

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR: 1) AN ADJUSTMENT OF)	CASE NO.
THE NATURAL GAS RATES; 2) APPROVAL OF)	2021-00190
NEW TARIFFS, AND 3) ALL OTHER REQUIRED)	
APPROVALS, WAIVERS, AND RELIEF)	

COMMISSION STAFF'S POST-HEARING 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 no later than November 4, 2021. 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 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

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).

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 Duke Kentucky obtains information that indicates 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 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 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. Provide the estimated annual impact on the average residential customer bill for the proposed Pipeline Modernization Mechanism based upon removal and replacement of the AM07 pipeline for 2023 through 2028.

2. Refer to the hearing testimony of Chris R. Bauer, generally, regarding Duke Kentucky's effort to secure bridge financing. Also refer to Attachment CRB-1 of Mr. Bauer's Rebuttal Testimony, Summary of Capital Structure Changes. With the bridge financing completed, provide a copy of Duke Kentucky's revised capital structure.

3. Refer to the Stipulation and Settlement Agreement (Settlement Agreement), page 4, regarding establishing a regulatory asset for nonrecurring developmental costs for Duke Kentucky's new and old customer information systems. The four criteria under which the Commission approves establishing a regulation asset are: (1) an extraordinary, nonrecurring expense which could not have reasonably been anticipated or included in the utility's planning; (2) an expense resulting from a statutory or administrative directive; (3) an expense in relation to an industry-sponsored initiative; or (4) an extraordinary or nonrecurring expense that over time will result in a saving that fully offsets the cost.

a. Identify which of the four criteria for establishing a regulatory asset applies to the proposed regulatory asset.

b. Explain how that criteria applies to the proposed regulatory asset.

4. Refer to the Settlement Agreement, page 4, regarding establishing a regulatory asset for nonrecurring developmental costs for Duke Kentucky's new and old customer information systems. Provide the amount that Duke Kentucky proposes to defer and the amortization period.

5. Refer to the hearing testimony of Brian W. Weisker, generally.

a. Provide the maximum allowable operating pressure (MAOP) for the AM07 line from the installation date to the present.

b. Provide the actual operating pressure (OP) for the AM07 line from the installation date to the present.

c. Provide the leak survey and leak repair records for the AM07 line for the past ten years.

6. Refer to Duke Kentucky's Response to Commission Staff's First Request for Information, Item 52, Attachment 1. Provide separately by year, from 2016 to the current date, the number of reconnections attributed to:

a. Enforcement of Duke Kentucky's right to cancel service agreement or to suspend service in accordance with the reasons set forth in Second Revised Tariff Sheet No. 20, page 1 of 3, numbered paragraph 3.

b. Customer requested disconnection for which the customer is reconnected within 12 months; and

c. Reconnection after disconnection for fraudulent use.

7. Refer to Duke Kentucky's Response to Commission Staff's First Request for Information, Item 52, Attachment 1. Also refer to the Application, Schedule M. For the years 2015 to 2019, the number of reconnections ranged from 715 to 981. With \$28,037 included in proposed miscellaneous revenues for the reconnection charge and a proposed reconnection charge of \$90, it appears that Duke Kentucky is forecasting approximately 311 reconnections during the forecasted period. Explain why 311 forecasted reconnections should be considered reasonable given the number of reconnections experienced from 2015 to 2019.

8. Refer to Duke Kentucky's Response to Commission Staff's First Request for Information, Item 52, Attachment 1.

a. For each year for the returned check charge, explain why dividing the total dollar amount by the number of occurrences does not come out to \$11, which is Duke Kentucky's current returned check charge.

b. For 2020 and 2021 for the reconnection charge, explain why dividing the total dollar amount by the number of occurrences does not come out to \$75, which is Duke Kentucky's current reconnection charge.

9. Refer to Duke Kentucky's Response to Commission Staff's Second Request, Item 1. Confirm that none of the forecasted plant additions included in the \$47,138,137 are related to the anticipated AM07 pipeline project. If this cannot be confirmed, provide the dollar amount of forecasted plant additions that are related to the AM07 pipeline project in the same format provide in the referenced response.

10. Refer to the hearing testimony of James E. Ziolkowski, generally, and Duke Kentucky's Response to Commission Staff's Third Request for Information, Item 23(b)(2). Provide a cost of service study schedule with all inputs updated based upon the Settlement Agreement and where mains are allocated as 100 percent demand. The schedule should be filed in Excel spreadsheet format with all columns, rows, and formulas unprotected and fully accessible.

11. Refer to the hearing testimony of Lesley G. Quick, generally. Provide the number of prospective customers who were denied service for failure to provide a Social Security number, Driver's License number, or alternate identification number, by year, from 2019 to the current date.

12. Regarding the field collection charge:

a. State whether Duke Kentucky field employees accept checks, cash, or credit card numbers from customers who pay an overdue bill amount while the employee is onsite to disconnect service for nonpayment, or whether customers must call Duke Kentucky customer service to pay the overdue amount.

b. If Duke Kentucky field employees accept checks, cash, or credit card numbers from customers for the field collection charge, describe the internal controls in place to track the money collected.

c. If Duke Kentucky field employees accept checks, cash, or credit card numbers from customers for the field collection charge, describe how the payment is recorded in and credited to the customer's account.



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Public Service Commission
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DATED OCT 20 2021

cc: Parties of Record

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