

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF	)	
THE FUEL ADJUSTMENT CLAUSE OF DUKE	)	CASE NO.
ENERGY KENTUCKY, INC. FROM MAY 1, 2015	)	2016-00005
THROUGH OCTOBER 31, 2015	)	

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

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

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

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Duke Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

1. State whether Duke Kentucky leases or owns any barges, railcars, or other assets related to the transportation of coal. If so, provide the following:
  - a. The date each purchase/lease was entered into;
  - b. The reason for entering into each purchase/lease, including the cost benefit;
  - c. The types of costs associated with the lease/ownership that are recovered through the fuel adjustment clause ("FAC");
  - d. By month, the amount of each cost identified in part c. above recovered through the FAC during the period under review; and
  - e. The advantages and disadvantages of the lease/ownership compared to not leasing/owning.

2. Refer to Duke Kentucky's response to the Commission's February 5, 2016 Request for Information, Item 27, the attachment filed with a petition for confidentiality.

a. Explain why the average heat rate was calculated based on the minimum load.

b. Explain why the average heat rate varied between two different amounts for the six months of the review period and provide supporting calculations for both average heat rates.

c. Provide the source for the maximum monthly gas price and explain why the maximum is used in the calculation.

d. Explain why the amounts in the column "PJM Purchase Cost \$/MWh" are not exactly the amounts in the column "PJM Purchase Cost (\$)" divided by the amounts in column "PJM Purchase Quantity (MWh)."

e. State for each month of the review period the highest level at which any of the Woodsdale combustion turbines operated.

f. During a month when any Woodsdale unit operates at a level higher than the minimum load, explain why the calculation of the highest-cost unit should not take into account the higher level of operation, or use the maximum level, rather than use the minimum load.

g. For each month of the review period, recalculate the highest-cost unit using the highest level at which any Woodsdale unit operated and provide the amounts of power purchases that would have been excluded using this calculation.

h. For each month of the review period, recalculate the highest-cost unit using the maximum level at which the Woodsdale units can operate and provide the amounts of power purchases that would have been excluded using this calculation.

  
James W. Gardner  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40601

DATED MAR 01 2016

cc: Parties of Record

\*Kristen Ryan  
Senior Paralegal  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
P. O. Box 960  
Cincinnati, OH 45201

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

\*Rocco O D'Ascenzo  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
P. O. Box 960  
Cincinnati, OH 45201