



139 East Fourth Street, R. 25 At II  
P.O. Box 960  
Cincinnati, Ohio 45201-0960  
Tel: 513-287-3601  
Fax: 513-287-3810  
[John.Finnigan@duke-energy.com](mailto:John.Finnigan@duke-energy.com)

TW

John J. Finnigan, Jr.  
Associate General Counsel

**VIA OVERNIGHT MAIL**

August 24, 2007

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

RECEIVED

AUG 24 2007

PUBLIC SERVICE  
COMMISSION

Re: In the Matter of the Application of the Fuel Adjustment Clause of Duke Energy  
Kentucky from January 1, 2007 through April 30, 2007  
Case No. 2007-00280

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Dear Ms. O'Donnell:

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

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

Thank you.

Sincerely,

John J. Finnigan, Jr.  
Associate General Counsel

JJF/bjl

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 24 2007

PUBLIC SERVICE  
COMMISSION

AN EXAMINATION OF THE APPLICATION )  
OF THE FUEL ADJUSTMENT CLAUSE )  
OF DUKE ENERGY KENTUCKY )  
FROM JANUARY 1, 2007 TO APRIL 30, 2007 )

CASE NO. 2007-00280

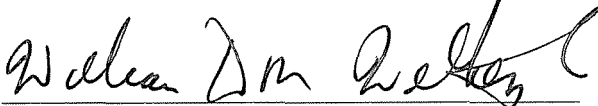
RESPONSE OF DUKE ENERGY KENTUCKY, INC.  
TO  
INFORMATION REQUESTED IN  
APPENDIX A OF COMMISSION'S ORDER  
DATED AUGUST 3, 2007

Filed August 24, 2007

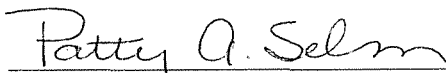
VERIFICATION

State of Ohio            )  
                                  )        SS:  
County of Hamilton    )

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

  
\_\_\_\_\_  
William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen Jr. on this 24th day of August 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC

PATTY A. SELM  
NOTARY PUBLIC, STATE OF OHIO  
My Commission Expires 09-15-2009

My Commission Expires:



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-001**

**REQUEST:**

1. For the period from January 1, 2007 through April 30, 2007, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract).

**RESPONSE:**

Please see Attachment KyPSC-DR-01-001.

**PERSON RESPONSIBLE:** William Don Wathen, Jr.



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-002**

**REQUEST:**

2. For each generating station or unit for which a separate coal pile is maintained, state for the period from January 1, 2007 through April 30, 2007 the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

**RESPONSE:**

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWH	Capacity Factor (Net MWH) / period hrs x MW rating)
East Bend	373,080	368,966	860,789	72.2%
Miami Fort 6	176,212	186,593	404,758	86.2%

**PERSON RESPONSIBLE:** William Don Wathen, Jr.





**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-003**

**REQUEST:**

3. List all firm power commitments for Duke Kentucky from January 1, 2007 through April 30, 2007 for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

**RESPONSE:**

Duke Energy Kentucky purchased 30MW of capacity from Reliant Energy Services for the period April 1, 2007, through April 30, 2007, at a price of \$450/MW-month. This capacity was purchased to partially offset the loss of capacity at East Bend 2 during a planned outage.

**PERSON RESPONSIBLE:** Michael Chen



**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky Case No. 2007-00280  
Date Received: August 3, 2007  
Response Due Date: August 24, 2007**

**KyPSC-DR-01-004**

**REQUEST:**

4. Provide a monthly billing summary for sales to all electric utilities for the period  
January 1, 2007 and April 30, 2007.

**RESPONSE:**

Please see Attachment KyPSC-DR-004.

**PERSON RESPONSIBLE:** William Don Wathen Jr.

DUKE ENERGY KENTUCKY  
POWER TRANSACTION SCHEDULE

Supplier/Buyer	Transaction Type	kWh	Demand	Fuel	Other	Total
<b>Month Ended: January, 31 2007</b>						
Midwest ISO	Econ Sale	48,457,780	0.00	0.00	1,620,043	1,620,043
Big Rivers Electric Corporation	CRSG	9,000	0.00	0.00	284	284
FirstEnergy Services Corp.	CRSG	5,000	0.00	0.00	187	187
LGE/KU	CRSG	7,000	0.00	0.00	164	164
MidAmerican Energy Company	CRSG	1,000	0.00	0.00	70	70
Northern Indiana Public Service Company	CRSG	3,000	0.00	0.00	137	137
Total Sales		48,482,780	0.00	0.00	1,620,886	1,620,886
<b>Month Ended: February, 28 2007</b>						
Midwest ISO	Econ Sale	27,531,840	0.00	0.00	1,415,755	1,415,755
Big Rivers Electric Corporation	CRSG	13,000	0.00	0.00	545	545
Detroit Edison Company	CRSG	3,000	0.00	0.00	1	1
East Kentucky Power Cooperative	CRSG	1,000	0.00	0.00	34	34
FirstEnergy Services Corp.	CRSG	9,000	0.00	0.00	501	501
LGE/KU	CRSG	6,000	0.00	0.00	220	220
Nebraska Public Power District	CRSG	2,000	0.00	0.00	162	162
Northern Indiana Public Service Company	CRSG	2,000	0.00	0.00	73	73
Total Sales		27,567,840	0.00	0.00	1,417,292	1,417,292
<b>Month Ended: March, 31 2007</b>						
Midwest ISO	Econ Sale	85,980,820	0.00	0.00	3,539,484	3,539,484
Big Rivers Electric Corporation	CRSG	18,000	0.00	0.00	855	855
FirstEnergy Services Corp.	CRSG	4,000	0.00	0.00	290	290
LGE/KU	CRSG	2,000	0.00	0.00	94	94
Lincoln Electric System	CRSG	1,000	0.00	0.00	76	76
Manitoba Hydro Electric Board	CRSG	1,000	0.00	0.00	56	56
MidAmerican Energy Company	CRSG	7,000	0.00	0.00	483	483
Nebraska Public Power District	CRSG	1,000	0.00	0.00	78	78
Northern Indiana Public Service Company	CRSG	2,000	0.00	0.00	0	0
Total Sales		86,016,820	0.00	0.00	3,541,416	3,541,416
<b>Month Ended: April, 30 2007</b>						
Midwest ISO	Econ Sale	0	0.00	0.00	0	0
Big Rivers Electric Corporation	CRSG	20,000	0.00	0.00	947	947
FirstEnergy Services Corp.	CRSG	4,000	0.00	0.00	143	143
LGE/KU	CRSG	3,000	0.00	0.00	75	75
Lincoln Electric System	CRSG	1,000	0.00	0.00	13	13
Manitoba Hydro Electric Board	CRSG	1,000	0.00	0.00	63	63
Northern States Power Co.	CRSG	1,000	0.00	0.00	32	32
Total Sales		30,000	0.00	0.00	1,274	1,274

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

Duke Kentucky  
 East Bend Unit 2  
 January 2007 through April 2007

MONTH	SCHEDULED		MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual	
Jan	1/5/2007 16:27	1/7/2007 16:45	1/5/2007 16:27	1/7/2007 16:45	48	48	Secondary Air Heater Bolts Broke.
Feb	No Outages > 6 Hrs						
Mar	3/30/2007	5/20/2007	3/30/2007 23:33	5/31/2007 11:18	1224	1476	Planned Turbine Outage. Extended due to cracked rotors.
Apr	*See Mar Outage Info.						

Duke Kentucky  
 Miami Fort Unit 6  
 January 2007 through April 2007

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Jan	No Outages > 6 Hrs				
Feb	2/17/2007 0:01	2/20/2007 13:54	86	86	Boiler Tube Leak - Waterwall #1 & #2.
Mar	No Outages > 6 Hrs				
Apr	No Outages > 6 Hrs				

Duke Kentucky  
 Woodsdale Unit 1  
 January 2007 through April 2007

MONTH	MAINTENANCE		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE			HOURS OF DURATION		
	Scheduled	Actual	Scheduled	Forced	Actual	Scheduled	Forced	Actual
	FROM	TO	FROM	TO				
Jan	No Outages > 6 Hrs							
Feb	No Outages > 6 Hrs							
Mar	3/11/2007	3/16/2007	3/12/2007 8:30	3/17/2007 13:21		120	125	Spring Prep Outage.
Apr	No Outages > 6 Hrs							

Duke Kentucky  
 Woodsdale Unit 2  
 January 2007 through April 2007

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled	Actual	Scheduled	Forced	Actual		
	FROM	TO	FROM	TO			
Jan	No Outages > 6 Hrs						
Feb	No Outages > 6 Hrs						
Mar	3/11/2007	3/16/2007	3/12/2007 8:30	3/16/2007 13:06	120	101	Spring Prep Outage.
Apr	No Outages > 6 Hrs						



Duke Kentucky  
 Wooddale Unit 3  
 January 2007 through April 2007

MONTH	SCHEDULED		MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE, AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Forced	Actual	
Jan								
	No Outages > 6 Hrs							
Feb								
	No Outages > 6 Hrs							
Mar	3/18/2007	3/23/2007	3/19/2007 9:30	3/25/2007 15:30	120		150	Spring Prep Outage.
Apr								
	No Outages > 6 Hrs							

Duke Kentucky  
 Woodsdale Unit 4  
 January 2007 through April 2007

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Forced	Actual	
Jan						
	No Outages > 6 Hrs					
Feb						
	No Outages > 6 Hrs					
Mar	3/18/2007	3/23/2007				
		3/19/2007 9:30	3/25/2007 15:30	120	150	Spring Prep Outage.
Apr						
	No Outages > 6 Hrs					

Duke Kentucky  
 Woodsdale Unit 5  
 January 2007 through April 2007

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled	Actual	Scheduled	Actual	
	FROM	TO	FROM	TO	
Jan	No Outages > 6 Hrs				
Feb	2/28/2007	3/9/2007	3/1/2007 7:00	3/9/2007 17:27	202 Spring Prep Outage.
Mar	No Outages > 6 Hrs		216		
Apr	No Outages > 6 Hrs				

Duke Kentucky  
 Woodsdale Unit 6  
 January 2007 through April 2007

MONTH	MAINTENANCE		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE		
	Scheduled	Actual	Scheduled	Forced	Actual
	FROM	TO	FROM	TO	
Jan	No Outages > 6 Hrs				
Feb	2/28/2007	3/9/2007	3/1/2007 7:00	3/9/2007 17:18	216
Mar	No Outages > 6 Hrs				202
Apr	No Outages > 6 Hrs				Spring Prep Outage.



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-005**

**REQUEST:**

5. List Duke Kentucky's scheduled, actual, and forced outages between January 1, 2007 and April 30, 2007.

**RESPONSE:**

See Attachment KyPSC-DR-01-005.

**PERSON RESPONSIBLE:** John Swez



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-006**

**REQUEST:**

6. List all existing fuel contracts categorized as long-term (i.e., more than 1 year in length). Provide the following information for each contract:
  - a. Supplier's name and address.
  - b. Name and location of production facility.
  - c. Date when contract was executed.
  - d. Duration of contract.
  - e. Date(s) of each contract revision, modification or amendment.
  - f. Annual tonnage requirements.
  - g. Actual annual tonnage received since the contract's inception.
  - h. Percent of annual requirements received during the contract's term.
  - i. Base price.
  - j. Total amount of price escalations to date.
  - k. Current price paid for coal under the contract (i ÷ j).

**RESPONSE:**

**1. MIAMI FORT 6:**

The Miami Fort Generating Station has limited space, and Miami Fort Units 5, 6 and 7 use the same type of coal. Duke Energy Ohio purchases contract coal for Miami Fort Units 5, 6 and 7 and each unit is assigned the weighted average cost for the coal. The Company will supplement this response with the contract information requested above for the coal contracts used to supply all three units.



2. **EAST BEND:**

- a. Oxford Mining Company, Inc. (10199)  
544 Chestnut Street  
Coshocton, OH 43812
- b. Various Ohio Mines
- c. July 22, 2005
- d. December 31, 2009 (unless extended to 12/31/11)
- e. July 6, 2006
- f. 2006 = 500,000; 2007 = 1,000,000; 2008 = 1,000,000;  
2009 = 1,000,000
- g. 2006 = 380,561; 2007 YTD July = 562,018
- h. 2006 = 76%; 2007 YTD July = 56%
- i. 2006 = \$33.50; 2007 = \$34.25
- j. 2007 = \$2.202
- k. 2007 = \$36.452

- a. **Oxford Mining Company, Inc. (02089)**  
544 Chestnut Street  
Coshocton, OH 43812
- b. Various Ohio Mines
- c. November 8, 2004
- d. December 31, 2006
- e. None
- f. 2005 = 250,000 2006 = 250,000
- g. 2005 = 151,099; 2006 = 274,861; 2007 = 31,363
- h. 2005 = 60%; 2006 = 122%
- i. 2005 = \$28.50 2006 = \$29.50
- j. None
- k. 2005 = \$28.50 2006 = \$29.50

- a. **CoalSales, LLC (10451)**  
701 Market Street  
St. Louis, MO 63101
- b. Arclar Coal Company  
Saline or Gallatin Counties, Illinois
- c. December 29, 2005
- d. December 31, 2008
- e. none
- f. 2006 = 700,000; 2007 = 700,000; 2008 = 300,000
- g. 2006 = 675,459 YTD July 2007 = 486,049
- h. 2006 = 96%; YTD July 2007 = 69%
- i. 2006 = \$37.50; 2007 = \$38.44
- j. 2006 4Q = \$3.75; 2007 3Q = \$3.65
- k. 2006 = \$41.25; 2007 3Q = \$42.09

### **3. WOODSDALE**

No long-term contracts with suppliers that source and deliver gas to Company plants. The only long-term contracts that extend past one year are contracts with the pipelines for transportation service. A summary of these transportation contracts is at Attachment KyPSC-DR-01-006.

**PERSON RESPONSIBLE:** Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)

**Duke Energy Kentucky**

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>
American Coal Co.	75,559	Contract
American Coal Co.	15,550	Spot
Arch Coal	25,194	Contract
Arch Coal	14,988	Spot
Arch Terminal Transfer	14,205	Spot
Black Hawk Synfuel	9,774	Spot
Ceredo Terminal Transfer	43,306	Spot
Coal Network	43,293	Spot
Coal Network	10,987	Contract
Coal Trade LLC	55,136	Spot
Colona Synfuel	3,432	Spot
Consol Coal	24,047	Spot
Constellation Energy	10,323	Spot
Cora Terminal Transfer	21,303	Contract
Cora Terminal Transfer	94,471	Spot
Cumberland Coal	55,525	Contract
Cumberland Coal	18,490	Spot
DTE Energy	22,134	Spot
Emerald International	5,175	Spot
Hopkins County Coal LLC	23,134	Spot
J Aron & Company	5,238	Spot
Koch Carbon	16,316	Spot
KRT Synfuel	716	Contract
Law River Terminal Transfer	28,857	Spot
Law Terminal Transfer	4,177	Spot
Magnum Coal Sales LLC	2,542	Spot
Oxford Mining	21,447	Contract
Oxford Stravaggi	3,531	Contract
Peabody Coal Sales	14,860	Contract
Peabody/Eastern	22,388	Contract
Progress Fuels	16,773	Spot
PSEG Energy	675	Spot
River Trading	15,946	Spot
Sandy River Synfuel	3,265	Spot
Smoky Mountain Coal	1,078	Contract
Smoky Mountain Coal	3,186	Spot
SSM Coal Americas	10,073	Spot
Synthetic American	8,960	Spot
Tyrone Synfuel	409,112	Contract
Williamson Energy	65,953	Contract
TOTAL	<u>1,241,120</u>	

Contract # Description	a) Supplier Name & Address	b) Name & Location of Production Facility	c) [ Exe	j) Total amount price escalations to date	k) current price paid for coal under contract
FT-1#910573R1 Firm Transport	Texas Eastern 5400 Westheimer Court Houston, TX 77056	Serves Woodsdale @ meter #73280	).191/Dth )th	n/a	n/a
IT-1#712323 Interruptible	Texas Eastern 5400 Westheimer Court Houston, TX 77056	Serves Woodsdale		n/a	n/a
IT-#B712323 Backhaul	Texas Eastern 5400 Westheimer Court Houston, TX 77056	Serves Woodsdale Primary Receipt (Tetco-Leb) Primary Delivery (Madison)	Max Rate)	n/a	n/a
LLIT#770259 Lebanon Lateral	Texas Eastern 5400 Westheimer Court Houston, TX 77056	Receipt: ANR & PEPL LL's Delivery: LL Tetco #72770	Max Rate)	n/a	n/a
OBA#630078 Balancing	Texas Eastern 5400 Westheimer Court Houston, TX 77056	n/a	Max Rate)	n/a	n/a



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-007**

**REQUEST:**

7.

- a. Does Duke Kentucky regularly compare the price of its coal purchases with those paid by other electric utilities?
- b. If yes, state:
  - 1. How Duke Kentucky's prices compare with those of other utilities for the review period.
  - 2. The utilities that are included in this comparison and their location.

**RESPONSE:**

**MIAMI FORT 6:**

- a. No.
- b. N/A

**EAST BEND:**

- a. Yes. Review period was for the year ended December 2006. See Attachment KyPSC-DR-01-007.
- b.
  - 1. Duke Energy Kentucky is the third lowest in Delivered Coal Cost per mmbtu at \$1.60.
  - 2. TVA; Louisville Gas & Electric; Kentucky Power; Kentucky Utilities; and East Kentucky Power.

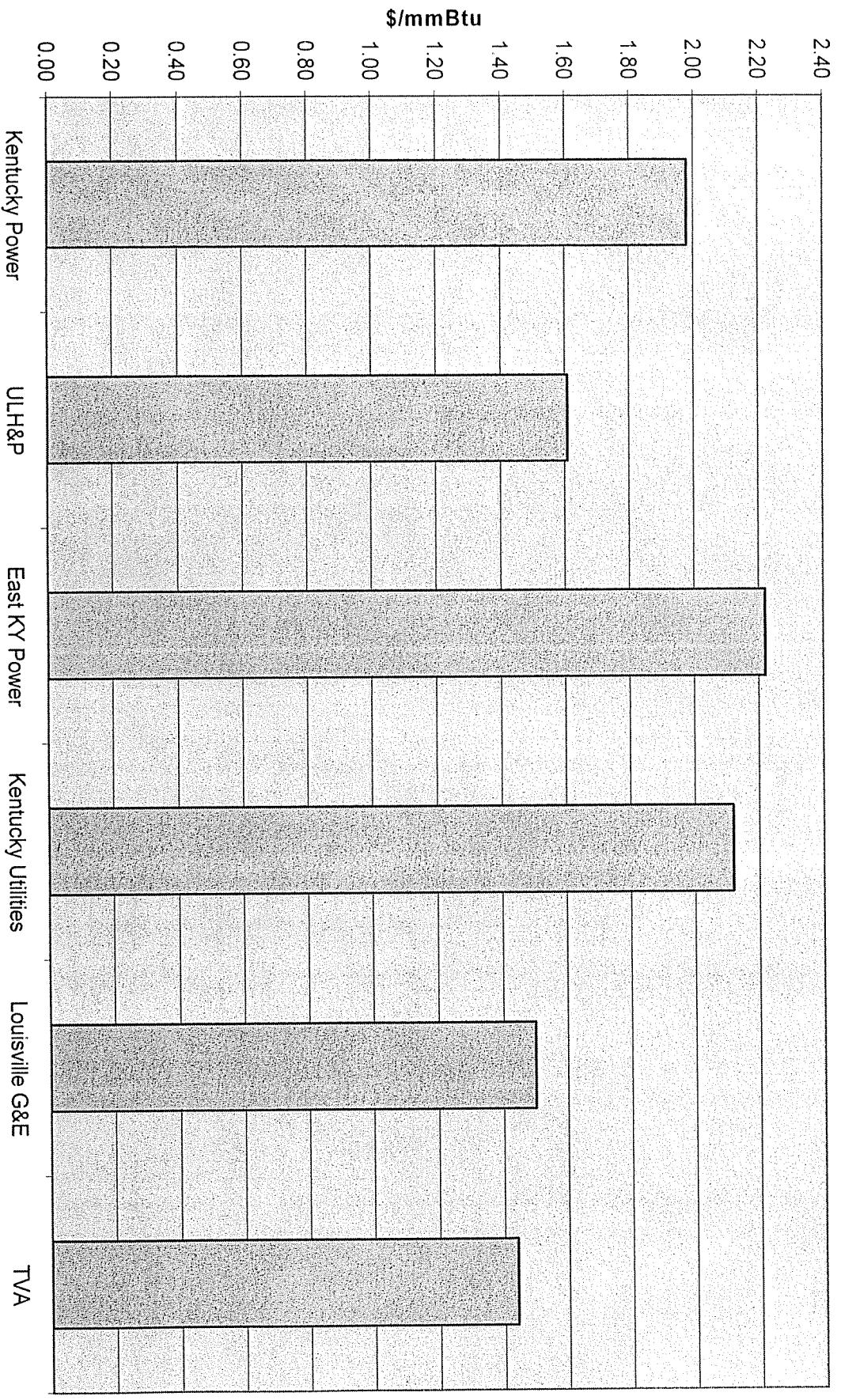
**WOODSDALE: N/A**

**PERSON RESPONSIBLE:**

John Griffith (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)

**ULH&P Peer Group**  
Delivered Coal Cost - \$/mmBtu  
Dec 2006 YTD (Source: FERC - 423)

KYPSC Case No. 2007-00280  
Attachment KYPSC-DR-01-007  
Page 1 of 1







**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-008**

**REQUEST:**

8. State the percentage of Duke Kentucky's coal, as of the date of this Order, that is delivered by:
- a. rail.
  - b. truck.
  - c. barge.

**RESPONSE:**

**MIAMI FORT 6:**

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

**EAST BEND:**

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

**WOODSDALE:** N/A

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-009**

**REQUEST:**

9.

- a. State Duke Kentucky's coal inventory level in tons and in number of days' supply as of April 30, 2007.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare Duke Kentucky's coal inventory as of April 30, 2007 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e. (1) Does Duke Kentucky expect any significant changes in its current coal inventory target within the next 12 months?  
  
(2) If yes, state the expected change and the reasons for this change.

**RESPONSE:**

**MIAMI FORT 6:**

- a. As of 4/30/2007, MF Unit 6 inventory level was 52,494.27 tons. The MF Unit 6 maximum daily burn is reported from the operator to be 1968.7 tons/day. Based on this number, the number of days burn would be recorded as 26.67 days.
- b. Station management has evaluated past historical events that prevented coal from being delivered to the station by the river. Those events include lock outages, river conditions (ice, river levels, etc.), and coal mine issues. The Station management has also evaluated the economics for creating and maintaining a specific quantity for inventory including the affect of taxes. From the past history and the economics, the Station has determined that a 21-day supply based on a 1,986.7 Tons/day Full load burn is the most economical with low risk for Unit 6's coal inventory.

- c. There is no set target inventory. Instead we manage the inventory to be within a 20 to 30-day supply. Based on the maximum daily burn, this would put the 20-30 day range at 39,374 tons (20 day) to 59,061 tons (30 day).
- d. N/A
- e. No.

**EAST BEND:**

- a. As of April 30, 2007, the total inventory at East Bend was 398,892.37 or 61 days.
- b. The number of days supply is computed by dividing an ending daily coal inventory figure stated in tons by the Full Load Burn per day figure of 6,500 tons.
- c. Inventory target = 25 days.
- d. The actual April 30, 2007, daily coal inventory exceeded target inventory in order to maximize synfuel production in order to minimize fuel expense to our customers.
- e. (1) Yes.  
(2) A planned reduction of about ten days, to start bringing inventories more in line with the target inventories.

**WOODSDALE: N/A**

**PERSON RESPONSIBLE:** Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-010**

**REQUEST:**

10.

- a. Has Duke Kentucky audited any of its coal contracts during the period from January 1, 2007 through April 30, 2007?
- b. If yes, for each audited contract:
  - (1) Identify the contract.
  - (2) Identify the auditor.
  - (3) State the results of the audit.
  - (4) Describe the actions that Duke Kentucky took as a result of the audit.

**RESPONSE:**

**MIAMI FORT 6 AND EAST BEND:**

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

**WOODSDALE:** N/A

**PERSON RESPONSIBLE:**

Vince Stroud (Miami Fort 6 and East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-011**

**REQUEST:**

11.

- a. Has Duke Kentucky received any customer complaints regarding its FAC during the period from January 1, 2007 through April 30, 2007?
- b. If yes, for each complaint, state:
  - (1) The nature of the complaint.
  - (2) Duke Kentucky's response.

**RESPONSE:**

- a. None.
- b. N/A

**PERSON RESPONSIBLE:** Cindy Givens







**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky Case No. 2007-00280  
Date Received: August 3, 2007  
Response Due Date: August 24, 2007**

**KyPSC-DR-01-012**

**REQUEST:**

12.

- a. Is Duke Kentucky currently involved in any litigation with its current or former coal suppliers?
- b. If yes, for each litigation:
  - (1) Identify the coal supplier.
  - (2) Identify the coal contract involved.
  - (3) State the potential liability or recovery to Duke Kentucky.
  - (4) List the issues presented.
  - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- c. State the current status of all litigation with coal suppliers.

**RESPONSE:**

**MIAMI FORT 6:**

- a. No.
- b. N/A

**EAST BEND:**

- a. No.
- b. N/A



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-013**

**REQUEST:**

13.

- a. During the period from January 1, 2007 through April 30, 2007, have there been any changes to Duke Kentucky's written policies and procedures regarding its fuel procurement?
- b. If yes:
  - (1) Describe the changes.
  - (2) Provide the written policies and procedures as changed.
  - (3) State the date(s) the changes were made.
  - (4) Explain why the changes were made.

**RESPONSE:**

**MIAMI FORT 6:**

- a. No.
- b. N/A

**EAST BEND:**

- a. No.
- b. N/A

**WOODSDALE:**

- a. No.
- b. N/A

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-014**

**REQUEST:**

14.

- a. Is Duke Kentucky aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from January 1, 2007 through April 30, 2007?
- b. If yes, for each violation:
  - (1) Describe the violation:
  - (2) Describe the action(s) that Duke Kentucky took upon discovering the violation.
  - (3) Identify the person(s) who committed the violation.

**RESPONSE:**

**MIAMI FORT 6:**

- a. No.
- b. N/A

**EAST BEND:**

- a. No.
- b. N/A

**WOODSDALE:**

- a. No.
- b. N/A

**PERSON RESPONSIBLE:**

John Griffith (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky Case No. 2007-00280  
Date Received: August 3, 2007  
Response Due Date: August 24, 2007**

**KyPSC-DR-01-015**

**REQUEST:**

15. Identify and explain the reasons for all changes that occurred during the period from January 1, 2007 through April 30, 2007 in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities.

**RESPONSE:**

**MIAMI FORT 6:** No changes.

**EAST BEND:** No changes.

**WOODSDALE:** No changes.

**PERSON RESPONSIBLE:** Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)





**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-016**

**REQUEST:**

16.

- a. Identify all changes that Duke Kentucky has made during the period under review to its maintenance and operation practices that also affect fuel usage at Duke Kentucky's generation facilities.
- b. Describe the impact of these changes on Duke Kentucky's fuel usage.

**RESPONSE:**

**MIAMI FORT 6:**

- a. None.
- b. N/A

**EAST BEND:**

- a. None.
- b. N/A

**WOODSDALE:**

- a. None.
- b. N/A

**PERSON RESPONSIBLE:**

John Griffith (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-017**

**REQUEST:**

17. List each written coal supply solicitation issued during the period from January 1, 2007 to April 30, 2007.
  - a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
  - b. For each solicitation, state the number of vendores to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

**RESPONSE:**

**MIAMI FORT 6:**

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

**EAST BEND:**

- a. See Attachment KyPSC-DR-01-017(a). This solicitation was for a contract term; quantities are at the discretion of the Seller; the coal quality is outlined in Paragraph 5.2 of the solicitation; and the solicitation was intended (in part) for the generating unit at East Bend.
- b. See Attachment KyPSC-DR-01-017(b). Total number of Sellers solicited were 86; see Attachment KyPSC-DR-01-017(c). The number of Sellers

who responded were nine; see Attachment KyPSC-DR-01-017(c) The reasons for the selection or rejection of each proposal is noted on the Attachment KyPSC-DR-01-017(d).

**WOODSDALE:** N/A

**PERSON RESPONSIBLE:** Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)



March 9, 2007

**Subject: Request for Coal Supply  
RFP 2007-#1**

Dear Sir or Madam:

Duke Energy ("Duke") is hereby requesting proposals for the supply of bituminous, sub-bituminous coal or synthetic fuel that meets the definition of qualified fuels found in Section 29 of the Internal Revenue Code of 1986 ("synfuel") for its regulated utilities in the Carolinas and the Midwest. Proposals for the delivery of coal may have a start date as early as July 1, 2007 or as late as January 1, 2008. Duke, in its sole discretion, shall have the right accept or decline any proposal.

Proposals, to be considered, must be submitted in accordance with the attached Guidelines and Specifications and received by not later than 5:00 PM (EDT) on **Friday March 23, 2007**.

Duke is requesting that proposals be submitted via e-mail to [wtpatter@duke-energy.com](mailto:wtpatter@duke-energy.com) or fax to (704) 382-4568.

If you have any questions regarding this request for proposal, please give me a call at (704) 382-7022.

Sincerely,

W. Ted Patterson, Principal Purchasing Agent  
Duke Energy  
Regulated Fuels

RFP 2007-#1

**CONFIDENTIAL**

**DUKE ENERGY  
REQUEST FOR COAL SUPPLY PROPOSAL  
DATED March 9, 2007  
GUIDELINES AND SPECIFICATIONS**

**1. General Information**

- 1.1 Proposals for a supply of crushed bituminous coal are requested from the Central Appalachian Basin, Northern Appalachian Basin, Illinois Basin, Colorado (Western Bituminous) and International sources as well as sub-bituminous coal from the Powder River Basin.
- 1.2 Proposals are to be submitted to Duke Energy (hereinafter referred to as "Duke") pursuant to the terms and conditions set forth in this RFP 2007-#1 and in accordance with the terms and conditions set forth in the Agreements for the Sale and Purchase of Coal included in this request for coal.
- 1.3 Proposals should be fully completed by using the enclosed Duke-RFP 2007-#1 Forms and executed by someone having the authority to obligate the Seller, and received by Duke no later than 5:00pm (EDT) on **Friday March 23, 2007**. Proposals that are received after the required submittal date and time will be rejected without evaluation.
- 1.4 If International coal is being offered, Seller shall supply all relevant shipping information pertaining to such supply (i.e. debarkation point, etc.). The destination point for all international coal shall be Shipyard River Terminal located in Charleston, South Carolina, United States of America.
- 1.6 Proposals should be submitted via e-mail to: **wtpatter@duke-energy.com**.

Duke request that you send your original proposal to the following address:

Duke Energy  
Regulated Fuels  
526 South Church Street  
Charlotte, NC 28202  
Mail Code: EC11Z  
Fax Number (704) 382-4568  
Attn. W. T. Patterson, Principal Purchasing Agent  
Email: wtpatter@duke-energy.com

RFP 2007-#1

If you have questions pertaining to this Request for Proposal should be directed to Ted Patterson (704) 382-7022, Kim Lubrecht (704) 382-6344 or Eric Myers (704) 382-7891.

- 1.7 Seller shall submit within its proposal(s):
  - (a). Copies of audited or officer certified financial statements for year ending December 31, 2006 and the most recent quarterly financial statements. (If fiscal year is not on a calendar basis, please provide such financial statements that correlate with your designated fiscal year). These statements should include; Balance Sheets, Income Statements, Cash Flow Statements or other pertinent financial documentation related to changes in financial reporting methods.
  - (b). Organization Charts or list of officers of the company.
  - (c). Organization flow of Parent Company and related subsidiaries.
- 1.8 All proposals and financial information submitted under this solicitation will be kept in strict confidence by Duke and shall not be disclosed to any third party, unless required by any regulatory agency or applicable court of law.
- 1.9 Duke reserves the right to audit any proposal and financial data submitted prior to award of any contract resulting from this Request for Proposal (RFP).
- 1.10 Seller shall clearly indicate all of its coal supply producers that it plans to utilize to meet the requirements of this RFP. The enclosed Duke Bid Request Date Sheet 2007-#1 Forms must be completed for each producer proposed. If Seller is proposing coal from multiple producers the percentage of total from each producer must be provided. Also any proposal submitted by Seller on behalf of a producer must include a written statement by the producing company give the Seller the sole and exclusive right to offer coal on the producer's behalf. Please note that all coal proposed should come from the sources listed in your proposal.
- 1.11 Coal loading information including; railroad to be utilized, rail district, shipping point, tipple, rail mine number, and loading capabilities/parameters must be clearly specified within proposal(s).
- 1.12 ***PLEASED BE ADVISED THAT YOUR INITIAL OFFER WILL BE THE BASIS OF DUKE'S EVALUATION. DUKE DOES NOT INTEND TO ENTERTAIN OFFERS OR REVISIONS TO INITIAL OFFERS SUBMITTED AND RECEIVED AFTER THE REQUIRED SUBMITTAL DATE LISTED ABOVE. BASED ON DUKE'S INITIAL EVALUATION OF ALL PROPOSALS, DUKE RESERVES THE RIGHT TO OPEN CONTRACT NEGOTIATIONS, WHICH INCLUDES BUT IS NOT LIMITED TO***



RFP 2007-#1

***(PRICE, TERMS AND CONDITIONS), WITH THE SELLER(s) THAT OFFERS THE MOST ADVANTAGEOUS PRICE, TERMS AND CONDITIONS, WHERE ALL COST IMPACTS TO DUKE ARE CONSIDERED.***

- 1.13 Proposals will be evaluated on, but not limited to, the following:
- Total delivered cost (per million Btu)
  - Total generating cost as evaluated by using Duke's analysis of the coal quality submitted
  - Tonnage offered and volume flexibility of coal shipments
  - Reliability of coal supply and availability of proven reserves
  - Fuel Specification
  - Supplier's financial strength and stability
  - Production capability
- 1.14 Duke reserves the right to request any additional information pertaining to any proposal at anytime after receipt of a proposal.
- 1.15 If Seller's coal has not been extensively utilized/burned by Duke detailed evaluation and testing may be required prior to final acceptance of any contract resulting from this RFP.
- 1.16 Duke shall have the right to send a representative(s) to Seller's mines, properties, operating facilities and coal loading points, for the purpose of inspecting Seller's operations and mining plans, prior to any contract award resulting from this RFP.
- 1.18 By replying to this proposal, Seller is implying its agreement with the terms of this RFP as well as Duke's Agreement for the Sale and Purchase of Coal contractual terms. Duke reserves the right to modify these contractual terms and conditions at any time.

If Seller has any exceptions to these terms and conditions, those exceptions must clearly be identified in Seller's proposal. Duke reserves the right to negotiate or modify the attached contractual terms and conditions, as warranted, for any agreed to contract resulting from this RFP.

- 1.19 *Duke reserves the right to modify or withdraw this request, to reject any or all proposals and/or to terminate any negotiations at any time. Duke also reserves the right to accept one or more proposals for a portion or for all of the quantities of coal requested.*

**2. Proposal Term(s)**

- 2.1 Seller should submit a proposal(s) in which coal deliveries begin under one or more of the following:

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**July 1, 2007 Start Date:**

Term No. 1: 1 Year: July 1, 2007 through June 30, 2008.

Term No. 2: 2 Years: July 1, 2007 through June 30 2009

Term No. 3: 3 Years: July 1, 2007 through June 30 2010

**January 1, 2008 Start Date:**

Term No. 1: 1 Year: January 1, 2008 through December 31, 2008.

Term No. 2: 2 Years: January 1, 2008 through December 31, 2009.

Term No. 3 3 Years: January 1, 2008 through December 31, 2010.

Duke reserves the right to determine the start date and the term that is in the best interest of Duke.

**3. QUANTITY:**

- 3.1 The monthly and/or annual quantity offered is at the discretion of Seller. Shipments are expected in approximate equal month quantities. Duke reserves the right to determine the contract quantity that is in its best interest.

**4. PRICING:**

- 4.1 The Contract Price(s) quoted shall be fixed per ton F.O.B. railroad car, F.O.B. Barge or F.O.B. truck at the loading point or at the delivery point. Depending upon the term selected by Duke, Duke reserves the right to incorporate a contract price re-opener/renegotiation structure prior to award of any contract resulting from this RFP. However, Duke will consider other pricing options or pricing re-openers proposed by Seller depending upon term offered. In addition, Duke will consider any other pricing mechanism proposed.
- 4.2 The price(s) quoted must be quoted in US Dollars and shall include all costs of compliance by Seller with all federal, state or local government taxes, fees, laws, rules regulations and/or other levies which are the responsibility of the Seller.
- 4.3 Contract Price Adjustments:

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A. Duke will apply a pricing adjustment increasing or decreasing the fixed Contract Base Price to compensate for variances in the actual “as received” **Btu** content from the guaranteed Btu for coal shipped to Duke.

B. Duke will apply pricing adjustment decreasing the fixed Contract Base Price to compensate for the actual “as received” **SO2 per MMBtu content and Ash content** being greater than the guaranteed content.

C. There will be no pricing adjustment increasing the fixed Contract Base Price to compensate for the actual “as received” **SO2 per MMBtu content and Ash content** being less than the guaranteed content.

**(See Agreement for the Sale and Purchase of Coal).**

Duke reserves the right to modify any of the pricing adjustments.

4.4 Duke shall weigh, using its certified scales, and analyze the coal at the receiving station for the purpose of governing payments and pricing adjustments/settlements. All coal sampling and coal quality analyses shall be performed in accordance with applicable ASTM Standards.

**5. QUALITY**

5.1 Duke will evaluate proposal(s) based on actual coal qualities represented within proposal(s) listed on the Duke-RFP 2007-#1 Form(s), (i.e. Btu, moisture, ash, sulfur, grind, volatile matter, ash fusion temperature, etc.). Consequently, proposal(s) should accurately reflect all qualities of coal to be provided to Duke.

5.2 All Coal offered should be processed or quality controlled as necessary such that it meets the following quality specifications on a delivery by delivery basis

**Seller may submit proposals for any or all of the following quality scenarios:**

**Coal Quality 1:**

Heating Value	12,000 Btu/lb.	Minimum
Ash Content	12%	Maximum
Moisture Content	7%	Maximum
*Sulfur Level Content	2.15 Lbs SO2/MMBtu or 3.5 Lbs SO2/MMBtu	Maximum Maximum
Ash Softening Temperature in Reducing Atmosphere	2,400 F	Minimum
Volatile Matter	30%	Minimum

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Grindability	38 HGI	Minimum
Size	2 x 0"	Maximum

**Coal Quality 2:**

Heating Value	10,000 Btu/lb.	Minimum
Ash Content	25%	Maximum
Moisture Content	7%	Maximum
*Sulfur/SO2 Level Content	2.15 Lbs SO2/MMBTU or 3.5 Lbs SO2/MMBTU	Maximum Maximum
Ash Softening Temperature in Reducing Atmosphere	2,300 F	Minimum
Volatile Matter	18%	Minimum
Grindability	38 HGI	Minimum
Size	2 x 0"	Maximum

**Coal Quality 3 (PRB Coal):**

Heating Value	8,400 Btu/lb.	Minimum
Ash Content	7%	Maximum
Moisture Content	30%	Maximum
*Sulfur/SO2 Level Content	.8 Lbs SO2/MMBTU	Maximum
Ash Softening Temperature in Reducing Atmosphere	2,000 F	Minimum
Volatile Matter	30%	Minimum
Grindability	45 HGI	Minimum
Size	3 x 0"	Maximum

**Quality 4 (High Sulfur Coal):**

Heating Value	11,000 Btu/lb.	Minimum
Ash Content	13%	Maximum
Moisture Content	15%	Maximum
*Sulfur Level Content	6.50 Lbs SO2/MMBTU	Maximum
Ash Softening Temperature in Reducing Atmosphere	2,000 F	Minimum
Volatile Matter	30%	Minimum

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Grindability Size	40 HGI 2 x 0"	Minimum Maximum
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\* Sulfur Content shall be calculated as follows:

$$\text{Lbs SO}_2 \text{ Per MMBTU} = \frac{(\text{"As Received"} \% \text{ Sulfur} \times 20,000)}{\text{"As Received"} \text{ Btu Per Pound}}$$

## **6. Payment**

6.1 Duke shall pay for coal delivered on or before the thirtieth (30th) day of the month following the month of shipment.

## **7. General**

- 7.1 By replying to this request, Seller warrants that it has sufficient reserves and/or supply sources of steam coal or synfuel to fulfill the coal quantity(ies) and quality(ies) stated in its proposal.
- 7.2 Please specify in your proposal if you are offering short tons or metric tons.
- 7.3 Coal quality information should be filled on the enclosed Duke Bid Request Sheet 2007-#1 Form(s). Please be sure to fill out both attachments on the Duke Bid Request Sheet 2007-#1. If Seller is proposing more than one coal quality type (coals having different coal quality values), then this form should be filled out for each coal type being proposed.
- 7.4 Seller should note, that if it is selected to provide coal to Duke resulting from this RFP, it must consistently comply with its coal quality specifications and shall meet scheduled shipping dates to avoid a material breach of any agreed to contract resulting from this RFP.
- 7.5 Compliance with Laws. Unless Seller is exempted by the applicable rules, regulations or orders, Seller shall comply fully at all times relevant to this Purchase Order with all applicable laws, rules, regulations and court orders, including, but not limited to: (a) Executive Order 11246 issued by the President of the United States on September 24, 1965; (b) the Vietnam Era Veterans Readjustment Assistance Act of 1974 and applicable sections of 41 CFR and 48 CFR 52.222.35 relating to the employment of veterans; (c) Section 503 of the Rehabilitation Act of 1973 and 48 CFR 52.222-36; (d) regulations of the United States Occupational Safety and Health Act; (e) 15 U.S.C. 637(d)(3) and 48 CFR 52.219 (Aid to Small Business); (f) 48 CFR 52.202-1 (Definitions); (f) 48 CFR 52.203-3 (Gratuities); (g) 48 CFR 52.203-5 (Covenant Against Contingent Fees); (h) 48 CFR 52.203-6 (Restrictions on Subcontractor Sales to the Government); (i) 48 CFR 52.203-7 (Anti-Kickback Procedures); (j) 48 CFR 52.203-8 (Cancellation, Rescission, and Recovery of Funds for Illegal or

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Improper Activity); (k) 48 CFR 52.209-6 (Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment); (l) 48 CFR 52.212-5 (Contract Terms and Conditions Required to Implement Statutes or Executive Orders- Commercial Items); (m) 48 CFR 52.215-19 (Notification of Ownership Changes); (n) 48 CFR 52.222-21 (Prohibition of Segregated Facilities); (o) 48 CFR 52.222-26 (Equal Opportunity); (p) 48 CFR 52.223-13 (Certification of Toxic Chemical Release Reporting); (q) 48 CFR 52.223-14 (Toxic Chemical Release Reporting); (r) 48 CFR 52.229-1 (State and Local Taxes); (s) 48 CFR 52.232-23 (Assignment of Claims); (t) all applicable rules, regulations and orders issued by the United States Secretary of Labor under any of the foregoing; and (u) all amendments of the foregoing that may be made from time to time. "CFR" is the Code of Federal Regulations.

7.6 Please include your current e-mail address with your proposal.

**DUKE ENERGY- RFP 2007 #1 Offer Sheet Attachment - A**

Seller represents that the Producer of the coal offered herein has authorized Seller to make this proposal to Duke Energy, and that the Producer has full knowledge of all data listed herein.

<b>Submitted By:</b>		<b>Seller:</b>		<b>Phone No.:</b>	<b>Fax No.:</b>
<b>Address:</b>		<b>Address:</b>			
<b>County:</b>		<b>Name:</b>		<b>Title:</b>	
<b>State:</b>		<b>Signature:</b>			
<b>Seams:</b>					
<b>Raw</b> <input type="checkbox"/>		<b>Washed</b> <input type="checkbox"/>		<b>Blend</b> <input type="checkbox"/>	
<b>Underground:</b> %		<b>Surface:</b> %			
<b>Comments:</b>					
<b>Transportation Mode (rail, truck or barge):</b>		<b>Shipping Point:</b>			
<b>Rail Transportation Source: (i.e. CSX/NS):</b>		<b>Rail Mine No., if applicable:</b>			
<b>Shipping Point:</b>		<b>Rail Tipple, if applicable:</b>			
<b>Railroad District:</b>		<b>River and Mile Post, if applicable:</b>			
<b>As-Received Guarantees</b>					
<b>High Heating Value:</b>	<b>Btu/lb</b>	<b>Min.</b>	<b>Max.</b>		
<b>Moisture Content:</b>	<b>%</b>	<b>Min.</b>	<b>Max.</b>		
<b>Ash Content:</b>	<b>%</b>	<b>Min.</b>	<b>Max.</b>		
<b>Sulfur Content:</b>	<b>%</b>	<b>Min.</b>	<b>Max.</b>		
<b>Grindability:</b>	<b>HGI</b>	<b>Min.</b>	<b>Max.</b>		
<b>Volatiles Matter:</b>	<b>%</b>	<b>Min.</b>	<b>Max.</b>		
<b>AFT (Initial Def., Red. Atm.):</b>	<b>F</b>	<b>Min.</b>	<b>Max.</b>		
<b>Carbon:</b>	<b>%</b>				
<b>Chlorine:</b>	<b>%</b>				
<b>Hydrogen:</b>	<b>%</b>				
<b>Nitrogen:</b>	<b>%</b>				
<b>Oxygen (Diff.):</b>	<b>%</b>				
<b>Loadout Time, (Rail):</b>	<b>hrs.</b>				
<b>Maximum No. of Cars (Rail):</b>	<b>Inches Max.</b>				
<b>Notes:</b>					
(1) This form may be reproduced if more than one coal is being offered.					

**DUKE ENERGY- RFP 2007 #1 Offer Sheet Attachment - A**

Seller represents that the Producer of the coal offered herein has authorized Seller to make this proposal to Duke Energy, and that the Producer has full knowledge of all data listed herein.

<input type="checkbox"/> Carbon	<input type="checkbox"/> Nut & Slack	<input type="checkbox"/> Crushed R.O.M.	<input type="checkbox"/> (2) if multiple coal producers are supplying coal, please indicate each producers percer
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**DUKE ENERGY - RFP 2007 #1 Attachment - B**

Seller represents that the Producer of the coal offered herein has authorized Seller to make this proposal to Duke Energy, and that the Producer has full knowledge of all data listed herein.

Parameter	Units	VALUE			Basis for Data
		Average	Maximum	Minimum	
<b>Proximate Analysis (As-Received):</b>					
High Heating Value	Btu/lb				▶
Moisture Content	%				▶
Ash Content	%				▶
Sulfur Content	%				▶
Volatile Matter	%				▶
Fixed Carbon	%				▶
<b>Ultimate Analysis (Dry Basis):</b>					
Carbon	%				▶
Hydrogen	%				▶
Nitrogen	%				▶
<b>Ash Fusion Temperatures:</b>					
<b>Oxidizing Atmosphere:</b>					
Initial Deformation	F				▶
Softening	F				▶
Hemispherical	F				▶
Fluid	F				▶
<b>Reducing Atmosphere:</b>					
Initial Deformation	F				▶
Softening	F				▶
Hemispherical	F				▶
Fluid	F				▶
<b>Ash Elemental Oxides Analysis:</b>					
Silica (SiO2)	%				▶
Alumina (Al2O3)	%				▶
Titania (TiO2)	%				▶
Iron (Fe2O3)	%				▶
Phosphorous (P2O5)	%				▶
Calcium (CaO)	%				▶
Magnesium (MgO)	%				▶
Sodium (Na2O)	%				▶
Potassium (K2O)	%				▶
Sulfur Trioxide (SO3)	%				▶
<b>Forms of Sulfur (Dry):</b>					
Pyrites	%				▶
Sulfates	%				▶
Organic	%				▶
<b>Miscellaneous Properties:</b>					
Grindability	HGI				▶
Equilibrium Moisture	%				▶

Free Swelling Index	--						
Acid Soluble Na2O (coal I)	ppm						
Acid Soluble K2O (coal b)	ppm						
Ash Fusion Temperature	F						
<b>Trace Metals (Dry-coal basis):</b>							
Antimony	ppm						
Arsenic	ppm						
Barium	ppm						
Beryllium	ppm						
Cadmium	ppm						
Chromium	ppm						
Cobalt	ppm						
Copper	ppm						
Lead	ppm						
Manganese	ppm						
Mercury	ppm						
Molybdenum	ppm						
Nickel	ppm						
Selenium	ppm						
Silver	ppm						
Thallium	ppm						
Vanadium	ppm						
Zinc	ppm						
<b>Halogens (Dry-coal basis):</b>							
Bromine	ppm						
Chlorine	ppm						
Fluorine	ppm						
Iodine	ppm						
<b>Size Consist (top):</b>							
> 3 inch	%						
3 inch - 2 inch	%						
2 inch - 1 1/2 inch	%						
1 1/2 inch - 1 inch	%						
1 inch - 1/2 inch	%						
1/2 inch - 1/4 inch	%						
< 1/4 inch	%						

## **Duke Energy Corporation - Coal Supply Bidders List**

Alliance Coal, LLC  
Alliance Coal Corporation  
Alpha Coal Sales Co., LLC  
Amvest Coal Sales, Inc.  
Arch Coal Sales Company, Inc.  
Alexandra Coal Sales  
Black Gold  
Blue Ribbon Coal Sales Company (Nally and Hamilton Enterprise)  
Buckeye Industrial Mining Co.  
Buckingham Coal Company  
B&W Resource, Inc.  
Capital Coal Sales Company  
Carroll Coal Corporation  
Central Appalachia Mining, LLC (Rhino Energy LLC)  
Central Coal Company  
Century Coal, LLC  
Coal Energy Resources, Inc.  
Coal Marketing Company (U.S.A.) Inc.  
Coal Network, Inc.  
Coal Sourcing & Sales, Inc.  
Commonwealth Mining, LLC  
Compass Coal Services, LLC  
Concept Mining, Inc.  
Consol Energy Sales Co.  
Constellation Energy Commodities Group  
Converse and Company, Inc.  
Crimson Coal Corporation  
Crown Coal & Coke Company  
Cumberland River Energies, Inc.  
Delta Coals, Inc.  
Diversified Energy, Inc.  
Drummond Company, Inc  
DTE Coal Services, Inc.  
Eagle Fuels Inc.  
East River Coal Company  
Emerald International Corporation  
Evolution Markets LLC  
Foundation Energy Sales, Inc. (Rockspring Development, Inc.)  
Genesis Coal Corporation (Sales Agent CVS, Inc.)  
Genesis Consulting Company  
Glencore, LTD  
International Coal Group, Inc.  
Interocean Coal Sales Company, LDC  
James River Coal Sales, Inc.

Kentucky Cumberland Coal Company

*(Duke Energy Coal Supplier List Continued)*

RIO Tinto (Formerly Kennecott Energy and Coal Company)  
Koch Carbon, LLC  
Lafayette Coal Company  
Landmark Mining Company, Inc.  
Logan & Kanawha Coal Company, Inc.  
Magnum Coal Sales LLC  
Marshall Resources, Inc.  
Massey Coal Sales Company, Inc.  
Miller Brothers Coal, LLC  
Mirant American Energy Marketing  
Nally and Hamilton Enterprises, Inc.  
National Coal Corporation  
ONYX Coal Sales  
Oxbow Mining LLC  
Oxford Mining Company  
Peabody CoalSales, LLC  
Peabody CoalTrade, Inc.  
Pevler Coal Sales Company, Inc.  
Pine Branch Coal Sales, Inc.  
Progress Fuels Corporation  
PG&E National Energy Group  
Phoenix Coal Corporation  
Raven Crest Minerals, LLC  
Rosebud Mining Company  
Sapphire Coal Company  
Sempra Energy Trading  
Smoky Mountain Coal Corporation  
Southeast Fuels, Inc.  
Southern Appalachian Coal Sales, Inc.  
SSM Coal Americas LLC  
Teco Coal Corporation (Perry County Coal and Clintwood Elkhorn)  
TXU Energy Trading  
The American Coal Sales Company (Murray)  
Thoroughbred Coal Company, LLC  
Trinity Coal Marketing, LLC (Little Elk Mining Company, LLC)  
United Coal Company  
United Power  
Virginia Power Energy Marketing  
Waterloo Coal Company  
Wellmore Coal Company

Williamson Energy, LLC (Sales Agent Providence Energy Corporation)  
Woodruff Coal Company



**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky Case No. 2007-00280  
Date Received: August 3, 2007  
Response Due Date: August 24, 2007**

**KyPSC-DR-01-018**

**REQUEST:**

18. List each oral coal supply solicitation issued during the period from January 1, 2007 to April 30, 2007.
  - a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
  - b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

**RESPONSE:**

**MIAMI FORT 6:**

- a. None.
- b. N/A

**EAST BEND:**

- a. None.
- b. N/A

**WOODSDALE:** N/A

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Vince Stroud (East Bend)  
Michael Vorderbrueggen (Woodsdale)





**KyPSC Staff First Set Data Requests**  
**Duke Energy Kentucky Case No. 2007-00280**  
**Date Received: August 3, 2007**  
**Response Due Date: August 24, 2007**

**KyPSC-DR-01-019**

**REQUEST:**

19. a. List all intersystem sales during the period under review in which Duke Kentucky used a third party's transmission system.
- b. For each sale listed above:
  - (1) Describe how Duke Kentucky addressed for FAC reporting purposes the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system.
  - (2) State the line loss factor used for each transaction and describe how that line loss factor was determined.

**RESPONSE:**

- a. Duke Energy Kentucky sells 100% of its generation to the Midwest Independent System Operator, Inc. ("MISO"). These sales are made at the generating station; consequently, there was no third-party transmission used.
- b. N/A

**PERSON RESPONSIBLE:** William Don Wathen Jr.



**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky Case No. 2007-00280  
Date Received: August 3, 2007  
Response Due Date: August 24, 2007**

**KyPSC-DR-01-020**

**REQUEST:**

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

**RESPONSE:**

N/A. See response to KyPSC-DR-01-019.

**PERSON RESPONSIBLE:** William Don Wathen Jr.