

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY, INC.)	
FOR AN ORDER APPROVING THE ESTABLISHMENT)	CASE NO.
OF A REGULATORY ASSET RELATED TO VOLUNTARY)	2010-00523
OPPORTUNITY AND OTHER POST-RETIREMENT)	
EXPENSES)	

INITIAL INFORMATION REQUEST OF COMMISSION STAFF TO
DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due no later than January 31, 2011. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the second paragraph on page 2 of Duke Kentucky's application. The first sentence reads, "[a]s of December 31, 2010, Duke Energy Kentucky expects to have recorded actual charges totaling approximately \$4.37 million associated with the VOP." If the actual amount recorded is now known, provide the exact amount of the charges related to the voluntary opportunity severance plan ("VOP") as of December 31, 2010. If the actual amount is not yet known, when will it be known?

2. Refer to Duke Kentucky's application, Item 6. State when Duke Kentucky anticipates filing its next base rate case, either electric or gas.

3. Refer to the application, Item 8.

a. Quantify the anticipated cost savings of the VOP.

b. State the date the cost savings began or will begin to be realized by

Duke Kentucky.

c. Explain why no request was made to defer the cost savings as a regulatory liability.

d. Explain why it is not appropriate to off-set the costs of the VOP with the savings to be created by the VOP when determining the amount to be deferred as a regulatory asset.

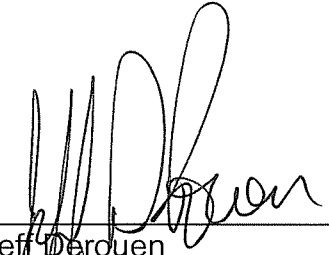
4. Refer to the application, Item 9.

a. Provide all workpapers, spreadsheets, etc. which support each component of the total VOP cost of \$4,371,568. If, as of the response to this request, the actual charges have been determined (see Item 1 of this request), provide the documents which support the actual charges rather than the \$4,371,568.

b. State the date that the cost of the VOP was or will be recorded on Duke's books.

5. Refer to the application, Item 11. Provide the analysis, workpapers, etc. which demonstrate that, over time, the savings of the VOP will exceed its costs.

6. Refer to the application, Item 15. Provide a breakdown of the total VOP costs, by component, separately identifying the amounts related to the consolidation of the Midwest corporate functions.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

DATED JAN 21 2011

cc: Parties of Record

Kristen Cocanougher
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201

Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201