



DUKE ENERGY CORPORATION

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**VIA OVERNIGHT DELIVERY**

September 3, 2010

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

RECEIVED

SEP 07 2010

PUBLIC SERVICE  
COMMISSION

Re: Case No. 2010-00268

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the *Responses of Duke Energy Kentucky, Inc. to Commission Staff's First Set of Data Requests* in the above captioned case.

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

Sincerely,

Kristen Cocanougher

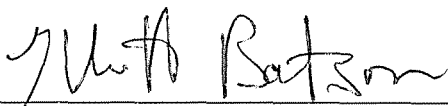
cc: Parties of record



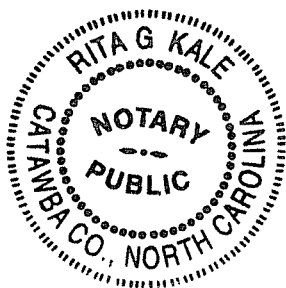
VERIFICATION

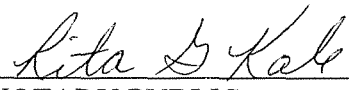
STATE OF NORTH CAROLINA            )  
  )  
COUNTY OF MECKLENBURG            )

The undersigned, Elliott Batson, Jr., being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Managing Director, Regulated Fuels, on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing information requests; and that the matters set forth are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.

  
\_\_\_\_\_  
Elliott Batson, Jr., Affiant

Subscribed and sworn to before me by Elliott Batson, Jr. on this 16 day of August, 2010.



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

My Commission Expires: 6/17/12







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**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-001**

**REQUEST:**

For the period from November 1, 2009 through April 30, 2010, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus 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>
Alpha Coal Sales	4,188	Contract
Alpha Coal Sales	10,358	Spot
American Coal Company	119,907	Contract
American Energy	25	Spot
Camelot	2,907	Spot
Charolais	75,302	Contract
Coal Network	2,958	Contract
Coal Network	20,564	Spot
Coal Sales	11,083	Contract
Coal Trade	7,580	Spot
Consol Pennsylvania Coal Co.	235,072	Spot
Dayton Power & Light	15,708	Spot
Hopkins County Coal	311	Contract
Knight Hawk	161,348	Contract
Oxford Mining	213,380	Contract
Patriot Coal	127,589	Contract
Patriot Coal	34,101	Spot
SMCC AGF Resource Sales	200,829	Contract
Total	<u>1,243,210</u>	



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-002**

**REQUEST:**

For the period from November 1, 2009 through April 30, 2010, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

**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 2009	22,195 MMBtu
December 2009	127,273 MMBtu
January 2010	180,026 MMBtu
February 2010	125,166 MMBtu
March 2010	92,000 MMBtu
April 2010	80,000 MMBtu

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-003**

**REQUEST:**

State whether Duke Kentucky engages in hedging activities for its coal purchases. If yes, describe the hedging activities in detail.

**RESPONSE:**

Duke Energy Kentucky does not engage in 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. Duke Energy Kentucky also maintains a portfolio with multiple suppliers to mitigate potential supply interruption risk.

**PERSON RESPONSIBLE:** Elliott Batson, Jr.





**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**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, 2009 through April 30, 2010 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	678,883 <sup>(1)</sup>	1,013,520 <sup>(2)</sup>	1,579,730	87.8%
Miami Fort 6	231,105	229,690	543,441	76.7%

<sup>(1)</sup> Duke Energy Kentucky's ownership share

<sup>(2)</sup> 100% of coal received at the station

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-005**

**REQUEST:**

List all firm power commitments for Duke Kentucky from November 1, 2009 through April 30, 2010 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  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-006**

**REQUEST:**

Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2009 through April 30, 2010.

**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
<b>Month Ended November 30, 2009</b>							
Midwest Independent System Operator	Econ Sales		66,766,480		1,737,646	(76,398)	1,661,248
	Total Sales		<u>66,766,480</u>	<u>0</u>	<u>1,737,646</u>	<u>(76,398)</u>	<u>1,661,248</u>
<b>Month Ended December 31, 2009</b>							
Midwest Independent System Operator	Econ Sales		23,439,950		409,614	251,633	661,247
	Total Sales		<u>23,439,950</u>	<u>0</u>	<u>409,614</u>	<u>251,633</u>	<u>661,247</u>
<b>Month Ended January 31, 2010</b>							
Midwest Independent System Operator	Econ Sales		30,353,450		620,392	232,295	852,687
	Total Sales		<u>30,353,450</u>	<u>0</u>	<u>620,392</u>	<u>232,295</u>	<u>852,687</u>
<b>Month Ended February, 2010</b>							
Midwest Independent System Operator	Econ Sales		30,402,450		405,092	535,422	940,515
	Total Sales		<u>30,402,450</u>	<u>0</u>	<u>405,092</u>	<u>535,422</u>	<u>940,515</u>
<b>Month Ended March 31, 2010</b>							
Midwest Independent System Operator	Econ Sales		45,361,240		1,033,772	240,530	1,274,302
	Total Sales		<u>45,361,240</u>	<u>0</u>	<u>1,033,772</u>	<u>240,530</u>	<u>1,274,302</u>
<b>Month Ended April 30, 2010</b>							
Midwest Independent System Operator	Econ Sales		85,996,700		1,752,452	618,455	2,370,907
	Total Sales		<u>85,996,700</u>	<u>0</u>	<u>1,752,452</u>	<u>618,455</u>	<u>2,370,907</u>

Legend  
Econ Sales - Economy Sales



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-007**

**REQUEST:**

List Duke Kentucky's scheduled, actual, and forced outages between November 1, 2009 and April 30, 2010.

**RESPONSE:**

See Attachments STAFF-DR-01-007.

**PERSON RESPONSIBLE:** John Swez



Duke Kentucky  
 East Bend Unit 2  
 Nov 2009 - Apr 2010

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Nov	11/30/2009	11/30/2009		7.92	Secondary Superheater Leak
Dec	12/1/2009	12/5/2009		105.5	Secondary Superheater Leak
	12/7/2009	12/9/2009		56.8	Reheater Leak
Jan	1/28/2010	1/28/2010		2.5	
Feb	2/26/2010	3/1/2010	55.43	55.43	Secondary Superheater Leak
Mar					
Apr	4/21/2010	4/22/2010		36.33	Secondary Reheater Leak

Duke Kentucky  
 Miami Fort 6  
 Nov 2009 - Apr 2010

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Nov	11/29/2009	11/30/2009		7.8	Operator Error - MSSV's went closed Co tripped Unit - concerns w/ Thermal Well plug - HP Inner Shell Temp Secondary Reheater Tube Leak
	11/30/2009	11/30/2009		13.6	
	11/27/2009	11/29/2009	55.4	55.4	
Dec	12/25/2009	12/30/2009		78.3	Waterwall Tube Leak
	1/2/2010	1/4/2010		56.2	Waterwall Tube Leak
Jan					
Feb					
Mar	3/15/2010	3/16/2010		17.5	Loss of Control Air (8D Transformer failure - low side bus fault) Tube Leak - LTSH
	3/19/2010	3/24/2010		146.2	
Apr					

Duke Kentucky  
 Woodsdale 1  
 Nov 2009 - Apr 2010

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Nov	11/18/2009	11/18/2009		0.27	Starting device failure; went into hold mode.
Dec					
Jan	1/5/2010	1/15/2010		1.02	Igniter low propane pressure
Feb	2/27/2010	3/5/2010	132.40	132.40	Spring Outage
Mar					
Apr					



Duke Kentucky  
 Woodsdale 3  
 Nov 2009 - Apr 2010

MONTH	MAINTENANCE		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Forced	Actual	
Nov	11/9/2009	11/10/2009		23.7		Shut down, small fire on Bearing #1.
Dec						
Jan						
Feb						
Mar	3/3/2010	3/12/2010	200.10		200.10	Spring Outage
Apr						

Duke Kentucky  
 Woodside 4  
 Nov 2009 - Apr 2010

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	12/27/2009	12/28/2009		13.82		Took off due to gas flow malfunction.
Jan	1/14/2010	1/15/2010		23.62		Would not light
Feb						
Mar						
Apr						

Duke Kentucky  
 Woodside 5  
 Nov 2009 - Apr 2010

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
Nov	9/15/2010	11/23/2009	1657.9	1657.9	Planned Outage
Dec	11/23/2009	11/24/2009	24.1	24.1	Planned Outage
Jan					
Feb	2/27/2010	2/27/2010	0.38		Plant air system failure
Mar					
Apr	4/12/2010	4/14/2010	56.17		Exciter problem

Duke Kentucky  
 Woodsdale 6  
 Nov 2009 - Apr 2010

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						
Jan	10/28/2009	1/1/2010		1545.00		High Vibration at shutdown. Boroscope found blade problems.
Feb	1/1/2010	4/23/2010		2699.30		High vibration.
Mar						
Apr	4/23/2010	4/24/2010		22.93		High vibration. Needs balance shot
	4/24/2010	4/29/2010		119.80		Exciter repair





**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**STAFF-DR-01-008**

**REQUEST:**

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

- a. Suppliers's name and address;
- b. Name and location of production facility;
- c. Date when 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 since the contract's inception;
- h. Percentage of annual requirements received during the contract's term;
- i. Base price in dollars per ton;
- j. Total amount of price escalations to date in dollars per ton; and
- k. Current price paid for coal under the contract in dollars per ton (i + j)

**RESPONSE:**

**MIAMI FORT 6:**

- a. **Patriot Coal Sales LLC**  
12312 Olive Boulevard, Suite 400  
St. Louis, MO 63141
- b. Dodge Hill Mine  
Union county, KY
- c. December 23, 2009
- d. January 2010 – December 2010.
- e. N/A
- f. 150,000 tons in 2010

g. Actual annual tonnage received since the contract's inception.

	Dodge Hill
Jan-Apr 2010	47,981.50

h. Percent of annual requirements received during the contract's term.

Jan-Apr, 2010 - 95.96%

i. Base price.

2010 \$53.00/ton

j. Total amount of price escalations to date.

Fixed Pricing

k. Current price paid for coal under the contract (i + j).

\$53.00/ton

- 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
2009	300,000	318,316
Jan-Apr 2010	93,895	102,202

- h. 2005 - 92.8%  
2006 - 97.3%  
2007 - 98.6%  
2008 - 94.1%  
2009 - 106.11%  
2010 - 108.85%
- 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. Current price paid for coal under the contract (i + j).

- 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  
November 23, 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
2009	294,521.14	754,650.10	1,494,008.20	2,543,179
2010 Jan-Apr	109,762.66	230,265.10	510,115.00	850,142.76

- h. 2008 - 97.46%
- 2009 - 101.73%
- 2010 - 102.02%

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. Current price paid for coal under the contract (i + j).

a. **The Dayton Power and Light Company**  
1065 Woodman Drive  
Dayton, OH 45432

b. Cumberland Mine  
Greene County, PA

c. September 30, 2008

d. January 1, 2009 – December 31, 2009.

e. NA

f. 500,000 tons in 2009

g.

	Nominal	Actual
2009	500,000	499,843

h. 2009 - 100.0%

i. 2009 \$99.00/ton

j. NA

k. Current price paid for coal under the contract (i + j).

\$99.00/ton

- a. **Coal Network, Inc.**  
Global Trade Center  
1111 Western Row Road  
Cincinnati OH 45432
- b. Jockey Hollow, et.al  
Harrison County, OH
- c. October 1, 2007
- d. October 1, 2007 – December 31, 2010.
- e. July 14, 2008  
January 14, 2009  
December 1, 2009  
January 8, 2010
- f. 88,388 tons October – December, 2007  
505,000 for 2008  
435,000 for 2009  
435,000 for 2010
- g.

	Nominal	Actual
2007	88,388	74,638.95
2008	505,000	352,035.63
2009	435,000	411,706.34
2010 Jan-Apr	145,000	165,497.65

- h.
- |      |   |         |
|------|---|---------|
| 2007 | - | 84.44%  |
| 2008 | - | 69.71%  |
| 2009 | - | 94.65%  |
| 2010 | - | 114.14% |



- i.
 

2007	\$34.79/ton
2008	\$37.03/ton
2009 Q1	\$36.78/ton
2009 Q2	\$33.72/ton
2009 Q3	\$34.22/ton
2009 Q4	\$35.37/ton
2010 Q1	\$35.92/ton
2010 Q2	\$36.30/ton

j. See above. (price varies with price of fuel oil)

k. Current price paid for coal under the contract (i + j).

a. **Alpha Natural Resources, Inc.**  
 One Alpha Place  
 P.O. Box 2345  
 Abingdon, VA 24212

b. Cumberland Mine  
 Greene County, PA

c. October 20, 2009

d. January 1, 2010 – December 31, 2011.

e. NA

f. 200,000 tons/year

g.

	Nominal	Actual
2010 Jan - Apr	66,666.67	87,647.01

h. 2010 - 131.47%

i. 2010 \$57.50/ton  
 2011 \$64.00/ton

- j. NA
- k. Current price paid for coal under the contract ( $i + j$ ).

- 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
2009	500,000	491,888
2010 Jan-Apr	166,666.68	177,280.07

- h. 2008 - 99.7% thru December  
2009 - 98.4%  
2010 - 106.37%

- 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. Current price paid for coal under the contract (i + j).

- a. **Patriot Coal Sales LLC**  
12312 Olive Boulevard, Suite 400  
St. Louis, MO 63141
- b. Dodge Hill Mine  
Union county, KY
- c. December 23, 2009
- d. January 2010 – December 2010
- e. N/A
- f. 150,000 tons in 2010
- g.

Dodge Hill	
Jan-Apr 2010	47,981.50

- h. Jan-Apr, 2010 - 95.96%
- i. 2010 - \$53.00/ton
- j. Fixed Pricing
- k. \$53.00/ton

- 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
2009	300,000	318,316
Jan-Apr 2010	93,895	102,202

- h. 2005 - 92.8%
- 2006 - 97.3%
- 2007 - 98.6%
- 2008 - 94.1%
- 2009 - 106.11%
- 2010 - 108.85%

- i. Base price.

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 response to i and j above.

**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 = 478,427;  
2010 YTD 4/30 = 136,767.
- h. 2006 = 76%; 2007 = 100.4%; 2008 = 64%; 2009 = 99.7%; 2010 YTD  
4/30 = 88.6%.
- i. 2006 = \$33.50; 2007 = \$34.25; 2008 = \$32.16; 2009 = \$34.41; 2010 =  
\$37.70

j. 4<sup>th</sup> Qtr 2006 = 2.466; 4<sup>th</sup> Qtr 2007 = \$2.877; 3<sup>rd</sup> Qtr 2008 = \$7.545;  
4<sup>th</sup> Qtr 2008 = (\$0.647); 1<sup>st</sup> Qtr 2009 = (\$3.438); 2<sup>nd</sup> Qtr 2009 = (\$1.955); 3<sup>rd</sup>  
Qtr 2009 = \$1.014; 4<sup>th</sup> Qtr 2009 = \$0.784; 1<sup>st</sup> Qtr 2010 = \$1.582; 2<sup>nd</sup> Qtr  
2010 = \$ 0.057.

k. 4<sup>th</sup> Qtr 2006 = \$35.966; 4<sup>th</sup> Qtr 2007 = \$37.127; 3<sup>rd</sup> Qtr 2008 = \$39.705;  
4<sup>th</sup> Qtr 2008 = \$39.709; 1<sup>st</sup> Qtr 2009 = \$36.271; 2<sup>nd</sup> Qtr 2009 = \$34.316;  
3<sup>rd</sup> Qtr 2009 = \$35.33; 4<sup>th</sup> Qtr 2009 = \$36.114; 1<sup>st</sup> Qtr 2010 = \$37.696; 2<sup>nd</sup>  
Qtr 2010 = 37.753.

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. 2009 = 300,000; 2010 = 300,000

g. 2009 = 303,409; 2010 YTD 4/30 = 111,718.

h. 2009 = 100.1%; 2010 YTD 4/30 = 111.8%

i. \$46.00

j. 2009 1<sup>st</sup> Qtr = (\$0.85); 2<sup>nd</sup> Qtr = (\$2.30); 3<sup>rd</sup> Qtr = (\$1.84); 4<sup>th</sup> Qtr =  
(\$1.52)

2010 1<sup>st</sup> Qtr = (\$1.19); 2<sup>nd</sup> Qtr = (\$0.98)

k. 2009 1<sup>st</sup> Qtr = \$45.15; 2<sup>nd</sup> Qtr = \$43.70; 3<sup>rd</sup> Qtr = \$44.16; 4<sup>th</sup> Qtr \$44.48

2010 1<sup>st</sup> Qtr = \$44.81; 2<sup>nd</sup> Qtr = 45.04.

- 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. 2009 = 300,000; 2010 = 300,000
- g. 2009 = 256,430, 2010 YTD 4/30 = 121,009
- h. 2009 = 85.4%; 2010 YTD 4/30 = 121.1%
- i. \$48.00
- j. 2009 2<sup>nd</sup> Qtr = (\$0.899); 3<sup>rd</sup> Qtr = (\$0.071); 4<sup>th</sup> Qtr = (\$0.205)  
2010 1<sup>st</sup> Qtr = \$1.935; 2<sup>nd</sup> Qtr = \$2.662
- l. 2009 2<sup>nd</sup> Qtr = \$47.101; 3<sup>rd</sup> Qtr = \$47.30; 4<sup>th</sup> Qtr = \$47.795  
2010 1<sup>st</sup> Qtr = \$49.935; 2<sup>nd</sup> Qtr = \$50.662
- 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; 2010 = 200,000



- g. 2008 = 287,048; 2009 = 100,142; 2010 YTD 4/30= 65,541
- h. 2008 = 100%; 2009 = 100%; 2010 YTD 4/30 = 98.4%
- i. 2008 = \$32.00; 2009 = \$32.42; 2010 = \$32.42
- j. None
- k. 2008 = \$32.00; 2009 = \$32.42; 2010 = \$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. 301,365

h. 100.5%

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. 2009 = 151,158; 2010 YTD 4/30 = 96,095
- h. 2009 = 100.8%; 2010 YTD 4/30 = 96.2%
- 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 Woodsdale Station. The only long term contracts that extend past one year are contracts for balancing service.

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-009**

**REQUEST:**

- a. State whether Duke Kentucky regularly compares the price of its coal purchases 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 period; and
  - 2) The utilities that are included in this comparison and their locations.

**RESPONSE:**

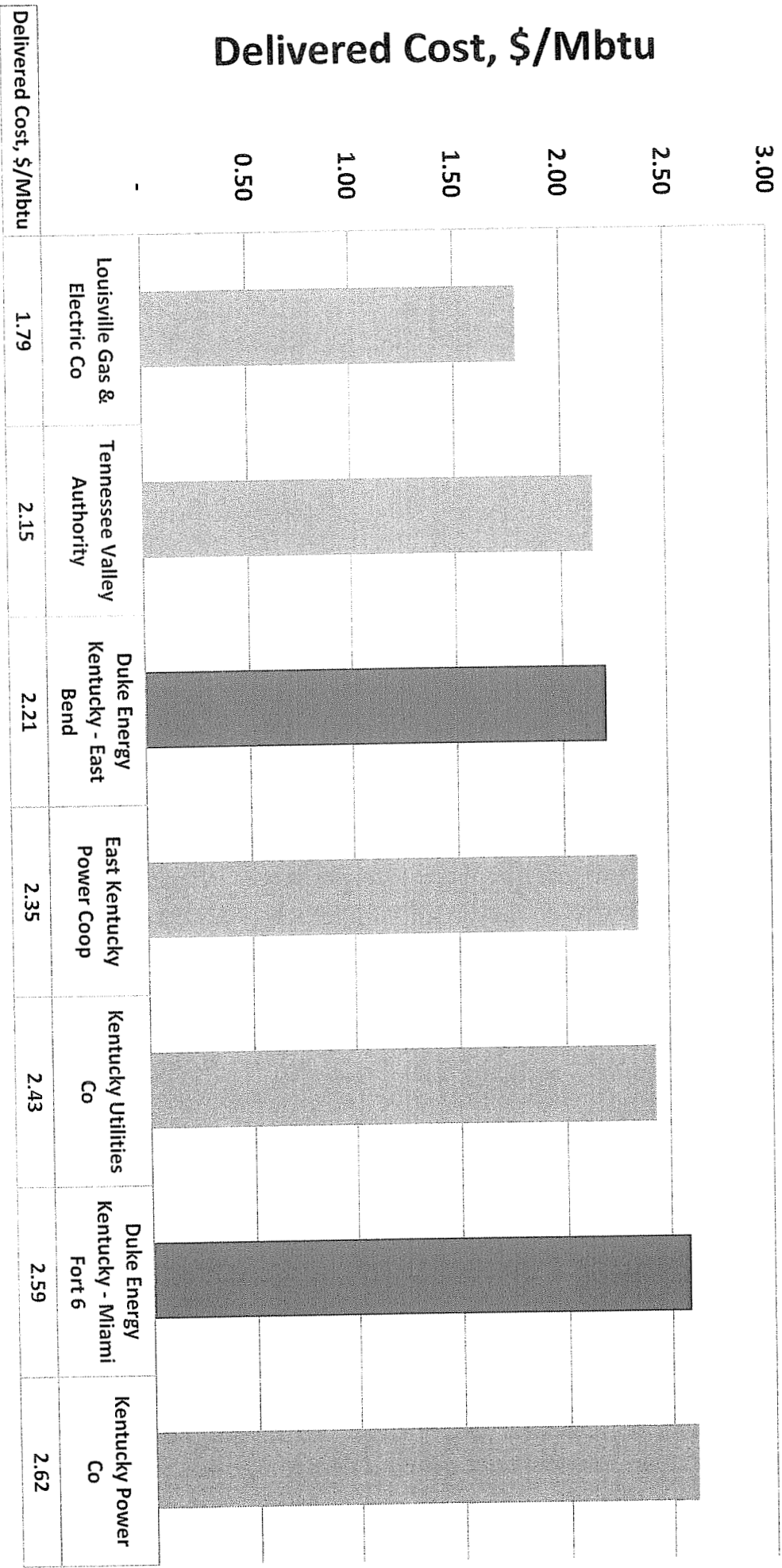
- a. Yes
- b. See Attachment STAFF-DR-01-009 which represents coal fired units operated by these utilities located in the state of Kentucky.

**PERSON RESPONSIBLE:** Elliott Batson, Jr. (East Bend)

# Duke Energy Kentucky

## Delivered Cost vs. Peer Group

(November 2009 - April 2010)  
 Source: EIA 923





**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; or
- 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)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)





**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**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, 2010. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare Duke Kentucky's coal inventory as of April 30, 2010 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e.
  - 1) State whether Duke Kentucky expects any significant changes in its current coal inventory target within the next 12 months.
  - 2) If yes, state the expected change and the reasons for this change.

**RESPONSE:**

**MIAMI FORT:**

- a. As of April 30, 2010, Miami Fort Unit 6 inventory level was 38,181 tons. The Miami Fort Unit 6 maximum daily burn is reported from the operator to be 1968.7 tons per day. Based on this number, the number of days burn would be recorded as 19 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 management 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 Miami Fort 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, 2010, total inventory at East Bend was 355,196 tons or 54.6 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 is approximately 40 days; however, Duke Kentucky strives to build a slightly bigger inventory level just prior to summer load periods.
- d. Actual coal inventory exceeded target by 14.6 days. On October 6, 2009, Duke Kentucky received an offer of low priced coal in the market and entered into a spot deal for 280,000 tons of Consol's Blacksville / Loveridge Northern Appalachia coal. The coal was delivered during the period November 2009 through June 2010; increasing inventories above target levels. Beginning July 2010, inventory is expected to decrease, ending the year at approximately 38 days.
- e. 1. No  
2. N/A

**WOODSDALE: N/A**

**PERSON RESPONSIBLE:** Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**STAFF-DR-01-012**

**REQUEST:**

- a. State whether Duke Kentucky has audited any of its coal contracts during the period from November 1, 2009 through April 30, 2010.
- 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

**WOODSDALE: N/A**

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-013**

**REQUEST:**

- a. State whether Duke Kentucky has received any customer complaints regarding its FAC during the period from November 1, 2009 through April 30, 2010.
- b. If yes, for each complaint, state:
  - 1) The nature of the complaint; and
  - 2) Duke Kentucky's response.

**RESPONSE:**

Duke Kentucky has not received any customer complaints regarding its FAC during the period from November 1, 2009, through April 30, 2010.

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl



**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**STAFF-DR-01-014**

**REQUEST:**

- a. State whether Duke Kentucky is 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 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 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:**

John Swez (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)





**STAFF-DR-01-015**

**REQUEST:**

- a. During the period from November 1, 2009 through April 30, 2010, 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. Yes
- b. In late 2009, the Company evaluated and selected a new natural gas managing agent through a competitive bidding process. Accordingly, beginning on April 1, 2010, the Company switched natural gas managing agents from Eagle Energy Partners I, L.P. to Sequent Energy Management, L.P. for natural gas consumed at Woodsdale Generating Station.

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**STAFF-DR-01-016**

**REQUEST:**

- a. 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 from November 1, 2009 through April 30, 2010.
- b. If yes, for each violation:
  - 1) Describe the violation;
  - 2) Describe the action(s) that Duke Kentucky took upon discovering the violation; and
  - 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 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-017**

**REQUEST:**

Identify and explain the reasons for all changes that occurred during the period from November 1, 2009 through April 30, 2010 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:**

None

**EAST BEND:**

On November 1, 2009, Elliott Batson joined the Fuels group as Managing Director responsible for the purchase and delivery of coal for Duke's regulated utilities. During most of 2009, Mr. Batson was a Managing Director in the Large Business Customer group within Duke Energy Corporation. Prior to joining the Large Business Customer group, Mr. Batson was Director, Fuel Origination for the past 5 years.

**WOODSDALE:**

None

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)





**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**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 on Duke Kentucky's fuel usage.

**RESPONSE:**

- a. None
- b. N/A

**PERSON RESPONSIBLE:** John Swez



**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**STAFF-DR-01-019**

**REQUEST:**

List each written coal supply solicitation issued during the period from November 1, 2009 through April 30, 2010.

- 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 written solicitations were issued during this period.
- b. N/A

**EAST BEND:**

- a. No written solicitations were issued during this period.
- b. N/A

**WOODSDALE: N/A**

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-020**

**REQUEST:**

List each oral coal supply solicitation issued during the period from November 1, 2009 through April 30, 2010.

- 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 selection.

**RESPONSE:**

**MIAMI FORT 6:**

- a. No oral solicitations occurred during this period.
- b. N/A

**EAST BEND:**

- a. No oral solicitations occurred during this period.
- b. N/A

**WOODSDALE: N/A**

**PERSON RESPONSIBLE:**

Ryan Gentil (Miami Fort 6)  
Elliott Batson, Jr. (East Bend)  
John Swez (Woodsdale)



**Duke Energy Kentucky**  
**Case No. 2010-00268**  
**Staff First Set Data Requests**  
**Date Received: August 13, 2010**

**STAFF-DR-01-021**

**REQUEST:**

- a. List all intersystem 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; and
  - (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  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-022**

**REQUEST:**

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

**RESPONSE:**

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

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-023**

**REQUEST:**

State whether Duke Kentucky has solicited bids for coal with the restriction that it was not mined through strip mining or mountain top removal. If yes, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

**RESPONSE:**

Duke Energy Kentucky did not solicit bids during the period November 1, 2009 through April 30, 2010.

**PERSON RESPONSIBLE:** Elliott Batson, Jr.



**Duke Energy Kentucky  
Case No. 2010-00268  
Staff First Set Data Requests  
Date Received: August 13, 2010**

**STAFF-DR-01-024**

**REQUEST:**

State whether any MISO costs are included in Duke Kentucky's monthly FAC filings. If yes, state the type and amount of the costs included during the period under review.

**RESPONSE:**

The only MISO costs/revenues included in Duke Kentucky's monthly FAC filings are Make Whole Payments which reduces the FAC costs. For the period November 1, 2009, through April 30, 2010, \$2,942,860.31 of Make Whole Payments reduced the costs included in the FAC filings.

**PERSON RESPONSIBLE:** Lisa D. Steinkuhl