

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) Case No. 2017-00321
Environmental Compliance 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.)

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:

1. 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.

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

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 herein, 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.

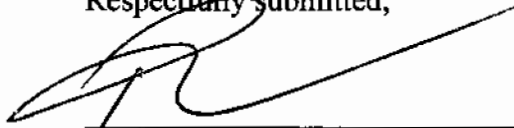
16. In accordance with the provisions of 807 KAR 5:001, Section 13(2)(e), the Company is filing one copy of the Confidential Information separately under seal, and the appropriate number of copies with the Confidential Information redacted.

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

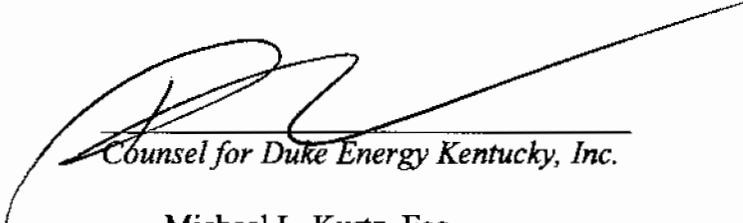
And

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 March 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

Michael L. Kurtz, Esq.
Jody Kyler Cohn, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202

Counsel for the Office of Attorney General

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

Counsel for Kentucky Industrial Utility Customers, Inc.

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

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 Kroger Company

Counsel for the Kentucky School Board Association

KYPSC CASE NO. 2017-00321
STAFF POST HEARING DATA REQUESTS
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-001 POST HEARING	Cynthia Lee	1
STAFF-DR-01-002 POST HEARING	William Don Wathen Jr	2
STAFF-DR-01-003 POST HEARING	Thomas Silinski	3
STAFF-DR-01-004 POST HEARING	Thomas Silinski	4
STAFF-DR-01-005 POST HEARING	John Verderame	5
STAFF-DR-01-006 POST HEARING	Lisa Bellucci/ Stephen G. De May	6
STAFF-DR-01-007 POST HEARING	Anthony J. Platz	7
STAFF-DR-01-008 POST HEARING	James E. Ziolkowski	8
STAFF-DR-01-009 POST HEARING	Bruce L. Sailers	9
STAFF-DR-01-010 POST HEARING	Sarah E. Lawler	10

STAFF-DR-01-011 POST HEARING	Sarah E. Lawler11
STAFF-DR-01-012 POST HEARING	Sarah E. Lawler12
STAFF-DR-01-013 POST HEARING	William Don Wathen Jr 13
STAFF-DR-01-014 POST HEARING	Bruce L. Sailers 14
STAFF-DR-01-015 POST HEARING	Bruce L. Sailers 15
STAFF-DR-01-016 POST HEARING	Bruce L. Sailers 16
STAFF-DR-01-017 POST HEARING	Bruce L. Sailers 17
STAFF-DR-01-018 POST HEARING	April N. Edwards 18
STAFF-DR-01-019 POST HEARING	Lisa Bellucci 19
STAFF-DR-01-020 POST HEARING	Lisa Bellucci 20
STAFF-DR-01-021 POST HEARING	Lisa Bellucci 21
STAFF-DR-01-022 POST HEARING	Matt Gordon 22
STAFF-DR-01-023 POST HEARING	Lisa Bellucci 23

STAFF-DR-01-024
POST HEARING

Lisa Bellucci 24

STAFF-DR-01-025
POST HEARING

Thomas Silinski 25

VERIFICATION

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

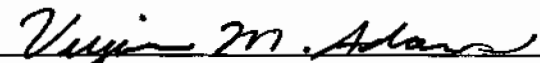
The undersigned, Cynthia S. Lee, Director, Asset Accounting, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of her knowledge, information and belief.



Cynthia S. Lee Affiant

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





NOTARY PUBLIC

My Commission Expires: 10/2/21

VERIFICATION

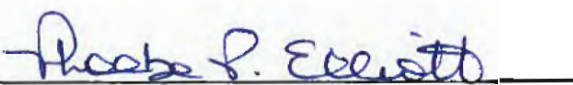
STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) **SS:**

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.


Thomas 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**

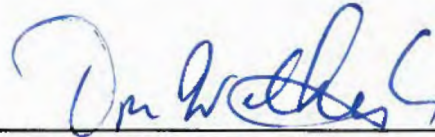

NOTARY PUBLIC

My Commission Expires: June 26, 2021

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

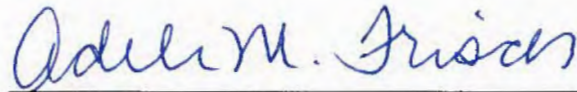
The undersigned, William Don Wathen, Jr., Director of Rates & Regulatory Strategy, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen, Jr., on this 20TH day of March 2018.

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



NOTARY PUBLIC

My Commission Expires: 1/5/2019

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

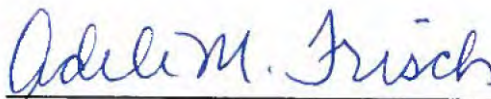
The undersigned, Anthony J. Platz, Director Power Quality, Reliability and Integrity Engineering, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.



Anthony J. Platz Affiant

Subscribed and sworn to before me by Anthony J. Platz on this 20th day of March 2018.

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



NOTARY PUBLIC

My Commission Expires: 1/5/2019

VERIFICATION

STATE OF INDIANA)
)
COUNTY OF HENDRICKS) **SS:**

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.

April N. Edwards
April N. Edwards, Affiant

Subscribed and sworn to before me by April N. Edwards on this 16th day of March, 2018.

Paula M. Posman
NOTARY PUBLIC Paula M. Posman

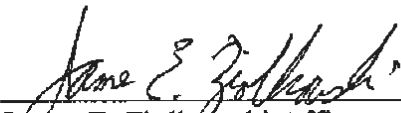
My Commission Expires: 3-17-25

Resident: Hendricks County

VERIFICATION


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.



James E. Ziolkowski Affiant

Subscribed and sworn to before me by James E. Ziolkowski on this 16TH day of
March 2018.



NOTARY PUBLIC

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

My Commission Expires: 1/5/2019

VERIFICATION


STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

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 15TH day of March, 2018.



NOTARY PUBLIC

My Commission Expires: July 8, 2022



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

VERIFICATION

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 L. Sailers
Bruce L. Sailers, Affiant

Subscribed and sworn to before me by Bruce L. Sailers, on this 15TH day of March 2018.

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

Adelle M. Frisch
NOTARY PUBLIC

My Commission Expires: 1/5/2019

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 Period	Annual Rev Requirement	Total Collected 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

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

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 Period	Annual Rev Requirement	Total Collected 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.

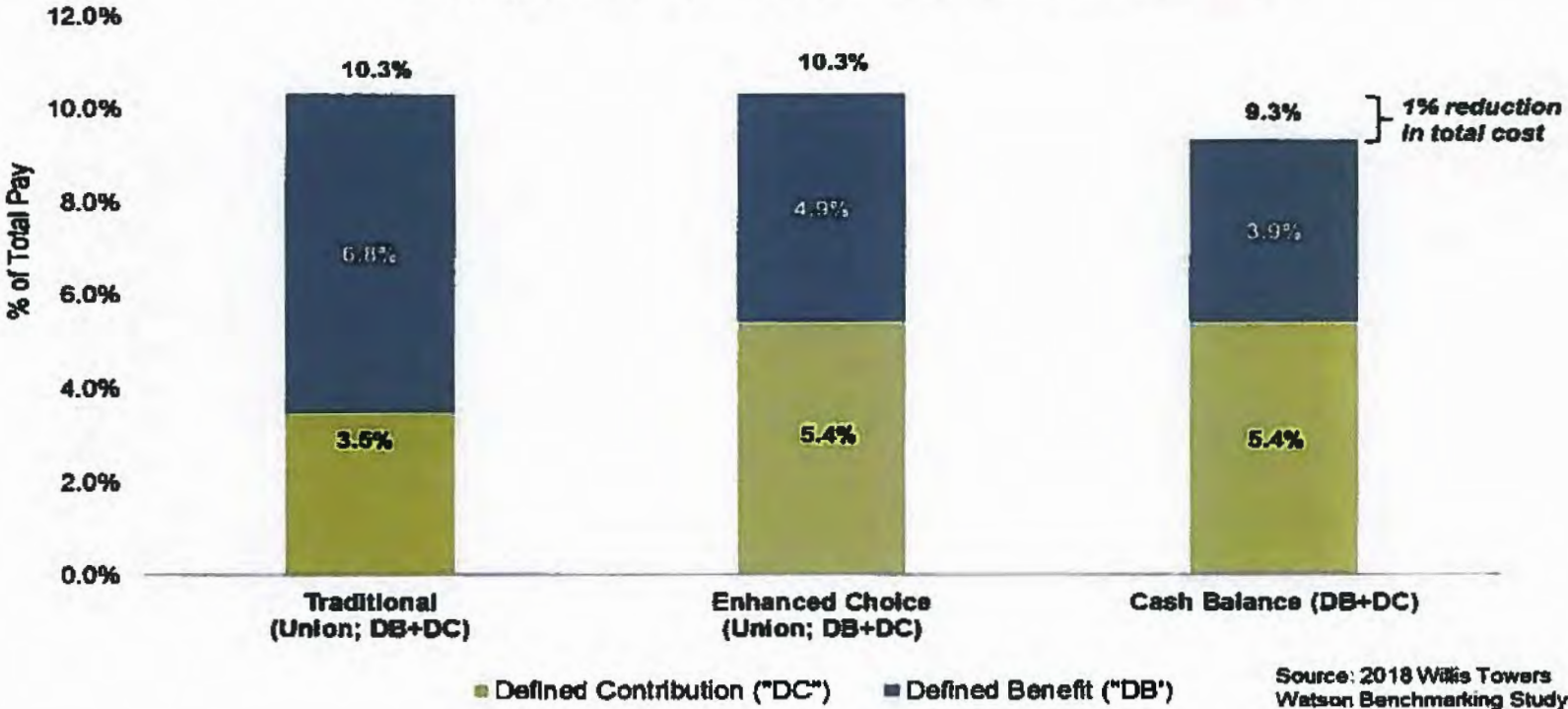
RESPONSE:

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

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

Employer Value (Excludes Employee Contributions)



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

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

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

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

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 Opinion 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 Unprotected Excess ADITs

	As Proposed ^(a)	Amortize Unprotected Excess ADITs Over:			
		5 years	10 years	15 years	
Protected Excess ADITs	\$34,912,797	\$34,912,797	\$34,912,797	\$34,912,797	No change to Amortization of Protected Excess ADITs
Year 1 Estimated ARAM Rate	3.12%	3.12%	3.12%	3.12%	
No. of months (April 1 - December 31, 2018)	9/12	9/12	9/12	9/12	
Amortization 9 months ended 12/31/18	\$816,959	\$816,959	\$816,959	\$816,959	
Year 2 Estimated ARAM Rate	4.03%	4.03%	4.03%	4.03%	
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	
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 stable."

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 policies 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)

....Outlook, Changed To Negative From Stable

..Issuer: Southern Elect Generating Co

...Outlook, Changed To Negative From Stable

..Issuer: Southwestern Public Service Company

...Outlook, Changed To Negative From Stable

..Issuer: Wisconsin Gas LLC

...Outlook, 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, The

...Outlook, Changed To Negative From Stable

..Issuer: KeySpan Gas East Corporation

...Outlook, Changed To Negative From Stable

Affirmations:

..Issuer: American Electric Power Company, Inc.

.... Commercial Paper, Affirmed P-2

....Senior Unsecured Shelf, Affirmed (P)Baa1

....Junior Subordinated Shelf, Affirmed (P)Baa2

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa1

..Issuer: Avista Corp.

.... Issuer Rating, Affirmed Baa1

....Senior Secured First Mortgage Bonds, Affirmed A2

....Underlying Senior Secured First Mortgage Bonds, Affirmed A2

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

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

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

..Issuer: Avista Corp. Capital II

....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

..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 Stock, 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 A1

....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, Affirmed A1

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

....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
..Issuer: 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

..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
..Issuer: 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
....Preferred 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

..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.moody's.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be

assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The relevant office for each credit rating is identified in "Debt/deal box" on the Ratings tab in the Debt/Deal List section of each issuer/entity page of the website.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Ryan Wobbrock
Vice President - Senior Analyst
Infrastructure Finance Group
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Jim Hempstead
MD - Utilities
Infrastructure Finance Group
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Moody's
INVESTORS SERVICE

© 2018 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY

OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 138 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.



CREDIT OPINION

3 January 2018

Update

Rate this Research



RATINGS

Duke Energy Kentucky, Inc.

Domicile	Kentucky, United States
Long Term Rating	Baa1
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Laura Schumacher +1.212.553.3853
 VP-Sr Credit Officer
 laura.schumacher@moodys.com

Dexter East +1.212.553.3260
 Associate Analyst
 dexter.east@moodys.com

Michael G. Haggarty +1.212.553.7172
 Associate Managing
 Director
 michael.haggarty@moodys.com

Jim Hempstead +1.212.553.4318
 MD-Utilities
 james.hempstead@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Duke Energy Kentucky, Inc.

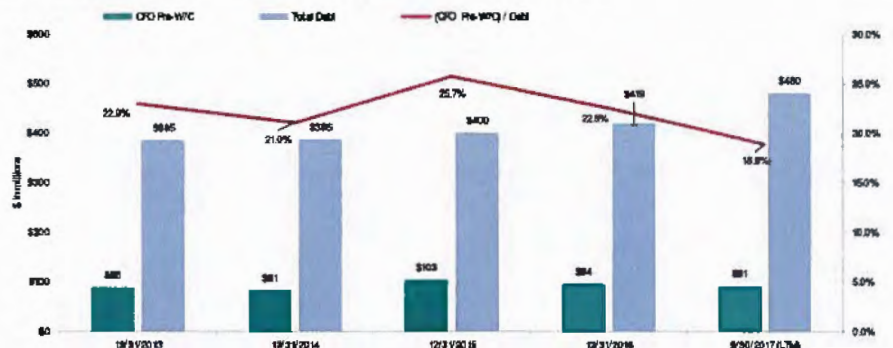
Update to credit analysis

Summary

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.

Exhibit 1

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



[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

Exhibit 2

KEY INDICATORS [1]

Duke Energy Kentucky, Inc.

	12/31/2013	12/31/2014	12/31/2015	12/31/2016	9/30/2017(L)
CFO pre-WC + Interest / Interest	6.1x	5.7x	7.8x	6.9x	7.0x
CFO pre-WC / Debt	22.9%	21.0%	25.7%	22.5%	18.9%
CFO pre-WC – Dividends / Debt	12.6%	21.0%	11.9%	20.1%	16.8%
Debt / Capitalization	37.8%	36.2%	36.6%	35.9%	37.5%

[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

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

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 \$48.6 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-W/C 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 \$94 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.

Rating methodology and scorecard factors

Exhibit 3

Rating Factors			Moody's 12-18 Month Forward View As of Date Published [3]	
Duke Energy Kentucky, Inc.				
Regulated Electric and Gas Utilities Industry Grid [1][2]			Current LTM 9/30/2017	
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	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%)				
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	Baa	Baa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Ba	Ba	Ba	Ba
b) Generation and Fuel Diversity	B	B	B	B
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
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A3		Baa1
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A3		Baa1
b) Actual Rating Assigned		Baa1		Baa1

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

[2] As of 9/30/2017(LTM)

[3] 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	Baa1
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	Baa1

Source: Moody's Investors Service

© 2018 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S") All rights reserved
CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

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

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)	Customers interrupted	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	981	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	17,760	4,158,500
2/11/2009	8,729	1,805,912
6/20/2009	7,882	277,427
6/26/2009	19,109	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

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

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

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
ELECTRONICALLY FILED
AND A COPY BURNED ON
CD**

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

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. Sailors

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

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

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
ELECTRONICALLY FILED
AND A COPY BURNED ON
CD**

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

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

REQUEST:

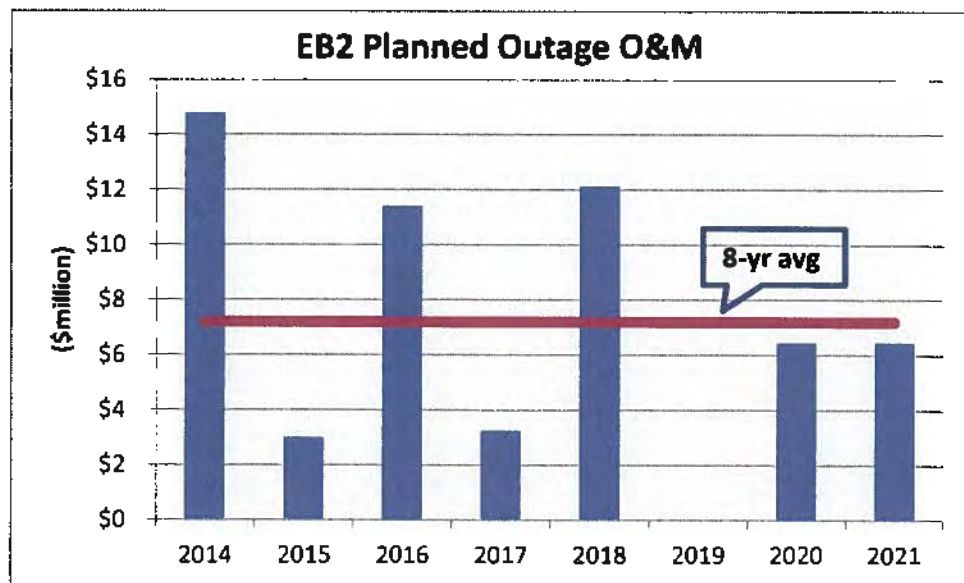
Provide the amount of planned outage expense for the four historical years ending in 2017 and the four prospective years following calendar year 2017, the average of the eight-year period, and the impact on the revenue requirement.

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.



PERSON RESPONSIBLE: 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

<u>Year</u>	<u>Description</u>	<u>East Bend</u>	<u>Woodsdale</u>	<u>Total</u>	<u>CPI 2017= 100 (A)</u>	<u>Total</u>
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 Outage O&M						\$ 7,177,425
Less Test Year Planned Outage O&M						7,394,172
Adjusted Planned Outage O&M						\$ (216,747)

Note: Excludes regular time labor hours

DUKE ENERGY KENTUCKY, INC.
ELECTRIC DEPARTMENT
CASE NO. 2017-00321
CALCULATION OF CONSUMER PRICE INDEX
FOR URBAN CONSUMERS
BASED ON THE PERIOD ENDED DECEMBER 31, 2016 = 100%

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

<u>Line No.</u>	<u>Year</u>	<u>Consumer Price Index (A)</u>	<u>CPI 2016=100 Col. 2 / 246.7</u>
1	2014	234.8	95.2%
2	2015	236.5	95.9%
3	2016	241.4	97.9%
4	2016	246.7	100.0%

→ To WPD-2.33a

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

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

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.

Line No.	Description	2015			2016			2017		
		Original Total	Proposed Total	Variance	Original Total	Proposed Total	Variance	Original Total	Proposed Total	Variance
1	Off-System Sales Revenue									
2	Asset Energy	(+) \$ 26,911,428	\$ 26,911,428	\$ -	\$ 7,630,073	\$ 7,630,073	\$ -	\$ 16,416,635	\$ 16,416,635	\$ -
3	Non-Asset Energy	(+) -	-	-	-	-	-	-	-	-
4	Bilateral Sales	(+) -	-	-	-	-	-	-	-	-
5	Hedges	(+) (362,908)	(362,908)	-	(1,119)	(1,119)	-	(11,120)	(11,120)	-
6	PJM Bal & DA Oper Reserve Credits	(+) 1,161,014	1,181,014	-	753,737	753,737	-	429,697	429,697	-
7	Fuel Related RTO Costs and Credits	(+) -	(136,309)	(136,309)	-	10,400	10,400	-	8,136	8,136
8	Non-Fuel Related RTO Costs and Credits	(+) -	2,462,763	2,462,763	-	2,092,177	2,092,177	-	2,518,274	2,518,274
9	Capacity	(+) -	-	-	-	-	-	-	-	-
10	Ancillary Services Market	(+) 1,625,407	-	(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	\$ 701,047	\$ 10,140,513	\$ 10,485,268	\$ 344,755	\$ 18,335,893	\$ 19,361,622	\$ 1,025,729
12										
13	Variable Costs Allocable to Off-System Sales									
14	Bilateral Purchases	(+) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Non-Native Fuel Cost	(+) 23,449,851	23,449,851	-	7,317,536	7,317,536	-	13,988,723	13,888,723	-
16	Variable O&M Cost	(+) 1,823,983	1,823,953	-	646,418	646,418	-	1,430,182	1,430,182	-
17	SO ₂ Cost	(+) 1,251	1,251	-	56	56	-	69	69	-
18	NO _x Cost	(+) 56,620	56,620	-	3,884	3,884	-	1,887	1,887	-
19	PJM and Other Costs	(+) 121,237	-	(121,237)	46,310	-	(46,310)	95,755	-	(95,755)
20	(Gain)/Losses on Sale of Fuel	(+) -	-	-	-	-	-	-	-	-
21	Sub-Total Expenses	\$ 25,452,922	\$ 25,331,685	\$ (121,237)	\$ 8,014,204	\$ 7,987,894	\$ (46,310)	\$ 15,416,618	\$ 15,320,861	\$ (95,755)
22	Total Off-System Sales Margin (Line 11 - Line 21)	(+) \$ 3,882,019	\$ 4,704,303	\$ 822,284	\$ 2,126,309	\$ 2,517,374	\$ 391,065	\$ 2,919,277	\$ 4,040,761	\$ 1,121,484
23	Allocated to Customers (guaranteed 100% of first \$1.0 million)	(-) \$ 1,000,000	-	-	\$ 1,000,000	-	-	\$ 1,000,000	-	-
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	\$ -	\$ 2,533,788	\$ 2,533,788	\$ -	\$ 2,855,340	\$ 2,855,340	\$ -
26	Percentage Allocated to Customers (75% of margins > \$1.0 million)	75.00%	-	-	75.00%	-	-	75.00%	-	-
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	-	-	\$ 3,745,073	-	-	\$ 4,580,963	-	-
29	Net Margins on Sales of Emission Allowances	(+) \$ 8,051	\$ -	(8,051)	\$ -	\$ -	\$ -	\$ 23	\$ -	(23)
30	Net Proceeds from the Sale of Renewable Energy Credits	(+) -	-	-	-	-	-	-	-	-
31	Total		\$ 11,627,255	\$ 814,233		\$ 5,051,162	\$ 391,065		\$ 6,896,101	\$ 1,121,461
32	Percentage Allocated to Customers (90%)		90.00%	-		90.00%	-		90.00%	-
33	Total PSM Credit	\$ 8,381,779	\$ 10,464,530	2,102,751	3,745,073	\$ 4,546,046	800,973	4,580,986	\$ 6,206,491	1,625,505
34										
35	Current vs. Proposed PSM Credit		\$ 2,102,751			\$ 800,973			\$ 1,625,505	

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

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

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

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:

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

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

PERSON RESPONSIBLE: Bruce L. Sailors

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

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. Sailors

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

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. Sailors

**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 bids 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 behalf 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.

d.

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

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

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

Duke Energy Equipment Rates

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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 tires	2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws				
Other Truck	1401869	2x4- Split Dump	2 x 4 Split dump w/ chip bed w/ saws & tools				
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				
Bucket	1401637	4x4- Aerial Lift 57'- Paddlefoot	Aerial Lift, 57' height 4 wd, Paddlefoot w/ winch & saws				
Bucket	1489742	4x4- Aerial Lift- 57'- 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	1401826	4x4- Pickup- <1Ton	4x4- Pickup- <1Ton				
Pick up	1401827	2x4- Pickup- <1Ton	2x4- Pickup- <1Ton				
Pick up	1401832	4x4- Pickup- Crew Cab	4x4- Pickup- Crew Cab				
Bucket	1413147	4x4- Aerial Lift 70' or > - w/winch	4x4- Aerial Lift 70' or > w/ dump, tools, saws & winch				
Bucket	1401639	4x4- Aerial Lift 50 - 57'	Aerial lift, 57' height 4 wd, w/ dump & saws				
Bucket	1489746	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 Scissor Lift Fb w/floatation tires min ht 70-75' w/ tools & winch				
Bucket	1401636	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	4 x 4 Split dump w/ tools & saws - Diesel				
Other Truck	1401575	4x4- Tractor 5-6' hog- w/winch	Farm/Forestry Tractor, 4WD, 5" - 6" wide brush hog w/winch				
non truck	1401715	ATV	All Terrain Vehicle 4x4 w/ & trailer				
Bucket	1401649	Aerial Lift 42' or >- Backyard	Backyard Aerial Lift 42' or > w/ trailer				
non truck	1463709	Boat & Motor	Boat, Motor & Trailer w/ tools & saws				
Other Truck	1401560	Brown Monitor Mower/Sprayer	Brown Monitor Mower/Sprayer				
non truck	1401938	Brush Cutter - Flail Mower	Hydro Axe, Geoboy, Kershaw klearway w/ fecon, seppi, cutter head, etc				
Other Truck	1413292	Rubber Tired Feller Buncher	Feller Buncher 20" cutter head				
Other Truck	1489219	Prentice Loader	Grapple Truck w/ dump bed				
non truck	1489743	Marsh Master	Tracked amphibious vehicle/with trailer				
Other Truck	1489759	Skid Steer Loader	Skid Steer w/ loader attachment				
Other Truck	1401824	Rollback w/20' bed	Rollback w/20' bed				
non truck	1459242	UTV	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	1401937	Skid Steer Mower	Skid Steer Mower w/ Fecon Head				
non truck	1401540	Stump Grinder	Stump Grinder				
Chipper	1489747	Large Cap. Chipper	Large Capacity Chipper				
Other Truck	1455342	Tracked Excavator- Feller Buncher	Tracked excavator-feller buncher head				
Pick up	1489749	4x4- Spray Truck	4x4 Truck, sprayer equipped				

Duke Energy Equipment Rates

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

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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 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 all other units please provide overall unit prices only. The cells for the constituents of these prices will be blackened out and only the cells for 'unit price' 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
 - 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 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

			NIV1				
SVC ID	Description	Order Unit	Unit cost breakdown				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	XXXX	X	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			Charlotte East				
SVC ID	Description	Order Unit	Unit cost breakdown				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413262	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	XXXX	X	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			Ashville				
SVC ID	Description	Order Units	Unit Cost				Unit price (sum of labor, equipment, direct c/h, other c/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	XXXX	x	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			North Coastal				
SWC ID	Description	Order Unit	Unit Cost				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	XXXX	X	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

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 work, 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**
- 5) 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 **RED**
- 6) Please highlight in **YELLOW** (YELLOW) zones in which you do not operate today but are interested in going 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

Service Item	New Description	New Long Description	Transmission			
			DMW	DEC	DEP	DEF
			Rate	Rate	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				
1413152	T - ST Trimmer A	Top Climber/Trimmer				
1413154	T - ST Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)				
1413155	T - ST Trimmer C	Entry Level Climber/ Trimmer				
1413156	T - ST Learner	Entry Level Position / Flagger / Groundman				
1413158	T - ST Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
1413157	T - ST Work Planner	Utilized to pre-plan work (Demand tickets)				
1413358	OT -General Foreman -Trans Tree	Crew(s) Supervisor				
1413159	T - OT Foreman A	Experienced Crew Leader				
1413160	T - OT Foreman B	Entry level Crew Leader				
1413161	T - OT Trimmer A	Top Climber/Trimmer				
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				
1413166	T - OT Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
1413165	T - OT Work Planner	Utilized to pre-plan work (Demand tickets)				

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

Duke Energy Equipment Rates

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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 tires	2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws				
Other Truck	1401869	2x4- Split Dump	2 x 4 Split dump w/ chip bed w/ saws & tools				
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				
Bucket	1401637	4x4- Aerial Lift 57'- Paddlefoot	Aerial Lift, 57' height 4 wd, Paddlefoot w/ winch & saws				
Bucket	1489742	4x4- Aerial Lift- 57'- 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	1401826	4x4- Pickup- <1Ton	4x4- Pickup- <1Ton				
Pick up	1401827	2x4- Pickup- <1Ton	2x4- Pickup- <1Ton				
Pick up	1401832	4x4- Pickup- Crew Cab	4x4- Pickup- Crew Cab				
Bucket	1413147	4x4- Aerial Lift 70' or > - w/winch	4x4- Aerial Lift 70' or > w/ dump, tools, saws & winch				
Bucket	1401639	4x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 4 wd, w/ dump & saws				
Bucket	1489746	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 Scissor Lift Fb w/floatation tires min ht 70-75' w/ tools & winch				
Bucket	1401636	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	4 x 4 Split dump w/ tools & saws - Diesel				
Other Truck	1401575	4x4- Tractor 5-6' hog- w/winch	Farm/Forestry Tractor, 4WD, 5" - 6" wide brush hog w/winch				
non truck	1401715	ATV	All Terrain Vehicle 4x4 w/ & trailer				
Bucket	1401649	Aerial Lift 42' or >- Backyard	Backyard Aerial Lift 42' or > w/ trailer				
non truck	1463709	Boat & Motor	Boat, Motor & Trailer w/ tools & saws				
Other Truck	1401560	Brown Monitor Mower/Sprayer	Brown Monitor Mower/Sprayer				
non truck	1401938	Brush Cutter - Flail Mower	Hydro Axe, Geoboy, Kershaw klearway w/ fecon, seppi, cutter head, etc				
Other Truck	1413292	Rubber Tired Feller Buncher	Feller Buncher 20" cutter head				
Other Truck	1489219	Prentice Loader	Grapple Truck w/ dump bed				
non truck	1489743	Marsh Master	Tracked amphibious vehicle/with trailer				
Other Truck	1489759	Skid Steer Loader	Skid Steer w/ loader attachment				
Other Truck	1401824	Rollback w/20' bed	Rollback w/20' bed				
non truck	1459242	UTV	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	1401937	Skid Steer Mower	Skid Steer Mower w/ Fecon Head				
non truck	1401540	Stump Grinder	Stump Grinder				
Chipper	1489747	Large Cap. Chipper	Large Capacity Chipper				
Other Truck	1455342	Tracked Excavator- Feller Buncher	Tracked excavator- feller buncher head				
Pick up	1489749	4x4- Spray Truck	4x4 Truck, sprayer equipped				
Other Truck	1489750	Tracked Mech Trimmer 70'	70' telescoping arm mechanical side trimming device mounted on tracks				
Other Truck	1455343	Tractor & Lowboy	Tractor & Lowboy				
Other Truck	1455344	Tractor & Lowboy- Stby Time	Tractor & Lowboy- Stby Time				
non truck	1507126	Tracked Excavator- Fecon	Tracked excavator- Fecon head (Shinn Cutter, Pro Grind)				

Duke Energy Equipment Rates

non truck	1507127	Tracked Excavator - Slash Buster	Tracked Excavator - Slash Buster				
non truck	1507129	Argo	Argo w/trailer - wheeled or track				
non truck	1528062	Barko					
non truck	1504599	Storm Mileage - Small Vehicle	Rate/mile				
non truck	1517389	Storm Mileage - Medium Vehicle	Rate/mile				
non truck	1504598	Storm Mileage - Large Vehicle	Rate/mile				
non truck	1537980	Shinn Cutter/ProGrind/TigerCat					
Misc		Other specialized equipment					

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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				

Transmission Operating Area - Planned Miles											
Indiana North		Indiana Southeast		Indiana Southwest		Ohio		Kentucky		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	

Transmission Operating Area - Planned 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

Transmission Operating Area - Planned Miles									
CTA		ETA-NB		ETA-WL		NTA		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

Transmission Operating Area - Planned Miles							
Coastal		North Central		Northern		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,

A handwritten signature in black ink, appearing to read "Collin Sequeira", with a horizontal line underneath.

Collin Sequeira
Director Sourcing
Duke Energy Supply Chain

		DEC - Carolina West										
		Charlotte East	Charlotte West	Winston Salem	Hendersonville	Farmington	Greensboro	Triangle	Charlotte South	Anderson	Mentahala	
BVC ID	Description	Order Units	Est Units	Est Units	Est Units	Est Units	Est Units	Est Units	Est Units	Est Units	Est Units	
1412295	Conv. Chip 1 sided (Standard) - Unit	UNITS	2393	2016	1286	1314	1951	2012	1934	1559	1773	409
1412297	Conv. Chip 2 sided (Standard) - Unit	UNITS	2257	1290	2138	3804	2122	1122	456	1950	2158	1017
1412354	Conv. Chip 1 sided (Complex) - Unit	UNITS	80	59	30	9	14	42	23	12	70	39
1412356	Conv. Chip 2 sided (Complex) - Unit	UNITS	95	19	52	82	20	11	5	103	111	128
1412359	Conv. No-Chip 1 sided (Standard) - Unit	UNITS	526	1205	1434	85	122	691	999	679	774	145
1412361	Conv. No-Chip 2 sided (Standard) - Unit	UNITS	407	929	1138	477	210	524	484	838	815	444
1412358	Conv. No-Chip 1 sided (Complex) - Unit	UNITS	3	4	3	0	0	0	2	1	5	2
1412360	Conv. No-Chip 2 sided (Complex) - Unit	UNITS	3	10	19	9	3	3	2	11	18	56
1412553	Conv. Single Tree Prune - Unit	UNITS	73	124	120	30	27	21	12	17	85	31
1412443	Buck Single Tree Prune	UNITS	195	464	546	133	124	163	137	85	282	39
1412445	Buck. Chip 1 sided (Standard) - Unit	UNITS	3720	3857	5060	2301	4138	2545	1546	2555	4087	623
1412447	Buck. Chip 2 sided (Standard) - Unit	UNITS	1028	1239	1150	2374	1256	592	597	1104	1723	961
1412444	Buck. Chip 1 sided (Complex) - Unit	UNITS	55	31	75	48	15	14	14	9	94	16
1412446	Buck. Chip 2 sided (Complex) - Unit	UNITS	15	12	35	45	5	4	5	7	27	37
1412349	Buck. No-Chip 1 sided (Standard) - Unit	UNITS	1	65	24	7	0	66	50	7	323	21
1412351	Buck. No-Chip 2 sided (Standard) - Unit	UNITS	0	3	1	1	0	2	1	3	7	0
1412348	Buck. No-Chip 1 sided (Complex) - Unit	UNITS	0	1	0	0	0	0	0	0	0	0
1412350	Buck. No-Chip 2 sided (Complex) - Unit	UNITS	0	1	0	0	0	0	0	0	0	0
1412521	Brushhog - Unit	UNITS	144	174	297	0	34	191	136	140	90	0
1412761	Hand Cut Chip - Unit	UNITS	183	22	95	885	32	243	223	473	267	278
1412763	Hand Cut No-Chip - Unit	UNITS	26	40	104	90	1	119	98	13	60	117
1412784	Clear Base of Pole - Chip - Unit	UNITS	154	146	389	95	347	346	156	120	169	25
1412785	Clear Base of Pole - No-Chip - Unit	UNITS	49	170	281	14	81	347	213	11	139	5
1412100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA	574	1	218	295	141	107	216	823	363	143
1412101	Removal no chip, 8" DBH up to 12" DBH - O&M	EA	0	0	0	0	0	0	0	0	0	0
1412102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA	603	908	2027	304	180	2111	1252	1133	601	512
1412103	Removal no chip, 12" DBH up to 24" DBH - O&M	EA	1	0	2	1	0	0	0	0	0	0
1412104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA	289	473	1229	140	113	950	545	184	504	289
1412105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA	11	3	108	74	4	5	17	0	19	3
1412106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA	16	39	85	13	4	87	39	12	44	38
1412107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA	1	0	9	5	2	2	1	0	1	0
1412092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA	97	1	532	142	44	634	420	141	219	185
1412093	Removal and chip, 8" DBH up to 12" DBH - O&M	EA	0	0	0	0	0	0	0	0	0	0
1412094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA	145	356	577	135	57	653	552	316	292	596
1412095	Removal and chip, 12" DBH up to 24" DBH - O&M	EA	0	1	1	8	23	0	0	0	0	8
1412096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA	62	283	479	193	78	389	285	227	195	234
1412097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA	54	79	240	495	38	77	59	9	80	51
1412096	Removal and chip, 24" DBH up to 30" DBH - Capital	EA	6	21	29	16	10	43	28	8	12	19
1412099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA	7	19	21	37	2	11	8	0	4	4
1412129	Danger Tree - Work Planning - \$/Mile	MI	2348	2196	3325	1649	1872	1530	1504	2005	1443	1069
1412140	Danger Tree - 5" to 8" - \$/unit	UNITS	90	101	314	24	112	62	28	204	314	7
1412141	Danger Tree - 8" to 12" - \$/unit	UNITS	251	137	818	120	229	175	175	446	552	112
1412142	Danger Tree - 12" to 24" - \$/unit	UNITS	241	285	803	307	590	243	202	535	754	212
1412143	Danger Tree - 24" to 30" - \$/unit	UNITS	65	74	94	24	57	28	11	65	79	57
1412144	Danger Tree - Overhang - \$/unit	UNITS	1	13	25	1	2	0	0	1	2	3

EVC ID	Description	Order Units	Dep - Florida			
			North Central	North Central	South Central	South Central
			Est Units	Est Units	Est Units	Est Units
1412153	Cover Chip 1 sided (Standard) - Unit	UNITS	573	1880	2927	808
1412152	Cover Chip 2 sided (Standard) - Unit	UNITS	1092	2724	2772	820
1412154	Cover Chip 3 sided (Complex) - Unit	UNITS	2	1	49	1
1412154	Cover Chip 3 sided (Complex) - Unit	UNITS	1.1	0	134	9
1412158	Cover No-Chip 1 sided (Standard) - Unit	UNITS	0	0	0	0
1412158	Cover No-Chip 1 sided (Complex) - Unit	UNITS	0	0	0	0
1412160	Cover No-Chip 2 sided (Complex) - Unit	UNITS	0	0	0	0
1412153	Cover Single Tree Frame - Unit	UNITS	32	35	195	60
1412143	Back Chip 1 sided (Standard) - Unit	UNITS	2437	619	1750	434
1412143	Back Chip 2 sided (Standard) - Unit	UNITS	10324	7395	6259	2449
1412147	Back Chip 2 sided (Complex) - Unit	UNITS	3561	2006	1207	343
1412144	Back Chip 3 sided (Complex) - Unit	UNITS	84	2	128	7
1412148	Back No-Chip 1 sided (Standard) - Unit	UNITS	4	3	65	2
1412149	Back No-Chip 2 sided (Standard) - Unit	UNITS	0	0	0	0
1412151	Back No-Chip 2 sided (Complex) - Unit	UNITS	0	0	0	0
1412148	Back No-Chip 3 sided (Complex) - Unit	UNITS	0	0	0	0
1412150	Back No-Chip 2 sided (Complex) - Unit	UNITS	0	0	0	0
1412152	Brushing - Unit	UNITS	282	7	1	0
1412152	Hand Cut - Unit	UNITS	106	67	61	62
1412153	Hand Cut - No-Chip - Unit	UNITS	3	0	0	0
1412154	Clear Base of Pole - Chip - Unit	UNITS	401	83	70	72
1412155	Clear Base of Pole - No-Chip - Unit	UNITS	65	0	15	0
1412150	Removed no chip, 5" DBH up to 8" DBH - Capital	EA	0	19	0	0
1412151	Removed no chip, 5" DBH up to 8" DBH - O&M	EA	8	89	0	0
1412152	Removed no chip, 8" DBH up to 12" DBH - Capital	EA	74	367	0	0
1412153	Removed no chip, 8" DBH up to 12" DBH - O&M	EA	12	21	0	0
1412154	Removed no chip, 12" DBH up to 24" DBH - Capital	EA	5	192	4	27
1412155	Removed no chip, 12" DBH up to 24" DBH - O&M	EA	14	363	40	20
1412156	Removed no chip, 24" DBH up to 30" DBH - Capital	EA	22	779	25	17
1412157	Removed no chip, 24" DBH up to 30" DBH - O&M	EA	6	75	4	3
1412092	Removed and chip, 5" DBH up to 8" DBH - Capital	EA	7	4	0	0
1412093	Removed and chip, 5" DBH up to 8" DBH - O&M	EA	2	1	0	0
1412094	Removed and chip, 8" DBH up to 12" DBH - Capital	EA	36	85	86	33
1412095	Removed and chip, 8" DBH up to 12" DBH - O&M	EA	3	10	5	0
1412096	Removed and chip, 12" DBH up to 24" DBH - Capital	EA	3	0	0	0
1412097	Removed and chip, 12" DBH up to 24" DBH - O&M	EA	99	4	0	0
1412098	Removed and chip, 24" DBH up to 30" DBH - Capital	EA	113	17	31	24
1412099	Removed and chip, 24" DBH up to 30" DBH - O&M	EA	132	213	257	31
1412129	Danger Tree - Work Planning - S/Wide	MU	157.7	167.7	472.0	0.0
1412140	Danger Tree - 5" to 8" - S/Unit	UNITS	8.0	15.0	18.0	5.0
1412141	Danger Tree - 8" to 12" - S/Unit	UNITS	54.0	167.0	164.0	38.0
1412142	Danger Tree - 12" to 24" - S/Unit	UNITS	77.0	323.0	70.0	47.0
1412143	Danger Tree - 24" to 30" - S/Unit	UNITS	5.0	35.0	13.0	4.0
1412144	Danger Tree - Overhang - S/Unit	UNITS	0.0	12.0	15.0	0.0

Estimated Danger Tree Units are total units for the historical period 2016 thru YTD 2017

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	162.59
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

Midwest Distribution - 2018 Work Plan

State	VM Areas	Miles	State Totals
Indiana	EIV1	385	
Indiana	EIV2	385	
Indiana	NIV1	385	2308
Indiana	NIV2	385	
Indiana	WIV1	385	
Indiana	WIV2	385	
Ohio	OEV	875	
Ohio	ONV	1450	2736
Ohio	OSV	411	
Kentucky	KYV	320	320
Total		5364	5364

State*	System	Trim Cycle - Yrs	Miles Per Yr	2016-2017 Carryover	Total 2018 Work Plan
Indiana		7	2308		2308
Kentucky		5	320		320
Ohio		4	2050	586	2736
			4678	586	5364

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	<i>Original issue</i>	<i>October 2014</i>
1	<i>Added Section 15.0, Personal Protective Equipment</i>	<i>March 2016</i>
2	<i>Added Section 16.0, Heat Exposure and Hydration Added Section 17.0, Motor Vehicle & Mobile Equipment Operations Added Section 18.0, Work Zone Safety</i>	<i>June 2016</i>
	<i>(Revisions based on feedback after release of Rev. 2). 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</i>	<i>December 2016</i>

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
 - Be responsible for your own safety
 - 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
 - Take action to ensure the safety of others, and be willing to accept advice
- Hazard Recognition
 - Be aware of your surroundings at all times
 - Take time to actively seek out and mitigate hazards

Table of Contents

<u>1.0</u>	<u>Purpose</u>	<u>5</u>
<u>2.0</u>	<u>Scope</u>	<u>5</u>
<u>3.0</u>	<u>Keys to Life</u>	<u>5</u>
<u>4.0</u>	<u>Cardinal VEGETATION Rules</u>	<u>6</u>
<u>5.0</u>	<u>Incident/Event Reporting and Investigations</u>	<u>7</u>
<u>6.0</u>	<u>Contractor Environmental, Health and Safety Representatives</u>	<u>8</u>
<u>7.0</u>	<u>Contractor Environmental, Health, and Safety Management</u>	<u>9</u>
<u>8.0</u>	<u>Environmental, Health, and Safety Performance</u>	<u>10</u>
<u>9.0</u>	<u>Owner’s Inspections and Investigations</u>	<u>10</u>
<u>10.0</u>	<u>Corrective Actions / Stop Work</u>	<u>10</u>
<u>11.0</u>	<u>Injury / Illness and Case Management</u>	<u>11</u>
<u>12.0</u>	<u>Specific Environmental, Health, and Safety Plan</u>	<u>11</u>
<u>13.0</u>	<u>Asbestos Management</u>	<u>11</u>
<u>14.0</u>	<u>Lead in Construction</u>	<u>12</u>
<u>15.0</u>	<u>Qualified observer Program</u>	<u>12</u>
<u>16.0</u>	<u>Personal Protective Equipment</u>	<u>12</u>
<u>17.0</u>	<u>Heat Exposure and Hydration</u>	<u>13</u>
<u>18.0</u>	<u>Motor Vehicle & Mobile Equipment Operations</u>	<u>13</u>
<u>19.0</u>	<u>Work Zone Safety</u>	<u>14</u>

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 belts, 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 overhead 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: [Contractor Webpage](#)

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 [Contractor 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 [Contractor Webpage](#) 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 recurrence 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 factors 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 qualifications 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.
3. 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.
3. 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.
 - o Total Incident rates are calculated by number of all recordables X 200,000 divided by total hours worked.
6. Days Away/Restricted Time (DART) incident rate average over the previous 3 years of 2.8 or less.
 - o 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), near 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 participate 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

13.1. 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.

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

13.1.4. 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.

13.1.5. 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 boots are not appropriate, the Contractor is exempted from Section 16.3.1. 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 back 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 vehicle 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 warn 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.

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

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.

<p>Medium Risk: Poses 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.</p>		
Risk Exposure	Service Contract Types	Minimum Field Oversight Expectations
<p>Risks may include the following in addition to Low Risk exposures:</p> <ul style="list-style-type: none"> • Limited Trenching and Shoring • Work that poses moderate risk to Duke Energy environmental compliance • Adverse Weather • Work with Chemicals and Solvents 	<ul style="list-style-type: none"> • 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 • Precipitator/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 Meter Change-Out • CMM Truck Drivers • Solar Panel Installation • Solar Panel Maintenance 	<ul style="list-style-type: none"> • 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 <p><i>** Building Services include furniture installation, A/V services, minor office interior renovations/repairs, overhead doors, gate/operator repairs, window replacement, dock leveler, painting, fire protection system etc.)</i></p>

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
<p>Risks may include the following in addition to Low and Medium Risk exposures:</p> <ul style="list-style-type: none"> • Explosives • Exposure to Primary and Secondary Voltage • Complex Electrical Systems and Components • Secondary Flash • Digging Into Other Utilities • Exposure to Energized Electrical Conductors • Electrical Flash • Demolition work • Excavations and Trenches • Confined Spaces • Hot Work and Welding • Elevated Locations • Cranes and Heavy Equipment • Work with Chemicals, Solvents and Compressed Gases • 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 	<ul style="list-style-type: none"> • 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 • RAW Maintenance and Capital Clearing • Ug Cable Replacement • Aerial Patrol • Wind Turbine Construction • Wind Turbine Maintenance 	<ul style="list-style-type: none"> • 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 Professional 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**

**STAFF-POST HEARING-
DR-01-018 (e)
CONFIDENTIAL
ATTACHMENT 11
IS BEING PROVIDED
UNDER SEAL OF A
PETITION FOR
CONFIDENTIAL
TREATMENT**

**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 all other units please provide overall unit prices only. The cells for the constituents of these prices will be blackened out and only the cells for 'unit price' 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
 - 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

			NR1				
SVC ID	Description	Order Unit	Unit cost breakdown				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% increase	Comments/Explanations
1	xxxx	x	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			Charlotte East				
SVC ID	Description	Order Unit	Unit cost breakdown				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors Impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	XXXX	X	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			Asheville				
SVC ID	Description	Order Unit	Unit Cost				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (inc. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1423143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	xxxx	x	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

			North Coastal				
SVC ID	Description	Order Unit	Unit Cost				Unit price (sum of labor, equipment, direct o/h, other o/h)
			Labor	Equipment	Direct overhead (ex. Supervisor, field safety)	Other overhead and fees	
1413255	Conv. Chip 1 sided (Standard) - Unit	UNITS					
1413257	Conv. Chip 2 sided (Standard) - Unit	UNITS					
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					
1413261	Conv. No-Chip 2 sided (Standard) - Unit	UNITS					
1413258	Conv. No-Chip 1 sided (Complex) - Unit	UNITS					
1413260	Conv. No-Chip 2 sided (Complex) - Unit	UNITS					
1413253	Conv. Single Tree Prune - Unit	UNITS					
1413243	Buck Single Tree Prune	UNITS					
1413245	Buck. Chip 1 sided (Standard) - Unit	UNITS					
1413247	Buck. Chip 2 sided (Standard) - Unit	UNITS					
1413244	Buck. Chip 1 sided (Complex) - Unit	UNITS					
1413246	Buck. Chip 2 sided (Complex) - Unit	UNITS					
1413249	Buck. No-Chip 1 sided (Standard) - Unit	UNITS					
1413251	Buck. No-Chip 2 sided (Standard) - Unit	UNITS					
1413248	Buck. No-Chip 1 sided (Complex) - Unit	UNITS					
1413250	Buck. No-Chip 2 sided (Complex) - Unit	UNITS					
1413252	Brushhog - Unit	UNITS					
1413262	Hand Cut- Chip - Unit	UNITS					
1413263	Hand Cut- No-Chip - Unit	UNITS					
1413264	Clear Base of Pole- Chip - Unit	UNITS					
1413265	Clear Base of Pole- No-Chip - Unit	UNITS					
1413100	Removal no chip, 5" DBH up to 8" DBH - Capital	EA					
1413101	Removal no chip, 5" DBH up to 8" DBH - O&M	EA					
1413102	Removal no chip, 8" DBH up to 12" DBH - Capital	EA					
1413103	Removal no chip, 8" DBH up to 12" DBH - O&M	EA					
1413104	Removal no chip, 12" DBH up to 24" DBH - Capital	EA					
1413105	Removal no chip, 12" DBH up to 24" DBH - O&M	EA					
1413106	Removal no chip, 24" DBH up to 30" DBH - Capital	EA					
1413107	Removal no chip, 24" DBH up to 30" DBH - O&M	EA					
1413092	Removal and chip, 5" DBH up to 8" DBH - Capital	EA					
1413093	Removal and chip, 5" DBH up to 8" DBH - O&M	EA					
1413094	Removal and chip, 8" DBH up to 12" DBH - Capital	EA					
1413095	Removal and chip, 8" DBH up to 12" DBH - O&M	EA					
1413096	Removal and chip, 12" DBH up to 24" DBH - Capital	EA					
1413097	Removal and chip, 12" DBH up to 24" DBH - O&M	EA					
1413098	Removal and chip, 24" DBH up to 30" DBH - Capital	EA					
1413099	Removal and chip, 24" DBH up to 30" DBH - O&M	EA					
1413139	Danger Tree - Work Planning - \$/Mile	MI					
1413140	Danger Tree - 5" to 8" - \$/unit	UNITS					
1413141	Danger Tree - 8" to 12" - \$/unit	UNITS					
1413142	Danger Tree - 12" to 24" - \$/unit	UNITS					
1413143	Danger Tree - 24" to 30" - \$/unit	UNITS					
1413144	Danger Tree - Overhang - \$/unit	UNITS					

Factors impacting pricing levels

S.No.	Factor name & description	% Increase	Comments/Explanations
1	xxxx	x	
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL		0.0%	

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 work, 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**
- 5) 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 **RED**
- 6) Please highlight in **YELLOW** (YELLOW) zones in which you do not operate today but are interested in going 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

Service Item	New Description	New Long Description	Transmission			
			DMW	DEC	DEP	DEF
			Rate	Rate	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				
1413152	T - ST Trimmer A	Top Climber/Trimmer				
1413154	T - ST Trimmer B	Mid Level Climber/Trimmer (capable of everything but the most complex work)				
1413155	T - ST Trimmer C	Entry Level Climber/ Trimmer				
1413156	T - ST Learner	Entry Level Position / Flagger / Groundman				
1413158	T - ST Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
1413157	T - ST Work Planner	Utilized to pre-plan work (Demand tickets)				
1413358	OT -General Foreman -Trans Tree	Crew(s) Supervisor				
1413159	T - OT Foreman A	Experienced Crew Leader				
1413160	T - OT Foreman B	Entry level Crew Leader				
1413161	T - OT Trimmer A	Top Climber/Trimmer				
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				
1413166	T - OT Equipment Operator	Operates specialized equipment Jaraffs, brush cutters, etc				
1413165	T - OT Work Planner	Utilized to pre-plan work (Demand tickets)				

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

Duke Energy Equipment Rates

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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 tires	2x4 Aerial Lift Rev Mount w/float tires 57', tools & saws				
Other Truck	1401869	2x4- Split Dump	2 x 4 Split dump w/ chip bed w/ saws & tools				
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				
Bucket	1401637	4x4- Aerial Lift 57'- Paddlefoot	Aerial Lift, 57' height 4 wd, Paddlefoot w/ winch & saws				
Bucket	1489742	4x4- Aerial Lift- 57'- 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	1401826	4x4- Pickup- <1Ton	4x4- Pickup- <1Ton				
Pick up	1401827	2x4- Pickup- <1Ton	2x4- Pickup- <1Ton				
Pick up	1401832	4x4- Pickup- Crew Cab	4x4- Pickup- Crew Cab				
Bucket	1413147	4x4- Aerial Lift 70' or >- w/winch	4x4- Aerial Lift 70' or > w/ dump, tools, saws & winch				
Bucket	1401639	4x4- Aerial Lift 50 - 57'	Aerial Lift, 57' height 4 wd, w/ dump & saws				
Bucket	1489746	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 Scissor Lift Fb w/floatation tires min ht 70-75' w/ tools & winch				
Bucket	1401636	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	4 x 4 Split dump w/ tools & saws - Diesel				
Other Truck	1401575	4x4- Tractor 5-6' hog- w/winch	Farm/Forestry Tractor, 4WD, 5" - 6" wide brush hog w/winch				
non truck	1401715	ATV	All Terrain Vehicle 4x4 w/ & trailer				
Bucket	1401649	Aerial Lift 42' or >- Backyard	Backyard Aerial Lift 42' or > w/ trailer				
non truck	1463709	Boat & Motor	Boat, Motor & Trailer w/ tools & saws				
Other Truck	1401560	Brown Monitor Mower/Sprayer	Brown Monitor Mower/Sprayer				
non truck	1401938	Brush Cutter - Flail Mower	Hydro Axe, Geoboy, Kershaw klearway w/ fecon, seppi, cutter head, etc				
Other Truck	1413292	Rubber Tired Feller Buncher	Feller Buncher 20" cutter head				
Other Truck	1489219	Prentice Loader	Grapple Truck w/ dump bed				
non truck	1489743	Marsh Master	Tracked amphibious vehicle/with trailer				
Other Truck	1489759	Skid Steer Loader	Skid Steer w/ loader attachment				
Other Truck	1401824	Rollback w/20' bed	Rollback w/20' bed				
non truck	1459242	UTV	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	1401937	Skid Steer Mower	Skid Steer Mower w/ Fecon Head				
non truck	1401540	Stump Grinder	Stump Grinder				
Chipper	1489747	Large Cap. Chipper	Large Capacity Chipper				
Other Truck	1455342	Tracked Excavator- Feller Buncher	Tracked excavator- feller buncher head				
Pick up	1489749	4x4- Spray Truck	4x4 Truck, sprayer equipped				

Duke Energy Equipment Rates

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

Type	Service Item	New Description	New Long Description	Transmission & Distribution			
				DMW Rate	DEC Rate	DEP Rate	DEF 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				
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				

Transmission Operating Area - Planned Miles											
Indiana North		Indiana Southeast		Indiana Southwest		Ohio		Kentucky		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	

Transmission Operating Area - Planned 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

Transmission Operating Area - Planned Miles									
CTA		ETA-NB		ETA-WL		NTA		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

Transmission Operating Area - Planned Miles							
Coastal		North Central		Northern		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

2018 Distribution Planned Miles

Region	Zone	Revised Miles
DMW	NIV1	200.00
	NIV2	140.00
	EIV1	160.00
	EIV2	150.00
	WIV1	260.00
	WIV2	175.00
	OEV	720.00
	ONV	600.00
	OSV	375.00
	KYV	289.00
	TOTAL	3069.00
Region	Zone	Revised Miles
DEC	ANDERSON	629.69
	CHARLOTTE EAST	646.53
	CHARLOTTE SOUTH	398.51
	CHARLOTTE WEST	718.37
	GREENSBORO	468.67
	HENDERSONVILLE	416.61
	NANTAHALA	374.74
	NORTHWEST	866.39
	SPARTANBURG	471.79
	TRIANGLE	408.70
	TOTAL	5400.00
Region	Zone	Revised Miles
DEP	Asheville	450.13
	Capital North	882.4
	Garner-CF	508.67
	Golds-MHC	522.11
	Raleigh-Cary	290.68
	SR-Mid	474.27
	SR-NC	555.52
	SR-SC	516.43
	Wilmington	364.78
	TOTAL	4564.99
Region	Zone	Revised Miles
DEF	NORTH CENTRAL	733.00
	SOUTH CENTRAL	320.00
	NORTH COASTAL	1580.00
	SOUTH COASTAL	873.00
	TOTAL	3506.00

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 (\$/yr)	Fuel (\$/yr)	Cost of Capital (%)
1401826	4x4 Pick-up < 1 Ton						
1401654	Disc Chipper						
1401638	2x4 Aerial Lift min 57'						
1401832	4x4 Pick-up Crew Cab						
1401869	2x4 Split dump w/tools						
1401635	2x4 Aerial Lift 70' or >						
1401637	4x4 Aerial Lift 57' Paddlefoot						
1401833	4x4 Split dump w/tools						
1401511	Rubber Tired Mech. Trimmer- 70'						
1413147	4X4 Aerial Lift 70' or > w/winch						
1517392	Brush Cutter - Flail Mower, >= 150 HP						
1413148	2x4 Aerial Lift Rev Mnt w/float tires 57'						
1473722	2x4 Split Dump w/tools - Diesel						
1413291	2x4 Aerial Lift min 57'- Diesel						
1401655	Drum Chipper						
1401827	2x4 Pick-up < 1 Ton						
1413292	Feller Buncher						
1401548	Equipment Trailer						
1401575	4x4 Tractor 5-6' hog w/winch						
1401825	2x4 Pick-up Crew Cab						
1401824	Rollback w/20' bed						
1401937	Skid Steer Mower						
1401938	Brush Cutter - Flail Mower						
1401649	Backyard Aerial Uft 42' or >						
1401650	2x4 Aerial Lift 30 - 37'						
1401639	4x4 Aerial Lift min 57'						
1489219	Loader Truck						
1473723	4x4 Scissor Paddlefoot						
1463709	Boat & Motor						
1455343	Tractor & Lowboy						
1455344	Tractor & Lowboy- Stby Time						

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 (\$/yr)	Fuel (\$/yr)	Cost of Capital (%)
1401826	4x4 Pick-up < 1 Ton						
1401654	Disc Chipper						
1401638	2x4 Aerial Lift min 57'						
1401832	4x4 Pick-up Crew Cab						
1401869	2x4 Split dump w/tools						
1401635	2x4 Aerial Lift 70' or >						
1401637	4x4 Aerial Lift 57' Paddlefoot						
1401833	4x4 Split dump w/tools						
1401511	Rubber Tired Mech. Trimmer- 70'						
1413147	4x4 Aerial Lift 70' or > w/winch						
1517392	Brush Cutter - Flail Mower, >= 150 HP						
1413148	2x4 Aerial Lift Rev Mnt w/float tires 57'						
1473722	2x4 Split Dump w/tools - Diesel						
1413291	2x4 Aerial Lift min 57'- Diesel						
1401655	Drum Chipper						
1401827	2x4 Pick-up < 1 Ton						
1413292	Feller Buncher						
1401548	Equipment Trailer						
1401575	4x4 Tractor 5-6' hog w/winch						
1401825	2x4 Pick-up Crew Cab						
1401824	Rollback w/20' bed						
1401937	Skid Steer Mower						
1401938	Brush Cutter - Flail Mower						
1401649	Backyard Aerial Lift 42' or >						
1401650	2x4 Aerial Lift 30 - 37'						
1401639	4x4 Aerial Lift min 57'						
1489219	Loader Truck						
1473723	4x4 Scissor Paddlefoot						
1463709	Boat & Motor						
1455343	Tractor & Lowboy						
1455344	Tractor & Lowboy- Stby Time						

State: IN									State: OH								
GF	FA	FB	TA	TB	TC	LE	EO	WP	GF	FA	FB	TA	TB	TC	LE	EO	WP

**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

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

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

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

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
ELECTRONICALLY FILED
AND A COPY BURNED ON
CD**

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

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

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
ELECTRONICALLY FILED
AND A COPY BURNED ON
CD**

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

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

STAFF-POST HEARING-DR-01-023

REQUEST:

State whether Duke Kentucky has received any letter or written opinion 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

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

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

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

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
A. Total Costs:			
Single Coverage	356,507		230,865
Other Coverage	<u>1,728,327</u>		<u>1,119,222</u>
Total	2,084,834		1,350,087
Employee Cost:			
Single Coverage	74,867	21%	48,482
Other Coverage	<u>570,348</u>	33%	<u>369,343</u>
Total	645,214		417,825
Employer Cost:			
Single Coverage	281,641		182,384
Other Coverage	<u>1,157,979</u>		<u>749,879</u>
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.