

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	
INC. FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	CASE NO.
AUTHORIZING THE CONSTRUCTION OF A)	2016-00168
GAS PIPELINE FROM WALTON, KENTUCKY)	
TO BIG BONE, KENTUCKY)	

COMMISSION STAFF'S FIRST 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 three copies in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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 the 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 document containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to the Direct Testimony of John A. Hill, Jr. (“Hill Testimony”), page 4, lines 1–3, that state, “The purpose of the Project is to construct necessary capacity to the Duke Energy Kentucky natural gas delivery system to meet anticipated demand and to provide greater reliability to the overall system.”

a. Provide the projected demand and the existing demand on Duke Kentucky’s system. Include support for all calculations and underlying assumptions.

b. Describe the existing capacity and proposed capacity of Duke Kentucky’s system. Include support for all calculations and underlying assumptions.

2. Refer to the Hill Testimony, page 4, lines 19–20. Provide Duke Kentucky’s annual customer counts for all classes for the indicated area for the ten-year period referenced, and estimates of annual customer counts for 2016 through 2021.

3. State whether the proposed construction will make natural gas available to areas that currently do not have access to gas service. If so, provide an estimate of new customer additions and associated growth in sales volumes for 2016 through 2021.

4. Refer to the Hill Testimony, page 4, lines 20–21, that state, “Winter pressures continue to decline in this area as Boone County’s population grows.” Explain whether Duke Kentucky has experienced any customer outages in this area due to inadequate system capacity to meet system demand.

5. Refer to the Hill Testimony, page 4, line 23, through page 5, line 2. Provide the annual volume of gas consumed by the indicated customer over the ten-year period for which information is provided in Item 2 of this request, as well as the customer’s anticipated load growth, if any, for 2016 through 2021.

6. Refer to the Hill Testimony, page 5, line 10, that states, “This pipeline will support the anticipated growth in this area.” Provide all calculations and work papers used for the design of the pipeline.

7. Refer to the Hill Testimony, page 5, lines 13–14, concerning the estimated cost of construction for the project. State all assumptions, show all calculations, and provide all work papers used to derive the estimated project cost. Where such calculations and work papers are in Microsoft Excel worksheet format, provide an electronic copy in Microsoft Excel format.

8. Refer to the Hill Testimony, page 5, line 18, and page 6, lines 1–2, that state, “Duke Energy Kentucky compared these figures to other recently completed projects and it is confident in the estimate being provided.” Provide details of all projects used as a comparison for the cost estimate. Include the project construction

dates, general locations, pipeline size and length, and the total project costs itemized by design, land, construction, and material.

9. Refer to the Hill Testimony, page 6, lines 5–8, that state, “The Company anticipates that there will be minimal (<\$5,000 per year) incremental operational and maintenance expense (“O&M”) associated with the ongoing operation of the new pipeline except for required periodic inspections and/or testing.” State all assumptions, show all calculations, and provide all work papers used to derive the estimated incremental O&M costs. Where such calculations and work papers are in Microsoft Excel worksheet format, provide an electronic copy in Microsoft Excel format.

10. Refer to the Direct Testimony of Gary J. Hebbeler (“Hebbeler Testimony”), page 4, lines 16–20. Provide the Maximum Allowable Operating Pressure (“MAOP”) of the proposed pipelines and the MAOP of the existing pipelines, UL03 and AM03.

11. Refer to the Hebbeler Testimony, page 5, lines 17–20, that state, “The route is based upon best available information at this time, acknowledging that Duke Energy Kentucky must still complete negotiations and acquisitions for private easements where applicable along the route.” Describe the status of Duke Kentucky’s negotiations and acquisitions of private easements. Include the number of private easements necessary for the project, the number of private easements obtained to-date, and whether Duke Kentucky anticipates any changes to the project scope, timeline, or estimated cost as a result of its current status for obtaining private easements.

12. Refer to the Hebbeler Testimony, page 6, lines 4–6. Explain whether Duke Kentucky anticipates any opposition for its acquisition of private easements for the proposed pipelines.

13. Refer to the Direct Testimony of Peggy A. Laub (“Laub Testimony”), page 3, lines 9–12.

a. Provide the proposed amount of Allowance for Funds Used During Construction (“AFUDC”) for the proposed pipeline and explain whether it is part of the \$13.5 million estimate.

b. Provide and explain the AFUDC rates that are to be applied for the construction of the proposed pipeline.

14. Refer to the Direct Testimony of Charles R. Whitlock (“Whitlock Testimony”), page 5, lines 3–6, that state, “The project will require two pressure regulating stations. The station at Richwood Church Road will reduce the pressure to sixty pounds per square inch gauge (“PSIG”) for the Richmond distribution system. The east regulating station will provide over pressurization for AM-03.” Provide the upstream pressure from which the station at Richwood Church Road will reduce to 60 PSIG.

15. Refer to the Whitlock Testimony, page 5, lines 21–23. Describe the low pressures during times of high consumption and provide the normal operating pressure in PSIG for this area.

16. Refer to the Whitlock Testimony, page 6, lines 18–19, that state, “This project is one that has been on the Company’s planning horizon since 2007.” Explain why the project is now being addressed after it was identified in 2007.

17. Refer to the Approval of the Kentucky Heritage Council filed as a supplement to Duke Kentucky's application on July 14, 2016; the CSX Railroad Crossing Permit filed as a supplement to Duke Kentucky's application on July 12, 2016; the Approval of the Boone County Encroachment Permit filed as a supplement to Duke Kentucky's application on June 2, 2016; and the Approval of the Stream Construction Permit by the Department of Environmental Protection, Division of Water filed as a supplement to Duke Kentucky's application on May 26, 2016. Describe any changes to the project scope, timeline, or estimated project costs as a result of any conditions or requirements of the aforementioned permits and approvals.



Talina R. Mathews
Executive Director
Public Service Commission
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DATED **JUL 28 2016**

cc: Parties of Record

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