



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**

April 23, 2014

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

RECEIVED

APR 24 2014

PUBLIC SERVICE  
COMMISSION

**Re: Case No. 2013-448**  
**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 Post Hearing Data Requests in the above captioned case.

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

Sincerely,

Kristen Ryan  
Senior Paralegal  
[kristen.ryan@duke-energy.com](mailto:kristen.ryan@duke-energy.com)

cc: Jennifer Hans (w/enclosures)

RECEIVED

APR 24 2014

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION PUBLIC SERVICE COMMISSION

In the Matter of an Examination of the )
Application of the Fuel Adjustment Clause of ) Case No. 2013-00448
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 POST-HEARING 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 Staff-Post-Hearing-DR-01-001
Attachment.<sup>1</sup> Duke Energy Kentucky, Inc. recently submitted this contract as an attachment
to the Direct Testimony of John D. Swez in Case No. 2014-00078. For consistency and
completeness of the record, Duke Energy Kentucky, Inc. submits this contract, seeking the
same confidential treatment.

The portions of the Attachment for which Duke Energy Kentucky now seeks
confidential treatment (Confidential Information) shows the confidential information relating
to the Company's negotiated balancing thresholds with the interstate pipelines. Disclosure of
this information would damage Duke Energy Kentucky by alerting suppliers and potential
counterparties to how Duke Energy Kentucky manages its fuel supply at the Woodsdale
Generating stations including negotiated balance thresholds which could allow suppliers to

<sup>1</sup> Staff-Post-Hearing-DR-01-001 Attachment is the Operational Balancing Agreement between Texas Eastern
Transmission, LP and The Union Light, Heat and Power Company.

adjust their cost of gas to Duke Energy Kentucky or potential purchasers to lower their price they are willing to pay thus making it more costly to Duke Energy Kentucky and ultimately its customers.

Public release of this information would allow other suppliers to have access to this information and could enable such suppliers to charge higher prices to Duke Energy Kentucky for the purchase of gas as it would give suppliers competitive and sensitive information as to how the Company procures gas on the pipelines and the volumes it is able to carry on the pipelines. Also, because the Company acquired a long position as a result of pipeline operational flow restrictions, the Company may need to sell additional natural gas in the market in the future.

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 imbalance volume of gas at Woodsdale would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information provided in the Confidential Information, this could enable suppliers to charge higher prices to Duke Energy Kentucky for the purchase of gas or enable suppliers to pay lower prices to Duke Energy Kentucky for the sale of gas.

3. The Confidential Information 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. 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).

6. 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.

7. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of five years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially

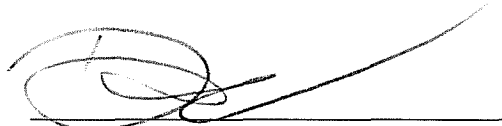
sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential information becomes generally available to the 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](mailto: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 ordinary mail, postage prepaid, this 23rd day of April 2014:

Jennifer Hans  
The Office of the Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive  
Frankfort, Kentucky 40601  
[Jennifer.hans@ag.ky.gov](mailto:Jennifer.hans@ag.ky.gov)

  
Rocco D'Ascenzo

VERIFICATION

STATE OF OHIO                                    )  
  )  
COUNTY OF HAMILTON                        )       SS:

The undersigned, Lisa D. Steinkuhl, Rates & 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*  
\_\_\_\_\_  
Lisa D. Steinkuhl, Affiant

Subscribed and sworn to before me by Lisa D. Steinkuhl on this 15<sup>th</sup> day of April, 2014.

*Anita M. Schaffer*  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



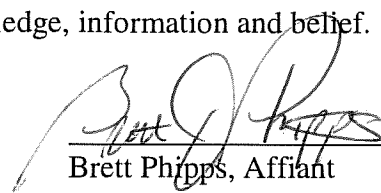
**ANITA M. SCHAFER**  
Notary Public, State of Ohio  
My Commission Expires  
November 4, 2014

VERIFICATION

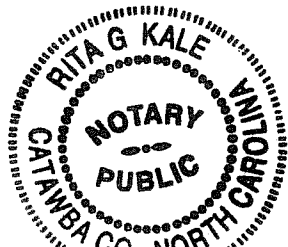
STATE OF NORTH CAROLINA       )  
  )  
  )  
COUNTY OF MECKLENBURG       )

  )        **SS:**

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 15<sup>th</sup> day of April, 2014.



  
\_\_\_\_\_  
NOTARY PUBLIC  
Rita G. Kale

My Commission Expires: 6/17/2017







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**Duke Energy Kentucky**  
**Case No. 2013-00448**  
**First Set of Post Hearing Data Requests**  
**Date Received: April 10, 2014**

**STAFF-POST HEARING-DR-01-001**  
**PUBLIC**

**REQUEST:**

Provide a copy of the Operational Balancing Agreement between Texas Eastern Transmission, LP and The Union Light, Heat and Power Company.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (as to Attachment only)**

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

Duke Energy Kentucky, Inc. recently submitted this contract as an attachment to the Direct Testimony of John D. Swez in Case No. 2014-00078. For consistency and completeness of the record, Duke Energy Kentucky, Inc. submits this contract, seeking the same confidential treatment.

**PERSON RESPONSIBLE:** Brett Phipps

**OPERATIONAL BALANCING AGREEMENT  
BETWEEN  
TEXAS EASTERN TRANSMISSION, LP  
AND  
THE UNION LIGHT, HEAT AND POWER COMPANY**

This Agreement is made and entered into as of the 1st day of February, 2006 by The Union Light, Heat and Power Company ("UHL&P") and by Texas Eastern Transmission, LP ("TE"), collectively referred to as "Parties" or individually referred to as a "Party".

**WITNESSETH**

WHEREAS, the pipeline facilities operated by the Parties interconnect at the interconnection point(s) specified on Exhibit 1 attached hereto and incorporated herein by this reference (hereinafter referred to as "Location", whether one or more); and

WHEREAS, Party or Parties have entered into one or more agreements with third party Service Requesters ("Service Requester(s)") for the transportation of natural gas to or from the Location on the Parties' respective systems (said agreements hereinafter referred to as "Service Requester Agreements"); and

WHEREAS, from time to time, dekatherms of natural gas confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as "Scheduled Quantities") may be greater than or less than the dekatherms of natural gas which are actually delivered at the Location, resulting in inadvertent over- or under-deliveries of the Service Requesters' Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Location and on the Parties' respective systems; and

WHEREAS, TE is designated as the "Measuring Party" for purposes of this Agreement; and

WHEREAS, both Parties maintain a 24 hour a day, 365 days a year Gas Control Center and the Measuring Party has the ability to alter the flow at the Location; and

WHEREAS, unless specifically stated otherwise, all references to "gas day" herein shall be defined as a 24 hour period commencing at 9:00 A.M., Central Clock Time ("CCT").

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**Article 1: Operational Parameters**

- (1.1) Prior to the date and time of flow at each Location, the Parties shall confirm and schedule Service Requester(s) nominations, in accordance with the North American Energy Standards Board ("NAESB") nomination time cycles or more flexible cycles as may be permitted by the Parties' respective FERC Gas Tariffs, for Service Requester(s) Scheduled Quantities which will be delivered or received at each Location. Such confirmation between the Parties shall be made electronically via electronic interface system (such as the Parties' Electronic Bulletin Boards or other successor systems), by telephone or in writing via facsimile prior to gas flow, unless otherwise mutually agreed to by the Parties.
- (1.2) The Parties intend that the total dekatherms of natural gas actually delivered and received each gas day at each Location will equal the Scheduled Quantities for said Location. Each Party will allocate the dekatherms that have been delivered and received at each Location among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at each such Location. Any difference between the total actual physical flow of gas and the total of all Scheduled Quantities at each Location for such gas day is defined for the purposes of this Agreement as the "Daily Operational Imbalance". The sum of all unresolved Daily Operational Imbalances at any given time is defined for purposes of this Agreement as the "Cumulative Operational Imbalance". The Parties shall eliminate such Daily Operational Imbalance and Cumulative Operational Imbalance pursuant to this Agreement.
- (1.3) Unless the Parties otherwise mutually agree, each Party shall use reasonable efforts to adjust the operations of its pipeline system to keep the measured flow of natural gas at each Location as nearly as possible to the Scheduled Quantities, but in any event the total Daily Operational Imbalance on any gas day shall not exceed [REDACTED] dekatherms at the Location and the total Cumulative Operational Imbalance on any gas day shall not exceed [REDACTED] dekatherms for the Location. The Parties acknowledge and agree that the Daily Operational Imbalance and Cumulative Operational Imbalance tolerances specified herein do not establish any rights to transportation, storage, park and loan or any other type of service. Moreover, notwithstanding the foregoing, TE reserves its right to limit or restrict, on any given day(s), the Daily Operational Imbalance and/or Cumulative Operational Imbalance tolerances, in order to maintain system integrity or to alleviate conditions which threaten to impair TE's ability to provide reliable firm transportation service.
- (1.4) Unless the Parties otherwise mutually agree, neither Party shall be obligated to adjust the operation of its pipeline system below operating pressures which, in its sole judgment, are reasonably necessary to transport the Scheduled Quantities and are consistent with prudent

Operational Balancing Agreement  
Between Union Light Heat & Power and Texas Eastern  
Page 3 of 8

operating conditions on its pipeline systems. If at any time the pressure in either Party's pipeline system is such that receipts or deliveries cannot be made at a Location, the nominations at that Location will be scheduled according to Paragraph (1.7) of this Agreement until such time that gas flow can be re-established.

- (1.5) The Parties agree to cooperate with each other in the making of the adjustments required under Paragraphs (1.3) and (1.4).
- (1.6) If it becomes apparent to either Party that the Daily Operational Imbalance exceeds or will exceed [REDACTED] dekatherms or the Cumulative Operational Imbalance exceeds or will exceed [REDACTED] dekatherms, such Party shall notify the other Party by telephone as soon as reasonably practicable and the Parties shall adjust, that same gas day, the operations of their respective pipeline systems pursuant to this Article 1 in order to keep the Daily or Cumulative Operational Imbalances, as the case may be, within the applicable tolerances set forth above.
- (1.7) If a capacity constraint occurs on either Party's pipeline system which results in curtailment of Scheduled Quantities through the Location, the Party on whose pipeline system the constraint has occurred shall determine the reallocation of dekatherms of gas to Service Requesters on its pipeline system in accordance with the provisions of its then effective FERC Gas Tariff. Such Party shall promptly notify the other Party by telephone of the constraint and the reallocation of dekatherms of gas to its Service Requester(s). Such Party shall also provide confirmation of the constraint and reallocation of dekatherms of gas by facsimile, in writing or electronic interface system to the other Party as soon as reasonably possible but not more than twenty-four (24) hours after the occurrence of the constraint and the reallocation of dekatherms of gas. If the constraint occurs at the measuring facilities at the Location, the Measuring Party shall be deemed to have the constraint on its pipeline system.
- (1.8) If either Party requires assistance during certain operating conditions on its pipeline system and the other Party is in a position to assist in alleviating such operating condition or conditions, then pursuant to the mutual agreement of the Parties, the Daily or Cumulative Operational Imbalance tolerances set forth in Paragraph (1.3) may be waived and the Parties may use this Agreement to schedule an increase or decrease in flows of gas as each Location independent of the regular Scheduled Quantities at such Location. Imbalances resulting from such assistance, including those that exceed the normal Daily or Cumulative Operational Imbalance tolerances referenced in Paragraph (1.3), shall be eliminated pursuant to such mutual agreement of the Parties, provided that, unless otherwise agreed to by the Parties, such imbalances shall be eliminated within thirty (30) days after the day such assistance ends.



## **Article 2: Measurement and Balancing**

- (2.1) The actual measured quantity of gas at each Location each month shall be determined and communicated by the Measuring Party by facsimile, electronic interface system or in writing to the other Party in accordance with NAESB Standard 2.3.7. The actual measured quantity shall be determined pursuant to the applicable provisions of the Measuring Party's FERC Gas Tariff or applicable measurement procedures of the Measuring Party's pipeline system. The Cumulative Operational Imbalance shall be calculated initially by Measuring Party no later than the tenth (10<sup>th</sup>) day of the following month and shall be agreed to by electronic interface systems or in writing by the Parties prior to the fifteenth (15<sup>th</sup>) day of such month.
- (2.2) The Parties shall resolve any Cumulative Operational Imbalance incurred during the prior month by adjusting the receipts and deliveries of gas for the remainder of the current month as provided herein after such prior month's Cumulative Operational Imbalance has been agreed to by the Parties, unless mutually agreed to otherwise. Any prior month Cumulative Operational Imbalance not fully resolved will become part of the current Cumulative Operational Imbalance.
- (2.3) Confirmed nominations are required for scheduling of gas to resolve Cumulative Operational Imbalances unless mutually agreed otherwise. Such nominations and scheduling of deliveries to resolve Cumulative Operational Imbalances shall be made at the Location where the imbalance was created, unless otherwise mutually agreed.
- (2.4) Any gas received and delivered to resolve a Daily or Cumulative Operational Imbalance shall be adjusted for variations in BTU content.
- (2.5) Upon the termination of this Agreement, the Parties agree to reconcile and eliminate any remaining Cumulative Operational Imbalance pursuant to the terms and conditions of this Agreement within thirty (30) days of termination of this Agreement or such other period of time which is mutually agreed to by the Parties. Or, upon mutual agreement by the Parties, the Cumulative Operational Imbalance may be resolved by cash out according to the provisions of TE's FERC Gas Tariff.

## **Article 3: Term and Effectiveness**

- (3.1) Subject to the provisions of this Article 3, this Agreement shall be effective as of February 1, 2006 and shall continue until February 28, 2006 and from month to month thereafter until cancelled by either Party upon not less than two (2) business days prior written notice. Such notice shall be effective at the end of the month of such notification.
- (3.2) Notwithstanding the provisions of Paragraph (3.1), this Agreement can be permanently cancelled by either Party under the following conditions:

- (a) Failure by either Party to immediately adjust the operations of its system when informed in writing or by electronic interface system of a critical operating condition(s) by the other Party. A critical operating condition is determined in the sole reasonable judgment of the Party claiming a critical operating condition.
  - (b) Failure of the Parties to agree in writing on the final adjusted Cumulative Operational Imbalance prior to the fifteenth (15<sup>th</sup>) day of the month following the last month gas was delivered. Provided, however, if the Parties disagree on the final adjusted Cumulative Operational Imbalance but are diligently working towards a resolution, then this Agreement will not be cancelled.
  - (c) Exceeding the Daily Operational Imbalance or the Cumulative Operational Imbalance without the prior written agreement of the other Party if a suspension of the Agreement has occurred in the previous six (6) months pursuant to Paragraph (3.3).
- (3.3) If the Cumulative Operational Imbalance exceeds ██████████ dekatherms and the Parties fail to make the adjustments provided in Paragraph (1.6), this Agreement can be suspended by the Party not exceeding the Cumulative Operational Imbalance upon 48 hours prior written notice given to the other Party via facsimile, such suspension to be effective at 9:00 A.M. CCT following the end of the 48 hour notice period and will remain in effect until such time as the Cumulative Operational Imbalance is less than ██████████ dekatherms. However, if prior to the effective time of the suspension, the Cumulative Operational Imbalance is reduced to less than ██████████ dekatherms, such suspension will not go into effect. During the period of suspension of this Agreement, imbalances at the Location(s) that would otherwise increase the Cumulative Operational Imbalance shall be allocated pro rata among the Service Requester(s), and imbalances at the Location(s) that would reduce the Cumulative Operational Imbalance will be allocated to this Agreement.

#### Article 4: Miscellaneous

- (4.1) This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- (4.2) In the event a conflict exists or arises between this Agreement and the Parties' FERC Gas Tariff, as amended from time to time, it is agreed and understood that the latter shall control. This Agreement shall supercede any other agreements with respect to the handling of Daily and Cumulative Operational Balances at the Location.
- (4.3) UHL&P hereby agrees that the provisions of TE's FERC Gas Tariff are incorporated herein by reference and made a part of this Agreement for all purposes. UHL&P also agrees that it shall be

Operational Balancing Agreement  
Between Union Light Heat & Power and Texas Eastern  
Page 6 of 8

required to comply with all of the creditworthiness requirements in TE's FERC Gas Tariff throughout the term of this Agreement.

- (4.4) This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by the Federal Energy Regulatory Commission as a "natural gas company" under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Cumulative Operational Imbalance shall be resolved pursuant to Paragraph (2.5) of this Agreement.
- (4.5) This Agreement is not assignable.
- (4.6) THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.
- (4.7) No waiver by either Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character, or a waiver of each of the Parties' obligation to eliminate Daily or Cumulative Operational Imbalances by adjusting nominations and/or deliveries and receipts of gas at the Location, as provided herein.
- (4.8) As provided in this Agreement, written notices shall be mailed to the post office address of the Party intended to receive the same, as follows:
- The Union Light, Heat and Power Company  
139 East Fourth Street  
Mail Location EA503  
Cincinnati, OH 45202  
Attention: Contract Administration
- Texas Eastern:  
P. O. Box 1642  
Houston, Texas 77251-1642  
Attention: Capacity Scheduling
- (4.9) With regard to operational matters, either Party shall have the right to designate different personnel or locations to receive notices from the other Party for different periods of the week.
- (4.10) This Agreement replaces and supercedes the prior agreement between Texas Eastern and Cinergy Marketing & Trading, LP dated April 1, 2001. Any imbalance which may exist upon the effective date of this Agreement at the Location found in the Exhibit 1 due to prior Operating Balancing Agreements will be transferred to this Agreement and handled under the terms contained herein.

Operational Balancing Agreement  
Between Union Light Heat & Power and Texas Eastern  
Page 7 of 8

IN WITNESS WHEREOF, the Parties hereto have executed duplicate originals of this Agreement  
on the date set forth hereinabove.

TEXAS EASTERN TRANSMISSION, LP  
by its General Partner  
Duke Energy Gas Transmission Services, LLC

By: *R. Mark Fiedorek* *RF*

R. Mark Fiedorek  
Vice President, Asset Optimization & Marketer Services

THE UNION LIGHT, HEAT AND POWER COMPANY

By: *Anthony D'Agostino*

Name: *Anthony D'Agostino*

Title: *VP Executing Agent*

As To Form  
*1/20*

**EXHIBIT 1**

**To the Operational Balancing Agreement  
Between  
The Union Light, Heat and Power Company  
And  
Texas Eastern Transmission, LP  
February 1, 2006**

**Location**

<b><u>TETCO</u></b>	<b><u>D-R-N</u></b>	<b><u>Description</u></b>	<b><u>Measuring Party</u></b>
<b><u>M&amp;R</u></b>	<b><u>Number</u></b>		
73280	Not Avail.	Woodsdale Plant	Texas Eastern

**TEXAS EASTERN TRANSMISSION, LP**  
by its General Partner  
Duke Energy Gas Transmission Services, LLC

By: 

R. Mark Fiedorek  
Vice President, Asset Optimization & Marketer Services

**THE UNION LIGHT, HEAT AND POWER COMPANY**

By: 

Name: Anthony V. Argento

Title: VP Executive Agent

As To Form  
MB



**Duke Energy Kentucky**  
**Case No. 2013-00448**  
**First Set of Post Hearing Data Requests**  
**Date Received: April 10, 2014**

**STAFF-POST HEARING-DR-01-008 (SUPPLEMENTAL)**

**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**

Please see Staff-Post-Hearing-DR 01-008 Supplemental Attachment.

**PERSON RESPONSIBLE:** Brett Phipps

**East Bend**

- a. **Oxford Mining Company - Kentucky - Charolais Coal Co (HC 10053)**
    - 544 Chestnut Street
    - Coshocton, OH 43 8 12
  - b. Charolais Coal Company, Muhlenberg, Hopkins and Webster Counties, Kentucky
  - c. September 5,2007
  - d. January 1, 2008 to April 30, 2013
  - e. Amendment 1 = March 1, 2008; Amendment 2 = March 17, 2008;  
Amendment 3 = July 15, 2008; Amendment 4 = July 28, 2009;  
Amendment 5 = July 12, 2011  
Letter Agreement = March 27, 2013
  - f. 2008 = 287,047; 2009 100,000; 2010 = 200,000; 2011 = 209,727;  
2012 = 213,000; 2013 = 27,291
  - g. 2008 = 287,048; 2009 = 100,142; 2010 = 176,324; 2011 = 198,027; 2012 = 211,368;  
2013 YTD = 26,983
  - h. 2008 = 100%; 2009 = 100%; 2010 = 88.2%; 2011 = 94.4%; 2012 = 99.2%; 2013 YTD =  
98.9%
  - i. 2008 = \$32.00; 2009 \$32.42; 2010 \$32.42; 2011 \$32.70; 2012 \$32.70;  
2013 \$32.70
  - j. None
  - k. 2008 \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011-2013 = \$32.70
- 
- a. **SMCC AGF Resources Sales, Inc. (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 = 279,974; 2012 = 132,766; 2013 = 301,846
  - h. 2009 100.8%; 2010 103.6 %; 2011 = 96.8%; 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)**
    - Macoupin Energy, LLC – Macoupin County, IL
  - 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. Patriot Coal Sales LLC (HC10136)**

12312 Olive Blvd  
St. Louis, Missouri 63 141

- b. Blue Grass Complex, Blue Grass, KY and Highland Mine, Highland KY
- c. November 19, 2010
- d. September 30, 2013
- e. Amendment 1 = February 28, 2013
- f. 2011 = 325,000; 2012 = 266,276; 2013 = 58,724
- g. 2011 = 312,084; 2012 = 278,936; 2013 = 58,641
- h. 2011 = 96.0%; 2012 = 104.8%; 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 Coal Sales, 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**  
**First Set of Post Hearing Data Requests**  
**Date Received: April 10, 2014**

**STAFF-POST HEARING-DR-01-025 SUPPLEMENTAL**

**REQUEST:**

Please supplement Staff-DR-01-025 with the allocation of the total Balancing and Day Ahead Operating Reserve Credit between native and non-native.

**RESPONSE:**

Month/Year (1)	Energy Costs (2)	Total Balancing and Day Ahead Operating Reserve Credit (3)	Non-Native Balancing and Day Ahead Operating Reserve Credit (4)	Native Balancing and Day Ahead Operating Reserve Credit (3) - (4) = (5)	Total PJM Costs in FAC Filings (2) - (5)
May 2013	\$1,717,059	\$34,502	\$0	\$34,502	\$1,682,557
June 2013	\$4,023,905	\$0	\$0	\$0	\$4,023,905
July 2013	\$6,021,167	\$349,972	\$105,697	\$244,275	\$5,776,892
August 2013	\$2,928,907	\$157	\$0	\$157	\$2,928,750
September 2013	\$1,590,163	\$185,588	\$5,072	\$180,516	\$1,409,647
October 2013	\$463,632	\$0	\$0	\$0	\$463,632
Total	\$16,744,834	\$570,219	\$110,769	\$459,450	\$16,285,384

**PERSON RESPONSIBLE:** Lisa Steinkuhl