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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 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 Wallace McMullen’s Prefiled Testimony, on Page 3, Line 15, Mr. McMullen recommends that the Commission should consider, among other things, “the costs to the public of increased health care needs and early mortality” in reaching its decisions whether to issue Certificates of Public Convenience and Necessity (“CPCN”) for new coal fired generation, please specify how the Commission should evaluate such costs during a CPCN proceeding.

RESPONSE:

2. Referring to page 20, lines 8-11, of Mr. McMullen’s Testimony:
 - (a) Please explain how the Commission should quantify costs and/ or prices for deaths, injuries, and mental anguish resulting from inadequate enforcement of laws regulating the weight, speed, and aggressiveness of coal trucks? Please provide all supporting documentation.
 - (b) Please provide support for the claim that there is inadequate enforcement of laws regulating weight, speed and aggressiveness of coal trucks in the Commonwealth of Kentucky.
 - (c) Please provide any documentation supporting the claim that coal trucks are aggressive.

RESPONSE:

3. On page 26, lines 1 and 2, Mr. McMullen states that every \$10 of CO2 cost will add \$11 to electric generation cost per MWh. Please provide all documentation supporting that claim, including but not limited to, all supporting calculations.

RESPONSE:

4. On pages 28 through 30 of his Testimony, Mr. McMullen advocates that all the environmental costs of using coal should be included in full cost accounting for coal based electric generation. Does Mr. McMullen agree that all benefits of using coal should be included in full cost accounting as well (e.g., jobs, standard of living, supporting Kentucky's economic dependence upon the coal industry, etc.)? Please explain.

RESPONSE:

5. Please state whether all environmental costs of renewables should also be considered before the Commission approves a CPCN for a renewable project (e.g., bird mortalities from windmills, fish mortalities from hydro, mercury vapor included in compact fluorescent light bulbs etc.)? Please Explain.

RESPONSE:

6. On Page 30 of his testimony, Mr. McMullen concludes that the Commission should “set standard values for external costs to be included in electric utility IRP development, and to be used in Certificate of Convenience and Necessity proceedings.
 - (a) Please state how the Commission should set the values.
 - (b) Please state what values the Commission should use.
 - (c) Please provide all supporting documents, including but not limited to calculations used to determine the standard values for external costs.

RESPONSE:

7. Referring to the table contained on page 14 of Witness McDonald’s Testimony, has Witness McDonald performed any similar analysis regarding any potential savings solar water heating may provide to the percentage of Kentucky’s residential and/ or commercial consumers who use natural gas for water heating? If the response is in the affirmative, please provide the following:
 - (a) the percentage of natural gas residential water heating in Kentucky.
 - (b) the percentage of natural gas commercial water heating in Kentucky.
 - (c) the estimated savings, if any, in relation to natural gas water heaters for residential and/ or commercial consumers?
 - (d) all supporting documentation, including calculations used in reaching the conclusions.

RESPONSE:

8. Referring to pages 17, lines 22 through page 18, line 2 of Witness Andrew McDonald's Prefiled Testimony, is Mr. McDonald suggesting that Hurricane Katrina was the direct result of carbon emissions from coal fired generation? If yes, please provide documentation and analysis supporting this claim.

RESPONSE:

9. Referring to page 21, lines 1 through 6, on what basis do you believe Kentucky is able to achieve 1% of Kentucky electricity needs from solar PV and solar hot water?

RESPONSE:

10. Referring to page 7, lines 8 and 9 of Witness Richard Clewett's Testimony, please explain how utilities and the Commission should value potential global warming regulation in its IRP process?

RESPONSE:

11. Referring to page 7, lines 12 through 14 of Witness Clewett's Testimony, please explain how utilities and the Commission should value "costs" of future members of the community in the IRP process ?

RESPONSE:

12. Referring to page 8, lines 9 through 11 of Witness Clewett's Testimony, what changes to the IRP process does the witness recommend to "safeguard the well being of customers or citizens of the commonwealth"?

RESPONSE:

13. Please identify whether there are any state utility Commissions that use the " full cost accounting" methodology in either the IRP or CPCN processes, as described on page 9, line 3, through page 10, line 5, of Witness Clewett's Testimony.

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 March, 2008:

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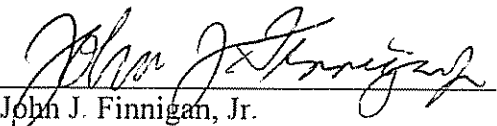
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