

**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	)	

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**DIRECT TESTIMONY OF**  
**JEFFERSON "JAY" P. BROWN**  
**ON BEHALF OF**  
**DUKE ENERGY KENTUCKY, INC.**

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May 1, 2026

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**I. INTRODUCTION AND PURPOSE**

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

2 A. My name is Jefferson “Jay” P. Brown, and my business address is 139 East Fourth  
3 Street, Cincinnati, 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 Director of  
6 Rates & Regulatory Planning for Duke Energy Kentucky, Inc. (Duke Energy  
7 Kentucky or Company) and Duke Energy Ohio, Inc. DEBS provides various  
8 administrative and other services to Duke Energy Kentucky and other affiliated  
9 companies of Duke Energy Corporation (Duke Energy).

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

12 A. I earned a Bachelor of Science degree in Business Administration with a major in  
13 Business: Finance, Investment and Banking from the University of Wisconsin -  
14 Madison. I began my career in January 2002 with The Alexander Companies, a real  
15 estate development company, as an Assistant Project Manager managing and  
16 developing real estate. Subsequently, in December 2003, I began working for Dell  
17 Inc., mainly as a Financial Analyst in Worldwide Procurement Finance, accounting  
18 for and reporting on supplier rebates. In January 2008, I began working for Bigfoot  
19 Networks, a technology start-up. I was in charge of developing distribution, online  
20 and retail channels for a new networking product. Beginning in April 2009, I also  
21 served as a Financial Advisor for Edward Jones. In June 2011, I began working as  
22 a contractor for Progress Energy and, since February 2012, I have been employed

1 by, and worked for, companies under what is now Duke Energy. The roles I have  
2 held include Senior Business Finance Analyst and in December 2012, I took the  
3 position of Manager, Nuclear Station Finance. I transitioned to the Rates and  
4 Regulatory group as a Lead Rates & Regulatory Strategy Analyst in August of 2018  
5 and was promoted to Manager of Rates and Regulatory Strategy in January of 2020.  
6 I earned a Master of Business Administration from the University of North Carolina  
7 Wilmington in July of 2020 and assumed my current role as Director, Rates and  
8 Regulatory Planning, in October of 2020.

9 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS DIRECTOR,**  
10 **RATES AND REGULATORY PLANNING.**

11 A. As Director of Rates and Regulatory Planning, I am responsible for the preparation  
12 of financial and accounting data used in Duke Energy Kentucky and Duke Energy  
13 Ohio retail rate filings and changes in various other rate recovery mechanisms.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**  
15 **PUBLIC SERVICE COMMISSION?**

16 A. Yes.

17 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
18 **PROCEEDING?**

19 A. The purpose of my testimony is to discuss the financial aspects of the Company's  
20 request for a Certificate of Public Convenience and Necessity (CPCN) to construct  
21 construct a new pipeline to extend its existing UL45 gas pipeline, consisting of an  
22 approximate 1.45 mile, eight-inch natural gas pipeline, 0.3 miles in length, six inch

1 diameter, and 40' feet in length of four inch diameter natural gas pipeline (Project)  
 2 in Kenton County, Kentucky. I also sponsor Exhibit 2 to the Application.

## II. DISCUSSION

3 **Q. PLEASE PROVIDE A BRIEF SUMMARY OF THE PROJECT AND ITS**  
 4 **PURPOSE.**

5 A. Duke Energy Kentucky is proposing to construct a new high pressure eight, six,  
 6 and four inch diameter steel natural gas pipeline that will extend the UL45 pipeline  
 7 back to the primary AM03 feed. As discussed in Witness Huey's testimony, this  
 8 provides critical looping to reduce pressure losses in the UL07 pipeline and  
 9 provides the necessary inlet pressures to local delivery stations on UL07 and UL45  
 10 that serve the surrounding communities.

11 **Q. PLEASE EXPLAIN HOW THE COMPANY IS FUNDING THE COST OF**  
 12 **CONSTRUCTION FOR THE PROJECT.**

13 A. In response to 807 KAR 5:001, Section 15(2)(e), Duke Energy Kentucky is funding  
 14 the Project through continuing operations and debt instruments, as necessary.

15 **Q. WHAT IS THE PROJECTED COST OF THE PROJECT?**

16 A. As explained by Company witness, Mr. David A. Klein, the overall Project is  
 17 estimated to cost approximately \$16.7 million. That sum comprises:

<b>Task</b>	<b>Total</b>
Design	\$1.2M
Land	\$1.4M
Construction	\$13.5M
Material	\$0.6M
	<b><u>\$16.7M</u></b>

1 **Q. WHAT IS THE PROJECTED ONGOING COST OF OPERATION OF THE**  
2 **PROJECT ONCE COMPLETED?**

3 A. As described in the testimony of Company witness, Mr. Klein, Company  
4 anticipates that there will be minimal (<\$10,000 per year) incremental operational  
5 and maintenance expense (O&M) associated with the ongoing operation of the new  
6 pipeline except for required periodic inspections and/or testing.

7 **Q. PLEASE EXPLAIN HOW THE PIPELINE WILL BE TREATED FROM AN**  
8 **ACCOUNTING PERSPECTIVE.**

9 A. The Project is all capital in nature because it is adding new facilities to serve our  
10 natural gas customers and improve the reliability of the delivery system. There will  
11 be an immaterial impact to the Company's O&M in terms of incremental cost of  
12 operation. The costs will be accumulated in FERC account 107 (Construction Work  
13 in Progress) during construction and will accrue Allowance for Funds Used During  
14 Construction (AFUDC). Once completed, the Project will be placed in service  
15 (initially to FERC account 106-Completed Construction not Classified) where it  
16 will begin being depreciated like any other asset that is used and useful.

17 **Q. WHAT IS THE ESTIMATED IN-SERVICE DATE?**

18 A. The project is estimated to be in-service by July 31, 2027.

19 **Q. PLEASE EXPLAIN HOW THE COMPANY WILL RECOVER ITS COSTS**  
20 **OF CONSTRUCTION.**

21 A. The Company plans to recover the costs of this Project in future natural gas base  
22 rate cases.

1 **Q. WILL THE ESTIMATED \$16.7 MILLION IN CAPITAL COSTS FOR THE**  
2 **PROJECT HAVE AN IMMEDIATE IMPACT ON CUSTOMER RATES?**

3 A. No.

4 **Q. PLEASE EXPLAIN.**

5 A. Because the Project is capital, once in service, the Project will be added to the  
6 Company's Plant in Service and ultimately in rate base in future natural gas base  
7 rate case proceedings. Until that time, there will be no incremental increase in costs  
8 to customers related to the Project.

**III. FILING REQUIREMENT SPONSORED BY WITNESS**

9 **Q. PLEASE LIST AND DESCRIBE THE FILING REQUIREMENT AND**  
10 **EXHIBIT TO THE APPLICATION THAT YOU ARE SPONSORING.**

11 A. I am the sponsor of Exhibit 2.

12 **Q. PLEASE EXPLAIN EXHIBIT 2.**

13 A. Exhibit 2 is the financial statement for month end February 28, 2026, as required  
14 by 807 KAR 5:001, Section 12.

**IV. CONCLUSION**

15 **Q. WAS EXHIBIT 2 PREPARED UNDER YOUR DIRECTION AND**  
16 **CONTROL?**

17 A. Yes.

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

19 A. Yes.

