

VERIFICATION

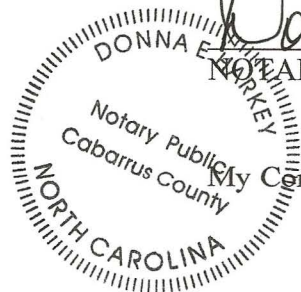
STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) SS:

The undersigned, Chris Bauer, Director, Corporate Finance-Asst. Treasurer, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Chris Bauer Affiant


Subscribed and sworn to before me by Chris Bauer on this 1 day of Nov,
2021.


Donna E Harkey
NOTARY PUBLIC
My Commission Expires: 03-01-24

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Jay Brown, Director Rates & Regulatory Planning, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Jay Brown Affiant

Subscribed and sworn to before me by Jay Brown on this 28th day of October,
2021.



NOTARY PUBLIC

My Commission Expires: July 8, 2022



E. MINNA ROLFES-ADKINS
Notary Public, State of Ohio
My Commission Expires
July 8, 2022

VERIFICATION

STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, Brian Weisker, SVP, Chief Op Off Natural Gas, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained are true and correct to the best of his knowledge, information and belief.

Brian Weisker
Brian Weisker Affiant

Subscribed and sworn to before me by Brian Weisker on this 25th day of October 2021.

SHANNON L. WALL
Notary Public, North Carolina
Mecklenburg County
My Commission Expires
June 28, 2022

Shannon L. Wall
NOTARY PUBLIC

My Commission Expires: 6/28/2022

VERIFICATION

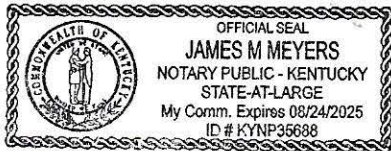
STATE OF KENTUCKY)
)
COUNTY OF KENTON) SS:

The undersigned, Jeff Kern, Rates & Regulatory Strategy Manager, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Jeff Kern Affiant

Subscribed and sworn to before me by Jeff Kern on this 26 day of October,
2021.





NOTARY PUBLIC

My Commission Expires: 8/24/2025

VERIFICATION

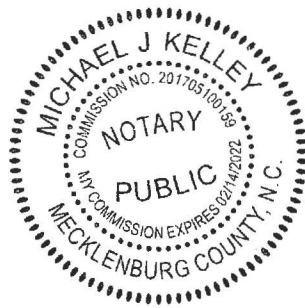
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, Lesley Quick, VP Strategic Planning, Governace & Technology, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that it is true and correct to the best of her knowledge, information, and belief.

Lesley Quick

Lesley Quick Affiant

Subscribed and sworn to before me by Lesley Quick on this 29 day of OCTOBER 2021.



Michael J. Kelley

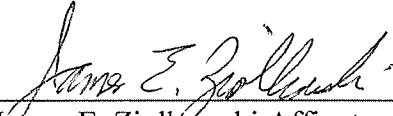
NOTARY PUBLIC

My Commission Expires: 02/14/2022

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) **SS:**

The undersigned, James E. Ziolkowski, Director Rates & Regulatory Planning, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing post-hearing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



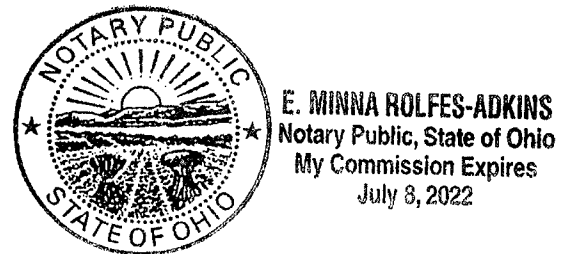
James E. Ziolkowski Affiant

Subscribed and sworn to before me by James E. Ziolkowski on this 28th day of October, 2021.



NOTARY PUBLIC

My Commission Expires: July 8, 2022



KyPSC Case No. 2021-00190
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Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-001

REQUEST:

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.

RESPONSE:

The table below is based on the current estimates of capital investments for the AM07 pipeline for 2023 through 2028. It assumes that rates are effective the beginning of the year following the filing. For example, the PPM 2022 Filing would be filed on or before July 1, 2022 and rates would be effective the first billing cycle of January 2023. The estimated PMM in the table below is the estimated monthly bill impact for a customer with average usage of 57 CCF and assumes there is no base rate case filed during the term of the rider where it would be reset to zero. The estimated annual impact would be that amount times 12.

Duke Energy Kentucky Case No. 2021-00190 Typical Residential Bill Increase for PMM						
	AM 07 Revenue Requirement	Allocated to RS 67.4%	Annual Number of RS Bills	Estimated PMM	Total Bill	% Increase
Typical RS Bill at 57 ccf *					\$71.68	
PPM 2022 Filing	\$298,271	\$201,034	1,122,862	\$0.18	\$71.86	0.2%
PPM 2023 Filing	\$4,613,509	\$3,109,505	1,130,932	\$2.75	\$74.43	3.6%
PPM 2024 Filing	\$7,812,508	\$5,265,630	1,139,148	\$4.62	\$76.30	2.5%
PPM 2025 Filing	\$11,437,779	\$7,709,063	1,147,514	\$6.72	\$78.40	2.7%
PPM 2026 Filing	\$14,585,373	\$9,830,542	1,155,940	\$8.50	\$80.18	2.3%
PPM 2027 Filing	\$19,041,489	\$12,833,964	1,164,429	\$11.02	\$82.70	3.1%

* Proposed Settlement Rates

PERSON RESPONSIBLE: Sarah E. Lawler

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-002

REQUEST:

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.

RESPONSE:

Please see STAFF-PHDR-01-002 Attachment. The capital structure agreed upon in the Stipulation and shown in the supplemental testimony of Sarah E. Lawler in support of the settlement, page 17 included a conservative Company estimate of the rate for the bridge financing at 0.83 percent. Subsequently, the Company has received feedback from the bank updating the estimated rate to 0.8485 percent. This change would increase the rate of return from 6.541 percent to 6.542 percent and decrease the stipulated adjustment related to the financing from \$0.107 million to \$0.102 million. Please note that the Company will also be refinancing the two-year term debenture during the four year stay out and expects the rate on the new debenture to be significantly higher. Any change to the Stipulation's capital structure or rate of return would impede the Company's ability to absorb those additional costs.

PERSON RESPONSIBLE: Sarah E. Lawler
Chris R. Bauer

DUKE ENERGY KENTUCKY, INC.
 CASE NO. 2021-00190
 COST OF CAPITAL SUMMARY
 THIRTEEN MONTH AVERAGE BALANCE ENDING DECEMBER 31, 2022

LINE NO.	CLASS OF CAPITAL	13 MONTH AVG. BALANCE (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity	861,861,344	51.344%	9.375%	4.814%
2	Long-Term Debt	772,830,214	46.039%	3.657%	1.684%
3	Short-Term Debt	<u>43,936,209</u>	<u>2.617%</u>	1.667%	<u>0.044%</u>
4					
5	Total Capital	<u>1,678,627,767</u>	<u>100.000%</u>		<u>6.54200%</u>

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-003

REQUEST:

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.

RESPONSE:

- a. Number four.
- b. The expenses that the Company has agreed to defer for settlement purposes are extraordinary or nonrecurring. Establishing a regulatory asset for the actual costs incurred and amortizing the asset over a 15-year period ensures that customers only pay for actual costs incurred. If the Commission were to deny regulatory asset treatment, the \$1.7 million reduction in the revenue requirement agreed to in the stipulation would need to be added back into the test period. Customers would then

be paying this amount on an annual basis until the time of the Company's next natural gas base rate case, which if the stipulation is approved will be at least 4 years. Establishing the regulatory asset results in the least cost outcome for customers.

The Direct testimony of Retha Hunsicker discusses all of the benefits that the new CIS system will provide.

PERSON RESPONSIBLE: Jay P. Brown

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-004

REQUEST:

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

RESPONSE:

For settlement purposes, the Company agreed to remove \$1,860,699 of test year costs related to the new and old customer information systems from the test period. The actual amount that the Company includes in the regulatory asset will be the actual costs incurred through 2022. These costs will be amortized over a 15-year period if a regulatory asset is approved.

PERSON RESPONSIBLE: Jay P. Brown

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

CONFIDENTIAL STAFF-PHDR-01-005
(As to Attachments only)

REQUEST:

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.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to attachments only)

- a. Prior to October 2015, AM07 operated with a MAOP of 392 psig. Duke Energy completed a MAOP verification study in 2015 following the release of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011. During the records review, AM07 was found to have segments installed pre- and post-1970 with some pipe segments having pressure test records and some segments without pressure test records. Therefore, AM07 MAOP determination method meets 192.619(a)(1), (a)(2) and (a)(3). The pre-1970 segments with a pressure test of 550 psig have a documented MAOP of 392 psig based on 192.619 (a)(2) where the pressure test divided by the class factor (Class 3) in accordance with Table 1 in paragraph 192.619 (a)(2)(ii) is 392 psig. The MAOP for pre-1970 segments on AM07 that do

not have pressure test records was established by way of the Grandfather clause, 192.619(a)(3), based on the highest recorded pressure of the segments for the 5 years preceding July 1, 1970. The highest operating pressure of the segments during the preceding 5 years was 371 psig, therefore establishing a pipeline MAOP for AM07 of 370 psig. Please see STAFF-PHDR-01-005(a) Confidential Attachment for supporting 1965-1970 detail.

- b. Please see STAFF-PHDR-01-005(b) Confidential Attachment for the hourly output from Duke Energy Kentucky's SCADA system showing the hourly pressure data for the Cold Springs Data Point that serves as the inlet conditions to the AM07 Pipeline from 2006 to present conditions. The Company does not have ready access to AM07 data for the period of 1970 through 2006. The data would have to be recovered from archives and will take weeks to obtain. Also note that the highest operating pressures for the 5 years preceding 1970 were included in the response above for historical establishment of MAOP for AM07.
- c. Please see STAFF-PHDR-01-005(b) Confidential Attachment 1 for a summary of AM07 leak surveys and STAFF-PHDR-01-005(b) Confidential Attachment 2 for a summary of AM07 leak repairs.

PERSON RESPONSIBLE: Brian W. Weisker

CONFIDENTIAL PROPRIETARY TRADE SECRET

STAFF-PHDR-01-005(a)
CONFIDENTIAL ATTACHMENT

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

STAFF-PHDR-01-005(b)
CONFIDENTIAL ATTACHMENT

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

STAFF-PHDR-01-005(c)
CONFIDENTIAL ATTACHMENT 1

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

STAFF-PHDR-01-005(c)
CONFIDENTIAL ATTACHMENT 2

FILED UNDER SEAL

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-006

REQUEST:

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 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.

RESPONSE:

Duke Energy Kentucky’s Customer Information System (CMS) purges this data after two years under record retention schedules, so information as to the reason for disconnection is not available for 2016 through October of 2019. See below for the data from the previous two years.

	10/27/19 – 12/31/19	1/1/20 – 12/31/20	1/1/21 – 10/26/21
a. Disconnect for non-payment	61	64	83
b. Seasonal disconnect	6	38	4
c. Disconnect for fraud	0	10	8

PERSON RESPONSIBLE: Jeff L. Kern

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-007

REQUEST:

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.

RESPONSE:

The proposed miscellaneous revenue for reconnection charges of \$28,037 was not calculated based on a forecasted number of reconnections. As shown in the response to STAFF-DR-02-070, the 6 months of actual data in the base period was used to get percentages to allocate the total forecasted miscellaneous revenue into the various categories. Revenue for reconnection charges was then increased by 20% to reflect the increase in the charge from \$75 to \$90.

The revenue from Reconnection Charges decreased dramatically in 2020 due to the moratorium on disconnections during the Covid-19 pandemic. The Company began allowing customers who desired to disconnect their service on a seasonal basis to instead choose a "soft close" where the meter is read remotely and billing is discontinued until the

customer uses more than 40 ccf in a month or October 15th, whichever comes first. In this way, pilot lights can remain lit and the Company does not need to dispatch a crew to the premise to disconnect or reconnect service and the customer therefore is not charged for reconnection.

Since this practice was instituted at the same time as the pandemic, it's difficult to determine to what level reconnections will return in 2022. However, based on the number of reconnections to date in 2021, 311 reconnections seem reasonable. As shown in the response to STAFF-PHDR-01-006, there were 95 total reconnections in the first 10 months of 2021. Assuming 9.5 reconnections per month would result in 114 per year, indicating that 311 may actually be a high-end estimate.

PERSON RESPONSIBLE: Jeff L. Kern

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-008

REQUEST:

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.

RESPONSE:

- a. For each year, the average returned check charge in Item 52, Attachment 1 does not equal \$11 because many of the returned check charges were related to combination (i.e., the account has both electric and gas service) accounts. For gas-only accounts, the full \$11 is included in the gas-related returned check revenues. For combination accounts, the Company's billing system allocates \$5.50 to the gas service and \$5.50 to the electric service. Therefore, the calculated average returned check charge based on data in Item 52, Attachment 1 is lower than \$11.
- b. The average reconnection charges for 2020 and 2021 do not equal \$75 because of combination accounts (accounts that have both gas and electric service). Until May 2020, the gas reconnection tariff (Third Revised Sheet No. 81) contained a

maximum combined reconnection fee of \$88 that was allocated between gas and electric service. Beginning in May 2020, this provision was eliminated in the tariff (Fourth Revised Sheet No. 81) pursuant to an order in Case No. 2019-00271. Since then, the billing system applies reconnection charges to combination accounts equal to the sum of the \$75 gas charge and the \$5.88 remote electric reconnection charge. This equals \$80.88. The billing system applies half of this amount (\$40.44) to gas and the other half to electric. In summary, the allocation of charges between electric and gas services causes the average gas reconnection fee to be less than \$75.

PERSON RESPONSIBLE: James E. Ziolkowski

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-009

REQUEST:

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.

RESPONSE:

Duke Energy Kentucky confirms that none of the forecasted plant additions are related to the anticipated AM07 pipeline.

PERSON RESPONSIBLE: Abby L. Motsinger

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-010

REQUEST:

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.

RESPONSE:

Please see STAFF-PHDR-01-010 Attachment. This is a revised version of the Attachment D Settlement COSS model that allocates Mains as 100 percent demand. Forty percent of subsidies have been eliminated, except that 100 percent of residential (Rate RS) subsidization has been eliminated and moved to Rate GS.

PERSON RESPONSIBLE: James E. Ziolkowski

**STAFF-PHDR-01-010 ATTACHMENT
PROVIDED ELECTRONICALLY
AS AN EXCEL**

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-011

REQUEST:

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.

RESPONSE:

The Company does not collect or retain information on refusal of service in the Customer Information System.

The Company works diligently to ensure customers are provided several options to be identified to start service in their name as required by federal law. It is the Company's responsibility, as a creditor, to comply with the Fair and Accurate Credit Transaction Act (FACTA) to do our part to protect the consumers' identity and verify customers through their Personal Identifying Information (PII). If a customer does not want to provide their Social Security Number, other options are given. A customer may provide previous address and date of birth and/or Driver's License. An alternate identification number may be utilized such as a State ID, Matricula, Passport, or Visa to identify the customer. If the Company's third-party Credit/Identity check cannot positively identify the customer, the Company will then assist the customer to validate identity and establish service through the use of champion questions.

Below are a sample of champion questions:

- What was your address in 2003?
- What car was registered to you in 1995?
- What color was the car?

PERSON RESPONSIBLE: Lesley G. Quick

Duke Energy Kentucky
Case No. 2021-00190
STAFF First Set Post Hearing Data Requests
Date Received: October 20, 2021

STAFF-PHDR-01-012

REQUEST:

Regarding the field collection charge:

- a. Share 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.

RESPONSE:

- a. Duke Energy Kentucky field employees do not accept payment from customers. Customers who wish to make a payment to avoid disconnection are directed to make a payment on the Company's website or to call customer service.
- b. Not applicable.
- c. Not applicable.

PERSON RESPONSIBLE: Jeff L. Kern