



RECEIVED

SEP 12 2012

PUBLIC SERVICE
COMMISSION

DUKE ENERGY CORPORATION

139 East Fourth Street
1212 Main
Cincinnati, OH 45201-0960
Telephone: (513) 287-4315
Facsimile: (513) 287-4385

Kristen Cocanougher
Sr. Paralegal
E-mail: Kristen.cocanougher@duke-energy.com

VIA OVERNIGHT DELIVERY

September 11, 2012

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

Re: Case No. 2012-322
An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2011 through April 30, 2012

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 and Petition for Confidential Treatment in the above captioned case. Also enclosed in the white envelope is one set of the confidential responses being filed under seal.

Please note that the verification page of Elliott Batson, Jr. will be supplemented.

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

Sincerely,

Kristen Cocanougher

cc: Dennis G. Howard II. (w/enclosures)

RECEIVED

SEP 12 2012

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--|---|-------------------|
| An Examination of the Application |) | Case No. 2012-322 |
| Of the Fuel Adjustment Clause of Duke Energy |) | |
| Kentucky, Inc. from November 1, 2011 through |) | |
| April 31, 2012 |) | |

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN ITS
RESPONSE TO COMMISSION STAFF'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 its response to data request Nos. 15 and 20, as requested by Commission Staff (Staff) in this case on August 22, 2012. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) shows internal fuel procurement policies and procedures which, happens to also include sensitive information regarding Duke Energy Kentucky's regulated utility affiliates in the Carolinas and Indiana¹, and the Company's coal bid analysis and tabulation sheets².

The responses in Nos. 15 and No. 20 contain sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interest. Specifically, the response to No. 15 includes the recommended contract term coverage level strategy, by year for Duke Energy Kentucky, Duke Energy Indiana, and Duke

¹ Data Request No. 15.

² Data Request No. 20.

Energy Carolinas. Duke Energy Corporation's Regulated Fuels Group is responsible for the procurement of coal for the regulated utilities in the Duke Energy Corporate footprint and thus its policies and procedures are all-encompassing. The public disclosure of the information described above would place Duke Energy Kentucky at a commercial disadvantage as it negotiates contracts with various suppliers and vendors and potentially harm Duke Energy Kentucky's competitive position in the marketplace, to the detriment of Duke Energy Kentucky and its customers.

The sensitive information contained in response to Data Request No. 20 includes solicitations for bids and tabulations for several coal vendors who responded to a coal solicitation. Releasing this information would give those vendors access to each-other's costs which would act to the detriment of Duke Energy Kentucky and its customers in the future as vendors would know how competing suppliers price their commodities.

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 information described in No. 15 would make public the coal procurement strategy for all of Duke Energy Corporation's regulated utility operations, and would place Duke Energy Kentucky and its sister utilities at a commercial disadvantage as it negotiates contracts with various suppliers and vendors and potentially

harm Duke Energy Kentucky's competitive position in the marketplace, to the detriment of Duke Energy Kentucky and its customers. It should be noted that Duke Energy Kentucky is only seeking confidential protection of a limited section of the procedure document which sets forth the guidelines for procurement of long term contracts for fuel.

3. Disclosure of the factors underlying Duke Energy Kentucky's bid analysis/selection process (No. 20) would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information requested in No. 20, 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.

4. The information in Nos. 15 and 20 were developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information in these responses 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. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Corporation.

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

7. The Commission has treated the same information described herein as

confidential in other utilities' responses to the same data requests such as Kentucky Utilities Case 2011-247³, Louisville Gas and Electric Company Case No. 2011-248⁴ and for Duke Energy Kentucky in Case No. 2011-249⁵.

8. 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.

9. 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 ten (10) 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.

³ Case No. 2011-247, Letter granting Confidential treatment, September 28, 2011.

⁴ Case No. 2011-248, Letter granting Confidential treatment, September 29, 2011.

⁵ Case No. 2011-249, Letter granting Confidential treatment, October 13, 2011.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

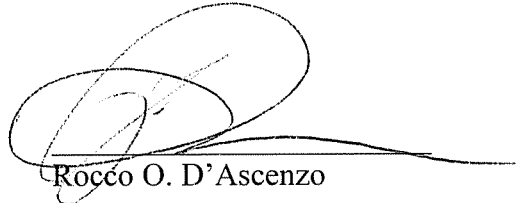


Rocco O. D'Ascenzo (92796)
Associate General Counsel
Amy B. Spiller (85309)
Deputy General Counsel
Duke Energy Business Services, LLC
139 East Fourth Street, 1303 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
e-mail: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via
overnight mail, postage prepaid, this 11th day of September 2012:

Dennis G. Howard II
Assistant Attorney General
The Kentucky Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602-2000



Rocco O. D'Ascenzo

RECEIVED

SEP 12 2012

PUBLIC SERVICE
COMMISSION

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

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

Lisa D. Steinkuhl
Lisa D. Steinkuhl

Subscribed and sworn to before me by Lisa D. Steinkuhl on this 4th day of September, 2012.

Anita M. Schaffer
NOTARY PUBLIC

My Commission Expires:



ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

TABLE OF CONTENTS

| <u>DATA REQUEST</u> | <u>WITNESS</u> | <u>TAB NO.</u> |
|---------------------|---------------------------------------|----------------|
| STAFF-DR-01-001 | Elliott Batson Jr..... | 1 |
| STAFF-DR-01-002 | Lisa Steinkuhl..... | 2 |
| STAFF -DR-01-003 | Elliott Batson Jr./ John Swez..... | 3 |
| STAFF -DR-01-004 | Lisa Steinkuhl | 4 |
| STAFF -DR-01-005 | John Swez..... | 5 |
| STAFF -DR-01-006 | Lisa Steinkuhl..... | 6 |
| STAFF -DR-01-007 | John Swez..... | 7 |
| STAFF -DR-01-008 | Elliott Batson Jr./ John Swez..... | 8 |
| STAFF -DR-01-009 | Elliott Batson Jr..... | 9 |
| STAFF-DR-01-010 | Elliott Batson Jr./ John Swez..... | 10 |
| STAFF-DR-01-011 | Elliott Batson Jr./ John Swez..... | 11 |
| STAFF -DR-01-012 | Elliott Batson Jr./ John Swez..... | 12 |
| STAFF-DR-01-013 | Lisa Steinkuhl..... | 13 |
| STAFF-DR-01-014 | Elliott Batson Jr./ John Swez..... | 14 |

| | | |
|------------------|---------------------------------------|----|
| STAFF -DR-01-015 | N/A..... | 15 |
| STAFF -DR-01-016 | Elliott Batson Jr..... | 16 |
| STAFF -DR-01-017 | Elliott Batson Jr./ John Swez..... | 17 |
| STAFF -DR-01-018 | John Swez..... | 18 |
| STAFF -DR-01-019 | Elliott Batson Jr./ John Swez..... | 19 |
| STAFF -DR-01-020 | N/A | 20 |
| STAFF -DR-01-021 | Lisa Steinkuhl..... | 21 |
| STAFF-DR-01-022 | Lisa Steinkuhl..... | 22 |
| STAFF-DR-01-023 | Elliott Batson Jr./ John Swez..... | 23 |
| STAFF -DR-01-024 | John Swez..... | 24 |
| STAFF -DR-01-025 | Elliott Batson Jr..... | 25 |

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-001

REQUEST:

For the period from November 1, 2011 through April 30, 2012, 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. For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE:

See Attachment STAFF-DR-01-001.

PERSON RESPONSIBLE: Elliott Batson, Jr.

Duke Energy Kentucky

| <u>VENDOR</u> | <u>PURCHASE TONNAGE</u> | <u>PURCHASE TYPE</u> | <u>Contract #</u> | <u>Filed with Commission</u> | <u>If no, Explain why</u> |
|--------------------------|-----------------------------|--------------------------|-----------------------|----------------------------------|-------------------------------|
| Alliance Coal LLC | 102,617 | Spot | HC10146 | | * |
| American Coal Co C | 118,043 | Contract | 2673356 | 3/17/2011 | |
| American Coal Co C | 21,507 | Spot | | | * |
| Charolais | 86,300 | Contract | HC10053 | 12/31/2007 | |
| Koch Carbon, LLC | 46,408 | Spot | | | * |
| Oxford Mining | 75,970 | Contract | HC10121 | 3/17/2011 | |
| Patriot Coal Sales | 133,936 | Contract | HC10136 | 3/17/2011 | |
| Patriot Coal Sales | 106,854 | Contract | HC10137 | 3/17/2011 | |
| Patriot Coal Sales | 44,606 | Contract | HC10148 | 6/3/2011 | |
| Rhino Energy LLC | 72,504 | Contract | HC10128 | 3/17/2011 | |
| SMCC AGF Resource Sales | 97,113 | Contract | HC10116 | 6/3/2011 | |
| Smokey Mountain Highland | 54,801 | Spot | | | * |
| Tunnel Ridge, LLC | 39,753 | Spot | | | * |
| | <u>1,000,412</u> | | | | |
| | 83.76% | Contract | | | |
| | 16.24% | Spot | | | |

***Spot Contracts are not filed with the Commission**

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

STAFF-DR-01-002

REQUEST:

For the period from November 1, 2011 through April 30, 2012, 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 Sequent Energy Management LP for generation at Woodsdale Station:

| | |
|---------------|--------------|
| November 2011 | 24,500 MMBtu |
| December 2011 | 12,000 MMBtu |
| January 2012 | 8,000 MMBtu |
| February 2012 | 0 MMBtu |
| March 2012 | 0 MMBtu |
| April 2012 | 0 MMBtu |

PERSON RESPONSIBLE: Lisa Steinkuhl

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

STAFF-DR-01-003

REQUEST:

State whether Duke Kentucky engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.

RESPONSE:

EAST BEND & MIAMI FORT #6: 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. The Company also maintains a portfolio with multiple suppliers to mitigate potential supply interruption risk.

WOODSDALE: Historically, Duke Energy Kentucky has not engaged in hedging transactions with respect to gas purchase for Woodsdale due to the low amounts of forecasted generation from the station. Even with recent low natural gas prices, forecasted generation levels from Woodsdale Station remain relatively low. In the event that forecasted generation levels from Woodsdale Station were significant, Duke Energy Kentucky may engage in gas hedging transactions for expected gas burn at Woodsdale Station.

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

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

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, 2011 through April 30, 2012, 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 | 485,532 ⁽¹⁾ | 814,454 ⁽²⁾ | 971,824 | 53.7% |
| Miami Fort 6 | 179,366 | 185,958 | 402,473 | 56.5% |

(1) Duke Energy Kentucky's ownership share

(2) 100% of coal received at the station

PERSON RESPONSIBLE: Lisa Steinkuhl

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-005

REQUEST:

List all firm power commitments for Duke Kentucky from November 1, 2011 through April 30, 2012 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 had no firm power commitments during this period.

PERSON RESPONSIBLE: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-006

REQUEST:

Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2011 through April 30, 2012.

RESPONSE:

See attachment STAFF-DR-01-006.

PERSON RESPONSIBLE: Lisa Steinkuhl

**DUKE ENERGY KENTUCKY
 POWER TRANSACTION SCHEDULE**

| Supplier/Buyer | | Transaction Type | kWh | Charges (\$) | | | |
|--------------------------------------|-------------|------------------|-------------------|--------------|----------------|-----------------|----------------|
| | | | | Demand | Fuel | Other | Total |
| Month Ended November 30, 2011 | | | | | | | |
| Midwest Independent System Operator | Econ Sales | | 33,848,110 | 0 | 814,652 | 150,779 | 965,431 |
| | Total Sales | | <u>33,848,110</u> | <u>0</u> | <u>814,652</u> | <u>150,779</u> | <u>965,431</u> |
| Month Ended December 31, 2011 | | | | | | | |
| Midwest Independent System Operator | Econ Sales | | 15,591,160 | 0 | 431,094 | 251 | 431,345 |
| | Total Sales | | <u>15,591,160</u> | <u>0</u> | <u>431,094</u> | <u>251</u> | <u>431,345</u> |
| Month Ended January 31, 2012 | | | | | | | |
| PJM Interconnection, LLC | Econ Sales | | 5,890,800 | | 187,141 | (25,689) | 161,452 |
| | Total Sales | | <u>5,890,800</u> | <u>0</u> | <u>187,141</u> | <u>(25,689)</u> | <u>161,452</u> |
| Month Ended February 29, 2012 | | | | | | | |
| PJM Interconnection, LLC | Econ Sales | | 2,080,150 | | 75,014 | (17,446) | 57,568 |
| | Total Sales | | <u>2,080,150</u> | <u>0</u> | <u>75,014</u> | <u>(17,446)</u> | <u>57,568</u> |
| Month Ended March 31, 2012 | | | | | | | |
| PJM Interconnection, LLC | Econ Sales | | 0 | | 0 | 0 | 0 |
| | Total Sales | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Month Ended April 30, 2012 | | | | | | | |
| PJM Interconnection, LLC | Econ Sales | | 7,882,460 | | 235,674 | (34,571) | 201,103 |
| | Total Sales | | <u>7,882,460</u> | <u>0</u> | <u>235,674</u> | <u>(34,571)</u> | <u>201,103</u> |

Legend
 Econ Sales - Economy Sales

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-007

REQUEST:

List Duke Kentucky's scheduled, actual, and forced outages from November 1, 2011 through April 30, 2012.

RESPONSE:

See STAFF-DR-01-007 Attachment.

PERSON RESPONSIBLE: John Swez

Duke Kentucky
 East Bend Unit 2
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|---------------|---------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| NOV | 1/4/12 23:38 | 1/9/12 23:37 | 119.98 | | Secondary reaheater leak |
| FEB | 2/21/12 23:53 | 2/24/12 12:55 | 61.03 | | Secondary reaheater leak |
| MAR | 3/2/12 21:31 | 4/2/12 6:00 | 728.48 | | Replace front bottom slope |
| APR | 4/2/12 6:00 | 4/19/12 17:53 | 419.88 | | Extension of front bottom slope replacement |
| | 4/19/12 20:35 | 4/21/12 23:14 | | 50.65 | Superheater attemperator valve problems |
| | 4/24/12 6:00 | 4/27/12 5:45 | | 71.75 | Secondary superheater tube leak |

Duke Kentucky
 Miami Fort 6
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|---------------|---------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| JAN | 1/23/12 20:03 | 1/27/12 9:19 | | 85.27 | Low Temperature Superheat Tube Leak |
| | 1/28/12 10:12 | 1/30/12 12:31 | | 50.32 | Low Temperature Superheat Tube Leak |
| | 1/31/12 11:16 | 2/24/12 12:14 | | 576.97 | Blown soot line header caused asbestos insulation leak |
| FEB | 2/26/12 15:40 | 3/2/12 23:09 | | 127.48 | Waterwall tube leak |
| MAR | 3/16/12 8:31 | 3/19/12 12:54 | | 76.38 | Waterwall tube leak |
| | 3/21/12 0:43 | 3/26/12 7:43 | | 127.00 | Waterwall tube leak |
| | 3/26/12 20:54 | 3/29/12 18:53 | | 69.98 | Waterwall tube leak |
| | 3/31/12 15:49 | 4/3/12 9:00 | | 65.18 | Waterwall tube leak |
| APR | 4/3/12 9:00 | 4/11/12 12:09 | 195.15 | | Waterwall NDE Inspections and Repairs |
| | 4/24/12 3:32 | 4/24/12 5:28 | | 1.93 | 6-2 BFP oil pump failure - bearing failure |

Duke Kentucky
 Woodsdale 1
 November 2010-April 2011

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|----------------|----------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| NOV | 10/10/11 8:00 | 11/16/11 10:48 | 890.80 | | Maintenance Outage; New Controls |
| | 11/16/11 12:21 | 11/16/11 14:44 | 2.38 | | Maintenance Outage; New Controls |
| | 11/16/11 16:51 | 11/29/11 11:14 | 306.38 | | Controls outage |
| | 11/29/11 11:22 | 11/30/11 16:00 | 28.63 | | Controls outage |
| DEC | 12/1/11 10:09 | 12/1/11 11:09 | | 1.00 | Trip, low propane pressure, controller not responding. |
| | 12/21/11 13:59 | 12/21/11 16:45 | | 2.77 | Trip, low propane pressure, controller not responding. |

Duke Kentucky
 Woodsdale 2
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|----------------|----------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| NOV | 10/21/11 10:29 | 11/9/11 13:19 | 458.833 | | Maintenance Outage; New Controls |
| | 11/9/11 13:21 | 11/9/11 13:42 | 0.35 | | Maintenance Outage; New Controls |
| | 11/9/11 16:10 | 11/11/11 8:39 | 40.48 | | Maintenance Outage; New Controls |
| | 11/11/11 9:45 | 11/11/11 14:06 | 4.35 | | Maintenance Outage; New Controls |
| | 11/17/11 18:04 | 11/17/11 19:04 | | 1.00 | Trip, Acceleration by start low. |

Duke Kentucky
 Woodsdale 3
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|--------------|---------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| DEC | 12/7/11 7:00 | 12/9/11 10:46 | 51.767 | | Gas department calibration |
| MAR | 3/2/12 7:30 | 5/18/12 13:08 | 1853.633 | | General Outage |

Duke Kentucky
 Woodsdale 4
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|--------------|---------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| DEC | 12/8/11 7:00 | 12/9/11 10:55 | 27.917 | | Gas department calibration. |

Duke Kentucky
 Woodsdale 5
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|-----------------|-----------------|-----------|--------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| NOV | 11/14/2011 8:00 | 12/6/2011 17:04 | 537.07 | | Controls upgrade completion |
| DEC | 12/6/2011 17:25 | 12/7/2011 13:13 | 19.80 | | Controls upgrade completion |
| APR | 4/16/2012 8:00 | 4/26/2012 14:02 | 246.03 | | Spring outage, boroscope inspection |

Duke Kentucky
 Woodsdale 6
 November 2011-April 2012

| MONTH | MAINTENANCE | | HOURS OF | | REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE |
|-------|---------------|---------------|-----------|---------|--|
| | Actual | | Scheduled | Forced | |
| | FROM | TO | | | |
| NOV | 11/14/11 8:00 | 12/6/11 14:19 | 534.32 | | Controls upgrade completion |
| DEC | 12/7/11 17:50 | 12/7/11 18:04 | | 0.23 | Starting Device Failure |
| APR | 4/16/12 8:00 | 4/25/12 8:00 | 216.00 | | Spring outage, boroscope inspection |
| | 4/25/12 8:00 | 6/29/12 15:23 | | 1567.38 | Discovered damaged blades during boroscope inspection. |

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. Supplier'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. Percent 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:

East Bend

- a. **Oxford Mining Company – Kentucky - Charolais Coal Co (HC 10053)**
544 Chestnut Street
Coshocton, OH 43812

- b. Charolais Coal Company, Muhlenberg, Hopkins and Webster Counties, Kentucky
- c. September 5, 2007
- d. January 1, 2008 to March 31, 2013
- e. Amendment 1 = March 1, 2008; Amendment 2 = March 17, 2008;
Amendment 3 = July 15, 2008; Amendment 4 = July 28, 2009;
Amendment 5 = July 12, 2011
- f. 2008 = 287,047; 2009 = 100,000; 2010 = 200,000; 2011 = 209,727;
2012 = 213,000; 2013=13,950
- g. 2008 = 287,048; 2009 = 100,142; 2010 = 176,324; 2011 = 198,027; 2012
YTD = 67,910
- h. 2008 = 100%; 2009 = 100%; 2010 = 88.2%; 2011 = 94.4%; 2012 YTD = 95.6%
- i. 2008 = \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011 = \$32.70; 2012 = \$32.70;
2013 = \$32.70
- j. None
- k. 2008 = \$32.00; 2009 = \$32.42; 2010 = \$32.42; 2011 = \$32.70

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, 2013
- e. N/A
- f. 2009 = 150,000; 2010 = 300,000; 2011 = 289,306, 2012 = 120,000;
2013 = 300,000
- g. 2009 = 151,158; 2010 = 310,694; 2011 = 290,669; 2012 YTD = 39,255
- h. 2009 = 100.8%; 2010 = 103.6 %; 2011 = 100.5%; 2012 YTD = 98.1%

- i. 2009 = \$51.00; 2010 – 2011 = \$53.00; 2012= \$52.40; 2013= \$54.75
- j. None
- k. 2009 = \$51.00; 2010 – 2011 = \$53.00; 2012= \$52.40; 2013= \$54.75

- a. **Oxford Mining Company – Kentucky, LLC (HC10121)**
- b. Oxford Mining Company – Kentucky, LLC, Muhlenberg, Hopkins and Webster Counties, Kentucky.
- c. May 24, 2010
- d. January 1, 2011 – December 31, 2011
- e. N/A
- f. 300,000
- g. 2011 = 299,827
- h. 2011 = 99.9%
- i. 2011 = \$43.00
- j. 1st Qtr = \$0.99, 2nd Qtr = \$2.37, 3rd Qtr = \$2.97, 4th Qtr - \$2.79
- k. \$45.79

- a. **Patriot Coal Sales LLC (10136)**
12312 Olive Blvd
St. Louis, Missouri 63141
- b. Blue Grass Complex, Blue Grass, KY
- c. November 19, 2010
- d. December 31, 2012
- e. N/A
- f. 2011 = 325,000; 2012 = 325,000
- g. 2011 = 312,084; 2012 YTD = 65,559

- h. 2011 = 96.0%; 2012 YTD = 60.5%
- i. 2011 = \$42.00; 2012 = \$45.00
- j. None
- k. 2011 = \$42.00; 2012 = \$45.00

a. **Patriot Coal Sales LLC (10137)**
12312 Olive Blvd
St. Louis, Missouri 63141

- b. Highland Mine, Highland KY
- c. November 19, 2010
- d. December 31, 2012
- e. N/A
- f. 2011 = 250,000; 2012 = 250,000
- g. 2011 = 251,516; 2012 YTD = 72,059
- h. 2011 = 100.6%; 2012 YTD = 86.5%
- i. 2011 = \$44.00; 2012 = \$46.50
- j. None
- k. 2011 = \$44.00; 2012 = \$46.50

a. **Patriot Coal Sales LLC (10148)**
12312 Olive Blvd
St. Louis, Missouri 63141

- b. Highland Mine, Highland KY
- c. April 20, 2011
- d. December 31, 2013

- e. N/A
- f. 2012 = 150,000; 2013 = 150,000
- g. 2012 YTD = 71,675
- h. 2012 YTD = 143.3%;
- i. 2012 = \$49.00; 2013 = \$50.00
- j. None
- k. 2011 = \$49.00; 2012 = \$50.00

a. **Rhino Energy, LLC (HC10128)**
423 Lewis Hargett Circle
Suite 250
Lexington, KY 40503

- b. Sands Hill Mine, Sands Hill, OH
- c. September 1, 2010
- d. December 31, 2012
- e. N/A
- f. 2011 = 180,000; 2012 = 180,000
- g. 2011 = 1180,559; 2012 YTD = 52,763
- h. 2011 = 100.3%; 2012 YTD = 87.9%
- i. 2011 = \$46.00; 2012 = \$49.00
- j. None
- k. 2011 = \$46.00; 2012 = \$49.00

a. **River View Coal, LLC (HC10135/HC10146)**
1717 South Boulder Ave. Suite 400
Tulsa, OK 74119

- b. River View Mine, Union County, KY
- c. January 1, 2011
- d. December 31, 2013
- e. NA
- f. 2011 = 220,000; 2012 = 220,000; 2013 = 220,000
- g. 2011 = 218,688; 2012 YTD = 75,920
- h. 2011 = 99.4% ; 2012 YTD = 103.5%
- i. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25
- j. None
- k. 2011 = \$48.00; 2012 = \$51.00; 2013 = \$53.25

MIAMI FORT #6:

- a. **American Coal Company (10350)**
101 Prosperous Place
Suite 125
Lexington, KY 40509
- b. Galatia Mine, Ill.
- c. June 25, 2005
- d. August 31, 2015
- e. July 14, 2006 – June 1, 2008 – December 31, 2009 – July 20, 2010
- f. 2005 = 100,000; 2006 = 300,000; 2007 = 300,000; 2008 = 300,000; 2009 = 300,000; 2010 = 281,684; 2011 = 322,000; 2012 = 300,000
- g. 2005 = 92,816; 2006 = 292,004; 2007 = 295,509; 2008 = 282,250; 2009 = 318,316; 2010 = 247,780; 2011 = 311,353; 2012 YTD = 80,958
- h. 2005 = 92.8%; 2006 = 97.3%; 2007 = 98.6%; 2008 = 94.1%; 2009 = 106.1% ; 2010 = 88%; 2011 = 96.7%; 2012 YTD = 81.0%

- i. \$37.05; June 1, 2008 amendment - \$56.00
- j. 2005 = \$.91; 2006 = \$3.82; 2007 = \$3.47; 2008 = \$4.43; 2009 = \$0.00; 2010=\$0.64; 2011=\$0.00; 2012 = \$0.00
- k. 2005 = \$37.96; 2006 = \$40.87; 2007 = \$40.52; 2008 = \$41.48; 2009 = \$56.00; 2010 = \$56.64; 2011 = \$51.00; 2012 = \$53.50

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: East Bend/Miami Fort #6: Elliott Batson, Jr.
Woodsdale: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-009

REQUEST:

- a. State whether Duke Kentucky regularly compares the price of its coal purchases to 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. Include all prices used in the comparison in cents per MMBtu.
 - (2) The utilities that are included in this comparison and their locations.

RESPONSE:

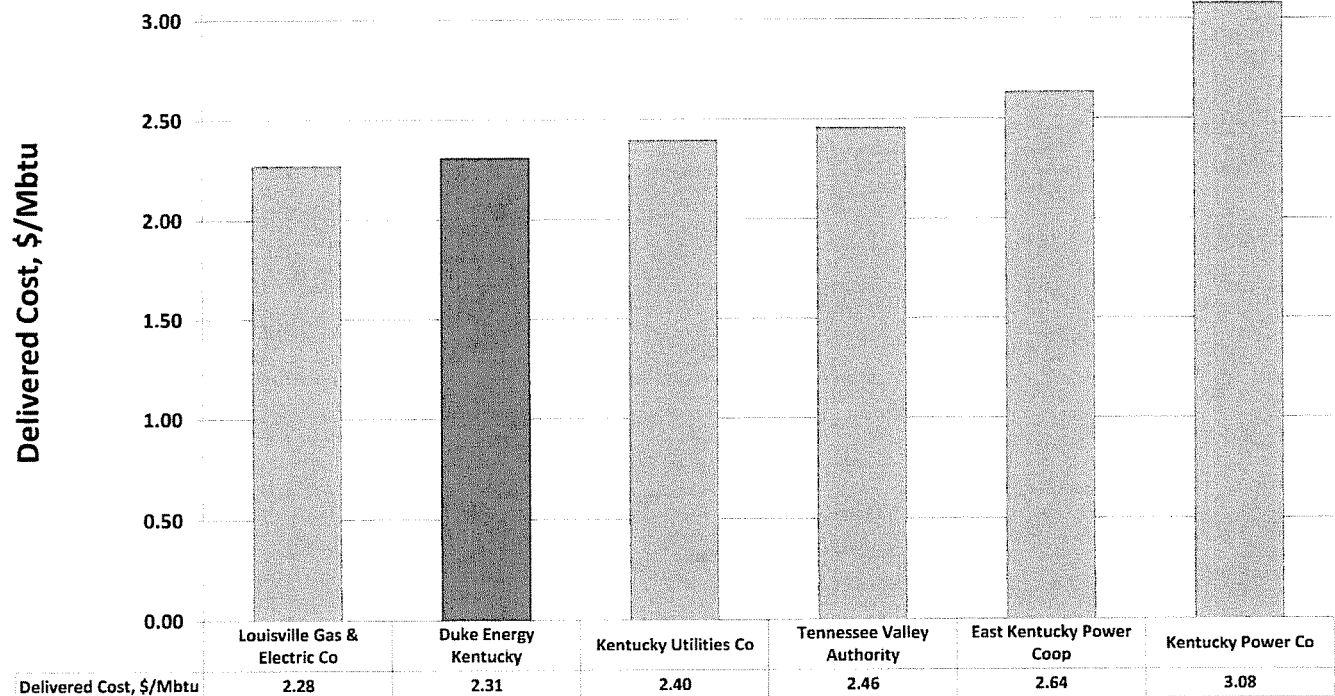
- a. Duke Energy Kentucky compares its delivered coal prices to those paid by other major Kentucky electric utilities for their plants located in Kentucky. Please see Attachment Staff-DR-01-009, derived from EIA 923 data.
- b. See Attachment STAFF-DR-01-009.

PERSON RESPONSIBLE: Elliott Batson, Jr.

Duke Energy Kentucky Delivered Cost vs. Peer Group

(November 2011 - April 2012)

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:

East Bend:

- a. 0% Rail
- b. 0% Truck
- c. 100% Barge

Miami Fort #6:

- a. 0% Rail
- b. 0% Truck
- c. 100% Barge

Woodsdale:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

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, 2012. 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, 2012 to its inventory target for that date for each plant and for total inventory.
- 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:

- a. Duke Kentucky's total aggregate inventory across the system as of April 30, 2012 was 348,792.96 tons, or 45.29 days.

EAST BEND:

- a. As of April 30, 2012, total station inventory at East Bend was 318,419.96 tons or 48.99 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 compared to actual days inventory on April 30, 2012 of 48.99 days.

- d. N/A
- e. 1. No
2. N/A

MIAMI FORT #6:

- a. As of April 30, 2012, total Station inventory at Miami Fort #6 was 30,373 tons or 25.3 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 1,200 tons.
- c. Inventory target is approximately 40 days compared to the 25.3 days inventory the station had as of April 30, 2012.
- d. N/A
- e. 1. No.
2. N/A

WOODSDALE:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

STAFF-DR-01-012

REQUEST:

- a. State whether Duke Kentucky has audited any of its coal contracts during the period from November 1, 2011 through April 30, 2012.
- 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:

EAST BEND:

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

MIAMI FORT #6:

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

WOODSDALE:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-013

REQUEST:

- a. State whether Duke Kentucky has received any customer complaints regarding its FAC during the period from November 1, 2011 through April 30, 2012.
- b. If yes, for each complain, state:
 - (1) The nature of the complaint; and
 - (2) Duke Kentucky's response.

RESPONSE:

Duke Energy Kentucky has not received any customer complaints regarding its FAC during the period from November 1, 2011 through April 30, 2012.

PERSON RESPONSIBLE: Lisa Steinkuhl

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:

EAST BEND:

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

MIAMI FORT #6:

- a. No.

b. N/A

c. N/A

WOODSDALE:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

STAFF-DR-01-015 PUBLIC

REQUEST:

- a. During the period from November 1, 2011 through April 30, 2012, 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.
- 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:

EAST BEND:

- a. No
- b. N/A
- c. The procurement policy was last updated on 12/01/10 from a previous version in effect as of 8/25/09. The updated fuel policy was provided to the Commission in Case No. 2011-249 in September 2011 in Staff-DR-01-015.

Miami Fort #6:

- a. No
- b. N/A
- c. The procurement policy was last updated on 12/01/10 from a previous version in effect as of 8/25/09. The updated fuel policy was provided to the Commission in Case No. 2011-249 in September 2011 in Staff-DR-01-015.

CONFIDENTIAL PROPRIETARY TRADE SECRET (as to Attachments only)

Woodsdale:

This response has been filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

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, 2011 through April 30, 2012.
- 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:

EAST BEND:

- a. No
- b. N/A

MIAMI FORT #6:

- a. No
- b. N/A

PERSON RESPONSIBLE: Elliott Batson, Jr.

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

STAFF-DR-01-017

REQUEST:

Identify and explain the reasons for all changes in the organizational structure and personnel of the departments or divisions that are responsible for Duke Kentucky's fuel procurement activities that occurred during the period from November 1, 2011 through April 30, 2012.

RESPONSE:

EAST BEND:

No changes occurred during this period.

MIAMI FORT #6:

No changes occurred during this period.

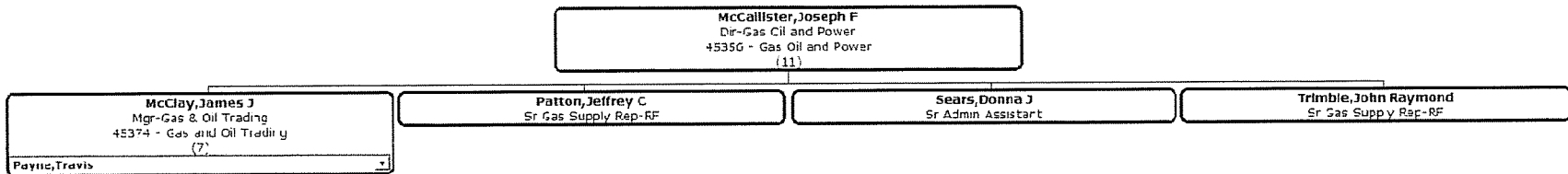
WOODSDALE:

Duke Energy Kentucky currently utilizes Sequent Energy Management, L.P., to schedule and procure natural gas consumed at Woodsdale Station. As a result of the merger between Duke Energy and Progress Energy, Duke Energy is in the process of transitioning staff and evaluating the timing of when to fully transition the natural gas procurement and scheduling functions for Woodsdale Station in house. The transition of staff and responsibilities is expected to continue throughout the remainder of 2012 and into the spring of 2013.

Due to reorganization that occurred after the Duke Energy and Progress Energy merger, the primary Duke Energy contact for natural gas procurement is currently transitioning from Jim Jessee to Travis Payne. Refer to STAFF-DR-01-017 Attachment.

PERSON RESPONSIBLE:

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



**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

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

PERSON RESPONSIBLE: John Swez

STAFF-DR-01-019

REQUEST:

List each written coal supply solicitation issued during the period from November 1, 2011 through April 30, 2012.

- 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:

EAST BEND:

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

MIAMI FORT #6:

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

WOODSDALE:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-020 PUBLIC

REQUEST:

List each oral coal supply solicitation issued during the period from November 1, 2011 through April 30, 2012.

- 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. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE:

This response has been filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: N/A

Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012

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 sold 100% of its generation to the Midwest Independent System Operator, Inc. ("MISO") during the period November 1, 2011 through December 31, 2011 and PJM Interconnection L.L.C. ("PJM") during the period January 1, 2012 through April 30, 2012. These sales are made at the generating station; consequently, no third party transmission was used.
- b. Not Applicable

PERSON RESPONSIBLE: Lisa Steinkuhl

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-022

REQUEST:

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

RESPONSE:

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

PERSON RESPONSIBLE: Lisa Steinkuhl

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-023

REQUEST:

State whether, during the period under review, 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:

EAST BEND & MIAMI FORT #6:

Duke Energy Kentucky did not solicit bids during the period November 1, 2011 through April 30, 2012.

WOODSDALE:

N/A

PERSON RESPONSIBLE: East Bend/Miami Fort 6: Elliott Batson, Jr.
Woodsdale: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-024

REQUEST:

Provide a detailed discussion of any specific generation efficiency improvements Duke Kentucky has undertaken during the period under review.

RESPONSE:

Duke Energy Kentucky made no major specific generation efficiency improvements during the period under review.

PERSON RESPONSIBLE: John Swez

**Duke Energy Kentucky
Case No. 2012-322
Staff First Set Data Requests
Date Received: August 22, 2012**

STAFF-DR-01-025

REQUEST:

Explain whether closures of coal mines due to decreased demand for coal could potentially lead to coal shortages that could affect reliability. Include in the explanation whether evidence of such potential shortage exists today.

RESPONSE:

EAST BEND & MIAMI FORT #6:

As coal supply continues to decline to fall in line with current demand, we anticipate that equilibrium in the supply/demand curve will exist in the near future. If demand for coal increases significantly in the future, coal supply could be slow to respond due to the on-going closure of several mines. If future supply becomes limited, Duke Energy Kentucky would expand its reach of coal supply to ensure a reliable supply of coal. No shortage of supply exists today.

PERSON RESPONSIBLE: Elliott Batson, Jr.