



Mailing Address:
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1212 Main / P.O. Box 960
Cincinnati, Ohio 45202
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f 513-287-4386

VIA OVERNIGHT DELIVERY

August 28, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

PAID
AUG 28 2013
PUBLIC SERVICE
COMMISSION

**Re: Case No. 2013-265
An Examination of the Application of the Fuel Adjustment Clause of Duke
Energy Kentucky, Inc. from November 1, 2012 through April 30, 2013**

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the Responses of Duke Energy Kentucky, Inc. to Commission Staff's First Set of Data Requests in the above captioned case.

Please date-stamp the two copies of the letter and Responses and return to me in the enclosed envelope.

Sincerely,

Kristen Ryan
Senior Paralegal
kristen.ryan@duke-energy.com

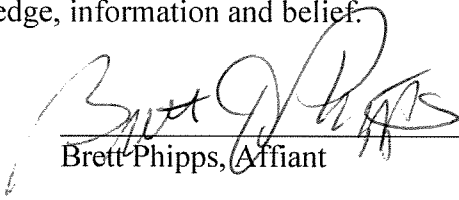
cc: Dennis G. Howard II. (w/enclosures)

VERIFICATION

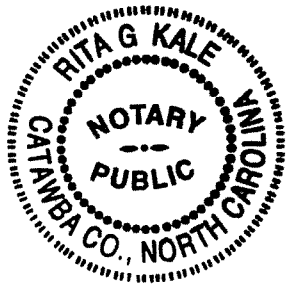
STATE OF NORTH CAROLINA)
)
COUNTY OF Mecklenburg) SS:

Public
Commission

The undersigned, Brett Phipps, Director of Fuel Procurement, Fuels & Systems Optimization, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.


Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 21st day of August, 2013.




NOTARY PUBLIC

My Commission Expires: 6/17/2017

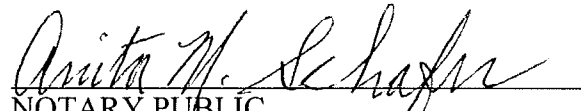
VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

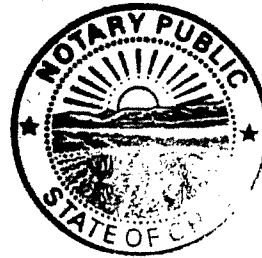
The undersigned, Lisa D. Steinkuhl, Lead Rates Analyst, OH/KY Rate Recovery & Analysis, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.


Lisa D. Steinkuhl, Affiant

Subscribed and sworn to before me by Lisa D. Steinkuhl on this 31 day of August, 2013.


NOTARY PUBLIC

My Commission Expires:

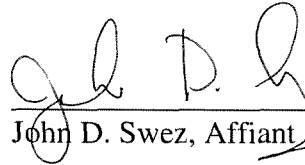


ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

VERIFICATION

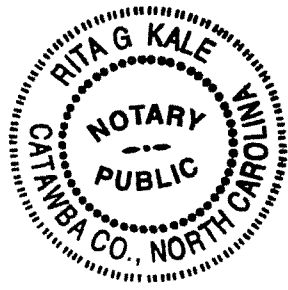
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, John D. Swez, Director of General Dispatch & Operations, Power Trading and Dispatch, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



John D. Swez, Affiant

Subscribed and sworn to before me by John D. Swez on this 20 day of August, 2013.





NOTARY PUBLIC

My Commission Expires: 6/17/17



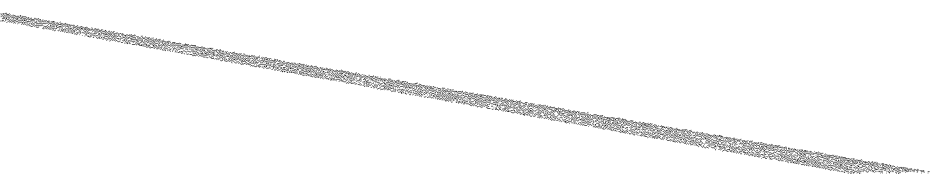


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**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-001

REQUEST:

For the period from November 1, 2012 through April 30, 2013, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus contract. For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE:

Please see Staff-DR-01-001 Attachment.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>	<u>Contract #</u>	<u>Filed with Commission</u>	<u>If no, Explain why</u>
Alliance Coal LLC	124,918	Contract	HC10146	3/17/2011	
American Coal Co C	64,375	Contract	2673356	3/17/2011	
American Coal Co C	139,977	Spot			*
Charolais	50,431	Contract	HC10053	12/31/2007	
Foresight Coal Sales, LLC	75,743	Contract	HC10162	9/30/2011	
Patriot Coal Sales	69,069	Contract	HC10136	3/17/2011	
Patriot Coal Sales	36,308	Contract	HC10137	3/17/2011	
Patriot Coal Sales	140,850	Contract	HC10148	6/3/2011	
Patriot Coal Sales	16,994	Spot			*
Peabody Coal Sales LLC	40,356	Contract	28362	8/21/2013	
Rhino Energy LLC	41,740	Contract	HC10128	3/17/2011	
River View	43,137	Contract	28376	1/2/2013	
SMCC AGF Resource Sales	109,172	Contract	HC10116	6/3/2011	
Tunnel Ridge, LLC	50,111	Spot			*
Vitol, Inc.	17,514	Spot			*
	<u>1,020,695</u>				
	78.00%	Contract			
	22.00%	Spot			

* Spot Contracts are not filed with the Commission



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-002

REQUEST:

For the period from November 1, 2012 through April 30, 2013, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE:

Duke Energy Kentucky purchased the following quantities of spot natural gas from Sequent Energy Management LP for generation at Woodsdale Station:

November 2012	9,000 MMBtu
December 2012	3,000 MMBtu
January 2013	19,500 MMBtu
February 2013	0 MMBtu
March 2013	9,000 MMBtu
April 2013	0 MMBtu

PERSON RESPONSIBLE: Lisa Steinkuhl



STAFF-DR-01-003

REQUEST:

State whether Duke Kentucky engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.

RESPONSE:

Coal:

Duke Energy Kentucky does not engage in hedging transactions with respect to coal purchases. Duke Energy Kentucky contracts for physical deliveries of coal through fixed term coal transactions within a balanced portfolio of purchases. The Company also maintains a portfolio with multiple suppliers to mitigate potential supply interruption risk.

Natural Gas:

Duke Energy Kentucky does not engage in any forward natural gas price hedging activities. Duke Energy Kentucky engages in the physical procurement of physical natural gas to support its gas generation.

PERSON RESPONSIBLE: Brett Phipps



Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-004

REQUEST:

For each generating station or unit for which a separate coal pile is maintained, state, for the period from November 1, 2012 through April 30, 2013, the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

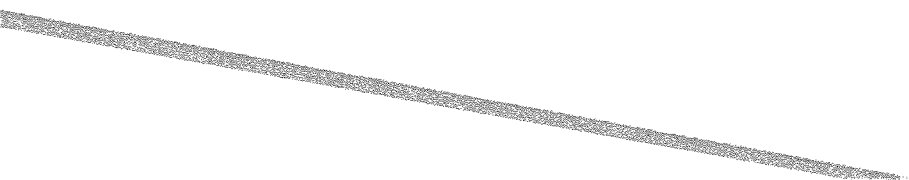
RESPONSE:

Plant	Coal Burn (Tons) ⁽¹⁾	Coal Receipts (Tons) ⁽²⁾	Net MWH	Capacity Factor (Net MWH) / period hrs x MW rating)
East Bend	539,960	781,835	1,148,852	63.9%
Miami Fort 6	246,151	238,860	573,104	80.9%

⁽¹⁾ Duke Energy Kentucky's ownership share

⁽²⁾ 100% of coal received at the station

PERSON RESPONSIBLE: Lisa Steinkuhl



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-005

REQUEST:

List all firm power commitments for Duke Kentucky from November 1, 2012 through April 30, 2013 for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

RESPONSE:

Duke Energy Kentucky had no firm power commitments during this period.

PERSON RESPONSIBLE: John Swez



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-006

REQUEST:

Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2012 through April 30, 2013.

RESPONSE:

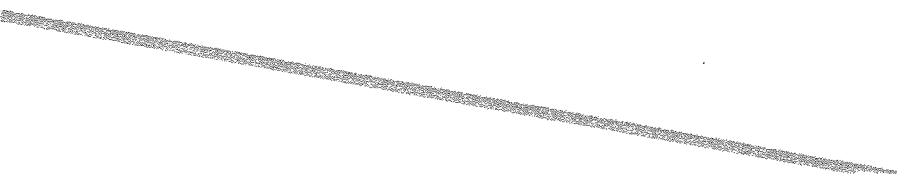
See attachment STAFF-DR-01-006.

PERSON RESPONSIBLE: Lisa Steinkuhl

**DUKE ENERGY KENTUCKY
 POWER TRANSACTION SCHEDULE**

Supplier/Buyer		Transaction Type	kWh	Charges (\$)			
				Demand	Fuel	Other	Total
Month Ended November 30, 2012							
PJM Interconnection, LLC	Econ Sales		50,906,180		1,362,368	262,776	1,625,144
	Total Sales		<u>50,906,180</u>	<u>0</u>	<u>1,362,368</u>	<u>262,776</u>	<u>1,625,144</u>
Month Ended December 31, 2012							
PJM Interconnection, LLC	Econ Sales		23,292,840		540,746	113,793	654,539
	Total Sales		<u>23,292,840</u>	<u>0</u>	<u>540,746</u>	<u>113,793</u>	<u>654,539</u>
Month Ended January 31, 2013							
PJM Interconnection, LLC	Econ Sales		9,710,450		271,400	18,819	290,219
	Total Sales		<u>9,710,450</u>	<u>0</u>	<u>271,400</u>	<u>18,819</u>	<u>290,219</u>
Month Ended February 28, 2013							
PJM Interconnection, LLC	Econ Sales		15,660,480		424,607	32,768	457,375
	Total Sales		<u>15,660,480</u>	<u>0</u>	<u>424,607</u>	<u>32,768</u>	<u>457,375</u>
Month Ended March 31, 2013							
PJM Interconnection, LLC	Econ Sales		28,980,170		755,802	152,022	907,824
	Total Sales		<u>28,980,170</u>	<u>0</u>	<u>755,802</u>	<u>152,022</u>	<u>907,824</u>
Month Ended April 30, 2013							
PJM Interconnection, LLC	Econ Sales		7,746,270		203,716	51,683	255,399
	Total Sales		<u>7,746,270</u>	<u>0</u>	<u>203,716</u>	<u>51,683</u>	<u>255,399</u>

Legend
 Econ Sales - Economy Sales



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-007

REQUEST:

List Duke Kentucky's scheduled, actual, and forced outages from November 1, 2012 through April 30, 2013.

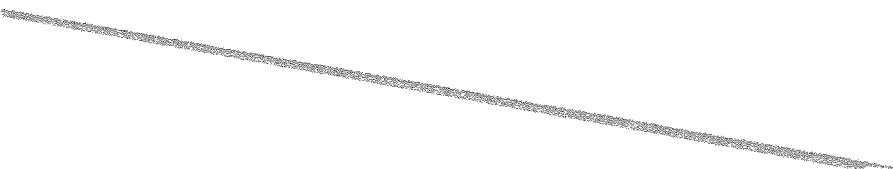
RESPONSE:

See STAFF-DR-01-007 Attachment.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky Scheduled, Actual, and Forced Outages
 November 1, 2012 - April 30, 2013

UnitName	Month	Scheduled Hours	Forced Hours	Actual Hours	EventStart	EventEnd	Event Description
East Bend 2	Nov-12		135.48		11/10/12 15:38	11/16/12 7:07	SECOND REHEATER LEAK
	Dec-12		105.43		12/11/12 2:56	12/15/12 12:22	SECONDARY SUPERHEATER TUBE LEAK
	Dec-12		2.95		12/31/12 0:39	12/31/12 3:36	FAULTY GAS TEMPERATURE ON AIR HEATER GAS OUTLET
	Jan-13		79.58		1/7/13 23:55	1/11/13 7:30	SECONDARY SUPERHEATER TUBE LEAK
	Jan-13	48.18		48.18	1/11/13 7:30	1/13/13 7:41	SECONDARY SUPERHEATER TUBE LEAK
	Feb-13		68.30		2/5/13 12:00	2/8/13 8:18	SECONDARY SUPERHEATER TUBE LEAK
	Feb-13		61.63		2/13/13 23:24	2/16/13 13:02	SECONDARY SUPERHEATER TUBE LEAK
	Mar-13		71.90		3/25/13 15:52	3/28/13 15:46	SECONDARY SUPERHEATER TUBE LEAK
	Apr-13	393.30		393.30	4/5/13 21:42	4/22/13 7:00	PLANNED REPLACEMENT OF THIN WALLED TUBES
	Apr-13	85.60		85.60	4/25/13 7:00	4/25/13 20:36	PLANNED REPLACEMENT OF THIN WALLED TUBES
	Apr-13		54.33		4/26/13 7:56	4/28/13 20:26	#1 THROTTLE VALVE LEAK
Apr-13		21.88		4/30/13 19:37	5/1/13 17:30	BOILER FEED PUMP CONTROLS	
Miami Fort 6	Dec-12		111.28		12/17/12 12:03	12/22/12 3:20	WATER WALL TUBE LEAK
	Dec-12	35.65		35.65	12/22/12 3:20	12/23/12 14:59	# 4 CONTROL VALVE REPAIR
	Dec-12		1.05		12/23/12 15:00	12/23/12 16:03	TRIPPED ON START UP, TURBINE CONTROLS
	Jan-13		1.40		1/5/13 1:00	1/5/13 2:24	TURBINE TRIP DURING TRIP TEST
	Jan-13	35.85		35.85	1/18/13 1:00	1/19/13 12:51	STEAM LEAK REPAIR ON IP TURBINE SHELL
	Feb-13		104.25		2/18/13 17:01	2/23/13 1:16	Tube Leak
	Mar-13		117.37		2/24/13 10:10	3/1/13 7:32	Tube Leak
	Apr-13		67.25		3/30/13 15:45	4/2/13 11:00	REHEAT PENDANT TUBE LEAK
	Apr-13	20.40		20.40	4/2/13 11:00	4/3/13 7:24	STEAM LEAK REPAIR ON IP TURBINE SHELL
	Apr-13	2.30		2.30	4/13/13 6:10	4/13/13 8:28	EXCITER BEARING WORK
	Apr-13		3.98		4/13/13 20:43	4/14/13 0:42	TRIPPED DRUM LEVEL
	Apr-13		2.95		4/14/13 1:12	4/14/13 4:09	TRIP TO SOAK TURBINE - TURBINE VIBRATIONS
Apr-13		99.98		4/25/13 15:05	4/29/13 19:04	TUBE LEAK	
Woodsdale CT1	Mar-13		0.38		3/22/13 6:32	3/22/13 6:55	Hydraulic control trip
Woodsdale CT6	Jan-13		23.58		1/23/13 13:21	1/24/13 12:56	Voltage reg not working



STAFF-DR-01-008

REQUEST:

List all existing fuel contracts categorized as long-term (i.e., one year or more in length).

Provide the following information for each contract:

- a. Supplier's name and address;
- b. Name and location of production facility;
- c. Date when contract was executed;
- d. Duration of contract;
- e. Date(s) of each contract revision, modification, or amendment;
- f. Annual tonnage requirements;
- g. Actual annual tonnage received since the contract's inception;
- h. Percent of annual requirements received during the contract's term;
- i. Base price in dollars per ton;
- j. Total amount of price escalations to date in dollars per ton; and
- k. Current price paid for coal under the contract in dollars per ton (i + j)

RESPONSE:

Coal

See STAFF-DR-01-008 Attachment A.

Natural Gas

There are no long term contracts with suppliers that source and deliver gas to Company plants.

The only long-term contracts that extend past one year are contracts with pipelines for transportation service.

PERSON RESPONSIBLE: Brett Phipps/John Swez

East Bend

- a. **Oxford Mining Company - Kentucky - Charolais Coal Co (HC 10053)**
 - 544 Chestnut Street
 - Coshocton, OH 43 8 12
- b. Charolais Coal Company, Muhlenberg, Hopkins and Webster Counties, Kentucky
- c. September 5,2007
- d. January 1, 2008 to April 30, 2013
- e. Amendment 1 = March 1, 2008; Amendment 2 = March 17, 2008;
Amendment 3 = July 15, 2008; Amendment 4 = July 28, 2009;
Amendment 5 = July 12, 2011
Letter Agreement = March 27, 2013
- f. 2008 = 287,047; 2009 100,000; 2010 = 200,000; 2011 = 209,727;
2012 = 213,000; 2013 = 27,291
- g. 2008 = 287,048; 2009 = 100,142; 2010 = 176,324; 2011 = 198,027; 2012 = 211,368;
2013 YTD = 26,983
- h. 2008 = 100%; 2009 = 100%; 2010 = 88.2%; 2011 = 94.4%; 2012 = 99.2%; 2013 YTD =
98.9%
- i. 2008 = \$32.00; 2009 \$32.42; 2010 \$32.42; 2011 \$32.70; 2012 \$32.70;
2013 \$32.70
- j. None
- k. 2008 \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011-2013 = \$32.70
- a. **SMCC AGF Resources Sales, Inc. (10116)**
 - 921 Cogdill Road
 - Suite 301
 - KNOXVILLE, TN 37932
- b. Allied Resources, Webster County, KY
- c. June 24,2009
- d. December 31,2013
- e. N/A
- f. 2009 = 150,000; 2010 = 300,000; 2011 = 289,306, 2012 = 120,000;
2013 = 300,000
- g. 2009 = 151,158; 2010 = 310,694; 2011 = 290,669; 2012 = 132,766; 2013 = 76,316
- h. 2009 100.8%; 2010 103.6 %; 2011 = 100.5%; 2012 = 110.6%; 2013 YTD = 76.3%
- i. 2009 = \$51.00; 2010 - 2011 = \$53.00; 2012 = \$52.40; 2013 = \$54.75
- j. None
- k. 2009 = \$51.00; 2010 - 2011 = \$53.00; 2012= \$52.40; 2013 = \$54.75
- a. **Foresight Coal Sales (HC10162)**
- b. Macoupin Energy, LLC – Macoupin County, IL
- c. September 8, 2011
- d. January 1, 2012 - December 31, 2013
- e. N/A
- f. 2012 = 60,000; 2013 = 250,000
- g. 2012 = 61,027; 2013 YTD = 64,896
- h. 2012 = 101.7%; 2013 YTD = 77.9%

- i. 2012 = \$46.50; 2013 = \$48.00
- j. None
- k. 2012 = \$46.50; 2013 = \$48.00

a. Patriot Coal Sales LLC (10136)

12312 Olive Blvd
St. Louis, Missouri 63 141

- b. Blue Grass Complex, Blue Grass, KY and Highland Mine, Highland KY
- c. November 19, 2010
- d. September 30, 2013
- e. Amendment 1 = February 28, 2013
- f. 2011 = 325,000; 2012 = 266,276; 2013 = 58,724
- g. 2011 = 312,084; 2012 = 266,276; 2013 YTD = 0
- h. 2011 = 96.0%; 2012 = 100%; 2013 YTD = 0%
- i. 2011 = \$42.00; 2012-2013 = \$45.00
- j. None
- k. 2011 = \$42.00; 2012-2013 = \$45.00

a. Patriot Coal Sales LLC (10137)

12312 Olive Blvd
St. Louis, Missouri 63141

- b. Highland Mine, Highland KY
- c. November 19, 2010
- d. September 30 , 2013
- e. Amendment 1 = February 28, 2013
- f. 2011 = 250,000; 2012 = 228,115; 2013 = 21,886
- g. 2011 = 251,516; 2012 = 228,115; 2013 = 22,520
- h. 2011 = 100.6%; 2012 100%; 2013 = 102.9%
- i. 2011 = \$44.00; 2012-2013 = \$46.50
- j. None
- k. 2011 = \$44.00; 2012-2013 = \$46.50

a. Patriot Coal Sales LLC (10148)

123 12 Olive Rlvd
St. Louis, Missouri 63141

- b. Highland Mine, Highland KY
- c. April 20, 2011
- d. December 31, 2013
- e. N/A
- f. 2012 = 150,000; 2013 = 150,000
- g. 2012 = 142,180; 2013 YTD =86,587
- h. 2012 = 94.8%; 2013 YTD = 173.2%
- i. 2012 = \$49.00; 2013 = \$50.00
- j. None

k. 2012 = \$49.00; 2013 = \$50.00

a. Peabody Coalsales, LLC (28362)

701 Market Street
St. Louis, MO 63101-1826

b. Somerville Mining Complex/Wild Boar, Warrick and Gibson County, IN

c. February 1, 2013

d. December 31, 2013

e. N/A

f. 2013 = 275,000

g. 2013 YTD = 61,537

h. 2013 YTD = 67.13%

i. 2013 = \$42.00

j. None

k. 2013 = \$42.00

a. River View Coal, LLC (HC1013S/HC10146)

1717 South Boulder Ave. Suite 400
Tulsa, OK 74119

b. River View Mine, IJnion County, KY

c. January 1, 2011

d. December 31, 2013

e. NA

f. 2011 = 220,000; 2012 = 220,000; 2013 = 220,000

g. 2011 = 218,688; 2012 = 220,925; 2013 YTD = 76,782

h. 2011 = 99.4% ; 2012 YTD = 100.4%; 2013 YTD = 104.7%

i. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25

j. None

k. 2011 = \$48.00; 2012 = \$51.00; 2013 \$53.2

a. River View Coal, LLC (28376)

1717 South Boulder Ave. Suite 400
Tulsa, OK 74119

b. River View Mine, IJnion County, KY

c. February 14, 2013

d. December 31, 2015

e. NA

f. 2013 = 400,000; 2014 = 600,000; 2015 = 600,000

g. 2013 = YTD 78,507

h. 2013 = 72%

i. 2013 = \$43.25; 2014 = \$46.50; 2015 = \$48.00

j. None

k. 2013 = \$43.25; 2014 = \$46.50; 2015 = \$48.00

MIAMI FORT #6:
None

KyPSC 2013-265
STAFF-DR-01-008
Attachment A



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-009

REQUEST:

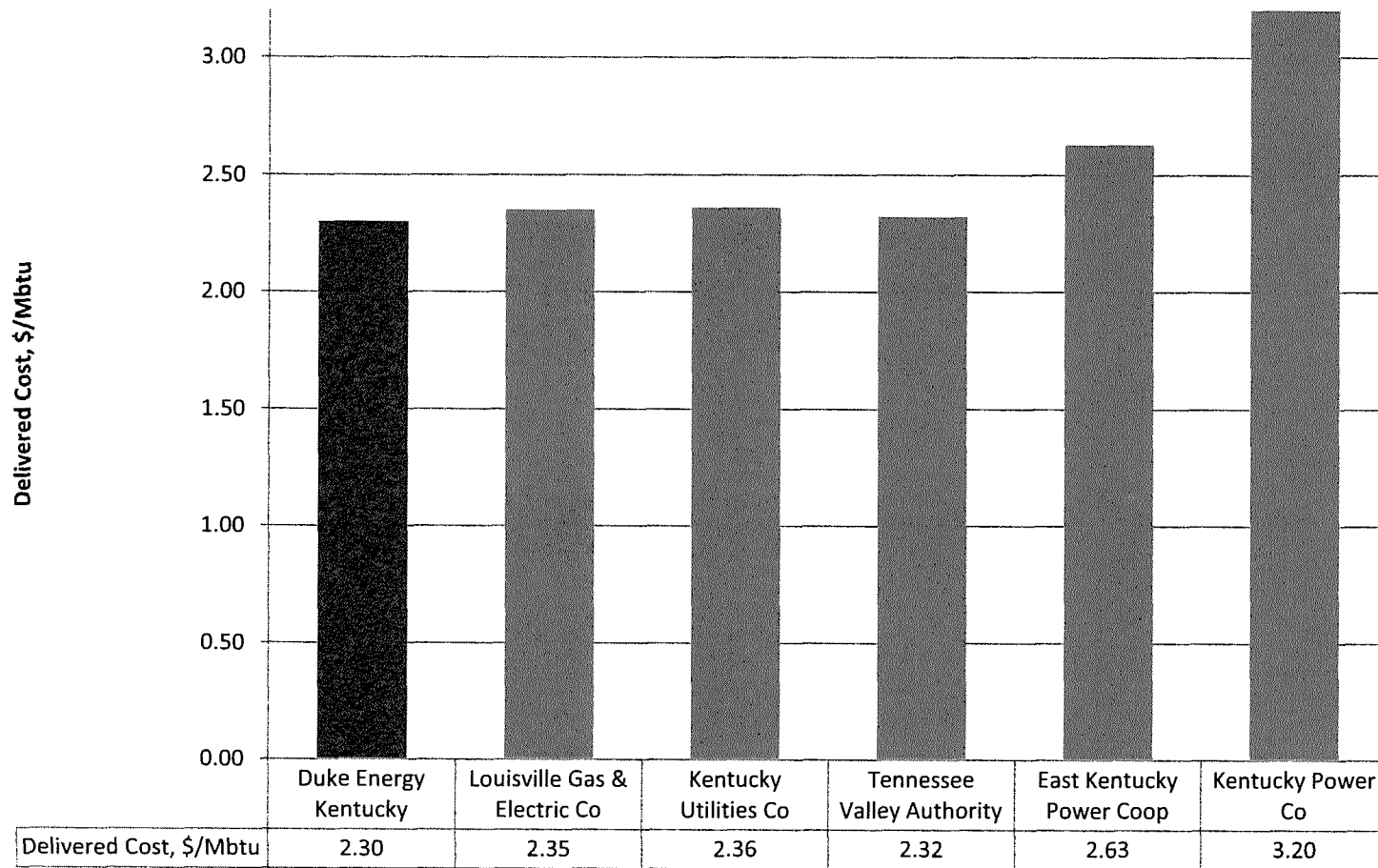
- a. State whether Duke Kentucky regularly compares the price of its coal purchases to those paid by other electric utilities.
- b. If yes, state:
 - (1) How Duke Kentucky's prices compare with those of other utilities for the review period. Include all prices used in the comparison in cents per MMBtu.
 - (2) The utilities that are included in this comparison and their locations.

RESPONSE:

- a. Duke Energy Kentucky compares its delivered coal prices to those paid by other major Kentucky electric utilities for their plants located in Kentucky. Please see STAFF-DR-01-009 Attachment A.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
 Delivered Cost vs. Peer Group
 (November 2012 - April 2013)
 Source: EIA 923**





Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-010

REQUEST:

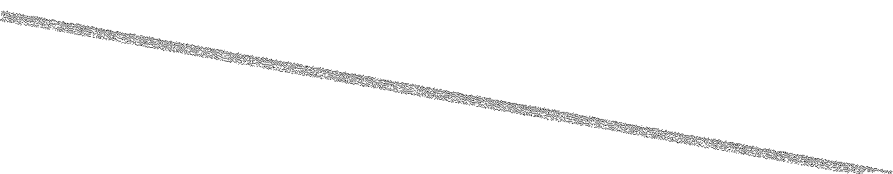
State the percentage of Duke Kentucky's coal, as of the date of this Order, that is delivered by:

- a. Rail;
- b. Truck; or
- c. Barge.

RESPONSE:

	Rail % (a)	Truck % (b)	Barge % (c)
East Bend	0	0	100
Miami Fort 6	0	0	100

PERSON RESPONSIBLE: Brett Phipps



Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-011

REQUEST:

- a. State Duke Kentucky's coal inventory level in tons and in number of days' supply as of April 30, 2013. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare Duke Kentucky's coal inventory as of April 30, 2013 to its inventory target for that date for each plant and for total inventory.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e. (1) State whether Duke Kentucky expects any significant changes in its current coal inventory target within the next 12 months.

(2) If yes, state the expected change and the reasons for this change.

RESPONSE:

Duke Kentucky's total aggregate inventory across the system as of April 30, 2013 was 353,898.44 tons, or 43.7 days.

EAST BEND:

- a. As of April 30, 2013, total station inventory at East Bend was 311,184.69 tons or 47.9 days.
- b. The number of days supply is computed by dividing an ending daily coal inventory figure stated in tons by the Full Load Burn per day figure of 6,500 tons.
- c. Inventory target is approximately 40 days compared to actual days inventory on April 30, 2013 of 47.9 days.
- d. N/A
- e. (1) No (2) N/A

MIAMI FORT #6:

- a. As of April 30, 2013, total Station inventory at Miami Fort #6 was 42,713.75 tons or 27.2 days.
- b. The number of days supply is computed by dividing an ending daily coal inventory figure stated in tons by the Full Load Burn per day figure of 1,569 tons.
- c. Inventory target is approximately 40 days compared to the 27.2 days inventory the station had as of April 30, 2013.
- d. N/A
- e. (1) No (2) N/A

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-012

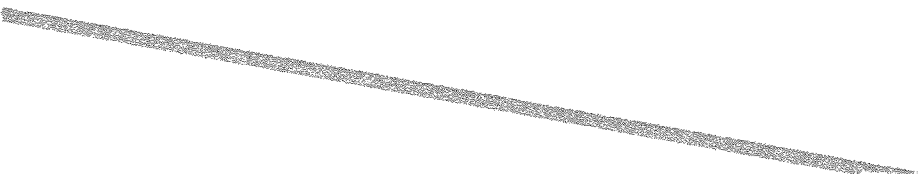
REQUEST:

- a. State whether Duke Kentucky has audited any of its coal contracts during the period from November 1, 2012 through April 30, 2013.
- b. If yes, for each audited contract:
 - (1) Identify the contract;
 - (2) Identify the auditor;
 - (3) State the results of the audit; and
 - (4) Describe the actions that Duke Kentucky took as a result of the audit.

RESPONSE:

East Bend :	a. No
Miami Fort #6 :	a. No

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-013

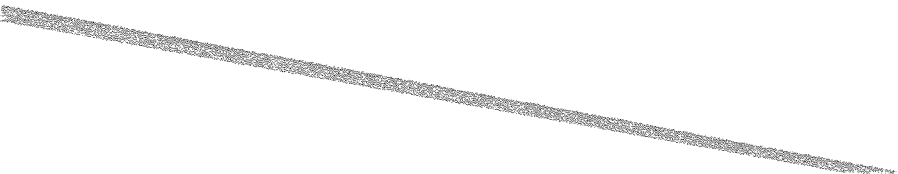
REQUEST:

- a. State whether Duke Kentucky has received any customer complaints regarding its FAC during the period from November 1, 2012 through April 30, 2013.
- b. If yes, for each complain, state:
 - (1) The nature of the complaint; and
 - (2) Duke Kentucky's response.

RESPONSE:

Duke Energy Kentucky has not received any customer complaints regarding its FAC during the period from November 1, 2012 through April 30, 2013.

PERSON RESPONSIBLE: Lisa Steinkuhl



STAFF-DR-01-014

REQUEST:

- a. State whether Duke Kentucky is currently involved in any litigation with its current or former coal suppliers.
- b. If yes, for each litigation:
 - (1) Identify the coal supplier;
 - (2) Identify the coal contract involved;
 - (3) State the potential liability or recovery to Duke Kentucky;
 - (4) List the issues presented; and
 - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- c. State the current status of all litigation with coal suppliers.

RESPONSE:

East Bend :	a. No
Miami Fort #6 :	a. No

PERSON RESPONSIBLE: Brett Phipps



STAFF-DR-01-015

REQUEST:

- a. During the period from November 1, 2012 through April 30, 2013, have there been any changes to Duke Kentucky's written policies and procedures regarding its fuel procurement?
- b. If yes:
 1. Describe the changes;
 2. Provide the written policies and procedures as changed;
 3. State the date(s) the changes were made; and
 4. Explain why the changes were made.
- c. If no, provide the date Duke Kentucky's current fuel procurement policies and procedures were last changed, when they were last provided to the Commission, and identify the proceeding in which they were provided.

RESPONSE:

Coal

- a. No Duke Energy Kentucky fuel procurement policies or procedures have been changed during the period from November 1, 2012 through April 30, 2013. Hedging guidelines have been refined to provide company-wide consistency.
- b. N/A
- c. The procurement policy was last updated on 12/01/10. The updated fuel policy was provided to the Commission in Case No. 2011-249 in September 2011 in Staff-DR-01-015.

Natural Gas

- a. No Duke Energy Kentucky fuel procurement policies or procedures have been changed during the period from November 1, 2012 through April 30, 2013. Hedging guidelines have been refined to provide company-wide consistency.
- b. N/A
- c. The procurement policy was last updated February 2012. The updated fuel policy was provided to the Commission in Case No. 2011-486 in February 2012.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-016

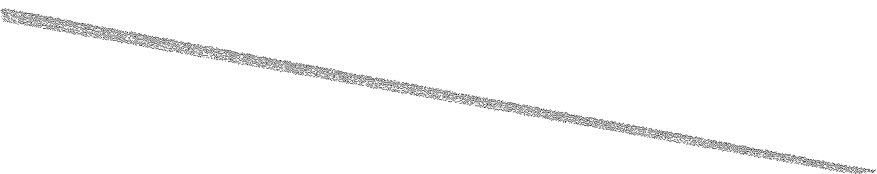
REQUEST:

- a. State whether Duke Kentucky is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2012 through April 30, 2013.
- b. If yes, for each violation:
 - (1) Describe the violation;
 - (2) Describe the action(s) that Duke Kentucky took upon discovering the violation; and
 - (3) Identify the person(s) who committed the violation.

RESPONSE:

East Bend :	a. No
Miami Fort #6 :	a. No

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-017

REQUEST:

Identify and explain the reasons for all changes in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities that occurred during the period from November 1, 2012 through April 30, 2013.

RESPONSE:

EAST BEND:

No changes occurred during this period.

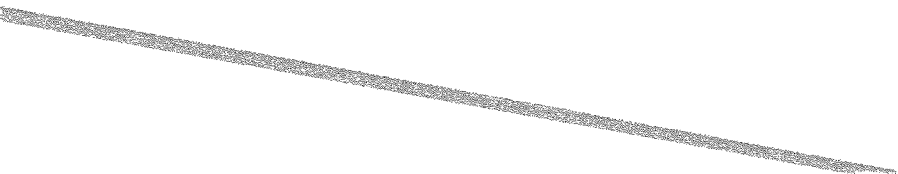
MIAMI FORT #6:

No changes occurred during this period.

WOODSDALE:

No changes occurred during this period.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-018

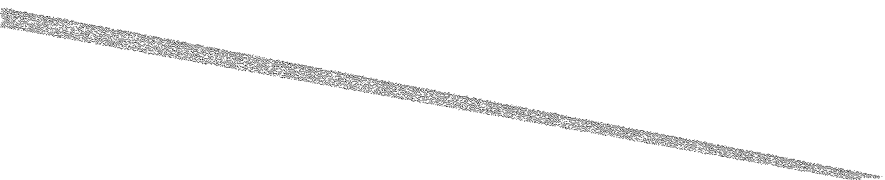
REQUEST:

- a. Identify all changes that Duke Kentucky has made during the period under review to its maintenance and operation practices that also affect fuel usage at Duke Kentucky's generation facilities.
- b. Describe the impact of these changes on Duke Kentucky's fuel usage.

RESPONSE:

- a. No changes occurred during this time period.
- b. N/A

PERSON RESPONSIBLE: John Swez



Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-019

REQUEST:

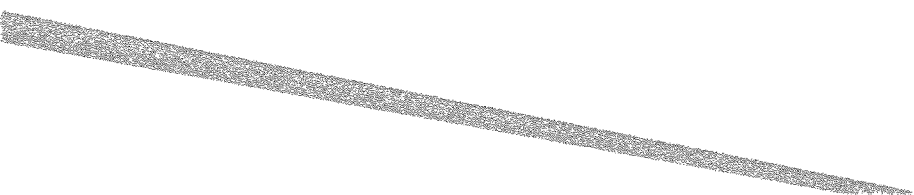
List each written coal supply solicitation issued during the period from November 1, 2012 through April 30, 2013.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE:

Duke Energy Kentucky did not issue any written coal supply solicitations during the period from November 1, 2012 through April 30, 2013.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-020

REQUEST:

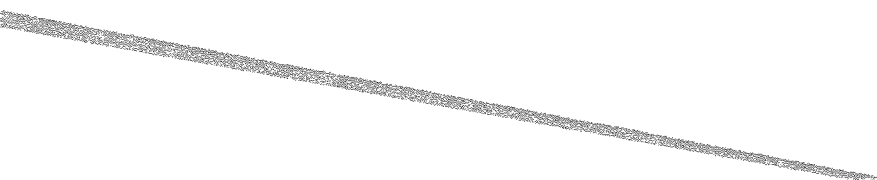
List each oral coal supply solicitation issued during the period from November 1, 2012 through April 30, 2013.

- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE:

Duke Energy Kentucky did not issue any oral coal supply solicitations during the period from November 1, 2012 through April 30, 2012.

PERSON RESPONSIBLE: Brett Phipps



Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-021

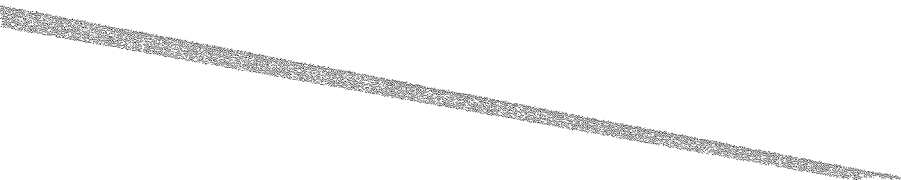
REQUEST:

- a. List all intersystem sales during the period under review in which Duke Kentucky used a third party's transmission system.
- b. For each sale listed above:
 - (1) Describe how Duke Kentucky addressed, for FAC reporting purposes, the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system; and
 - (2) State the line loss factor used for each transaction and describe how that line loss factor was determined.

RESPONSE:

- a. Duke Energy Kentucky sells 100% of its generation to PJM Interconnection, LLC (PJM). These sales are made at the generating station; consequently, no third party transmission was used.
- b. Not Applicable

PERSON RESPONSIBLE: Lisa Steinkuhl



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-022

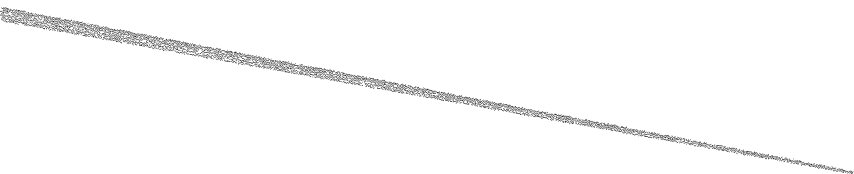
REQUEST:

Describe each change that Duke Kentucky made to its methodology for calculating intersystem sales line losses during the period under review.

RESPONSE:

Not Applicable. See response to Staff-DR-01-021.

PERSON RESPONSIBLE: Lisa Steinkuhl



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-023

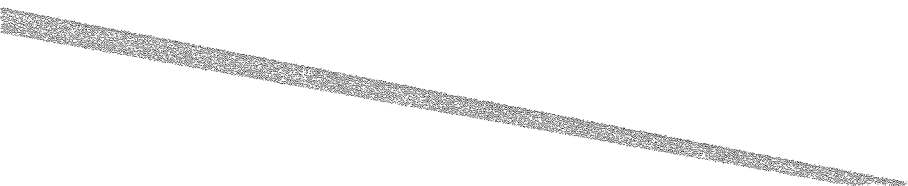
REQUEST:

State whether, during the period under review, Duke Kentucky has solicited bids for coal with the restriction that it was not mined through strip mining or mountain top removal. If yes, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

RESPONSE:

Duke Energy Kentucky did not solicit bids for coal during the period November 1, 2012 through April 30, 2013.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-024

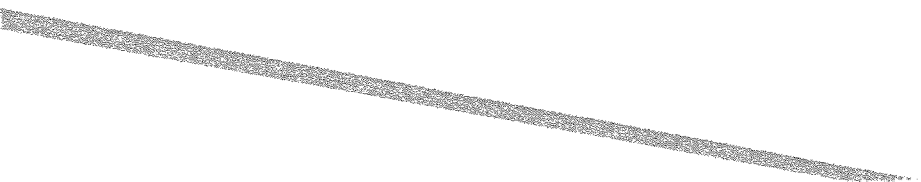
REQUEST:

Provide a detailed discussion of any specific generation efficiency improvements Duke Kentucky has undertaken during the period under review.

RESPONSE:

Duke Energy Kentucky made no major specific generation efficiency improvements during the period under review.

PERSON RESPONSIBLE: John Swez



**Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013**

STAFF-DR-01-025

REQUEST:

Explain whether closures of coal mines due to decreased demand for coal could potentially lead to coal shortages that could affect reliability. Include in the explanation whether evidence of such potential shortage exists today.

RESPONSE:

As coal supply continues to decline to fall in line with current demand, we anticipate that equilibrium in the supply/demand curve will exist in the near future. If demand for coal increases significantly in the future, coal supply could be slow to respond due to the on-going closure of several mines. If future supply becomes limited, Duke Energy Kentucky would expand its reach of coal supply to ensure a reliable supply of coal. No shortage of supply exists today.

PERSON RESPONSIBLE: Brett Phipps



Duke Energy Kentucky
Case No. 2013-265
Staff First Set Data Requests
Date Received: August 8, 2013

STAFF-DR-01-026

REQUEST:

State whether any PJM costs were included in Duke Kentucky's monthly FAC filings during the period under review. If yes, provide the amount of the costs by month and by type of cost.

RESPONSE:

Yes. The total PJM costs/revenues included in Duke Energy Kentucky's monthly FAC filing for the period under review were \$15,137,895.

The energy costs are purchases made from PJM on an economic dispatch basis.

The balancing and day ahead operating reserve credits are payments made to Duke Energy Kentucky because PJM committed the Duke Energy Kentucky's assets and Duke Energy Kentucky did not receive adequate revenue from the LMP to cover the offered costs. For PJM to ensure adequate operating reserve and for spot market support, pool-scheduled generation and demand resources that operate as requested by PJM are guaranteed to fully recover their daily offer amounts. The credits are the portion of the company's offer amounts in excess of their scheduled MWh times LMP. It is being credited to fuel costs because of the nexus between receiving the payment from PJM and incurring fuel costs to run the plants.

Month/Year (1)	Energy Costs (2)	Balancing and Day Ahead Operating Reserve Credit (3)	Total PJM Costs in FAC Filings (2) less (3)
November 2012	\$2,004,844	\$0	\$2,004,844
December 2012	\$1,881,944	\$21,513	\$1,860,431
January 2013	\$1,807,869	\$0	\$1,807,869
February 2013	\$2,437,677	\$0	\$2,437,677
March 2013	\$1,293,812	\$48,698	\$1,245,114
April 2013	\$5,816,861	\$34,901	\$5,781,960
Total	\$15,243,007	\$105,112	\$15,137,895

PERSON RESPONSIBLE: Lisa Steinkuhl