

KYPSC CASE NO. 2017-00286
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Duke Energy Kentucky
Case No. 2017-00286
Post Hearing Data Requests
Date Received: October 20, 2017

POST HEARING-DR-01-001

REQUEST:

Refer to Duke Kentucky's response to the Commission's August 30, 2017 request for information, Item 25. The second sentence under the heading "coal" states: "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." Explain where in the record these amendments were filed. If they have not been filed, provide a copy in response to this request for information.

RESPONSE:

See POST HEARING-DR-01-001 Attachment.

PERSON RESPONSIBLE: Brett Phipps



DUKE ENERGY KENTUCKY, INC

January 6, 2017

**Alliance Coal, LLC
Attn: Steve Perkins
426 Upper Stanley Rd
P.O. Box 637
Stanley, NC 28164**

Confirmation dated July 2, 2014 between Duke Energy Kentucky, INC ("Duke Energy" or "Buyer") and Alliance Coal, LLC ("Seller").

Mr. Perkins:

This will confirm our Confirmation that as of December 31, 2016 both parties estimate there to remain approximately 48,000 tons of River View (PO 30245) coal to be shipped on the 2016 obligation per the Confirmation which expired on December 31, 2016. The parties agree that there is no increase in the volume of tons under the Contract and this Letter Agreement only confirms that Alliance Coal, LLC shall deliver and Duke Energy shall receive any remaining tons on the 2016 obligation of the Confirmation as soon as possible in calendar year 2017. The contract price for the coal when shipped shall be the 2016 price of \$47.50. This term of this Confirmation is extended to March 15, 2017.

All other terms and conditions set forth in the coal supply Agreement that are not modified or amended by this Letter Agreement shall remain in full force and effect. The provisions of this Letter Agreement shall prevail in the event of a conflict or inconsistency between the coal supply Agreement and this Letter Agreement.

[Signatures on next page]

January 6, 2017
Page 2 of 2

If you are in agreement with the forgoing, please execute in the place shown below.

Sincerely,

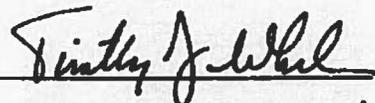
DUKE ENERGY KENTUCKY, INC

By 

Its: Brett J. Phipps
Managing Director-Fuel Procurement

As seen and agreed to this ____ day of
January, 2017

Alliance Coal, LLC

By: 

Its: SVP- Sales & Marketing

From: Cox, Andy [<mailto:andycox@coalsource.com>]
Sent: Friday, January 06, 2017 10:15 AM
To: Horsley, Bruce P; Hughes, Kimberly A
Cc: joseph potwora; Washinsky, Dave; Rusk, Jason; Roth, Angela; Garey Mitchell; Matt Weber ; Erin Gertken
Subject: RE: DEK Carryover Tons

Bruce,

On behalf of Foresight Coal Sales, LLC, your note below to extend the term of the Confirmation between Foresight and Duke Energy Kentucky (PO 30291) has been received and is accepted. Foresight agrees that the carryover tonnage is approximately 22,00 tons and we will continue to load these tons through the extended term.

We thank you for this extension and look forward to continuing the relationship between our companies.

Regards,

Andy

From: Horsley, Bruce P [<mailto:Bruce.Horsley@duke-energy.com>]
Sent: Friday, January 06, 2017 10:04 AM
To: Cox, Andy; Hughes, Kimberly A
Subject: RE: DEK Carryover Tons

Confirmation dated November 21, 2014 between Duke Energy Kentucky, INC ("Duke Energy" or "Buyer") and Foresight Coal Sales ("Seller").

Mr. Cox:

This will confirm our Confirmation that as of December 31, 2016 both parties estimate there to remain approximately 22,000 tons of Foresight (Deer Run) (PO 30291) coal to be shipped on the 2016 obligation per the Confirmation which expired on December 31, 2016. The parties agree that there is no increase in the volume of tons under the Contract and this Letter Agreement only confirms that Foresight Coal Sales shall deliver and Duke Energy shall receive any remaining tons on the 2016 obligation of the Confirmation as soon as possible in calendar year 2017.

The contract price for the coal when shipped shall be the 2016 price of \$40.50. This term of this Confirmation is extended to February 10, 2017.

All other terms and conditions set forth in the coal supply Agreement that are not modified or amended by this Letter Agreement shall remain in full force and effect. The provisions of this Letter Agreement shall prevail in the event of a conflict or inconsistency between the coal supply Agreement and this Letter Agreement.

Thank you

Bruce Horsley



DUKE ENERGY KENTUCKY, INC

January 6, 2017

Mr. H. Monty Jones.
Vice President - Eastern Sales
Contura Coal Sales., LLC
340 Martin Luther King, Jr. Boulevard
Bristol, TN 37620

Confirmation and Master dated August 16, 2016 between Duke Energy Kentucky, INC ("Duke Energy" or "Buyer") and Contura Coal Sales., LLC ("Seller")

Mr. Jones.

This letter will confirm our agreement that as of December 31, 2016 both parties estimate there remain approximately 22,000 tons of Cumberland coal (PO #30810) to be shipped on the 2016 Contract Quantity obligation per the Confirmation. The parties agree that there is no increase in the volume of tons under the Contract and this Letter Agreement only confirms that Contura Coal Sales., LLC shall deliver and Duke Energy shall receive any remaining tons on the 2016 Contract Quantity obligation of the Confirmation as soon as possible in calendar year 2017. The contract price for the remaining 2016 Contract Quantity shall be the 2016 price of \$40.50. The delivery period related to the 2016 Contract Quantity shall be extended through February 14, 2017.

All other terms and conditions set forth in the coal supply Agreement that are not modified or amended by this Letter Agreement shall remain in full force and effect. The provisions of this Letter Agreement shall prevail in the event of a conflict or inconsistency between the coal supply Agreement and this Letter Agreement.

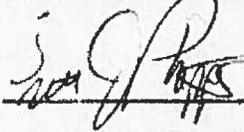
[Signatures on next page]

January 6, 2017
Page 2 of 2

If you are in agreement with the forgoing, please execute in the place shown below.

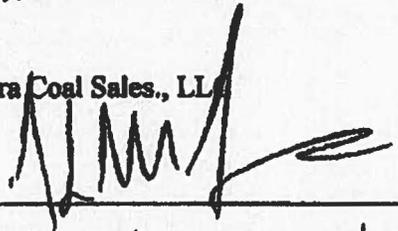
Sincerely,

DUKE ENERGY KENTUCKY, INC

By:  _____

Its: Brett J. Phipps
Managing Director-Fuel Procurement

As seen and agreed to this 10th day of
January, 2017

Contura Coal Sales, LLC
By:  _____

Its: SVP- Eastern Thermal Sales



DUKE ENERGY KENTUCKY, INC

January 6, 2017

**Mr. Robert Braithwaite, Jr.
Manager Energy, Sales and Transportation
Consol Pennsylvania Coal Co., LLC
1000 Consol Energy Drive
Canonsburg, PA 15317**

Confirmation dated December 2, 2015 between Duke Energy Kentucky, INC ("Duke Energy" or "Buyer") and Consol Pennsylvania Coal Co., LLC

Mr. Braithwaite:

This will confirm our Confirmation that as of December 31, 2016 both parties estimate there to remain approximately 36,000 tons of Bailey coal (PO #30827) to be shipped on the 2016 obligation per the Confirmation which expired on December 31, 2016. The parties agree that there is no increase in the volume of tons under the Contract and this Letter Agreement only confirms that Consol Pennsylvania Coal Co., LLC shall deliver and Duke Energy shall receive any remaining tons on the 2016 obligation of the Confirmation as soon as possible in calendar year 2017.

The contract price for the coal when shipped shall be the 2016 price of \$41.50. This term of this Confirmation is extended to February 28, 2017.

All other terms and conditions set forth in the coal supply Agreement that are not modified or amended by this Letter Agreement shall remain in full force and effect. The provisions of this Letter Agreement shall prevail in the event of a conflict or inconsistency between the coal supply Agreement and this Letter Agreement.

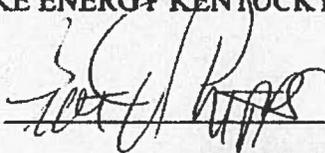
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January 6, 2017
Page 2 of 2

If you are in agreement with the forgoing, please execute in the place shown below.

Sincerely,

DUKE ENERGY KENTUCKY, INC

By:  _____

Its: Brett J. Phipps
Managing Director-Fuel Procurement

As seen and agreed to this 6th day of
January, 2017

Consol Pennsylvania Coal Co., LLC

By:  _____

Its: Sr. VP Energy Marketing _____



DUKE ENERGY KENTUCKY, INC

January 6, 2017

Mr. Adam D. Anderson
Vice President, Marketing/Sales
7733 Forsyth Boulevard
St. Louis, MO 63105

Confirmation dated December 15, 2015 between Duke Energy Kentucky, INC ("Duke Energy" or "Buyer") and Armstrong Energy, Inc. ("Seller"), as amended by the First Amendment to Confirmation dated July 5, 2016;

Mr. Anderson:

This will confirm our Confirmation that as of December 31, 2016 both parties estimate there to remain approximately 12,500 tons of coal to be shipped on the 2016 obligation (PO #30883) per the Confirmation which expired on December 31, 2016. The parties agree that there is no increase in the volume of tons under the Contract and this Letter Agreement only confirms that Armstrong Energy, Inc. shall deliver and Duke Energy shall receive any remaining tons on the 2016 obligation of the Confirmation as soon as possible in calendar year 2017. The same contract price as set forth in the Contract for 2016 tons is \$38.00. This term of this Confirmation is extended to February 15, 2017.

All other terms and conditions set forth in the coal supply Agreement that are not modified or amended by this Letter Agreement shall remain in full force and effect. The provisions of this Letter Agreement shall prevail in the event of a conflict or inconsistency between the coal supply Agreement and this Letter Agreement.

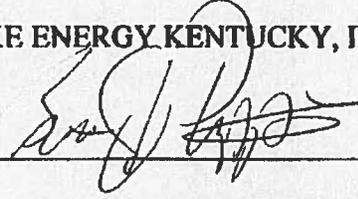
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January 6, 2017
Page 2 of 2

If you are in agreement with the forgoing, please execute in the place shown below.

Sincerely,

DUKE ENERGY KENTUCKY, INC

By: 

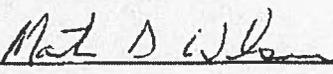
Its: _____

Brett J. Phipps

Managing Director-Fuel Procurement

As seen and agreed to this 16th day of
January, 2017

Armstrong Energy, Inc.

By: 

Its: _____

President

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

REVISED STAFF-DR-01-001

REQUEST:

For the period from November 1, 2016, through April 30, 2017, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (i.e., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus contract. For contract purchases, state whether the contract has been filed with the Commission. If not, explain why it has not been filed.

RESPONSE:

Please see STAFF-DR-01-001 Revised Attachment, which has been corrected to list Central Coal as a contract purchase rather than a spot purchase.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
FAC 2017-00286 Review Period November 1, 2016 -April 30, 2017
Coal purchased/unloaded November 1, 2016 -April 30, 2017

<u>Vendor</u>	<u>Purchase Tonnage</u>	<u>Purchase Type</u>	<u>Contract #</u>	<u>Filed with Commission</u>	<u>If no, Explain why</u>
Alliance Coal LLC	111,003	Contract	DEK 30892	2/10/2016	
Alpha/Contura Coal Sales	165,723	Contract	DEK 30810	2/10/2016	
Armstrong Coal Company	206,106	Contract	DEK 30883	2/10/2016	
Consol Pennsylvania Coal Co.	142,830	Contract	DEK 30827	2/10/2016	
Foresight Coal Sales, LLC	60,128	Contract	DEK 30291	1/2/2013	
River View	129,270	Contract	DEK30245	1/28/2015	
Central Coal	17,407	Contract	DEK 31641	3/28/2017	
Alliance Coal LLC	107,734	Spot	DEK 31436	2/13/2017	
Oxford Mining	25,922	Spot	DEK 31636	3/28/2017	

Total 966,122

86%	Contract
14%	Spot
100.00%	Total Coal Purchases

*