system in Kentucky. In considering the application, the Federal Energy Regulatory Commission FERC addressed the impact on customers of Columbia Gas of Kentucky who received gas via mainline “farm taps” on the transmission line proposed to be abandoned. FERC found that the proposed abandonment would not adversely affect these customers based on the applicants’ representation that they would provide the customers with propane as an alternative energy supply or reconnect them to another pipeline.

a. State whether Duke Kentucky has had any communications with TC Energy regarding the duty, recognized by FERC in this decision, of an interstate transmission pipeline operator to mitigate adverse impacts of pipeline abandonment on farm tap customers who receive gas by direct tap on the pipeline.

b. Explain whether a duty on the part of TC Energy to mitigate the impact of the abandonment of the transmission line on farm-tap customers by providing an alternative fuel source would affect Duke Kentucky’s right to recover from ratepayers costs incurred to convert these customers to alternative fuel.

Linda Bridwell 

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DATED **MAR 16 2026**

cc: Parties of Record

Case No. 2025-00142

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