

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DUKE ENERGY)
KENTUCKY, INC., FOR A CERTIFICATE OF PUBLIC) CASE NO.
CONVENIENCE AND NECESSITY AUTHORIZING) 2026-00112
THE CONSTRUCTION OF A GAS PIPELINE)
EXTENSION IN INDEPENDENCE, KENTUCKY)

DIRECT TESTIMONY OF

DAVID A. KLEIN

ON BEHALF OF

DUKE ENERGY KENTUCKY, INC.

May 1, 2026

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Attachment:

CONFIDENTIAL DAK-1 – Detailed Cost Breakdown of Project

I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is David A. Klein and my business address is 139 E. 4th Street, Cincinnati,
3 Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS) as Senior Project
6 Manager for Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the
7 Company) and affiliated natural gas utilities. DEBS provides various administrative
8 and other services to Duke Energy Kentucky and other affiliated companies of
9 Duke Energy Corporation (Duke Energy).

10 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND
11 AND PROFESSIONAL EXPERIENCE.**

12 A. I earned a Bachelor of Science in Civil and Environmental Engineering from the
13 University of Cincinnati in 2004. From 2004 to 2016 I was employed as a Project
14 Engineer/Project Manager/Senior Project Manager for a construction company in
15 Cincinnati, Ohio, with a focus of new building construction for clients in industries
16 such as secondary education, healthcare, and manufacturing. I began my career
17 with Duke Energy in 2016, with the Sales group as a Gas Marketing Specialist. My
18 responsibilities included completing customer-driven new gas services and gas
19 main extensions, sizing customers' natural gas service, piping, meters, and
20 regulators.

21 In 2018, I assumed the position of Project Manager I, where my
22 responsibilities included leading projects of copper gas services replacements, curb

1 box maintenance, and inside piping inspections. In 2020, I obtained my Project
2 Management Professional Certification.

3 In 2020, I assumed the position of Project Manager II in the Natural Gas
4 Major Projects group. My primary responsibilities included management of large
5 infrastructure projects on our high-pressure distribution and transmission pipeline
6 system. I oversaw the entire scope of the project, as well as schedule and budget.
7 In 2024, I began my current role as Senior Project Manager.

8 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS SENIOR**
9 **PROJECT MANAGER.**

10 A. I am responsible for managing the execution of major projects within the natural
11 gas business unit in Kentucky and Ohio. My role includes leading a project team of
12 subject matter experts within the Company and facilitating coordination of project
13 activities while providing oversight of the scope, schedule, and budget. I ensure the
14 projects comply with the Company's requirements for project management best
15 practices and provide reporting to senior management.

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**
17 **PUBLIC SERVICE COMMISSION?**

18 A. Yes. I have submitted written testimony in Case No. 2026-00086.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **PROCEEDING?**

21 A. The purpose of my testimony is to discuss and support Duke Energy Kentucky's
22 request for approval of a CPCN to construct a new pipeline to extend its existing
23 UL45 gas pipeline in Independence, Kentucky (Project). I describe how Duke

1 Energy Kentucky will implement and execute the Project, including, but not limited
2 to, supporting the construction maps, plans, and specifications. I also support the
3 estimated costs of the construction and the ongoing cost of operation for the
4 pipeline project. Additionally, I sponsor several filing requirements submitted as
5 part of the Company's Application.

II. OVERVIEW OF THE PROJECT

6 Q. PLEASE DESCRIBE THE COMPANY'S PROPOSAL.

7 A. Duke Energy Kentucky is proposing to construct an extension of its existing UL45
8 pipeline of 1.45 miles in length, eight-inch diameter, 0.3 miles in length, six inch
9 diameter, and 40' feet in length of four inch diameter natural gas pipeline in
10 Independence, Kentucky (Project). . The Project will connect two existing pipeline
11 segments on the Duke Energy Kentucky natural gas delivery system, namely, UL03
12 and AM07. Confidential Exhibit 4 to the Application contain a map of the
13 Company's natural gas delivery system and engineering plans of the Project,
14 respectively. Confidential Exhibit 4 shows the connection of the new route to the
15 existing delivery system, as well as the design and proposed route for the new 24-
16 inch steel pipeline. Due to the sensitive nature of gas utility infrastructure, copies
17 of Confidential Exhibit 4 are being provided under petition for confidential
18 treatment.

19 Q. IS THE DESIGN OF THE PROJECT SUBSTANTIALLY COMPLETE?

20 A. Yes. Duke Energy Kentucky has submitted stamped engineering drawings for the
21 Project depicting the design and route for the Project. The route is based upon best
22 available information at this time, acknowledging that Duke Energy Kentucky must

1 still complete negotiations and acquisitions for private easements where applicable
2 along the route. The Company anticipates that there may be minor deviations in the
3 estimated length and location of the pipe due to not wanting to interfere with trees,
4 fences, power poles, sewers, water mains, municipal right of way issues, and in
5 accordance with any restrictions in acquired easements that are yet to be
6 determined.

7 **Q. WILL THE NEW PIPELINE BE PHYSICALLY LOCATED IN PUBLIC**
8 **RIGHTS-OF-WAY OR IN PRIVATE EASEMENTS?**

9 A. Duke Energy Kentucky anticipates approximately 32% of the project will be
10 located in private easements that will be obtained concurrent with the approval of
11 this Application. Where private easements are not feasible, the Company will locate
12 the Project within existing public rights-of-way.

13 **Q. WILL THE COMPANY NEED TO OBTAIN ANY PERMITS FOR**
14 **CONSTRUCTION OF THE PROJECT?**

15 A. Yes. There are several permits that Duke Energy Kentucky has or is in the process
16 of obtaining. Duke Energy Kentucky has an active natural gas franchise in the
17 community that will be affected by the pipeline construction. It is my understanding
18 that franchise is filed with the Commission. To the extent any communities require
19 additional construction permitting, the Company will follow those local rules and
20 work with the communities to obtain any and all necessary permits prior to
21 beginning actual construction.

1 **Q. WILL THE COMPANY NEED TO OBTAIN ANY PERMITS FOR**
2 **CONSTRUCTION OF THE PROJECT?**

3 A. Yes. Duke Energy Kentucky will have to obtain the following permits/approvals to
4 complete the Project. The Company has already submitted its applications for (b),
5 (f) and (g) below:

- 6 a) Coordination with the Kentucky Heritage Council (KHC) regarding
7 cultural resources, including cultural resource investigations/digs and
8 potential viewshed impacts to architectural resources along the
9 project route;
- 10 b) Coordination with the U.S. Fish and Wildlife Service (USFWS) and
11 Kentucky Department of Fish and Wildlife Resources (KDFWR)
12 with respect to federal and state endangered, threatened, and
13 otherwise protected species;
- 14 c) Sanitation District No. 1 Land Disturbing Permit;
- 15 d) KDOW Construction Storm Water Permit KYR10;
- 16 e) KDOW Hydrostatic Test Water Discharge;
- 17 f) USFWS and KDFWR consultation letter (endangered species);
- 18 g) Application to Kentucky Transportation Cabinet permit to cross state
19 and federal roads and to install the pipeline inside road right-of-way;
- 20 h) City of Independence Encroachment permit; and,
- 21 i) Kenton County Encroachment permit.

22 The horizontal directional drill (HDD) results in avoidance of all impacts to
23 streams and wetlands. In the coming months, Duke Energy Kentucky will submit

1 for permits (a), (c), and (d), while permits (e), (h), and (i) will be applied for closer
2 to the start of construction.

3 **Q. HAS THE COMPANY DEVELOPED CONSTRUCTION**
4 **SPECIFICATIONS TO BE USED IN THE PROJECT?**

5 A. Yes.

6 **Q. PLEASE EXPLAIN.**

7 A. The new pipeline will be constructed in accordance to Duke Energy Kentucky's
8 work specifications, standards, and procedures. A copy of these work specifications
9 is included as Confidential Exhibit 4 to the Company's Application in this
10 proceeding. The Company and contractor crews are qualified to perform the work
11 in accordance with design specifications prior to installing any facilities. Duke
12 Energy Kentucky personnel will provide oversight to any contractor crews
13 installing facilities on the Company's behalf.

14 **Q. PLEASE BRIEFLY DESCRIBE HOW THE COMPANY WILL EXECUTE**
15 **AND COMPLETE CONSTRUCTION UNDER THE PROJECT.**

16 A. Duke Energy Kentucky will use both Company and contractor crews where
17 appropriate to complete this project. If contractor crews are deployed, awarding of
18 contracts will be accomplished through a bidding process similar to that the
19 Company has successfully employed in prior construction projects. Duke Energy
20 Kentucky will use industry standard equipment, materials, and designs to construct
21 the pipeline in accordance with the work specifications.

1 **Q. WHAT IS THE ESTIMATED TIMELINE FOR CONSTRUCTION OF THE**
 2 **PROJECT?**

3 A. The estimated timeline is dependent upon the approval of the project. Duke Energy
 4 Kentucky has developed the below timeline with key milestones to ensure the
 5 Project is in service by July 31, 2027, and construction is fully complete by
 6 September 2027 This schedule is based upon the Company receiving CPCN
 7 approval by December 2026 to allow sufficient time to make necessary
 8 procurements and commence construction in the early spring of 2027.

Estimated Project Schedule

July 2025	Design began
August 2025	Field Surveys
December 2025	Began easement discussions
April 2026	Apply for permits
April 2026	Design substantially complete File CPCN Application
November 2026	Design complete Bid for construction
December 2026	Anticipated CPCN Approval
January 2027	Award construction contract
February 2027	Construction begins
September 2027	Construction complete*

* Assumes no delays in outstanding approvals/permitting.

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1 **Q. WHAT IS THE ESTIMATED COST OF CONSTRUCTION FOR THE**
 2 **PROJECT?**

3 A. The current estimated project cost is approximately \$16.7 million dollars as detailed
 4 in the chart below. Please refer to Confidential Attachment DAK-1 which shows a
 5 more detailed cost breakdown of the various areas of cost associated with the
 6 Project.

Task	Total
Design	\$1.2M
Land	\$1.4M
Construction	\$13.5M
Material	\$0.63M
	<u>\$16.7M</u>

7 **Q. HOW WAS THAT ESTIMATE DERIVED?**

8 A. This Class 4 (-30%/+50%) estimate is based on the pricing Duke Energy Kentucky
 9 has already received for design services and anticipated expenses for easement
 10 acquisition and construction (labor and material). Duke Energy Kentucky
 11 compared these figures to other recently completed projects and it is confident in
 12 the estimate being provided.

13 **Q. WHAT IS THE ESTIMATED ONGOING COST OF OPERATION OF THE**
 14 **NEW PIPELINE ONCE CONSTRUCTED?**

15 A. The Company anticipates that there will be minimal (<\$10,000 per year)
 16 incremental operational and maintenance expense (O&M) associated with the
 17 ongoing operation of the new pipeline except for required periodic inspections
 18 and/or testing.

III. FILING REQUIREMENTS SPONSORED BY WITNESS

1 **Q. PLEASE DESCRIBE THE FILING REQUIREMENTS CONTAINED IN**
2 **THE COMPANY’S APPLICATION FOR A CERTIFICATE OF PUBLIC**
3 **CONVENIENCE AND NECESSITY THAT YOU ARE SPONSORING AND**
4 **SUPPORTING.**

5 A. I sponsor data that is responsive to the filing requirements in accordance with 807
6 KAR 5:001:

- 7 • Exhibit 3, Section 15(2)(b): permits required for construction;
- 8 • Confidential Exhibit 4, Section 15(2)(c) and (d)(1)-(2): Full description of
9 the proposed location, route, or routes, including a description of the manner
10 in which the facilities will be constructed, and map of the construction area,
11 and work specifications;
- 12 • Confidential Attachment DAK-1, Section 15(2)(e): The manner in detail in
13 which the applicant proposes to finance the proposed construction or
14 extension; and
- 15 • Section 15(2)(f): the estimated cost of construction of the Project and
16 ongoing costs of operation upon completion.

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IV. CONCLUSION

1 **Q. WERE EXHIBIT 3 AND CONFIDENTIAL EXHIBIT 4 TO THE**
2 **COMPANY'S APPLICATION AND CONFIDENTIAL ATTACHMENT**
3 **DAK-1 PREPARED BY YOU OR UNDER YOUR DIRECTION AND**
4 **CONTROL?**

5 **A. Yes.**

6 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

7 **A. Yes.**

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, David A. Klein, Senior Project Manager, being duly sworn, deposes and says he has personal knowledge of the matters set forth in the foregoing testimony, and that the information contained therein is true and correct to the best of his knowledge, information, and belief.

David A. Klein
David A. Klein, Affiant

Subscribed and sworn to before me by David A. Klein on this 20th day of April, 2026.

Emilie Sunderman
NOTARY PUBLIC

My Commission Expires: July 8, 2027



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

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT DAK-1

FILED UNDER SEAL