

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-010

REQUEST:

State the percentage of Duke Energy Kentucky's coal, as of the date of this Order, that is delivered by:

- a. Rail;
- b. Truck; or
- c. Barge.

RESPONSE:

For the review period of November 1, 2016 through April 30, 2017, and to the date of the Commission's Order, below are the percentages based on delivery methods to Duke Energy Kentucky:

	Rail % (a)	Truck % (b)	Barge % (c)
East Bend	0	0	100

PERSON RESPONSIBLE: Brett Phipps

REQUEST:

- a. State Duke Energy Kentucky's coal inventory level in tons and in number of days' supply as of April 30, 2017. Provide this information by generation station and in the aggregate.
- b. Describe the criteria used to determine the number of days of supply.
- c. Compare Duke Energy Kentucky's coal inventory as of April 30, 2017 to its inventory target for that date for each plant and for total inventory.
- d. If actual coal inventory exceeds inventory target by ten days of supply, state the reasons for excessive inventory.
- e.
 1. State whether Duke Energy Kentucky expects any significant changes in its current coal inventory target within the next 12 months.
 2. If so, state the expected change and the reasons for this change.

RESPONSE:

- a. Duke Energy Kentucky's total aggregate inventory across the system as of April 30, 2017 was 270,227 tons, or 42 days.
- b. The number of days supply is computed by dividing the ending coal inventory number stated in tons by the Full Load Burn figure of 6,500 tons per day.

- c. The inventory target is an annual average of 45 days compared to the actual inventory amount of 42 days on April 30, 2017 for East Bend Station which is the only coal-fired generating station in the Duke Energy Kentucky fleet.
- d. Duke Energy Kentucky's coal inventory did not exceed the inventory target by ten days of supply.
- e. Duke Energy Kentucky does not expect any significant changes in its current coal inventory target within the next 12 months.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-012

REQUEST:

- a. State whether Duke Energy Kentucky has audited any of its coal contracts during the period from November 1, 2016, through April 30, 2017.
- b. If so, for each audited contract:
 1. Identify the contract;
 2. Identify the auditor;
 3. State the results of the audit; and
 4. Describe the actions that Duke Kentucky took as a result of the audit.

RESPONSE:

- a. Duke Energy Kentucky has not audited any of its coal contracts during the period from November 1, 2016 through April 30, 2017.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-013

REQUEST:

- a. State whether Duke Kentucky has received any customer complaints regarding its FAC during the period from November 1, 2016, through April 30, 2017.
- b. If so, for each complaint, state:
 1. The nature of the complaint; and
 2. Duke Kentucky's response

RESPONSE:

Duke Energy Kentucky has not received any customer complaints regarding its FAC during the period from November 1, 2016, through April 30, 2017.

PERSON RESPONSIBLE: Theodore H. Czupik, Jr.

Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017

STAFF-DR-01-014

REQUEST:

- a. State whether Duke Energy Kentucky currently involved in any litigation with its current or former coal suppliers.
- b. If so, 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; and
 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:

- a. Duke Energy Kentucky is not currently involved in any litigation with its current or former coal suppliers.
- b-c. N/A

PERSON RESPONSIBLE: Brett Phipps

REQUEST:

- a. During the period from November 1, 2016, through April 30, 2017, have there been any changes to Duke Energy 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; and
 4. Explain why the changes were made.
- c. If no, provide the date Duke Energy Kentucky's current fuel procurement policies and procedures were last changed, when they were last provide to the Commission, and identify the proceeding in which they were provided.

RESPONSE:

- a. No, there have not been any changes to Duke Energy Kentucky's written policies and procedures regarding its fuel procurement.
- b. n/a
- c. Please see the following:

The “Coal and Emissions Reducing Chemicals Procurement Procedure” was updated December of 2016 and was filed on January 20, 2017.

The “DEI and DEK Gas Trading Procedure for Off-Premise Transactions”, “Fuel and System Optimization (FSO) DEK Emissions Trading Process & Procedure Check List”, and the “Fuel Oil Emergency Procedure” were updated in April 2015, May 2015 and June 2015 respectively. These three documents were submitted with the Company’s responses to FAC 2017-00005.

The “Regulated Utilities Risk Management Control Manual” and “Regulated Utilities Risk Limits” documents were updated January of 2016. The “Commodity Risk Policy” was updated January of 2014. These three documents were submitted with the Company’s responses to FAC 2016-00005.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-016

REQUEST:

- a. State whether Duke Energy Kentucky is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2016 through April 30, 2017.
- b. If so, for each violation:
 1. Describe the violation;
 2. Describe the action(s) that Duke Kentucky took upon discovering the violation; and
 3. Identify the person(s) who committed the violation.

RESPONSE:

- a. Duke Energy Kentucky is not aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2016 through April 30, 2017.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-017

REQUEST:

Identify and explain the reasons for all changes in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities that occurred during the period from November 1, 2016, through April 30, 2017.

RESPONSE:

Swati Daji, formally Sr. Vice President Fuels & System Optimization changed job responsibilities to Sr. Vice President, Chief Procurement Officer and Eric Grant was promoted to the position of Vice President of Fuels & System Optimization.

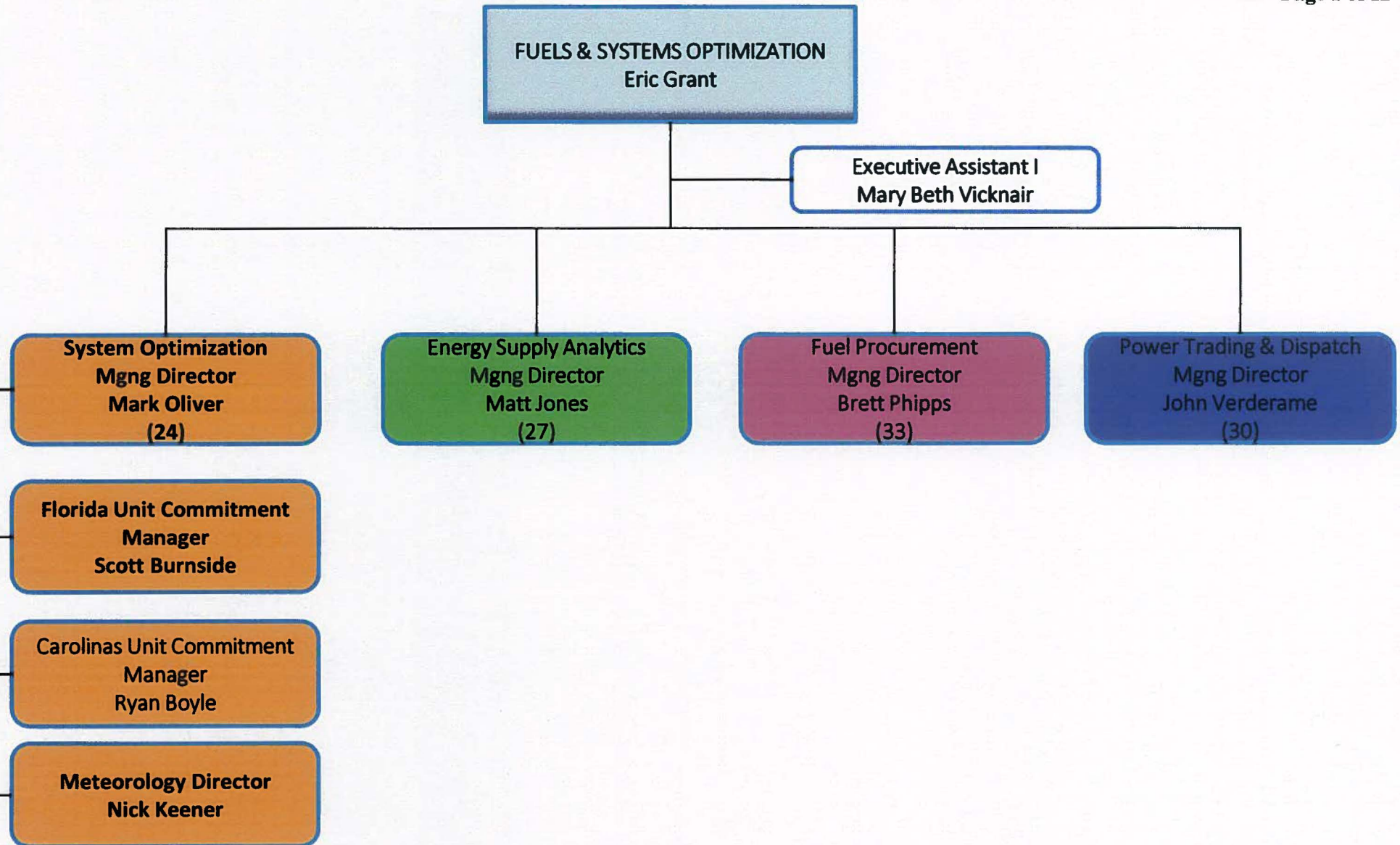
Please see Attachment STAFF-DR-01-017 for revised organizational chart.

PERSON RESPONSIBLE: Brett Phipps

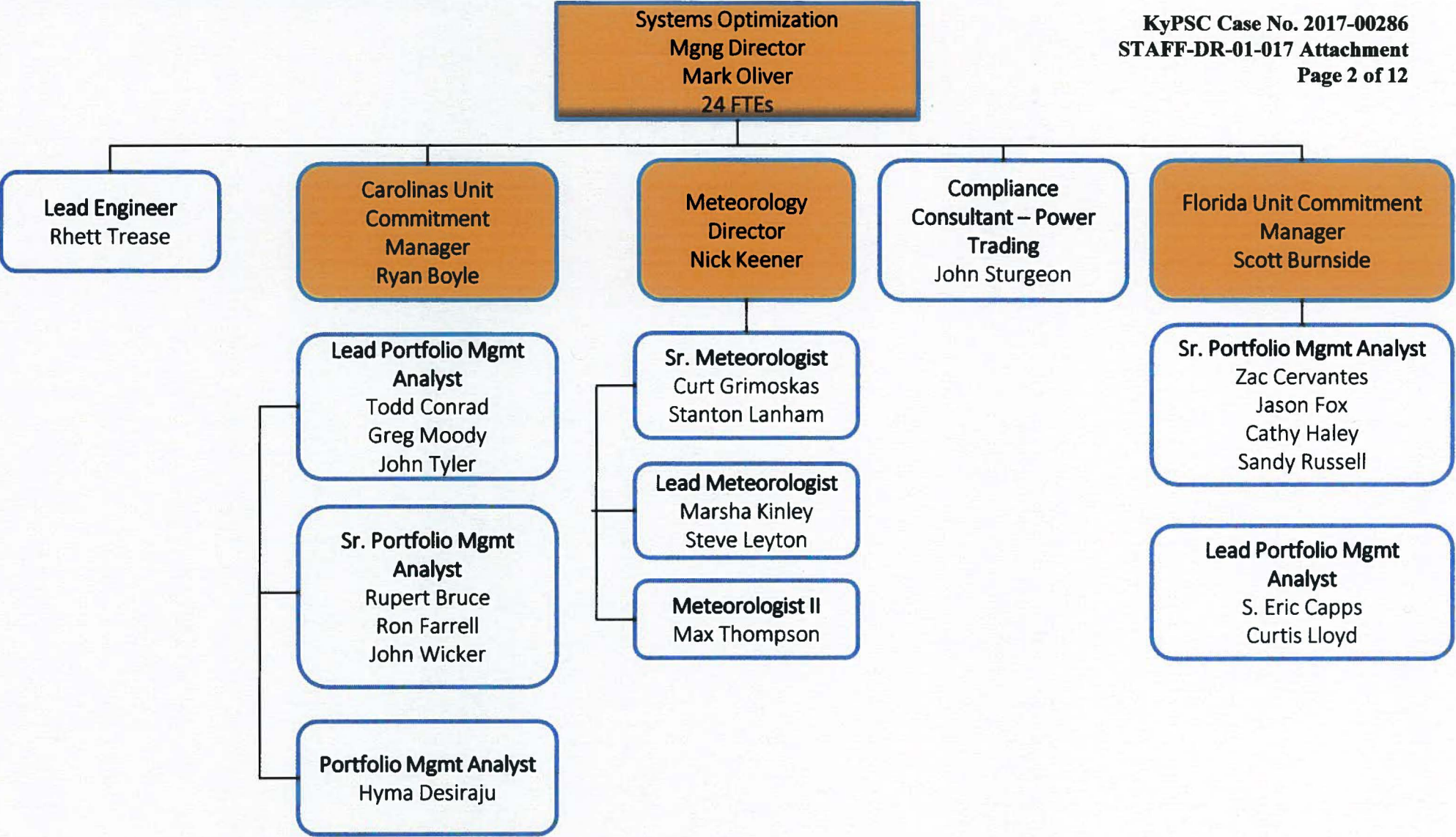
Duke Energy Fuels & Systems Optimization



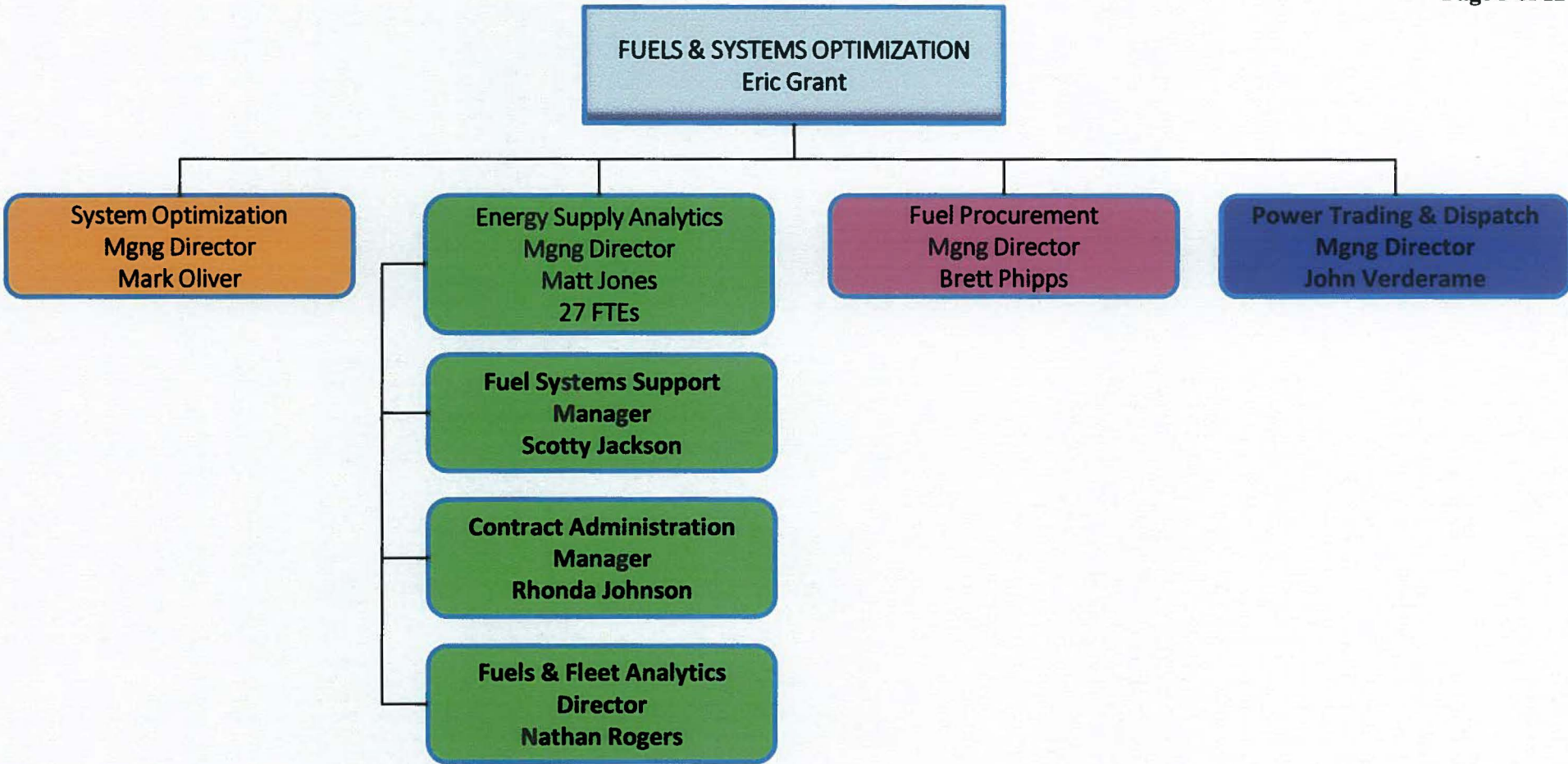
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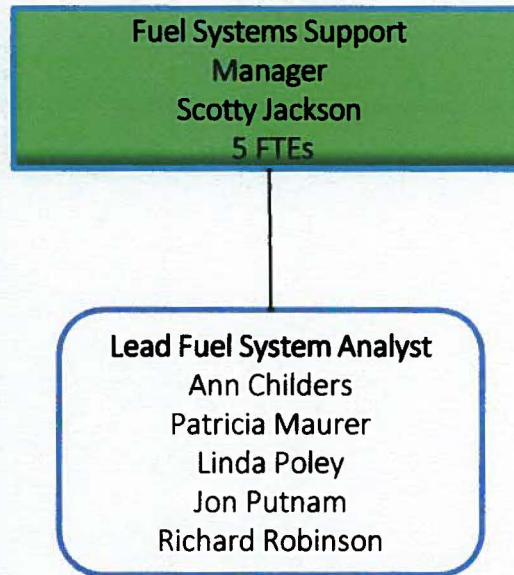
Duke Energy Fuels & Systems Optimization



**Duke Energy
Fuels & Systems Optimization**

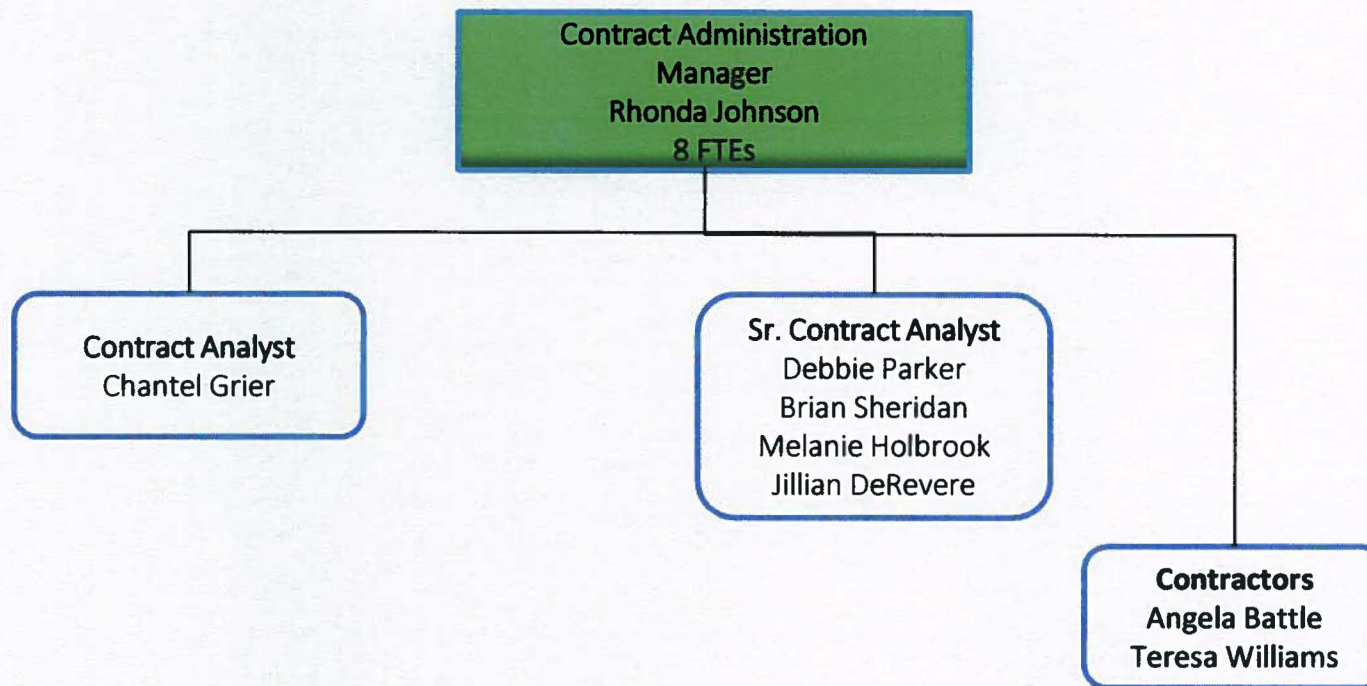


Fuel Systems Support



Note that there are two individuals who are mapped to this organization in the HR system, but who are actually employees of a vendor – Fusion. They are simply mapped here for purposes of access to various IT systems. Payments are made to Fusion for ongoing support, and it includes work done by these individuals, who work directly with Scotty Jackson in support of Comtrac, but they are not Contract employees in the traditional sense.

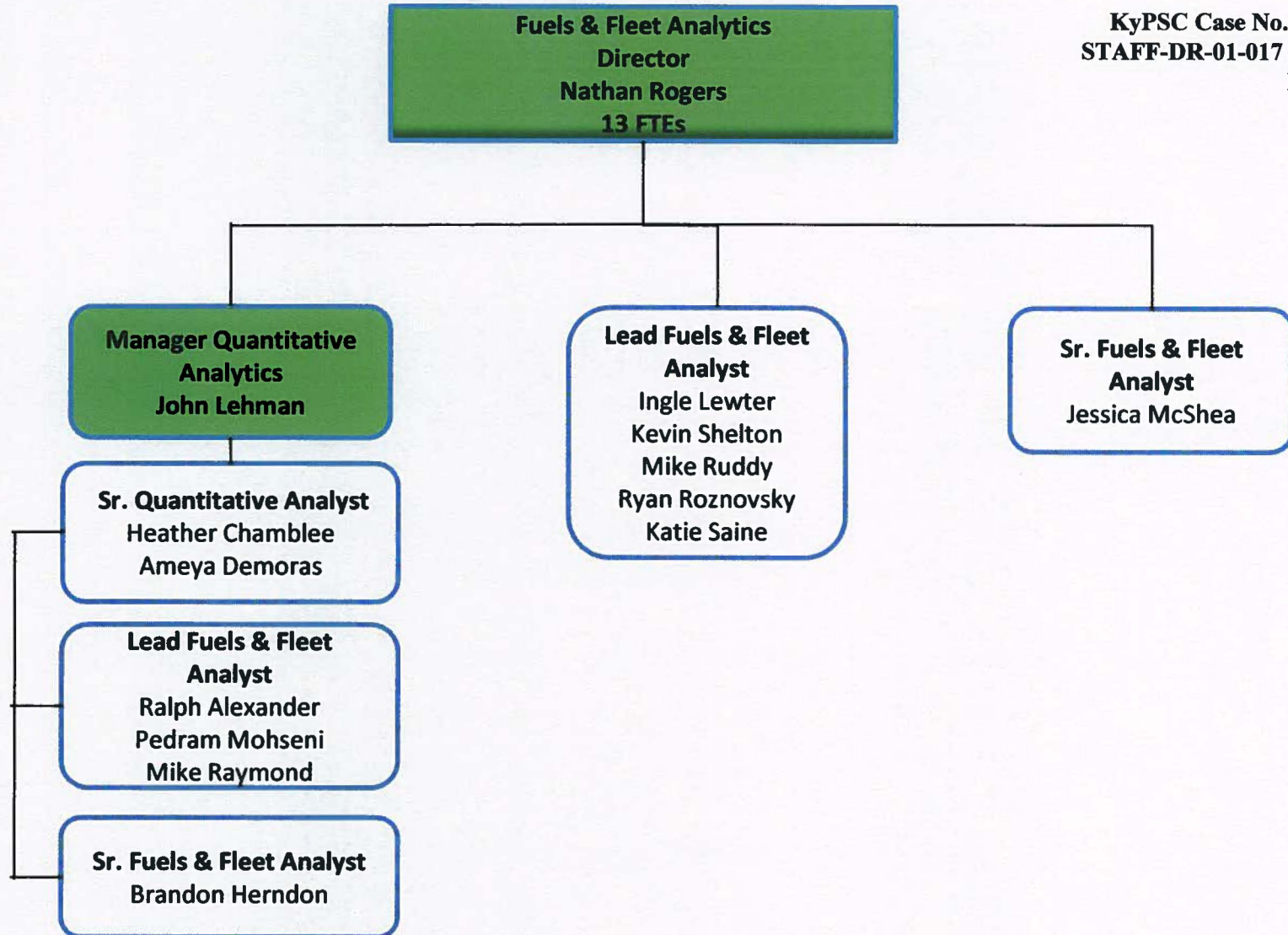
Contract Administration



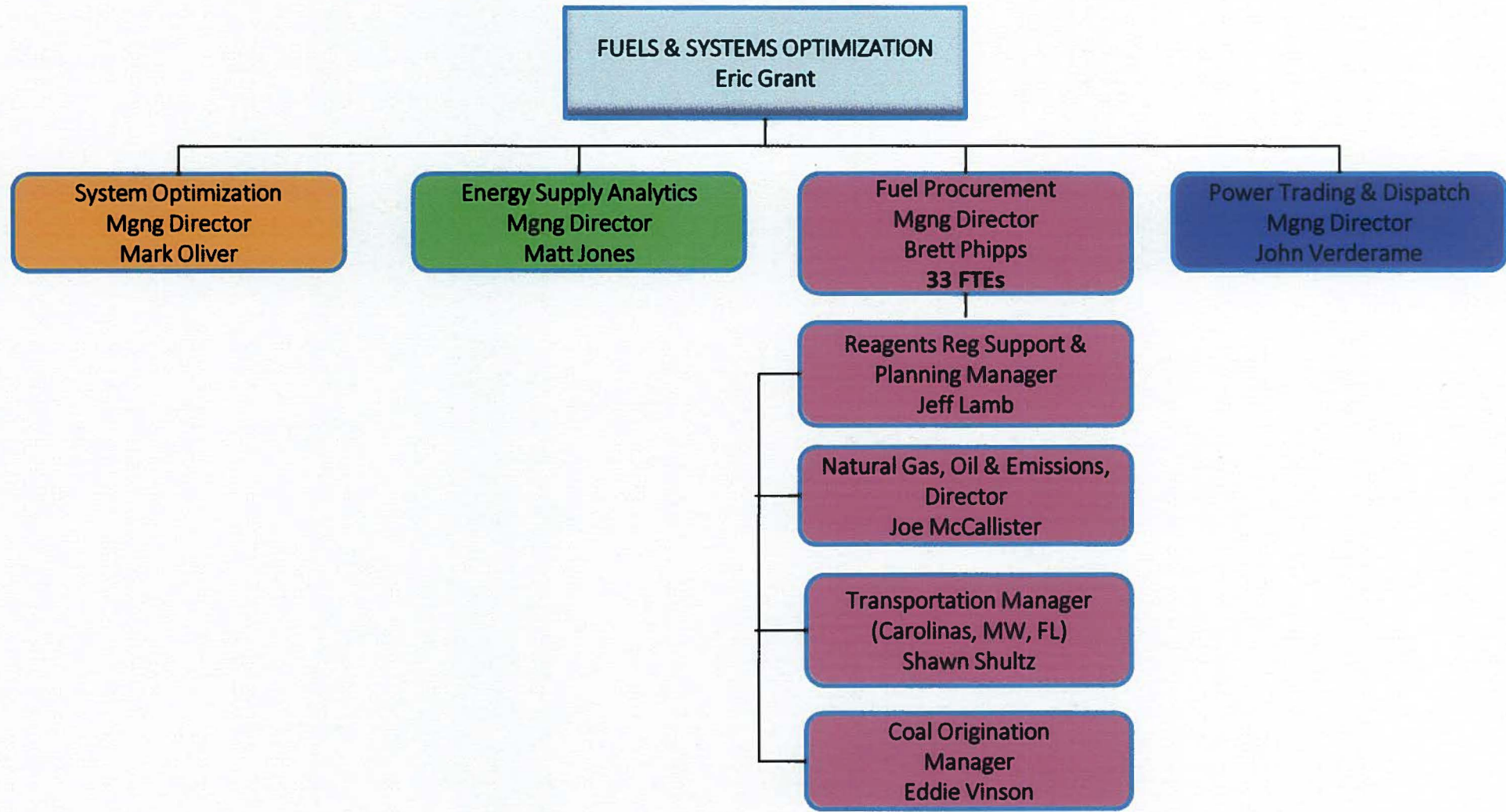
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Fuels & Fleet Analytics

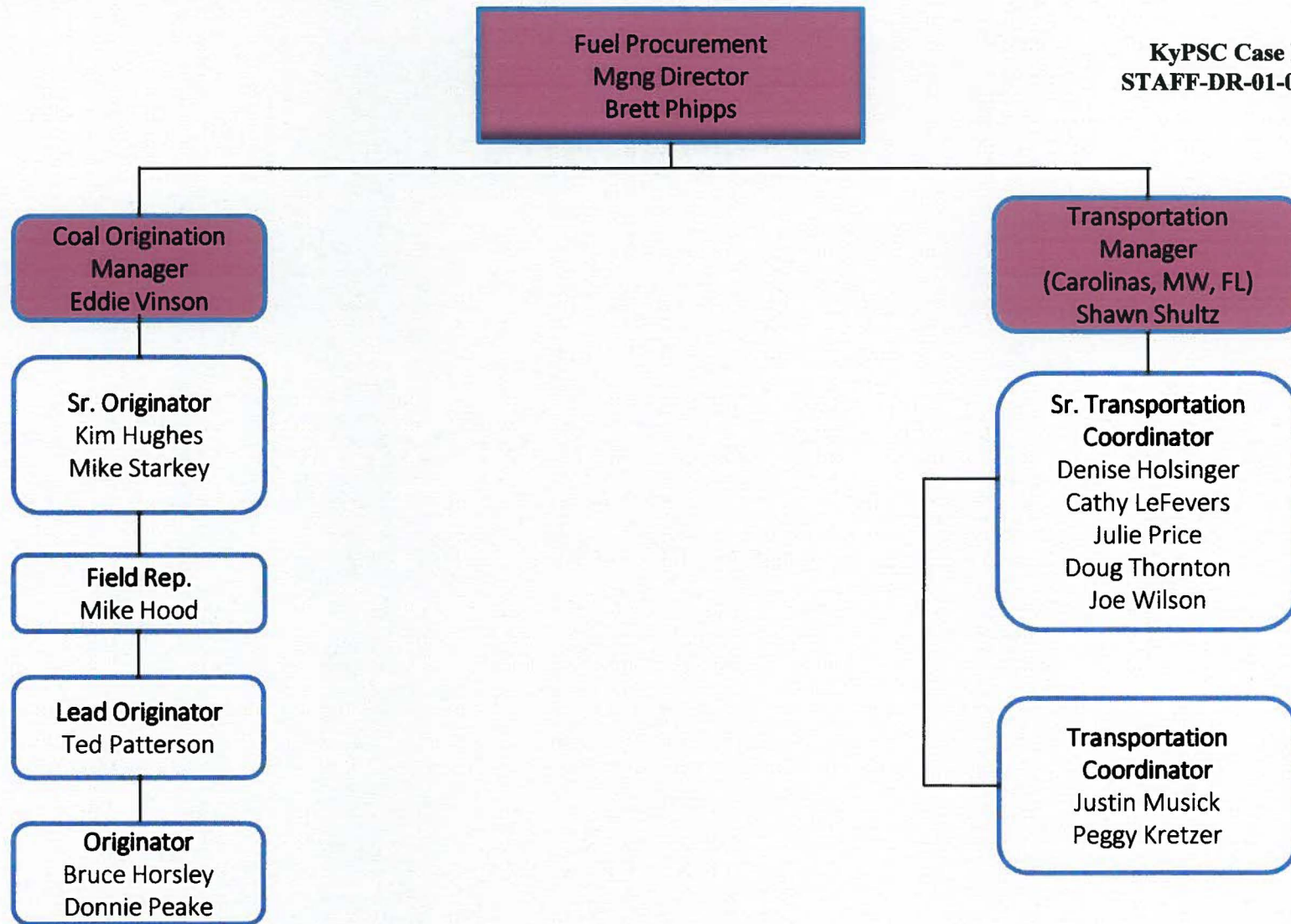
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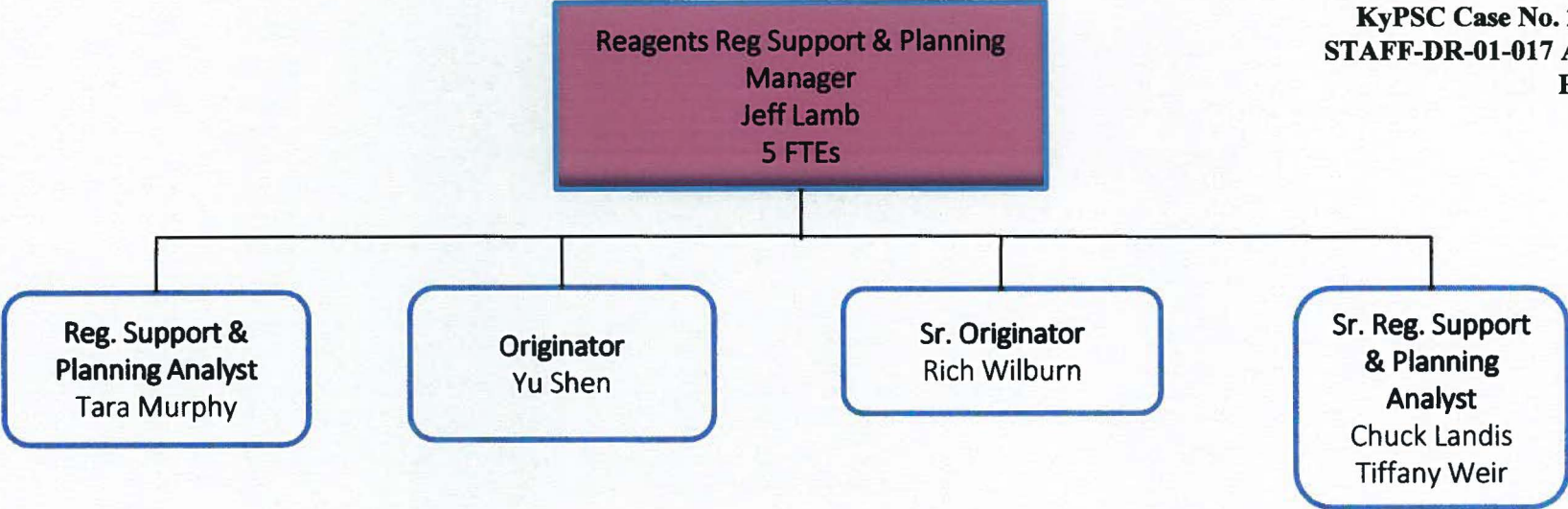
Duke Energy Fuels & Systems Optimization



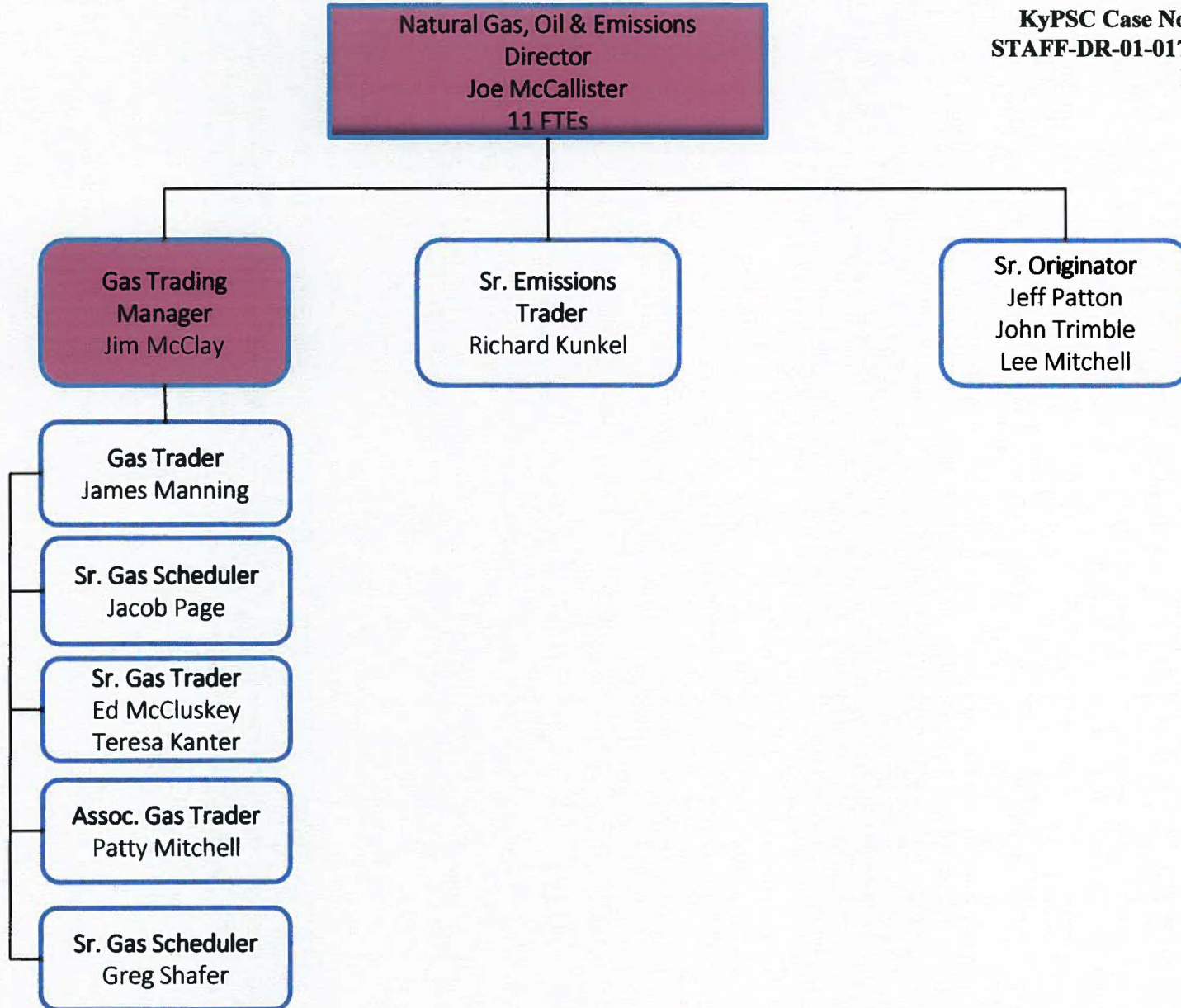
Fuel Procurement



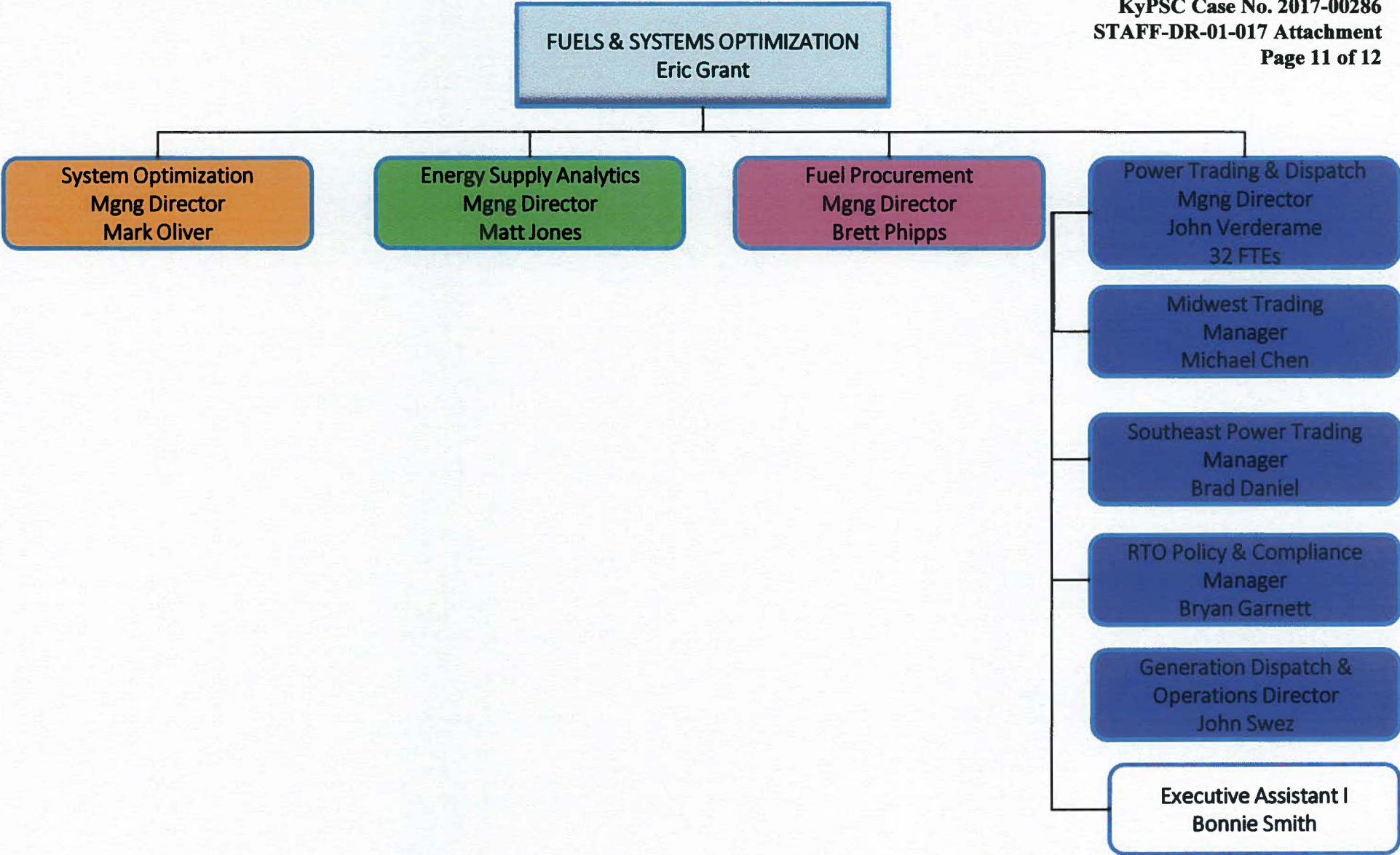
Fuel Procurement



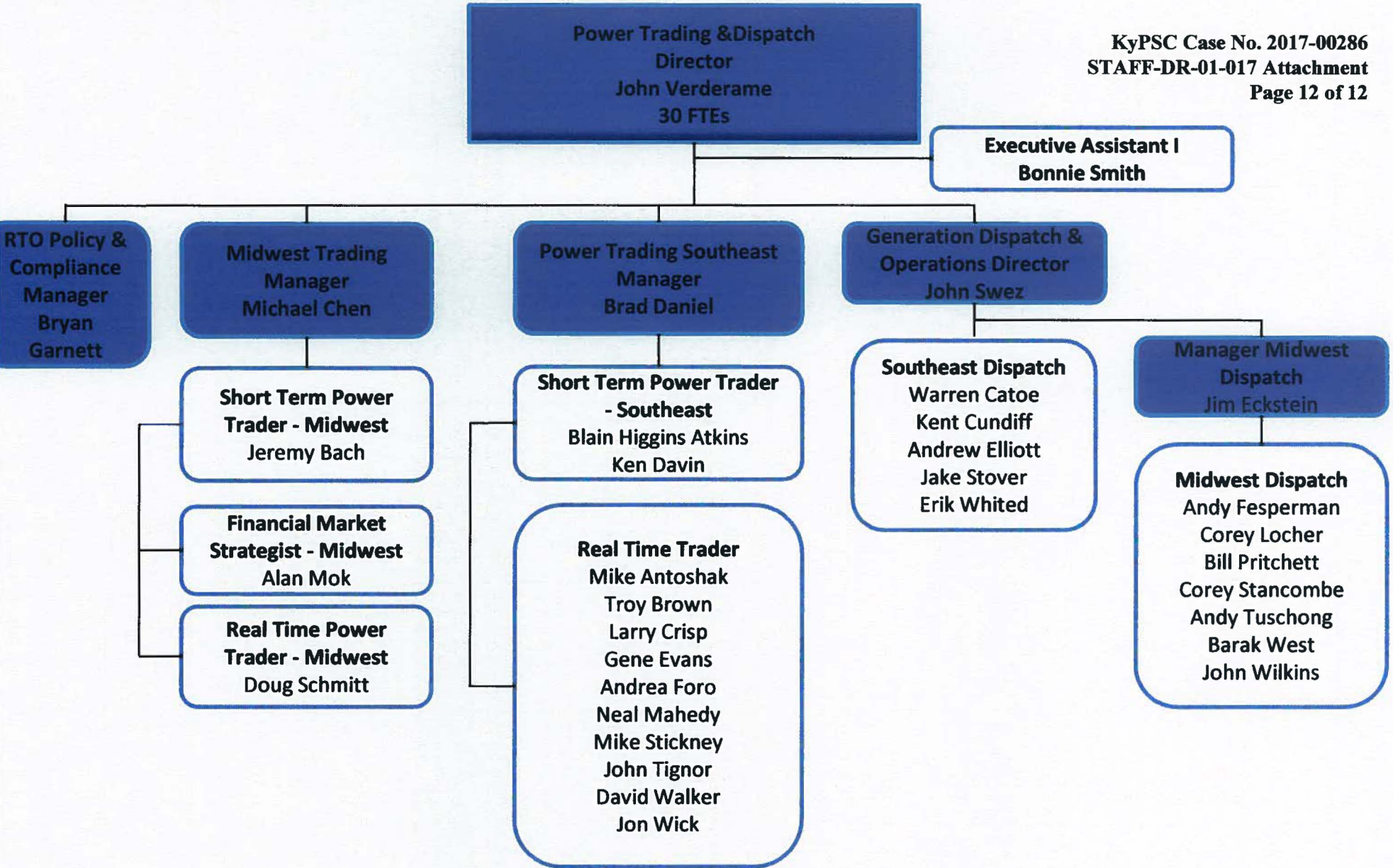
Fuel Procurement



**Duke Energy
Fuels & Systems Optimization**



**Duke Energy
Fuels & Systems Optimization**



**Duke Energy Kentucky
Case No. 2017-00286
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Date Received: August 30, 2017**

STAFF-DR-01-018

REQUEST:

- 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:

- a. Duke Kentucky made no changes during the period from November 1, 2016 through April 30, 2017 to its maintenance and operation practices that affect fuel usage at Duke Kentucky's coal-fired generation facilities. Duke Energy Kentucky is no longer capable of burning propane at Woodsdale Station due to shutdown of the Todhunter Propane Cavern, permitting limitations, and the inability to cost-effectively test the Woodsdale units and safely replenish the onsite propane storage tanks in order to test the units. The remaining unit at Woodsdale became unavailable for dispatch on Propane after June 30, 2017.
- b. N/A

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017

STAFF-DR-01-019

REQUEST:

List each written coal-supply solicitation issued during the period from November 1, 2016 through April 30, 2017.

- 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 vendors 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. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE:

Duke Energy Kentucky did not have any written coal solicitations for coal supply issued during the period November 1, 2016 to April 30, 2017.

PERSON RESPONSIBLE: Brett Phipps

REQUEST:

List each oral coal-supply solicitation issued during the period from November 1, 2016 through April 30, 2017.

- 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. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE:

- a. Duke Energy completed a phone solicitation during February of 2017 requesting spot proposals for coal to be delivered during April 2017 through December 2017 for multiple jurisdictions within the Company (including Duke Energy Kentucky and others). The quantity in the solicitation was not limited as the Company requested proposals for the full amounts the vendors can offer which enabled the

Company to make decisions regarding the amounts to be purchased after evaluations were completed. The quality solicited consisted of Central Appalachian, Northern Appalachian and Illinois Basin coals.

- b. The February 2017 coal solicitation was sent to 47 vendors with 35 vendors providing 95 bids and 0 bids selected for purchase by Duke Energy Kentucky.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-021

REQUEST:

- 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 the effect on the FAC calculation of line losses related to intersystem sales when using a third party's transmission systems;
 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 PJM Interconnection, L.L.C. These sales are made at the generating station; consequently, no third party transmission was used.
- b. Not Applicable

PERSON RESPONSIBLE: Theodore H. Czupik, Jr./John Swez

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-022

REQUEST:

- a. Describe the effect on the FAC calculation of line losses related to intersystem sales when not using a third party's transmission system.
- b. Describe each change that Duke Kentucky made to its methodology for calculating intersystem sales line losses during the period under review.

RESPONSE:

- a. Not applicable. See response to Staff-DR-01-021.
- b. Not applicable. See response to Staff-DR-01-021.

PERSON RESPONSIBLE: Theodore H. Czupik, Jr./John Swez

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-023

REQUEST:

State whether, during the period under review, Duke Energy Kentucky has solicited bids for coal with the restriction that it was not mined through strip mining or mountaintop removal. If so, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

RESPONSE:

Duke Energy Kentucky has not solicited bids for coal with the restriction that it was not mined through strip mining or mountaintop removal.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2017-00286
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Date Received: August 30, 2017**

STAFF-DR-01-024

REQUEST:

Provide a detailed discussion of any specific generation efficiency improvements Duke Kentucky has undertaken during the period under review.

RESPONSE:

Duke Kentucky has not undertaken specific generation efficiency improvements during the period from November 1, 2016 through April 30, 2017.

PERSON RESPONSIBLE: John Swez

**Duke Energy Kentucky
Case No. 2017-00286
Staff First Set Data Requests
Date Received: August 30, 2017**

STAFF-DR-01-025

REQUEST:

State whether all contracts related to commodity and/or transportation have been filed with the Commission. If any contracts have not been filed, explain why they have not been filed and provide a copy.

RESPONSE:

Coal

All contracts for long-term and short-term (spot) coal and transportation agreements have been filed with the Commission. The Company is also filing with this First Data Request copies of contractual amendments associated with the contracts that were in effect during the review period.

Natural Gas and Fuel Oil

All master agreements for physical suppliers and master long-term transportation agreements have been filed with the Commission. The Company also files its invoices for purchases under the master agreements monthly.

PERSON RESPONSIBLE: Brett Phipps