

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE 2008 INTEGRATED RESOURCE PLAN OF) CASE NO.
DUKE ENERGY KENTUCKY, INC.) 2008-00248

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

Duke Energy Kentucky, Inc. ("Duke Kentucky") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before September 29, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

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 responses if it obtains information which indicates 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 completely and precisely respond.

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.

1. Refer to page 1-2 of Duke Kentucky's 2008 Integrated Resource Plan ("IRP"). Provide a full description of Duke Kentucky's Vermillion control area.

2. Refer to page 1-3 of Duke Kentucky's 2008 IRP, specifically, the second paragraph under the heading Duke Energy Merger. The paragraph states, among other things, that Duke Kentucky's planning is performed separately from that of Duke Energy Indiana and Duke Energy Carolinas. Can it be correctly inferred that Duke Kentucky's planning is not separate from the planning of Duke Energy Ohio? If yes, describe the extent to which the planning is performed jointly.

3. Refer to page 1-6 of Duke Kentucky's 2008 IRP, specifically, the second paragraph under the heading Increased Potential for Renewable Portfolio Standard ("RPS") Legislation and to the bulleted assumptions on page 1-10 of the IRP. Explain the apparent contradiction between the paragraph on page 1-6 and the last bulleted assumption on page 1-10.

4. Refer to page 1-8 of Duke Kentucky's 2008 IRP. Provide a detailed description of the entity/organization identified as *ReliabilityFirst*.

5. Refer to page 1-11 of Duke Kentucky's 2008 IRP, specifically, the third step under the analytical process and to Chapter 4, Demand Side Management Resources. Identify where in the IRP potential demand-side management resource options were identified and screened.

6. Refer to page 1-15 of Duke Kentucky's 2008 IRP under the heading Changes in Methodology, which reflects the lower growth rates for energy and peak summer demand in the current IRP compared to the 2003 IRP. Discuss whether the current forecasts for the other members of Duke Energy Midwest, Duke Energy Indiana and Duke Energy Ohio reflect similar reductions from 2003 to 2008 and provide their respective growth rates for those years.

7. Refer to the second paragraph on page 1-17 of Duke Kentucky's 2008 IRP. Explain whether the "energy efficiency and demand response products and services" refers to Duke Kentucky's existing programs or a set of new programs.

8. Refer to page 1-24 of Duke Kentucky's 2008 IRP, specifically, the sentence immediately above the heading Plan Changes Compared to 2003 IRP. Starting with the date Duke Kentucky acquired the generating assets it now owns, provide, using tables or charts, the movement of the prices of SO₂ and NO_x allowances through June 2008.

9. Refer to Figure 1-7 on page 1-35 of Duke Energy's 2008 IRP. Explain why the MW reductions from conservation and demand response plateau fairly early in the forecast period and include no increase after 2016 and 2010, respectively.

10. Refer to the last paragraph on page 2-6 of Duke Kentucky's 2008 IRP. Provide a detailed description of Duke Kentucky's present understanding of how the Midwest Independent System Operator, through its Ancillary Service Market, will procure reserve resources beginning in September of 2008.

11. Refer to page 3-33 of Duke Kentucky's 2008 IRP. Duke Kentucky's historical load factors from 2003 through 2007 ranged between 61 and 65 percent.

Explain why the forecast load factors beginning in 2008 are never greater than 55 percent. Specifically identify why the higher load factors are not expected to continue.

12. Refer to pages 3-35 and 3-36 of Duke Kentucky's 2008 IRP. For the categories in columns 1 - 9, provide a side-by-side comparison of forecast energy sales and actual, weather-normalized energy sales for the years 2003 through 2007.

13. Refer to page 3-39 of Duke Kentucky's 2008 IRP. Provide a side-by-side comparison of forecast summer and winter peak demand and actual weather-normalized summer and winter peak demand for the years 2003 through 2007.

14. The last full paragraph on page 5-6 of Duke Kentucky's 2008 IRP indicates that the target coal inventory at Miami Fort is a 20 to 30 days' supply, while the discussion on page 5-5 makes no mention of the target inventory for the East Bend generating station. Provide the East Bend target inventory.

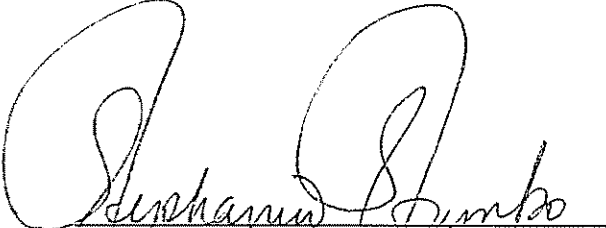
15. Refer to the last paragraph on page 5-7 of Duke Kentucky's 2008 IRP. Explain in detail how the Fuel and Supply Management Agreement allows Woodsdale to obtain natural gas more economically by using Eagle Energy Partners for gas supply services.

16. Refer to pages 6-2 to 6-5 of Duke Kentucky's 2008 IRP. Describe how the July 11, 2008 ruling of the U.S. Court of Appeals for the D.C. Circuit striking down the Clean Air Interstate Rule ("CAIR") is expected to affect Duke Kentucky. Specifically, how will the ruling likely impact the integrated resource plan selected by Duke Kentucky, as discussed in Chapter 8 of the IRP?

17. Refer to the last paragraph on page 6-7 of Duke Energy's 2008 IRP. Provide a more detailed discussion of the plans to operate the East Bend SCR for an additional time in 2008 in order to earn NO_x Compliance Supplement Pool Allowances.

18. Refer to the first paragraph on page 6-9 of Duke Kentucky's 2008 IRP under the heading New Technologies. Provide a detailed description of the sequestration demonstration project Duke Kentucky is hosting at its East Bend generating station.

19. Refer to the last paragraph on page 8-59 of Duke Kentucky's 2008 IRP. Provide the analysis which shows that including the current Energy Efficiency and Demand Response programs in the chosen plan reduces the Present Value Revenue Requirements of the plan by approximately \$2.5 million.



Stephanie Stumbo
Executive Director
Public Service Commission

P. O. Box 615
Frankfort, Kentucky 40602

DATED September 15, 2008

cc: All Parties