




VERIFICATION

STATE OF OHIO                    )  
  )  
COUNTY OF HAMILTON        )        SS:

The undersigned, Jay Brown, Director Rates & Regulatory Planing, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data request, and that they 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 28<sup>th</sup> day of June,  
2022.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: July 8, 2022



EMILIE SUNDERMAN  
Notary Public  
State of Ohio  
My Comm. Expires  
July 8, 2022



**KyPSC Case No. 2022-00084**  
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**Duke Energy Kentucky**  
**Case No. 2022-00084**  
**STAFF Second Set Data Requests**  
**Date Received: June 23, 2022**

**CONFIDENTIAL STAFF-DR-02-001**  
**(As to Attachment only)**

**REQUEST:**

Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item. 1.

- a. Explain why Duke Kentucky decided not to fully replace more of the AM07 pipeline as part of the first phase of replacement.
- b. Provide any documents used or generated in making the decision not to replace more of the AM07 pipeline as part of the first phase of replacement.
- c. Provide any documents used in determining the projected cost of replacing 4.5 miles of the AM07 pipeline in the first phase of construction. Where applicable, provide the documents in Excel spreadsheet format with formulas, columns, and rows unprotected and fully accessible.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)**

- a. AM07 replacement was broken up into phases to lessen the impact to communities and customers. It was also separated into sections that could be completed within a timeframe that would allow the line to be placed back into service each year for heating season. Due to the criticality of the line on the system, all work needs to be complete by October of each year to ensure the line is in service to support heat season loads.

- b. Segments were generally defined by trying to balance work and cost, along with prioritizing phases by risk associated with the existing pipe.
- c. Please see STAFF-DR-02-001(c) Confidential Attachment.

**PERSON RESPONSIBLE:** Bradley A. Seiter

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**STAFF-DR-02-001(c) CONFIDENTIAL  
ATTACHMENT**

**FILED UNDER SEAL**

**Duke Energy Kentucky**  
**Case No. 2022-00084**  
**STAFF Second Set Data Requests**  
**Date Received: June 23, 2022**

**STAFF-DR-02-002**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Item 2.

- a. Explain whether there are other pipeline types or materials Duke Kentucky considered or that could be used, and, if so, provide a list of the other materials and an explanation why that material was not chosen.
- b. Provide the material grade of the pipeline being replaced, and the "higher grade" material proposed for this project.
- c. If there is not a pre-determined life expectancy of the new pipeline, explain how Duke Kentucky determined that the cost per useful life of the selected pipeline type or material was greater than that of other considered or useable types or material.
- d. Additionally refer to the Application, Exhibit 6, Direct Testimony of Jay P. Brown, pages 4-5, which states that, when the assets are placed in service, the assets will be depreciated like any other asset that is used and useful. The response to Staff's First Request, Item 2a states that there is not a pre-determined life expectancy of the new pipeline. Provide the depreciation rates that will be used for the assets placed into service.

**RESPONSE:**

- a. Plastic pipelines were not considered since the required operating pressure is outside the range of this material. API 5L steel pipe is a very common pipe used in the oil and gas industry and was chosen because it provides the best combination



of acceptance by PHMSA code (49CFR part 192), suitability for the operating pressure, and availability in the marketplace.

- b. The current pipeline consists of several material grades (X42, X46, X60, X65, etc.). New pipeline would be grade X65.
- c. As stated in (a) above, industry standard API 5L steel pipe was selected based on acceptance by PHMSA code (49CFR part 192), suitability for the operating pressure, and availability in the marketplace.
- d. The Company’s depreciation rates were approved in Case No. 2021-00190. The pipeline is expected to be classified as “Mains – Feeder” in utility account 27605 (FERC account 376) with a depreciation rate of 1.49 percent, which can be located in the Company’s application on schedule B-3.2 page 2 of 4.

DATA: BASE PERIOD "X" FORECASTED PERIOD										
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED										
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3										
SCHEDULE B-3.2										
PAGE 2 OF 4										
WITNESS RESPONSIBLE:										
A. MOTSINGER / D. G. RAIFORD										
Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
				\$	\$		\$			
1	374	27400	Land and Land Rights	6,418,835	9,443	0	0		Perpetual Life	
2	374	27401	Rights of Way	964,570	560,736	1.04%	10,032	0.00%	70	R4
3	375	27500	Structures & Improvements	4,270,758	131,300	1.44%	61,499	-5.00%	60	R2
4	376	27601	Mains - Cast Iron & Copper	1,082,301	128,967	3.70%	94,160	-20.00%	47	R2.5
5	376	27602,27607	Mains - Steel	93,598,102	44,277,541	1.64%	1,534,845	-20.00%	65	R2.5
6	376	27603,27608	Mains - Plastic	177,935,435	55,447,119	1.53%	2,720,882	-20.00%	70	R3
7	376	27605	Mains - Feeder	124,489,937	13,475,765	1.49%	1,854,900	-20.00%	65	R2.5
8	378	27800	System Meas. & Reg. Station Equipment - General	39,801,914	2,095,544	2.04%	811,959	-25.00%	52	R1.5
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,440,378	485,983	6.37%	91,752	-25.00%	25	S2
10	378	27802	District Regulating Equipment	2,724,163	1,211,353	1.65%	44,949	-25.00%	55	R2
11	380	28001	Services- Cast Iron & Copper	(199,512)	(1,630,558)	5.27%	(10,514)	-25.00%	40	R2
12	380	28002,28004	Services-Steel	5,801,205	2,532,186	3.34%	193,760	-25.00%	42	R2
13	380	28003,28005-28007	Services-Plastic	220,515,027	60,408,691	2.39%	5,270,309	-25.00%	48	S0.5
14	381	28100,28101	Meters	15,152,456	(1,592,501)	10.77%	1,631,920	0.00%	17	L0
15	382	28200,28201	Meter Installations	15,613,757	697,071	3.82%	596,446	0.00%	30	S0
16	383	28300,283001	House Regulators	8,054,798	2,934,578	2.15%	173,178	0.00%	42	R1.5
17	384	28400,28401	House Regulator Installations	6,676,569	3,013,669	1.59%	106,157	0.00%	50	R3
18	385	28500	Large Industrial Meas. & Reg. Equipment	495,565	453,205	0.60%	2,973	-10.00%	42	R2
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	71,355	56,662	3.64%	2,597	-10.00%	25	R2.5
20	387	28700	Other Equipment - Other	60,329	30,453	0.00% (2)	0	0.00%	17	R3
21	387	28701	Street Lighting Equipment	31,156	22,860	1.76%	548	0.00%	35	S2.5
22		108	Retirement Work in Progress		(3,530,184)					
23			Total Distribution Plant	724,889,098	181,219,883		15,192,352			

**PERSON RESPONSIBLE:**

Brian R. Weisker – a. thru c.  
 Jay P. Brown – d.

**Duke Energy Kentucky  
Case No. 2022-00084  
STAFF Second Set Data Requests  
Date Received: June 23, 2022**

**STAFF-DR-02-003**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Item 3b. Provide the expected cost of in-line inspection work that is done every seven years on the pipeline.

**RESPONSE:**

The estimated operations and maintenance cost for in-line assessment for all of AM07 is approximately \$439,000.

**PERSON RESPONSIBLE:** Brian R. Weisker

**Duke Energy Kentucky**  
**Case No. 2022-00084**  
**STAFF Second Set Data Requests**  
**Date Received: June 23, 2022**

**STAFF-DR-02-004**

**REQUEST:**

Refer to Duke Kentucky's response to Staff's First Request, Item 7c.

- a. Provide the expected cost of environmental testing of abandoned pipeline for contaminates.
- b. Provide the expected cost of grouting contaminated abandoned pipeline.
- c. Provide the number of occurrences of discovering contaminants in Duke Kentucky's abandoned pipelines over the past ten years.

**RESPONSE:**

- a. Typical cost for testing abandoned pipelines for contaminates is about \$350-\$400. This includes hauling and lab fees, along with analytical labor fees.
- b. The cost of grouting is directly related to the volume of pipe that is to be abandoned. Per Duke Energy procedure, in the event a line is found above the allowable threshold level for contaminates, the pipeline is to be filled with grout to approximately 50% of its volume. This will vary pipe to pipe. The cost is solely dependent on the cost of cubic feet of grout.
- c. This information is not tracked by Duke Energy Kentucky.

**PERSON RESPONSIBLE:** Bradley A. Seiter