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COMMISSION

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John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT MAIL

February 12, 2008

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: In the Matter of An Examination of the Application of the Fuel Adjustment
Clause of Duke Energy Kentucky From May 1, 2007 through October 31, 2007
Case No. 2007-00526

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Duke Energy Kentucky, Inc.'s responses to the Staff's first set of data requests in the above-referenced case.

Please date-stamp and return the two extra copies of this letter in the enclosed return-addressed envelope.

Thank you.

Sincerely,

John J. Finnigan
Associate General Counsel

JJF//bsc

Enclosures

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF DUKE)	
ENERGY KENTUCKY FROM MAY 1,)	CASE NO. 2007-00526
2007 THROUGH OCTOBER 31, 2007)	

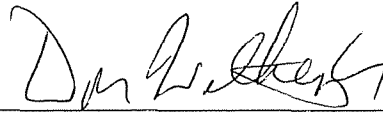
RESPONSE OF DUKE ENERGY KENTUCKY, INC.
TO
INFORMATION REQUESTED IN
APPENDIX A OF COMMISSION'S ORDER
DATED JANUARY 23, 2008

Filed February 13, 2008

VERIFICATION

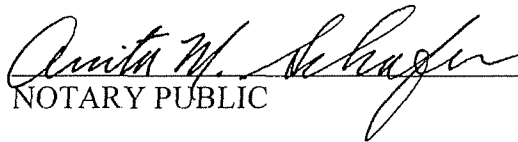
State of Ohio)
) SS:
County of Hamilton)

The undersigned, William Don Wathen Jr., being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Director, Revenue Requirements; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquire.



William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen Jr. on this 11th day of February 2008.



NOTARY PUBLIC

My Commission Expires:



ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2009

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-001

REQUEST:

For the period from May 1, 2007 through October 31, 2007, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract).

RESPONSE:

Please see Attachment KyStaff-DR-01-001.

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>
ACT Source	5,572	Spot
American Coal Co.	133,077	Contract
Arch Coal	83,869	Contract
Arch Terminal Transfer	14,575	Spot
CBS&C Hilltop	5,692	Contract
Ceredo	1,488	Spot
Coal Network	1,665	Contract
Coal Network	115,366	Spot
Constellation Energy	16,960	Spot
Cora Terminal Transfer	40,423	Contract
Cora Terminal Transfer	132,294	Spot
Cumberland	31,978	Contract
Cumberland Coal	59,686	Spot
DTE	48,238	Spot
Emerald	1,806	Spot
Koch Carbon	7,537	Spot
Law River Terminal Transfer	76,593	Spot
Marsh Fork	3,394	Spot
Peabody CoalSales	1,583	Contract
PSEG Energy	6,988	Contract
PSEG Energy	8,177	Spot
River Trading	79,654	Spot
Sandy River Synfuel	1,750	Spot
Solid Energy	7,109	Spot
Tyrone Synfuel, LLC	865,648	Contract
TOTAL	<u>1,751,124</u>	

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-002

REQUEST:

For each generating station or unit for which a separate coal pile is maintained, state for the period from May 1, 2007 through October 31, 2007 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)	Coal Receipts (Tons)	Net MWH	Capacity Factor (Net MWH) / period hrs x MW rating)
East Bend	598,068	602,320	1,337,944	73.2%
Miami Fort 6	241,205	241,678	536,794	74.6%

PERSON RESPONSIBLE: William Don Wathen Jr.

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-003

REQUEST:

List all firm power commitments for Duke Kentucky from May 1, 2007 through October 31, 2007 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 made several MISO DNR (“designated network resource”) capacity purchases during this time period. Please See Attachment KYStaff DR-01-003. The counterparty of the purchases is Northern States Power Company.

PERSON RESPONSIBLE: Michael Chen

Trade Number	Date	Trader	Trade Type	Trade Status	Instrument Type	Buy/Sell	Qty	Location	Schedule	Start Date	End Date	Service Level	Price	Counterpart	Strategy	MTM Curve
2286277	3/8/2007	Michael Chen	Physical Fixed (O) Locked	Physical Fixed	Buy	135	MISO CAP	Capacity Monthly		5/1/2007	5/31/2007	Firm Capacity	360.00 USD/MWmth	Northern Stats Pwr E	ULHP Gen Unit Capacity	CIN CAP
2314354	6/6/2007	Michael Chen	Physical Fixed (O) Locked	Physical Fixed	Buy	125	MISO CAP	Capacity Daily		6/7/2007	6/6/2007	Firm Capacity	25.00 USD/MWday	Northern Stats Pwr E	ULHP Gen Unit Capacity	CIN CAP
2341787	8/51/2007	Michael Chen	Physical Fixed (O) Locked	Physical Fixed	Buy	130	MISO CAP	Custom		8/31/2007	9/3/2007	Firm Capacity	55.00 USD/MWday	Northern Stats Pwr E	ULHP Gen Unit Capacity	CIN CAP
2358780	10/30/2007	Michael Chen	Physical Fixed (O) Locked	Physical Fixed	Buy	100	MISO CAP	Capacity Daily		10/31/2007	10/31/2007	Firm Capacity	15.00 USD/MWday	Northern Stats Pwr E	ULHP Gen Unit Capacity	CIN CAP

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-004

REQUEST:

Provide a monthly billing summary for sales to all electric utilities for the period May 1, 2007 through October 31, 2007.

RESPONSE:

Please see Attachment KyStaff-DR-01-004.

PERSON RESPONSIBLE: William Don Wathen Jr.

**DUKE ENERGY KENTUCKY
POWER TRANSACTION SCHEDULE**

Supplier/Buyer	Transaction Type	kWh	Charges (\$)			
			Demand	Fuel	Other	Total
Month Ended: May 31, 2007						
Midwest ISO	Econ Sales	0			0	0
Big Rivers Electric Corporation	CRSG	12,000			538	538
Consumers Energy Co	CRSG	3,000			142	142
Detroit Edison Company	CRSG	3,000			68	68
East Kentucky Power Cooperative, Inc	CRSG	3,000			0	0
First Energy Services Co	CRSG	11,000			532	532
Great River Energy	CRSG	2,000			156	156
LGE/KU	CRSG	4,000			78	78
Lincoln Electric System	CRSG	1,000			11	11
Manitoba hydro Electric Board	CRSG	6,000			237	237
MidAmerican Energy Company	CRSG	5,000			117	117
Northern States Power Co	CRSG	1,000			73	73
Omaha Public Power District	CRSG	2,000			29	29
WAPA UGPR E	CRSG	4,000			279	279
Wisconsin Power and Light	CRSG	1,000			11	11
Total Sales		58,000	0	0	2,271	2,271
Month Ended: June 30, 2007						
Midwest ISO	Econ Sales	3,549,400			79,577	79,577
Big Rivers Electric Corporation	CRSG	12,000			835	835
Detroit Edison Company	CRSG	3,000			228	228
East Kentucky Power Cooperative, Inc	CRSG	5,000			359	359
FirstEnergy Services Co	CRSG	6,000			254	254
LGE/KU	CRSG	12,000			298	298
Manitoba Hydro Electric Board	CRSG	2,000			80	80
MidAmerican Energy Company	CRSG	4,000			296	296
Northern Indiana Public Service Company	CRSG	2,000			152	152
Northern States Power Co	CRSG	2,000			144	144
Omaha Public Power District	CRSG	2,000			121	121
Total Sales		3,599,400	0	0	82,344	82,344
Month Ended: July 31, 2007						
Midwest ISO	Econ Sales	17,452,000			390,701	390,701
Ameren Services Company	CRSG	4,000			138	138
Basin Electric Power Cooperative	CRSG	4,000			179	179
Big Rivers Electric Corporation	CRSG	3,000			177	177
Detroit Edison Company	CRSG	7,000			174	174
FirstEnergy Services Co	CRSG	6,000			418	418
LGE/KU	CRSG	3,000			109	109
MidAmerican Energy Company	CRSG	3,000			100	100
Missouri River Energy Services	CRSG	1,000			77	77
Nebraska Public Power District	CRSG	4,000			303	303
Northern Indiana Public Service Company	CRSG	13,000			760	760
Total Sales		17,500,000	0	0	393,136	393,136
Month Ended: August 31, 2007						
Midwest ISO	Econ Sales	3,549,780			92,218	92,218
Ameren Services Company	CRSG	3,000			190	190
Detroit Edison Company	CRSG	3,000			0	0
East Kentucky Power Cooperative, Inc	CRSG	2,000			93	93
LGE/KU	CRSG	15,000			113	113
Manitoba Hydro Electric Board	CRSG	1,000			49	49
Northern Indiana Public Service Company	CRSG	4,000			221	221
Omaha Public Power District	CRSG	2,000			11	11
Total Sales		3,579,780	0	0	92,895	92,895
Month Ended: September 30, 2007						
Midwest ISO	Econ Sales	31,391,300			896,504	896,504
Big Rivers Electric Corporation	CRSG	3,000			0	0
FirstEnergy Services Co	CRSG	4,000			189	189
Indianapolis Power & Light Company	CRSG	4,000			292	292
LGE/KU	CRSG	5,000			233	233
MidAmerican Energy Company	CRSG	2,000			1	1
Northern States Power Co	CRSG	1,000			21	21
Total Sales		31,410,300	0	0	897,240	897,240
Month Ended: October 31, 2007						
Midwest Independent System Operator	Econ Sales	62,130,360			2,562,794	2,562,794
Basin Electric Power Cooperative	CRSG	1,000			26	26
Big Rivers Electric Corporation	CRSG	51,000			2,791	2,791
FirstEnergy Services Co	CRSG	4,000			236	236
LGE/KU	CRSG	2,000			111	111
Manitoba Hydro Electric Board	CRSG	18,000			938	938
Northern States Power Co	CRSG	2,000			131	131
Northern Minnesota Municipal Power Agency	CRSG	1,000			53	53
WAPA UGPR E	CRSG	1,000			26	26
Total Sales		62,210,360	0	0	2,567,106	2,567,106

Legend: Econ Sales - Economy Sales
CRSG - MISO Contingency Reserve Sharing Group Agreement

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-005

REQUEST:

List Duke Kentucky's scheduled, actual, and forced outages between May 1, 2007 through October 31, 2007.

RESPONSE:

Please see attachment STAFF-DR-01-005.

PERSON RESPONSIBLE: John D. Swez

Duke Kentucky
 East Bend Unit 2
 May 2007 through October 2007

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
May	5/1/2007 0:00	5/20/2007 0:00	456	731	Planned Outage, LPT L-2 Blades Extension Due to Damaged Rotors
Jun	6/2/2007 21:50	6/3/2007 5:47	8	8	Maintenance - Hydrogen Leak
Jul	No outages > 6 Hrs				
Aug	No outages > 6 Hrs				
Sep	9/1/2007 0:00	9/2/2007 11:06	35	35	Maintenance - Air Heater Cleaning
Oct	-	-	39	39	Slag Fall Caused Boiler Tube Damage

Duke Kentucky
 Miami Fort Unit 6
 May 2007 through October 2007

MONTH	MAINTENANCE		FROM		TO		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled	Actual	FROM	TO	Scheduled	Forced	Actual			
May	No Outages > 6 Hrs									
Jun	6/9/2007 0:16 6/15/2007 8:51	6/15/2007 8:50 6/15/2007 14:41	6/9/2007 0:16 6/15/2007 8:51	6/15/2007 8:50 6/15/2007 14:41	153 6		153 6		Maintenance - Generator Breaker Replacement Maintenance - Bellows Replacement for 6-4 Heater	
Jul	No Outages > 6 Hrs									
Aug	No Outages > 6 Hrs									
Sep	No Outages > 6 Hrs									
Oct	-	-	10/25/2007 9:11	10/31/2007 11:02		146	146		Vent Line on Circulator Piping Was Cut and Tripped Cooling Water Pumps	

Duke Kentucky
 Woodsdale Unit 1
 May 2007 through October 2007

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Forced	Actual	
May	No Outages > 6 Hrs					
Jun	No Outages > 6 Hrs					
Jul	No Outages > 6 Hrs					
Aug	No Outages > 6 Hrs					
Sep			9/20/2007 20:05	45	45	Control Oil Pump Failure
Oct	No Outages > 6 Hrs					

Duke Kentucky
 Woodsdale Unit 2
 May 2007 through October 2007

MONTH	MAINTENANCE		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE		
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Actual
May	No Outages > 6 Hrs				
Jun	No Outages > 6 Hrs				
Jul	No Outages > 6 Hrs				
Aug	No Outages > 6 Hrs				
Sep	No Outages > 6 Hrs				
Oct	No Outages > 6 Hrs				

Duke Kentucky
 Woodsdale Unit 3
 May 2007 through October 2007

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
May	No Outages > 6 Hrs				
Jun	-	-	6/27/2007 17:02	6/28/2007 15:51	23 23 Central Power Oil Setting Out of Limits
Jul	No Outages > 6 Hrs				
Aug	No Outages > 6 Hrs				
Sep	No Outages > 6 Hrs				
Oct	No Outages > 6 Hrs				

Duke Kentucky
 Woodsdale Unit 4
 May 2007 through October 2007

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	TO	Scheduled	Forced	Actual	
May	No Outages > 6 Hrs					
Jun	No Outages > 6 Hrs					
Jul	No Outages > 6 Hrs					
Aug	No Outages > 6 Hrs					
Sep	No Outages > 6 Hrs					
Oct	No Outages > 6 Hrs					

Duke Kentucky
 Wooddale Unit 5
 May 2007 through October 2007

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled	Actual	Scheduled	Forced	Actual	
	FROM	TO	FROM	TO		
May	No Outages > 6 Hrs					
Jun	No Outages > 6 Hrs					
Jul	No Outages > 6 Hrs					
Aug	No Outages > 6 Hrs					
Sep	No Outages > 6 Hrs					
Oct	No Outages > 6 Hrs					

Duke Kentucky
 Woodsdale Unit 6
 May 2007 through October 2007

MONTH	SCHEDULED		MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Forced	Actual	
May								No Outages > 6 Hrs
Jun								No Outages > 6 Hrs
Jul								No Outages > 6 Hrs
Aug								No Outages > 6 Hrs
Sep								No Outages > 6 Hrs
Oct								No Outages > 6 Hrs

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-006

REQUEST:

List all existing fuel contracts categorized as long-term (i.e., more than 1 year 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
- j. Total amount of price escalations to date
- k. Current price paid for coal under the contract (i + j)

RESPONSE:

1. MIAMI FORT 6:

- a. Supplier's name and address.

Arch Coal Sales Company, Inc.
CityPlace One, Suite 300
St. Louis, MO 63141

- b. Name and location of production facility.
Not specified.
- c. Date when contract was executed.
February 16, 2004.
- d. Duration of contract.
January 2005 – March 2008.
- e. Date(s) of each contract revision, modification or amendment.
March 4, 2005
March 29, 2005
March 26, 2006
- f. Annual tonnage requirements.
700,000 tons.
- g. Actual annual tonnage received since the contract's inception.

Arch Compliance	CC10144	CC10466	
	Nominal Tons	Total Ordered	Payment Tons Shipped Seller
Jan-05	58,333.33	60,000.00	60,602.98
Feb-05	58,333.33	60,000.00	51,335.65
Mar-05	58,333.33	60,000.00	48,077.46
Apr-05	58,333.33	60,000.00	33,535.99
May-05	58,333.33	60,000.00	47,503.01
Jun-05	58,333.33	60,000.00	46,752.73
Jul-05	58,333.33	60,000.00	98,581.19
Aug-05	58,333.33	60,000.00	64,807.87
Sep-05	58,333.33	60,000.00	50,066.42
Oct-05	58,333.33	45,000.00	41,699.60
Nov-05	58,333.33	45,000.00	58,083.37
Dec-05	58,333.33	75,000.00	61,050.87
	700,000.00	705,000.00	662,097.14

Jan-06	58,333.33	60,000.00	57,284.71
Feb-06	58,333.33	60,000.00	61,938.37
Mar-06	58,333.33	60,000.00	70,823.04
Apr-06	58,333.33	60,000.00	55,883.68
May-06	58,333.33	60,000.00	60,860.68
Jun-06	58,333.33	60,000.00	59,653.17
Jul-06	58,333.33	60,000.00	64,092.45
Aug-06	58,333.33	60,000.00	51,502.48
Sep-06	58,333.33	60,000.00	74,997.41
Oct-06	58,333.33	60,000.00	59,502.47
Nov-06	58,333.33	60,000.00	84,671.37
Dec-06	58,333.33	60,000.00	46,353.75
	700,000.00	720,000.00	747,563.58

LC00718

Jan-07	37,500.00	37,500.00	34,263.88
Feb-07	37,500.00	37,500.00	44,563.69
Mar-07	37,500.00	37,500.00	45,284.89
Apr-07	37,500.00	37,500.00	36,118.57
May-07	37,500.00	37,500.00	36,956.31
Jun-07	37,500.00	37,500.00	40,091.61
Jul-07	37,500.00	37,500.00	38,453.05
Aug-07	37,500.00	37,500.00	39,170.69
Sep-07	37,500.00	37,500.00	35,496.44
Oct-07	37,500.00	37,500.00	36,493.46
Nov-07	37,500.00	37,500.00	30,967.42
Dec-07	37,500.00	37,500.00	27,186.63
	450,000.00	450,000.00	445,046.64

LC00718B

Jan-07	20,833.33	20,833.33	22,159.80
Feb-07	20,833.33	20,833.33	22,768.00
Mar-07	20,833.33	20,833.33	22,486.80
Apr-07	20,833.33	20,833.33	20,445.60
May-07	20,833.33	20,833.33	20,417.60
Jun-07	20,833.33	20,833.33	19,761.80
Jul-07	20,833.33	20,833.33	20,765.40
Aug-07	20,833.33	20,833.33	19,768.40
Sep-07	20,833.33	20,833.33	20,007.87
Oct-07	20,833.33	20,833.33	22,024.10
Nov-07	20,833.33	20,833.33	21,942.00
Dec-07	20,833.33	20,833.33	19,341.80
	250,000.00	250,000.00	251,889.17

h. Percent of annual requirements received during the contract's term.

2005	-	94.6.5%
2006	-	106.8%
2007	-	Product A 101.8%
		Product B 98.9%

i. Base price.

2005	\$37.00/ton
2006	\$38.25/ton
2007	Product A \$34.50/ton
	Product B \$30.50/ton

j. Total amount of price escalations to date.

Fixed Pricing.

k. Current price paid for coal under the contract (i ÷ j).

See response to (i), above.

a. Supplier's name and address.

The American Coal Company
101 Prosperous Place, Suite 125
Lexington, KY 40509

b. Name and location of production facility.

Galatia Millennium Mine
Saline County, IL

c. Date when contract was executed.

June 27, 2005.

d. Duration of contract.

September 1, 2005 – August 31, 2015.

e. Date(s) of each contract revision, modification or amendment.

July 14, 2006.

f. Annual tonnage requirements.

300,000 tons.

g. Actual annual tonnage received since the contract's inception.

Galatia	MC10350			
		Nominal Tons	Tons Ordered	Payment Tons Shipped
		0.00	0.00	0.00
Jan-05		0.00	0.00	0.00
Feb-05		0.00	0.00	0.00
Mar-05		0.00	0.00	0.00
Apr-05		0.00	0.00	0.00
May-05		0.00	0.00	0.00
Jun-05		0.00	0.00	0.00
Jul-05		0.00	0.00	0.00
Aug-05		0.00	0.00	0.00
Sep-05		25,000.00	25,000.00	12,141.00
Oct-05		25,000.00	25,000.00	11,977.00
Nov-05		25,000.00	25,000.00	36,011.00
Dec-05		25,000.00	25,000.00	32,687.00
		100,000.00	100,000.00	92,816.00
Jan-06		25,000.00	25,000.00	23,998.00
Feb-06		25,000.00	25,000.00	37,775.40
Mar-06		25,000.00	25,000.00	27,078.40
Apr-06		25,000.00	25,000.00	48,856.50
May-06		25,000.00	25,000.00	26,577.60
Jun-06		25,000.00	25,000.00	13,720.90
Jul-06		25,000.00	25,000.00	17,994.50
Aug-06		25,000.00	25,000.00	16,656.30
Sep-06		25,000.00	25,000.00	3,575.90
Oct-06		25,000.00	25,000.00	13,611.80
Nov-06		25,000.00	25,000.00	29,747.50
Dec-06		25,000.00	25,000.00	32,411.50
		300,000.00	300,000.00	292,004.30

Jan-07	25,000.00	25,000.00	29,486.20
Feb-07	25,000.00	25,000.00	34,766.30
Mar-07	25,000.00	25,000.00	31,356.30
Apr-07	25,000.00	25,000.00	32,779.55
May-07	25,000.00	25,000.00	12,000.00
Jun-07	25,000.00	25,000.00	25,688.90
Jul-07	25,000.00	25,000.00	21,621.50
Aug-07	25,000.00	25,000.00	24,242.60
Sep-07	25,000.00	25,000.00	20,837.70
Oct-07	25,000.00	25,000.00	26,455.70
Nov-07	25,000.00	25,000.00	21,776.20
Dec-07	25,000.00	25,000.00	14,897.60

	300,000.00	300,000.00	295,908.55
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h.

Percent of annual requirements received during the contract's term.

2005	-	92.8%
2006	-	97.3%
2007	-	98.6%

i. Base price.

2005 \$37.05/ton

j. Total amount of price escalations to date.

9/1/2005 – 1/31/2006	\$37.96/ton
2/1/2006 – 7/31/2006	\$38.78/ton
8/1/2006 – 11/12/2006	\$40.87/ton
11/13/2006 – 12/31/2006	\$39.56/ton
1/1/2007 – 1/31/2007	\$40.01/ton
2/1/2007 – 7/31/2007	\$40.44/ton
8/1/2007 – 1/31/2008	\$40.52/ton

k. Current price paid for coal under the contract (i ÷ j).

See response to (j), above.

a. Supplier's name and address.

Cumberland Coal Resources, LP
C/O Foundation Energy Sales, Inc.
999 Corporate Blvd., Suite 300
Linthicum Heights, MD 21090

- b. Name and location of production facility.
Cumberland Mine
Greene County, PA
- c. Date when contract was executed.
March 1, 2005.
- d. Duration of contract.
January 1, 2006 – December 31, 2008.
- e. Date(s) of each contract revision, modification or amendment.
January 19, 2006
January 26, 2006
May 1, 2007
October 1, 2007
November 8, 2007
- f. Annual tonnage requirements.
600,000 tons in 2006
1,200,000 tons in 2007 and 2008
- g. Actual annual tonnage received since the contract's inception.

Cumberland	MC10367		
	Nominal Tons	Total Ordered	Payment Tons Shipped
Jan-06	39,048.52	39,048.52	34,746.03
Feb-06	16,666.67	16,666.67	20,949.23
Mar-06	16,666.67	16,666.67	20,686.60
Apr-06	16,666.67	16,666.67	29,960.28
May-06	16,666.67	16,666.67	0.00
Jun-06	16,666.67	16,666.67	20,570.27
Jul-06	16,666.67	16,666.67	20,307.67
Aug-06	16,666.67	16,666.67	10,126.26
Sep-06	16,666.67	16,666.67	10,115.00
Oct-06	16,666.67	16,666.67	29,320.31
Nov-06	16,666.67	16,666.67	19,605.06
Dec-06	16,666.67	16,666.67	6,018.37

	222,381.84	222,381.84	222,405.08
Jan-07	100,000.00	92,167.67	92,167.67
Feb-07	100,000.00	79,954.15	79,954.15
Mar-07	100,000.00	109,167.48	109,167.48
Apr-07	100,000.00	52,014.99	52,014.99
May-07	100,000.00	50,000.00	41,925.51
Jun-07	100,000.00	50,000.00	53,904.53
Jul-07	100,000.00	50,000.00	47,096.63
Aug-07	100,000.00	120,000.00	114,142.53
Sep-07	100,000.00	100,000.00	105,073.60
Oct-07	100,000.00	95,000.00	85,657.04
Nov-07	100,000.00	92,000.00	67,816.05
Dec-07	100,000.00	116,000.00	85,074.50
	1,200,000.00	1,006,304.29	933,994.68

h. Percent of annual requirements received during the contract's term.

2006 - 100.0%
2007 - 92.9%

i. Base price.

2006-2008 \$40.00/ton

j. Total amount of price escalations to date.

\$0.26/ton government imposition imposed 1/1/2007

k. Current price paid for coal under the contract (i ÷ j).

\$40.26/ton

2. EAST BEND:

a. Supplier's name and address.

Oxford Mining Company, Inc. (10199)

544 Chestnut Street
Coshocton, OH 43812

- b. Name and location of production facility.
Various Ohio Mines
- c. Date when contract was executed.
July 22, 2005
- d. Duration of contract.
December 31, 2009 (unless extended to 12/31/11)
- e. Date(s) of each contract revision, modification or amendment
July 6, 2006; August 13, 2007 (price re-opener)
- f. Annual tonnage requirements.
2006 = 500,000;
2007 = 1,000,000;
2008 = 600,000;
2009 = 600,000
- g. Actual tonnage received since the contract's inception.
2006 = 380,561;
2007 = 1,004,037
- h. Percentage of annual requirements received during contract's term.
2006 = 76%;
2007 = 1.004%
- i. Base price.
2006 = \$33.50;
2007 = \$34.25
- j. Total amount of price escalations to date.
4th Qtr 2006 = 2.466;
4th Qtr 2007 = \$2.877

k. Current price paid for coal under contract (i/j)

4th Qtr 2006 \$35.966;
4th Qtr 2007 = \$37.127

a. Supplier's name and address

CoalSales, LLC (10451)
701 Market Street
St. Louis, MO 63101

b. Name and location of production facility

Arclar Coal Company
Saline or Gallatin Counties, Illinois

c. Date when contract executed

December 29, 2005

d. Duration of contract.

December 31, 2008

e. Date(s) of each contract revision, modification or amendment.

none

f. Annual tonnage requirements.

2006 = 700,000;
2007 = 700,000;
2008 = 300,000

g. Actual annual tonnage received since the contract's inception.

2006 = 675,459
2007 = 659,572

h. Percent of annual requirements received during the contract's term.

2006 = 96%;
2007 = 94%

- i. Base price.
2006 = \$37.50;
2007 = \$38.44

- j. Total amount of price escalations to date.
2006 4Q = \$3.75;
2007 4Q = \$3.98

- k. Current price paid for coal under contract
2006 = \$41.25;
2007 4Q = \$42.42

3. WOODSDALE

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: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
John D. Swez (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-007

REQUEST:

- a. Does Duke Kentucky regularly compare the price of its coal purchases with 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.
 - (2) The utilities that are included in this comparison and their location.

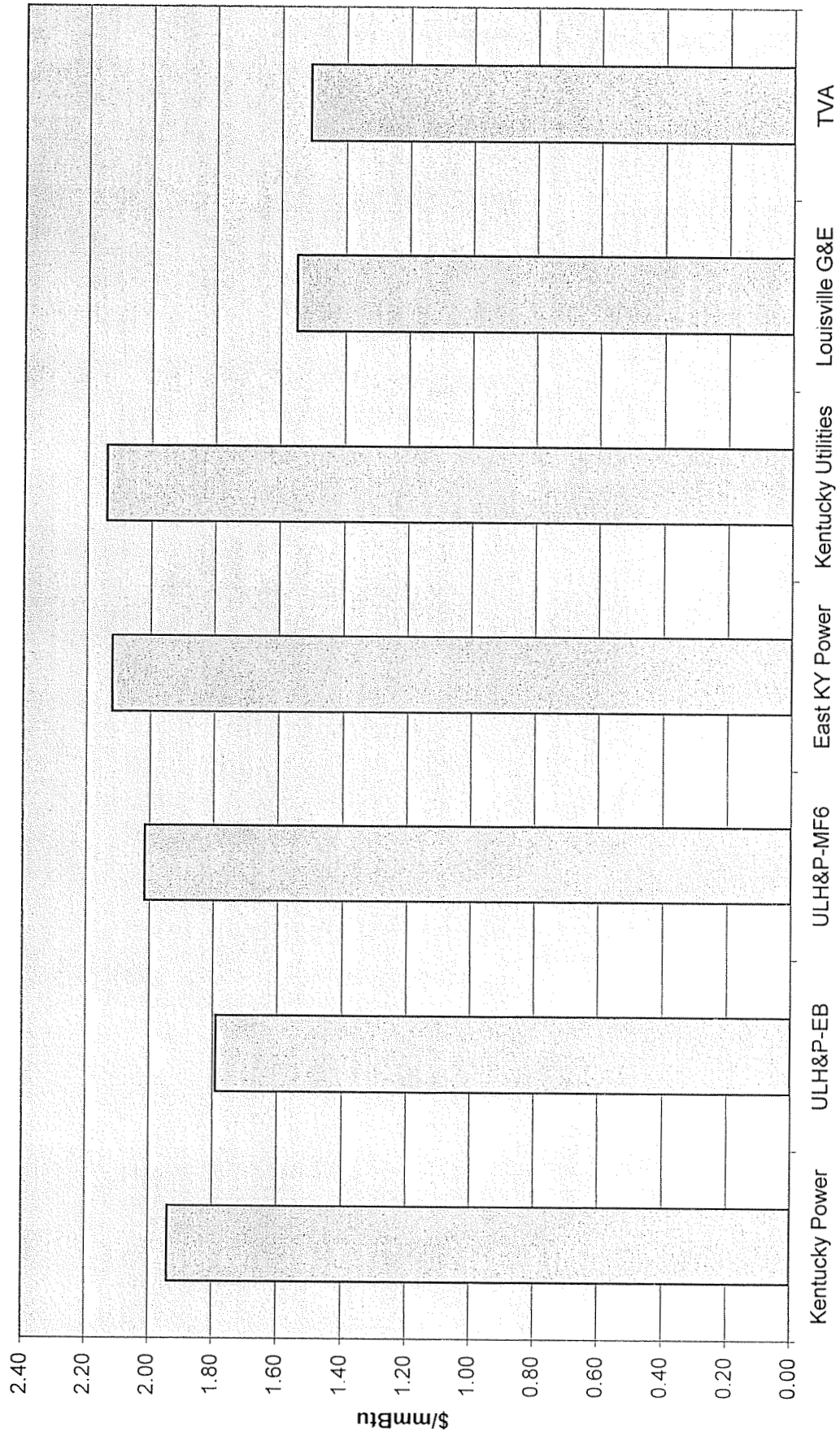
RESPONSE:

Please see Attachment STAFF-DR-01-007, Chart Labeled: "ULH&P Delivered Coal Cost vs Peer Companies – Oct 2007 YTD."

PERSON RESPONSIBLE: Vincent E. Stroud

ULH&P Delivered Coal Cost vs Peer Companies - Oct 2007 YTD

(\$/mmBtu - Source: FERC 423)



Duke Energy Kentucky Coal Cost vs Other Utilities in Kentucky - Oct 2007 YTD (Source FERC Form 423)

<u>Utility</u>	<u>\$/mmBtu</u>
Kentucky Power	1.94
ULH&P-EB	1.79
ULH&P-MF6	2.02
East KY Power	2.12
Kentucky Utilities	2.14
Louisville G&E	1.55
TVA	1.51

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-008

REQUEST:

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

- a. rail
- b. truck
- c. barge

RESPONSE:

1. MIAM FORT 6 :

- a. 0%
- b. 0%
- c. 100%

2. EAST BEND

- a. 0%
- b. 0%
- c. 100%

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-009

REQUEST:

- a. State Duke Kentucky's coal inventory level in tons and in number of days' supply as of October 31, 2007.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare Duke Kentucky's coal inventory as of October 31, 2007 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e. (1) Does Duke Kentucky expect 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:

East Bend

- a. As of October 31, 2007 total inventory at East Bend was 378,237 tons or 58 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 = 25 days
- d. The actual October 31, 2007 daily coal inventory exceeded target inventory due to continuing shipments of coal during East Bend's scheduled outage March 31, to May 20, 2007 when there was no consumption of coal at the plant. Coal deliveries continued during that period to maximize the synfuel production in order to minimize fuel expense to the ratepayers.
- e. 1. Yes,
2. A planned reduction of about 10 (or more) days, to start bringing inventories more in line with the target inventories.

MIAMI FORT 6:

- a. As of 10/31/2007, MF Unit 6 inventory level was 52,968.84 tons. The MF Unit 6 maximum daily burn is reported from the operator to be 1968.7 tons/day. Based on this number, the number of days burn would be recorded as 26.91 days.
- b. Station management has evaluated past historical events that prevented coal from being delivered to the station by the river. Those events include lock outages, river conditions (ice, river levels, etc.), and coal mine issues. The Station management has also evaluated the economics for creating and maintaining a specific quantity for inventory including the affect of taxes. From the past history and the economics, the Station has determined that a 21-day supply based on a 1,986.7 Tons/day Full load burn is the most economical with low risk for Unit 6's coal inventory.
- c. There is no set target inventory. Instead we manage the inventory to be within a 20 to 30-day supply. Based on the maximum daily burn, this would put the 20-30 day range at 39,374 tons (20 day) to 59,061 tons (30 day).
- d. N/A
- e. No.

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6) ,
Vincent E. Stroud (East Bend) .

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-010

REQUEST:

- a. Has Duke Kentucky audited any of its coal contracts during the period from May 1, 2007 through October 31, 2007?
- b. If yes, for each audited contract:
 - (1) Identify the contract.
 - (2) Identify the auditor.
 - (3) State the results of the audit.
 - (4) Describe the actions that Duke Kentucky took as a result of the audit.

RESPONSE:

MIAMI FORT 6 AND EAST BEND:

- a. No. Duke Energy Kentucky has not conducted any financial audits of coal companies. The current contracts are a combination of fixed price and/or index priced contracts and are not subject to price escalations that would require recurring audits. The Company has the contractual right to conduct scheduled on-site reviews and inspections of the mining operations and sampling systems of each vendor as necessary and may also conduct unscheduled visits. Additionally, Company employees may visit a vendor as needed to address problems and issues at any time.
- b. Not applicable.

WOODSDALE:

- a. N/A

PERSON RESPONSIBLE: Vincent E. Stroud (Miami Fort 6 and East Bend)
John D. Swez (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-011

REQUEST:

- a. Has Duke Kentucky received any customer complaints regarding its FAC during the period from May 1, 2007 through October 31, 2007?
- b. If yes, for each complaint, state:
 - (1) The nature of the complaint.
 - (2) Duke Kentucky's response.

RESPONSE:

- a. Yes. There were 2.
- b. (1) Both customer complaints were regarding the increase in the electric charges for the month of July.
 - (2) Contact was made with both customers. It was explained that the FAC for the current billing period was 1.5813 ¢/per kWh as opposed to 0.4052 ¢/per kWh for the previous billing period. It was explained that this charge was computed on a monthly basis. This information was also explained in the previous contact with the Company. In the case of the second complaint, this customer was provided with the tariff sheet No. 80 Fuel Adjustment Clause. He was also provided information on the Duke Energy Power Manager program that was discussed.

In both complaints, the customers contacted the Commission about the increase in the cost of the electric in July 2007.

PERSON RESPONSIBLE: Cynthia M. Givens

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-012

REQUEST:

- a. Is Duke Kentucky 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.
 - (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:

1. MIAMI FORT 6:

- a. No.
- b. N/A
- c. N/A

2. EAST BEND:

- a. No
- b. N/A
- c. N/A

3. WOODSDALE:

- a. N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
John D. Swez (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-013

REQUEST:

- a. During the period from May 1, 2007 through October 31, 2007, 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.
 - (4) Explain why the changes were made.

RESPONSE:

MAIMI FORT 6, EAST BEND, WOODSDALE:

- a. No
- b. N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
Michael J. Vorderbrueggen (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-014

REQUEST:

- a. Is Duke Kentucky aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from May 1, 2007 through October 31, 2007?
- b. If yes, for each violation:
 - (1) Describe the violation.
 - (2) Describe the action(s) that Duke Kentucky took upon discovering the violation.
 - (3) Identify the person(s) who committed the violation.

RESPONSE:

1. MIAMI FORT 6:

- a. No.
- b. N/A

2. EAST BEND:

- a. No
- b. N/A

3. WOODSDALE:

- a. No
- b. N/A

PERSON RESPONSIBLE: Ryan D Gentile (Miami Fort 6)
Vincent E. Stroud (East Bend)
Michael J. Vorderbrueggen (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-015

REQUEST:

Identify and explain the reasons for all changes that occurred during the period from May 1, 2007 through October 31, 2007 in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities.

RESPONSE:

EAST BEND:

On June 1, 2007, Ms. Kim Lubrecht was promoted to another department and Ms. Rebecca Step replaced her as Manager, Coal Origination reporting to Mr. Elliott Batson.

MIAMI FORT 6:

No

WOODSDALE:

No

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
John D. Swez (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-016

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:

MIAMI FORT 6:

- a. None.
- b. N/A

EAST BEND:

- a. East Bend experienced a minor HP turbine flow restriction that required slight over-pressure operation in order to achieve full load.
- b. The over-pressure operation increased fuel usage by approximately 1.5%. This will be corrected in the next scheduled maintenance outage.

WOODSDALE:

- a. None
- b. N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
Michael J. Vorderbrueggen (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-017

REQUEST:

List each written coal supply solicitation issued during the period from May 1, 2007 through October 31, 2007.

- 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.

RESPONSE:

MAIMI FORT 6 AND EAST BEND:

- a. No written solicitations were issued during the period May 1, 2007 through October 31, 2007.
- b. N/A

WOODSDALE:

N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
Michael J. Vorderbrueggen (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-018

REQUEST:

List each oral coal supply solicitation issued during the period from May 1, 2007 through October 31, 2007.

- 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.

RESPONSE:

MIAMI FORT 6 AND EAST BEND:

- a. No oral solicitations were issued during the period May 1, 2007 through October 31, 2007.
- b. N/A

WOODSDALE:

N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
Michael J. Vorderbrueggen (Woodsdale)

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-019

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.
 - (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 the Midwest Independent System Operator, Inc. ("MISO"). These sales are made at the generating station; consequently, no third party transmission was used.
- b. Not applicable.

PERSON RESPONSIBLE: William Don Wathen Jr.

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-020

REQUEST:

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

RESPONSE:

Not applicable. See response to KyStaff-DR-01-019.

PERSON RESPONSIBLE: William Don Wathen Jr.

KyPSC Staff First Set Data Requests
Duke Energy Kentucky Case No. 2007-00526
Date Received: January 23, 2008
Response Due Date: February 13, 2008

KyPSC-DR-01-021

REQUEST:

Provide the number of Duke Kentucky's coal purchase contracts which included transportation costs and those that did not during the period May 1, 2007 through October 31, 2007.

- a. Explain how it is determined whether or not transportation costs will be included in the coal purchase contract.
- b. When transportation is contracted for separately from the coal contract, does Duke Kentucky issue requests for proposals ("RFP") for this service?
 - (1) If yes, how often does this occur, how many vendors are included in the RFP and how is it determined which vendors will receive the RFP?
 - (2) If no, explain why an RFP is not issued.
- c. Does Duke Kentucky use or contract with any related parties for transportation of its coal purchases? If yes, provide the name of the related party and nature of the relationship, the period of time it has contracted with the party and copies of any contracts with the related party if not previously filed with the Commission.

RESPONSE:

1. MIAMI FORT 6:

- a. Coal purchased by DEO for Miami Fort unit 6 is a purchased fob barge because barge transportation is the economical method to move coal to the station. We contract with a single barging provider to deliver all of the coal into Miami Fort Station. We do not currently take any coal into the plant by rail car or truck.
- b. Yes for Miami Fort 6. We tend to do long term barge agreements because of the long lead times required to get the barges, towboats, etc. available. Typical contracts are 7 to 10 years in length. There are perhaps a half dozen barging suppliers with the equipment and finances to do our business.
- c. No.

2. EAST BEND:

Number of Coal Contracts with Transportation Costs included: 0

Number of Coal Contracts without Transportation Costs included: 2 ; each coal contract is fob barge.

- a. Duke Energy Kentucky has a long term transportation contract with Crouse Corp which is effective January 1, 2005 to December 31, 2012, therefore coal is purchased fob barge.
- b. Yes,
 1. Because the Crouse Corp Contract is still in effect during 2007, no RFP were prepared for transportation. Transportation vendors would be selected from the available barge carriers that could potentially serve East Bend Station.
 2. No transportation RFP was issued due to barge transportation already in place with Crouse Corp.
- c. No

3. WOODSDALE:

N/A

PERSON RESPONSIBLE: Ryan D. Gentil (Miami Fort 6)
Vincent E. Stroud (East Bend)
John D. Swez (Woodsdale)