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VIA ELECTRONIC FILING

July 2, 2024

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Case No. 2022-00084

In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity Authorizing the Phase One Replacement of the AM07 Pipeline

Dear Ms. Bridwell:

In accordance with the Commission's February 24, 2023 Order, Paragraph 2 in the above-captioned case, Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company) hereby notifies the Commission of a material increase in costs for the approved project. The estimated project costs for Phase One have increased due to schedule overruns related to land acquisition timing and system constraints that restricted our ability to work on the pipeline during heating season. Due to schedule delays, the in-service date for this project shifted nine months past the intended date. The total revised cost of Phase 1 is \$48,450,000 within the range of the Class 4 original estimate. Please see Attachment 1 for an updated cost estimate table.

I certify that the electronically filed documents are true and accurate copies of the original documents and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing will be made.

Respectfully submitted,

/s/Rocco D'Ascenzo

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Line AM07 Pipeline Replacement Phase 1			
<u>Spend Type</u>	<u>Initial Estimate</u>	<u>Current Forecast</u>	<u>Delta</u>
Duke Labor Costs	\$ 480,000	\$1,230,000	\$ 750,000
Overhead Costs, incl. AFUDC	\$1,760,500	\$4,856,309	\$3,095,809

Duke Labor Costs and Overhead Costs including AFUDC: As a result of the schedule extending several months past the planned in-service date, the project continued to accrue labor charges and overheads that were not projected when the updated filing was made in June of 2023.