VERIFICATION

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

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

Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 20 day of November, 2014.

KATIE JAMIESON
Notary Public
Mecklenburg County
NORTH CAROLINA

Katie Jamieson
NOTARY PUBLIC

My Commission Expires: June 14, 2016

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

SS:

The undersigned, Scott Burnside, Manager of Post Analysis & Regulatory Support, 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..

Scott Burnside, Affiant

Subscribed and sworn to before me by Scott Burnside on this 19 day of November, 2014.

NOTARY PUBLIC

My Commission Expires: June 14, 2016

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Duke Energy Kentucky
Case No. 2014-00229
Post-Hearing Data Requests
Date Received: November 12, 2014

POST HEARING-DR-01-001

REQUEST:

Please provide a list of the counterparties that the Company has entered into a verbal agreement and are negotiating as referenced in the response to Staff DR-01-019.

RESPONSE:

The counterparties that the Company has entered into a verbal agreement and are negotiating as referenced in the response to Staff DR-01-019 are, Alliance Resource Partners, Armstrong Coal and Trafigura.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2014-00229
Post-Hearing Data Requests
Date Received: November 12, 2014

POST HEARING-DR-01-002

REQUEST:

Please provide the supporting calculations to the responses to Staff DR-03-002(c) and Staff DR-04-002(c).

RESPONSE:

Please see Attachment – Post Hearing-DR-01-002.xlsx

PERSON RESPONSIBLE: Scott Burnside

Supporting calculations for the response to Staff DR-03-002(c)

Hour beginning 12:00 on 7/18/13 was the only hour in the FAC period where PJM dispatched every one of Duke Energy Kentucky's available generating units, the amount of generation was insufficient to meet load requirements, and the cost of purchased power exceeded the avoided variable generation cost of a Woodsdale unit.

MWhs of purchased power	49.38	[A]
$/MWh cost of purchased power	$ 410.69	[B]
Total cost of purchased power	$ 20,279.82	[C] = [A]*[B]
Woodsdale full load average fuel cost (1)	$ 64.56	[D]
Maximum capacity (MW) of a single Woodsdale unit	77	[E]
Number of additional Woodsdale units that would have been required to substitute for purchased power	1	[F] value is 1 since [A]< [E]
Startup cost of a single Woodsdale unit	$ 5,305.00	[G]
Total Woodsdale cost	$ 8,492.97	[H] = [A]*[D] + [F]*[G]
Cost of purchased power less Woodsdale cost	**$ 11,786.85**	[I] = [C] - [H]

(1) Full load average fuel cost is the lowest possible average fuel cost. It would be more accurate to calculate the fuel cost at a loading equal to the amount of purchased power that the Woodsdale unit is theoretically replacing. However, full load average fuel cost was utilized as a conservative simplification.

Supporting calculations for the response to Staff DR-04-002(c)

Hour beginning 12:00 on 7/18/13 was the only hour in the FAC period where PJM dispatched every one of Duke Energy Kentucky's available generating units, the amount of generation was insufficient to meet load requirements, and the cost of purchased power exceeded the avoided variable generation cost of a Woodsdale unit.

MWhs of purchased power	49.38	[A]
$/MWh cost of purchased power	$ 410.69	[B]
Total cost of purchased power	$ 20,279.82	[C] = [A]*[B]
Woodsdale full load average fuel cost (1)	$ 64.56	[D]
Total Woodsdale cost	$ 3,187.97	[E] = [A]*[D]
Cost of purchased power less Woodsdale cost	**$ 17,091.85**	[F] = [C] - [E]

(1) Full load average fuel cost is the lowest possible average fuel cost. It would be more accurate to calculate the fuel cost at a loading equal to the amount of purchased power that the Woodsdale unit is theoretically replacing. However, full load average fuel cost was utilized as a conservative simplification.