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Dianne B. Kuhnell,
Senior Paralegal

VIA OVERNIGHT DELIVERY

April 14, 2009

RECEIVED

APR 15 2009

**PUBLIC SERVICE
COMMISSION**

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

Re: Case No. 2008-00408

Dear Mr. Derouen:

Enclosed please find for filing an original and twelve copies of the response to No. 120 from Staff First Set of Data Requests in the above captioned case. We apologize for any inconvenience caused by the inadvertent omission of this response from our March 31, 2009 filing.

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

Sincerely,

Dianne B. Kuhnell
Senior Paralegal

cc: Parties of Record

Duke Energy Kentucky, Inc.
Case No. 2008-00408
First Set Staff Data Requests
Date Received: March 16, 2009

STAFF-DR-01-120

REQUEST:

The American Recovery and Reinvestment Act of 2009 (“Stimulus Bill”) contains a number of spending and tax measures crafted to inject more aggregate demand into the nations’ sagging economy. Some of these measures impact, among other things, energy infrastructure. Certain provisions of EISA 2007 have been amended to reflect the incentives enacted by the Stimulus Bill, particularly in the area of smart grid technology. Explain whether or not your opinion on smart grid investments has changed in light of these amendments.

RESPONSE:

Although Duke Energy supports the provisions of EISA 2007 and the American Recovery and Reinvestment Act of 2009 (“Stimulus Bill”), it has been committed to investment in Smart Grid technologies for the purpose of improving customer satisfaction, reliability of service and operational efficiencies since 2007. Prior to passage of the Stimulus Bill, Duke Energy had developed an aggressive strategic vision to develop and leverage Smart Grid technologies. Although the Stimulus Bill will provide an infusion of capital that has the potential to increase focus and resources necessary to more rapidly develop Smart Grid technologies, Duke’s opinion regarding Smart Grid investment has not significantly changed. Duke Energy continues to support the benefits of smart grid technologies and is well positioned for this opportunity. Stimulus funding and favorable regulatory treatment will be key enablers for implementation.

PERSON RESPONSIBLE: Todd W. Arnold