COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

The Electronic Application of Duke Energy) Kentucky, Inc., for: 1) An Adjustment of the) Electric Rates; 2) Approval of an) Compliance Environmental Plan and Surcharge Mechanism; 3) Approval of New) Tariffs; 4) Approval of Accounting Practices to) Establish Regulatory Assets and Liabilities;) and 5) All Other Required Approvals and) Relief.)

Case No. 2017-00321

MOTION OF DUKE ENERGY KENTUCKY, INC. FOR CONFIDENTIAL TREATMENT FOR CERTAIN RESPONSES TO REQUEST FOR INFORMATION

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, pursuant to 807 KAR 5:001, Section 13 and other law, and respectfully requests the Commission to classify and protect certain information provided by the Company in its Responses to Commission Staff's Post Hearing Data Requests, the Kentucky School Board Association's (KSBA) Post Hearing Data Request, and the Attorney General of Kentucky's (AG) Post Hearing Data Requests issued on March 13, 2018, respectfully stating as follows:

 On August 2, 2017 Duke Energy Kentucky filed a Notice of Intent to File an Application seeking adjustment of its electric rates and other approvals.

2. On September 1, 2017 Duke Energy Kentucky filed an Application seeking an adjustment of its electric rates and other approvals.

3. On March 6-8, 2108 the Commission held a hearing on the merits of the Company's Application in which several Post Hearing Data Requests were identified.

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4. On March 13, 2018 Commission Staff, KSBA, and the AG issued Post Hearing Data Requests.

5. In response to Commission Staff's and the AG's Post Hearing Data Requests, Duke Energy Kentucky is providing certain information for which it requests confidential treatment.

6. The information for which Duke Energy Kentucky seeks confidential treatment is contained in its Response to Commission Staff's Post Hearing Data Requests 5 and 18(e); and Response to the AG's Post Hearing Data Request 4, which is referred to herein as the "Confidential Information" and, broadly speaking, includes detailed information pertaining to the internal policies and procedures, contracts with outside vendors, and other information.

7. Request No. 4 of the AG's Post Hearing Data Requests states as follows:

Day 2, VTE 10:55: Provide the cost-benefit analysis the Company performed, including any accompanying calculations or workpapers in native electronic format, when it considered whether to bring vegetation management services in house.

8. In its response to the AG's Post Hearing Data Request No. 4, the Company is providing sensitive information regarding internal policies and decisions of Duke Energy Kentucky. Public disclosure of the information being provided by the Company would unnecessarily provide interested parties and Duke Energy Kentucky's competitors with access to exclusive information regarding internal policies, cost estimates and decision making processes. Revelation of the internal analysis undertaken by the Company would reveal the assumptions, objections and business judgment processes utilized by Duke Energy Kentucky in determining the most cost-effective way to manage its vegetation management requirements. If this information were made public, potential bidders would know Duke Energy Kentucky's

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evaluation of costs and could utilize such information adjust their own pricing to respond to future bidding processes thereby undermining the integrity of bidding processes.

9. Request No. 5 of Commission Staff's Post Hearing Data Request states as

follows:

Provide the calculation of the PJM reserve margin for Duke Kentucky for the historical period of 2015/2016, 2016/2017, and 2017/2018 Planning Years and the forecasted period of 2018/2019, 2019/2020, and 2020/2021 Planning Years.

10. In its response to Commission Staff's Post Hearing Data Request No. 5, Duke Energy is providing internal forecasts of its capacity positions, including needs, estimated forced outage rates, and other planning protocols and/or assumptions that are, quite obviously, highly sensitive, commercially valuable, and strictly proprietary. This information, if disclosed, will reveal Duke Energy Kentucky's underlying assumptions of the wholesale markets that are used as part of its internal planning and pricing estimation processes. The public disclosure of this information would potentially also harm Duke Energy Kentucky's competitive position in the marketplace, to the detriment of Duke Energy Kentucky and its customers in that potential counter parties would have access to Duke Energy Kentucky's underlying resource model and planning assumptions.

11. Request No. 18(e) of Commission Staff's Post Hearing Data Request states as follows:

Refer to the Rebuttal Testimony of April N. Edwards, Attachment ANE-Rebuttal-1 (Confidential), regarding Duke Kentucky's Master Agreement for Vegetation Management Services ("MAVMS").

e. Provide a copy of the request for proposals associated with the MAVMS.

12. In its response to Request No. 18(e), Duke Energy Kentucky is providing sensitive information regarding its internal processes, standards, and protocols used in

negotiating contracts with third-party vendors. This information is considered proprietary and confidential in that it details specific strategies and protocols used for managing vegetation along Duke Energy's Midwest distribution and transmission corridors. If disclosed, this information would give an unfair competitive advantage to other outside vendors or competitors when this type of RFP is issued in the future. Additionally, releasing this information could discourage future participation in Company-issued RFPs.

13. The Kentucky Open Records Act and applicable precedent exempts the Confidential Information from disclosure. See KRS 61.878(1)(a); KRS 61.878(1)(c)(1); Zink v. Department of Workers Claims, Labor Cabinet, 902 S.W.2d 825 (Ky. App. 1994); Hoy v. Kentucky Industrial Revitalization Authority, 907 S.W.2d 766, 768 (Ky. 1995).

14. Furthermore, some of the information for which Duke Energy Kentucky is seeking confidential treatment was either developed internally, or acquired on a proprietary basis, by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file publicly with any public agency, and is not publicly available from any commercial or other source. The aforementioned information is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the utility industry.

15. Duke Energy Kentucky does not object to limited disclosure of the Confidential Information described berein, pursuant to an acceptable protective agreement entered into with any intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

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16. In accordance with the provisions of 807 KAR 5:001, Section 13(2)(e), the Company is filing one copy of the Confidential Information separately under seal, and the appropriate number of copies with the Confidential Information redacted.

17. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of twenty years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company if publicly disclosed.

18. To the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, Duke Energy Kentucky, Inc., respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

Rocco O. D'Ascenzo (92796) Deputy General Counsel Duke Energy Business Services LLC 139 East Fourth Street, 1313 Main Cincinnati, Ohio 45201 Phone: (513) 287-4320 Fax: (513) 287-4385 E-mail: rocco.d'ascenzo@duke-energy.com

And

David S. Samford L. Allyson Honaker GOSS SAMFORD, PLLC 2365 Harrodsburg Road, Suite B-325 Lexington, KY 40504 (859) 368-7740 Email: David@gosssamfordlaw.com Email: Allyson@gosssamfordlaw.com

Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on March 23, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being delivered via 2nd day delivery to the parties of record on the 23rd day of Marcb 2018.

Counsel for Duke Energy Kentucky, Inc.

Kent Chandler Rebecca W. Goodman Justin M. McNeil Lawrence W. Cook Assistant Attorneys General 700 Capital Avenue, Suite 20 Frankfort, KY 40601-8204

Counsel for the Office of Attorney General

Dennis G. Howard, II Howard Law PLLC 740 Emmett Creek Lane Lexington, KY 40515

Counsel for Northern Kentucky University

Matthew R. Malone William H. May, III Hurt, Deckard & May PLLC 127 West Main Street Lexington, KY 40507

Counsel for the Kentucky School Board Association Michael L. Kurtz, Esq. Jody Kyler Cohn, Esq. Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202

Counsel for Kentucky Industrial Utility Customers, Inc.

Kurt J. Boehm Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202

Counsel for The Kroger Company

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STATE OF NORTH CAROLINA)) SS: COUNTY OF MECKLENBURG

The undersigned, Lisa M. Bellucci, Director, Tax Operations, being duly sworn, deposes and says that she 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 her knowledge, information and belief.

<u>Lisa M. Bellucci Affiant</u>

Subscribed and sworn to before me by Lisa M. Bellucci on this $\underline{14}$ day of March, 2018.

My Commission Expires:

My Commission Expires 05-30-2018

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

The undersigned, Stephen G. De May, Senior Vice President, Tax and Treasurer, 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.

Stephen G. De May, Affiant

SIGE

Subscribed and sworn to before me by Stephen G. De May on this 19th day of March, 2018.

My Commission Expires:

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

The undersigned, Matt Gordon, Director of Tax Asset, 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.

Matt Gordon, Affiant

Subscribed and sworn to before me by Matt Gordon on this 20 day of March, 2018.

4/29/2018 My Commission Expires:

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

The undersigned, Cynthia S. Lee, Director, Asset Accounting, being duly sworn, deposes and says that she 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 her knowledge, information and belief.

e Affiant

Subscribed and sworn to before me by Cynthia S. Lee on this 20 day of March, 2018.



My Commission Expires: 10/2/2/

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

The undersigned, Thomas Silinski, Vice President, Total Rewards and Human Resource Operations, 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.

homas Silinski Affiant

Subscribed and sworn to before me by Thomas Silinski on this 16th day of March, 2018.

Phoebe P. Elliott **Notary Public** Mecklenburg County, NC

Eberott

NOTARY

My Commission Expires: June 26, 2021

STATE OF OHIO)	
)	SS:
COUNTY OF HAMILTON)	

The undersigned, William Don Wathen, Jr., Director of Rates & Regulatory Strategy, 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.

William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen, Jr., on this 2011 day of March 2018.

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

M. Frisch PUBLIC

NOTARY PUBLIC

My Commission Expires: 1 5 2019

STATE OF OHIO)	
)	SS:
COUNTY OF HAMILTON)	

The undersigned, Anthony J. Platz, Director Power Quality, Reliability and Integrity Engineering, 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 corret to the best of his knowledge, information and belief.

Anthony J. Plats Affiant

Subscribed and swom to before me by Anthony J. Platz on this 20^{4h} day of March 2018.

Idelin. Frisch

NOTARY PUBLIC

My Commission Expires: $1 | \leq | 2.019$

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

STATE OF NORTH CAROLINA SS:) COUNTY OF MECKLENBURG)

The undersigned, John A. Verderame, Managing Direct – Power, Trading & Dispatch, 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.

John A Verderame, Affiant

Subscribed and sworn to before me by John A. Verderame on this $\underline{|9|}$ day of March, 2018.

KATIE JAMIESON Notary Public, North Carolina Gaston County My Commission Expires

TE Jam RY PUBLIC

My Commission Expires: June 14, 2021

STATE OF INDIANA)	
)	SS:
COUNTY OF HENDRICKS)	

The undersigned, April N. Edwards, Distribution Vegetation Manager II, being duly sworn, deposes and says that she 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 her knowledge, information and belief.

In Edwards

N. Edwards, Affiant

Subscribed and sworn to before me by April N. Edwards on this 12th day of March, 2018.

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My Commission Expires: 3-17-25 Resident: Hendricks Gurty

STATE OF OHIO)	
)	SS:
COUNTY OF HAMILTON)	

The undersigned, James E. Ziolkowski, Director, Rates & Regulatory Planning, 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.

tame & Zielkash"

Ziolkowski Affiant

Subscribed and sworn to before me by James E. Ziolkowski on this 1674 day of March 2018.

Adeli M. Frisch OTARY PUBLIC

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

My Commission Expires: 1/5/2019

STATE OF OHIO)	
)	SS:
COUNTY OF HAMILTON)	

The undersigned, Sarah E. Lawler, Director of Rates & Regulatory Planning, being duly sworn, deposes and says that she 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 her knowledge, information and belief.

Sarah E. Lawler Affiant

Subscribed and sworn to before me by Sarah E. Lawler on this 157 day of March, 2018.

101

My Commission Expires: July 8,2022



E. MINNA ROLFES-ADKINS Notary Public, State of Ohio My Commission Expires July 8, 2022

STATE OF OHIO)	
)	SS:
COUNTY OF HAMILTON)	

The undersigned, Bruce L. Sailers, Pricing and Regulatory Solutions Manager, 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.

Bruce Z. Saulers Bruce L. Sailers, Affiant

Subscribed and sworn to before me by Bruce L. Sailers, on this 15^{11} day of March 2018.

Adult Arisch NOTARY PUBLIC My Commission Expires: 1/5/2019

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

Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

STAFF-POST HEARING-DR-01-001

REQUEST:

Provide a comparison of the amortization of the East Bend ash pond regulatory asset over

a 10-year period and a 23.5-year period in terms of expense and revenue requirement.

RESPONSE:

Amortization	Annual Rev	Total Collected		
Period	Requirement Over Period			
10 Years	\$3,951,879*	\$39,518,788		
23 ½ Year	\$2,461,116	\$57,836,224		

The costs included in this regulatory asset do not relate to the remaining useful life of the plant. They represent costs incurred to close the basin which is currently estimated to be complete by the end of 2021.

*As noted in Attachment CSL-Rebuttal-1

PERSON RESPONSIBLE: Cynthia Lee

STAFF-POST HEARING-DR-01-002

REQUEST:

Provide a comparison of the amortization of the East Bend Operations and Maintenance Expense regulatory asset over a 10-year period and a 23.5-year period in terms of expense and revenue requirement.

RESPONSE:

The projected March 31, 2018, balance is \$36,540,465, as updated in the update to Attachment WDW Rebuttal-3, filed on March 2, 2018. Using the updated amount, the table below compares the amortization of the March 31, 2018, balance for the East Bend O&M deferral using a 10-year amortization and a 23 ½ year amortization. In both cases, the discount rate is the long-term debt rate (4.243%) as shown in Schedule J-1 Forecast.

Amortization	Annual Rev	Total Collected
Period	Requirement	Over Period
10 Years	\$4,490,269	\$44,902,690
23 ½ Year	\$2,459,392	\$57,795,712

The costs included in this regulatory asset do not relate to the remaining useful life of the plant. They represent O&M costs already incurred – incremental to O&M costs for Miami Fort 6 for the 31% portion of East Bend that the Company purchased from Dayton Power and Light.

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

STAFF-POST HEARING-DR-01-003

REQUEST:

Provide the number of Duke Kentucky employees that are eligible for both defined benefits and defined contribution plans.

RESPONSE:

180 Duke Energy Kentucky employees have both a pension and 401(k) benefit. Of the 180, 158 are in pension formulas which provide lesser benefits than the prior traditional final average pay formula. In many cases these employees once participated in the traditional formula, but were not grandfathered. They were moved to these other formulas, and had 401(k) benefits slightly increased to offset some but not all of the reduction in their pension benefit.

PERSON RESPONSIBLE: Thomas Silinski

Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

STAFF-POST HEARING-DR-01-004

REQUEST:

Confirm that the jurisdictional cost of the company match for individuals with a defined benefit and a defined contribution plan is \$1,579.761 in the test year.

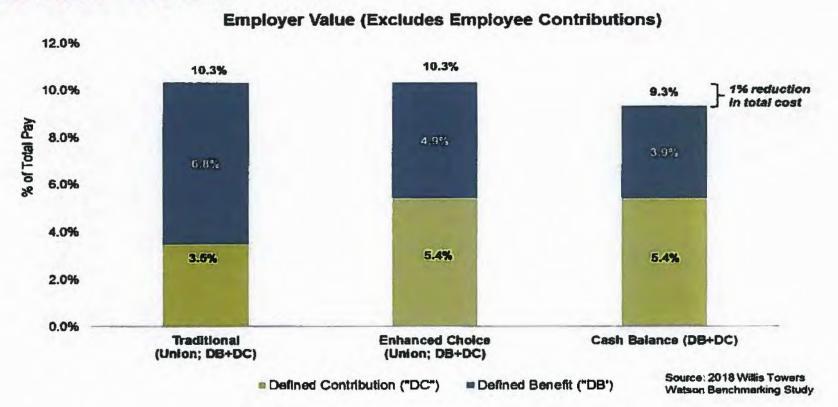
RESPONSE:

The company confirms that the amount listed above represents the cost of the company match for individuals with both a defined benefit and defined contribution plan. However, the attached chart illustrates why the company continues to disagree with the position that any disallowance is necessary. By suggesting DC cost recovery be disallowed for all employees with a DB benefit, the Commission is disallowing a greater percentage of the cost associated with employees who have been transitioned away from final average pay DB plans, into lower cost, less volatile cash balance DB plans, which provide for a higher DC matching formula, but still have a lower overall cost. Please see STAFF-POST HEARING-DR-01-004 Attachment for a chart quantifying this overall value of the plans.

PERSON RESPONSIBLE: Thomas Silinski

KyPSC Case No. 2017-00321 STAFF-POST HEARING-DR-01-004 Attachment Page 1 of 1

Value of Duke Energy Retirement Benefits for Employees with both a DB and DC Benefit



\$1,579,761 total DC match associated with employees who have both a DB and DC benefit

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Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

PUBLIC STAFF-POST HEARING-DR-01-005 (As to Attachment only)

REQUEST:

Provide the calculation of the PJM reserve margin for Duke Kentucky for the historical period of 2015/2016, 2016/2017, and 2017/2018 Planning Years and the forecasted period of 2018/2019, 2019/2020, and 2020/2021 Planning Years.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment only)

See Confidential Attachment STAFF-POST HEARING-DR-01-05. Columns "M" through "P" represent the reserve margins, in UCAP Megawatts and percentages of load requirements, after meeting PJM load obligations. The margins are calculated both including and excluding the Demand Response capacity committed to the FRR Plans. Please note that the capacity purchases for delivery years 2015/2016, 2016/2017, and 2017/2018 were made primarily to replace the capacity sales made by Dayton Power and Light Company (DPL) prior to the acquisition of the 31 percent interest from DPL as described in Case No. 2014-00201. The purchases and replacement transactions were required in order to utilize the East Bend capacity in the Company's final FRR plans. Confidential Attachment STAFF-POST HEARING-DR-01-005 is being filed under the seal of a Petition for Confidential Treatment and will be provided to all parties upon the execution of a Confidentiality Agreement.

PERSON RESPONSIBLE: John Verderame

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STAFF-POST HEARING-DR-01-005 CONFIDENTIAL ATTACHMENT IS BEING PROVIDED ON CD AND UNDER SEAL OF A PETITION FOR CONFIDENTIAL TREATMENT

STAFF-POST HEARING-DR-01-006

REQUEST:

Provide an update to the Rebuttal Testimony of Lisa M. Bellucci ("Bellucci Rebuttal"), Attachment LMB – Rebuttal 1, reflecting a 5-year, 10-year, and 15-year amortization periods for Duke Kentucky's unprotected excess accumulated deferred income taxes ("ADIT").

RESPONSE:

Please refer to STAFF-POST HEARING-DR-01-006 Attachment 1.

Since the majority of the unprotected excess deferred taxes relate to property, plant and equipment, it is reasonable to refund those amounts over the period of time over which the deferred tax balances would have otherwise reversed, which is the remaining book life of the assets. While the Company agrees that customers should receive the appropriate level of excess deferred taxes, it must be done over a reasonable period so not to unfairly harm the Company. An appropriate balance must be struck between reversing these excess balances and returning to customers with the Company's credit quality.

A more rapid refund of the excess ADIT has an adverse impact on the Company's cash flows, which are needed to fund ongoing operations and new infrastructure investments. As noted in Stephen De May's rebuttal testimony, an unmitigated cash flow shortfall could force the company to rely excessively on third-party capital to fund itself, to the ultimate detriment of its financial condition.

This financial risk has been noted by credit rating agencies in recent months actually placing Duke Energy Corp. on a negative outlook as a result of the potential regulatory treatment of the TCJA. Please see STAFF-POST-HEARING-DR-01-006 Attachment 2, January 19, 2018 Moody Investor Service Rating Action. Please see also STAFF-POST-HEARING-DR-01-006 Attachment 3, Moody's January 3, 2018 Credit Opimion of Duke Energy Kentucky, issued prior to the January 19, 2018 outlook downgrade that specifically lists the credit challenges, as well as the factors that could lead to a downgrade for Duke Energy Kentucky as follows:

Challenges:

- Base rate freezes in place since 2012
- Capital expenditures are increasing
- Limited recent regulatory track record

Downgrade Factors:

- Cash flow from operations excluding working capital changes to debt falling below high teens
- Higher capital expenditures resulting in material increase in debt levels
- A decline in the credit supportiveness of the regulatory environment in Kentucky.

PERSON RESPONSIBLE: Lisa Bellucci / Stephen De May

Duke Energy Kentucky

Attachment LMB - Rebuttal 1, Reflecting 5-year, 10-year, and 15-year Amortization of Upprotected Excess ADITs

		Amortize Unprotected Excess ADITs Over:			
	As Proposed (a)	5 years	10 years	15 years	
Protected Excess ADITs	\$34,912,797	\$ 34,912,797	\$34,912,797	\$34,912,797	1
Year 1 Estimated ARAM Rate	3.12%	3.12%	3.12%	3.12%	No change to
No. of months (April 1 - December 31, 2018)	9/12	9/12	9/12	9/12	Amortization of
Amortization 9 months ended 12/31/18	5816,959	\$816,959	\$816,959	\$816,959	Protected Excess
Year 2 Estimated ARAM Rate	4.03%	4.03%	4.03%	4.03%	ADITs
No. of months (January 1 - March 31, 2019) 3	/12 \$351,746	\$351,746	\$351,746	\$351,746	
Total TY Amortization Protected Excess ADITs	\$1,168,706	\$1,168,706	\$1,168,706	\$1,168,706	1
Unprotected Excess ADITs	\$33,032,786	\$33,032,786	\$33,032,786	\$33,032,786	
No. of years	20	5	10	15	
Total TY Amortization of Unprotected Excess ADITs	\$1,651,639	\$6,606,557	\$3,303,279	\$2,202,186	
Total Amortization of Excess ADITs in Test Year	\$2,820,345	\$ 7,775,263	\$4,471,984	\$3,370,892	

(a) Per Attachment LBM- Rebuttal 1.

MOODY'S INVESTORS SERVICE

Rating Action: Moody's changes outlooks on 25 US regulated utilities primarily impacted by tax reform

Global Credit Research - 19 Jan 2018

New York, January 19, 2018 -- Moody's Investors Service, ("Moody's") has changed the rating outlooks to negative from stable for 24 regulated utilities and utility holding companies; and to stable from positive for one utility holding company in the United States. The short-term and long-term ratings for all 25 companies were affirmed.

RATINGS RATIONALE

"Today's action primarily applies to companies that already had limited cushion in their rating for deterioration in financial performance, will be incrementally impacted by changes in the tax law and where we now expect key credit metrics to be lower for longer," said Jim Hempstead, a Managing Director at Moody's. "Utilities will work closely with state regulators to try to mitigate the negative impact of tax reform and in some cases they may seek to refine their corporate financial policies. Where successful, their rating outlooks could revert to slable."

Tax reform is credit negative for US regulated utilities because the lower 21% statutory tax rate reduces cash collected from customers, while the loss of bonus depreciation reduces tax deferrals, all else being equal. Moody's calculates that the recent changes in tax laws will dilute a utility's ratio of cash flow before changes in working capital to debt by approximately 150 - 250 basis points on average, depending to some degree on the size of the company's capital expenditure programs. From a leverage perspective, Moody's estimates that debt to total capitalization ratios will increase, based on the lower value of deferred tax liabilities.

The change in outlook to negative from stable for the 24 companies affected in this rating action primarily reflects the incremental cash flow shortfall caused by tax reform on projected financial metrics that were already weak, or were expected to become weak, given the existing rating for those companies. The negative outlook also considers the uncertainty over the timing of any regulatory actions or other changes to corporate finance polices made to offset the financial impact.

The change in outlook to stable from positive for American Electric Power Company, Inc. (AEP, Baa1 stable) reflects Moody's calculations that the projected ratio of cash flow before changes in working capital to debt, incorporating the effects of tax reform, will remain in the mid-teens range. At this level, Moody's believes AEP's Baa1 rating is appropriate.

The vast majority of US regulated utilities, however, continue to maintain stable rating outlooks. We do not expect the cash flow reduction associated with tax reform to materially impact their credit profiles because sufficient cushion exists within projected financial metrics for their current ratings. Nonetheless, further actions could occur on a company specific basis.

Over the next 12 to 18 months, Moody's will continue to monitor the financial impact of tax reform on each company, including its regulatory approach to rate treatment and any changes to corporate finance strategies. This will include balance sheet changes due to the reclassification of excess deferred tax liabilities as a regulatory liability and the magnitude of any amounts to be refunded to customers. If the financial impact of tax reform is more severe than Moody's initial estimates or the companies fail to materially mitigate any weaknesses in their financial profiles, the ratings could be downgraded.

That said, Moody's expects that most utilities will attempt to manage any negative financial implications of tax reform through regulatory channels. Corporate financial policies could also change. The actions taken by utilities will be incorporated into the credit analysis on a prospective basis. As a result, it is conceivable that some companies will sufficiently defend their credit profiles. For these companies, it is possible for the outlook to return to stable.

Potential regulatory offsets to tax-related cash leakage could include: accelerated cost recovery of certain regulatory assets or future investment; changes to the equity layer or allowed ROEs in rates, and other actions. Changes to corporate financial policies could include changes to capitalization, the financing of future

investments, dividend growth, or others. Some of these corporate measures could have a more immediate boost to projected metrics than certain regulatory provisions, which may take time to approve and implement.

Outlook Actions:

.. Issuer: American Electric Power Company, Inc.

....Outlook, Changed To Stable From Positive

...Issuer: Avista Corp.

....Outlook, Changed To Negative From Stable

...Issuer: Avista Corp. Capital II

....Outlook, Changed To Negative From Stable

...Issuer: Duke Energy Corporation

....Outlook, Changed To Negative From Stable

...Issuer: Entergy Corporation

....Outlook, Changed To Negative From Stable

... Issuer: New Jersey Natural Gas Company

....Outlook, Changed To Negative From Stable

...Issuer: Northwest Natural Gas Company

....Outlook, Changed To Negative From Stable

...Issuer: ONE Gas, Inc.

....Outlook, Changed To Negative From Stable

..Issuer: Piedmont Natural Gas Company, Inc.

....Outlook, Changed To Negative From Stable

..Issuer: Public Service Company of Oklahoma

....Outlook, Changed To Negative From Stable

... issuer: Questar Gas Company

....Outlook, Changed To Negative From Stable ...Issuer: South Jersey Gas Company

....Outlook, Changed To Negative From Stable

...Issuer: Alabama Power Capital Trust V

....Outlook, Changed To Negative From Stable

...Issuer: Alabama Power Company

....Outlook, Changed To Negative From Stable

.. Issuer: Southern Company (The)

....Outlock, Changed To Negative From Stable

.. Issuer: Southern Elect Generating Co

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....Outlook, Changed To Negative From Stable .. Issuer: Southwestern Public Service CompanyOutlook, Changed To Negative From Stable "Issuer: Wisconsin Gas LLCOutlook, Changed To Negative From Stable .. Issuer: American Water Capital Corp.Outlook, Changed To Negative From Stable Issuer: American Water Works Company, Inc.Outlook, Changed To Negative From Stable Outlook Actions: .. Issuer: Consolidated Edison Company of New York, Inc.Outlook, Changed To Negative From Stable .. Issuer: Consolidated Edison, Inc.Outlook, Changed To Negative From Stable .. Issuer: Orange and Rockland Utilities, Inc.Outlook, Changed To Negative From Stable ...Issuer: Brooklyn Union Gas Company, TheOutlook, Changed To Negative From Stable ...Issuer: KeySpan Gas East CorporationOutlook, Changed To Negative From Stable Affirmations: "Issuer: American Electric Power Company, Inc. Commercial Paper, Affirmed P-2Senior Unsecured Shelf, Affirmed (P)Baa1Junior Subordinated Shelf, Affirmed (P)Baa2Senior Unsecured Regular Bond/Debenture, Affirmed Baa1 ...Issuer: Avista Corp. Issuer Rating, Affirmed Baa1Senior Secured First Mortgage Bonds, Affirmed A2 Underlying Senior Secured First Mortgage Bonds, Affirmed A2Senior Secured Medium-Term Note Program, Affirmed (P)A2Senior Secured Regular Bond/Debenture, Affirmed A2

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Baa1

...Issuer: Avista Corp. Capital II

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-Pref. Stock Preferred Stock, Affirmed Baa2
- ...Issuer: Duke Energy Corporation
- Issuer Rating, Affirmed Baa1
-Junior Subordinated Regular Bond/Debenture, Affirmed Baa2
-Senior Unsecured Shelf, Affirmed (P)Baa1
-Senior Unsecured Bank Credit Facility, Affirmed Baa1
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed Baa1
- ...Issuer: Entergy Corporation
- Issuer Rating, Affirmed Baa2
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed Baa2
-Senior Unsecured Shelf, Affirmed (P)Baa2
- .. Issuer: New Jersey Natural Gas Company
- Commercial Paper, Affirmed P-1
- ...issuer: Northwest Natural Gas Company
- Commercial Paper, Affirmed P-2
-Senior Secured Medium-Term Note Program, Affirmed (P)A1
-Senior Unsecured Medium-Term Note Program, Affirmed (P)A3
-Senior Secured Shelf, Affirmed (P)A1
-Senior Unsecured Shelf, Affirmed (P)A3
-Preferred Shelf, Affirmed (P)Baa2
-Senior Secured First Mortgage Bonds, Affirmed A1
-Senior Secured Regular Bond/Debenture, Affirmed A1
- .. issuer: ONE Gas, Inc
-Senior Unsecured Commercial Paper, Affirmed P-1
-Senior Unsecured Regular Bond/Debenture, Affirmed A2
- ...Issuer: Piedmont Natural Gas Company, Inc.
-Senior Unsecured Commercial Paper, Affirmed P-1
-Senior Unsecured Regular Bond/Debenture, Affirmed A2
- ...Issuer: Public Service Company of Oklahoma
- Issuer Rating, Affirmed A3
-Senior Unsecured Regular Bond/Debenture, Affirmed A3

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.. Issuer: Questar Gas Company

....Senior Unsecured Commercial Paper, Affirmed P-1

.....Senior Unsecured Medium-Term Note Program, Affirmed (P)A2

.....Senior Unsecured Regular Bond/Debenture, Affirmed A2

...Issuer: Alabama Power Capital Trust V

....Pref. Stock Preferred Slock, Affirmed A2

...Issuer: Alabama Power Company

.... Commercial Paper, Affirmed P-1

.... Issuer Rating, Affirmed A1

.....Senior Unsecured Shelf, Affirmed (P)A1

....Preferred Shelf, Affirmed (P)A3

....Preference Shelf, Affirmed (P)A3

....Pref. Stock Preferred Stock, Affirmed A3

....Senior Unsecured Bank Credit Facility, Affirmed A1

....Senior Unsecured Commercial Paper, Affirmed P-1

.....Senior Unsecured Regular Bond/Debenture, Affirmed A1

...Issuer: Columbia (Town of) AL, Industrial Dev. Board

.....Senior Unsecured Revenue Bonds, Affirmed A1

.....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

...Issuer: Eutaw (City of) AL, Industrial Dev. Board

....Senior Unsecured Revenue Bonds, Affirmed A1

.....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

...issuer: Mobile (City of) AL, I.D.B.

....Senior Unsecured Revenue Bonds, Affirmed At

....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

...Issuer: Walker County Econ & Ind Dev Authority

....Senior Unsecured Revenue Bonds, Affirmed A1

....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

... issuer: West Jefferson (Town of) AL, Ind. Devel. Bd,

....Senior Unsecured Revenue Bonds, Affirmed A1

....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

..Issuer: Wilsonville (Town of) AL, I.D.B.

....Senior Unsecured Revenue Bonds, Alfirmed A1

....Senior Unsecured Revenue Bonds, Affirmed VMIG 1

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- Underlying Senior Unsecured Revenue Bonds, Affirmed A1
- ...Issuer: South Jersey Gas Company
- Issuer Rating, Affirmed A2
-Senior Secured First Mortgage Bonds, Affirmed Aa3
-Senior Secured Medium-Term Note Program, Affirmed (P)Aa3
-Senior Secured Regular Bond/Debenture, Affirmed Aa3
-Senior Unsecured Commercial Paper, Affirmed P-1
- ..tssuer: New Jersey Economic Development Authority
-Senior Secured Revenue Bonds, Affirmed Aa3
-Underlying Senior Secured Revenue Bonds, Affirmed Aa3
-Senior Secured Revenue Bonds, Affirmed Aa2
- Underlying Senior Secured Revenue Bonds, Affirmed Aa2
- ...Issuer: Southern Company (The)
- Commercial Paper, Affirmed P-2
-Junior Subordinated Regular Bond/Debenture, Affirmed Baa3
-Senior Unsecured Shelf, Affirmed (P)Baa2
-Junior Subordinated Shelf, Affirmed (P)Baa3
-Senior Unsecured Bank Credit Facility, Affirmed Baa2
-Senior Unsecured Regular Bond/Debenture, Affirmed Baa2
- .. Issuer: Southern Elect Generating Co.
- Issuer Rating, Affirmed A2
-Senior Unsecured Regular Bond/Debenture, Affirmed A1
- .. issuer: Southwestern Public Service Company
- Issuer Rating, Affirmed Baa1
-Senior Secured Shelf, Affirmed (P)A2
-Senior Unsecured Shelf, Affirmed (P)Baa1
-Senior Secured First Mortgage Bonds, Affirmed A2
-Senior Unsecured Bank Credit Facility, Affirmed Baa1
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed Baa1
- .. Issuer: Wisconsin Gas LLC
- Commercial Paper, Affirmed P-1
-Senior Unsecured Regular Bond/Debenture, Affirmed A2

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.. Issuer: American Water Capital Corp.

..., Issuer Rating, Affirmed A3

-Senior Unsecured Shelf, Affirmed (P)A3
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed A3
- .. Issuer: American Water Works Company, Inc.
- issuer Rating, Affirmed A3
- .. Issuer: Berks County Industrial Development Auth., PA
-Senior Unsecured Revenue Bonds, Affirmed A3
- ...Issuer: California Pollution Control Financing Auth.
-Senior Unsecured Revenue Bonds, Affirmed A3
- ...Issuer: Illinois Development Finance Authority
-Senior Unsecured Revenue Bonds, Affirmed A3
- ...Issuer: Illinois Finance Authority
-Senior Unsecured Revenue Bonds, Affirmed A3
- .. Issuer: Indiana Finance Authority
-Senior Unsecured Revenue Bonds, Affirmed A3
- .. Issuar: MARICOPA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY,
-Senior Unsecured Revenue Bonds, Affirmed A3
- ...Issuer: Northampton County I.D.A., PA
-Senior Unsecured Revenue Bonds, Affirmed A3
- ...Issuer: Owen (County of) KY
-Senior Unsecured Revenue Bonds, Affirmed A3
- .Issuer: Consolidated Edison Company of New York, Inc.
- Issuer Rating, Affirmed A2
-Senior Unsecured Shelf, Affirmed (P)A2
-Subordinate Shelf, Affirmed (P)A3
-Proferred Shelf, Affirmed (P)Baa1
-Senior Unsecured Commercial Paper, Affirmed P-1
-Senior Unsecured Regular Bond/Debenture, Affirmed A2
- Underlying Senior Unsecured Regular Bond/Debenture, Affirmed A2
- .. Issuer: New York State Energy Research & Dev. Auth.
-Senior Unsecured Revenue Bonds, Affirmed A2
- Underlying Senior Unsecured Revenue Bonds, Affirmed A2

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- ...Issuer: New York State Research & Development Auth.
-Senior Unsecured Revenue Bonds, Affirmed A2
-Underlying Senior Unsecured Revenue Bonds, Affirmed A2
- ...Issuer: Consolidated Edison, Inc.
- Issuer Rating, Affirmed A3
-Senior Unsecured Shelf, Affirmed (P)A3
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed A3
- .. Issuer: Orange and Rockland Utilities, Inc.
- Issuer Rating, Affirmed A3
-Senior Unsecured Commercial Paper, Affirmed P-2
-Senior Unsecured Regular Bond/Debenture, Affirmed A3
- ...Issuer: Brooklyn Union Gas Company, The
-LT Issuer Rating, Affirmed A2
-Senior Unsecured Regular Bond/Debenture, Affirmed A2
- .. Issuer: New York State Energy Research & Dev. Auth.
-Backed LT IRB/PC Insured, Affirmed A2
- ... Underlying LT IRB/PC, Affirmed A2
- Issuer: KeySpan Gas East Corporation
-LT Issuer Rating, Affirmed A2
-Senior Unsecured Regular Bond/Debenture, Affirmed A2

The principal methodology used in rating Public Service Company of Oklahoma, Southwestern Public Service Company, Southern Company (The), Alabama Power Company, Alabama Power Capital Trust V, Southern Elect Generating Co, South Jersey Gas Company, Wisconsin Gas LLC, American Electric Power Company, Inc., Duke Energy Corporation, Piedmont Natural Gas Company, Inc., Avista Corp., Avista Corp. Capital II, ONE Gas, Inc, New Jersey Natural Gas Company, Northwest Natural Gas Company, Questar Gas Company, Entergy Corporation, Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc., Brooklyn Union Gas Company, The, KeySpan Gas East Corporation, and Orange and Rockland Utilities, Inc. was Regulated Electric and Gas Utilities published in June 2017. The principal methodology used in rating American Water Works Company, Inc. and American Water Capital Corp. was Regulated Water Utilities published in December 2015. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

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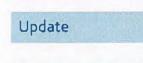
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INFRASTRUCTURE AND PROJECT FINANCE

MOODY'S INVESTORS SERVICE

CREDIT OPINION

3 January 2018



Rate this Research

RATINGS

Duke Energy Kentucky, Inc.

by	
Domicile	Kentucky, United States
Long Term Rating	8aa1
Туре	Senior Unsecured - Dom Curr
Outlook	Stable

>>

Please see the <u>ratings section</u> at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Duke Energy Kentucky, Inc.

Update to credit analysis

Summary

Fyhihit 1

Duke Energy Kentucky Inc.'s (Duke Kentucky) credit profile reflects cash flow and financial coverage ratios that are appropriate for its rating despite base rate freezes that have been in place since 2012, and capital expenditures that are on the rise. Our view considers the utility's relatively small stand-alone size and position as a subsidiary of Baa1 rated Duke Energy Ohio, Inc. (Duke Ohio). Although we have traditionally considered Kentucky to be a credit supportive regulatory environment for investor owned utilities, Duke Kentucky has had a limited regulatory track record with regard to base rate cases in recent years.

Historical CFO pre-W/C, total debt, and CFO pre-W/C to debt [1]



 CFO pre-W/C is defined as cash from operations excluding changes in working capital Source: Moody's Financial Metrics

Credit strengths

- » Solid cash flow coverage ratios
- » Generally credit supportive regulation in Kentucky
- » Position within the Duke Energy corporate family

Credit challenges

- » Base rate freezes in place since 2012
- » Capital expenditures are increasing
- » Limited recent regulatory track record

» Small size and position as wholly-owned subsidiary of Duke Ohio

Rating outlook

Duke Kentucky's stable rating outlook considers the generally credit supportive regulatory environment in Kentucky, financial metrics that are appropriate for the rating level, and increasing capital expenditures.

Factors that could lead to an upgrade

- » Supportive rate case outcomes that allow the continuation of strong credit metrics
- » Cash from operations excluding working capital changes to debt remains in the mid-20% range on a sustained basis
- » An upgrade of Duke Ohio from its current Baa1 rating level

Factors that could lead to a downgrade

- » Cash flow from operations excluding working capital changes to debt falling below the high-teens
- » Higher capital expenditures resulting in a material increase in debt levels
- » A decline in the credit supportiveness of the regulatory environment in Kentucky

Key indicators

KEY INDICATORS [1]				
Duke Energy Kentucky, Inc.	L'été mai l'été des	and the second	The The second	all states and states and

12/31/2013	12/31/2014	12/31/2015	12/31/2016	9/30/2017(L)
6.1x	5.7x	7.8x	6.9x	7.0x
22.9%	21.0%	25.7%	22.5%	18.9%
12.6%	21.0%	11.9%	20.1%	16.8%
37.8%	36.2%	36.6%	35.9%	37.5%
	6.1x 22.9% 12.6%	6.1x 5.7x 22.9% 21.0% 12.6% 21.0%	6.1x 5.7x 7.8x 22.9% 21.0% 25.7% 12.6% 21.0% 11.9%	6.1x 5.7x 7.8x 6.9x 22.9% 21.0% 25.7% 22.5% 12.6% 21.0% 11.9% 20.1%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Source: Moody's Financial Metrics

Profile

Duke Kentucky is a wholly owned subsidiary of Duke Ohio and its ultimate parent, Duke Energy Corporation. Duke Kentucky is a combination electric and gas utility company that owns and operates approximately 1,100 megawatts (MWs) of regulated generation facilities and provides electricity to around 140,000 electric customers in northern Kentucky (primarily the areas surrounding Cincinnati). Duke Kentucky/Ohio also provide natural gas services to approximately 529,000 customers in the same area. The company is regulated primarily by the Kentucky Public Service Commission (KPSC).

Detailed credit considerations

Cash flow coverage ratios remain solid

Duke Kentucky's cash flow and key financial metrics have been appropriate for its credit profile for the last several years even though it has operated under base rate freezes since 2012. The ratio of cash from operations excluding changes in working capital (CFO pre-W/C) to debt remained above 20%, and in 2016 moved above the 22% threshold at the lower end of the "A" scoring range for this factor in our Regulated Electric and Gas Utilities rating methodology scorecard before declining to about 19% for the twelve months ending September 2017. The strength in metrics is due in part to continued extensions of bonus depreciation and the resulting increase in

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deferred income taxes. Going forward, given the impending changes of tax reform and as the company implements its growing capital expenditure program, we expect credit metrics to moderate from previous highs, but to remain appropriate for its Baa1 rating.

Generally credit supportive Kentucky regulation but Duke Kentucky has a limited recent regulatory track record

We generally view the Kentucky regulatory environment as credit supportive, with utilities in the state benefitting from timely cost recovery mechanisms, including recovery of fuel, purchased power, and environmental compliance costs. However, Duke Kentucky just filed its first electric base rate case since 2006, and as such, has a limited recent regulatory track record. In its current rate proceeding, Duke Kentucky is seeking to begin the recovery of expenditures that the Kentucky Public Service Commission (KPSC) previously approved for deferral, to account for higher operating expenses and capital investment, and to implement several new riders. We view the use of riders and trackers as supportive of credit quality as they reduce regulatory lag and increase cash flow predictability.

In September 2017, Duke Kentucky filed with the KPSC requesting an increase in electric base rates of approximately S48.6 million, which will increase the average customer's bill by about 15%. The requested increase is based on a 10.3% return on equity (ROE) and a 49% equity layer. The filing seeks recovery of investments the company has made in its system over the past 11 years, including the KPSC approved acquisition of the 31% of the East Bend 600 MW generating station it did not already own, its ongoing investment in advanced metering infrastructure, and investments in utility scale solar generating facilities. Duke Kentucky is also seeking to implement an environmental surcharge mechanism (ESM) to recover environmental expenditures not recovered in base rates, including costs related to ash and ash disposal, and to establish riders for the recovery of transmission costs and for specific distribution system investments. Hearings are expected to begin in the first quarter of 2018, and Duke Kentucky anticipates that the new rates will go into effect in April. Supportive treatment in this rate proceeding will be a key to maintaining or improving Duke Kentucky's credit profile.

On the gas side, in February 2016, the KPSC approved a settlement agreement that provided rider recovery for Duke Kentucky's five year accelerated natural gas service line replacement program (ASRP). The utility's first annual ASRP projections and tariffs were filed in July 2016; rates were approved in December 2016, and became effective January 2017.

Base rate freezes have suppressed metrics to some extent

As a result of base rate freezes entered into to facilitate either the utility or its parent company's strategic objectives, in prior years, financial performance at Duke Kentucky was somewhat constrained. For example, as part of a settlement with the KPSC approving the merger of parent company Duke Energy with Progress Energy several years ago, the utility agreed that it would not file an electric or gas base rate case for two years through mid-2013. Although this rate freeze has expired, the utility did not file for any base rate relief despite declining financial metrics at the time (CFO pre-W/C to debt was 23% in 2013 versus 27% in 2011). As part of a 2014 stipulation with the Kentucky attorney general related to the acquisition of a 31% interest in the East Bend coal plant, the utility agreed to a second base rate freeze and agreed not to file for a base rate increase until January 2016. As of December 2016, the company's ratio of CFO pre-WC to debt was 22.5%, and for the twelve months ending September 2017, the ratio was 18.9%.

Capital expenditures are on the rise

Supportive rate treatment is important as the utility continues a period of higher capital expenditures, and spending for environmental compliance. In 2015, the EPA published rules on the regulation of coal ash or coal combustion residuals (CCR), which caused Duke Kentucky to record additional asset retirement obligations (ARO) for ash basin closure costs and to plan investments for improved ash handling. In 2017, the KPSC approved certificates of public convenience and necessity (CPCN) for the company's plans to convert the East Bend coal fired station to dry bottom ash (cost of approximately \$25 million) and to excavate and repurpose the existing East Bend ash pond (approximately S94 million). Duke Kentucky will look to recover some or all of these costs through the ESM Rider. Also in 2017, Duke Kentucky received approval for an advanced metering infrastructure project, estimated at \$49 million, that will take two years to complete. These investments are in addition to an uptick in distribution investment to improve reliability. For the twelve months ending September 2017, capital expenditures were approximately \$150 million versus around \$100 million in 2016 and \$50-\$60 million in prior years. Going forward, we expect annual investment will be similar to current levels.

Small size and position as wholly-owned subsidiary of Duke Ohio are credit considerations

Duke Kentucky is the smallest utility in the Duke Energy system (under 2% of earnings base) and is wholly owned by a neighboring Duke utility subsidiary, Duke Ohio (Baa1 positive) (about 5% of earnings base), which is a fully regulated electric transmission and distribution company that also operates a natural gas local distribution company. Although Duke Kentucky does not file financial statements with the SEC, it does publish quarterly and audited annual financial statements on its web site. The utility's small size, as well as its position as a wholly owned subsidiary of a Baa1 rated affiliate utility, are both considerations in assessing its credit profile.

Liquidity analysis

Duke Kentucky maintains an adequate liquidity profile. In 2016, the utility generated cash from operations (CFO) of about \$109 million, made about \$101 million in capital investments and paid dividends of \$10 million to its parent, generating about \$2 million of negative cash flow (FCF). For the last twelve months ending September 2017, Duke Kentucky generated approximately \$118 million of CFO, invested about \$148 million in capital expenditures and paid dividends of \$10 million to its parent, resulting in a negative FCF of approximately \$40 million. Going forward, due to its increasing capital needs, we anticipate the utility will remain cash flow negative; shortfalls are expected to be funded via a combination of debt and equity contributions from Duke Energy.

Duke Kentucky's additional liquidity sources include its access to funding from the Duke parent company's commercial paper program through the Duke system money pool, and from direct borrowings from the money pool. As of 30 September 2017, the utility also has \$150 million of direct borrowing capacity under Duke Energy's five year master credit facility, of which \$125 million was available. In March 2017, Duke Energy extended its master credit facility from January 2020 to March 2022 and increased its capacity from \$7.5 billion to \$8 billion. The facility does not contain a material adverse change clause for new borrowings and has a single financial covenant requiring that Duke and its utility subsidiaries each maintain a consolidated debt to capitalization ratio of no more than 65%, except for local gas distribution subsidiary Piedmont Natural Gas Company, Inc. (Piedmont, A2 stable). The debt to capital covenant for Piedmont is a maximum of 70%. As of 30 September 2017, Duke reported that all of the borrowing entities were in compliance with this covenant.

Duke Kentucky's next large debt maturity is \$100 million of senior unsecured debt due in October 2019. As of 30 September 2017, additional short-term obligations of \$27 million (tax-exempt bonds) and \$25 million (money pool borrowings) were classified as long-term debt and long-term debt payable to affiliated companies, respectively, due to the company's intent and ability to utilize such borrowings as long-term financing. The utility has the ability to refinance these short-term obligations on a long-term basis due to Duke Energy's master credit facility and other bilateral letter of credit agreements that have non-cancelable terms in excess of one year.

INFRASTRUCTURE AND PROJECT FINANCE

Rating methodology and scorecard factors

Rating Factors				-		
Duke Energy Kentucky, Inc.						
Regulated Electric and Gas Utilities Industry Grid [1][2]	Curre LTM 9/30	Moody's 12-18 Mon Forward View As of Date Published				
Factor 1 : Regulatory Framework (25%)	Measure	Score	Medaura	Score		
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A		
b) Consistency and Predictability of Regulation	A	A	A	A		
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				5		
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Bea	Baa	Baa		
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Ваа		
Factor 3 : Diversification (10%)						
a) Market Position	Ba	Ba	Ba	Ва		
b) Generation and Fuel Diversity	В	Ð	В	В		
Factor 4 : Financial Strength (40%)						
a) CFO pre-WC + Interest / Interest (3 Year Avg)	7.5x	Aa	6.8x - 7.2x	Aa		
b) CFO pre-WC / Debt (3 Year Avg)	24.4%	A	19% - 22%	Baa		
c) CFO pre-WC - Dividends / Debt (3 Year Avg)	19.2%	A	17% - 21%	A		
d) Debt / Capitalization (3 Year Avg)	35.5%	A	35% - 40%	A		
Raling:		1				
Grid-Indicated Rating Before Notching Adjustment		A3		Baa1		
HoldCo Structural Subordination Notching	0	D	0	0		
a) Indicated Rating from Grid		A3		Baa1		
b) Actual Rating Assigned		Bea1		Baa1		

All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
 As of 9/30/2017(LTM)
 This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
 Source: Moody's Financial Metrics

Ratings

Exhibit 4	
Category	Moody's Rating
DUKE ENERGY KENTUCKY, INC.	
Outlook	Stable
Senior Unsecured	Baal
ULT PARENT: DUKE ENERGY CORPORATION	
Outlook	Stable
Issuer Rating	Baa1
Sr Unsec Bank Credit Facility	Baa1
Senior Unsecured	Baa1
Jr Subordinate	Baa2
Commercial Paper	P-2
PARENT: DUKE ENERGY OHIO, INC.	
Outlook	Positive
Issuer Rating	Baa1
First Mortgage Bonds	A2
Senior Secured Shelf	(P)A2
Senior Unsecured	Baal
Source: Moody's Investors Service	· · · · · · · · · · · · · · · · · · ·

Source: Moody's Investors Service

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REPORT NUMBER 1106779



STAFF-POST HEARING-DR-01-007

REQUEST:

Provide the Major Event Days, the number of customers effected (sic), and the length of each outage for the last 10 years.

RESPONSE:

Please see STAFF-POST HEARING-DR-01-007 Attachment.

PERSON RESPONSIBLE: Anthony J. Platz

Major Event Days (MEDs)	2/13/2007 71,859 2/13/2007 47,154 2/14/2007 7,231 2/15/2007 534 3/2/2007 2,560 5/15/2007 528 6/2/2007 3,358 7/15/2007 0,494 171,153 1/29/2008 1/29/2008 4,692 2/6/2008 3,410 6/4/2008 11,519 6/5/2008 981 6/28/2008 2,082 7/8/2008 2,082 7/8/2008 109,693 9/14/2008 109,693 9/15/2008 12,973 9/16/2008 12,973 9/17/2008 1,436 9/18/2008 852 9/19/2008 639 9/20/2008 300 9/21/2008 72 60,769 1/28/2009 1/28/2009 17,760 2/11/2009 8,729 6/20/2009 7,882 6/26/2009 19,109	Customer Minutes Interrupted
2007	71,859	31,117,915
2/13/2007	47,154	19,878,435
2/14/2007	7,231	7,831,956
2/15/2007	534	299,775
3/2/2007	2,560	297,445
5/15/2007	528	113,699
6/2/2007	3,358	552,369
7/15/2007	10,494	2,144,237
2008	171,153	255,536,912
1/29/2008	4,692	483,372
2/6/2008	3,410	594,496
6/4/2008	11,519	2,195,486
6/5/2008		524,031
6/28/2008	2,082	71,245
7/8/2008	5	679
7/22/2008	4,312	612,626
9/14/2008	109,693	195,023,501
9/15/2008	18,187	31,313,334
9/16/2008	12,973	19,493,089
9/17/2008	1,436	2,937,857
9/18/2008	852	1,379,351
9/19/2008	639	440,397
9/20/2008	300	412,255
9/21/2008	72	55,194
2009	60,769	11,357,719
1/28/2009		4,158,500
		1,805,912
6/20/2009		277,427
6/26/2009		4,398,661
12/9/2009	7,289	717,220
2010	24,847	2,952,927
6/21/2010	549	87,056
10/26/2010	24,298	2,865,871
2011	54,075	15,793,934
2/1/2011	459	51,140
2/28/2011	2,482	428,121
4/20/2011	18,216	9,220,313
5/23/2011	5,537	1,718,032
5/26/2011	4,162	1,498,801
6/10/2011	9,396	1,967,558
6/21/2011	13,823	909,969
2012	65,841	24,439,978

KyPSC Case No. 2017-00321 STAFF-POST HEARING-DR-01-007 Page 2 of 2

3/2/2012	7,238	3,725,114
6/29/2012	22,757	10,083,189
6/30/2012	7,325	1,119,254
7/1/2012	164	64,560
7/18/2012	14,681	8,153,961
7/24/2012	961	187,865
7/27/2012	8,036	636,120
12/20/2012	4,679	469,914
2013	18,843	4,173,979
8/31/2013	3,865	874,548
11/17/2013	14,978	3,299,431
2014	8,208	1,716,823
1/25/2014	124	10,011
6/16/2014	466	32,808
11/24/2014	7,618	1,674,004
2015	29,653	11,049,270
7/13/2015	17,334	7,611,428
7/14/2015	10,133	2,536,252
9/4/2015	2,186	901,589
2016	37,683	11,175,989
4/2/2016	7,599	2,503,841
6/15/2016	5,578	2,765,596
6/23/2016	2,741	561,196
7/8/2016	11,849	2,554,278
7/13/2016	2,518	356,796
8/27/2016	37	7,256
9/10/2016	7,361	2,427,027
2017	42,820	18,419,219
3/1/2017	31,560	14,337,056
7/7/2017	6,998	2,109,197
11/18/2017	4,262	1,972,966
Grand Total	585,751	387,734,667

STAFF-POST HEARING-DR-01-008

REQUEST:

Provide a revised 12-CP cost of service study, in Excel format, reflecting the Tax Cut and Jobs Act and the proposed revenue requirement as revised by the Rebuttal Testimony of Sarah E. Lawler.

RESPONSE:

Please see STAFF-POST HEARING-DR-01-008 Attachment.xlsx.

PERSON RESPONSIBLE: James E. Ziolkowski

STAFF-POST HEARING-DR-01-008 ATTACHMENT IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-009

REQUEST:

Provide, in Excel format, a revised billing analysis (Schedule M) showing the present rates, as well as the revised proposed rates reflecting a revised increase of \$30.12 million to show how Duke Kentucky is proposing to allocate the reduction in the request revenue increase.

RESPONSE:

File STAFF-POST HEARING-DR-01-009 Attachment.XLSX is provided electronically on CD.

PERSON RESPONSIBLE: Bruce L. Sailers

STAFF-POST HEARING-DR-01-009 ATTACHMENT IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-010

REQUEST:

Provide a calculation showing the computation of the revised Gross Revenue Conversion Factor.

RESPONSE:

See Staff-Post Hearing-DR-01-010 Attachment for an updated Schedule H to reflect federal income taxes at a 21% rate.

PERSON RESPONSIBLE: Sarah E. Lawler

STAFF-POST HEARING-DR-01-010 ATTACHMENT IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-011

REQUEST:

State whether the expenses allocated to Duke Kentucky by its affiliates contain provisions for federal income tax. If so, state whether Duke Kentucky included the impact of the lower federal income tax on the revenue requirement for those expenses.

RESPONSE:

Expenses allocated to Duke Energy Kentucky by its affiliates that have been included in the forecasted test period have not been grossed up for taxes.

However, the Company's revenue requirement has been grossed up for taxes on Schedule A of the Company's filing at a gross revenue conversion factor (GRCF) that is calculated on Schedule H. As noted in my rebuttal testimony and response to Staff-Post Hearing-DR-01-010, the Company updated the GRCF to reflect a 21% FIT rate, which effectively adjusts the entire revenue requirement for the impact of the 21% FIT rate.

PERSON RESPONSIBLE: Sarah E. Lawler

STAFF-POST HEARING-DR-01-012

REQUEST:

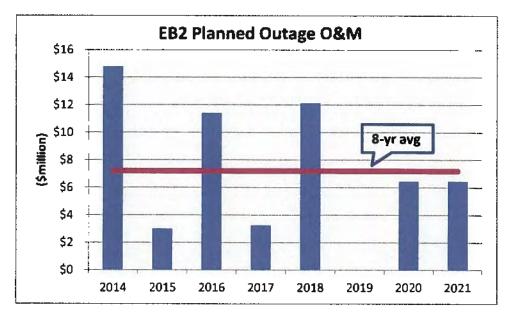
Provide the amount of planned outage expense for the four historical years ending in 2017 and the four prospective years following calendar year 2017, the average of the eight-year period, and the impact on the revenue requirement.

RESPONSE:

See STAFF-POST HEARING-DR-01-012 Attachment.

As noted in the Company's application, Duke Energy Kentucky is seeking authority for regulatory accounting related to this volatile expense.

From the information provided in the attachment, the volatility in this expense is apparent in the chart below.





Sarah E. Lawler

DUKE ENERGY KENTUCKY ELECTRIC DEPARTMENT CASE NO. 2017-00321 NORMALIZATION OF PLANNED OUTAGE O&M

WPD-2.33a WITNESS RESPONSIBLE: S. E. LAWLER

					CPI 2017=		
Year	<u>Description</u>	East Bend	Woodsdale	Total	<u>100 (A)</u>		Total
2014	Planned Outage O&M	14,062,894	0	\$ 14,062,894	95.2%	\$	14,771,947
2015	Planned Outage O&M	2,868,053	0	2,868,053	95.9%	·	2,990,670
2016	Planned Outage O&M	8,897,520	2,271,112	11,168,632	97.9%		11,408,204
2017	Planned Outage O&M	1,311,909	1,925,645	3,237,554	100.0%		3,237,554
2018	Planned Outage O&M	12,113,096	0	12,113,096	100.0%		12,113,096
2019	Planned Outage O&M	0	0	0	100.0%		0
2020	Planned Outage O&M	5,610,579	838,384	6,448,963	100.0%		6,448,963
2021	Planned Outage O&M	6,448,963	0	6,448,963	100.0%		6,448,963
	8 Year Average			\$ 7,043,519		\$	7,177,425
	Total Normalized Planned C	utage O&M				\$	7,177,425
	Less Test Year Planned Ou	tage O&M					7,394,172
	Adjusted Planned Outage C	8M				\$	(216,747)

Note: Excludes regular time labor hours

KyPSC Case No. 2017-00321 Staff-Post Hearing-DR-01-012 Attachment 2 of 2

DUKE ENERGY KENTUCKY, INC.WPD-2.33bELECTRIC DEPARTMENTWITNESS RESPONSIBLE:CASE NO. 2017-00321S. E. LAWLERCALCULATION OF CONSUMER PRICE INDEXS. E. LAWLERFOR URBAN CONSUMERSBASED ON THE PERIOD ENDED DECEMBER 31, 2016 = 100%

Line <u>No.</u>			CPI 2016=100 <u>Col. 2 / 246.7</u>
1	2014	234.8	95.2%
2	2015	236.5	95.9%
3	2016	241.4	97.9% To WPD-2.33a
4	2016	246.7	100.0%—

(A) Prepared by Bureau of Labor Statistics - Consumer Price Index - All Urban Consumers - Table 24

STAFF-POST HEARING-DR-01-013

REQUEST:

Provide an update to Duke Kentucky's response to Commission Staff's Second Data

Request, Item 79, Attachment, to include the full year data for calendar year 2017.

RESPONSE:

See STAFF-POST HEARING-DR-01-013 Attachment.

PERSON RESPONSIBLE: William Don Wathen, Jr.

DUKE ENERGY KENTUCKY, Inc. Current Rider PSM vs. Proposed Rider PSM

KyPSC Case No. 2017-00321 STAFF-Post Hearing-DR-01-013 Attachment Page 1 of 1

			2015					2016						2017													
Line No.	Description		Description		Description		Description		Description		Originai Total	1	Proposed Total		Variance		Original Total	F	roposed Total	Variance		Original Total		Proposed Total		1	/arlance
1	Off-System Sales Revenue													2		_	1992		2264								
2	Asset Energy	(+)	\$ 26,911,428	\$	26.911.428	5		s	7.630.073	s	7.630.073	5	1.00 million (1.00 million)	\$	16,416,635	\$	16.416.635	s									
3	Non-Asset Energy	(+)				-	-			-	1,000,010			•	10,410,000		10,410,035										
4	Bilateral Sales	(+)			-		2		-																		
5	Hedges	(+)			(362,908)		-		(1,119)		(1.119)				(11,120)		(11,120)										
6	PJM Bal & DA Oper Reserve Credits	(+)			1,161,014		-		753,737		753.737				429.697		429,697		116								
7	Fuel Related RTO Costs and Credits	(+)			(136,309)		(136.309)				10,400		10,400		420,007		8,136		8,136								
8	Non-Fuel Related RTO Costs and Cradits	(+)			2.462,763		2,462,763		-		2.092.177		2,092,177				2,518,274		2.518.274								
9	Capacity	(+)			-,				_				2,002,111				2,510,614		2,010,214								
10	Ancillary Services Market	(+)					(1,625,407)		1,757,822				(1,757,822)		1,500,681				(1,500,681)								
11	Sub-Total Revenues		\$ 29.334.941		30,035,988	s	701.047		10,140,513		10,485,268		344,755	-		-	10 004 000	-									
12			020,004,041	-	30,003,900	-	101,047	-	10,140,013		10,405,200	-	344,733	- 3	18,335,893	•	19,361,622	\$	1,025,729								
13	Veriable Costs Allocable to Off-System Sales																										
14	Stateral Purchases	(+)	5	\$		s				5						\$		\$									
15	Non-Netive Fuel Cost	(+)			23,449,851		a 91		7.317.538	Ŷ	7.317.536			•	13.898.723	ð	13,888,723	*	-								
16	Variable O&M Cost	(+)	15 10		1,823,953				646.418		646,418				1,430,182		1,430,182										
17	SO ₂ Cost	(+)			1,023,305				56		56 CHIC				1,430,162		1,430,182										
18	NO _v Cost	(+)			56,620		-		3.684		3,684				1.887		1,887		-								
19	PJM and Other Costs	(+)			oo,uu,u		(121,237)		46.310		0,004		(46,310)		95,755		1,001		(05 766)								
20	(Gain/Losse on Sale of Fue!	(+)					(121,201)		40,010				(40,310)		60,700				(95,755)								
21	Sub-Total Expenses	(-)	\$ 25,452,922	- 5	25,331,685	s	(121,237)	\$	8,014,204	\$	7.987.894	s	(46,310)		15,416,616		15.320.861	5	(95,755)								
22	Total Off-System Sales Margin (Line 11 - Line 21)	(+)	\$ 3,882,019	ŝ	4,704,303	š	822,264	÷	2,126,309	5	2.517.374		391.065				4,040,761	3	1,121,484								
23	Allocated to Customers (guaranteed 100% of first \$1.0 million)		\$ 1,000,000	•	1,101,000			ŝ	1,000,000		2,017,014		001,000	ŝ			4,040,701	*	1,121,404								
24	Sub-Total		\$ 2,882,019						1,126,309					÷	1,919,277												
25	Net Margins on Capacity Transactions Allocated to Customers		\$ 6.922.952	\$	6.922.952	\$		ŝ	2,533,788	\$	2,533,788	5			2,855,340	\$	2,855,340	\$									
26	Percentage Allocated to Customers (75% of margins > \$1.0 million)		75.00%		office,oor	•			75.00%		2,000,700				75.00%		2,033,040	Φ	-								
27	Remainder Allocated to Customers ((Line 24 + Line 25) x Line 26)		\$ 7,353,728					\$	2.745.073						3,580,963												
28	Total Allocated to Customers (Line 23 + Line 27)	(+)	\$ 8,353,728					5	3,745,073					÷	4,580,963												
29	Net Margins on Sales of Emission Allowances	(+)		- 5			(8,051)		0,140,070	\$		5		\$	23	5	-		(23)								
30	Net Proceeds from the Sale of Renewable Energy Credits	(+)		•	_		(0,001)					Ψ			20	4			(23)								
31	Total		- H	5	11.627.255		814,233			\$	5,051,162	\$	391,065			s	6,896,101	\$	1,121,401								
32	Percentage Allocated to Customers (90%)			-	90.00%	•				*	90.00%		001,000				90,00%		1,121,401								
33	Total PSM Credit		\$ 8,381,779	\$	10,464,530		2,102,751		3,745,073	. 5	4,546,046		600,973		4,580,986	\$	6,206,491		1.625.505								
34				-		_		-			.,			-	.,	-	0,200,401	_	1,020,000								
35	Current vs. Proposed PSM Credit			s	2,102,751						800,973					5	1,625,505										

STAFF-POST HEARING-DR-01-014

REQUEST:

Provide, in Excel format, the calculation of the proposed CATV rates that is contained in the Direct Testimony of Bruce L. Sailers, Attachment BLS-4.

RESPONSE:

Attachment BLS-4.XLSX was provided with Company's response to STAFF-DR-01-071.

PERSON RESPONSIBLE: Bruce L. Sailers

STAFF-POST HEARING-DR-01-015

REQUEST:

Provide a comparison of the monthly bill for each month of 2017, for a sports field that has an average consumption that is served under Rate SP and, using the same average sports field, the monthly bills for 2017, if that sports field was served on Rate DS.

RESPONSE:

Bill Month	Rate SP Bill	Rate DS Bill	Difference
Jan 2017	\$ 146.62	\$ 244.63	\$ 98.01
Feb 2017	\$ 137.76	\$ 237.65	\$ 99.89
Mar 2017	\$ 126.69	\$ 228.40	\$ 101.71
Apr 2017	\$ 129.44	\$ 232.61	\$ 103.17
May 2017	\$ 84.75	\$ 191.50	\$ 106.75
Jun 2017	\$ 131.35	\$ 231.37	\$ 100.02
Jul 2017	\$ 184.58	\$ 276.33	\$ 91.75
Aug 2017	\$ 173.15	\$ 297.97	\$ 124.82
Sep 2017	\$ 141.12	\$ 263.37	\$ 122.25
Oct 2017	\$ 176.28	\$ 321.72	\$ 145.44
Nov 2017	\$ 272.59	\$ 394.40	\$ 121.81
Dec 2017	\$ 179.19	\$ 263.48	\$ 84.29

See table below for the average usage customer on Rate SP.

PERSON RESPONSIBLE:

Bruce L. Sailers

STAFF-POST HEARING-DR-01-016

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Fourth Data Request, Items 12.c., Attachment 2, which calculates a revised capacity credit value that incorporates the impact of the federal tax reduction and shows a Levelized Fixed Charge Rate of 6.52 percent. Provide the supporting calculation for the 6.52 percent.

RESPONSE:

The supporting calculation for the 6.52 percent Levelized Fixed Charge Rate is contained in CONFIDENTIAL STAFF-DR-04-012c ATTACHMENT 3.XLSX provided in response to STAFF-DR-04-012c.

PERSON RESPONSIBLE: Bruce L. Sailers

STAFF-POST HEARING-DR-01-017

REQUEST:

Refer to Duke Kentucky's response to Commission Staff's Fourth Data Request,

Item 15. Provide the revised tariff sheets reference in this response.

RESPONSE:

Revised LED tariff sheets are provided in Staff-Post Hearing-DR-01-017 Attachment.DOCX.

PERSON RESPONSIBLE: Bruce L. Sailers

RATE LED

LED OUTDOOR LIGHTING ELECTRIC SERVICE

APPLICABILITY

To any customer for the sole purpose of lighting roadways or other outdoor land use areas with LED technology fixtures; served from Company fixtures of the LED type available under this rate schedule. Service hereunder is provided for the sole and exclusive benefit of the customer, and nothing herein or in the contract executed hereunder is intended to benefit any third party or to impose any obligation on the Company to any such third party.

Service under this tariff schedule shall require a written agreement between the customer and the Company specifying the calculated lighting kilowatt-hours. The LED System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III and Section IV, Customer's and Company's Installations respectively.

CHARACTER OF SERVICE

Automatically controlled lighting service (i.e., photoelectric cell, or digitally controlled node); alternating current, 60 cycle, single phase, at the Company's standard voltage available. This service may include "smart" lighting technologies, at the sole discretion of the Company.

The Company will provide unmetered electric service based on the calculated annual energy usage for each luminaire's lamp wattage plus ballast usage (impact wattage). The LED System kilowatt-hour usage shall be determined by the number of lamps and other LED System particulars as defined in the written agreement between the customer and Company. The monthly kilowatt-hour amount will be billed at the rate contained in the NET MONTHLY BILL section below.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate All kWh

\$0.041936 per kWh

The rate shown above includes a charge of \$0.023837 per kilowatt-hour reflecting the base cost of fuel.

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: Sheet No. 76, Rider ESM, Environmental Surcharge Mechanism Rider Sheet No. 80, Rider FAC, Fuel Adjustment Clause Sheet No. 82, Rider PSM, Profit Sharing Mechanism Sheet No. 125, Rider DCI, Distribution Capital Investment Rider Sheet No. 126, Rider FTR, FERC Transmission Cost Reconciliation Rider

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KY.P.S.C. Electric No. 2 Original Sheet No. 64 Page 2 of 6

NET MONTHLY BILL (Contd.)

3. Monthly Maintenance, Fixture, and Pole Charges:

I. Fixtures				Per Unit Per Month		
Billing Type	Description	Initial Lumens	Lamp Wattage	Monthly kWh	Fixture	Maintenance
LF-LED-50W-SL-BK-MW	50W Standard LED-BLACK	4,521	50	17	\$5.07	\$4.24
LF-LED-70W-SL-BK-MW	70W Standard LED-BLACK	6,261	70	24	\$5.06	\$4.24
LF-LED-110W-SL-BK-MW	110W Standard LED-BLACK	9,336	110	38	\$5.74	\$4.24
LF-LED-150W-SL-BK-MW	150W Standard LED-BLACK	12,642	150	52	\$7.61	\$4.24
LF-LED-220W-SL-BK-MW	220W Standard LED-BLACK	18,641	220	76	\$8.62	\$5.17
LF-LED-280W-SL-BK-MW	280W Standard LED-BLACK	24,191	280	97	\$10.61	\$5.17
LF-LED-SOW-DA-BK-MW	50W Deluxe Acorn LED-BLACK	5,147	50	17	\$14.80	\$4.24
LF-LED-50W-AC-8K-MW	SOW Acorn LED-BLACK	5,147	50	17	\$13.33	\$4.24
LF-LED-50W-MB-BK-MW	50W Mini Bell LED-BLACK	4,500	50	17	\$12.57	\$4.24
LF-LED-70W-BE-BK-MW	70W Bell LED-BLACK	5,508	70	24	\$16.01	\$4.24
LF-LED-50W-TR-BK-MW	50W Traditional LED-BLACK	3,230	50	17	\$9.66	\$4.24
LF-LED-SOW-OT-BK-MW	50W Open Traditional LED-BLACK	3,230	50	17	\$9.66	\$4.24
LF-LED-50W-EN-BK-MW	50W Enterprise LED-BLACK	3,880	50	17	\$12.99	\$4.24
LF-LED-70W-ODA-BK-	70W LED Open Deluxe Acorn	6,500	70	24	\$14.43	
LF-LED-150W-TD-BK-MW	150W LED Teardrop	12,500	150	52	\$19.37	\$4.24 \$4.24
LF-LED-50W-TDP-BK-MW	50W LED Teardrop Pedestrian	4,500	50	17	\$15.72	\$4.24
220W LED SHOEBOX	220W LED Shoebox					
	LED 50W 4521 LUMENS STANDARD LED	18,500	220	76	\$13.42	\$5.17
LF-LED-SOW-SL-BK-MW	BLACK TYPE III 4000K	4,521	50	17	\$5.07	\$4.24
LF-LED-70W-SL-BK-MW	LED 70W 6261 LUMENS STANDARD LED BLACK TYPE III 4000K	6,261	70	24	\$5.06	\$4.24
	LED 110W 9336 LUMENS STANDARD LED	0,202			45.00	
LF-LED-110W-SL-BK-MW	BLACK TYPE III 4000K	9,336	110	38	\$5.74	\$4. 2 4
LF-LED-150W-SL-BK-MW	LED 150W 12642 LUMENS STANDARD				A- - - -	4
LF-LED-150W-SL-IV-BK-	LED BLACK TYPE III 4000K LED 150W 13156 LUMEN5 STANDARD	12,642	150	52	\$7.61	\$4.24
WW	LED TYPE IV BLACK 4000K	13,156	150	52	\$7.61	\$4.24
····· · ·····	LED 220W 18642 LUMENS STANDARD		_ _		+	
F-LED-220W-SL-BK-MW	LED BLACK TYPE III 4000K	18,642	220	76	\$8.62	\$5.17
LF-LED-280W-SL-BK-MW	LED 280W 24191 LUMENS STANDARD LED BLACK TYPE III 4000K	24,191	280	97	\$10.61	\$5.17
LF-LED-50W-DA-BK-MW	LED 50W DELUXE ACORN BLACK TYPE III 4000K	5,147	50	17	\$14.80	\$4.24

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Duke Energy Kentucky, Inc. 4580 Olympic Blvd. Erlanger, KY 41018

LF-LED-70W-ODA-BK-		OW OPEN DELUXE ACORN BLACK					
MW	ТҮРЕ III 4000К		6,500	70	24	\$14.4	
LF-LED-50W-AC-BK-MW	LED 50W ACORN BLACK TYPE III 4000K		5,147	50	17	\$13.3	3 \$4.24
LF-LED-SOW-MB-BK-MW		OW MINI BELL LED BLACK TYPE HI	4,500	50	17	\$12.5	7 64.34
	- · · · · · · · · · · · · · · · · · · ·	OW 5508 LUMENS SANIBELL BLACK	4,500		- 1/	\$12.3	7 \$4.24
LF-LED-70W-BE-8K-MW	1	III 4000K	5,508	70	24	\$16.0	1 \$4.24
	LED 5	OW TRADITIONAL BLACK TYPE III				1	······································
LF-LED-SOW-TR-BK-MW	4000		3,303	50	17	\$9.6	5 \$4.24
LF-LED-50W-OT-BK-MW		OW OPEN TRADITIONAL BLACK	2 2 2 2 0	50	47	0.0	
		OW ENTERPRISE BLACK TYPE III	3,230	50	17	\$9.6	5 \$4.24
LF-LED-50W-EN-BK-MW	40006		3,880	50	17	\$12.9	9 \$4.24
· · · · · · · · · · · · · · · · · · ·	LED 1	50W LARGE TEARDROP BLACK					
LF-LED-150W-TD-BK-MW		III 4000K	12,500	150	52	\$19.3	7 \$4.24
LF-LED-SOW-TDP-BK-MW		OW TEARDROP PEDESTRIAN BLACK	4 500	50		A	
LT-LCD-DUW-1DP-DR-IVIW		20W SHOEBOX BLACK TYPE IV	4,500	50	17	\$15.7	2 \$4.24
LF-LED-220W-SB-BK-MW	4000K		18,500	220	76	\$13.4	2 \$5.17
LF-LED-150W-BE-BK-MW	150W	Sanibel	39,000	150	52	\$16.0	
LF-LED-420W-SB-BK-MW	1	LED Shoebox	39,078	420	146	\$20.0	
LF-LED-50W-NB-GY-MW		50W Neighborhood		50	140	\$4.13	
LF-LED-SOW-NBL-GY-MW	-	Neighborhood with Lens	5,000 5,000	50	17	\$4.30	
			5,000				, <u>, ,,,,,</u>
II. Poles						1	
Billing Type		Description					Charge per
		•					Month per Unit
P-12-C-PT-AL-AR-TT-RK-M	w	17' C-Post Ton- Anchor Paro Black					<u>¢0 c0</u>
		12' C-Post Top- Anchor Base-Black					\$9.69
LP-25-C-DV-AL-AB-TT-BK-M	IW	25' C-Davit Bracket- Anchor Base-B					\$25.48
LP-12-C-PT-AL-AB-TT-BK-M LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anch		:k			· · · · · · · · · · · · · · · · · · ·
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M	IW	25' C-Davit Bracket- Anchor Base-B		:k			\$25.48
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anch	or Base-Blac	:k			\$25.48 \$25.75
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anch 12' E-AL - Anchor Base-Black	or Base-Blac	: k			\$25.48 \$25.75 \$9.68
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anch 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE 15320-35FTALAB-OLE	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anch 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE 15320-35FTALAB-OLE 15320-40FTALAB-OLE	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anchor 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base 35' AL-Side Mounted-Anchor Base 40' AL-Side Mounted-Anchor Base	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29 \$15.20
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE 15320-35FTALAB-OLE 15320-40FTALAB-OLE POLE-30-7	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anchor 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base 35' AL-Side Mounted-Anchor Base 40' AL-Side Mounted-Anchor Base 30' Class 7 Wood Pole	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29 \$15.20 \$6.01
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE 15320-35FTALAB-OLE 15320-40FTALAB-OLE POLE-30-7 POLE-35-5	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anchor 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base 35' AL-Side Mounted-Anchor Base 40' AL-Side Mounted-Anchor Base	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29 \$15.20 \$6.01 \$6.53
LP-25-C-DV-AL-AB-TT-BK-M LP-25-C-BH-AL-AB-TT-BK-M LP-12-E-AL-AB-TT-BK-MW 15310-40FTALEMB-OLE 15320-30FTALAB-OLE 15320-35FTALAB-OLE 15320-40FTALAB-OLE POLE-30-7 POLE-35-5 POLE-40-4	IW	25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anchor 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base 35' AL-Side Mounted-Anchor Base 40' AL-Side Mounted-Anchor Base 30' Class 7 Wood Pole 35' Class 5 Wood Pole	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29 \$15.20 \$6.01 \$6.53 \$9.83
LP-25-C-DV-AL-AB-TT-BK-M	IW	 25' C-Davit Bracket- Anchor Base-B 25' C-Boston Harbor Bracket- Anchor 12' E-AL - Anchor Base-Black 35' AL-Side Mounted-Direct Buried 30' AL-Side Mounted-Anchor Base 35' AL-Side Mounted-Anchor Base 40' AL-Side Mounted-Anchor Base 30' Class 7 Wood Pole 35' Class 5 Wood Pole 40' Class 4 Wood Pole 	or Base-Blac	:k			\$25.48 \$25.75 \$9.68 \$16.40 \$12.63 \$12.29 \$15.20 \$6.01 \$6.53

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15210-35BRZSTL-OLE	35' Galleria Anchor Based Pole	\$29.47
LP-12-A-AL-AB-TT-BK-MW	MW-Light Pole-12' MH- Style A-Aluminum-Anchor Base-Top Tenon-Black	\$5.87
LP-12-A-AL-DB-TT-BK-MW	MW-Light Pole-Post Top-12' MH- Style A-Alum-Direct Buried-Top Tenon- Black	\$5.03
LP-15-A-AL-AB-TT-BK-MW	Light Pole-15' MH-Style A-Aluminum-Anchor Base-Top Tenon-Black	\$6.04
LP-15-A-AL-DB-TT-BK-MW	Light Pole-15' MH-Style A-Aluminum-Direct Buried-Top Tenon-Black	\$5.23
LP-20-A-AL-AB-TT-BK-MW	Light Pole-20' MH-Style A-Aluminum-Anchor Base-Top Tenon-Black	\$6.34
LP-20-A-AL-DB-TT-BK-MW	Light Pole-20' MH-Style A-Aluminum-Direct Buried-Top Tenon-Black	\$9.71
LP-25-A-AL-AB-TT-BK-MW	Light Pole-25' MH-Style A-Aluminum-Anchor Base-Top Tenon-Black	\$7.51
LP-25-A-AL-DB-TT-BK-MW	Light Pole-25' MH-Style A-Aluminum-Direct Burled-Top Tenon-Black	\$10.82
LP-30-A-AL-AB-TT-BK-MW	Light Pole-30' MH-Style A-Aluminum-Anchor Base-Top Tenon-Black	\$8.88
LP-30-A-AL-DB-TT-BK-MW	Light Pole-30' MH-Style A-Aluminum-Direct Buried-Top Tenon-Black	\$12.04
LP-35-A-AL-AB-TT-BK-MW	Light Pole-35' MH-Style A-Aluminum-Anchor Base-Top Tenon-Black	\$10.25
LP-35-A-AL-DB-TT-BK-MW	Light Pole-35' MH-Style A-Aluminum-Direct Buried-Top Tenon-Black	\$13.01
LP-12-8-AL-AB-TT-GN-MW	MW-Light Pole-12' MH- Style B Aluminum Anchor Base-Top Tenon Black Pri	\$7.15
LP-12-C-PT-AL-AB-TT-BK-MW	MW-Light Pole-12' MH-Style C-Post Top-Alum-Anchor Base-TT-Black Pri	\$9.69
LP-16-C-DV-AL-AB-TT-GN-MW	MW-LT Pole-16' MH-Style C-Davit Bracket-Alum-Anchor Base-TT-Black	\$12.96
LP-25-C-DV-AL-AB-TT-BK-MW	MW-Light Pole-2S' MH-Style C-Davit Bracket-Alum-Anchor Base-TT-Black Pri	\$25.48
LP-16-C-BH-AL-AB-TT-GN-MW	MW-LT Pole-16' MH-Style C-Boston Harbor Bracket-AL-AB-TT-Black Pri	\$10.39
LP-25-C-BH-AL-AB-TT-BK-MW	MW-LT Pole-25' MH-Style C-Boston Harbor Bracket-AL-AB-TT-Black Pri	\$25.75
LP-12-D-AL-AB-TT-GN-MW	MW-LT Pole 12 Ft MH Style D Alum Breakaway Anchor Base TT Black Pri	\$9.59
LP-12-E-AL-AB-TT-BK-MW	MW-Light Pole-12' MH-Style E-Alum-Anchor Base-Top Tenon-Black	\$9.68
LP-12-F-AL-AB-TT-GN-MW	MW-Light Pole-12' MH-Style F-Alum-Anchor Base-Top Tenon-Black Pri	\$10.38
15210-20BRZSTL-OLE	MW-15210-Galleria Anchor Base-20FT Bronze Steel-OLE	\$8.66
15210-308RZSTL-OLE	MW-15210-Galleria Anchor Base-30FT Bronze Steel-OLE	\$10.24
15210-35BRZSTL-OLE	MW-15210-Galleria Anchor Base-35FT Bronze Steel-OLE	\$29.47
15310-40FTALEMB-OLE	MW-15310-35FT MH Aluminum Direct Embedded Pole-OLE	\$16.40
15320-30FTALAB-OLE	MW-15320-30FT Mounting Height Aluminum Achor Base Pole-OLE	\$12.63
15320-35FTALAB-OLE	MW-15320-35FT Mounting Height Aluminum Achor Base Pole-OLE	\$12.29
15320-40FTALAB-OLE	MW-15320-40FT Mounting Height Aluminum Achor Base Pole-OLE	\$15.20
POLE-30-7	MW-POLE-30-7	\$6.01
POLE-35-5	MW-POLE-35-5	\$6.53
POLE-40-4	MW-POLE-40-4	\$9.83
POLE-45-4	MW-POLE-45-4	\$10.19

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Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2017-00321

	KyPSC Case No. 2017-00321
	STAFF-POST HEARING-DR-01-017 Attachment
	Page 5 of 6
Duke Energy Kentucky, Inc.	KY.P.S.C. Electric No. 2
4580 Olympic Blvd.	Original Sheet No. 64
Erlanger, KY 41018	Page 5 of 6

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable,

OWNERSHIP OF SERVICE LINES

Company will provide, install, own, operate and maintain the necessary facilities for furnishing electric service to the System defined in the agreement. If the customer requires the installation of a System at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus (N) overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the (N) Company no charge should be made. An estimate of the cost will be submitted for approval before work (N)is carried out. (N)

The Company shall erect the service lines necessary to supply electric energy to the System within the limits of the streets and highways or on property as mutually agreed upon by the Company and the customer. The customer shall assist the Company, if necessary, in obtaining adequate written easements covering permission to install and maintain any service lines required to serve the System.

The Company shall not be required to pay for obtaining permission to trim or re-trim trees where such trees interfere with lighting output or with service lines or wires of the Company used for supplying electric energy to the System. The customer shall assist the Company, if necessary, in obtaining permission to trim trees where the Company is unable to obtain such permission through its own best efforts.

TERMS OF SERVICE:

Service under this rate schedule shall be for a minimum initial term of ten (10) years from the commencement of service and shall continue thereafter until terminated by either party by sixty (60) days written notice or to termination. Upon early termination of service under this schedule, the customer shall pay an amount equal to the remaining monthly lease amount for the term of contract, applicable Customer Charges and removal cost of the facilities.

Special Provisions:

- 1. The customer shall execute a contract on the Company's standard filed contract form for service under this rate schedule.
- 2. Where the Company provides a LED fixture or pole type other than those listed above, the monthly charges, as applicable shall be computed as follows:
 - I. Fixture
 - Fixture Charge: Based on the Company's average installed cost including а. overhead/loadings, applicable property tax, applicable income tax, depreciation and rate of return.
 - b. Maintenance Charge: Based on the Company's average cost of performing maintenance on lighting equipment.
 - 11. Pole
 - Pole Charge: Based on the Company's average installed cost including а. overhead/loadings, applicable property tax, applicable income tax,

Issued by authority of an Order of the Kentucky Public Service Commission dated _ in Case No. 2017-00321

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Duke Energy Kentucky, Inc.	KY.P.S.C. Electric No. 2
4580 Olympic Blvd.	Original Sheet No. 64
Erlanger, KY 41018	Page 6 of 6

	depreciation and rate of return.	(N)
3.	The customer shall be responsible for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement or to make payment to the customer for damage.	(N) (N) (N) (N)
4.	KWh consumption for Company-owned fixtures shall be estimated in lieu of installing meters. Monthly kWh estimates will be made using the following formula: kWh = Unit Wattage x (4160 hours per year / 12 months) / 1,000 For equipment not listed above?	(N) (N) (N) (N)
5.	kWh consumption for customer-owned fixtures shall be metered. Installation of customer- owned lighting facilities shall be provided for by the customer.	(N) (N) (N)
6.	No Pole Charge shall be applicable for a fixture installed on a company-owned pole which is utilized for other general electrical distribution purposes.	(N) (N) (N)
7.	The Company will repair or replace malfunctioning lighting fixtures maintained by the Company.	(N) (N)
8.	For a fixture type restricted to existing installations and requiring major renovation or replacement, the fixture shall be replaced by an available similar non-restricted LED fixture of the customer's choosing and the customer shall commence being billed at its appropriate rate.	(N) (N) (N) (N)
9.	The customer will be responsible for trimming trees and other vegetation that obstruct the light output from fixture(s) or maintenance access to the facilities.	(N) (N)
10.	All new leased LED lighting shall be installed on poles owned by the Company.	(N) (N)
11.	Alterations to leased LED lighting facilities requested by the customer after date of installation (i.e. redirect, install shields, etc.), will be billed to the customer in accordance with the Company's policy.	(N) (N) (N) (N)
12.	Service for street or area lighting is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, it will be the customer's responsibility to pay for necessary additional facilities.	(N) (N) (N)
13.	For available LEDs, the customer may opt to make an initial, one-time payment of 50% of the installed cost of fixtures rated greater than 200 Watts and/or poles other than standard wood poles, to reduce the Company's installed cost, therefore reducing their monthly rental rates for such fixtures and poles. If a customer chooses this option, the monthly fixture and/or pole charge shall be computed as the reduced installed cost times the corresponding monthly percentage in 2.1.(a) and/or 2.1I above.	(N) (N) (N) (N) (N) (N)
of the Kent as filed with	SULATIONS ring of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction ucky Public Service Commission, and to the Company's Service Regulations currently in effect, in the Kentucky Public Service Commission, as provided by law.	(N) (N) (N) (N) (N) (N) (N) (N) (N) (N)

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2017-00321

Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

PUBLIC STAFF-POST HEARING-DR-01-018 (As to Attachments only)

REQUEST:

Refer to the Rebuttal Testimony of April N. Edwards, Attachment ANE-Rebuttal-1 (Confidential), regarding Duke Kentucky's Master Agreement for Vegetation Management Services ("MAVMS").

- a. Identify the Duke Kentucky affiliate that executed the MAVMS on behalf of Duke Kentucky.
- b. Explain why the MAVMS was not broken down by smaller geographic areas, such as Duke Kentucky's service area, or a county level, or a city level in order to generate and qualify additional vendors for this contract.
- c. State whether Duke Kentucky has historically sought MAVMS hids as a single service territory contract.
- d. Identify all other Duke Kentucky vegetation management contractor for the past five years.
- e. Provide a copy of the request for proposals associated with the MAVMS.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachments only)

a. Duke Energy Business Services (DEBS) is the official authorized contract agent for the Duke Energy Business Units (Entities). As such, DEBS is authorized to execute contracts on behave of those entities,

- b. The system is only 1,441 miles. A 5 year plan is 288 miles/year. It would not be cost effective for a supplier to split up this small amount of miles. To gain the most effective contract pricing is to have sufficient work to keep a contractor's resources working all year. To subdivide this Zone into smaller segments would not provide enough work to allow that to take place. In addition, there were only 2 suppliers that expressed interest and submitted pricing for the vegetation management work in Duke Energy Kentucky service territory.
- c. Yes, Duke Kentucky has historically sought MAVMS bids as a single service territory contract.

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Year	Supplier
2013	Lewis Tree
2014	Lewis Tree
2015	Lewis Tree
2016	Lewis Tree
2017	NG Gilbert
2018	Asplundh Tree

e. Please see STAFF-POST HEARING-DR-01-018(e) Attachments 1 through 3, 5 through 8 and 13 through 16. Please note that the information blacked out in documents 2 and 13 were issued in that format. There was no underlying information in those cells. STAFF-POST-HEARING-DR-01-018(e) CONFIDENTIAL Attachments 4, 9, 10, 11 and 12 are being filed under the seal of a Petition for Confidential Treatment. The confidential attachments will be provided to all parties upon the execution of a Confidentiality Agreement.

PERSON RESPONSIBLE: April N. Edwards

Duke Energy Labor Rates

			1.2	Distri	bution	
			OMW	DEC	DEP	DEF
Service N	lew Description	New Long Description	Røte	Rate	Rate	Rate
1413293 D	- ST General Foreman	Crew(s) Supervisor				0
1403401 D) - ST Foreman A	Experienced Crew Leader			1	
1401713 D) - ST Foreman B	Entry level Crew Leader			1	
1401709 0) - ST Trimmer A	Top Climber/Trimmer	1		1	
1401703 D	- ST Trimmer 8	Mid Level Climber/Trimmer (capable of everything but the most complex work)	1	1		
1401699 D) - ST Trimmer C	Entry Level Climber/ Trimmer			1	
1401693 D	- ST Learner	Entry Level Position / Flagger / Groundman				
1401691 D	- ST Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
1401679 D	- ST Work Planner	Utilized to pre-plan work (Demand tickets)	1 1			
1401723 D	- OT General Foreman	Crew(s) Supervisor			1	1
1401718 O	- OT Foreman A	Experienced Crew Leader	1	1		
1401714 D	- OT Foreman 8	Entry level Crew Leader			1	-
1401710 0	- OT Trimmer A	Top Climber/Trimmer				-
1401704 D	- OT Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)			192	-
1401700 D	- OT Trimmer C	Entry Level Climber/ Trimmer		1		
1401694 D	- OT Learner	Entry Level Position / Flagger / Groundman	1			1
1401692 D	- OT Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				-
1401680 D	- OT Work Planner	Utilized to pre-plan work (Demand tickets)				-

			1	Distribution		
-			DMW	DEC	DEP	DEF
Service Item	New Description	New Long Description	Rate	Rate	Rate	Rate
1455340	Per Diem	Daily per diem per person for lodging and meal expenses				-

KyPSC Case No. 2017-00321 STAFF-POST HEARING-DR-01-018 e Atlachment 1 Page 2 of 3

				1.12	Transmission	& Distribution	
				DMW	DEC	DEP	DEF
Туре		New Description	New Long Description	Rate	Rate	Rate	Rate
Accessory	1459241	Tablet	Tablet, Specified for Data Collection (excluding general laptops)				
Accessory	1401548	Equip. Trailer	Equipment Trailer				
Bucket	1401650	2x4- Aerial Lift 30 - 37'	2 x 4 Aerial Lift w/ 30 - 37' lift w/ saw & tools				-
Bucket	1401641	2x4- Aerial Lift 50 - 57'- w/winch	Aerial Lift, 57' height 2 wd, w/ winch, tools & saws				
Pick up	1401612	2x4- Spray Truck	2x4 Truck, sprayer equipped	-			
Bucket	1489758	2x4- Aerial Lift 50 - 57 '- w/o dump	Aerial Lift, 57' height 2 wd, w/ saws & tools				
Bucket	1401635	2x4- Aerial Lift 70' or >	2x4- Aerial Lift 70' or > w/ dump, hydraulic tools & saws				
Bucket	1401638	2x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 2 wd, w/ dump & tools & saws	1- 00			
Bucket	1413291	2x4- Aerial Lift 50 - 57'- Diesel	Aerial Lift, 57' height 2 wd, w/ dump & saws- Diesel				-
Bucket	1413148	2x4- Aerial Lift 50 - 57'- Rev Mnt w/float t	ires 2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws	2			
Other Truck	1401869	2x4- Split Dump	2 x 4 Split dump w/ chip bed w/ saws & tools	1	10000		
Other Truck	1473722	2x4- Split Dump- Diesel	2 x 4 Split dump w/ saws & tools- Diesel				
Bucket	1489748	4x4- Aerial Lift 30 - 37'	4 x 4 Aerial Lift w/ 30 - 37' lift w/ saw & tools		-		
Chipper	1401654	Disc Chipper	Disc Chipper				
Chipper	1401655	Drum Chipper	Standard Drum Chipper		1		
Bucket	1401637	4x4- Aerial Lift 57'- Paddlefoot	Aerial Lift, 57' height 4 wd, Paddlefoot w/ winch & saws				
Bucket	1489742	4x4- Aerial Lift- S7'- w/o dump	Aerial Lift, 57' height 4 wd, w/ winch, tools & saws without dump				
Pick up	1401825	2x4- PickUp- Crew Cab	2x4- PickUp- Crew Cab				
Pick up		4x4- PickUp- <1Ton	4x4- PickUp- <1Ton		-		
Pick up		2x4- PickUp- <1Ton	2x4- PickUp-<1Ton				
Pick up		4x4- PickUp- Crew Cab	4x4- PickUp- Crew Cab				
Bucket	_	4x4- Aerial Lift 70' or >- w/winch	4x4- Aerial Lift 70' or > w/ dump, tools, saws & winch		1.0.2		
Bucket	1401639	4x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 4 wd, w/ dump & saws				
Bucket		4x4- Aerial Lift 50 - 57'- Diesel	Aerial Lift, 57' height 4 wd, w/ dump & saws- Diesel		-		
Other Truck	1473723	4x4- Scissor Lift- Paddlefoot	4x4 Rev Mnt 60/70 Scissorr Lift Fb w/floatation tires min ht 70-75' w/ tools & winch				-
Bucket		4x4- Skidder Bucket 50-55'	4x4 Skidder Bucket 50-55' w/tools				
Other Truck	1401833	4x4- Split Dump	4 x 4 Split dump w/ tools & saws				
Other Truck	1489745	4x4- Split Dump- Diesel					
Other Truck	1401575	4x4- Tractor 5-6' hog- w/winch	4 x 4 Split dump w/ tools & saws - Diesel			-	
non truck	1401373	ATV	Farm/Forestry Tractor, 4WD, 5" - 6" wide brush hog w/winch			-	
Bucket	1401713	Aerial Lift 42' or >- Backyard	All Terrain Vehicle 4x4 w/ & trailer				
non truck	1463709	Boat & Motor	Backyard Aerial Lift 42' or > w/ trailer				-
Other Truck	1463709		Boat, Motor & Trailer w/ tools & saws	-			
non truck	1401560	Brown Monitor Mower/Sprayer Brush Cutter - Flail Mower	Brown Monitor Mower/Sprayer		-		
	1401938		Hydro Axe, Geoboy, Kershaw klearway w/ fecon, seppi, cutter head, etc				
Other Truck	1413292 1489219	Rubber Tired Feller Buncher	Feller Buncher 20" cutter head	-			
Other Truck		Prentice Loader	Grapple Truck w/ dump bed				
non truck	1489743	Marsh Master	Tracked amphibious vehicle/with trailer				
Other Truck		Skid Steer Loader	Skid Steer w/ loader attachment				
Other Truck	1401824	Rollback w/20' bed	Rollback w/20' bed				
non truck	1459242		Utility Vehicle, side by side, gator, Ranger, Mule, Rhino etc w/ trailer				
Other Truck	1401511	Rubber Tired Mech. Trimmer- 70'	70' telescoping arm mechanical side trimming device - rubber tired skidder				-
non truck		Skid Steer Mower	Skid Steer Mower w/ Fecon Head				
non truck		Stump Grinder	Stump Grinder				
Chipper		Large Cap. Chipper	Large Capacity Chipper				
Other Truck		Tracked Excavator- Feller Buncher	Tracked excavator- feller buncher head				
Pick up	1489749	4x4- Spray Truck	4x4 Truck, sprayer equipped				

KyPSC Case No. 2017-00321 STAFF-POST HEARING-DR-01-018 e Attachment 1 Page 3 of 3

1489750	Tracked Mech Trimmer 70'	70' telescoping arm mechanical side trimming device mounted on tracks	T I		- 1
1455343	Tractor & Lowboy	Tractor & Lowboy			
1455344	Tractor & Lowboy- Stby Time	Tractor & Lowboy- Stby Time			
1507126	Tracked Excavator- Fecon	Tracked excavator- Fecon head (Shinn Cutter, Pro Grind)	-		
1507127	Tracked Excavator - Slash Buster	Tracked Excavator - Slash Buster			
1507129	Argo	Argo w/trailer - wheeled or track			-
1528062	Barko				
1504599	Storm Mileage - Small Vehicle	Rate/mile	1		
1517389	Storm Mileage - Medium Vehicle	Rate/mile			
1504598	Storm Mileage - Large Vehicle	Rate/mile			
1537980	Shinn Cutter/ProGrind/TigerCat				
					ince
	Other specialized equipment			····· • •	
	1455343 1455344 1507126 1507127 1507129 1528062 1504599 1517389 1504598	1455343 Tractor & Lowboy 1455344 Tractor & Lowboy- Stby Time 1507126 Tracked Excavator- Fecon 1507127 Tracked Excavator - Slash Buster 1507129 Argo 1528062 Barko 1504599 Storm Mileage - Small Vehicle 1517389 Storm Mileage - Large Vehicle 1537980 Shinn Cutter/ProGrind/TigerCat	1455343 Tractor & Lowboy Tractor & Lowboy 1455344 Tractor & Lowboy- Stby Time Tractor & Lowboy- Stby Time 1507126 Tracked Excavator- Fecon Tracked excavator- Fecon head (Shinn Cutter, Pro Grind) 1507127 Tracked Excavator - Slash Buster Tracked Excavator - Slash Buster 1507129 Argo Argo w/trailer - wheeled or track 1504599 Storm Mileage - Small Vehicle Rate/mile 1504598 Storm Mileage - Large Vehicle Rate/mile 1537980 Shinn Cutter/ProGrind/TigerCat	1455343 Tractor & Lowboy Tractor & Lowboy Image: State of the state of t	1455343 Tractor & Lowboy Tractor & Lowboy Image: Star in the s

					Transmission	& Distribution	
				DMW	DEC	DEP	DEF
Туре	Service Item	New Description	New Long Description	Rate	Rate	Rate	Rate
Helicopter	1455337	Aerial Saw- Ferry Time	Aerial saw; flight time to and from landing zone without saw working				
Helicopter	1455339	Aerial Saw- Per Diem	Aerial Saw meals & lodging- per day & man				
Helicopter	1457856	Aerial Saw- Delays	Aerial Saw Delays Beyond Contractor Control				
Helicopter	1457857	Aerial Saw- Transport	Aerial Saw Transport Vehicle Mileage Rate				111
Helicopter	1489751	Aerial Saw 1	Aerial Saw- Level 1 Pilot		•		
Helicopter	1489752	Aerial Saw 2	Aerial Saw- Level 2 Pilot				
Helicopter	1489754	Aerial Saw 3	Aerial Saw- Level 3 Pilot				
Helicopter	1489755	Aerial Saw 4	Aerial Saw- Level 4 Pilot				

Instructions for filling in pricing sheets

- 1) There are 4 tabs in this workbook, where we would like your help in getting details about your pricing
- 2) The tabs are DMW Midwest, DEC- Carolinas West, DEP Carolinas East, DEF Florida
- 3) For <u>high volume units</u>, please provide unit prices while <u>breaking them down into constituents</u>. These are the rows where <u>all cells are available</u> for data entry and <u>nothing is blackened out</u>
- 4) For <u>all other units</u> please provide overall unit prices only. The cells for the constituents of these prices will be blackened out and <u>only the cells for 'unit price'</u> will be available
- 5) For each unit please provide a reasonable estimate of the proportion of the price attributed to labor, equipment, direct overhead, and overhead and fees. Then, provide the price which will be the sum total of the previous four items
- 6) Please highlight in GREEN zones in which you operate today and will continue to do so in the future. For example, if you operate in NIV1 please highlight the entire column in GREEN
- 7) Please highlight in RED zones in which you operate today but are no longer interested in going forward. For example, if you operate in NIV1 but are no longer interested please highlight the entire column in RED
- Please highlight in YELLOW zones in which you do not operate today but are interested in going forward. For example, if you do not operate in NIV1 but are interested going forward please highlight the entire column in YELLOW

While providing factors that impact pricing levels, please be as granular and detailed as possible. For example, please do not
 9) attribute increases to "Safety", instead flesh out the exact reason as to why safety considerations would cause an x% increase in price

10) In case anything is unclear, please email your Duke Energy point of contact for clarification

					LAIN .			
			Unit cost breakdown					
SAC ID	Description	Order Volt	Lebor	Equipment	Oirect overhead (ax. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/b, other o/f	
1413255	Canv. Chip 1 sided (Standard) - Unit	UNITS	IL II	New Alternation	the group of the in	- N.S	- where the second seco	
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS		and the second	and the state of	1	1 S	
1413254	Conv. Chip 1 sided (Complex) - Unit	UNITS						
1413256	Conv. Chip 2 sided (Complex) - Unit	UNITS						
1413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	115 7 7 7	A STATES		Sec. Sec. Sec.	-	
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS		1	11.7037511121	Colline and the	10	
		UNITS						
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS						
1413259	Conv. Single Tres Prune - Unit	UNITS						
	Buck Single Tree Prune	UNITS		1			-	
	Buck. Chip 1 sided (Standard) - Unit	UNITS						
	Buck. Chip 2 sided (Standard) - Unit	UNITS				1		
	Buck. Chip 1 sided (Complex) - Unit	UNITS						
	Buck. Chip 2 sided (Complex) - Unit	UNITS						
	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					12	
	Buck, No-Chip 2 sided (Standard) - Unit	UNITS						
	Buck, No-Chip 1 sided (Complex) - Unit	UNITS						
	Buck, No-Chip 2 sided (Complex) - Unit	UNITS						
							1	
	Brushhog - Unit	UNITS						
	Hand Cut- Chip - Unit	UNITS						
	Hand Cut- No-Chip - Unit	UNITS						
	Clear Base of Pole- Chip - Unit	UNITS						
	Clear Base of Pole- No-Chip - Unit	UNITS						
	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					14	
	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					100	
	Removal no chip, 8" DBH up to 12" DBH - Capital	EA						
	Removal no chip, 8" DBH up to 12" DBH - O&M	EA						
	Removal no chip, 12" DBH up to 24" OBH - Capital	EA					7-	
	Removal no chip, 12" DBH up to 24" DBH - D&M	EA					2	
	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					A1	
	Removal no chip, 24" D8H up to 30" D8H - O&M	EA					h	
	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					0	
	Removal and chip, 5" DBH up to 8" DBH - O&M	EA						
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					£	
	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					6	
	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					12	
	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					1	
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					10-	
L413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					0	
L413139	Danger Tree - Work Planning - \$/Mile	MI					12	
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					1. 1	
413141	Danger Tree - 8" to 12" - \$/unit	UNITS					N 5	
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					100	
	Danger Tree - 24" to 30" - \$/unit	UNITS					1	
	Danger Tree - Overhang - \$/unit	UNITS					10	

S.No.	Fector name & description	% Increase	Comments/Explanations
1	XXXXX	x	a state with the state of the state of the state of the state of the
2			
3			
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5		2022 2013	
6		the second se	
7			
8		100 March 100 Ma	
9			
10			
	TOTAL	0.0%	

		NIV2					EIV1		
		Unit cost break	lown				Unit cost break	down	
Labor	Equipment	Direct overhead (ax. Supervisor, field safety)	Other overhead and feas	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/l
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SVC ID	Description	Order Unit	Labor	Equipment	Direct overhead (sr. Supervisor, field safety)	Other overheed and fees	Unit price (sum of labo equipment, direct o/h other o/h)
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS	-11-1	and the state of the			
413257	Conv. Chip 2 sided (Standard) - Unit	UNITS	š	Contractory	a million and the		
413254	Conv. Chip 1 sided (Complex) - Unit	UNITS					6
413256	Canv. Chip 2 sided (Complex) - Unit	UNITS					
413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	1110-1			Contraction of the	
413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS	1.		Contraction Printing		
413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					The second second
413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
413253	Conv. Single Tree Prune - Unit	UNITS					
413243	Buck Single Tree Prune	UNITS					2
413245	Buck. Chip 1 sided (Standard) - Unit	UNITS				100 mar	
413247	Buck. Chip 2 sided (Standard) - Unit	UNITS	11 2.44				
413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					HCALLS - HVI
413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
413251	Buck. No-Chip 2 nided (Standard) - Unit	UNITS					1.E. /T
413248	Suck. No-Chip 1 sided (Complex) - Unit	UNITS					In Call Market
413250	Buck, No-Chip 2 sided (Complex) - Unit	UNITS					E.O.
413252	Brushhog - Unit	UNITS					Teste March 194
413262	Hand Cut-Chip - Unit	UNITS					ENT.
413263	Hand Cut- No-Chip - Unit	UNITS					
413264	Clear Base of Pole- Chip - Unit	UNITS					
413265	Clear Base of Pole- No-Chip - Unit	UNITS					
413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					1. 19.10
413101	Removal no chip, S" DBH up to 8" DBH - O&M	EA					Reference and the second se
413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					1-4-1
413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					100+2
413107	Removal no chip, 24" OBH up to 30" DBH - OBM	EA					
413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					My Children Children
413093	Removal and chip, 5" DBH up to 5" DBH - C&M	EA					1000
413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					DAY
413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					Letter and the second
413097	Removal and chip, 12" OBH up to 24" DBH - O&M	EA					1
413098	Removal and chip, 24" OBH up to 30" DBH - Capital	EA					1-00
413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
413139	Danger Tree - Work Planning - \$/Mile	MI					
413140	Danger Tree - 5" to 8" - \$/unit	UNITS					Carlos Ca
413141	Denger Tree - 8" to 12" - \$/unit	UNITS					077
413142	Danger Tree - 12" to 24" - \$/unit	UNITS					2
413143	Danger Tree - 24" to 30" - \$/unit	UNITS					No.
413144	Danger Tree - Overhang - \$/unit	UNITS					

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SVC 1D	Description	Order Unit	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor equipment, direct o/h, other o/h)			
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS			-	ner o-Leon Medale	Constraint of the second second second			
419257	Conv. Chip 2 sided (Standard) - Unit	UNITS	O Love 2		CONTRACT OF THE OWNER					
413254	Conv. Chip 1 sided (Complex) - Unit	UNITS								
413256	Conv. Chip 2 skied (Complex) - Unit	UNITS					F. 2 (1)			
413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	12.11	THE REAL PROPERTY.	han at the second		0.2			
413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS		10.20						
413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					1			
413250	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					15-1 C			
413253	Canv. Single Tree Prune - Unit	UNITS					Electron and a second s			
413243	Buck Single Tree Prune	UNITS	the start	all and the second		1 - 15				
413245	Buck. Chip 1 sided (Standard) - Unit	UNITS	111111	10000	1.2.1.2.1.2.1		0.031			
413247	Buck. Chip 2 sided (Standard) - Unit	UNITS		1						
413244	Buck. Chip 1 sided (Complex) - Unit	UNITS								
413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					1.00			
413245	Buck. No-Chip 1 sided (Standard) - Unit	UNITS								
413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					(84) ·····			
413248	Buck, No-Chip 1 skied (Complex) - Unit	UNITS					Sec. Constant			
413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					1415			
413252	Brushhog - Unit	UNITS					1.1			
413262	Hand Cut- Chip - Unit	UNITS								
413263	Hand Cut- No-Chip - Unit	UNITS								
113264	Clear Base of Pole- Chip - Unit	UNITS								
413265	Clear Base of Pole- No-Chip - Unit	UNITS								
413100	Removal no chip, 5" DOH up to 8" DBH - Capital	EA								
413101	Removal no chip, 5" DBH up to 11" DBH - OILM	EA								
413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA								
413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					Sec. 1			
413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					1.7.1			
13105	Removal no chip, 12" OBH up to 24" DBH - O&M	EA					D			
413105	Removal no chip, 24" DBH up to 30" DBH - Capital	EA								
13107	Removal no chip, 24" OBH up to 30" DBH - O&M	EA					and the second sec			
413092	Removal and chip, 5" DBH up to #" DBH - Capital	EA								
	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					1.10.10			
413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA								
13095	Removal and chip, 8" DBH up to 12" OBH - O&M	EA								
413096	Removal and chip, 12" DBH up to 24" OBH - Capital	EA					Est.			
13097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA								
13098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA								
13099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA								
13139	Danger Tree - Work Planning - \$/Mile	MI								
13140	Danger Tree - 5" to 6" - \$/unit	UNITS								
13141	Danger Tree - 6" to 12" - \$/unit	UNITS								
413142	Danger Tree - 12" to 24" - \$/unit	UNITS								
13143	Dangar Tree - 24" to 30" - \$/unit	UNITS					5			
413144	Danger Tree - Overhang - \$/unit	UNITS					21			

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Labor	Equipment	Direct overhead (ax. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, squipment, direct o/h, other o/h)	Lebor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of lab equipment, direct o/l other o/h)		
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SVC ID	Description	Order Unit	LEDOT	Equipment	Direct overhead (ex. Supervisor, field safety)	and fees	d Unit price (sum of labo equipment, direct o/h other o/h)			
413255	Conv. Chip 1 sided (Standard) - Unit	UNITS	1				a mouth result to the second			
413257	Conv. Chip 2 sided (Standard) - Unit	UNITS		Children (State of the second	and Party in	121			
413254	Conv. Chip 1 sided (Complex) - Unit	UNITS								
413255	Conv. Chip 2 sided (Complex) - Unit	UNITS					Paul			
413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS					ALS -			
413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					1111			
413258	Canv. No-Chip 1 sided (Complex) - Unit	UNITS					17 h			
413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS								
413253	Conv. Single Tree Prune - Unit	UNITS								
413243	Buck Single Tree Prune	UNITS	ME 12 1	1 m	NAME AND DOM: N		2011			
413245	Buck. Chip 1 sided (Standard) - Unit	UNITS			Carl State Carls	and the second second				
413247	Buck. Chip 2 sided (Standard) - Unit	UNITS	une-	Contraction Contraction	A CONTRACTOR OF A CONTRACTOR		0			
413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					-			
413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					The second second			
413245	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					ALC: 21. 12.			
413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					Tiotes-			
413245	Buck, No-Chip 1 sided (Complex) - Unit	UNITS					10.02			
413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					100			
	Brushhog - Unit	UNITS					6.7 . · · · · ·			
413262	Hand Out- Chip - Unit	UNITS					0			
413263	Hand Cut- No-Chip - Unit	UNITS					all the second s			
413264	Clear Base of Pole- Chip - Unit	UNITS								
413265	Clear Base of Pole-No-Chip - Unit	UNITS								
413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA								
413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA								
413102	Removal no chip, 6" DBH up to 12" DBH - Capital	EA								
413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA								
413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA								
413105	Removal no chip, 12" OBH up to 24" DBH - O&M	EA					1027 V			
413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA								
413107	Removal no chip, 24" OBH up to 30" DBH - O&M	EA					10 m			
413092	Removal and chip, 5" DBH up to B" DBH - Capital	EA					1			
413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					6(2)			
413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA								
413095	Removal and chip, 8" DBH up to 12" DBH - OBM	EA								
413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					et has			
413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					1574 ·····			
413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					100			
413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					The			
413139	Danger Tree - Work Planning - \$/Mile	MI					21.000			
413140	Danger Tree - 5" to 8" - \$/unit	UNITS					17.2			
13141	Danger Tree - 8" to 12" - \$/unit	UNITS					TEL .			
413142	Danger Tree - 12" to 24" - \$/unit	UNITS					17.1			
13143	Danger Tree - 24* to 30* - \$/unit	UNITS								
	Danger Tree - Overhang - \$/unit	UNITS								

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Instructions for filling in pricing sheets

- 1) There are 6 tabs in this workbook, where we would like your help in getting your pricing and Transmission Areas (current contract assignment, future interest, etc.)
- 2) The tabs are Labor, Equipment (T&D), Duke Midwest, Duke Energy Carolinas (DEC), Duke Energy Progress (DEP), and Duke Energy Florida (DEF)
- 3) In the other tabs identifying the Duke Regions and associated planned miles, please follow the instructions below to identify the areas where you are currently working, no longer desire to wor, or where you would like to work
- 4) Please highlight in GREEN zones in which you operate today and will continue to do so in the future. For example, if you operate in DEC NR (Northern) please highlight the entire column in GREEN
- Please highlight in RED zones in which you operate today but are no longer interested in going forward. For
 example, if you operate in DEC NR (Northern) but are no longer interested please highlight the entire column in Please highlight in YELLOW (YELLOW) zones in which you do not operate today but are interested in going
- 6) forward. For example, if you do not operate in DEC NR (Northern) but are interested going forward please highlight the entire column in YELLOW (YELLOW)
- 7) In case anything is unclear, please email your Duke Energy point of contact for clarification
- 8) The miles shown are total planned miles. The actual miles for each Transmission Region may only be 75-80% of the total planned miles because 20-25% may be bid as lump sum projects.

Duke Energy Labor Rates

				Transc	nission	
	a - 10		DMW	DEC	DEP	DEF
Service Item	New Description	New Long Description	Rate	Rate	Rate	Rete
1413149	T - ST General Foreman	Crew(s) Supervisor				
1413150	T - ST Foreman A	Experienced Crew Leader				
1413151	T - ST Foreman B	Entry level Crew Leader	1		-	
1413152	T - ST Trimmer A	Top Climber/Trimmer				1
1413154	T - ST Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)		and a state of the		
1413155	T - ST Trimmer C	Entry Level Climber/ Trimmer			in a	
1413156	T - ST Learner	Entry Level Position / Flagger / Groundman				
1413158	T - ST Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc		and the second se		
1413157	T - ST Work Planner	Utilized to pre-plan work (Demand tickets)				-
1413358	OT -General Foreman -Trans Tree	Crew(s) Supervisor	3 1	1		
1413159	T - OT Foreman A	Experienced Crew Leader	1			
1413160	T - OT Foreman B	Entry level Crew Leader				
1413161	T - OT Trimmer A	Top Climber/Trimmer				1
1413162	T - OT Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)	1			
1413163	T - OT Trimmer C	Entry Level Climber/ Trimmer		Terra II		10
1413164	T - OT Learner	Entry Level Position / Flagger / Groundman			-	
1413166	T - OT Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
	T - OT Work Planner	Utilized to pre-plan work (Demand tickets)				

			Transmission				
		DMW	DEC	DEP	DEF		
Service Item New Description	New Long Description	Rate	Rate	Rate	Rate		
1455340 Per Diem	Daily per diem per person for lodging and meal expenses		-	_			

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			attended and the second second second second	Transmission & Distribution					
	and the seal			DMW	DEC	DEP	DEF		
Туре		New Description	New Long Description	Rate	Rate	Rate	Rate		
Accessory		Tablet	Tablet, Specified for Data Collection (excluding general laptops)	100 The 100			1.12		
Accessory		Equip. Trailer	Equipment Trailer	TVA STATE					
Bucket		2x4- Aerial Lift 30 - 37'	2 x 4 Aerial Lift w/ 30 - 37' lift w/ saw & tools	See 1					
Bucket	1401641	2x4- Aerial Lift 50 - 57'- w/winch	Aerial Lift, 57' height 2 wd, w/ winch, tools & saws						
Pick up	1401612	2x4- Spray Truck	2x4 Truck, sprayer equipped	3	Real Land				
Bucket		2x4- Aerial Lift 50 - 57 '- w/o dump	Aerial Lift, 57' height 2 wd, w/ saws & tools						
Bucket	1401635	2x4- Aerial Lift 70' or >	2x4- Aerial Lift 70' or > w/ dump, hydraulic tools & saws	Julia G					
Bucket		2x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 2 wd, w/ dump & tools & saws						
Bucket		2x4- Aerial Lift 50 - 57'- Diesel	Aerial Lift, 57' height 2 wd, w/ dump & saws- Diesel	같이 가운 것 같아.					
Bucket	1413148	2x4- Aerial Lift 50 - 57'- Rev Mnt w/float	tires 2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws	and the second second					
ther Truck		2x4-Split Dump	2 x 4 Split dump w/ chip bed w/ saws & tools		02:20 3:00				
ther Truck	1473722	2x4- Split Dump- Diesel	2 x 4 Split dump w/ saws & tools- Diesel	1.02.0		1			
Bucket	1489748	4x4- Aerial Lift 30 - 37'	4 x 4 Aerial Lift w/ 30 - 37' lift w/ saw & tools	25588, []1					
Chipper	1401654	Disc Chipper	Disc Chipper						
Chipper	1401655	Drum Chipper	Standard Drum Chipper						
Bucket	1401637	4x4- Aerial Lift 57'- Paddlefoot	Aerial Lift, 57' height 4 wd, Paddlefoot w/ winch & saws			-			
Bucket		4x4- Aerial Lift- 57'- w/o dump	Aerial Lift, 57' height 4 wd, w/ winch, tools & saws without dump	1755					
Pick up		2x4- PickUp- Crew Cab	Zx4- PickUp- Crew Cab	1775 S 10 10 10					
Pick up		4x4- PickUp- <1Ton	4x4- PickUp- <1Ton						
Pick up		2x4- PickUp- <1Ton	2x4-PickUp- <1Ton						
Pick up		4x4- PickUp- Crew Cab	4x4- PickUp- Crew Cab	1000					
Bucket		4x4- Aerial Lift 70' or >- w/winch	4x4- Aerial Lift 70' or > w/ dump, tools, saws & winch						
Bucket		4x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 4 wd, w/ dump & saws						
Bucket		4x4- Aerial Lift 50 - 57'- Diesel	Aerial Lift, 57' height 4 wd, w/ dump & saws						
ther Truck		4x4- Scissor Lift- Paddlefoot	4x4 Rev Mnt 60/70 Scissorr Lift Fb w/floatation tires min ht 70-75' w/ tools & winch		11				
Bucket		4x4- Skidder Bucket 50-55'	4x4 Skidder Bucket 50-55' w/tools	2.00					
ther Truck		4x4- Split Dump	4 x 4 Split dump w/ tools & saws	12					
ther Truck		4x4- Split Dump- Diesel	4 x 4 Split dump w/ tools & saws 4 x 4 Split dump w/ tools & saws - Diesel						
ther Truck		4x4- Tractor 5-6' hog- w/winch							
ion truck		ATV	Farm/Forestry Tractor, 4WD, 5" - 6" wide brush hog w/winch All Terrain Vehicle 4x4 w/ & trailer						
Bucket		Aerial Lift 42' or >- Backyard	Backyard Aerial Lift 42' or > w/ trailer			-			
ion truck		80at & Motor	Boat, Motor & Trailer w/ tools & saws						
ther Truck		Brown Monitor Mower/Sprayer			-				
ion truck		Brush Cutter - Flail Mower	Brown Monitor Mower/Sprayer						
ther Truck		Rubber Tired Feller Buncher	Hydro Axe, Geoboy, Kershaw klearway w/ fecon, seppi, cutter head, etc Feller Buncher 20" cutter head	5		-			
ther Truck		Prentice Loader							
on truck		Marsh Master	Grapple Truck w/ dump bed		10 To C-104, 22	I			
her Truck		Skid Steer Loader	Tracked amphibious vehicle/with trailer	-			1.		
ther Truck		Rollback w/20' bed	Skid Steer w/ loader attachment						
ion truck		UTV	Rollback w/20' bed						
			Utility Vehicle, side by side, gator, Ranger, Mule, Rhino etc w/ trailer						
ther Truck		Rubber Tired Mech. Trimmer- 70'	70' telescoping arm mechanical side trimming device - rubber tired skidder	en.					
on truck		Skid Steer Mower	Skid Steer Mower w/ Fecon Head	15.62		200			
on truck		Stump Grinder	Stump Grinder				-		
Chipper		Large Cap. Chipper	Large Capacity Chipper	第三次 中文					
ther Truck		Tracked Excavator- Feller Buncher	Tracked excavator- feller buncher head		1				
Pick up		4x4- Spray Truck	4x4 Truck, sprayer equipped				0.725		
ther Truck		Tracked Mech Trimmer 70'	70' telescoping arm mechanical side trimming device mounted on tracks						
ther Truck		Tractor & Lowboy	Tractor & Lowboy	Sec. 1	5	-			
ther Truck		Tractor & Lowboy- Stby Time	Tractor & Lowboy- Stby Time						
non truck	1507126	Tracked Excavator- Fecon	Tracked excavator- Fecon head (Shinn Cutter, Pro Grind)		We have been	COLOR NO.			

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non truck	1507127	Tracked Excavator - Slash Buster	Tracked Excavator - Slash Buster	11 St 24 St 13			
non truck	1507129	Argo	Argo w/trailer - wheeled or track	With the st			
non truck	1528062	Barko		the state of the second			
non truck	1504599	Storm Mileage - Small Vehicle	Rate/mile		1.7		
non truck	1517389	Storm Mileage - Medium Vehicle	Rate/mile	() () ()			
non truck	1504598	Storm Mileage - Large Vehicle	Rate/mile	17			
non truck				1. State 1999			
1	- 11			Biolei Reol gi	16 mai 21.31	8	
				110-14 H. S. M. B.			
Misc	A state of the sta	Other meridined equipment		Instruction (Section 20)			
Wilse .	- 21 - 10 -	Other specialized equipment		Line of the	in states, particular	 Contract (1997) 2015. 	

				1 Midfanda James (c)	Transmission	8. Distribution	
	16.01			DMW	DEC	DEP	DEF
Туре	Service Item	New Description	New Long Description	Rate	Rate	Rate	Rate
Helicopter	1455337	Aerial Saw-Ferry Time	Aerial saw; flight time to and from landing zone without saw working	and the second	Contraction restored		a the life of the sector of
Helicopter	1455339	Aerial Saw- Per Diem	Aerial Saw meals & lodging- per day & man	UND STREET	E Sol test of		
Helicopter	1457856	Aerial Saw- Delays	Aerial Saw Delays Beyond Contractor Control				2
Helicopter	1457857	Aerial Saw- Transport	Aerial Saw Transport Vehicle Mileage Rate	山田 神戸市 白いたいさ	STATE STATE	10.50	
Helicopter	1489751	Aerial Saw 1	Aerial Saw- Level 1 Pilot	The state of the state			
Helicopter	1489752	Aerial Saw 2	Aerial Saw- Level 2 Pilot				
Helicopter	1489754	Aerial Saw 3	Aerial Saw- Level 3 Pilot		Station Station	4	
Helicopter	1489755	Aerial Saw 4	Aerial Saw- Level 4 Pilot	C. A MACHINE CO. A	140		1

ubine Marta (Ba	Transmission Operating Area - Planned Miles												
Indiar	Indiana North		Southeast	indiana Southwest		Ohio		Kentucky		Joint Owner			
Nert	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc		
83.52	157.53	152.53	32.46	67.9	94.69	74.76	152.47		12.51	\$8.97			

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			Transmis	sion Operat	ing Area - Planne	d Miles			
	CA		NA		SA		- DEC	WA - DEP	
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc
29	275	49	139	30	250	6	39		68

enesitä tuitetteit			Transmis	sion Operati	ing Area - Plann	ed Miles			
СТА		er († 1940) et (A-NB	ETA-WL			ITA [STA	
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc
130.48	117.76	96.02	94.1	92.36	51.01	132.42	106.02	76.99	67.92

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		Transm	ission Operating	, Area - Plan	ned Miles		
Co	astal	North	North Central		thern	Southern	
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc
29.12	107.57	237.83	72.77	201.6		102.27	85.58

STAFF-POST HEARING-DR-01-018 (e) CONFIDENTIAL **ATTACHMENT 4 IS BEING PROVIDED UNDER SEAL OF A PETITION FOR CONFIDENTIAL** TREATMENT



Duke Energy T&D Strategic Sourcing 526 South Church Street PO Box 1006 - EC11Z Charlotte, NC 28201-1006

September 19, 2017

We thank you for the support you are providing in restoration efforts following Hurricane Irma in the safe manner we expect and share. As of Monday, September 18th you have helped us restore power to nearly 1.8 million customers.

As the storm restoration efforts wind down, we want to remind you of the current sourcing effort that is underway to help us agree on new contracts by January 1, 2018.

Please be reminded to complete the pricing and cost package as requested. This information will be important to help us understand and jointly manage the challenges facing our industry.

We look forward to receiving these proposals as soon as possible and no later than the extended date of October 4, 2017.

Sincerely,

Right

Collin Sequeira Director Sourcing Duke Energy Supply Chain

CALL AND		CONTRACTOR -	a second second	Set in the	(ONW-	felliderent	- 14-		1.122.5	24/2000
	and the second	NVI	MIN2	EIVI	EV3	WIVE	WIVE	ONY	DEY	onv	KW
SVC ID Description	10-1-11-1	En Units	Ext Units	Thi Units	Ert Units	Ex Linfo	Let Units	Eri Ciniti	Est Links	Est Units	Fet Units
1411255 Conv. Chip 1 stded (Standard) - Unit	UNITS	538	1,007	1945	1193	711	394	2581	923	2381	115
1433257 Conv. Chip 2 sided (Standard) - Unit	UNITS	660	271	1171	1345	625	179	4620	721	4493	100
433254 Conv. Chip 1 sided (Complex) - Unit	UNITS	1	1	23	23	1	23	4	0	4	0
14113356 Carre, Chip 2 skiled (Camples) - Unit	UNITS	1	23		100	20	90	554	0	554	0
413259 Cany, No-Chip 3 skind (Standard) - Unit	UNITS	23	4	0	0	0	0	217	1382	297	409
412261 Conv. No-Chip 2 sided (Standard) - Unit	UNITS	1	0	0	0	D	0	40	570	40	106
413250 Cenv. No-Chip 1 sided (Complex) - Unit	UNITS	0	0	0	0	0	0	0		-	0
1413200 Comv. No-Chip 2 sided (Complex) - Unit	UNITS		0	9	0	9	0	0	0	0	0
413253 Curry Single Tree Prune - Unit	UNITS	219	110	54	33	44	26	748	142	748	14
413243 Back Single Tree Prime	UNITS	816	376	104	156	311	191	2758	1906	2759	929
411245 Buch, Chip 1 Lided (Standard) - Mail	UNITS),184	1505	1925	2145	2303	2270	10492	7324	10492	2117
413247 Buch Chip 2 sided (Standard) - Unit	units	(15	300	571	736	583	751	2671	453	2678	152
419244 Back. Chip 1 skied (Complex) - Unit	UNITS	3		14	14	1	1	818	405	316	154
419246 Buch, Chip 2 sided (Compile) - Unit	UNITS	3		16	26		21	147	0	43L 147	0
1413249 Buch, He-Chip 1 sided (Standard) - Unit	UNITS	D	0	0	0	0		4	278		
411251 Black, No-Chip 2 skind (Standard) - Unit	GINTS	D	D	0	0	0	0	0	2	4	0
413246 Buck, Ne-Chip 1 elded (Complex) - Unit	UNITS	0	0	0	0	0	0	0	0	0	0
433250 (livel, He-Chin 3 night (Complex) - Unit	UNITS	0	0	0	0	0		0		-	0
433252 Brushber - Unit	UNITS	0	28	14		-	0	and the second se	0	0	Q
413262 Understalling - State 413262 Hand Cut- Chip - Unit.	UNITS	11	103	114	1	1	0	37	5	17	\$
412263 Hand Cut- Vie-Chip - Unit	UNITS	38	D	1	137	43	17	484	574	464	713
413204 Geer Gase of Pele- Chip - Unit	UNITS	175	43	197	3	1	3	169	77	189	٥
423265 Clear Base of Pele- No-Chip - Unit	UNITS	1/5	40	109	292	180	293	167	396	147	201
413200 Contraction of Polic Re-Royard Contraction And Addition of the Addition	EA	9			165	231	237	4	92	4	۵
			25	101	250	-	#5	345	293	345	143
413101 Removal no chip, 5" D0H up to 6" D0H - O&M	EA	0	0	23	21	0	0	0	0	e	0
433102 Remarkal no chip, 8" DBH up to 3.2" DBH - Capital	EA	5	- 49	503	637	24	159	404	770	404	270
413103 Reneval no chip, 5" DIH up to 12" DIH - O&M	EA	1	0	17	21	٥	0	0	0	0	0
413104 Nemovel op chip, 12° DilH up in 24° DilH - Capital	EA	16	54	412	626	100	239	550	1369	550	413
413105 Revealed in p chip, 12" DBH up to 24" DBH - GEM	EA	1	7	13	16	4	10	202	15	202	1
413106 Renewed no chip, 24" DBH up to 30" (BBH - Cepital	EA	1	16	105	146	52	95	110	390	110	76
413307 Removel no chip, 24" DBH up to X7" DBH - O&M	EA.	0	1	1	1	D	1	22	4	22	Q
413092 Nemeval and chip, 5" COH up to 3" COH - Capital	EA	33	813	MS	512	114	374	2964	307	2964	40
419093 Remeval and chip, \$" DBH up to 8" DBH - O&M	EA	٥	0	0	0	0	0	0	Q	0	ů.
415094 Remeval and chip, 8" (GH up to 32" DBH - Cepital	EA	112	706	199	909	270	561	3940	711	3940	161
413095 Remeval and chip, 4" DEH up to 12" DBH - O&M	ĘA	1	0	1	2	0	9	0	1	D	0
412086 Removal and ship, 12" Olifi up to 24" DBH - Capital	EA	305	910	1068	1025	1414	1115	4329	1619	4329	332
419097 Removal and chip, 12" DBH up to 24" DBH - O&M	EA	11	77	147	159	41	71	345	100	305	- F
433000 Rememal and ship, 34" (20H up to 30" (20H - Capital	EA	12	203	348	346	371	289	746	268	748	50
42.009 Removal and chip, 34" DBH up to 30" DBH - OAM	EA	2	20	30	31	75	23	40	17	40	D
413139 Danger Tree - Work Planning - \$/Mile	MI	0	322	274	175	103	61	997	D	997	Q
413140 Denger Tree - 5" to 8" - 5/unit	UNITS	2	72	39	12	14	,	140	-48	180	176
413141 Danger Tree - A" to 12" - 5/uph	UNITS	14	163	133	17	11	21	194	104	194	3162
413142 Danger Tree - 12" to 34" - 5/unit	UNITS	41	467	197	274	67	91	453	216	633	501
413143 Danger Tres - 24" (e 30" - \$/unit	UNITS	7	101	15	70	3	42	77	71	77	87
413144 Danger Tree - Overhang - S/unit	UNITS	0	0	D	0	0	tù .	0	0	0	0

		1 2000	1		States in the second second	19	DEC - Care	tines West	A 15-11	1		a
			Charlotte East	Charlotte Heat	Wineson Salam	Handersonville	Service and	Grassabere	Trimpie	Charlotta South	Anderson	Hentahala
IVC ID	Description	Order Link	Ext Units	En Units	Est Units	Est Units	Est Units	Ret Gelta	Bet Civita	Ext Links	Ext Unite	Est Links
1413255	Come Chip 1 sided (Standard) - Unit	UNITS	1111	2016	3286	1514	1551	2012	1936	1559	1771	409
413357	Cenv. Chip 2 sided (Standard) - Unit	UNITS	2257	1296	2134	3404	1122	1122	456	1950	2154	1017
411354	Corry, Chip L sided (Complex) - Unit	LINUTS	40	59	30	9	14	42	23	12	70	19
1413256	Conv. Chip 2 sided (Complex) - Unit	UNITS	55	19	52	82	20	11	5	101	111	128
413259	Corry, Na-Ehlp 3 sided (Standerd) - Unit	UNITS	526	1205	1434	15	122	691	791	579	774	145
419261	Come. No-Chip 2 sided (Standard) - Unit	UNITS	407	929	1130	472	219	524	444	639	815	444
	Conv. Na-Chip 3 Morel (Complex) - Unit.	UNITS	3	4	3		0	0	2	1 1	5	2
	Coord, No-Chip 2 sided (Complex) - Unit	UNITS	1	10	19		3	3	2	11	1	56
413253	Corry. Single Tree Pruse - Unit	UNITS	73	174	120	30	27	21	12	17	15	11
413243	Buck Single Tree Prune	UNITS	195	468	548	133	124	161	137	45	282	39
413245	Buck, Chip (yided (Standard) - Unit	UNITS	3729	3657	5068	2301	41,19	2543	2546	2655	4067	623
	Buck, Chip 2 skied (Standard) - Unit	UNITS	1076	1239	1550	2374	1756	592	597	1204	1723	961
	Buck, Chip J sided (Complex) - Unit	UNITS	55	3)	75	44	15	14	14	9	54	16
	Buck. Chip 2 sided (Complex) - Unit	UNITS	25	12	15	45	5		5	7	27	37
	Buch, Ne-Chip 2 sided (Standard) - Unit	UNITS	1	16	24	7	0	56	50	7	121	15
413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS	0	1	3	1	0	2	1	1 1	7	0
	Buck, No-Chip 1 sloved (Complex) - Unit	UNITS	0	1	0	D	0	D	0	0	0	0
_	Buck. Ne-Chip 2 skilled (Cemplex) - Unit	UNITS	0	1	0	0	0	0	0	0	0	0
	Brushing - Unit	UNITS	145	174	297	0	34	191	136	140	90	0
	Hand Cut+ Chip - Unit	UNITS	103	22	35	NS	32	111	223	473	267	278
	Hami Cat- No-Chip - Unit	LANITS.	26	40	104	10	1	119	36	13	60	127
	Clear Stee of Paie- Chip - Unit	UNITS	154	346	199	75	347	346	156	120	369	29
	Clear Bits Of Pale- No-Chip - Unit	UNITS		170	291	14	31	347	213	11	107	5
	Remewal no citip, 5" DEH up to 8" DEH - Capital	EA	574	1	236	285	141	107	215	821	362	143
	Remember of the 5" DEN on the 5" DEN - OILM	IA	9	0	D	0	0	0	0	9	D	243
	Arment so this, 4" DBH up to 12" DBH - Capital	EA	603	100	2027	304	180	2121	1257	1133	601	\$12
	Kernevisi Be chip, 4" DBH up to 32" DBH - OAM	EA	1	0	2	1	0	0	0	0	0	532
	Semientine chip, 12" DBH up to 24" DSH - Capital	EA	197	473	1225	140	113	750	545	34	\$04	200
	Removal ee chie, 12" DBH we to 24" DBH - CI&M	EA	11	3	106	74	6	5	17	0	19	
	Removal we chin, 24" DBH up to 30" DBH - Cenital	EA	16	19	15	13	4	67	31	12	44	3
	formetel as this, 34" DBH up to 30" DBH - DBAs	EA	1		9	5	2	2	1	12	1	
	Removal and chip, 5" Dilit up to J" Oliti - Capital	EA	17	1	532	142	4	634	420	341	219	-
	Remeval and this, 5" DEH up to 8" CBH - CBM	EA	0	0	0	0	0	0	920	0	0	105
413094		EA	145	356	377	135	57	653	552	116	292	596
	Removed and chip, #" (10H up (p 12" (10H - Offiel	EA	D	1	1	1	23	0	991 Ø	0	0	59%
	Remeasifend chip, 12" DBH up to 24" DBH - Capital	EA	- 63	283	479	193	75	389	285	227		224
	Removal and this, 12" DBH up to 24" DBH - CABM	EA	54	75	240	495	4) 20	77	59	3	195	
	Removal and chip, 24" DBH up to 30" DBH - Capital	EA	6	21	29	455	10	43	28		10	51
	Removal and chip, 24" 08H up to 30" 08H - O&M	EA	1	19	21	37	10	11	1		12	19
	Danger Tree - Work Planning - \$/Mile	MI	2348	3196	3125	1649	1172	1534	1504	2005	4	4
	Donger Tree - 5" te B" - 5/unit	LINITS	2340	101	31.5	26	11/2	1540	1504	2005	1443	1069
	Danger Tree - 5 to 5 - 5/unit Danger Tree - 6" to 12" - \$/unit	UNITS	251	101	416	120	229	257			314	7
	Danger Tran - 12" to 24" - 5/unit	UNITS	241	285	#16 .003	307	229	257	175	446	502	112
	Denger Trim - 32" to 30" - S/unit Denger Trim - 24" to 30" - S/unit	UNITS	203 65	74	94	307		243	202	515	754	232
	Danger Tree - Overhang - S/unit	UNITS	45	14	25	26	57	21	31	65	79	57

		DEP-Cavelina Inst							1000	
		Atheville	Capital North	Rainigh-Cary	Barser-Cape Pear	BR-NC	SR-Mid	SR-BC	Galdsbora- MHC	Witningto
SVC ID Description	Order Unit	Est Units	Est Units	Est Linits	Est Units	Brt Units	Est Units	Est Units	Est Units	fot Units
1415255 Conv. Chip 1 sided (Standard) - Unit	UNITS	503	2017	677	1511	1017	580	1489	\$20	1109
1415257 Conv. Chip 2 olded (Standard) - Unit	UNITS	943	2070	406	1151	692	595	##2	396	471
1415254 Conv. Chip L sided (Complex) - Unit	UNITS	D	24	0	6	Q	3	э	3	0
1418256 Conv. Chip 2 sided (Complex) - Unit	UNITS	3	21	0	10	3	1		23	D
1419259 Conv. No-Chip 1 sided (Standard) - Unit	UNITS	115	1576	542	522	957	970	1213	\$31	994
1415261 Core. No-Chip 2 sided (Standard) - Unit	UNITS	619	1745	557	348	617	520	605	521	515
1413258 Conv. No-Chip 1 sided (Complys) - Unit	UNITS	0	1		1	1	D	2	10	Ó
1413260 Cenv. No-Chip 2 sided (Complex) - Unit	UNITS	D		0	D	2		5	7	0
1418258 Com. Single Tree Prane - Unit	UNITS	11	7	\$1	\$\$	65	2	1	70	73
1923245 Buck Single Tree Prune	LINITS	189	108	1065	259	491	54	32	485	277
1413245 Buck. Chip 1 sided (Stendard) - Unit	UNITS	3470	3351	3844	2793	3789	2375	3050	2864	1984
1423247 Buck. Chip 2 sided (Standard) - Unit	UNITS	2648	781	171	441	959	349	619	261	367
1413244 Buck. Chip 1 sided (Complex) - Unit	UNITS	\$7	32	0	25	4	1	0	5	4
1413244 Buch. Chip 2 sided (Complex) - Unit	UNITS	5		a	5	3	o	1	2	0
1413249 Buck. Ne-Chip 1 sided (Standard) - Unit	UNITS	9	5	5	45	47	2	0		70
1419253 Buch, No-Chip 2 sided (Standard) - Unit	UNITS	5	0	a	3	10	0	0	0	2
1419248 Buck, Na-Chip 1 sided (Complex) - Unit	UNITS	0	0	0	۵	0	0	Û	D	1
1419250 Buck, Ne-Chip 2 sided (Complex) - Unit	LINITS	o	0	٥	0	0	0	0	0	0
1419253 Bruikhag - Unit	UNITS	22	934	63	97	179	204	172	151	224
1419282 Hand Cut- Chip - Unit	UNITS	193	52	42	75	31	95	191	328	28
1419363 Hand Cut- No-Chip - Linit	UNITS	95	14	+	11	17	31	28	15	24
1415264 Clear Base of Pole- Chip - Unit	UNITS	\$8.1	500	218	416	303	196	190	900	167
2419365 Clear Base of Pale-No-Chip - Unit	UNITS	68	259	56	161	155	386	207	34	523
1419100 Removal no chip, 5" DBH up to 8" DBH - Capital	EA	78	554	51	16	32	129	24	7	11
1415101 Removal na chia, 5° DBH up to 8° DBH - O&M	EA	2	D	D	a	0	0	D	1	0
1415102 Removal no chip, 8" DBH up to 12" OBH - Capital	EA	219	21.54	124	1236	151	334	148	62	330
1418103 Removal ne chie, 8" DBH up to 12" DBH - D&M	EA	2		15	14	6	1	p		2
1415104 Removal no chie, 12" DBH us to 24" DBH - Ceekal	EA		656	152	472	257	510	339	77	177
1413105 Removal ne chip. 12" DIM up to 24" CRN - CGM	EA	30	1	4	3	6	4	4	4	7
1425106 Removal no chip, 24" DBH up to 30" DBH - Copital	EA	6	71	41	53	34	31	27	15	24
1413107 Removal no chip, 24" DBH up to 90" DBH - OBM	EA	0	9		0	0		6	1 1	0
1415092 Removal and chip, 5" DBH up to 8" DBH - Cepital	EA	M	94	13	0	3	42	-	0	2
1415098 Removal and chip, 5" DBH up to 8" DBH - ORM	EA	0	a	0	0				0	0
1413034 Removal and this, 8" DBH up to 12" DBH - Capital	EA	169	144		54	65	70	20	20	42
1419095 Removel and chip, 5" DBH up to 12" OBH - D&M	EA	5	10	4	20	50	g	14	40	4
14330% Removal and pive, 11" DBH up to 24" DBH - Capital	EA	216	94	81	45	87		25		119
1435097 Remeval and chip, 12" DBH up to 24" DBH - OBM	EA	107	16		20	19		25	28	
1413018 Removal and chip, 24" CBH up to 30" CBH - Capital	EA	30	-	21	15	20	15	5		13
1413035 Removal and cirls, 24" DBH up to 30" DBH - O&M	EA	12	2	0	5	1	15		1	
1413133 Danger Tree - Wark Planning - \$/Mile	MI	1186	2946	1010	1595	1 691	929	-		1
1415135 Danger Free - Ware Facing - System 1415140 Danger Tree - 5" to 8" - \$/wit		17	128	1010	1595		929	2487	721	851
L413140 Danger Tree - 5" to 12" - 5/unit	UNITS	125	2/15	114	13	42	0	15	0	137
1413142 Denter Tree - 12" to 24" - S/unit	UNITS	354	245	160				32	10	124
1413142 Danger Tree - 12" to 24" - Sylunit 1413143 Danger Tree - 24" to 30" - S/unit	UNITS	102	\$11 46	254	117	100	12	36	15	171
IA131A3 Danger Tree - 24" to 30" - 3/unit IA131A4 Danger Tree - Overheing - \$/unit	UNITS	102	46	55	48	17	3	10	4	32

1,715			見てきたい	Der-	Fiorida	与法律部件的目标	
			North Constal	North Certinal	South Central	South Cimical	
EVC ID	Description	Confer Unit	Bet Chertes	Eat Limits	Ed Units	Car Martia	
141335	Conv. Chip 1 sided (Standard) - Unit	LINETS	57)	Jáno	2927	NO.	
	Cover, Chip 2 sided (Standard) - Unit	UNITS	1092	2724	2777	635	
	Conv. Chip 1 skled (Complex) - Unit	Louits	2	1	49	1	
	Conv. Chip 2 sided (Complet) - Unit	UNITS	11	0	134		
	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	0	0	0	0	
	Correr. No-Chip 2 stated (Stander of - Unit	LINKIN	0	0	0	0	
	Comm. Nan-Chiu 3 sident (Complex) - Unit	UNITS	0	0	0		
	Corve No-Chie 2 sided (Corrolan) - Unit	LINETS	0	0	0		
	Come Mingle Free Prune - Unit	UNITS	32	15	195	60	
	Buch Single Tree Prune	UNITS	32	619	1750	434	
	5 Buch, Chip 3 slided (Standard) - Unit	UNITS	10524	7395	6259	2449	
	7 Buck, Chip 2 stated (Statebral) - Unit	UNITS	3561	2006	1307	543	
	Buch, Chip Selded (Complex) - Unit	UNITS	3201	2000	128	7	
	l pucci, cupp 2 stopen (company) - Unit	UNITS	4	2	128	2	
	Buck. No-Chip 1 sided (Standard) - Unit	UNITS	4	0	05	- 2	
	March, No-Chin 2 sided (standard) - Unit			0			
_	Back, No-Chip 2 skini (Scandurd) - Unit Back, No-Chip 1 sided (Complex) - Linit	UNITS	0		0	0	
			a	0	0	0	
	D Back, No-Chip 2 sident (Complex) - Unit	UNITS	0	0	0	0	
	E Brachhag-Unit	UNITS	283	,	1	0	
_	Flend Cut-Chip-Unit	UNITS	106	47	62	42	
	Hand Gue Na-Chip - Unis	UNITS	3	0	0	0	
	Ches Beau of Pale- Chip - Unit	UNITS	403	83	70	71	
	Cost Rose of Pole-No-Chip - Liek	UNITS	65	0	15	Ú	
	Remevel no chip. S* DBH up to 8* DBH - Capital	EA	¢.	19	0	e	
	Removal as chip, 5" Dilif ap to 8" Dilif - O&M	EA	1 0	11	0	0	
	Remeval no chip. 8" DBH up to L2" DBH - Capital	EA	74	567	D	0	
	Baraoval na chip, 8" DBH up ta 12" DBH - OBM	EA	12	21	٥		
	Remevel no chip. 12" DIRI up to 24" DIRI - Capital	EA	ŝ	192	4	27	
	Formoval nu chip, 12" Dilif up to 34" Dilif - Dilif	EA	14	34.5	40	20	
	Removed no chip. 24" DBH up to JO" DBH - Capital	₹A	22	779	25	17	
	Rennersh nu chip, 24" DBH up to 30" DBH - OikM	EA	6 /	75	4 6	3	
	Removal and chip. 5" OBH up to 5" DBH - Capital	EA.	7	4	D	0	
	Bernerel and chip, 5° 06H up to 6° 08H - 08H	EA	2	1	۵	0	
	Removal and thip, 4" URH up to 32" ORH - Capital	EA.	36	45	46	11	
	Removal and chip, 6" OEH up to 32" OBH - IGEM	EA	3	10	5	Q .	
	Normanal and chip, 3 2" OBH up to 24" OBH - Capital	EA	3	0	D	D	
13067	Removal and chip, 12" CIGH up to 24" CIGH - OGM	EA	59	4	a	0	
	Nernevel and chip, 24" DBH up to 30" OBH - Capital	EA	113	17	31	24	
41. I M H	Rement and ship, 24" QBH up to 35" DBH - O&M	EA	132	213	257	31	
4131.88	Danger Tree - Wark Manning - S/MDs	MU	157.7	167.7	472.0	0.0	
413140	Danges Tree - 5" to 8" - \$/ant	UNITS	8.0	15.0	15.0	5.0	
413141	Danger Tree- I" to 12" - \$/unit	UNITS	54.0	157.0	164.0	58.0	
413242	Danger Tree - 32" to 24" - 5/unit	UNITS	77.0	323.0	70.0	47.0	Estimated Danger Tree Units are tetal units for the historiad partial 2016 thru
413143	Denger True - 24" to 30" - \$/unit	UNITS	5.0	35.0	12.0	4.0	
A13144	Danger Tree - Overhang - S/weit	UNITS	0.0	12.0	15.0	0.0	

Midwest Transmission - 2018 Miles

Trans VM Areas	Nerc	Non Nerc	Total
Indiana North	83.52	157.53	241.05
Indiana Southeast	152.53	32.46	184.99
Indiana Southwest	67. 9	94.69	1 62.59
Ohio	74.76	152.47	227.23
Kentucky	0	12.51	12.51
Joint Owner	58.97		58.97
System	437.68	449.66	887.34

State	VM Areas	Miles	State Totals
Indiana	EIV1	385	
Indiana	ElV2	385	
Indiana	NIV1	385	2308
Indiana	NIV2	385	2508
Indiana	WIV1	385	
Indiana	WIV2	365	
Ohio	OEV	875	
Ohio	ONV	1450	2735
Ohjo	OSV	411	
Kentucky	KYV.	320	320
	Total	5364	5364

State*	5ystem	Trim Cycle - Yrs	Miles Per Yr	201 6-2017 Carryover	Total 2018 Work Plan
Indiana	16157	7	2308		2308
Kentucky	1440	5	320		320
Ohio	B202	4	2050	586	2736
	25799		4679	686	5365

Data Source: MW_Quarterly_Mileage_by_Phas_Q2_17, Conan Gibson Notes: This view proposes Indiana at 7-yr cycle, which depending on price may be within budget



Contractor EHS Management Program Health and Safety Supplemental Requirements Vegetation Management

Revision 2

December, 2016

*This document is a supplement to the Duke Energy Health and Safety Handbook

Applies to:

Vegetation Management – Transmission and Delivery Operations and Services

Revisions denoted in red fonts based on contractor feedback after 8/30/2016 release.

Revision #	Revision Content	Date
0	Original issue	October 2014
1	Added Section 15.0, Personal Protective Equipment	March 2016
2	Added Section 16.0, Heat Exposure and Hydration Added Section 17.0, Motor Vehicle & Mobile Equipment Operations	June 2016
	Added Section 18.0, Work Zone Safety	
	(Revisions based on feedback after release of Rev. 2).	December 2016
	Added Section 4.0 – Cardinal Vegetation Rules	
	Revised Section 11.0, clarified "discharge from emergency room"	
	Revised Work Zone 19.1.23 – clarified roles of the additional flagger	

OUR COMMITMENT TO HEALTH AND SAFETY EXCELLENCE

Duke Energy's Health and Safety Vision is aimed at cultivating:

"A healthy and injury-free workplace, sustained by behaviors that consistently demonstrate our commitment to the welfare of each other, our contractors, and to the communities we serve."

Contractor safety performance and engagement is a core expectation for contractors working for Duke Energy. Contractors are expected to embrace and hold their employees accountable to the Health and Safety Principles:

- Personal Accountability
 - o Be responsible for your own safety
 - o Know and follow safety rules and standards at all times even when no one is watching
- Active Caring
 - Observe, stop and coach coworkers who are not in compliance or who exhibit at-risk behaviors
 - o Take action to ensure the safety of others, and be willing to accept advice
- Hazard Recognition
 - o Be aware of your surroundings at all times
 - Take time to actively seek out and mitigate hazards

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1.0 PURPOSE

1.1. General

1.1.1. The intent of this document is to define supplemental health and safety (H&S) requirements for Contractors providing labor services for work involving safety or health hazards deemed by Owner to be medium or high risk.

1.1.1.1. **Medium Risk**: Medium risk work does pose environment, health or safety (EHS) risk but the scope is limited to a narrow range of EHS programs and risk. The work will require advance EHS planning, preparation, formal training, work controls, and audit/oversight.

1.1.1.2. **High Risk**: High risk work poses broad-based environment, health or safety risk. The work requires advance EHS and sometimes complex planning, preparation, formal training, robust work controls, and professional, regular audit/oversight.

1.1.1.3. See Attachment A for a listing of Medium and High Risk Work Activities

1.1.2. These supplemental requirements are to be addressed by, or included within, Contractor's specific health and safety plan, which are applicable to Contractor and all of its sub-contractors. The requirements contained in this document are supplementary/complementary to the requirements contained in the Duke Energy Health and Safety Handbook.

1.1.3. In the event of any conflict between this document, the contract documents, or any other requirements specified by Owner, Contractor shall consult with Owner and will only proceed with the affected work after receiving written clarification from the Owner.

1.1.4. Notwithstanding any of the requirements set forth in this document, Contractor shall remain responsible for performing its work in a safe manner, in accordance with the requirements of the applicable contractual document.

2.0 **SCOPE**

2.1. General

2.1.1. The "Owner" or "Duke Energy" means the Duke Energy Corporation or subsidiary specified in the applicable contract documents.

2.1.2. Provisions including the word "approved," "accepted" or other similar words means approved, reasonable, acceptable, proper or satisfactory in the judgment of Owner. Owner's approval or acceptance of any item, action or inaction by Contractor under this document does not modify or reduce Contractor's obligations to comply with these requirements in any way.

3.0 KEYS TO LIFE

3.1. General

3.1.1. Duke Energy's Health and Safety vision is to have an injury- and illness-free workplace.

3.1.2. Keys to Life supports the vision by identifying hazards of high-risk activities known to cause fatalities and serious injuries. They outline standards and define expectations, behaviors and controls necessary to prevent serious events. 100% adherence is essential and expected.

3.1.3. Keys to Life is based on past events that caused fatalities and serious injuries. Leading causes of Duke Energy employee and contractor fatalities are motor vehicle operations, electrical hazards, falls from elevation, dropped/falling objects, hazardous energy and confined space entry.

3.1.4. Keys to Life does not replace existing safety procedures, policies or manuals. It is one tool of the company's fatality and serious injury prevention program.

3.2. Requirements

3.2.1. Contractors shall assess their work plan safety risks to ensure they have effective controls in place and to follow behaviors and standards defined by the Keys to Life. Keys to Life will only be successful if our contractors also eliminate fatalities and serious injuries for their employees.

3.2.2. Keys to Life

- Driving safely Wear seat beits, follow posted speed limits and comply with all other motor vehicle regulations. While driving, do not send or read texts or emails, minimize use of cellphones and use hands-free devices only, and avoid any distractions that would remove your focus from the road. Before moving a parked vehicle, circle the vehicle to ensure there are no obstacles around, above, or below it, and that the vehicle is safe to operate. Position vehicles to minimize the need for backing. Pull through or back into parking spaces when possible and use a backing guide when available.
- Personal protective equipment -- Wear appropriate personal protective equipment (PPE) for the hazards involved in the work. Use PPE to provide protection from injuries to the head, eyes, body, hands and feet.
- Work zone safety Work zones shall be established at all work sites where vehicle traffic is a hazard. Traffic control warning devices shall be appropriately placed before work is begun.
- Electrical safety Grounding Lines before any tree work is started, appropriate grounding shall be done on any conductors lying on the ground and in situations where trees cannot be cleared from overhead conductors safety. A conductor is only considered de-energized after it has been isolated, tested for voltage, locked and/or tagged out, and grounded. MINIMUM APPROACH DISTANCES (MAD) Qualified line-clearance arborists and trainees shall reference the OSHA tables in 1910.269 (I) for the minimum approach distance (MAD) for energized lines or equipment. All other workers shall remain a minimum of 10 feet from energized conductors. Tree workers and bucket operators shall avoid all indirect line contacts with all conductive objects.
- Falls from elevation Utilize fall protection equipment when required for work at heights greater than four feet. Inspect equipment before use and use it properly. Maintain three points of contact when changing elevation. When utilizing a chain saw aloft, climbers shall use a second point of attachment/securement such as a work positioning lanyard or double crotched rope.
- Pre-job briefings -- Prior to performing any work activities, identify hazards associated with the task during a thorough job briefing. Contractors shall also clearly identify strategies to eliminate or mitigate hazards and create clarity for the role of each crew member. Job briefings are required at the following times: the start of the work activity; when personnel, condition, equipment, or exposures change; or when new personnel arrive on scene.
- Falling objects/line of fire when overhead work is being performed, a clearly defined drop zone is needed when setting up the work zone. When a tree felling operation is being performed, a clearly defined fell zone is needed when setting up the work zone. No one shall enter the fell or drop zone without suspending overheed work activities, establishing three-way communications and receiving permission to enter. Consider "line of fire" when setting up work sites to ensure that objects that could fall or move suddenly due to stored energy do not cause injury to employees or the public.
- Hostile situations be on the lookout for hostile situations and maintain situational awareness of your surroundings. Contact local law enforcement as needed and be prepared to leave an escalating situation. Leave yourself an exit route.

4.0 CARDINAL VEGETATION RULES

Duke Energy expects our contractors to assess safety risks and implement effective controls to prevent serious injuries, life altering injuries or workplace fatalities. The following are three "Cardinal Vegetation Rules" (CVR) embraced by the Transmission and Delivery Operation organizations as the three highest risk hazards requiring constant engagement and compliance:

- 4.1.1. Line of Fire (Drop/Fell/Work Zones)
- 4.1.2. Electrical Safety (Vegetation equivalent to Cardinal Electrical Safety Rules-CESR)
- 4.1.3. Falls from Elevation

4.2. Human Performance

3.3.1 Owner supports a culture where continuous improvement is an expectation. Contractors shall demonstrate a commitment to human performance improvement and actively seek opportunities to avoid, reduce and learn from human errors to prevent reoccurrence. The Contractor shall be required, when requested by Owner, to produce documentation showing the program/processes/tools used for continuous improvement such as:

- 4.2.1.1. Job Briefings
- 4.2.1.2. Root Cause and Common Cause Investigations
- 4.2.1.3. Incident/Event Reporting as defined in Section 4.0
- 4.2.1.4. Situational Awareness
- 4.2.1.5. Self-Check
- 4.2.1.6. Communication
- 4.2.1.7. Verification
- 4.2.1.8. Procedure Use & Adherence
- 4.2.1.9. Questioning Attitude

4.2.2. Contractor may obtain information concerning Human Performance by accessing the following website: <u>Contractor Webpage</u>

4.3. Contractor Project-Specific Environmental, Health, and Safety Plan

4.3.1. As requested by Owner, Contractor shall develop, and submit, an environmental, health and safety plan in accordance with section 11.0 that addresses the following, at a minimum:

- 4.3.1.1. Safety and Health management
- 4.3.1.2. EHS records keeping and control
- 4.3.1.3. Resource requirements
- 4.3.1.4. Reporting
- 4.3.1.5. Inspections

Contractor shall apply these requirements to all of Contractor's subcontractors.

5.0 INCIDENT/EVENT REPORTING AND INVESTIGATIONS

5.1. Requirements

5.1.1. Contractors shall report all incidents/events and be familiar with producing both Common Cause and Root Cause Investigations as required in Section 3.3 of this document. Incidents/Events include but are not limited to the following:

- 5.1.1.1. Injuries First aid and OSHA recordables
- 5.1.1.2. Near Miss incidents
- 5.1.1.3. Outages
- 5.1.1.4. Vehicle accidents preventable and non-preventable
- 5.1.1.5. Customer property damage
- 5.1.1.6. Damage to foreign utility property (CATV, Phone, gas, etc.)
- 5.1.1.7. Damage to Owner's property (infrastructure, wires and cables, equipment)
- 5.1.1.8. Environmental
- 5.1.1.9. Other as specified by Owner

5.1.2. When requested by Duke Energy, Contractor shall report all incidents/events occurring from work performed under contract using the "*Preliminary Incident Report*" (PIR) accessible at <u>Contractor</u> Webpage

5.1.3. Contractor shall notify the applicable Duke Area Supervisor by phone immediately after an event/incident occurs from work performed.

5.1.4. **Contractor shall** report all incidents/events occurring from work performed by using the "*Preliminary Incident Report*" (PIR) accessible at <u>Contractor Webpage</u> within these prescribed time lines:

- 5.1.4.1. Emergency room visit was not required; Submit Preliminary Incident Report (PIR) within 24 hours (weekend = next business day).
- 5.1.4.2. Emergency room visit required; Submit PIR within two (2) hours (weekend = 24 hours).

5.1.5. When requested by Owner, Contractor shall perform follow up on all events and produce as a minimum: a Common Cause Investigation and an identification of contributing factors. In addition, more serious events (recordable injuries, lost time, vehicle accidents) shall have a Root Cause Investigation performed to determine the root cause, contributing factors and extent of the root cause in the contractor organization.

- 5.1.5.1. These investigations and reporting requirements shall be performed by competent and qualified personnel.
- 5.1.5.2. Corrective actions identified during these investigations shall be monitored by the Contractor to monitor the effectiveness and reoccurrence of these corrective actions.
- 5.1.5.3. Contractor shall provide the Owner with the outcome of these investigations.

6.0 CONTRACTOR ENVIRONMENTAL, HEALTH AND SAFETY REPRESENTATIVES

6.1. Requirements

6.1.1. When requested by Owner's Contract Management group, or in cases where the Contractor deems it to be necessary or appropriate to assure safe performance of the work, Contractor shall designate one or more responsible, qualified full-time EHS professionals of Contractor's organization whose duty shall be to assure full compliance to the Contractor's EHS Plan for the prevention of incidents and injuries and addressing unsafe and undesirable behaviors. Contractor's designated EHS representative(s) shall have no other duties unless otherwise approved by the Owner. Contractor shall supply competent and qualified safety oversight personnel while supplying Services for Owner. These personnel shall perform tasks including but not limited to the following: periodic safety audits; leading incident investigations; training and skills resolution; and local single point of contact. Level of oversight and frequency will be determined by work type based on fectors including but not limited to the following: geographical coverage; risk of work; number of workers; and safety performance.

- 6.1.2. Contractor EHS Representative Qualification Requirements
 - 6.1.2.1. Contractor and Subcontractor(s) personnel designated to serve as EHS professionals as noted in section 5.1 shall be qualified via one or more of the following measures:
 - 1. a college degree in the related field;
 - 2. professional certification/designation in the related field; or
 - 3. sufficient years of experience of having served in such a role that makes the individual competent in fulfilling that role.
 - 6.1.2.2. Contractor shall maintain personnel gualifications records to demonstrate that this requirement has been satisfied. Owner reserves the right to request and review resumes of Contractor's appointment of EHS personnel and / or request the Contractor to remove and replace EHS personnel who do not meet qualifications or performance expectations.

6.1.3. Failure by Owner to require the designation of one or more EHS professionals shall not relieve Contractor from its responsibility to provide adequate oversight of its operations as necessary to perform the work safely and in full compliance with all requirements specified in the contract documents.

7.0 CONTRACTOR ENVIRONMENTAL, HEALTH, AND SAFETY MANAGEMENT

7.1. Requirements

7.1.1. Contractor shall review all subcontractor environmental, health and safety programs for compliance with environmental, health, and safety requirements, State requirements, Federal requirements, Duke Energy Health & Safety Handbook requirements, and the requirements of this document. Contractor shall ensure compliance with the following minimum requirements and provide documentation as requested:

- 7.1.1.1. Companies with fewer than 100 employees.
 - 1. One or fewer work place fatalities within the previous 3 years. If 1 fatality, no confirmed OSHA citation relating to the fatality.
 - 2. Experience Modification Rating (EMR) average over the previous 3 years of 1.0 or less.
 - Environmental violations (federal or state) average over the previous 3 years of 1 or fewer confirmed violations with penalties of more than \$1000.
 - 4. OSHA citation average over the previous 3 years of 1 or less serious with 0 willful.
 - 5. Total Recordable Cases average over the previous three years of 3 or less.

Contractors must pass the fatality target (1) *and* three of the remaining four targets (#2 - #5).

- 7.1.1.2. Companies with 100 or more employees
 - 1. One or fewer work place fatalities within the previous 3 years. If 1 fatality, no confirmed OSHA citation relating to the fatality.
 - 2. Experience Modification Rating (EMR) average over the previous 3 years of 1.0 or less.
 - Environmental violations (federal or state) average over the previous 3 years of 2 or fewer confirmed violations with penalties of more than \$1000.
 - 4. OSHA citation average over the previous 3 years of 2 or less serious with 0 willful.
 - 5. Total Incident Case Rate average over the previous 3 years of 5.0 or less.
 - Total Incident rates are calculated by number of all recordables X 200,000 divided by total hours worked.
 - Days Away/Restricted Time (DART) incident rate average over the previous 3 years of 2.8 or less.
 - DART rates are calculated by number of all Lost Workday and Restricted recordables X 200,000 divided by total hours worked.

Contractors must pass the fatality target (#1) *and* four of the remaining five targets (#2 - #6).

7.1.2. Contractor shall ensure Job Briefings (tail board meetings, tail gate meetings, etc.) are conducted at the start or resumptions of each work activity. The supervisor or crew leader along with crew members shall hold a job briefing to review work procedures, hazards associated with the job,

special precautions, energy source controls, and personal protective equipment. Job briefings shall be held:

- 7.1.2.1. At the beginnings of the work shift.
- 7.1.2.2. At the start of the job.
- 7.1.2.3. After a job has been interrupted for any reason.
- 7.1.2.4. After a new crew member joins the job.
- 7.1.2.5. If site or work conditions change from the initial job briefing

7.1.3. Contractor shall conduct health and safety inspections of its work and subcontractors' work, and implement immediate corrective actions for unsafe conditions or unsafe behaviors. Contractor shall document inspections of the work and make available to Owner upon request.

7.1.4. Safety "Stand-down" meetings shall be conducted by the Contractor (and may be required by the Owner) as needed, determined by an accident(s), neer miss incident(s), re-occurring safety trends, or industry event that warrants a special safety meeting.

7.1.5. Contractor shall submit to Owner documentation to show that all personnel working on the Owner's worksites have received appropriate EHS training and that such training is current. Such documentation shall include, but not be limited to, personnel names, specific EHS training course title and the date each person completed the specific course. Owner reserves the right to conduct an audit of training course content and delivery method as necessary.

8.0 ENVIRONMENTAL, HEALTH, AND SAFETY PERFORMANCE

8.1. Requirements

8.1.1. In the event Contractor experiences repeated environmental, health, and safety concerns, findings or incidents on the Owner's system (including but not limited to a Lost Work Day Cases, Recordables, repeated violations of health and safety rules and regulations or "imminent danger" situations, or failure to abate violations in a timely manner), the Contractor shall be subject to the following actions, within 30 days of the event or timeframe agreed upon by Owner, or at the Owner's discretion:

- 8.1.1.1. Submitting a written Environmental, Health, Safety Recovery plan to the Owner detailing what improvements will be made to their safety program and a timeline as to when the changes will be implemented.
- 8.1.1.2. Owner may require Contractor, at no additional cost to Owner, to increase its number of EHS Professionals until the project stabilizes to a safe condition as determined by the Owner.

9.0 OWNER'S INSPECTIONS AND INVESTIGATIONS

9.1. Requirements

9.1.1. Owner reserves the right to observe or perticipate in any environmental, health, and safety accident investigation conducted by the Contractor or anyone performing work for, or on behalf of the Contractor. Contractor shall submit a written summary of its investigation and all findings and conclusions to Owner as soon as the investigation is completed.

9.1.2. Owner reserves the right in its sole discretion, to initiate its own accident investigation. Contractor shall fully cooperate with Owner in the performance of Owner's investigation, and shall supply any documents and information that may be requested by Owner.

10.0 CORRECTIVE ACTIONS / STOP WORK

10.1. Requirements

10.1.1. Owner reserves the right to require the Contractor to address unsafe, environmentally hazardous, and unhealthy working conditions, including taking corrective action when unsafe and unhealthy working conditions are observed (e.g. lack of good housekeeping practices, use of equipment in obviously poor condition, failure to adhere to construction regulations or statutes, inadequate health monitoring etc.).

10.1.2. Contractor shall immediately correct any unsafe or environmentally hazardous conditions identified by others. If adverse conditions are identified by an entity other than the Owner and Contractor disagrees that the condition is adverse, Contractor shall immediately seek input from the Owner and respond in accordance with Owner's direction.

10.1.3. Owner has the right to direct, in writing, the Contractor to remove from the work site any person, property or equipment that, in the Owner's opinion, is deemed unsafe.

10.1.4. Owner reserves the right to direct Contractor to suspend performance of the Work (or any portion thereof) in the event that any condition exists that, in Owner's opinion, constitutes imminent danger or serious harm to people or could result in property damage and/or impact plant operations.

11.0 INJURY / ILLNESS AND CASE MANAGEMENT

11.1. Requirements

11.1.1. Except for a medical emergency where an ambulance is required, Contractor shall transport work-related injured or ill employees to and from medical facilities initially and remain with the injured or ill employee until the employee is discharged from the emergency room or admitted to the medical facility.

11.1.2. If an ambulance is required, Contractor shall appoint appropriate personnel to accompany the injured employee to the medical facility and remain with the injured or ill employee until the employee is discharged from the emergency room or admitted to the medical facility.

12.0 SPECIFIC ENVIRONMENTAL, HEALTH, AND SAFETY PLAN

12.1. Requirements

12.1.1. When requested by Owner, Contractor's specific environmental, health, and safety plan shall be submitted to the Owner prior to commencement of work and shall be approved prior to Contractor mobilization.

12.1.2. All subcontractors shall be subject to Contractor's environmental, health, and safety plan and the Owner's health and safety requirements. The plan shall address health hazards that are expected during work activities. The plan shall address health hazards including, but not limited to the following:

- 12.1.2.1. Noise and vibration hazards.
- 12.1.2.2. Biological hazards; those which would cause unsanitary conditions.
- 12.1.2.3. Chemical hazards.
- 12.1.2.4. Respiratory hazards, which include hazardous dusts, mists, vapors, gases, fumes, smoke or any hazardous particulate.

13.0 ASBESTOS MANAGEMENT

18.2. Requirements

13.1.1. Asbestos-Containing Material ("ACM") shall mean any material containing more than one percent asbestos.

13.1.2. If while performing Services, Contractor encounters ACM and/or lead, Contractor immediately shall notify Duke Energy. Contractor shall not manage such ACM and/or lead without Duke Energy's prior approval.

18.2.1. When Contractor's work involves the disturbance or removal of ACM, Contractor shall comply with the Duke Energy Asbestos Abatement and Air Monitoring Standard.

18.2.2. All Contractors and Subcontractors performing asbestos abatement services including disturbance or removal of ACM shall be approved by Duke Energy's Corporate Health and Safety Program Support group.

13.1.3. Copies of all applicable state and local asbestos licensing or accreditations shall be provided to Owner upon request.

14.0 LEAD IN CONSTRUCTION

14.1. Requirements

14.1.1. All paint/coating activities having any level of lead are governed by OSHA's Lead in Construction standard (29 CFR 1926.62).

14.1.2. Contractors and subcontractors using torches or other techniques to remove lead by burning or other heating to vaporization are required to provide Owner a written plan describing exposure control means and methods including local exhaust ventilation. These tasks are *strongly discouraged* and shall be performed only with the written approval of the Owner.

15.0 QUALIFIED OBSERVER PROGRAM

15.1. Requirements

15.1.1. Contractor shall have a documented qualified observer program for high risk work that includes, but is not limited to the identification of critical tasks to be observed, procedural compliance, clearances, correct PPE use, pre-job briefs, compliance with protective cover-up/insulate and isolate standards and correct tool use.

15.1.2. The designated qualified observer shall be capable of identifying nominal voltages, energized components, minimum approach distances, and proper safe work practices while crew members are working on energized lines.

15.1.3. Contractor must train their workforce and document training of their program.

16.0 PERSONAL PROTECTIVE EQUIPMENT

16.1. Requirements – Eye and Face Protection

16.1.1. Contractors are to ensure the appropriate use of eye and face protection in accordance with ANSI Z87.1 and Duke Energy Health & Safety Handbook, Personal Protective Equipment.

16.1.2. **Exception:** Contractors operating chain saws are not required to use face shields unless the need for an additional level of protection is identified during the hazard assessment.

16.2. Requirements - Hand Protection

16.2.1. Contractors regularly supporting Transmission and Distribution Vegetation Management shall use non-gauntlet/cuff-less work gloves when performing ground work. This would include, but not be limited to, activities that expose individuals to cuts and punctures.

16.2.1.1. Examples of these activities are sharpening blades, working on chainsaws, handling materials and tools in beds of trucks and handling timbers, logs or cut debris.

16.2.2. **Exception:** Although gloves are not required for chipper work activities due to the potential risk of snagging, when used, they shall be non-gauntlet/cuff-less gloves.

16.3. Requirements – Foot Protection

16.3.1. Contractors regularly supporting work on Transmission and Distribution Vegetation Management shall wear protective footwear that complies with the requirements in ASTM F2413 and at least one of the pair shall be clearly marked. These requirements include impact resistance (IR or I/75) and compression resistance (CR or C/75). In addition to meeting the minimum requirements of ASTM-F2413, footwear shall meet the following:

- 16.3.1.1. Safety toe of either steel or composite design manufactured into boot.
- 16.3.1.2. Substantial over the ankle, lace up uppers made of leather or other equivalent puncture resistant material.
- 16.3.1.3. Non-slip soles with a substantial heel.

16.3.2. **Exception**: When performing tasks that are subject to walking in water and wet land conditions where traditional work books are not appropriate, the Contractor is exempted from Section 15.3.1. This exemption is only valid for instances where rubber boots or waders are being utilized due to standing or high water conditions.

16.3.3. **Exception:** Dedicated herbicide applicators shall utilize over the ankle boots appropriate for the task they are performing, and are not subject to the requirements of Section 15.3.1.

17.0 HEAT EXPOSURE AND HYDRATION

17.1. Requirements

17.1.1. Contractor shall have a Heat Exposure and Hydration program, subject to the review and approval of Owner.

17.1.2. Contractors shall set expectations for field supervision to determine work readiness for their employees to ensure performers are in physical condition to meet the physical nature of the work and exposure to extreme temperatures including but not limited to:

- 17.1.2.1. Medical conditions and medications that could impact employee readiness to work
- 17.1.2.2. Nutrition and hydration levels from previous day or evening
- 17.1.2.3. Acclimation for new employees or employees returning from extended absences

17.1.3. Heat exposure and hydration targets shall be addressed in pre-job briefs including but not limited to:

- 17.1.3.1. Ask employees if they feel well before they go to work in hot environments.
- 17.1.3.2. Ask employees if they rested and hydrated the day before they are to work in hot environments.
- 17.1.3.3. Ensure employees understand that alcohol, energy drinks and certain medications can adversely affect their body's natural cooling effect when working in heat.

17.1.4. Contractor shall designate a hydration monitor, or some other method approved by Owner, that will demonstrate their ability to monitor hydration throughout the day in order to perform the following roles:

- 17.1.4.1. During pre-job briefs, establish temperature and humidity levels, maximum minutes between hydration breaks, and hydration targets based on the Hydration Table in the Duke Energy H&S Handbook, April 2016.
- 17.1.4.2. Observe water intake of self and others on the job for work being performed per the guidelines.
- 17.1.4.3. Monitor work/hydration break standard compliance, notifying crew when maximum duration between hydration breaks has expired.
- 17.1.4.4. Coach and intervene when a break is required and hydration is not being met.

17.1.5. Contractor is required to conduct an investigation for heat-related events for the purpose of determining lessons learned and corrective actions to be taken.

18.0 MOTOR VEHICLE & MOBILE EQUIPMENT OPERATIONS

18.1. Requirements

- 18.1.1. All vehicles with dual rear wheels shall be chocked when they are parked.
 - 18.1.1.1. Place one chock in front of the tire and one in back of the tire. Place the chocks firmly against the tire.
 - 18.1.1.2. If the vehicle is parked against a parking curb or a loading dock, tires may be chocked only on the side opposite the curb. If the vehicle is parked on an obvious slope, both chocks must be placed on the downhill side of the tires.

- 18.1.1.3. Set the brakes on any truck or trailer and place the chocks appropriately on the rear wheels to prevent the truck or trailer from rolling when it is boarded with powered industrial trucks.
- 18.1.1.4. All trailers and/or apparatus shall be chocked when they are not coupled to the towing vehicle. Chocks shall be placed before decoupling.

18.1.2. At least two wheel chocks shall be kept on eligible vehicles and equipment at all times. The Contractor shall only use chocks approved for vehicles and equipment.

18.1.3. Contractor is required to control mobile equipment movement by use of flaggers and or spotters, traffic control devices, appropriate signage, and worker training. Spotters are to wear high visibility vests to ensure positive interface between the spotter and the equipment operator.

18.1.4. When operated at night, mobile equipment shall be equipped with working lights.

18.1.5. Contractor's personnel are not to be transported in the beck of vehicles (e.g. pickup trucks, etc.). This requirement does not include specialized equipment used to transverse right of ways.

18.1.6. Operators shall inspect all safety and operational features on a pre-shift and post-shift basis. Contractor equipment operators shall check equipment for proper operation as per manufacturer's safe operating manual or guidance. This applies to any vehicle or piece of mobile equipment or including cranes. Inspections shall include the integrity of all hydraulic hoses, fittings and other potential sources of petroleum products. Inspection results shall be documented and available for review by Owner.

18.1.7. In the event of a petroleum or hydraulic leak, Contractor shall notify an Owner representative immediately.

18.1.8. Effective January 1, 2017, Contractor shall provide spill kits capable of collecting leaking petroleum products from off-road motor vehicles and mobile equipment. Spill kits shall include absorbent padding, absorbent socks and other tools that can be used to contain a petroleum release until the equipment can be repaired.

19.0 WORK ZONE SAFETY

19.1. Requirements

19.1.1. Effective January 1, 2017, Contractors who provide their own temporary traffic control shall comply with the following:

19.1.2. Before altering or stopping traffic, Contractor shall hold job briefings in a meeting area that:

19.1.2.1. Is away from traffic.

19.1.2.2. Provides a view of possible vehicle intrusion into the job briefing meeting area.

19.1.3. Contractor shall communicate the flagger warning signal device that will be used to warn of danger or an "all stop work" with the other job briefing participants.

19.1.4. Contractor shall initiate an "all stop work" when employees within the work zone are encroaching upon unsafe conditions.

19.1.5. Contractor inside the work zone and right-of-way who are exposed to vehicla traffic shall wear appropriate personal protective equipment (PPE), including but not limited to:

19.1.5.1. Hard Hats, Eye Protection and a minimum of ANSI Class 2 Apparel
19.1.5.2. Substantial footwear
19.1.5.3. Flaggers shall wear ANSI Class 3 apparel while performing flagging duties.

19.1.6. For short-term operations that are not covered by federal, state, county, city or local maintenance of traffic regulations, Contractors shall use rotating, flashing or strobe lights on vehicles instead of signs. Workers shall place cones along the full length of the vehicle and taper the cones toward oncoming traffic.

19.1.7. Contractors shall ensure traffic control devices meet five basic requirements:

- 19.1.7.1. Fulfill a need to control traffic.
- 19.1.7.2. Command attention from road users.
- 19.1.7.3. Convey a clear and simple meaning to road users.
- 19.1.7.4. Command respect from road users.
- 19.1.7.5. Give road users enough time to properly respond.

19.1.8. Contractors shall carefully consider the design, placement, operation, maintenance and uniformity of traffic control devices to help make sure they meet the five requirements noted above. Vehicle speed is an important consideration in selecting and placing traffic control devices.

19.1.9. For proper temporary traffic control, Contractors shall ensure:

19.1.9.1. If the temporary traffic control zone includes train crossings, make early coordination with the associated railroad company or light rail transit agency.

19.1.9.2. Obstruct traffic movement as little as possible while maintaining a sufficient margin of safety for workers in the work zone.

19.1.9.3. Provide advance warning and clear, positive guidance to drivers and pedestrians as they approach and travel through the temporary traffic control zone.

19.1.9.4. Black portable temporary rumble strips shall be placed on roadways in accordance with state or local requirements.

19.1.9.5. When possible, place vehicles or equipment in positions that provide a barrier for work zone protection. For example, use vehicle placement to avoid working on the back of a truck with traffic approaching from behind you.

19.1.9.6. Where required by state Department of Transportation regulations, use truck-mounted or trailer-mounted attenuators.

19.1.9.7. Lane closures require appropriate signs and cones and could require flaggers or arrow boards.

19.1.9.8. Sidewalk closures shall meet American Disability Act (ADA) regulations for barricading pedestrian facilities.

19.1.10. Before setting up a work zone, Contractor shall ensure work zone traffic control devices and equipment are in adequate supply, in good condition and available on the job site.

19.1.11. When placing traffic control devices:

19.1.11.1. Be aware of traffic movement

19.1.11.2. Walk on the work zone side of the road or within the work zone area being set-up.

19.1.12. Owner requires work zone protection in non-roadway areas where traffic must be notified of work being performed, such as parking lots and areas where lawn maintenance is being performed.

19.1.13. Traffic cones used for temporary traffic control shall be a minimum of 36" in height and a minimum of 12 pounds in weight.

19.1.14. Contractors shall ensure flaggers are to direct traffic safely past any potentially unsafe condition that will be created by the following:

- 19.1.14.1. Blocked view of stop signs.
- 19.1.14.2. Blocked view due to informational signs.
- 19.1.14.3. Road curves and contours
- 19.1.14.4. The work zone itself, as required by the federal, state, county, city and local maintenance of traffic regulations.

19.1.15. Flaggers shall be trained in accordance with state regulations prior to being allowed to perform flagging duties. Verification of training shall be provided to Owner upon request.

19.1.16. Flaggers shall stand either on the shoulder next to the road being controlled or in the closed lane after stopping traffic. Flaggers are permitted to stand in the lane being used by moving traffic only after traffic is stopped.

19.1.17. Flaggers shall be clearly visible to the first approaching vehicle at all times. Flaggers must remain visible to other traffic whenever possible. Flaggers must be stationed sufficiently in advance of other workers to have time to warm the other workers of approaching danger due to out-of-control vehicles.

19.1.18. In the event of an errant vehicle, the flagger shall utilize the emergency escape path then warn others in the work zone.

19.1.19. Flaggers shall use a work zone whistle or air horn in excess of 100 dba as an audible alert system to warn of vehicles encroaching the work zone.

19.1.20. Flaggers shall use communication devices like two-way radios to maintain communication with each other when the line of sight is interrupted. Flaggers shall stand alone and shall not permit other workers to congregate around the flagger station.

19.1.21. Flaggers shall use retro-reflective stop/slow paddles or retro-reflective red flags (when permitted by state or local regulations). The paddles shall be 24" by 24" on a seven (7) foot staff.

19.1.22. When flagging at night, the flagger station shall be illuminated. The illumination must not impair the vision of passing road users. In the case of emergencies, Owner shall approve flagging operations where illumination at night is not be used.

19.1.23. Increase flagger crew size by (1) additional flagger to provide relief and act as a traffic spotter for high risk activities including but not limited to:

- 19.1.23.1. High traffic volume with high speed
- 19.1.23.2. Night work with high traffic volume
- 19.1.23.3. Intersections with high traffic volume
- 19.1.23.4. When portable temporary rumble strips are utilized
- 19.1.23.5. Roadway Speed Classifications are defined as:
 - Low Speed A low speed road has a posted speed limit of 35 MPH or less.
 - Intermediate Speed An intermediate speed road has a posted speed limit of 40 MPH to 50 MPH.
 - High Speed A high speed road has a posted speed limit of 55 MPH or greater.
- 19.1.23.6. Traffic Volume Classifications are defined as:
 - Low Volume A low-volume road has an average daily traffic volume (ADT) that does not exceed 400 vehicles per day as defined by the MUTCD, latest edition.
 - Intermediate Volume An intermediate volume road has an average daily traffic volume (ADT) that ranges from greater than 400 to 10,000 vehicles per day.
 - High Volume A high volume road has an average daily traffic volume (ADT) that exceeds 10,000 vehicles per day.

19.1.24. Contractors who sub-contract temporary traffic control services shall ensure those contractors comply with Section 18 in its entirety including the following:

19.1.24.1. Traffic control contractors shall furnish a detailed Temporary Traffic Control Plan (TTCP) to Owner when required by local DOT, when requested by Owner or when a multiple lane closure or rolling roadblock operation exists. The TTCP shall be reviewed by field management prior to scheduled traffic interruptions.

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19.1.24.2. Contractors performing temporary traffic control services shall be certified to American Traffic Safety Services Association (ATSSA) flagger training or equivalent, and any applicable state-specific TTC training. Certification shall be presented to Owner upon request.

Attachment A

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The following chart lists commonly known hazards and work activities for *high and medium risk work*. The listing of work activities is not all inclusive of all medium/high risk work within Duke Energy.

Risk Exposure	Service Contract Types	Minimum Field Oversight Expectations
Risks may include the following in addition to Low Risk exposures: Limited Trenching and Shoring Work that poses moderate risk to Duke Energy environmental compliance Adverse Weather Work with Chemicals and Solvents	 Custodial services Building Services ** Snow Removal Water Treatment services Landscaping Lighting Installation/Repair Non-Hazardous Spill Clean-up Pesticide/Herbicide Spraying Erosion Control Siting/Surveying Station Mowing Soil Boring Pracipitator/Boiler Inspections/Repair Non-Destructive (NDE) Operations Plumbing Work (non-residential) Sandblasting Digging Trenches and Installation of Ug Cable High Pressure Pump (HPP) Replacement and Repair Oil Spill Clean-up Asphalt/Concrete Cut and Repair Vegetation Management Herbicide Spraying Joint Use Pole Count Grading Meter Reading Meter Orders Underground Locates including (Subsurface Utility Engineering (SUE) Mobile Meter Installation Load Control Repair (non-residential) A-Base Metar Change-Out CMM Truck Drivers Solar Panel Installation 	 Routine supervised meetings with discussions on significant issues Documented supplier feedback evaluations completed EHS documentation verified by Duke personnel (e.g. training matrix) Documented random field inspections by Duke Contract Managers, Project Managers, Liaisons, EHS, etc. Contractor Supervision routinely on site Communication of general PPE and other EHS Compliance Expectations ** Building Services include furniture installation AV services, minor office interior renovations/repairs, overhead doors, gata/operator repairs, window replacement, doc leveler, painting, fire protection system etc.)

High Risk: Poses broad-based EHS risk. The work requires advance EHS and sometimes complex planning, preparation, formal training, robust work controls, and professional, regular audit/oversight.

Risk Exposure	Service Contract Types	Minimum Field Oversight Expectations
Risks may include the following in addition to Low and Medium Risk exposures: Explosives Explosives Complex Electrical Systems and Components Secondary Flash Digging Into Other Utilities Exposure to Energized Electrical Conductors Electrical Flash Demolition work Excavations and Tranches Confined Spaces Hot Work and Welding Elevated Locations Cranes and Heavy Equipment Work with Chemicals, Solvents and Compressed Gaees Work Requiring Grounding and Bonding Rigging and Hauling Diving Work Zone Safety Operation of Aerial Devices Complex Equipment/System and Components Operation Asbestos Removal or Abatement including demolition of structures Abatement of Lead-Based Coatings/Surfaces Control of Hazardous Energy Work with potential significant impact to Duke Energy environmental compliance Work in IDLH Environments	 Heavy Earthmoving Equipment Operation Roofing Timber clearing and tree trimming Elevator Repairs/Maintenance Window cleaning and replacement (exterior) Dam Spillway services Hoist Maintenance/Repairs Ash Removal Complex System Construction, Rebuild, and Repair Transformer Retrofit Asbestos Abatement Lead Abatement Contracted EP&C Work (Projects and Outages) Scaffold Erection/Dismantling Hazardous Materials Incident Mitigation Demolition work Construction work Commercial Diving Operations Electrical System Construction, Rebuild, and Repair Underground Installation Involving Connection to the Electrical Systems Outage Restoration Station Maintenance Drain Wire Cable Replacement R/W Maintenance and Capital Clearing Ug Cable Replacement Aerial Patrol Wind Turbine Construction 	 Contractor supplied EHS professionals deployed to support work based on staffing levels Routine meetings with supervision with discussion on significant issues Documented performance evaluations completed EHS documentation verified by Duke personnel Routine observations of contractor work by Duke Contract Managers, Project Managers EHS, etc. Documented field inspections by Duke Contract Managers, Project Managers, Liaisons, EHS, etc. A Duke EHS Professions should occasionally accompany Duke Supervision. Contractor Supervision required to be on site

STAFF-POST HEARING-DR-01-018 (e) CONFIDENTIAL ATTACHMENT 9 IS BEING PROVIDED UNDER SEAL OF A PETITION FOR CONFIDENTIAL TREATMENT

STAFF-POST HEARING-DR-01-018 (e) CONFIDENTIAL ATTACHMENT 10 IS BEING PROVIDED UNDER SEAL OF A PETITION FOR CONFIDENTIAL TREATMENT

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STAFF-POST HEARING-DR-01-018 (e) CONFIDENTIAL ATTACHMENT 12 IS BEING PROVIDED UNDER SEAL OF A PETITION FOR CONFIDENTIAL TREATMENT

Instructions for filling in pricing sheets

- 1) There are 4 tabs in this workbook, where we would like your help in getting details about your pricing
- 2) The tabs are DMW Midwest, DEC- Carolinas West, DEP Carolinas East, DEF Florida
- 3) For high volume units, please provide unit prices while breaking them down into constituents. These are the rows where all cells are available for data entry and nothing is blackened out
- 4) For <u>all other units</u> please provide overall unit prices only. The cells for the constituents of these prices will be blackened out and <u>only the cells for 'unit price'</u> will be available
- 5) For each unit please provide a reasonable estimate of the proportion of the price attributed to labor, equipment, direct overhead, and overhead and fees. Then, provide the price which will be the sum total of the previous four items
- 6) Please highlight in GREEN zones in which you operate today and will continue to do so in the future. For example, if you operate in NIV1 please highlight the entire column in GREEN
- Please highlight in RED zones in which you operate today but are no longer interested in going forward. For example, if you operate in NIV1 but are no longer interested please highlight the entire column in RED
- 8) Please highlight in YELLOW zones in which you do not operate today but are interested in going forward. For example, if you do not operate in NIV1 but are interested going forward please highlight the entire column in YELLOW

While providing factors that impact pricing levels, please be as granular and detailed as possible. For example, please do

- 9) not attribute increases to "Safety", instead flesh out the exact reason as to why safety considerations would cause an x% increase in price
- 10) In case anything is unclear, please email your Duke Energy point of contact for clarification

		Part desire			NIVI				
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1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS							
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1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA							
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Factors impacting pricing levels

S.No.	Factor name & description	% increase	Comments/Explanations
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NN2 Unit cost breakdown					ENG					
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abor	Equipment	Diract overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/l	
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abor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h	
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5VC ID	Description	Order Unit	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overbeed and fees	Unit price (sum of labo equipment, direct o/h other o/h}
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS	91	- Alternation Physics			
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS	1. K	1 State and		1	1.5
1413254	Conv. Chip 1 sided (Complex) - Unit	UNITS					
1413256	Conv. Chip 2 sided (Complex) - Unit	UNITS					-
1413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	2012	No Caracitoria			
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS			10 - 1 - 2.50 ME		1
141325	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					No.
419260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					10
1413253	Conv. Single Tree Prune - Unit	UNITS					14.
413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS	1				- 1L
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS		1. 1.			155
413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					1000
413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					1947
	Buck. No-Chip I sided (Standard) - Unit	UNITS					
413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					The second se
413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
413250	Buck, No-Chip 2 sided (Complex) - Unit	UNITS					
413252	Brushhog - Unit	UNITS					department of the second se
	Hand Cut-Chip - Unit	UNITS					
413263	Hand Cut- No-Chip - Unit	UNITS					1
413264	Clear Base of Pole-Chip - Unit	UNITS					54
	Clear Base of Pole- No-Chip - Unit	UNITS					1000 C
	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					-
	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					1
	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
	Removal no chip, 6" DBH up to 12" DBH - OBM	EA					
	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					2011
	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
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	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
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	Denger Tree - Work Planning - \$/Mile	MI					The second se
	Danger (ree - work Filinning - Symae Danger Tree - 5" to 8" - Syunit	UNITS					
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	Danger Tree - 24" to 30" - Syunit Danger Tree - Overhang - S/unit	UNITS					

Fectors Impacting pricing levels

S.No.	Factor name & description	% Increase Comments/Explemations
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Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other	Unit price (sum of labor, equipment, direct o/h, other o/h}	Labor	Equipment	Direct overhead (ep. Supervisor, field sefety)	Other overhead and fees	Unit price (sum of labo equipment, direct o/h other o/h)
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Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of tabor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labo equipment, direct o/f other o/h)
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abor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and feas	Unit price (sum of labor, equipment, direct o/h, other o/h
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SVC 10	Description	Order Unit	tabor	Equipment	Direct overheed (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor equipment, direct o/h, other o/h)		
413255	Conv. Chip 1 sided (Standard) - Unit	UNITS	and the street provide	and the second sec			in the second second		
413257	Conv. Chip 2 sided (Standard) - Unit	UNITS	1 12	1 1 1 1 1 1 1 1		ille internet			
413254	Conv. Chip 1 sided (Complex) - Unit	UNITS					100		
413256	Conv. Chip 2 sided (Complex) - Unit	UNITS					RC-1		
413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS					2		
413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS	1. <u>2.</u>		the second second		1		
413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS							
413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS							
413253	Conv. Single Tree Prune - Unit	UNITS					0		
413243	Buck Single Tree Prune	UNITS			- 1 - Fee		1.21		
413245	Buck. Chip 1 sided (Standard) - Unit	UNITS	2000	Walter .					
419247	Buck. Chip 2 sided (Standard) - Linit	UNITS	10 . I						
413244	Buck. Chip 1 sided (Complex) - Unit	UNITS							
	Buck. Chip 2 sided (Complex) - Unit	UNITS							
413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					ALC: NOT		
	Buck. No-Chip 2 sided (Standard) - Unit	UNITS							
	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					1.4		
	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					101		
	Brushhog - Unit	UNITS							
	Hand Cut- Chip - Unit	UNITS					-		
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	Removal no chip, 5" DBH up to 8" DBH - Capital	EA							
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	Removal no chip, 5" DBH up to 12" DBH - Capital	EA							
	Removal no chip, 8" OBH up to 12" DBH - O&M	EA							
	Removal no chip, 12" OBH up to 24" DBH - Capital	EA							
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	Removal and chip, 24" DBH up to 30" DBH - Capital	EA							
	Removal and chip, 24" DBH up to 30" DBH - OBM	EA							
	Danger Tree - Work Planning - S/Mile	M							
	Denger Tree - 5" to 8" - \$/unit	UNITS							
	Danger Tree - 8" to 12" - 5/unit	UNITS					and the second sec		
1 million (1997)	Danger Tree - 12" to 24" - \$/unit	UNITS							
	Danger Tree - 24" to 30" - \$/unit	UNITS							
	Oanger Tree - Overhang - S/unit	UNITS							

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	TOTAL	0.0%

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		Unit Cost					Unit Cost		
Labor	Equipment		Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labo equipment, direct o/h other o/h)
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abor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Lebor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labe equipment, direct o/l other o/h)
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apor.	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field sefety)	Other overhead and fees	Unit price (sum of lab equipment, direct o/ other o/h)
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Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and feas	Unit price (sum of labor, equipment, direct c/h, other c/h)	Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of lab equipment, direct o/ other o/h)	
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SVC ID	Destaription	Order Unit	Lebor	Equipment	Direct overhead (ex. Supervieur, field safety)	Other overhee and fees	d Unit price (sum of labo equipment, direct o/h other o/h)
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS				A STUD SHITS OF THE SHIELD AND	A REPORT OF A REPORT OF A REPORT
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS	1. 3.123	125 - 51.117	CONTRACTOR AND	and a state of the state of the	
1413254	Conv. Chip 1 sided (Complex) - Unit	UNITS					LINE .
1413256	Canv. Chip 2 sided (Complex) - Unit	UNITS					6.0m
1413259	Conv. No-Chip 1 sided (Standard) - Unit	UNITS					(1.1.1.)
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					1.5.14
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					E D
413253	Conv. Single Tree Prune - Unit	UNITS					19.235 ·····
413243	Buck Single Tran Prune	UNITS					102-01
413245	Buck. Chip 1 sided (Standard) - Unit	UNITS		1		1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 - 1918 -	a sha
413247	Buck, Chip 2 sided (Standard) - Unit	UNITS					The second second
413244	Buck, Chip 1 sided (Complex) - Unit	UNITS					
413246	Buck. Chip 2 sided (Complex) - Link	UNITS					-
413249	Buck. No-Chip 1 skled (Standard) - Unit	UNITS					
	Buck. No-Chip 2 sided (Stendard) - Unit	UNITS					
	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
413250	Buck, No-Chip 2 sided (Complex) - Unit	UNITS					100 A 10
	Brushhog - Unit	UNITS					
	Kand Cut- Chip - Unit	UNITS					
413263	Hand Cut- No-Chip - Unit	UNITS					
413264	Clear Base of Pole- Chip - Unit	UNITS					iter.
	Clear Base of Pole- No-Chip - Unit	UNITS					
413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					and the second s
	Removal no chip, 5" DBH up to 8" DBH - OBM	EA					
	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
	Removal no chip, 9" DBH up to 12" OBH - O&M	EA					
	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
413105	Removal no chip, 12" DBH up to 24" DBH - OLM	EA					
	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					1
	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					20.00
413092	Removal and chip, S" DBH up to 8" DBH - Capital	EA					
	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					Co.e.
	Removal and chip, S" DBH up to 12" DBH - O&M	EA					
	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
	Removal and chip, 12" DBH up to 24" DBH - OEM	EA					Area and
	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
_	Danger Troe - Work Planning - \$/Mile	MI					
	Danger Tree - 5" to 8" - \$/unit	UNITS					
	Danger Tree - 8" to 12" - \$/unit	UNITS					NUM I
	Danger Tree - 12" to 24" - \$/unit	UNITS					-
	Danger Tree - 24" to 30" - \$/unit	UNITS					
	Danger Tree - Overhang - S/unit	UNITS					

S.No.	mpacting pricing levels Factor name & description	% Increase	Comments/Explanations
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		North Central					South Countai		
and a	New York Street	Unit Cost					Unit Cost		
Labor	Equipment	Direct overheed (ex. Supervisor, field safety)	Other overhea and fees	d Unit price (sum of labor, equipment, direct o/h, other o/h)	Labor	Equipment		Other overhead and fees	Unit price (sum of labor, equipment, direct o/h, other o/l
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and the second		Unit Cost	anna an Airtig Suise frantEise	
Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	Unit price (sum of tabo equipment, direct o/h other o/h)
	1 - 2 - 1 - 2			a par
	12 12 -	Contract and C	Constant Start	10.00
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Instructions for filling in pricing sheets

- 1) There are 6 tabs in this workbook, where we would like your help in getting your pricing and Transmission Areas (current contract assignment, future interest, etc.)
- 2) The tabs are Labor, Equipment (T&D), Duke Midwest, Duke Energy Carolinas (DEC), Duke Energy Progress (DEP), and Duke Energy Florida (DEF)
- 3) In the other tabs identifying the Duke Regions and associated planned miles, please follow the instructions below to identify the areas where you are currently working, no longer desire to wor, or where you would like to work
- 4) Please highlight in GREEN zones in which you operate today and will continue to do so in the future. For example, if you operate in DEC NR (Northern) please highlight the entire column in GREEN
- Please highlight in RED zones in which you operate today but are no longer interested in going forward. For
 example, if you operate in DEC NR (Northern) but are no longer interested please highlight the entire column in Please highlight in YELLOW (YELLOW) zones in which you do not operate today but are interested in going
- 6) forward. For example, if you do not operate in DEC NR (Northern) but are interested going forward please highlight the entire column in YELLOW (YELLOW)
- 7) In case anything is unclear, please email your Duke Energy point of contact for clarification
- 8) The miles shown are total planned miles. The actual miles for each Transmission Region may only be 75-80% of the total planned miles because 20-25% may be bid as lump sum projects.

Duke Energy Labor Rates

			10.00	Transı	mission	1000
-			DMW	DEC	DEP	DEF
Service Item	New Description	New Long Description	Rate	Rata	Rate	Rate
1413149	T - ST General Foreman	Crew(s) Supervisor				
1413150	T - ST Foreman A	Experienced Crew Leader				
1413151	T - ST Foreman B	Entry level Crew Leader	1			
1413152	T - ST Trimmer A	Top Climber/Trimmer	· · · · · · · · · · · · · · · · · · ·		1	-
1413154	T - ST Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)	1 5 5 5 1			-
1413155	T - ST Trimmer C	Entry Level Climber/ Trimmer			1	
1413156	T - ST Learner	Entry Level Position / Flagger / Groundman	1 1 2 2 2 2 1	100		
1413158	T - ST Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				1
1413157	T - ST Work Planner	Utilized to pre-plan work (Demand tickets)				
1413358	OT -General Foreman -Trans Tree	Crew(s) Supervisor		1	1	1
1413159	T - OT Foreman A	Experienced Crew Leader			17	1
1413160	T - OT Foreman B	Entry level Crew Leader	R TRANST			1
1413161	T - OT Trimmer A	Top Climber/Trimmer	0			
1413162	T - OT Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)				-
1413163	T - OT Trimmer C	Entry Level Climber/ Trimmer				
1413164	T - OT Learner	Entry Level Position / Flagger / Groundman			1	-
1413166	T - OT Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc		1		
	T - OT Work Planner	Utilized to pre-plan work (Demand tickets)	1	1 4	1	1000

		:400 ⁰⁰ -	Transmission			
		DMW	DEC	DEP	DEF	
Service Item New Description	New Long Description	Kate	Rate	Rate	Rate	
1455340 Per Diem	Daily per diem per person for lodging and meal expenses			1		

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Duke Energy Equipment Rates

1459241 1401548 1401650 1401641	New Description Tablet Equip. Trailer 2x4- Aerial Lift 30 - 37'	New Long Description Tablet, Specified for Data Collection (excluding general laptops)	DMW Rate	DEC Rate	DEP Rate	DEF Rate
1459241 1401548 1401650 1401641	Tablet Equip. Trailer	Tablet, Specified for Data Collection (excluding general laptops)	Rate	Rate	Rate	Rate
1401548 1401650 1401641	Equip. Trailer		1			
1401650 1401641						
1401641	7x4- Aerial Lift 30 - 37'	Equipment Trailer		800 A 53 2		
		2 x 4 Aerial Lift w/ 30 - 37' lift w/ saw & tools				
1401612	2x4- Aerial Lift 50 - 57'- w/winch	Aerial Lift, 57' height 2 wd, w/ winch, tools & saws				
	2x4- Spray Truck	2x4 Truck, sprayer equipped	and a state of the			
1489758	2x4- Aerial Lift 50 - 57 '- w/o dump	Aerial Lift, 57' height 2 wd, w/ saws & tools	1.4.5			
1401635	2x4- Aerial Lift 70' or >	2x4- Aerial Lift 70' or > w/ dump, hydraulic tools & saws	07010			
1401638	2x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 2 wd, w/ dump & tools & saws				
		Aerial Lift, 57' height 2 wd, w/ dump & saws- Diesel	ANT OF THE	5 5		
1413148	2x4- Aerial Lift 50 - 57'- Rev Mnt w/float tire	es 2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws				
			-			
1473722	2x4- Split Dump- Dieseł					
1489748	4x4- Aerial Lift 30 - 37'		1.2			
1401654	Disc Chipper		R.			
1401655	Drum Chipper					
1401637	4x4- Aerial Lift 57'- Paddlefoot					
1489742	4x4- Aerial Lift- 57'- w/o dump		THE SAME			
1401825	2x4- PickUp- Crew Cab					·
1401826	4x4- PickUp- <1Ton	4x4- PickUp- <1Ton				
1401827	2x4- PickUp- <1Ton	2x4- PickUp- <1Ton				
1413147	4x4- Aerial Lift 70' or >- w/winch		-			
1401639	4x4- Aerial Lift 50 - 57'			1.11		
1489746	4x4- Aerial Lift 50 - 57'- Diesel					
1473723	4x4- Scissor Lift- Paddlefoot					
1401636	4x4- Skidder Bucket 50-55'		1=			
						_
				h	-	
				+		
	1413291 1413148 1401869 1473722 1489748 1401654 1401654 1401655 1401655 1401637 1489742 1401825 1401826 1401827 1401832 1401639 1489746 1473723 1401636 1401637 1489745 1401636 1401755 1401636 1401833 1489745 1401636 1401755 1401637 1449745 1401637 1449745 1401575 1401715 1401833 1489749 143292 1489743 1489743 1489743 1489743 1489743 1491937 1401540 149374 1401937	14132912x4- Aerial Lift 50 - 57'- Diesel14131482x4- Aerial Lift 50 - 57'- Rev Mnt w/float tire14018692x4- Split Dump14737222x4- Split Dump- Diesel14897484x4- Aerial Lift 30 - 37'1401654Disc Chipper1401655Drum Chipper1401655Drum Chipper14016574x4- Aerial Lift 57'- Paddlefoot14897424x4- Aerial Lift 57'- w/o dump14018252x4- PickUp- Crew Cab14018264x4- PickUp- <1Ton	1413201 2x4 - Aerial Lift 50 - 57'- Desel Aerial Lift, 57' height 2 wd, w/ dump & saws-Diesel 1413148 2x4 - Spilt Dump 2 x & Spilt dump w/ chip bed w/ saws & tools 1413122 2x4 - Spilt Dump- Diesel 2 x & Spilt dump w/ saws & tools- Diesel 1473722 2x4 - Spilt Dump- Diesel 2 x & Spilt dump w/ saws & tools- Diesel 1473722 2x4 - Spilt Dump- Diesel 2 x & Spilt dump w/ saws & tools- Diesel 1401654 Disc Chipper Disc Chipper 1401655 Disc Chipper Disc Chipper 1401655 Dirum Chipper Standard Drum Chipper 1401637 Ax4 - Aerial Lift, 57'- Paddlefoot Aerial Lift, 57' height 4 wd, w/ winch, tools & saws without dump 1401825 Zx4 - PickUp- Crew Cab 2x4 - PickUp- Crew Cab 2x4 - PickUp- c1Ton 1401827 Zx4 - PickUp- Crew Cab 2x4 - PickUp- Crew Cab 2x4 - PickUp- Crew Cab 1401827 Zx4 - PickUp- Crew Cab 4x4 - PickUp- Crew Cab 4x4 - PickUp- Crew Cab 1401839 4x4 - Aerial Lift, 57' height 4 wd, w/ dump & saws Saws Diesel 1401839 4x4 - PickUp- Crew Cab 4x4 - PickUp- Crew Cab 4x4 - PickUp - Crew Cab 4x4 - PickUp- Crew Cab 4x4 - PickUp - Crew Cab 4x	141320 2x4-Aerial Lift 50 - 57' Rev Mnt w/float tires 2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws 1413186 2x4-Split Dump 2 x 4 Split dump w/ chip bed w/ saws & tools 1413187 2x4-Split Dump-Diesel 2 x 4 Split dump w/ chip bed w/ saws & tools 1413188 2x4-Split Dump-Diesel 2 x 4 Split dump w/ chip bed w/ saws & tools 141387 4 Aerial Lift 30' - 37' 4 x 4 Aerial Lift 30' asws & tools 1401655 Disc Chipper Disc Chipper 1401655 Drum Chipper Standard Drum Chipper 1401655 Drum Chipper Standard Drum Chipper 1401656 Aerial Lift 57' Paddlefoot Aerial Lift 57' Paddlefoot w/ winch & saws 1401825 Aeria Lift 57' Paddlefoot Aerial Lift 57' Paddlefoot w/ winch & saws 1401825 Care Ock Dave PickUp-Crew Cab 1401825 Aer Aerial Lift 70' no 2x4 - PickUp-Crew Cab 1401826 4x4 - PickUp-Caron 2x4 - PickUp-Crew Cab 1401827 Aerial Lift 70' no 2x4 - PickUp-Crew Cab 1401828 Aerial Lift 70' or > winch 4x4 - Aerial Lift 70' or > winch 1401839 Aerial Lift 70' or > winch 4x4 - Aerial Lift 70' or > windump & saws- Diesel	143.232 2x4 - Aerial Lift 50 - 577 Rev Mur Wiffost tirle 22x4 Arali Lift, S7 / height 2 with Wiffost tirle 22x4 Split dump w / chip bed w/ saws & tools	143232 2x4-Aerial LH 50 - 57 - Diesel Aerial LH, 57 - Fay Mark W/Toot III: Rev Mount W/Toot Rev W/Toot III: Rev Mount W/Toot Rev W/Toot III: Rev Mount W/Toot Rev W/Toot Rev W/Toot III: Rev Mount W/Toot Rev W/Toot R

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Duke Energy Equipment Rates

1489750	Tracked Mech Trimmer 70'	70' telescoping arm mechanical side trimming device mounted on tracks		
1455343	Tractor & Lowboy	Tractor & Lowboy		
1455344	Tractor & Lowboy- Stby Time	Tractor & Lowboy- Stby Time		
1507126	Tracked Excavator- Fecon	Tracked excavator- Fecon head (Shinn Cutter, Pro Grind)		
1507127	Tracked Excavator - Slash Buster	Tracked Excavator - Slash Buster		
1507129	Argo	Argo w/trailer - wheeled or track		
1528062	Barko			
1504599	Storm Mileage - Small Vehicle	Rate/mile		
1517389	Storm Mileage - Medium Vehicle	Rate/mile		
1504598	Storm Mileage - Large Vehicle	Rate/mile		
1537980	Shinn Cutter/ProGrind/TigerCat			
	Other specialized equipment		2.5 3-2 2 2 2	
	1455343 1455344 1507126 1507127 1507129 1528062 1504599 1517389 1504598	1455344 Tractor & Lowboy- Stby Time 1507126 Tracked Excavator - Fecon 1507127 Tracked Excavator - Slash Buster 1507129 Argo 1528062 Barko 1504599 Storm Mileage - Small Vehicle 1504598 Storm Mileage - Medium Vehicle 1504598 Storm Mileage - Large Vehicle 1537980 Shinn Cutter/ProGrind/TigerCat	1455343 Tractor & Lowboy Tractor & Lowboy 1455344 Tractor & Lowboy- Stby Time Tractor & Lowboy- Stby Time 1507126 Tracked Excavator- Fecon Tracked excavator- Fecon head (Shinn Cutter, Pro Grind) 1507127 Tracked Excavator - Slash Buster Tracked Excavator - Slash Buster 1507129 Argo Argo w/trailer - wheeled or track 1528062 Barko Interference 1504599 Storm Mileage - Small Vehicle Rate/mile 1504598 Storm Mileage - Large Vehicle Rate/mile 1537980 Shinn Cutter/ProGrind/TigerCat Interference Interference Interference Interference Interference	1455343 Tractor & Lowboy Tractor & Lowboy Image: State S

					Transmission	& Distribution	anter a ser
				DMW	DEC	DEP	DEF
Туре	Service Item	New Description	New Long Description	Rate	Rate	Rate	Rate
Helicopter	1455337	Aerial Saw- Ferry Time	Aerial saw; flight time to and from landing zone without saw working		-	- Heat the prile	Collect a
Helicopter	1455339	Aerial Saw- Per Diem	Aerial Saw meals & lodging- per day & man				
Helicopter	1457856	Aerial Saw- Delays	Aerial Saw Delays Beyond Contractor Control				
Helicopter	1457857	Aerial Saw- Transport	Aerial Saw Transport Vehicle Mileage Rate		-		
Helicopter	1489751	Aerial Saw 1	Aerial Saw- Level 1 Pilot				
Helicopter	1489752	Aerial Saw 2	Aerial Saw- Level 2 Pllot				-
Helicopter	1489754	Aerial Saw 3	Aerial Saw- Level 3 Pilot		5		
Helicopter	1489755	Aerial Saw 4	Aerial Saw- Level 4 Pilot		-		

加強的認定認知	加強になった。彼の自己			Trensm	ission Operatin	g Area - Plan	aned Miles				
Indian	a North	Indiana	Southeast	Indiana Southwest		Ohio		AND READ	tucky	Joint Owner	
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc
83.52	157.53	152.53	32.46	67.9	94.69	74.76	152.47		12.51	58.97	

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			Transmis	sion Operati	ing Area - Planne	d Miles			
	CA	NA		SA		WA - DEC		WA - DEP	
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc
29	275	49	139	30	250	6	39		68

			Transmiss	ion Operati	ng Area - Plann	ed Miles				
	TA	61. S. ET.	A-NB	ा ः व	A-WL	New York N	TĂ	STA		
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	
130.48	117.76	96.02	94.1	92.36	51.01	132.42	106.02	76.99	67.92	

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		Transm	ission Operating	g Area - Plan	ned Miles			
Co	astal	North	Central	Nor	thern	Southern		
Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	Nerc	Non-Nerc	
29.12	107.57	237.83	72.77	201.6		102.27	85.58	

Region	Zone	Revised Miles
	NIV1	200.00
	NIV2	140.00
	EIV1	160.00
	EIV2	150.00
	WIV1	260.00
DMW	WIV2	175.00
	OEV	720.00
	ONV	600.00
	OSV	375.00
	KYV	289.00
	TOTAL	3069.00
Region	Zone	Revised Miles
	ANDERSON	629.69
	CHARLOTTE EAST	646.53
	CHARLOTTE SOUTH	398.51
	CHARLOTTE WEST	718.37
	GREENSBORO	468.67
DEC	HENDERSONVILLE	416.61
	NANTAHALA	374.74
	NORTHWEST	866.39
	SPARTANBURG	471.79
	TRIANGLE	408.70
	TOTAL	5400.00
Region	Zone	Revised Miles
	Asheville	450.13
	Capital North	882.4
	Garner-CF	508.67
	Golds-MHC	522.11
	Raleigh-Cary	290.68
DEP	SR-Mid	474.27
	SR-NC	555.52
	SR-SC	516.43
	Wilmington	364.78
	TOTAL	4564.99
Region	Zone	Revised Miles
	NORTH CENTRAL	733.00
	SOUTH CENTRAL	320.00
DEF	NORTH COASTAL	1580.00
	SOUTH COASTAL	873.00

Years of	2014 2015 2016 2017
Interest	2014, 2015, 2016, 2017

Assumptions for unproductive time such as sickness, vacation, PTO, etc. Please elaborate on you account for the costs associated with unproductive time of laborers

Area	Category	Abbrev.	Base wage (\$/hr)	Fringe (%)	Fica (%)	FUTA (%)	SUTA (%)	Workers comp insurance (%)	Insurance and general liability (%)	Other (%)	Total Labor Cost to Company	Fraction Union Head Count (%)
All	General Foreman	GF	1								0	
All	Foremen A	FA	2								0	
All	Foreman B	FB									0	
All	Trimmer A	TA									0	
All	Trimmer 8	TB									D	
All	Trimmer C	TC									0	
All	Learner	LE									0	
All	Equipment Operator	EO	100								0	
All	Work Planner	WP	10-								0	

Assumptions on Usable hours

Please elaborate on how you determine the usable hours per equipment in a year.

item Number	Description	Purchase Price (\$)	Expected Lifetime (yrs)	Usable hours (hrs/yr)	Service/Repair and maintenance (S/yr)	Fuel (\$/yr)	Cost of Capital (%)
1401826 4x4 Pi	ck-up < 1 Ton		al to a state of the second second		(4) p.7		
1401654 Disc C	The start of the s						
1401638 2x4 A							
1401832 4x4 P	ck-up Crew Cab						
	lit dump w/tools						
1401635 2x4 A							
	rial Lift 57' Paddlefoot						
CONTRACTOR AND AND ADDRESS OF A DECK	lit dump w/tools						
N.Y. S. S. STREET, S.	r Tired Mech. Trimmer- 70'						
	erial Lift 70' or > w/winch	1					
	Cutter - Flail Mower, >/= 150 HP						
	rial Lift Rev Mnt w/float tires 57						
	lit Dump w/tools - Diesel						
is a filenet with the set	rial Lift min 57'- Diesel						
1401655 Drum							
1401827 2x4 Pie							
1413292 Feller							
1401548 Equipr	nent Trailer						
La collega de	actor 5-6' hog w/winch	-4					
1401825 2x4 Pla		E.					
1401824 Rolfba	the second s						
1401937 Skid St	eer Mower						
1401938 Brush	Cutter - Flail Mower						
1401649 Backya	ard Aerial Uft 42' or >						
1401650 2x4 Ae	erial Lift 30 - 37'						
1401639 4x4 Ac	rial Lift min 57'						
1489219 Loader	Truck						
1473723 4x4 Sc	issor Paddlefoot						
1463709 Boat 8	Motor	500					
1455343 Tracto	r & Lowboy	3					
1455344 Tracto	r & Lowboy- Stby Time	14 A					

Crew composition

For each of the units, provide the team composition based one the labor categories provided in tab "Labor". Fill out the number of each labor type used

	C/ TW	nite activ	CEUCHINA	1000 El 100 E 11	and the second state of the second state of the	100
Units	GF	FA	FB	ТА ТВ	TC LE EO WP	
Conv. Chip 1 sided (Standard) - Unit	1	- 0.				
Conv. Chip 2 sided (Standard) - Unit	3					
Conv. Chip 1 sided (Complex) - Unit						
Conv. Chip 2 sided (Complex) - Unit						
Conv. No-Chip 1 sided (Standard) - Unit						
Conv. No-Chip 2 sided (Standard) - Unit						
Conv. No-Chip 1 sided (Complex) - Unit						
Conv. No-Chip 2 sided (Complex) - Unit						
Conv. Single Tree Prune - Unit						
Buck Single Tree Prune						
Buck. Chip 1 sided (Standard) - Unit						
Buck. Chip 2 sided (Standard) - Unit						
Buck. Chip 1 sided (Complex) - Unit						
Buck. Chip 2 sided (Complex) - Unit						
Buck. No-Chip 1 sided (Standard) - Unit						
Buck. No-Chip 2 sided (Standard) - Unit	1					
Buck. No-Chip 1 sided (Complex) - Unit						
Buck. No-Chip 2 sided (Complex) - Unit						
Brushhog - Unit						
Heavy Equipment ROW Floor Unit						
Hand Cut- Chip - Unit						
Hand Cut- No-Chip - Unit						
Clear Base of Pole- Chip - Unit						
Clear Base of Pole- No-Chip - Unit						
Removal no chip, 5" DBH up to 8" DBH						
Removal no chip, 8" DBH up to 12" DBH						
Removal no chip, 12" DBH up to 24" DBH						
Removal no chip, 24" DBH up to 30" DBH						
Removal and chip, 5" DBH up to 8" DBH						
Removal and chip, 8" DBH up to 12" DBH						Ì
Removal and chip, 12" DBH up to 24" DBH						
Removal and chip, 24" DBH up to 30" DBH						

Assumptions for unproductive time such as sickness, vacation, PTO, etc. Please elaborate on where you allocate the casts associated with unproductive time of laborers

Area	Category	Abbrev.	Base wege (\$/hr)	Fringe (%)	Fics (%)	FUTA (%)	SUTA (%)	Workers comp insurance	Insurance and general	Union costs (%)	Other (%)	Total
NC	General Foreman	GF	的形式					(%)	(inbility (%)			
NC	Foreman A	FA	1 Photos -									
NC	Foreman B	FB										
NC	Trimmer A	TA										
NC	Trimmer B	TB	1.1.1 × 1.									
NC	Trimmer C	TC									1.1	
NC	Learner	LE										
NC	Equipment Operator	EO	- 11								201	
NC	Work Planner	WP	1005									
SC	General Foreman	GF			1 1. all							
SC	Foreman A	FA	15 / - "								1	
SC	Foreman B	FB	0.00								1.1.1	
SC	Trimmer A	TA									1	
SC	Trimmer B											
		TB										
sc	Trimmer C	TC	1-12-1								- 14	
SC	Learner	LE	1 1 1 1									
SC	Equipment Operator	EO	and a second									
SC	Work Planner	WP					- Alexandre				- seen 1	-
IN	General Foreman	GF										
IN	Foreman A	FA										
IN	Foreman B	FB										
IN	Trimmer A	TA	1. M									
IN	Trimmer B	TB										
IN	Trimmer C	TC										
IN	Learner	LE .										
IN	Equipment Operator	EO										
IN	Work Planner	WP	12 1997.	1000	ara in		11		1.92			
OH	General Foreman	GF	ALC: NO DECEMBER OF									5
OH	Foreman A	FA	1									
OH	Foreman B	FB										
OH	Trimmer A	TA	Gill /									
OH	Trimmer B	TB										
OH	Trimmer C	TC	100									
OH	Learner	LE										
OH	Equipment Operator	EO	1									
OH	Work Planner	WP									-	
KY KY	General Foreman	GF FA										
	Foreman A Foreman B	FA FB										
KY KY	Trimmer A	TA										
		TB										
KY KY	Trimmer B	TC										
	Trimmer C	LE									1000	
KY	Learner											11
KY	Equipment Operator	EO										
KY	Work Planner	WP		-			Diversion of the second					
FL	General Foreman	GF										
FL	Foreman A	FA										
FL	Foreman B	FB									1 7 14	
FL	Trimmer A	TA										11-11-1
FL	Trimmer B	TB										
FL.	Trimmer C	TC										
FL	Learner	LE										+ +
FL	Equipment Operator	ED									1	
FL	Work Planner	WP			2				and the second		7	

Assumptions on Usable hours

Please elaborate on how you determine the usable hours per equipment in a year.

tem Number	Description	Purchase Price (\$)	Expected Lifetime (yrs)	Usable hours (hrs/yr)	Service/Repair and maintenance (\$/yr)	Fuel (\$/yr)	Cost of Capita (%)
1401826 4x4 Pi	ck-up < 1 Ton				1411.1	All was decident and a	Contraction of the second of the second
1401654 Disc C		in the second					
1401638 2x4 Ac							
1401832 4x4 Pie	ck-up Crew Cab						
	litt dump w/tools						
1401635 2x4 Ae							
1401637 4x4 Ae	rial Lift 57' Paddlefoot						
1401833 4x4 Sp	lit dump w/tools						
L III I SANSA S	r Tired Mech. Trimmer- 70'						
1413147 4X4 At	erial Lift 70' or > w/winch						
	Cutter - flat Mower, >/= 150 HP						
1413148 2x4 Ac	rial Lift Rev Mnt w/float tires 57'						
	lit Dump w/tools - Diesel	1					
1413291 2x4 Ac	rial Lift min 57'- Diesel						
1401655 Drum	Chipper	The					
1401827 2x4 Pig	ck-up < 1 Ton						
1413292 Feller	Buncher						
1401548 Equipm	nent Trailer						
1401575 4x4 Tra	actor 5-6' hog w/winch						
1401825 2x4 Pig	the start of the second s	511					
1401824 Rollba	ck w/20' bed						
1401937 Skid St	eer Mower						
1401938 Brush	Cutter - Flail Mower						
1401649 Backya	ard Aerial Lift 42' or >						
1401650 2x4 Ae		*). (h)					
1401639 4x4 Ae	eriəl Lift min 57'						
1489219 Loader	Truck	ing .					
1473723 4x4 Sci	issor Paddlefoot	e la					
1463709 Boat &	Motor						
1455343 Tracto	HERE AND AND A CONTRACT AND A CONTRA						
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	Crew comparition For each of the units and states, provide the team composition based one the labor categories provided in tab "Labor". Fill out the number of each labor type used																	
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Duke Energy Kentucky Case No. 2017-00321 STAFF's Post Hearing Data Requests Date Received: March 13, 2018

STAFF-POST HEARING-DR-01-019

REQUEST:

Refer to the Bellucci Rebuttal, Attachment LMB – Rebuttal -1, which estimated, using the average rate assumption method ("ARAM"), that \$1,089,279.27 in protected excess ADIT may be reimbursed in 2018 (based on the estimated rate of 3.12 percent) and the \$1,406,985.72 in protected excess ADIT may be reimbursed in 2019 (based on the estimated rate of 4.03 percent).

- a. Identify and describe any estimates and assumptions made by Duke Kentucky in calculating the rate at which Duke Kentucky's protected excess ADIT may be amortized in the years indicated in Attachment LMB – Rebuttal -1.
- b. Using the same methodology applied in Attachment LMB Rebuttal 1, calculate and provide the "Estimated ARAM Rate" of amortization for excess protected ADIT and the total amount of protected excess ADIT that may be amortized for 2020 and for each calendar year thereafter through 2029.
- c. If changes in the methodology are necessary to calculate the "Estimated ARAM Rate" or the total amount of excess deferred taxes that may be amortized for each calendar year through 2029, make the calculations and explain what change was made and why a change in the methodology was necessary.

RESPONSE:

- a. Duke Energy Kentucky utilizes PowerTax as the system of record for deferred taxes associated with property, plant and equipment. PowerTax calculates ARAM on an asset by asset basis, starting the amortization of excess deferred tax at the point at which book depreciation exceeds tax depreciation. The amounts provided for 2018 and 2019 are estimates since the actual calculations will occur as tax depreciation amounts are finalized for the 2017 tax return, which will be filed in 2018. To prepare the estimates for 2018 and 2019, Duke Energy Kentucky utilized the latest available book and tax basis data in PowerTax which supports the 2016 tax return. An assumption was made that 2017, 2018 and 2019 book depreciation would remain constant for existing assets, while the system calculated tax depreciation. The major factors that could impact the final calculation of ARAM include actual cost of removal and salvage, 2017 property additions and retirements, and actual book depreciation.
- b. PowerTax is not a comprehensive forecasting tool and does not have the capability to make long term estimates. There will be fluctuations each year based on the remaining book and tax life of each asset. Duke Energy Kentucky is in discussions with the software vendor to seek assistance in preparing longer term forecasts. The ARAM method is designed to mimic the rate at which deferred taxes would have otherwise reversed which is over the remaining book life of the assets. Since the utility assets generally have a long remaining book life, Duke Energy Kentucky is assuming ARAM rates remain consistent with the estimated 2019 rate for forecasting purposes.

c. See response to item b. above.

PERSON RESPONSIBLE: Lisa Bellucci

STAFF-POST HEARING-DR-01-020

REQUEST:

Refer again to the Attachment LMB – Rebuttal 1. Were the annual amortization rates and amounts identified in that exhibit calculated using depreciation rates based on the Equal Life Group ("ELG") procedure, the Average Life Group ("ALG") procedure, or some other methodology? If not otherwise provided, calculate and provide the "Estimated ARAM Rate" and the total amount of protected excess ADIT that may be amortized using ARAM for 2018 and for each calendar year thereafter through 2029 using depreciation rates based on the ELG procedure and the ALG procedure.

RESPONSE:

Please refer to the response to STAFF-POST HEARING-DR-01-019. The ARAM rates were calculated using historical book depreciation, which is based on the ELG procedure. Duke Kentucky does not have the data necessary to recalculate ARAM rates on the ALG procedure, however it is important to note that the ARAM method provides for excess deferred tax to mimic the period over which the deferred income taxes would have otherwise reversed, which is generally the remaining book life of the assets. Please refer to AG-DR-01-035 for a schedule of depreciation rates under the ALG method. The ARAM rates would provide for amortization over the proposed book life of existing assets.

PERSON RESPONSIBLE: Lisa Bellucci

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STAFF-POST HEARING-DR-01-021

REQUEST:

Provided copies of all attachments contained in the Bellucci Rebuttal in Excel format with all formulas intact and unprotected and will all columns and rows accessible.

RESPONSE:

Please refer to the attachments Staff-Post Hearing-DR-01-021 LMB-Rebuttal 2 and 3 and Staff-Post Hearing-DR-01-021 LMB-Rebuttal 4. LMB Rebuttal 1 was prepared in a Microsoft Word format.

PERSON RESPONSIBLE: Lisa Bellucci

STAFF-POST HEARING-DR-01-021 ATTACHMENT LMB-Rebuttal 2 and 3 IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-021 ATTACHMENT LMB-Rebuttal 4 IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-022

REQUEST:

Identify any assets, property and accounts the depreciation of which gave rise to protected excess ADIT and provide and describe:

- a. The extent to which such assets, property, and accounts were depreciated as of December 31, 2017 for tax and regulatory purposes, in terms of percentage and total value;
- b. The annual depreciation schedule for each such asset, property, and account for tax purposes through 2029;
- c. The protected excess ADIT that arose from the depreciation of each such asset, property, and account as of December 31, 2017;
- d. The aggregate ADIT, including excess ADIT and ADIT that are not excess, attributable to each such asset, property, and account as of December 31, 2017; and
- e. Any other information relied on by Duke Kentucky to calculate the rate at which excess protected ADIT attributable to a particular asset, property, and account may be amortized using the ARAM method.

RESPONSE:

a. See attached excel workbook Staff-Post Hearing-DR-01-022 (a) Attachment. This file contains every record maintained in Duke Kentucky's PowerTax system

which is used to support the PP&E Deferred Taxes. It includes a pivot table that helps to summarize the details into Protected vs. UnProtected excess deferred taxes. This file is only available for year end 12/31/2016. The new file will be available once the 2017 Tax Return is completed along with updating the related annual deferred tax transactions in PowerTax (late 3rd quarter 2018).

- b. See attached excel workbook Staff-Post Hearing-DR-01-022 (b) Attachment. This file contains a tax depreciation runout for every asset in PowerTax at 12/31/2016 using the Federal Tax Depreciation rates.
- c. See the file referenced in the response for STAFF-POST HEARING-DR-01-022.a.
- d. See the file referenced in the response for STAFF-POST HEARING-DR-01-022.a. See the column labeled FAS109_END which represents the total deferred tax balance.
- e. See the response for STAFF-POST HEARING-DR-01-019, which describes how Duke Kentucky estimated ARAM.

PERSON RESPONSIBLE: Matt Gordon

STAFF-POST HEARING-DR-01-022 (a) ATTACHMENT IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-022 (b) ATTACHMENT IS BEING ELECRONICALLY FILED AND A COPY BURNED ON CD

STAFF-POST HEARING-DR-01-023

REQUEST:

State whether Duke Kentucky has received any letter or written option from the Internal Revenue Service since January 1, 2010, regarding the treatment of its excess ADIT and, if so, provide a copy of the letter or written opinion.

RESPONSE:

None received.

PERSON RESPONSIBLE: Lisa Bellucci

STAFF-POST HEARING-DR-01-024

REQUEST:

Provide any letters or written opinions prepared by the Internal Revenue Service and relied on by Duke Kentucky, or its agents, to calculate its excess ADIT or to determine how or the rate at which excess ADIT may be reimbursed to ratepayers under federal tax law, regardless of whether those letters or written opinions were prepared for or at the request of Duke Kentucky.

RESPONSE:

None received.

PERSON RESPONSIBLE:

Lisa Bellucci

STAFF-POST HEARING-DR-01-025

REQUEST:

Refer to Duke Kentucky's responses to Commission Staff's Second Request for Information, Item 5.a. The question assumed that employees would pay 21 percent to the total cost of single coverage rather than the 20 percent listed in the response.

- a. Provide an update to the response using 21 percent for single coverage.
- b. What was Duke Kentucky's original adjustment for medical insurance expense and the revenue requirement contained in the application?

RESPONSE:

- a) See STAFF-POST HEARING-DR-01-025 Attachment.
- b) The medical insurance cost included in the revenue requirement in the original application was \$2,862,434.

PERSON RESPONSIBLE: Thomas Silinski

DEK Staff Post-Hearing Data Request Responding Witness: Tom Silinski

The below is an analysis of the Test Period numbers:

		Kentucky		Allocated from Affiliates	
Α.	Total Costs:				
	Single Coverage	356,507		230,865	
	Other Coverage	1,728,327		1,119,222	
	Total	2,084,834		1,350,087	
	Employee Cost:				
	Single Coverage	74,867	21%	48,482	21%
	Other Coverage	570,348	33%	369,343	33%
	Total	645,214		417,825	
	Employer Cost:				
	Single Coverage	281,641		162,384	
	Other Coverage	1,157,979		749,879	
	Total	1,439,620		932,262	
	Total KY Cost (Previously submitted)	1,737,361		1,125,073	
	Change	297,741		192,810	

Note: The calculations above only look at the premium cost share. It does not reflect the out of pocket costs incurred by the employee (coinsurance, copays, deductibles). For medical coverage, the employee pays on average 17% of the premium and 34% of the total cost of coverage.