

TC Energy Northern Kentucky Gate Enhancement Project - Farm Tap Removal



Background

- In 2023, TC Energy acquired KO Transmission, a Duke Energy subsidiary, that owned 51.5 miles of natural gas transmission pipe in Northern Kentucky.
- TC Energy now has a modernization project called the “NKY Gate Enhancement Project” and is upgrading and replacing the 51.5 miles of pipeline with approximately 24.2 miles of new pipeline in Campbell, Pendleton, and Bracken Counties.
- There are 27 Duke Energy Kentucky customers directly attached to the existing transmission lines through a “farm-tap” like service line.
- Historically, Duke Energy Kentucky has billed these customers as distribution customers, some have existed since the 1950/1960’s when the KO Transmission Pipeline was first constructed.
- Duke Energy Kentucky’s natural gas delivery system does not currently extend to the majority of these customers. The Company does not currently have natural gas mains or gas distribution facilities in the area to serve 25 of these customers.

Impact

- TC Energy has indicated that the 27 customers cannot be placed back on TC's new transmission line
- TC Energy plans to abandon the old lines in 2028*, once the new line is installed.
- TC Energy has indicated that it will not allow any farm taps on its new transmission lines.
- Once TC Energy abandons its old lines, the customers' farm-tap service lines will have to be capped and Duke Energy Kentucky's natural gas metering equipment will be removed.

*TC Energy project team is currently ahead of schedule and is exploring moving construction up a year from 2028 to 2027.

White – TC Energy Proposed new Transmission Line
Blue – TC Energy Existing Transmission Lines

Duke Energy Kentucky possible solutions to assist customers:

Options

- A. Duke compensate customer to convert to alternate energy source such as propane or electric-request deferral/ treat as costs of removal of the existing services.
- B. Duke run distribution extensions to each customer - may require CPCN for construction of new mains and extending service.
- C. Abandon service

- All options require Duke Energy to address existing farm taps currently tapped from one of the TC Energy pipelines. Two taps can be reconnected to distribution lines, leaving total of 25 taps.

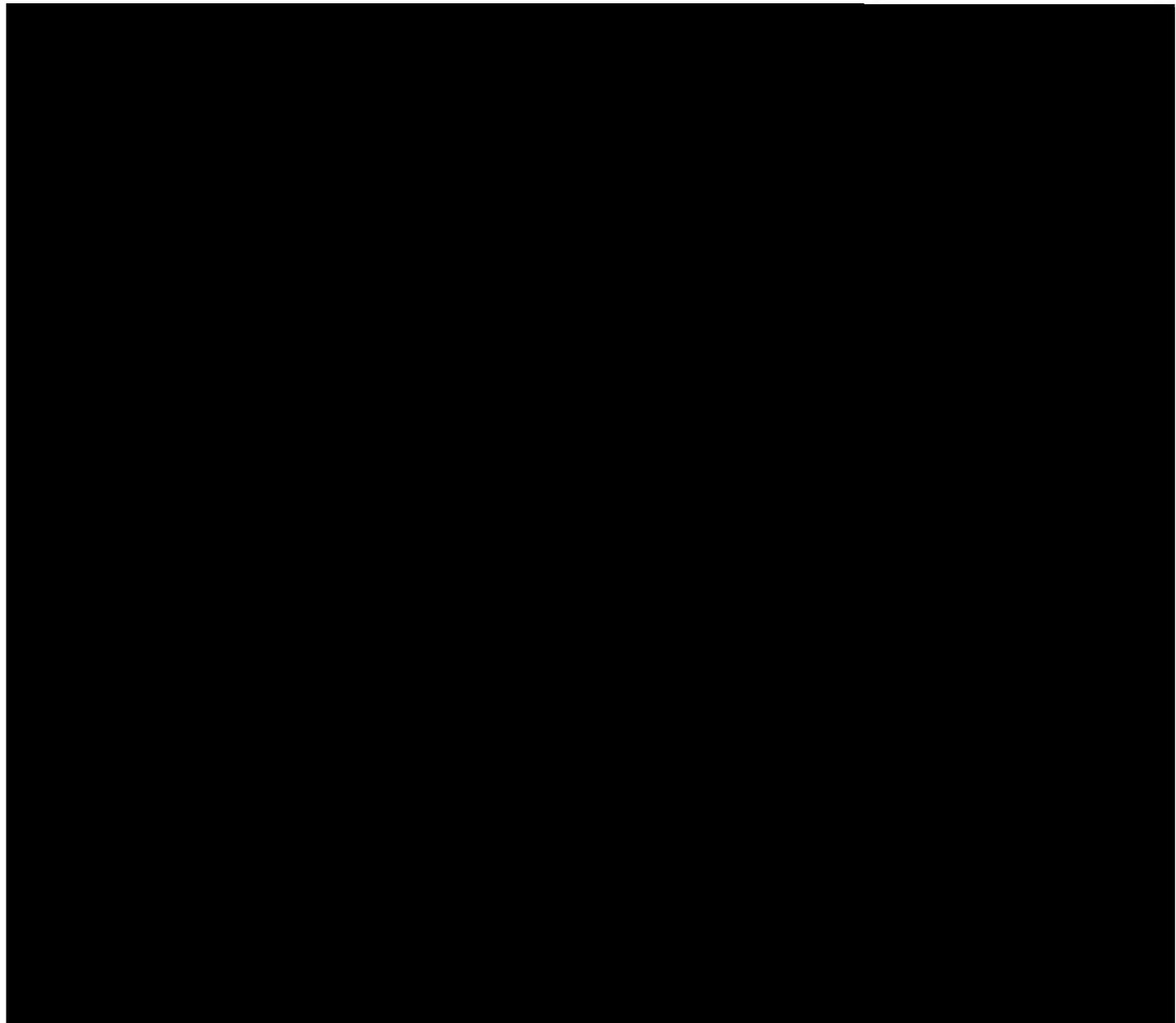
AM00-	20
AM00B	7
AM000	0
Total	27

- OPTION A: Pay the customer to convert to an alternate energy source and retire service.
 - Estimate assumes [REDACTED] per farm tap.
 - Total cost ~ [REDACTED]
- OPTION B: Run distribution pipe to all customers from the closest Duke Energy Regulator station.
 - New pipe shown in map to the right
 - Estimated Total Cost ~ [REDACTED]



- [REDACTED]
 - 1,575' of 4" PL-IP
 - Estimated cost: [REDACTED]

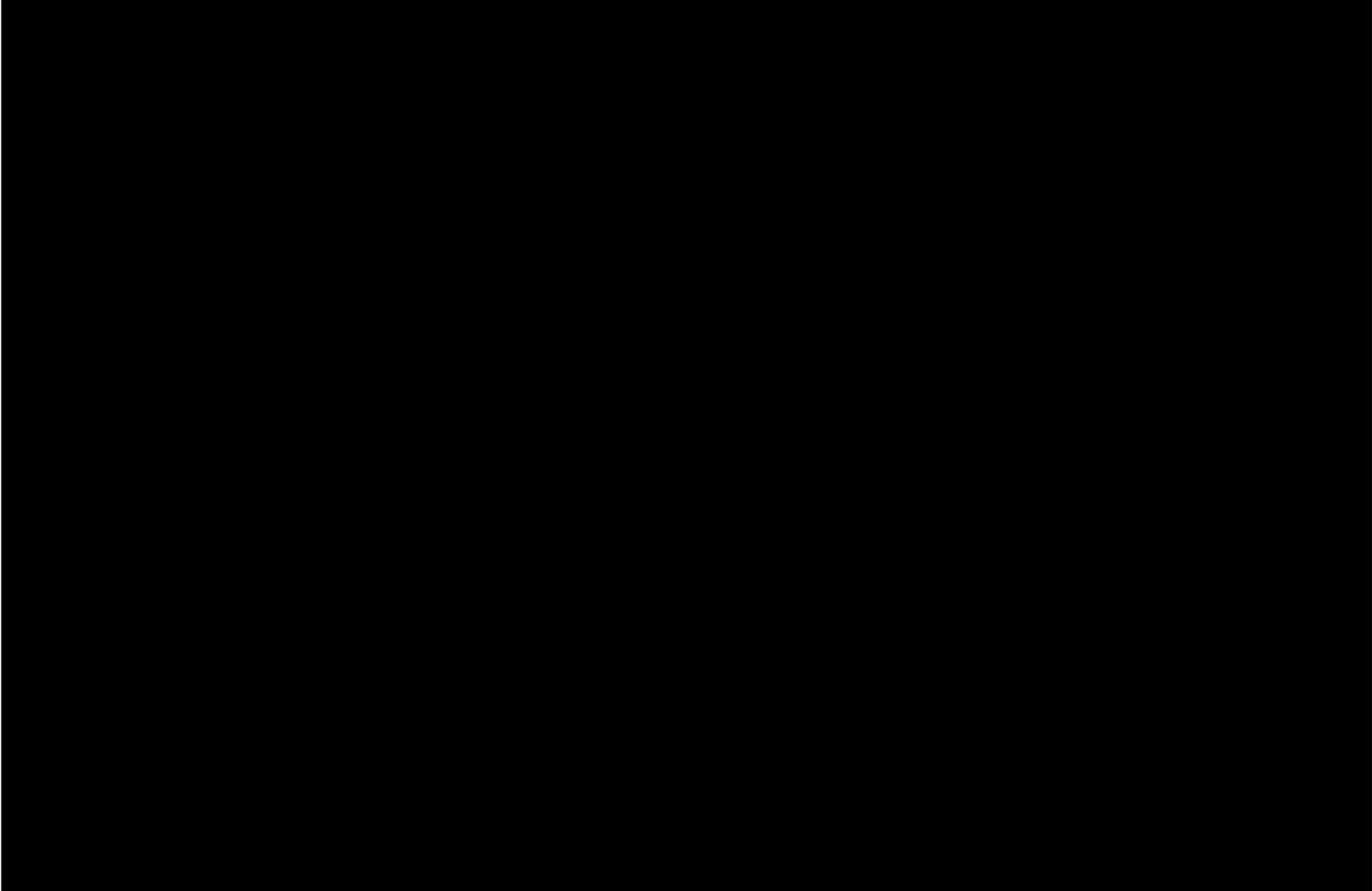
White – TC Energy Proposed new Transmission Line
Blue – TC Energy Existing Transmission Lines
Orange – Existing DEK Distribution Line
Red – Distribution Extension Needed to Serve
Black – Existing Farm Tap Service Line



- [REDACTED]
 - Would need to run 2,350' of 2" PL-IP
 - Estimated cost: [REDACTED]



- [REDACTED]
- 1,100' of 4" PL-IP
- Estimated cost: [REDACTED]



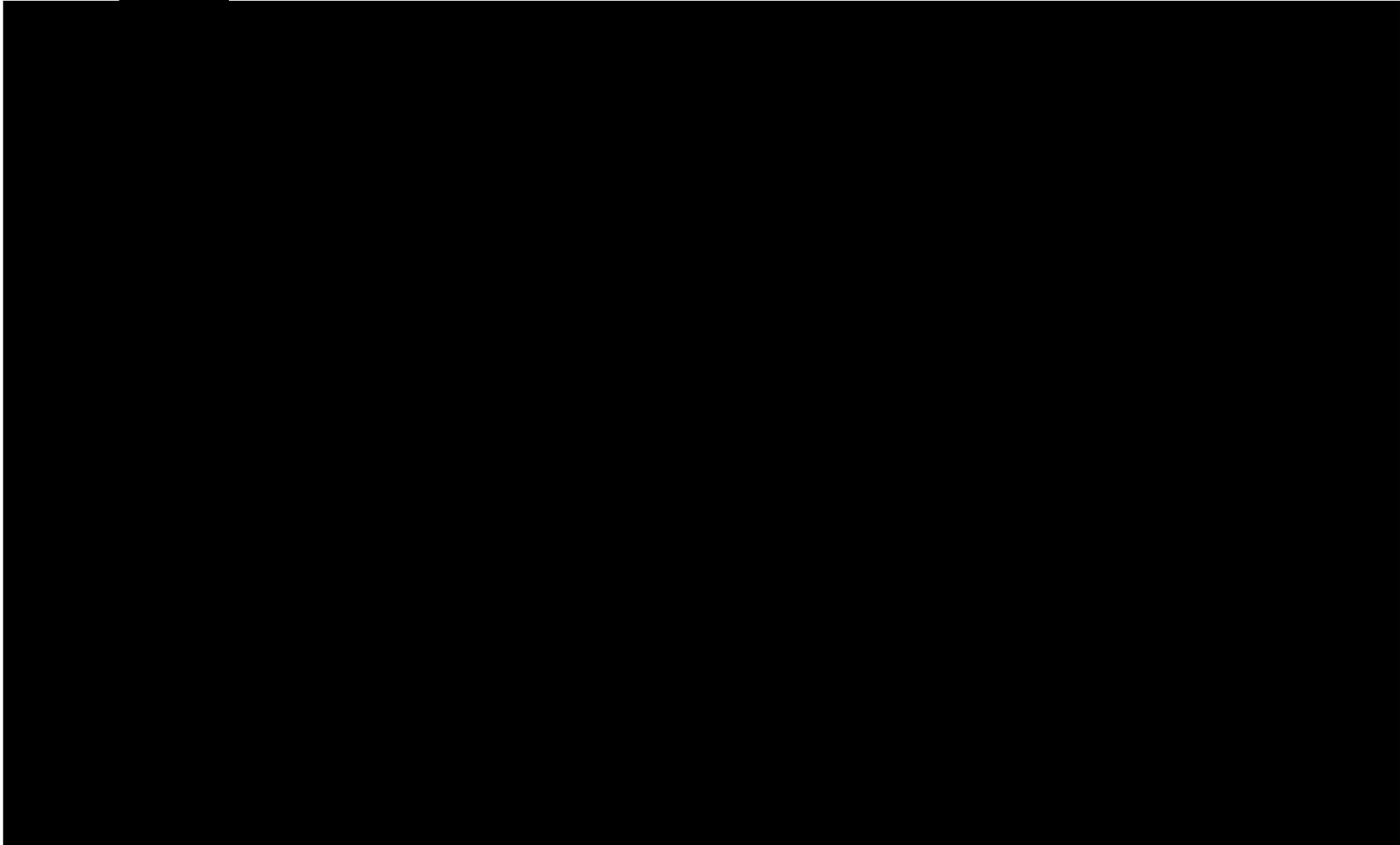
- [REDACTED]
 - 12,350' of 6" PL-IP
 - 4,100' of 4" PL-IP
 - Estimated cost: [REDACTED]



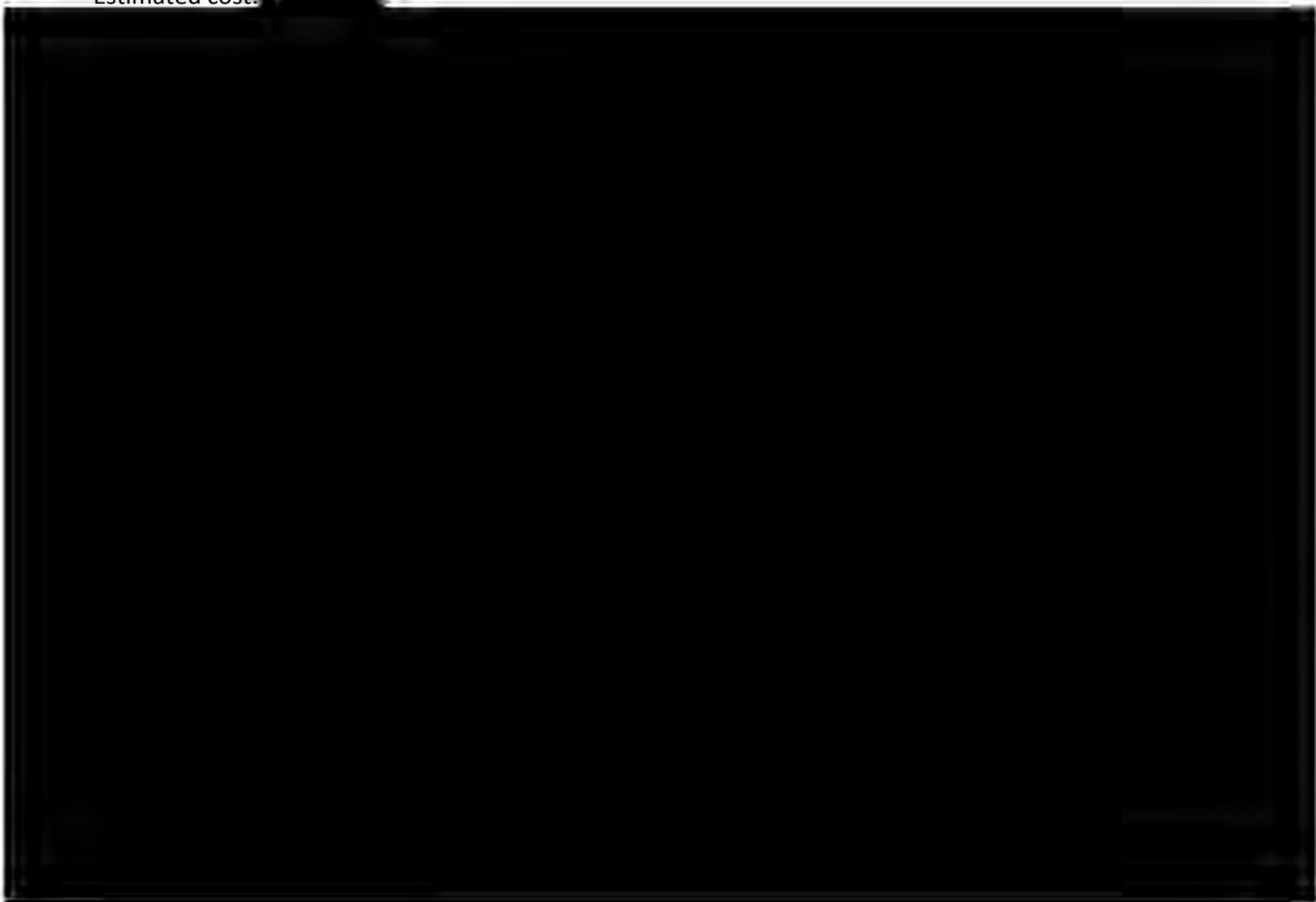
- [REDACTED]
- 11,250' of 4" PL-IP
- Estimated cost: [REDACTED]



- [Redacted]
- 14,400' of 4" PL-IP
- Estimated cost: [Redacted]



- [REDACTED]
- 14,500' of 4" PL-IP
- 14,100' of 2" PL-IP
- New Regulator Station
- Estimated cost: [REDACTED]



Option A - Convert to Alternate Energy Source																			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Initiate (Prepare Offers)																			
Make Offers																			
Customers to convert																			
Duke Abandonment of Service																			

Option B - Gas Main Extensions																																		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Initiate																																		
Engineering																																		
Permitting																																		
Procurement																																		
Land																																		
Construction																																		
Closeout																																		

Option C - Abandon Service																			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Initiate (Prepare Abandonment Filings)																			
File for Abandonment																			
Customers to convert																			
Duke Abandonment of Service																			

IC Meeting	11/14/2025
Start	12/1/2025
Option A	8/1/2027
Option B	6/1/2028
Option C	8/1/2027
Option A + B	3/1/2029
Option A+C	5/1/2028
TC Energy Current Schedule	12/1/2028
TC Energy Schedule Change	12/1/2027

