

**COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

The Application of Duke Energy Kentucky,)
Inc., for a Certificate of Public)
Convenience and Necessity Authorizing)
the Implementation of an Accelerated)
Service Line Replacement Program,) Case No. 2015-00210
Approval of Ownership of Service Lines,)
and a Gas Pipeline Replacement Surcharge)

JOINT MOTION TO EXCUSE WITNESSES DUE TO SETTLEMENT

Now comes Duke Energy Kentucky, Inc., (Duke Energy Kentucky or the Company) and the Attorney General of the Commonwealth (Attorney General), (collectively the Parties) and hereby respectfully requests the Kentucky Public Service Commission (Commission) excuse the appearance of certain of the Company's witnesses in this proceeding, in light of the settlement of this case, as set forth in the Stipulation and Recommendation filed on December 18, 2015 (Stipulation). Specifically, the Parties request that the Commission excuse the appearance of Roger A. Morin Ph.D. and Edward A. McGee of Lummus Consultants International, and any other Company witnesses the Commission or Staff do not wish to cross examine at the hearing of this matter, currently scheduled for January 19, 2016.

I. BACKGROUND

On or about July 6, 2015, Duke Energy Kentucky, Inc. filed its application with the Commission, pursuant to KRS 278.020, and 278.509, and 807 KAR 5:001, Sections 14 and 15, for Certificate of Public Convenience and Necessity (CPCN) authorizing the

implementation of an Accelerated Service Line Replacement Program (ASRP), Approval of Ownership of Service Lines, and a Gas Pipeline Replacement Surcharge (Rider ASRP) (Application). In support of its Application, Duke Energy Kentucky submitted the testimony and supplemental testimony of several witnesses, including:

a. Charles R. Whitlock, Senior Vice President of Midwest Delivery and Gas Operations for Duke Energy Kentucky, who discussed the Company's operations and integrity management programs and the need for the project;¹

b. Peggy A. Laub, Director of Rates and Regulatory Planning Ohio/Kentucky, who discussed the ASRP surcharge mechanism, its calculation, annual filings and true-up, as well as the likely rate impact of the surcharge mechanism;²

c. Gary Hebbeler, General Manager Gas Field and System Operations, who discussed the ASRP construction and specifications;³

d. John A. Hill, Jr., Director of Gas Engineering, who discussed the state and federal regulations driving the Company's integrity management programs, how programs are identified and budgeted, how costs are managed, and how the ASRP is consistent with those regulations;⁴

e. Edward A. McGee, with Lummus Consultants International, who discussed the analysis supporting the need for the project⁵ and sponsored Exhibit 4 to the Company's Application, Condition Analysis of Kentucky Service Lines.

f. William Don Wathen Jr., Director of Rates & Regulatory Strategy - Ohio

¹ Application Exhibit 5, filed July 6, 2015.

² Application Exhibit 6, filed July 6, 2015.

³ Application Exhibit 7, filed July 6, 2015.

⁴ Application Exhibit 8, filed July 6, 2015.

⁵ Application Exhibit 9, filed July 6, 2015.

and Kentucky, who discussed the financial condition of the Company;⁶ and

g. Roger A. Morin Ph.D., who presented analysis and discussed the reasonable rate of return for the Company's proposal.⁷

On or about July 7, 2015, the Attorney General filed its motion to intervene, which was subsequently granted by the Commission. The Attorney General and the Staff of the Commission engaged in substantial investigation of the Company's Application by issuing numerous information requests to which the Company has responded. The Attorney General did not file testimony in this proceeding.

The investigation resulted in the Stipulation that was filed on December 18, 2015. The Stipulation represents a full and complete resolution of the matter between the Parties to this proceeding. In support of the Stipulation, Duke Energy Kentucky has filed the direct testimony of Company Witness William Don Wathen Jr. Mr. Wathen will be present at the January 19th hearing to support the Stipulation and respond to any questions the Commission or the Staff may have regarding the settlement terms and conditions.

II. REQUEST TO EXCUSE WITNESSES

The Stipulation resolves all of the issues between the Parties regarding the Company's Application in this proceeding. As part of the Stipulation, the Parties have agreed to waive cross examination of all witnesses except in support of the Stipulation or in the event the Stipulation is not approved by the Commission.⁸ Therefore, the only cross examination that will occur at the January 19th hearing, will be that initiated by the Commission and its Staff. In the interest of efficiency, as well as cost, and time management, the Parties jointly and respectfully request that the Commission excuse certain of the above-identified witnesses from having to appear at the

⁶ Direct Testimony of William Don Wathen Jr., filed August 24, 2015.

⁷ Direct Testimony of Roger A. Morin Ph.D., filed August 24, 2015.

⁸ Stipulation, at pg. 5.

January 19th hearing to the extent their presence is no longer necessary because the Stipulation has resolved any disputed issues set forth in their respective testimonies.

Specifically, the Parties jointly request that Dr. Morin and Mr. McGee be excused from appearing in person at the hearing and that their testimonies be submitted into the record. Both Dr. Morin and Mr. McGee are external consultants who have additional clients other than Duke Energy Kentucky. They are not direct employees of the Company and reside and work outside of the vicinity of the Commonwealth. As a result, their presence at the January 19th hearing would require air travel and likely overnight accommodations that would come at additional costs. In light of the Stipulation, their presence is no longer necessary for the Commission or Staff to evaluate the merits of the Company's ASRP proposal. For example, the Stipulation results in an agreed upon return on equity for the Company's Rider ASRP that is lower than what Dr. Morin supported in his testimony. Similarly, the Stipulation results in the implementation of the ASRP initiative to address the risks and need for action identified in Mr. McGee's testimony. Therefore, the appearance both Dr. Morin and Mr. McGee is no longer necessary as the Stipulation resolves any issues that they would otherwise support under cross examination. As such, both Dr. Morin and Mr. McGee should be excused from having to appear at the January 19th hearing.

The Company is willing to present any other Company witnesses that either the Commission or the Staff wishes to cross examine at the January 19th hearing. However, in the interest of judicial efficiency, as well as cost and time management, the Parties also request that the Commission consider and excuse any other witnesses that neither the Commission nor Staff have a need to cross examine. Such additional witnesses include Messrs. Whitlock, Hebbeler,


and Hill and Ms. Laub.⁹ Excusing additional witnesses who are not necessary to the Commission's evaluation of the merits of the Stipulation or the Company's proposal will expedite the hearing and reduce the expense of these witnesses traveling and their time away from the office. To the extent that either the Commission or Staff wish to question Messrs. Whitlock, Hebbeler, and Hill or Ms. Laub, regarding the Company's natural gas operations, integrity management programs, the ASRP initiative, or rate calculations, then such witnesses will be made available for cross examination at the hearing. If however, the Commission and Staff do not deem such inquiry necessary, then the Parties request that such witnesses be excused from having to appear.

WHEREFORE, the Parties jointly request the Commission excuse from appearing at the January 19, 2016 hearing, Dr. Roger A. Morin, Mr. Edward McGee and any other Company witnesses that are no longer necessary to the Commission's evaluation of the Company's Application or the Parties' Stipulation.

⁹ Mr. Wathen has submitted testimony in support of the Stipulation and will be present at the hearing.

Respectfully submitted,

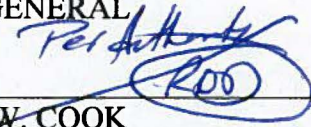
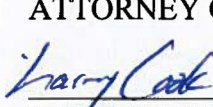
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via
overnight mail, this 8TH day of January, 2016:

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