COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE 2008 INTEGRATED RESOURCE PLAN OF DUKE ENERGY KENTUCKY, INC.	))	CASE NO. 2008-00248

SUPPLEMENTAL DATA 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 five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 27, 2008. 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 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 responses 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 requests 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 should 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 Duke Kentucky's response to Item 5 of the Commission Staff's ("Staff") September 15, 2008 data request ("Staff's initial request"). When does Duke Energy anticipate it will complete its screening of the new demand-side management ("DSM") programs and measures?

2. Refer to Duke Kentucky's response to Item 8 of Staff's initial request and page 1-24 of its Integrated Resource Plan ("IRP").

a. Provide the current balances of SO_2 and NOx allowances carried in Duke Kentucky's allowance bank.

b. Provide the report, manual or other document which contains Duke Kentucky's currently effective strategy, policies, and procedures for managing and utilizing SO_2 and NOx allowances in order to comply with emissions regulations.

3. Refer to Duke Kentucky's response to Item 9 of Staff's initial request.

a. Explain why the company expects that it will become increasingly difficult to acquire participants in the Power Manager program.

b. Describe how the assumption that 10 years is the appropriate length of time to allow for growth in conservation programs was developed. What is the basis for 10 years as opposed to some other period of time?

4. Refer to Duke Kentucky's response to Item 12 of Staff's initial request.

a. For the period 2003 – 2007, the difference between forecasted energy sales and weather-normalized energy sales for the industrial class increased annually, from roughly 45,000 mWh in 2003 to nearly 110,000 mWh in 2007. Explain why these differences have increased in this manner.

b. For the period 2003 – 2007, the difference between forecasted energy sales and weather-normalized energy sales for the lighting class increased annually, from roughly 1.7 mWh in 2003 to over 5.8 mWh in 2007. Explain why these differences have increased in this manner.

c. For the period 2003 – 2005, actual lost and unaccounted-for energy greatly exceeded Duke Kentucky's annual forecasts of lost and unaccounted-for energy. For 2006 and 2007, however, actual lost and unaccounted-for energy levels decreased significantly and were more in line with the company's forecast levels. Explain why the actual levels were so much greater than the forecasts in the former period and describe the actions taken that resulted in the decreases during the latter period.

5. Refer to Duke Kentucky's response to Item 13 of Staff's initial request.

a. For three of the five years 2003 through 2007, Duke Kentucky's forecast and weather-normalized summer peak demands matched very closely (seven MW or less and less than 0.8 percent variance). However, in both 2004 and 2007, the variances between the weather-normalized and forecast summer peak demands exceeded 34 MW and 4.1 percent. What accounts for differences of this magnitude in the variances in some years?

b. For three of the five years 2003 through 2007, Duke Kentucky's forecast and weather-normalized winter peak demands matched very closely (13 MW or less and less than 1.7 percent variance). However, in 2003 and 2005, the variances between the weather-normalized and forecast winter peak demands were 39 and 65 MW and 5.5 and 8.8 percent, respectively. What accounts for differences of this magnitude in the variances in some years?

6. Refer to Duke Kentucky's response to Item 15 of Staff's initial request.

a. Provide a detailed description of the Lebanon Lateral "congregation of pipelines," including its specific location and the number, ownership and size of the pipelines.

b. Provide a general description of Eagle Energy Partners plus the terms – length of contract and pricing terms -- of its business arrangement with Duke Kentucky.

7. Refer to Duke Kentucky's response to Item 19 of Staff's initial request. Explain whether the Total Costs for the "No DSM" portfolio in the NPV column on page 2 of 2 should match the amount at the bottom of the NPV column on the "No DSM" line on page 1 of 2 of the response. If they should not match, explain why. If they should match, provide a revised page 2 of 2.

8. Refer to tab 11 of Duke's answers to Staff's initial request. What caused the load factors indicated to be originally filed incorrectly?

for Stephanie Stumbo w/permission

Stephanie L. Stumbo
Executive Director
Public Service Commission
P.O. Box 615
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DATED October 13, 2008

c: All Parties