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Dianne B. Kuhnell.
Senior Paralegal

VIA OVERNIGHT DELIVERY

September 9, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

SEP 10 2009

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2009-00289

Dear Mr. Derouen:

Enclosed please find for filing an original and seven copies of the Responses to Commission Staff's First Set of Requests for Information to Duke Energy Kentucky in the above captioned case.

Please date-stamp the extra two copies of the filing and return to me in the enclosed envelope.

Sincerely,

Dianne B. Kuhnell
Senior Paralegal

cc: Dennis Howard II

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of An Examination of the Application) Case No. 2009-289
Of the Fuel Adjustment Clause of Duke Energy Kentucky)
From November 1, 2008 through April 30, 2009)

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**PUBLIC SERVICE
COMMISSION**

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

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in response to data requests No. 19 (b) and No. 20 (b) in the Commission's first set of data requests, as contained in the Commission's Order dated August 20, 2009. The information for which Duke Energy Kentucky seeks confidential treatment (Confidential Information) pertains to coal bid analysis information. In support of this Motion, Duke Energy Kentucky notes that the Commission has treated coal bid analysis information as confidential in other utilities' responses to the same data request such as Kentucky Utilities Cases No. 2006-509 and 2006-278 and Duke Energy Kentucky's Case No. 2008-287.

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. Disclosure of the factors underlying Duke Energy Kentucky's bid analysis/selection process would damage Duke Energy Kentucky's position and business interests and the disclosure of the bid amounts and the vendor names would allow the competing coal companies to know the value of proposals and could cause companies to tailor future proposals and artificially raise price proposals. This information reveals the business model the Company uses - the procedure it follows and the factors/inputs it considers - in evaluating bids for coal supply. If the Commission grants public access to the information requested in data request No. 19 (b) and No. 20 (b), potential bidders could manipulate the bid solicitation process to the detriment of Duke Energy Kentucky and its ratepayers by tailoring bids to correspond to and comport with Duke Energy Kentucky's bidding criteria and process. As noted above, the Commission has treated such information as confidential in the past for other utilities within the same type cases regarding the Fuel Adjustment Clause.

3. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Kentucky.

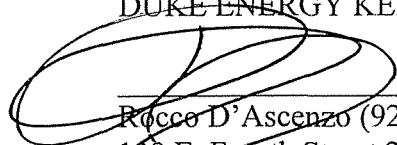
4. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one copy of the Confidential Material highlighted and five (5) copies without the confidential information.

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

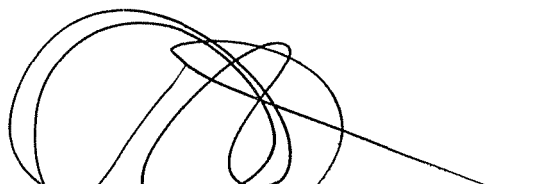


~~Rocco D'Ascenzo (92796)~~
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e-mail: Amy.Spiller@duke-energy.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Duke Energy Kentucky, Inc.'s Petition for Confidential Treatment of Information Contained in Duke Energy Kentucky, Inc.'s First Set of Data Requests was served on the following by overnight mail, this ___ day of September 2009.



Rocco D'Ascenzo

Honorable Dennis G. Howard, II
Honorable David E. Spenard
Assistant Attorneys General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

RECEIVED

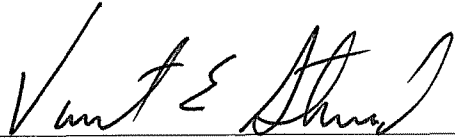
SEP 10 2009

**PUBLIC SERVICE
COMMISSION**

VERIFICATION

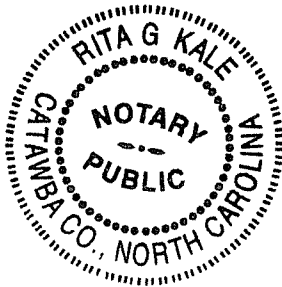
STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, Vincent E. Stroud, being first duly sworn, deposes and says that I am employed by Duke Energy Corporation affiliated companies as Vice President, Regulated Fuels, on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the data requests for East Bend Station. I have read the foregoing and the matters set forth in the corrected response are true and correct to the best of my knowledge, information and belief.



Vincent E. Stroud

Subscribed and sworn to before me by Vincent E. Stroud, on this 1 day of September, 2009.





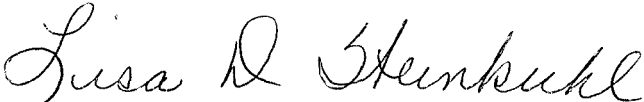
NOTARY PUBLIC

My Commission Expires: 6/17/12

VERIFICATION

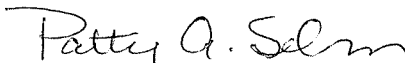
State of Ohio)
) SS:
County of Hamilton)

The undersigned, Lisa D. Steinkuhl, being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Lead Rates Analyst that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.



Lisa D. Steinkuhl, Affiant

Subscribed and sworn to before me by Lisa D. Steinkuhl on this 2nd day of
September, 2009.



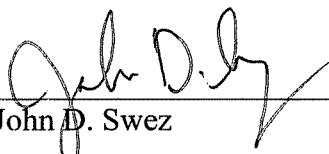
NOTARY PUBLIC

My Commission Expires: **PATTY A. SELM**
Notary Public, State of Ohio
My Commission Expires 09-15-2014

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, John D. Swez, being duly sworn, deposes and says that he is employed by the Duke Energy Corporation affiliated companies as Director, Bulk Power Marketing and Trading for Duke Energy Business Services, LLC; that on behalf of Duke Energy Kentucky, Inc., he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of his knowledge, information and belief after reasonable inquiry.



John D. Swez

Subscribed and sworn to before me by John D. Swez on this 2nd day of September, 2009.



NOTARY PUBLIC

My Commission Expires: 11-19-10



JULIE M. THOMPSON
Notary Public, State of Ohio
My Commission Expires 11-19-10

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Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-001

REQUEST:

For the period from November 1, 2008 through April 30, 2009, list each vendor from whom coal was purchased and the quantities and nature of each purchase (e.g., spot or contract).

RESPONSE:

See Attachment STAFF-DR-01-001.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>
American Coal Co.	106,899	Contract
American Coal Co.	31,386	Spot
American Energy	921	Contract
Charolais Coal Sales, LLC	73,972	Contract
Coal Network	189,499	Spot
Coal Sales	8,546	Contract
Coal Trade	11,691	Spot
Cumberland	1,817	Contract
Cumberland	167,362	Spot
Dayton Power & Light	8,261	Spot
DEK Mol Dock Federal	79	Spot
Hopkins County Coal	3,263	Contract
Knight Hawk Coal	90,541	Contract
Knight Hawk Coal	20,000	Spot
Koch Carbon	10,674	Spot
Louis Dreyfus	38,955	Spot
Merrill Lynch Commodities	7,930	Spot
Oxford Mining	203,394	Contract
Patriot Coal Sales	123,378	Contract
Patriot Coal Sales	1,590	Spot
Peabody CoalSales	62,961	Contract
SMCC AGF Resource Sales	101,267	Contract
SMCC AGF Resource Sales	24,139	Spot
Transfer Terminal	134	Contract
Williamson Energy	6,558	Contract
William Penn	2,652	Spot
TOTAL	<u>1,297,869</u>	

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-002

REQUEST:

For the period from November 1, 2008 through April 30, 2009, list each vendor from whom natural gas was purchased for generation and the quantities and nature of each purchase (e.g., spot or contract).

RESPONSE:

Duke Energy Kentucky purchased the following quantities of spot natural gas from Eagle Energy Partners I, L.P. for generation at Woodsdale Station:

November 2008	78,244 MMBtu
December 2008	78,387 MMBtu
January 2008	173,231 MMBtu
February 2008	204,800 MMBtu
March 2009	189,473 MMBtu
April 2009	47,368 MMBtu

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-003

REQUEST:

Does Duke Kentucky engage in hedging activities for its natural gas purchases used for generation? If yes, describe the hedging activities in detail.

RESPONSE:

Duke Energy Kentucky did not engage in any hedging activity for its natural gas purchases used for generation during this time period.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-004

REQUEST:

For each generating station or unit for which a separate coal pile is maintained, state for the period from November 1, 2008 through April 30, 2009 the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

RESPONSE:

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWH	Capacity Factor (Net MWH / period hrs x MW rating)
East Bend	646,937	1,066,885	1,488,924	82.8%
Miami Fort 6	229,657	230,983	540,236	76.3%

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-005

REQUEST:

List all firm power commitments for Duke Kentucky from November 1, 2008 through April 30, 2009 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 (e.g., peaking, emergency).

RESPONSE:

Duke Energy Kentucky has no firm power commitments during this time period.

PERSON RESPONSIBLE: John Swez

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-006

REQUEST:

Provide a monthly billing summary for sales to all electric utilities for the period November 1, 2008 through April 30, 2009.

RESPONSE:

See Attachment STAFF-DR-01-006.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

**DUKE ENERGY KENTUCKY
POWER TRANSACTION SCHEDULE**

Supplier/Buyer	Transaction Type	kWh	Charges (\$)			
			Demand	Fuel	Other	Total
Month Ended November 30, 2008						
Midwest Independent System Operator	Econ Sales	21,649,530			1,027,181	1,027,181
Ameren Services Company	CRSG	3,000			128	128
Big Rivers Electric Corporation	CRSG	8,000			385	385
FirstEnergy Services Co.	CRSG	5,000			193	193
LGE/KU	CRSG	4,000			75	75
MidAmerican Energy Company	CRSG	1,000			61	61
Total Sales		<u>21,670,530</u>	<u>0</u>	<u>0</u>	<u>1,028,023</u>	<u>1,028,023</u>
Month Ended December 31, 2008						
Ameren Services Company	CRSG	8,000			452	452
Big Rivers Electric Corporation	CRSG	18,000			1,032	1,032
FirstEnergy Services Co.	CRSG	5,000			284	284
LGE/KU	CRSG	9,000			468	468
Manitoba Hydro Electric Board	CRSG	1,000			0	0
MidAmerican Energy Company	CRSG	3,000			237	237
Midwest Independent System Operator	Econ Sales	9,889,840			488,650	488,650
Northern Indiana Public Service Company	CRSG	3,000			146	146
Northern States Power Co.	CRSG	2,000			51	51
Southern Minnesota Municipal Power Agency	CRSG	1,000			60	60
Total Sales		<u>9,939,840</u>	<u>0</u>	<u>0</u>	<u>491,380</u>	<u>491,380</u>
Month Ended January 31, 2009						
Big Rivers Electric Corporation	CRSG	3,000			216	216
Midwest Independent System Operator	Econ Sales	15,233,380			500,569	500,569
Total Sales		<u>15,236,380</u>	<u>0</u>	<u>0</u>	<u>500,785</u>	<u>500,785</u>
Month Ended February 28, 2009						
Midwest Independent System Operator	Econ Sales	42,950,600			1,284,662	1,284,662
Total Sales		<u>42,950,600</u>	<u>0</u>	<u>0</u>	<u>1,284,662</u>	<u>1,284,662</u>
Month Ended March 31, 2009						
Midwest Independent System Operator	Econ Sales	70,210,850			2,026,894	2,026,894
Total Sales		<u>70,210,850</u>	<u>0</u>	<u>0</u>	<u>2,026,894</u>	<u>2,026,894</u>
Month Ended April 20, 2009						
Midwest Independent System Operator	Econ Sales	60,996,400			1,600,844	1,600,844
Total Sales		<u>60,996,400</u>	<u>0</u>	<u>0</u>	<u>1,600,844</u>	<u>1,600,844</u>

Legend

Econ Sales - Economy Sales
CRSG - MISO Contingency Reserve Sharing Group Agreement

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-007

REQUEST:

List Duke Kentucky's scheduled, actual, and forced outages between November 1, 2008 and April 30, 2009.

RESPONSE:

See Attachment STAFF-DR-01-007.

PERSON RESPONSIBLE: John Swez

Duke Kentucky
 Miami Fort Unit 6
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS
	FROM	TO	Scheduled	Forced	Actual	
Nov	11/01/2008 00:00	11/02/2008 07:37	31.62		31.62	Superheater Repair
Dec	12/04/2008 00:00 12/06/2008 03:06	12/06/2008 03:06 12/09/2008 05:31	74.42	51.10	74.42	Reheater Leak
Jan	01/08/2009 01:46	01/10/2009 17:43		63.95		Superheater Tube Leak
Feb						
Mar						
Apr	04/27/2009 09:20	04/27/2009 20:56		11.60		Bailey Power Supply Card Failure

Duke Kentucky
 Woodsdale Unit 1
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS
	FROM	TO	Scheduled	Forced	
	Actual			Actual	
Nov	11/25/2008 07:31	11/25/2008 07:45		0.23	Startup Failure
Dec					
Jan	01/16/2009 06:13	01/16/2009 06:25		0.20	Startup Failure
Feb					
Mar	03/01/2009 13:45	03/10/2009 14:46	217.02		Boroscope Inspection/Spring Outage
Apr	04/07/2009 07:05			0.27	Hydraulic Oil Pressure Trip

Duke Kentucky
 Woodsdale Unit 2
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Actual	TO	Scheduled	Forced	Actual	
Nov						
Dec						
Jan						
Feb						
Mar	03/01/2009 18:00	03/10/2009 14:58	212.97		212.97	Boroscope and Spring Outage
Apr						

Duke Kentucky
 Woodsdale Unit 3
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Actual	TO	Scheduled	Forced	Actual	
Nov						
Dec	12/15/2008 07:35	12/15/2008 07:55		0.33		Startup Failure
Jan						
Feb						
Mar	03/09/2009 08:00	03/17/2009 12:52	196.87		196.87	Boroscope and Spring Outage
Apr						

Duke Kentucky
 Woodsdale Unit 4
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Forced	Actual	
Nov	10/08/2008 12:40	02/10/2009 14:30	3001.83		3001.83	Fall Outage
Dec						
Jan						
Feb	02/21/2009 08:59 02/23/2009 07:20	02/21/2009 09:10 02/23/2009 16:51		0.18 9.52		Startup Failure Startup Failure
Mar	03/03/2009 05:06 03/03/2009 18:17 03/09/2009 08:00	03/03/2009 05:44 03/04/2009 13:29 03/17/2009 15:50	199.83	0.63 19.20		Fuel Valve Problem EHC Valve Problem 199.83 Boroscope and Spring Outage
Apr						

Duke Kentucky
 Woodsdale Unit 5
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Actual	TO	Scheduled	Forced	Actual	
Nov	11/25/2008 07:30	11/25/2008 11:30		4.00		Startup Failure
Dec						
Jan						
Feb						
Mar	03/15/2009 18:00	03/25/2009 13:14	235.23		235.23	Boroscope and Spring Outage
Apr						

Duke Kentucky
 Woodsdale Unit 6
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Forced	Actual	
Nov						
Dec	12/22/2008 05:23	12/22/2008 05:37		0.23		Startup Failure
Jan						
Feb						
Mar						
Apr						

Duke Kentucky
 East Bend Unit 2
 Nov 2008 - Apr 2009

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Nov					
Dec	12/11/2008 08:18	12/12/2008 00:00		15.70	DCS Control Failure
	12/12/2008 10:51	12/12/2008 14:24		3.55	DCS Control Failure
	12/17/2008 11:39	12/19/2008 14:25	50.77	50.77	Repair Steam Leak
	12/24/2008 02:45	12/24/2008 04:19		1.57	DCS Control Failure
	12/24/2008 04:39	12/24/2008 10:45		6.10	DCS Control Failure
Jan	01/25/2009 03:06	01/25/2009 06:49		3.72	Control Issues/Boiler Feed Pump Trip
Feb					
Mar					
Apr	04/24/2009 22:58	05/19/2009 06:56	583.97		583.97 Planned Spring Outage

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-008

REQUEST:

List all existing fuel contracts categorized as long-term (i.e., more than one year in length). Provide the following information for each contract:

- a. Supplier's name and address;
- b. Name and location of production facility;
- c. Date contract was executed;
- d. Duration of contract;
- e. Date(s) of each contract revision, modification, or amendment;
- f. Annual tonnage requirements;
- g. Actual annual tonnage received received since the contrac's inception;
- h. Percent of annual requirements received during the contract's term;
- i. Base price;
- j. Total amount of price escalations to date; and
- k. Current price paid for coal under the contract (i + j)

RESPONSE:

MIAMI FORT:

- a. **Peabody COALSALES Company**
701 Market St.
St. Louis, MO 63101-1826
- b. Arclar
Saline County, IL

Somerville
Gibson Co., IN

Highland
Henderson Co., KY

- c. January 1, 2008
- d. January 2008 – December 2010.
- e. March 19, 2008
March 27, 2008
November 23, 2008
December 9, 2008
April 20, 2009
- f. 2,200,000 tons in 2008
2,500,000 tons 2009-2010
- g.

	Arclar	Highland	Somerville	Total
2008	296,351.83	650,103.00	1,197,695.10	2,144,150

- h. 2008 - 97.46%
- i.

	Arclar	Highland	Somerville
2008	\$39.40/ton	\$36.31/ton	\$31.84/ton
2009	\$40.39/ton	\$37.23/ton	\$33.50/ton
2010	\$41.23/ton	\$38.66/ton	\$34.64/ton

\$3.44/ton adder on first 3,200,000 tons delivered on the contract to compensate for removal of price escalators.

\$3.50/ton adder on all tons shipped out of Somerville.

- j. Fixed Pricing
- k. See above response for STAFF-DR-01-008(i).

- a. **The American Coal Company**
101 Prosperous Place, Suite 125
Lexington, KY 40509
- b. Galatia Mine
Saline County, IL
- c. June 27, 2005
- d. September 1, 2005 – August 31, 2015.
- e. July 14, 2006
June 1, 2008
- f. 300,000 tons
- g.

	Nominal	Actual
2005	100,000	92,816
2006	300,000	292,004
2007	300,000	295,509
2008	300,000	282,250

- h. 2005 - 92.8%
2006 - 97.3%
2007 - 98.6%
2008 - 94.1%
- i. 2005 \$37.05/ton
- j. 9/1/2005 – 1/31/2006 \$37.96/ton
2/1/2006 – 7/31/2006 \$38.78/ton
8/1/2006 – 11/12/2006 \$40.87/ton
11/13/2006 – 12/31/2006 \$39.56/ton
1/1/2007 – 1/31/2007 \$40.01/ton
2/1/2007 – 7/31/2007 \$40.44/ton
8/1/2007 – 1/31/2008 \$40.52/ton

2/1/2008 – 5/31/2008	\$41.48/ton
6/1/2008 – 12/31/2008	\$56.00/ton
1/1/2009 – 12/31/2009	\$56.00/ton

Price fixed thru 2012 at \$56.00/ton per June 1, 2008 amendment

k. See above response for STAFF-DR-01-008(j).

a. **Cumberland Coal Resources, LP**
 C/O Foundation Energy Sales, Inc.
 999 Corporate Blvd., Suite 300
 Linthicum Heights, MD 21090

b. Cumberland Mine
 Greene County, PA

c. March 1, 2005

d. January 1, 2006 – December 31, 2008.

e. January 19, 2006
 January 26, 2006
 May 1, 2007
 October 1, 2007
 November 8, 2007

f. 600,000 tons in 2006
 1,200,000 tons in 2007 and 2008

g.

	Nominal	Actual
2006	222,381	222,405
2007	995,000	933,995
2008	1,218,000	1,204,689

h. 2006 - 100.0%
 2007 - 92.9%
 2008 - 100.0%

- i. 2006-2008 \$40.00/ton
- j. \$0.26/ton government imposition imposed 1/1/2007
- k. \$40.26/ton

- a. **Hopkins County Coal, LLC**
1717 South Boulder Avenue
Tulsa, OK 74119
- b. Elk Creek Mine
near Madisonville in Hopkins County, KY
- c. January 25, 2008
- d. January 1, 2008 – December 31, 2008.
- e. February 25, 2008
July 10, 2008
December 4, 2008
- f. 300,000 tons in 2008
Revised to 315,500 tons per December 4 amendment
500,000 tons in 2009
500,000 tons in 2010
500,000 tons in 2011

g.

	Nominal	Actual
2008	315,500	314,578

- h. 2008 - 99.7% thru December
- i. 2008 - \$41.19/ton
2009 - \$44.35/ton
2010 - \$45.35/ton
2011 - \$78.00/ton

- j. \$41.19 per amendment 1
\$62.00 per amendment 3 for additional 15,500 tons in Dec. 2008
- k. See response above to STAFF-DR-01-008 (i) and (j)

EAST BEND:

- a. **Oxford Mining Company, Inc. (10199)**
544 Chestnut Street
Coshocton, OH 43812
 - b. Various Ohio Mines
 - c. July 22, 2005
 - d. December 31, 2010
 - e. January 1, 2009
 - f. 2006 = 500,000; 2007 = 1,000,000; 2008 = 600,000; 2009 = 480,000; 2010 = 480,000.
 - g. 2006 = 380,561; 2007 = 1,004,037; 2008 = 426,048; 2009 YTD 7/31 = 285,192
 - h. 2006 = 76%; 2007 = 100.4%; 2008 = 64%; 2009 YTD 7/31 = 59%
 - i. 2006 = \$33.50; 2007 = \$34.25; 2008 = \$32.16; 2009 = \$34.41
 - j. 4th Qtr 2006 = 2.466; 4th Qtr 2007 = \$2.877; 3rd Qtr 2008 = \$7.545 4th Qtr 2008 -(\$.647); 1st Qtr 2009 = (\$3.438); 2nd Qtr 2009 = (\$1.955)
 - k. 4th Qtr 2006 = \$35.966; 4th Qtr 2007 = \$37.127; 3rd Qtr 2008 = \$39.705; 4th Qtr 2008 = \$39.709; 1st Qtr 2009 = \$36.271; 2nd Qtr 2009 = \$34.316;
-
- a. **CoalSales, LLC (10451)**
701 Market Street
St. Louis, MO 63101
 - b. Arclar Coal Company, Saline or Gallatin Counties, Illinois
 - c. December 29, 2005

- d. December 31, 2008
- e. Amendment dated 4/9/08
- f. 2006 = 700,000; 2007= 700,000; 2008 = 300,000
- g. 2006 = 675,459 2007 = 659,572; 2008 = 327,152
- h. 2006 = 96%; 2007 = 94% 2008 = 109%
- i. 2006 = \$37.50; 2007 = \$38.44; 2008 =\$42.81
- j. 2006 4Q = \$3.75; 2007 4Q = \$3.98 3rd Qtr 2008 = \$3.65 4th Qtr = (\$.09)
- k. 2006 = \$41.25; 2007 4Q = \$42.42; 3rd Qtr 2008 = \$46.55; 4th Qtr = \$46.46

a. **Knight Hawk Coal, LLC (10069)**

500 Cutler-Trico Road
Percy, Il. 63372

b. Prairie Eagle Mine, Perry County, Il.

c. October 6, 2008

d. December 31, 2010

e. N/A

f. 300,000

g. 202,403

h. 67%

i. \$46.00

j. 2009 1st Qtr = (\$0.85); 2nd Qtr = (\$1.45); 3rd Qtr = \$0.46

k. 2009 1st Qtr = 45.15; 2nd Qtr = \$43.70; 3rd Qtr = \$44.16

a. **Patriot Coal Sales, LLC (10049)**

12312 Olive Boulevard
Suite 400

St. Louis, MO 63141

- b. Highland Mine, Union County, KY
- c. December 31, 2008
- d. December 31, 2010
- e. N/A
- f. 300,000
- g. 192,013
- h. 64%
- i. \$48.00
- j. 2nd Qtr = (\$0.899); 3rd Qtr = (\$0.071)
- k. 2nd Qtr = \$47.101; 3rd Qtr = \$47.03

- a. **Patriot Coal Sales, LLC (10054)**
12312 Olive Boulevard
Suite 400
St. Louis, MO 63141
- b. Highland Mine, Union County, KY
- c. October 26, 2007
- d. December 31, 2008
- e. N/A
- f. 300,000
- g. 300,988
- h. 103%
- i. \$30.50
- j. None
- k. \$30.50

- a. **Charolais Coal Co (HC 10053)**
Suite 3650
101 South Fifth Street
Louisville, KY 40202
 - b. Charolais Coal Company, Muhlenberg, Hopkins and Webster Counties, Kentucky
 - c. September 5, 2007
 - d. January 1, 2008 to December 31, 2012
 - e. Amendment 1 = March 1, 2008; Amendment 2 = March 17, 2008;
Amendment 3 = July 15, 2008
 - f. 2008 = 287,047; 2009 = 100,000
 - g. 2008 = 287,048; 2009 = 66,452
 - h. 2008 = 100%; 2009 = 100%, YTD
 - i. 2008 = \$32.00; 2009 = \$32.42
 - j. None
 - k. 2008 = \$32.00; 2009 = \$32.42
-
- a. **SMCC AGF Resources Sales, Inc. (10088)**
921 Cogdill Road
Suite 301
KNOXVILLE, TN 37932
 - b. Allied Resources, Webster County, KY
 - c. December 19, 2008
 - d. December 31, 2009

- e. N/A
- f. 300,000
- g. 206,829 YTD
- h. 103%
- i. \$66.75
- j. None
- k. \$66.75

- a. **SMCC AGF Resources Sales, Inc. (10116)**
921 Cogdill Road Suite 301 KNOXVILLE, TN 37932
- b. Allied Resources, Webster County, KY
- c. June 24, 2009
- d. December 31, 2011
- e. N/A
- f. 2009 = 150,000; 2010 = 300,000; 2011 = 300,000
- g. 50,833 YTD
- h. 102%
- i. 2009 = \$51.00; 2010 - 2011 = \$53.00

j. None

k. 2009 = \$51.00; 2010 - 2011 = \$53.00

WOODSDALE:

There are no long term contracts with suppliers that source and deliver gas to Company plants. The only long-term contracts that extend past one year are contracts with pipelines for transportation service.

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6);
Vincent Stroud (East Bend)
John Swez (Woodsdale)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-009

REQUEST:

- a. Does Duke Kentucky regularly compare the price of its coal purchase with those paid by other electric utilities?
- b. If yes, state:
 - (1) How Duke Kentucky's prices compare with those of other utilities for the review periods.
 - (2) The utilities that are included in this comparison and their locations.

RESPONSE:

EAST BEND/MIAMI FORT 6:

- a/b. Yes. See Attachment STAFF-DR-01-009 which represents coal fired units operated by these utilities located in the state of Kentucky.

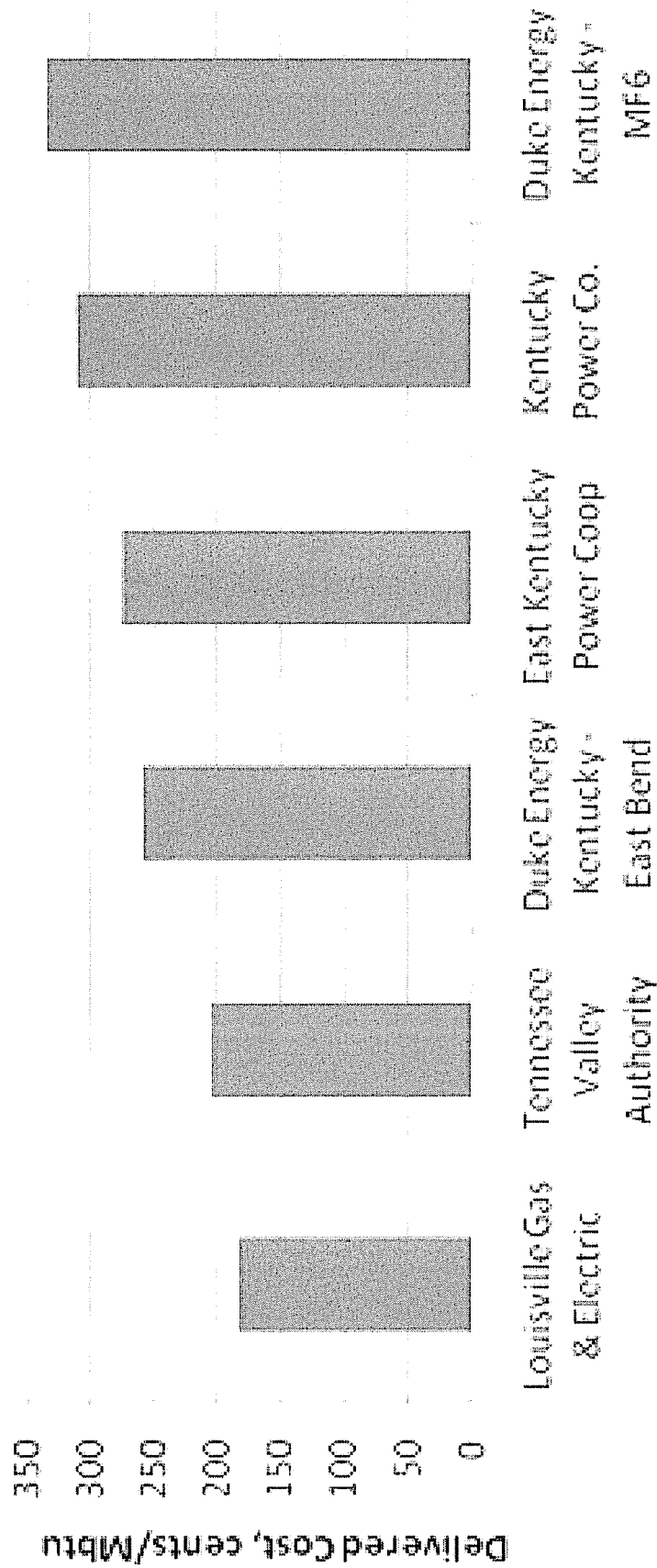
WOODSDALE: N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)
John Swez (Woodsdale)

Duke Energy Kentucky Delivered Coal Cost vs. Peer Group

(June 2008 - May 2009)

Source: FERC 423



Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-010

REQUEST:

State the percentage of Duke Kentucky's coal, as of the date of this Order that is delivered by:

- a. Rail;
- b. Truck; and
- c. Barge.

RESPONSE:

MIAMI FORT 6:

- a. 0%
- b. 0%
- c. 100%

EAST BEND:

- a. 0%
- b. 0%
- c. 100% .

WOODSDALE: N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)
John Swez (Woodsdale)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-011

REQUEST:

- a. State Duke Kentucky's coal inventory level in tons and in number of days' supply as of April 30, 2009.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare Duke Kentucky's coal inventory as of April 30, 2009 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for the excessive inventory.
- e. (1) Does Duke Kentucky expect any significant changes in the current coal inventory target within the next 12 months?

(2) If yes, state the expected changes and the reasons for this change.

RESPONSE:

MIAMI FORT 6:

- a. As of 4/30/2009, MF Unit 6 inventory level was 42,999.24 tons. The MF Unit 6 maximum daily burn is reported from the operator to be 1968.7 tons/day. Based on this number, the number of days burn would be recorded as 21.84 days.
- b. Station management has evaluated past historical events that prevented coal from being delivered to the station by the river. Those events include lock outages, river conditions (ice, river levels, etc.), and coal mine issues. The Station management has also evaluated the economics for creating and maintaining a specific quantity for inventory including the affect of taxes. From the past history and the economics, the Station has determined that a 21-day supply based on a 1,986.7 Tons/day Full load burn is the most economical with low risk for Unit 6's coal inventory.
- c. There is no set target inventory. Instead we manage the inventory to be within a 20 to 30-day supply. Based on the maximum daily burn, this would put the 20-30 day range at 39,374 tons (20 day) to 59,061 tons (30 day).

- d. N/A
- e. No.

EAST BEND:

- a. As of April 30, 2009, total inventory at East Bend was 316,344 tons or 48.6 days.
- b. The number of days supply is computed by dividing an ending daily coal inventory figure stated in tons by the Full Load Burn per day figure of 6,500 tons.
- c. Inventory target = 40 days
- d. Did not exceed inventory target by 10 days.
- e.
 - 1. No
 - 2. N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-012

REQUEST:

- a. Has Duke Kentucky audited any of its coal contracts during the period from November 1, 2008 through April 30, 2009?
- b. If yes, for each audited contract:
 - (1) Identify the contract;
 - (2) Identify the auditor;
 - (3) State the results of the audit; and
 - (4) Describe the actions that Duke Kentucky took as a result of the audit.

RESPONSE:

MIAMI FORT 6:

- a. No.
- b. N/A

EAST BEND:

- a. No.
- b. N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-013

REQUEST:

- a. Has Duke Kentucky received any customer complaints regarding its FAC during the period from November 1, 2008 through April 30, 2009?
- b. If yes, for each complaint, state:
 - (1) The nature of the complaint; and
 - (2) Duke Kentucky's response.
 - (3) State the results of the audit; and

RESPONSE:

See Attachment STAFF-DR-01-013.

PERSON RESPONSIBLE: Lisa Steinkuhl

Customer/Acct Info	Date of Complaint	Complaint	Response
Bill R. Durham 5756 Woolper Rd Burlington KY 41080 Acct #0360-0284-22	11/12/2008	Customer called Duke to see why his Fuel Adjustment Charge was so high. He says the person he spoke with was unable to answer his questions.	Sent letter to customer with details on the Fuel Cost Adjustment and history of monthly charges.
William Kinman 253 Villa Dr Lot 29 Florence KY 41094	1/26/2009	PSCKY called - customer upset regarding increase in rates.	Increase was due to Fuel Cost Adjustment. Sent PSCKY detailed copy of bill. Customer will receive detailed bills in the future.

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-014

REQUEST:

- a. Is Duke Kentucky currently involved in any litigation with its current or former coal suppliers?
- b. If yes, for each litigation:
 - (1) Identify the coal supplier;
 - (2) Identify the coal contract involved;
 - (3) State the potential liability or recovery to Duke Kentucky;
 - (4) List the issue 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 coal suppliers.

RESPONSE:

MIAMI FORT 6:

- a. No.
- b. N/A
- c. N/A

EAST BEND:

- a. No.
- b. N/A
- c. N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-015

REQUEST:

- a. During the period from November 1, 2008 through April 30, 2009, have there 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.

RESPONSE:

MIAMI FORT 6:

- a. No.
- b. N/A

EAST BEND:

- a. No.
- b. N/A

WOODSDALE:

- a. No.
- b. N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)
John Swez (Woodsdale)

STAFF-DR-01-016

16. REQUEST:

- a. Is Duke Kentucky aware of any violation of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2008 to April 30, 2009?
- b. If yes, for each violation:
 - (1) Describe the violation;
 - (2) Describe the actions(s) that Duke Kentucky took upon discovery the violation.
 - (3) Identify the person(s) who committed the violation.

RESPONSE:

MIAMI FORT 6:

- a. No.
- b. N/A

EAST BEND:

- a. No
- b. N/A

WOODSDALE:

- a. No.
- b. N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort)
Vincent Stroud (East Bend)
John Swez (Woodsdale)



ALL-STATE LEGAL 800-222-0510 ED11-1C RECYCLED

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-017

REQUEST:

Identify and explain the reasons for all changes that occurred during the period from November 1, 2008 through April 30, 2009 in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities.

RESPONSE:

MIAMI FORT 6:

N/A

EAST BEND:

On February 1, 2009, Elliott Batson, Director Regulated Fuels, accepted a position as Managing Director of Customer Sales and Delivery within Duke Energy Corporation and moved to a different department within the company. On April 10, 2009, Walt Coleman, formerly an associate general counsel with Duke Energy Corporation, was announced as his replacement. Mr. Coleman officially transitioned into the role as of May 1, 2009.

WOODSDALE: No changes occurred during this time period

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)
John Swez (Woodsdale)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-018

REQUEST:

- a. Identify all changes that Duke Kentucky has made during the period under review to its maintenance and operation practices that also affect fuel usage at Duke Kentucky's generation facilities.
- b. Describe the impact of these changes of Duke Kentucky's fuel usage.

RESPONSE:

- a. No changes occurred during this time period
- b. N/A

PERSON RESPONSIBLE: John Swez

STAFF-DR-01-019 PUBLIC

REQUEST:

List each written coal supply solicitation issued during the period from November 1, 2008 through April 30, 2009.

- 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.

RESPONSE:

MIAMI FORT 6:

- a. No solicitations.
- b. N/A

EAST BEND:

- a. See STAFF-DR-01-019 (a) Duke 2009 Winter Coal RFP Solicitation

Duke Energy Kentucky Inc. issued a joint RFP with Duke Energy Indiana Inc. and Duke Energy Carolinas, LLC in order to leverage the buying power of all three utilities. All of the contracts were executed individually by the specific utilities.
- b. Number of vendors that received the solicitation: 87
Number of vendor who responded: 8
Selected vendor: Smokey Mountain Coal Company, Inc.

CONFIDENTIAL PROPRIETARY TRADE SECRET

This response is being provided to the Commission under a Motion for Confidential Treatment.

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-020 PUBLIC

REQUEST:

List each oral coal supply solicitation issued during the period from November 1, 2008 through April 30, 2009.

- 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 document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selections.

RESPONSE:

MIAMI FORT:

No coal supply solicitations, either oral or written, were issued during this time period.

EAST BEND:

- a. Duke Kentucky had one e-mail coal solicitation in mid-November 2008 which was not pursuant to a formal RFP. Notes reflecting the solicitation are attached. The quality of coal considered during the oral solicitation was as follows:

Heating Value	11,500 Btu/lb.	Minimum
Ash Content	12.5%	Maximum
Moisture Content	8.0 %	Maximum
Sulfur Level Content	6.9 Lbs SO2/MMBtu	Maximum
Fusion	2,100 °F	Minimum

Volatile Matter	30%	Minimum
Grindability	50 HGI	Minimum
Chlorine	0.2%	Maximum

Duke Kentucky was considering the purchase of coal for delivery during the near term (1 - 3 months); however, depending on pricing, would consider longer term transactions, possibly up to one year in duration. All coal considered during the oral solicitation was for the sole purpose of burning at East Bend.

Additionally, as a result of inconsistent contract deliveries during the period November 1 2008 through April 30, 2009, Duke Kentucky was forced to make spot purchases on very short notice. Duke's Coal Originator received four (4) verbal supply solicitations by telephone. Dates of the solicitations were: November 13, 2008 (Smokey Mountain Coal Co, HC10090), February 3, 2009 (Coaltrade, LLC, 10106), January 21, 2009 (Koch Carbon, LLC, LS10104), January 27, 2009 (Merrill Lynch Commodities, Inc., LS10105). Coal deliveries were for months offered by the vendor and for consumption in the East Bend Unit.

CONFIDENTIAL AND PROPRIETARY TRADE SECRET

b. The response to this data request has been provided to the Commission under a Petition for Confidential Treatment.

WOODSDALE:

N/A

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)
John Swez (Woodsdale)

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-021

REQUEST:

- a. List all inter-system sales during the period under review in which Duke Kentucky used a third party's transmission system.
- b. For each sale listed above:
 - (1) Describe how Duke Kentucky addressed, for FAC-reporting purposes, the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system.
 - (2) State the line-loss factor used for each transaction and describe how that line-loss factor was determined.

RESPONSE:

- a. Duke Energy Kentucky sells 100% of its generation to the Midwest Independent System Operator, Inc. ("MISO"). These sales are made at the generating station; consequently, no third party transmission was used.
- b. Not applicable.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-022

REQUEST:

Describe each change that Duke Kentucky made during the period under review to its methodology for calculating inter-system sales line losses.

RESPONSE:

Not applicable. See response to STAFF-DR-01-021.

PERSON RESPONSIBLE: Lisa D. Steinkuhl

Duke Energy Kentucky, Inc.
Case No. 2009-00289
First Set Staff Data Requests
Date Received: August 20, 2009

STAFF-DR-01-023

REQUEST:

Provide the number of Duke Kentucky's coal purchase contracts which did and did not include transportation costs during the period November 1, 2008 through April 30, 2009.

- a. Explain how it is determined whether or not transportation costs will be included in the coal purchase contract.
- b. When transportation is contracted separately from the coal contract, does Duke Kentucky issue requests for proposals ("RFP") for this service?
 - (1) If yes, how often does this occur, how many vendors are included in the RFP, and how is it determined which vendors will receive the RFP?
 - (2) If no, explain why an RFP is not issued.
- c. Does Duke Kentucky use or contract with any related parties for transportation of its coal purchases? If yes, provide the name of the related party and nature of the relationship, the period of time it has contracted with the party, and copies of any contracts with the related party, if not previously filed with the Commission.

RESPONSE:

MIAMI FORT 6

- a. The Company does not include barge transportation costs in its coal purchase agreements, coal purchased by Duke Energy Ohio for Miami Fort Unit 6 is purchased fob barge because barge transportation is the economical method to move coal to the station. We contract with a single barging provider to deliver all of the coal into Miami Fort Station. We do not currently take any coal into the plant by rail car or truck.
- b. Yes. We tend to do long term barge agreements because of the long lead times required to get the barges, towboats, etc. available. Typical contracts are 7 to 10 years in length. There are perhaps a half dozen barging suppliers with the equipment and finances to do our business.
- c. No.

EAST BEND:

Number of coal contracts with transportation included: 0; Number of coal contracts without transportation included: 18

- a. Duke Kentucky's does not include barge transportation costs in its coal purchase agreements. Duke Kentucky has a long term contractual relationship with Crouse Corporation for barge transportation to the East Bend Station.
- b. Not applicable for the reporting period. Duke Kentucky has a contract with Crouse Corporation from January 1, 2005 through December 31, 2012.
 1. Not applicable for the reporting period.
 2. Not applicable for the reporting period.
- c. No.

PERSON RESPONSIBLE: Ryan Gentil (Miami Fort 6)
Vincent Stroud (East Bend)