

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY )	
KENTUCKY, INC. FOR AN ADJUSTMENT TO )	CASE NO.
RIDER PMM RATES AND FOR TARIFF )	2022-00229
APPROVAL )	

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 an electronic version of the following information. The information requested is due on October 7, 2022. 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 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. Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 2.
  - a. Provide an itemized breakdown of the estimated \$32.25 million construction cost for Phase One of the AM07 pipeline project.
  - b. Identify those portions of the work expected to be completed after December 31, 2022.

2. Refer to Duke Kentucky's response to Staff's First Request, Item 3. Identify the minimal savings and minimal increase in operation and maintenance costs Duke Kentucky expects due to Phase One of the AM07 pipeline project.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 6, stating that "the retirement costs were projected based on needed work to abandon the pipeline" and that there was "no netting of values" to calculate retirement costs.

a. Explain in more detail how the retirement costs were projected.

b. Explain how the methodology used to project retirements mirrors "how the actual retirements will occur."

c. Confirm that "Retirements" does not reflect the removal of any portion of the existing pipeline or other existing equipment from plant in service, and explain why it does not reflect the removal of any portion of the existing pipeline or other equipment from plant in service. If it cannot be confirmed, explain why.

d. Explain why retirement costs "based on needed work to abandon the pipeline" are reflected as a reduction to the 13-month average cost of the project at issue in this matter.

e. Explain how the "retirement costs" compare to the negative salvage value for the plant being retired, as calculated through past depreciation, and the reason for any differences in the "retirement costs" and negative salvage value.

f. Identify any existing plant that will be taken out of service due to Phase One of the AM07 pipeline project, provide the original cost or estimated original cost of that plant by account, and if applicable, explain how that original cost was estimated.

4. Confirm that retiring existing plant in service will reduce rates, even if there is no rate base change due to a corresponding adjustment to accumulated depreciation because the retirement will result in a reduction to depreciation expense. If this cannot be confirmed, explain why.

5. Explain how salvage value was calculated for the pipeline and other equipment being replaced in Phase One of the AM07 pipeline project.



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Public Service Commission  
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DATED SEP 27 2022

cc: Parties of Record

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