

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF DUKE ENERGY KENTUCKY, INC.     )  
FOR AN ORDER APPROVING THE ESTABLISHMENT     )     CASE NO.  
OF A REGULATORY ASSET     )     2008-00476

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 7 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 15, 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 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 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 request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, it 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 Duke Kentucky's response to Item 1 of the Commission Staff's First Data Request ("Staff's First Request").

a. Part b. of the response indicates that Duke Kentucky's actual Hurricane Ike-related costs reported as of October 31, 2008, are \$2,245,506. This represents less than half of the total estimated costs of \$4,920,819 shown in Exhibit 1 of Duke Kentucky's application. Provide a detailed description, with supporting calculations as necessary, of how the estimated amounts were derived, for the same categories shown in Exhibit 1 of the application.

b. Duke Kentucky's actual costs as of October 31, 2008 are shown in part b. of the response. Provide a breakdown of the Duke Labor actual costs of \$1,592,985 among all the Duke companies whose employees assisted in Duke Kentucky's service restoration.

2. Refer to Duke Kentucky's response to Item 4 of Staff's First Request, which includes both 12-month and calendar year-to-date jurisdictional electric income statements for the period ended September 30, 2008. Provide, for comparative

purposes, 12-month and calendar year-to-date Duke Kentucky electric jurisdictional income statements for the periods ended September 30, 2005, 2006 and 2007.

3. Refer to Duke Kentucky's response to Item 5 of Staff's First Request.

a. Assuming Duke Kentucky's share of the actual labor costs of \$1,592,985 shown in Item 1 of its response to Staff's First Request is 68 percent of the total (the percent that Duke Kentucky employees make up of the total employees involved in the Kentucky service restoration), Duke Kentucky's actual labor costs would be \$1,083,235. Its actual overtime costs (excluding fringes or incentives) are \$349,372, meaning the difference between the assumed Duke Kentucky actual labor costs and its actual overtime costs is roughly \$734,000. Provide a complete description, with the amounts identified, of the cost components that make up the \$734,000.

b. Paragraph 7 of Duke Kentucky's application refers to additional employees working in call centers taking customer calls, "[i]ncluding 145 people from other departments who served as auxiliary call center representatives." Explain whether the costs of the personnel from other departments who provided time to the restoration efforts are included in Duke Kentucky's Hurricane Ike-related labor costs (either estimated or actual).

c. The amount deducted in Exhibit 1 of the application for estimated normal Duke Kentucky labor is approximately \$132,000, which is referred to in part c. of the response to Item 5 of Staff's First Request as "[p]rimarily line persons." Explain whether the normal labor costs of the personnel "[f]rom other departments" who assisted in the service restoration efforts are included in the \$132,000.

d. If not addressed in a prior response, explain why the amount to be deducted as the normal Duke Kentucky labor is \$132,000 rather than an amount that approximates the \$734,000 amount cited in part b. of this request.

4. The December 3, 2008 edition of the Louisville Courier-Journal carried an article entitled "Utilities hope to pass on their repair costs" on the front page of its business section. In a small portion of the article devoted to Duke Energy Indiana spokesperson Angeline Protegere, referring to the estimated \$17 million Duke Indiana spent to restore electricity, stated "It will come from our earnings, but there will be no special rate request made of customers. There will be no rate increase to cover that." Provide a thorough explanation for why two neighboring Duke electric utilities are taking such significantly different approaches in dealing with their Hurricane Ike-related storm damage costs.



Stephanie Stumbo  
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Public Service Commission  
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DATED DECEMBER 9, 2008

cc: All Parties

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