

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of an Investigation of Duke)
Energy Kentucky, Inc.'s Accounting Sale of)
Natural Gas Not Used in its Combustion)
Turbines)

Case No. 2014-0078

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS RESPONSES TO COMMISSION STAFF'S
POST DATA REQUESTS OF OCTOBER 1, 2014**

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 Post Hearing Data Request No. 1, as requested by Commission Staff (Staff) in this case on October 1, 2014. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) includes business strategy and communications between Duke Energy Kentucky and PJM regarding the operations of Woodsdale, future possible market and fuel procurement strategies and other market information.

More specifically, the response contained in the Confidential Attachment to Post Hearing Data Request No. 1 contains sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interest. The sensitive information contained in response to Post Hearing Data Request No. 1 includes business strategy and communications between Duke Energy Kentucky and PJM regarding

the operations of Woodsdale and, specifically, possible future fuel procurement strategies that are still in initial phases of discussion. Releasing this information would give other competitors an advantage which would act to the detriment of Duke Energy Kentucky and its customers in the future as competitors in the market would learn the Company's strategies to manage market risks and improve its operations.

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 business strategy (Confidential Attachment to Post Hearing Data Request No. 1) would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information requested in Post Hearing Data Request No. 1, potential suppliers and competitors could gain valuable insight to Duke Energy Kentucky's strategies to manage its market risks and they could use such information to manipulate pricing to the detriment of Duke Energy Kentucky and its ratepayers. Potential future fuel suppliers could tailor their bids in the future having knowledge of how Duke Energy Kentucky is valuing its market exposure and fuel strategies so to optimize its generation dispatch. Such information could cause potential fuel suppliers to adjust pricing and providing services for similar products thereby manipulating the market and undermining the Company's ability to manage

costs. Other market participants would know how Duke Energy Kentucky might hedge its exposure for fuel prices and its strategies for pricing units into the energy markets.

3. The information in Post Hearing Data Request No. 1 contains business strategy and communications between Duke Energy Kentucky and PJM and 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 contained in Confidential Attachment to No. 1 was between Duke Energy Kentucky and PJM for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

4. Due to the nature of this highly competitive service, if the particular information and other competitive information became generally known or readily ascertainable, this knowledge could provide competitors an unfair advantage and could result in harm to Duke Energy Kentucky for future negotiations, thereby resulting in higher costs from vendors to the detriment of Duke Energy Kentucky's customers. If the Commission grants public access to the information requested in Post Hearing Data Request No. 1, potential future suppliers services and competitors would have valuable insight into the Company's potential future procurement strategies. Duke Energy Kentucky requests that certain details to various fuel procurement and dispatch optimization strategies be treated as confidential and a trade secret and not subject to public disclosure.

5. Public disclosure of the Confidential Material could harm Duke Energy Kentucky and its customers. Duke Energy Kentucky has taken reasonable precautions to protect against the public disclosure of the Confidential Material, including, but not limited to, only sharing such information internally on a need to know basis and only releasing such information outside of the companies subject to appropriate confidentiality provisions.

6. The information in Confidential Attachment to Post Hearing Data Request No. 1 contains business strategy and communications between Duke Energy Kentucky and PJM, 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.

7. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, the Staff or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

8. 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).

9. 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.

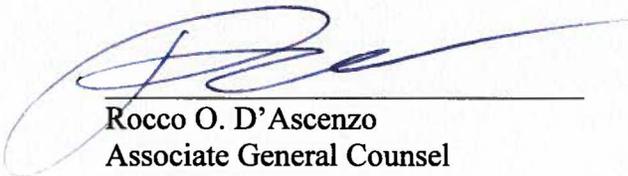
10. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests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

11. 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
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, this 15 day of October, 2014:

Jennifer Hans
The Office of the Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601
Angela.Goad@ag.ky.gov



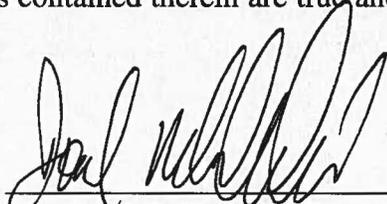
Rocco D'Ascenzo

VERIFICATION

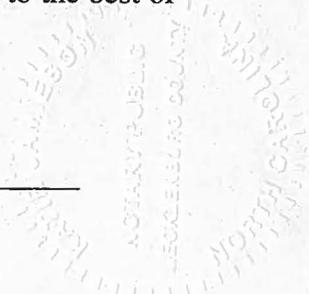
STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

SS:

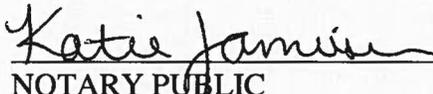
The undersigned, Joseph McCallister, Director of Natural Gas Oil & Emissions, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Joseph McCallister, Affiant



Subscribed and sworn to before me by Joseph McCallister on this 13 day of October, 2014.



NOTARY PUBLIC



My Commission Expires: June 14, 2016

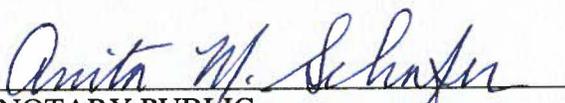
VERIFICATION

STATE OF OHIO)
) **SS:**
COUNTY OF HAMILTON)

The undersigned, Lisa Steinkuhl, Rates & Regulatory Strategy Manager, 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 Steinkuhl, Affiant

Subscribed and sworn to before me by Lisa Steinkuhl on this 9th day of October, 2014.


NOTARY PUBLIC

My Commission Expires:

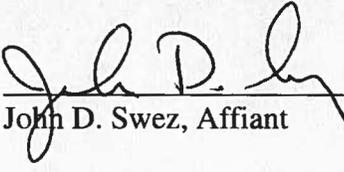


ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

VERIFICATION

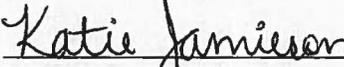
STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) **SS:** 1

The undersigned, John D. Swez, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing testimony, 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 7 day of October, 2014.



NOTARY PUBLIC

My Commission Expires: June 14, 2016

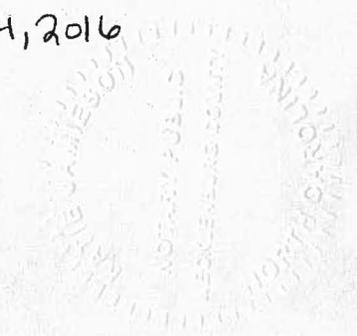


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Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014

PUBLIC STAFF-POST HEARING-DR-01-001
(ATTACHMENT ONLY)

REQUEST:

Refer to cross-examination of Mr. Swez – Information (including dates, parties involved, and any relevant documents (*e.g.*, emails, communications, notes memorializing, etc.) regarding the telephone calls by and between Duke Energy Kentucky and PJM regarding the operations of Woodsdale and, specifically, the natural gas imbalance relevant to Woodsdale.

- a. Mr. Swez believed that two calls occurred, the first in 2013 and the second during the winter of 2013-14.
 - i. Mr. Swez stated that the first call about Woodsdale concerned its rate of dispatch within PJM (as compared to Woodsdale's rate of dispatch which a part of MISO), and did not believe that the call included discussion of the natural gas imbalance.
 - ii. Mr. Swez states that the second call was about an unrelated subject, but that the conversation eventually turned to discussion of the natural gas imbalance on the TETCO pipeline. He didn't recall much in terms of specifics.

RESPONSE:

**CONFIDENTIAL PROPRIETARY TRADE SECRET
(AS TO ATTACHMENT ONLY)**

Upon investigation, there were actually three relevant phone conversations.

- i. It is believed that the first conversation regarding the topic of Woodsdale's operation with PJM occurred during 2012. However the electronic records of the date of the meeting as well as individuals in attendance have been deleted in accordance with record retention policies.
- ii. The second phone conversation occurred on Friday, January 31, 2014 between 2:30 PM and 3:00 PM. Attendees were Adam Keech from PJM and Jim Eckstein, John Swez, John Verderame and James Manning from Duke Energy. See CONFIDENTIAL Attachment DR-01-001.PDF
- iii. The final phone conversation occurred on Thursday, May 1, 2014 between 8:00 AM and 9:00 AM. Attendees were Stu Bresler and Adam Keech from PJM, and Brad Daniel, Eric Grant, John Swez, and John Verderame from Duke Energy. See CONFIDENTIAL Attachment DR-01-001.PDF.

PERSON RESPONSIBLE: John Swez

CONFIDENTIAL PROPRIETARY TRADE SECRET

Verderame, John

Subject: Hold for PJM call- topics below
Location: conference call JV to host

Start: Thu 5/1/2014 8:00 AM
End: Thu 5/1/2014 9:00 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Verderame, John
Required Attendees: Daniel, Brad; Grant, Eric; Swez, John; Bresler@pjm.com; Adam.Keech@pjm.com

Moving to Thursday at 8 to accommodate schedules.

Thanks gentlemen.

JV

Dial in info below

866 385 2663

Participant code 371933

- > 1. General discussion on the CMA in terms of effectiveness in managing congestion from both sides.
 - > 2. Discuss response to MA's call for PJM to unilaterally terminate the agreement.
 - > 3. Potential combines DUK/CPL pricing point as peace offering to MA.
 - > 4. Potential [REDACTED] regarding generation at Duke Energy Kentucky's Woodsdale and Duke Energy Indiana's Madison stations.
 - > - Maybe nothing here, but as we discussed, MISO used to run Woodsdale units quite a bit, mostly for reserves, PJM rarely commits and even less frequently dispatches them.
- [REDACTED]

CONFIDENTIAL PROPRIETARY TRADE SECRET

Verderame, John

Subject: Woodsdale Units in PJM
Location: Conference Call
Start: Fri 1/31/2014 2:30 PM
End: Fri 1/31/2014 3:00 PM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Eckstein, Jim
Required Attendees: Verderame, John; Swez, John; Manning, James B

Adam Keeck was available on Friday at 14:30 to talk to us about the Woodsdale units in PJM and the situation that led to our long natural gas position on TETCO pipeline. He is the Operations Manager at PJM. I thought we could discuss what happened with him.

JV, it looks like your schedule is blocked for the entire day.

**Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014**

STAFF-POST HEARING-DR-01-002

REQUEST:

Refer to cross-examination of Mr. Swez – A detailed account (on a running basis) of the natural gas imbalance on the TETCO pipeline experienced by DEK during the relevant timeframe (January-March).

RESPONSE:

See Staff-Post Hearing-DR-01-002 Attachment for a running natural gas imbalance on the TETCO pipeline for January through March 2014.

PERSON RESPONSIBLE: Joseph McCallister

Duke Energy Kentucky

Gas Imbalance (Dekatherms)

January 2014

January	Day	Nominated	Purchases	Sales	Burn	Daily Balance	Accumulative Balance
01/01/14	Wed	0			0	0	(1,124)
01/02/14	Thur	0			0	0	(1,124)
01/03/14	Fri	0			0	0	(1,124)
01/04/14	Sat	0			0	0	(1,124)
01/05/14	Sun	0			0	0	(1,124)
01/06/14	Mon	80,000	80,000		74,789	5,211	4,087
01/07/14	Tues	155,000	155,000		99,972	55,028	59,115
01/08/14	Wed	105,000	105,000		54,450	50,550	109,665
01/09/14	Thur	0			0	0	109,665
01/10/14	Fri	0			0	0	109,665
01/11/14	Sat	0			0	0	109,665
01/12/14	Sun	0			0	0	109,665
01/13/14	Mon	0			0	0	109,665
01/14/14	Tues	0			0	0	109,665
01/15/14	Wed	0			0	0	109,665
01/16/14	Thur	0			0	0	109,665
01/17/14	Fri	0			0	0	109,665
01/18/14	Sat	0			0	0	109,665
01/19/14	Sun	0			0	0	109,665
01/20/14	Mon	20,000	20,000		0	20,000	129,665
01/21/14	Tues	50,000	50,000		15,804	34,196	163,861
01/22/14	Wed	50,000	50,000		125	49,875	213,736
01/23/14	Thur	95,900	95,900		5,055	90,845	304,581
01/24/14	Fri	25,000	25,000		893	24,107	328,688
01/25/14	Sat	25,000	25,000		0	25,000	353,688
01/26/14	Sun	25,000	25,000		0	25,000	378,688
01/27/14	Mon	50,000	50,000		0	50,000	428,688
01/28/14	Tues	0	25,000	(25,000)	0	0	428,688
01/29/14	Wed	0	25,000	(25,000)	3,500	(3,500)	425,188
01/30/14	Thur	0	25,000	(25,000)	0	0	425,188
01/31/14	Fri	0	25,000	(25,000)	0	0	425,188
Total		680,900	780,900	(100,000)	254,588		

Duke Energy Kentucky

Gas Imbalance (Dekatherms)

February 2014

February	Day	Nominated	Purchases	Sales	Burn	Daily Balance	Accumulative Balance
02/01/14	Sat	0			0	0	425,188
02/02/14	Sun	0			0	0	425,188
02/03/14	Mon	0			0	0	425,188
02/04/14	Tues	0			0	0	425,188
02/05/14	Wed	0			0	0	425,188
02/06/14	Thur	0			0	0	425,188
02/07/14	Fri	0			0	0	425,188
02/08/14	Sat	0			0	0	425,188
02/09/14	Sun	0			1,261	(1,261)	423,927
02/10/14	Mon	7,500	7,500		8,502	(1,002)	422,925
02/11/14	Tues	5,000	5,000		8,487	(3,487)	419,438
02/12/14	Wed	0	5,000	(5,000)	0	0	419,438
02/13/14	Thur	0	5,000	(5,000)	298	(298)	419,140
02/14/14	Fri	0			620	(620)	418,520
02/15/14	Sat	0			0	0	418,520
02/16/14	Sun	0			0	0	418,520
02/17/14	Mon	0			0	0	418,520
02/18/14	Tues	0			0	0	418,520
02/19/14	Wed	0			0	0	418,520
02/20/14	Thur	0			0	0	418,520
02/21/14	Fri	0			0	0	418,520
02/22/14	Sat	0			0	0	418,520
02/23/14	Sun	0			0	0	418,520
02/24/14	Mon	0			0	0	418,520
02/25/14	Tues	0			0	0	418,520
02/26/14	Wed	0			0	0	418,520
02/27/14	Thur	0			3,793	(3,793)	414,727
02/28/14	Fri	0			391	(391)	414,336
Total		12,500	22,500	(10,000)	23,352		

Duke Energy Kentucky

Gas Imbalance (Dekatherms)

March 20142014

March	Day	Nominated	Purchases	Sales	Burn	Daily Balance	Accumulative Balance
03/01/14	Sat	0			0	0	414,336
03/02/14	Sun	0			0	0	414,336
03/03/14	Mon	0			554	(554)	413,782
03/04/14	Tues	0			0	0	413,782
03/05/14	Wed	0			0	0	413,782
03/06/14	Thur	0			0	0	413,782
03/07/14	Fri	0			0	0	413,782
03/08/14	Sat	0			0	0	413,782
03/09/14	Sun	0			1,454	(1,454)	412,328
03/10/14	Mon	0			0	0	412,328
03/11/14	Tues	0			0	0	412,328
03/12/14	Wed	0			0	0	412,328
03/13/14	Thur	0			2,722	(2,722)	409,606
03/14/14	Fri	2,000	2,000		5,769	(3,769)	405,837
03/15/14	Sat	0			0	0	405,837
03/16/14	Sun	5,000	5,000		10,784	(5,784)	400,053
03/17/14	Mon	0			3,395	(3,395)	396,658
03/18/14	Tues	0			0	0	396,658
03/19/14	Wed	0			0	0	396,658
03/20/14	Thur	0			0	0	396,658
03/21/14	Fri	0			0	0	396,658
03/22/14	Sat	0			0	0	396,658
03/23/14	Sun	0			0	0	396,658
03/24/14	Mon	0			0	0	396,658
03/25/14	Tues	0			0	0	396,658
03/26/14	Wed	0			0	0	396,658
03/27/14	Thur	0			0	0	396,658
03/28/14	Fri	0			0	0	396,658
03/29/14	Sat	0			0	0	396,658
03/30/14	Sun	0			4,593	(4,593)	392,065
03/31/14	Mon	0			0	0	392,065
Total		7,000	7,000	0	29,271		

**Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014**

STAFF-POST HEARING-DR-01-003

REQUEST:

Refer to cross-examination of Mr. Swez – The highest imbalance (or, more accurately, longest position) experienced by DEK on the TETCO pipeline prior to the relevant timeframe.

RESPONSE:

The highest daily long position from January 2010 through December 2013 was 36,847 dekatherms.

PERSON RESPONSIBLE: Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014

STAFF-POST HEARING-DR-01-004

REQUEST:

Refer to cross-examination of Mr. Swez – Please provide an explanation as to why the original verification page to Mr. Swez' Direct Testimony is dated March 24, 2014, while there is a reference to a later date (March 28, 2014 – the date TETCO lifted the relevant operational flow restriction) on page 13 of his Direct Testimony.

RESPONSE:

Both the date of Mr. Swez' verification and the date referenced in his Direct Testimony when TETCO lifted the relevant operational flow restriction are correct. Mr. Swez reviewed his Direct Testimony and signed the verification on March 24, 2014. Subsequently, on March 28, 2014, TETCO lifted the relevant operational flow restriction and distributed an email to that effect (*see* Attachment JDS-3 to Mr. Swez' Direct Testimony). Upon becoming aware of TETCO's action, Mr. Swez revised his Direct Testimony to ensure that the most relevant and up-to-date information was provided to the Commission. By mistake and inadvertence, Mr. Swez did not execute an updated verification to accompany his Direct Testimony at that time. The Company and Mr. Swez apologize for this omission and the resulting confusion it has caused.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014

STAFF-POST HEARING-DR-01-005

REQUEST:

Refer to cross-examination of Mrs. Steinkuhl – A description of the load allocation (native v. non-native) at Woodsdale during the relevant timeframe (January-March).

RESPONSE:

See the table below for the allocation of the generation of Woodsdale for the relevant timeframe.

	Jan-14	Feb-14	Mar-14
Native	57%	0%	100%
Non-Native	43%	100%	0%

PERSON RESPONSIBLE: Lisa Steinkuhl

**Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014**

STAFF-POST HEARING-DR-01-006

REQUEST:

Refer to cross-examination of Mrs. Steinkuhl – A description of when (or if) recovery was denied for Duke companies in other jurisdictions that process natural gas sales' loss/gains through mechanisms similar to Rider PSM.

RESPONSE:

Upon information and belief, Duke Energy Kentucky's fully regulated utility affiliates have not had any natural gas sales' losses/gains disallowed in either the Fuel Adjustment Clause or Profit Sharing Mechanism if applicable for the jurisdiction.

PERSON RESPONSIBLE: Lisa Steinkuhl

**Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014**

STAFF-POST HEARING-DR-01-007

REQUEST:

Refer to cross-examination of Mrs. Steinkuhl – A schedule detailing “how DEK’s customers made out in the end”; essentially, a document which shows in one place the revenue generated by the Woodsdale units (including lost opportunity credits, ancillary services, etc.) and the loss incurred as a result of the sale of the natural gas during the relevant timeframe (January-March).

RESPONSE:

Please see Staff-Post Hearing –DR-01-007 Attachment.

PERSON RESPONSIBLE: Lisa Steinkuhl

Duke Energy Kentucky

		AG-DR-02-007				Staff-DR-01-005(g)		
		(a)	(b)	(c)	(a)+(b)+(c)=(d)	(e)	(d)+(e)	
		Woodsdale Units				East Bend & Miami Fort 6	PSM Filing	
		14-Jan	14-Feb	14-Mar	Total	Jan-Mar 2014	Jan-Mar 2014	
1	Asset Energy	(+)	\$2,080,897	\$230,337	\$58	\$2,311,292	\$915,746	\$3,227,038
2	Hedges	(+)	\$0	\$0	\$0	\$0	(\$64,037)	(\$64,037)
3	PJM Bal & DA Oper Reserve Credits ^(c)	(+)	\$92,564	\$68,337	\$0	\$160,901	\$0	\$160,901
4	Ancillary Services Market ^(b)	(+)	\$2,110,521	\$0	\$0	\$2,110,521	\$0	\$2,110,521
5	Total Revenues		\$4,283,982	\$298,674	\$58	\$4,582,714	\$851,709	\$5,434,423
6	Non-Native Fuel Cost Consumed	(+)	\$764,069	\$73,556	\$93	\$837,718	\$642,274	\$1,479,992
7	Variable O&M Cost	(+)	\$30,139	\$2,315	\$4	\$32,458	\$55,289	\$87,747
8	SO ₂ Cost	(+)	\$0	\$0	\$0	\$0	\$73	\$73
9	NO _x Cost	(+)	\$14	\$3	\$0	\$17	\$28	\$45
10	PJM and Other Costs	(+)	\$0	\$0	\$0	\$0	(\$11,701)	(\$11,701)
11	Total Costs		\$794,222	\$75,874	\$98	\$870,193	\$685,963	\$1,556,156
12	Net Margin (Line 5 - Line 11)		\$3,489,760	\$222,800	(\$40)	\$3,712,521	\$165,746	\$3,878,267
13	Allocated to Customers (up to 100% of first \$1.00 million) ^(a)					1,000,000	0	1,000,000
14	Sub-Total (Line 12 - Line 13, if negative = 0)					\$2,712,521	\$165,746	\$2,878,267
15	Percentage Allocated to Customers (75% of margins > \$1.00 million) ^(a)					75.00%	75.00%	75.00%
16	Remainder of Off-System Sales Margin Allocated to Customers (Line 21 x Line 22)					2,034,391	124,310	2,158,700
17	Off-System Sales Margin Allocated to Customers					\$3,034,391	\$124,309	\$3,158,700
18	Lost Opportunity Payment included in the FAC filing ^(d)		547,212	24,533	0	571,745		
19	Total Benefit of the Operation of the Woodsdale Units to the Customers (Line 17 + Line 18) ^(e)					3,606,135.53		

^(a) Per the Commission's Order dated December 22, 2010, in Case No. 2010-00203.

^(b) Per the Commission's Order dated January 30, 2009, in Case No. 2008-00489.

^(c) Includes Lost Opportunity Payments allocated non-native by the after-the-fact generation cost model from AG-DR-02-011.

^(d) Lost Opportunity Payments allocated native by the after-the-fact generation cost model from AG-DR-02-011.

^(e) \$534,000 of gas losses not included in this schedule, pending order in Case No. 2014-00078.

Duke Energy Kentucky
Case No. 2014-00078
Staff's Post Hearing Request for Information
Date Received: October 1, 2014

STAFF-POST HEARING-DR-01-008

REQUEST:

Refer to cross-examination of Mr. Swez – How many days were uncommitted after receiving the award option?

RESPONSE:

All 6 Woodsdale CT's were committed on 10 different days in the PJM Day-Ahead market during January 2014; January 6, 7, 8, 21, 22, 23, 24, 27, 28, and 29. Woodsdale 2-6 were committed on 3 different days in the PJM Day-Ahead market during February 2014; February 2, 11, and 27 (Woodsdale 1 was committed on February 11 and 27 only). Please refer to the graph below that shows if a unit ran any in the real-time market on the day that the unit cleared in the day-ahead market. Also please note that sometimes a unit clears in the Day-Ahead market, but in the Real-Time ran in either fewer hours or at a lower level than committed in the Day-Ahead market.

	Day-Ahead Award	Did Unit Run in Real-Time?					
		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
1	6-Jan-14	Yes	Yes	Yes	Yes	Yes	Yes
2	7-Jan-14	Yes	Yes	Yes	Yes	Yes	Yes
3	8-Jan-14	Yes	Yes	Yes	Yes	Yes	Yes
4	21-Jan-14	No	No	No	No	No	No
5	22-Jan-14	Yes	Yes	Yes	Yes	Yes	Yes
6	23-Jan-14	No	No	No	No	No	No
7	24-Jan-14	Yes	No	Yes	No	No	No
8	27-Jan-14	No	No	No	No	No	No
9	28-Jan-14	No	No	No	No	No	No
10	29-Jan-14	No	No	No	No	No	No
1	11-Feb-14	No	Yes	Yes	Yes	No	Yes
2	12-Feb-14	Yes	No	Yes	No	No	No
3	27-Feb-14	No	No	No	Yes	No	No

PERSON RESPONSIBLE: John Swez