

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY AUTHORIZING THE)	2019-00388
CONSTRUCTION OF A GAS PIPELINE FROM)	
ERLANGER, KENTUCKY TO HEBRON,)	
KENTUCKY)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc., (Duke Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein shall be filed with the Commission on or before January 7, 2020. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, page 3, in which Duke Kentucky states that it is projecting growth to continue, which is necessitating additional capacity construction to meet projected demand. Provide all documentation demonstrating that Duke Kentucky is projecting growth.

2. Refer to the application, page 3; the Direct Testimony of Victor M. Gaglio, pages 5–6; and the Direct Testimony of Martin P. Petchul, page 3.

- a. Duke Kentucky asserts that the proposed project provides a critical and necessary restoration of pressure along the high-pressure distribution system in northern Kentucky that is required to provide reliable service during severe winter

weather. Provide further detailed information to support this statement that demonstrates a need for the proposed project, including historic and projected pressures.

b. Duke Kentucky contends that the proposed project will also increase available capacity throughout Boone, Kenton, Grant, and Gallatin Counties.

(1) Provide detailed information that more capacity is needed in these counties.

(2) Explain why the proposed project will not increase available capacity for Campbell County.

c. Duke Kentucky asserts that the proposed project will allow the greater utilization of the UL57 and UL58 pipeline projects to support higher growth in the southernmost sections of Boone County. Provide further explanation of this assertion.

d. Duke Kentucky states that the proposed project provides the capacity to serve any potential customers identified for the Boone County Opportunity Zone that was created in Northern Kentucky as part of the Tax Cuts and Jobs Act of 2017. Explain whether Duke Kentucky has any customers associated with the above-referenced opportunity zone.

e. Explain how the proposed project enables Duke Kentucky to perform future integrity management work on the nearby UL02.

f. Explain how the proposed project will not result in wasteful duplication of facilities.

g. Explain in detail whether Duke Kentucky explored reasonable alternatives to the proposed project and provide all analyses performed.

3. Refer to the application, page 4, in which Duke Kentucky states that the proposed project also accommodates new customer load that will need service by January 1, 2021.

- a. Provide the name of the new customer.
- b. Explain whether Duke Kentucky has a contract in place with the new customer, and, if so, provide the new contract. If not, explain why not.
- c. Provide the monetary amount that Duke Kentucky is spending to provide service to the new customer.
- d. Explain whether the new customer is making monetary contributions towards the proposed project, and, if so, provide the monetary amounts. If not, explain why not.

4. Refer to the application, page 4, in which Duke Kentucky states that the timing of the proposed project, including the priority of completion of the project in two phases, is to accommodate the new customer load desired to be in service by January 1, 2021.

- a. Provide detailed information concerning the proposed project having two phases, and include how costs are distributed between the phases.
- b. Explain in detail whether Duke Kentucky is requesting approval of only one phase or both phases of the proposed project in the pending application.
- c. Confirm that the first phase has an estimated construction timeline of no longer than nine months. If this cannot be confirmed, explain in detail.

5. Refer to the application, page 5; and the Direct Testimony of Amy D. Presson (Presson Testimony), page 8; in which Duke Kentucky states that the proposed project is estimated to cost \$63 million.

- a. Provide a detailed breakdown of the estimated cost.
- b. Confirm that the estimated \$63 million is the cost for both phases of the proposed project.

6. Refer to the application, page 8, in which Duke Kentucky states that the proposed Project is necessary to maintain sufficient natural gas system pressures to respond to an identified integrity risk to its natural gas delivery system that Duke Kentucky must do to comply with state and federal regulations. Provide further information as to the identified integrity risk and how the proposed project will assist in complying with state and federal regulations.

7. Refer to the application, page 8; and the Presson Testimony, page 8; in which Duke Kentucky states that the annual ongoing cost of operation of the proposed project once completed is expected to be less than \$10,000, except for required periodic inspections or testing. Provide the monetary amount of the annual ongoing cost of operation for the proposed project including the required periodic inspections or testing.

8. Refer to the application, Exhibit 3. Explain whether the project name "G7UL02PH1" signifies that the proposed pipeline shown is Phase 1 of the proposed project.

9. Refer to the Presson Testimony, page 7. Explain why Duke Kentucky plans to award construction contracts before the anticipated approval of its application.



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DATED DEC 20 2019

cc: Parties of Record

Case No. 2019-00388

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