

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of an Electronic Examination of )  
the Application of the Fuel Adjustment ) Case No. 2018-00022  
Clause of Duke Energy Kentucky, Inc. From )  
May 1, 2017 Through October 31, 2017 )

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**PETITION OF DUKE ENERGY KENTUCKY, INC.**  
**FOR CONFIDENTIAL TREATMENT OF INFORMATION**  
**CONTAINED IN ITS RESPONSES TO COMMISSION STAFF'S**  
**FIRST SET OF DATA REQUESTS ISSUED FEBRUARY 16, 2018**

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Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its response to Data Request No. 4, as requested by Commission Staff (Staff) in this case on February 16, 2018. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information), shows written solicitations for coal supplies.

The response in Data Request No. 4, contains sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interests. Specifically, information describing the Company's written solicitations for coal supplies and responses thereto and its strategies for procuring fuel. If publicly disclosed, this information would give Duke Energy Kentucky's vendors a commercial advantage in responding to future solicitations.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Duke Energy Kentucky is providing a copy of a written solicitation for coal suppliers, that includes a summary of the responses received in the Company selection criteria. The response also includes documentation of the responses selected as part of the solicitation and describes the Company's strategy for procuring fuel. Public disclosure of this information would reveal commercially valuable information about the manner in which Duke Energy Kentucky conducted solicitations for coal supplies and would reveal bid data gathered from a high percentage of companies in the coal industry. This information, if disclosed, would have the potential to cause market manipulations in the future and may impair the Company's ability to conduct further solicitations by chilling the response from potential suppliers.

3. The Confidential Information was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside of Duke Energy Kentucky. The aforementioned Confidential Information is distributed within Duke Energy Kentucky, only to those who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

4. The Confidential Information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Corporation.

5. The Commission has treated the same information described herein as confidential in a prior response to the same data request provided by Duke Energy Kentucky (Case No. 2017-00005).

6. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, with the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

7. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, 904 S.W.2d 766, 768 (Ky. 1995).

8. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and one copy without the confidential information included.

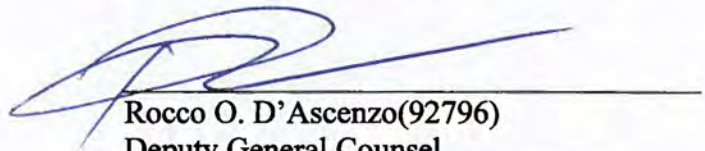
9. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests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

10. 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,

DUKE ENERGY KENTUCKY, INC.



Rocco O. D'Ascenzo(92796)  
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Duke Energy Business Services LLC  
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*Counsel for Duke Energy Kentucky, Inc.*



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing filing was served on the following via  
overnight mail, this 2<sup>nd</sup> day of March, 2018:

Rebecca W. Goodman  
The Office of the Attorney General  
Utility Intervention and Rate Division  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601

  
\_\_\_\_\_  
Rocco D'Ascenzo

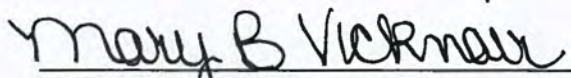
**VERIFICATION**

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

The undersigned, Brett Phipps, Managing Direct – Fuel Procurement, 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.

  
Brett Phipps, Affiant

Subscribed and sworn to before me by Brett Phipps on this 20 day of February, 2018.

  
NOTARY PUBLIC

My Commission Expires:

MARY B VICKNAIR  
NOTARY PUBLIC  
Davie County  
North Carolina  
My Commission Expires Sept. 21, 2022

**VERIFICATION**

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

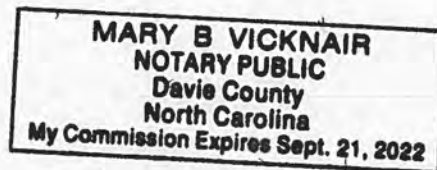
The undersigned, John D. Swez, Director of General Dispatch & Operations, Power Trading and Dispatch, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
John D. Swez, Affiant

Subscribed and sworn to before me by John D. Swez on this 20 day of February, 2018.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



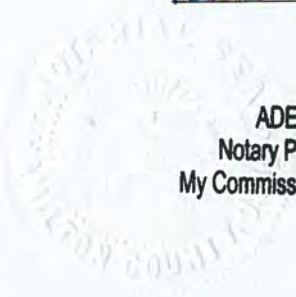
**VERIFICATION**

STATE OF OHIO                    )  
  )  
COUNTY OF HAMILTON        )        SS:

The undersigned, Theodore H. Czupik, Jr., Rates & Regulatory Strategy 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.

Theodore H. Czupik Jr.  
Theodore H. Czupik, Jr., Affiant

Subscribed and sworn to before me by Theodore H. Czupik, Jr., on this 19<sup>TH</sup> day of FEBRUARY, 2018.



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

Adele M. Frisch  
NOTARY PUBLIC

My Commission Expires: 1/5/2019



**KyPSC Case No. 2018-00022**  
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**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-001**

**REQUEST:**

For the period under review, provide the amount of coal purchased in tons, and the percentage of purchases that were spot versus contract.

**RESPONSE:**

For the period under review from May 1, 2017, through October 31, 2017, please see STAFF-DR-01-001 Attachment.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky**  
**FAC 2018-00022 Review Period May 1, 2017 - October 31, 2017**  
**Coal purchased/unloaded May 1, 2017 - October 31, 2017**

<u>Vendor</u>	<u>Purchase Tonnage</u>	<u>Purchase Type</u>	<u>Contract #</u>	<u>Filed with Commission</u>	<u>If no, Explain why</u>
Alliance Coal LLC	200,274	Contract	DEK 30892	2/10/2016	
Alpha/Contura Coal Sales	175,410	Contract	DEK 30810	2/10/2016	
Armstrong Coal Company	159,232	Contract	DEK 30883	2/10/2016	
Central Coal	27,244	Contract	DEK 31641	3/28/2017	
Oxford Mining	161,852	Contract	DEK 31741	6/8/2017	
Alliance Coal LLC	193,025	Spot	DEK 31436	2/13/2017	
<b>Total</b>	<b><u>917,036</u></b>				
	<b>79%</b>	<b>Contract</b>			
	<b>21%</b>	<b>Spot</b>			
	<b><u>100.00%</u></b>	<b>Total Coal Purchases</b>			

\*



**REQUEST:**

For the period under review, list each coal purchase made under a long-term contract (one year or greater). For each purchase, list:

- a. Contract or purchase order number;
- b. The supplier's name;
- c. The location(s) of production facilities from which the coal is sourced;
- d. The method of delivery, (i.e., barge, truck, rail, other);
- e. The actual quantity received during the review period;
- f. The tonnage requirement for the review period; and
- g. Current price paid per ton.

**RESPONSE:**

For the most current six months of this review period from May 1, 2017 through October 31, 2017, below are the existing fuel contracts categorized as long-term (*i.e.*, one year or more in length):

**Coal**

- a. 30892
- b. Tunnel Ridge, LLC
- c. Tunnel Ridge, Ohio County, WV
- d. Barge

e. May 1, 2017-October 31, 2017=200,274

f. May 1, 2017-October 31, 2017=200,274

g. 2017 = \$41.50

a. 30810

b. Contura Coal Sales, LLC

c. Cumberland Mine, Waynesburg, PA

d. Barge

e. May 1, 2017-October 31, 2017=175,410

f. May 1, 2017-October 31, 2017=175,410

g. 2017 = \$42.50

a. 30883

b. Armstrong Coal Sales, LLC

c. Midway Mine, Centertown, KY

d. Barge January 1, 2016 through December 31, 2017

e. May 1, 2017-October 31, 2017=159,232

f. May 1, 2017-October 31, 2017=159,232

g. 2017 = \$40.00

a. 31641

b. Central Coal Company as agent Knight Hawk Coal LLC

- c. Knight Hawk's Prairie Eagle Mine, IL
- d. Barge
- e. May 1, 2017-October 31, 2017=27,244
- f. May 1, 2017-October 31, 2017=27,244
- g. 2017 = \$34.29
  
- a. 31741
- b. Oxford Mining Company, LLC
- c. SextonMine, Harrison County, OH
- d. Barge
- e. May 1, 2017-October 31, 2017=161,852
- f. May 1, 2017-October 31, 2017=161,852
- g. 2017 =\$35.45

**PERSON RESPONSIBLE:** Brett Phipps

**REQUEST:**

- a. As of the last day of the review period, state the coal inventory level in tons, and in number of days' supply. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. State the target coal inventory level for each generating station, and for the total system.
- d. If actual coal inventory exceeds the target inventory by ten days' supply, state the reasons for the excess inventory.
- e. (1) State whether any significant changes in the current coal inventory target are expected within the next 12 months.  
(2) If so, state the expected change, and the reasons for this change.

**RESPONSE:**

- a. Duke Energy Kentucky's total aggregate inventory across the system as of Octoberber 31, 2017 was 287,186 tons, or 44 days.
- b. The number of days supply is computed by dividing the ending coal inventory number stated in tons by the Full Load Burn figure of 6,500 tons per day.



- c. The target coal inventory level is an annual average of 45 days for East Bend Station which is the only coal-fired generating station in the Duke Energy Kentucky fleet.
- d. Duke Energy Kentucky's coal inventory did not exceed the inventory target by ten days of supply.
- e. (1) Duke Energy Kentucky does not expect any significant changes in its current coal inventory target within the next 12 months.

**PERSON RESPONSIBLE:** Brett Phipps

**REQUEST:**

List each written coal-supply solicitation issued during the period under review.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachment Only)**

- a. Duke Energy issued a written solicitation during September of 2017 requesting proposals for coal to be delivered during years 2018 - 2020. The quantity in the solicitation was not limited as the Company requested proposals for the full amounts the vendors can offer which enabled the Company to make decisions regarding the amounts to be purchased after evaluations were completed.

- b. The September 2017 coal solicitation was sent to 50 vendors with 39 vendors providing 224 bids and 5 bids selected for purchase by Duke Energy Kentucky. Please see STAFF-DR-01-004 Confidential Attachment containing the proposal evaluation rankings. This attachment is being filed under the seal of a Petition for Confidential Treatment.

**PERSON RESPONSIBLE:**            Brett Phipps

**STAFF-DR-01-004  
CONFIDENTIAL  
ATTACHMENT IS BEING  
FILED UNDER SEAL OF A  
PETITION FOR  
CONFIDENTIAL  
TREATMENT**



**REQUEST:**

List each oral coal-supply solicitation issued during the period under review.

- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, identify all vendors and the vendor selected. Provide the tabulation sheet or other document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

**RESPONSE:**

- a. Duke Energy completed a phone solicitation during May of 2017 requesting spot proposals for coal to be delivered during July 2017 through December 2017. The quantity in the solicitation was not limited as the Company requested proposals for the full amounts the vendors can offer which enabled the Company to make decisions regarding the amounts to be purchased after evaluations were completed.

- b. The May 2017 spot coal solicitation addressed the combined needs of all Duke Energy regulated utility legal entities and was sent to 56 vendors with 31 vendors providing 79 bids. When the proposals were being evaluated, it was determined that Duke Energy Kentucky did not have any needs for new spot coal and zero bids were selected for purchase.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-006**

**REQUEST:**

For the period under review, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (i.e., spot or contract).

**RESPONSE:**

Please see STAFF-DR-01-06 Attachment listing each vendor from whom natural gas was purchased for the period from May 1, 2017, to October 31, 2017.

**PERSON RESPONSIBLE:** Brett Phipps

Month (Spot / Contract)	Trade Number	Trade Date	Counterpart	Delivery Period	Underlying Start	Underlying End	Buy/Sell	Qty	Qty UOM	Fixed Price	Est Amount
<b>May 2017</b>											
Spot	3485308	05/04/2017	SEQUENT ENERGY	May 2018	05/04/2017	05/04/2017	Buy	1,000,000	MWh	\$ 3.010	\$ (3,010.00)
Spot	3486883	05/15/2017	DTE Energy Trading E	May 2018	05/14/2017	05/16/2017	Buy	1,000,000	MWh	\$ 3.080	\$ (3,080.00)
Spot	3487039	05/16/2017	SEQUENT ENERGY	May 2018	05/17/2017	05/17/2017	Buy	2,000,000	MWh	\$ 3.100	\$ (6,200.00)
Spot	3488249	05/17/2017	NUR Energy Serv G	May 2018	05/17/2017	05/17/2017	Buy	6,400,000	MWh	\$ 3.500	\$ (22,400.00)
Spot	3488250	05/17/2017	DTE Energy Trading E	May 2018	05/17/2017	05/17/2017	Buy	5,000,000	MWh	\$ 3.100	\$ (15,500.00)
Spot	3488116	05/17/2017	SEQUENT ENERGY	May 2018	05/18/2017	05/18/2017	Buy	2,000,000	MWh	\$ 3.080	\$ (6,160.00)
Spot	3488435	05/18/2017	SEQUENT ENERGY	May 2018	05/18/2017	05/18/2017	Buy	15,000,000	MWh	\$ 3.500	\$ (52,500.00)
Spot	3488427	05/18/2017	SEQUENT ENERGY	May 2018	05/19/2017	05/19/2017	Buy	2,000,000	MWh	\$ 3.050	\$ (6,100.00)
Spot	3488657	05/19/2017	SEQUENT ENERGY	May 2018	05/19/2017	05/19/2017	Buy	10,000,000	MWh	\$ 3.140	\$ (31,400.00)
Spot	3488661	05/19/2017	DTE Energy Trading E	May 2018	05/19/2017	05/19/2017	Buy	10,000,000	MWh	\$ 3.160	\$ (31,600.00)
Spot	3488732	05/19/2017	DTE Energy Trading E	May 2018	05/19/2017	05/19/2017	Buy	5,000,000	MWh	\$ 3.180	\$ (15,900.00)
Spot	3489412	05/22/2017	SEQUENT ENERGY	May 2018	05/23/2017	05/23/2017	Buy	2,000,000	MWh	\$ 3.060	\$ (6,120.00)
Spot	3489990	05/24/2017	SEQUENT ENERGY	May 2018	05/23/2017	05/23/2017	Buy	1,000,000	MWh	\$ 3.580	\$ (3,580.00)
Spot	3489656	05/23/2017	SEQUENT ENERGY	May 2018	05/24/2017	05/24/2017	Buy	2,000,000	MWh	\$ 3.060	\$ (6,120.00)
Spot	3489991	05/24/2017	SEQUENT ENERGY	May 2018	05/24/2017	05/24/2017	Buy	10,000,000	MWh	\$ 3.070	\$ (30,700.00)
Spot	3490210	05/25/2017	NUR Energy Serv G	May 2018	05/24/2017	05/24/2017	Buy	1,000,000	MWh	\$ 3.480	\$ (3,480.00)
Spot	3489992	05/24/2017	SEQUENT ENERGY	May 2018	05/25/2017	05/25/2017	Buy	5,000,000	MWh	\$ 2.960	\$ (14,800.00)
Spot	3490213	05/25/2017	SEQUENT ENERGY	May 2018	05/25/2017	05/25/2017	Buy	9,000,000	MWh	\$ 3.120	\$ (28,080.00)
Spot	3490504	05/26/2017	NUR Energy Serv G	May 2018	05/25/2017	05/25/2017	Buy	6,000,000	MWh	\$ 3.470	\$ (20,820.00)
Spot	3490505	05/26/2017	SEQUENT ENERGY	May 2018	05/25/2017	05/25/2017	Buy	1,000,000	MWh	\$ 3.470	\$ (3,470.00)
Spot	3490211	05/25/2017	SEQUENT ENERGY	May 2018	05/26/2017	05/26/2017	Buy	5,000,000	MWh	\$ 2.960	\$ (14,800.00)
Spot	3490507	05/26/2017	DTE Energy Trading E	May 2018	05/27/2017	05/30/2017	Buy	2,000,000	MWh	\$ 2.940	\$ (23,520.00)
Spot	3491185	05/30/2017	DTE Energy Trading E	May 2018	05/31/2017	05/31/2017	Buy	2,000,000	MWh	\$ 2.920	\$ (5,840.00)
Spot											
<b>June 2017</b>											
Spot	3491395	05/31/2017	DTE Energy Trading E	June 2018	06/01/2017	06/01/2017	Buy	1,000,000	MWh	\$ 2.800	\$ (2,800.00)
Spot	3491604	06/01/2017	DTE Energy Trading E	June 2018	06/02/2017	06/02/2017	Buy	1,000,000	MWh	\$ 2.750	\$ (2,750.00)
Spot	3493398	06/09/2017	DTE Energy Trading E	June 2018	06/10/2017	06/12/2017	Buy	1,000,000	MWh	\$ 2.940	\$ (8,520.00)
Spot	3494481	06/13/2017	SEQUENT ENERGY	June 2018	06/13/2017	06/13/2017	Buy	3,000,000	MWh	\$ 3.350	\$ (10,050.00)
Spot											
<b>July 2017</b>											
Spot	3504014	07/18/2017	DTE Energy Trading E	July 2018	07/18/2017	07/18/2017	Buy	4,000,000	MWh	\$ 3.080	\$ (12,320.00)
Spot	3504015	07/18/2017	NUR Energy Serv G	July 2018	07/18/2017	07/18/2017	Buy	7,834,000	MWh	\$ 3.350	\$ (26,243.90)
Spot	3504016	07/18/2017	SEQUENT ENERGY	July 2018	07/18/2017	07/18/2017	Buy	10,000,000	MWh	\$ 3.400	\$ (34,000.00)
Spot	3504222	07/18/2017	SEQUENT ENERGY	July 2018	07/18/2017	07/18/2017	Buy	10,000,000	MWh	\$ 3.450	\$ (34,500.00)
Spot	3504244	07/19/2017	SEQUENT ENERGY	July 2018	07/19/2017	07/19/2017	Buy	8,000,000	MWh	\$ 3.450	\$ (27,600.00)
Spot	3504415	07/19/2017	Eco-Energy LLC	July 2018	07/19/2017	07/19/2017	Buy	5,000,000	MWh	\$ 3.200	\$ (16,000.00)
Spot	3504416	07/19/2017	NUR Energy Serv G	July 2018	07/19/2017	07/19/2017	Buy	12,387,000	MWh	\$ 3.400	\$ (42,115.80)
Spot	3504417	07/19/2017	SEQUENT ENERGY	July 2018	07/19/2017	07/19/2017	Buy	5,000,000	MWh	\$ 3.950	\$ (19,750.00)
Spot	3504681	07/19/2017	SEQUENT ENERGY	July 2018	07/19/2017	07/19/2017	Buy	7,500,000	MWh	\$ 3.950	\$ (29,625.00)
Spot	3504703	07/20/2017	NUR Energy Serv G	July 2018	07/20/2017	07/20/2017	Buy	7,834,000	MWh	\$ 3.450	\$ (27,027.30)
Spot	3504705	07/20/2017	SEQUENT ENERGY	July 2018	07/20/2017	07/20/2017	Buy	14,000,000	MWh	\$ 3.450	\$ (48,300.00)
Spot	3504736	07/20/2017	SEQUENT ENERGY	July 2018	07/20/2017	07/20/2017	Buy	10,000,000	MWh	\$ 4.000	\$ (40,000.00)
Spot	3504879	07/20/2017	SEQUENT ENERGY	July 2018	07/20/2017	07/20/2017	Buy	10,000,000	MWh	\$ 4.000	\$ (40,000.00)
Spot	3508400	07/31/2017	SEQUENT ENERGY	July 2018	07/31/2017	07/31/2017	Buy	5,000,000	MWh	\$ 3.200	\$ (16,000.00)
Spot											
<b>August 2017</b>											
Spot	3512884	08/18/2017	SEQUENT ENERGY	August 2018	08/17/2017	08/17/2017	Buy	1,900,000	MWh	\$ 3.350	\$ (6,365.00)
Spot	3512982	08/18/2017	SEQUENT ENERGY	August 2018	08/18/2017	08/18/2017	Buy	15,000,000	MWh	\$ 3.000	\$ (45,000.00)
<b>September 2017</b>											
Spot	3520323	09/20/2017	SEQUENT ENERGY	September 2018	09/20/2017	09/20/2017	Buy	6,000,000	MWh	\$ 3.150	\$ (18,900.00)
Spot	3521812	09/25/2017	DTE Energy Trading E	September 2018	09/25/2017	09/25/2017	Buy	3,000,000	MWh	\$ 3.030	\$ (9,090.00)
Spot	3521813	09/25/2017	NUR Energy Serv G	September 2018	09/25/2017	09/25/2017	Buy	7,000,000	MWh	\$ 3.150	\$ (22,050.00)
Spot	3521816	09/25/2017	NUR Energy Serv G	September 2018	09/25/2017	09/25/2017	Buy	5,000,000	MWh	\$ 3.180	\$ (15,900.00)
Spot	3522157	09/26/2017	Eco-Energy LLC	September 2018	09/26/2017	09/26/2017	Buy	5,000,000	MWh	\$ 2.980	\$ (14,900.00)
<b>October 2017</b>											
Spot	3525745	10/09/2017	SEQUENT ENERGY	October 2018	10/09/2017	10/09/2017	Buy	10,000,000	MWh	\$ 3.150	\$ (31,500.00)
Spot	3525909	10/10/2017	NUR Energy Serv G	October 2018	10/09/2017	10/09/2017	Buy	9,000,000	MWh	\$ 3.210	\$ (28,890.00)
Spot	3526049	10/10/2017	SEQUENT ENERGY	October 2018	10/10/2017	10/10/2017	Buy	11,675,000	MWh	\$ 3.180	\$ (37,126.50)

**REQUEST:**

For the period under review, state if there were any instances in which a natural gas generating unit could not be operated when it otherwise would have run, due to pipeline constraints or natural gas being unavailable.

**RESPONSE:**

During periods of peak winter or summer gas demand such as during colder or hotter weather, there can be infrequent instances of pressure changes on pipeline systems for short durations that can be caused by factors such as a system imbalance between supply and demand, specific issues on the pipeline such as compression outages, and potential other causes that can have vary impacts on generation. On July 19, 2017, Woodsdale Station experienced a very brief period of low gas pressure that required the output of three units (units 3, 5, and 6) to be reduced to minimum loading for a time period of 20 minutes (from approximately 20:05 to 20:25 EDT). A review of the Company's North American Electric Reliability Corporation (NERC) Generating Availability Data System (GADS) records for Woodsdale Station during this time period showed no events that indicated a lack of natural gas supply issues. Due to the short nature of the above event, it was not recorded in the GADS system. In reviewing weather data from that date, the forecasted heat index for the Duke Energy Kentucky area was approximately 95 F on July 19, 2017 with forecasted temperatures for the balance of the week in PJM and the

Mid-Atlantic above normal with forecasted temperatures in the mid to upper 90 F degrees with heat indices well into the 100's F.

**PERSON RESPONSIBLE:** John Swez/Brett Phipps



**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-008**

**REQUEST:**

State if there have been any changes to hedging activities for coal or natural gas purchases used for generation since the previous FAC review proceeding. If so, describe the changes in detail.

**RESPONSE:**

**Coal:**

Duke Energy Kentucky does not engage in financial hedging transactions with respect to coal purchases. Duke Energy Kentucky contracts for physical deliveries of coal through fixed term coal transactions within a balanced portfolio of purchases. The Company also maintains a portfolio with multiple suppliers to mitigate potential supply interruption risk.

**Natural Gas:**

Duke Energy Kentucky does not engage in any financial hedging activity for natural gas purchases used for generation.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-009**

**REQUEST:**

- a. State whether Duke Kentucky has audited any of its fuel or transportation contracts during the period under review.
- b. If so, for each audited contract:
  1. Identify the contract;
  2. Identify the auditor and
  3. State the results of the audit and describe the actions that Duke Kentucky took as a result of the audit.

**RESPONSE:**

- a. Duke Energy Kentucky has not audited any of its fuel or transportation contracts during the period from May 1, 2017 through October 31, 2017.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky**  
**Case No. 2018-00022**  
**Staff First Set Data Requests**  
**Date Received: February 16, 2018**

**STAFF-DR-01-010**

**REQUEST:**

- a. State whether Duke Kentucky is currently involved in any litigation with its current or former fuel suppliers or transportation vendors.
- b. If yes, for each litigation:
  1. Identify the supplier or vendor;
  2. Identify the contract involved;
  3. State the potential liability or recovery to Duke Kentucky;
  4. List the issues presented; and
  5. Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- c. State the current status of all litigation with supplies or vendors.

**RESPONSE:**

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

**PERSON RESPONSIBLE:** Brett Phipps

**STAFF-DR-01-011**

**REQUEST:**

- a. For the period under review, state if there have been any changes to Duke Kentucky's written policies and procedures regarding its fuel procurement.
- b. If yes:
  1. Describe the changes;
  2. Provide the written policies and procedures as changed;
  3. State the date(s) the changes were made; and
  4. Explain why the changes were made.
- c. If no, provide the date Duke Kentucky's current fuel procurement policies and procedures were last changed, when they were last provided to the Commission, and identify the proceeding in which they were provided.

**RESPONSE:**

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

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

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

The “DEI and DEK Gas Trading Procedure for Off-Premise Transactions”, “Fuel and System Optimization (FSO) DEK Emissions Trading Process & Procedure Check List”, and the “Fuel Oil Emergency Procedure” were updated in March 2016, May 2015 and June 2015 respectively. These three documents were submitted with the Company’s responses to FAC 2017-00005.

**PERSON RESPONSIBLE:**            Brett Phipps

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-012**

**REQUEST:**

For the period under review, list all firm power commitments for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (i.e., peaking, emergency).

**RESPONSE:**

Duke Energy Kentucky has no firm power commitments during these periods.

**PERSON RESPONSIBLE:** John Swez



**Duke Energy Kentucky  
Case No. 2018-00022  
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Date Received: February 16, 2018**

**STAFF-DR-01-013**

**REQUEST:**

Provide a monthly billing summary of sales to all electric utilities for the period under review.

**RESPONSE:**

See STAFF-DR-01-013 Attachment.

**PERSON RESPONSIBLE:** Theodore H. Czupik, Jr.

**DUKE ENERGY KENTUCKY  
 POWER TRANSACTION SCHEDULE**

Supplier/Buyer		Transaction Type	kWh	Charges (\$)			Total
				Demand	Fuel	Other	
<b>Month Ended May 31, 2017</b>							
PJM Interconnection, LLC		Econ Sales	40,417,240	0	1,043,270	130,341	1,173,611
	Total Sales		<u>40,417,240</u>	<u>0</u>	<u>1,043,270</u>	<u>130,341</u>	<u>1,173,611</u>
<b>Month Ended June 30, 2017</b>							
PJM Interconnection, LLC		Econ Sales	28,191,200	0	639,991	(46,219)	593,772
	Total Sales		<u>28,191,200</u>	<u>0</u>	<u>639,991</u>	<u>(46,219)</u>	<u>593,772</u>
<b>Month Ended July 31, 2017</b>							
PJM Interconnection, LLC		Econ Sales	10,437,860	0	297,108	117,951	415,059
	Total Sales		<u>10,437,860</u>	<u>0</u>	<u>297,108</u>	<u>117,951</u>	<u>415,059</u>
<b>Month Ended August 31, 2017</b>							
PJM Interconnection, LLC		Econ Sales	21,086,790	0	424,176	23,413	447,589
	Total Sales		<u>21,086,790</u>	<u>0</u>	<u>424,176</u>	<u>23,413</u>	<u>447,589</u>
<b>Month Ended September 30, 2017</b>							
PJM Interconnection, LLC		Econ Sales	44,667,380	0	949,500	128,479	1,077,979
	Total Sales		<u>44,667,380</u>	<u>0</u>	<u>949,500</u>	<u>128,479</u>	<u>1,077,979</u>
<b>Month Ended October 31, 2017</b>							
PJM Interconnection, LLC		Econ Sales	87,301,590	0	1,755,686	563,687	2,319,373
	Total Sales		<u>87,301,590</u>	<u>0</u>	<u>1,755,686</u>	<u>563,687</u>	<u>2,319,373</u>

Legend  
 Econ Sales - Economy Sales

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-014**

**REQUEST:**

Describe the effect on the FAC calculation of line losses related to:

- a. Intersystem sales when using a third-party transmission system, and
- b. Intersystem sales when not using a third-party transmission system.

**RESPONSE:**

- a. Duke Energy Kentucky did not have any intersystem sales during the review period.
- b. N/A

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

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-015**

**REQUEST:**

Provide a list, in chronological order, showing by unit, any scheduled, actual, and forced outages for the period under review.

**RESPONSE:**

Please see Staff-DR-01-015 Attachment.

**PERSON RESPONSIBLE:** John Swez

UnitName	EventType	Month	Scheduled Hours	Forced Hours	Actual Hours	EventStart	EventEnd	Event Description
East Bend 2	PO	May-17	215.45		215.45	4/29/17 0:32	5/7/17 23:59	Spring Outage-Precip Wash
East Bend 2	PE	May-17	73.60		73.60	5/7/17 23:59	5/11/17 1:35	Outage ext. to repair cndsr exp joint and LPT Bldg found during planned inspection
East Bend 2	U1	Jun-17		202.47	202.47	6/30/17 14:41	7/9/17 1:09	Flex Links failure
East Bend 2	MO	Jul-17	76.15		76.15	7/26/17 23:25	7/30/17 3:34	Horizontal Reheat Tube Leak
East Bend 2	U1	Sep-17		68.67	68.67	9/15/17 13:50	9/18/17 10:30	SSH Tube Leak
East Bend 2	MO	Oct-17	73.67		73.67	10/7/17 0:40	10/10/17 2:20	Primary Superheater Tube Leak
East Bend 2	U1	Oct-17		10.77	10.77	10/17/17 14:20	10/18/17 1:06	EH Pump problems
Woodsdale CT1	PO	May-17	1563.78		1563.78	3/4/17 6:30	5/8/17 10:17	Hot Gas Path Outage
Woodsdale CT1	PO	May-17	24.30		24.30	5/8/17 13:34	5/9/17 13:52	Planned C Inspection Outage
Woodsdale CT1	PO	May-17	43.47		43.47	5/9/17 16:31	5/11/17 11:59	Planned C Inspection Outage
Woodsdale CT1	SF	Jul-17		0.73	0.73	7/18/17 15:32	7/18/17 16:16	Failed to Light Off (found and repaired loose fittings)
Woodsdale CT1	PO	Sep-17	154.35		154.35	9/23/17 6:00	9/29/17 16:21	Outage: Doble testing
Woodsdale CT2	PO	Sep-17	154.35		154.35	9/23/17 6:00	9/29/17 16:21	Outage: Doble testing
Woodsdale CT3	U1	Jun-17		0.28	0.28	6/14/17 8:34	6/14/17 8:51	3-Way fuel valve responded too slowly
Woodsdale CT3	SF	Jun-17		0.95	0.95	6/14/17 8:51	6/14/17 9:48	Fuel flow swing during attempted sychronization.
Woodsdale CT3	U1	Jun-17		4.17	4.17	6/14/17 11:07	6/14/17 15:17	Boiler trouble
Woodsdale CT3	U1	Jun-17		3.10	3.10	6/15/17 8:31	6/15/17 11:37	Fire in Gas Control Cabinet; shut down unit
Woodsdale CT3	PO	Sep-17	106.25		106.25	9/18/17 6:00	9/22/17 16:15	Doble testing
Woodsdale CT4	PO	Sep-17	106.25		106.25	9/18/17 6:00	9/22/17 16:15	Doble testing
Woodsdale CT4	MO	Oct-17	169.32		169.32	10/12/17 9:41	10/19/17 11:00	Field Testing
Woodsdale CT4	ME	Oct-17	3181.00		3181.00	10/19/17 11:00	2/27/18 11:19	Investigate Rotor Ground
Woodsdale CT5	PO	Sep-17	217.47		217.47	9/9/17 12:00	9/18/17 13:28	Doble testing and relay upgrades
Woodsdale CT5	PE	Sep-17	500.57		500.57	9/18/17 13:28	10/9/17 10:02	Phase A corrosion
Woodsdale CT6	PO	Sep-17	217.47		217.47	9/9/17 12:00	9/18/17 13:28	Tagged for doble testing and relay upgrades
Woodsdale CT6	MO	Oct-17	112.75		112.75	10/2/17 17:00	10/7/17 9:45	Doble Testing

**Duke Energy Kentucky**  
**Case No. 2018-00022**  
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**Date Received: February 16, 2018**

**STAFF-DR-01-016**

**REQUEST:**

For the period under review, provide the monthly capacity factor at which each generating unit operated.

**RESPONSE:**

**East Bend**

<u>Month</u>	<u>Capacity Factor</u>
May 2017	57.07%
June 2017	90.58%
July 2017	57.76%
August 2017	90.68%
September 2017	78.68%
<u>October 2017</u>	<u>82.09%</u>
Total Period	76.05%

**Woodsdale**

**Total Period**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	0.84%
Unit 2	0.57%
Unit 3	1.08%
Unit 4	0.23%
Unit 5	0.57%
<u>Unit 6</u>	<u>0.57%</u>
Total	0.64%



**May 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	3.31%
Unit 2	1.48%
Unit 3	1.02%
Unit 4	-0.16%
Unit 5	1.39%
<u>Unit 6</u>	<u>1.13%</u>
Total	1.36%

**June 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	-0.18%
Unit 2	-0.13%
Unit 3	2.93%
Unit 4	-0.16%
Unit 5	-0.14%
<u>Unit 6</u>	<u>-0.08%</u>
Total	0.37%

**July 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	1.27%
Unit 2	1.56%
Unit 3	2.04%
Unit 4	1.16%
Unit 5	1.92%
<u>Unit 6</u>	<u>1.90%</u>
Total	1.64%

**August 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	0.43%
Unit 2	-0.07%
Unit 3	0.22%
Unit 4	0.04%
Unit 5	0.03%
<u>Unit 6</u>	<u>-0.03%</u>
Total	0.10%

**September 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	-0.10%
Unit 2	0.18%
Unit 3	0.38%
Unit 4	0.58%
Unit 5	-0.11%
<u>Unit 6</u>	<u>0.26%</u>
Total	0.20%

**October 2017**

<u>Woodsdale Station</u>	<u>Capacity Factor</u>
Unit 1	0.08%
Unit 2	0.26%
Unit 3	0.07%
Unit 4	-0.03%
Unit 5	0.24%
<u>Unit 6</u>	<u>0.18%</u>
Total	0.13%

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

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-017**

**REQUEST:**

- a. For the period under review, explain if Duke Kentucky made any changes to its maintenance and operation practices, or completed any specific generation efficiency improvements that affect fuel usage at Duke Kentucky's generation facilities.
- b. Describe the impact of these changes on Duke Kentucky's fuel usage.

**RESPONSE:**

- a. Duke Kentucky made no changes during the period from May 1, 2017 through October 31, 2017 to its maintenance and operation practices that affect fuel usage at Duke Kentucky's coal-fired generation facilities.
- b. N/A

**PERSON RESPONSIBLE:** John Swez

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-018**

**REQUEST:**

State whether Duke Kentucky is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period under review.

**RESPONSE:**

Duke Energy Kentucky is not aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period under review.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky**  
**Case No. 2018-00022**  
**Staff First Set Data Requests**  
**Date Received: February 16, 2018**

**STAFF-DR-01-019**

**REQUEST:**

State whether Duke Kentucky is aware of any violations of 807 KAR 5:056 that occurred prior to or during the period under review.

**RESPONSE:**

Duke Kentucky is not aware of any instances where it may have violated 807 KAR 5:056 either prior to or during the period under review.

**PERSON RESPONSIBLE:** Brett Phipps

**Duke Energy Kentucky  
Case No. 2018-00022  
Staff First Set Data Requests  
Date Received: February 16, 2018**

**STAFF-DR-01-020**

**REQUEST:**

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

**RESPONSE:**

**Coal**

All contracts for long-term and short-term (spot) coal and transportation agreements have been filed with the Commission.

**Natural Gas and Fuel Oil**

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

**PERSON RESPONSIBLE:** Brett Phipps