

RECEIVED

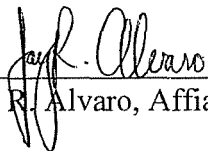
SEP 28 2009

PUBLIC SERVICE
COMMISSION

VERIFICATION


State of Ohio)
)
County of Hamilton)

The undersigned, Jay R. Alvaro, being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Vice President – Total Rewards; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.



Jay R. Alvaro, Affiant

Subscribed and sworn to before me by Jay R. Alvaro on this 21st day of September, 2009.



NOTARY PUBLIC

My Commission Expires:

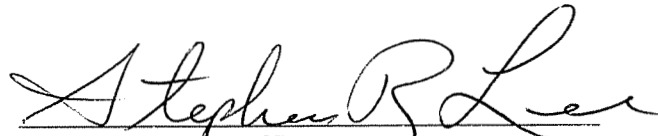


ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2009

VERIFICATION


State of Ohio)
)
County of Hamilton)

The undersigned, Stephen R. Lee being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Director, Financial Forecasting; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquire.



Stephen R. Lee, Affiant

Subscribed and sworn to before me by Stephen R Lee on this 30th day of September, 2009.



NOTARY PUBLIC

My Commission Expires:




ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2009

VERIFICATION


State of Ohio)
)
County of Hamilton)

The undersigned, Robert M. Parsons being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Rates Manager; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquire.



Robert M. Parsons, Affiant

Subscribed and sworn to before me by Robert M. Parsons on this 18th day of September, 2009.



NOTARY PUBLIC

My Commission Expires:



ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2009

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Stephen R. Lee18

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-001

REQUEST:

Attachment AG-DR-01-019 shows the actual final property taxes booked by the Company in 2006, 2007 and 2008. In this regard, please provide the following information:

- a. For each of these three years, provide the “tentative” property taxes booked prior to the booking of the final property taxes based on the final Property Valuation received from the Kentucky Revenue Cabinet.
- b. For each of the years 2003, 2004 and 2005, provide the “tentative” property taxes booked prior to the booking of the final property taxes, as well as the actual final property taxes based on the final Property Valuations received from the Kentucky Revenue Cabinet.

RESPONSE:

- a. Attachment AG-DR-02-001 provides the tentative property taxes booked for the years 2006, 2007 and 2008, as well as the final property taxes paid for those years.
- b. Attachment AG-DR-02-001 provides the tentative property taxes booked for the years 2003, 2004 and 2005, as well as the final property taxes paid for those years.

PERSON RESPONSIBLE: Robert M. Parsons

DUKE ENERGY KENTUCKY
Property Tax Booked and Paid
Gas Department

<u>Year</u>	<u>Tentative Taxes Booked</u>	<u>Taxes Paid</u>
2003	\$ 1,394,000	\$ 1,191,740
2004	\$ 1,566,000	\$ 1,308,275
2005	\$ 2,352,200	\$ 1,869,132
2006	\$ 2,439,132	\$ 1,577,792
2007	\$ 3,802,050	\$ 1,830,292
2008	\$ 3,411,792	\$ 1,919,884

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-002

REQUEST:

Attachment AG-DR-01-019 shows that the Company is currently booking monthly 2009 property taxes of \$304,268, implying an annualized 2009 property tax number of \$3,651,216. Do these 2009 property taxes represent the estimated "tentative" property taxes or do they represent the final 2009 property taxes based on the final 2009 Property Valuations received from the Kentucky Revenue Cabinet?

RESPONSE:

The 2009 property taxes shown on attachment AG-DR-01-019 are estimated property taxes not the final 2009 property taxes from the Kentucky Revenue Cabinet.

PERSON RESPONSIBLE: Robert M. Parsons

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-003

REQUEST:

With regard to WPD-2.21c, please provide the actual final assessment ratios (shown on lines 2, 3, 4); the actual final state and local real estate rates (shown on lines 6, 7); and the actual final state and local personal property tax rates (shown on lines 9, 10) for each of the years 2003, 2004 and 2005.

RESPONSE:

Attachment AG-DR-02-003 provides the requested information.

PERSON RESPONSIBLE: Robert M. Parsons

DUKE ENERGY KENTUCKY
Property Tax Data
Gas Department

Line No.	Description	2005	2004	2003
1	<u>Property Tax Assessment Ratio</u>			
2	Real Estate	79.8585%	83.3989%	90.0550%
3	Tangible Personal Property	75.5856%	60.9980%	55.3977%
4	Manufacturing Property	112.1223%	116.8823%	86.3729%
5	<u>State and Local Property Tax Rate</u>			
6	Avg Local Real Estate Rate	1.1100%	1.0861%	1.0125%
7	State Real Estate Rate	0.1310%	0.1310%	0.1330%
8	Total Real Estate Rate	<u>1.2410%</u>	<u>1.2171%</u>	<u>1.1455%</u>
9	Avg Local Tangible Personal Property Rate	1.2280%	1.2066%	1.1551%
10	State Tangible Personal Property Rate	0.4500%	0.4500%	0.4500%
11	Total Tangible Personal Property Rate	<u>1.6780%</u>	<u>1.6566%</u>	<u>1.6051%</u>

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-004

REQUEST:

Please provide corrected Schedule G-2 pages that reflect the required corrections noted in the responses to AG-1-43 and AG-1-44.

RESPONSE:

See Attachment AG-DR-02-004.

PERSON RESPONSIBLE: Robert M. Parsons

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
TOTAL COMPANY PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 1 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change	
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change					
1	MANHOURS															
2	STRAIGHT TIME HOURS	501,829	1.31%	492,574	(1.84)%	473,674	(3.84)%	448,263	(5.36)%	631,803	40.94%	613,400	(2.91)%	634,869	3.50%	
3	OVERTIME HOURS	50,321	(6.69)%	65,407	29.98%	50,723	(22.45)%	55,833	10.07%	98,763	76.89%	90,518	(8.35)%	93,686	3.50%	
4	TOTAL MANHOURS	<u>552,150</u>	0.53%	<u>557,981</u>	1.06%	<u>524,397</u>	(6.02)%	<u>504,096</u>	(3.87)%	<u>730,566</u>	44.93%	<u>703,918</u>	(3.65)%	<u>728,555</u>	3.50%	
5																
6	RATIO OF OVERTIME HOURS TO															
7	STRAIGHT TIME HOURS	10.03		13.28		10.71		12.46		15.63		14.76		14.76		
8																
9	LABOR DOLLARS															
10	OTHER EARNINGS	533,022	3.74%	545,543	2.35%	629,386	15.37%	608,597	(3.30)%	682,648	12.17%	953,554	39.68%	986,928	3.50%	
11	STRAIGHT TIME DOLLARS	12,160,351	3.55%	12,259,978	0.82%	12,318,120	0.47%	12,043,112	(2.23)%	16,905,758	40.38%	16,203,280	(4.16)%	16,770,395	3.50%	
12	OVERTIME DOLLARS	1,952,703	(2.67)%	2,605,559	33.43%	1,962,614	(24.68)%	2,222,200	13.23%	3,937,096	77.17%	3,597,008	(8.64)%	3,722,903	3.50%	
13	TOTAL LABOR DOLLARS	<u>14,646,076</u>	2.68%	<u>15,411,080</u>	5.22%	<u>14,910,120</u>	(3.25)%	<u>14,873,909</u>	(0.24)%	<u>21,525,502</u>	44.72%	<u>20,753,842</u>	(3.58)%	<u>21,480,226</u>	3.50%	
14																
15	RATIO OF OVERTIME DOLLARS TO															
16	STRAIGHT TIME DOLLARS	16.06		21.25		15.93		18.45		23.29		22.20		22.20		
17																
18	O & M LABOR DOLLARS - GAS	2,766,992	1.97%	3,038,590	9.82%	3,088,108	1.63%	2,992,954	(3.08)%	3,285,744	9.78%	3,469,216	5.58%	3,842,198	10.75%	
19	RATIO OF O & M LABOR DOLLARS TO															
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>15.26</u>		<u>16.72</u>		<u>17.89</u>		

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
TOTAL COMPANY PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE G-2
PAGE 2 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	1,079,127	4.65%	1,215,436	12.63%	1,325,416	9.05%	1,212,146	(8.55)%	1,133,581	(6.48)%	811,797	(28.39)%	899,075	10.75%
21	EMPLOYEE BENEFITS EXPENSE - GAS	1,079,127	4.65%	1,215,436	12.63%	1,325,416	9.05%	1,212,146	(8.55)%	1,133,581	(6.48)%	811,797	(28.39)%	899,075	10.75%
22	RATIO OF EMPLOYEE BENEFITS EXP TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
23	TOTAL PAYROLL TAXES	1,098,456	2.68%	1,155,830	5.22%	1,118,259	(3.25)%	1,115,543	(0.24)%	1,614,413	44.72%	1,556,538	(3.58)%	1,611,017	3.50%
24	PAYROLL TAXES EXPENSED - GAS	207,525	1.97%	227,895	9.82%	231,608	1.63%	224,472	(3.08)%	246,431	9.78%	260,192	5.58%	288,165	10.75%
25	RATIO OF PAYROLL TAXES EXP TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>15.26</u>		<u>16.72</u>		<u>17.89</u>	
26	AVERAGE EMPLOYEE LEVELS											244		243	
27	YEAR END EMPLOYEE LEVELS											248		243	
28	EMPLOYEE LEVELS BY MONTHS											244		243	
29	(TEST YEAR AND TWO MOST RECENT CALENDAR YEARS)											241		243	
30	JAN.							200		279		241		243	
31	FEB.							199		274		239		243	
32	MAR.							200		267		239		243	
33	APR.							202		265		238		243	
34	MAY							201		265		240		243	
35	JUN.							199		267		248		243	
36	JUL.							198		267		248		243	
37	AUG.							199		267		248		243	
38	SEP.							198		268		248		243	
39	OCT.							200		266		248		243	
40	NOV.							196		261		248		243	
41	DEC.							283		245		248		243	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
UNION PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 3 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS									Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008				
1	MANHOURS										589,528	(3.11)%	610,161	3.50%
2	STRAIGHT TIME HOURS	443,120	2.54%	443,238	0.03%	429,968	(2.99)%	411,810	(4.22)%	608,441	47.75%	(8.34)%	93,686	3.50%
3	OVERTIME HOURS	47,265	(6.95)%	61,700	30.54%	49,603	(19.61)%	54,886	10.65%	98,758	79.93%	(3.84)%	703,847	3.50%
4	TOTAL MANHOURS	<u>490,385</u>	1.54%	<u>504,938</u>	2.97%	<u>479,571</u>	(5.02)%	<u>466,696</u>	(2.68)%	<u>707,199</u>	51.53%			
5														
6	RATIO OF OVERTIME HOURS TO										15.35		15.35	
7	STRAIGHT TIME HOURS	10.67		13.92		11.54		13.33		16.23				
8														
9	LABOR DOLLARS										633,290	43.74%	655,455	3.50%
10	OTHER EARNINGS	446,445	24.71%	460,470	3.14%	450,961	(2.07)%	493,275	9.38%	440,577	(10.68)%	(4.26)%	15,749,175	3.50%
11	STRAIGHT TIME DOLLARS	10,320,732	4.61%	10,700,829	3.68%	10,824,656	1.16%	10,664,098	(1.48)%	15,893,824	49.04%	(8.63)%	3,722,903	3.50%
12	OVERTIME DOLLARS	1,840,348	(3.01)%	2,425,187	31.78%	1,920,723	(20.80)%	2,180,990	13.55%	3,936,873	80.51%	(4.07)%	20,127,533	3.50%
13	TOTAL LABOR DOLLARS	<u>12,607,525</u>	4.01%	<u>13,586,486</u>	7.76%	<u>13,196,340</u>	(2.87)%	<u>13,338,363</u>	1.08%	<u>20,271,274</u>	51.98%			
14														
15	RATIO OF OVERTIME DOLLARS TO										23.64		23.64	
16	STRAIGHT TIME DOLLARS	17.83		22.66		17.74		20.45		24.77				
17														
18	O & M LABOR DOLLARS - GAS	2,381,862	3.29%	2,678,836	12.47%	2,733,159	2.03%	2,683,969	(1.80)%	2,929,450	9.15%	(16.16)%	2,392,234	(2.60)%
19	RATIO OF O & M LABOR DOLLARS TO										12.63		11.89	
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>14.45</u>				

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
UNION PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

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PAGE 4 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	928,926	6.01%	1,071,534	15.35%	1,173,072	9.48%	1,087,007	(7.34)%	1,010,660	(7.02)%	574,743	(43.13)%	559,783	(2.60)%
21	EMPLOYEE BENEFITS EXPENSE - GAS	928,926	6.01%	1,071,534	15.35%	1,173,072	9.48%	1,087,007	(7.34)%	1,010,660	(7.02)%	574,743	(43.13)%	559,783	(2.60)%
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
24															
25	TOTAL PAYROLL TAXES	945,564	4.01%	1,018,986	7.76%	989,726	(2.87)%	1,000,377	1.08%	1,520,346	51.98%	1,458,516	(4.07)%	1,509,565	3.50%
26	PAYROLL TAXES EXPENSED - GAS	178,640	3.29%	200,913	12.47%	204,987	2.03%	201,298	(1.80)%	219,709	9.15%	184,213	(16.16)%	179,418	(2.60)%
27	RATIO OF PAYROLL TAXES EXP														
28	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>14.45</u>		<u>12.63</u>		<u>11.89</u>	
29															
30	AVERAGE EMPLOYEE LEVELS							193		256		234		230	
31	YEAR END EMPLOYEE LEVELS							272		235		241		230	
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010				187		268		231		230	
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.				185		263		228		230	
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.				186		256		226		230	
36		APR.	JAN. 2009	MAY				188		255		226		230	
37		MAY	FEB.	JUN.				187		255		225		230	
38		JUN.	MAR.	JUL.				186		257		227		230	
39		JUL.	APR.	AUG.				186		257		241		230	
40		AUG.	MAY	SEP.				185		258		241		230	
41		SEP.	JUN.	OCT.				185		258		241		230	
42		OCT.	JUL.	NOV.				187		256		241		230	
43		NOV.	AUG.	DEC.				183		251		241		230	
44		DEC.	SEP.	JAN. 2011				272		235		241		230	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXEMPT GROUP
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 5 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change	
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change					
1	MANHOURS															
2	STRAIGHT TIME HOURS	52,719	(7.52)%	42,355	(19.66)%	37,363	(11.79)%	31,808	(14.87)%	23,362	(26.55)%	23,872	2.18%	24,708	3.50%	
3	OVERTIME HOURS	2,897	(7.53)%	3,213	10.91%	950	901.00%	901	(5.16)%	5	(99.45)%	0	(100.00)%	0	-	
4	TOTAL MANHOURS	<u>55,616</u>	(7.52)%	<u>45,568</u>	(18.07)%	<u>38,313</u>	(15.92)%	<u>32,709</u>	(14.63)%	<u>23,367</u>	(28.56)%	<u>23,872</u>	2.16%	<u>24,708</u>	3.50%	
5																
6	RATIO OF OVERTIME HOURS TO															
7	STRAIGHT TIME HOURS	5.50		7.59		2.54		2.83		0.02		0.00		0.00		
8																
9	LABOR DOLLARS															
10	OTHER EARNINGS	77,063	(28.65)%	73,507	(4.61)%	161,122	119.19%	104,271	(35.28)%	242,071	132.16%	320,264	32.30%	331,473	3.50%	
11	STRAIGHT TIME DOLLARS	1,766,657	(1.86)%	1,460,942	(17.30)%	1,407,935	(3.63)%	1,354,400	(3.80)%	1,011,934	(25.29)%	986,686	(2.50)%	1,021,220	3.50%	
12	OVERTIME DOLLARS	107,302	(1.47)%	161,277	50.30%	35,917	(77.73)%	40,288	12.17%	223	(99.45)%	0	(100.00)%	0	-	
13	TOTAL LABOR DOLLARS	<u>1,951,022</u>	(3.28)%	<u>1,695,726</u>	(13.09)%	<u>1,604,974</u>	(5.35)%	<u>1,498,959</u>	(6.61)%	<u>1,254,228</u>	(16.33)%	<u>1,306,950</u>	4.20%	<u>1,352,693</u>	3.50%	
14																
15	RATIO OF OVERTIME DOLLARS TO															
16	STRAIGHT TIME DOLLARS	6.07		11.04		2.55		2.97		0.02		0.00		0.00		
17																
18	O & M LABOR DOLLARS - GAS	368,594	(3.95)%	334,345	(9.29)%	332,414	(0.58)%	301,623	(9.26)%	356,294	18.13%	1,013,049	184.33%	1,449,964	43.13%	
19	RATIO OF O & M LABOR DOLLARS TO															
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>28.41</u>		<u>77.51</u>		<u>107.19</u>		

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXEMPT GROUP
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE G-2
PAGE 6 OF 8
WITNESS RESPONSIBLE.
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)..

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	143,752	(1.42)%	133,738	(6.97)%	142,672	6.68%	122,157	(14.38)%	122,921	0.63%	237,054	92.85%	339,292	43.13%
21	EMPLOYEE BENEFITS EXPENSE - GAS	143,752	(1.42)%	133,738	(6.97)%	142,672	6.68%	122,157	(14.38)%	122,921	0.63%	237,054	92.85%	339,292	43.13%
22	RATIO OF EMPLOYEE BENEFITS EXP TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
24	TOTAL PAYROLL TAXES	146,327	(3.28)%	127,179	(13.09)%	120,373	(5.35)%	112,422	(6.61)%	94,067	(16.33)%	98,022	4.20%	101,452	3.50%
25	PAYROLL TAXES EXPENSED - GAS	27,645	(3.95)%	25,076	(9.29)%	24,931	(0.58)%	22,622	(9.26)%	26,722	18.12%	75,979	184.33%	108,747	43.13%
26	RATIO OF PAYROLL TAXES EXP TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>28.41</u>		<u>77.51</u>		<u>107.19</u>	
29	AVERAGE EMPLOYEE LEVELS							13		10		10		13	
30	YEAR END EMPLOYEE LEVELS							11		10		7		13	
31			Base Period	Forecasted Period											
32		2007-2008													
33	EMPLOYEE LEVELS BY MONTHS (TEST YEAR AND TWO MOST RECENT CALENDAR YEARS)	JAN.	OCT. 2008	FEB. 2010				13		11		13		13	
34		FEB.	NOV.	MAR.				14		11		13		13	
35		MAR.	DEC.	APR.				14		11		13		13	
36		APR.	JAN. 2009	MAY				14		10		13		13	
37		MAY	FEB.	JUN.				14		10		13		13	
38		JUN.	MAR.	JUL.				13		10		7		13	
39		JUL.	APR.	AUG.				13		10		7		13	
40		AUG.	MAY	SEP.				13		10		7		13	
41		SEP.	JUN.	OCT.				13		10		7		13	
42		OCT.	JUL.	NOV.				13		10		7		13	
43		NOV.	AUG.	DEC.				11		10		7		13	
44		DEC.	SEP.	JAN. 2011											

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
NONEXEMPT
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 7 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change		
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change						
1	MANHOURS																
2	STRAIGHT TIME HOURS	5,990	(2.96)%	6,981	16.54%	6,343	(9.14)%	4,645	(26.77)%	0	(100.00)%	0	-	0	-		
3	OVERTIME HOURS	159	-	494	210.69%	170	(65.59)%	46	(72.94)%	0	(100.00)%	0	-	0	-		
4	TOTAL MANHOURS	<u>6,149</u>	<u>(0.39)%</u>	<u>7,475</u>	<u>21.56%</u>	<u>6,513</u>	<u>(12.87)%</u>	<u>4,691</u>	<u>(27.97)%</u>	<u>0</u>	<u>(100.00)%</u>	<u>0</u>	-	<u>0</u>	-		
5																	
6	RATIO OF OVERTIME HOURS TO																
7	STRAIGHT TIME HOURS	2.65		7.08		2.68		0.99		0.00		0.00		0.00			
8																	
9	LABOR DOLLARS																
10	OTHER EARNINGS	9,514	(80.10)%	11,566	21.57%	17,303	49.60%	11,051	(36.13)%	0	(100.00)%	0	-	0	-		
11	STRAIGHT TIME DOLLARS	72,962	(5.90)%	98,207	34.60%	85,529	(12.91)%	24,614	(71.22)%	0	(100.00)%	0	-	0	-		
12	OVERTIME DOLLARS	5,053	-	19,095	277.89%	5,974	(68.71)%	922	(84.57)%	0	(100.00)%	0	-	0	-		
13	TOTAL LABOR DOLLARS	<u>87,529</u>	<u>(30.17)%</u>	<u>128,868</u>	<u>47.23%</u>	<u>108,806</u>	<u>(15.57)%</u>	<u>36,587</u>	<u>(66.37)%</u>	<u>0</u>	<u>(100.00)%</u>	<u>0</u>	-	<u>0</u>	-		
14																	
15	RATIO OF OVERTIME DOLLARS TO																
16	STRAIGHT TIME DOLLARS	6.93		19.44		6.98		3.74		0.00		0.00		0.00			
17																	
18	O & M LABOR DOLLARS - GAS	16,536	(30.66)%	25,409	53.66%	22,535	(11.31)%	7,362	(67.33)%	0	(100.00)%	0	-	0	-		
19	RATIO OF O & M LABOR DOLLARS TO																
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>			

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
NONEXEMPT
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
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SCHEDULE G-2
PAGE 8 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

MOST RECENT FIVE CALENDAR YEARS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	6,449	(28.83)%	10,164	57.61%	9,672	(4.84)%	2,982	(69.17)%	0	(100.00)%	0	-	0	-
21	EMPLOYEE BENEFITS EXPENSE - GAS	6,449	(28.83)%	10,164	57.61%	9,672	(4.84)%	2,982	(69.17)%	0	(100.00)%	0	-	0	-
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	
24															
25	TOTAL PAYROLL TAXES	6,565	(30.17)%	9,665	47.22%	8,160	(15.57)%	2,744	(66.37)%	0	(100.00)%	0	-	0	-
26	PAYROLL TAXES EXPENSED - GAS	1,240	(30.69)%	1,906	53.71%	1,690	(11.33)%	552	(67.34)%	0	(100.00)%	0	-	0	-
27	RATIO OF PAYROLL TAXES EXP														
28	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	
29															
30	AVERAGE EMPLOYEE LEVELS							0		0		0		0	
31	YEAR END EMPLOYEE LEVELS							0		0		0		0	
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010				0		0		0		0	
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.				0		0		0		0	
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.				0		0		0		0	
36		APR.	JAN. 2009	MAY				0		0		0		0	
37		MAY	FEB.	JUN.				0		0		0		0	
38		JUN.	MAR.	JUL.				0		0		0		0	
39		JUL.	APR.	AUG.				0		0		0		0	
40		AUG.	MAY	SEP.				0		0		0		0	
41		SEP.	JUN.	OCT.				0		0		0		0	
42		OCT.	JUL.	NOV.				0		0		0		0	
43		NOV.	AUG.	DEC.				0		0		0		0	
44		DEC.	SEP.	JAN. 2011				0		0		0		0	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-005

REQUEST:

The response to AG-1-44 shows that the actual DEBS labor charged to gas O&M during the most recent actual 12-month period ended June 30, 2009 amounts to \$2,439,856. The response also indicates that the DEBS labor included in gas O&M for the forecasted period amounts to \$3,893,567. Please provide all of the reasons why this almost 60% labor expense increase should be considered reasonable and appropriate and provide all of the reasons for this very large projected allocated labor expense increase.

RESPONSE:

The response to AG-DR-01-044 was not correct. The response should have stated that \$3,842,198 was directly charged by Duke Energy Kentucky employees, \$2,327,688 was allocated from DEBS and \$1,565,898 was allocated to Duke Energy Kentucky from other Franchise Electric and Gas allocation cost pools. Given this revised response there is actually a modest reduction in the amount allocated from DEBS for the 12-months ended June 30, 2009, as compared to the forecasted period.

PERSON RESPONSIBLE: Robert M. Parsons

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-006

REQUEST:

Please provide the number of Duke Energy Kentucky employees, in total and broken out by employee category, underlying the forecasted period gas O&M payroll expenses of \$3,842,198 referenced in the response to AG-1-44.

In addition, provide the comparable actual monthly Duke Energy Kentucky employees, in total and broken out by employee category, for each month in 2009 through August.

RESPONSE:

- a. Please see response to Staff-DR-01-032, page 5.
- b. See table below for Duke Energy Kentucky employees by month for January through August 2009.

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Exempt Full Time	13	13	13	13	13	13	13	13
Exempt Part Time	0	0	0	0	0	0	0	0
Non Exempt Full Time	225	222	220	220	219	221	220	220
Non Exempt Part Time	6	6	6	6	6	6	6	5
Total	244	241	239	239	238	240	239	238

PERSON RESPONSIBLE: Robert M. Parsons

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-007

REQUEST:

As shown on WPD-2.26a, the Company is proposing to eliminate forecasted period incentive compensation of \$616,501. In this regard, please provide the following information:

- a. Has the Company also removed the payroll taxes associated with this proposed compensation expense removal? If so, indicate where this payroll tax removal is reflected in the filing schedules. If not, provide the payroll taxes associated with this compensation expense removal of \$616,501 and include a worksheet showing the calculations underlying these associated payroll taxes.
- b. Has the Company also removed the 401(k) expenses associated with this proposed compensation expense removal? If so, indicate where this 401(k) removal is reflected in the filing schedules. If not, provide the 401(k) expenses associated with this compensation expense removal of \$616,501 and include a worksheet showing the calculations underlying these associated 401(k) expenses.

RESPONSE:

- a. No. See Attachment AG-DR-02-007a.
- b. No. See Attachment AG-DR-02-007b.

PERSON RESPONSIBLE: Robert M. Parsons

Duke Energy Kentucky, Inc.
Incentive Compensation
Associated Payroll Taxes

<u>Line No.</u>	<u>Plan Description</u>	<u>WPD-2.26a Proposed Adjustment</u>	<u>Payroll Tax Rate</u>	<u>Payroll Tax to Eliminate</u>
1	STI - Non Leadership	(134,063)	7.65%	(10,256)
2	STI - Leadership ^(a)	(94,581)	1.45%	(1,371)
3	UEIP	(61,799)	7.65%	(4,728)
4	Executive LTI ^(a)	<u>(326,058)</u>	1.45%	<u>(4,728)</u>
5	Total	<u>(616,501)</u>		<u>(21,083)</u>

(a) Employees in the STI - Leadership and Executive LTI plans are assumed to meet the FICA limit.

Duke Energy Kentucky, Inc.
Incentive Compensation
Associated 401K Expense

<u>Line No.</u>	<u>Plan Description</u>	<u>WPD-2.26a Proposed Adjustment</u>	<u>401k Expense Rate</u>	<u>401k Expense to Eliminate</u>
1	STI - Non Leadership	(134,063)	5.50%	(7,373)
2	STI - Leadership	(94,581)	5.50%	(5,202)
3	UEIP	(61,799)	5.50%	(3,399)
4	Executive LTI	<u>(326,058)</u>	0.00% (a)	<u>0</u>
5	Total	<u>(616,501)</u>		<u>(15,974)</u>

(a) Long-term incentive is not eligible for 401k match.

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-008

REQUEST:

With regard to the Company's 401(k) expenses, please provide the following information:

- a. Total 401(k) expenses charged to the gas O&M expenses in the forecasted period.
- b. Portion of the forecasted period 401(k) expenses to be provided in response to part (a) that represents the 401(k) incentive payout company match.

RESPONSE:

- a. This amount was provided in AG-DR-01-037 a, c&d under the heading of Employee Savings Plan and was \$181,149.
- b. See response to AG-DR-02-007a.

PERSON RESPONSIBLE: Stephen R. Lee / David L. Doss

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-009

REQUEST:

With regard to Attachment AG-DR-01-038d, please provide the following information:

- a. Provide a breakout of the forecasted period “direct” expenses of \$19,798 by SERP, Excess and ECBP expense components.
- b. Provide a description of the ECBP program expenses.
- c. Explain why the forecasted period includes SERP expenses given that the SERP is no longer an active plan at Duke Energy.
- d. Since SERP expenses are included for ratemaking purposes in this case, please provide a detailed description of the nature and working of this plan, as was originally requested in AG-1-38a.
- e. Are the benefits received by the eligible employees under the SERP, Excess and ECBP programs in addition to the “regular” pension benefits received by these same employees?
- f. Please describe in detail what the differences between the “regular” pension benefits and the SERP/Excess/ECBP program benefits received by the eligible employees.
- g. Do the benefits under the SERP/Excess/ECBP programs include benefits to be provided to spouses of the eligible employees? If so, describe these spousal benefits.

RESPONSE:

- a. The forecasted period “direct” expenses of \$19,798 are related to SERP only. There are no “direct” expenses associated with Excess or ECBP in the forecasted period.
- b. The ECBP is a non-qualified defined benefit pension plan. Plan participants consist of certain active and former executives designated by Duke Energy, including participants in the Retirement Cash Balance Plan (“RCBP”) who are impacted by IRC limits. Participants generally are not entitled to commence benefits prior to separation from service.

A cash balance account was established for each eligible employee as of January 1, 1999. After January 1, 1999, employees' accounts have been credited with pay and interest credits. Pay credits are contributed to the account at the same level as under the RCBP, but based on "excess compensation." Excess compensation is base pay, short-term incentive pay and lump-sum merit increases, whether paid or deferred, without regard to the IRS limits under IRC Section 415 and 401(a) 17, less amounts covered by the RCBP. Interest is credited to the account at the same rate as in the RCBP (based on the average yield of 30-year U.S. Treasury Bonds, but no less than 4% and no more than 9%). A participant is generally eligible to receive his or her account under the ECBP commencing upon separation from service, with certain exceptions for grandfathered participants who are not entitled to commence payment until reaching retirement age (after separating from service).

- c. The SERP plan is frozen meaning that no new executive can participate in this plan. Existing participants are entitled to benefits from this plan.
- d. The SERP was a non-qualified defined benefit pension plan. Plan participants consisted of certain active and former executives designated by Duke Energy, including participants in the Cinergy Corp. Non-Union Employees' Pension Plan who were impacted by IRC limits. The SERP previously provided selected executives with an opportunity to earn a pension benefit that will replace 60% of their "final average earnings," which amount was then offset by all benefits payable under the legacy Cinergy tax-qualified pension plan and excess pension plan. Benefits were generally payable commencing upon separation from service. Certain executives also entered into individual employment, separation, retirement or other agreements that provide additional customized supplemental retirement benefits. No active executives continue to participate in the SERP.
- e. Yes.
- f. Benefits under the Excess Pension Plan (legacy Cinergy) and ECBP (legacy Duke) work in tandem with the "regular" (i.e., tax-qualified) pension plans. The Excess Pension Plan and ECBP provide benefits, however, only after eligible compensation exceeds the annual IRC compensation limits for the tax-qualified pension plans. For example, if the pay credits under the tax-qualified (e.g., "regular") pension plan is restricted due to the limitations in the tax code, participants will be eligible for "make-whole" pay credits on certain compensation not otherwise counted under the tax-qualified or "regular" plans.
- g. Spousal benefits are only provided in cases such as death and divorce whereby the company is legally obligated to provide payments to the spouse.

PERSON RESPONSIBLE: Jay R. Alvaro

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-010

REQUEST:

With regard to the response to AG-1-39, please provide the following information:

- a. Are the benefits received by the eligible employees under the ESP in addition to the “regular” savings plan benefits received by these same employees?
- b. Please describe in detail what the differences between the “regular” savings plan benefits and the ESP program benefits received by the eligible employees.

RESPONSE:

- a. Yes, but generally only if the eligible employees choose to defer their compensation under both types of plans.
- b. The non-qualified ESP plan works in conjunction with the “regular” tax-qualified savings plan, but generally only if the eligible employees choose to defer their compensation under both types of plans. For example, if the company match under the “regular” or tax-qualified savings plan is restricted due to the limitations in the IRC, participants will be eligible for “make-whole” company matching contributions through the ESP. In addition, the ESP plan allows eligible employees to defer a portion of their base salary, short-term and long-term incentives in excess of what could otherwise be permitted to be deferred under the tax-qualified (or “regular”) savings plan.

PERSON RESPONSIBLE: Jay R. Alvaro

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-011

REQUEST:

With regard to the response to AG-1-40, please provide the following information:

- a. Are the forecasted period Frozen Plan expenses related to the Non-Qualified Deferred Compensation Plan of \$13,932 in addition to the forecasted period ESP expenses of \$99,019 referenced in the response to AG-1-39? If so, why would it be appropriate to reflect these expenses of \$13,932?
- b. Why is it appropriate to reflect these expenses of \$13,932 for ratemaking purposes given that the Non-Qualified Deferred Compensation Plan was merged into the new ESP plan?

RESPONSE:

- a. The Non-Qualified Deferred Compensation Plan of \$13,932 is an Executive Life Plan. This is not the Non-Qualified Deferred Incentive Plan that merged with the ESP. They are two separate plans. While this plan is frozen meaning that there are no new participants in the plan, existing participants are entitled to benefits from this plan. Therefore there are limited ongoing costs.
- b. These are two different plans and should be reflected; see response to AG-DR-02-011a.

PERSON RESPONSIBLE: David L. Doss

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-012

REQUEST:

Please provide a detailed listing and description of all specific financial and tax services offered (such as, for example, assistance in tax preparation, financial planning, estate planning, investment planning and advice, etc.) under the Company's Financial Planning Services plan. This was requested as part of AG-1-41a but was not answered by the Company.

RESPONSE:

The Financial Planning Program allows eligible participants to receive reimbursement for certain tax and/or financial planning expenses. Eligible expenses include costs for tax advice and return preparation, estate planning (e.g., the preparation of a will and trusts, etc.) and investment advice and counseling. Transaction and brokerage fees as well as maintenance fees are not eligible for reimbursement. Currently, the Program is only available to members of the Executive Leadership Team (i.e., approximately 55 employees) and is limited to a benefit of \$5,000 per year (or up to \$15,000 over a three-year period).

PERSON RESPONSIBLE: Jay R. Alvaro

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-013

REQUEST:

With regard to the response to AG-1-53, please provide the following information:

- a. Detailed breakout and description of purpose and nature of all of the cost components making up the Government Affairs expenses of \$30,816.
- b. Official job descriptions of the Government Affairs employees whose labor and expenses are part of the Government Affairs expenses of \$30,816.
- c. Detailed breakout and description of purpose and nature of all of the cost components making up the Community Relations/Affairs expenses of \$12,634.
- d. Detailed breakout and description of purpose and nature of all of the cost components making up the advertising and promotional expenses of \$173,936.

RESPONSE:

a.

<u>Resource</u>	<u>Resource Desc</u>	<u>Amount</u>
11000	Labor	\$ 5,723
18350	Allocated Fringe & Tax	1,319
18400	Incentives Allocated	1,316
33000	Office Supplies & Expenses	6,327
33001	Postage & Freight	15
36003	Computer Workstation Leases	51
36005	Copier Leases	167
36007	Fax/Purchases/leases	22
40000	Travel Expenses (Non Meals)	3,639
60004	Contract Services	11,607
69100	Baseload Contract Labor	630
		<u>\$ 30,816</u>

b.

Job Descriptions

Governmental Relations Manager
VP, Federal Policy & Governmental Affairs
Office Manager
PAC & Grassroots Manager
Director, Federal Governmental Affairs

c.

<u>Account</u>	<u>Resource</u>	<u>Resource Desc</u>	<u>Amount</u>
920000	11000	Labor	\$ 2,558
926600	18350	Allocated Fringe & Tax	527
920000	18400	Incentives Allocated	256
921200	30000	Office Supplies/Equipment	4,064
921400	36000	IT Hardware Purchase	31
921100	40000	Travel Expenses (Non Meals)	2,380
426510	60004	Contract Services	1,237
923000	60004	Contract Services	1,611
			<u>\$ 12,664</u>

d.

<u>Account</u>	<u>Resource</u>	<u>Resource Desc</u>	<u>Amount</u>
910000	11000	Labor	\$ 59,354
910000	18001	Unproductive Labor Allocated	241
910000	18400	Incentives Allocated	5,905
910000	30000	Office Supplies/Equipment	48,493
910000	31000	Direct Material Purchases	37
910000	36002	IT SOFTWARE MAINTENANCE	1,299
910000	40000	Travel Expenses (Non Meals)	3,361
910000	60004	Contract Services	1,976
910000	69100	Baseload Contract Labor	53,270
			<u>\$ 173,936</u>

PERSON RESPONSIBLE: Stephen R. Lee / David L. Doss

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-014

REQUEST:

With regard to the response to AG-1-47, please provide the following information:

- a. Indicate which expense components shown in the response was removed on WPD-2-22a.
- b. Provide a detailed breakout and description of the nature and purpose of all of the expense components making up the Customer Relations amount of \$14,556.
- c. If the account 910 expense amount of \$373,459 includes any expenses for (1) community relations; (2) dues for social clubs; and (3) promotional advertising, please identify and quantify these expenses.

RESPONSE:

- a. The process "ADV – Miscellaneous Advertising" in the amount of \$803 was eliminated on WPD-2.22a
- b. The Customer Relations amount of \$14,556 was for direct purchases of office supplies/equipment in the Economic Development responsibility center.
- c. Account 910 does not include any expenses for (1) community relations; (2) dues for social clubs; or (3) promotional advertising.

PERSON RESPONSIBLE: Stephen R. Lee

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-015

REQUEST:

With regard to the response to AG-1-48, please provide a detailed breakout and description of the nature and purpose of all of the expense components making up the Other expense amount of \$8,891.

RESPONSE:

The "Other" expense amount of \$8,891 was for travel expense.

PERSON RESPONSIBLE: Stephen R. Lee

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-016

REQUEST:

With regard to the response to AG-1-49, please provide a detailed breakout and description of the nature and purpose of all of the expense components making up the Employee expense amount of \$2,945.

RESPONSE:

The employee expense in the amount of \$2,945 consists of air travel cost, postage and freight, office supplies, safety awards and personal vehicle milage reimbursement.

PERSON RESPONSIBLE: Stephen R. Lee

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-017

REQUEST:

With regard to the response to AG-1-50, please provide the following information:

- a. The response is not in the same detail and format as the response to AG-1-219 in the prior rate case, as was requested in AG-1-50. Please provide your response in more detailed format as per the response to AG-1-219 in the prior rate case.
- b. Provide a detailed breakout and description of the nature and purpose of all of the expense components making up the Dues expense amount of \$41,281.
- c. Provide a detailed breakout and description of the nature and purpose of all of the expense components making up the Employee Travel expense amount of \$252,502.

RESPONSE:

Process	Process Desc	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Forecasted Period
ADMGEN	A & G Administrative	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,196	\$2,246	\$26,401
HWCOMPT	Hardware Expense	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$160	\$1,884
MTCEPRE	Maintenance Preventative	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$388	\$4,563
STAFF	General & Administrative supt	\$352	\$352	\$352	\$352	\$352	\$352	\$352	\$352	\$353	\$352	\$352	\$361	\$4,238
TRAIN	Training	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$73	\$74	\$868
	Bank Service Fees	\$0	\$350	\$0	\$0	\$350	\$0	\$0	\$350	\$0	\$0	\$350	\$0	\$1,400
	Contract Services	\$1,303	\$1,059	\$1,303	\$1,059	\$1,059	\$1,199	\$1,441	\$1,045	\$1,045	\$1,045	\$1,045	\$1,080	\$13,684
	Direct Purchases	\$22,283	\$22,890	\$18,731	\$22,646	\$20,769	\$16,744	\$18,024	\$21,559	\$16,402	\$19,225	\$23,926	\$25,411	\$248,609
	Dues	\$3,106	\$4,112	\$3,098	\$3,095	\$4,105	\$3,103	\$3,105	\$4,093	\$3,099	\$3,096	\$4,098	\$3,171	\$41,281
	Computer SW/HW Maint & Leases	\$43,313	\$51,500	\$50,277	\$41,157	\$56,324	\$43,635	\$39,229	\$42,082	\$38,551	\$43,907	\$45,849	\$48,663	\$544,487
	Letter of Credit Fees	\$0	\$627	\$0	\$0	\$627	\$0	\$627	\$0	\$0	\$0	\$627	\$0	\$2,510
	Office Supplies & Expenses	\$2,718	\$2,749	\$2,713	\$2,713	\$2,719	\$2,743	\$2,713	\$2,719	\$2,743	\$2,713	\$2,894	\$6,474	\$36,613
	Postage & Freight	\$1,937	\$2,237	\$2,090	\$1,937	\$1,964	\$1,985	\$1,958	\$1,937	\$1,937	\$2,237	\$2,084	\$2,293	\$24,596
	Telephone/Communications	\$10,081	\$10,087	\$10,081	\$10,087	\$10,086	\$10,081	\$10,081	\$10,086	\$10,081	\$10,087	\$10,085	\$10,262	\$121,182
	Employee Travel Expense	\$20,790	\$21,559	\$20,799	\$20,695	\$21,507	\$20,794	\$20,822	\$21,621	\$20,732	\$20,708	\$21,329	\$21,145	\$252,502
	Vehicle & Equip	\$2,353	\$2,353	\$2,353	\$2,353	\$2,353	\$2,353	\$2,353	\$2,353	\$2,353	\$2,675	\$2,353	\$2,394	\$28,598
	Total Account 921000	\$111,040	\$122,682	\$114,602	\$108,898	\$125,019	\$105,794	\$102,883	\$111,628	\$100,099	\$108,851	\$117,798	\$124,123	\$1,353,416

- b. The budgeted Dues expenses includes such items as American Gas Association, local chamber of commerce, local economic forums etc...

C.

<u>Description</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Forecasted Period</u>
Air Travel Cost	\$1,072	\$1,143	\$1,080	\$1,089	\$1,128	\$1,070	\$1,081	\$1,122	\$1,101	\$1,068	\$1,102	\$1,077	\$13,133
Meals and Entertainment	\$676	\$690	\$683	\$677	\$684	\$676	\$698	\$690	\$679	\$677	\$676	\$685	\$8,191
Personal Vehicle Mileage Reimb	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$253	\$258	\$3,031
Travel Expenses (Non Meals)	\$18,791	\$19,474	\$18,785	\$18,677	\$19,443	\$18,795	\$18,791	\$19,557	\$18,699	\$18,711	\$19,299	\$19,125	\$228,147
	<u>\$20,790</u>	<u>\$21,559</u>	<u>\$20,799</u>	<u>\$20,695</u>	<u>\$21,507</u>	<u>\$20,794</u>	<u>\$20,822</u>	<u>\$21,621</u>	<u>\$20,732</u>	<u>\$20,708</u>	<u>\$21,329</u>	<u>\$21,145</u>	<u>\$252,502</u>

PERSON RESPONSIBLE: Stephen R. Lee

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Attorney General 2nd Set Data Requests
Date Received: September 14, 2009

AG-DR-02-018

REQUEST:

With regard to the response to the Governmental Affairs expenses of \$28,997 listed in the response to AG-1-51, please provide the following information:

- a. Is there an overlap between these expenses and the DEBS-allocated Governmental Affairs expenses of \$30,816 referenced in the response to AG-1-53? If so, describe this overlap.
- b. Provide a more detailed description of the specific activities underlying the expense amount of \$28,997.

RESPONSE:

- a. Yes, there is an overlap. AG-1-51 asked for detailed breakouts and dollar amounts for various expense items included in the Forecasted Period above-the-line gas O&M expense. AG-1-53 asked for dollar amounts of various items included in the Forecasted Period that were allocated to Duke Energy Kentucky's gas O&M expenses. Amounts allocated to Duke Energy Kentucky from DEBS are included in the total provided in response to AG-1-51. As indicated in footnote number one in response to AG-1-53 the difference is the result of \$1,819 being charged to account 426.

b.

<u>Description</u>	<u>Amount</u>
Allocated Fringe & Tax	\$1,319
Baseload Contract Labor	630
Computer Workstation Leases	51
Contract Services	11,607
Copier Leases	167
Fax/Purchases/leases	22
Incentives Allocated	1,316
Labor	5,723
Office Supplies & Expenses	4,508
Postage & Freight	15
Travel Expenses (Non Meals)	3,639
Total	\$28,997

PERSON RESPONSIBLE: Stephen R. Lee