

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY	)	
INC. FOR AN ADJUSTMENT TO RIDER ASRP	)	CASE NO.
RATES AND FOR TARIFF APPROVAL	)	2016-00228

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

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before November 7, 2016. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 person supervising the preparation of the response on behalf of the entity that the 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 it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect 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 should be given to copied 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 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 the September 19, 2016 Informal Conference ("IC") memorandum, the attachment titled "KY Accelerated Service Replacement Program," which was provided by Duke Kentucky at the September 12, 2016 IC.

a. Confirm that the Conclusions page of the attachment indicates that, based on more current information, only 7,000 to 8,000 of the 10,000 services originally estimated to be replaced through the Accelerated Service Replacement Program ("ASRP") will actually need to be replaced.

b. Confirm that the Conclusions page also indicates that the ASRP is now projected to cost from \$34 million to \$38 million, based on current trends, in comparison to the original \$50 million projection from Case No. 2015-00210.<sup>1</sup>

2. Refer to Case No. 2015-00210, Direct Testimony of John A. Hill, Jr., page 19, lines 21–22. Provide an update of the projected annual cost of the ASRP through 2020.

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<sup>1</sup> Case No. 2015-00210, *Application of Duke Energy Kentucky, Inc., for a Certificate of Public Convenience and Necessity Authorizing the Implementation of an Accelerated Service Line Replacement Program, Approval of Ownership of Service Lines, and a Gas Pipeline Replacement Surcharge*. (Ky PSC Feb. 2, 2016).

3. Refer to Duke Kentucky's September 20, 2016 supplemental response to Item 3 of the Commission Staff's First Request for Information.

a. With regard to the accelerated replacements for qualifying customer-owned curb-to-meter services of an unidentified material type, provide the annual impact of the replacement acceleration on updated projected ASRP expenditures.

b. Attachment 1, Schedule 2.3, of the supplemental response shows projected "Reconnaissance O&M" total cost of \$302,161 for 2017. Provide a breakdown of Reconnaissance O&M activities and associated cost per activity, and explain whether the cost per activity was originally underestimated, or whether the updated cost is higher due to the lower number of actual replacements, as explained on pages 2-3 of the supplemental response.



Talina R. Mathews  
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Public Service Commission  
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DATED OCT 26 2016

cc: Parties of Record

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