

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 SECOND 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 February 14, 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 Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1.

a. Duke Kentucky states that it forecasted the addition of 922 residential and commercial customers for 2019. Provide the actual number of new residential and commercial customers that Duke Kentucky added in 2019.

b. Duke Kentucky states that with the addition of the new Amazon Air Hub in northern Kentucky, Duke Kentucky expects to see continued steady customer growth.

(1) Provide the amount of customer and load growth that Duke Kentucky is expecting from the new Amazon Air Hub.

(2) Provide all documentation demonstrating that Duke Kentucky is projecting steady customer growth in general for 2020 and 2021.

2. Refer to Duke Kentucky's response to Staff's First Request, Item 2(e), and provide the federal regulations that Duke Kentucky is referencing in this response.

3. Refer to Duke Kentucky's response to Staff's First Request, Item 2(g).

a. Duke Kentucky provides four key factors that dictate the need for the proposed project in lieu of reasonable alternatives, with the first key factor being recouping high-pressure loss along UL02. Explain how the proposed project will recoup high-pressure loss along UL02.

b. Duke Kentucky lists the second key factor as minimizing piping/routing. Expand on how the proposed project will minimize piping/routing.

c. Duke Kentucky lists the third key factor as proximity to the nearest interstate suppliers. Further explain this third key factor.

d. Duke Kentucky lists the fourth key factor as projected future large volume customers along the proposed pipeline route. Provide the projected future large volume customers that Duke is referring to in this statement and their projected annual volumes.

4. Refer to Duke Kentucky's response to Staff's First Request, Item 3(a), and provide the expected load of the new customer in 2021, as well as for the future years. Provide all documentation regarding the same.

5. Refer to Duke Kentucky's response to Staff's First Request, Item 3(c) and (d). Confirm that the new customer that is requesting service by January 1, 2021, will pay 100 percent of the costs of the proposed project that are directly associated with providing service to the new customer. If not, explain why not in detail.

6. Refer to Duke Kentucky's response to Staff's First Request, Item 5(a).

a. Provide an explanation of what "Other Direct Costs" entails, which is part of the Phase 1 Estimate, and a breakdown of the same.

b. Provide an explanation of what "Overhead and Allocations" entails, which is part of the Phase 1 estimate, and a breakdown of the same.

c. Provide a breakdown of what is included in the Phase 1 "Project Contingency."

7. Refer to Duke Kentucky's response to Staff's First Request, Item 5(b).

a. Provide an explanation of what "Other Direct Costs" entails, which is part of the Phase 2 estimate, and a breakdown of the same.

b. Provide an explanation of what "Overhead and Allocations" entails, which is part of the Phase 2 estimate, and a breakdown of the same.

c. Provide a breakdown of what is included in the Phase 2 "Project Contingency."

8. Refer to Duke Kentucky's response to Staff's First Request, Item 6, and provide the state and federal regulations that Duke Kentucky is referencing to in the response.

9. Refer to Duke Kentucky's response to Staff's First Request, Item 7.

- a. Explain whether the proposed project will allow for any savings or reductions in Duke Kentucky's current costs.
 - b. Explain whether the new customer requesting service by January 1, 2021, will be contributing to the annual ongoing cost of operation of the proposed project, including the required periodic inspections and testing.
 - c. Confirm that the estimated annual cost of operation of approximately \$101,500, excluding ongoing maintenance of \$10,000, is entirely incremental to Duke Kentucky's current inspection expenses. If this cannot be confirmed, explain.
10. Provide the referenced federal regulation that requires an in-line inspection to be performed every seven years.


Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED JAN 30 2020

cc: Parties of Record

*Debbie Gates
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

*Minna Sunderman
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201

*Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45201