



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
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Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

John J. Finnigan, Jr.
Duke Energy Kentucky, Inc.
139 East Fourth Street, EX 400
Cincinnati, OH 45202

February 29, 2008

RE: Case No. 2007-00369

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/tw
Enclosure



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Honorable Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL COST RECOVERY FILING FOR)
DEMAND SIDE MANAGEMENT BY DUKE) CASE NO. 2007-00369
ENERGY KENTUCKY, INC.)

SECOND 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 seven copies of the following information, with a copy to all parties of record. The information requested herein is due March 11, 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 the motion filed by Duke Kentucky on February 11, 2008. Explain the reasoning behind the decision to file this request at this time instead of including the program in the original application of November 15, 2007.

2. Explain why there was no mention of a desire to include this program at the informal conference held on December 18, 2007.

3. Concerning Duke Kentucky's proposed Home Energy Assistance ("HEA") program:

a. Has Duke Kentucky noticed its customers that it is now proposing a new HEA program that will be funded by a \$0.10 per account charge to residential electric and residential gas customers? Explain the response.

b. What is the status of Duke Kentucky's Residential DSM Collaborative's review of the proposed HEA program?

c. Provide a detailed description of the extent to which the Attorney General or other customer representatives have been involved or are expected to be involved in the development of the proposed HEA program.

d. Will the proposed HEA program provide bill credits only during the winter season or during the entire year? Explain the response. If the program does not provide bill credits during the entire year, specify the months to be covered.

e. Are the bill credits provided by the HEA program applied only to current energy bills or can the bill credits be applied to arrearages? Explain the response.

f. What incremental expenses, administrative or otherwise, does Duke Kentucky expect to incur if it is permitted to implement the proposed HEA program? Explain the response.

4. On pages 3 and 4 of the amended application, Duke Kentucky states that it made an additional \$25,000 shareholder contribution to the existing WinterCare program to support the one-year HEA pilot program authorized in Case No. 2005-00402.¹ Duke Kentucky indicates that if the Commission approves the proposed HEA program, it commits to continue this level of funding through the duration of the proposed 3-year HEA program.

a. During the previous one-year HEA pilot program, were the WinterCare program and the HEA program operated as separate or combined

¹ Case No. 2005-00402, The Annual Cost Recovery Filing for Demand Side Management by The Union Light, Heat and Power Company.

programs by Duke Kentucky and Northern Kentucky Community Action Commission (“CAC”)? Explain the response.

b. Under the proposed 3-year HEA program, will the HEA program be operated separately from the existing WinterCare program by Duke Kentucky and CAC? Explain the response.

c. Explain why Duke Kentucky believes the additional \$25,000 shareholder contribution to WinterCare constitutes support of the HEA program.

5. Provide the formula utilized by CAC to determine the bill credit, as referenced on page 4 of the amended application.

6. Duke Kentucky has residential electric only customers, residential gas only customers, and residential electric and gas customers. Under the proposed HEA program, does Duke Kentucky plan to match the type of energy service generating the funds with the energy service receiving the bill credits? In other words, will funds generated from electric only accounts provide bill credits for electric only customers, or will funds generated from electric accounts, regardless of whether a combined customer or not, provide bill credits for electric service?

7. Provide a schedule of the annual funding of Duke Kentucky’s WinterCare program for the period 2005 through 2007 and year to date for 2008. Identify the amounts contributed by Duke Kentucky and by its customers separately.

8. Concerning the one-year HEA pilot program authorized in Case No. 2005-00402:

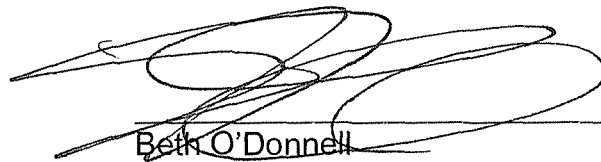
a. Provide a schedule showing the total funds generated by the \$0.10 per account charge and the total funds dispersed through bill credits during the

operation of the HEA pilot program. Further separate the totals between electric and gas services.

b. How many customers received assistance through the HEA pilot program? Separate this number into electric only, gas only, and electric and gas combined.

c. Did CAC encounter any problems while administering the HEA pilot program? Explain the response.

d. If any funds generated by the HEA charge were not distributed as bill credits, explain what happened to these funds.



Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED February 29, 2008

cc: All Parties