

**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) Case No. 2016-00168
the Construction of a Gas Pipeline from)
Walton, Kentucky to Big Bone, Kentucky)

APPLICATION

Now comes Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), pursuant to KRS 278.020 and 807 KAR 5:001, Sections 14 and 15, and other applicable law, and hereby respectfully requests from the Kentucky Public Service Commission (Commission) an Order granting a Certificate of Public Convenience and Necessity (CPCN) for approval of the construction of a nine and a half mile in length, twelve-inch diameter, natural gas pipeline from Walton, Kentucky to Big Bone, Kentucky and associated facilities, including a 4,000 foot long, eight-inch diameter pipe and two pressure regulating stations (Project). In support of this Application, Duke Energy Kentucky respectfully states as follows:

Introduction

1. Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky is a Kentucky corporation originally incorporated on March 20, 1901, in good standing, and a public utility as that term is defined in KRS 278.010(3), and, therefore, is subject to the Commission's jurisdiction. Duke Energy Kentucky is engaged in the business of furnishing natural gas and electric services to various municipalities and unincorporated

areas in Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in the Commonwealth of Kentucky.

2. Duke Energy Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202. The Company's local office address in Kentucky is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky 41018.

3. Copies of all orders, pleadings and other communications related to this proceeding should be sent to:

Rocco O. D'Ascenzo
Associate General Counsel
Duke Energy Kentucky, Inc.
139 E. 4th St., Cincinnati, OH 45202
Rocco.D'Ascenzo@duke-energy.com
KYfilings@duke-energy.com

Background

4. Duke Energy Kentucky has identified a need to construct a new twelve-inch in diameter natural gas pipeline, approximately ten miles in length, in Boone County, Kentucky extending from Walton, Kentucky to Big Bone, Kentucky. This Project is necessary due to load growth and from a system reliability standpoint.

5. Boone County is the fourth most populous and is one of the fastest developing counties in the Commonwealth of Kentucky.¹ Upon information and belief, this growth includes all three customer segments: residential; commercial; and industrial natural gas loads. This rapid growth has resulted in customer demand reaching near the limits of the Company's existing natural gas system's capacity. The Company is projecting growth to continue in this area, necessitating additional capacity construction to meet projected demand.

¹ <http://www.indexmundi.com/facts/united-states/quick-facts/kentucky/population-growth#chart>

6. The Project will connect two existing pipeline segments on the Duke Energy Kentucky natural gas delivery system, namely, UL03 and AM03. The Project will also connect UL03 to the existing delivery system in Richwood. UL03 is located on the western portion of the Company's service territory and is fed from Duke Energy Kentucky's Erlanger Station. UL03 extends south approximately twenty-five miles to serve about 21,000 customers in portions of Boone, Gallatin and Grant Counties. The AM03 pipeline is located more towards the center of Duke Energy Kentucky's delivery system and extends south approximately twenty-five miles to serve over 10,000 customers in the towns of Taylor Mill, Latonia Lakes, Independence, Walton, Crittenden, Dry Ridge and Williamstown. Presently these two pipelines connect at the southernmost point of Duke Energy Kentucky's service territory through a separate east-west line known as UL33.

7. The purpose of, and need for, 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. In the current configuration, the AM03 and UL03 lines cannot be operated separately without negatively impacting customers. This impact could occur either in the winter due to increased system demand or during summer months if there is a triggering event such as a pipeline breach caused by excavation or some other incident. The proposed Project will provide a new interconnection point between these two pipelines in the center of Duke Energy Kentucky's system, where additional reliability, supply and pressure are necessary to continue to provide customers with adequate natural gas service. The proposed connection from Big Bone to the existing system at Richwood will provide a needed and

beneficial supply loop for this 100 plus square miles of service territory. The eight inch pipe will be used to serve the Richwood distribution system. The pressure station at Richwood Church Road will reduce the pressure to 60 pounds per square inch gauge (psig) for the Richwood distribution system and the east regulating station will provide overpressurization for AM-03. The Project will provide additional feeds to the gas delivery system to support continued growth in southern Boone and Kenton Counties and will provide system flexibility to back-feed portions of both the UL03 and AM03 segments in the event of scheduled or emergency work.

8. Duke Energy Kentucky anticipates that the majority of the project will be located in private easements that will be obtained following approval of this application. Where private easements are not possible, the Company will locate the Project within existing municipal road right-of-ways. Private easements are preferable in that it allows the Company to maintain greater control over the pipeline and to mitigate any impact to system integrity and reliability due to municipal street widening or improvement projects. The Company estimates that the Project can be completed by November 2017.

9. The current estimated project cost is approximately \$13.5 million dollars as detailed in the chart below:

Task	Total
Design	\$0.8M
Land	\$1.7M
Construction	\$9M
Material	\$2M
	<u>\$13.5M</u>

Request for Certificate of Public Convenience and Necessity

10. In accordance with 807 KAR 5:001 Section 12(2)(a)-(i), Duke Energy Kentucky is filing the following information in Exhibit 1, which is incorporated herein and made a part of this Application filed in this proceeding:

<u>Exhibit 1</u>	<u>Description</u>	<u>807 KAR 5:001</u>
<u>Page</u>		<u>Section Reference</u>
	Financial Exhibit	12 (2)
1	Amount and kinds of stock authorized	12(2)(a)
1	Amount and kinds of stock issued and outstanding	12(2)(b)
1	Terms of preference or preferred stock	12(2)(c)
1	Brief description of each mortgage on property of Duke Energy Kentucky	12(2)(d)
2	Amount of bonds authorized and issued and related information	12(2)(e)
2	Notes outstanding and related information	12(2)(f)
2-3	Other indebtedness and related information	12(2)(g)
3-4	Dividend information	12(2)(h)
4-6	Detailed Income Statement and Balance Sheet	12(2)(i)

11. 807 KAR 5:001, Section 15 sets forth the requirements to receive a CPCN. In accordance with Section 15(2)(a), the Application and supporting testimonies describe the facts relied upon to show the Project is required by public convenience or necessity in that the Project is necessary from a reliability standpoint.

12. In accordance with Section 15(2)(b), the Company has previously filed with the Commission the applicable franchises from the proper public authorities. Additionally, the following permits or applications for such permits are attached hereto as Exhibits 2(a) through (e):

- a. Kentucky Transportation Cabinet permit;²
- b. Railroad crossing permit;³

² Exhibit 2(a).

- c. Energy and Environmental Protection Cabinet Division of Water, Section 401 of the Clean Water Act of 1977 permit;⁴
- d. U.S. Army Corps of Engineers Section 404 Notification;⁵ and
- e. Boone County encroachment permit.⁶

Duke Energy Kentucky has submitted all necessary permit applications, but has not yet received approval for these permits. There has been no indication that the permit applications will not be approved. In order to complete construction on time and by the 2017-2018 winter heating season, the Company must submit its application now and commits to supplement the filing as permit approvals are received. Portions of Exhibits 2(c) and 2(d) are being provided under a petition for confidential treatment.

13. In accordance with Section 15(2)(c), which requires the Company to provide a full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which the facilities will be constructed, Duke Energy Kentucky respectfully states that this information is provided in Exhibits 3 and 4(a) and (b) to this Application and the direct testimonies submitted in support thereof. Copies of Exhibits 4(a) and (b) are being provided under a petition for confidential treatment.

14. In accordance with Section 15(2)(d)(1)-(2), requiring maps showing the location or route of the proposed construction or extension and plans and specifications and drawings of the proposed plant, equipment, and facilities, Duke Energy Kentucky respectfully states that Exhibits 3 and 4(a) and (b) contain a map and engineering

³ Exhibit 2(b).

⁴ Exhibit 2(c).

⁵ Exhibit 2(d).

⁶ Exhibit 2(e).

drawings, respectively, showing the route, location and nature of the proposed construction. Because the Company's Project is applicable only in the Company's service territory, the program will not compete with any public utilities, corporations, or persons. Exhibits 5(a) through (h) to this Application contain the preliminary work specifications for the Project.

15. In accordance with Section 15(2)(e), the Company states that it proposes to finance the construction through continuing operations and debt instruments, as necessary.

16. In accordance with Section 15(2)(f), the total estimated cost of construction for the Project is approximately \$13.5 million. The annual ongoing cost of operation of the Project once completed is expected to be minimal, and less than \$5,000.

Testimony and Exhibits

17. Additional facts supporting this Application are set forth in the following direct testimonies attached to this Application as Exhibits 6 through 9:

- a. Charles R. Whitlock, Senior Vice President of Midwest Delivery and Gas Operations for Duke Energy Kentucky, provides an overview of the Company's gas operations and the Project;⁷
- b. Gary Hebbeler, General Manager Gas Field and System Operations, discusses the Project construction and preliminary specifications;⁸
- c. John A. Hill, Jr., Director of Integrity Management, Engineering and Growth, discusses the need for the Project, the permits required for the Project, system reliability, population growth in Boone County,

⁷ Exhibit 6.

⁸ Exhibit 7.

pressure improvement and estimated costs of construction and ongoing operation;⁹ and

- d. Peggy A. Laub, Director of Rates and Regulatory Planning, discusses the estimated impacts to the Company's rates of the Project.¹⁰

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission:

- 1) Issue a CPCN for approval of the construction of a gas pipeline from Walton, Kentucky to Big Bone, Kentucky; and
- 2) Grant any other relief to which the Company may be entitled.

⁹ Exhibit 8.


¹⁰ Exhibit 9.

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Charles R. Whitlock being duly sworn, deposes and says that he is the Senior Vice President of Midwest Delivery and Gas Operations of Duke Energy Kentucky, Inc., that he has personal knowledge of the matters set forth in the foregoing, and that the information contained therein is true and correct to the best of his knowledge, information and belief.

DUKE ENERGY KENTUCKY

By: 
Charles R. Whitlock, Affiant
Senior Vice President, Midwest Delivery
and Gas Operations of Duke Energy
Kentucky, Inc.

Subscribed and sworn to before me by Charles R. Whitlock, Senior Vice President of Midwest Delivery and Gas Operations, Duke Energy Kentucky, Inc., on this 11 day of May 2016.

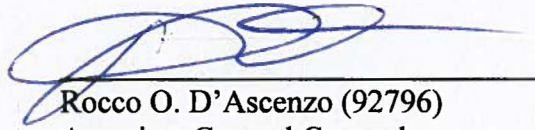


Julie M. Thompson
Notary Public, State of Ohio
My Commission Expires 11-19-2020


NOTARY PUBLIC

My Commission Expires: 11-19-2020

Its Attorneys,



Rocco O. D'Ascenzo (92796)

Associate General Counsel

Amy B. Spiller (85309)

Deputy General Counsel

Duke Energy Business Services LLC

139 East Fourth Street, 1313 Main

Cincinnati, Ohio 45201-0960

Phone: (513) 287-4320

Fax: (513) 287-4385

e-mail:rocco.d'ascenzo@duke-energy.com

e-mail:amy.spiller@duke-energy.com

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Application of Duke Energy Kentucky, Inc. has been served via electronic mail to the following party on this 11 day of May 2016.

Hon. Lawrence Cook
Office of the Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601



Rocco O. D'Ascenzo

**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) Case No. 2016-00168
the Construction of a Gas Pipeline from)
Walton, Kentucky to Big Bone, Kentucky)

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS APPLICATION**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its Application filed in this proceeding requesting a Certificate of Public Convenience and Necessity (CPCN) for approval of the construction of a natural gas pipeline from Walton, Kentucky to Big Bone, Kentucky and associated facilities. The information for which Duke Energy Kentucky now seeks confidential treatment contained in certain pages to Confidential Exhibits 2(c) and 2(d) and Confidential Exhibits 4(a) and (b), attached to its Application, includes critical utility infrastructure by way of engineering drawings showing the exact route, location, depths, pressures, and nature of the proposed construction (Confidential Information). The public release of this information would create a security risk for both the Company and its customers.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain records in KRS 61.878(1)(m)(1)(f) and (1)(g). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the records would “have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act and limited to:...

f. Infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems, including public utility critical systems. These critical systems shall include but not be limited to information technology, communication, electrical, fire suppression, ventilation, water, wastewater, sewage, and gas systems;

g. The following records when their disclosure will expose a vulnerability referred to in this subparagraph: detailed drawings, schematics, maps, or specifications of structural elements, floor plans, and operating, utility, or security systems of any building or facility owned, occupied, leased, or maintained by a public agency...”

2. Duke Energy Kentucky requests confidential treatment for pages 318-323 and 327-363 of Confidential Exhibit 2(c), pages 319-323 and 328-364 of Exhibit 2(d) and pages 5-40 of Exhibit 4(a) and pages 4-8 of Exhibit 4(b) attached to its Application as these engineering drawings show the precise location of gas systems considered to be critical infrastructure information. This information needs to be kept confidential in order to continue to provide delivery of safe and reliable gas service to Duke Energy Kentucky customers. The release of this information would threaten the public safety by providing precise locations of critical utility infrastructure that could be used and exploited to the detriment of the safety of the general public.

3. The information for which Duke Energy Kentucky is seeking confidential treatment was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file publicly with any agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the gas industry.

4. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

6. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and one copy without the confidential information included.

7. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially

sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, Duke Energy Kentucky, Inc. respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco O. D'Ascenzo (92796)
Associate General Counsel
Amy B. Spiller (85309)
Deputy General Counsel
Duke Energy Business Services LLC
139 East Fourth Street, 1313 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
e-mail:rocco.d'ascenzo@duke-energy.com
e-mail:amy.spiller@duke-energy.com

Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Petition for Confidential Treatment of Information of Duke Energy Kentucky, Inc. has been served via electronic mail to the following party on this 11 day of May 2016.

Hon. Lawrence Cook
Office of the Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601



Rocco O. D'Ascenzo

FINANCIAL EXHIBIT**(1) Section 12(2)(a) Amount and kinds of stock authorized.**

1,000,000 shares of Capital Stock \$15 par value amounting to \$15,000,000 par value.

(2) Section 12(2)(b) Amount and kinds of stock issued and outstanding.

585,333 shares of Capital Stock \$15 par value amounting to \$8,779,995 total par value. Total Capital Stock and Additional Paid-in Capital as of March 31, 2016:

Capital Stock and Additional Paid-in Capital
As of March 31, 2016
(\$ per 1,000)

Capital Stock	\$8,780
Premiums thereon	18,839
Total Capital Contributions from Parent (since 2006)	8,594
Contribution from Parent Company for Purchase of Generation Assets	<u>140,061</u>
 Total Capital Stock and Additional Paid-in-Capital	 <u>\$176,274</u>

(3) Section 12(2)(c) Terms of preference or preferred stock, cumulative or participating, or on dividends or assets or otherwise.

There is no preferred stock authorized, issued or outstanding.

(4) Section 12(2)(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name or mortgagee, or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with any sinking fund provision.

Duke Energy Kentucky does not have any liabilities secured by a mortgage.

- (5) **Section 12(2)(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving the date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.**

The Company has four outstanding issues of unsecured senior debentures issued under an Indenture dated December 1, 2004, between itself and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by three Supplemental Indentures. The Indenture allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued and outstanding under the Indenture are the following:

Supplemental Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2015
1 st Supplemental	3/7/2006	50,000,000	0	5.750%	3/10/2016	2,875,000
1 st Supplemental	3/7/2006	65,000,000	65,000,000	6.200%	3/10/2036	4,030,000
2 nd Supplemental	9/22/2009	100,000,000	100,000,000	4.650%	10/1/2019	4,650,000
3 rd Supplemental	1/5/2016	45,000,000	45,000,000	3.420%	1/15/2026	0
3 rd Supplemental	1/5/2016	50,000,000	50,000,000	4.450%	1/15/2046	0
			260,000,000			11,555,000

- (6) **Section 12(2)(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.**

Not applicable.

- (7) **Section 12(2)(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.**

The Company has two series of Pollution Control Revenue Refunding Bonds issued under a Trust Indenture dated as of August 1, 2006 and a Trust Indenture dated as of December 1, 2008, between the County of Boone, Kentucky and Deutsche Bank National Trust Company as Trustee. The Company's obligation to make payments equal to debt service on the Bonds is evidenced by a Loan Agreement dated as of August 1, 2006 and December 1, 2008 between the County of Boone, Kentucky and Duke Energy Kentucky. The Bonds issued under the Indentures are as follows:

Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2015
Series 2010	11/24/2010	26,720,000	26,720,000	0.04% ⁽¹⁾	8/1/2027	9,531
Series 2008A	12/01/2011	50,000,000	<u>50,000,000</u>	1.07% ⁽²⁾	8/1/2027	<u>536,552</u>
			<u>76,720,000</u>			<u>546,083</u>

(1) The interest rate represents the average floating-rate of interest on the bonds for 2015. The interest rate on the bonds resets every 7 days through an auction process. The variable-rate debt was swapped to a fixed rate of 3.86% for the life of the debt.

(2) The interest rate represents the average floating-rate of interest on the bonds for 2015. The interest rate on the bonds resets on the first day of every month based on 75% of the sum of one month and spread of 1.25%.

The Company has issued and has outstanding as of March 31, 2016 the following capital leases:

Series	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity
Erlanger	12/30/2006	2,100,000	945,305	8.634	09/30/2020
2007	12/31/2007	3,066,955	786,911	5.115	12/31/2016
2009	04/21/2009	3,429,432	1,248,752	4.821	04/21/2018
2010	06/18/2010	<u>955,061</u>	<u>447,761</u>	3.330	06/18/2019
		<u>9,551,448</u>	<u>3,428,729</u>		

The Company also has \$25,000,000 of money pool borrowings outstanding as of March 31, 2016, which is classified as Long-Term Debt payable to affiliated companies. This obligation, which is short-term by nature, is classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing.

(8) **Section 12(2)(h) Rate and amount of dividends paid during the last five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.**

DIVIDENDS PER SHARE

<u>Year Ending</u>	<u>Per Share</u>	<u>Total</u>	<u>No. of Shares</u>	<u>Par Value of Stock</u>
December 31, 2011	230.64	135,000,000	585,333	8,779,995
December 31, 2012	17.08	10,000,000	585,333	8,779,995
December 31, 2013	68.34	40,001,000	585,333	8,779,995
December 31, 2014	0.00	0	585,333	8,779,995
December 31, 2015	93.96	55,000,000	585,333	8,779,995

(9) Section 12(2)(i) Detailed Income Statement and Balance Sheet

See the attached pages for the detailed Income Statement for the twelve months ended March 31, 2016 and the detailed Balance Sheet as of March 31, 2016.

DUKE ENERGY KENTUCKY, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands)

	Twelve Months Ended March 31 2016
Operating Revenues	349,645
	-
Electric	349,645
	84,525
	-
Gas	84,525
Total operating revenues	434,170
Operating Expenses	
Fuel used in electric generation and purchased power	133,841
Natural gas purchased	29,143
Operation, maintenance and other	131,502
Depreciation and amortization	42,396
Property and other taxes	13,148
Goodwill and other impairment charges	-
Total operating expenses	350,030
Gains on Sales of Other Assets and Other, net	11
Operating Income	84,151
Other Income and Expenses, net	1,272
Interest Expense	14,794
Income Before Income Taxes	70,629
Income Tax Expense	23,614
Income From Continuing Operations	47,015
Income From Discontinued Operations, net of tax	-
Net Income	47,015

DUKE ENERGY KENTUCKY, INC.
Condensed Balance Sheets
(Unaudited)

(In thousands, except share amounts)	March 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	10,728	9,141
Receivables (net of allowance for doubtful accounts of \$165 at March 31, 2016 and \$195 at December 31, 2015)	1,706	5,488
Receivables from affiliated companies	8,721	11,499
Notes receivable from affiliated companies	18,843	-
Inventory	41,143	44,141
Regulatory Assets	6,730	8,879
Other	17,746	36,956
Total Current Assets	105,617	116,104
Investments and Other Assets		
Intangibles, net	127	89
Other	5,609	6,359
Total Investments and Other Assets	5,736	6,448
Property, Plant and Equipment		
Cost	2,093,052	2,079,761
Less Accumulated Depreciation and Amortization	(930,078)	(923,578)
Net Property Plant and Equipment	1,162,974	1,156,183
Regulatory Assets and Deferred Debits		
Regulatory Assets	71,440	61,411
Other	310	332
Total Regulatory Assets and Deferred Debits	71,750	61,743
Total Assets	1,346,077	1,340,478
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	17,428	25,654
Accounts payable to affiliated companies	14,195	14,426
Notes payable to affiliated companies	-	55,743
Taxes Accrued	10,831	10,550
Interest Accrued	3,527	3,343
Current Maturities of Long-Term Debt	51,446	101,519
Regulatory Liabilities	2,527	2,668
Other	17,509	19,260
Total Current Liabilities	117,463	233,163
Long-Term Debt	287,006	192,508
Notes payable to affiliated companies	25,000	25,000
Deferred Credits and Other Liabilities		
Deferred Income Taxes	297,675	289,642
Investment Tax Credit	836	887
Accrued Pension and Other Post-Retirement Benefit Costs	11,668	11,649
Asset Retirement Obligations	103,345	103,500
Regulatory Liabilities	52,867	52,986
Other	27,048	26,711
Total Deferred Credits and Other Liabilities	493,439	485,375
Commitments and Contingencies		
Equity		
Common Stock, \$15.00 par value, 1,000,000 shares authorized and 585,333 shares outstanding at March 31, 2016 and December 31, 2015	8,780	8,780
Additional Paid in Capital	167,494	167,494
Retained Earnings	246,895	228,158
Total Equity	423,169	404,432
Total Liabilities and Equity	1,346,077	1,340,478



Kentucky Transportation Cabinet
 Department of Highways
 Permits Branch

TC 99-1 (A)
 1/2015
 Page 1 of 4


APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 	
Name	DUKE ENERGY	Permit Information	
Address	139 EAST FOURTH STREET	Address	
	EX460	City	WALTON
City	CINCINNATI	State	KY Zip 41094
State	OH Zip 45202	County	BOONE
Phone#	(513) 315-8338	Route No.	US25 Mile-Point
Contact	JOHN PERKINS	Longitude (X)	-84.60912
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.88480
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>	
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-Ing
Access:		<input type="checkbox"/> Full	<input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA HORIZONTAL DIRECTIONAL DRILL ALONG WALTON-NICHOLSON ROAD ON RAMP ACROSS DIXIE HIGHWAY (US25) CROSSING FROM WEST TO EAST AT APPROXIMATELY 29' NORTH OF THE CENTERLINE OF THE WALTON-NICHOLSON ROAD RAMP (KY16). MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).


 Signature

3/30/16
 Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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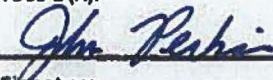
APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. <input type="text"/>	
Name	DUKE ENERGY	Permit Information	
Address	139 EAST FOURTH STREET	Address	
	EX460	City	WALTON
City	CINCINNATI	State	KY Zip 41094
State	OH Zip 45202	County	BOONE
Phone#	(513) 315-8338	Route No.	KY16 Mile-Point
Contact	JOHN PERKINS	Longitude (X)	-84.61082
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.88521
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>	
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA HORIZONTAL DIRECTIONAL DRILL ALONG THE ON RAMP FOR WALTON-NICHOLSON ROAD (KY16) CROSSING FROM WEST TO EAST AT APPROXIMATELY 505' WEST OF THE CENTERLINE OF DIXIE HIGHWAY (US 25). MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).


 Signature

3/30/16
 Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information				KYTC No.		
Name	DUKE ENERGY			Permit Information		
Address	139 EAST FOURTH STREET			Address		
	EX460			City	WALTON	
City	CINCINNATI			State	KY	Zip 41094
State	OH	Zip	45202	County	BOONE	
Phone#	(513) 315-8338			Route No.	Mile-Point	
Contact	JOHN PERKINS			Longitude (X)	-84.62329	
Phone	(513) 287-1276	Cell	(513) 315-8338	Latitude (Y)	38.89010	
Email	JOHN.PERKINS@DUKE-ENERGY.COM			<i>Information below to be filled out by KYTC</i>		
Contact	ANDREW KOWALEWSKI			<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance	
Phone	(630) 967-0909	Cell	(847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____	
Email	AKOWALEWSKI@ENENGINEERING.COM			<input type="checkbox"/> Left	<input type="checkbox"/> Right	<input type="checkbox"/> X-ing
				Access:	<input type="checkbox"/> Full	<input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA OPEN CUT ALONG CHAMBERS ROAD FOR APPROXIMATELY 220' WITHIN THE PAVEMENT UNDER THE TUNNEL FOR I-71/I-75. PIPELINE CROSSES PAVEMENT AT APPROXIMATELY 880' EAST OF THE CENTERLINE OF I-71/I-75. MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5 WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

John Perkins
 Signature

3/30/16
 Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 	
Name	DUKE ENERGY	Permit Information	
Address	139 EAST FOURTH STREET	Address	
	EX460	City	WALTON
City	CINCINNATI	State	KY Zip 41094
State	OH Zip 45202	County	BOONE
Phone#	(513) 315-8338	Route No.	KY338 Mile-Point
Contact	JOHN PERKINS	Longitude (X)	-84.692425 AND -84.652085
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.885855 AND 38.898785
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>	
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA OPEN CUT WITHIN THE PAVEMENT OF RICHWOOD ROAD BETWEEN RICHWOOD CHURCH ROAD AND CHAMBERS ROAD. PIPELINE CROSSES PAVEMENT AT 1934 RICHWOOD ROAD. MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

John Perkins 3/30/16
 Signature Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No.			
Name	DUKE ENERGY	Permit Information			
Address	139 EAST FOURTH STREET	Address			
	EX460	City			
City	CINCINNATI	State	KY	Zip 41091	
State	OH	Zip	45202	County	BOONE
Phone#	(513) 315-8338	Route No.	US42	Mile-Point	
Contact	JOHN PERKINS	Longitude (X)	-84.69440		
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.88339		
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>			
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance		
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____		
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right	<input type="checkbox"/> X-ing	
Access:		<input type="checkbox"/> Full	<input type="checkbox"/> Partial	<input type="checkbox"/> by Permit	

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA JACK AND BORE AT THE INTERSECTION OF US 42 AND DICKERSON ROAD. MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(s) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

 _____
 Signature Date 3/30/16

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 	
Name	DUKE ENERGY	Permit Information	
Address	139 EAST FOURTH STREET	Address	
	EX460	City	
City	CINCINNATI	State	KY Zip 41091
State	OH Zip 45202	County	BOONE
Phone#	(513) 315-8338	Route No.	KY338 Mile-Point
Contact	JOHN PERKINS	Longitude (X)	-84.754093 THROUGH -84.699274
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.888705 THROUGH 38.878869
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>	
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

12" STEEL PIPELINE INSTALLED VIA OPEN CUT ALONG BEAVER ROAD IN THE PUBLIC ROW STARTING AT GUM BRANCH ROAD THROUGH KITE LANE AND FROM LIBERTY HILLS DRIVE THROUGH BIG OAK ROAD. PIPELINE CROSSES PAVEMENT AT 2222 & 2209 BEAVER ROAD AS WELL AS AFTER GUM BRANCH ROAD AND PRIOR TO LIBERTY HILLS DRIVE. MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH X-52, 0.250" WALL THICKNESS PIPE.

THE UNDERSIGNED PERMITTEE(s) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).


 Signature

3/30/16
 Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 	
Name	DUKE ENERGY	Permit Information	
Address	139 EAST FOURTH STREET	Address	
	EX460	City	WALTON
City	CINCINNATI	State	KY Zip 41094
State	OH Zip 45202	County	BOONE
Phone#	(513) 315-8338	Route No.	KY338 Mile-Point
Contact	JOHN PERKINS	Longitude (X)	-84.692425 AND -84.652085
Phone	(513) 287-1276 Cell (513) 315-8338	Latitude (Y)	38.885855 AND 38.898785
Email	JOHN.PERKINS@DUKE-ENERGY.COM	<i>Information below to be filled out by KYTC</i>	
Contact	ANDREW KOWALEWSKI	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(630) 967-0909 Cell (847) 712-2724	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	AKOWALEWSKI@ENENGINEERING.COM	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-Ing
		Access:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

General Description of Work:

8" MDPE (PLASTIC) PIPELINE INSTALLED VIA OPEN CUT ALONG RICHWOOD ROAD BETWEEN RICHWOOD CHURCH ROAD AND CHAMBERS ROAD. PIPELINE CROSSES PAVEMENT AT 922 RICHWOOD ROAD AND ENTERS ROW AT 840 RICHWOOD ROAD. PROPOSED MAIN TO TIE IN TO EXISTING PIPE IN ROW AT THE INTERSECTION OF RICHWOOD ROAD AND HICKS PIKE. MAIN TO BE INSTALLED AT A MINIMUM COVER OF 5' WITH SDR 13.5 PIPE.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).


 Signature


 Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application shall become void if not approved by the cancellation date. The cancellation date shall be one year from the date the permittee submits their application.



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APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.
2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.
3. **INDEMNITY:**
 - A. **PERFORMANCE BOND:** The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
 - B. **PAYMENT BOND:** At the discretion of the department, a payment bond will be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
 - C. **LIABILITY INSURANCE:** Liability insurance will be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
 - D. It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.
4. A copy of this application and all related documents making up the approved permit will be given to the applicant and shall be made readily available for review at the work site at all times.
5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.
6. Permittee, its successors and assigns, shall comply with and agrees to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.
7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.
8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, and/or add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, and/or other corrective measures must be completed will be specified in the notice.



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APPLICATION FOR ENCROACHMENT PERMIT

9. Where traffic signals are required as a condition of granting the requested permit or are thereafter required to correct motor vehicular safety deficiencies, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee, its successors and assigns, and/or the Department in its reasonable discretion and only in accordance with the Department's current policy set forth in the Traffic Operations Manual and Permits Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, its successors and assigns, at no expense to the Department.

10. The requested encroachment shall not infringe on the frontage rights of an abutting owner without their written consent as hereinafter described. Each abutting owner shall express their consent, which shall be binding on their successors and assigns, by the submission of a notarized statement as follows, "I (we), _____, hereby consent to the granting of the permit requested by the applicant along Route _____, which permit does affect frontage rights along my (our) adjacent real property." By signature(s) _____, subscribed and sworn by _____, on this date _____.

11. The permit, if approved, is subject to the agreement that it shall not interfere with any similar rights or permit(s) previously granted to any other party, except as otherwise provided by law.

12. Permittee shall include documentation which describes the facilities to be constructed. Permittee, its successors and assigns, agrees as a condition of the granting of the permit to construct and maintain any and all permitted facilities or other encroachments in strict accordance with the submitted and approved permit documentation and the policies and procedures of the Department. Permittee, its successors and assigns, shall not use facilities authorized herein in any manner contrary to that prescribed by the approved permit. Only normal usage as contemplated by the parties and by this application and routine maintenance are authorized by the permit.

13. Permittee, its successors and assigns, at all times from the date permitted work is commenced until such time as all permitted facilities or other encroachments are removed from the right-of-way and the right-of-way restored, shall defend, protect, indemnify and save harmless the Department from any and all liability claims and demands arising out of the work, encroachment, maintenance, or other undertaking by the permittee, its successors and assigns, related or undertaken pursuant to the granted permit, due to any claimed act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party nor operate to enlarge any liability of the Department beyond that existing at common law or otherwise if this right to indemnity did not exist.

14. Upon a violation of any provision of the permit, or otherwise in its reasonable discretion, the Department may require additional action by the permittee, its successors and assigns, up to and including the removal of the encroachment and restoration of the right-of-way. In the event additional actions required by the Department under the permit are not undertaken as ordered and within a reasonable time, the Department may in its discretion cause those or other additional corrective actions to be undertaken and the Department may and shall recover the reasonable costs of those corrective actions from the permittee, its successors and assigns.

15. Permittee, its successors and assigns, shall use the encroachment premises in compliance with all requirements of federal law and regulation, including those imposed pursuant to Title VI of the Civil Right Act of 1964 (42 U.S.C. § 2000d et seq.) and the related regulations of the U.S. Department of Transportation in Title 49 C.F.R. Part 21, all as amended.



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APPLICATION FOR ENCROACHMENT PERMIT

16. Permittee, its successors and assigns, agree that if the Department determines it is necessary for the facilities or other encroachment authorized by the permit to be removed, relocated or reconstructed in connection with the reconstruction, relocation or improvement of a highway, the Department may revoke permission for the encroachment to remain under the permit and may order its removal, relocation or reconstruction by the permittee, its successors and assigns, at the expense of the permittee, except where the Department is required by law to pay any or all of those costs.

17. Permittee agrees that the authorized permit is personal to the permittee and shall remain in effect until such time as (a) the permittee's rights to the adjoining real property to have benefitted from the requested encroachment have been relinquished, (b) until all permit obligations have been assumed by appropriate successors and assigns, and (c) unless and until a written release from permit obligations has been granted by the Department. The permit and its requirements shall also bind the real property to have benefitted from the requested encroachment to the extent permitted by law. The permit and the related encroachment become the responsibility of the successors and assigns of the permittee and the successors and assigns of each property owner benefitting from the encroachment, or the encroachment may not otherwise permissibly continue to be maintained on the right-of-way. (Does not apply to utility encroachments serving the general public.)

18. If work authorized by the permit is within a highway construction project in the construction phase, it shall be the responsibility of the permittee to make personal contact with the Department's Engineer on the project in order to coordinate all permitted work with the Department's prime contractor on the project.

19. This permit is not intended to, nor shall it, affect, alter or alleviate any requirement imposed upon the permittee, its successors and assigns, by any other agency.

20. Permittee, its successors and assigns, agrees to contain and maintain all dirt, mud, and other debris emanating from the encroachment away from the surrounding right-of-way and the travel way of the highway hereafter and at all times that its obligations under the permit remain in effect.



APPLICATION FOR FACILITY/UTILITY INSTALLATIONS

Legal Address: CSX Transportation, Inc.
 ATTN: Corridor Occupancy Services
 500 Water Street, J180
 Jacksonville, FL 32202

Mailing Address: CSX Transportation, Inc.
 ATTN: Corridor Occupancy Services
 6737 Southpoint Drive South, J-180
 Jacksonville, FL 32216

Please Note: Any missing information will cause a delay in processing your request

SUBMITTAL MUST INCLUDE THE FOLLOWING:

- Completed Application
- Drawing(s)
- Review Fee(s)

I, the undersigned, hereby acknowledge that the information provided is accurate to the best of my knowledge. I acknowledge that no construction or entry upon CSXT's corridor is permitted until CSXT has provided authorization.

Customer Signature John Perkins

Application Date: 10/16/15

CSXT File/Agreement Number:

SECTION 1: FACILITY OWNER INFORMATION TO BE COMPLETED BY APPLICANT

ALL FIELDS MARKED WITH AN ASTERICK (*) ARE REQUIRED FIELDS AND MUST BE COMPLETED

Owner/Legal Company Identification (Required)

*Owner's Complete Legal Company Name:	DUKE ENERGY		
Legal Address (1):	139 East Fourth St.		
Legal Address (2):	EX460		
City:	Cincinnati	State:	OH Zip: 45202
*Business Type:	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Partnership
	<input type="checkbox"/> Municipality	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> General Partnership
*State of Incorporation:	North Carolina	Other Business Type - Describe:	

Billing Address

(Check box if same as above); if not, please complete below.

Billing Address (1):			
Billing Address (2):			
City:		State:	
			Zip:

Project Contact Information

*Contact Name:	JOHN PERKINS	Contact Title:	Senior Engineer
Office Phone:	513-287-1276	Mobile Phone:	513-315-8338
*Email:	JOHN.PERKINS@DUKE-ENERGY.COM	*24/7 Emergency Phone:	513-315-8338

SECTION 2: PROJECT CONTACT INFORMATION TO BE COMPLETED BY APPLICANT

- Check here if address is the same as the legal address above.
- Check here if you do not wish for all correspondence/Agreement to be sent to this address.

Project Engineer/Consultant/Agent Information

Engineer/Consultant/Agent Company Name:	EN ENGINEERING		
Contact Name:	ANDREW KOWALEWSKI		
Mailing Address:	28100 TORCH PARKWAY		
City:	WARRENVILLE	State:	IL Zip: 60555
Office Phone:	630-967-0909	Mobile Phone:	847-712-2724
*Email:	AKOWALEWSKI@ENENGINEERING.COM		

SECTION 3: PROJECT INFORMATION/LOCATION

TO BE COMPLETED BY APPLICANT

Project Reference

Provide Utility Owner Project Reference Number:

Does Applicant have a General/Master Agreement with CSX?

- Yes General/Master Agreement number and date:
 No

Check box to indicate type of installation request:

- New Installation Request
 Upgrade to Existing Utility within the CSX Corridor
 Replacement of Existing Utility within the CSX Corridor
 Relocation of Existing Utility within the CSX Corridor
 Attaching to or Installing within an Existing Utility within the CSX Corridor

} Existing Agreement Number: _____

Is this project related to another transaction/project with CSX:

- Yes If yes, please choose one of the following:
 No Industrial Development Public Projects Other - Describe:
 CSX Contact's name for related project:

Will proposed installation connect to an existing utility owned by another entity within railroad corridor?

- Yes For attachments, replacements, relocations, or upgrades, please provide the name of
 No connecting utility owner owned by entity other than applicant: _____

Check all boxes that apply to indicate type of installation request:

- Aerial Pole Owner Information:
 Jack & Bore (Availability of bore machine must be confirmed for pipelines 4 inch or less)
 Horizontal Direction Drill (Please complete the Bore Plan Template)
 Other Describe

Project Description

Description of work within CSX Corridor ONLY (purpose, scope of work, materials, equipment, geographic features, special conditions):

SEE ATTACHED.

Project Location

Will utility installation be located entirely within public road right-of-way:

- Yes Provide AAR/DOT Crossing Inventory Number of Road (posted at crossing): 345 727V
 No

Provide Lat./Long. coordinates of actual track crossing location:

Latitude: 38.884499 Longitude: -84.608938

*City: Walton

*County: BOONE

*State: KY

Review Fees

All requests require a non-refundable review fee payable to CSX Transportation, Inc. Below is the schedule of fees. A "standard" proposal meets CSX's specifications, i. e., no design or construction method variation. A "variance" proposal does not meet CSX's specifications. Horizontal directional drilling is not a standard approved method of installation and is considered a variance.

REVIEW FEE SCHEDULE: UTILITY ENCROACHMENTS				
Per Location				
Aerial Proposals	Standard		Variance	
Crossings				
Wireline	\$	1,250	\$	3,750
Pipeline: Overhead pipe structures not accepted		Contact CSX		Contact CSX
Parallel				
0 to less than 500 lineal feet	\$	1,250	\$	3,750
500 feet to less than 1,000 lineal feet	\$	2,500	\$	4,750
Greater than 1,000 lineal feet		Contact CSX		Contact CSX
Sub-Grade Proposals	Standard		Variance	
Per Location - Based on Casing diameter Size				
Crossings				
0 to less than 10 inches	\$	1,450	\$	3,950
10 inches to less than 24 inches	\$	1,950	\$	5,450
24 inches to less than 30 inches	\$	2,500	\$	6,000
30 inches to less than 42 inches	\$	3,500	\$	7,000
42 inches to less than 66 inches	\$	4,000	\$	7,500
66 inches to less than 96 inches*	\$	6,000	\$	9,500
Greater than 96 inches*		Contact CSX		Contact CSX
Parallel - 0 to less than 500 lineal feet				
0 to less than 10 inches	\$	1,450	\$	3,950
10 inches to less than 24 inches	\$	1,950	\$	5,450
24 inches to less than 30 inches	\$	2,500	\$	6,000
30 inches to less than 42 inches	\$	3,500	\$	7,000
42 inches to less than 66 inches	\$	4,000	\$	7,500
66 inches to less than 96 inches*	\$	6,000	\$	9,500
Greater than 96 inches*		Contact CSX		Contact CSX
Parallel - 500 to less than 1,000 lineal feet				
0 to less than 10 inches	\$	2,150	\$	4,650
10 inches to less than 24 inches	\$	2,650	\$	6,150
24 inches to less than 30 inches	\$	3,200	\$	6,700
30 inches to less than 42 inches	\$	4,200	\$	7,700
42 inches to less than 66 inches	\$	4,700	\$	8,200
66 inches to less than 96 inches*	\$	6,700	\$	10,250
Greater than 96 inches*		Contact CSX		Contact CSX
Parallel - 1,000 lineal feet or greater				
		Contact CSX		Contact CSX

**PROPOSED WORK DESCRIPTION FOR DUKE ENERGY GROUP PIPE CROSSING ON EXISTING CSX
RAILROAD CROSSING LOCATED EAST OF US 25 AND CROSSING WALTON-NICHOLSON ROAD, WALTON,
KENTUCKY**

Duke Energy proposes to install approximately nine hundred and eighty-one (981) feet of 12" steel gas main twenty-five (25) feet below an existing CSX railroad track located east of US 25 and crossing Walton-Nicholson Road. The pipeline is required to deliver gas to the customers of Duke Energy in the area. The proposed gas main will be located thirty-five (35) feet north of the existing center line on Walton-Nicholson Road and will cross the existing railroad track at an 86 degree angle.

Horizontal Directional Drilling (HDD) will be used to install the gas main. The installation will require specialized drilling equipment including track, drill rack, drill pipe, drill bit, back reamers, and drilling fluid. All proposed work is to be done outside of the existing right-of-way limits of CSX property and no restoration of any CSX property will be required.

Please refer to the site plan of the area, plan view, profile of the crossing, and pipe data sheet provided in the permit application for more detail.

Horizontal Directional Drilling (HDD) Bore Plan Template

Failure to provide all requested information will cause a delay or rejection of your request.

Bore Pipe Information:

Pipe Size (O.D.): 12.750" Pipe Material & Grade: Steel X52 Weight of Pipe (lb/ft): 28.58
(Outside Diameter of pipe to be bored) HDPE must be grade SDR 11 or better (thicker wall)

Maximum size of bore hole: 16 " Number and Diameter of back reams: (2)-16" Reams

***The maximum size of the bore hole may not exceed Outside Diameter (O.D.) x 1.5 if O.D. is 12" or less. If the O.D. is greater than 12", the bore hole may not exceed O.D. x 1.3 or O.D. + 12" whichever is less.

Equipment Information:

Proposed Equipment (Brand/Model): _____

Method of Drilling Fluid Recovery: _____

Maximum Drilling Machine Pullback Capabilities: _____

Minimum Drilling RPM: _____ Maximum Drilling RPM: _____

Minimum Drilling PSI: _____ Maximum Drilling PSI: _____

Minimum Drilling GPM: _____ Maximum Drilling GPM: _____

Drilling Head Type: _____ Dia.: _____ in. Number/Size of Holes/Nozzles: _____

Back Reamer Head: Type: _____ Dia.: _____ in. Number/Size of Holes/Nozzles: _____

Drilling Head Fluid Pressure: Pilot Bore: _____ psi/min _____ psi/max _____ Operating psi

Back Ream: _____ psi/min _____ psi/max _____ Operating psi

Anticipated Drilling Fluid Rate: Pilot Bore: _____ gal/min Back Ream: _____ gal/min

Geotechnical: Soil Type: _____ Bearing Capacity: _____ psi

***For bores 20" or larger, a soil boring geotechnical profile is required

Design Information: Entry Angle: 12° Exit Angle: 12° Depth: Base of rail to Top of Casing: 25' (NO CASING)

We will adopt CSX Transportation's Fraction Mitigation Contingency Plan for Directional Drilling: Y (Y/N)

NOTES:

- Once the bore enters CSXT property, the work must be continuous until the drilling is complete and the pipe is pulled in place.
- The bore must be tracked constantly, with the location and depth marked every 10 feet.
- All construction activities must comply with CSXT's Interim Guidelines for Horizontal Directional Drilling (HDD).
- The project must comply with all conditions, obligations, and additional safety precautions required by the local CSXT Division.
- Owner or Contractor shall give a minimum of Thirty (30) days advance notice to CSXT Representative for anticipated need for Flagging and Inspection service. No work shall be undertaken until the Flag Person(s) and Inspector(s) are at the job site.
- Drilling fluid with Bentonite additive is required.
- Dry Bores and Wet Bores (Jetting) are not allowed.