



DUKE ENERGY CORPORATION

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VIA OVERNIGHT DELIVERY

December 9, 2011

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

DEC 12 2011

PUBLIC SERVICE
COMMISSION

Re: Case No. 2010-00404
Bulldog's Enterprises, Inc., et al. v. Duke Energy Kentucky, Inc.

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the Responses of Duke Energy Kentucky, Inc. to Commission Staff's Second Set of Data Requests in the above captioned case.

Please date-stamp the two copies of the letter and the Petition and return to me in the enclosed envelope.

Sincerely,

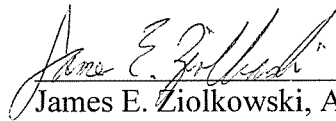
Kristen Cocanougher

cc: David Samford (w/enclosures)
Charles T. Lester, Jr. (w/enclosures)
Eric C. Deters (w/enclosures)
James Y. Moore (w/enclosures)

VERIFICATION

State of Ohio)
)
County of Hamilton) **SS:**

The undersigned, James E. Ziolkowski, being duly sworn, deposes and says that he is the Rates Manager of Duke Energy Ohio and Duke Energy Kentucky, that he has supervised the preparation of the response to the foregoing information request; and that the matters set forth in the foregoing response to information request are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.



James E. Ziolkowski, Affiant

Subscribed and sworn to before me by JAMES E. ZIOLKOWSKI on this 2ND day of December 2011.

ADELE M. DOCKERY
Notary Public, State of Ohio
My Commission Expires 01-05-2014



NOTARY PUBLIC

My Commission Expires: 1/5/2014

**Duke Energy Kentucky
Case No. 2010-404
Staff Second Set Data Requests
Date Received: November 30, 2011**

STAFF-DR-02-001

REQUEST:

Refer to Duke Kentucky's response to Item 1 of Commission Staff's First Request for Information in which Duke Kentucky discusses a two-month lag when implementing a change in its fuel adjustment clause. Confirm that the two-month lag referred to in this response occurred in 2009 and, therefore, would not explain an increase in customer bills for June and July 2010, or explain why this cannot be confirmed.

RESPONSE:

The two-month lag referred to in the response to Item 1 of Commission Staff's First Request for Information occurred in September 2009 and would not explain an increase in customer bills for June and July 2010. The two month lag which went into effect in September 2009 along with the described increase in natural gas cost in early 2010, as explained in the response to the above referenced question is intended to explain the difference in the Company's rates between June/July 2009 versus June/July 2010.

PERSON RESPONSIBLE: James E. Ziolkowski