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APR 11 2008

PUBLIC SERVICE
COMMISSION

Anita M. Schafer
Sr. Paralegal

VIA OVERNIGHT MAIL

April 10, 2008

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2007-477

Dear Ms. Stumbo:

Enclosed please find an original and 12 copies of the Second Set of Request for Information to the Sierra Club on behalf of DE-Kentucky in the above captioned case.

Please date stamp and return the two extra copies of these requests in the enclosed, self-addressed envelope.

If you have any questions, please do not hesitate to contact me at (513) 419-1847.

Sincerely,

Anita M. Schafer
Senior Paralegal

cc: Parties of Record

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
AN INVESTIGATION OF THE)
ENERGY AND REGULATORY ISSUES) CASE NO. 2007-00477
IN SECTION 50 OF KENTUCKY'S 2007)
ENERGY ACT)

DUKE ENERGY KENTUCKY, INC.'S SECOND SET OF REQUESTS FOR INFORMATION
TO THE SIERRA CLUB

Now comes Duke Energy Kentucky, Inc., and submits its Requests for Information to the Sierra Club, to be answered by the date specified in the Commission's Order and in accord with the following:

For purpose of these discovery requests, the following terms shall have meanings set forth below:

(1) As used herein, "document", "documentation" and/or "record", whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft, telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which information can be obtained (translated if necessary by defendants into usable form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded, transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. "Document" and "record" also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

(2) The terms “relating to”, “referring to”, “referred to”, “pertaining to”, “pertained to” and “relates to” means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.

(3) The terms “and”, “or”, and “and/or” within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above-described, in the broadest possible fashion and manner.

(4) To “identify” shall mean:

(a) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document which contains information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

(b) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title and last known home address.

(c) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.

(5) To “produce” or to “identify and produce”, shall mean that Sierra Club shall produce each document or other requested tangible thing. For each tangible thing which Sierra Club contends are privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



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REQUESTS FOR INFORMATION

1. Referring to Witness Zinga's Testimony at page 2, please explain what is meant by the phrase "optimizing the quality of life for its citizens." How can the quality of life be optimized?

RESPONSE:

2. Referring to the bottom of page 3 of witness Zinga's Testimony which lists the 18 states and District of Columbia who currently have Public Benefit Fund legislation, is there a particular state's legislation which the witness recommends as a model for Kentucky? Please explain.

RESPONSE:

3. Referring to the bottom of page 3 of witness Zinga's Testimony which lists the 18 states and District of Columbia who currently have Public Benefit Fund legislation, is there a particular state's legislation which the witness would not recommend as a model for Kentucky? Please explain.

RESPONSE:

4. Does Witness Zinga advocate imposing any legislative restrictions on the programs that should be funded with the proposed Public Benefit Fund? If yes, please explain.

RESPONSE:

5. Is Witness Zinga aware of any itemization of the specific programs funded with the Public Benefits Funds in the 18 states? If yes, please provide such a list.

RESPONSE:

6. Has Witness Zinga performed any analysis regarding the effectiveness of the various programs supported by the public benefit funds offered in the 18 states and District of Columbia? If yes, please provide such analysis.

RESPONSE:

7. Referring to Page 4 of Witness Zinga's Testimony, is Ms. Zinga proposing a legislative requirement for municipal utilities and cooperative utilities to participate in a state-wide Public Benefit Funds or to form a comparable fund themselves? Please explain.

RESPONSE:

8. Referring to Pages 7 and 8 of Witness Zinga's Testimony, has Ms. Zinga performed any analysis comparing the effectiveness of the various forms of administration of Public Benefit Funds (e.g. utility commission administered Public Benefits Funds, state agency administered Public Benefit Funds and funds administered by either non-profit organizations or other third parties)? If yes. Please explain and provide such studies.

RESPONSE:

9. Referring to page 10 of Witness Zinga's testimony, is Ms. Zinga aware of any other analysis (other than the Wisconsin reports mentioned in her testimony) regarding the effectiveness of the various programs supported by the public benefit funds offered in the 18 states and District of Columbia? If yes, please identify the state(s) and provide such analysis.

RESPONSE:

10. Referring to page 10 of Witness Zinga's Testimony discussing the Wisconsin reports on cost effectiveness of their expenditures on renewable energy generation and energy efficiency, do the results mentioned include initiatives other than the programs funded by Wisconsin's Public Benefit Fund? Do the programs receive funding from sources other than the Public Benefit Fund? Please explain.

RESPONSE:

11. Referring to page 10, paragraph 3, of Witness Zinga's Testimony discussing "freeing up capital" to make it available for other "economic opportunities", please explain and describe with examples, what "other economic opportunities" the witness is referring to.

RESPONSE:

12. Referring to page 10, paragraph 3, of Witness Zinga's Testimony, is Ms. Zinga aware of any analysis quantifying the economic benefits of shifting investments from energy costs to "other economic opportunities"?

RESPONSE:

13. Referring to page 11 of Witness Zinga's Testimony recommending the "volumetric model" to initiate and support a Public Benefits Fund in the state of Kentucky, does Ms. Zinga oppose implementation of any of the other models (*i.e.* percentage of utility revenues, budget allocation, and performance standard) discussed in her testimony? Please explain.

RESPONSE:

14. Referring to page 11 of Witness Zinga's Testimony recommending the "volumetric model" to initiate and support a Public Benefits Fund in the state of Kentucky, has the witness performed any analysis regarding the impacts of the other models discussed in her testimony (e.g. percentage of utility revenues, budget allocation, and performance standard)? If yes, please provide such analysis. If no, why not?

RESPONSE:

15. Referring to page 11 of Witness Zinga's Testimony recommending the Public Benefit Fund be administered by a third party board comprised of stakeholders, please identify the "stakeholders" who Ms. Zinga recommends be included on the board.

RESPONSE:

CERTIFICATE OF SERVICE

I certify that a copy of the attached Requests for Information to the Sierra Club on behalf of Duke Energy Kentucky, Inc. has been served by UPS overnight mail to the following parties on this 10th day of April, 2008:

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