KyPSC Case No. 2025-00057
TABLE OF CONTENTS

VERIFICATION

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

The undersigned, Kelsey M. Pace, Sr. Project Manager, being duly sworn, deposes and says that she 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 her knowledge, information, and belief.

Kelsey M. Pace, Affiant

Subscribed and sworn to before me by Kelsey M. Pace on this 5th day of May, 2025.

NOTARY PUBLIC

My Commission Expires:

RAINA LAGLENNE
Notary Public, North Carolina
Union County
My Commission Expires
November 04, 2028

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

SS:

The undersigned, Melton A. Huey, General Manager – Engineering, Planning and Pipeline Integrity, 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.

Melton A. Huey, Affiant

Subscribed and sworn to before me by Melton A. Huey on this 5th day of May, 2025.

SHANNON L. WALL
Notary Public, North Carolina
Mecklenburg County
My Commission Expires
June 28, 2027

NOTARY PUBLIC

My Commission Expires: 6/28/2027

VERIFICATION

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

The undersigned, Jefferson P. Brown, Director of Rates & Regulatory Planning, 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.

Jefferson P. Brown, Affiant

Subscribed and sworn to before me by Jefferson P. Brown on this 5th day of May, 2025.

NOTARY PUBLIC

My Commission Expires: July 8, 2027

EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-001

REQUEST:

Refer to Application, page 4, paragraph 4.

a. State the size of the existing AM07 pipeline.

b. Explain why 24-inch pipeline was selected for the proposed project.

RESPONSE:

a. The existing AM07 pipeline is 24- inch.

b. 24- inch pipeline was chosen because it is a like-size replacement of the existing line. It is expected to continue to have adequate capacity to serve Northern Kentucky for years into the future.

PERSON RESPONSIBLE: Kelsey M. Pace
Melton A. Huey

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-002

REQUEST:

Refer to Application, Exhibit 3(e), plans and specifications.

a. Provide the useful lives of all infrastructure or equipment to be constructed according to the plans.

b. Identify any alternative designs or materials that could be used to comply with federal regulations.

c. Provide the estimated costs and useful lives of alternative pipeline designs or materials identified in the response to 2(b).

RESPONSE:

a. While there is not a pre-determined life expectancy for the new pipeline, pursuant to the Company's most recently approved depreciation rates for natural gas service in Case No. 2021-00190, "Mains-Feeder" in utility account 27605 (FERC account 376) shows 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. This schedule indicates the useful lives of this account is approximate 67 years. The pipeline will be operated and maintained as long as it safely can.

b. 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. No other material was considered.

c. Not applicable, as other alternative pipelines were not considered. See response to part (b) above.

PERSON RESPONSIBLE: Melton A. Huey

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-003

REQUEST:

Refer to Application, pages 8-9, paragraph 13. Explain why the cost of remedying deficiencies found during pressure testing or retrofitting cannot be estimated.

RESPONSE:

The Company cannot predict the quantity, the location, or the extent of any potential deficiency found during a pressure test or a retrofit.

PERSON RESPONSIBLE: Melton A. Huey

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-004

REQUEST:

If Duke Kentucky has pressure tested or retrofitted A.O. Smith pipe, in any jurisdiction since January 1, 2020, provide cost per mile tested or retrofit information for remedying deficiencies and identify the year the replacement pipeline was installed.

RESPONSE:

Duke Energy Kentucky has not pressure tested or retrofitted A.O. Smith pipe in any jurisdiction since January 1, 2020.

PERSON RESPONSIBLE: Kelsey M. Pace
Melton A. Huey

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-005

REQUEST:

Refer to the Application, page 12, paragraph 20.

a. Provide support for the annual ongoing cost of operation of Phase Four of less than $10,000, after its completion.

b. Provide the expected annual cost of the required periodic inspections or testing that were excluded from the annual ongoing cost of operation for Phase Four, including descriptions and specific amounts.

RESPONSE:

a. The annual ongoing cost of operation is based on the following activities that take place on an annual basis:

- Quarterly line inspections $2000 per inspection (4 times a year)
- Annual cathodic protection maintenance ($1000-$1500 once a year)

b. The annual ongoing cost of operation is inclusive of periodic testing/inspection. The only outlier to this is in-line inspection work that is done every seven years on the pipeline. That work is not included in the cost of annual operating costs.

PERSON RESPONSIBLE: Melton A. Huey

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-006

REQUEST:

Refer to Direct Testimony of Melton A. Huey, page 10. Explain why the estimated cost of Phase Four is greater per mile than that of Phase Three.

RESPONSE:

The Phase 4 route is more heavily congested than that of the Phase 3 route. There are more road crossings on Phase 4 compared to Phase 3 as well as a longer length of install in the road on Phase 4 versus that of Phase 3. Phase 3 also had a lower contractor bid cost than normally anticipated on these type projects. The Phase 4 estimate is more closely in line with the typical costs that we see and is more in line with the cost per mile of Phase 1 and 2 as well as the estimate for Phase 5.

PERSON RESPONSIBLE: Melton A. Huey
Kelsey M. Pace

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-007

REQUEST:

Provide the expected annual depreciation amount of Phase Four. Include a breakdown of the costs by different useful lives. Provide the National Association of Regulatory Utility Commissioners (NARUC) depreciable life for each component.

RESPONSE:

The Company expects annual depreciation to be approximately $574 thousand per year. This is based on a project cost estimate of $38.5 million for Mains – Feeder in FERC account 376 at 1.49% (based on the currently approved depreciation rate from Case No. 2021-00190 which implies an expected depreciable life of 67.11 years). The remaining $4.6 million of costs (Total Project Cost of $43.1 million minus $38.5 million in FERC 376 assets) are related to land ($3.9 million) and cost of removal ($0.75 million) which are not depreciable assets.

The Company is not aware of NARUC publishing or providing depreciable life statistics for natural gas components.

PERSON RESPONSIBLE: Kelsey M. Pace, as to cost estimates.
Jefferson "Jay" P. Brown, as to response.

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-008

REQUEST:

State when the first full year of depreciation is expected.

RESPONSE:

AM07 Phase 4 is expected to be placed in service October 2026 and the first full year of depreciation is expected to be November 2026 through October 2027.

PERSON RESPONSIBLE: Jefferson "Jay" P. Brown

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-009

REQUEST:

Provide the expected useful life used to calculate the depreciation rate for the existing segment of the AM07 Pipeline that Duke Kentucky proposes to replace as part of Phase Four of its pipe replacement project.

RESPONSE:

Please see response to STAFF-DR-01-007.

PERSON RESPONSIBLE: Kelsey M. Pace
Jefferson "Jay" P. Brown

Duke Energy Kentucky
Case No. 2025-00057
STAFF First Set of Data Requests
Date Received: April 22, 2025

STAFF-DR-01-010

REQUEST:

Explain any changes to Duke Kentucky's analysis of pipeline testing changes based on the current Presidential administration's PHMSA policies.

RESPONSE:

There have been no changes to Duke Energy Kentucky's analysis of pipeline testing based on the current Presidential administration's PHMSA policies.

PERSON RESPONSIBLE: Melton A. Huey