Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-003

REQUEST:

If PJM's actions or demands caused the applicant to incur greater costs or penalties than it would have, did other PJM generators experience similar penalties? If so, provide a list of those generators, together with the additional costs and penalties imposed. If no other generators incurred greater costs or were not penalized, why not?

RESPONSE:

Objection. This request is vague, overbroad and unduly burdensome with respect to other PJM generators. Without waiving said objection and to the extent discoverable, Duke Energy Kentucky cannot comment on other generators within PJM, as it has no access to this data. Answering further, Duke Energy Kentucky's customers were not harmed by the financial mechanics of the PJM market during this time period. In fact, overall, for these months in question, the customer benefited from the operation of the Woodsdale units within the PJM market. The PJM market provided enough credits to cover the cost of running the Woodsdale unit, per the offer made to PJM for each generating unit, to at least keep the unit financially whole in the market as being proposed. Establishing a protocol to sell excess gas length each day will further increase the value of the Woodsdale units for the customer in the event of future similar situations that may occur.

PERSON RESPONSIBLE: As to Objection - Legal
John Swez

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-004

REQUEST:

During the timeframe in the application when the company experienced long sales, were there utility companies or other generators that experienced short sales? If so, list the companies and the amount of money the companies garnered.

RESPONSE:

Objection. The request is vague, overbroad and unduly burdensome in its reference to "utility companies or other generators" and the use of the term "short sales." Without waiving said objection and to the extent discoverable, Duke Energy Kentucky has no ability to know the transactions of other companies or specific generators.

PERSON RESPONSIBLE: As to Objection - Legal
Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-005

REQUEST:

Will the applicant seek any relief from the FERC in the form of a complaint alleging discrimination/preferential treatment, or any other grounds? If not, why not? Please describe in detail, and provide any and all relevant FERC docket numbers.

RESPONSE:

Objection. This request is vague, overbroad, unduly burdensome, and duplicative to the extent the request asks for FERC dockets that, if exist, would be publicly available and such information is obtainable by the Attorney General. Without waiving said objections and to the extent discoverable, see response to AG-DR-01-002a.

PERSON RESPONSIBLE: As to Objection – Legal

AG-DR-01-006

REQUEST:

Please reference the testimony of Lisa Steinkuhl at page 5, lines 4-7, where the witness states that: "Under normal circumstances, the gas would eventually get burned when Woodsdale was dispatched in the real-time energy market. At that time, the gas would then flow through the FAC, if allocated to native, or Rider PSM, if allocated non-native." Also reference the question and answer at page 10, lines 7 -12, where the following appears:

Q. How does the company plan to handle any future sale of unburned gas that occurs due to the same operational circumstances in this case?"

A. The Company intends to use the same accounting treatment as discussed above for any future sale of gas, including, but not limited to, limited gas availability for delivered interruptible supply, operational restrictions imposed by interstate pipeline companies on natural gas pipeline capacity, and the discrepancy in unit dispatch between the PJM day-ahead energy market awards and the PJM real-time energy market dispatch."

a. Please confirm that the applicant seeks authorization for accounting treatment in the future for matters that did not specifically occur during the timeframe noted in this application. If so, explain the answer in detail.

b. If the foregoing is not confirmed, what is the proper interpretation of the testimony quoted above? Please explain why not in detail.

c. Confirm that this is the first instance in which the company has requested the filed deviation from the Fuel Adjustment Clause for the purposes stated in the application.

RESPONSE:

a. The Company believes its proposal to net the sale of gas as part of off-system sales under the PSM is consistent with the intent of PSM. The Company is seeking authorization for the same accounting treatment for any future sale of gas.

b. See response to part a above.

c. Objection. This request for information misstates facts and seeks to elicit information that is neither relevant nor likely to lead to the discovery of admissible evidence. Without waiving said objection and to the extent discoverable, the Company is not requesting a deviation from the fuel adjustment clause. The Company's proposal was to account for the sale of unburned gas as part of the calculation of net off-system sales under Rider PSM.

PERSON RESPONSIBLE: As to Objection - Legal
Lisa Steinkuhl

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-007

REQUEST:

Has the company, or any consultants on the company's behalf, performed any studies to project the likelihood of future "tight gas markets" or "operational restrictions" on TETCO? If so, please provide any and all information related to same. If not, why not?

RESPONSE:

Objection. This request is vague in its reference to "any and all information," overbroad, unduly burdensome and seeks information that would require Duke Energy Kentucky to engage in impermissible speculation. Without waiving said objection and to extent discoverable, the Company has not performed or requested the conducting of any specific studies to project the likelihood of future "tight gas markets" or "operational restrictions" on TETCO. Projecting operational restrictions and conditions that may occur on TETCO in the future is not possible as these are typically driven by short-term fundamental events.

PERSON RESPONSIBLE: As to Objection - Legal
Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-008

REQUEST:

Reference the testimony of Mr. Swez at page 4, lines 4-5, where the witness states that Woodsdale's simple cycle combustion turbines typically burn gas delivered from the TETCO pipeline and page 3, lines 7-9, where the applicant is connected to two separate gas transmission lines, TETCO and Texas Gas.

a. Explain in detail why the Texas Gas transmission line is not discussed to any length in the application.
b. Explain in detail what services Texas Gas provides to the applicant.
c. State whether the Texas Gas pipeline could have provided some assistance to the applicant during the gas procurement situation described in the application.

RESPONSE:

a. Texas Gas Transmission (TGT) is not an option at this time for the Woodsdale Station. The equipment has not been utilized for several years. In addition, the Company does not have a current agreement with TGT. Therefore, Duke Energy Kentucky did not utilize TGT for gas supply to the Woodsdale Station nor could it use TGT to move gas away from the station for sales. Duke Energy Kentucky did investigate this possibility during the time in question, but it was determined that

this was not a feasible option. In addition, historically, TETCO has been a better option for the customer.

b. See response to part a above.

c. See response to part a above.

PERSON RESPONSIBLE: John Swez/Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: August 25, 2014

AG-DR-01-009

REQUEST:

Reference the testimony of Mr. Swez at page 5. Provide the number of degree days for the timeframe in the application versus the same time period for each of the past thirty (30) years.

RESPONSE:

Objection. This request seeks to elicit information that is neither relevant nor likely to lead to the discovery of admissible evidence. Without waiving said objection and to the extent discoverable, please see AG-DR-01-009 Attachment.

PERSON RESPONSIBLE: As to Objection - Legal
John Swez

Historical Heating and Cooling Degree Days - Duke Energy Kentucky

Cooling Degree Days = Excess of average daily temperature over a base of 65 degrees for the calendar period.

Heating Degree Days = Shortfall of average daily temperature below a base of 65 degrees for the calendar period.

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
1/1/1984	1,265.67	-
2/1/1984	787.10	-
3/1/1984	940.52	-
4/1/1984	429.22	14.63
5/1/1984	200.19	38.62
6/1/1984	2.54	292.40
7/1/1984	-	238.23
8/1/1984	-	277.15
9/1/1984	103.29	111.01
10/1/1984	137.58	20.34
11/1/1984	686.95	-
12/1/1984	699.90	-
1/1/1985	1,285.80	-
2/1/1985	983.37	-
3/1/1985	546.30	6.84
4/1/1985	240.34	43.09
5/1/1985	67.87	85.64
6/1/1985	22.75	171.29
7/1/1985	-	307.06
8/1/1985	0.12	216.71
9/1/1985	79.25	151.51
10/1/1985	215.17	31.62
11/1/1985	467.75	3.62
12/1/1985	1,182.47	-
1/1/1986	1,067.33	-
2/1/1986	829.48	-
3/1/1986	626.12	4.09
4/1/1986	305.30	20.92
5/1/1986	97.75	88.22
6/1/1986	4.91	235.92
7/1/1986	-	383.05
8/1/1986	20.38	228.30
9/1/1986	21.62	159.92
10/1/1986	308.69	28.87
11/1/1986	662.83	-

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
12/1/1986	968.71	-
1/1/1987	1,074.93	-
2/1/1987	783.45	-
3/1/1987	629.68	-
4/1/1987	364.61	13.34
5/1/1987	46.75	174.07
6/1/1987	1.12	265.37
7/1/1987	0.75	326.41
8/1/1987	1.88	303.58
9/1/1987	44.00	116.66
10/1/1987	477.38	-
11/1/1987	518.06	2.38
12/1/1987	867.28	-
1/1/1988	1,153.40	-
2/1/1988	995.72	-
3/1/1988	707.30	1.79
4/1/1988	364.02	3.29
5/1/1988	77.00	69.34
6/1/1988	20.79	263.49
7/1/1988	-	420.29
8/1/1988	0.83	376.51
9/1/1988	40.83	98.21
10/1/1988	515.92	3.00
11/1/1988	590.22	-
12/1/1988	963.30	-
1/1/1989	827.78	-
2/1/1989	967.78	-
3/1/1989	637.14	5.29
4/1/1989	387.23	18.75
5/1/1989	212.09	65.88
6/1/1989	11.18	196.65
7/1/1989	-	344.03
8/1/1989	4.71	252.84
9/1/1989	83.40	109.45
10/1/1989	306.55	10.04
11/1/1989	633.87	-
12/1/1989	1,329.67	-
1/1/1990	785.17	-
2/1/1990	672.62	-
3/1/1990	545.45	15.21
4/1/1990	382.84	35.11

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
5/1/1990	138.04	19.99
6/1/1990	19.13	229.16
7/1/1990	-	299.91
8/1/1990	0.88	253.26
9/1/1990	72.57	136.98
10/1/1990	314.79	16.13
11/1/1990	498.54	3.12
12/1/1990	835.68	-
1/1/1991	1,052.02	-
2/1/1991	779.39	-
3/1/1991	608.77	1.83
4/1/1991	252.51	10.47
5/1/1991	43.39	186.84
6/1/1991	-	299.20
7/1/1991	-	388.51
8/1/1991	-	284.87
9/1/1991	84.59	177.81
10/1/1991	249.65	29.95
11/1/1991	700.16	-
12/1/1991	860.57	-
1/1/1992	992.10	-
2/1/1992	746.03	-
3/1/1992	671.30	-
4/1/1992	353.48	8.16
5/1/1992	178.87	47.99
6/1/1992	27.85	114.55
7/1/1992	-	243.45
8/1/1992	8.92	132.65
9/1/1992	95.61	78.50
10/1/1992	371.66	0.79
11/1/1992	630.86	-
12/1/1992	912.09	-
1/1/1993	946.46	-
2/1/1993	992.08	-
3/1/1993	783.37	-
4/1/1993	389.94	-
5/1/1993	90.54	51.90
6/1/1993	35.04	208.59
7/1/1993	-	413.93
8/1/1993	-	323.44
9/1/1993	93.69	59.09

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
10/1/1993	368.76	2.66
11/1/1993	644.00	-
12/1/1993	978.22	-
1/1/1994	1,279.68	-
2/1/1994	905.80	-
3/1/1994	714.72	-
4/1/1994	299.59	17.16
5/1/1994	198.57	44.95
6/1/1994	5.29	280.03
7/1/1994	-	305.26
8/1/1994	3.00	213.05
9/1/1994	61.87	74.46
10/1/1994	256.18	9.21
11/1/1994	462.56	-
12/1/1994	789.86	-
1/1/1995	1,041.86	-
2/1/1995	940.07	-
3/1/1995	593.12	-
4/1/1995	350.47	7.17
5/1/1995	115.61	36.57
6/1/1995	2.58	215.68
7/1/1995	1.08	345.62
8/1/1995	-	417.40
9/1/1995	71.03	89.53
10/1/1995	297.58	1.71
11/1/1995	797.32	-
12/1/1995	1,079.47	-
1/1/1996	1,147.27	-
2/1/1996	942.99	-
3/1/1996	863.78	-
4/1/1996	456.51	5.91
5/1/1996	137.65	75.38
6/1/1996	8.88	190.08
7/1/1996	-	223.46
8/1/1996	-	277.97
9/1/1996	91.75	99.79
10/1/1996	301.13	3.92
11/1/1996	813.19	-
12/1/1996	852.42	-
1/1/1997	586.83	-
2/1/1997	683.08	-

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
3/1/1997	607.73	-
4/1/1997	451.78	-
5/1/1997	247.21	17.76
6/1/1997	37.03	153.77
7/1/1997	1.50	316.75
8/1/1997	5.63	207.73
9/1/1997	51.36	77.13
10/1/1997	332.30	48.66
11/1/1997	653.25	-
12/1/1997	817.36	-
1/1/1998	817.32	-
2/1/1998	647.51	-
3/1/1998	680.00	27.38
4/1/1998	349.27	-
5/1/1998	54.96	113.50
6/1/1998	44.88	229.33
7/1/1998	-	290.14
8/1/1998	-	304.62
9/1/1998	17.38	205.04
10/1/1998	290.79	9.95
11/1/1998	560.74	-
12/1/1998	819.86	2.17
1/1/1999	1,003.13	-
2/1/1999	764.19	-
3/1/1999	824.59	-
4/1/1999	287.71	5.17
5/1/1999	67.33	56.45
6/1/1999	5.17	232.09
7/1/1999	-	427.92
8/1/1999	-	243.89
9/1/1999	58.08	125.37
10/1/1999	304.66	-
11/1/1999	498.88	-
12/1/1999	920.37	-
1/1/2000	1,102.40	-
2/1/2000	727.84	-
3/1/2000	538.74	-
4/1/2000	370.28	-
5/1/2000	63.89	88.41
6/1/2000	12.25	209.58
7/1/2000	-	239.95

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
8/1/2000	-	229.40
9/1/2000	112.74	94.33
10/1/2000	249.53	21.12
11/1/2000	694.06	-
12/1/2000	1,284.17	-
1/1/2001	1,081.56	-
2/1/2001	786.91	-
3/1/2001	785.84	-
4/1/2001	253.67	61.88
5/1/2001	89.49	75.58
6/1/2001	27.91	180.77
7/1/2001	1.08	293.59
8/1/2001	-	292.14
9/1/2001	101.30	81.44
10/1/2001	302.17	7.30
11/1/2001	443.73	-
12/1/2001	796.57	-
1/1/2002	862.57	-
2/1/2002	796.50	-
3/1/2002	711.72	-
4/1/2002	314.38	35.04
5/1/2002	194.67	48.52
6/1/2002	6.62	249.61
7/1/2002	-	402.28
8/1/2002	-	367.02
9/1/2002	18.85	219.27
10/1/2002	374.64	31.25
11/1/2002	700.29	-
12/1/2002	948.62	-
1/1/2003	1,247.72	-
2/1/2003	1,013.80	-
3/1/2003	610.44	-
4/1/2003	286.66	11.47
5/1/2003	118.18	23.66
6/1/2003	39.08	129.52
7/1/2003	-	281.09
8/1/2003	-	287.99
9/1/2003	71.00	68.79
10/1/2003	310.31	6.38
11/1/2003	499.19	0.08
12/1/2003	922.46	-

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
1/1/2004	1,149.88	-
2/1/2004	904.03	-
3/1/2004	610.65	-
4/1/2004	339.03	9.88
5/1/2004	71.97	132.86
6/1/2004	0.46	182.34
7/1/2004	3.04	240.15
8/1/2004	9.79	181.14
9/1/2004	22.04	127.73
10/1/2004	270.22	9.08
11/1/2004	520.05	-
12/1/2004	972.00	-
1/1/2005	961.28	-
2/1/2005	761.69	-
3/1/2005	795.82	-
4/1/2005	288.01	15.21
5/1/2005	155.92	26.46
6/1/2005	1.50	297.09
7/1/2005	-	383.53
8/1/2005	-	383.52
9/1/2005	15.91	187.31
10/1/2005	306.42	33.96
11/1/2005	559.72	0.08
12/1/2005	1,062.23	-
1/1/2006	728.53	-
2/1/2006	856.72	-
3/1/2006	694.49	-
4/1/2006	229.53	24.70
5/1/2006	171.74	71.63
6/1/2006	10.04	169.13
7/1/2006	-	358.44
8/1/2006	-	372.94
9/1/2006	81.84	47.92
10/1/2006	382.21	14.55
11/1/2006	562.22	-
12/1/2006	756.18	-
1/1/2007	910.62	-
2/1/2007	1,158.13	-
3/1/2007	467.25	17.45
4/1/2007	398.48	18.79
5/1/2007	51.33	156.44

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
6/1/2007	-	280.24
7/1/2007	-	298.56
8/1/2007	-	509.15
9/1/2007	14.46	252.67
10/1/2007	189.15	77.49
11/1/2007	631.80	-
12/1/2007	891.44	-
1/1/2008	1,066.79	-
2/1/2008	942.59	-
3/1/2008	737.12	-
4/1/2008	306.59	14.79
5/1/2008	156.92	29.01
6/1/2008	-	250.92
7/1/2008	-	307.92
8/1/2008	-	289.99
9/1/2008	6.67	178.24
10/1/2008	294.99	24.01
11/1/2008	676.83	-
12/1/2008	970.48	-
1/1/2009	1,206.85	-
2/1/2009	820.05	-
3/1/2009	549.65	-
4/1/2009	333.51	38.49
5/1/2009	78.12	68.86
6/1/2009	9.57	244.15
7/1/2009	3.62	163.45
8/1/2009	6.38	232.01
9/1/2009	30.71	111.21
10/1/2009	401.12	3.71
11/1/2009	517.87	-
12/1/2009	988.46	-
1/1/2010	1,180.04	-
2/1/2010	1,045.88	-
3/1/2010	602.97	-
4/1/2010	207.59	34.24
5/1/2010	73.83	120.91
6/1/2010	-	302.79
7/1/2010	-	393.89
8/1/2010	-	402.59
9/1/2010	28.70	182.51
10/1/2010	243.89	11.47

	Heating Degree Days	Cooling Degree Days
Date	HDD_C_65	CDD_C_65
Version	ACTUAL	ACTUAL
Geocode	DEOKST	DEOKST
11/1/2010	591.70	0.92
12/1/2010	1,182.13	-
1/1/2011	1,190.72	-
2/1/2011	809.33	-
3/1/2011	642.12	4.46
4/1/2011	248.95	6.04
5/1/2011	161.47	113.67
6/1/2011	1.42	243.11
7/1/2011	-	490.85
8/1/2011	-	332.70
9/1/2011	93.66	94.00
10/1/2011	319.65	10.34
11/1/2011	475.82	2.08
12/1/2011	791.98	-
1/1/2012	917.39	-
2/1/2012	765.18	-
3/1/2012	319.12	29.19
4/1/2012	314.56	10.13
5/1/2012	26.01	156.37
6/1/2012	11.71	270.59
7/1/2012	-	486.53
8/1/2012	-	335.09
9/1/2012	66.35	101.09
10/1/2012	353.02	5.37
11/1/2012	675.61	-
12/1/2012	758.70	-
1/1/2013	951.34	-
2/1/2013	894.05	-
3/1/2013	857.84	-
4/1/2013	329.51	20.62
5/1/2013	92.09	108.83
6/1/2013	1.33	216.60
7/1/2013	1.00	285.59
8/1/2013	1.96	282.76
9/1/2013	32.07	130.83
10/1/2013	303.84	24.75
11/1/2013	706.67	-
12/1/2013	920.24	-
1/1/2014	1,286.85	-
2/1/2014	1,022.24	-
3/1/2014	793.81	-

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-010

REQUEST:

Reference the testimony of Mr. Swez at page 5. Provide the number of degree days that the applicant utilizes in its generation planning for the timeframe in the application.

RESPONSE:

Objection. This request seeks to elicit information that is neither relevant nor likely to lead to the discovery of admissible evidence. Degree days are not utilized by the Company as part of its Real-Time or Day-Ahead dispatch. Without waiving said objection and to the extent discoverable, please see response to AG-DR-01-009 for actual degree days for January, February and March 2014.

PERSON RESPONSIBLE: As to Objection - Legal
John Swez

AG-DR-01-011

REQUEST:

Provide the projections for the operation for generation purposes at Woodsdale for each of the past ten (10) years.

a. Provide the actual hours of operation for generation at Woodsdale for each of the past ten (10) years.

RESPONSE:

Objection. This request is vague, overbroad, unduly burdensome, and seeks information that is irrelevant or not reasonably calculated to lead to the discovery of admissible evidence. This request seeks to obtain information for a period that is prior to the Company's ownership of Woodsdale and when it was dispatched in a different RTO. This request is further objectionable in that it is asking for "projections" related to past actual operations. The Company has not performed a calculation to project past operations. Without waiving said objection and to the extent discoverable, please see AG-DR-01-011 Attachment for information related to the actual hours of operation for Woodsdale for the period of January 1, 2012, to April 1, 2014.

PERSON RESPONSIBLE: As to Objection – Legal
John Swez

Woodsdale Units 1-6 Service Hours - January 2012 through March 2014

DATE	Woodsdale 1	Woodsdale 2	Woodsdale 3	Woodsdale 4	Woodsdale 5	Woodsdale 6
January 2012	0.42	0.00	0.00	0.00	0.00	0.00
February 2012	3.13	1.02	1.00	1.03	0.88	2.57
March 2012	0.00	0.00	0.00	0.00	0.00	0.00
April 2012	1.03	1.00	0.00	1.00	1.17	0.00
May 2012	1.08	6.80	47.70	4.07	4.38	0.00
June 2012	35.85	35.23	33.38	26.32	29.03	1.40
July 2012	39.03	38.10	28.15	28.13	13.38	13.25
August 2012	11.48	11.63	13.37	2.82	15.15	12.18
September 2012	0.00	0.00	0.00	0.00	0.00	0.00
October 2012	12.57	9.57	2.87	2.13	3.23	2.68
November 2012	0.00	0.00	0.00	0.00	0.00	0.00
December 2012	1.25	1.18	1.17	0.00	0.00	0.00
January 2013	1.78	2.02	1.77	1.73	2.27	1.97
February 2013	0.00	0.00	0.00	0.00	0.00	0.00
March 2013	1.65	1.78	1.68	1.58	1.53	1.47
April 2013	0.00	1.03	1.00	1.03	1.03	1.03
May 2013	3.15	3.10	3.13	4.25	3.23	3.33
June 2013	0.00	0.00	0.00	0.00	0.00	0.00
July 2013	28.97	31.00	31.83	1.32	31.57	29.53
August 2013	3.08	4.03	3.30	3.40	3.12	3.00
September 2013	7.17	7.72	17.97	17.92	17.73	7.15
October 2013	1.02	1.08	10.83	10.83	0.00	0.00
November 2013	0.00	0.00	0.00	1.05	0.00	1.02
December 2013	3.92	3.75	4.08	3.97	0.00	3.52
January 2014	57.32	52.87	60.72	56.12	56.25	56.57
February 2014	5.98	9.10	11.28	9.03	0.00	6.97
March 2014	8.17	8.33	5.88	11.92	1.88	6.50
Total	228.05	230.35	281.12	189.65	185.85	154.13

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-012

REQUEST:

Reference the testimony of Mr. Swez at page 6, lines 1-3, whereat the witness states: "One of the many challenges faced by utilities, including Duke Energy Kentucky during this period, has been the persistent operational restrictions in effect on natural gas pipelines." Explain in detail the restrictions, including, but not limited to, capacity constraints, contractual obligations (such as required purchased capacity obligations and prices), suppliers' names, purchase prices per Mcf for each supplier, availability of gas from each supplier, and any other relevant restrictions.

RESPONSE:

The persistent operational restriction refers to the Imbalance Posting that was initiated by TETCO in early January due to high demand on the system. Please see AG-DR-01-019 Attachment.

PERSON RESPONSIBLE: Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-013

REQUEST:

With regard to your response to question number 11, above, provide the same information for the past ten (10) years.

RESPONSE:

Objection. This request is duplicative of AG-DR-01-011. Objecting further, this request is unintelligible in the context of this question. Without waiving said objections and to the extent discoverable, please see response to AG-DR-01-011.

PERSON RESPONSIBLE: As to Objection - Legal

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-014

REQUEST:

Reference the application in general as well as the applicant's general corporate position. Does the applicant believe that PJM operated efficiently, appropriately, and in accordance with all FERC tariffs during the time frame at issue? If yes, please explain the answer in detail. If no, answer the following.

a. Are the contractual obligations PJM placed on the applicant financially detrimental to the applicant's ratepayers? If not, explain the answer in detail.

b. With regard to your response in subpart (a), above, do the PJM contractual obligations placed upon the applicant carry any potential to be financially detrimental to the applicant's ratepayers? If not, explain the answer in detail.

c. Are the contractual obligations placed on the applicant by PJM potentially compromising to the reliability of the electric grid in any manner? If not, explain the answer in detail.

d. In general, and as a whole with all of PJM's members included, were there any deficiencies or mistakes on the part of PJM, its members, or the applicant that could have otherwise been avoided that would have eliminated the applicant's need to file this application?

e. In general, and as a whole with all of PJM's members included, were there any deficiencies or mistakes that could have otherwise avoided any grid reliability concerns during the period at issue? Regardless of the answer, explain it in detail.

RESPONSE:

a. Objection. This request is vague, overbroad and unduly burdensome. The Company does not understand what counsel means by the phrase "contractual obligations placed on the applicant by PJM." Without waiving said objections, to the extent discoverable, and assuming counsel is referring to the PJM Reliability Assurance Agreement and PJM's various FERC-approved tariffs, no. Duke Energy Kentucky believes that Duke Energy Kentucky customers were not harmed by PJM's actions in the energy markets.

b. See response to part a above.

c. Objection. This request is vague, overbroad and unduly burdensome. The Company does not understand what counsel means by the phrase "contractual obligations placed on the applicant by PJM." Without waiving said objections and to the extent discoverable, and assuming counsel is referring to the PJM Reliability Assurance Agreement and PJM's various FERC-approved tariffs, no. PJM acted in accordance with its tariffs and provided day-ahead energy awards to generation that cleared the day-ahead market, recognizing all reliability constraints, and dispatched generation that was necessary in the real-time energy market. The difference is one market accounts for a forecasted need and the other market accounts for actual needed generation. Only when dispatched in the real-time market is fuel actually burned.

Answering further, PJM has an independent market monitor to ensure that the PJM markets are functioning appropriately.

d. Objection. This request is vague, over broad, unduly burdensome and assumes facts not in evidence. Without waiving said objection and to the extent discoverable, the Company is not aware of any party making any mistakes. PJM acted in accordance with its tariffs. TETCO acted within its tariffs and in accordance with the terms and conditions of its contract with Duke Energy Kentucky.

e. Objection to the extent that the request assumes facts not in evidence. Without waiving said objection and to the extent discoverable, the Company is not aware of any grid reliability concerns during this period.

PERSON RESPONSIBLE: As to Objection – Legal
John Swez

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-015

REQUEST:

Reference the application in general. Does the applicant have any concerns that going forward the natural gas necessary to run its natural gas fired units will be available based on current as well as projected infrastructure build-out and natural gas inventories?

RESPONSE:

No.

PERSON RESPONSIBLE: Joseph McCallister

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-016

REQUEST:

Reference the application in general. Does the applicant have any concerns that going forward the natural gas necessary to run its natural gas fired units will be available at either current costs or costs that will otherwise be affordable for the end-user?

RESPONSE:

The natural gas market is a dynamic market and Duke Energy Kentucky cannot predict prices going forward or if natural gas will be available at current costs. Natural gas prices are forecasted to remain in the range of current prices for the foreseeable future given the increase in domestic gas supply. Duke Energy Kentucky does not have concerns over the procurement of the needed natural gas supply for its generation needs. Duke Energy Kentucky buys competitively priced natural gas supply at the prevailing spot market price that exists at the time of the purchase.

PERSON RESPONSIBLE: Joseph McCallister

AG-DR-01-017 PUBLIC

REQUEST:

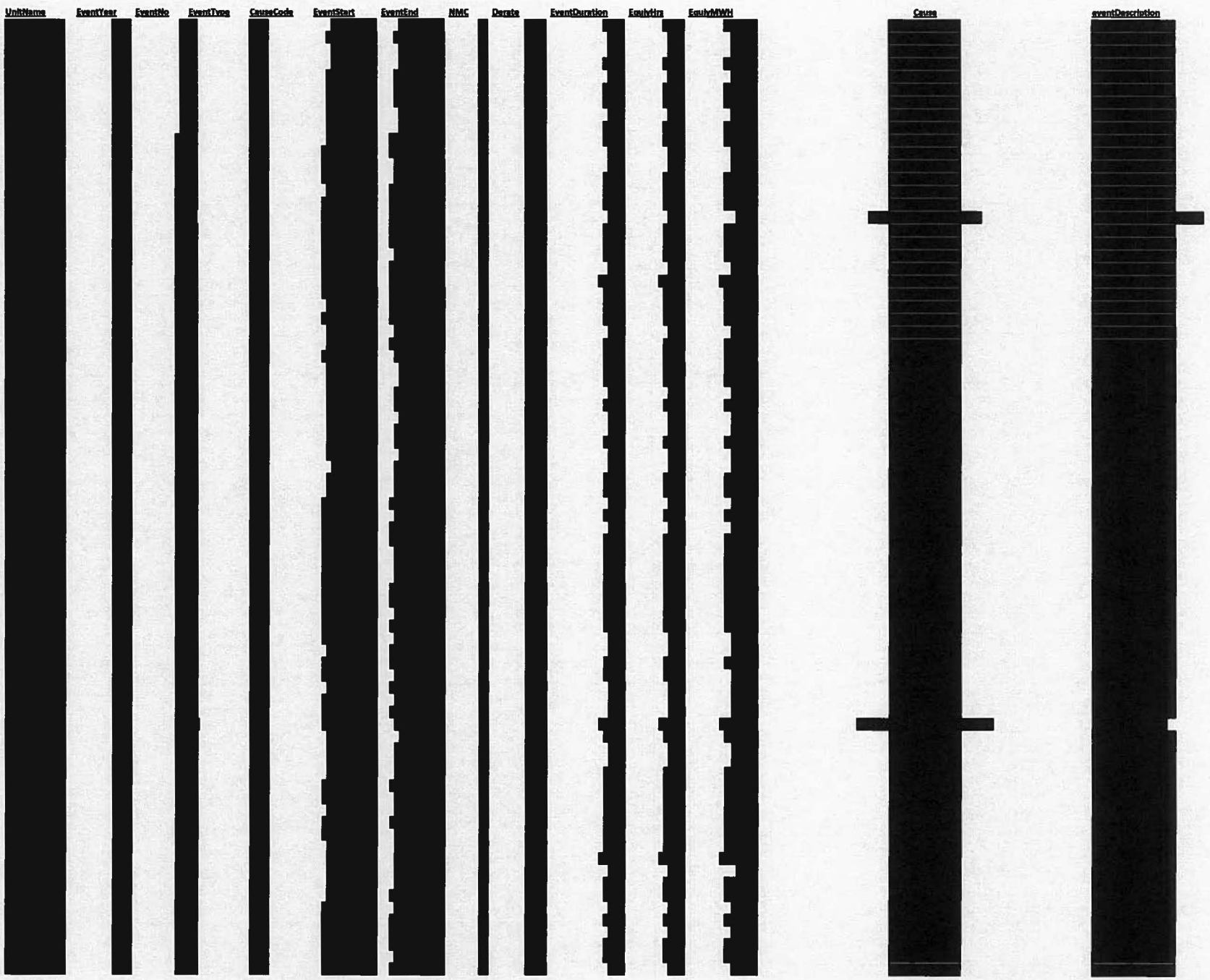
Please provide data setting forth the number of times during the past two (2) years that the Woodsdale CTs were not dispatched because they did not pass PJM's economic dispatch order.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (as to Attachment only)

Objection. This request is irrelevant, overbroad, unduly burdensome, not likely to lead to the discovery of admissible or relevant evidence, and duplicative of AG-DR-01-011. Without waiving said objection and to the extent discoverable, please see the response to AG-DR-01-011 for the monthly run hours for each unit from January of 2012 through March 2014. The times that the units did not run are the inverse of this data and could be due to either a planned outage, forced outage, or because they did not clear in the PJM Real-Time market and were on reserve shutdown. Reserve Shutdown means PJM did not select the unit in the Real-Time market. [redacted]

PERSON RESPONSIBLE: As to Objection - Legal
John Swez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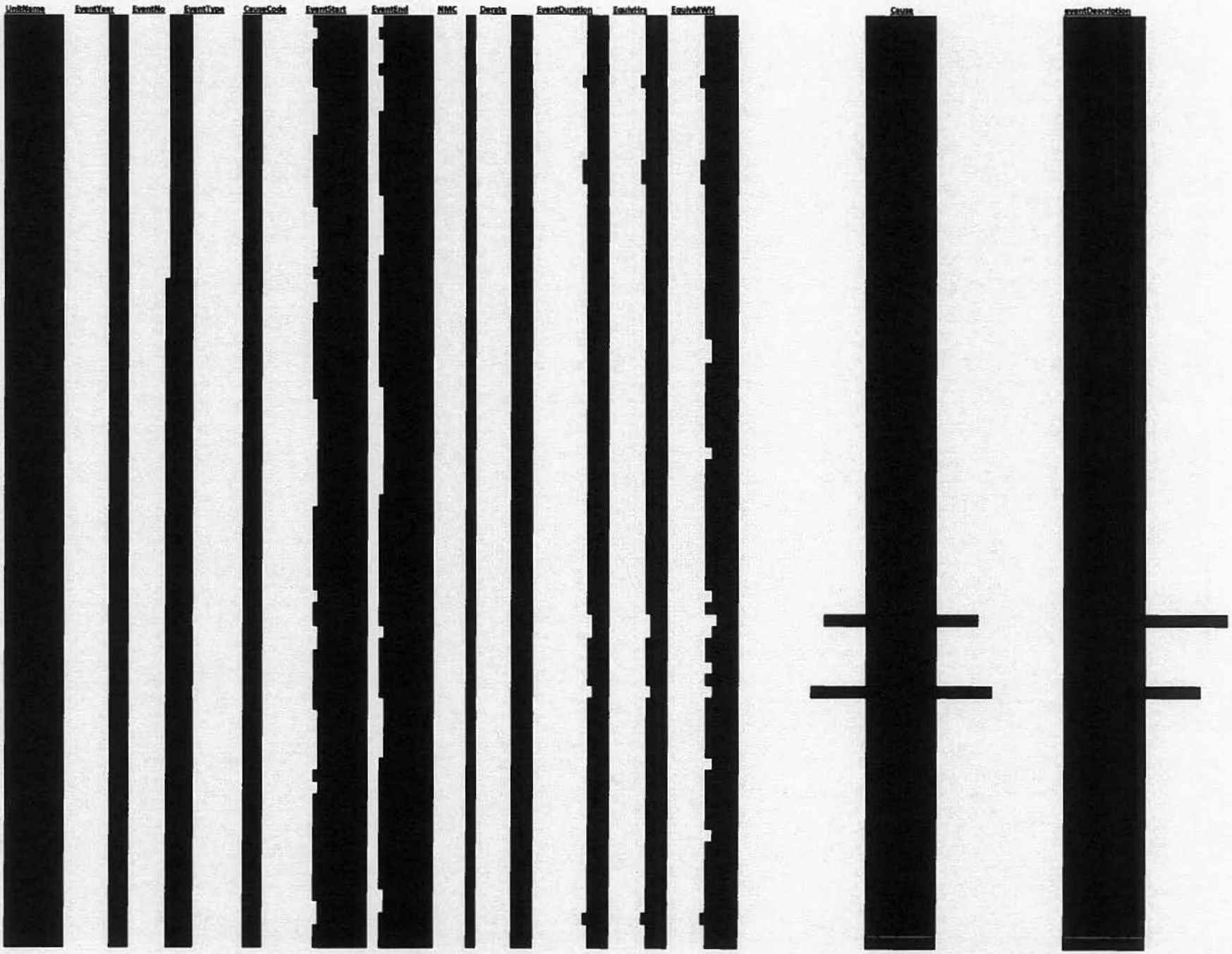
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CONFIDENTIAL PROPRIETARY TRADE SECRET

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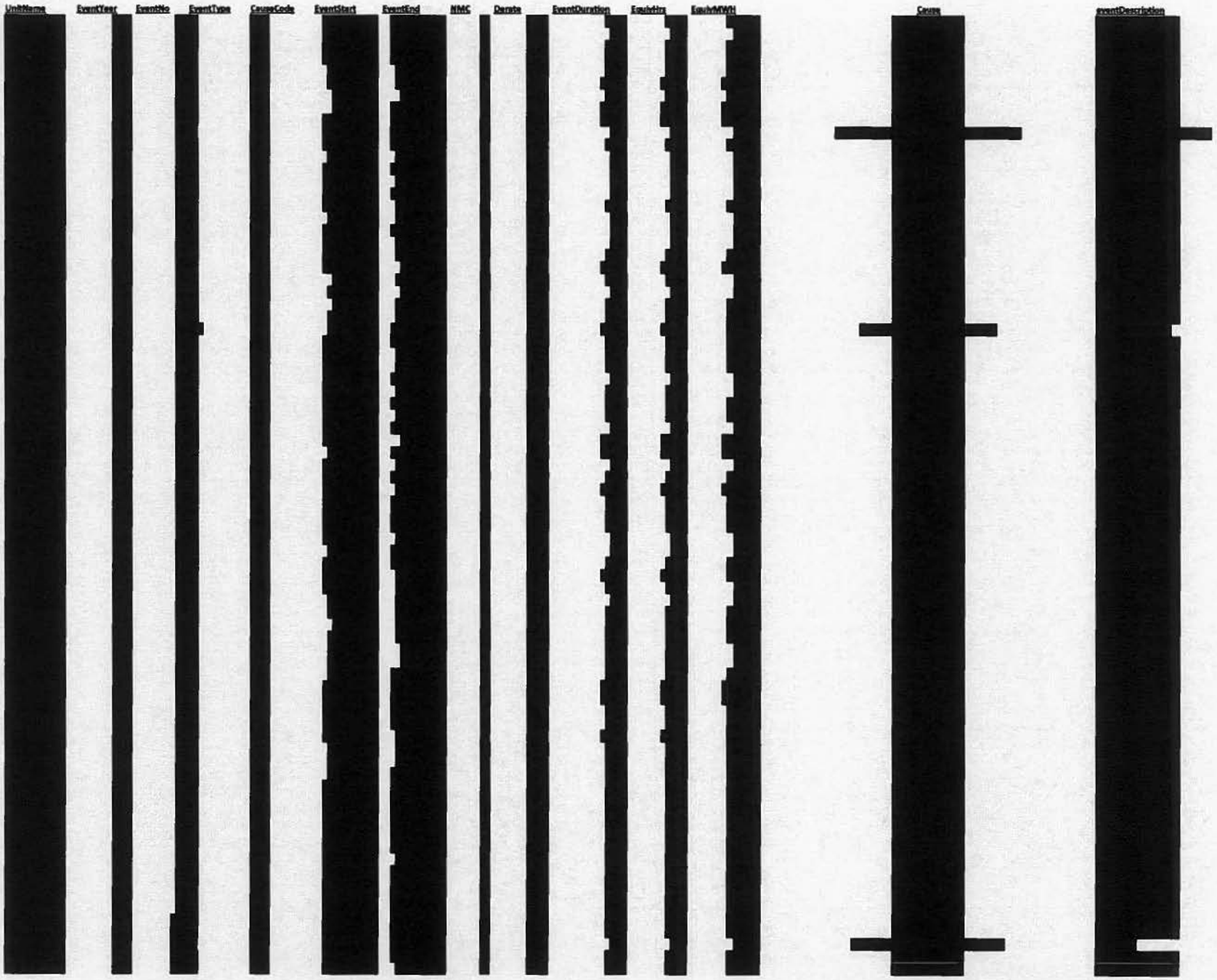
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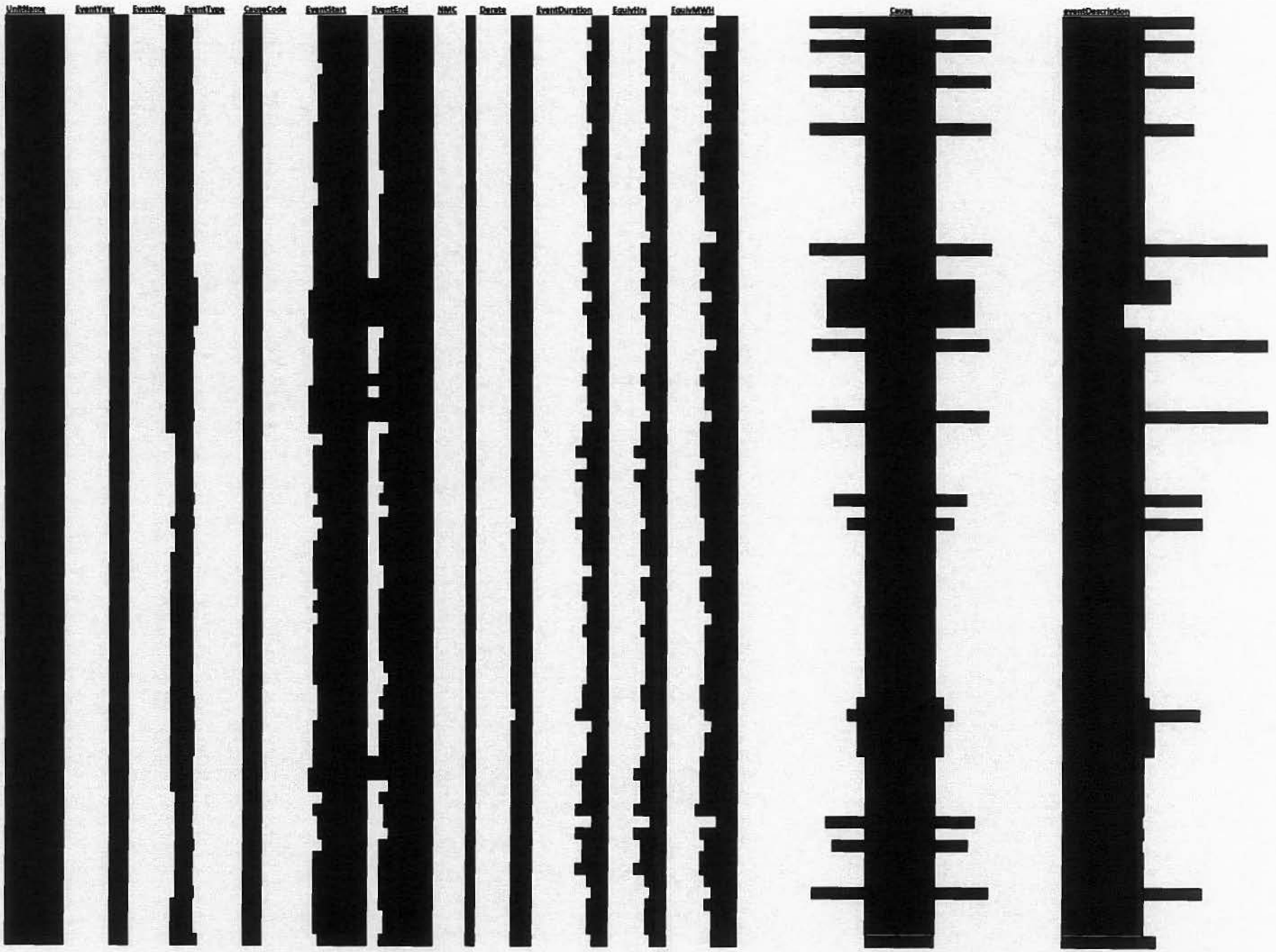
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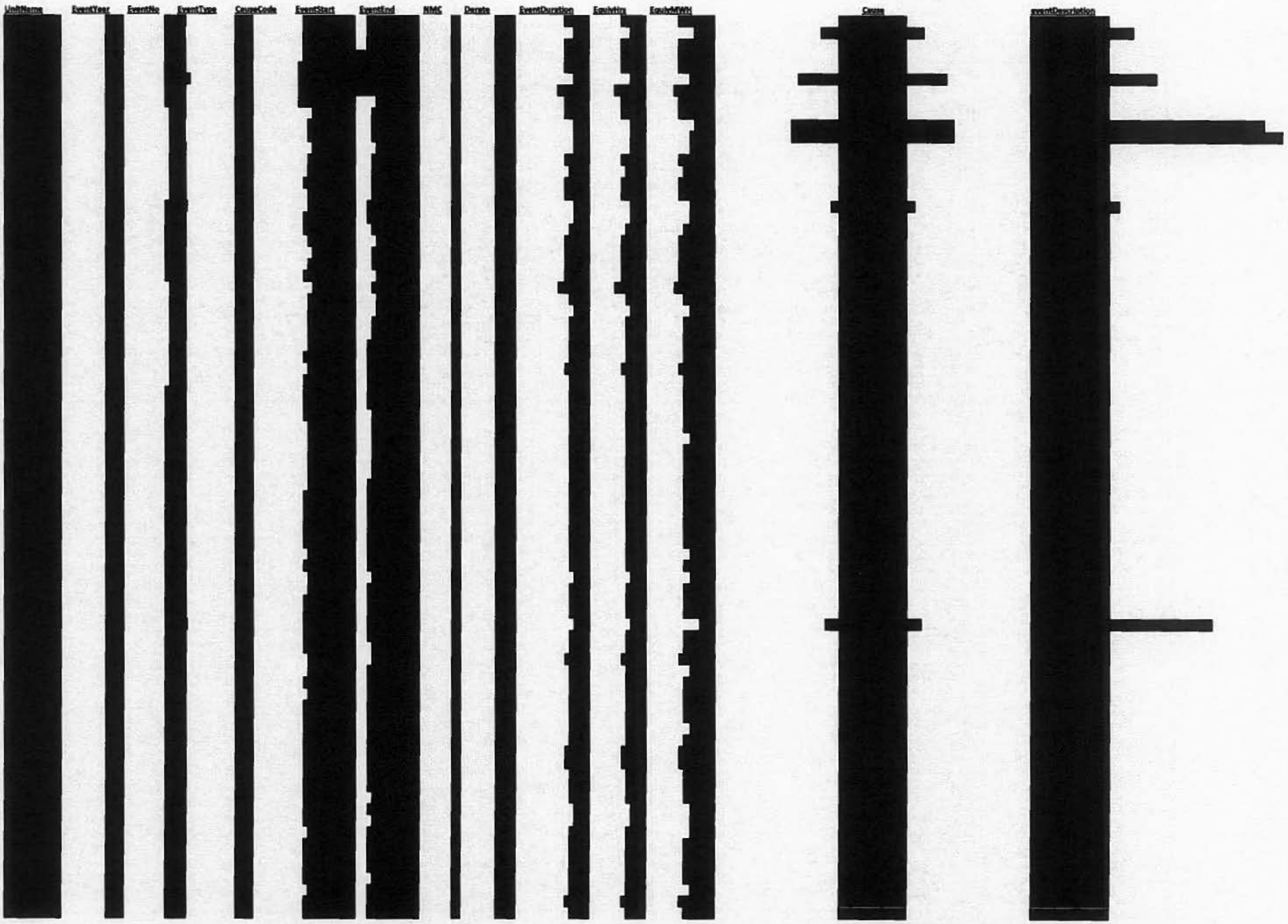
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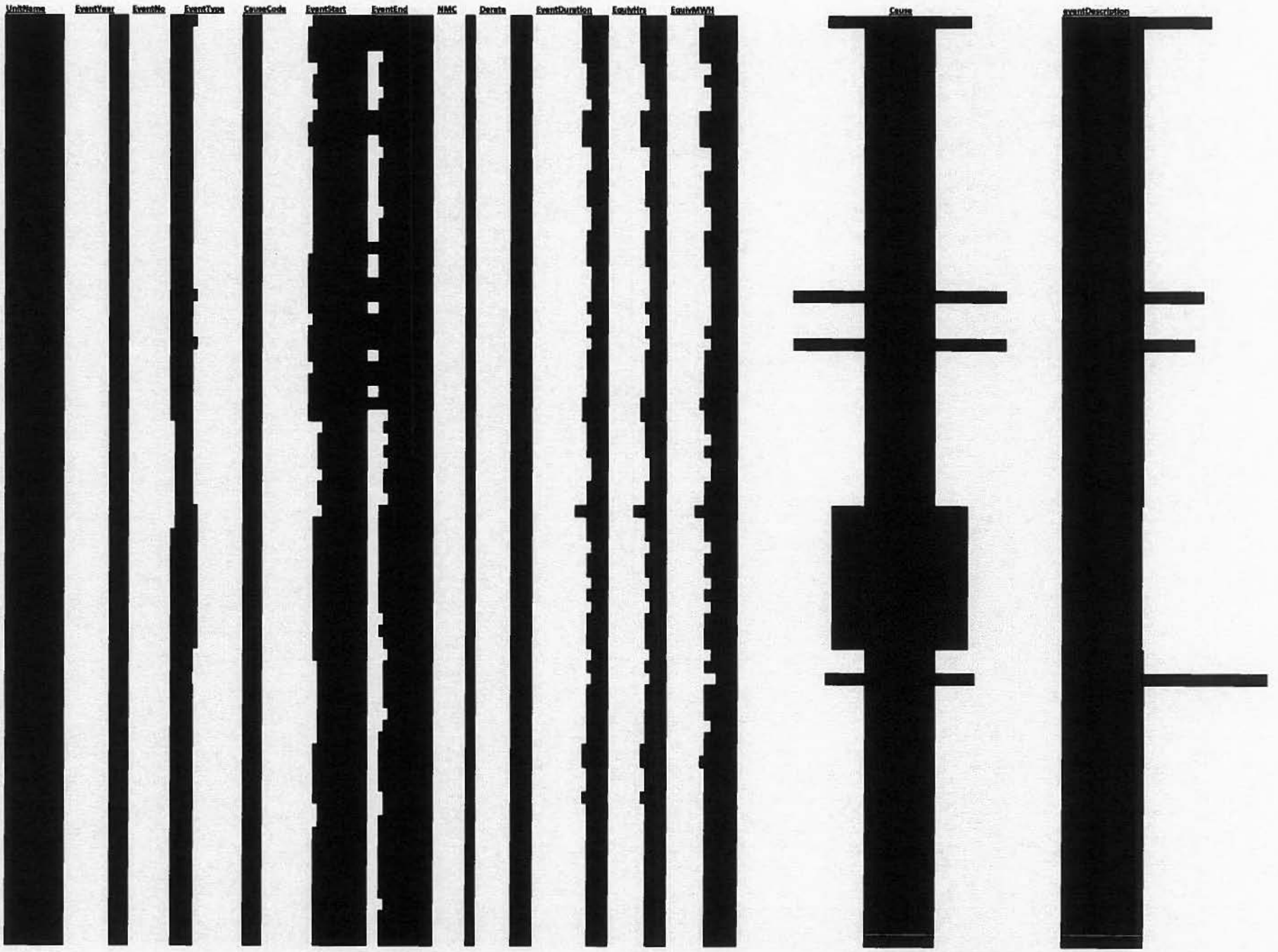
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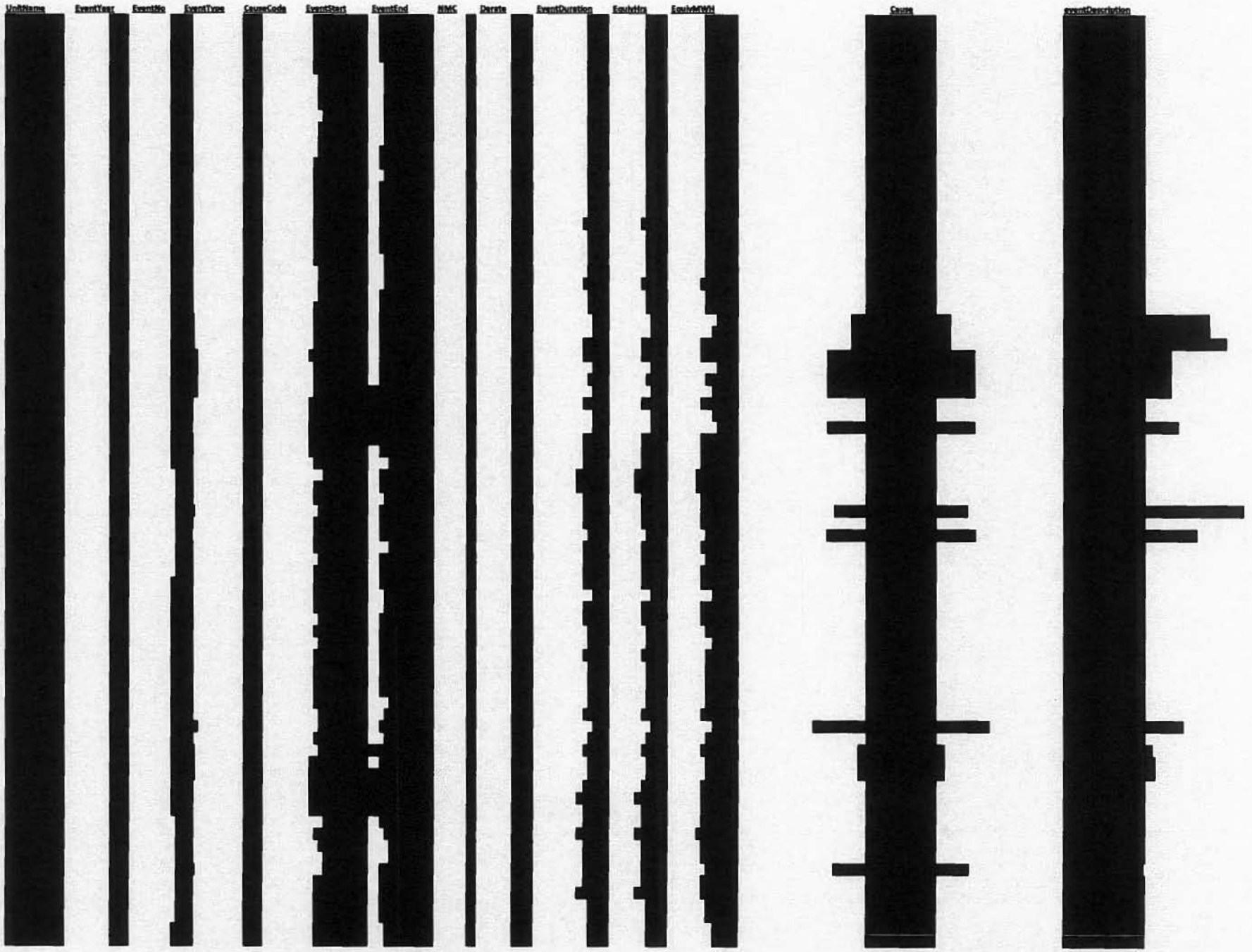
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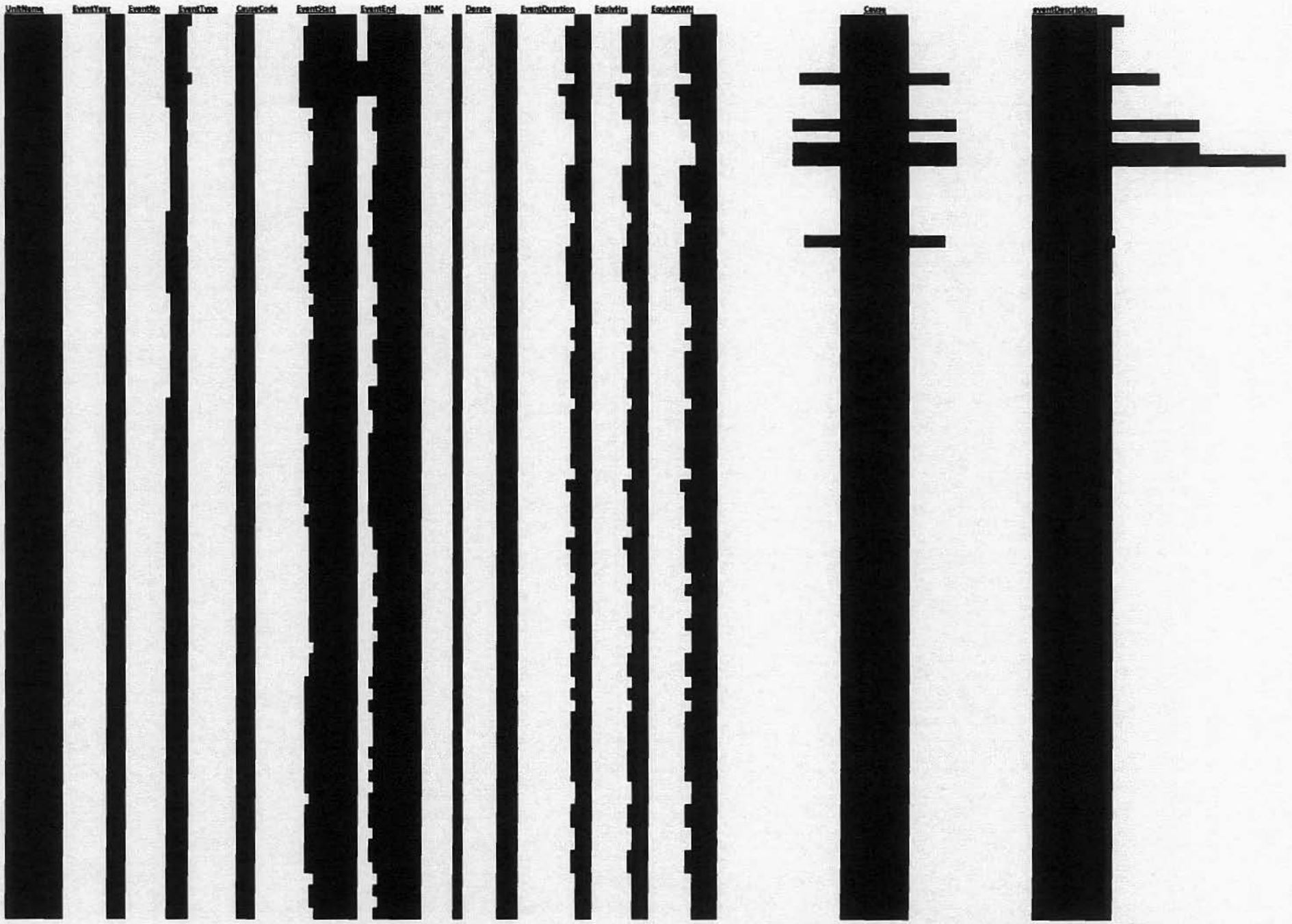
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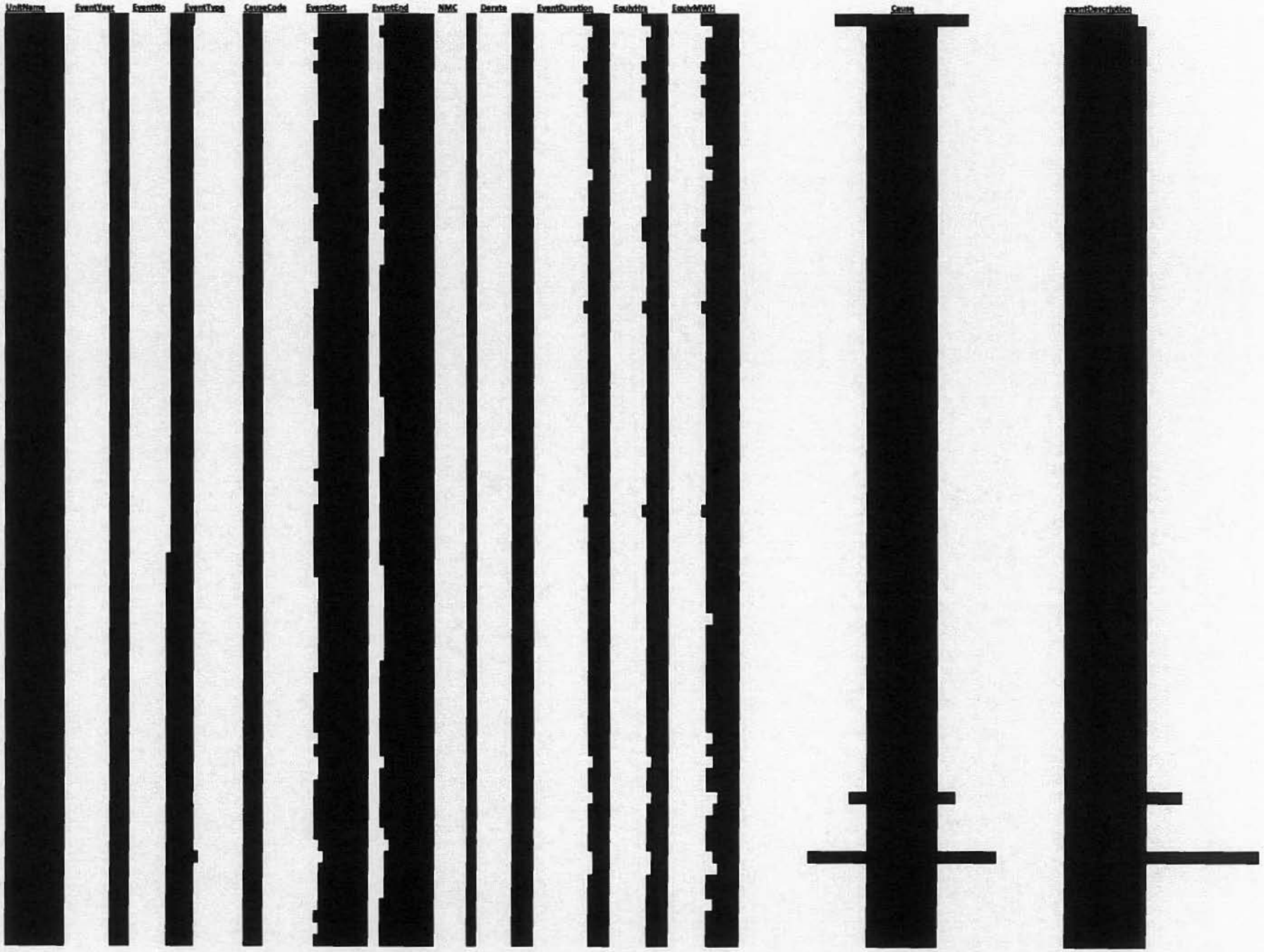
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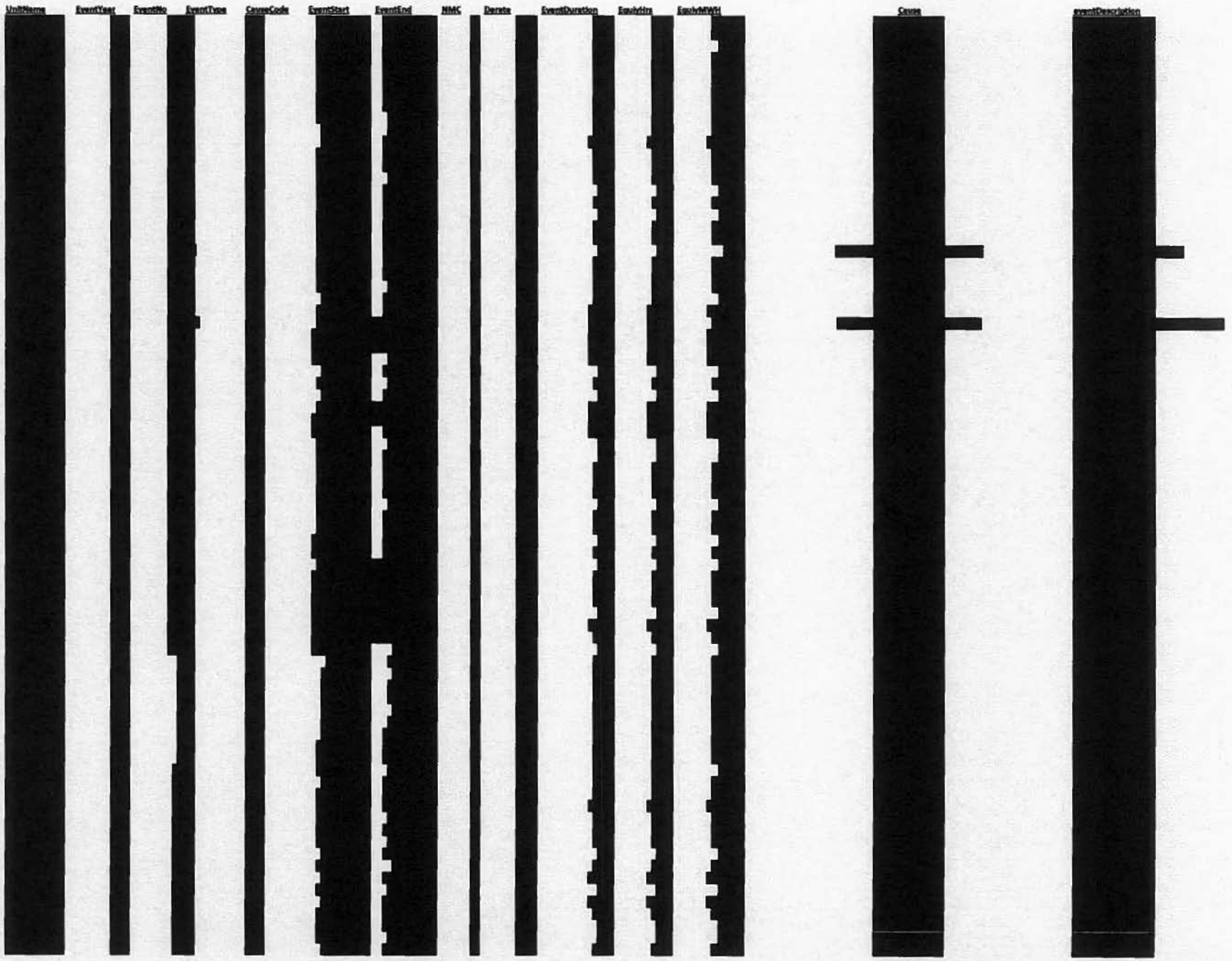
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CONFIDENTIAL PROPRIETARY TRADE SECRET

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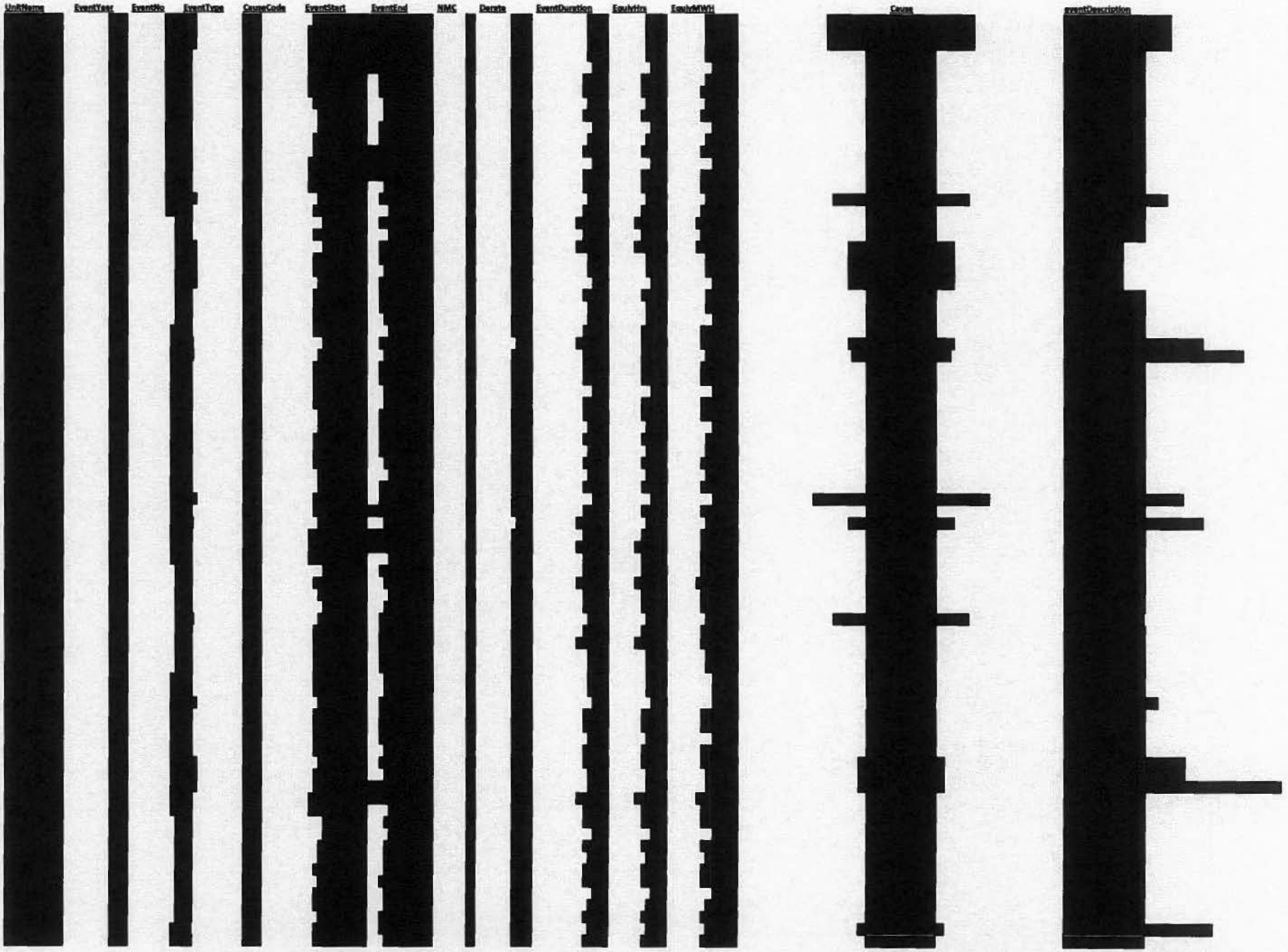
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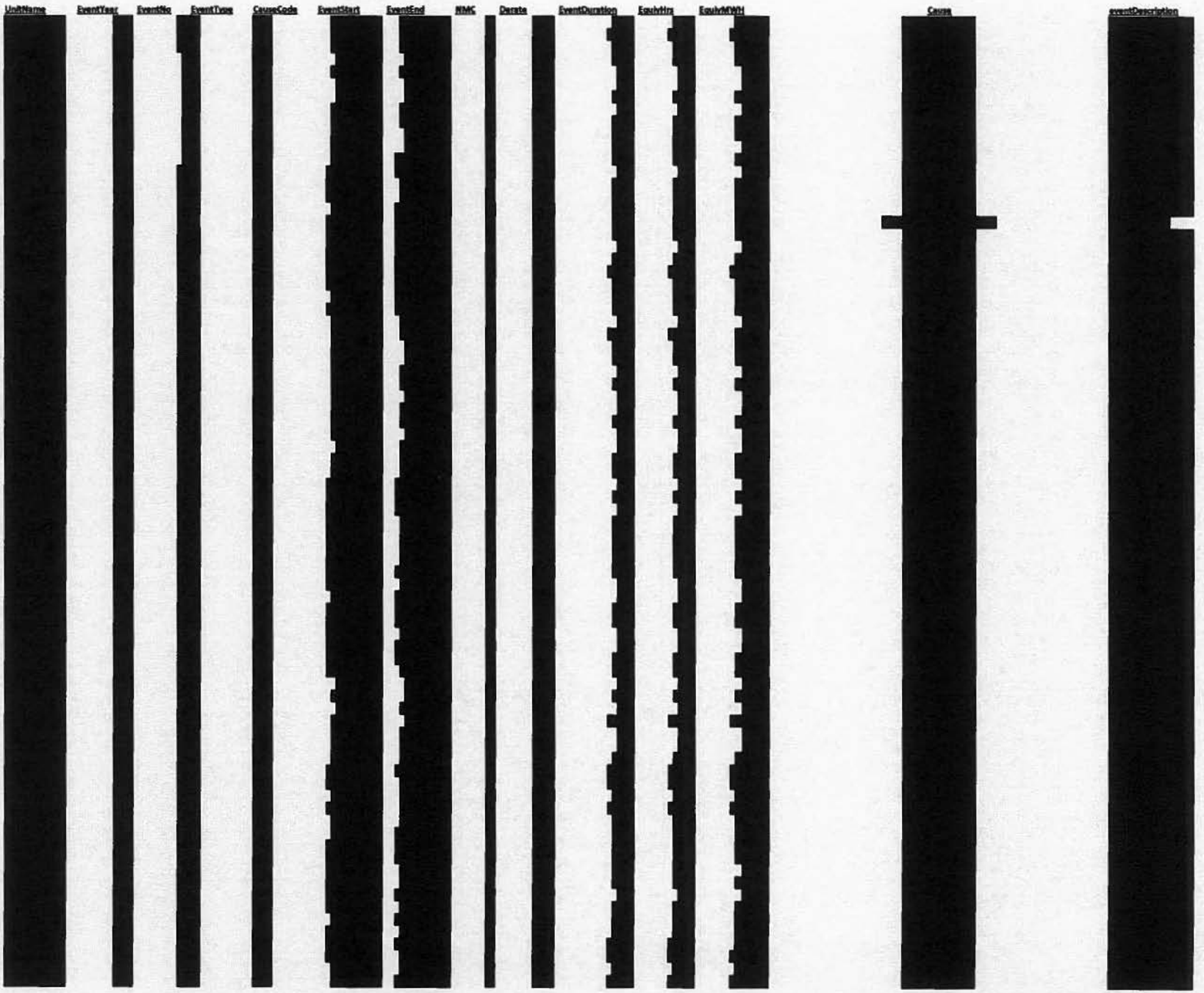
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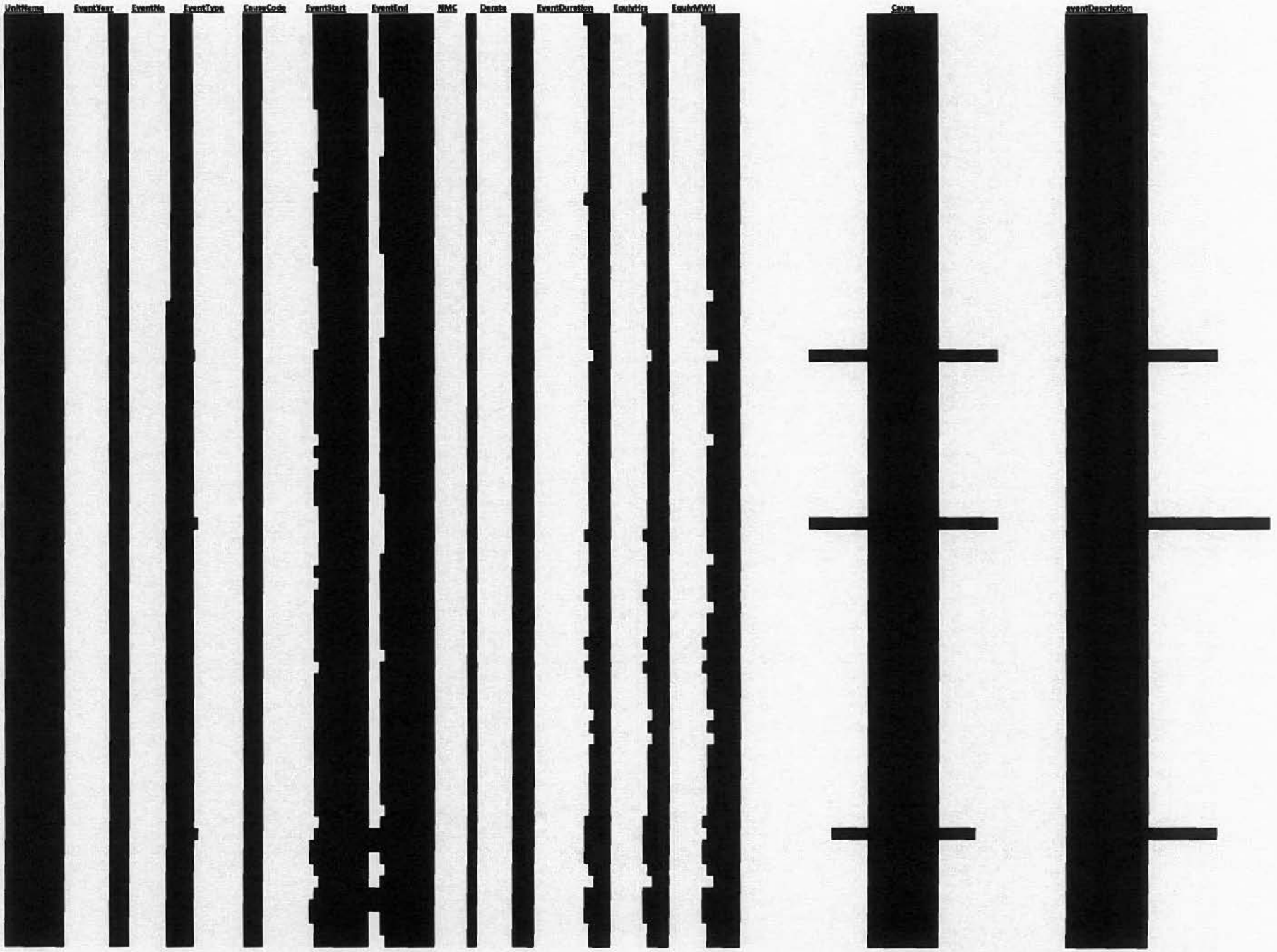
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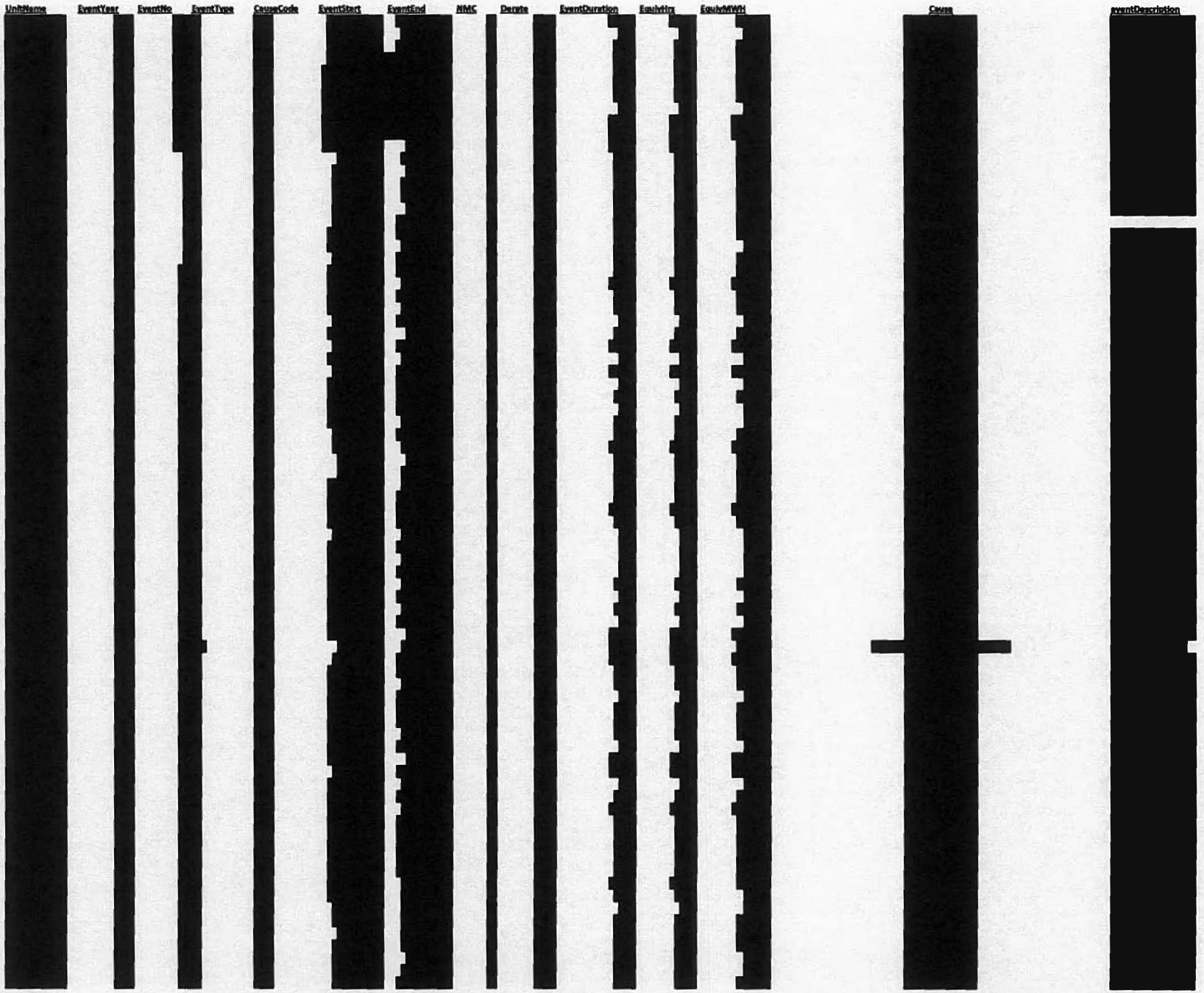
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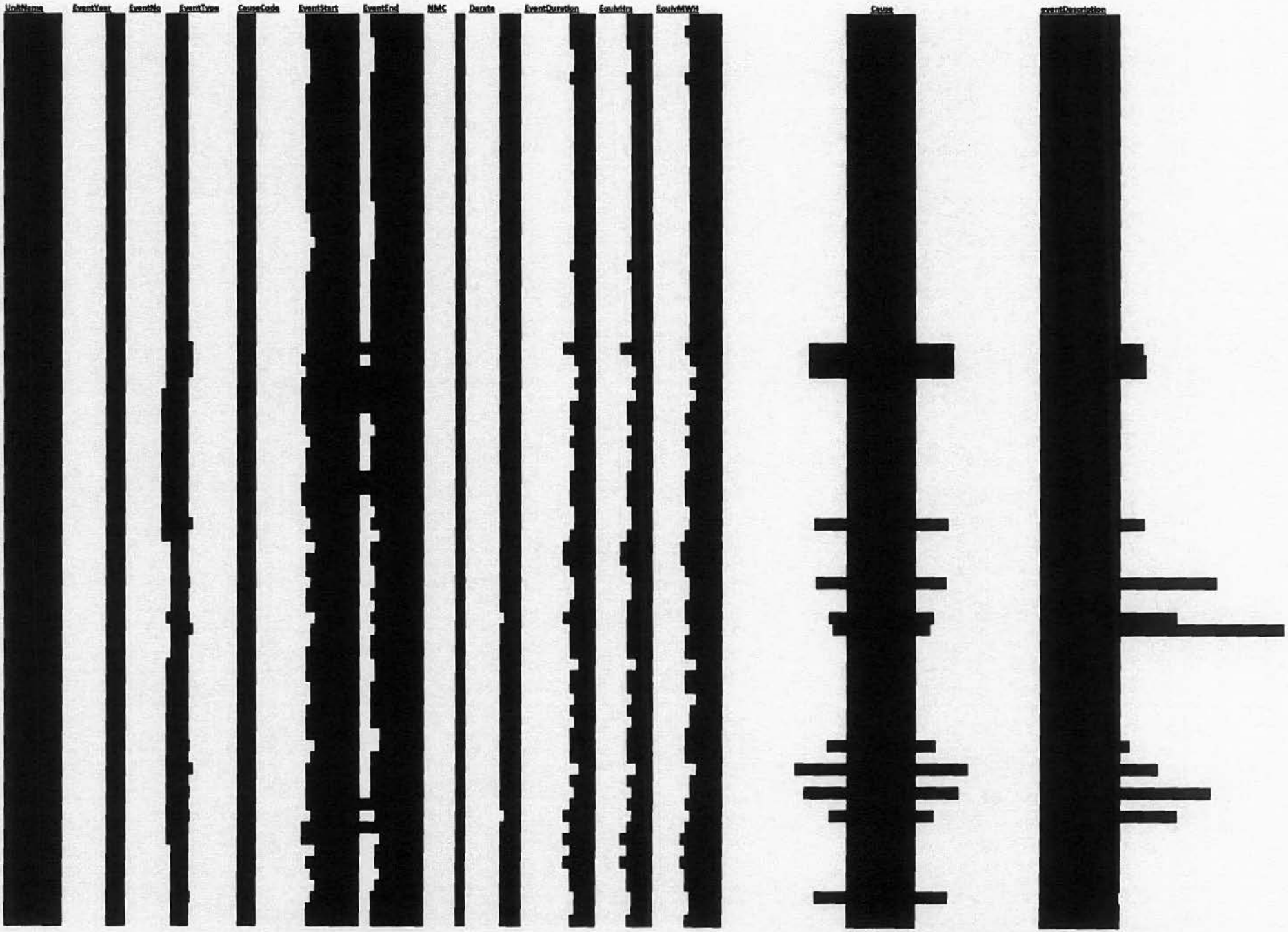
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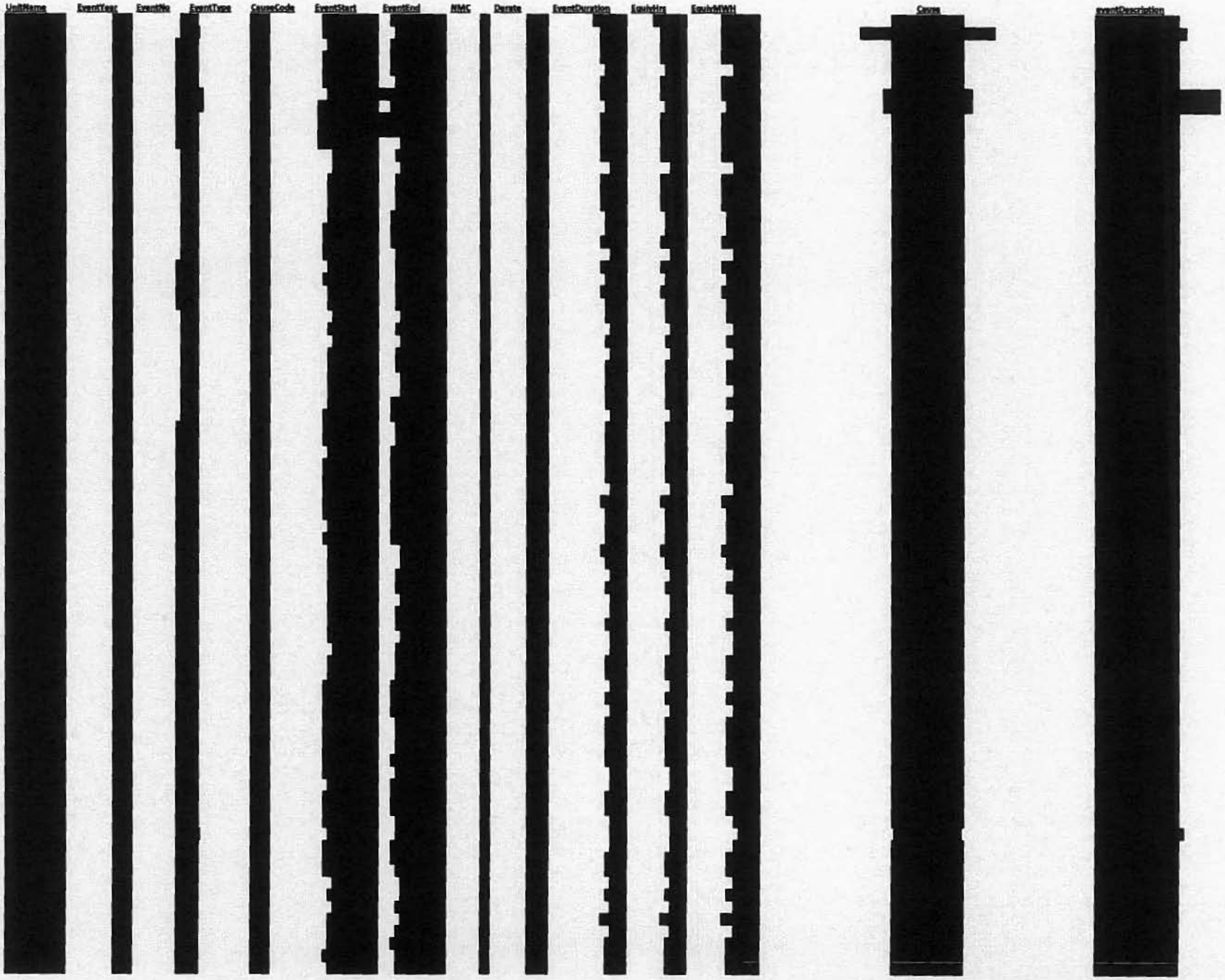
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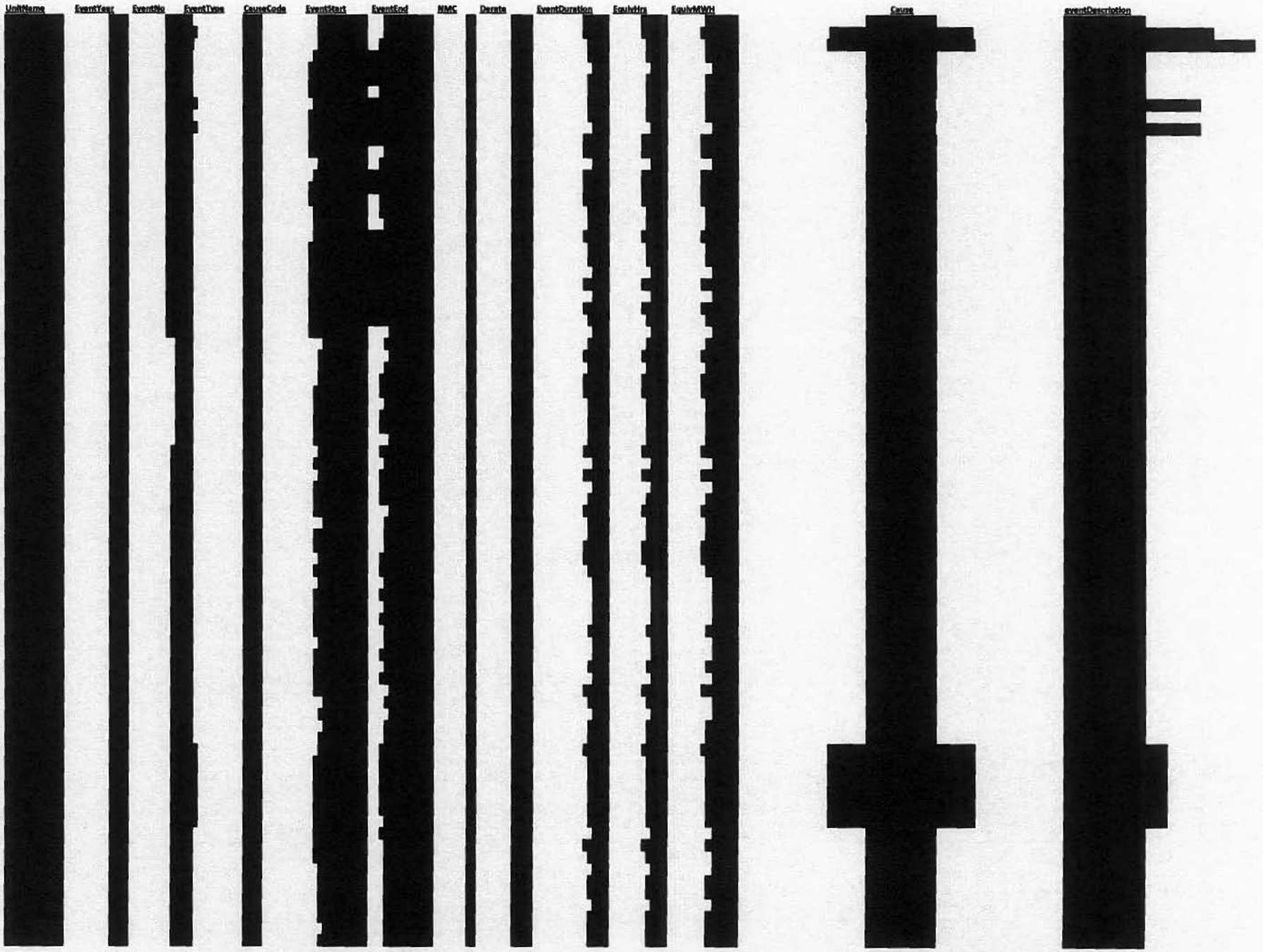
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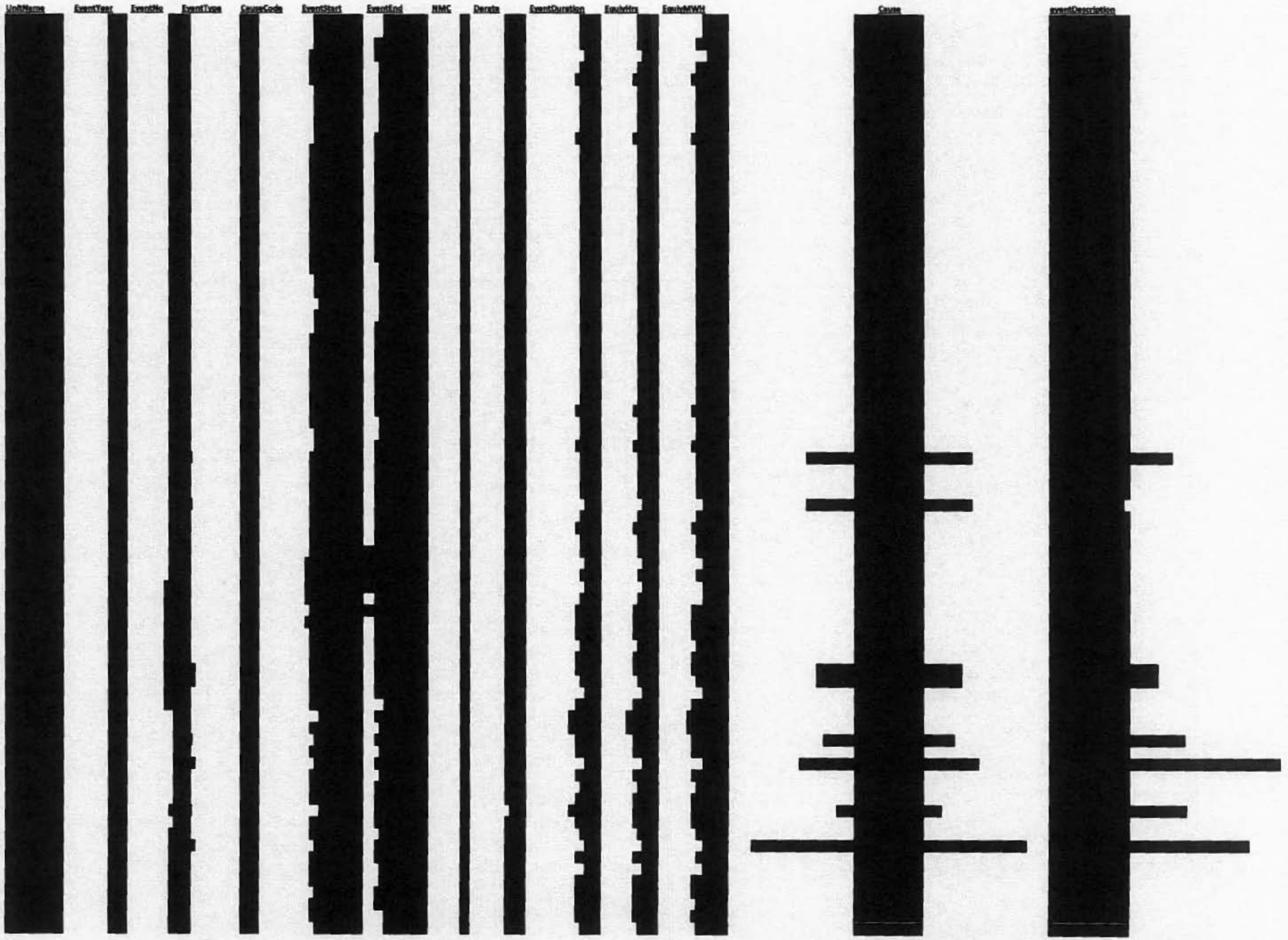
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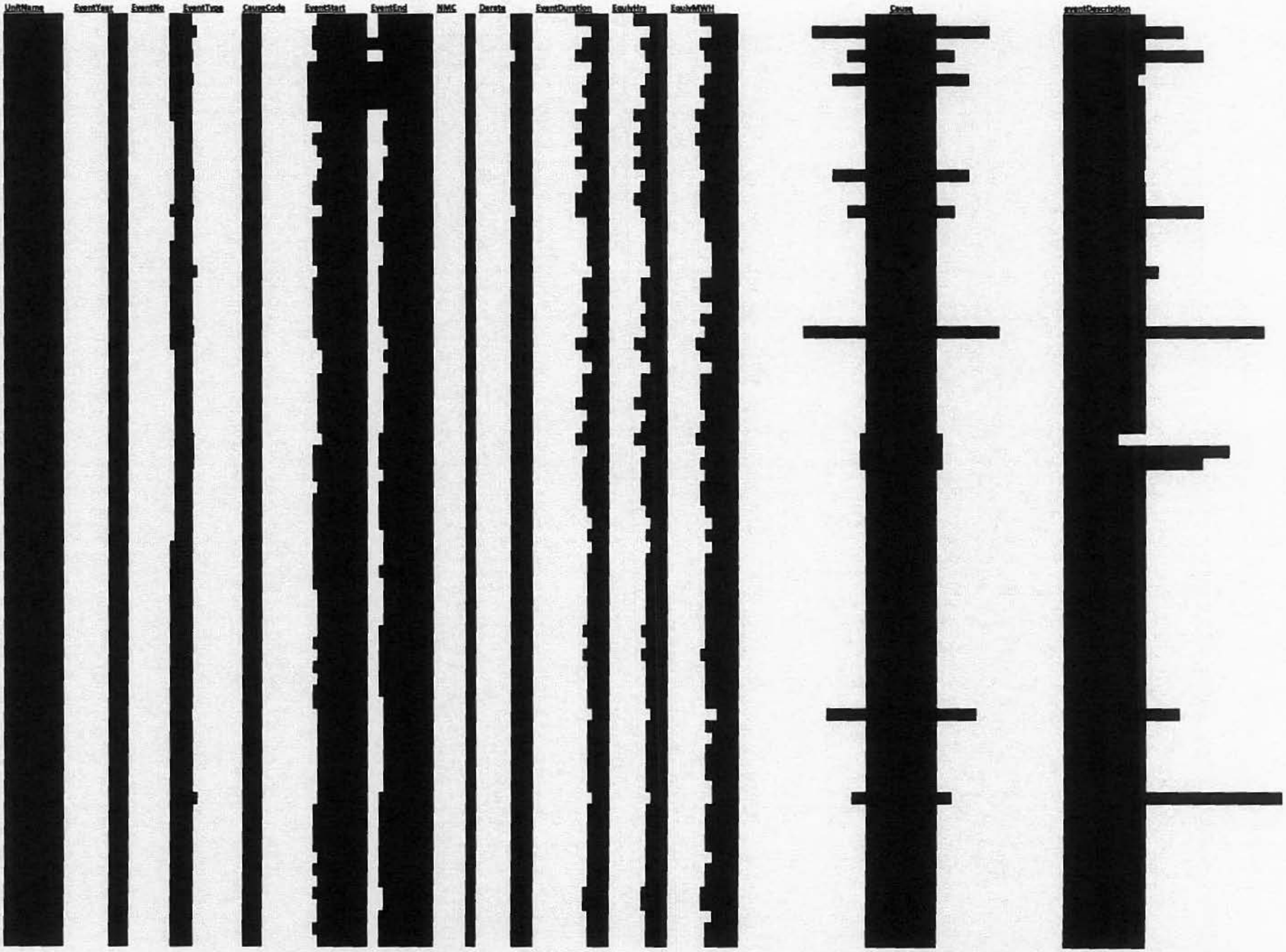
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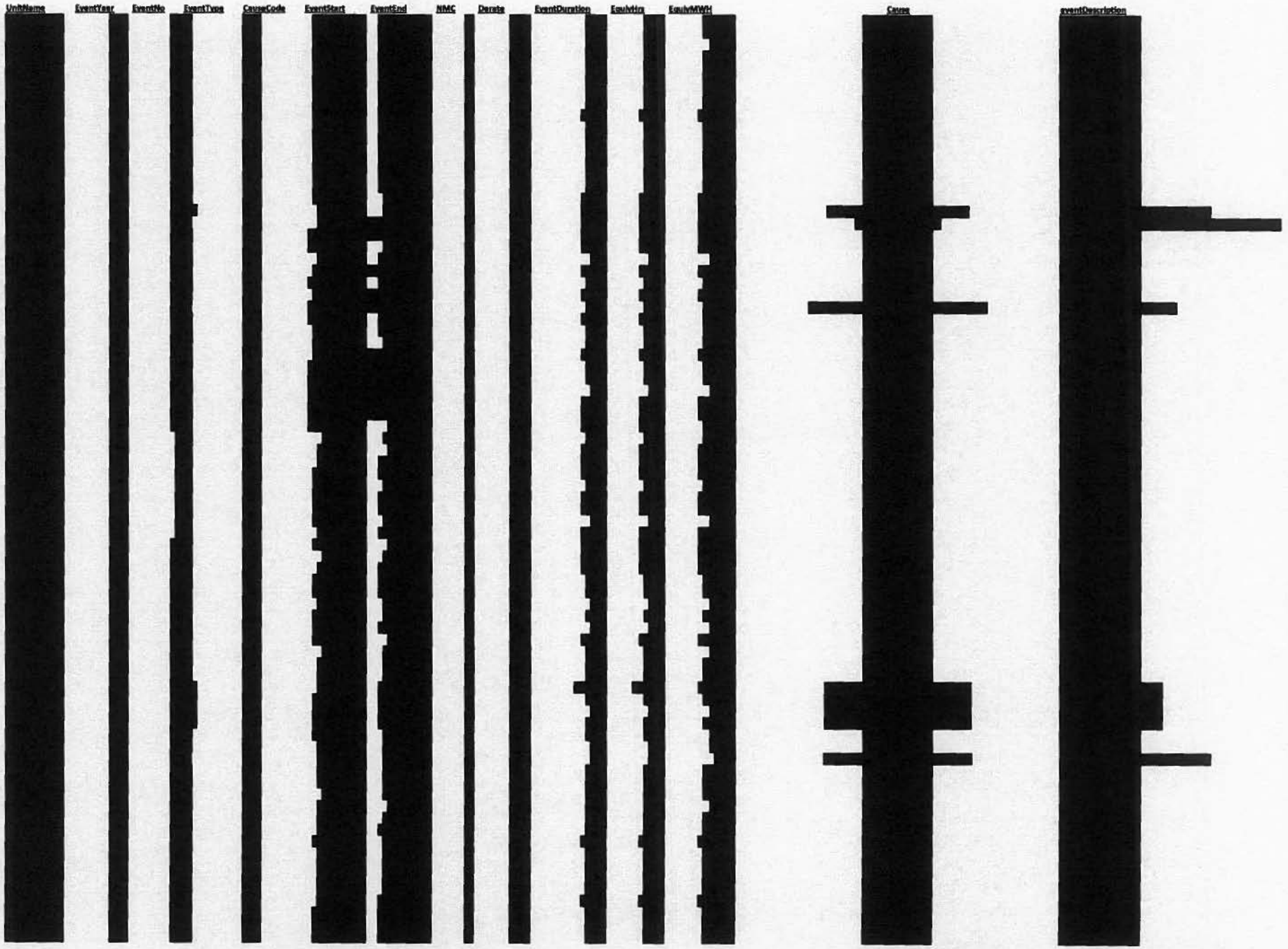
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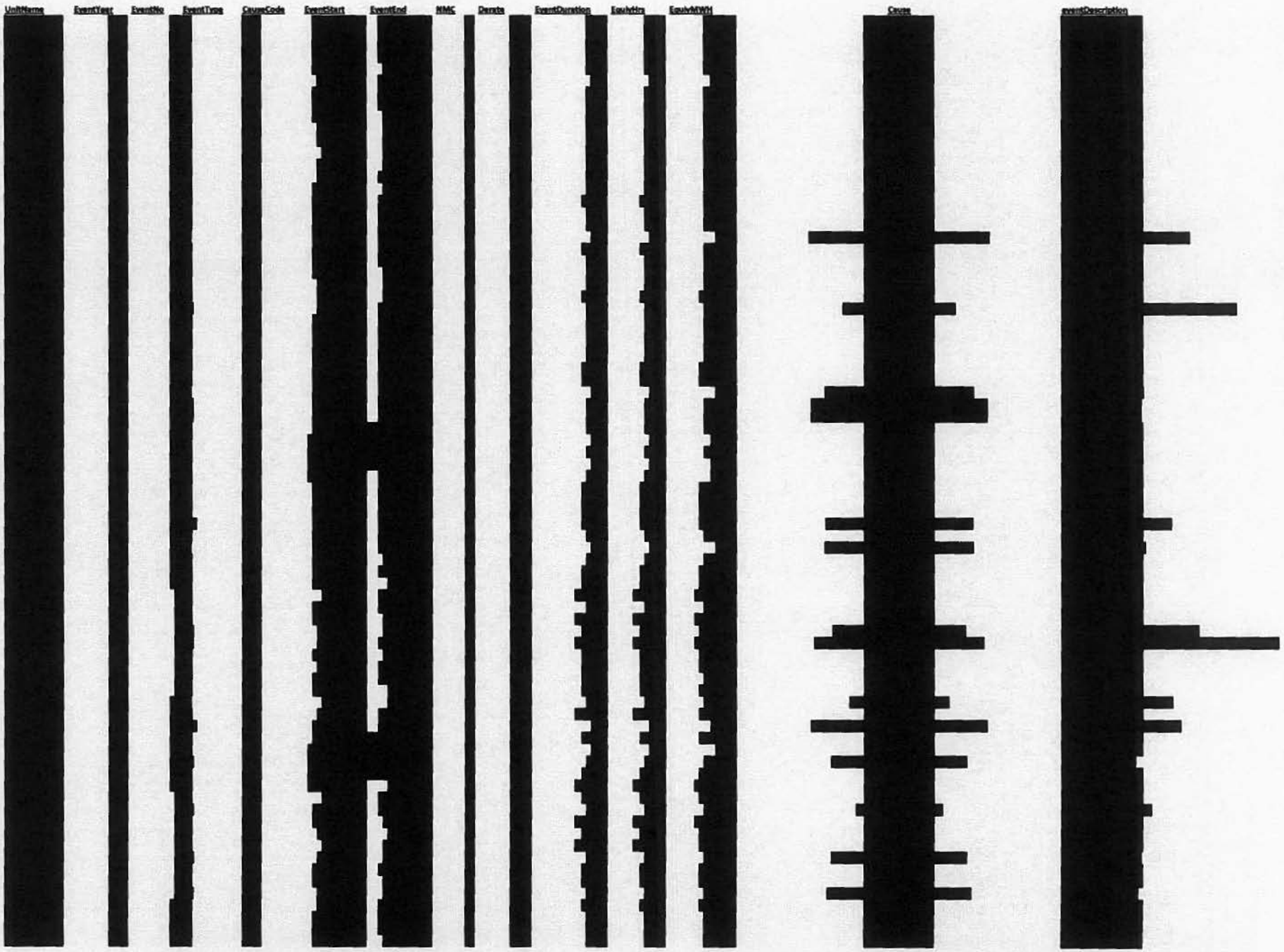
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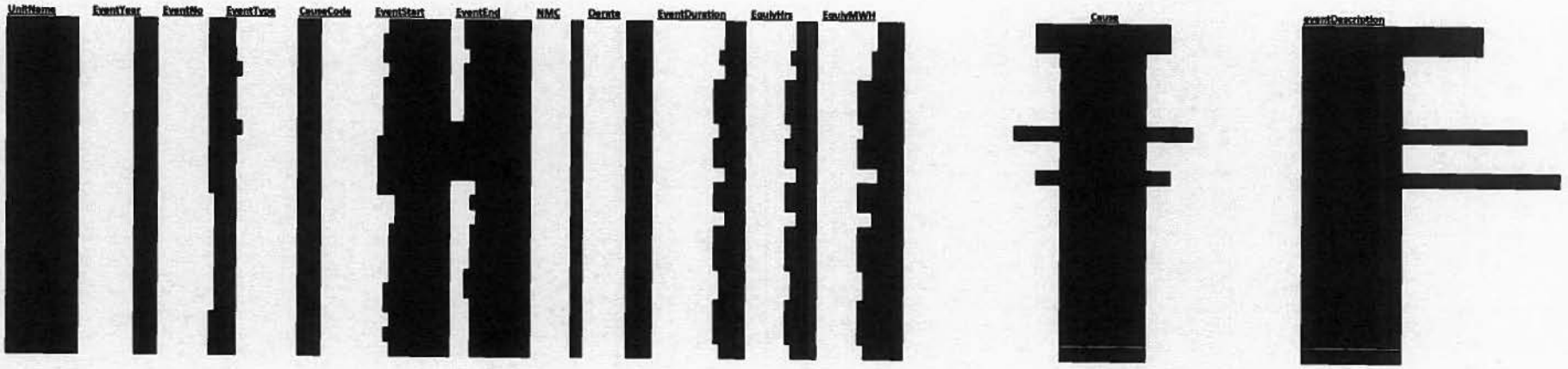
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AG-DR-01-018

REQUEST:

Please state whether the applicant agrees or disagrees with the following: The problems encountered by applicant which are the subject of the instant case occurred at the wholesale level and fall under the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

a. If the applicant agrees, is it not true that the issues applicant encountered are not jurisdictional to the Kentucky Public Service Commission? If not, why not.
b. If the applicant agrees, is it not true that applicant's retail ratepayers should not be required to make applicant whole for problems occurring at the wholesale level? If not, why not.
c. If the applicant disagrees with the premise above, why does it disagree? Please discuss in detail.

RESPONSE:

a. Objection. This request seeks information that would require Duke Energy Kentucky to engage in impermissible speculation and calls for a legal opinion. Without waiving said objection and to the extent discoverable, the issue is a regulatory accounting issue related to the Company's fuel procurement for

providing service to its customers under the rules and regualtions of PJM and the Company's treatment of off-system sales, both of which is within the jurisdiction of the Kentucky Public Service Commission. Answering further, Kentucky retail customers share in the net proceeds of wholesale (off-system) sales under Rider PSM. That is how the Company is proposing to treat the resale of natural gas in this case, as part of the calculation of net proceeds. If the question is intended to suggest that the Attorney General believes Rider PSM should be discontinued and that customers should not receive any of the net benefits (or costs) of off-system sales associated any of the Company's generation, then the Company would consider withdrawing its application upon a Commission order terminating Rider PSM. As the situation exists today, customers receive the majority of net benefits (first $1MM and 75% thereafter) from the off-system sales of the non-native portion of generation. Fuel is needed to accomplish those sales. In this situation, gas was procured so generation could participate in the PJM market real-time and day ahead markets.

b. See response to a above.

c. See response to a above.

PERSON RESPONSIBLE: As to Objection – Legal
John Swez

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-019

REQUEST:

Please reference page 6, lines 13-17 of John D. Swez's direct testimony where he states that "[t]here are generally two types of Imbalance Postings: 1. Shippers/Operators cannot take more gas off the system than they have coming on to the system (High system demand situations). 2. Shippers/Operators cannot put more gas onto the system than they are taking from the system (Low system demand situations). Please elaborate and explain the above in further details with specific examples of each.

RESPONSE:

In order to maintain system reliability during periods of high demand or low demand, TETCO is permitted under its tariff to issue Imbalance Postings. FERC requires all shippers/operators to comply with the pipeline tariffs. These postings are done over the entire pipeline or segments of the pipeline in which the impact is expected. The Imbalance Postings instruct shippers/operators on how they must balance the system. The two types of Imbalance Postings are below.

a. High system demand situations - The pipeline requires that shippers/operators receive natural gas equal to or greater than their needs on a given day, regardless of their overall position. During this type of alert, shippers/operators are not permitted to use

any natural gas balance that is/has been carried over from prior days. Example for illustrative purposes only:

> April 1: Imbalance Posting Alert in high system demand situation
> April 1 Cumulative balance: 50,000 dth
> Gas Receipts for April 1: 30,000 dth
> Consumption allowed without penalty: Up to 30,000 dth
> Only allowed to consume the gas received for the day.
> Cumulative balance cannot be used until removal of the alert.

See AG-DR-01-019 A attachment.

b. Low system demand situations – In situations of low demand, the pipeline requires that shippers/operators keep daily takes off the system greater than or equal to their receipts on the day, regardless of their cumulative balance. Example for illustrative purposes only:

> April 1: Imbalance Posting Alert in low system demand situation
> April 1 cumulative balance: -10,000 dth
> Gas Receipts for April 1: 30,000 dth
> Consumption allowed without penalty: At least 30,000 dth
> Must consume the gas received on the day and may burn more, even though gas is owed to the pipeline.

See AG-DR-01-019 B attachment.

c. Failure to comply with the Imbalance Postings can lead to more stringent restrictions from TETCO in the form of Action Alerts and/or Operational Flow Orders (OFO) which can be imposed at the shipper/operator that is noncompliant. These restrictions can also be implemented for other reasons to protect system integrity and can be imposed on multiple parties (*i.e.*, unplanned outages on the system. See below for example of this notice). Financial penalties are imposed for derivations from the requirements imposed under these restrictions.

   i. Action Alert penalty charge for each Dekatherm of Gas by which Customer or point operator deviated from the requirements of the Action Alert equal to an

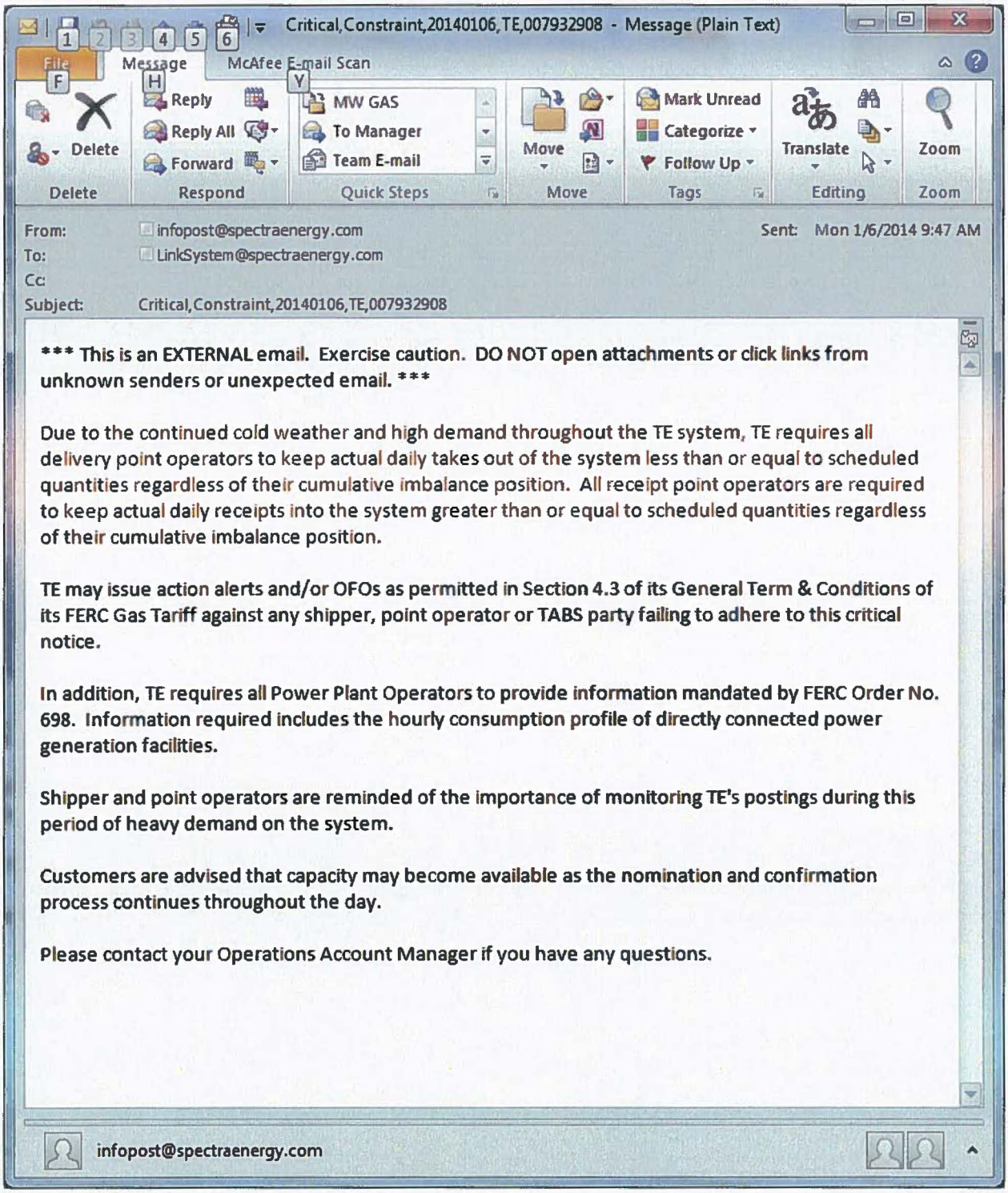
Action Alert Index Price calculated as 110% of the daily Gas Daily posting for the Day on which the deviation occurred for the high "Common" price for the geographical region, as defined in Section 8.5(A) of the General Terms and Conditions, in which the deviation occurred, multiplied by the quantity by which the Customer or point operator deviated from the requirements of the Action Alert.

ii. OFO penalty charge for each Dekatherm of Gas by which Customer or point operator deviated from the requirements of the OFO equal to an OFO Index Price calculated as three (3) times the daily Gas Daily posting for the Day on which the deviation occurred for the high "Common" price for the geographical region, as defined in Section 8.5(A) of the General Terms and Conditions, in which the deviation occurred, multiplied by the quantity by which the Customer or point operator deviated from the requirements of the OFO.

See AG-DR-01-019 C attachment.

PERSON RESPONSIBLE: Joseph McCallister

19. A. Imbalance Posting due to high demand.



Critical,Constraint,20140106,TE,007932908 - Message (Plain Text)

File | Message | McAfee E-mail Scan

Delete | Reply | Reply All | Forward | MW GAS | To Manager | Team E-mail | Move | Mark Unread | Categorize | Follow Up | Translate | Zoom

Delete | Respond | Quick Steps | Move | Tags | Editing | Zoom

From: infopost@spectraenergy.com
Sent: Mon 1/6/2014 9:47 AM
To: LinkSystem@spectraenergy.com
Cc:
Subject: Critical,Constraint,20140106,TE,007932908

*** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Due to the continued cold weather and high demand throughout the TE system, TE requires all delivery point operators to keep actual daily takes out of the system less than or equal to scheduled quantities regardless of their cumulative imbalance position. All receipt point operators are required to keep actual daily receipts into the system greater than or equal to scheduled quantities regardless of their cumulative imbalance position.

TE may issue action alerts and/or OFOs as permitted in Section 4.3 of its General Term & Conditions of its FERC Gas Tariff against any shipper, point operator or TABS party failing to adhere to this critical notice.

In addition, TE requires all Power Plant Operators to provide information mandated by FERC Order No. 698. Information required includes the hourly consumption profile of directly connected power generation facilities.

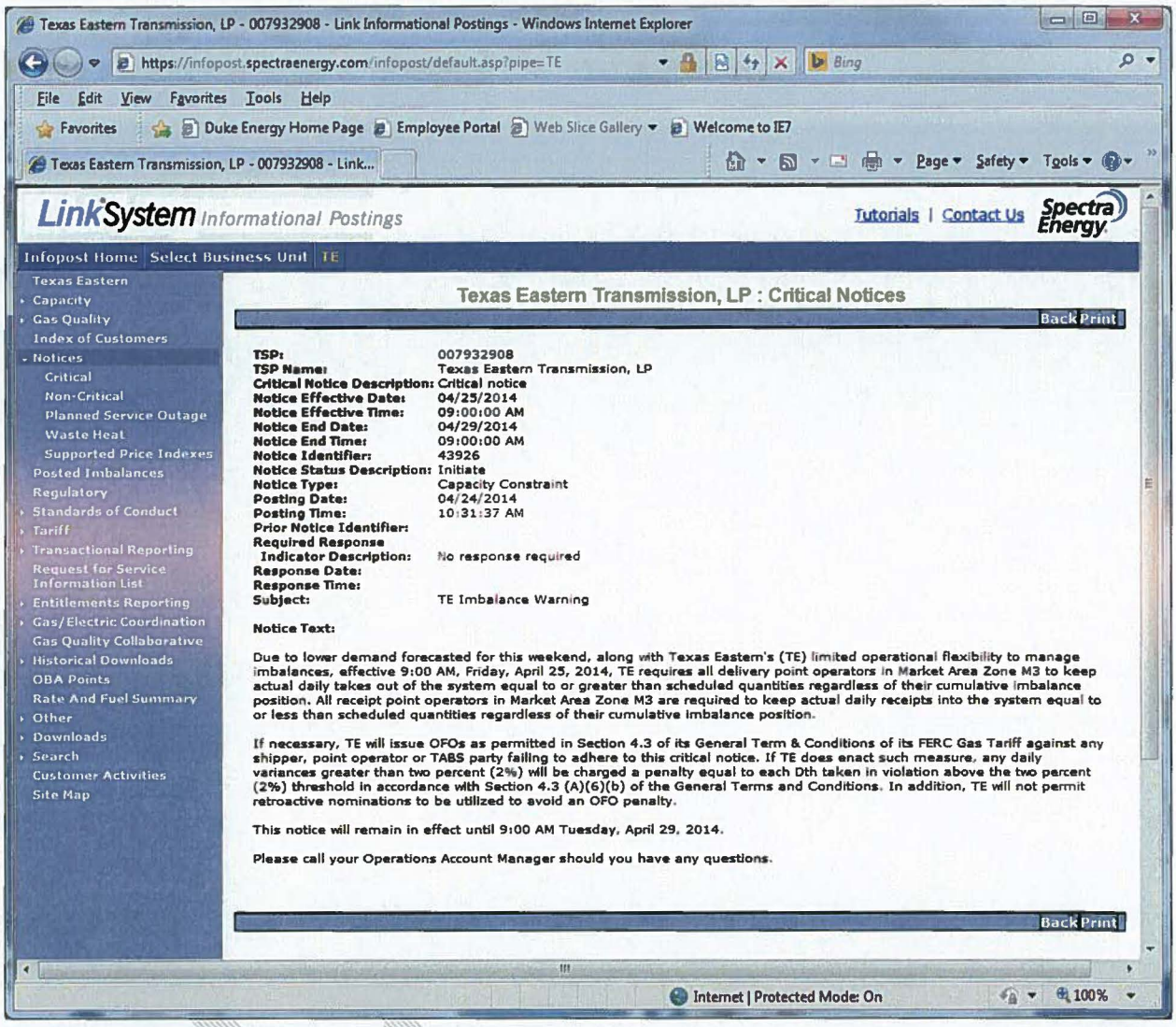
Shipper and point operators are reminded of the importance of monitoring TE's postings during this period of heavy demand on the system.

Customers are advised that capacity may become available as the nomination and confirmation process continues throughout the day.

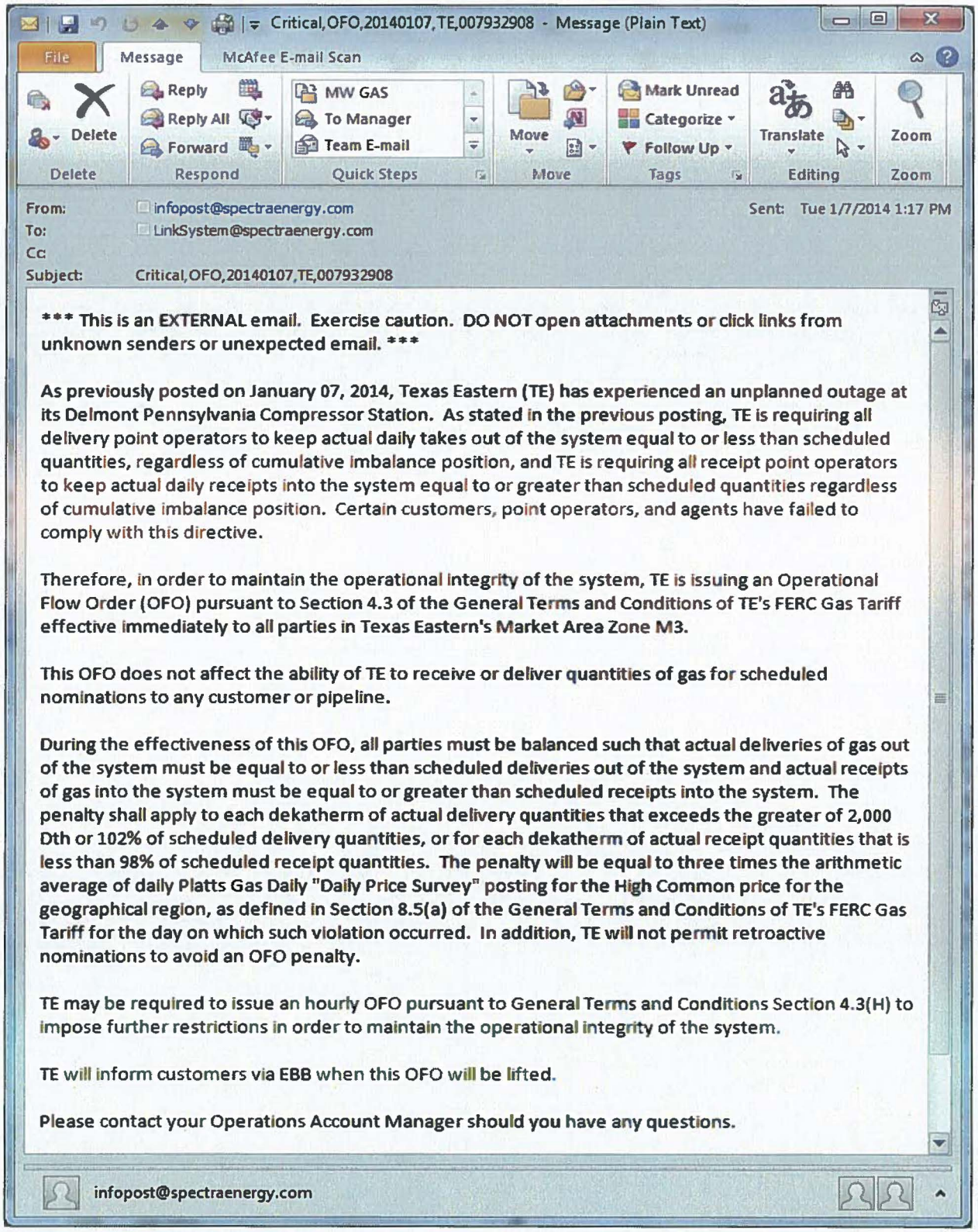
Please contact your Operations Account Manager if you have any questions.

infopost@spectraenergy.com

19. B. Imbalance Posting due to low demand.



19. C. OFO notice due to unplanned outage on system.



Critical,OFO,20140107,TE,007932908 - Message (Plain Text)

File | Message | McAfee E-mail Scan

Delete | Reply | Reply All | Forward | MW GAS | To Manager | Team E-mail | Move | Mark Unread | Categorize | Follow Up | Translate | Zoom

Delete | Respond | Quick Steps | Move | Tags | Editing | Zoom

From: infopost@spectraenergy.com
Sent: Tue 1/7/2014 1:17 PM
To: LinkSystem@spectraenergy.com
Cc:
Subject: Critical,OFO,20140107,TE,007932908

*** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ***

As previously posted on January 07, 2014, Texas Eastern (TE) has experienced an unplanned outage at its Delmont Pennsylvania Compressor Station. As stated in the previous posting, TE is requiring all delivery point operators to keep actual daily takes out of the system equal to or less than scheduled quantities, regardless of cumulative imbalance position, and TE is requiring all receipt point operators to keep actual daily receipts into the system equal to or greater than scheduled quantities regardless of cumulative imbalance position. Certain customers, point operators, and agents have failed to comply with this directive.

Therefore, in order to maintain the operational integrity of the system, TE is issuing an Operational Flow Order (OFO) pursuant to Section 4.3 of the General Terms and Conditions of TE's FERC Gas Tariff effective immediately to all parties in Texas Eastern's Market Area Zone M3.

This OFO does not affect the ability of TE to receive or deliver quantities of gas for scheduled nominations to any customer or pipeline.

During the effectiveness of this OFO, all parties must be balanced such that actual deliveries of gas out of the system must be equal to or less than scheduled deliveries out of the system and actual receipts of gas into the system must be equal to or greater than scheduled receipts into the system. The penalty shall apply to each dekatherm of actual delivery quantities that exceeds the greater of 2,000 Dth or 102% of scheduled delivery quantities, or for each dekatherm of actual receipt quantities that is less than 98% of scheduled receipt quantities. The penalty will be equal to three times the arithmetic average of daily Platts Gas Daily "Daily Price Survey" posting for the High Common price for the geographical region, as defined in Section 8.5(a) of the General Terms and Conditions of TE's FERC Gas Tariff for the day on which such violation occurred. In addition, TE will not permit retroactive nominations to avoid an OFO penalty.

TE may be required to issue an hourly OFO pursuant to General Terms and Conditions Section 4.3(H) to impose further restrictions in order to maintain the operational integrity of the system.

TE will inform customers via EBB when this OFO will be lifted.

Please contact your Operations Account Manager should you have any questions.

infopost@spectraenergy.com

Duke Energy Kentucky
Case No. 2014-00078
Attorney General's First Set of Data Requests
Date Received: April 25, 2014

AG-DR-01-020

REQUEST:

Please reference Lisa Steinkuhl's testimony on page 5, line 23 and page 6, lines 1-6 where she testifies "When PJM decides to not run that unit for that hour in the real-time market, the Company has to buy back that amount of generation at the hourly real-time LMP. The Company may also receive a lost opportunity payment which is a component of the PJM Balancing Operating Reserve. Lost opportunity payments may be paid to generators that PJM reduced or suspended in the real-time market for reliability purposes."

a. Please expound on the policy of the Company having to "buy back that amount of generation at the hourly real-time LMP" when PJM decides to not run a unit in the real-time market.

b. Please also specify the policy in place as to when PJM pays or does not pay the applicant a lost opportunity payment when PJM decides not to run the unit in the real-time market, since the testimony asserts that the Company "may" receive a lost opportunity payment. Provide specific scenarios for when PJM does pay a lost opportunity payment to the applicant, as well as when it is not paid.

RESPONSE:

a. As part of the PJM market design, generators that are cleared in the day-ahead market are paid at the amount of generation that is cleared multiplied by the day-

ahead LMP in that hour. In the real-time market, generators that are either not run or run at a lower amount in the real-time market than their day-ahead award, pay the difference at the real-time LMP.

b. Please see Staff-DR-01-003.

PERSON RESPONSIBLE: John Swez