

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter or

JOINT APPLICATION OF DUKE ENERGY KENTUCKY, INC.,)
KENTUCKY POWER COMPANY, KENTUCKY UTILITIES)
COMPANY AND LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR AN ORDER APPROVING ACCOUNTING)
PRACTICES TO ESTABLISH REGULATORY ASSETS) CASE NO.
AND LIABILITIES RELATED TO CERTAIN PAYMENTS) 2008-00308
MADE TO CARBON MANAGEMENT RESEARCH GROUP)
AND THE KENTUCKY CONSORTIUM FOR CARBON)
STORAGE)

SECOND DATA REQUEST OF COMMISSION STAFF

Duke Energy Kentucky, Inc. ("Duke Energy"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due not later than 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 answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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 Energy 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 Energy fails or refuses to furnish all or part of the requested information, it 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 that it is legible. 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 Duke Energy's response to Item 3(d) of the Commission Staff's first data request dated August 19, 2008 ("Staff's first request") and to the responses of Kentucky Power and KU/LG&E to the same request (responses to Items 4(d) and 5(c).

a. The Kentucky Power and KU/LG&E responses specifically describe those companies' intended methodologies for recovering their deferred contributions in future rate applications. State whether Duke Energy is able to specifically describe its intended recovery methodology. If yes, provide the detailed description thereof.

b. The response to Item 3(d) refers to Duke Energy's annual cash and in-kind contributions for the project. The Joint Applicants' July 25, 2005 application made no reference to in-kind contributions. Describe in detail what Duke Energy means by in-kind contributions for this specific project and provide the amount of such contributions Duke expects to provide the project.

2. Refer to Duke Energy's response to Item 7 of the Staff's first request.

a. The third paragraph of the response states that Duke Energy is a partner in the Midwest Regional Carbon Sequestration Partnership ("MRCSP"), which includes Kentucky and seven other states. List all entities, other than Duke Energy, that are partners in the MRCSP.

b. The last sentence in the response states that "Duke Energy is providing \$400,000 of in-kind services and \$350,000 cash to the project." What is the total budget for the carbon sequestration project at the East Bend Generating Station?

c. Provide a description of the in-kind services, in the amount of \$400,000, that Duke Energy will be providing to the project.

d. Identify the accounts, by name and number, in which Duke Energy is, or will be, recording its contributions, totaling \$750,000, to the East Bend project.

e. Provide a detailed description of Duke Energy's plans for possible future rate recovery of its contributions, totaling \$750,000, to the East Bend project.



Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: September 19, 2008

cc: All Parties