

BEFORE THE OHIO POWER SITING BOARD

- - -

In the Matter of the :
Application of Duke Energy :
Ohio, Inc., for a :
Certificate of Environmental: Case No. 16-0253-GA-BTX
Compatibility and Public :
Need for the C314V Central :
Corridor Pipeline Extension :
Project. :

- - -

PROCEEDINGS

before Ms. Greta See and Ms. Sarah Parrot,
Administrative Law Judges, 180 East Broad Street,
Room 11-A, Columbus, Ohio, called at 10:08 a.m. on
Tuesday, April 9, 2019.

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VOLUME I

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8 On behalf of Duke Energy Ohio, Inc.

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25 On behalf of NOPE - Neighbors Opposed
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14 President, Board of Township Trustees of
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21 On behalf of the Village of Golf Manor,
22 Ohio, and Mayor Ron Hirth.

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On behalf of City Manager David Waltz and
the City of Blue Ash, Ohio; and
Columbia Township and David Kubicki,
President of the Board of Trustees of
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1 APPEARANCES: (Continued)

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6 On behalf of Mayor Melisa Adrien, City of
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12 On behalf of the City of Reading.

13 IGS Energy
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18 On behalf of IGS Energy.

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1 Tuesday Morning Session,
2 April 9, 2019.

3 - - -

4 ALJ PARROT: Let's go on the record.

5 The Ohio Power Siting Board has set for
6 hearing at this time and place Case No. 16-253-GA-BTX
7 which is captioned In the Matter of the Application
8 of Duke Energy Ohio, Incorporated, for a Certificate
9 of Environmental Compatibility and Public Need for
10 the C314V Central Corridor Pipeline Extension
11 Project.

12 Good morning, everyone. My name is Sarah
13 Parrot, with me on the Bench today is Greta See. We
14 are the Administrative Law Judges assigned by the
15 Ohio Power Siting Board to hear this case.

16 Let's begin with appearances. We'll
17 start with the Applicant and go from there.

18 MS. KINGERY: Thank you, your Honor. On
19 behalf of Duke Energy Ohio, Jeanne Kingery, Brian
20 Heslin, Rocco D'Ascenzo, 139 East Fourth Street,
21 Cincinnati, Ohio.

22 ALJ PARROT: Thank you, Ms. Kingery.
23 To my right.

24 MR. YSKAMP: Thank you, your Honor. My
25 name is James Yskamp. I am counsel for the

1 Intervenor, Neighbors Opposed to Pipeline Extension.
2 I'm with the law firm Fair Shake Environmental Legal
3 Services, 159 South Main Street, Suite 1030, Akron,
4 Ohio.

5 MR. STEVENSON: I'm Dave Stevenson. I'm
6 the Law Director of the City of Reading, and I am
7 here on behalf of the City.

8 ALJ PARROT: Thank you.

9 Mr. Beeler.

10 MR. BEELER: Thank you, your Honor. On
11 behalf of the Staff of the Ohio Power Siting Board,
12 Ohio Attorney General Dave Yost, my name is Steve
13 Beeler, and also on this case will be Robert Eubanks,
14 Ina Avalon, and Janean Weber. Thank you.

15 ALJ PARROT: Let's just continue around
16 the table.

17 MR. KEANEY: Good morning, your Honors.
18 On behalf of the City of Cincinnati and the Board of
19 County Commissioners of Hamilton County, Mark Keaney
20 and Steve Lesser, with the law firm Calfee, Halter &
21 Griswold, LLP, 41 South High Street, Suite 1200,
22 Columbus, Ohio 43215.

23 MR. MILLER: Good morning, your Honor.
24 Doug Miller with the law firm of Donnellon, Donnellon
25 & Miller. I am the Law Director for Sycamore

1 Township and I am here on their behalf.

2 MR. PACHECO: Good morning, your Honor.
3 Bryan Pacheco, P-a-c-h-e-c-o, and Mark Arnzen,
4 A-r-n-z-e-n, with the law firm of Dinsmore & Shohl,
5 255 East Fifth Street, Cincinnati, Ohio 45202. We
6 are here on behalf of the City of Blue Ash and
7 Columbia Township. I am the Solicitor for the City
8 of Blue Ash and the Law Director for Columbia
9 Township. Thank you.

10 MS. HERNSTEIN: Good morning, your Honor.
11 Kara Hernstein from the law firm of Bricker & Eckler,
12 100 South Third Street, Columbus, Ohio 43215, here on
13 behalf of the Intervenor, The Jewish Hospital - Mercy
14 Health.

15 MS. ALLEN: Good morning, your Honor.
16 Bethany Allen and Joe Olikier on behalf of IGS Energy,
17 6100 Emerald Parkway, Dublin, Ohio 430167.

18 ALJ PARROT: Any counsel present that
19 aren't seated at the tables that would like to enter
20 an appearance?

21 Are there any preliminary matters that we
22 need to discuss before we get started with our first
23 Company witness?

24 MS. KINGERY: Your Honor, we will want to
25 present a few exhibits and get them marked for the

1 record.

2 ALJ PARROT: Okay. Would you like to do
3 that before you call your witness or after?

4 MS. KINGERY: Yes, please.

5 ALJ PARROT: Go ahead then, Ms. Kingery.

6 MS. KINGERY: As Duke Energy Ohio Exhibit
7 1, we would like to have marked the Pre-Application
8 Notification Letter that was filed in the docket on
9 March 8, 2016.

10 As Duke Energy Ohio Exhibit 2, we would
11 mark the Application of Duke Energy Ohio, filed on
12 September 13, 2016, and that was filed in seven
13 parts.

14 Duke Energy Ohio 3, we would mark the
15 Amendment that was filed January 20, 2017, again,
16 that was filed in seven parts.

17 And as Duke Energy Ohio Exhibit 4, we
18 would mark the Amended Application filed on February
19 24, 2017. That was filed in one part.

20 And then as Duke Energy Ohio 5, the
21 Amended Application filed on March 3 -- I'm sorry,
22 March 3, 2017.

23 And finally, as Duke Energy Ohio Exhibit
24 6, the Application Supplemental Information filed on
25 April 13, 2018, and that was filed in six parts.

1 ALJ PARROT: Exhibits are so marked.

2 (EXHIBITS MARKED FOR IDENTIFICATION.)

3 MS. KINGERY: And I would move for their
4 admission subject to cross-examination at the
5 appropriate time.

6 ALJ PARROT: All right. We will reserve
7 a ruling on that. All right. With that, you may
8 call your first witness.

9 MS. KINGERY: Thank you, your Honor. We
10 would call Gary Hebbeler to the stand.

11 (Witness sworn.)

12 ALJ PARROT: Please have a seat.

13 MS. KINGERY: Your Honor, may we
14 approach?

15 ALJ PARROT: You may.

16 MS. KINGERY: And we would like to mark
17 as Duke Energy Ohio, I think we are up to 7, the
18 Direct Testimony of Gary Hebbeler.

19 ALJ PARROT: So marked.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 MS. KINGERY: Thank you.

22 - - -

23

24

25

1 GARY J. HEBBELER

2 being first duly sworn, as prescribed by law, was
3 examined and testified as follows:

4 DIRECT EXAMINATION

5 By Ms. Kingery:

6 Q. Mr. Hebbeler, would you state your name
7 and business address for the record, please.

8 A. Yes. It's Gary Joseph Hebbeler. My
9 business address is 139 East Fourth Street,
10 Cincinnati, Ohio 45202.

11 Q. And do you have what has just been marked
12 as Duke Energy Ohio Exhibit 7 in front of you?

13 A. I do.

14 Q. And what is that document?

15 A. This is the Direct Testimony of Gary
16 Hebbeler on behalf of Duke Energy Ohio.

17 Q. That was filed in the docket on what
18 date?

19 A. March 26, 2019.

20 Q. Thank you. And is your microphone on?

21 ALJ PARROT: Maybe move it up a little
22 more towards your mouth.

23 Q. Great. Thank you. And did you prepare
24 this testimony or participate directly in its
25 preparation?

1 A. I did.

2 Q. And do you have any changes or
3 corrections to make to this testimony today?

4 A. I do.

5 Q. Could you go through those for us,
6 please?

7 A. I will. The first one is on page i, the
8 date should be 2017 instead of 1017.

9 On page 1, the business title should be
10 "Vice President, Special Projects" instead of "Vice
11 President, Gas Operations." That is on line 5 and 6.

12 On page 2, line 20, should change
13 "current" to "previous." And then add "As of
14 April 1, 2019, I was named to my current position as
15 Vice President, Special Projects."

16 ALJ PARROT: One more time, please.

17 THE WITNESS: It's at page 2.

18 ALJ PARROT: Just the sentence you are
19 adding, please.

20 THE WITNESS: "As of April 1, 2019, I was
21 named to my current position as Vice President,
22 Special Projects."

23 ALJ PARROT: Thank you.

24 A. Page 3, line 2 through line 8, on line 2
25 it should say "Vice President, Special Projects."

1 And then lines 3 through 8 should be replaced "I am
2 responsible for the permitting, design, construction,
3 and commission of this 20-inch, high-pressure
4 distribution pipeline."

5 Onto page 16, line 1, delete the comma
6 and the words "which I will."

7 Page 22, line 12, change "SYMS" to
8 "SMYS."

9 Page 22, line 15 --

10 MR. LESSER: Could you repeat that,
11 please?

12 THE WITNESS: On page 22, line 12, change
13 "SYMS" to "SMYS."

14 On page 22, line 15, change "SYMS" to
15 "SMYS."

16 On page 23, line 11, add a comma after
17 the word "design" and delete the words "assessment
18 and."

19 I believe that completes all my changes.

20 Q. Mr. Hebbeler, with those changes, if I
21 were to ask you all of these questions today, would
22 your answers be the same?

23 A. They would.

24 MS. KINGERY: Thank you. The witness is
25 available for cross-examination.

1 ALJ PARROT: Thank you, Ms. Kingery.

2 Do the parties have a preferred order?

3 Mr. Keaney, I see you.

4 MR. KEANEY: Yes, the County -- City and
5 County will kick it off.

6 ALJ PARROT: Okay. Go ahead.

7 - - -

8 CROSS-EXAMINATION

9 By Mr. Keaney:

10 Q. Good morning, Mr. Hebbeler.

11 A. Good morning.

12 Q. When I use the term "proposed pipeline,"
13 I am referring to the proposed pipeline in the
14 Central Corridor at issue in this case. Do you
15 understand?

16 A. I do.

17 Q. And when I use the term "Central
18 Corridor," I am referring to the term "Central
19 Corridor" consistent with the way Duke has used it in
20 its Amended Application in this case. Do you
21 understand?

22 A. I do.

23 Q. And when I use the term "Board," I am
24 referring to the Ohio Power Siting Board. Do you
25 understand?

1 A. I do.

2 Q. Now, you are familiar with and
3 knowledgeable of the C314 pipeline referenced
4 throughout your testimony; is that correct?

5 A. That's correct.

6 Q. You helped design, manage, and construct
7 the C314 pipeline, correct?

8 A. That's correct.

9 Q. And you had testified before the Board in
10 connection with the C314 pipeline project, correct?

11 A. That's correct.

12 Q. Now, the Board approved the construction
13 of the C314 pipeline in 2002, correct?

14 A. They did approve it. I can't remember if
15 it was in 2002, but they did approve that.

16 Q. At the time C314 was proposed and
17 ultimately constructed, Duke knew there was going to
18 be a Phase II to the C314 project, correct?

19 A. Duke had a conceptual thought that there
20 would have to be more balance of supply coming down
21 from the north to the south, that's correct.

22 Q. So just to clarify, it was conceptual at
23 the time, but Duke did have in their mind at the time
24 C314 was proposed and ultimately constructed, that
25 there would be some Phase II, correct?

1 A. That's correct.

2 Q. Now, Phase II is the proposed pipeline at
3 issue in this case today, correct?

4 A. That's correct.

5 Q. And at the time of filing the application
6 for the C314 pipeline and throughout its
7 construction, Duke did not have any concrete plans
8 for Phase II, correct?

9 A. That's correct.

10 Q. And like you said, it was conceptual at
11 that time, correct?

12 A. That's correct.

13 Q. Although Duke's plans were conceptual at
14 that time, Duke understood, in the early 2000s, that
15 it would need to construct an extension of the C314
16 pipeline through the Central Corridor though the
17 specific route in the Central Corridor was unknown at
18 that time, correct?

19 A. It knew that it would have to have system
20 enhancements. The concept of bringing a better
21 balance of supply down from the north to south is not
22 new. Line A is an example of that and so is C314.
23 So we knew there was going to have to be some system
24 enhancements to continue to balance that supply from
25 north to south.

1 Q. And Duke knew that those system
2 enhancements would have to be implemented in the
3 Central Corridor area, though specifically where was
4 unknown; is that fair to say?

5 A. You would hope we would use those assets
6 that we already put in place to -- to help balance
7 that supply.

8 Q. Okay. So, that's not my question. My
9 question is, these additional system enhancements you
10 referenced, Duke knew they would have to be
11 implemented somewhere in the Central Corridor,
12 correct?

13 A. That would be a correct statement.

14 Q. Now, you do not remember if Duke ever
15 notified Staff or the Board of its conceptual plans
16 for Phase II at any point during the pendency of the
17 C314 pipeline, correct?

18 A. Yeah. I don't have any recollection that
19 we notified them of that -- of the enhancements that
20 we may have to make.

21 Q. And Duke has been unable to take full
22 advantage of the capacity of the C314 pipeline given
23 the existing pressure and supply limitations in other
24 lines, correct?

25 A. Due to the system constraints, that's

1 correct.

2 Q. And this has always been a problem since
3 the C314 pipeline was constructed in 2003, correct?

4 A. That pipeline accomplished its goals when
5 it was constructed, for the capacity laid out at that
6 immediate time. I'm not too sure I understand your
7 question.

8 Q. You had previously testified Duke has
9 been unable to take full advantage of the C314
10 pipeline, given the existing system pressures and
11 supply limitations in other lines, correct?

12 A. That's correct.

13 Q. So what I am asking is, that's been a
14 problem since Duke constructed the C314 pipeline in
15 2003, correct?

16 MS. KINGERY: Objection, your Honor,
17 asked and answered.

18 MR. KEANEY: Your Honor, he didn't answer
19 it.

20 ALJ PARROT: The objection -- the
21 objection is overruled.

22 Go ahead, Mr. Hebbeler.

23 A. The pipeline was developed for a
24 certain -- initially installed for a certain capacity
25 to deliver to the system and so it did accomplish the

1 task at the time.

2 Q. You were deposed in connection with this
3 case, correct?

4 A. Correct.

5 Q. You were deposed in the presence of a
6 court reporter, correct?

7 A. That's correct.

8 MR. KEANEY: Your Honor, may I approach?

9 ALJ PARROT: You may.

10 Q. (By Mr. Keaney) You were deposed in this
11 case on April 2, 2019, correct?

12 A. That's correct.

13 Q. At your deposition, you swore to tell the
14 truth, correct?

15 A. That's correct.

16 Q. Can you please turn to page 75 of your
17 deposition transcript and let me know when you are
18 there, please.

19 A. I'm on page 75.

20 Q. And if you can start with line 23, and I
21 am going to read it. Let me know when you are at
22 line 23.

23 A. I am at 23.

24 Q. "Question: Duke has been unable to take
25 full advantage of the capacity of the C314, given the

1 existing pressure and supply limitations in other
2 lines, correct?

3 "Answer: That's correct.

4 "Question: Has this always been a
5 problem since C314 was constructed?

6 "Answer: Yes."

7 Did I read that correctly?

8 A. That's correct.

9 Q. Can you please turn to page 14 of your
10 testimony and let me know when you're there.

11 A. I'm on page 14.

12 Q. Now, on page 14 of your testimony, you
13 indicate that Duke had installed the C314 pipeline to
14 address rapid load growth in the area, correct?

15 A. What line are you on, please?

16 Q. 16.

17 A. That's correct.

18 Q. The area referenced in your testimony
19 here would include growth in the Hamilton County
20 area, correct?

21 A. That's correct.

22 Q. Now, if the proposed pipeline is approved
23 and constructed as planned, whether that be the
24 Preferred Route or the Alternate Route, Duke
25 customers in Kentucky will benefit from the

1 construction of the proposed pipeline, correct?

2 A. No, they will not.

3 Q. There are three main goals and objectives
4 for this proposed project, correct?

5 A. That's correct.

6 Q. Now, accommodating potential growth is
7 not one of those three objectives for this proposed
8 pipeline, correct?

9 A. Please ask that question again, please.

10 Q. Accommodating potential growth is not one
11 of the three objectives for the proposed pipeline,
12 correct?

13 A. That's correct. The three objectives are
14 to balance that north-south supply, to decommission
15 our propane plants, and to help facilitate the
16 replacement of our -- of our aging infrastructure,
17 and so those would be the three main -- three main
18 objectives.

19 MR. KEANEY: Your Honor, I move to strike
20 everything after "that's correct."

21 ALJ PARROT: Response?

22 MS. KINGERY: Your Honor, he was just
23 explaining what the objectives were that he was asked
24 about.

25 ALJ PARROT: Your motion is denied,

1 Mr. Keaney.

2 Q. (By Mr. Keaney) When determining whether
3 to replace aging infrastructure, Duke will consider a
4 variety of different factors, correct?

5 A. I am not sure I understand your question.

6 Q. Let me give you a "for instance." One of
7 the considerations in determining whether to replace
8 aging infrastructure is whether the life of the asset
9 is at its end of its useful life, correct?

10 A. That would be correct, the condition of
11 the facility, that's correct.

12 Q. But this is not the only consideration
13 that Duke would consider when determining whether to
14 replace aging infrastructure, correct?

15 A. That is correct.

16 Q. Okay. Sometimes, though not always, an
17 asset's useful life can be extended through repairs
18 or upgrades, correct?

19 A. You can extend useful life through
20 certain repairs and certain upgrades.

21 Q. So would your answer be, that's correct?

22 A. It would be, certain repairs and certain
23 upgrades. It's not always a repair that gives you
24 extended life.

25 Q. So let me repeat my question just so we

1 are on the same page.

2 Sometimes, though not always, an asset's
3 useful life can be extended through repairs or
4 upgrades, correct?

5 A. Sometimes it can, that is correct.

6 Q. On page 2 of your testimony, and I will
7 stop and let you get to page 2 and let me know when
8 you are ready.

9 A. I'm on page 2.

10 Q. And line 6 and 7 of your testimony, you
11 state that you helped design and oversee the
12 Accelerated Main Replacement Program or AMRP, for
13 both Ohio and Kentucky, correct?

14 A. That's correct.

15 Q. And the AMRP Program involved replacing
16 more than 1,100 miles of main and 120,000 associated
17 metallic main-to-curb service lines, correct?

18 A. That's correct.

19 Q. AMRP was a 14-year project, correct?

20 A. 15-year in Ohio and 10-year in Kentucky.

21 Q. The total cost of the AMRP for both Ohio
22 and Kentucky was roughly a little under 1 billion
23 dollars, correct?

24 A. That's correct.

25 Q. And of the almost 1 billion dollars in

1 AMRP costs, roughly 80 percent was attributable to
2 Ohio, correct?

3 A. Approximately 80 percent, that would be
4 correct.

5 Q. And Duke customers in Ohio were 100
6 percent responsible for their share of those costs,
7 correct?

8 A. I just want to make sure we're clear.
9 The million I gave you is just the total estimate,
10 okay?

11 Q. The billion?

12 A. I'm sorry. The billion dollar estimate.
13 Duke Energy Ohio would only be -- customers would
14 only be responsible for those assets that were
15 replaced, the cost of those assets, okay? So it
16 wasn't a roughly 80/20 split, just to make sure we
17 are clear. They would only be responsible for the
18 assets that were replaced and the costs of those
19 assets in Duke Energy Ohio.

20 Q. And of those assets that were replaced in
21 the AMRP in Ohio, do you follow me so far?

22 A. Yes.

23 Q. Duke Ohio customers were 100 percent
24 responsible for those costs, correct?

25 A. For their portion, that's correct.

1 Q. Okay. And Duke Energy Ohio just finished
2 the AMRP in Ohio in 2015; is that right?

3 A. That's correct.

4 Q. Okay. Duke had scheduled a certain
5 section of Line A to be replaced in 2018, correct?

6 A. There was a certain section replaced,
7 that's correct.

8 Q. And Duke followed through and replaced
9 that certain section in Line A in 2013, correct?

10 A. To the best of my knowledge, yes.

11 Q. You are not aware of any outages caused
12 by the replacements of that replacement of Line A in
13 2013, correct?

14 A. No, I am not aware of any outages because
15 that was on the north of Fields-Ertel section.
16 That's much easier to replace.

17 MR. KEANEY: Your Honor, I move to strike
18 everything after and including the word "because."

19 MS. KINGERY: Your Honor, Mr. Hebbeler
20 was simply trying to explain why there were no
21 outages. It's directly relevant to the question that
22 was asked.

23 MR. KEANEY: Your Honor, if I may be
24 heard? I didn't ask him why. I asked him if he was
25 aware. Duke is certainly more than capable of

1 exploring that on redirect.

2 ALJ PARROT: Motion to strike is denied.

3 Q. (By Mr. Keaney) Duke can take certain
4 actions to minimize or diminish the outage time for
5 customers that would be impacted as a result of
6 repair or replacement work on Line A, correct?

7 A. Please ask your question again.

8 Q. Sure.

9 Duke can take certain actions to minimize
10 or diminish the outage time for customers that would
11 be impacted as a result of repair or replacement work
12 on Line A, correct?

13 A. Repair, we can -- we can work around a
14 small repair. If you had a large replacement, that
15 would be different, probably a different action than
16 a smaller replacement. The smaller, more confined
17 the area is to take care of, the easier it is to --
18 to remediate that situation to keep customers from --
19 from having an adverse impact.

20 Q. Mr. Hebbeler, I am not asking you about a
21 specific example. I am asking you in general, can
22 Duke take certain actions to minimize or diminish the
23 outage time for customers that would be impacted as a
24 result of repair or replacement work on Line A,
25 correct?

1 A. I just need to define the replacement.

2 Q. If you can turn to page 52 of your
3 deposition, please. And let me know when you're
4 there.

5 A. I am on page 52.

6 Q. On line 1, it reads:

7 "Question: Can you take certain actions
8 or measures to minimize or diminish the outage time
9 for customers that would be impacted from any type of
10 repair or replacement of Line A as again referenced
11 in your testimony here on page 14?

12 "Answer: You could. You could bring
13 laterals over from different areas to try to serve
14 that section, but that may not be sustainable in high
15 flows. It just depends on what you have in the
16 network to supply that area. Line A is the main
17 artery down through the system, and it supplies a lot
18 of neighborhoods."

19 Did I read that correctly?

20 A. You did read that correctly. And I
21 believe that's kind of what I was indicating in my
22 answer just now.

23 MR. KEANEY: Your Honor, I move to strike
24 everything after "you read that correctly."

25 ALJ PARROT: Motion is denied.

1 MS. KINGERY: And, your Honor, I would
2 also ask that Counsel read the remainder of the
3 discussion that was had at the deposition on this
4 topic. If you go back to the previous page, page 51,
5 there was more discussion of this, and Mr. Hebbeler,
6 at that time, said, "I guess what I'm trying to share
7 is, it makes a difference where you make the
8 replacements on Line A, and it makes a difference of
9 the length of replacement and, like I said, the
10 location and the length of the replacement."

11 ALJ PARROT: Noted.

12 Go ahead, Mr. Keaney.

13 Q. (By Mr. Keaney) Duke can make repairs or
14 replacement at strategic times of the year when gas
15 is at its lowest, correct, gas usage is at its
16 lowest, correct?

17 A. That's not always correct. Repairs may
18 have to be made immediately. And so they may not be
19 able to wait. If you are trying to plan a
20 replacement, you would try to plan it at the optimum
21 times of the year.

22 Q. So Duke can make repairs or replacements,
23 certain types of repairs and replacements at
24 strategic times of the year when gas usage is at its
25 lowest, correct?

1 A. Well, in Ohio, if you have a Grade 1, you
2 have to -- you have to mitigate that issue somehow
3 right away and so, again, it may not be able to wait
4 if you have a Grade 1 and you have to mitigate that
5 issue. You have got to make that repair right away.

6 Q. I understand that, Mr. Hebbeler. What I
7 am asking is other than that instance, there are some
8 situations, some types of repairs or replacements
9 where Duke can make those replacements or repairs at
10 strategic times of the years when gas is at its
11 lowest, correct?

12 A. There are sometimes. Again, there are
13 some exceptions also.

14 Q. If the proposed pipeline is approved and
15 constructed, it will make it easier for Duke to
16 repair and replace portions of Line A, correct?

17 A. Yes, it will greatly help facilitate
18 repairs and replacements along Line A.

19 Q. And Duke will continue to replace or
20 upgrade its aging infrastructure as needed,
21 regardless of whether the proposed pipeline is
22 constructed, correct?

23 A. Yeah. As I just stated, if you have an
24 immediate, we would take immediate action. Whether
25 we had that pipeline in there or not, we would have

1 to take immediate action.

2 Q. Can you turn to page 81 of your
3 deposition transcript, please. Let me know when you
4 are there.

5 A. I am there.

6 Q. "Question: But that plan to continue
7 to --

8 A. I'm sorry, what line are you on?

9 Q. 24.

10 A. Okay.

11 Q. "But that plan to continue to upgrade
12 your infrastructure will happen regardless of whether
13 the proposed pipeline is constructed, correct?

14 "Answer: That's correct. We will have
15 to continually upgrade our infrastructure or replace
16 it. That's correct."

17 Did I read that correctly?

18 A. You did.

19 Q. You are not aware of any instance where
20 customers in the Central Corridor have experienced
21 lengthy outages due to Duke's repair or replacement
22 activities in the Central Corridor, correct?

23 A. That's correct.

24 Q. Can you turn to page 14 of your
25 testimony, please. Let me know when you are there.

1 A. I am there.

2 Q. Okay. And beginning on line 20, you
3 discuss "existing pressure and supply limitations in
4 other lines, located to the south of Line C-314,"
5 correct?

6 A. Starting on line 20, where do you want me
7 to end?

8 Q. 23, please.

9 A. Can you reask your question, please?

10 Q. Sure.

11 On page 14 of your testimony here, do you
12 see where you discuss "existing pressure and supply
13 limitations in other lines, located to the south of
14 Line C-314"?

15 A. Yes.

16 Q. Okay. The proposed pipeline will only
17 eliminate some of the existing pressure and supply
18 constraints in these other lines, correct?

19 A. That's correct.

20 Q. The proposed pipeline will not eliminate
21 all of these constraints, correct?

22 A. That's correct.

23 Q. Constructing just one pipeline will not
24 eliminate all of these constraints, correct?

25 A. You have to continually assess your

1 system and then you would implement system
2 improvements according to that data and those
3 assessments.

4 Q. I am going to try again.

5 Constructing just one pipeline will not
6 eliminate all of these constraints, correct?

7 A. That's correct.

8 MS. KINGERY: Objection, asked and
9 answered. He has asked that question now three times
10 in different ways.

11 MR. KEANEY: Your Honor, I haven't. This
12 is the first time I have asked specifically with
13 reference to his testimony about whether one pipeline
14 would accomplish Duke's goals in this case. I have
15 never asked a single question related to that prior.

16 ALJ PARROT: The objection is overruled.
17 Go ahead, Mr. Hebbeler.

18 A. I guess, again, you would continually
19 assess your system and then you would be able to use
20 that data to drive where those other system
21 improvements could be, and Mr. Long can explain it
22 better from the planning side.

23 Q. Can you turn to page 77 of your
24 deposition testimony. Let me know when you are
25 there.

1 A. I am there.

2 Q. Line 9 reads:

3 "Question: The proposed pipeline will
4 not eliminate all of these constraints; is that fair
5 to say?

6 "Answer: That's correct. It's an
7 integrated system and you couldn't eliminate all the
8 issues with just one pipeline."

9 Did I read that correctly?

10 A. You did. And, again, my answer
11 complimented what I just said in the deposition.

12 Q. The proposed pipeline does not solve
13 Duke's reliability issue with respect to Foster
14 Station, correct?

15 A. Are you on a certain page of my
16 testimony?

17 Q. I am not.

18 A. Okay. Ask the question, please.

19 Q. The proposed pipeline does not solve
20 Duke's reliability issue with respect to Foster
21 Station, correct?

22 A. That's -- that's correct. That will not
23 resolve all the reliability issues, that's correct.

24 Q. Now, without the proposed pipeline,
25 Duke's natural gas system has a major reliability

1 risk, correct?

2 A. That's correct.

3 Q. And if the proposed pipeline is built,
4 whether that be the Alternate Route or the Preferred
5 Route, Duke will still have a major reliability risk,
6 correct?

7 A. No, because we would -- we would help
8 balance the supply from north to south. We would
9 eliminate the -- the propane facilities which are the
10 greatest risk right now if we don't -- if something
11 was to happen to those propane facilities, there is
12 a -- there is a great risk that we would lose 30,000
13 customers or more.

14 Q. In Duke's natural gas system --

15 A. Can I?

16 ALJ PARROT: Go ahead.

17 Q. I'm sorry, Mr. Hebbeler.

18 A. So it would greatly reduce that
19 dependency on north to south, but not totally
20 eliminate it.

21 Q. If the -- if the Alternate Route is
22 selected as the approved route, Duke estimates that
23 reliability -- excuse me -- Duke estimates that about
24 45 percent of the supply would come from Foster
25 Station; is that correct?

1 A. I don't know if it would be the better
2 one, but one does a better -- helps us better balance
3 the supply than the other.

4 Q. You don't know the percentages of those?

5 A. One is 45 and one is 50. I just can't
6 remember which route right now.

7 Q. Fair enough. Let's take 45 percent. Is
8 it your testimony, today, that reliance on 45 percent
9 on one gate station in Duke's natural gas system does
10 not pose a major reliability risk?

11 A. We continue to assess our system and we
12 implement projects, such as what we are proposing
13 now, to help reduce those risks, and so we will
14 continually assess that system to minimize any -- any
15 potential risk.

16 MR. KEANEY: Your Honor, I would move to
17 instruct the witness to answer the question. It's a
18 yes or no question whether it's a major reliability
19 risk. It's cut and dry here. It's yes or no.

20 ALJ PARROT: I don't know that it is, but
21 go ahead and try again, Mr. Keaney.

22 MR. KEANEY: Okay.

23 Q. (By Mr. Keaney) Does Duke see 45 percent
24 reliance on one gate station in its natural gas
25 system as a major reliability risk?

1 A. Again, we proactively look at our system,
2 assess our system, and we implement projects, such as
3 the one we are proposing, to continue to reduce those
4 risks.

5 MR. KEANEY: Your Honor, again, he is not
6 answering the question.

7 ALJ PARROT: Mr. Hebbeler, I am going to
8 direct you to answer the question to the best of your
9 ability. You may add any clarification that you need
10 to. I am not asking you to limit your response to a
11 yes or no, but I am going to ask that you try to do
12 your best to answer the question posed.

13 A. I would say it's not a major risk. It is
14 a risk.

15 ALJ PARROT: Thank you.

16 Q. Thank you.

17 There will still be excessive reliance on
18 Foster Station even after the proposed pipeline is
19 constructed, correct?

20 MS. KINGERY: Object. Asked and
21 answered. That's the question Mr. Hebbeler just
22 answered just phrased differently.

23 MR. KEANEY: It's not, your Honor. I am
24 asking about a completely different issue. Whether
25 something is reliable versus whether you are having

1 excessive reliance. He said he is not prepared to
2 call it "major." And I can pull out a deposition
3 transcript where he answered this question if we
4 would prefer to do it that way.

5 ALJ PARROT: Overruled.

6 A. Can you ask your question again?

7 Q. Sure. There will still be excessive
8 reliance on Foster Station even after the proposed
9 pipeline is constructed, correct?

10 A. There will be -- there will be reliance
11 on Foster Station, according to percentages that Adam
12 can better articulate in his cross-examination.

13 Q. Can you turn to page 81 of your
14 deposition transcript. Please let's me know when you
15 are there.

16 A. I'm there.

17 Q. I'm on line 5.

18 "Question: Do you agree that there will
19 still be excessive reliance on Foster Station, even
20 after the pipeline is constructed?

21 "Answer: There will be, and Mr. Long
22 will be able to explain that reliance."

23 Did I read that correctly?

24 A. You did.

25 Q. Thanks.

1 In your testimony you discuss how the
2 proposed pipeline reflects the next stage in Duke's
3 ongoing attention to its natural gas system, correct?

4 A. What page are you on, please?

5 Q. Page 9, lines 6 through 10.

6 A. Your question again, please?

7 Q. In your testimony you discuss how the
8 proposed pipeline reflects the next stage in Duke's
9 ongoing attention to its natural gas system, correct?

10 A. Correct.

11 Q. You do not know if Duke has developed any
12 plan concerning this next stage and its larger plan
13 to diversify the north-south supply, correct?

14 A. Well, this pipeline we are proposing
15 is -- is part of that system enhancement that can
16 help -- better balance the north-south supply.

17 Q. So, Mr. Hebbeler, I am asking about the
18 next stage as it's referenced specifically on line 6
19 of page 9 of your testimony. Do you see where I am?

20 A. Yes.

21 Q. And I am asking if Duke has developed any
22 plans concerning this next stage.

23 MS. KINGERY: Your Honor, I would object.
24 It mischaracterizes the testimony.

25 ALJ PARROT: Overruled.

1 Mr. Hebbeler, go ahead and respond to the
2 question. If you need to ask for clarification, I am
3 not sure you two are on the same page here, so feel
4 free to ask that.

5 A. Can you ask your question again?

6 Q. Sure. Do you see on page 9, line 6,
7 where you refer to "the next stage"?

8 A. Yes.

9 Q. And you are talking about the proposed
10 pipeline being the next stage, correct?

11 A. That's correct.

12 Q. Okay. So what I'm trying to ask about
13 is, is there a next stage after this one and -- let
14 me just ask. Is there a next stage after the
15 proposed pipeline that Duke has developed?

16 A. So, again, the -- I explained this
17 before, this is not a new concept of balancing our
18 supply from north-to-south. Line A was an example of
19 that balance. Line C314 is an example. This
20 proposed pipeline is an example of that balance. We
21 will continually assess the system and monitor the
22 system, and if our data shows that we need to make
23 system enhancements to ensure the safe, reliable
24 service to our customers, then we will make those
25 improvements also.

1 Q. Today, April 9, 2019, could you refer to
2 a hard copy of a plan that Duke has for this next
3 stage after the proposed pipeline?

4 A. Adam Long would be a better one to answer
5 that question.

6 Q. Thank you.

7 To the extent Duke makes any capital
8 investments as part of its future plans, Duke
9 ratepayers will pay for those capital investments,
10 right?

11 A. That is correct.

12 Q. Now, Duke's initial application in this
13 case had proposed a 30-inch pipeline, correct?

14 A. We talked --

15 MS. KINGERY: Go ahead.

16 A. We talked about a 30-inch pipeline.

17 Q. Now, in response to some safety concerns
18 from the public, Duke had reduced the pipeline from
19 30 inches to 20 inches, correct?

20 A. Well, safety is Duke Energy Ohio's top
21 priority, and we gathered data from the public and
22 were sensitive to their concerns.

23 Q. And in response to those concerns, Duke
24 reduced the pipeline from 30 inches to 20 inches,
25 correct?

1 A. We did reduce the pipeline from 30 inches
2 to 20 inches and other -- and introduced other safety
3 enhancements to that pipeline.

4 Q. And so, as part of that reducing, the
5 size and pressure of the proposed pipeline changed,
6 correct?

7 A. That's -- that was part of those enhanced
8 criteria.

9 Q. Okay. So although the size and pressure
10 had changed, among other things, Duke's objectives or
11 reasons for building the proposed pipeline have
12 stayed the same throughout this entire case, correct?

13 A. Yes, the three objectives have stayed the
14 same as to balancing -- better balance of north-south
15 supply, to replace the propane-air plants, and to
16 help better facilitate replacing aging
17 infrastructure.

18 Q. Can you turn to page 16 of your
19 testimony. Let me know when you are there, please.

20 A. I am there.

21 Q. And if you can read to yourself the
22 sentence beginning at "However" on line 14, through
23 the end of line 16, and let me know when you are
24 finished.

25 A. I am there.

1 Q. Here you mention that the 20-inch
2 pipeline does not achieve the balance or peak day
3 system requirements of the original 30-inch pipeline,
4 correct?

5 A. The current 20-inch proposal does not
6 achieve the balance of that -- that would have
7 otherwise been achieved with a 30-inch.

8 Q. Got you. And as a result of that, Duke
9 will still need to make "additional upgrades and
10 enhancements to the system," correct?

11 A. To achieve that original thought on a
12 30-inch of the balance of supply, we would have to
13 make other enhancements to achieve that portion of
14 it, that's correct.

15 Q. Duke is currently developing plans to
16 make these additional upgrades and enhancements to
17 this system, correct?

18 A. Yeah. I would ask you to ask Adam Long
19 that question. He is in planning and he would be
20 able to answer that question the best.

21 Q. To your knowledge, Duke has not estimated
22 or projected the cost of those additional upgrades
23 and enhancements to this system?

24 A. That's correct. To the best of my
25 knowledge.

1 Q. And to the best of your knowledge, you
2 are not aware if these additional upgrades or
3 enhancements to the system will require Board
4 approval, correct?

5 A. That's correct.

6 Q. To your knowledge, you are not aware of
7 any projects currently being considered by Duke whose
8 purpose is to further address the system's
9 north-south balance problem, correct?

10 A. Yeah, I would ask you to ask Adam that
11 question. He is the better one to answer for the
12 planning.

13 Q. You personally attended some of the
14 public meetings to discuss Duke's proposed pipeline,
15 correct?

16 A. That's correct.

17 Q. And when you attended these public
18 meetings, it appeared to you that the majority of
19 attendees at the public meetings were opposed to the
20 proposed pipeline, correct?

21 A. There was attendees at those meetings
22 that were opposed to -- opposed to the pipeline.

23 Q. And from your actually having attended
24 it, you would say the majority of people that
25 attended were opposed to the proposed pipeline,

1 correct?

2 A. When we say "majority," I would say
3 over -- you know, I would look at over 50 percent and
4 there was a lot of people there opposed to that
5 pipeline.

6 Q. So if "majority" means over 50 percent, I
7 just want to be clear for the record, you agree that
8 the majority of the people that attended those public
9 informational meetings were opposed to the pipeline?

10 A. If I define it over 50 percent.

11 Q. You are aware that thousands of comments
12 from concerned members of the public have been filed
13 in the docket of this case, correct?

14 A. Correct.

15 Q. You have not read any of those comments,
16 correct?

17 A. That's correct.

18 Q. And you have not read any of those
19 comments because Duke only recently put you on this
20 proposed pipeline project as of April 1, 2019,
21 correct?

22 A. I was put on this project as of April 1,
23 that is correct. And my role was really support
24 along the -- prior to that, for the safety design and
25 construction.

1 Q. Prior to April 1, 2019, when you assumed
2 this new role, is it fair to say your role was in a
3 support or peripheral role?

4 A. Support role, that would be correct, as I
5 just defined it.

6 Q. Thank you.

7 Now, you understand that Staff concluded
8 that the public comments received by the Board were
9 overwhelmingly opposed to the proposed pipeline,
10 correct?

11 A. Ask your question again, please.

12 Q. Sure.

13 You understand that Staff concluded, in
14 the Amended Staff Report, that the public comments
15 received by the Board were overwhelmingly opposed to
16 the proposed pipeline, correct?

17 A. I don't know if that's the words that
18 they used, but I know they have -- they were aware of
19 that, that's correct.

20 Q. You believe that the majority of Duke
21 Ohio customers support the proposed pipeline,
22 correct?

23 A. It's my belief that our customers want
24 Duke Energy Ohio to provide safe, reliable service to
25 its customers at an affordable cost, and I believe

1 they are -- they are for this project to achieve that
2 goal.

3 Q. And it's your opinion that because the
4 majority of Duke customers in Ohio did not submit
5 comments in the docket of this case, that the
6 majority of Duke customers in Ohio support the
7 proposed pipeline, correct?

8 A. They would support the proposed pipeline
9 because they support and require us to provide safe,
10 reliable service at affordable cost to its customers.

11 Q. I am not asking that. I am asking the
12 basis of your opinion for why you believe the
13 majority of Duke customers support the proposed
14 pipeline. And so, my question is very specific. Is
15 that opinion based on the fact that the majority of
16 Duke customers in Ohio did not file comments in this
17 docket?

18 A. Again, my basis of my comment is that the
19 customers in Ohio would require us to provide -- they
20 require us to provide safe and reliable service to
21 all the customers.

22 Q. Can you turn to page 108 of your
23 deposition transcript and let me know when you're
24 there.

25 A. I am there.

1 Q. If you can go down to line 21.

2 "Question: So because the majority of
3 the 438,000 Duke customers in Ohio didn't submit
4 comments into the docket, you would then infer from
5 that that the majority of Duke customers in Ohio
6 support the proposed pipeline. Is that fair to say?"

7 A. No, that's --

8 Q. "Answer: That would be my opinion."
9 Did I read that correctly?

10 A. You did read that correctly, and I just
11 gave you the basis for why I believe that.

12 MS. KINGERY: Your Honor, I would once
13 again note that the Counsel is cherry picking what
14 lines he reads from the deposition. On page 108,
15 line 6, Mr. Hebbeler was asked "Do you have any
16 opinion as to whether the majority of all of Duke's
17 customers support or oppose your proposed pipeline?"

18 "Answer: My opinion is they would
19 support it, because it provides safe, reliable
20 natural gas to the area."

21 MR. KEANEY: And if you continue on, your
22 Honor. "And what's that opinion based on?"

23 "Answer: They did not submit an opposal
24 to the project."

25 And then I read the rest.

1 ALJ PARROT: Noted.

2 Q. (By Mr. Keaney) Duke distributed comment
3 cards and questionnaires to its customers and to
4 those residing in communities impacted by the
5 proposed pipeline, correct?

6 A. We took comments at the -- at the public
7 information hearings and we also took comments
8 through our -- our website, through our hotline, and
9 through the e-mail. We allowed customers to provide
10 comments through that avenue. And we sent
11 information out through -- through mailings, just to
12 the direct people affected along the routes, and
13 provided information.

14 Q. And the majority of comments and
15 responses that you received from those were opposed
16 to the proposed pipeline, correct?

17 A. There were -- a lot of comments expressed
18 their opinion about the pipeline for various reasons.

19 Q. The majority of those comments and
20 responses were opposed to the proposed pipeline,
21 correct?

22 A. Well, they were categorized -- what I am
23 familiar with, the comments were categorized into
24 concerns. And like, for example, one of the major
25 concerns were safety.

1 Q. I am not asking you how they were
2 categorized. I am not asking you what the content of
3 the responses were, Mr. Hebbeler. I am asking a
4 straightforward question. The majority of those
5 comments and responses, which Duke has received from
6 all those various forms of communication that you
7 got, the majority of those comments were from
8 customers who opposed the proposed pipeline, correct?

9 A. Opposed the pipeline for various reasons.

10 Q. Is that a correct?

11 A. They proposed -- opposed the pipeline for
12 various reasons, yes.

13 Q. Thank you.

14 In fact, the overwhelming majority of
15 those who responded to the comment cards and the
16 questionnaires, circulated by Duke, were opposed to
17 the proposed pipeline, correct?

18 A. I'll define, again, "overwhelming" as
19 over 50 percent, they were opposed to the project.

20 Q. Do you remember us talking about this in
21 your deposition?

22 A. I do.

23 Q. And do you remember when I used the term
24 "overwhelming majority"?

25 A. Yes.

1 Q. So I am using it the same way we meant it
2 in the deposition.

3 A. And I am replying that over 50 percent is
4 overwhelming.

5 Q. Okay. You provided a table estimating
6 the cost of the Alternate Route and Preferred Route
7 on page 31 of your testimony, correct?

8 A. That's correct.

9 Q. Now, the estimated costs on page 31 of
10 your testimony do not include allowance for funds
11 used during construction or overhead, correct?

12 A. That's correct.

13 Q. Now, you don't know what the estimated
14 costs might be for allowance for funds used during
15 construction or overhead, correct?

16 A. Again, we had this discussion in the
17 deposition and to the best of my knowledge
18 approximately 50 million.

19 Q. Thank you.

20 So just so the record is clear, you are
21 saying 50 million is an approximate number for what
22 the allowance for funds used during construction or
23 overhead is referenced in your testimony; is that
24 fair to say?

25 A. That's correct.

1 Q. Thank you.

2 Now of the estimated total of the
3 proposed pipeline will only be known and revealed
4 after the Board would approve the proposed pipeline,
5 correct?

6 A. Please ask your question again.

7 Q. So the total costs of what the proposed
8 pipeline will be, will only be known or revealed
9 after the Board would approve the proposed pipeline,
10 correct?

11 A. That's correct. We wouldn't be able to
12 have those -- those final estimates until we have
13 final design completed and that's why the -- that
14 number of approximately 50 million is based off of
15 this and we don't have all those final numbers in.
16 This is an appropriate estimate for where we are at
17 in time.

18 Q. In any event, though, the total cost of
19 the proposed pipeline will be more than what is
20 estimated on page 31, correct?

21 A. That's incorrect.

22 Q. Can you turn to page 120 of your
23 deposition, please.

24 A. 121?

25 Q. 120, please.

1 A. Okay.

2 Q. I am on line 9.

3 "Question: Is it fair to say that the
4 cost of the proposed pipeline, then, will be more
5 than what's stated on page 31, since it doesn't
6 account for the allowance of funds used during
7 construction or overhead or other issues?

8 "Answer: That's correct."

9 Did I read that correctly?

10 A. Yeah, that is correct. And what I was
11 referring to was the -- the chart that's in my
12 testimony because the construction and overhead would
13 make the cost more. I also went down to say that we
14 operate in accordance to PMCoE standards which gives
15 us a -- this estimate is like a plus 30, minus 20
16 range.

17 Q. Okay. So to clarify for the record, the
18 numbers stated on page 31, the estimated costs, the
19 actual costs will be more than what is stated on
20 page 31.

21 A. Where it says the "Total," that isn't
22 correct because of the construction. I would agree
23 with you on that because of the construction
24 overheads.

25 Q. Thank you.

1 If you can turn to page 32 of your
2 testimony.

3 A. Okay.

4 Q. On page 32, you provide a table of the
5 estimated revenue that the proposed pipeline would
6 generate through the payment of property taxes,
7 correct?

8 A. That's correct.

9 Q. And Duke obtains cost recovery from
10 customers for these property tax payments, correct?

11 A. That's correct.

12 Q. Okay. Utilities, like Duke, recover the
13 cost of these property tax expenses in base rates,
14 correct?

15 A. That's correct.

16 MR. KEANEY: Your Honor, if I can mark
17 City/County Exhibit 1. Your Honor, may I approach?

18 ALJ PARROT: You may.

19 Q. If you can take a look at the document
20 and let me know when you are ready.

21 ALJ PARROT: Mr. Keaney, while he is
22 doing that, if you can note briefly what this is.

23 MR. KEANEY: City/County Exhibit No. 1.

24 ALJ PARROT: Brief description, please.

25 MR. KEANEY: It's titled "Central

1 Corridor Pipeline Extension Project" leaflet by Duke.

2 ALJ PARROT: Thank you.

3 The exhibit is so marked.

4 (EXHIBIT MARKED FOR IDENTIFICATION.)

5 A. Okay.

6 Q. Do you recognize the document that's been
7 identified as City/County Exhibit No. 1?

8 A. I do.

9 Q. What is it?

10 A. It's basically a description of the -- of
11 the reasons why we want the project. It gives us the
12 pipeline routes, kind of an overview of the pipeline
13 routes, I should say, and project timelines, and a
14 few facts.

15 Q. Does it have a date on it?

16 A. It does. December 2018.

17 Q. Was this document, City/County Exhibit
18 No. 1, disseminated to Duke customers in various
19 communities that could be impacted by the proposed
20 pipeline?

21 A. We provided a lot of information to
22 the -- to the customers along that route and so this
23 was made available.

24 Q. This was one of those things made
25 available; is that correct?

1 A. Yes. One piece of information made
2 available to people.

3 Q. And does this appear to be a true and
4 accurate copy of the leaflet that Duke had
5 disseminated to customers concerning the proposed
6 pipeline?

7 A. To the best of my knowledge.

8 Q. Thank you.

9 MR. KEANEY: Your Honor, the City and
10 County would move for the admission of City/County
11 Exhibit No. 1.

12 ALJ PARROT: Are you finished with your
13 cross, Mr. Keaney?

14 MR. KEANEY: Yes, I am, your Honor.

15 ALJ PARROT: We will reserve a ruling on
16 exhibits to the end. Thank you.

17 Any preferred order from here?

18 THE WITNESS: Can I ask a question? Can
19 we take a few-minute break?

20 ALJ PARROT: Yes. Let's go off the
21 record. Take a 5-minute break.

22 (Recess taken.)

23 ALJ PARROT: Let's go back on the record.

24 Mr. Yskamp.

25 MR. YSKAMP: Yes, your Honor.

1 ALJ PARROT: Go ahead.

2 - - -

3 CROSS-EXAMINATION

4 By Mr. Yskamp:

5 Q. Good morning, Mr. Hebbeler.

6 A. Good morning.

7 Q. So I have a few questions for you for the
8 proposed pipeline. So first, it would start at WW
9 Station to the north; is that correct?

10 A. Yes. The proposed pipeline would start
11 at WW Station which is at the Butler-Warren and
12 Hamilton County line.

13 Q. That is a pressure-reduction station?

14 A. That is a pressure-reduction station,
15 that is correct.

16 Q. So the pressure-reduction station reduces
17 the pressure of the gas line, C314, for delivery into
18 the proposed pipeline?

19 A. That is correct.

20 Q. And the proposed pipeline would end at a
21 point on Line V; is that correct?

22 A. That's correct.

23 Q. And there will not be any service lines
24 on the proposed pipeline, correct?

25 A. At this point there is not planned to be

1 any service lines off of the proposed pipeline
2 because there is an already distribution system
3 there, there would be no need to take service lines
4 off of that proposed -- off the proposed Central
5 Corridor Pipeline.

6 Q. The C314 is a transmission line?

7 A. C314 is classified as a transmission
8 line, that's correct.

9 Q. Is Line V a transmission line?

10 A. I don't know if Line V is considered a
11 transmission line.

12 Q. Do you know if Line A is a transmission
13 line?

14 A. You asked me this in the deposition and,
15 since then, I did look at Line A. There is a portion
16 of Line A that is transmission and there's a portion
17 that's not.

18 MR. YSKAMP: I am going to mark for an
19 exhibit, NOPE Exhibit 1. May I approach?

20 ALJ PARROT: You may.

21 MR. YSKAMP: So we have just marked NOPE
22 Exhibit 1 which is a copy of the 2017 Long-Term
23 Forecast.

24 ALJ PARROT: So marked.

25 (EXHIBIT MARKED FOR IDENTIFICATION.)

1 Q. (By Mr. Yskamp) Mr. Hebbeler, do you
2 recognize this document?

3 A. This is the 2017 Long-Term Forecast
4 Report.

5 Q. Yes. Could you please turn to page 5-2
6 of this report which is toward the end about the 64th
7 or so. It's marked 5-2.

8 A. Okay. I'm there.

9 Q. And is this page titled "Characteristics
10 of Existing Gas Transmission Lines"?

11 A. That's what the title says.

12 Q. And is Line A a transmission line
13 according to this page?

14 A. The portions that are indicated here
15 are -- would indicate that those portions are
16 transmission lines.

17 Q. Is Line V a transmission line according
18 to this page?

19 A. Line V is on this page and -- Line V is
20 on the page.

21 Q. So is it correct that the proposed
22 pipeline would be carrying gas from one transmission
23 line to another transmission line?

24 A. According to this page, that would be
25 correct. However, we went back and classified our

1 system in segments and so the reason I hesitate is
2 that might not be correct. We segmented those lines.
3 We had them in segments versus just if you had one
4 portion of the line that was -- that fell under the
5 criteria for a transmission line, in the past we
6 would designate that whole line. We went back and
7 classified our lines as segments so that's the reason
8 I hesitate.

9 Q. Is there a more recent Long-Term Forecast
10 Report from Duke?

11 A. I don't know. I'm just from a planning
12 standpoint, and Adam Long may be able to shed some
13 more information on that, but we went to segmenting
14 lines in our Integrity Management Program versus just
15 designating the whole line like how we did in the
16 past.

17 Q. So you don't know if Line V has been
18 redesignated as a distribution line?

19 A. I do not.

20 Q. Would you please turn to page 9 of your
21 testimony.

22 A. I'm on page 9.

23 Q. Starting on line 6, you state "The
24 proposed pipeline reflects the next stage in the
25 Company's ongoing attention to its natural gas

1 distribution system and allows us to continue the
2 operational efficiencies and improvements that were
3 planned and initiated by the construction of the
4 C-314 pipeline in the northern part of our service
5 territory in 2003." Just to clarify, you testified
6 earlier, though, that the proposed pipeline was not
7 planned at the time of the C314 approval?

8 A. We did not have an actual plan for this
9 proposed pipeline. We had a concept that we would
10 have to supply -- have more balance of supply coming
11 down from the north, but the exact plans of this was
12 not developed at the time this project was installed,
13 C314 was installed.

14 Q. But it was the plan at the time of the
15 C314 approval to bring supply into Hamilton County?

16 A. We -- we did have a conceptual view,
17 conceptual concept that we would have to, over time,
18 continue to balance that supply from north to south.

19 Q. Did you put those plans in your original
20 application?

21 A. I can't remember all the information that
22 was in the original application.

23 MR. YSKAMP: I would like to mark another
24 exhibit, NOPE Exhibit 2. I would like to mark NOPE
25 Exhibit 2 is the Application to the Ohio Power Siting

1 Board for a Certificate of Environmental
2 Compatibility and Public Need for the C314 Natural
3 Gas Pipeline Project.

4 ALJ PARROT: So marked.

5 (EXHIBIT MARKED FOR IDENTIFICATION.)

6 Q. (By Mr. Yskamp) Mr. Hebbeler, do you
7 recognize this document?

8 A. I do.

9 Q. Would you please turn to page 02-1 of the
10 document which is about 20 pages in? And are you
11 there?

12 A. I'm there.

13 Q. This is the facility need portion or the
14 justification of need portion of the Application,
15 isn't it?

16 A. That's what it says under A, "Facility
17 Need."

18 Q. If you could turn to page 02-3. And I
19 would like to ask you about the first two paragraphs
20 on this page, so if could you just take a couple of
21 minutes to read them and let me know when you are
22 finished.

23 A. I finished with the first two paragraphs.
24 Is that okay?

25 Q. Yeah. Are any of the pressure issues,

1 described here, in Hamilton County?

2 A. So at the top it says "Warren County and
3 northern Clermont Counties."

4 Q. Is that a no?

5 A. I'm just reading what it says here. It
6 says in Warren and northern -- northern Clermont
7 Counties.

8 Q. Okay. Starting in the third paragraph,
9 the first sentence states: "Figure 02-3 shows the
10 same system with the proposed C314 natural gas
11 pipeline in service by 2005. As can be seen, the
12 pressures are considerably higher, and well over the
13 60 PSIG required for the system. Finally, Figure
14 02-4 shows that the pressures are still adequate in
15 year 2030 with current load growth projections.
16 Therefore, CG&E believes that the proposed facility
17 will address natural gas load growths in the short
18 term and well into the future." Did I read that
19 correctly?

20 A. That's what it says, that's correct.

21 Q. And there is no mention of the need for
22 an additional pipeline running through the Central
23 Corridor, is there?

24 A. This was developed back in 2001. And
25 the -- the system is continually assessed over time

1 and when you assess a system over time, the -- the
2 loads may shift within the system. And the system
3 requirements may change.

4 Q. The answer is to my question?

5 A. It's not stated in here, but, again, this
6 was written back in 2001.

7 Q. When you already had a need to, as you
8 described it, better balance north and south supply
9 in mind, right?

10 A. I am not sure what your question is.

11 Q. So you had conceptualized the need for
12 the proposed pipeline back when this application was
13 filed, right?

14 A. Yes. This is no new concept, this
15 balance of supply from north to south. We brought
16 gas -- natural gas came in from the south and Line A
17 is an example of that and Line C314 is an example of
18 our continued ability to balance that supply from
19 north to south. And we develop plans to ensure that
20 we don't have widespread outages. And we take a
21 proactive approach to ensure we don't do that by
22 planning, and so you continually have to assess the
23 system. You just can't look at one date and say you
24 are good forever. You have to assess the system and
25 continually upgrade it and update it.

1 MR. YSKAMP: I am going to mark another
2 exhibit at this time, NOPE Exhibit 3. The document I
3 have marked as NOPE Exhibit 3 is Staff Report of
4 Investigation, In the Matter of the Application of
5 Cincinnati Gas & Electric Company for a Certificate
6 of Environmental Compatibility and Public Need for
7 the C314 Natural Gas Transmission Pipeline in Butler,
8 Warren, and Hamilton Counties.

9 ALJ PARROT: And it's been marked as NOPE
10 Exhibit 3. Thank you.

11 (EXHIBIT MARKED FOR IDENTIFICATION.)

12 Q. (By Mr. Yskamp) So do you recognize this
13 document, Mr. Hebbeler?

14 A. I do.

15 Q. And is this, to your knowledge, a copy of
16 the Staff Report of Investigation in the C314
17 transmission pipeline siting matter?

18 A. It is.

19 Q. Please turn to page 12 of this document.

20 A. I'm at page 12.

21 Q. And page 12 is the start of the section,
22 "Basis of Need"; isn't that correct?

23 A. That's correct.

24 Q. And could you turn to the next page.
25 Under "Conclusion," it states "Staff believes that

1 the Applicant has shown the need for additional
2 natural gas capacity in the Fairfield to Blanchester
3 area of its service territory. The new natural gas
4 line proposed by the Applicant would serve to address
5 this needed capacity. However, CG&E has not
6 necessarily established that the full size and
7 pressure of the planned pipeline are needed to serve
8 current and anticipated loads in the area." Did I
9 read that correctly?

10 A. Yes.

11 Q. So did Staff know about your
12 conceptualized plans to use this pipeline to bring
13 another pipeline into the Central Corridor at the
14 time of this report?

15 A. To the best of my knowledge, they did
16 not.

17 Q. Thank you. That's all I have for that
18 exhibit.

19 Mr. Hebbeler, when you are ready, could
20 you please turn to page 11 of your testimony.

21 A. I am there.

22 Q. And in this section of your testimony,
23 starting at line 14, you address how the proposed
24 pipeline will allow Duke Energy Ohio to improve the
25 balance of supply from north to south; isn't that

1 correct?

2 A. That's correct.

3 Q. You state on line 20, "On a cold weather
4 peak demand day, the Foster Station would be at
5 capacity and could not provide the additional supply
6 and pressure needed to avoid widespread loss of
7 service to customers." Did I read that correctly?

8 A. That's correct.

9 Q. The proposed pipeline -- I'm sorry.
10 Strike that.

11 On peak -- on a cold weather peak demand
12 day, if Foster Station goes down with the proposed
13 pipeline in place, isn't it true there would still be
14 widespread loss of service to customers?

15 A. I am not understanding your question.

16 Q. So if the proposed pipeline gets approved
17 and constructed and is operational, and Foster
18 Station were to become unoperational for any reason
19 on a cold weather peak demand day, wouldn't there
20 still be a widespread loss of service to customers?

21 A. That's true because we still would be
22 supplying those 45 or 50 percent out of that Foster
23 Station.

24 Q. So this -- the proposed pipeline doesn't
25 fix the balance issue, right?

1 A. It greatly improves the balance of supply
2 from north to south.

3 Q. I'm sorry. Is that true even for the
4 Alternate Route?

5 A. That's correct.

6 MR. YSKAMP: I am going to mark another
7 exhibit, NOPE Exhibit 4. NOPE Exhibit 4 is a
8 response to City Interrogatory 02-008.

9 ALJ PARROT: So marked.

10 (EXHIBIT MARKED FOR IDENTIFICATION.)

11 Q. (By Mr. Yskamp) Mr. Hebbeler, have you
12 seen this document before?

13 A. Yes.

14 Q. And is this, to your knowledge, Duke
15 Energy's response to a discovery request in this
16 matter?

17 A. Yes.

18 Q. And the request states "Your response to
19 STAFF-DR-12-001 states your expectation that the
20 proposed 20-inch pipeline will reduce reliance on the
21 Foster Station from 55 percent to 45 percent." Did I
22 read that correctly?

23 A. That's correct.

24 Q. And Part b. says "What is the expectation
25 with respect to the Alternate Route," correct?

1 A. That's correct.

2 Q. And the answer in Part b. states that "It
3 is expected that use of the Alternate Route would
4 reduce reliance on Foster Station from 55 percent to
5 approximately 50 percent"; is that right?

6 A. That's correct.

7 Q. And so, in your mind, 5 percent is a
8 great improvement of balance?

9 A. It is, because in addition to the
10 5 percent, we are going to have 10 percent of the --
11 of the propane plant -- let me restate that.

12 There's 5 percent from the balance and
13 then we have 10 percent of the supply comes from the
14 propane plants that it's going to make up.

15 Q. 10 percent of supply on a peak day,
16 right?

17 A. That's correct. When the -- when the
18 plants are used, that's correct.

19 Q. And the plants are only used about 10
20 days a year; isn't that right?

21 A. I can't remember the number of days, but
22 it's used at critical times during the year.

23 You also have to remember that you --

24 Q. I'm sorry, I didn't ask a question.

25 MS. KINGERY: Your Honor, he is still

1 responding to -- continuing with his prior answer.

2 MR. YSKAMP: It was a yes or no question.

3 ALJ PARROT: Go ahead, Mr. Hebbeler.

4 We'll see what the response is and go from there.

5 THE WITNESS: You also have to remember
6 you cannot have any air introduced to that line at
7 any time. To have that happen would be detrimental
8 and it would create widespread outages and that's
9 quite a process to go through to restore natural gas.

10 MR. YSKAMP: And my question was the
11 propane-air plants are used about 10 days a year;
12 isn't that right? I don't know how that is in any
13 way responsive to that question.

14 THE WITNESS: I don't know the exact
15 dates, but it's used at critical times during the
16 year and the -- I just explained the criticality of
17 making sure you've got an ample supply.

18 MR. YSKAMP: It's just not responsive to
19 the question.

20 ALJ PARROT: Are you moving to strike?

21 MR. YSKAMP: Yes. Please strike the
22 testimony.

23 ALJ PARROT: Response?

24 MS. KINGERY: And, your Honor,
25 Mr. Hebbeler was explaining what makes it critical.

1 He said they are used in critical times and he
2 explained that criticality.

3 ALJ PARROT: I am going to grant your
4 motion, Mr. Yskamp.

5 Q. (By Mr. Yskamp) Mr. Hebbeler, earlier
6 today you described the propane-air plants as the
7 greatest risks to reliability in Duke Energy's
8 system; is that correct?

9 A. That's correct.

10 Q. And if -- so a Foster Station -- I'm
11 sorry. Strike that question.

12 How many customers did you say would be
13 affected if the propane-air plants failed on a peak
14 day?

15 A. Approximately 30,000 Duke Energy Ohio
16 customers.

17 Q. And if Foster Station completely failed
18 on a peak day, how many customers would be affected?

19 A. I would have to ask Adam Long to help
20 with us that answer.

21 Q. Certainly much more than if the
22 propane-air plants went down, correct?

23 A. Again, I would have to ask Adam Long to
24 help us with that answer. That's a planning
25 question.

1 Q. You said reliance on Foster at 45 percent
2 isn't a major risk; is that right?

3 A. That's correct.

4 Q. So is it fair to say that reliance on the
5 propane-air plants is also not a major risk?

6 A. I would say reliance on the propane-air
7 plants is a major risk.

8 Q. And is that true even if Foster Station
9 going down would affect many more customers?

10 A. Again, if we had -- if more customers
11 went down, that would be more risk than the propane
12 plants.

13 Q. But you say that reliance on Foster
14 Station is not a major risk, right?

15 A. That's correct.

16 Q. I would like to discuss some of the
17 integrity management testimony in your testimony, so
18 if we could turn to page 22 of your testimony.

19 A. I'm on page 22.

20 Q. And starting at line 18, you state that
21 since distribution pipelines -- I will just read it.
22 "Distribution pipelines are operated at lower
23 pressures that ensure, in the very unlikely event of
24 an integrity issue, the pipeline will leak instead of
25 rupture." So is it your testimony that they will

1 always leak instead of rupture?

2 A. You can't guarantee that it would never
3 happen, but this pipeline is designed, in the
4 unlikely event, that it would leak instead of
5 rupture. That's the way it's designed.

6 Q. And it's because of the lower hoop stress
7 as compared to some of the larger transmission lines;
8 is that right?

9 A. It's because -- because it's designed as
10 a high-pressure distribution line and allows us to
11 have a greater factor of safety.

12 Q. So if it were at 20 percent hoop stress
13 and it were a transmission line, it would be less
14 safe?

15 A. The pipelines that we have designed by
16 the Code of Federal Regulations are already safe.
17 They are safe. By us increasing the factor of
18 safety, we have made this pipe more safe.

19 Q. And you've increased that factor by
20 lowering hoop stress; is that correct?

21 A. We increased that factor of safety by
22 increasing the wall thickness and we -- we reduce the
23 pressure on that line.

24 Q. I'm not trying to trick you. So is it --
25 is it your testimony that the pipeline will always

1 leak instead of rupture based on the hoop stress of
2 the pipeline?

3 MS. KINGERY: Objection, mischaracterizes
4 his testimony.

5 MR. YSKAMP: It was a question.

6 ALJ PARROT: I think he's trying to
7 figure that out, so overruled.

8 A. So please ask your question again.

9 Q. Is your testimony that the pipeline will
10 essentially always leak instead of rupture based on
11 the hoop stress of the pipeline?

12 A. Again, I can't guarantee that, but the
13 line is designed to -- in the unlikely event we have
14 an integrity issue, it would leak instead of rupture.

15 Q. Is it -- to your knowledge is third-party
16 damage the leading cause of pipeline failures for
17 distribution pipelines?

18 A. You would have to define a "failure."

19 Q. A break of the pipeline wall.

20 A. I am still not understanding your
21 question.

22 Q. Is third-party damage the leading cause
23 of pipeline damage for distribution pipelines?

24 A. It is the leading cause of -- of our
25 distribution -- it is the leading cause of our

1 distribution pipeline being damaged, that is correct.
2 I should -- let me restate that. It's the leading
3 risk that we have on our system.

4 Q. And the pipeline integrity wall, if it
5 were impacted by an outside force, so not the
6 internal pressure, but an outside force, it would
7 depend on the strength of that outside force, whether
8 or not the pipe would break open, right?

9 MS. KINGERY: Your Honor, I believe
10 Mr. Yskamp may have misspoken. I heard "the pipeline
11 integrity wall" which, if he didn't misspeak, I would
12 appreciate a definition of a "pipeline integrity
13 wall."

14 MR. YSKAMP: I can't even remember what I
15 said right now, but I think if the witness
16 understands the question, he should answer. I can
17 restate it.

18 ALJ PARROT: Let's do that, please.

19 Q. Okay. So --

20 ALJ PARROT: I didn't follow it either.

21 Q. I am not going to restate it. I can't
22 even remember what I was saying. But I don't -- so
23 you don't have third-party damage risks -- you didn't
24 testify to third-party damage risks in your written
25 testimony, did you?

1 A. No.

2 Q. And when you say the pipeline can leak
3 instead of rupture, aren't leaks still dangerous?

4 A. Leaks can be dangerous.

5 Q. And has Duke Energy ever had a serious
6 injury accident because of a distribution line leak?

7 A. I don't recall a serious injury due to a
8 distribution line leak. And leaks are classified as
9 hazardous and nonhazardous by their grades, Grade 1
10 or Grade 2. We don't have Grade 3's in our system,
11 the Duke Energy Ohio or Kentucky system.

12 Q. Are you familiar with statistics kept by
13 the Pipeline and Hazardous Materials Safety
14 Administration?

15 A. I'm not as familiar -- I am not familiar
16 with those, so I would ask you to ask those questions
17 of Mr. Paskett. He is probably more familiar with
18 that.

19 Q. When you discuss pipeline safety in your
20 testimony, were you doing so as a pipeline safety
21 expert?

22 A. I was discussing that from the standpoint
23 of a Duke Energy Ohio expert.

24 Q. But not a pipeline safety expert?

25 A. I have designed pipelines and I would

1 say, yes, from a pipeline safety expert.

2 Q. And you are not familiar with pipeline
3 safety statistics kept by the Pipeline and Hazardous
4 Materials Safety Administration?

5 MS. KINGERY: Asked and answered.

6 ALJ PARROT: Sustained.

7 MR. YSKAMP: I'm going to mark another
8 exhibit, NOPE Exhibit 5. I think we are on 5.

9 ALJ PARROT: You are.

10 MR. YSKAMP: The document marked as NOPE
11 Exhibit 5 is titled "A report by the Staff of the
12 Public Utilities Commission of Ohio, In the Matter of
13 the Investigation of Duke Energy Ohio Relative to its
14 Compliance with the Natural Gas Pipeline Safety
15 Standards and Related Matters, Case Number
16 11-3636-GA-GPS."

17 ALJ PARROT: So marked.

18 (EXHIBIT MARKED FOR IDENTIFICATION.)

19 Q. Mr. Hebbeler, do you recall seeing this
20 document before?

21 A. I can't remember if I saw this document
22 before or not.

23 Q. If you could please turn to page 1 of the
24 document.

25 A. I am at page 1.

1 Q. The first paragraph under "Staff
2 Investigation" reads: "Staff investigated a fire at
3 the Steeple Chase Townhomes, Apartment No. 33
4 (Apartment No. 33) located at 800 Franklin Avenue,
5 Lebanon, Ohio that occurred on November 2, 2010 at
6 9:50 p.m. Seven injuries and an estimated property
7 damage of \$1,000,000 occurred, meeting the definition
8 of a reportable 'incident' under Gas Pipeline Safety
9 act rule" -- I'm sorry -- "Gas Pipeline Safety rule
10 4901:1-16-01(G) and 49 C.F.R. Part 191.3." Did I
11 read that correctly?

12 A. Yes.

13 MS. KINGERY: Your Honor, I'd like to
14 object at this point to questions on this document.
15 Mr. Hebbeler was not able to verify that he's seen it
16 before.

17 ALJ PARROT: Well, we will see where the
18 questioning goes first.

19 Q. (By Mr. Yskamp) Do you remember the
20 incident described here?

21 A. I can't remember the incident.

22 Q. You were working for Duke Energy Ohio in
23 2011 at the time?

24 A. I was.

25 Q. In what capacity?

1 A. Let's see, I would have been the General
2 Manager of Gas Operations at the time.

3 Q. So wouldn't you have known about this
4 incident as General Manager of Gas Operations?

5 A. I can't remember the details of this
6 incident.

7 Q. Okay. That's all I have for that
8 exhibit. Thank you.

9 Mr. Hebbeler, Duke Energy Ohio is
10 required -- I'm sorry. Scratch that.

11 Duke Energy Ohio and Kentucky are
12 required to comply with federal Pipeline Safety
13 Regulations for the pipeline within its integrated
14 system, isn't that correct?

15 A. That's correct.

16 Q. And there is an overlap in pipeline
17 safety staff between Ohio and Kentucky, correct?

18 A. There's not an overlap.

19 Q. So do you recall when I asked you in your
20 deposition about pipeline safety staff working on
21 both Ohio and Kentucky pipelines?

22 A. That's correct. I take "overlap" that
23 there is duplication of people. I don't -- there is
24 not duplication of people.

25 Q. Yeah, I didn't mean it that way, so.

1 Pipeline safety staff are responsible for both Ohio
2 and Kentucky pipelines; is that correct?

3 A. That's correct.

4 Q. Okay. Thank you.

5 And if there was a pipeline safety
6 violation, you would know about it; isn't that
7 correct?

8 A. I would know about the pipeline safety
9 violation in Kentucky and Ohio.

10 MR. YSKAMP: I am going to mark another
11 exhibit, NOPE Exhibit 6. NOPE Exhibit 6 is titled
12 "Notice of Probable Violation, Proposed Civil Penalty
13 and Proposed Compliance Order."

14 ALJ PARROT: And it's marked as NOPE
15 Exhibit 6.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 Q. Mr. Hebbeler, do you recognize this
18 document?

19 A. I do.

20 Q. And this is a Notice of Probable
21 Violation issued to Duke Energy Kentucky, correct?

22 A. That's correct.

23 MS. KINGERY: And, your Honor, before we
24 go any further, I would object to questions
25 concerning this document in this proceeding. First,

1 it's entirely irrelevant to the Ohio Power Siting
2 Board criteria for siting facilities in the State of
3 Ohio; and, second of all, it's entirely irrelevant to
4 Duke Energy Ohio. This relates to Duke Energy
5 Kentucky as was just testified to.

6 MR. YSKAMP: If I can respond?

7 ALJ PARROT: You may.

8 MR. YSKAMP: The witness testified safety
9 staff are responsible for both Duke Energy Ohio and
10 Kentucky, so I think it's very relevant to the
11 pipeline safety issues in this case. And Duke is
12 claiming that its pipeline will be extremely safe
13 because they follow Pipeline Safety Regulations, so I
14 am just using this to offer some rebuttal to some of
15 that testimony.

16 MS. KINGERY: And, again, your Honor,
17 it's not related to one of any of the criteria.

18 ALJ PARROT: And the objection is
19 overruled at the outset but let's take it on a
20 question-by-question basis.

21 MS. KINGERY: Thank you, your Honor.

22 Q. (By Mr. Yskamp) Mr. Hebbeler, these are
23 probable violations of the Pipeline Safety
24 Regulations at Title 49 of the Code of Federal
25 Regulations; isn't that correct?

1 A. That's correct.

2 Q. Do you know if Duke Energy paid the civil
3 penalty for these violations?

4 A. To the best of my knowledge, we did.

5 Q. Do you know if you've complied with the
6 Proposed Compliance Order attached to these
7 violations?

8 A. To the best of my knowledge, we have.

9 MR. YSKAMP: I would like to mark another
10 exhibit as NOPE Exhibit 7. NOPE Exhibit 7 is "Notice
11 of Probable Violation, Proposed Civil Penalty, and
12 Proposed Compliance Order."

13 ALJ PARROT: And it's marked as NOPE
14 Exhibit 7.

15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 Q. Mr. Hebbeler, do you recognize this
17 document?

18 A. I do.

19 Q. And is this document dated June 29, 2018?

20 A. It is.

21 Q. And does this document outline probable
22 violations of the Pipeline Safety Regulations at
23 Title 49 Code of Federal Regulations?

24 A. It does for KO Transmission Company.

25 MS. KINGERY: And, your Honor, at this

1 time, I would introduce the very same objection.
2 This is irrelevant to this pipeline safety matter and
3 is not related to Duke Energy Ohio.

4 ALJ PARROT: And the objection is again
5 noted, and we'll see what use Mr. Yskamp makes of the
6 document.

7 Q. (By Mr. Yskamp) If you could turn to
8 part -- it's page 4, No. 4. So under the bolded, at
9 the first bullet point it reads: "KO did not report
10 data related to the .425 miles of transmission line
11 crossing the Ohio River (.298 miles in Kentucky and
12 .127 miles in Ohio). KO personnel conveyed that the
13 KO considers the segment to be distribution, and not
14 transmission, because the line operates at a hoop
15 stress of less than 20-percent of the pipe's
16 specified minimum yield strength (SMYS)." Did I read
17 that correctly?

18 A. That's correct.

19 Q. So is it accurate that KO was treating a
20 distribution line -- or treating a transmission line
21 as a distribution line in violation of the federal
22 Pipeline Safety Regulations?

23 A. We interpreted this to be -- to be a
24 distribution line and -- and Pipeline and Hazardous
25 Materials Safety Administration determined it to be a

1 transmission line.

2 Q. Does Duke Energy Ohio still interpret it
3 to be a distribution line?

4 A. No, we don't, because it's upstream of a
5 distribution center.

6 Q. So why would Duke Energy -- why did KO
7 originally consider the segment to be distribution?

8 A. Because we interpreted it to be less than
9 20 percent SMYS. We did not properly define the
10 transmission line.

11 Q. To your knowledge, did you pay the
12 proposed civil penalty related to these --

13 MS. KINGERY: Objection. Yeah, who is
14 "you" in that question? I would like some
15 clarification.

16 MR. YSKAMP: Fair. That's fair.

17 ALJ PARROT: It is. Restate.

18 Q. (By Mr. Yskamp) To your knowledge, did
19 Duke Energy Kentucky pay the proposed civil penalty
20 for these proposed violations?

21 A. No, they did not.

22 Q. And why not?

23 A. Because the one is KO Transmission.

24 Q. Did KO Transmission pay the proposed
25 civil penalty for these alleged violations?

1 A. To the best of my knowledge, yes.

2 Q. And did they comply with the Proposed
3 Compliance Order?

4 A. KO Transmission paid for its penalty, and
5 Duke Energy Kentucky paid for its penalty.

6 Q. Okay. The penalties were paid.

7 A. To the best of my knowledge, yes.

8 MR. YSKAMP: I think that is all of my
9 questions. Thank you.

10 ALJ PARROT: Thank you.

11 Anybody else ready? Otherwise --

12 MR. YSKAMP: I'm sorry.

13 ALJ PARROT: On that exhibit?

14 MR. YSKAMP: No. I was just going to
15 move to enter my exhibits into evidence.

16 ALJ PARROT: And we will take that up at
17 the end. Thank you.

18 THE WITNESS: Can I ask a question, your
19 Honor? Kind of a break, kind of our plan here?

20 ALJ PARROT: Let's go off the record.

21 (Discussion off the record.)

22 ALJ PARROT: Let's go back on the record.

23 Mr. Stevenson, do you want to go ahead?

24 MR. STEVENSON: I can.

25 ALJ PARROT: Okay.

1 - - -

2 CROSS-EXAMINATION

3 By Mr. Stevenson:

4 Q. Mr. Hebbeler, were you involved in
5 developing the study area for the Central Corridor
6 site?

7 A. I was not.

8 Q. You were not? And who was involved in
9 developing that area?

10 A. That would be James Nicholas.

11 Q. Were you involved --

12 A. Can I? James Nicholas and Steve Lane.

13 Q. Okay.

14 ALJ SEE: Mr. Stevenson, please use your
15 mic.

16 ALJ PARROT: Please turn your mic on.
17 It's the big button at the bottom. You may have to
18 push it once or twice.

19 MR. STEVENSON: It's flashing red and
20 green. What does it mean?

21 ALJ SEE: Press it again.

22 ALJ PARROT: One more time.

23 MR. STEVENSON: Am I on?

24 ALJ PARROT: You are.

25 Q. (By Mr. Stevenson) I'm sorry. You were

1 about to say something else?

2 A. It was James Nicholas and Steve Lane.

3 Q. Okay. All right. Were you involved in
4 the determination of what constraints would be placed
5 on the study area?

6 A. I was not.

7 Q. All right. And would that be
8 Mr. Nicholas and Mr. Lane again?

9 A. I would ask you to ask those two that
10 question.

11 Q. All right. Fair enough.

12 Is it fair to say at this point that Duke
13 Energy Ohio would be willing to proceed on either the
14 Alternate or the Preferred Route?

15 A. That is correct.

16 Q. Do you still have a preference?

17 A. We have a Preferred Route, so that would
18 be our preference.

19 Q. And is that because it scored higher in
20 certain areas?

21 A. I would ask you to pose those questions
22 to James Nicholas and Steve Lane.

23 Q. Very good. All right.

24 Have you been involved in other
25 applications with PUCO for pipeline siting?

1 A. I have.

2 Q. And on how many occasions have you been
3 involved in those?

4 A. On C314, I was directly involved, and
5 then I had the oversight for C338 and C340. They
6 were both together.

7 Q. All right. And on -- and with respect to
8 those -- that's two projects; is that correct?

9 A. C314 is one project, and then C338 and
10 C340 is basically one project. It was a -- it was
11 part of a FERC filing on the one section.

12 Q. All right. And with respect to those two
13 projects, did the Board Staff, "Board" being the
14 Board of the Ohio Power Siting Board, did the Board
15 Staff agree with your assessment on the Preferred
16 Route?

17 A. To the best of my knowledge, yes.

18 Q. All right. Are you aware of any other
19 time that the Board Staff has chosen the Alternate
20 Route over the Preferred Route, even if they are not
21 those two projects you just referred to?

22 A. I am not.

23 Q. All right. I have a couple of questions
24 that pertain to the confidential discovery we
25 received, so I will yield the rest of my time at this

1 point.

2 ALJ PARROT: Okay. Thank you. At this
3 point, I would just note that we have I think at
4 least a few attorneys that have joined us from when
5 we began this morning.

6 Mr. Fox, I am going to go ahead and ask
7 you to enter an appearance at this time.

8 MR. FOX: Brian Fox on behalf of the City
9 of Madeira.

10 ALJ PARROT: And your business address?

11 MR. FOX: Is 312 Walnut Street, Suite
12 1800, Cincinnati, Ohio 45202.

13 ALJ PARROT: Thank you. And did you have
14 any questions for Mr. Hebbeler?

15 MR. FOX: I do not.

16 ALJ PARROT: Thank you.

17 I'm sorry. You are going to have to help
18 me? Is this Mr. Miller?

19 MR. MILLER: Pardon? I was before
20 Mr. Butler is due.

21 MR. BUTLER: Robert Butler. I am here on
22 behalf of the Village of Golf Manor.

23 ALJ PARROT: Okay. And your business
24 address?

25 MR. BUTLER: 9079 Montgomery Road,

1 Cincinnati, Ohio 45242.

2 ALJ PARROT: Thank you.

3 MR. BUTLER: And I do not have any
4 questions.

5 ALJ PARROT: Very good.

6 Mr. Miller or?

7 MR. MILLER: Mr. Pacheco was going to go.

8 MR. PACHECO: Is it okay with your Honor?
9 May I proceed?

10 ALJ PARROT: You may.

11 MR. PACHECO: Thank you.

12 - - -

13 CROSS-EXAMINATION

14 By Mr. Pacheco:

15 Q. Mr. Hebbeler, good afternoon. My name is
16 Bryan Pacheco. I represent Blue Ash and Columbia
17 Township. I have a few questions for you.

18 Duke has not had any conversations with
19 Blue Ash regarding future development plans that Blue
20 Ash may have either along the Preferred or Alternate
21 Routes, correct?

22 A. That's incorrect. Since our deposition,
23 I've had conversations with Jamie Olberding and he
24 has had conversations about development -- when I say
25 "development," I would say the roundabout that's

1 going to be constructed. So he has had conversations
2 with -- with the City of Blue Ash officials,
3 specifically the ones that I have entered into
4 testimony, and also the City Engineer and the Public
5 Works Director.

6 Q. Well, as of your deposition a week ago,
7 you didn't know about any of those conversations,
8 correct?

9 A. I didn't know any -- about those
10 conversations. However --

11 Q. That was my only question, Mr. Hebbeler.

12 THE WITNESS: May I finish?

13 ALJ PARROT: Go ahead.

14 A. However, I just was on the project
15 April 1, and so in my deposition I said that there
16 could have been some conversations with the City and
17 that is the case -- that is truly the case.

18 Q. And the only conversations that you are
19 aware of are related to hearsay from Mr. Olberding,
20 correct?

21 A. I wouldn't call that hearsay, but
22 Mr. Olberding is in charge of the project, and he had
23 those conversations so. That's what he told me.

24 Q. And you are not aware of any
25 conversations in which Duke has informed Blue Ash of

1 any limitations on future construction if the
2 pipeline is constructed on either the Preferred or
3 Alternate Routes in Blue Ash, correct?

4 A. As I said in my deposition that there
5 will be a time where we have to sit down. Once we
6 get the route identified, we'll have to have those
7 conversations and we'll also have to apply for a
8 permit, so that will be in -- in the whole process of
9 this project.

10 Q. And the construction plans will not be
11 developed until after the Power Siting Board issues
12 the permit, correct?

13 A. 100 percent of the construction plans
14 will not be, that's correct.

15 Q. All right. And as of now, you have about
16 70 percent of the drawings done for the Preferred
17 Route, right?

18 A. That's correct.

19 Q. And something less than that for the
20 Alternate Route, right?

21 A. That's correct.

22 Q. All right. And Duke has not provided
23 Blue Ash with any information regarding the potential
24 impact to property values if the pipeline is sited in
25 Blue Ash, right?

1 A. To the best of my knowledge, I explained
2 that -- to the best of my knowledge there is no
3 impact to property values.

4 Q. Right. It's your view there is
5 absolutely no impact to property values as a result
6 of the pipeline going on either the Preferred Route
7 or the Alternate Route in Blue Ash, correct?

8 A. That's my understanding through our real
9 estate, that's correct.

10 Q. Right. And you are relying on your --
11 for that testimony you just gave, you are relying on
12 information that you looked at a couple of properties
13 as related to the C314 line in 2003, right?

14 A. That's our experts, our real estate
15 people.

16 Q. Right. From 2003, correct?

17 A. The pipeline was put in in 2003. Our
18 real estate people continually assess property
19 values. So I got that information from them recently
20 and so that's their job to take -- to monitor and
21 assess our real estate values so that's -- those are
22 current information, not back in 2003.

23 Q. And Duke has not informed Blue Ash of the
24 procedures Duke is planning to take to minimize any
25 aesthetic impacts to Blue Ash during the installation

1 of the pipeline, right?

2 A. Again, my understanding with Jamie
3 Olberding, we discussed a valve location and fencing.
4 And there are discussions, I don't know if we've come
5 to a final resolution, on -- on the aesthetics.

6 Q. But you don't know what -- you were not
7 privy to those discussions.

8 A. I was not in those discussions.

9 Q. All right. And Duke has not provided
10 Blue Ash with any information regarding the impact to
11 existing utilities located in Blue Ash if the
12 pipeline is installed along either the Alternate or
13 Preferred Routes?

14 A. Again, we -- we will be approaching Blue
15 Ash, at the appropriate time, once we get the design
16 done to do that. We have got to have design done
17 before we can approach Blue Ash or other cities.

18 Q. And that will not occur until the permit
19 is issued, correct?

20 A. That's correct.

21 Q. And you don't know whether Duke
22 considered the 2016 Revised Blue Ash Comprehensive
23 Plan in determining what impacts there might be to
24 Blue Ash along either the Preferred or Alternate
25 Routes, correct?

1 A. Yeah. I know we've had discussions now.
2 I don't know if we got down to those details.

3 Q. All right. And Duke has not provided
4 Blue Ash with any information about the potential
5 traffic impacts caused by construction of the
6 pipeline on either the Alternate or Preferred Routes,
7 correct?

8 A. Yeah. We would have to have construction
9 drawings and -- and look at the impacts and so that
10 will come when we apply for a -- the -- when we apply
11 for a permit from Blue Ash, we will discuss traffic,
12 and hopefully get some input, prior to that, from
13 Blue Ash.

14 Q. And nothing has prevented you, Duke, from
15 getting that input -- impact up to this point, has
16 it?

17 A. I think we have to have construction
18 drawings before -- the alignment of that pipeline
19 before that can happen.

20 Q. Well, Duke has known for almost two years
21 now that Staff has recommended the Alternate Route,
22 correct?

23 A. That's correct.

24 Q. Okay.

25 A. But when you have traffic impacts, you

1 have to know the exact location of the pipeline,
2 especially like on Glendale-Milford Road, where that
3 pipeline is going to be, so we can set up appropriate
4 traffic control according to the State's regulations.

5 Q. And Duke has not had any conversations
6 with Blue Ash about the remediation process after
7 construction of the pipeline, correct?

8 A. Again, that will come once we have those
9 detailed discussions and we have detailed
10 construction drawings that we can have intelligent
11 conversations about -- about restoration.

12 Q. And Duke has not provided Blue Ash with
13 any information regarding the potential impact of
14 an -- of an explosion or a rupture involving the
15 proposed pipeline, correct?

16 A. This is designed as a high-pressure
17 distribution line and that does not apply.

18 Q. What does not apply? The giving
19 information to Blue Ash about the potential impact of
20 an explosion?

21 A. That's correct. There is no PIR.

22 Q. Are you aware that Duke has a website
23 that provides information to people who want to
24 explore that and explore information about this
25 pipeline? Are you aware that Duke has a website?

1 A. I am.

2 Q. Okay.

3 MR. PACHECO: Your Honor, may I approach?

4 ALJ PARROT: You may.

5 MR. PACHECO: Thank you.

6 Q. Now, Mr. Hebbeler, I put --

7 MR. PACHECO: Your Honor, we would like
8 to mark the 17-page -- and for the record, in
9 handwriting at the bottom of each page, I circled 1
10 through 17. It's a 17-page document. It's a
11 screenshot from the website that Mr. Hebbeler just
12 testified he was familiar with. We would like to
13 mark that as Blue Ash and Columbia Township
14 Exhibit 1.

15 ALJ PARROT: So marked.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 MR. PACHECO: Thank you, your Honor.

18 Q. (By Mr. Pacheco) Mr. Hebbeler, have
19 you -- you are familiar with the Duke Energy website
20 concerning the -- concerning the Central Corridor Gas
21 Pipeline Extension Project?

22 A. I am familiar that we have a website.

23 Q. And you are familiar that there are --
24 there is a section called "Frequently Asked
25 Questions"?

1 A. There is a section "Frequently Asked
2 Questions."

3 Q. And this is Duke's way of disseminating
4 information to the public for those who are
5 interested in obtaining such information, true?

6 A. That's an avenue, that's correct.

7 Q. And the information that Duke is
8 providing is accurate, right?

9 A. To the best of my knowledge.

10 Q. And you want the public to actually look
11 at this information and garner accurate information,
12 right?

13 A. Yes.

14 Q. Okay. I think earlier you just said that
15 the -- by "assume it doesn't apply," I assume you
16 mean the pipeline -- PHMSA regulations don't apply to
17 this particular pipeline because it's a high-pressure
18 distribution line and not a transmission line, true?

19 A. PIR does not apply because it's a
20 high-pressure distribution line.

21 Q. All right. Take a look if you would,
22 please, at page -- of course, the copy I have I
23 didn't put the pages on.

24 MR. PACHECO: Sorry, your Honor.

25 Q. Page 6.

1 MS. KINGERY: Your Honor, before we go
2 any further, I would like to object just on the
3 ground that this is a living document on the website.
4 It changes all the time. As a matter of fact, there
5 was another change that I believe just came out today
6 or yesterday and this is an undated copy. So in
7 order to have any understanding of its relevance to
8 the current state, I need to know when these
9 screenshots were taken.

10 MR. PACHECO: Your Honor, these were
11 printed Friday.

12 ALJ PARROT: Okay. Thank you.

13 Q. (By Mr. Pacheco) So there's a question on
14 page -- by the way, this is -- this is content that
15 Duke provided, correct, to your knowledge?

16 A. To the best of my knowledge, correct.

17 Q. All right. At the top of page 6, it says
18 "I've heard people mention a 'danger area.' What is
19 that?" Did I read that correctly?

20 A. That's correct.

21 Q. All right. And then I'll read it a
22 little bit. "Duke Energy does not calculate a
23 'danger area,' as such." And then I'll skip the next
24 sentence and then I'll read "However, the Code of
25 Federal Regulations does define a Potential Impact

1 Radius (PIR) for the purpose of integrity
2 management." And then I will go to the last
3 sentence. "The PIR for this pipeline is 326 feet on
4 either side of the center of the pipeline." Did I
5 read that correctly?

6 A. You did read that correctly.

7 Q. So Duke has represented to the public
8 that the PIR for this pipeline is 326 feet on either
9 side of the center of the pipeline.

10 A. Yeah. I don't know if this is from the
11 30-inch pipeline or if this is the 20-inch.

12 Q. Well, if I just printed it on Friday,
13 that would be from the 20-inch pipeline, you would
14 presume, right?

15 A. Again, I don't know if it's from the
16 30-inch or the 20-inch. It may have been left from
17 the 30-inch pipeline because the PIR does not apply
18 to the high-pressure distribution pipeline.

19 Q. Well, on page 6 here, Duke is saying that
20 it does apply and, in fact, it calculated it.

21 A. Again, if that was for the 30-inch, it
22 would apply. If it was high-pressure distribution,
23 it would not.

24 Q. Okay. Take a look at -- one second, your
25 Honor. I'm sorry.

1 Yeah, so at least as of Friday then, Duke
2 has maintained this information under its FAQ of its
3 website related to whatever pipeline is being
4 proposed to your knowledge.

5 A. I wouldn't say to "whatever pipeline." I
6 mean, if it was put out for the 30-inch and we would
7 have to make that correction.

8 Q. Okay. And you are aware this is
9 information the public is relying upon, correct?

10 A. The public is relying on our information,
11 that's correct.

12 Q. All right. Now, you testified earlier
13 with Mr. Yskamp that you could not guarantee there
14 would not be a rupture of the pipeline, true?

15 A. You can never guarantee, but, again, this
16 pipeline is designed, in the unlikely event that we
17 have an integrity issue, it would leak instead of
18 rupture.

19 Q. And there is always some risk, correct,
20 that there can be a rupture, correct?

21 A. Again, this is designed, in the unlikely
22 event that we would have an integrity issue, it would
23 show up in the form of a leak, not a rupture.

24 Q. You would agree that even though, as you
25 just testified, that you believe the pipeline is

1 designed safely, operated safely, and there's reduced
2 risk, that you can't say there is never going to be
3 an issue, correct?

4 A. That's correct.

5 Q. You are responsible for the design,
6 construction, permitting, and commissioning of this
7 pipeline, right?

8 A. I am responsible for that currently as of
9 April 1.

10 Q. All right. And you acknowledge that, I
11 think you said with Mr. Yskamp, that the No. 1 risk
12 of pipeline release is third-party damage, correct?

13 A. The No. 1 damage to the pipelines is
14 third-party damage. That doesn't always mean there
15 is a release.

16 Q. Gotcha. Now, the PIR, again, let's go
17 back to Blue Ash Exhibit 1, page 6. PIR is a defined
18 term by PHMSA, correct?

19 A. If you want to talk about PIR, I think
20 the most appropriate one to ask questions is
21 Mr. Paskett. He is our expert.

22 Q. Okay. I thought you said earlier, to
23 Mr. Yskamp, you were an expert on behalf of Duke
24 Energy Ohio.

25 A. That's correct.

1 Q. Okay. So let me just ask it and see
2 whether you know this to be true, and if the answer
3 is "I don't know," I'll move on. Do you understand
4 that the Code of Federal Regulations to define a PIR
5 as the radius of a circle within which the potential
6 failure of a pipeline could have a significant impact
7 on people or property?

8 A. Yeah, I'm not familiar with all those
9 calculations. I would ask you to ask Mr. Paskett
10 that question.

11 Q. Are you familiar with the term? I wasn't
12 asking about the calculations. I was asking about
13 the term.

14 A. I am familiar with the term, not the
15 calculation.

16 Q. Fair enough. Would you agree with the
17 term as I just read it?

18 A. For transmission lines. PIR does not
19 apply to high-pressure distribution lines.

20 Q. I understand.

21 The -- let's go back to page 6 of
22 Exhibit 1, Blue Ash Exhibit 1. The top question
23 there. "I've heard people mention a 'danger area.'"
24 And let me know when you are there, Mr. Hebbeler.

25 A. I'm there.

1 Q. Okay. There is the fourth sentence
2 starting with "The distance." "The distance
3 determined as the PIR is based on the pressure in the
4 pipeline, the diameter of the pipeline, and a factor
5 that addresses the type of gas being transported."
6 Did I read that correctly?

7 A. Yes.

8 Q. Is that your understanding as well?

9 A. Again, this PIR does not apply to a
10 high-pressure distribution pipeline. This applies to
11 transmission pipelines.

12 Q. All right. You are familiar with the
13 term "High Consequence Area"?

14 A. I'm familiar with it.

15 Q. All right. And you are also familiar
16 with the fact that Duke used the term "High
17 Consequence Area" in this FAQ, right?

18 A. You would have to show me where this is
19 at, please.

20 Q. All right. If you would take a look at
21 page 11, I believe. At the top it says "What
22 regulations are in place?"

23 ALJ PARROT: I believe it's page 10.

24 MR. PACHECO: Thank you, your Honor.

25 Q. Page 10.

1 ALJ PARROT: Page 10, I think.

2 MR. PACHECO: Thank you, your Honor.

3 A. Okay. I'm there.

4 Q. Okay. And in the second paragraph it
5 says -- well, to be fair, it says in the first
6 paragraph "PHMSA's" -- the Pipeline and Highway
7 Material Safety Administration -- Hazardous
8 Materials, sorry -- "current Transmission Integrity
9 Management Program regulations, established in 2004,
10 require operators to identify threats, rank risks and
11 implement integrity management assessments to
12 maintain structural integrity and safety of the
13 transmission lines in High Consequence Areas." Did I
14 read that correctly?

15 A. You have.

16 Q. Okay. And one of the HCAs that Duke
17 identifies or some of the areas are "residential
18 neighborhoods, apartments, schools, hospitals,
19 shopping centers, businesses, retirement communities,
20 ballparks and parks." Did I read that correctly?

21 A. Yes.

22 Q. Okay. And at the bottom it says, of that
23 FAQ, "Duke Energy plans to construct the entire
24 pipeline to adhere to the more stringent regulations
25 of the pipelines at HCAs." Did I read that

1 correctly?

2 A. You did. And again, as you open up
3 current transmission integrity program, so the
4 pipeline we're talking about, the 20-inch pipeline,
5 does not fall under the Transmission Integrity
6 Management Program. It would fall under a
7 Distribution Integrity Management Program. So this
8 does not apply.

9 Q. Does this say this does not apply, in
10 that sentence of the FAQ that you are providing
11 information to the public?

12 A. Again, it does not. Again, we need to
13 make that correction.

14 Q. Do you know how long it's been like this
15 on the website?

16 A. I do not.

17 Q. Okay. Well, the project was proposed,
18 what, in 2015 or '16, right?

19 A. Again, I just got this project April 1.

20 Q. Okay. In fact, well -- we will get to
21 that.

22 If the High Consequence Area calculus
23 applied, you would agree that Summit Park in Blue Ash
24 would be a High Consequence Area?

25 A. I haven't analyzed that, so. Again, this

1 is a high-pressure distribution pipeline, and we need
2 to make that correction.

3 Q. Okay. Fair enough.

4 You are aware also that, at least what I
5 saw from this FAQ, that Duke has had five prior PHMSA
6 violations from 1996, just on low-pressure
7 distribution lines? Are you aware of that?

8 A. Can you refer me to where you are at,
9 please?

10 Q. Sure. I would be happy to. Take a look
11 at page -- it begins on page 12. And let me know
12 when you are there, Mr. Hebbeler.

13 A. I'm there.

14 Q. On the bottom it says "Five PHMSA
15 violations have occurred from 1996 to present in the
16 state of Ohio on low" -- and we cut it off, to be
17 fair, at the top -- "low-pressure distribution
18 pipelines." The line is repeated at the top. "Duke
19 Energy has taken precautions by implementing new work
20 methods and safety precautions to continuously
21 improve the safety of our pipelines"; is that
22 correct?

23 A. I'm assuming it's correct because I can't
24 read it. It's cutoff here.

25 Q. Okay. All right. So just to be -- so

1 the record is clear. Go back to the prior page and
2 it says "Five PHMSA violations...." I don't need to
3 read it again. Do you see that sentence or phrase?

4 A. Yes.

5 Q. And then that is just repeated at the top
6 there for the record.

7 A. I believe you.

8 Q. Okay. Fair enough.

9 All right. So, and at least as I read
10 Duke's own terms, in 1998, "A small pit hole in the
11 2-inch bare steel service allowed gas to migrate
12 underground into the residence, resulting in an
13 explosion." Did I read that correctly?

14 A. Yes.

15 Q. And in 2000, "A service riser failed
16 causing an explosion." Did I read that correctly?

17 A. Yes.

18 Q. And in 2006, "A plumbing contractor
19 auguring a sewer lateral struck a gas service,
20 allowing gas to migrate into the home, resulting in
21 an explosion." Did I read that correctly?

22 A. That's correct.

23 Q. And in 2010, "An apartment property
24 maintenance worker remodeled a vacant apartment and
25 failed to properly remove a gas line in the laundry

1 room. The open gas line was ignited when the new
2 tenant used a cigarette lighter, which resulted in an
3 explosion." Did I read that correctly?

4 A. Yes.

5 Q. And in 2016, "An excavation contractor
6 struck a buried gas service that had not been
7 properly marked by a Duke Energy contractor, causing
8 an ignition of gas and property damage." Did I read
9 that correctly?

10 A. Correct.

11 Q. All right. And this 2016 is an example
12 of this third-party damage that we've talked about,
13 correct?

14 A. That would be an example of third-party
15 damage.

16 Q. All right. And in four of the five
17 violations, 1998, 2000, 2006 and 2010, the term Duke
18 uses to explain the results of the pipeline rupture
19 is "explosion," correct?

20 A. These are not pipeline ruptures. These
21 are actually off of -- these are off of distribution
22 facilities. Three of these, I believe, are in the --
23 were in the Accelerated Main Replacement Program that
24 we removed the obsolete material, and included in
25 that program was the Riser Replacement Program, and

1 so these were on 35-pound systems.

2 Q. Okay. I should have been more precise
3 and I apologize. Thank you.

4 The term Duke used in four of these
5 violations was "explosion," right?

6 A. They did use the word "explosion" and
7 this was as a result of gas getting into the home,
8 not a pipe bursting.

9 Q. Yeah. I will withdraw that.

10 So because you say these regulations
11 don't apply, meaning PHMSA, there is no PIR, there is
12 no HCA, Duke has not provided Blue Ash with any
13 specific information regarding the potential size,
14 scale, or geographic impact of a gas leak in Blue
15 Ash, correct?

16 A. PIR does not apply to the high-pressure
17 distribution pipeline, that's correct.

18 Q. Okay. But there's been other instances
19 in this case where Duke has provided -- gone above
20 and beyond the federal regulations, correct?

21 A. This pipeline is an example of enhanced
22 criteria --

23 Q. Right.

24 A. -- above and beyond federal regulations,
25 that's correct, and the federal regulation already

1 allows for the design, installation, and construction
2 of a safe pipeline.

3 Q. Right.

4 Are you aware that Duke put out a Central
5 Corridor Pipeline Project Fact Sheet just yesterday?

6 A. Do you have a picture of that so I can
7 look at it?

8 Q. I do.

9 MR. PACHECO: May I approach, your Honor?

10 ALJ PARROT: You may.

11 MR. PACHECO: Your Honor, for the record,
12 we'd like to mark this as Blue Ash and Columbia
13 Township Exhibit 2. It's titled "Central Corridor
14 Pipeline Project," put out by Duke Energy and it's
15 dated April 2019.

16 ALJ PARROT: So marked.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 MR. PACHECO: Thank you, your Honor.

19 Q. (By Mr. Pacheco) Mr. Hebbeler, have you
20 had a chance to review this?

21 A. I have.

22 Q. And this is the document that Duke put
23 out even yesterday, correct, as a fact sheet?

24 A. That's correct.

25 Q. Okay. And I want to look at the top

1 right-hand corner because, to link this together, we
2 were talking about the additional above-and-beyond
3 enhancements that Duke is doing for this pipeline,
4 and I wanted to talk a little bit about those. In
5 the top right-hand corner it says "Safety is a Top
6 Priority." Did I read that correctly?

7 A. That's correct.

8 Q. And in the last sentence of that
9 paragraph it says "We will exceed federal
10 regulations, including...." Did I read that
11 correctly?

12 A. That's correct.

13 Q. And so, in at least two, three, four,
14 five, six, seven, there is seven bullet points in
15 which Duke says it will exceed federal regulations
16 regarding this pipeline, true?

17 A. That's correct.

18 Q. But in this particular case, Duke won't
19 exceed federal regulations and provide a PIR for the
20 pipeline in Blue Ash.

21 A. It doesn't apply to this pipeline.

22 Q. But neither do these other seven
23 regulations, correct?

24 A. That's correct.

25 Q. Okay. And Duke won't identify a High

1 Consequence Area for Blue Ash or, for that matter,
2 for any other community that's here, correct?

3 A. It doesn't apply to this pipeline.

4 Q. Right. But in the case of these other
5 seven, Duke is willing to go above and beyond, but
6 not in the instance of identifying either an HCA or a
7 PIR.

8 A. It does not apply to this pipeline.

9 Q. Right. And Duke has not provided any
10 kind of evacuation or safety plan to Blue Ash if
11 there is a pipeline rupture, correct?

12 A. Because a pipeline rupture will not apply
13 to this pipeline. We will incorporate all of our
14 emergency response under our current -- current
15 programs.

16 Q. And it doesn't apply because, in your
17 view, federal regulations don't mandate it, right?

18 A. It does not apply. The PIR does not
19 apply to this pipeline. Mr. Paskett will be able to,
20 I think, better explain that.

21 Q. And you haven't provided any kind of
22 evacuation or safety plan to the Blue Ash first
23 responders either, correct, because, in your words,
24 the PIR doesn't apply, right?

25 A. Well, the current -- our current safety

1 plans are really provided through the Fire Chiefs
2 Association. And I shouldn't say plans, but
3 training. So we haven't provided specific training
4 for Blue Ash, but our training is available through
5 the Fire Chiefs Association.

6 Q. All right. Let's turn to page -- let me
7 back up.

8 At page 31 of your testimony which is
9 Exhibit 7, if you would, please. And let me know
10 when you're there.

11 A. I'm on page 31.

12 Q. Page 31, yes, sir, Mr. Hebbeler.

13 A. I'm there.

14 Q. All right. This was your prefiled
15 testimony, correct?

16 A. That's correct.

17 Q. And you went through, earlier today with
18 your counsel, the corrections that you wanted to make
19 to the prefiled testimony, right?

20 A. That's correct.

21 Q. And you understand that this prefiled
22 testimony would be something that you would swear to
23 the accuracy of, true?

24 A. That's correct.

25 Q. And you wanted it to be accurate, right?

1 A. To the best of my knowledge.

2 Q. And you knew that the Power Siting Board
3 would be making determinations based on your
4 testimony, or at least in part, correct?

5 A. My testimony would be part of those
6 determinations.

7 Q. Fair enough.

8 And on page 31, you indicate that Duke
9 Energy has estimated the annual property taxes
10 associated with the Preferred Route and the Alternate
11 Route to be 2.8 million and 2.2 million,
12 respectively, in lines 13 to 15. Did I read that
13 correctly?

14 A. That's correct.

15 Q. And on the next page you actually have
16 those numbers broken out in the Preferred and
17 Alternate Routes based on the various jurisdictions,
18 correct?

19 A. That's correct.

20 Q. All right. You don't know the basis for
21 any of these calculations, do you?

22 A. I did talk to Jamie Olberding, since the
23 deposition, and we actually have an interrogatory
24 that was submitted or requested by the Staff. I
25 can't remember the exact number, but it provides the

1 basis of the calculations.

2 Q. So as of a week ago when you were
3 deposed, you didn't know the basis for the
4 calculation, correct?

5 A. I have -- Duke Energy representatives
6 take care of this in our tax department, and our city
7 and municipalities have accepted our existing
8 payments and our calculations, so I would have no
9 need to dispute that.

10 MR. PACHECO: Your Honor, I'm sorry, I
11 move to strike the fact he doesn't know -- anything
12 after he doesn't know the basis for the calculations.

13 MS. KINGERY: And, your Honor, he was
14 simply explaining why he doesn't know.

15 ALJ PARROT: And the motion is denied.

16 MR. PACHECO: Thank you, your Honor.

17 Q. (By Mr. Pacheco) You don't know who, at
18 Duke, performed these calculations, correct?

19 A. Our tax department performed them.

20 Q. But you didn't know that as of a week ago
21 in your deposition, correct?

22 A. Again, I would have no reason to dispute
23 and track that down.

24 Q. That wasn't my question, Mr. Hebbeler.

25 My question was: When you were deposed

1 last week in preparation for the hearing, you didn't
2 even know who performed those calculations.

3 A. Again, I was assuming Duke
4 representatives did, but I didn't know the exact
5 person, that's correct.

6 Q. So you don't have any personal knowledge
7 of these calculations, do you?

8 A. Again, Duke representatives would have
9 performed these.

10 Q. You personally don't have personal
11 knowledge of these calculations.

12 MS. KINGERY: Asked and answered twice.

13 MR. PACHECO: With all due respect, your
14 Honor, I don't think he has answered the question
15 once.

16 ALJ PARROT: Overruled.

17 A. I haven't personally calculated this out.

18 Q. Thank you.

19 The -- have you -- you don't know the
20 amounts -- so let's go to the next page, page 32.
21 And under the Alternate Route, Blue Ash there, do you
22 see that in front of you, Mr. Hebbeler?

23 A. I do.

24 Q. And the amount that Duke represents --
25 I'm sorry, that you represent in your prefiled

1 testimony of the estimated annual tax revenues for
2 the taxing authorities for Blue Ash is \$818,596. Did
3 I read that correctly?

4 A. That's correct.

5 Q. You don't know the amount Blue Ash
6 actually receives from the gross amount, do you?

7 A. I do not.

8 Q. And you are not aware that approximately
9 70 percent of this amount goes to Sycamore Schools?

10 A. I am not aware of that.

11 Q. And you are not aware that approximately
12 10 percent of the gross amount goes to the Joint
13 Vocational Schools in Blue Ash?

14 A. Again, I am not aware of that.

15 Q. And you are not aware that Blue Ash
16 probably only gets 4 percent of this gross property
17 tax revenue even if these calculations are correct?

18 A. Yeah, I wouldn't be aware of that. I
19 would rely on our tax department to know that
20 information.

21 Q. All right. So when -- when you represent
22 to the Power Siting Board in your prefiled testimony
23 on page 32 that Blue Ash is going to get -- or the
24 estimated annual tax revenues for Blue Ash is
25 \$818,596, that's not accurate, is it, sir?

1 A. This is an estimate only, and we still
2 have to -- have to have final plans, and the actual
3 amounts will be based off the actual footage and the
4 actual tax rate.

5 Q. You have no idea whether that number is
6 accurate.

7 A. It's accurate to the best of our ability
8 at the current design that we have.

9 Q. But at the end of the day, you don't know
10 what actually -- what the actual amount the taxing
11 entity Blue Ash will receive, do you?

12 MS. KINGERY: Asked and answered.

13 ALJ PARROT: Sustained.

14 Q. Now, Mr. Hebbeler, you have acknowledged
15 that Duke plans to accept all the conditions listed
16 in the Amended Staff Report subject to, I believe,
17 two specified exceptions with respect to Conditions
18 11 and 30, correct?

19 A. I can't recall the numbers. There was
20 two conditions. I can't remember the numbers.

21 Q. That's fair. Whatever -- to be fair,
22 whatever two conditions you testified in your
23 deposition.

24 A. That's correct.

25 Q. Fair enough.

1 And that includes Condition 1, right,
2 which requires Duke to install the pipeline along the
3 Alternate Route?

4 A. Do you have something I could look at?

5 Q. Well, no, I don't have a copy -- yeah,
6 actually I do have a copy of the Staff Report.

7 MR. BEELEER: I could put the Staff Report
8 in as Staff Exhibit 1 if that works.

9 ALJ PARROT: So marked.

10 MR. PACHECO: Thank you, your Honor.

11 ALJ PARROT: Just to be clear,
12 Mr. Beeler, are you marking the --

13 MR. BEELEER: This is the Amended Staff
14 Report of Investigation filed on March 5, 2019.

15 ALJ PARROT: Thank you. So marked.

16 MR. PACHECO: Thank you, your Honor.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 Q. (By Mr. Pacheco) And Mr. Hebbeler, let me
19 know when you have had a chance. I can refer you to
20 the page.

21 A. Can you give me the page?

22 Q. I sure will. Yeah. Page 60.

23 A. Okay. I am on page 60.

24 Q. And if you look under General Condition
25 1, it says Staff recommends, and I won't read all of

1 it, but it says under No. 1, "The facility shall be
2 installed on the Applicant's Alternate Route" and
3 then it goes on. Did I read that correctly?

4 A. That's correct.

5 MR. PACHECO: I'm sorry, your Honor. I
6 didn't realize you have a copy.

7 ALJ PARROT: We do. Go ahead.

8 Q. And that's a condition that Duke says it
9 will agree to, correct?

10 A. That's correct.

11 Q. All right. Just one final thing, your
12 Honor. I am looking at the Duke Energy website right
13 now, Mr. Hebbeler, and it says, like page 6, "The PIR
14 for this pipeline is 326 feet on either side of the
15 center of the pipeline." Do you have any reason to
16 dispute what I just said?

17 A. I do not. Again, we will have to make
18 that correction.

19 MR. PACHECO: I don't have anything
20 further, your Honor. Thank you.

21 ALJ PARROT: Mr. Miller.

22 MR. MILLER: Thank you, your Honor.

23 - - -

24

25

CROSS-EXAMINATION

By Mr. Miller:

Q. Not to belabor the point, Mr. Hebbeler, but the -- referring to page 32 of your direct testimony.

A. I have it.

Q. The same thing that you said related to Blue Ash would also apply to Sycamore Township, that you did not make these calculations; they were given to you by someone else at Duke?

A. That's correct.

Q. So you are relying on their accuracy when you testify that these are the amounts.

A. That's correct. I rely on Duke Energy representatives, as you run a project like this, for a lot of things.

Q. Okay. And that would apply to any community that's on there. You didn't prepare that calculation.

A. That's correct.

Q. Okay. Would it be safe to say that, if not the majority, a large amount of the pipeline is in Sycamore Township on the Preferred Route?

A. I would have to go back and look at those. I am looking at tax numbers that, you know,

1 you have a high percentage.

2 Q. That would -- that number would sort of
3 indicate that.

4 A. That's correct.

5 Q. And, in fact, the project originates in
6 Sycamore Township; is that correct?

7 A. I would have to check if Sycamore
8 Township went all the way up in the corner there
9 where the pipeline starts at Hamilton County.

10 Q. Is there someone that's going to testify
11 that would be more familiar with the route and the
12 placement?

13 A. James Nicholas would be more familiar
14 with the route.

15 Q. Okay. Should I just reserve my questions
16 for him?

17 A. If you have specific questions about the
18 route.

19 Q. As to the route?

20 A. Yes, sir.

21 Q. Okay. And I believe you said that you
22 don't know exactly where this is going along the
23 route. Mr. Pacheco had asked about Glendale-Milford
24 Road and you said -- and traffic concerns, and I
25 believe your testimony was, well, until we know

1 exactly where it's going, we can't tell you what the
2 traffic pattern --

3 A. That's correct.

4 Q. -- will be. What does that mean? Does
5 that mean you might be in the road? You might not be
6 in the road?

7 A. That's a great question. If you were --
8 if we were in the road, and again I would have to go
9 back and look at those details, if we are in a road,
10 it probably takes a different traffic pattern than if
11 we are outside the road or in the grassy area.
12 Especially if we are down the middle of the road is a
13 different traffic pattern than if we are on the edge
14 of the road.

15 Q. Is it possible you could be on the other
16 side of the road?

17 A. I would have to review that. Again,
18 James Nicholas would probably have a better idea of
19 the exact route.

20 Q. Okay. How is the route chosen in terms
21 of your -- strike that.

22 Your testimony is that a large part of at
23 least the Preferred Route is in Sycamore Township;
24 yet, no Sycamore Township official was consulted as
25 to what their opinion might be as to the best

1 placement of the route?

2 A. Yeah, I would ask you to ask those
3 questions of James Nicholas.

4 Q. Okay. Is there a committee that chooses
5 to place the route?

6 A. I would ask you to ask those questions to
7 James Nicholas.

8 Q. You just don't know.

9 A. Yes, sir.

10 Q. Would Mr. Nicholas also be the person
11 referred to as far as traffic procedures and how you
12 would handle that?

13 A. He probably wouldn't have those details
14 yet, unless we have a detailed location. Again, we
15 only have about 70 percent on the Preferred and less
16 than something -- less than 70 percent on the
17 Alternate Route. And again, until you get those
18 detailed locations, I don't think we would -- we
19 wouldn't be able to give you those traffic patterns.
20 We'll come to you at some point and have to get a
21 permit and we'll have to present those -- all that
22 information to you to get a permit.

23 Q. And what if the permit is not granted?

24 A. We have to work through those details.
25 If -- when we get the approval to put the project in,

1 we will have to work through the details.

2 Q. As far as any easements that would be
3 required, those would need to be negotiated with
4 property owners?

5 A. Absolutely.

6 Q. And what if you are unable to negotiate
7 those?

8 A. In the unlikely event, then we have the
9 right to perform a condemnation and we would go
10 through a condemnation process.

11 Q. And what if you cannot obtain the
12 property through the condemnation?

13 A. I have been through one condemnation
14 process and we did obtain the property.

15 Q. Okay. Have you had any conversations
16 with the Ohio Department of Transportation as far as
17 getting their approval to go into their
18 rights-of-way?

19 A. Again, I've got teams at Duke Energy or
20 Duke Energy teams that have conversations. I am not
21 involved in all of those conversations, but we happen
22 to have conversations with various groups.

23 Q. So you haven't had any --

24 A. I personally have not had those
25 conversations.

1 Q. Are you aware of any conversations with,
2 I am going to refer to them as ODOT, as everyone
3 does, the Department of Transportation?

4 A. We've had various conversations with
5 ODOT. I don't know about the particulars.

6 Q. Was there any consideration to putting
7 the pipeline let's say down Interstate 71
8 right-of-way or around 275 right-of-way?

9 A. We did have conversations with ODOT about
10 that and that was not an option for us.

11 Q. Why not?

12 A. I was not in those particulars, but they
13 did not allow us to do that.

14 Q. But you don't know why?

15 A. I do not.

16 Q. Is there anyone at Duke that would know
17 what that response was?

18 A. I don't know.

19 Q. Anyone testifying? Would Mr. Nicholas
20 know?

21 A. I don't know if we were given that
22 response from ODOT.

23 Q. But you -- you are crossing ODOT
24 right-of-way with the routes.

25 A. In some of the routes, yes.

1 Q. So you would anticipate that they would
2 give permission to do that.

3 A. I would.

4 Q. Who would be responsible for restoration
5 of any property if their -- if you obtain an easement
6 or take by eminent domain?

7 A. Duke Energy Ohio.

8 Q. And is there some procedure? How do you
9 replace mature trees that are lost?

10 A. That would be negotiations with the
11 property owners if we took trees, and we would have
12 to negotiate that.

13 Q. Would there -- if someone is having the
14 pipeline put on their property and let's just say in
15 front of their house or their business or whatever,
16 is there a restriction as to what can be placed in
17 that easement?

18 A. There would be restrictions from
19 structures and -- and large vegetation like oak
20 trees. We would sit down and discuss that with the
21 property owners, at the time, and we would provide
22 that information.

23 Q. So if there are mature trees in this area
24 that you need for the pipeline, they would not be
25 replaced.

1 A. If they were in easements --

2 Q. If they were in the proposed easement for
3 the proposed pipeline, there's no way to replace
4 those because you don't allow large trees?

5 A. Again, if it was like an oak tree, that
6 is correct. There are some smaller-type, mature
7 smaller trees that -- vegetation, I would say, that
8 we would discuss with the property owner.

9 Q. Just to follow up on a couple of
10 questions. Were any -- there was a discussion
11 earlier about comments from the public, good or bad
12 or whatever. Did Duke solicit any comments from any
13 public officials in Hamilton County?

14 A. We did. And I was in some, but not all
15 of those conversations.

16 Q. And who was solicited?

17 A. I know we talked to the City of Reading
18 after one of the informational meetings. And we sat
19 down and talked to the City of Reading and asked for
20 their -- their input and they gave us some input that
21 we looked at. That's an example.

22 Q. Did you seek any comments in favor of the
23 project from any public officials?

24 A. I'm sure we did. Again, I had our team
25 of public relations people take a look at that, so

1 I'm sure we did.

2 Q. Did you solicit any comments, positive
3 comments or negative comments, from Sycamore Township
4 officials?

5 A. Again, I wouldn't be -- I don't know. I
6 did not personally.

7 Q. How about the City of Blue Ash?

8 A. Again, we -- we got input from the City
9 of Blue Ash. Again, I just had those conversations
10 this week. We made some tweaks along the route on
11 Glendale-Milford Road. We did tweak some areas there
12 and we discussed the valve location and we discussed
13 the roundabout that they are planning.

14 Q. Did you solicit any comments from Saint
15 Bernard?

16 A. Again, I know we've had conversations. I
17 personally did not.

18 Q. How about Anderson Township?

19 A. Again, it would be the same answer. I
20 did not.

21 MR. MILLER: Okay. I have nothing
22 further, your Honor.

23 ALJ PARROT: Ms., I'm sorry, is it
24 "Hern-stein" or "stine"?

25 MS. HERNSTEIN: It's "stine," your Honor,

1 and no questions.

2 ALJ PARROT: Okay. Thank you.

3 Ms. Allen?

4 MS ALLEN: No questions.

5 MR. BUTLER: Your Honor, I know I said I
6 have no questions earlier, but a couple came up, if I
7 may?

8 - - -

9 CROSS-EXAMINATION

10 By Mr. Butler:

11 Q. Sir, you testified you're not certain of
12 the route yet; is that correct?

13 MS. KINGERY: Could Counsel turn on the
14 microphone, please.

15 MR. BUTLER: Maybe. It's on.

16 ALJ PARROT: It's on. Up maybe. Move it
17 up a little.

18 Q. Are you not certain of the route yet?

19 A. We are certain of the route. There's a
20 difference between a route and an alignment.
21 Alignment is the specific location within that route
22 and that was in reference to traffic control. And so
23 we do have leeway to make some adjustments on
24 alignment.

25 Q. Okay. So both the Preferred and the

1 Alternate Routes are, would you say, estimates of
2 where they will go or just kind of the general
3 direction they'll go? I'm sorry. This is my fault.
4 Let me ask you specifically.

5 With regard to Golf Manor, we have a
6 railroad track that's on the west side of Golf Manor.
7 Are you familiar with that?

8 A. I think I know approximately where you
9 are at and, again, those details, you would have to
10 ask James Nicholas to answer those, okay?

11 Q. So you would not know whether the
12 Alternate Route is going to be on the west or east
13 side of that railroad track?

14 A. I think James would be the best one to
15 ask that question.

16 MR. BUTLER: All right. Thank you.
17 That's all I have.

18 ALJ PARROT: Mr. Beeler.

19 MR. BEELER: Just a couple.

20 - - -

21 CROSS-EXAMINATION

22 By Mr. Beeler:

23 Q. Good afternoon.

24 A. Good afternoon.

25 Q. Just following up on some questions on

1 the Staff Report which was Staff Exhibit 1. I was
2 handing stuff out, so I didn't necessarily hear the
3 questioning, but I think you answered that you agree
4 with the Staff conditions, Duke agrees with the Staff
5 conditions with the exception of a couple of the
6 conditions; is that correct?

7 A. That's correct.

8 Q. And those conditions are Condition 11 and
9 30? Do you have it up there?

10 A. Can you show me what you're looking at?

11 Q. It will be on page 61, I think is the
12 first. I think one of the exceptions was in
13 Condition 11 on page 61 of what's been marked as
14 Staff Exhibit 1.

15 A. That's correct. It should be
16 "high-pressure distribution line" instead of "gas
17 transmission line."

18 Q. Okay. And sorry if you already -- I
19 missed it earlier when I was running around, okay?
20 And then the other change is on page 64 and Condition
21 30, and can you explain Duke's issue with that
22 condition?

23 A. Yeah. That's the construction hours. If
24 we were going through intersections and we work with
25 the municipalities and the governmental bodies and

1 they wanted us to work, say, around the clock, 24
2 hours or at nighttime, we need to have the ability to
3 do that. So there would be some construction times
4 that we may want to do that as an agreement, you
5 know, with each party. Or horizontal directional
6 drilling, that's usually a 24/7 operation and when we
7 do that we may have a couple of those on there. So
8 we have to work through those issues, but those are
9 the -- we need the ability to work through those
10 exceptions.

11 Q. Okay. And your understanding is, just
12 from the language in Condition 30 right now, you
13 just -- you just don't -- you're not sure if that's
14 enough for your -- flexibility for Duke?

15 A. That's correct. And I mean, I believe --
16 I'm just -- it might be my interpretation, but the
17 last sentence "of upcoming construction activities
18 including potential for nighttime construction
19 activities." So I believe it recognizes that, I just
20 want to make sure we're clear.

21 Q. Okay. And then, you know, with those --
22 with those two exceptions, you otherwise accept the
23 Staff conditions, Duke does?

24 A. That's correct.

25 MR. BEELER: Okay. No further questions.

1 Thank you.

2 ALJ PARROT: Let's go off the record.

3 (Discussion off the record.)

4 ALJ PARROT: Let's go back on the record.

5 Go ahead, Mr. Stevenson. It's been
6 determined that Mr. Stevenson's questions do not
7 require a confidential session. With that, go ahead
8 and proceed, Mr. Stevenson.

9 MR. STEVENSON: Thank you.

10 - - -

11 CROSS-EXAMINATION (CONTINUED)

12 By Mr. Stevenson:

13 Q. Mr. Hebbeler, you are familiar with the
14 constructability review that was performed by Burns &
15 McDonnell?

16 A. It's been a while since I reviewed that.

17 Q. All right. Well, let me do this then.
18 Can you take a minute and review this page for me,
19 please.

20 A. I reviewed it.

21 Q. All right. Does that refresh your
22 recollection about the constructability review as it
23 pertains to the City of Reading?

24 A. I would ask you to ask James these
25 questions.

1 Q. James?

2 A. James Nicholas.

3 Q. James Nicholas.

4 A. He picked out -- this is a description of
5 the route and I would ask --

6 Q. It's actually not a description of the
7 route. It's a description of what's going to happen
8 during construction, is it not?

9 A. And your question again is?

10 Q. My question is, is that it's a
11 description of what's going to happen during
12 construction, is it not?

13 A. It's a general description, but we need
14 the exact alignment to really get a, you know, good
15 description.

16 Q. Is it fair to say that that description
17 states that with respect to Third Street and Reading,
18 that the homeowners on that street will lose access
19 to their homes? For some period of time during
20 construction?

21 A. It states here, if I read this correctly
22 "The street is narrow, and conventional construction
23 would restrict some access to the houses."

24 Q. Thank you. That's my question.

25 A. That's what it states here. And again,

1 once we get the -- our detailed construction plans,
2 we would see what we could do to provide access.

3 MR. STEVENSON: I have nothing further.

4 ALJ PARROT: Thank you.

5 The page reference again, please?

6 MR. STEVENSON: It's page No. 5 of the
7 Western Route Constructability Review. The
8 confidential page No. is 49 of 87.

9 ALJ PARROT: Thank you.

10 All right. At this point we are going to
11 take a break for lunch. We will reconvene at 2:15.
12 Thank you.

13 (Thereupon, at 1:26 p.m., a lunch recess
14 was taken.)

15 - - -

1 Tuesday Afternoon Session,
2 April 9, 2019.

3 - - -

4 ALJ PARROT: Let's go back on the record.
5 Any redirect?

6 MS. KINGERY: No, your Honor.

7 ALJ PARROT: Okay. Thank you.

8 MS. KINGERY: I would move again for the
9 admission of the testimony of Mr. Hebbeler.

10 ALJ PARROT: Are there any objections to
11 the admission of Duke Exhibit 7?

12 Hearing none, it is admitted into the
13 record.

14 (EXHIBIT ADMITTED INTO EVIDENCE.)

15 ALJ PARROT: Thank you, Mr. Hebbeler.

16 MS. KINGERY: And, your Honor, when would
17 you like to consider the admission of 1 through 6?

18 ALJ PARROT: Let's go ahead and table
19 those for now and get through the other witnesses
20 first.

21 MS. KINGERY: Okay.

22 ALJ PARROT: Mr. Keaney?

23 MR. KEANEY: Yes.

24 ALJ PARROT: You have already moved, I
25 believe, for admission of what's been marked

1 City/County Exhibit 1. Are there any objections to
2 its admission?

3 MS. KINGERY: No, your Honor.

4 ALJ PARROT: All right. Hearing none,
5 County -- excuse me, City/County Exhibit 1 is
6 admitted.

7 (EXHIBIT ADMITTED INTO EVIDENCE.)

8 ALJ PARROT: And on behalf of NOPE? Are
9 you moving for the admission of all seven exhibits?

10 MR. YSKAMP: Yes, I believe, your Honor.

11 ALJ PARROT: Are there any objections?

12 MS. KINGERY: Yes, your Honor. We would
13 object to the admission of Exhibits 5, 6, and 7 from
14 NOPE.

15 Exhibit 5, as we indicated at the time,
16 there was no showing that Mr. Hebbeler had seen the
17 document and he had no memory of the incident
18 described in the document.

19 NOPE 6 -- NOPE 6 and 7 were both
20 irrelevant to the criteria that the Board considers
21 in issuing its orders, and they were related to a
22 separate company, not Duke Energy Ohio.

23 ALJ PARROT: Response?

24 MR. YSKAMP: So in relation to Exhibit 5,
25 this is a public document, and Staff Reports of

1 Investigation are certainly in the regular course of
2 Staff's business. It's also docketed with the docket
3 stamp, so you can take judicial notice of it as well.
4 So I would move for the admission of Exhibit 5 for
5 those reasons.

6 Exhibit 6 and 7 are certainly relevant.
7 The witness testified to safety issues including
8 compliance with the federal Pipeline Safety
9 Regulations. There is another witness, later,
10 testifying further to those things, and I believe
11 Staff has a witness as well testifying to Pipeline
12 Safety Regulations. Duke Energy Kentucky is a
13 wholly-owned subsidiary of Duke Energy Ohio. The
14 witness testified that staff performs safety duties
15 in both states, the same -- the same staff, so I
16 think it's relevant for all of those reasons. And
17 the witness authenticated them, so they should be
18 admitted for that reason as well.

19 MS. KINGERY: And if I could just make
20 one more statement, with regard to NOPE Exhibit 5,
21 while it is a public document, that doesn't mean that
22 NOPE can get it in through Mr. Hebbeler who had not
23 seen it before, to the best of his recollection.

24 ALJ PARROT: At this time, NOPE Exhibits
25 1, 2, 3, 4, 6, and 7 will be admitted into the

1 record. Mr. Yskamp, with respect to NOPE Exhibit 5,
2 based on the witness's lack of familiarity with the
3 exhibit, we are going to decline admission of the
4 document at this time. If you wish to use it with
5 other witnesses, we can remove it at that point and
6 go from there.

7 (EXHIBITS ADMITTED INTO EVIDENCE.)

8 ALJ PARROT: And on behalf of Blue Ash
9 and Columbia, Exhibits 1 and 2.

10 MR. PACHECO: Your Honor, we move the
11 admission of those.

12 ALJ PARROT: Any objection?

13 MS. KINGERY: No, your Honor.

14 ALJ PARROT: Okay. Blue Ash/Columbia
15 Township Exhibits 1 and 2 are admitted.

16 (EXHIBITS ADMITTED INTO EVIDENCE.)

17 MR. PACHECO: Thank you, your Honor.

18 ALJ PARROT: Mr. Beeler.

19 MR. BEELER: Move for the admission of
20 Staff Exhibit 1.

21 ALJ PARROT: Any objections at this point
22 to Staff Exhibit 1?

23 MR. HESLIN: No objections.

24 ALJ PARROT: We will go ahead and admit
25 Staff Exhibit 1 at this time as well.

1 (EXHIBIT ADMITTED INTO EVIDENCE.)

2 ALJ SEE: Ms. Kingery, if you would like
3 to call your next witness.

4 MR. HESLIN: Your Honor, at this time,
5 Duke Energy Ohio calls Adam Long to the stand.

6 (Witness sworn.)

7 ALJ SEE: Thank you.

8 Mr. Heslin, go ahead.

9 MR. HESLIN: Thank you, your Honor. May
10 we approach?

11 ALJ SEE: Yes.

12 - - -

13 ADAM LONG

14 being first duly sworn, as prescribed by law, was
15 examined and testified as follows:

16 DIRECT EXAMINATION

17 By Mr. Heslin:

18 Q. Mr. Long, can you state your full name
19 and business address for the record?

20 A. Adam Blanchard Long. 4720 Piedmont Row
21 Drive, Charlotte, North Carolina.

22 Q. And do you have Duke Energy Exhibit 8 in
23 front of you, which is a copy of the Direct Testimony
24 that you filed on March 26, 2019, consisting of
25 16 pages of written testimony as well as a map?

1 A. I do.

2 Q. And was this testimony prepared by you or
3 under your supervision?

4 A. It was.

5 Q. Do you have any corrections to make to
6 your written testimony?

7 A. I do. On page 1, line 5, the sentence
8 should read "I am employed by Duke Energy Piedmont."

9 Also on page 1 --

10 ALJ SEE: I am sorry. Mr. Long, go back
11 and that correction one more time.

12 THE WITNESS: Instead of the word
13 "Progress" it should be "Piedmont."

14 ALJ SEE: Line?

15 THE WITNESS: Line 5.

16 ALJ SEE: Okay.

17 A. Page 1, line 9, I graduated from North
18 Carolina insert the word "State" University.

19 Page 2, line 12, number of customers
20 should be 438,000 customers. No other corrections.

21 Q. Aside from those corrections, if I were
22 to ask you the same questions in your Direct
23 Testimony, would your answers be the same?

24 A. They would.

25 MR. HESLIN: Your Honor, the witness is

1 available for cross-examination.

2 ALJ SEE: And we marked his testimony
3 Duke Exhibit 8.

4 (EXHIBIT MARKED FOR IDENTIFICATION.)

5 ALJ SEE: Mr. Keaney, will you be --

6 MR. KEANEY: Yes, your Honor.

7 ALJ SEE: -- starting the lineup?

8 MR. KEANEY: Would we be able to go off
9 the record for one second?

10 ALJ SEE: Yes. Let's go off the record.

11 (Discussion off the record.)

12 ALJ SEE: Let's go back on the record.

13 Mr. Keaney, have you had an opportunity
14 to speak with counsel for Duke about that --

15 MR. KEANEY: Yes, your Honor.

16 ALJ SEE: -- about the confidential
17 information?

18 MR. KEANEY: There is just one portion of
19 my cross-examination will be confidential. I will be
20 happy to reserve that at the end, if that's what your
21 Honor prefers.

22 ALJ SEE: That is the process we are
23 going to use in this proceeding. Go ahead with your
24 cross-examination.

25 MR. KEANEY: Thank you, your Honor.

1 - - -

2 CROSS-EXAMINATION

3 By Mr. Keaney:

4 Q. Good afternoon, Mr. Long.

5 A. Good afternoon.

6 Q. You have been employed by multiple
7 pipeline companies over the past 20 years, correct?

8 A. Correct.

9 Q. And you have --

10 ALJ SEE: Mr. Keaney, use your
11 microphone, please.

12 MR. KEANEY: I'm sorry. Your Honor,
13 would you like me to repeat the question?

14 ALJ SEE: No. Go ahead.

15 Q. (By Mr. Keaney) You have two years'
16 experience overseeing the operation of a natural gas
17 pipeline system that uses or otherwise relies on
18 propane peaking plants, correct?

19 A. That's correct.

20 Q. You have no experience with
21 decommissioning propane-air peaking facilities,
22 correct?

23 A. Correct.

24 Q. Besides the two propane-air peaking
25 plants at issue in this case, you do not oversee any

1 other propane-air peaking plants, correct?

2 A. Correct.

3 Q. And no propane-air peaking facilities
4 have ever been retired over the course of your
5 employment at the multiple pipeline companies over
6 the past 20 years, correct?

7 A. Correct.

8 Q. Just for clarification, as a general
9 matter, your testimony treats the propane-air peaking
10 plants as separate from the storage caverns, correct?

11 A. Correct.

12 Q. When discussing the retirement of the
13 propane-air peaking plants in your testimony, Duke
14 recommends the retirement of both propane-air peaking
15 plants and the related storage caverns, correct?

16 A. Could you show me where you are looking
17 at my testimony?

18 Q. Sure. Just a general question, when you
19 talk about retirement of the propane-air peaking
20 plants in your testimony, you are familiar with that
21 generally?

22 A. Yes.

23 Q. Okay. What I'm asking is Duke recommends
24 the retirement of both the peaking plants themselves
25 as well as the related storage caverns, correct?

1 A. That is correct.

2 Q. Thank you.

3 There are two propane-air peaking plants
4 at issue in this case, correct?

5 A. Correct.

6 Q. Duke Energy Ohio, Incorporated, which
7 I'll just refer to as Duke Ohio, owns and operates a
8 propane-air peaking plant and related storage cavern
9 called Eastern Avenue, correct?

10 A. Correct.

11 Q. And Eastern Avenue would be in
12 Cincinnati, correct?

13 A. Correct.

14 Q. Eastern Avenue is also sometimes referred
15 to as East Works, correct?

16 A. Correct.

17 Q. So if I refer to Eastern Avenue as East
18 Works or vice versa, you understand I am referring to
19 the same propane-air peaking plant facility owned by
20 Duke Ohio in Cincinnati, correct?

21 A. Correct.

22 Q. The other peaking plant facility at issue
23 in this case is owned and operated by Duke Energy
24 Kentucky, Incorporated, correct?

25 A. Correct.

1 Q. And that propane-air peaking facility is
2 located at Erlanger, Kentucky, correct?

3 A. Correct.

4 Q. The propane-air peaking facility in
5 Erlanger, Kentucky, is commonly just referred to as
6 Erlanger, correct?

7 A. Correct.

8 Q. Now, customers in Ohio and Kentucky use
9 and benefit from the propane-air peaking facility in
10 Erlanger, Kentucky, correct?

11 A. Correct.

12 Q. In 2014, Duke's system planners
13 identified a need to retire the propane caverns and
14 determined the Central Corridor Project would address
15 that need, correct?

16 A. Correct.

17 Q. In 2014, when Duke's system planners were
18 considering whether the propane caverns needed to be
19 retired, Duke's system planners looked at the
20 projected load-growth profile for its system,
21 correct?

22 A. Correct.

23 Q. You are not aware, though, of what the
24 projected load-growth profile was, correct?

25 A. That's correct.

1 Q. Duke did not consider the cost to
2 decommission the propane-air peaking facilities and
3 related storage caverns as part of the Amended
4 Application in this case, correct?

5 A. Not to my knowledge.

6 Q. Duke identified the need to retire the
7 propane-air peaking plants in 2014, correct?

8 A. Correct.

9 Q. And you do not know why Duke has not
10 considered or analyzed the cost of decommissioning
11 the propane-air peaking facilities, correct?

12 A. Correct.

13 Q. You are unaware of any studies that
14 examined or analyzed the overall cost to decommission
15 the propane-air peaking plants and the caverns,
16 correct?

17 A. No studies, I am aware, of for Duke Ohio.
18 For the Erlanger facility in Kentucky, the State of
19 Kentucky does ask for projections for the next five
20 years, so it's very possible one could have been done
21 for Erlanger.

22 Q. But you are unaware of any specific study
23 that examined or analyzed the overall cost to
24 decommission either Erlanger or East Works, correct?

25 A. Correct. I don't recall.

1 Q. You are unaware of any studies that
2 examined or analyzed any portion of the cost to
3 decommission the propane-air peaking plants and
4 related storage caverns in this case, correct?

5 A. Correct.

6 Q. You cannot state whether or not Duke will
7 seek cost recovery from customers to fund the
8 decommissioning of the propane-air peaking facility
9 at issue in this case, correct?

10 A. Correct.

11 Q. Now, Duke hopes to start to retire the
12 propane-air peaking plants and storage caverns after
13 the winter of 2020 and 2021, correct?

14 A. That's depending on the in service of the
15 proposed Central Corridor Pipeline.

16 Q. In your testimony, though, you do state
17 that Duke hopes to start to retire the propane-air
18 peaking plants and storage caverns after the winter
19 of 2020-2021?

20 A. Yes.

21 Q. Thanks.

22 You have not reviewed any studies or
23 plans, prepared by Duke, concerning the retirement of
24 the propane-air peaking plants, correct?

25 A. Correct.

1 Q. You are not aware of any plans or
2 studies, prepared by Duke, concerning the retirement
3 of the propane-air peaking plants, correct?

4 A. Correct.

5 Q. You do not know whether Duke intends to
6 start retiring the propane-air peaking plants at the
7 same time that it would begin construction of the
8 proposed pipeline, correct?

9 A. I believe in my testimony, it would start
10 after the in-service date of the Central Corridor
11 Pipeline.

12 Q. If the proposed pipeline is not approved
13 and constructed, you do not know how many years the
14 Erlanger or East Works peaking plants could operate,
15 correct?

16 A. That is correct.

17 Q. You have not seen any study or any
18 analysis undertaken by Duke to evaluate how many
19 years the propane-air peaking plants could operate in
20 the future if the proposed pipeline is not approved,
21 correct?

22 A. Correct.

23 Q. If the proposed pipeline is not approved,
24 Duke intends to continue using the propane-air
25 peaking plants until they are no longer safe and

1 reliable, correct?

2 A. Correct.

3 Q. Duke has to continually maintain,
4 upgrade, and sometimes replace various parts or
5 equipment at both Erlanger and East Works, correct?

6 A. That is correct.

7 Q. During the time when Duke previously
8 performed various repairs or maintenance on the
9 propane-air peaking facilities at issue in this case,
10 Duke provided safe and reliable service, correct?

11 A. Correct. However, that is normally done
12 during the summertime when the plants are not needed.

13 Q. I am not asking when they were doing --
14 when the appropriate time is. I am just asking as a
15 general manner, when Duke has performed maintenance
16 and upgrades on the two peaking plants at issue in
17 this case, Duke provided safe and reliable service
18 during that time, correct?

19 A. Correct.

20 Q. Thank you.

21 Duke can take certain measures to
22 minimize or eliminate the potential disruption to
23 customers from certain repair or replacement
24 activities on the propane-air peaking plants,
25 correct?

1 A. Could you repeat that one more time? I'm
2 sorry.

3 Q. Sure. No problem.

4 Duke can take certain measures to
5 minimize or eliminate potential disruptions to
6 customers from certain repair or replacement
7 activities on the propane-air peaking plants,
8 correct?

9 A. Some repairs are immediate and that may
10 not be true. Some repairs could be done.

11 Q. So is it fair to say that depending on
12 the repair, Duke can take certain measures to
13 minimize or eliminate potential disruptions?

14 A. With exceptions, yes.

15 Q. Thank you.

16 For instance, Duke can schedule repairs
17 or maintenance on the propane-air peaking plants
18 during the summer, when there is no peak demand, on
19 those occasions in which a repair or replacement
20 would be needed but not immediately.

21 A. Correct.

22 Q. Thank you.

23 You are not aware of any instance when
24 either Erlanger or East Works failed to provide the
25 needed supply or pressure for Duke's system such that

1 supply or delivery could not be made to customers,
2 correct?

3 A. Yes. However, we start the plants early
4 in anticipation of a failure so that that can be
5 fixed prior to the need.

6 MR. KEANEY: Your Honor, I move to strike
7 everything after the word "yes."

8 MR. HESLIN: Your Honor, I think that was
9 answering the question.

10 MR. KEANEY: Your Honor, if I may
11 respond?

12 ALJ SEE: You may.

13 MR. KEANEY: I am just asking if he was
14 aware. I am not asking for a summary of why he may
15 or may not be aware. That certainly can be explored
16 on redirect but I am just asking if he has been aware
17 of it.

18 ALJ SEE: I will allow the answer to
19 stand.

20 MR. KEANEY: Thank you.

21 Q. (By Mr. Keaney) You are not aware of any
22 instance where the use of Erlanger or East Works
23 resulted in widespread outages for Duke Energy Ohio
24 customers, correct?

25 A. Correct.

1 Q. You are not aware of any instance where
2 the use of Erlanger or East Works resulted in
3 widespread outages for Duke Energy Kentucky
4 customers, correct?

5 A. Correct.

6 Q. You are not aware of any instance when
7 either Erlanger or East Works failed to operate
8 during a peak day, correct?

9 A. Not during a peak day.

10 Q. Is your answer "correct"?

11 A. Correct.

12 Q. Thank you.

13 Both Erlanger and East Works' propane-air
14 peaking plants are currently safe and reliable,
15 correct?

16 A. Correct.

17 Q. Both Erlanger and East Works have served
18 Duke well over the years, correct?

19 A. Correct.

20 Q. You are not aware of any firm customer
21 curtailments or interruptions attributable to East
22 Works or Erlanger, correct?

23 A. Correct.

24 Q. You cannot say if building the proposed
25 pipeline and removing the propane-air peaking

1 facilities will make Duke's natural gas system more
2 or less safe, correct?

3 A. I'm sorry. Could you say that one more
4 time?

5 Q. Sure. You cannot say if building the
6 proposed pipeline and removing the propane-air
7 peaking facilities will make Duke's natural gas
8 system more or less safe, correct?

9 A. Correct.

10 Q. Duke retains and has retained the
11 personnel needed to safely and reliably operate its
12 natural gas system including the propane-air peaking
13 plants, correct?

14 A. Correct.

15 Q. If the proposed pipeline is not approved,
16 Duke will continue to employ the necessary personnel
17 to safely and reliably operate its system including
18 the propane-air peaking plants, correct?

19 A. Correct.

20 Q. Whether or not the propane-air peaking
21 plants are retired, Duke expects to continue
22 providing safe and reliable service to its customers,
23 correct?

24 A. Correct.

25 Q. In late 2018, Duke replaced a section of

1 Line EE, E as in Edward, correct?

2 A. Correct.

3 Q. Duke intentionally scheduled the
4 replacement work on Line EE in late 2018 to avoid any
5 outages, correct?

6 A. Correct.

7 Q. And no customers were impacted by Duke's
8 replacement work on Line EE in late 2018, correct?

9 A. Correct.

10 Q. You are not aware of any instances where
11 customers in the Central Corridor have experienced
12 lengthy outages due to Duke's repair or replacement
13 activities in the Central Corridor, correct?

14 A. Correct.

15 Q. Duke is currently considering multiple
16 pipeline projects to further mitigate or eliminate
17 the reliance on Foster Station, correct?

18 A. Correct.

19 Q. Duke does not have any firm or
20 established plans with respect to these multiple
21 pipeline projects because they are constantly subject
22 to change based on Duke's annual review of its
23 system, correct?

24 A. They are reviewed annually, correct.

25 Q. Okay. So then let me ask the first part.

1 Duke does not have any firm or established plans with
2 respect to these multiple pipeline projects, correct?

3 A. I hesitate to say "correct" because they
4 have proposed plans that are looked at internally.

5 Q. Okay. Have those proposed plans been
6 shared externally to the Board or to Staff?

7 A. Not to my knowledge.

8 Q. Have those plans been shared with any
9 third party outside of Duke?

10 A. Not to my knowledge.

11 Q. Okay. You describe them as "proposed
12 plans"; is that right?

13 A. Correct.

14 Q. Those are not firm or established plans,
15 correct?

16 A. Help me understand what "established"
17 would mean.

18 Q. Meaning it's not changed. It's not
19 subject to change.

20 A. Any -- any pipeline project is evaluated
21 until construction begins, so I would have a hard
22 time -- hard time agreeing that it's not fully
23 established because all projects have a life cycle
24 where they can change.

25 Q. Those plans are subject to change though,

1 correct?

2 A. Correct.

3 Q. Okay. I want to talk about one of those
4 multiple pipeline projects. One of those projects
5 being considered by Duke is Line CG04, correct?

6 A. Correct.

7 Q. And you have reviewed the proposed plan
8 for the Line CG04 project, correct?

9 A. I have.

10 Q. The Line CG04 project would be located in
11 the northwest section of Duke Energy Ohio's service
12 territory, correct?

13 A. Correct.

14 Q. The purpose of Line CG04 is to allow Duke
15 to add more customers, correct?

16 A. Its purpose is to bring gas into that
17 part of the area. One of the goals of that purpose
18 is to serve new customers.

19 Q. Can you tell me what the other purposes
20 are besides serving new customers?

21 A. So a hydraulic model shows a pressure
22 decrease in that area, so a project like this would
23 increase that pressure for use by existing customers.

24 Q. Thank you.

25 Line CG04 would be constructed to address

1 capacity issues, correct?

2 A. I would not use the word "capacity."

3 Q. Okay.

4 MR. KEANEY: Your Honor, may I approach?

5 ALJ SEE: Yes.

6 Q. (By Mr. Keaney) Mr. Long, if you can turn
7 to page 92 of your deposition transcript and please
8 let me know when you're there.

9 A. I'm there.

10 Q. I am going to start on line 6, if you can
11 just follow me as I read starting at line 6. I'm
12 sorry. Let's -- excuse me for a second, if we could
13 start back on page 91. I apologize. I am going to
14 start on line 17, please.

15 "So Duke Ohio is looking at work on
16 Pipeline CG04.

17 "Question: I'm sorry. Did you say CT04?

18 "Answer: C, Charlie golf, 04. To
19 benefit Ohio customers in the northwest section of
20 our territory.

21 "Question: Where specifically is that
22 when you say the northwest section of your territory?

23 "Answer: Is there a map available?

24 "Question: Let me ask you this: Is it
25 in Hamilton County?

1 "Answer: I would have to look at a map.

2 "Question: Tell me about Project CG04
3 besides where it's located. You said northwest
4 section of the territory. Can you tell me more about
5 that project?

6 "Answer: The project is looking to
7 increase that section of pipeline in pressure so that
8 it can move more gas from the interstate supplier
9 towards the Cincinnati metropolitan area.

10 "Question: What is the objective or
11 objectives in that particular project, CG04, that's
12 being considered?

13 "Answer: So to move more gas from our
14 northern interstate suppliers into that part of
15 Cincinnati, Ohio, to continue --

16 "Question: I'm sorry, Mr. Long. Go
17 ahead.

18 "Answer -- to continue firm service to
19 our existing customers and to allow other customers,
20 future customers to hook up to our system and use our
21 product.

22 "Question: So I understand what it's
23 for, and you answered my questions great. I'm just
24 wondering what specific issue or concern does it
25 address for Duke?

1 "Answer: It allows us to add more
2 customers in the geographic region.

3 "Question: And is that because there are
4 capacity issues in that region?

5 "Answer: Yes."

6 Did I read that correctly?

7 A. You did.

8 Q. Line CG04 could have an affect on the
9 balance of supply, correct?

10 A. Correct.

11 Q. You do not know if Line CG04 would be a
12 transmission or a distribution line, correct?

13 A. Correct. I would have to look.

14 Q. You do not know the anticipated project
15 time when Duke would commence the Line CG04 project,
16 correct?

17 A. Correct.

18 Q. You do not know if Board approval would
19 be required for the Line CG04 project, correct?

20 A. Correct.

21 Q. You do not know the specific details
22 about the Line CG04 project, correct?

23 A. Correct.

24 Q. You do not know if Duke has disclosed or
25 described its plans with respect to Line CG04 to the

1 Board or to Staff, correct?

2 A. That is correct.

3 Q. You also do not know if Duke has ever
4 disclosed or described the Line CG04 project to
5 customers or to any intervenors in this proceeding,
6 correct?

7 A. Correct.

8 Q. Another example of the multiple pipeline
9 projects Duke is currently considering is the
10 lines -- Line C365 project, correct?

11 A. That is correct.

12 Q. The Line C365 project is a small project
13 to move more gas to Line A, correct?

14 A. That is correct.

15 Q. The Line C365 project would be located at
16 the origination points for Line C314, correct?

17 A. Correct.

18 Q. And that would be located at the Mason
19 interconnect station with Texas Gas in the area of
20 Mason, Ohio, correct?

21 A. Correct.

22 Q. The Line C365 project would build a
23 pipeline 2 or 3 miles from its original point to
24 connect to Line A, correct?

25 A. Approximately correct.

1 Q. Okay. To your knowledge, the specific
2 route for the Line C365 project has not been
3 determined at this time, correct?

4 A. Correct.

5 Q. The purpose of constructing Line C365
6 would be to strengthen part of Line A with an
7 additional supply point, correct?

8 A. That is correct.

9 Q. You do not know of any projected timeline
10 for the Line C365 project, correct?

11 A. Correct.

12 Q. You do not know the projected or
13 estimated cost of the Line C365 project, correct?

14 A. That is correct.

15 Q. You do not know if Duke needs Board
16 approval to commence the Line C365 project, correct?

17 A. Correct.

18 Q. Duke is considering an additional
19 pipeline beyond Line C365 and Line CG04, correct?

20 A. You are talking about a new pipeline?

21 Q. An additional pipeline.

22 A. The planning group is always looking at
23 new pipelines, so is there a specific one you're
24 thinking about? A specific area you are thinking
25 about?

1 Q. We've talked about Line C365 and Line
2 CG04, correct?

3 A. Correct.

4 Q. What I am asking is beyond those two, are
5 there any additional projects that Duke is
6 considering?

7 A. No new pipelines I can think of in Ohio.

8 Q. Thank you.

9 You are aware that Duke initially
10 proposed a 30-inch pipeline as part of its original
11 application in this case, correct?

12 A. Correct.

13 Q. And Duke eventually reduced the proposed
14 pipeline to 20 inches, correct?

15 A. Correct.

16 Q. Because the proposed pipeline was reduced
17 from 30 inches to 20 inches, Duke is unable to
18 achieve the balance or peak day system requirements
19 that would have otherwise been realized through the
20 30-inch pipeline, correct?

21 A. That's correct.

22 Q. As a result of the reduction to a smaller
23 20-inch pipe, Duke will need additional upgrades and
24 enhancements to its system, correct?

25 A. We will look at the system annually to

1 determine when or if new enhancements are needed.

2 Q. Is it your understanding that as of
3 today, Duke does not need to make additional upgrades
4 and enhancements to the system as a result of the
5 reduction from a 30- to a 20-inch pipeline?

6 A. I would say it's continued looking at the
7 model and using the previous winter we just exited to
8 see how the system performs.

9 Q. Have you reviewed Mr. Hebbeler's
10 testimony in this case?

11 A. Not in full, no.

12 Q. Okay. Do you remember any discussion in
13 his testimony about the need to make additional
14 upgrades and enhancements to the system as a result
15 of having to go from a 30- to a 20-inch pipeline?

16 A. I would have to look back.

17 Q. Okay.

18 MR. KEANEY: Your Honor, may I approach?

19 ALJ SEE: Yes.

20 MR. KEANEY: I am not marking this. This
21 is just Mr. Hebbeler's testimony.

22 ALJ SEE: We have Mr. Hebbeler's
23 testimony.

24 Q. (By Mr. Keaney) Mr. Long, I can direct
25 you to page 16. And let me know when you are there,

1 please.

2 A. Okay.

3 Q. And I am specifically looking at the
4 paragraph that begins line 4 through 22 on page 16.
5 Do you see where I am?

6 A. I do.

7 Q. If you can just take a minute to read
8 that to yourself and let me know when you are
9 finished.

10 A. Okay.

11 Q. So my question was: As a result of the
12 reduction from a 30-inch to a 20-inch pipeline, Duke
13 will need to make "additional upgrades and
14 enhancements to the system," correct?

15 A. Correct.

16 Q. You do not have any specific information
17 or knowledge about what these "additional upgrades
18 and enhancements to the system" might be, correct?

19 A. Not at this time, correct.

20 Q. Thank you.

21 You do not know if Duke will publicly
22 disclose or share what additional projects it will
23 undertake in terms of its system planning for the
24 Central Corridor, correct?

25 A. Correct.

1 Q. You are unaware if Duke will seek cost
2 recovery from customers for these additional upgrades
3 and enhancements to the system, correct?

4 A. Correct.

5 Q. I want to ask you some questions about
6 the boilers and vaporizers at the peaking facilities.
7 The boilers at the East Works facility were replaced,
8 correct?

9 A. That is correct.

10 Q. And a vaporizer was -- replaced the
11 boilers at East Works, correct?

12 A. Correct.

13 Q. You do not know when the vaporizer at
14 East Works was installed, correct?

15 A. Prior to 2017. I do not know the exact
16 year.

17 Q. You said prior to 2017, you didn't know,
18 or?

19 A. It was prior to 2017. I do not know what
20 year prior to that.

21 Q. Thank you.

22 You do not know how much Duke spent on
23 the vaporizer, correct?

24 A. Correct.

25 Q. Duke evaluates, maintains, and reviews

1 its equipment at the peaking plants every year,
2 correct?

3 A. That is correct.

4 Q. You do not have any reason to believe
5 that the vaporizer or other equipment at the East
6 Works facility is unsafe or unreliable at this time,
7 correct?

8 A. I have no reason to believe that it's
9 unsafe. As talked about in my deposition, during
10 this past winter, one vaporizer did freeze and had to
11 be thawed out and restarted.

12 Q. So is it your testimony today that you
13 believe that the vaporizer or other equipment at East
14 Works is unreliable at this time?

15 A. I would not say it's unreliable.

16 Q. Meaning you would say it is reliable.

17 A. Correct.

18 Q. Okay. So let me start over. You do not
19 have any reason to believe that the vaporizer or
20 other equipment at the East Works facility is unsafe
21 or unreliable at this time, correct?

22 A. It is not unsafe. We do start the plant
23 several hours early, anticipating something to fail
24 so that it can be fixed. Once that is accomplished,
25 I believe they are reliable in their operation.

1 Q. You are not aware at this time of any
2 leaks, problems, or other defects at the Erlanger
3 peaking plant and related storage cavern, correct?

4 A. Correct.

5 Q. Duke has made various repairs or upgrades
6 to the equipment at the Erlanger peaking plant,
7 including the boilers, correct?

8 A. Correct.

9 Q. When Duke made repairs or upgrades to the
10 equipment at the Erlanger plant, Duke provided safe
11 and reliable service to its firm customers, correct?

12 A. It was during the summer, but correct.

13 Q. There were no outages as a result of
14 replacing or repairing the equipment at the Erlanger
15 plant, correct?

16 A. Correct.

17 Q. You are unaware of any specific safety
18 concerns or any inoperable conditions associated with
19 the boilers at the Erlanger peaking facility,
20 correct?

21 A. They are repaired or fixed annually.
22 Once repaired and fixed they are safe to operate.

23 Q. I'll ask my question again. At this time
24 are you -- you are unaware of any specific safety
25 concerns or any inoperable conditions associated with

1 the boilers at the Erlanger peaking plant, correct?

2 A. Correct.

3 Q. Thank you. You are not aware of any
4 state inspection or any other inspection that the
5 Erlanger boilers did not pass, correct?

6 A. Correct.

7 MR. KEANEY: Your Honor, I have just my
8 confidential portion, so obviously I will wait for
9 that, but I don't have any more questions in my
10 public version.

11 ALJ SEE: Okay. Mr. Yskamp?

12 MR. YSKAMP: Thank you, your Honor.

13 - - -

14 CROSS-EXAMINATION

15 By Mr. Yskamp:

16 Q. Is this working? Good afternoon,
17 Mr. Long.

18 A. Good afternoon.

19 Q. Isn't it true that the propane-air
20 peaking plants are used for peak demand days?

21 A. They are used during peak demand days and
22 any cold day in which the system pressures fall.

23 Q. And is that around 10 days a year?

24 A. It is very weather dependent, so it would
25 change each year, but can range 10 days or more.

1 Q. Is 10 days a fair approximation?

2 A. Again, it's very weather dependent. I
3 would say we've had very consistent winter seasons
4 the past few years, so I don't know that 10 would be
5 an average or not.

6 Q. So pipeline operators across the country
7 use peaking facilities for peak-day requirements,
8 correct?

9 A. It is not normal for current pipeline
10 companies to use propane peaking.

11 Q. So there is more than propane peaking,
12 correct?

13 A. Correct.

14 Q. And more than just Duke Energy uses
15 propane peaking, correct?

16 A. I am not aware of any other operators
17 that use propane peaking.

18 Q. You are not aware of operators that use
19 aboveground propane peaking facilities for peak
20 services?

21 A. I am not aware of any other LDCs that use
22 propane-air peaking.

23 Q. Okay. Some companies use liquid natural
24 gas peaking facilities, right?

25 A. That is correct.

1 Q. So a liquid natural gas peaking facility
2 could replace the propane-air plants for its peaking
3 services, correct?

4 A. Not necessarily, no. The volume required
5 for liquefied natural gas at that specific location,
6 I don't think it can be sited there and installed.

7 Q. When you say I don't think it could be,
8 has a comprehensive study been done to show that it
9 cannot be sited where the current peaking facility
10 exists?

11 A. I have done a preliminary look, and I do
12 not believe it can be sited there.

13 Q. Would a liquid natural gas peaking
14 facility sited elsewhere be able to replace the
15 propane-air plants for peaking purposes?

16 A. Duke Ohio looked at siting locations in
17 Ohio and did not find any that would replace the
18 propane plants.

19 MR. YSKAMP: I will mark Exhibit -- NOPE
20 Exhibit 8. So the document marked as NOPE Exhibit 8
21 is --

22 ALJ SEE: Go ahead. You are about to
23 describe it?

24 MR. YSKAMP: Yeah. Is answer to NOPE
25 Interrogatory 02-003.

1 ALJ SEE: So marked.

2 (EXHIBIT MARKED FOR IDENTIFICATION.)

3 Q. (By Mr. Yskamp) So, Mr. Long, this
4 question asked "Would Duke Energy be able to retire
5 the propane-air plants with the addition of a LNG
6 peak shaving plant?" Did I read that correctly?

7 A. You did.

8 Q. "LNG" stands for liquid natural gas,
9 correct?

10 A. Correct.

11 Q. And the response says "Yes, although an
12 LNG peak-shaving plant would not address the other
13 objectives of the pipeline project," correct?

14 A. It is the response.

15 Q. So if they were able to site it, LNG
16 could replace the peaking plants for peaking
17 services, correct?

18 A. You asked if they were able to find a
19 site, so to my knowledge they did not find a site.
20 If you were able to find a site that made -- met all
21 the requirements for an LNG peak-shaving facility of
22 that size, then it could replace the supply.
23 However, keep in mind, propane plants are specific in
24 their location for pressure as well as supply. So in
25 order to answer yes to this question, you would have

1 to site it in the correct place to provide both the
2 pressure and the supply. If you could find the site,
3 then yes.

4 Q. And did Duke Energy, as an alternative
5 with the application for the proposed pipeline
6 project, conduct a comprehensive siting evaluation
7 for a liquid natural gas peak-shaving plant?

8 A. When I took over responsibility for the
9 propane plants in 2017, I was briefed that they did
10 look in Ohio and did not find a location that they
11 could site the appropriate size LNG plant and provide
12 the services needed.

13 In addition, after my deposition, I did
14 ask, and in Kentucky a study was done and they did
15 not find a location in Kentucky that could site an
16 LNG plant.

17 Q. You say you were briefed on Ohio.

18 A. Correct.

19 Q. Did you see any documents related to that
20 siting study?

21 A. It was a verbal brief.

22 Q. Do you know if any documents exist
23 relating to that siting study?

24 A. Not to my knowledge.

25 Q. If you could please refer to your

1 testimony, page 4, line 17. You state "There is no
2 maintenance to the caverns themselves given their
3 composition - mined limestone"; is that correct?

4 A. Correct, correct.

5 Q. And in your testimony you don't mention
6 anywhere that mined limestone caverns need regular
7 maintenance, do you?

8 A. Correct. The caverns do not need
9 maintenance. However, unlike other equipment, if
10 there is a problem with the cavern, there is no
11 maintenance to correct the problem.

12 Q. Mr. Long, you have a Bachelor's Degree in
13 engineering; is that correct?

14 A. Correct.

15 Q. Do you have any other formal degrees
16 aside from a high school diploma?

17 A. I do not.

18 Q. So you do not have a degree in geology?

19 A. I do not.

20 Q. So you would agree you are not a
21 geologist.

22 A. Correct.

23 Q. So your opinion on the caverns that they
24 reached the end of their useful life is not informed
25 by any expertise in geology; is that correct?

1 A. My opinion was formed off of third-party
2 experts that I talked to about the caverns.

3 Q. Somebody told you that they had reached
4 the end of their useful life.

5 A. Third-party experts that I asked did give
6 me their opinions on the cavern. Based on their age
7 and composition and their failure modes, yes.

8 Q. And -- but you are not speaking from your
9 own expertise.

10 A. No. In this case I relied on the
11 expertise of a third party.

12 Q. Were you involved in the modeling process
13 at all?

14 A. Yes, I do have knowledge of the modeling
15 process.

16 Q. So you had spoken about a couple of
17 proposed additional projects. I want to talk about
18 the C365 in particular, and correct me if I am wrong,
19 that project was described as a small project to move
20 more gas to Line A; is that correct?

21 A. That's correct.

22 Q. And isn't it true that Line A is proposed
23 to be upgraded as well?

24 A. There's been proposals to Line A for
25 repair and maintenance and replacements.

1 Q. And would the line be upgraded to -- to
2 serve additional capacity?

3 A. The pressure would have to be increased
4 in order to serve additional capacity.

5 Q. The size of Line A will increase,
6 correct?

7 A. That has not been determined.

8 Q. Is that in any of Duke's long-term
9 forecasts, that the size of Line A is going to be
10 increased?

11 A. So each year and during throughout the
12 year, the hydraulic system is monitored, and then
13 models are run to see what improvements would be
14 needed. So as Mr. Hebbeler testified to, that's a
15 continual process with the formal review every year.
16 So we've modeled our system with proposed Central
17 Corridor in-service, and then as we get closer to
18 that in-service date, we will continue to model it
19 and see if there is anything that needs to be done.
20 And if so, then we would propose that project.

21 Q. Is it the case that all of the plans that
22 you describe about the system could just change every
23 single year?

24 A. I would not say they could change every
25 single year, but the purpose of modeling every year

1 is to use real-life conditions that the system did,
2 to better understand how the system is working, and
3 then look for the proper solutions to fix any
4 deficiencies that are noticed.

5 Q. So you can't tell me today that Line A is
6 planned to be increased because you guys model every
7 year; is that right?

8 A. I cannot say that today.

9 Q. Okay. Has the system been modeled
10 without the proposed pipeline and without the PA
11 plants and with 365 and the planned upgrades to Line
12 A?

13 A. The system modeled without the Central
14 Corridor Project and without the propane-air peaking
15 facilities would not balance for a design day, so a
16 model has not been done without both those items or
17 either items of service.

18 Q. So I am just asking if it has been done
19 with the C365 project and the planned upgrade to
20 Line A, has it been modeled without the Central
21 Corridor Project or propane plants?

22 A. The model cannot be complete because it
23 would not complete -- it would give an error before
24 it finished.

25 Q. Why would the model give an error before

1 it finished?

2 A. Because both the propane-air peaking
3 plants or the Central Corridor Project are of
4 large-enough size with supply and pressure, that the
5 two projects you referenced before that, don't come
6 anywhere near their capacity. So the modelers know
7 that they -- the model will give an error and give a
8 pressure lower than we are allowed to have.

9 Q. So the model was run without the air
10 plants and without the C314 project in the
11 Application, right?

12 A. I have not reviewed the entire
13 Application.

14 Q. Okay. So is it your testimony that the
15 model cannot be run without the propane-air plants
16 today?

17 A. It would not complete, which means if
18 they went to run it, they would get an error.

19 Q. Okay. And it wouldn't show the extent of
20 gas through the model?

21 A. Until it got the error, it would start
22 showing areas where service would not -- would not
23 service.

24 Q. All I am asking if there was an attempt
25 to run C365 and the planned upgrades to Line A

1 without the propane-air plants and without the
2 pipeline.

3 MR. HESLIN: He has answered that
4 question multiple times.

5 MR. YSKAMP: I have not gotten a "yes" or
6 "no" answer to that question. I have gotten "it
7 would error," but we know that they ran the model
8 without those two things in the Application, so I am
9 just looking for an answer to the question.

10 ALJ SEE: And I am going to allow the
11 witness to answer this question to the extent he can.

12 A. To my knowledge, the model has not been
13 run without Central Corridor and without both
14 propane-air peaking facilities with C365 and CG04.

15 MR. YSKAMP: I think that's all the
16 questions I have. I might have some on the
17 confidential side.

18 ALJ SEE: Mr. Stevenson?

19 MR. STEVENSON: I don't have anything for
20 this witness.

21 ALJ SEE: Mr. Fox?

22 MR. FOX: Nothing.

23 ALJ SEE: Mr. Pacheco?

24 MR. PACHECO: Mr. Arnzen.

25 ALJ SEE: I'm sorry. Say your name

1 again.

2 MR. ARNZEN: Arnzen, A-r-n-z-e-n, Mark.

3 ALJ SEE: Okay. Go ahead, please.

4 - - -

5 CROSS-EXAMINATION

6 By Mr. Arnzen:

7 Q. Good afternoon, Mr. Long.

8 A. Good afternoon.

9 Q. You are employed currently by Duke Energy
10 of Piedmont?

11 A. Correct.

12 Q. All right. And you are the General
13 Manager of Pipeline Operations?

14 A. Correct.

15 Q. And you oversee Ohio, Kentucky,
16 Tennessee, North Carolina, and South Carolina gas
17 operations?

18 A. The pipeline operations, yes.

19 Q. And your organization is involved in
20 inspections, repairs, operations, and construction;
21 is that right?

22 A. Of the facilities in my jurisdiction.

23 Q. And did I hear you correctly that you
24 haven't even reviewed Duke's entire application in
25 this case?

1 A. There is sections I have not reviewed.

2 Q. In your prefiled testimony you said that
3 the caverns are likely to fail at an unpredictable
4 and uncontrollable time. Do you remember that?

5 A. I do.

6 Q. That obviously hasn't happened, right?

7 A. In 2014, there was a suspected leak that
8 was looked at. It was determined that the cavern was
9 not leaking but the grout sealing the top portion of
10 the cavern was porous.

11 Q. Right. And that was repaired, true?

12 A. The pipe with the leak was repaired, yes.

13 Q. And there was no leak any more after the
14 repairs were made, right?

15 A. Correct.

16 Q. The caverns can only be retired if the
17 pipeline performs as designed, true?

18 A. That's correct.

19 Q. All right. And that obviously could
20 extend the life of the caverns further, right, beyond
21 2020 and 2021?

22 A. Correct.

23 Q. You were asked specifically about boilers
24 and pumps and replacement parts. Duke's always been
25 able to obtain replacement parts for the equipment in

1 the peaking plants, true?

2 A. Sometimes it has to be special-ordered or
3 custom-made which can take more than a year, so Duke
4 has always been able to do that, but that's no
5 guarantee in the future that we will be able to.

6 Q. And it's been getting custom parts at
7 least since 2017, right?

8 A. Correct.

9 Q. Okay. And it's been able to obtain
10 replacement equipment as well as the individual
11 parts, true?

12 A. With enough lead time, that is true.

13 Q. With respect to the peaking plants in
14 Ohio and Kentucky, there's no public parks or homes
15 or schools on those properties, right?

16 A. I'm sorry. Could you say that one more
17 time?

18 Q. Sure. The peaking plants in Ohio and
19 Kentucky, there is no public park on that property,
20 right?

21 A. Not on that property, not to my
22 knowledge.

23 Q. Right. There is no homes or hospitals or
24 anything like that, right?

25 A. Correct.

1 Q. You've seen a proposed construction
2 schedule for this pipeline, true?

3 A. Correct.

4 Q. And you don't know, though, if that's
5 been provided by Duke to any city, including Blue
6 Ash, right?

7 A. If it would, I would not have knowledge
8 of it.

9 Q. Duke is interested in the safety of its
10 operating systems, right?

11 A. Correct.

12 Q. And that includes the pipelines which you
13 oversee in those states, true?

14 A. True.

15 Q. And Duke has, I believe there's been
16 testimony, emergency procedures in Hamilton County?

17 A. Correct.

18 Q. And those address the need to shut down
19 pipelines in the event of an emergency, right?

20 A. Correct.

21 Q. Now, a pipeline can become unsafe if
22 it -- its integrity is compromised, right?

23 A. Correct.

24 Q. And the pipeline can be unsafe or
25 integrity compromised if it's hit by an object,

1 right?

2 A. It may not be unsafe. If it's hit by an
3 object, its integrity can be impacted and it still
4 not be unsafe.

5 Q. Okay. Do you remember telling me, when I
6 asked you questions at your deposition, that the
7 pipeline could be -- could become unsafe if it was
8 hit by an object?

9 A. I would have to go back and look at that.

10 Q. Okay. Do you have your deposition up
11 there?

12 A. I do.

13 Q. All right. I am looking at page 156.
14 Okay. I am looking at actually it's page 155, I'm
15 sorry, line 25. It starts "Right. And I appreciate
16 that. What situation, though, would the pipeline
17 become unsafe if there's a failure?" I am on page
18 156 now.

19 "Answer: If the integrity of the
20 pipeline was compromised, if the steel pipeline had
21 been hit by an object, cut by something, hit by
22 something, all those types of physical damages would
23 be evaluated by Duke right away."

24 Did I read that correctly?

25 A. You did.

1 Q. And if the pipeline is compromised in one
2 of those or other ways, gas can leak out of it
3 obviously, right?

4 A. In some circumstances but not every one.

5 Q. Right. And in those circumstances where
6 it can leak, an explosion is possible, isn't it?

7 A. Explosions don't happen all the time, but
8 in the right circumstances the gas could ignite.

9 Q. And you are not aware of any studies that
10 Duke undertook to evaluate safety precautions in the
11 event of an explosion, are you, with this pipeline?

12 A. I do know Duke is looking at installing
13 remote-operated valves for a quicker response. That
14 would be a safety precaution. Duke is looking at --
15 has designed this pipeline to have a lower overall
16 hoop stress as part of the safety precaution. Are
17 those the items you are talking about?

18 Q. I don't know. You told me in your
19 deposition it was outside of your department when I
20 asked you that, so I'm curious as to where you
21 obtained that information from.

22 A. As you asked the question today, upon
23 reflection, that's what came to my mind.

24 Q. Those two instances?

25 A. I meant I had mentioned the

1 remote-operated valves and the hoop stress, those
2 issues, yes.

3 Q. Anything else?

4 A. No.

5 Q. At your deposition, you were asked if you
6 were aware whether Duke had calculated an impact
7 radius in the event of a pipeline rupture. Do you
8 remember me asking you that?

9 A. Where in the testimony are you looking?

10 Q. Page 159, lines 9 to 15.

11 A. Okay.

12 Q. Do you remember that now?

13 A. I do.

14 Q. And we saw earlier a snapshot from Duke
15 Energy's website, specific to this Central Corridor
16 gas pipeline extension. It's Exhibit 1. Did you
17 know Duke had a website particular to this pipeline?

18 A. I have not looked at that website, no.

19 ALJ SEE: Mr. Arnzen, Exhibit 1 of who?

20 MR. ARNZEN: Blue Ash Exhibit 1, I'm
21 sorry, your Honor.

22 ALJ SEE: Thank you.

23 Q. (By Mr. Arnzen) Did you know Duke had a
24 website specific to this pipeline?

25 A. Yes.

1 Q. Okay. And did you know that as part of
2 that website, a potential impact radius of 326 feet
3 on either side of the pipeline was calculated?

4 A. I had not looked at the site, so I did
5 not.

6 Q. Did you ever hear that number before?

7 A. No, sir.

8 Q. Does that surprise you that it was on the
9 Duke Energy Central Corridor Pipeline website that
10 the public has access to obviously?

11 A. I'm not sure if that was an FAQ from when
12 the proposed pipeline was a 30-inch transmission
13 line, so I don't have knowledge of when it went up or
14 what specific question it was responding to.

15 MR. ARNZEN: Okay. Thank you, your
16 Honor. I don't have any other questions.

17 Thank you, Mr. Long.

18 THE WITNESS: Yes, sir.

19 ALJ SEE: Mr. Miller?

20 MR. MILLER: Thank you -- thank you, your
21 Honor.

22 - - -

23 CROSS-EXAMINATION

24 By Mr. Miller:

25 Q. Mr. Long, my name is Doug Miller. I

1 represent Sycamore Township in this proceeding. And
2 I am really just trying to understand this. What's
3 the process for turning on the propane peaking plant?
4 I mean, is it somebody says it's going to be cold
5 out, you flip the switch, and get it ready? Is that
6 pretty much it?

7 A. So based on the forecasted load and
8 temperatures, a decision is made on whether or not
9 the peaking plants need to run. It's made in advance
10 based on the forecast. When that decision is made,
11 plant staff do prepare the plant. They have several
12 things they have to do. It's staffed by multiple
13 people. And then equipment is turned on in sequence
14 in order to operate.

15 Q. Okay. And what forecast do you have to
16 have to start that? What temperature triggers this?

17 A. I'm afraid it does get a little
18 complicated. So, Duke internally has meteorology
19 forecasting that we look at and track. When we see
20 temperatures falling below 20 degrees Fahrenheit --

21 Q. I'm sorry. I didn't hear that.

22 A. When we see temperatures falling below 20
23 degrees Fahrenheit, we start to look at several
24 items, such as customer forecasted load as well as
25 supplier pressures, to determine if the propane

1 plants are needed. And those two can both vary.
2 Both have impacts on if the plants run and how much
3 they run.

4 Q. Okay. And let's say from the period of
5 October of 2018 through March 31 of 2019, how many
6 times did you use the plant?

7 A. I would have to go back to our control
8 room records and look, but it would be on the order
9 of 12, 14 times.

10 Q. Okay. And for that same time period in
11 2017 and '18, would that be about the same?

12 A. It's very weather dependent, so it very
13 well could be the same, but I would want to look back
14 at our records to confirm that.

15 Q. Okay. But this is a pretty involved
16 process. I would think you would remember how many
17 times you had to go through it. Off the top of your
18 head, a dozen?

19 A. Again, I would have to go back and look.
20 So, we are operating in five states so there's a lot
21 of stuff I do each day, so I am trying to keep the
22 record --

23 Q. I understand. I am talking about the
24 plants that would -- that this pipeline is replacing,
25 not plants in Alabama or wherever you might have

1 them. These two plants that we're talking about.

2 A. Yes, sir. So there's enough plants
3 under -- under my management that I would go back and
4 look at my records for the ones in question just to
5 make sure.

6 Q. But you are guessing at least for last
7 winter, let's call it, that 12 times?

8 A. 12 to 15 would be --

9 Q. Okay.

10 A. -- an average.

11 Q. All right. And I believe your testimony
12 was eventually these -- the plant -- the plants are
13 reliable.

14 A. I believe I testified that we start them
15 early, when we determine we need them, with
16 anticipation that something will not start and it
17 needs to be fixed.

18 Q. And you never had one not start last -- I
19 believe you said one was frozen, but you got it
20 going.

21 A. We did eventually get it going, yes.

22 Q. Okay. So, and these plants provide 10
23 percent of the need on these 12 to 15 days?

24 A. Up to 10 percent of the supply. However,
25 they also provide pressure to the system which is

1 different than supply. So they are in key locations.
2 So they provide pressure on days when a supply is not
3 as critical, and they provide pressure and supply on
4 days when supply is critical.

5 Q. But that was 12 to 15 days last year.

6 A. Correct.

7 Q. Okay. So I guess I'm just trying to
8 understand this, the plants work. You didn't have
9 any outages of natural gas last year, and we're
10 talking about spending hundreds of millions of
11 dollars for something that works, to replace
12 something that works?

13 MR. HESLIN: Objection, your Honor. It's
14 a compound question, and Counsel is testifying or
15 prefaces his questions with testimony, testimony-like
16 narrative.

17 MR. MILLER: Your Honor, I am just trying
18 to understand.

19 Q. You testified they are reliable.

20 ALJ SEE: Pose a question to the witness,
21 Mr. Miller. Pose a question to the witness.

22 Q. The question was: In effect, we're
23 spending hundreds of millions of dollars to replace a
24 system that hasn't -- didn't fail last year.

25 A. In my testimony, one of the concerns is

1 the caverns themselves, not necessarily the
2 peak-shaving facility. With the caverns they may
3 fail. There is not a repair method for the caverns
4 if they fail. Unlike equipment that could be
5 repaired on-site or parts replaced to make them work,
6 the caverns is not like that. So when the caverns
7 fail, the safe thing to do and the only option Duke
8 has is to immediately retire them, take them out of
9 service. Unlike a regulator or valve on a pipeline,
10 there is something readily available to go fix it, it
11 can be fixed in a short time frame.

12 Cavern failure is a very serious issue
13 that we look at, and if a failure were to happen
14 similar to the failure that Enterprise had in the
15 north part of Cincinnati, then it's an immediate
16 deficit for our system that we cannot overcome with
17 any other asset we have at this time.

18 Q. And you are not aware of any failure in a
19 cavern at this point.

20 A. The Enterprise caverns, I just mentioned,
21 north of Cincinnati.

22 Q. And you were able to fix that.

23 A. No, the Enterprise caverns --

24 Q. Oh, okay. Not the one you are using now.

25 A. -- failed.

1 MR. HESLIN: Your Honor, he should let
2 the witness finish his answer.

3 MR. MILLER: And I apologize for that. I
4 realized I was thinking of the wrong cavern so. I
5 have nothing further.

6 ALJ SEE: Mr. Miller, are you withdrawing
7 your question?

8 MR. MILLER: Yeah, I will.

9 ALJ SEE: Ms. Hern -- pronounce your last
10 name again for me.

11 MS. HERNSTEIN: It's Hernstein.

12 ALJ SEE: Hernstein.

13 MS. HERNSTEIN: And I have no questions
14 for the witness.

15 ALJ SEE: Ms. Allen?

16 MS. ALLEN: No questions.

17 ALJ SEE: Mr. Butler?

18 MR. BUTLER: No questions, your Honor.

19 ALJ SEE: Mr. Beeler?

20 MR. BEELER: No questions, your Honor.

21 Thank you.

22 ALJ SEE: Mr. Heslin, any redirect on the
23 public portion or would you like --

24 MR. HESLIN: Your Honor, I would request
25 a short recess to determine if we have any redirect.

1 I don't know if you want to sequence the redirect and
2 then the confidential cross or not.

3 ALJ SEE: I would prefer to do the
4 redirect on the public portion, have it out of the
5 way, then we'll proceed to the confidential portion,
6 and you can do redirect on the confidential and then
7 we can go from there.

8 MR. HESLIN: Thank you, your Honor.

9 ALJ SEE: So you would like some time?

10 MR. HESLIN: Just a short recess to
11 confer.

12 ALJ SEE: Okay. Let's go off the record.
13 (Recess taken.)

14 ALJ SEE: Let's go back on the record.
15 Mr. Heslin, any redirect?

16 MR. HESLIN: Your Honor, just a moment.
17 We've had some further discussion with counsel for
18 the City of Cincinnati and the County of Hamilton,
19 regarding the confidential nature of his cross, and
20 we're willing to proceed on the public record with
21 that cross-examination to obviate the need to clear
22 the room. And so we are proposing that he complete
23 his cross-examination, and then we are prepared to
24 redirect on the public record.

25 ALJ SEE: Okay. And that was with the

1 City?

2 MR. HESLIN: Yes, your Honor, and I
3 believe there was a reserve by NOPE, but there was no
4 confidential.

5 MR. YSKAMP: Nothing additional.

6 MR. HESLIN: So that would just be the
7 City counsel.

8 ALJ SEE: Okay. All right.

9 Mr. Keaney.

10 MR. KEANEY: Thank you.

11 - - -

12 CROSS-EXAMINATION (CONTINUED)

13 By Mr. Keaney:

14 Q. Mr. Long, you state in your testimony
15 that the storage caverns are likely to fail at an
16 unpredictable and uncontrollable time, correct?

17 A. Yes.

18 Q. And that statement is based on two pipe
19 leaks at the Eastern Avenue facility, one in 2014 and
20 then one in 2017, correct?

21 A. Also including the Enterprise cavern
22 failure in Middletown.

23 Q. And the Enterprise cavern at Middletown,
24 that was by -- that was not owned or operated, at
25 that time when it failed, by Duke, correct?

1 A. Correct.

2 Q. And so, any remediation efforts or any
3 information concerning the nature of that problem was
4 not an investigation done by Duke, correct?

5 A. Duke did have a third-party group look at
6 our Eastern Avenue cavern. That engineering firm did
7 have direct knowledge of the Enterprise cavern, so we
8 did have information from them, as well as questions
9 we asked on some of the details of the Enterprise
10 cavern failure.

11 Q. Duke did not do any investigation of the
12 cavern at the Enterprise facility that you are
13 referencing, correct?

14 A. No. We looked to third-party experts to
15 give us the information.

16 Q. Duke, again, they did not own or operate
17 that at the time of this problem, correct?

18 A. Correct.

19 Q. Thank you.

20 So that statement that I referenced
21 before, just so I recap here, is one based on the
22 Dicks Creek incident and also based on the 2014, 2017
23 leaks at Eastern Avenue, correct?

24 A. Right. Those three things did help form
25 my, yes, testimony.

1 Q. Anything else?

2 A. The age of the caverns is a factor. So
3 as we talk to our third-party experts, WSP, they do
4 give us information on failures that they have seen,
5 impacts from those failures. For example, if propane
6 leaks through the grout annulus around the main shaft
7 or any shaft, that type of leak, once sustained, is
8 not repairable.

9 Q. Okay. Let's talk about the leaks in 2014
10 and 2017. Those leaks are nonhazardous, correct?

11 A. I don't know that I would characterize
12 those as nonhazardous because propane was leaking.
13 We do take precautions on those leaks.

14 Q. Can you turn to page 119 of your
15 deposition and let me know when you are there.
16 Change it to 118.

17 A. Okay.

18 Q. And the question on line 23: "Now, Duke
19 had discovered this leak in the storage cavern for
20 East Works in 2014; is that right?

21 "Answer: Correct.

22 "Question: It was a nonhazardous leak,
23 correct?

24 "Answer: Correct."

25 Did I read that correctly?

1 A. You did.

2 Q. And just to cover this, you were deposed
3 in connection with this case, correct?

4 A. Correct.

5 Q. And you were deposed in the presence of a
6 court reporter, correct?

7 A. Correct.

8 Q. And you were deposed on April 3, 2019,
9 correct?

10 A. Correct.

11 Q. And at your deposition you did swear to
12 tell the truth, correct?

13 A. I did.

14 Q. I didn't ask you those questions before,
15 so I just wanted to make sure it was in the record.
16 Thanks.

17 Other than the 2014 and 2017 leaks, you
18 are unaware -- unaware of any other instance
19 involving a leak at East Works, correct?

20 A. I have no direct knowledge of any other
21 leak. When we repaired the 2017 pipe leak, we did
22 see, on the piping removed, previous repairs made.
23 That would have been prior to my tenure at Eastern
24 Avenue. So other pipe leaks, there on the property,
25 I do not have direct knowledge of, but that piping

1 repairs evidence that there was something, yes.

2 Q. So I'm only asking about your knowledge,
3 not what might be the case. Other than the 2014 and
4 2017 leaks, to your knowledge, you are unaware of any
5 other instance involving a leak at the East Works
6 facility, correct?

7 A. I did see pipe repairs on the propane
8 that is the direct evidence of a leak on that pipe.

9 Q. When did that leak happen?

10 A. It would have been prior to 2017.

11 Q. When specifically?

12 A. I do not know.

13 Q. What caused that leak?

14 A. I do not know.

15 Q. Do you know anything about that leak?

16 A. Other than the repair on the pipe, I do
17 not know.

18 Q. And you are inferring, based on what
19 is -- looks like repair on a pipe, that there had to
20 have been a leak before; is that your testimony
21 today?

22 A. I know of no other reason to repair a
23 pipe.

24 Q. I'm asking is that your testimony today?

25 A. Yes, it is.

1 Q. Thank you.

2 Now, Duke did not shut down the cavern at
3 East Works in response to discovering either leak in
4 2014 or in 2017, correct?

5 A. No.

6 Q. So, no, it did not shut down or it did
7 shut down?

8 A. It did shut down.

9 Q. In 2014 and 2017?

10 A. So in 2017, I had the cavern fully
11 isolated while we repaired the pipeline leaks. That
12 included removing valves and placing blind flanges
13 over piping leading to the cavern to keep it safe.

14 Q. So let me clarify this, Duke -- right now
15 the East Works facility remains open, correct?

16 A. Correct.

17 Q. Duke had found the leaking pipe at issue
18 in those instances and fixed it, correct?

19 A. In which one?

20 Q. 2014.

21 A. That was my briefing, correct.

22 Q. You also found a leaking pipe in 2017 and
23 fixed it?

24 A. We did, yes.

25 Q. As of today, due to certain remedial

1 measures taken, there are no leaks and there are no
2 other defects at East Works, correct?

3 A. We continuously monitor to look for them,
4 but I am not aware of any.

5 Q. So would your answer be no, there are no
6 leaks and there are no defects at the East Works
7 facilities at this time?

8 A. At this time, I do not know of any.

9 Q. Thank you.

10 The current operation at East Works and
11 its related storage cavern is still safe and still
12 reliable, correct?

13 A. The cavern is safe. That is correct. I
14 go back on the reliability of the cavern, based on
15 the 2014 leak and the 2017 leak and the failure at
16 the Enterprise cavern in Middletown, that I do have
17 concern about the reliability of the cavern.

18 Q. Okay. Can you turn to page 119 of your
19 deposition, please, and let me know when you are
20 there.

21 A. I am there.

22 Q. I am going to start on line 14 which is:

23 "Question: And is it fair to say that
24 there are no current existing leaks or other defects
25 known" -- I'm sorry. 119.

1 A. Page 119?

2 Q. Yes. I'm sorry. 119, line 21. Let me
3 know when you are there.

4 A. Okay.

5 Q. "Question: Now, the current operation
6 and use of East Works and its related storage cavern
7 is still safe and reliable, correct?

8 "Answer: Correct, Mark."

9 Did I read that correctly?

10 A. You did.

11 Q. Thank you.

12 Now, Duke had retained a third party by
13 the name of WSP USA to conduct a Cavern Integrity
14 Study at East Works, correct?

15 A. That is correct.

16 Q. And that third party retained by Duke to
17 conduct the Cavern Integrity Study concluded that
18 none of the four propane gas cavern shafts at East
19 Works plant were leaking at the time, correct?

20 A. Their final assessment is that none of
21 the shafts were leaking at that time.

22 Q. So is the answer "correct"?

23 A. Yes.

24 MR. KEANEY: Thank you.

25 Your Honor, that's the end of my

1 cross-examination. Thank you.

2 ALJ SEE: Okay. Redirect, Mr. Heslin?

3 MR. HESLIN: Thank you, your Honor.

4 - - -

5 REDIRECT EXAMINATION

6 By Mr. Heslin:

7 Q. Mr. Long, you recall that Mr. Keaney has
8 asked you a lot of pointed questions regarding the
9 reliability of the propane-air plants and caverns,
10 correct?

11 A. Yes.

12 Q. And he's recognized the separation
13 between the propane-air plants and the actual caverns
14 themselves, correct?

15 A. Yes.

16 Q. Can you please explain why we consider
17 the plants and the caverns as separate?

18 A. So the caverns themselves are -- are mine
19 caverns more than 300-feet underground. They are
20 non-repairable. There is not active maintenance to
21 do on them. So unlike a regular piece of equipment,
22 if something goes wrong on that cavern, there is not
23 a repair option. If there is a sustained leak, if
24 there is an integrity issue with the cavern itself,
25 there is nothing we can do other than safely evacuate

1 the cavern and shut down its operation. The
2 propane-air peaking facilities we consider separate.
3 There is lots of equipment there. As I've talked
4 about, there is boilers --

5 Q. Let me stop you just for a moment and
6 stay on the caverns for a moment. Can we inspect
7 those caverns?

8 A. No.

9 Q. Why not?

10 A. The caverns are underground, and you
11 cannot go in them to inspect them, so we monitor them
12 through our control systems, 24 hours a day, 7 days a
13 week. Otherwise we would not -- since we can't see
14 into them and know if there are any issues inside the
15 cavern, we have to monitor the pressure and then
16 monitor the levels to see if there is a change that
17 would indicate a failure.

18 Q. Now, with respect to the propane-air
19 plants, in your opinion regarding their reliability,
20 what are your concerns, if any, regarding the
21 reliability of the propane-air plants themselves?

22 A. So they served Duke well over the years
23 as I testified to before. Some of the parts are
24 custom-made parts, so as I said, we have to review
25 them every year, perform maintenance on them. We

1 have been able to procure parts up to date. One good
2 example I have is we had to have a custom part for a
3 propane pump at the Eastern Avenue plant. It was a
4 cable that was repaired by the OEM, but the repair
5 was not sufficient, so we -- we had to get it done
6 again. So during the month of January, this year, it
7 was not available for us to operate. If, during the
8 month of January, we had had a peak day, then we
9 would have not been able to serve all of our
10 customers.

11 Q. And what do you mean by a custom part?

12 A. So this power cable is handmade. It is
13 handmade in Europe. It had been repaired once. The
14 repair was not good enough, so we had to go to the
15 manufacturer and ask for them to either repair again
16 by hand or hand make a new part.

17 Q. Why did the propane-air plants require
18 these custom-made parts?

19 A. Most of the equipment is no longer
20 manufactured, not manufactured by the original
21 equipment manufacturer, and some parts are not
22 manufactured by anyone. So they have to be custom
23 ordered.

24 Q. So besides the example you just gave, are
25 there other parts that need to be custom procured?

1 A. Yes. For the air compressors of Eastern
2 Avenue, they are no longer maintained or supported by
3 the equipment manufacturer, so if a part breaks, it
4 has to be custom ordered.

5 Q. And with respect to the propane-air
6 plants, has Duke Energy Ohio continued to maintain
7 those plants the best that they can up to this point?

8 A. We do maintenance on them every year to
9 try and maintain them the best we can.

10 Q. There is some testimony about Dicks Creek
11 owned by -- or leased by Enterprise. Do you remember
12 that?

13 A. I do.

14 Q. And can you explain what you know about
15 that subterranean cavern and its relationship with
16 the two caverns that are owned and operated by Duke
17 Energy Ohio and Duke Energy Kentucky?

18 A. Yes. So that -- that cavern, operated by
19 Enterprise in the Middletown area, is mined out in a
20 similar rock formation, it's a sister cavern, out of
21 a shale limestone formation.

22 MR. YSKAMP: Objection, your Honor. I do
23 not believe this witness is qualified to speak to the
24 geology of the caverns.

25 MR. HESLIN: He can testify to his

1 knowledge about the caverns. He is not testifying he
2 is an expert.

3 MR. YSKAMP: He is certainly.

4 ALJ SEE: Go ahead.

5 MR. YSKAMP: He is certainly testifying
6 to the specific geology at the caverns, and I don't
7 think nonexpert witness testimony is going to be
8 helpful to the decision-makers in this case.

9 MR. HESLIN: Your Honor, to be clear,
10 he's testifying as to the shared history of those
11 caverns. He is not making any -- providing any
12 opinions on the geological nature or the section of
13 those caverns.

14 ALJ SEE: The objection is overruled.

15 You can continue with your answer, Mr. --
16 Mr. Long.

17 THE WITNESS: Thank you, your Honor.

18 A. So that cavern is mined out of a shale
19 limestone formation just like both of Duke
20 Energy's caverns. WSP, that did the 2017 report for
21 Eastern Avenue, the original parent company did the
22 original design on all three caverns. And the
23 Enterprise failure was -- was an unpredicted failure.
24 It was found in an environmental whirl well of a
25 nearby steel plant. Enterprise was not aware their

1 cavern was leaking propane which shows the nature of
2 the unpredictability of when and how a cavern will
3 fail.

4 Q. What was the result of that leak when it
5 was found by Enterprise?

6 A. Enterprise did do testing on their
7 caverns. They had multiple caverns there. And their
8 final decision was to evacuate and shut down all
9 caverns because their testing would not let them know
10 which cavern specifically had the failure, was it
11 multiple caverns, and what the nature of the failure
12 were, so they decided to shut down all caverns.

13 Q. And has that cavern been brought in
14 service since then?

15 A. No, it has not.

16 Q. In your cross-examination with
17 Ms. Keaney, the discussion of the third-party experts
18 came up. Do you remember that?

19 A. I do.

20 Q. Did they provide you with an opinion
21 regarding whether to retire -- consider retirement of
22 the propane plants?

23 A. Again, their opinion was if we had a
24 sustained failure of the grout in the annulus around
25 any of the shafts that that is a failure-formed

1 cavern and it is -- it cannot be fixed.

2 In addition, when talking to us about how
3 they could test our cavern, they suggested that we do
4 not do a pressure test on our cavern because any
5 pressure, any type of pressure test may fracture the
6 limestone rock which is an unrepairable integrity
7 failure of the cavern. So they suggested that we
8 just look for any failures on the shafts and then
9 have a continuous monitoring program to make sure
10 that --

11 MR. YSKAMP: Your Honor, I have to object
12 to this. This is not only expert testimony but
13 hearsay based on the geology of the caverns.

14 MR. HESLIN: This testimony is not
15 presented to demonstrate the truth of the matter
16 asserted by that opinion of the third party. My next
17 question was whether Duke Energy incorporated the
18 recommendations and findings of the third party into
19 their decision regarding the useful life of the
20 caverns.

21 MR. KEANEY: Your Honor, if I may be
22 heard? Sorry.

23 ALJ SEE: Go ahead, Mr. Keaney.

24 MR. KEANEY: Duke is offering this
25 exactly for the truth of the matter asserted. They

1 are using the content of this report as proof that
2 the Dicks Creek plant actually is not operable, that
3 it has all these defects.

4 And I would also add that none of this
5 was produced in discovery. So to the extent they
6 want to bring in hearsay about a report and what it
7 did or did not say, it's entirely improper and it
8 unduly prejudices the City/County and all intervenors
9 in this proceeding.

10 MR. HESLIN: Mr. Keaney had access to the
11 report. He had a full day of deposition access to
12 this witness. The cross-examination brought up this
13 subject and we're just covering it in redirect.

14 MR. KEANEY: Your Honor, could I respond
15 to that?

16 ALJ SEE: Go ahead and respond,
17 Mr. Keaney.

18 MR. KEANEY: I was just going to respond,
19 the Cavern Integrity Study he is referencing here,
20 was an Cavern Integrity Study not of Dicks Creek but
21 was of the East Works plant, which I did have time to
22 propound discovery on and did ask during the
23 deposition and which has been brought forth today.
24 The issue of Dicks Creek plant was not brought up by
25 either me or Mr. Yskamp. It's been brought up by the

1 witness who referenced it specifically as the basis
2 for an opinion he expressed in this case. I did not
3 ask him about that report and it did not come up on
4 the basis of questions by the City/County or any
5 other intervenor in this proceeding.

6 MR. HESLIN: Another attorney asked
7 specifically about Dicks Creek in cross-examination.
8 I further say that Mr. Keaney asked his pointed
9 questions regarding the findings of the third party.
10 We have a right, therefore, to provide the context
11 for those leading questions in redirect and that's
12 the purpose of part -- part of the purpose of
13 Mr. Long's testimony.

14 MR. KEANEY: And if I can just say that I
15 asked him -- I'm sorry, your Honor, if I could be
16 heard?

17 ALJ SEE: Go ahead.

18 MR. KEANEY: I was just going to say that
19 the witness himself had just testified that he didn't
20 have any information about this report. This is
21 merely what is being told to him which is the basis
22 of NOPE's objection in this case. So he is merely
23 reciting what somebody else told him about a report
24 that somebody else provided. Neither the report nor
25 the person who told Mr. Long this information is a

1 witness in this case or is in evidence in this case
2 and it's entirely improper to include it now.

3 MR. YSKAMP: If I may, just one quick
4 thing to get back to my original point of my
5 objection?

6 ALJ SEE: Go ahead.

7 MR. YSKAMP: The conclusion of the
8 third-party expert opinion is that the -- it goes to
9 this nature of the unpredictability of when and if
10 the cavern would fail and all of this expert
11 testimony is trying to prove that conclusion. I
12 think it is completely improper for us to not be able
13 to cross-examine the actual expert that is coming to
14 that conclusion.

15 MR. HESLIN: If the Intervenors want to
16 ask cross-examination questions regarding what they
17 are now characterizing as hearsay, the third-party
18 report or statements made by those very third
19 parties, they are trying to have their cake and eat
20 it too here. They brought this up. This is redirect
21 in an area that they specifically covered in their
22 cross-examination. Now that the context regarding
23 the testimony is coming up, they are making these
24 hearsay objections that would have applied to their
25 own cross-examination.

1 MR. YSKAMP: Your Honor, the -- this idea
2 that the caverns can't be repaired, that they are --
3 the nature of them makes them unpredictable when they
4 will fail, is in his testimony. We did not bring
5 that up. And when I asked about it, it was pretty
6 clear he's not an expert in geology, certainly not in
7 limestone caverns, and it was all third-party
8 experts, that aren't here, telling him this. And so
9 if I ask him again, he will say "I was told that by
10 an expert."

11 MR. KEANEY: Your Honor.

12 ALJ SEE: No. Hold on.

13 Was that you, Mr. Keaney?

14 MR. KEANEY: I can just save it for
15 recross, your Honor.

16 ALJ SEE: Okay. The objection is
17 overruled. We will hear Mr. -- Mr. Long's response,
18 and the Board will give it the appropriate value they
19 believe it deserves.

20 So you can pick up with the question.

21 Could you read the question that was
22 pending. No.

23 Go ahead with your redirect, Mr. Heslin.

24 MR. HESLIN: Your Honor, he didn't finish
25 his answer to that question or should we just

1 consider that finished and subject to the ruling you
2 just -- you just provided?

3 Actually, I take that back. It looks
4 like he did finish his answer. Thank you, your
5 Honor.

6 Q. (By Mr. Heslin) So, Mr. Long, you
7 testified regarding the opinion that was provided by
8 the third party. Did you incorporate what you heard
9 into your conclusion regarding the continued useful
10 life of the propane caverns?

11 A. I did. So the opinion of the third party
12 was a sustained leak through the grout is a failure
13 point of this type of cavern, and it is not
14 repairable. I incorporated, in my opinion, the
15 Enterprise caverns in Middletown did leak propane.
16 The final decision from Enterprise was to shut them
17 down. They did not report a repair method that could
18 be used. They did not know or at least how the
19 caverns failed, so they were all shut down at that
20 time.

21 When Duke Energy looks at its own caverns
22 and takes into account, from our third-party expert,
23 that a sustained grout leak cannot be fixed, if there
24 is an integrity issue with the cavern that it cannot
25 be fixed, a replacement for the cavern, such as a

1 Central Corridor Pipeline, would take years to build.
2 Duke is a prudent utility. We need to be proactive
3 and look at how to serve its existing firm customers
4 before a failure happens and look at prudent planning
5 and prudent operation.

6 Q. From a system perspective, what would
7 happen if one of the two propane caverns at issue
8 failed?

9 A. If a propane -- if a propane cavern
10 failed and the plant could not operate, Duke Energy,
11 on a high-demand day or on a day when our interstate
12 suppliers did not have higher-than-normal pressures,
13 would lose firm customers.

14 Q. In your earlier cross-examination, it was
15 discussed the approximate 12 to 15 starts in one of
16 the years that was referenced. Do you remember that?

17 A. I do.

18 Q. Does 12 to 15 starts correspond to days?

19 A. Not necessarily, no. You can have, for a
20 cold weather event, a start and that operation can
21 last more than a day.

22 Q. Have there been times in the past two
23 years, that you have been Manager of Pipeline
24 Operations, where one or both of the propane plants
25 have been in operation for more than a day?

1 A. Yes. More than one occasion we would
2 start on one calendar day, run through the night into
3 the next calendar day, yes.

4 Q. Thank you.

5 Now, at one point in your cross,
6 Mr. Keaney asked you a series of questions where he
7 asked you if the propane plants and/or caverns had
8 failed during a peak day or failed causing excessive
9 outages or failed causing curtailment; do you
10 remember that?

11 A. I do.

12 Q. From a system-planning perspective, does
13 a prudent utility have to await facilities to fail
14 before determining whether to replace them?

15 A. No. The point of modeling our system,
16 looking at actual data and monitoring our equipment,
17 is to note potential impacts and plan on a
18 remediation strategy before the system, the
19 equipment, in this case a cavern or the peak-shaving
20 plant fails.

21 Q. Does a prudent utility have to experience
22 excessive outages before considering replacing old
23 and antiquated facilities?

24 A. No.

25 MR. HESLIN: That's all I have, your

1 Honor, for redirect.

2 ALJ SEE: Any cross on the issues raised
3 on redirect? Mr. Yskamp?

4 MR. YSKAMP: Thank you, your Honor. I
5 just have a couple of questions.

6 - - -

7 RECROSS-EXAMINATION

8 By Mr. Yskamp:

9 Q. Aside from the two propane-air plants
10 that Duke operates and the now inoperable Dicks Creek
11 cavern, are you aware of any propane-air plants that
12 utilize caverns for storage?

13 A. I am not. I believe I answered your
14 question earlier, I am personally not aware of any
15 other LDC that uses propane-air peak-shaving plants
16 or caverns.

17 Q. Okay. Earlier you said you -- okay. So
18 you said earlier -- not to make you repeat it -- you
19 weren't aware of any other company that uses
20 propane-air peak-shaving at all; is that right?

21 A. That is correct. When I said "company,"
22 I should have said LDC which is a type of company I'm
23 in, but the rest of your statement is absolutely
24 correct.

25 Q. Okay. So you cite the Dicks Creek cavern

1 as the primary reason, aside from what some expert
2 told you, the primary reason that the nature of the
3 caverns make their failure unpredictable and that
4 they are likely to fail at any time; is that right?

5 A. I used the Enterprise cavern near
6 Middletown. You mentioned Dicks Creek, so I consider
7 that one and the same, as an example of a cavern that
8 did fail and its operator was not aware it failed,
9 didn't have a precursor to that failure. So Duke
10 Energy looks at those published facts, looks at our
11 own caverns, and asks the questions: Would our
12 caverns fail? Would we have a precursor? What is
13 the impact if our cavern fails?

14 Q. Your two caverns you operate have not
15 failed, correct?

16 A. To our knowledge, they have not failed.

17 Q. So your sample size of a cavern that
18 failed is one, correct?

19 A. That's the only other cavern in the area
20 that I'm aware of. Yes, but one -- one failure is --
21 is significant.

22 Q. Do you feel like a sample size of one is
23 significant?

24 A. I believe a failure in the same area of
25 an underground mining cavern that is similar to the

1 caverns Duke operates is -- is something that we
2 would look at seriously.

3 Q. So in relation to retiring these caverns,
4 you are also suggesting to build a high-pressure
5 distribution line through high-density areas; isn't
6 that right?

7 A. Well, system modeling has looked at the
8 high-pressure distribution line. I have not routed
9 it, so I would have no direct knowledge of the route.

10 Q. You don't know that it's going through
11 high -- densely-populated areas?

12 A. I have seen the map, but I have not
13 walked the line. I don't know if I would give the
14 same characterization. I do know that it parallels
15 railroad tracks, but any specifics on the line, I
16 would not know.

17 Q. Okay. So for that project, though, your
18 sample size of a -- of a failure of a cavern is just
19 one cavern.

20 MR. HESLIN: Asked and answered.

21 ALJ SEE: And the question has been asked
22 and answered.

23 MR. YSKAMP: Okay. We know the answer.

24 Q. (By Mr. Yskamp) So the -- of the two
25 caverns Duke Energy operates, am I correct that it's

1 East Works that had the -- had a propane leak from a
2 pipeline?

3 A. It was a piece of plant piping.

4 Q. Okay. It's a pipe.

5 A. Correct.

6 Q. So pipe -- a pipe failed, right?

7 A. Correct.

8 Q. Not the cavern, correct?

9 A. No, but the 2014 report that I reviewed
10 did substantiate that the -- how the pipe failure
11 manifested itself was propane bubbling up through the
12 grout in the annulus space on the main shaft. So
13 that report, when I reviewed it, did show that the
14 grout in that space was porous enough for propane to
15 bubble up through it. That right away makes a
16 prudent operator look at what is -- what does that
17 mean for my asset, the cavern, what do you do about
18 this. Grout is not supposed to be porous like that.
19 The purpose of the grout is to seal something.

20 Q. You know that as -- with having no
21 geology education or experience?

22 MR. HESLIN: Asked and answered. He has
23 made it very clear he doesn't have any formal
24 training in geology, which Counsel seems to be
25 focused on.

1 MR. YSKAMP: I just want to keep putting
2 it in the record so the decision-makers can properly
3 weigh it since it's not excluded from testimony.

4 MR. HESLIN: But if he keeps
5 testifying --

6 ALJ SEE: Just a minute, Mr. Heslin.

7 MR. HESLIN: Sorry, your Honor.

8 ALJ SEE: That question has been asked
9 and answered. Move on, Mr. Yskamp.

10 Q. (By Mr. Yskamp) Would propane have been
11 coming up through the grout if the pipe had not
12 failed?

13 A. The final determination is that the pipe
14 had failed and propane was coming through the grout.

15 Q. So it's a yes or no question. Would the
16 propane have been coming up through the grout if the
17 pipe had not failed?

18 A. The pipe was the source of the propane.

19 Q. So it would not have been coming up
20 through the grout --

21 A. Correct.

22 Q. -- if the pipe had not failed.

23 MR. YSKAMP: Thank you. That's all I
24 have.

25 ALJ SEE: Mr. Keaney?

1 MR. KEANEY: I didn't want you to forget
2 me. I didn't want you to forget me.

3 ALJ SEE: I have not. Go ahead,
4 Mr. Keaney.

5 MR. KEANEY: Thank you.

6 - - -

7 RECROSS-EXAMINATION

8 By Mr. Keaney:

9 Q. Mr. Long, you had some questions about
10 some -- the custom parts that had -- take a long
11 time, sometimes I believe you said a year to make,
12 correct?

13 A. They could take a year, yes.

14 Q. That's one of the challenges of operating
15 a type of propane-air peaking plant like the two at
16 issue in this case, correct?

17 A. I say it's more a symptom of the age of
18 the equipment, but it is a reality of that facility.

19 Q. Now, when you had previously made repairs
20 using custom parts, there were no widespread outages
21 as a result of that repair/replacement project with a
22 replacement part, correct?

23 A. The one I referenced before there was
24 not. However, I believe I did testify to, is if we
25 had a peak day when that part was not available, then

1 we would have.

2 Q. I am not asking what would have happened.
3 I'm asking what actually happened. Do you
4 understand?

5 A. I do.

6 Q. Okay. So what -- I will ask my question
7 again. When Duke made those custom repairs that you
8 referenced earlier to either peaking plant, there
9 were no customer widespread outages during that
10 repair or replacement time, correct?

11 A. Correct.

12 Q. Duke was able to deliver safe and
13 reliable service during the time they were having to
14 custom-make the repair parts for either peaking
15 facility, correct?

16 A. With the weather that we experienced,
17 correct.

18 Q. Is it fair to say Duke considers the
19 retirement of these propane-air peaking plants as an
20 urgent matter?

21 A. It's one of the goals of the Central
22 Corridor Pipeline Project, and I would say that it is
23 a very important goal of the project.

24 Q. Would you describe it as an urgent
25 matter?

1 A. To me "urgent" gives an impending sense
2 that something will go wrong, and Duke continually
3 monitors these to keep them safe, ready to shut them
4 down if there is an issue. So today I will probably
5 hesitate to use the word "urgent," but it is a very
6 important goal of this project.

7 Q. So today you are not prepared to describe
8 it as an urgent matter; is that fair to say?

9 A. Yes.

10 Q. Thank you.

11 Have you personally inspected Dicks
12 Creek?

13 A. I have not.

14 Q. Have you ever visited the premises of
15 where the Dicks Creek facility is located?

16 A. I have not.

17 Q. Now, you had referenced a third-party
18 report that was the subject of some back and forth
19 between counsel, and I wanted to ask you just two
20 questions about that report. Do you know which
21 report I am referring to just so we are clear?

22 A. Are you referring to the WSP report?

23 Q. I am referring to the report by WSP's
24 parent, concerning the Dicks Creek plant.

25 A. Okay. What is your question?

1 Q. Do you understand which report I am
2 talking about now, the Dicks Creek report that
3 studies the issue related to Dicks Creek?

4 A. Yes.

5 Q. Okay. Now, to your knowledge, it was
6 never determined how Dicks Creek failed, correct?

7 A. Correct. In my conversations with WSP,
8 they did not report how it failed.

9 Q. Now, WSP also was unable to determine
10 what caused the failure at Dicks Creek, correct?

11 A. To my knowledge, you are correct.

12 MR. KEANEY: No further questions, your
13 Honor.

14 ALJ SEE: Mr. Stevenson?

15 MR. STEVENSON: I have none.

16 ALJ SEE: Mr. Arnzen?

17 MR. ARNZEN: Yes, Judge.

18 - - -

19 RECROSS-EXAMINATION

20 By Mr. Arnzen:

21 Q. Mr. Long, the Enterprise cavern failed in
22 2012, right?

23 A. That sounds correct, yes.

24 Q. Okay. And then two years later, in 2014,
25 is when the recommendation was made by Duke that its

1 own caverns be retired, right?

2 A. Correct.

3 MR. ARNZEN: Thank you.

4 ALJ SEE: Mr. Miller?

5 MR. MILLER: I have nothing, your Honor.

6 ALJ SEE: Mr. Fox?

7 MR. FOX: Nothing, your Honor.

8 ALJ SEE: Ms. Allen?

9 MS ALLEN: Nothing, your Honor.

10 ALJ SEE: Mr. Butler?

11 MR. MILLER: Mr. Butler had to leave,
12 your Honor.

13 ALJ SEE: Okay. Mr. Beeler?

14 MR. BEELER: No questions. Thank you.

15 ALJ SEE: Duke Exhibit 8.

16 MR. HESLIN: Yes. At this time we would
17 like to move Duke Exhibit 8 into evidence.

18 ALJ SEE: Are there any objections to the
19 admission of Duke Exhibit 8, the Direct Testimony of
20 Mr. Long?

21 Hearing none, Duke Exhibit 8 is admitted
22 into the record.

23 (EXHIBIT ADMITTED INTO EVIDENCE.)

24 ALJ SEE: Mr. Yskamp?

25 MR. YSKAMP: Nothing, your Honor.

1 ALJ SEE: Would you like to move for the
2 admission of NOPE Exhibit 8?

3 MR. YSKAMP: I think I may have marked
4 two Exhibit 8s. Can somebody try to confirm that?

5 ALJ SEE: Mr. Yskamp, I have NOPE Exhibit
6 8 as NOPE Interrogatory 2-003.

7 MR. YSKAMP: Okay. The June Notice of
8 Probable Violation, I have marked as 8 as well. I
9 probably made a mistake.

10 MR. KEANEY: That's 7.

11 MR. YSKAMP: Yeah. Sorry. So, yes, I
12 would like to move for this interrogatory marked NOPE
13 Exhibit 8 to be admitted into evidence.

14 MR. HESLIN: No objection, your Honor.

15 ALJ SEE: NOPE Exhibit 8 is admitted into
16 the record.

17 (EXHIBIT ADMITTED INTO EVIDENCE.)

18 ALJ SEE: Thank you, Mr. Long. You can
19 step down.

20 THE WITNESS: Thank you, your Honor.

21 ALJ SEE: Let's go off the record for a
22 minute.

23 (Discussion off the record.)

24 ALJ SEE: Let's go back on the record.

25 We'll adjourn for the day and resume

1 proceedings at 9:00 a.m. tomorrow morning. Thank
2 you.

3 (Thereupon, at 4:31 p.m., the hearing was
4 adjourned.)

5 - - -

6 CERTIFICATE

7 I do hereby certify that the foregoing is a
8 true and correct transcript of the proceedings taken
9 by me in this matter on Tuesday, April 9, 2019, and
10 carefully compared with my original stenographic
11 notes.

12
13 _____
Karen Sue Gibson, Registered
14 Merit Reporter.

15 _____
Carolyn M. Burke, Registered
16 Professional Reporter.

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Summary: Transcript in the matter of the Duke Energy Ohio, Inc. hearing held on 04/09/19 - Volume I electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.