#### DUKE ENERGY CORPORATION



139 East Fourth Street 1212 Main Cincinnati, OH 45201-0960 Telephone. (513) 287-4315 Facsimile (513) 287-4385

Kristen Cocanougher Sr. Paralegal E-mail: Kristen cocanougher@duke-energy com

# **VIA OVERNIGHT DELIVERY**

October 11, 2011

Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615 RECEIVED

OCT 12 2011

PUBLIC SERVICE COMMISSION

Re: Case No. 2011-00249

An Examination of the Application of The Fuel Adjustment Clause of Duke Energy Kentucky, Inc from November 1, 2010 through April 30, 2011

Dear Mr. Derouen:

Enclosed please find the **original** copy of the verification page of Elliott Batson, Jr. which should be attached to the *Revised Response of Duke Energy Kentucky, Inc. to Staff's Data Request Number 01-008* that was filed in the above-captioned matter on October 7, 2011.

Should you have any questions, please feel free to contact me.

Sincerely,

Kristen Cocanougher

cc: Dennis Howard (w/enclosures)
Mark David Goss (w/enclosures)

Cocanougher/lep

# **VERIFICATION**

State of North Carolina	)	
	)	SS
County of Mecklenburg	)	

The undersigned, Elliott Batson, Jr., being duly sworn, deposes and says that he is the Vice President, Regulated Fuels, that he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.

Elliott Batson, Jr., Affiant

Subscribed and sworn to before me by <u>Elliott Batson</u>, <u>Jr.</u> on this <u>7th</u> day of October 2011.

NOTARY PUBLIC

My Commission Expires: 06/17/2012

Duke Energy Kentucky Case No. 2011-00249 Staff First Set Data Requests Date Received: August 23, 2011

### STAFF-DR-01-008 REVISED

# **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. Suppliers's name and address;
- b. Name and location of production facility;
- c. Data when contract was executed;
- d. Duration of contract;
- e. Date(s) of each contract revision, medication or amendment;
- f. Annual tonnage requirements;
- g. Actual annual tonnage received since the contract's inception;
- h. Percentage of annual requirements received during the contract's term;
- i. Base price in dollars per ton;
- i. 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:**

### **East Bend**

- a. Oxford Mining Company, Inc. (10199) 544 Chestnut Street Coshocton, OH 43812
- b. Various Ohio Mines
- c. July 22, 2005
- d. April 30, 2011
- e. January 1, 2009, January 18, 2011
- f. 2006 = 500,000; 2007 = 1,000,000; 2008 = 600,000; 2009 = 480,000; 2010 = 496,447.

- g. 2006 = 380,561; 2007 = 1,004,037; 2008 = 426,048; 2009 = 478,427; 2010 = 470,719; 2011 YTD Apr 30 = 23,949.
- h. 2006 = 76%; 2007 = 100.4%; 2008 = 64%; 2009 = 99.7%; 2010 = 94.8%; 2011 = 99.6%
- i. 2006 = \$33.50; 2007 = \$34.25; 2008 = \$32.16; 2009 = \$34.41; 2010 Apr 2011= \$35.20
- j. 4th Qtr 2006 = 2.466;  $4^{th}$  Qtr 2007 = \$2.877;  $3^{rd}$  Qtr 2008 = \$7.545  $4^{th}$  Qtr 2008 (\$.647);  $1^{st}$  Qtr 2009 = \$1.861;  $2^{nd}$  Qtr 2009 = (\$0.094);  $3^{rd}$  Qtr 2009 = \$0.92;  $4^{th}$  Qtr 2009 = \$1.704;  $1^{st}$  Qtr 2010 = \$2.496;  $2^{nd}$  Qtr 2010 = \$2.553,  $3^{rd}$  Qtr 2010 = \$2.921,  $4^{th}$  Qtr Apr 2011 = \$2.75.
- k.  $4^{th} \text{ Qtr } 2006 = \$35.966; 4^{th} \text{ Qtr } 2007 = \$37.127; 3^{rd} \text{ Qtr } 2008 = \$39.705; 4^{th} \text{ Qtr } 2008 = \$39.709; 1^{st} \text{ Qtr } 2009 = \$36.271; 2^{nd} \text{ Qtr } 2009 = \$34.316; 3^{rd} \text{ Qtr } 2009 = \$35.33; 4^{th} \text{ Qtr } 2009 = \$36.114; 1^{st} \text{ Qtr } 2010 = \$37.696; 2^{nd} \text{ Qtr } 2010 = 37.753 3^{rd} \text{ Qtr } 2010 = 38.121, 4^{th} \text{ Qtr } 2010 \text{Apr } 2011 = 37.95$
- a. Knight Hawk Coal, LLC (10069) 500 Cutler-Trico Road Percy, Il. 63372
- b. Prairie Eagle Mine, Perry County, Il.
- c. October 6, 2008
- d. December 31, 2010
- e. N/A
- f. 2009 = 300,000; 2010 = 300,000
- g. 2009 = 303,409; 2010 = 295,394.
- h. 2009 = 100.1%; 2010 = 98.5%

- i. \$46.00
- j.  $2009 \ 1^{st} \ Qtr = (\$0.85); \ 2^{nd} \ Qtr = (\$2.30); \ 3^{rd} \ Qtr = (\$1.84); \ 4^{th} \ Qtr = (\$1.52)$  $2010 \ 1^{st} \ Qtr = (\$1.19); \ 2^{nd} \ Qtr = (\$0.98); \ 3^{rd} \ Qtr = (\$0.74); \ 4^{th} \ Qtr \ (\$0.86)$
- k.  $2009 \ 1^{st} \ Qtr = \$45.15; \ 2^{nd} \ Qtr = \$43.70; \ 3^{rd} \ Qtr = \$44.16; \ 4^{th} \ Qtr \ \$44.48$  $2010 \ 1^{st} \ Qtr = \$44.81; \ 2^{nd} \ Qtr = 45.04; \ 3^{rd} \ Qtr \ \$45.26, \ 4^{th} \ Qtr = \$45.14$
- a. Patriot Coal Sales, LLC (10049)
  12312 Olive Boulevard
  Suite 400

St. Louis, MO 63141

- b. Highland Mine, Union County, KY
- c. December 31, 2008
- d. March 31, 2011
- e. N/A
- f. 2009 = 300,000; 2010 = 343,570
- g. 2009 = 256,430, 2010 = 336,558, 2011 Apr 30 = 6,674
- h. 2009 = 85.4%; 2010 = 98.0%; 2011 Apr 30 = 100%
- i. \$48.00
- j.  $2009 \ 2^{nd} \ Qtr = (\$0.899); \ 3^{rd} \ Qtr = (\$0.071); \ 4^{th} \ Qtr = (\$0.205)$  $2010^{1st} \ Qtr = \$1.935; \ 2^{nd} \ Qtr = \$2.662; \ 3^{rd} \ Qtr = \$3.198; \ 4^{th} \ Qtr - Apr \ 30, \ 2011 = \$3.084$
- k.  $2009 \ 2^{nd} \ Qtr = \$47.101; \ 3^{rd} \ Qtr = \$47.30; \ 4^{th} \ Qtr = \$47.795$   $2010 \ 1^{st} \ Qtr = \$49.935; \ 2^{nd} \ Qtr = \$50.662; \ 3^{rd} \ Qtr = \$51.198; \ 4^{th} \ Qtr - Apr$ 2011 = \$51.084

#### Charolais Coal Co (HC 10053) a.

**Suite 3650** 

101 South Fifth Street

Louisville, KY 40202

- Charolais Coal Company, Muhlenberg, Hopkins and Webster Counties, Kentucky b.
- September 5, 2007 c.
- d. January 1, 2008 to December 31, 2012
- Amendment 1 = March 1, 2008; Amendment 2 = March 17, 2008; Amendment 3 e. = July 15, 2008
- f. 2008 = 287,047; 2009 = 100,000; 2010 = 200,000; 2011 = 223,677
- 2008 = 287,048; 2009 = 100,142; 2010 = 176,324; 2011 YTD = 76,851 g.
- 2008 = 100%; 2009 = 100%; 2010 = 88.2%; 2011 YTD = 103.2% h.
- i. 2008 = \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011 = \$32.70
- j. None
- 2008 = \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011 = \$32.70k.

#### SMCC AGF Resources Sales, Inc. (10116) a.

921 Cogdill Road

Suite 301

**KNOXVILLE, TN 37932** 

- Allied Resources, Webster County, KY b.
- c. June 24, 2009
- d. December 31, 2011
- N/A e.
- f. 2009 = 150,000; 2010 = 300,000; 2011 = 289,306
- 2009 = 151,158; 2010 = 310,694; 2011 YTD 4/30 = 126,648 g.
- 2009 = 100.8%; 2010 = 103.6 %; 2011 YTD 4/30 = 131.3% h.
- i.  $2009 = \$51.00; \ 2010 - 2011 = \$53.00$

- j. None
- 1. 2009 = \$51.00; 2010 2011 = \$53.00
- a. Patriot Coal Sales LLC (10136) 12312 Olive Blvd St. Louis, Missouri 63141
- b. Blue Grass Complex, Blue Grass, KY
- c. November 19, 2010
- d. December 31, 2012
- e. N/A
- f. 325,000
- g. 2011 YTD 4/30 = 90,714
- h. 2011 YTD 4/30 = 83.7%
- i. 2011 = \$42.00; 2012 = \$45.00
- j. None
- k. 2011 = \$42.00; 2012 = \$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. December 31, 2012
- e. N/A
- f. 250,000

- g. 2011 YTD 4/30 = 65,432
- h. 2011 YTD 4/30 = 104.7%
- i. 2011 = \$44.00; 2012 = \$46.50
- j. None
- k. 2011 = \$44.00; 2012 = \$46.50
- a. Rhino Energy, LLC 423 Lewis Hargett Circle Suite 250 Lexington, KY 40503
- b. Sands Hill Mine, Sands Hill, OH
- c. September 1, 2010
- d. December 31, 2012
- e. N/A
- f. 180,000
- g. 2011 YTD 4/30 = 36,289
- h. 2011 YTD 4/30 = 80.6%
- i. 2011 = \$46.00; 2012 = \$49.00
- j. None
- k. 2011 = \$46.00; 2012 = \$49.00
- a. River View Coal, LLC (HC10135/HC10146)
- b. 1717 South Boulder Ave. Suite 400
- c. Tulsa, OK 74119
- d. River View Mine, Union County, KY

- e. January 1, 2011
- f. December 31, 2013
- g. NA
- h. 220,000
- i. 2011 YTD 4/30 = 62,150
- j. 2011 YTD 4/30 = 85%
- k. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25
- j. None
- k. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25

## **MIAMI FORT #6:**

- a. American Coal Company (10350)
  - 101 Prosperous Place Suite 125 Lexington, KY 40509
- b. Galatia Mine, Ill.
- c. June 25, 2005
- d. August 31, 2015
- e. July 14, 2006 June 1, 2008 December 31, 2009 July 20, 2010
- f. 2005 = 100,000; 2006 = 300,000; 2007 = 300,000; 2008 = 300,000; 2009 = 300,000; 2010 = 281,684; 2011 = 322,000
- g. 2005 = 92,816; 2006 = 292,004; 2007 = 295,509; 2008 = 282,250; 2009 = 318,316; 2010 = 247,780; 2011 YTD 4/30 = 152,316
- h. 2005 = 92.8%; 2006 = 97.3%; 2007 = 98.6%; 2008 = 94.1%; 2009 = 106.1% 2010 = 88%; 2011 YTD 4/30 = 142.0%
- i. \$37.05; June 1, 2008 amendment \$56.00

- \* On 7/1/2010, Duke Energy Kentucky took over the fuel buying responsibility of Miami Fort #6 from Duke Energy Ohio. All historical data prior to this date, was provided by Duke Energy Ohio.
- a. Patriot Coal Sales (03241)
  12312 Olive Boulevard, Suite 400
  St. Louis, MO 63141
- b. Dodge Hill Mine, Union KY
- c. December 23, 2009
- d. December 31, 2010
- e. N/A
- f. 150,000
- g. 2010 =146,222
- h. 97.5 %
- i. \$53.00
- j. \$0.00
- k. \$53.00

## Woodsdale:

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:

East Bend 2: Elliott Batson, Jr.

Miami Fort 6: Elliott Batson, Jr.

Woodsdale: John Swez