

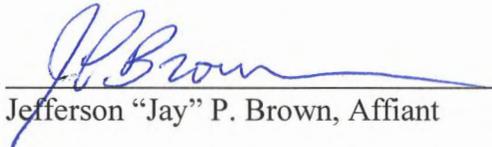
KyPSC Case No. 2025-00142
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VERIFICATION

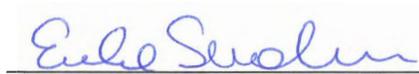
STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Jefferson “Jay” 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 information contained therein is true and correct to the best of his knowledge, information, and belief.



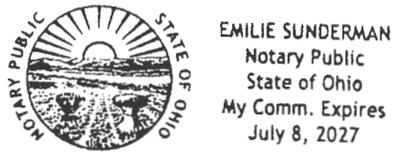
Jefferson “Jay” P. Brown, Affiant

Subscribed and sworn to before me Jefferson “Jay” P. Brown on this 17th day of March, 2026.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



VERIFICATION

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

The undersigned, Christopher D. Colyer, Project Director, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the information contained therein is true and correct to the best of his knowledge, information, and belief.



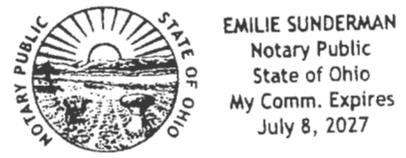
Christopher D. Colyer, Affiant

Subscribed and sworn to before me by Christopher D. Colyer on this 17th day of March, 2026.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



VERIFICATION

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

The undersigned, Jeff Schuchter, Manager Project Management, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the information contained therein is true and correct to the best of his knowledge, information, and belief.



Jeff Schuchter, Affiant

Subscribed and sworn to before me by Jeff Schuchter on this 17th day of March, 2026.



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. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-001

REQUEST:

Refer to Duke Kentucky’s response to Commission Staff’s First Request for Information (Staff’s First Request), Item 1a–b.

a. State whether Duke Kentucky believes that “the costs associated with converting these customers to an alternate fuel source” (Conversion Costs) are “removal costs” or retirement costs for the pipeline and/or other property and explain the basis for Duke Kentucky’s response for each property item.

b. Explain why Duke Kentucky would be responsible for the “removal costs” or retirement costs.

c. State whether Duke Kentucky has previously treated costs associated with converting customers to an alternate fuel source as removal costs. Retirement costs or is aware of that treatment being used by others and identify and explain any such previous treatment.

d. Provide any case, accounting standard, or other similar document supporting Duke Kentucky’s contention that the Conversion Costs are removal costs, retirement costs, or other costs that are Duke Kentucky’s responsibility.

RESPONSE:

a. The Company believes that the costs associated with converting the customers to an alternate fuel source are recoverable through costs of removal. The fundamental premise of utility depreciation is to match recovery of assets with their use.

Removal costs, which are incurred in the future at the time an asset is retired, are part of the cost to be recovered through depreciation. These future removal costs are estimated so that a pattern of recovery can be established and implemented as the assets are used. The concept of depreciation is explained as recovery of the full-service value of an asset where the full-service value is not only the original cost but costs to remove an asset from service.

b. The assets being removed are the Company's assets.

c. The Company is not aware of a time in the past when this occurred.

d. *The Federal Energy Regulatory Commission's (FERC) Code of Federal Regulation / Title 18 / Chapter I / Subchapter C / Part 101 / #10 / States: Cost of removal means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.*

This ensures that costs incurred by the company to take utility infrastructure out of service are properly accounted for and recovered.

PERSON RESPONSIBLE: Sharif S. Mitchell – a., d.
Jefferson "Jay" P. Brown – b., c.
Christopher D. Colyer – b., c.

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-002

REQUEST:

Refer to Duke Kentucky’s response to Staff’s First Request, Item 1b, in which Duke Kentucky states “the Company would request accounting treatment the Commission believes would be necessary” if the Commission believes that the Conversion Costs would not be removal costs. Explain what accounting treatments Duke Kentucky contends would be reasonable and appropriate if it is determined that the Conversion Costs would not be removal costs and explain each basis for Duke Kentucky’s response.

RESPONSE:

In the event that the Commission determines that the Company should convert customers to an alternative source of energy and determines those costs to be O&M expenses not removal costs, the Company is requesting approval to defer the expenses into a regulatory asset. Duke Energy Kentucky would then seek recovery of the costs in a subsequent base rate case with a rate of return the same as approved for the base rates. The Company does not believe the costs are an O&M expense. Duke Energy Kentucky would need to have an approved regulatory asset. This will ensure recovery is a fair and reasonable considering the financial impact is at least approximately 3 percent of the Company’s 2024 net income which significantly affects the Company’s financial results.

PERSON RESPONSIBLE: Jefferson “Jay” P. Brown

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-003

REQUEST:

Refer to Duke Kentucky's Response to Staff's First Request for Information

(Staff's First Request), Item 3.c.

a. Explain the process by which new direct, physical taps for retail gas service were added to the transmission line after its construction, including any application process and use agreements, and explain if and how it differed over time depending on when the taps were made.

b. State whether the additions of new direct "farm" taps to the transmission line were governed by or addressed in any agreement between Duke Kentucky or its predecessor and the transmission line operator. If so, produce copies of the agreement(s).

c. Explain whether Duke Kentucky had the right to add new retail customers via direct tap to the transmission line in its discretion or whether it needed additional authority from the transmission line owner for each tap, including the nature of authority it needed and the process for obtaining it.

d. Produce copies of all communications between Duke Kentucky and the transmission line operator concerning new direct "farm" tap customers added to the transmission line since January 1, 2016.

e. Refer also to Duke Kentucky's STAFF-DR-01-003(a) Confidential Attachment. Confirm that the "Date of Tap" column refers to the date the service tap was

physically added to the transmission line and not the date the specific customer's account was created.

RESPONSE:

a. A customer would have reached out to the Distribution Company to inquire on gas service availability. The Distribution Company then evaluated to determine if a gas main is in the vicinity of the customer. If a gas main was at the customers property line, the Distribution Company would have met with the customer and signed an agreement for conditional limited time gas service. Overtime, the customers were switched to a service agreement. The agreement for conditional limited time gas service was the agreement used by Columbia Gas of Kentucky and Columbia Gas Transmission Corporation which are predecessors of Duke Energy Kentucky and KO Transmission. The Service Agreement was used by Duke Energy Kentucky. Please see previously provided STAFF-DR-01-008 Attachments.

b. Please see response to STAFF-DR-01-008 and Attachments 5 and 6.

c. Duke Energy Kentucky did not find any additional authority from the transmission line owner for each tap.

d. Duke Energy Kentucky was not able to find any such communications.

e. The "Date of Tap" is the date the service tap was physically added to the transmission line.

PERSON RESPONSIBLE: Christopher D. Colyer

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

CONFIDENTIAL STAFF-DR-02-004

REQUEST:

Refer to Duke Kentucky's response to Staff's First Request, Item 7, and the Purchase and Sale Agreement between KO Transmission and TC Energy provided in Duke Kentucky's STAFF-DR-01-007 Confidential Attachment.

a. Describe any efforts referred to in Section 4.7 of the agreement [REDACTED]
[REDACTED]
[REDACTED].

b. Provide copies of all correspondence and agreements concerning a possible interconnection agreement for these farm taps.

c. State whether Duke Kentucky ever had an interconnection agreement with KO Transmission for these farm taps and, if so, provide a copy of the agreement.

RESPONSE:

a. As the Company stated in its Application in this proceeding, TC Energy has indicated it will not allow these types of connections on the new line and that it plans to abandon the old lines when the new lines are completed. While the Company's Application initially suggested that it believed the abandonment would be in 2028, the Company has since learned that TC Energy plans to start abandonment in 2027. The Company had conversations with TC Energy prior to the filing of its Application in this proceeding that confirmed TC Energy's position.

b. N/A. TC Energy has indicated it will not allow these types of connections on its new line.

c. There is no written agreement between Duke Energy Kentucky and KO Transmission for these farm taps.

PERSON RESPONSIBLE: Christopher D. Colyer

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-005

REQUEST:

Refer to Duke Kentucky's response to Staff's First Request, Item 8, and the contracts provided in Duke Kentucky's STAFF-DR-01-008 Confidential Attachment.

a. Confirm that all contracts provided concern gas service to one of the 27 properties that currently receive service by a direct tap on the transmission line at issue in this proceeding, including the agreements for conditional limited time gas service.

b. Describe the distribution company's rights and obligations under the agreements for conditional limited time gas service in the event it becomes necessary for the transmission company to relocate or abandon the transmission line providing gas service.

c. Describe the transmission company's rights and obligations under the agreements for conditional limited time gas service in the event it becomes necessary for the transmission company to relocate or abandon the transmission line providing gas service.

RESPONSE:

a. Confirmed, Duke Energy Kentucky was able to locate four service agreements and two agreements for conditional limited time gas services. These six agreements are tied to six of the 27 customers.

b. Under the agreements for conditional limited time gas service, if it becomes necessary for the transmission company to relocate or abandon the transmission line

providing gas, the Distribution Company has the right to disconnect service, upon 30 days notice.

c. The Transmission Company agreed if service will be permanently and finally terminated to applicant under Section 3 of the contract, it shall upon request of Applicant, pay to Applicant in full satisfaction of any and all claims against Transmission Company and Distribution Company, and to aid and assist Applicant in the costs attendant to the transfer to the most economical alternate source of energy where gas is not readily available from another supplier, a sum reckoned according to the following schedule:

Time elapsed from initial service hereunder to termination:	Where gas is not readily available from another supplier:
5 years or less	Alternate fuel costs (up to 200 million B.T.U per year) for 3 years
5 to 15 years	Alternate fuel costs (up to 200 million B.T.U per year) for 2 years
More than 15 years	Alternate fuel costs (up to 200 million B.T.U per year) for 1 year

PERSON RESPONSIBLE: Christopher D. Colyer
Jeff Schuchter

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-006

REQUEST:

Refer to Duke Kentucky's response to Staff's First Request, Item 8, and STAFF-DR-01-008 CONF Attachment 1 through STAFF-DR-01-008 CONF Attachment 6.

a. Explain why the service providers in STAFF-DR-01-008 CONF Attachment 5 and STAFF-DR-01-008 CONF Attachment 6 were Columbia Gas of Kentucky, Inc. and Columbia Gas Transmission Corporation whereas STAFF-DR-01-008 CONF Attachment 1 through STAFF-DR-01-008 CONF Attachment 5 are with Duke Kentucky.

b. Identify the date on which Duke Kentucky, as distinguished from Columbia Gas of Kentucky, Inc., Columbia Gas Transmission Corporation, or some other entity, began entering into contracts to initiate service to customers served by a direct tap on the transmission line at issue, and explain the circumstances under which Duke Kentucky began initiating such service instead of Columbia Gas of Kentucky, Inc., Columbia Gas Transmission Corporation, or some other entity.

RESPONSE:

a. KO Transmission was formed in the 1990's when Columbia Gas Transmission sold a portion of its pipeline to the Cincinnati Gas & Electric Company, now known as Duke Energy Ohio, Inc. Tap Agreements prior to the sale to CG&E and formation of KO Transmission were completed by/under Columbia Gas of Kentucky, Inc.

and Columbia Gas Transmission Corporation whereas agreements after the sale were completed with Duke Energy Kentucky.

- b. See response to part (a) above.

PERSON RESPONSIBLE: Christopher D. Colyer

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-007

REQUEST:

Explain whether Duke Kentucky investigated the cost of offering to convert customers to electric appliances in lieu of offering propane conversions, and if so, explain the expected relative costs of both options and why propane conversion was identified as the most cost-effective option. If electric conversion was not explored as an option, explain why it was not explored as an option.

RESPONSE:

Please see responses to MORNING SCOTT-DR-01-009 and MORNING SCOTT DR-01-010.

PERSON RESPONSIBLE: Christopher D. Colyer

**Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026**

STAFF-DR-02-008

REQUEST:

Explain whether the transmission line at issue has ever obtained gas directly from producing wells located within this state as distinguished from an interstate pipeline, and if so, explain when and the circumstances under which it obtained gas directly from producing wells located within this state.

RESPONSE:

The Company is not aware of this pipeline ever receiving gas directly from a producing well located within this state.

PERSON RESPONSIBLE: Christopher D. Colyer

**Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026**

**CONFIDENTIAL STAFF-DR-02-009
(As to Attachment only)**

REQUEST:

Provide copies of all communications and agreements concerning the proposed abandonment of the TC Energy transmission line between Duke Kentucky and TC Energy.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)

Please see STAFF-DR-02-009 Confidential Attachment.

PERSON RESPONSIBLE: Jeff Schuchter

CONFIDENTIAL PROPRIETARY TRADE SECRET

**STAFF-DR-02-009 CONFIDENTIAL
ATTACHMENT**

FILED UNDER SEAL

**Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026**

**CONFIDENTIAL STAFF-DR-02-010
(As to Attachment only)**

REQUEST:

Provide copies of all communications concerning the proposed abandonment of the TC Energy transmission line between the farm-tap customers that will lose service as a result of the abandonment and TC Energy and/or Duke Kentucky.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)

Please see STAFF-DR-02-010 Confidential Attachment.

PERSON RESPONSIBLE: Jeff Schuchter

CONFIDENTIAL PROPRIETARY TRADE SECRET

**STAFF-DR-02-010 CONFIDENTIAL
ATTACHMENT**

FILED UNDER SEAL

Duke Energy Kentucky
Case No. 2025-00142
STAFF Second Request for Information
Date Received: March 16, 2026

STAFF-DR-02-011

REQUEST:

Refer to *Columbia Gas Transmission, LLC, KO Transmission Co.*, 153 FERC ¶ 61,042 (Oct. 15, 2015), 2015 WL 6084010. In this case, Columbia Gas Transmission, LLC (Columbia Transmission) and KO Transmission asked for approval to abandon and replace another portion of the KO Transmission system in Kentucky. In considering the application, the Federal Energy Regulatory Commission FERC addressed the impact on customers of Columbia Gas of Kentucky who received gas via mainline “farm taps” on the transmission line proposed to be abandoned. FERC found that the proposed abandonment would not adversely affect these customers based on the applicants’ representation that they would provide the customers with propane as an alternative energy supply or reconnect them to another pipeline.

a. State whether Duke Kentucky has had any communications with TC Energy regarding the duty, recognized by FERC in this decision, of an interstate transmission pipeline operator to mitigate adverse impacts of pipeline abandonment on farm tap customers who receive gas by direct tap on the pipeline.

b. Explain whether a duty on the part of TC Energy to mitigate the impact of the abandonment of the transmission line on farm-tap customers by providing an alternative fuel source would affect Duke Kentucky’s right to recover from ratepayers costs incurred to convert these customers to alternative fuel.

RESPONSE:

Objection. Calls for legal conclusion as to a “duty” of TC Energy. Without waiving said objection and to the extent discoverable, as the Company stated in its Application in this proceeding, “Duke Energy Kentucky is aware that TC Energy has indicated it will not allow these types of connections on the new line and that it plans to abandon the old lines when the new lines are completed, most likely in 2028.” TC Energy has not indicated to Duke Energy Kentucky that TC Energy has any duty whatsoever to these customers. Duke Energy Kentucky filed its application in these proceedings in an attempt to address the situation and seek the Commission’s guidance on how to best assist these customers who will be without natural gas supply once TC Energy abandons the pipeline. Duke Energy Kentucky is seeking to mitigate the impact of TC Energy’s abandonment of the transmission line on these customers and is seeking a declaratory order on how to proceed in this instant case. The Company presented the Commission with alternatives and estimated costs in its Application and in subsequent data request responses. The Company explained that converting these customers to an alternative fuel is the least cost solution for all customers. Whereas, extending natural gas mains to serve each of the affected customers is significantly more expensive. If the Commission determines that it is in the best interests of all of Duke Energy Kentucky’s customers that the Company should extend mains to continue natural gas service for the affected customers, the Company requests that the Commission determine the main extension is an ordinary extension of the existing system in the usual course of business so that the Company may proceed with construction immediately, without having to file a CPCN proceeding and risk further delays. In any

event, the costs incurred to retire facilities or to provide service to a customer are traditionally recoverable through rates.

PERSON RESPONSIBLE: As to objection, Legal
As to response, Jefferson “Jay” P. Brown