

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY	)	CASE NO.
TO CONSTRUCT GAS DISTRIBUTION	)	2007-00142
FACILITIES WITHIN ITS SERVICE	)	
TERRITORY	)	

FIRST DATA REQUEST OF COMMISSION STAFF  
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is requested 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 on or before 10 days from the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an 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 response if it obtains information upon the basis of which it knows 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 to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to furnish.

Careful attention shall be given to copied material to ensure its legibility. 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 provided for total company operations and jurisdictional operations, separately.

1. Provide the estimated decrease in operation and maintenance costs after the proposed facilities are completed. This estimated cost should be Duke Kentucky's best estimate of operation and maintenance costs based on previous Accelerated Main Replacement Program ("AMRP") construction modules or projects or other projections that the company determines to be reasonable.

2. Explain the criteria Duke Kentucky used to determine the construction projects proposed in this application.

3. In Case No. 2001-00092,<sup>1</sup> Duke Kentucky stated that its distribution system was comprised of approximately 165 miles of cast iron and bare steel mains.

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<sup>1</sup> Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company (Ky. PSC, Jan. 31, 2002).

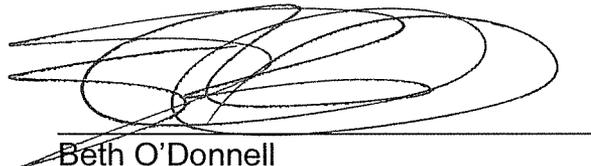
State what percentage of the total cast iron and bare steel mains Duke Kentucky will have replaced upon completion of the projects proposed in this proceeding.

4. In the past AMRP construction cases, the Commission has authorized Duke Kentucky to deviate from the proposed construction in an amount not to exceed 20 percent of the total proposed construction to address certain contingencies such as road resurfacing projects, etc.

a. State the total amount of construction that has been completed to date on such contingency projects.

b. State whether the construction of these contingency projects will reduce the time schedule for completion of the total mains replacements to less than the proposed 10 years.

5. Staff notes that the average replacement costs appear to have increased in the past few years. Explain why the costs have increased.



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

DATED May 15, 2007

cc: All Parties