



Mailing Address:
139 East Fourth Street
1212 Main / P.O. Box 960
Cincinnati, Ohio 45202
o: 513-287-4315
f: 513-287-4386

VIA OVERNIGHT DELIVERY

February 27, 2014

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

RECEIVED

FEB 28 2014

**PUBLIC SERVICE
COMMISSION**

**Re: Case No. 2013-00448
In the Matter of An Examination of the Application of the Fuel Adjustment
Clause of Duke Energy Kentucky, Inc. from May 1, 2013 through October 31,
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 and Petition for Confidential Treatment in the above captioned case. Also enclosed in the white envelope is one set of the confidential responses being filed under seal.

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

Sincerely,

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

cc: Dennis Howard (w/enclosures)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
FEB 28 2014
PUBLIC SERVICE
COMMISSION

In the Matter of:

An Examination of the Application) Case No. 2013-448
Of the Fuel Adjustment Clause of Duke Energy)
Kentucky, Inc. from May 1, 2013 through)
October 31, 2013.)

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN ITS
RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its responses to Data Request Nos. 19 and 20, as requested by Commission Staff (Staff) in this case on February 7, 2014. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) show the Company's coal bid analysis and tabulation sheets.¹

The sensitive information contained in response to Data Request Nos. 19 and 20 includes solicitations for bids and tabulations for several coal vendors that responded to a coal solicitation. Releasing this information would give those vendors access to each other's costs, which would act to the detriment of Duke Energy Kentucky and its customers in the future as vendors would know how competing suppliers price their commodities.

¹ Data Request Nos. 19 and 20.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Disclosure of the factors underlying Duke Energy Kentucky's bid analysis/selection process (Nos. 19 and 20) would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information requested in Nos. 19 and 20, potential bidders could manipulate the bid solicitation process to the detriment of Duke Energy Kentucky and its ratepayers by tailoring bids to correspond to and comport with Duke Energy Kentucky's bidding criteria and process.

3. The information in Nos. 19 and 20 was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information in these responses is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

4. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement,

the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. The Commission has treated the same information described herein as confidential in other utilities' responses to the same data requests such as Kentucky Utilities,² Louisville Gas and Electric Company,³ as well as for Duke Energy Kentucky.⁴

6. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

7. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and ten (10) copies without the confidential information included.

8. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

9. To the extent the Confidential information becomes generally available to the

² Case No. 2012-552, Order granting confidential treatment, May 14, 2013.

³ Case No. 2012-553, Order granting confidential treatment, May 16, 2013.

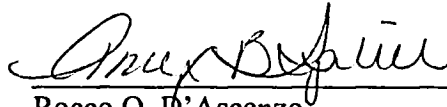
⁴ Case No. 2012-554, Order granting confidential treatment, August 27, 2013.

public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, Duke Energy Kentucky, Inc., respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco O. D'Ascenzo
Associate General Counsel
Amy B. Spiller
Deputy General Counsel
Duke Energy Business Services, LLC
139 East Fourth Street, 1303 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4359
Fax: (513) 287-4385
e-mail: rocco.d'ascenzo@duke-energy.com

Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via overnight mail, postage prepaid, this 27th day of February 2014:

Dennis G. Howard II
Assistant Attorney General
The Kentucky Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602-2000


Amy B. Spiller

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.

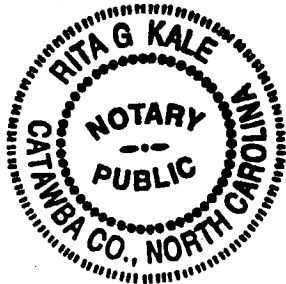


John D. Swez, Affiant

Subscribed and sworn to before me by John D. Swez on this 18 day of February, 2014.



NOTARY PUBLIC

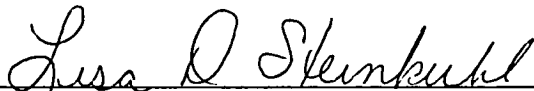


My Commission Expires: 6/17/2017

VERIFICATION


STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Lisa D. Steinkuhl, Rates and Regulatory Strategy Manager, 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 20th day of February, 2014.



NOTARY PUBLIC

My Commission Expires:

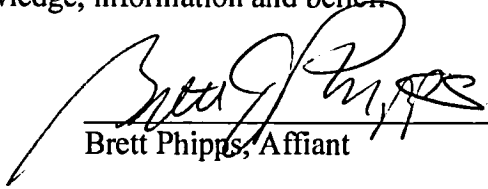


ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

VERIFICATION

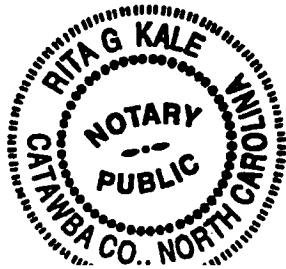
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

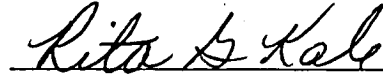
The undersigned, Brett Phipps, Director of Fuel Procurement, Fuels & Systems Optimization, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge,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



Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 17 day of February, 2014.





NOTARY PUBLIC

My Commission Expires: 6/17/17

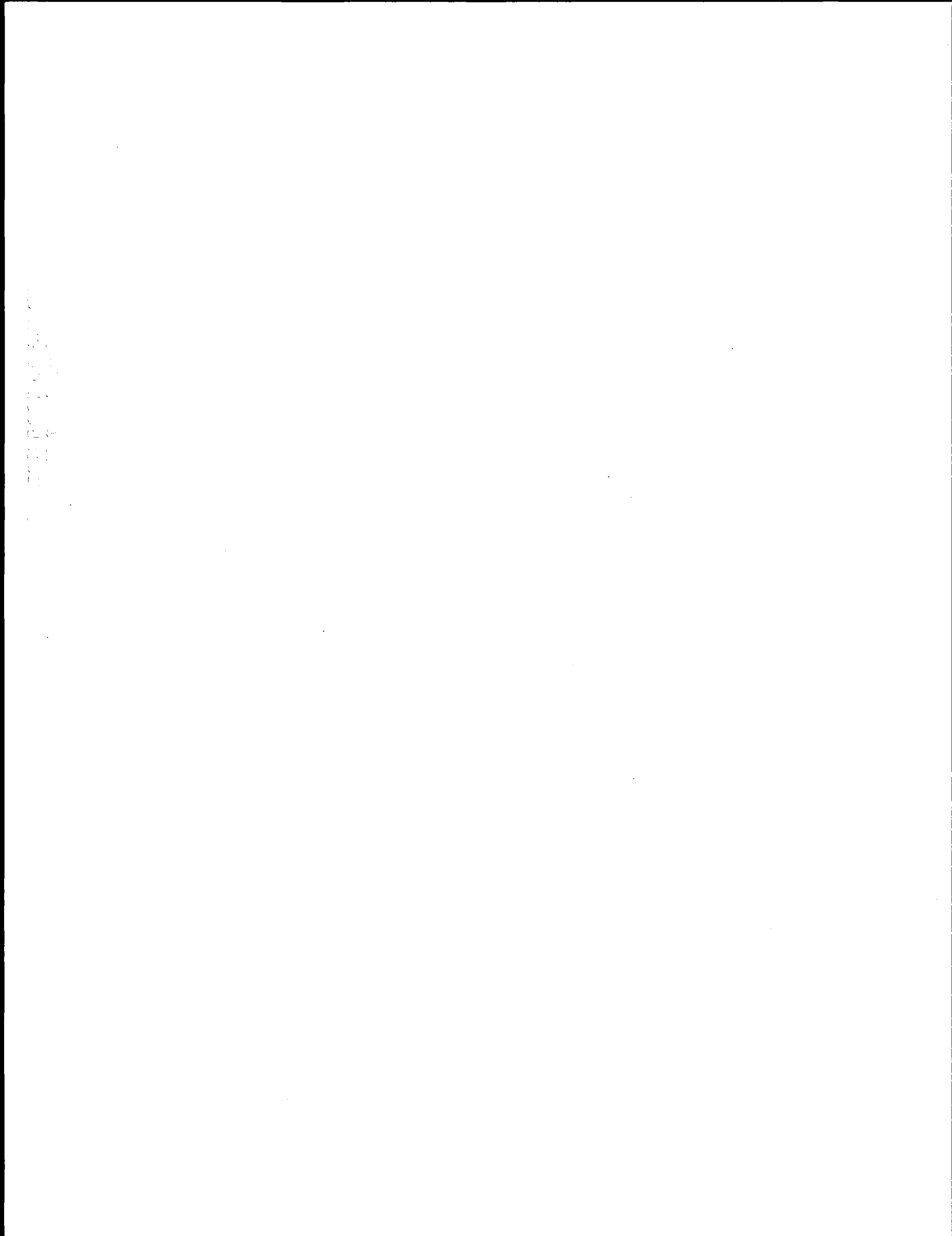
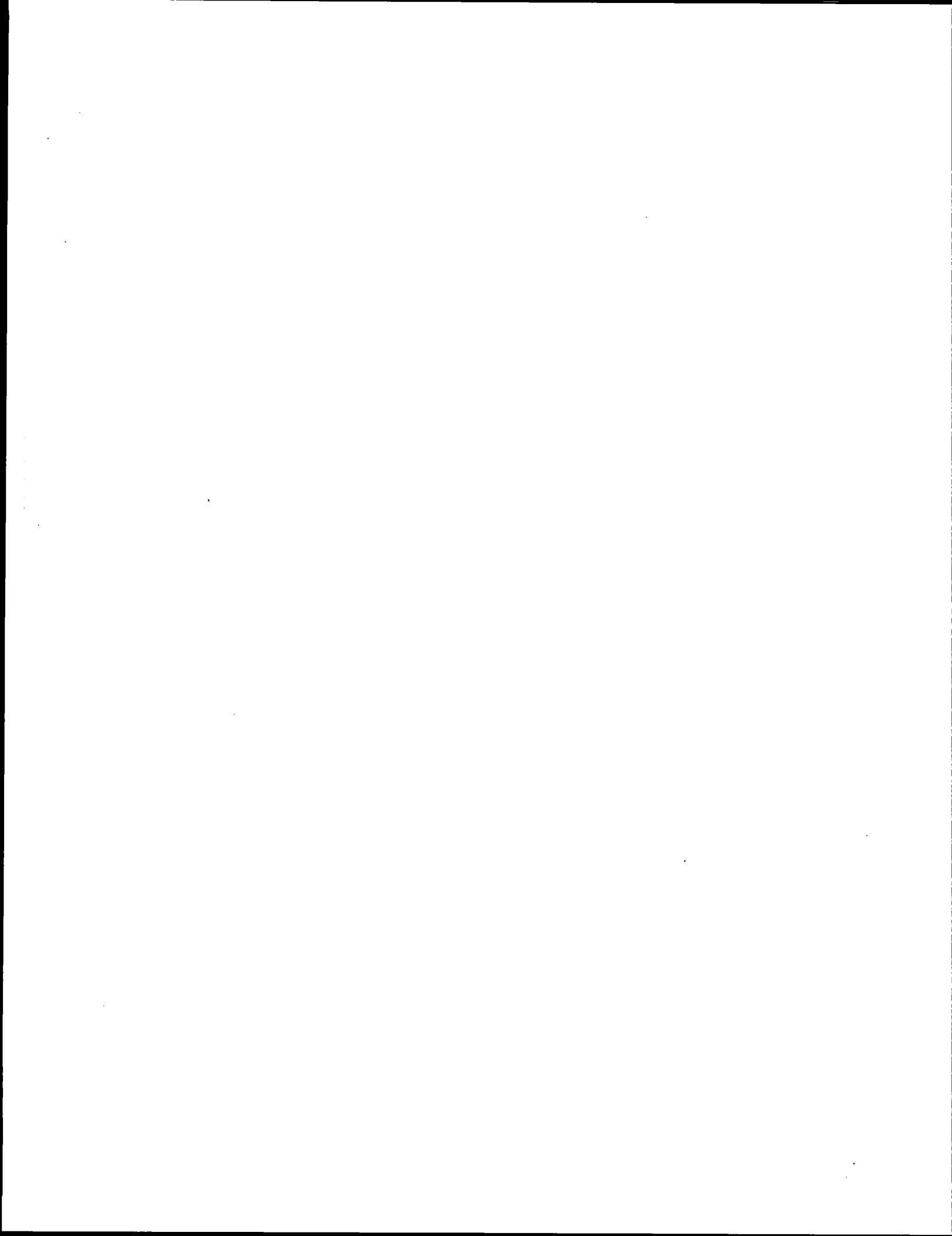


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**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-001

REQUEST:

For the period from May 1, 2013, through October 31, 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:

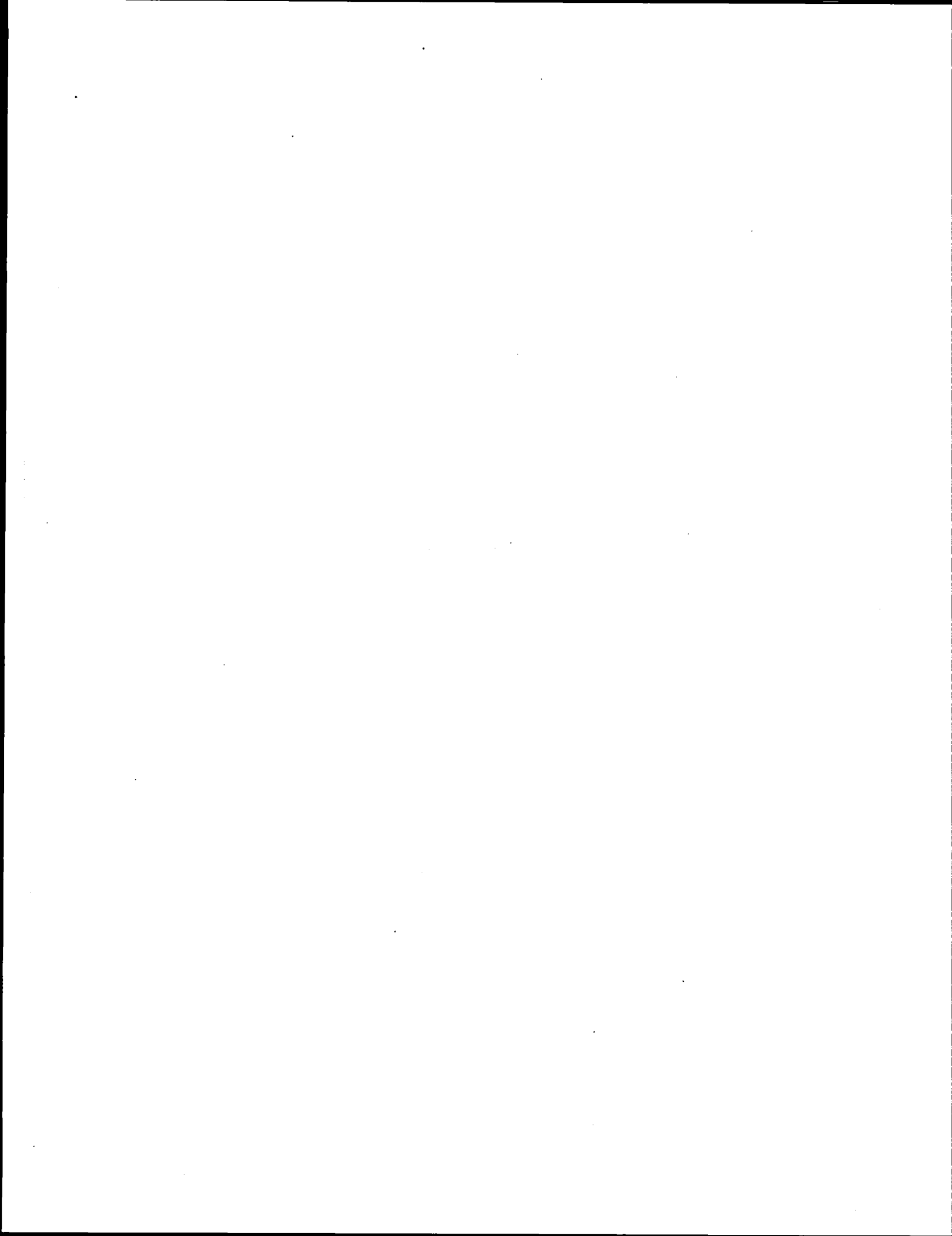
Please see Staff-DR-01-001 Attachment.

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	74,494	Contract	HC10146	3/17/2011	
American Coal Co C	164,819	Spot			*
Charolais	3,393	Contract	HC10053	12/31/2007	
Foresight Coal Sales, LLC	131,632	Contract	HC10162	9/30/2011	
Foresight Coal Sales, LLC	29,088	Contract	28584	10/11/2013	
Patriot Coal Sales	58,642	Contract	HC10136	3/17/2011	
Patriot Coal Sales	22,520	Contract	HC10137	3/17/2011	
Patriot Coal Sales	12,720	Contract	HC10148	6/3/2011	
Patriot Coal Sales	42,927	Spot			*
Peabody Coal Sales LLC	199,440	Contract	28362	8/21/2013	
River View	247,961	Contract	28376	1/2/2013	
SMCC AGF Resource Sales	142,871	Contract	HC10116	6/3/2011	
SM&J, Inc.	35,360	Spot			*
	<u>1,165,867</u>				
	79.15%	Contract			
	20.85%	Spot			

* Spot Contracts are not filed with the Commission



Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014

STAFF-DR-01-002

REQUEST:

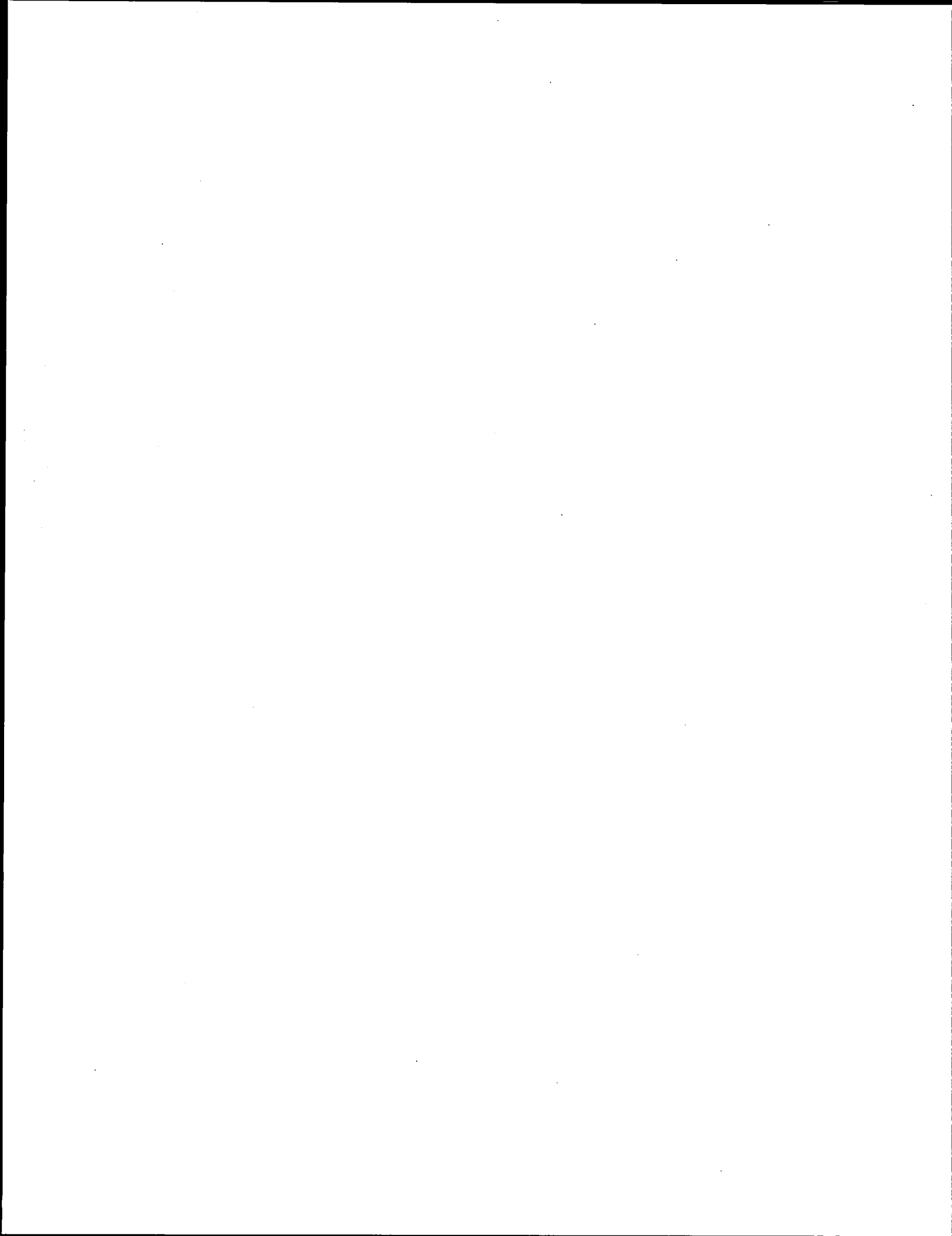
For the period from May 1, 2013, through October 31, 2013, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE:

All purchases were made on a spot basis and are summarized in the table below.

Counterpart/Vendor	Trade Date	Start Date	End Date	Qty/MMBtu	Spot / Contract
SEQUENT ENERGY	05/31/2013	06/01/2013	06/03/2013	2,500	Spot
SEQUENT ENERGY	07/16/2013	07/17/2013	07/17/2013	20,000	Spot
SEQUENT ENERGY	07/19/2013	07/20/2013	07/22/2013	5,000	Spot
SEQUENT ENERGY	07/19/2013	07/19/2013	07/19/2013	10,000	Spot
NJR Energy Service	07/19/2013	07/19/2013	07/19/2013	15,000	Spot
SEQUENT ENERGY	07/22/2013	07/23/2013	07/23/2013	5,000	Spot
SEQUENT ENERGY	07/23/2013	07/24/2013	07/24/2013	10,000	Spot
SEQUENT ENERGY	07/24/2013	07/25/2013	07/25/2013	10,000	Spot
SEQUENT ENERGY	07/26/2013	07/27/2013	07/29/2013	1,000	Spot
SEQUENT ENERGY	08/16/2013	08/17/2013	08/19/2013	5,000	Spot
SEQUENT ENERGY	08/27/2013	08/28/2013	08/28/2013	7,500	Spot
SEQUENT ENERGY	09/10/2013	09/10/2013	09/10/2013	15,000	Spot
SEQUENT ENERGY	09/10/2013	09/11/2013	09/11/2013	10,000	Spot
SEQUENT ENERGY	09/11/2013	09/12/2013	09/12/2013	10,000	Spot
SEQUENT ENERGY	09/11/2013	09/11/2013	09/11/2013	10,000	Spot
SEQUENT ENERGY	10/08/2013	10/08/2013	10/08/2013	2,500	Spot
SEQUENT ENERGY	10/10/2013	10/10/2013	10/10/2013	2,500	Spot
SEQUENT ENERGY	10/15/2013	10/15/2013	10/15/2013	1,000	Spot
SEQUENT ENERGY	10/15/2013	10/16/2013	10/16/2013	1,000	Spot
SEQUENT ENERGY	10/21/2013	10/22/2013	10/22/2013	5,000	Spot
SEQUENT ENERGY	10/25/2013	10/26/2013	10/28/2013	1,650	Spot

PERSON RESPONSIBLE: Lisa Steinkuhl



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:

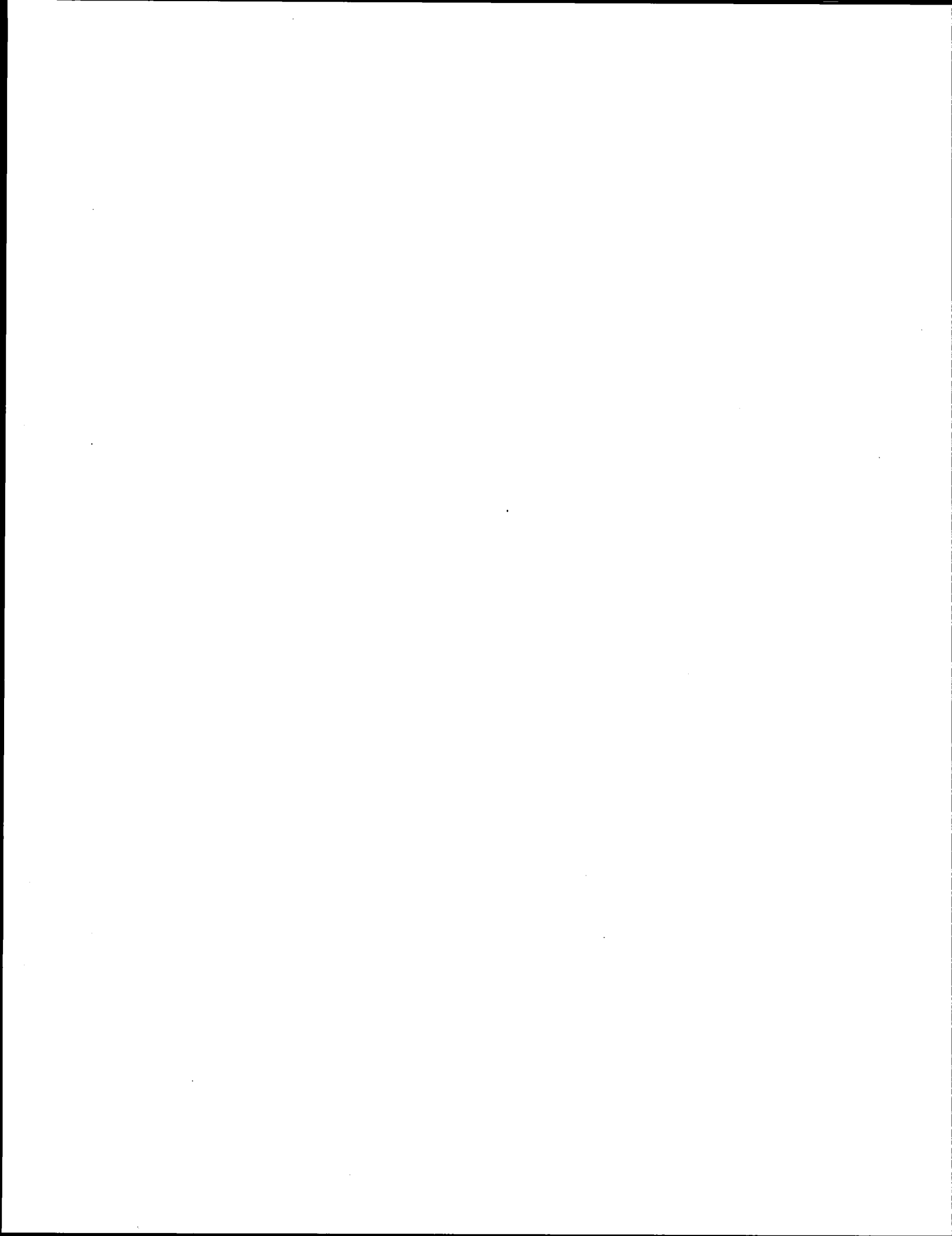
Coal:

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:

To date, Duke Energy Kentucky has 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. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014

STAFF-DR-01-004

REQUEST:

For each generation station or unit for which a separate coal pile is maintained, state, for the period from May 1, 2013, through October 31, 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.

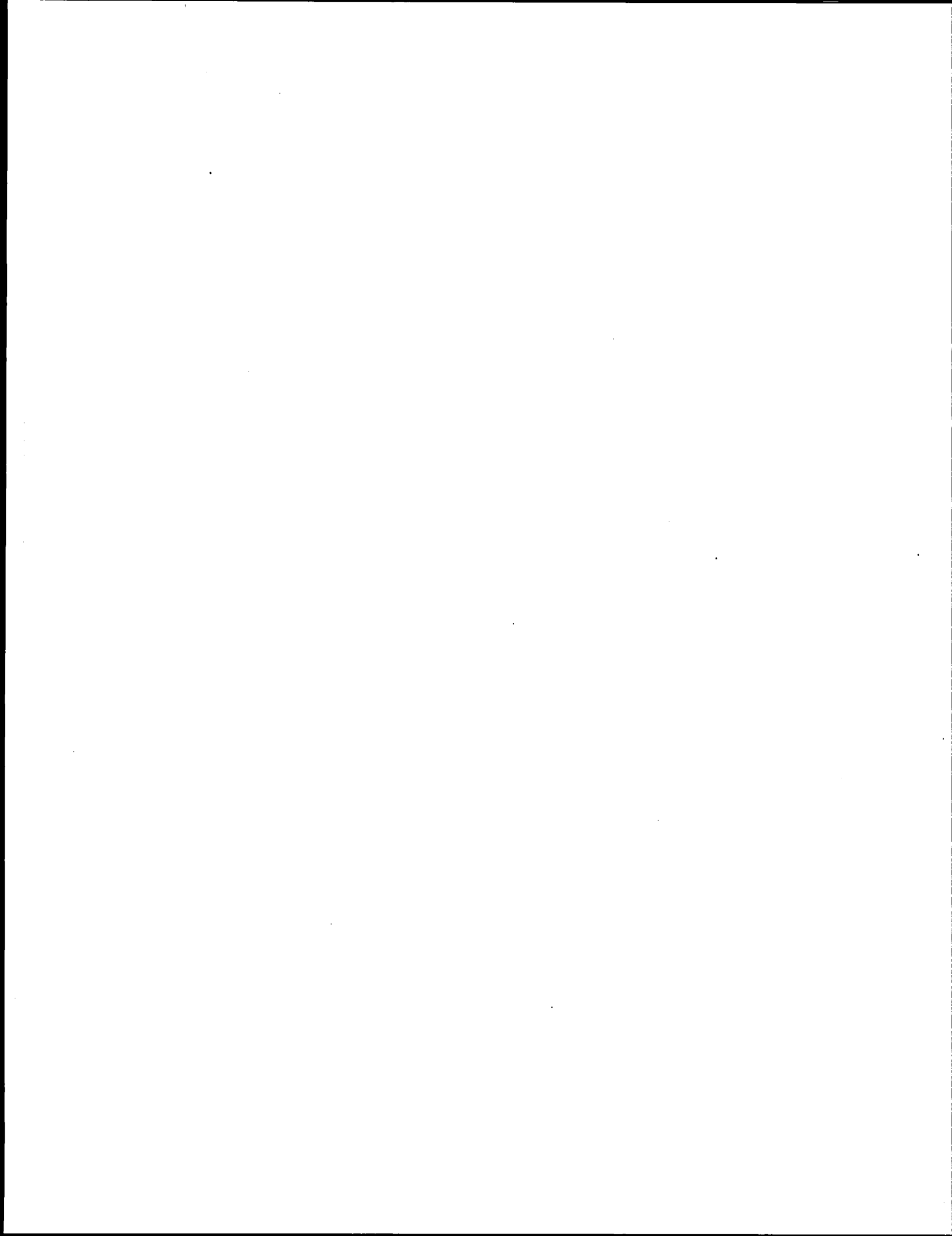
RESPONSE:

Plant	Coal Burn (Tons) ⁽¹⁾	Coal Receipts (Tons) ⁽²⁾	Net MWH	Capacity Factor (Net MWH) / period hrs x MW rating)
East Bend	691,430	922,761	1,416,528	77.5%
Miami Fort 6	235,297	243,106	548,610	76.2%

⁽¹⁾ Duke Energy Kentucky's ownership share

⁽²⁾ 100% of coal received at the station

PERSON RESPONSIBLE: Lisa Steinkuhl



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-005

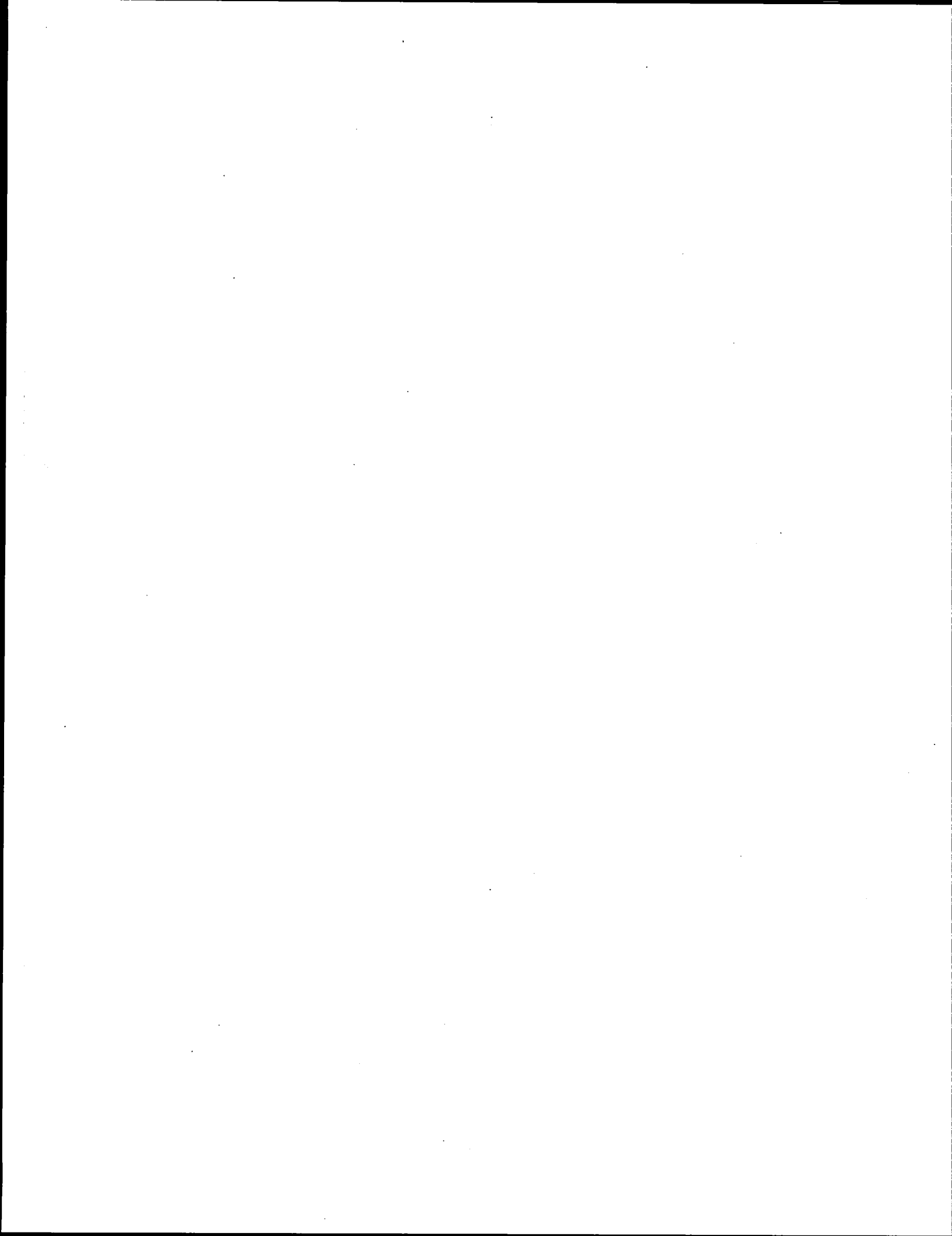
REQUEST:

List all firm power commitments for Duke Kentucky from May 1, 2013, through October 31, 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 had no firm power commitments during this period.

PERSON RESPONSIBLE: John Swez



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-006

REQUEST:

Provide a monthly billing summary of sales to all electric utilities for the period of May 1, 2013, through October 31, 2013.

RESPONSE:

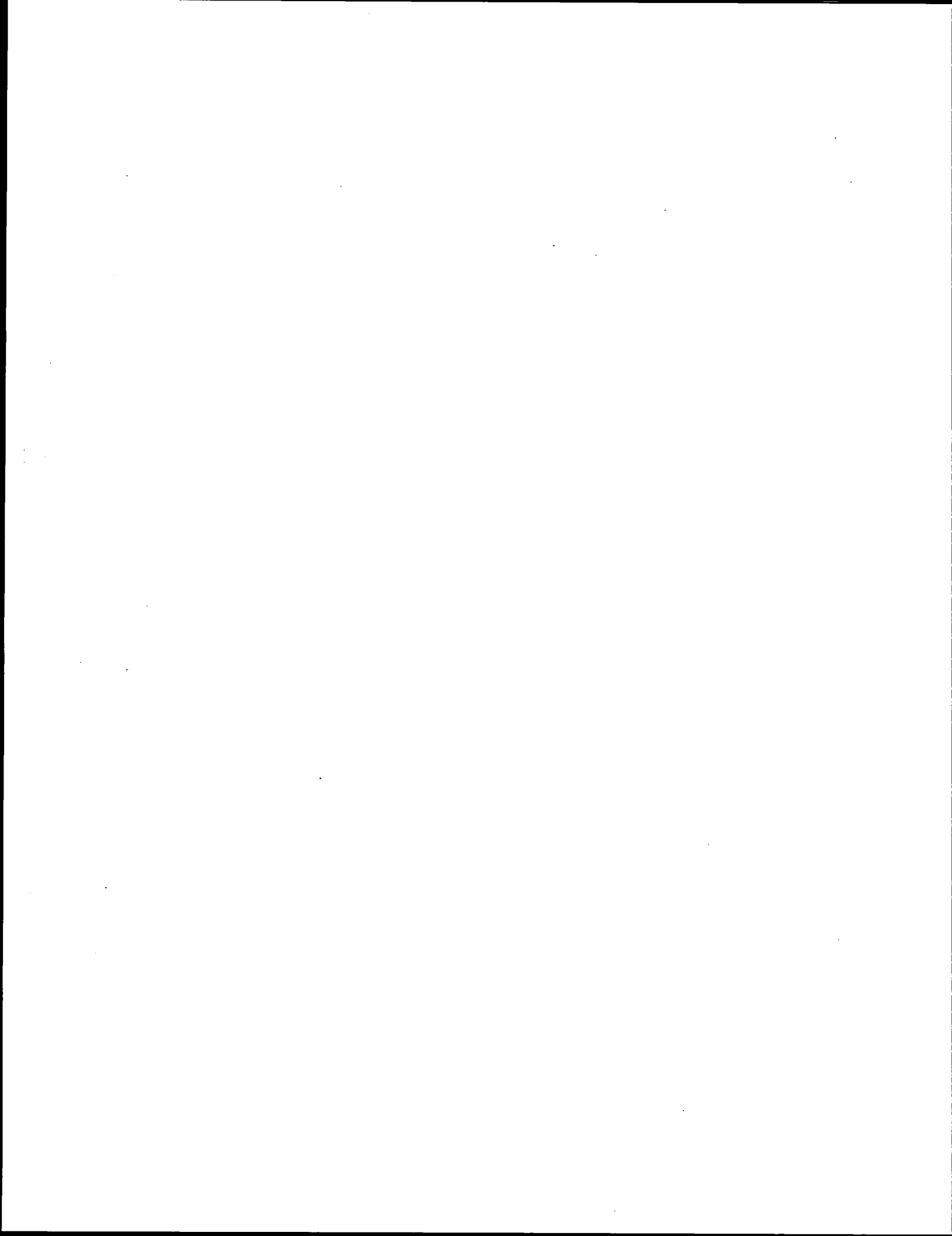
See attachment STAFF-DR-01-006.

PERSON RESPONSIBLE: Lisa Steinkuhl

**DUKE ENERGY KENTUCKY
 POWER TRANSACTION SCHEDULE**

Supplier/Buyer	Transaction Type	kWh	Charges (\$)			
			Demand	Fuel	Other	Total
Month Ended May 31, 2013						
PJM Interconnection, LLC	Econ Sales	39,489,600		1,028,262	251,998	1,280,260
	Total Sales	<u>39,489,600</u>	<u>0</u>	<u>1,028,262</u>	<u>251,998</u>	<u>1,280,260</u>
Month Ended June 30, 2013						
PJM Interconnection, LLC	Econ Sales	8,011,840		213,215	7,860	221,075
	Total Sales	<u>8,011,840</u>	<u>0</u>	<u>213,215</u>	<u>7,860</u>	<u>221,075</u>
Month Ended July 31, 2013						
PJM Interconnection, LLC	Econ Sales	9,891,164		172,154	128,000	300,154
	Total Sales	<u>9,891,164</u>	<u>0</u>	<u>172,154</u>	<u>128,000</u>	<u>300,154</u>
Month Ended August 31, 2013						
PJM Interconnection, LLC	Econ Sales	7,616,580		200,385	(14,652)	185,733
	Total Sales	<u>7,616,580</u>	<u>0</u>	<u>200,385</u>	<u>(14,652)</u>	<u>185,733</u>
Month Ended September 30, 2013						
PJM Interconnection, LLC	Econ Sales	22,284,870		585,859	9,465	595,324
	Total Sales	<u>22,284,870</u>	<u>0</u>	<u>585,859</u>	<u>9,465</u>	<u>595,324</u>
Month Ended October 31, 2013						
PJM Interconnection, LLC	Econ Sales	67,354,220		1,677,643	390,257	2,067,900
	Total Sales	<u>67,354,220</u>	<u>0</u>	<u>1,677,643</u>	<u>390,257</u>	<u>2,067,900</u>

Legend
 Econ Sales - Economy Sales



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-007

REQUEST:

List Duke Kentucky's scheduled, actual, and forced outages from May 1, 2013, through October 31, 2013.

RESPONSE:

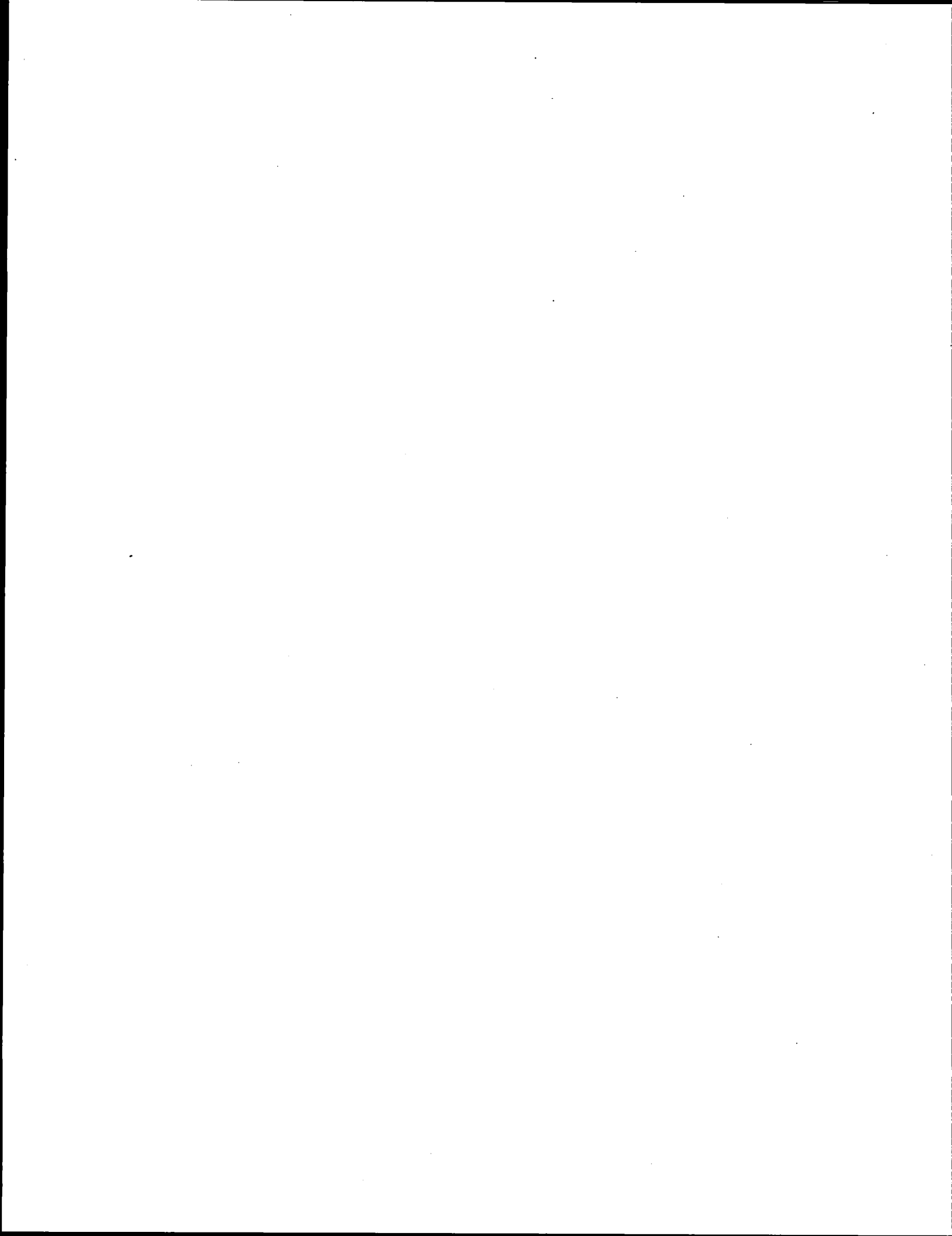
See STAFF-DR-01-007.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky Scheduled, Actual, and Forced Outages

May 1, 2013 - Oct 31, 2013

UnitName	Month	Scheduled Hours	Forced Hours	Actual Hours	Event Start	Event End	Event Description
East Bend 2	May-13		21.88		4/30/13 19:37	5/1/13 17:30	BOILER FEED PUMP CONTROLS
East Bend 2	May-13		23.60		5/3/13 0:27	5/4/13 0:03	#3 THROTTLE VALVE LEAK
East Bend 2	June-13	47.22		47.22	6/7/13 21:50	6/9/13 21:03	#1 & #2 GOVERNOR VALVES
East Bend 2	July-13	146.02		146.02	7/3/13 23:36	7/10/13 1:37	DESLAG
East Bend 2	July-13		1.08		7/10/13 1:50	7/10/13 2:55	BOILER FEED PUMP CONTROLS
East Bend 2	July-13		80.10		7/10/13 20:18	7/14/13 4:24	SECONDARY SUPERHEATER TUBE LEAK
East Bend 2	July-13		2.87		7/21/13 6:03	7/21/13 8:55	FUEL BLOCK & FUEL RUNDOWN
East Bend 2	August-13		65.05		8/16/13 16:48	8/19/13 9:51	SECOND REHEAT LEAK
East Bend 2	September-13		66.20		9/21/13 0:07	9/23/13 18:19	SECOND REHEAT LEAK
Miami Fort 6	May-13		70.72		5/9/13 9:21	5/12/13 8:04	RH TUBE LEAK
Miami Fort 6	May-13		160.92		5/25/13 1:46	5/31/13 18:41	TUBE LEAK
Miami Fort 6	June-13		113.58		6/5/13 18:34	6/10/13 12:09	WATER WALL TUBE LEAK
Miami Fort 6	June-13		194.55		6/11/13 7:27	6/19/13 10:00	WATER WALL TUBE LEAK
Miami Fort 6	June-13		44.77		6/21/13 6:38	6/23/13 3:24	CONDENSER TUBE LEAK
Miami Fort 6	June-13		61.02		6/28/13 5:08	6/30/13 18:09	WATER WALL TUBE LEAK
Miami Fort 6	July-13		98.00		7/8/13 15:56	7/12/13 17:56	WATER WALL LEAK
Miami Fort 6	August-13		49.28		8/19/13 23:33	8/22/13 0:50	LOW TEMP SUPERHEAT TUBE LEAK
Miami Fort 6	August-13	22.98		22.98	8/22/13 0:50	8/22/13 23:49	REPAIR WATER WALL TUBE LEAKS FOUND DURING HYDRO
Miami Fort 6	October-13		74.32		10/3/13 8:17	10/6/13 10:36	TUBE LEAK
Woodsdale CT1	May-13	100.88		100.88	5/6/13 8:00	5/10/13 12:53	Summer prep outage
Woodsdale CT1	July-13		2.73		7/17/13 13:52	7/17/13 16:36	Gas valve position transmitter failure
Woodsdale CT1	July-13	8.00		8.00	7/20/13 6:00	7/20/13 14:00	Yearly Black Start Testing
Woodsdale CT1	August-13		0.35		8/19/13 10:16	8/19/13 10:37	Other Gas Turbine Problems
Woodsdale CT1	October-13	3.00		3.00	10/29/13 11:30	10/29/13 14:30	Yearly calibration of NG flowmeter
Woodsdale CT2	May-13	101.00		101.00	5/6/13 8:00	5/10/13 13:00	Summer prep outage
Woodsdale CT2	July-13	8.00		8.00	7/20/13 6:00	7/20/13 14:00	Yearly Black Start Testing
Woodsdale CT2	October-13	3.00		3.00	10/29/13 11:30	10/29/13 14:30	Yearly calibration of NG flowmeter
Woodsdale CT3	May-13	98.90		98.90	5/13/13 8:00	5/17/13 10:54	Summer prep outage
Woodsdale CT3	July-13	8.00		8.00	7/20/13 6:00	7/20/13 14:00	Yearly Black Start Testing
Woodsdale CT3	October-13	175.63		175.63	10/1/13 6:00	10/8/13 13:38	Install/test new exciter controls.
Woodsdale CT3	October-13	17.62		17.62	10/8/13 14:28	10/9/13 8:05	Install/test new exciter controls.
Woodsdale CT3	October-13	25.82		25.82	10/9/13 13:21	10/10/13 15:10	Test run-problem in exciter control cabinet, operator trip.
Woodsdale CT4	May-13	99.07		99.07	5/13/13 8:00	5/17/13 11:04	Summer prep outage
Woodsdale CT4	July-13		184.88		7/15/13 16:06	7/23/13 8:59	Power Oil Pump failure.
Woodsdale CT4	October-13	172.92		172.92	10/8/13 6:00	10/15/13 10:55	Install/test new exciter controls.
Woodsdale CT4	October-13	14.87		14.87	10/15/13 16:56	10/16/13 7:48	Install/test new exciter controls.
Woodsdale CT5	May-13	97.70		97.70	5/20/13 8:00	5/24/13 9:42	Summer prep outage
Woodsdale CT5	July-13	8.00		8.00	7/20/13 6:00	7/20/13 14:00	Yearly Black Start Testing
Woodsdale CT5	October-13		84.50		10/4/13 19:30	10/8/13 8:00	Fire prot system activated, dumped CO2 and Haylon.
Woodsdale CT6	May-13	97.50		97.50	5/20/13 8:00	5/24/13 9:30	Summer prep outage
Woodsdale CT6	July-13		20.73		7/1/13 14:51	7/2/13 11:35	Rotor Barring failure
Woodsdale CT6	July-13		0.18		7/19/13 9:53	7/19/13 10:04	Piping from ignitor bottle disconnected
Woodsdale CT6	July-13		0.57		7/19/13 10:04	7/19/13 10:38	Piping from ignitor bottle disconnected
Woodsdale CT6	July-13	8.00		8.00	7/20/13 6:00	7/20/13 14:00	Yearly Black Start Test
Woodsdale CT6	October-13	31.00		31.00	10/22/13 7:00	10/23/13 14:00	Boroscope Inspection, NG flowmeter calibration.



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

East Bend

- a. **SMCC AGF Resources Sales, Inc. (HC10116)**
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 = 301,846
- h. 2009 100.8%; 2010 103.6 %; 2011 = 100.5%; 2012 = 110.6%; 2013 = 100.1%
- 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)**
211 North Broadway
Suite 2600
Saint Louis, MO 63102
- 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 = 244,738
- h. 2012 = 101.7%; 2013 = 97.9%
- i. 2012 = \$46.50; 2013 = \$48.00
- j. None
- k. 2012 = \$46.50; 2013 = \$48.00

- a. **Foresight Coal Sales (28376)**
- b. Deer Run – Montgomery County, IL
- c. September 10, 2013
- d. September 1, 2013 – December 31, 2014
- e. N/A
- f. 2013 = 60,000; 2014 = 200,000
- g. 2013 = 56,050
- h. 2013 = 93.4%
- i. 2013 = \$35.00; 2014 = \$37.00

- j. None
- k. 2013 = \$35.00; 2014 = \$37.00

- a. **Patriot Coal Sales LLC (HC10136)**
 - 12312 Olive Blvd
 - St. Louis, Missouri 63141
- 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 = 58,641
- h. 2011 = 96.0%; 2012 = 100%; 2013 = 99.9%
- i. 2011 = \$42.00; 2012-2013 = \$45.00
- j. None
- k. 2011 = \$42.00; 2012-2013 = \$45.00

- a. **Patriot Coal Sales LLC (HC10137)**
 - 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 (HC10148)**
 - 123 12 Olive Blvd
 - 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 = 150,071
- h. 2012 = 94.8%; 2013 = 100%
- 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 = 275,166
- h. 2013 = 100%
- 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, Union 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 = 201,646
- h. 2011 = 99.4% ; 2012 YTD = 100.4%; 2013 = 91.7%
- i. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25
- j. None
- k. 2011 = \$48.00; 2012 = \$51.00; 2013 \$53.2

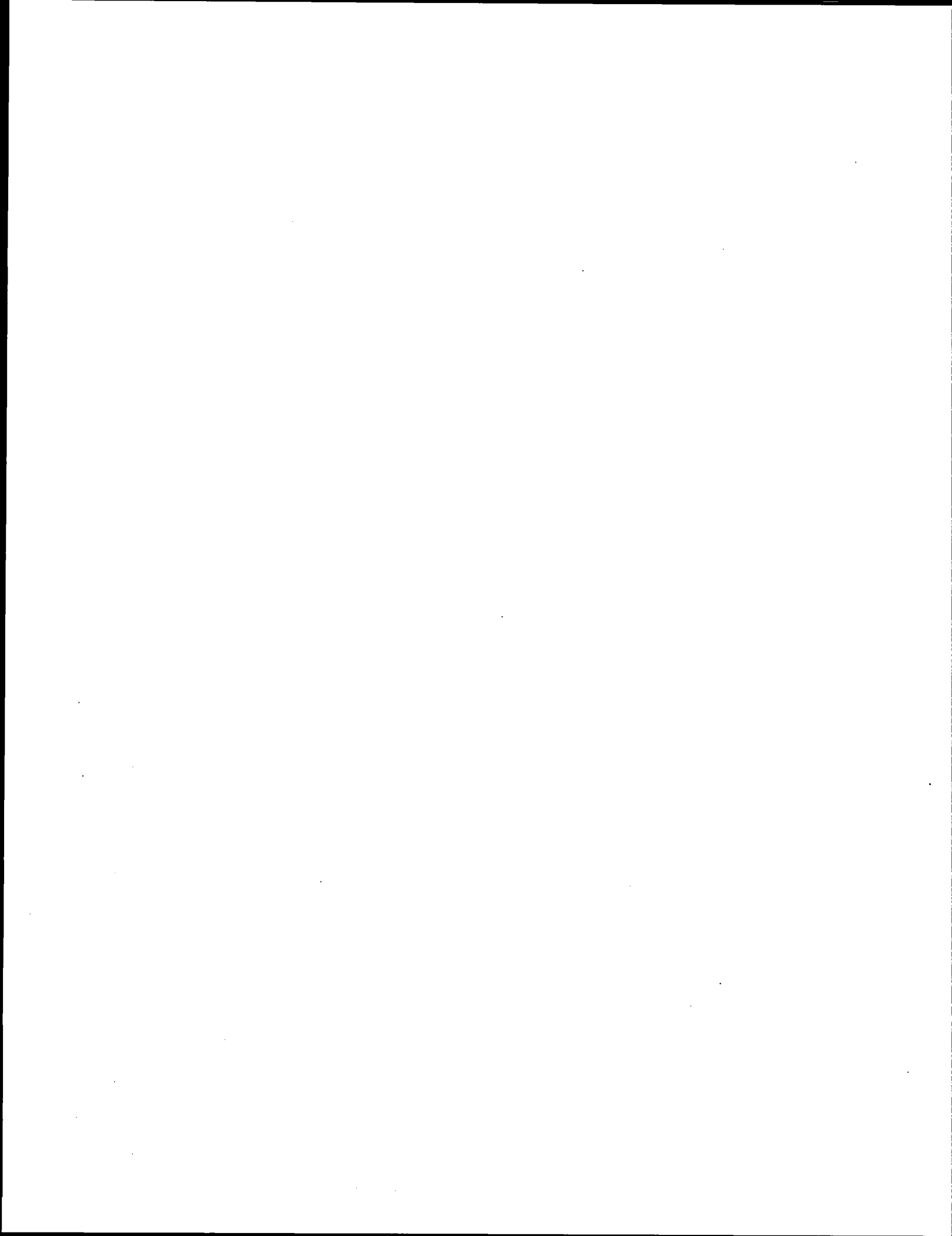
a. River View Coal, LLC (28376)

- 1717 South Boulder Ave. Suite 400
Tulsa, OK 74119
- b. River View Mine, Union County, KY
- c. February 14, 2013
- d. December 31, 2015
- e. NA

- f. 2013 = 400,000; 2014 = 600,000; 2015 = 600,000
- g. 2013 = 349,485
- h. 2013 = 87.4%
- 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



Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014

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:

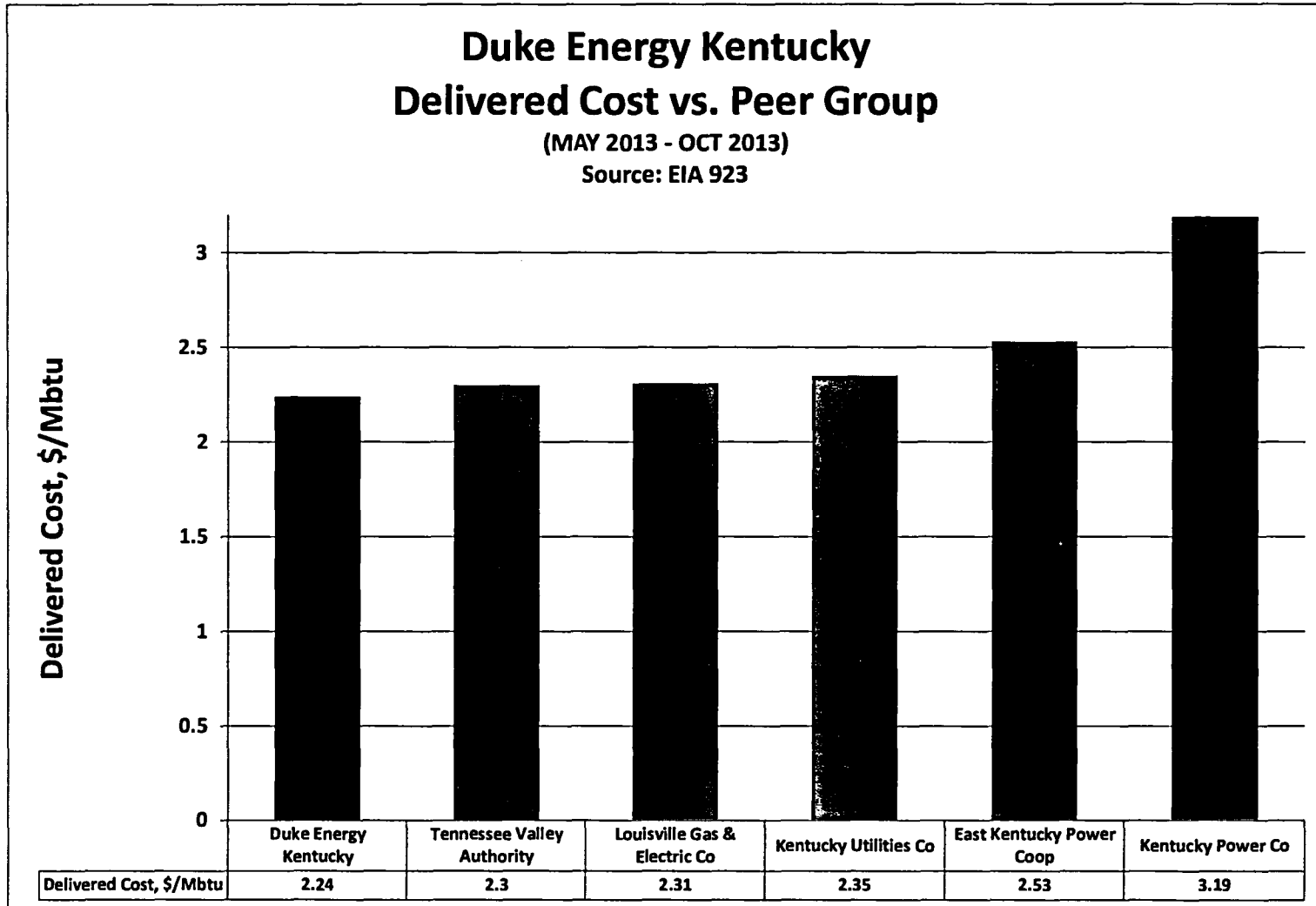
- a. Duke Energy Kentucky compares its delivered coal prices to those paid by other major Kentucky electric utilities for their plants located in Kentucky. Please see STAFF-DR-01-009 Attachment A derived from EIA 923 data.
- b. See STAFF-DR-01-009 Attachment

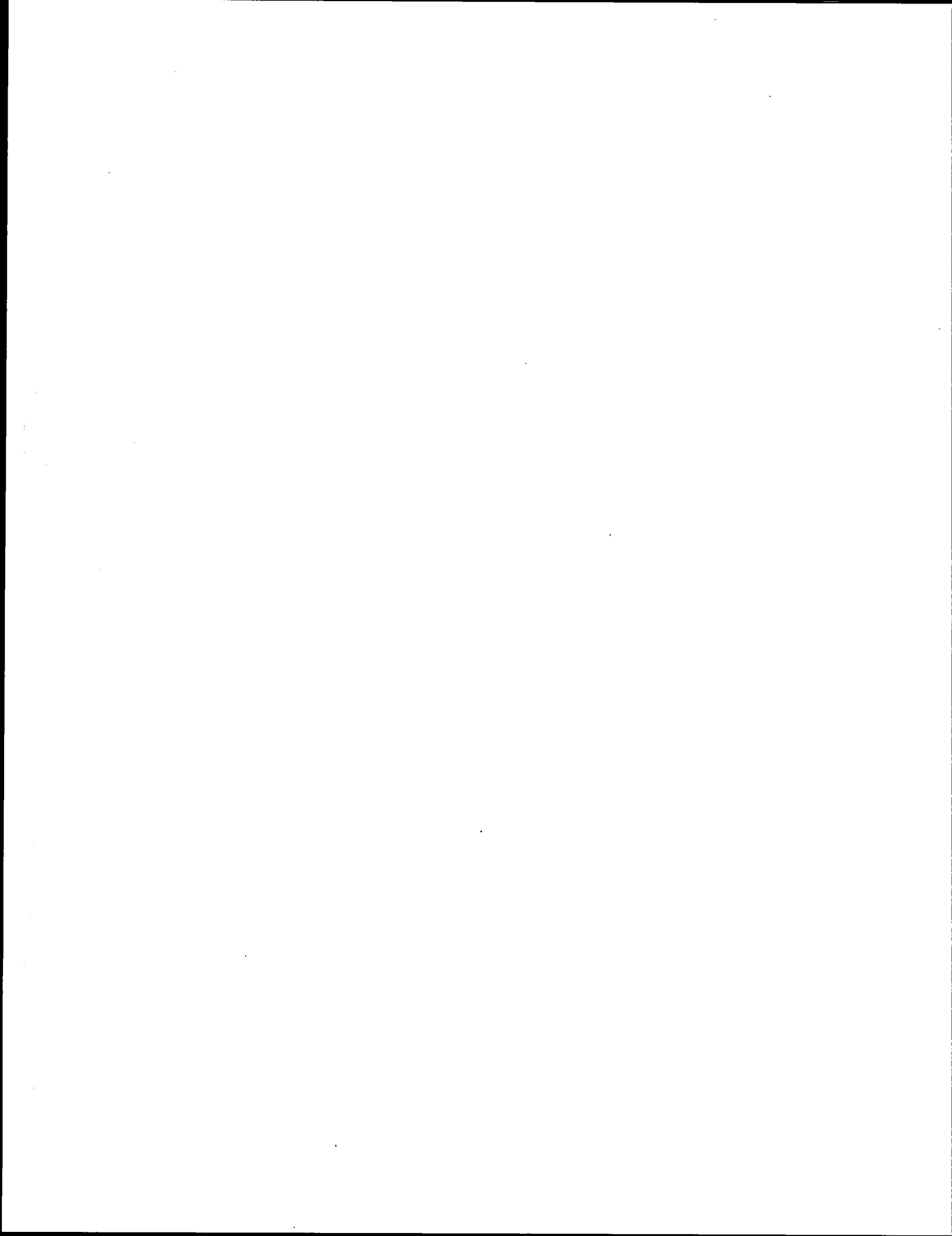
PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky Delivered Cost vs. Peer Group

(MAY 2013 - OCT 2013)

Source: EIA 923





**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-010

REQUEST:

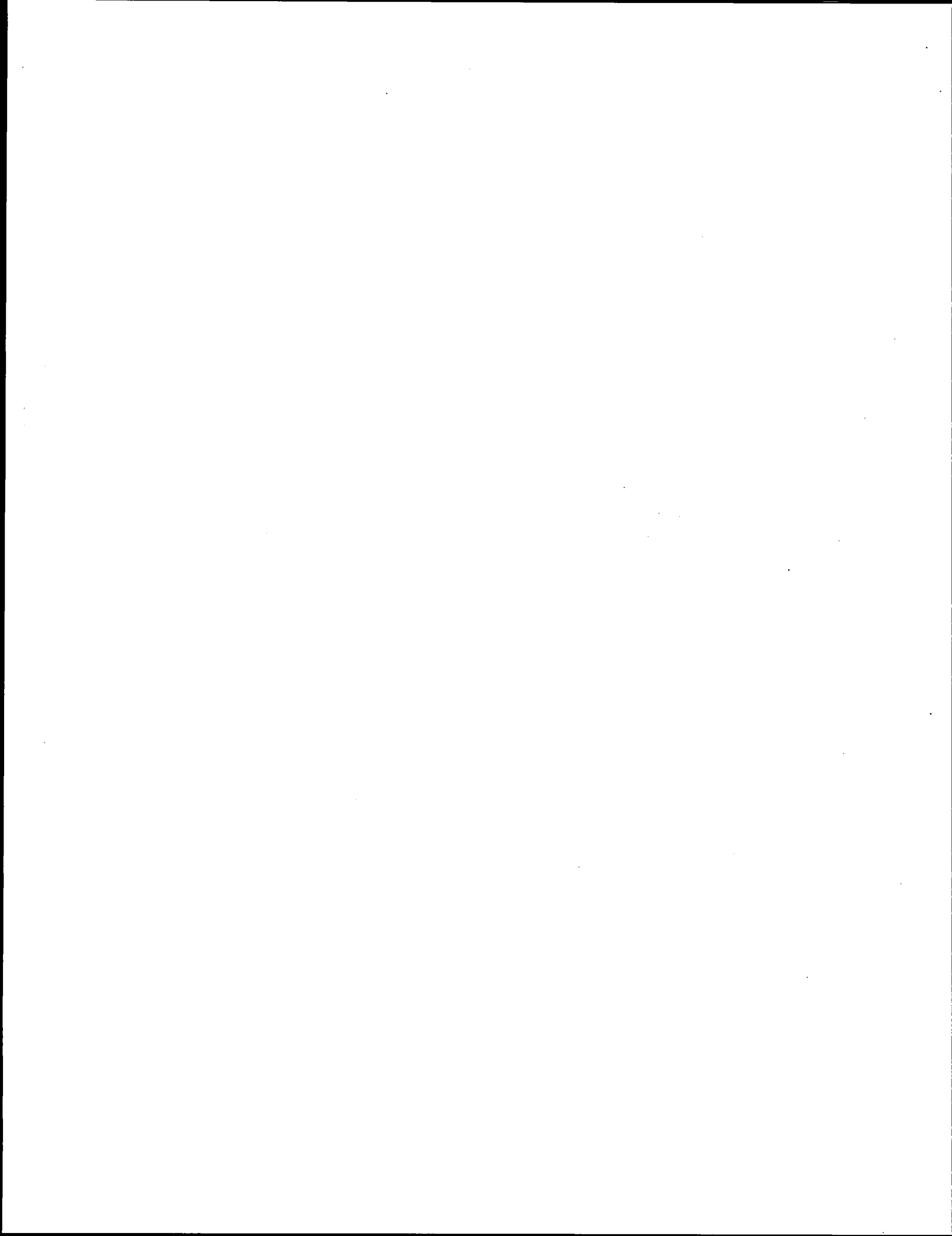
State the percentage of Duke Kentucky's coal, as the date of this Order, that is delivered by:

- 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



STAFF-DR-01-011

REQUEST:

- a. State Duke Kentucky's coal inventory level in tons and in number of days' supply as of October 31, 2013. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of day's supply.
- c. Compare Duke Kentucky's coal inventory as of October 31, 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 day's 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 October 31, 2013 was 272,250 tons, or 34 days.

EAST BEND:

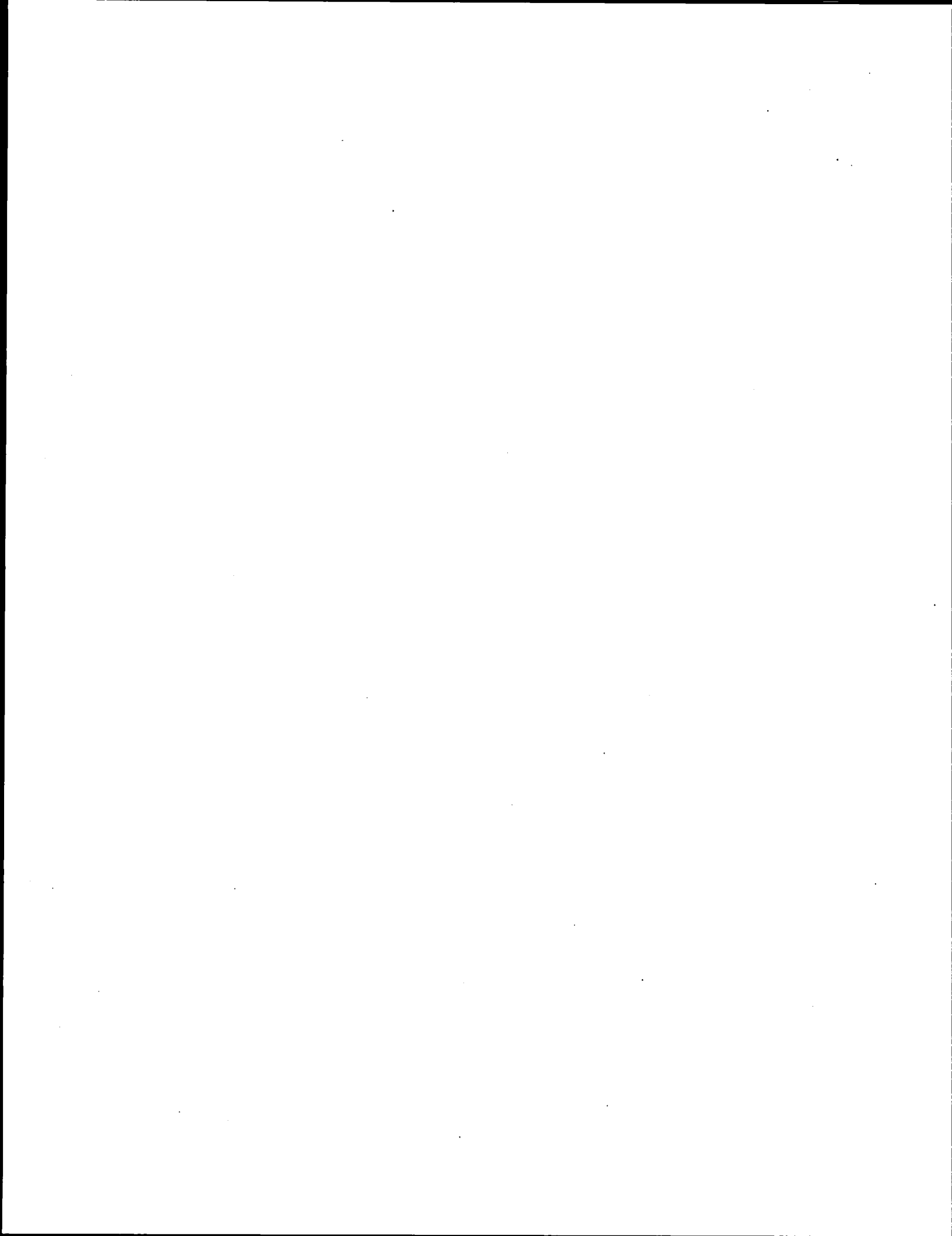
- a. As of October 31, 2013, total station inventory at East Bend was 221,728 tons or 34 days.
- b. The number of days supply is computed by dividing an ending daily coal inventory figure stated in tons by the Full Load Burn per day figure of 6,500 tons.

- c. Inventory target is approximately 40 days compared to actual days inventory on October 31, 2013 of 34 days.
- d. N/A
- e. (1) No (2) N/A

MIAMI FORT #6:

- a. As of October 31, 2013, total Station inventory at Miami Fort #6 was 50,523 tons or 32 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 32 days inventory the station had as of October 31, 2013.
- d. N/A
- e. (1) No (2) N/A

PERSON RESPONSIBLE: Brett Phipps



STAFF-DR-01-012

REQUEST:

- a. State whether Duke Kentucky has audited any of its coal contracts during the period from May 1, 2013, through October 31, 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:

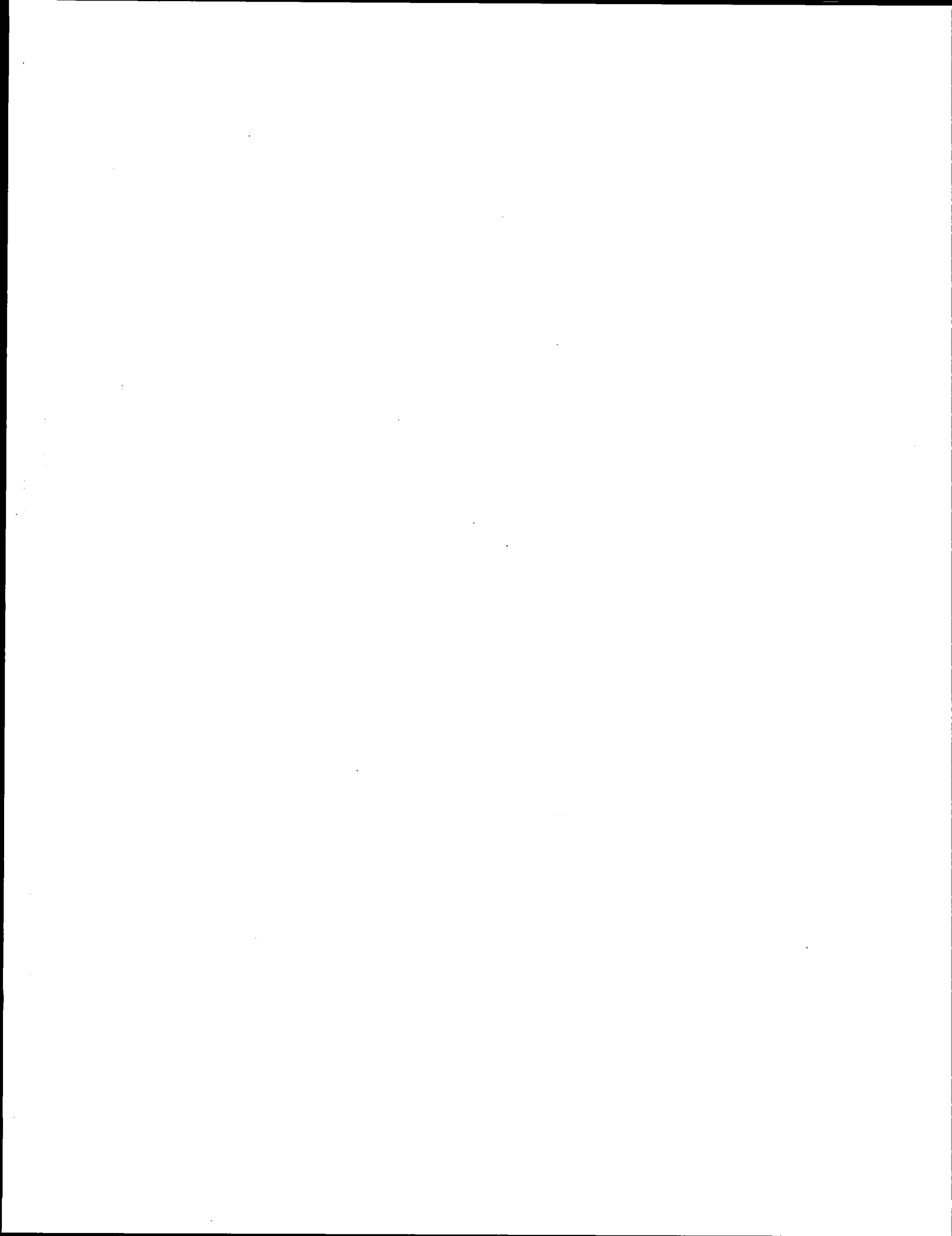
East Bend:

- a. DEK has not audited any of its contracts during the period from May 1, 2013 through October 31, 2013.
- b. N/A

Miami Fort #6

- a. DEK has not audited any of its contracts during the period from May 1, 2013 through October 31, 2013.
- b. N/A

PERSON RESPONSIBLE: Brett Phipps



STAFF-DR-01-013

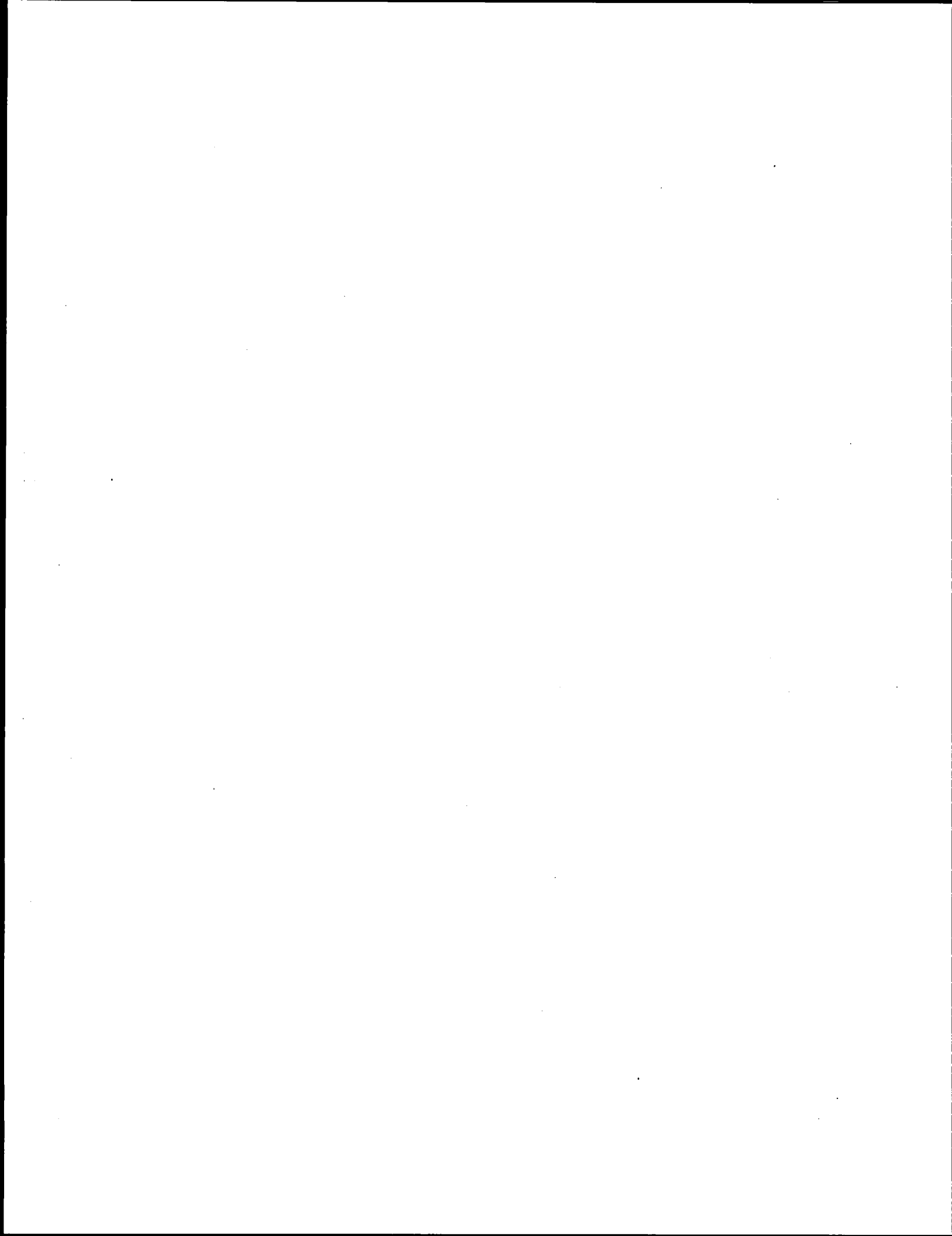
REQUEST:

- a. State whether Duke Kentucky has received any customer complaints regarding its FAC during the period from May 1, 2013, through October 31, 2013.
- b. If yes, for each complaint, 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 May 1, 2013 through October 31, 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:

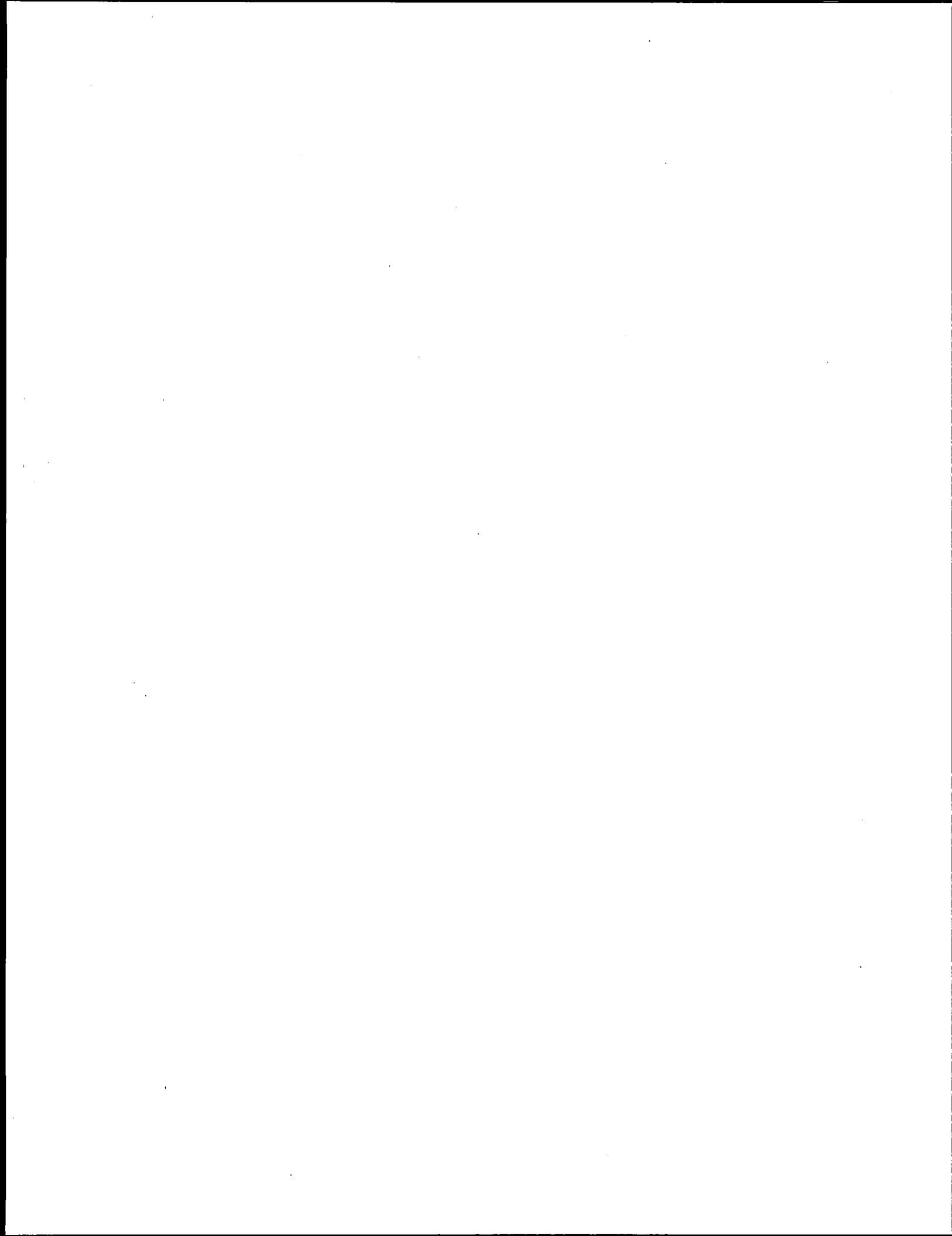
East Bend :

- a. DEK is not currently involved in any litigation with its current or former suppliers.
- b. N/A
- c. N/A

Miami Fort #6 :

- a. DEK is not currently involved in any litigation with its current or former suppliers.
- b. N/A
- c. N/A

PERSON RESPONSIBLE: Brett Phipps



REQUEST:

- a. During the period from May 1, 2013, through October 31, 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. Duke Energy Kentucky fuel procurement policies or procedures have not been changed during the period from May 1, 2013 through October 31, 2013.
- 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.

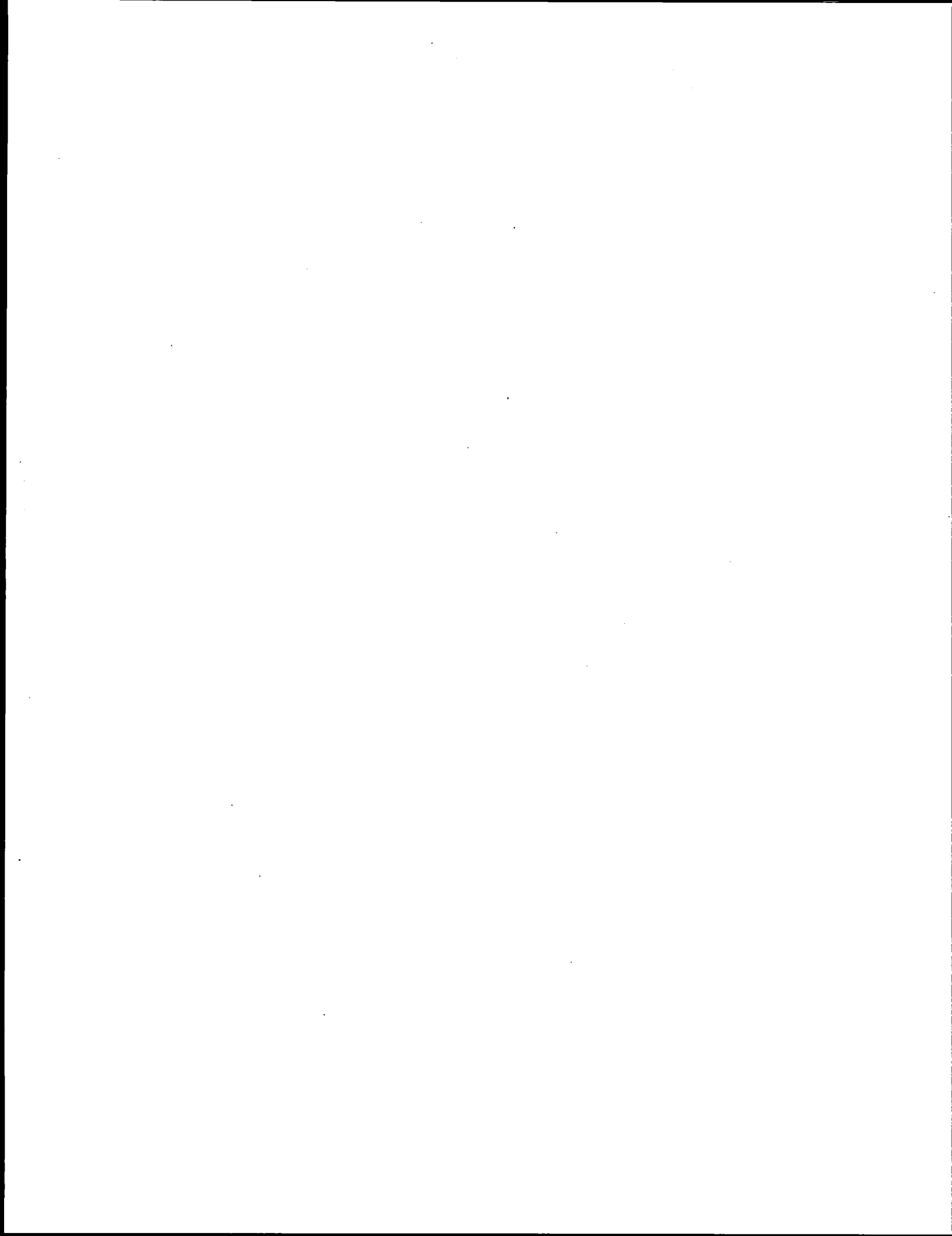
Natural Gas

- a. Duke Energy Kentucky fuel procurement policies or procedures have not been changed during the period from May 1, 2013 through October 31, 2013.

- b. N/A

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



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 May 1, 2013, through October 31, 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:

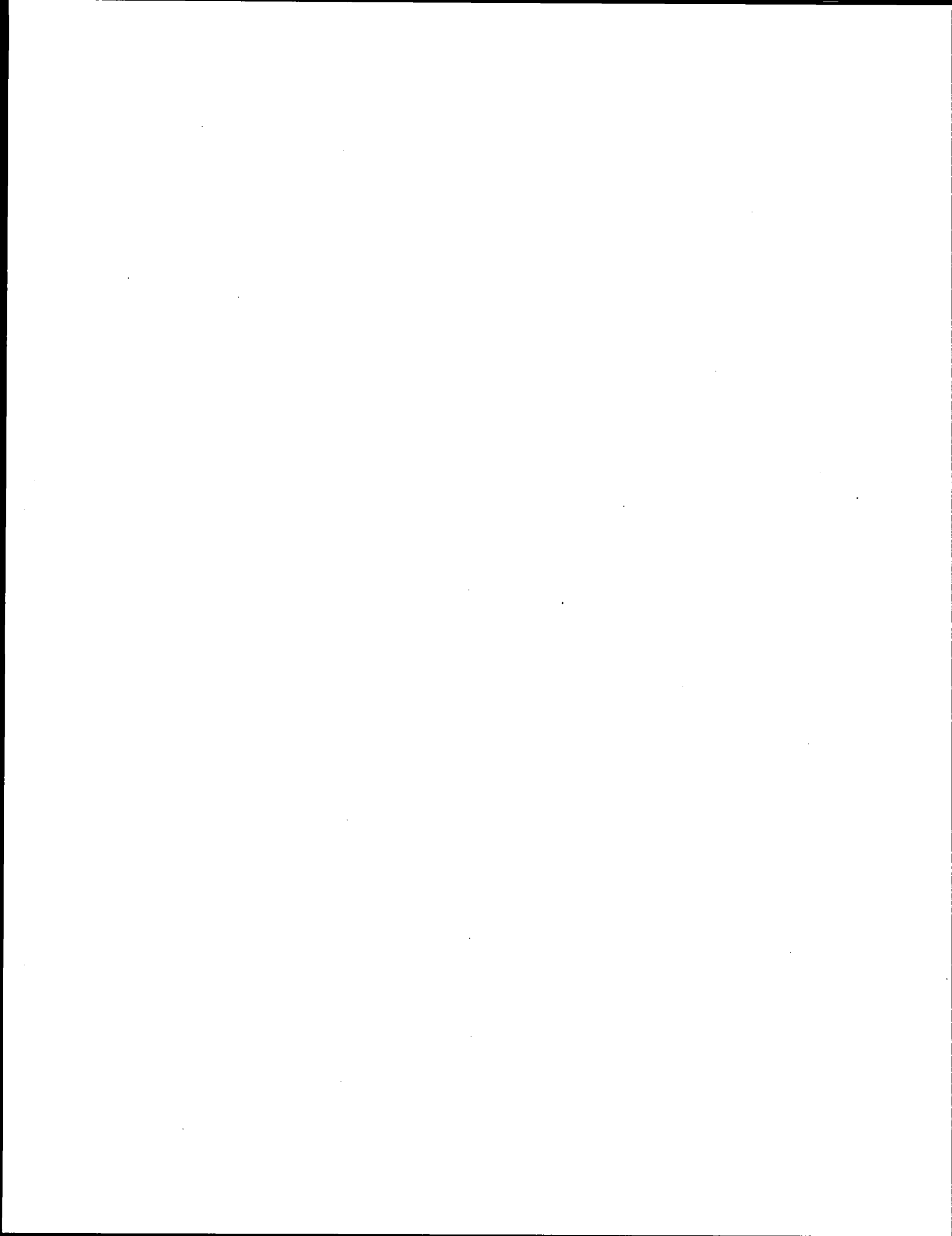
EAST BEND:

- a. DEK is not aware of any violations of its policies and procedures.
- b. N/A

MIAMI FORT #6:

- a. DEK is not aware of any violations of its policies and procedures.
- b. N/A

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

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 May 1, 2013, through October 31, 2013.

RESPONSE:

EAST BEND:

No changes occurred in the organizational structure and personnel of the departments or divisions that are responsible for DEK's fuel procurement activities during the period from May 1, 2013 through October 31, 2013.

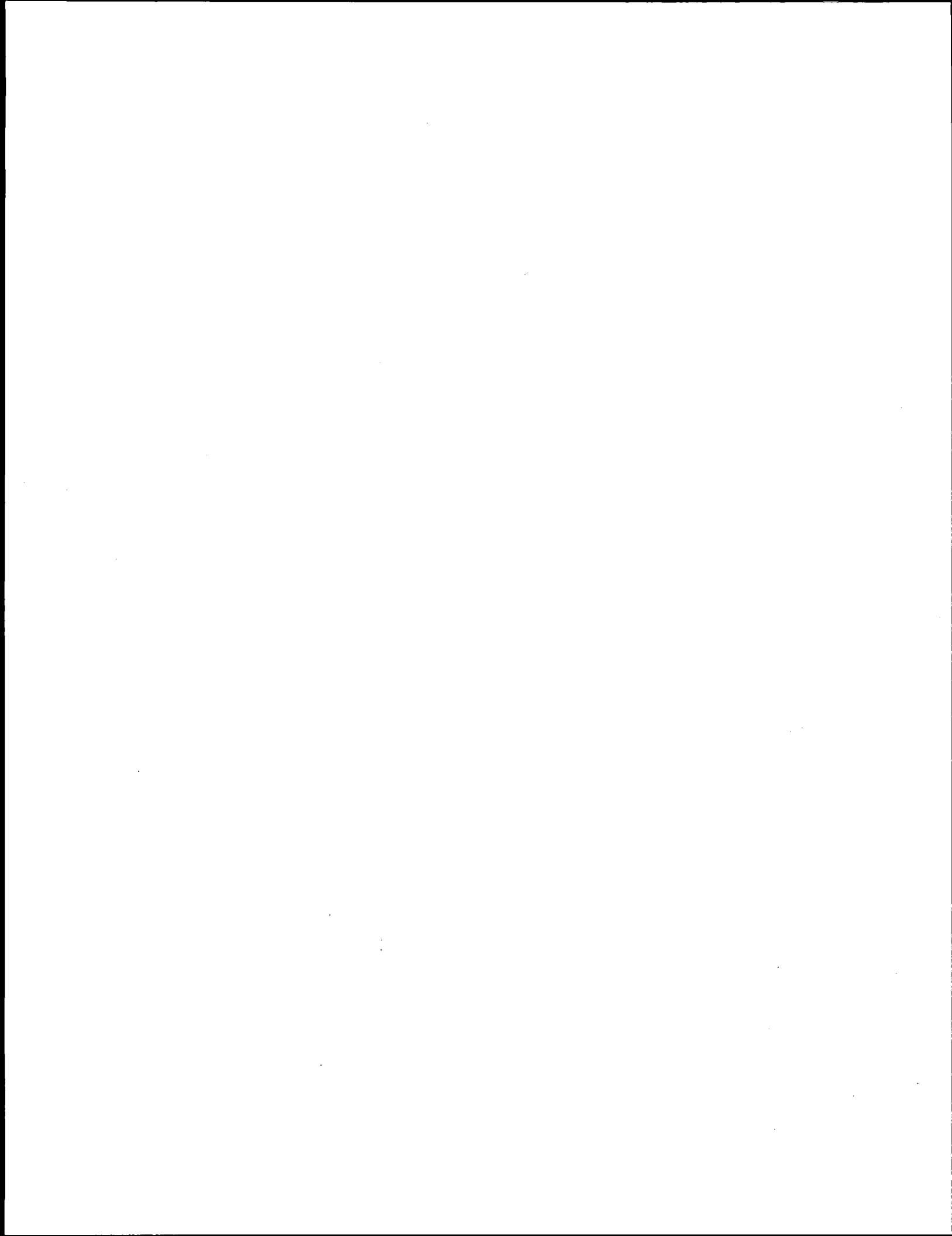
MIAMI FORT #6:

No changes occurred in the organizational structure and personnel of the departments or divisions that are responsible for DEK's fuel procurement activities during the period from May 1, 2013 through October 31, 2013.

WOODSDALE:

No changes occurred in the organizational structure and personnel of the departments or divisions that are responsible for DEK's fuel procurement activities during the period from May 1, 2013 through October 31, 2013.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-018

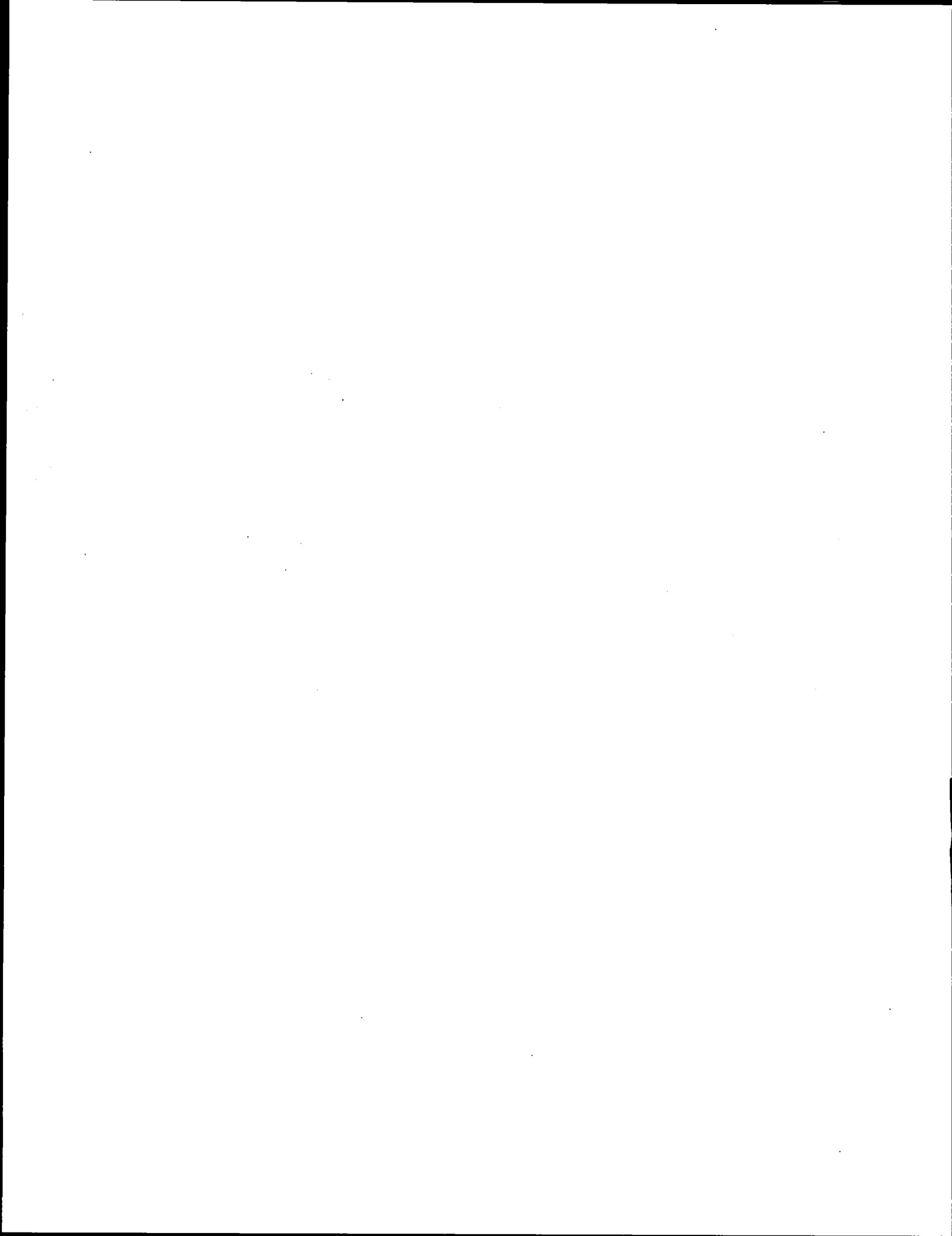
REQUEST:

- 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 period.
- b. N/A

PERSON RESPONSIBLE: John Swez



REQUEST:

List each written coal supply solicitation issued during the period from May 1, 2013, through October 31, 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:

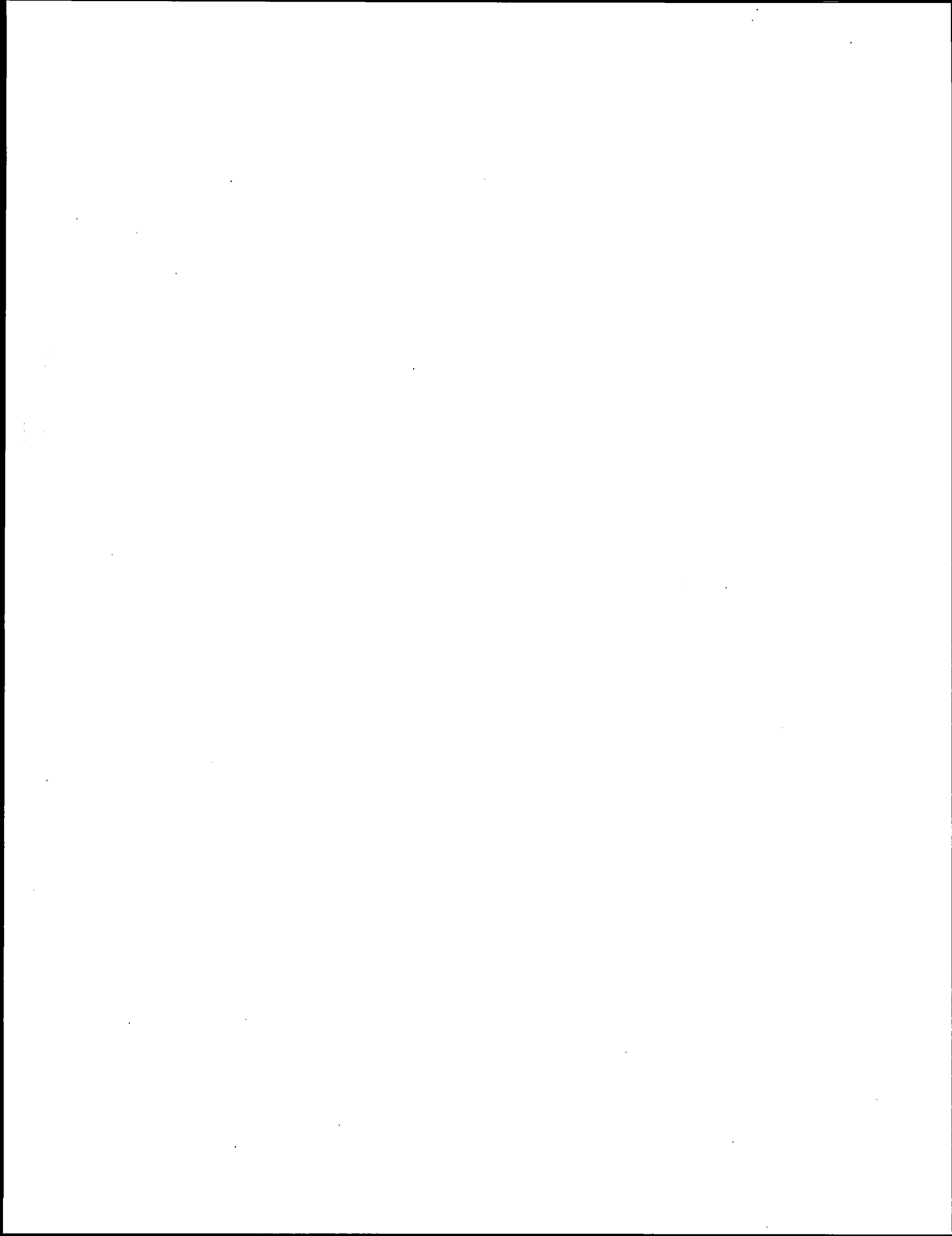
- a. Duke Energy Kentucky sent a written request for coal solicitation on July 26, 2013. The solicitation was for all quantities and qualities available for the time period of October 1, 2013 through December 31, 2018. The solicitation was intended for any and all of Duke Energy generating units.

- b. The solicitation was sent to more than sixty (60) counterparties as well as industry trade publications. There were fifty-six (56) counterparties who responded to the solicitation. There were no counterparties selected for Duke Energy Kentucky.

CONFIDENTIAL PROPRIETARY TRADE SECRET

This attachment has been filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: Brett Phipps



REQUEST:

List each oral coal supply solicitation issued during the period from May 1, 2013, through October 31, 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 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:

Oral Solicitation dated May 15th and 16th, 2013:

- a. The solicitation above was not written due to the small quantity and short-term need for Q3 2013. The intended general quality targeted was less than 5.0# SO₂ and greater than 11000 btu. The intended generating unit was Miami Fort 6.
- b. There were ten (10) counterparties contacted and four (4) had no availability for the time period requested. The three (3) lowest delivered cost counterparties were

selected since that met the quantity targeted for Q3 2013. Below is the tabulation sheet based on original offers:

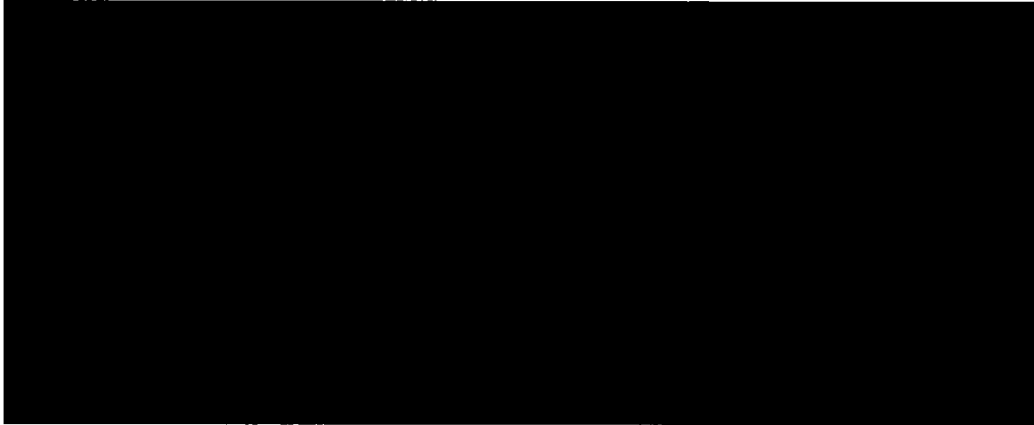
CONFIDENTIAL AND PROPRIETARY TRADE SECRET :



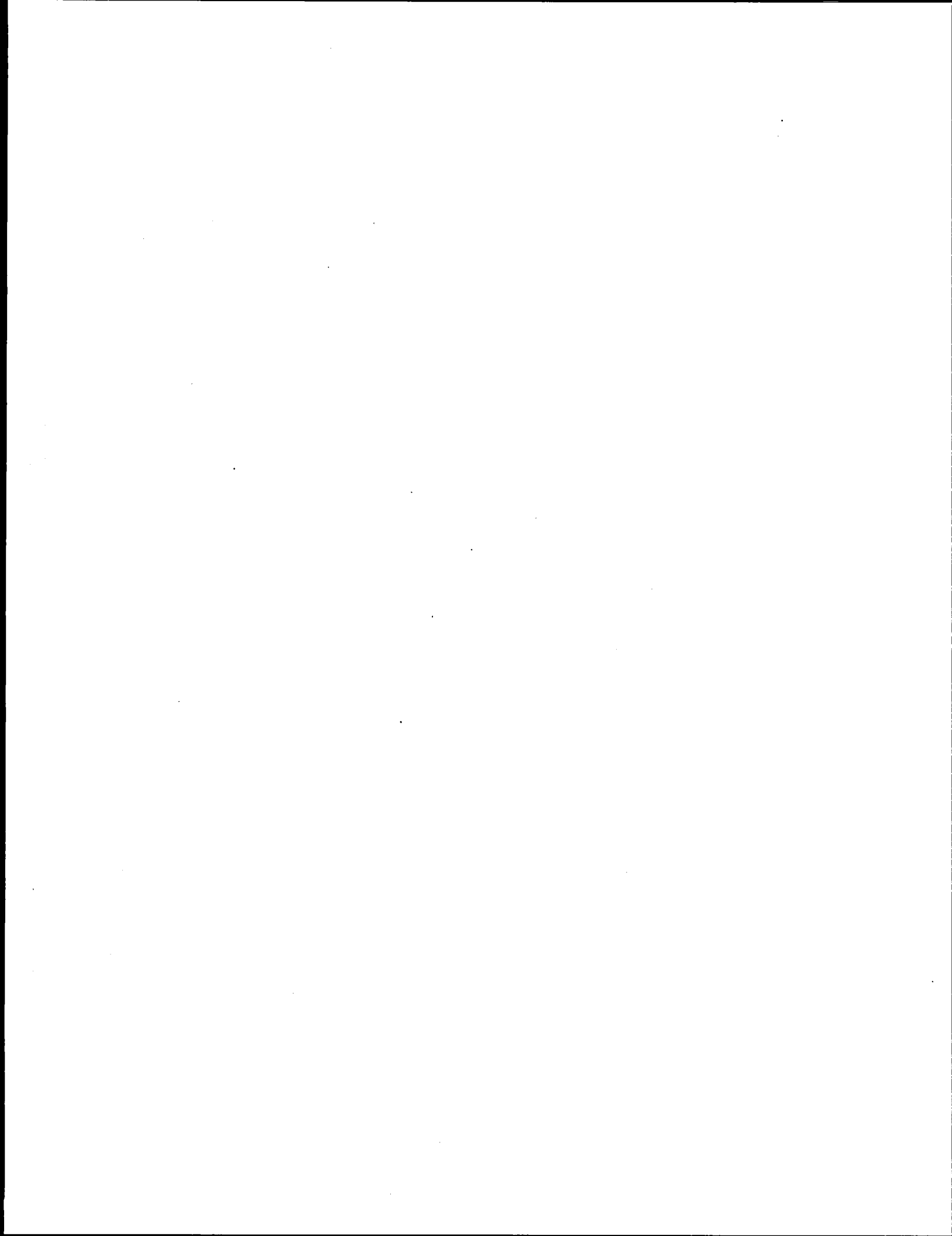
Oral Solicitation dated October 14th, 2013:

- a. The solicitation above was not written due to the small quantity and short-term need for November and December 2013. The intended general quality targeted was less than 5.0# SO2 and greater than 11000 btu. The intended generating unit was Miami Fort 6.
- b. There were six (6) counterparties contacted and two (2) had no availability for the time period requested. The lowest delivered cost counterparties was selected since that met most of the quantity targeted for November and December 2013. Below is the tabulation sheet based on original offers:

CONFIDENTIAL AND PROPRIETARY TRADE SECRET



PERSON RESPONSIBLE: Brett Phipps



STAFF-DR-01-021

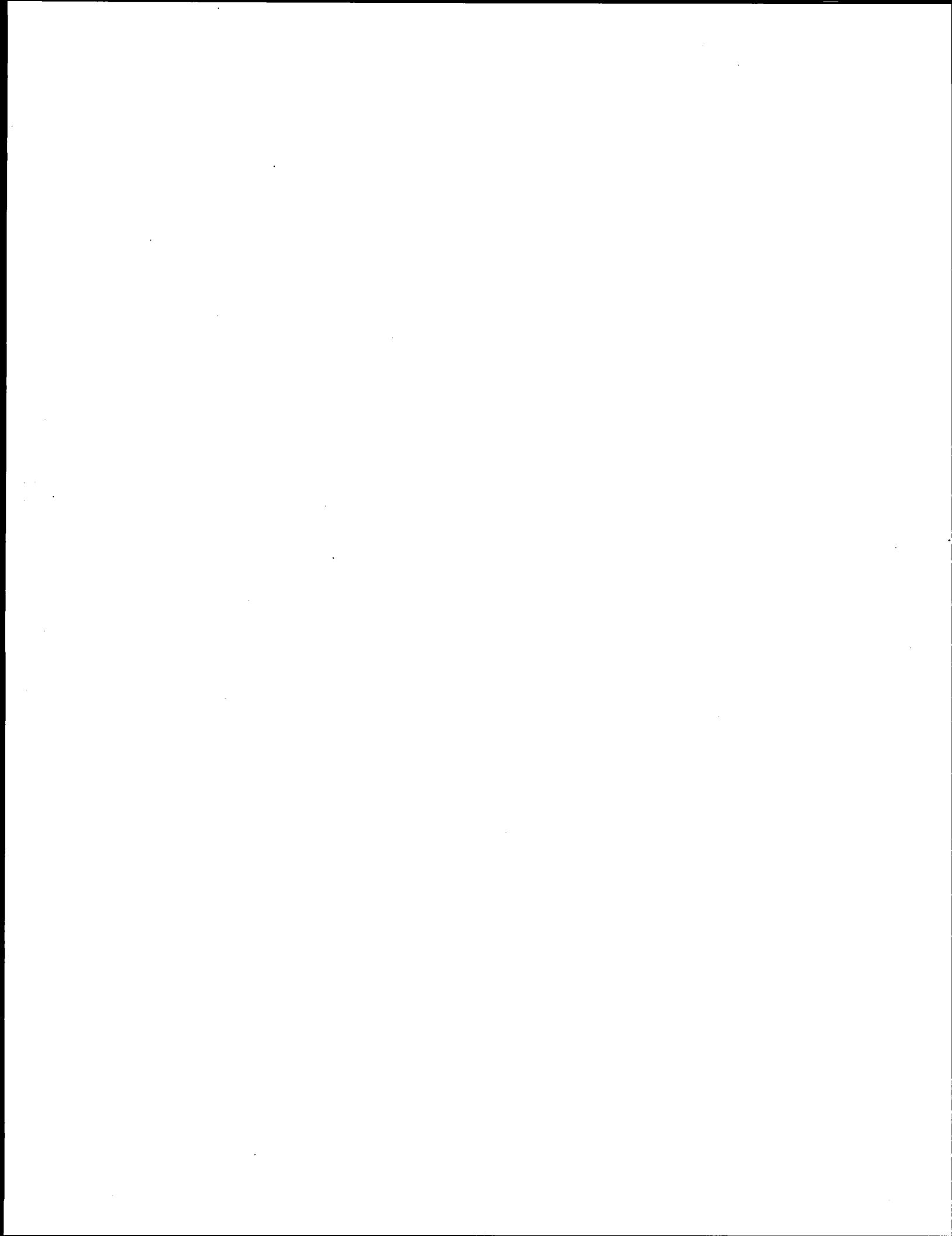
REQUEST:

- 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. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-022

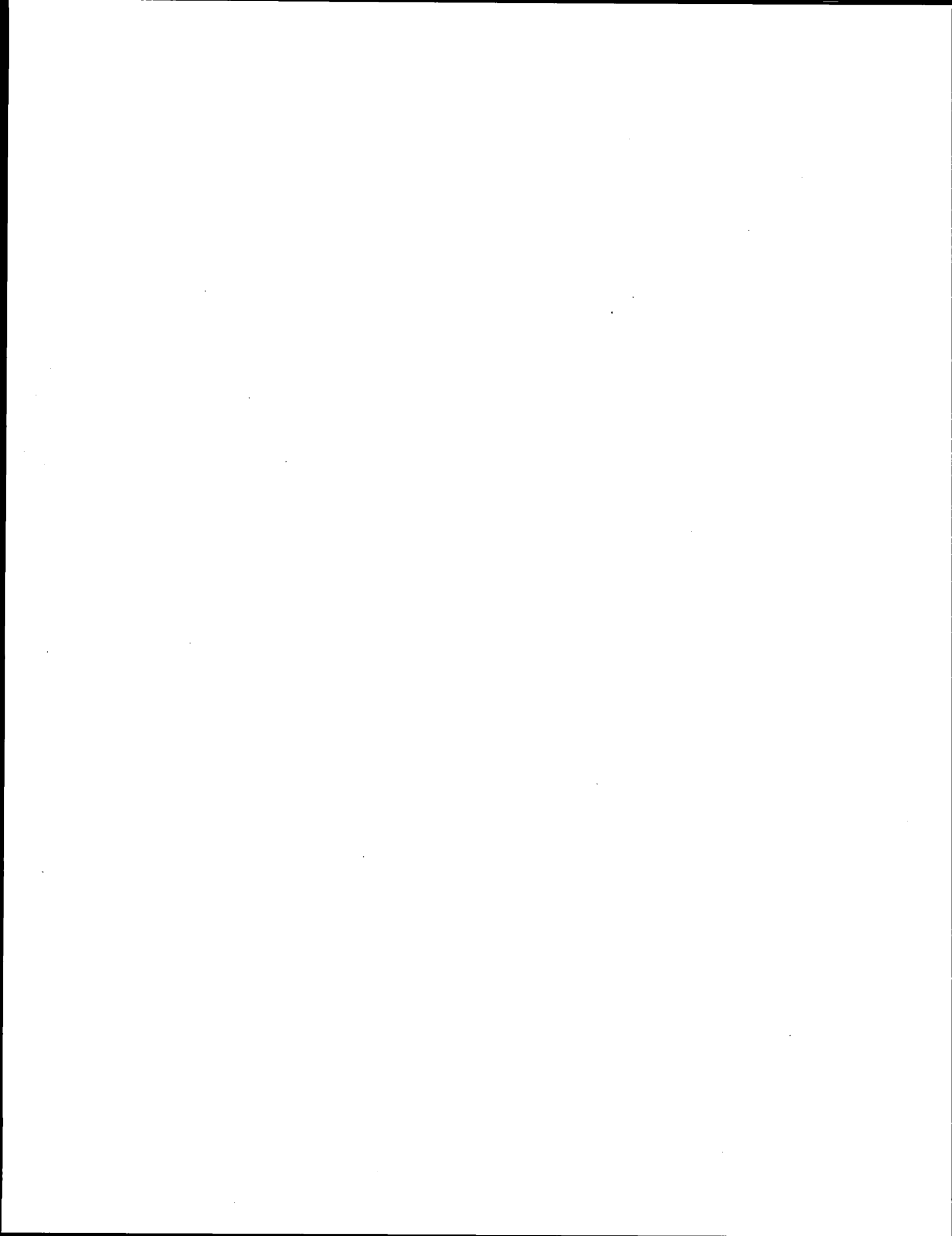
REQUEST:

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. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-023

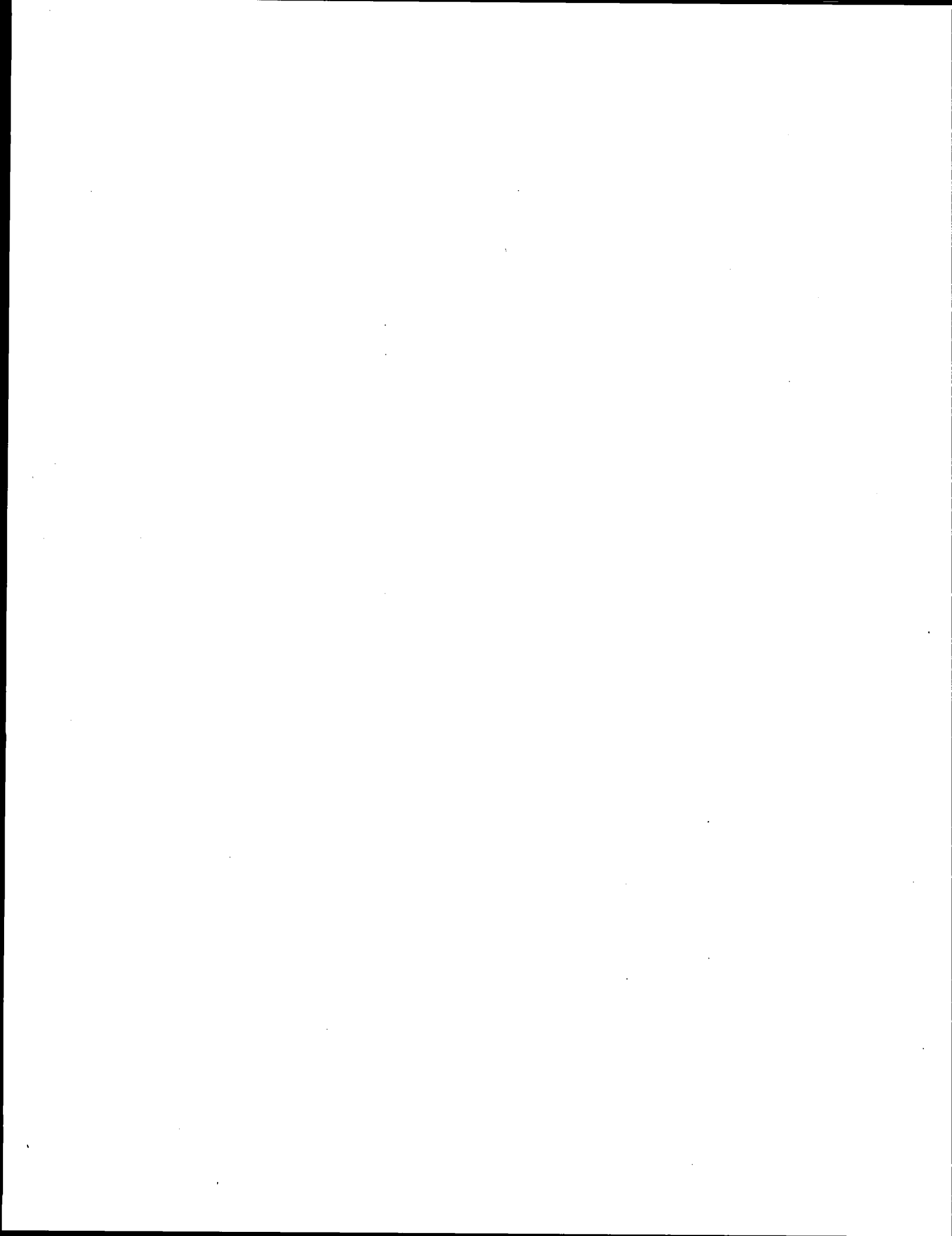
REQUEST:

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 mountaintop 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 with the restrictions that it was not mined through strip mining or mountaintop removal during the period May 31, 2013 through October 31, 2013.

PERSON RESPONSIBLE: Brett Phipps



**Duke Energy Kentucky
Case No. 2013-00448
Staff First Set Data Requests
Date Received: February 7, 2014**

STAFF-DR-01-024

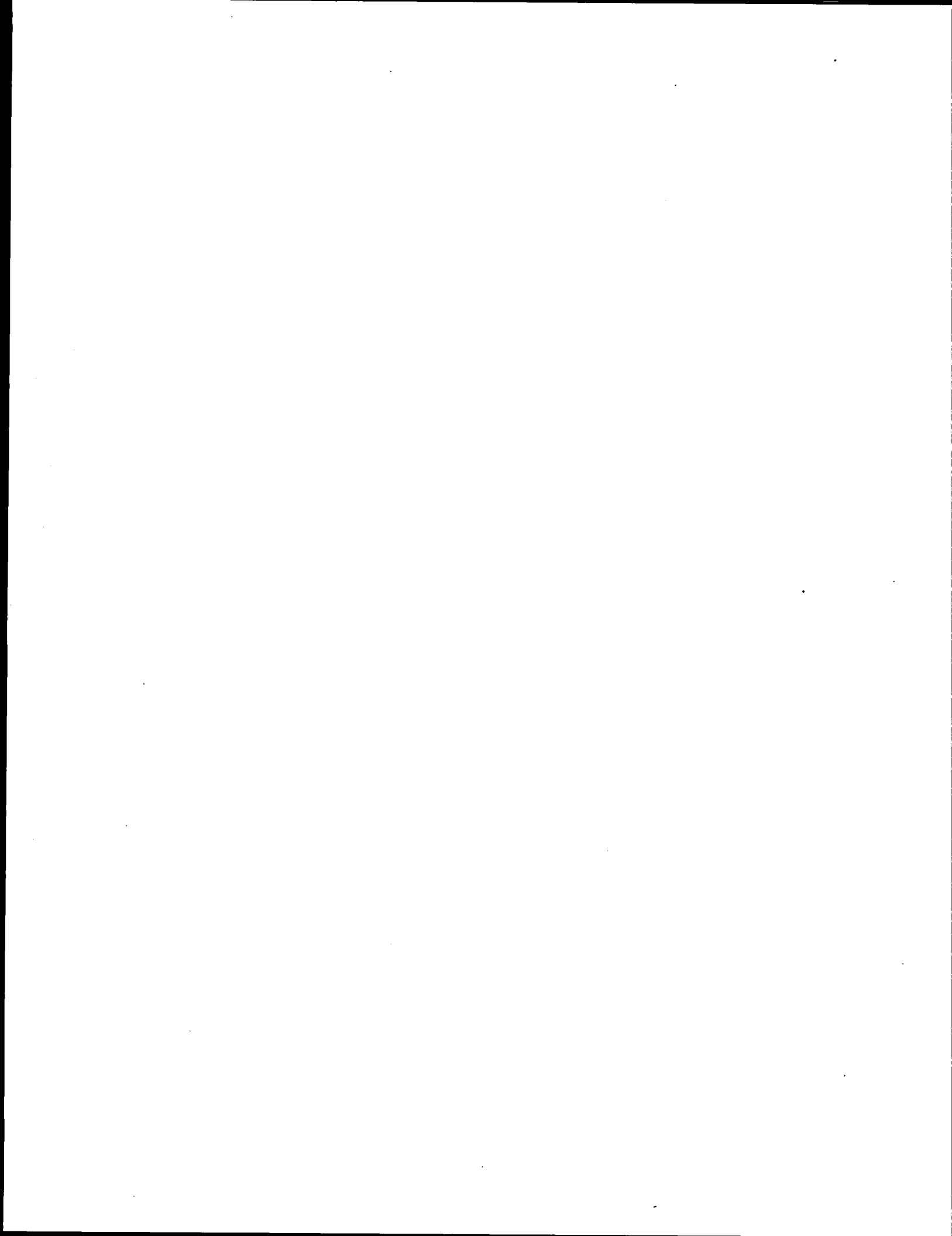
REQUEST:

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



STAFF-DR-01-025

REQUEST:

State whether any PJM Interconnection, LLC 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 \$16,174,615.

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)
May 2013	\$1,717,059	\$34,502	\$1,682,557
June 2013	\$4,023,905	\$0	\$4,023,905
July 2013	\$6,021,167	\$349,972	\$5,671,195
August 2013	\$2,928,907	\$157	\$2,928,750
September 2013	\$1,590,163	\$185,588	\$1,404,575
October 2013	\$463,632	\$0	\$463,632
Total	\$16,744,834	\$570,219	\$16,174,615

PERSON RESPONSIBLE: Lisa Steinkuhl