

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY )	
KENTUCKY, INC. FOR A CERTIFICATE OF )	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY )	2023-00210
AUTHORIZING THE PHASE TWO )	
REPLACEMENT OF THE AM07 PIPELINE )	

COMMISSION STAFF'S FIRST 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 August 25, 2023. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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

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<sup>1</sup> 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 plans and specifications appended to the application as Confidential Exhibit 3.

- a. Provide useful lives of all equipment to be constructed per plans.
- b. Identify any alternative designs or materials that could be used to comply with federal regulations.

c. Provide the estimated costs and useful lives of alternative pipeline designs or materials identified in the response to 1(a) above.

2. Refer to the Application, page 4-5, paragraph 6.

a. State how often pressure testing must be conducted if the pipeline is not replaced.

b. Provide estimated costs to retrofit existing pipeline to allow use of an in-line inspection (ILI) tool.

c. State how often ILI tool use is necessary to comply with federal requirements.

d. State the estimated cost of using the ILI tool to comply with federal requirements.

3. Refer to the Application, page 9, paragraph 16.

a. Provide support for the annual ongoing cost of operation of less than \$10,000 after the Project's completion.

b. Provide the expected annual costs of the required periodic inspections or testing that were not included in the estimated annual cost of operation of less than \$10,000.

4. Refer to the Direct Testimony of Neil M. Moser (Moser Direct Testimony), page 5, lines 8–9. Mr. Moser states that A.O. Smith pipe has a long history of failures due to hard spots in the pipe body along with failures on the longitudinal seam.

a. Provide a published report or study supporting this statement.

b. Provide any ruling or finding published by the Pipeline and Hazardous Materials Safety Administration (PHMSA) concerning A.O. Smith pipe.

5. Refer to Moser Direct Testimony, page 5, lines 11-16. For each section of the AM07 pipeline for which ILI or pressure testing is alleged to be required, identify the location of the section of the pipeline, provide the reason ILI or pressure testing is required, and provide the specific federal regulation which requires in-line inspection of or pressure testing of the section.

6. Refer to Moser Direct Testimony, page 6, the table at line 14. Given the recent surge in inflation and supply chain issues, explain whether Duke Kentucky anticipates a change to the proposed budget.

7. Refer to Moser Direct Testimony, page 7, lines 13–16. For the current pipeline that will be abandoned, provide the following:

- a. Explain why Duke Kentucky is proposing to abandon a portion of the pipeline.
- b. Provide the total amount Duke Kentucky is proposing to abandon.
- c. Explain the environmental impact of the abandonment.
- d. Provide estimated costs associated with abandonment.
- e. Explain whether there is a cost-benefit analysis for removal of the portion of the abandoned pipeline.

8. State whether Duke Kentucky has plans or needs to build a redundant pipeline or alternate feed to serve the areas served by the AM07 pipeline.

9. Refer to Moser Direct Testimony, page 9, lines 11-12. Itemize pressure testing costs by costs of testing, bypassing, temporary gas supply, excavation, and correcting deficiencies found during testing.

10. Provide the following:

a. A cost-benefit analysis of constructing the proposed pipeline replacement, including capital cost, depreciation, and future testing costs for the life of the new pipeline;

b. A cost-benefit analysis of pressure testing existing pipeline without retrofitting for use of an ILI tool for the same period of time; and

c. A cost-benefit analysis of retrofitting existing pipeline for use of an ILI tool for the same period of time.

11. Refer to Duke Kentucky's Application, Direct Testimony of Neil M. Moser, page 6, line 14 and Duke Kentucky's Application in Case No. 2022-00084,<sup>2</sup> Direct Testimony of Brian R. Weisker, page 6, line 8. Explain the reason for the differences in the estimated costs for each between the two filings.



Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED     AUG 08 2023    

cc: Parties of Record

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<sup>2</sup> Case No. 2022-00084, *Electronic Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity Authorizing the Phase One Replacement of the AM07 Pipeline* (filed Mar. 28, 2022), Application.

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