

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

An Electronic Examination of the)	
Application of the Fuel Adjustment)	Case No. 2019-00230
Clause of Duke Energy Kentucky, Inc.)	
From November 1, 2018 Through April)	
30, 2019)	

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 AUGUST 12, 2019

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 attachment to response to Data Request No. 5, First Set, as requested by Commission Staff (Staff) in this case on August 12, 2019. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) includes fuel solicitation proposal evaluation and rankings.

More specifically, the Confidential Information provided in response to Data Request No. 5 contains sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interest. Duke Energy Corporation's Regulated Fuels Group is responsible for the procurement of fuel and obtaining competitive pricing. Releasing this information would give potential competitors and fuel vendors for Duke Energy Kentucky in the energy markets inside information about Duke Energy Kentucky's fuel procurement strategy, risk mitigation actions, and tolerances. Releasing this information would harm the Company and its customers in the future as competitors and counterparties would know how Duke Energy Kentucky

evaluates its fuel supply and procures fuel for its generating station. If publicly available, competitors could use this information to manipulate the market and financially harm Duke Energy Kentucky's customers by adjusting their bidding strategies and potentially manipulating the price the Company pays for coal.

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. The public disclosure of the Confidential Information would provide competitors and potential vendors proprietary information regarding the fuel procurement strategies used by Duke Energy Kentucky, placing it at a commercial disadvantage as it bids into the energy markets or negotiates with various suppliers and vendors. This situation would potentially harm Duke Energy Kentucky's competitive position in the marketplace, to the detriment of Duke Energy Kentucky and its customers undermining its ability to bid on contracts against parties, who do not otherwise have to disclose such information, and who could use that information to their competitive advantage and possibly win contracts that they otherwise couldn't, absent such information

3. Further, disclosure of the aforementioned Confidential Information would damage Duke Energy Kentucky's competitive position and business interests, as well as, create the risk of increased costs to its customers. If the Commission grants public access to the Confidential

Information requested, potential counterparties could manipulate markets, costs, and prices to the detriment of Duke Energy Kentucky and its ratepayers by tailoring bids to correspond to and comport with Duke Energy Kentucky's prior actions and risk tolerances.

4. The Confidential Information was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, it is not on file with any public agency in the manner as is provided in response to this Commission-issued data request. The information is not available from any commercial or other source outside Duke Energy Kentucky. 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 energy industry.

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

6. 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*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

7. 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.

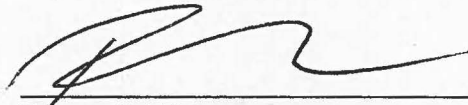
8. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests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

9. 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.

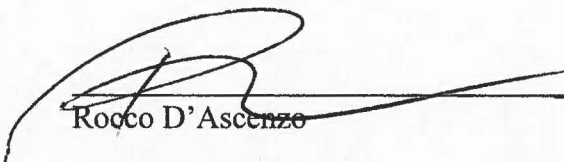


Rocco O. D'Ascenzo
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Fax: (513) 287-4385
Rocco.D'Ascenzo@duke-energy.com
Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Duke Energy Kentucky, Inc.'s August 26, 2019 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission directly on August 26, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and one copy of the filing is being delivered via 2nd day mail to the Commission; and that on August 26, 2019, electronic mail notification of the electronic filing will be provided to the following:

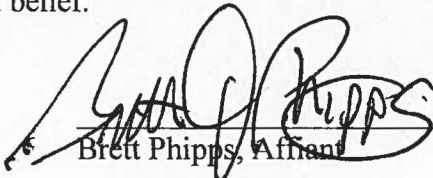
Hon. Rebecca W. Goodman
The Office of Attorney General
Utility Intervention and Rate Division
700 Capital Avenue, Ste. 20
Frankfort, Kentucky 40601
Rebecca.Goodman@ky.gov


Rocco D'Ascenzo

VERIFICATION

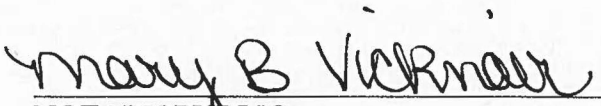
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

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 21 day of August, 2019.



NOTARY PUBLIC

My Commission Expires:

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

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 19th day of August, 2019.



ADELE M. FRISCH
Notary Public, State of Ohio
My Commission Expires 01-05-2024

Adele M. Frisch
NOTARY PUBLIC

My Commission Expires: 1/5/2024

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 13 day of August, 2019.



NOTARY PUBLIC

My Commission Expires:

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

KyPSC Case No. 2019-00230
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**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

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 November 1, 2018 through April 30, 2019, please see STAFF-DR-01-001 Attachment.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2019-00230 - Staff First Set Data Requests
Coal purchased November 1, 2018 - April 30, 2019

<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>
Western KY (formerly Armstrong)	69,224	Contract	DEK32687	1/23/2018	
Alliance Coal LLC	183,298	Contract	DEK32250	1/22/2018	
Alpha/Contura Coal Sales	6,488	Contract	DEK 30810	2/12/2016	
Oxford Mining	8,480	Contract	DEK 31741	6/8/2017	
Central Coal	173,253	Contract	DEK 31641	3/28/2017	
Alliance Coal LLC	111,414	Contract	DEK32262	1/23/2018	
Alliance Coal LLC	85,691	Contract	DEK33073	2/25/2019	
Forsight Coal Sales	39,181	Contract	DEK32274	4/5/2018	
Contura	18,648	Spot	DEK33222	2/25/2019	
White Stallion	16,351	Spot	DEK32896	4/3/2019	
Trafigura	40,313	Spot	DEK33141	2/25/2019	
Total	752,341				
	90%	Contract			
	10%	Spot			
	100%	Total			

**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

STAFF-DR-01-002

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:

- a. 32250
- b. Alliance Coal, LLC
- c. Tunnel Ridge, Ohio County, WV
- d. Barge
- e. 183,298
- f. 240,000
- g. \$43.00

- a. 30810
- b. Contura Coal Sales, LLC
- c. Cumberland Mine, Waynesburg, PA
- d. Barge
- e. 6,488
- f. 6,488
- g. \$42.50

- a. 31641
- b. Central Coal Company as agent Knight Hawk Coal LLC
- c. Knight Hawk's Prairie Eagle Mine, IL
- d. Barge
- e. 173,253
- f. 86,072
- g. \$36.50

- a. 32262
- b. Alliance Coal, LLC
- c. Tunnel Ridge, Ohio County, WV
- d. Barge
- e. 111,414
- f. 156,250
- g. \$37.25

- a. 33073
- b. Alliance Coal, LLC
- c. Tunnel Ridge, Ohio County, WV
- d. Barge
- e. 85,691
- f. 95,750
- g. \$47.25

- a. 32687
- b. West KY Consolidated Resource
- c. Knight Hawk's Prairie Eagle Mine, IL
- d. Barge
- e. 69,224
- f. 46,547
- g. \$40.25

- a. 31741
- b. Oxford Mining Company, LLC
- c. Sexton Mine, Harrison County, OH
- d. Barge
- e. 8,480
- f. 8,480
- g. \$36.00

- a. 32274
- b. Foresight Coal Sales, LLC.
- c. Shay Mine, Carlinville, Illinois
- d. Barge
- e. 39,181
- f. 96,500
- g. \$33.25

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

STAFF-DR-01-003

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 April 30, 2019 was 227,455 tons, or 35 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 goal inventory is an annual average of 45 days compared to the actual inventory amount of 35 days on April 30, 2019 for East Bend Station which is the only coal-fired generating station in the Duke Energy Kentucky fleet.
- d. Duke Energy Kentucky's coal inventory did not exceed the inventory target by ten days of supply.
- e. Duke Energy Kentucky does not expect any significant changes in its current coal inventory target within the next 12 months.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

STAFF-DR-01-004

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:

- a. Duke Energy Kentucky did not issue a written coal supply solicitation during November 1, 2018 through April 30, 2019.
- b. N/A

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

CONFIDENTIAL STAFF-DR-01-005
(As to Attachment Only)

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 solicited and the vendor selected. Provide the tabulation sheet or other documents that rank 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 an oral solicitation during February of 2019 requesting proposals for coal to be delivered during year 2019. The quantity in the solicitation was not limited as the Company requested proposals for the full amounts of spot purchases the vendors can offer which enabled the Company to make decisions regarding the amounts to be purchased after evaluations were completed.
- b. The February 2019 coal solicitation was sent to 37 vendors with 37 vendors providing 53 bids and 3 bids selected for spot purchase by Duke Energy Kentucky.

Please see STAFF-DR-01-005 Confidential Attachment containing the proposal evaluation rankings.

PERSON RESPONSIBLE: Brett Phipps

**CONFIDENTIAL PROPRIETARY
TRADE SECRET**

**CONFIDENTIAL STAFF-DR-01-005
ATTACHMENT**

FILED UNDER SEAL

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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-01-006 Attachment which lists each vendor from whom natural gas was purchased for the period of November 1, 2018 to April 30, 2019.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky - Natural Gas Purchases 11/1/2018 - 4/30/2019						
Trade Number	Qty (dt)	Start Date	End Date	Price	Counterpart	Strategy
3664624	7,000	04/11/2019	04/11/2019	2.75 USD/MMBtu	Eco Energy Nat Gas	Gas Intraday/Spot
3647194	5,000	01/30/2019	01/30/2019	4.15 USD/MMBtu	Eco-Energy LLC	Gas Intraday/Spot
3664578	3,000	04/16/2019	04/16/2019	2.97 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3663636	3,000	04/11/2019	04/11/2019	3.07 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3661918	4,000	04/02/2019	04/02/2019	3.00 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3657211	7,000	03/11/2019	03/11/2019	3.12 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3655898	14,000	03/05/2019	03/05/2019	5.25 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3655307	3,000	03/04/2019	03/04/2019	5.00 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3655190	10,000	03/03/2019	03/03/2019	4.85 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3652454	5,000	02/18/2019	02/18/2019	3.20 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3648072	500	01/30/2019	01/30/2019	5.25 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3647901	20,000	01/31/2019	01/31/2019	5.25 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3645316	5,000	01/21/2019	01/21/2019	4.45 USD/MMBtu	NJR Energy Servic G	Gas Intraday/Spot
3667017	5,000	04/29/2019	04/29/2019	2.60 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3655900	5,000	03/05/2019	03/05/2019	5.15 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3655899	5,000	03/05/2019	03/05/2019	5.15 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3655229	5,000	03/03/2019	03/03/2019	4.15 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3649610	6,000	01/31/2019	01/31/2019	5.50 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3648095	15,000	01/30/2019	01/30/2019	7.00 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3647195	30,000	01/30/2019	01/30/2019	5.90 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3647193	10,000	01/29/2019	01/29/2019	4.50 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3634174	12,000	11/30/2018	11/30/2018	5.50 USD/MMBtu	SEQUENT ENERGY	Gas Intraday/Spot
3655903	5,000	03/05/2019	03/05/2019	3.35 USD/MMBtu	Spotlight Energy	Gas Intraday/Spot
3634095	10,000	11/30/2018	11/30/2018	4.75 USD/MMBtu	Spotlight Energy	Gas Intraday/Spot
3634094	5,000	11/30/2018	11/30/2018	4.70 USD/MMBtu	Spotlight Energy	Gas Intraday/Spot
3664703	4,000	04/17/2019	04/17/2019	2.80 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3652683	9,000	02/19/2019	02/19/2019	3.15 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3647525	5,000	01/30/2019	01/30/2019	4.00 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3647192	7,000	01/29/2019	01/29/2019	4.00 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3645143	10,000	01/21/2019	01/21/2019	3.90 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3644536	10,000	01/20/2019	01/20/2019	4.00 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
3644434	5,000	01/20/2019	01/21/2019	4.00 USD/MMBtu	TENASKA MARKETING VE	Gas Intraday/Spot
	249,500					

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

STAFF-DR-01-007

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 the period under review, a review of the Company's North American Electric Reliability Corporation (NERC) Generating Availability Data System (GADS) records and dispatcher logs for Woodsdale Station did not show any instances in which a natural gas generating unit could not be operated due to pipeline constraints or natural gas being unavailable.

PERSON RESPONSIBLE: John Swez
Brett Phipps

**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

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. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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:

Duke Energy Kentucky has not audited any of its fuel or transportation contracts during the period of November 1, 2018 through April 30, 2019.

PERSON RESPONSIBLE: Brett Phipps

**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

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 pleadings 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 suppliers 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. N/A
- c. N/A

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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. The "Regulated Utilities Risk Management Control Manual" was updated January 2018 and the "Regulated Utilities Risk Limits" document was updated January of 2017. These two documents were submitted in Case No. 2018-00220 as STAFF-DR-01-011 Confidential Attachments 1 and 2. The "Commodity Risk Policy" was

updated January of 2014. This document was submitted with the Company's responses to Staff's requests for information in Case No. 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 Staff's requests for information in Case No. 2017-00005.

PERSON RESPONSIBLE: Brett Phipps

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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 had no firm power commitments during this period.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

STAFF-DR-01-013

REQUEST:

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

RESPONSE:

Please see STAFF-DR-01-013 Attachment

PERSON RESPONSIBLE: Ted Czupik

DUKE ENERGY KENTUCKY
 POWER TRANSACTION SCHEDULE

Supplier/Buyer		Transaction Type	kWh	Charges (\$)			
				Demand	Fuel	Other	Total
Month Ended November 30, 2018							
PJM Interconnection, LLC		Econ Sales	38,429,670	0	879,006	523,224	1,402,230
	Total Sales		<u>38,429,670</u>	<u>0</u>	<u>879,006</u>	<u>523,224</u>	<u>1,402,230</u>
Month Ended December 31, 2018							
PJM Interconnection, LLC		Econ Sales	51,167,880	0	1,093,133	392,688	1,485,821
	Total Sales		<u>51,167,880</u>	<u>0</u>	<u>1,093,133</u>	<u>392,688</u>	<u>1,485,821</u>
Month Ended January 31, 2019							
PJM Interconnection, LLC		Econ Sales	18,268,150	0	663,818	(46,252)	617,566
	Total Sales		<u>18,268,150</u>	<u>0</u>	<u>663,818</u>	<u>(46,252)</u>	<u>617,566</u>
Month Ended February 28, 2019							
PJM Interconnection, LLC		Econ Sales	21,670,330	0	519,036	80,662	599,698
	Total Sales		<u>21,670,330</u>	<u>0</u>	<u>519,036</u>	<u>80,662</u>	<u>599,698</u>
Month Ended March 31, 2019							
PJM Interconnection, LLC		Econ Sales	42,014,570	0	1,023,003	172,463	1,195,466
	Total Sales		<u>42,014,570</u>	<u>0</u>	<u>1,023,003</u>	<u>172,463</u>	<u>1,195,466</u>
Month Ended April 30, 2019							
PJM Interconnection, LLC		Econ Sales	0	0	0	0	0
	Total Sales		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Legend
 Econ Sales - Economy Sales

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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:

Ted Czupik
John Swez

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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

KY FAC Request
 Nov 2018 - Apr 2019

Unit Name	Event Type	Month	Scheduled Hours	Forced Hours	Actual Hours	Event Duration	Event Start	Event End	Description
East Bend 2	MO	Nov	108.4		108.4	108.4	11/16/18 3:46 AM	11/20/18 4:12 PM	FGD Module discharge duct leak repairs
East Bend 2	U1	Nov		39.3	39.3	39.3	11/21/18 1:52 PM	11/23/18 5:08 AM	Condenser tube leak
East Bend 2	U1	Dec		47.0	47.0	47.0	12/3/18 2:04 PM	12/5/18 1:04 PM	Convection Pass Front Wall tube leak
East Bend 2	MO	Feb	79.4		79.4	79.4	2/3/19 11:46 PM	2/7/19 7:10 AM	Platen tube leak
East Bend 2	U1	Mar		85.0	85.0	85.0	3/30/19 11:00 AM	4/3/19 12:00 AM	Condenser Tube Leak
East Bend 2	PO	Apr	752.1		752.1	752.1	4/3/19 12:00 AM	5/4/19 8:08 AM	Repair to LPB L-1 Blades
Woodsdale CT1	PO	Nov	1,301.0		1,301.0	1,301.0	11/2/18 6:00 AM	12/26/18 10:59 AM	Outage to install fuel oil capability
Woodsdale CT1	SF	Jan		75.9	75.9	75.9	1/30/19 12:02 PM	2/2/19 3:58 PM	starting breaker failed to open
Woodsdale CT1	PO	Feb	1,309.2		1,309.2	1,309.2	2/9/19 6:00 AM	4/4/19 7:14 PM	Tie in to new Fuel Oil System
Woodsdale CT1	PO	Apr	14.9		14.9	14.9	4/4/19 8:07 PM	4/5/19 10:58 AM	Fuel Oil Outage
Woodsdale CT1	PO	Apr	40.5		40.5	40.5	4/5/19 4:12 PM	4/7/19 8:42 AM	Fuel Oil Outage
Woodsdale CT1	PO	Apr	50.2		50.2	50.2	4/7/19 12:03 PM	4/9/19 2:15 PM	Fuel Oil Outage
Woodsdale CT1	PO	Apr	22.2		22.2	22.2	4/9/19 3:17 PM	4/10/19 1:32 PM	Fuel Oil Outage
Woodsdale CT1	PO	Apr	15.9		15.9	15.9	4/10/19 4:48 PM	4/11/19 8:42 AM	Fuel Oil Outage
Woodsdale CT1	PO	Apr	8.0		8.0	8.0	4/11/19 11:22 PM	4/12/19 7:22 AM	Fuel Oil Outage
Woodsdale CT2	PO	Nov	890.0		890.0	890.0	11/2/18 6:00 AM	12/9/18 8:00 AM	Outage to install fuel oil capability
Woodsdale CT2	PE	Dec	544.0		544.0	544.0	12/9/18 8:00 AM	1/1/19 12:00 AM	During burner inspection found damaged turbine blades
Woodsdale CT2	PO	Jan	3,059.5		3,059.5	3,059.5	1/1/19 12:00 AM	5/8/19 11:29 AM	During burner inspection found damaged turbine blades
Woodsdale CT3	MO	Dec	5.7		5.7	5.7	12/5/18 7:50 AM	12/5/18 1:30 PM	Closed Natural Gas Valve to install new fuel oil system vault.
Woodsdale CT3	MO	Dec	90.2		90.2	90.2	12/13/18 1:00 PM	12/17/18 7:11 AM	Burner Inspection.
Woodsdale CT3	SF	Jan		3.9	3.9	3.9	1/30/19 11:55 AM	1/30/19 3:50 PM	Starting device failure
Woodsdale CT3	SF	Mar		1.5	1.5	1.5	3/27/19 6:45 AM	3/27/19 8:15 AM	RAT Transformer 13 Tripped while starting
Woodsdale CT3	U1	Apr		64.0	64.0	64.0	4/8/19 2:00 PM	4/11/19 6:00 AM	Environmental-CO2 Restriction
Woodsdale CT3	PO	Apr	1,087.0		1,087.0	1,087.0	4/11/19 6:00 AM	5/26/19 1:01 PM	Fuel Oil Outage
Woodsdale CT4	MO	Dec	5.7		5.7	5.7	12/5/18 7:50 AM	12/5/18 1:30 PM	Closed Natural Gas Valve to install new fuel oil system vault.
Woodsdale CT4	MO	Dec	360.4		360.4	360.4	12/13/18 12:30 PM	12/28/18 12:56 PM	Welding repairs needed in combustor
Woodsdale CT4	SF	Mar		1.5	1.5	1.5	3/27/19 6:45 AM	3/27/19 8:15 AM	RAT Transformer 13 Tripped while starting
Woodsdale CT4	U1	Apr		16.0	16.0	16.0	4/8/19 2:00 PM	4/9/19 6:00 AM	Environmental-CO2 Restriction
Woodsdale CT4	PO	Apr	990.0		990.0	990.0	4/9/19 6:00 AM	5/20/19 11:58 AM	Fuel Oil Outage
Woodsdale CT5	MO	Dec	5.7		5.7	5.7	12/5/18 7:50 AM	12/5/18 1:30 PM	Closed Natural Gas Valve to install new fuel oil system vault.
Woodsdale CT5	MO	Dec	52.8		52.8	52.8	12/15/18 2:00 PM	12/17/18 6:48 PM	Burner Inspection.
Woodsdale CT5	MO	Mar	1.0		1.0	1.0	3/7/19 10:20 AM	3/7/19 11:18 AM	Fuel Oil Outage-Install Pulsation Probes for testing
Woodsdale CT5	PO	Mar	1,140.4		1,140.4	1,140.4	3/10/19 6:00 AM	4/26/19 6:25 PM	Fuel Oil Outage
Woodsdale CT5	PO	Apr	17.2		17.2	17.2	4/26/19 6:47 PM	4/27/19 12:01 PM	Fuel Oil Outage
Woodsdale CT5	PO	Apr	20.2		20.2	20.2	4/27/19 12:48 PM	4/28/19 9:01 AM	Fuel Oil Outage
Woodsdale CT5	PO	Apr	22.2		22.2	22.2	4/28/19 1:41 PM	4/29/19 11:56 AM	Fuel Oil Outage
Woodsdale CT5	PO	Apr	18.2		18.2	18.2	4/29/19 5:48 PM	4/30/19 12:02 PM	Fuel Oil Outage
Woodsdale CT5	PO	Apr	27.3		27.3	27.3	4/30/19 12:07 PM	5/1/19 3:27 PM	Fuel Oil Outage
Woodsdale CT6	MO	Dec	5.7		5.7	5.7	12/5/18 7:50 AM	12/5/18 1:30 PM	Closed Natural Gas Valve to install new fuel oil system vault.
Woodsdale CT6	MO	Dec	53.9		53.9	53.9	12/15/18 2:00 PM	12/17/18 7:52 PM	Burner Inspection.
Woodsdale CT6	MO	Mar	1.0		1.0	1.0	3/7/19 10:20 AM	3/7/19 11:18 AM	Fuel Oil Outage-Pulsation Probe Test
Woodsdale CT6	PO	Mar	1,188.2		1,188.2	1,188.2	3/10/19 6:00 AM	4/28/19 6:14 PM	Fuel Oil Outage
Woodsdale CT6	PO	Apr	14.3		14.3	14.3	4/28/19 6:39 PM	4/29/19 8:57 AM	Fuel Oil Outage
Woodsdale CT6	PO	Apr	18.5		18.5	18.5	4/29/19 1:08 PM	4/30/19 7:36 AM	Fuel Oil Outage
Woodsdale CT6	PO	Apr	23.2		23.2	23.2	4/30/19 8:25 AM	5/1/19 7:38 AM	Fuel Oil Outage

Event Type Legend:

- PO Planned Outage
- PE Planned Outage Extension
- MO Maintenance Outage
- ME Maintenance Outage Extension
- U1 Unplanned (Forced) Outage – Immediate
- U2 Unplanned (Forced) Outage – Delayed
- U3 Unplanned (Forced) Outage – Postponed
- SF Startup Failure

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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>Net MWH</u>	<u>Period Hours</u>	<u>MW Rating</u>	<u>MW Hours</u>	<u>Net Capacity Factor</u>
November 2018	294,205	720	600	432,000	68.10%
December 2018	372,423	744	600	446,400	83.43%
January 2019	384,479	744	600	446,400	86.13%
February 2019	300,478	672	600	403,200	74.52%
March 2019	371,433	744	600	446,400	83.21%
April 2019	<u>(4,484)</u>	<u>720</u>	<u>600</u>	<u>432,000</u>	<u>-1.04%</u>
Total	1,718,534	4,344	600	2,606,400	65.94%

Woodsdale: Total Period

<u>Woodsdale Station</u>	<u>Net MWH</u>	<u>Period Hours</u>	<u>MW Rating</u>	<u>MW Hours</u>	<u>Net Capacity Factor</u>
Unit 1	2,284	4,344	91.33	396,816	0.58%
Unit 2	(741)	4,344	91.33	396,816	-0.19%
Unit 3	1,713	4,344	91.33	396,816	0.43%
Unit 4	2,425	4,344	91.33	396,816	0.61%
Unit 5	2,406	4,344	91.33	396,816	0.61%
Unit 6	<u>2,509</u>	<u>4,344</u>	<u>91.33</u>	<u>396,816</u>	<u>0.63%</u>
Total	10,596	26,064	91.33	2,380,896	0.45%

November 2018

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	(123)	720	86	61,920	-0.20%
Unit 2	(111)	720	86	61,920	-0.18%
Unit 3	448	720	86	61,920	0.72%
Unit 4	376	720	86	61,920	0.61%
Unit 5	437	720	86	61,920	0.71%
Unit 6	<u>395</u>	<u>720</u>	<u>86</u>	<u>61,920</u>	<u>0.64%</u>
Total	1,422	4,320	86	371,520	0.38%

December 2018

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	(129)	744	94	69,936	-0.18%
Unit 2	(123)	744	94	69,936	-0.18%
Unit 3	(143)	744	94	69,936	-0.20%
Unit 4	(145)	744	94	69,936	-0.21%
Unit 5	(161)	744	94	69,936	-0.23%
Unit 6	<u>(117)</u>	<u>744</u>	<u>94</u>	<u>69,936</u>	<u>-0.17%</u>
Total	(818)	4,464	94	419,616	-0.19%

January 2019

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	(189)	744	94	69,936	-0.27%
Unit 2	(149)	744	94	69,936	-0.21%
Unit 3	859	744	94	69,936	1.23%
Unit 4	1,009	744	94	69,936	1.44%
Unit 5	940	744	94	69,936	1.34%
Unit 6	<u>1,479</u>	<u>744</u>	<u>94</u>	<u>69,936</u>	<u>2.11%</u>
Total	3,949	4,464	94	419,616	0.94%

February 2019

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	(44)	672	94	63,168	-0.07%
Unit 2	(132)	672	94	63,168	-0.21%
Unit 3	11	672	94	63,168	0.02%
Unit 4	637	672	94	63,168	1.01%
Unit 5	104	672	94	63,168	0.16%
Unit 6	<u>167</u>	<u>672</u>	<u>94</u>	<u>63,168</u>	<u>0.26%</u>
Total	743	4,032	94	379,008	0.20%

March 2019

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	(147)	744	94	69,936	-0.21%
Unit 2	(139)	744	94	69,936	-0.20%
Unit 3	354	744	94	69,936	0.51%
Unit 4	380	744	94	69,936	0.54%
Unit 5	422	744	94	69,936	0.60%
Unit 6	<u>361</u>	<u>744</u>	<u>94</u>	<u>69,936</u>	<u>0.52%</u>
Total	1,231	4,464	94	419,616	0.29%

April 2019

Woodsdale <u>Station</u>	Net <u>MWH</u>	Period <u>Hours</u>	MW <u>Rating</u>	MW <u>Hours</u>	Net Capacity <u>Factor</u>
Unit 1	2,916	720	86	61,920	4.71%
Unit 2	(87)	720	86	61,920	-0.14%
Unit 3	184	720	86	61,920	0.30%
Unit 4	168	720	86	61,920	0.27%
Unit 5	664	720	86	61,920	1.07%
Unit 6	<u>224</u>	<u>720</u>	<u>86</u>	<u>61,920</u>	<u>0.36%</u>
Total	4,069	4,320	86	371,520	1.10%

PERSON RESPONSIBLE:Ted Czupik
John Swesz

**Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

STAFF-DR-01-017

REQUEST:

- a. For a 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. Although not under this review period, Duke Kentucky did complete installation of the backup fuel oil system for each of the six Woodsdale combustion turbine units by June 1, 2019.
- b. During times when natural gas is partially or not available, when there are pressure or other delivery issues, or when it is more economic, Duke Kentucky now has the option to offer and run the Woodsdale units using fuel oil.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky
Case No. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019

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 Energy 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. 2019-00230
Staff First Set Data Requests
Date Received: August 12, 2019**

STAFF-DR-01-020

REQUEST:

State whether all fuel contracts related to commodity and 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 has filed its invoices for purchases under the master agreements monthly.

PERSON RESPONSIBLE: Brett Phipps