

VERIFICATION

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

The undersigned, Lisa Steinkuhl, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing revised data request, and that the answer contained therein is true and correct to the best of her knowledge, information and belief.

Lisa D Steinkuhl
Lisa Steinkuhl, Affiant

Subscribed and sworn to before me by Lisa Steinkuhl on this 26TH day of February, 2015.

Adele M. Frisch
NOTARY PUBLIC

ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2019

My Commission Expires: 1/5/2019

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DATA REQUEST

WITNESS

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**Duke Energy Kentucky
Case No. 2014-00454
Staff First Set Data Requests
Date Received: February 5, 2015**

STAFF-DR-01-038 REVISED

REQUEST:

By month, provide the specific PJM Interconnection, Inc. codes and amounts for each code that were included in Duke Kentucky's monthly FAC filings during the period from November 1, 2012, to October 31, 2014.

RESPONSE:

Month/Year (1)	Energy Costs (2)	PJM Codes 2370 & 2375 Total Balancing and Day Ahead Operating Reserve Credit (3)	PJM Codes 2370 & 2375 Non-Native Balancing and Day Ahead Operating Reserve Credit (4)	PJM Codes 2370 & 2375 Native Balancing and Day Ahead Operating Reserve Credit (3) - (4) = (5)	Total PJM Costs in FAC Filings (2) - (5)
November 2012	\$1,881,944	\$0	\$0	\$0	\$1,881,944
December 2012	\$2,004,844	\$21,513	\$0	\$21,513	\$1,983,331
January 2013	\$1,871,033	\$0	\$0	\$0	\$1,871,033
February 2013	\$2,475,513	\$0	\$0	\$0	\$2,475,513
March 2013	\$1,381,109	\$48,698	\$19,982	\$28,716	\$1,352,393
April 2013	\$6,069,286	\$34,901	\$943	\$33,958	\$6,035,328
May 2013	\$1,717,059	\$34,502	\$0	\$34,502	\$1,682,557
June 2013	\$4,023,905	\$0	\$0	\$0	\$4,023,905
July 2013	\$6,016,477	\$349,972	\$105,697	\$244,275	\$5,772,202
August 2013	\$2,927,144	\$157	\$0	\$157	\$2,926,987
September 2013	\$1,585,380	\$185,588	\$5,072	\$180,516	\$1,404,864
October 2013	\$452,876	\$0	\$0	\$0	\$452,876
November 2013	\$1,489,374	\$13,248	\$13,248	\$0	\$1,489,374
December 2013	\$3,238,365	\$253,237	\$281	\$252,956	\$2,985,409
January 2014	\$13,292,404	\$1,039,244	\$94,101	\$945,143	\$12,347,261

February 2014	\$5,078,063	\$203,027	\$79,466	\$123,561	\$4,954,502
March 2014	\$12,709,481	\$79,852	\$0	\$79,852	\$12,629,629
April 2014	\$8,000,068	\$0	\$0	\$0	\$8,000,068
May 2014	\$12,796,465	\$13,232	\$0	\$13,232	\$12,783,233
June 2014	\$11,815,701	\$85,790	\$0	\$85,790	\$11,729,911
July 2014	\$2,545,003	\$15,904	\$0	\$15,904	\$2,529,099
August 2014	\$3,952,574	\$0	\$0	\$0	\$3,952,574
September 2014	\$4,559,479	\$0	\$0	\$0	\$4,559,479
October 2014	\$258,324	\$15,587	\$0	\$15,587	\$242,737
Total	\$112,141,871	\$2,394,452	\$318,790	\$2,075,662	\$110,066,209

The energy costs are purchases made from PJM on a security constrained economic dispatch basis. It is based on a calculation from the after-the-fact generation model used to economically dispatch on an hourly basis the demand (load) with available supply resources (i.e. generation or purchased power) which are economically stacked.

The PJM Billing Line Item codes included in the FAC for energy costs are:

1200 – Day-ahead Spot Market Energy - This represents the net energy resulting from Company's participation in the PJM markets as both a seller of generation and a buyer of load. This charge is a positive for net buyers and negative for net sellers. Only the portion of the day-ahead spot market energy attributable to purchased power is currently included in the Company's FAC.

1205 – Balancing Spot Market Energy - This represents net real-time deviations for day-ahead spot market energy and is charged at the hourly PJM-wide real-time system energy price. If there is no change to the quantity of demand bought or generation sold between the Day-Ahead and Real-Time Energy Markets, there is no adjustment in balancing spot market energy. Only the portion of the balancing

spot market energy attributable to purchased power is currently included in the Company's FAC.

1210 – Day-ahead Transmission Congestion - This represents the change in energy costs due to re-dispatch in the Day-Ahead Market during hours when the PJM transmission system is constrained and assessed to participants based on the congestion price component of LMP. Only the portion of the day-ahead transmission congestion attributable to purchase power is currently included in the Company's FAC.

1215 – Balancing Transmission Congestion - This represents the change in energy costs due to redispatch in the balancing market during hours when PJM transmission system is constrained and assessed to participants based on the congestion price component of LMP. If there is no change to the quantity of demand bought or generation sold between the Day-Ahead and Real-Time Energy Markets, there is no adjustment in balancing transmission congestion charges. Only the portion of the balancing transmission congestion attributable to purchased power is currently included in the Company's FAC.

1220 – Day-ahead Transmission Losses - This represents the change in energy costs due to transmission losses in the Day-Ahead Market represented in the PJM network model and assessed to participants based on the loss component of LMP. Only the portion of the day-ahead transmission losses attributable to purchase power is currently included in the Company's FAC.

1225 – Balancing Transmission Losses - This represents the change in energy costs due to transmission losses in the balancing market represented in the PJM network model and are assessed to participants based on the loss component of LMP. If there is no change to the quantity of demand bought or generation sold between the day-ahead and real-time energy markets, there is no adjustment in balancing transmission losses charges. Only the portion of the balancing transmission losses attributable to purchase power is currently included in the Company's FAC.

The only PJM charges/credits taken directly from the invoice and included in the FAC calculations are the native portion of 2370 - Day-Ahead Operating Reserve Credit and 2375 - Balancing Operating Reserve Credit. The credit that results from PJM scheduled generation and demand resources that operate as requested by PJM and are guaranteed to fully recover their offer amounts. The credits are the portion of the offer amount in excess of the scheduled MWh times LMP. They are being credited to fuel costs because of the nexus between receiving the payment from PJM and incurring fuel costs to run the plants.

PERSON RESPONSIBLE: Lisa Steinkuhl / John D. Swez