

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

MAY 24 2011

THE JOINT APPLICATION OF DUKE ENERGY)
CORPORATION; CENERGY CORP.; DUKE)
ENERGY OHIO, INC.; DUKE ENERGY)
KENTUCKY, INC.; DIAMOND ACQUISITION) Case No. 2011-00124
CORPORATION; AND PROGRESS ENERGY,)
INC., FOR APPROVAL OF THE INDIRECT)
TRANSFER OF CONTROL OF DUKE ENERGY)
KENTUCKY, INC.)

PUBLIC SERVICE
COMMISSION

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS
PUBLIC REDACTED VERSION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Requests for Information to Joint Applicants Duke Energy Corp.; Cinergy Corp.; Duke Energy Ohio, Inc.; Duke Energy Kentucky, Inc.; Diamond Acquisition Corp.; and Progress Energy, Inc. [hereinafter jointly referred to as "Joint Applicants"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Applicants with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms include all information regardless of the medium or media in which they are recorded (including electronic media and e-mail), in any written, graphic or other tangible form including, but not necessarily limited to: all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche;

videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards / records, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all

exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Rocco O D'Ascenzo
Amy B Spiller
Duke Energy Kentucky, Inc.
P. O. Box 960
Cincinnati, OH 45201

Mark D. Goss
David S. Samford
Frost Brown Todd LLC
250 W Main Street Suite 2800
Lexington, KY 40507-1749

this 24~~th~~ day of May, 2011



Assistant Attorney General

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

1. Please reference the Progress SEC Form S-4, pp. 3189-3190, wherein it is stated that Progress' Board of Directors believes the transaction would, *inter alia*, bring:
(a) incremental scale, scope, and regulatory diversification; (b) increased financial stability; (c) shared strategic vision and governance; (d) capital investment strategy; (e) new nuclear development capability; and (f) cost savings and efficiencies.
 - a. For any or all of these anticipated results of the contemplated transaction, did Progress' Board of Directors believe any would apply to Duke Energy, Kentucky ("DEK")? If not, why not? If so, please identify which anticipated result(s) the Board believed would have application to DEK, and provide copies of any and all documents supporting your response.

2. Please reference the Progress SEC Form S-4, pp. 3190-3191, wherein it is stated the Progress Board of Directors considered certain risks inherent in Duke Energy's unregulated domestic and international business operations, as well as risks relating to Duke's regulated business operations, including its environmental and contingent liabilities.
 - a. Did Progress' Board consider any such risks relevant specifically to DEK? If so, please provide copies of any and all documents relevant to that analysis.

3. Please reference document AG-DR-067P-0158 of the Hart-Scott Rodino filing. The document, entitled, [REDACTED] from Progress' [REDACTED], states that [REDACTED] are assumed. Confirm that this includes DEK.
 - a. This same document indicates that [REDACTED] is projected to grow from [REDACTED] and that [REDACTED] is projected to grow from [REDACTED] in 2009 to [REDACTED] in 2014. Provide the projected numbers applicable to DEK.

4. Please reference document AG-DR-067P-0159, which indicates that one of the key points of the [REDACTED] is that [REDACTED] apparently due to [REDACTED]. Do the Joint Applicants expect any [REDACTED] of the new ultimate corporate parent if the contemplated transaction is approved in every jurisdiction? Do they believe any such [REDACTED]

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

██████████ is possible or even probable? If so, provide any and all documents depicting the impact on DEK's ██████████.

- a. How do the Joint Applicants justify their testimony that the transaction will result in a new entity with improved financial strength when this document states ██████████
██████████?

5. Reference document AG-DR-01-67P-0222. Confirm that ██████████. If so, reference the ninth bullet point. Provide an answer to the stated question:

██████████
Please confirm that the response given here is the same response Duke provided to Progress.

6. Reference the same document. Provide a response to the question set forth in the tenth bullet point regarding the ██████████. Please confirm that the response given here is the same response Duke provided to Progress.

7. Reference document AG-DR-01-67P-0715. Under the tab labeled ██████████ several opportunities for ██████████ are identified, including ██████████, and the potential for ██████████. Please identify which, if any, of these potential ██████████ will or may have application to DEK. Please discuss in detail.

8. Please reference document AG-DR-01-67P-0769. Under ██████████, it is stated that ██████████ through 2015. Please identify how many ██████████ and when.

- a. Reference the same document, which indicates an increase in ██████████, etc. Are any of these ██████████ also included in the ██████████? Please explain in detail.

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

9. Reference document AG-DR-01-67P-0775. Confirm that the [REDACTED] indicates that [REDACTED] "..."
- a. The same document references [REDACTED] realized from [REDACTED] [REDACTED] Provide details as to DEK's [REDACTED] realized under this program.
10. Reference document AG-DR-01-67P-0845. The document indicates [REDACTED] may consider revising its [REDACTED] to allow for [REDACTED], and perhaps [REDACTED]. See also AG-DR-67P-1429 and 1434 in this regard.
- a. Please explain whether any decision has been made in this regard since the time this document was created.
- b. If so, will any portion of [REDACTED] be [REDACTED]? Please also identify when, and for what purposes.
- c. If no decision has been made, will the Joint Applicants commit to notifying the Kentucky PSC and the Attorney General's Office if and when that changes, together with complete details?
11. Reference the same document. At the bottom of that page, under the tab [REDACTED] one such option identified is the [REDACTED]. State whether this option could or may [REDACTED], and if so, please provide as many details as possible.
12. Reference document AG-DR-01-67P-0977. Under the tab, [REDACTED] this document states: [REDACTED]
- a. State whether [REDACTED] is, or could be, one of [REDACTED]. If so, provide all documents relevant to any such real or potential [REDACTED].
13. Reference document AG-DR-01-67P-0991.
- a. Please confirm that based on the charts depicted therein, the allocation for [REDACTED] includes [REDACTED].
- b. If so, confirm that the [REDACTED] remains at [REDACTED] for 2011-2012, and [REDACTED] for 2013-2014. Of this, please identify DEK's [REDACTED] for the same time periods.

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

14. Reference documents AG-DR-01-67P-1056 through 1058. Confirm that estimated [REDACTED] are as follows: [REDACTED] for 2012; [REDACTED] 2013; and [REDACTED] for 2014.
- a. Confirm that by 2014, the new company [REDACTED] [REDACTED]. If so confirmed, how much of that [REDACTED] [REDACTED]. Please be as specific as possible and provide quantifications.
15. Reference document AG-DR-01-67P-1112, entitled [REDACTED]. The third bullet point on the document states that [REDACTED]. [REDACTED]. Please elaborate as to whether this statement has applicability to all of the regulated utilities that will fall under the new corporate parent's control, including DEK, and the extent of its applicability to DEK.
16. Reference document AG-DR-01-67P-1736, which states that [REDACTED] of the contemplated transaction will be [REDACTED]. [REDACTED]. Please identify the [REDACTED] applicable to DEK.
- a. The same document indicates that the transaction will [REDACTED] [REDACTED]. Please state in complete detail how this applies to DEK.
17. Reference document AG-DR-01-67P-1737, which indicates that the contemplated transaction will result in [REDACTED]. Please identify the precise ways in which this will be applicable to DEK.
18. Reference document AG-DR-01-67P-1738, which states that the Joint Applicants [REDACTED]. [REDACTED]. Does this mean DEK ratepayers will [REDACTED]? Please explain in complete detail.
19. Reference document AG-DR-01-67P-1749. When do the Joint Applicants believe [REDACTED]?

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

20. Reference document AG-DR-01-67P-1844. The slide indicates that Duke will attempt to [REDACTED] Describe the Joint Applicants' [REDACTED] for Kentucky, if any, in complete detail, especially any contemplated items addressing the issue of [REDACTED].
21. Reference document AG-DR-01-67P-1870. Under the paragraph entitled [REDACTED] the document states [REDACTED] A similar statement regarding Duke's [REDACTED] appears at document AG-DR-01-67P-1950. In what ways does DEK see [REDACTED]? Please describe in complete detail.
22. Reference document AG-DR-01-67P-1962. Confirm that DEK will [REDACTED]
- a. Reference document AG-DR-01-67P-2104, Duke's [REDACTED]. The document lists DEK as having [REDACTED], and an apparent projection of [REDACTED] for 2011. (i) When was this document produced? (ii) Was the 2010 figure based on actual experience, a projection, or a combination of both? (iii) Were the figures based on [REDACTED] or a combined average? Please explain in detail.
- b. Reference also document AG-DR-01-67P-2047, wherein it is stated that one of the key issues facing Duke is [REDACTED] Does DEK share this concern?
- c. Reference document AG-DR-01-67P-2111, which indicates DEK may [REDACTED] of some of its [REDACTED]. Please confirm that such a plan is projected as producing [REDACTED] for DEK of [REDACTED].
23. Reference document AG-DR-01-67P-1967. The documents states that DEK in its [REDACTED] will be addressing the [REDACTED]. Please elaborate as to what way it will address [REDACTED].
24. Reference document AG-DR-01-67P-1990. Will DEK ratepayers be asked to [REDACTED]? If so, explain why in complete detail.

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control
Case No. 2011-00124
Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

25. Reference document AG-DR-01-67P-2015. Confirm that by approximately 2012, Duke system-wide is [REDACTED].
- a. How much of that cost is projected to be borne by DEK ratepayers?
- b. Of the amount set forth in the Joint Applicants' response to subpart (a), above, please identify any portions thereof which would not be recovered under [REDACTED].
26. Reference documents AG-DR-01-67P-2022, 2038, 2048, 2059, 2064, 2076, 2090, 2113, 2129, 2143, 2151, 2165, 2171, 2176, 2178, 2183, 2185, 2188, 2190, 2193, 2195, 2197, 2205, 2220, 2223, 2225, 2227, 2243, 2247, 2250, 2253, 2232, 2344, 2359, 2370, 2378, 2389, 2401, 2405, 2421, 2426, 2477, 2492, 2498, 2505, 2507, 2511, 2529, 2542, 2552, 2555, 2558, 2571, 2574-2575, 2614, 2619, 2637, 2649, 2655, 2670, 2674, 2679, 2685, 2706, 2716, 2730, 2741, 2755, 2757, 2759, 2767, 2769, 2771, 2773, 2775, 2787, 2805, 2809, 2811, 2813, 2815, 2819, 2821, 2828, 2834, 2841, 2845, 2868, 2880, 2886, 2890, 2907, 2912, 2969, 2983, 2996, 3001, 3009, 3016, 3029, 3038, 3040, 3325, 3877, 3883, 3887, 3891, 3897, 3900, 3921, and 3925. The pages appear to be blank, but no privilege is cited in support of withholding any information. If any non-privileged material was redacted, please provide it. If a privilege is claimed, please assert the basis for that privilege, and state it separately for each and every document so withheld.
27. Reference document AG-DR-01-67P-2025. Please indicate when this document was prepared. The document indicates [REDACTED] regarding Duke and subsidiaries. Has the [REDACTED] been completed? Have there been any more recent activities by [REDACTED]? If so, please provide complete documentation.
28. Reference documents AG-DR-01-67P-1418, 1451-1452, 2228-2232, 2262, 2293, 2325, 2466, 2543-2545, 2562-2563, 2569, 2585-2589, 2599, 2603-2605, 2608-2609, 2711, 2824-2826, 2830, 2833, 2836-2839, 2965, 3031-3036, 3050, 3052, 3071, 3097, 3106-3108, 3115-3116, 3130, 3142-3146, 3194, 3199, 3241-3243, 3386-3387, 3389-3392, 3395-3396, 3407, 3466-3487, 3490, 3502, 3504, 3515-3531, 3569-3582, 3622, 3627, 3659, 3695, 3853-3873, 3875, 3908, 3910-3920. These pages indicate "material withheld," but no privilege was cited for withholding information. Please either provide the information, or in lieu thereof cite the privilege applicable, and state it separately for each and every document so withheld.

Duke Energy Corp., Progress Energy, Inc., et. al. Transfer of Control

Case No. 2011-00124

Attorney General's Supplemental Data Requests

PUBLIC REDACTED VERSION

29. Reference document number AG-DR-01-67P-2761, [REDACTED]
[REDACTED] One of the additional comments indicated that [REDACTED]
[REDACTED] In light of [REDACTED], what steps will the
new corporate parent entity be taking to improve this crucial function?
30. With regard to your response to AG DR 1-106, the question asked for the same
information for the Joint Applicants, not just Duke Energy. Provide the same
information with regard to Progress, with regard to both the federal government
and the Commonwealth of Kentucky.