



139 East Fourth Street, R. 25 At II
P O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-1843
Fax: 513-419-1846
john.finnigan@duke-energy.com

John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT DELIVERY

February 19, 2008

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

FEB 20 2008

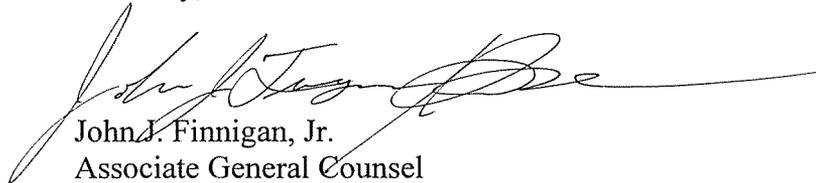
**PUBLIC SERVICE
COMMISSION**

Re: In the Matter of The Annual Cost Recovery filing for Demand Side Management
by Duke Energy Kentucky, Inc. Case No. 2007-00369

Dear Ms. O'Donnell:

I have enclosed for filing seven sets of Duke Energy Kentucky, Inc.'s supplemental responses to the Attorney General's first set of data requests. Please file these responses in the docket for this matter, and return a file-stamped copy of this letter in the enclosed, return-addressed envelope.

Sincerely,



John J. Finnigan, Jr.
Associate General Counsel

JJF/bsc

cc: Honorable Paul Adams (w/encl.)
Anita L. Mitchell (w/encl.)
Florence W. Tandy (w/encl.)
Carl Melcher (w/encl.)

225015

RECEIVED

FEB 20 2008

PUBLIC SERVICE
COMMISSION

**Attorney General First Set Data Requests
Duke Energy Kentucky Case No. 2007-00369
Date Received: December 27, 2007
Response Due Date: January 16, 2008**

AG-DR-01-051-Supplemental

REQUEST:

Please reference the Application at page 24. Estimate the cost of providing electrical service during the control periods in lieu of control of the units in the program.

- (a) Provide the supporting calculations and assumptions required to arrive at this number.

RESPONSE:

After reading comments about our original response to #51, it is now our understanding that the requested values pertain to the avoided costs of the PowerManager program. To view overall cost-effectiveness test results for the program, please see Appendix A of the filing. In addition, the DSMore evaluation of the 2007 program is included as Attachment Q51-PM. The avoided costs related to the PowerManager program are found in cell C46 on the sheet labeled "TEST RESULTS" and equals \$12,919,959 NPV over the 15 year evaluation period.

PERSON RESPONSIBLE: Thomas L. Osterhus
Richard G. Stevie