



139 East Fourth Street, R. 25 At II
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-1837
Fax: 513-419-1846
dianne.kuhnell@duke-energy.com

Dianne B. Kuhnell
Senior Paralegal

VIA HAND DELIVERY

June 9, 2010

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

RECEIVED

JUN 10 2010

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2010-0151

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the responses to Commission Staff's First Set of Data Requests for filing in the above referenced matter.

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

Sincerely,

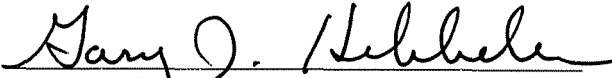
Dianne B. Kuhnell
Senior Paralegal

cc: Dennis Howard

VERIFICATION


State of Ohio)
)
County of Hamilton)

The undersigned, Gary J. Hebbeler being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as General Manager, Gas Engineering; 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.



Gary J. Hebbeler, Affiant

Subscribed and sworn to before me by Gary J. Hebbeler on this 8th day of June, 2010.



NOTARY PUBLIC

My Commission Expires:



ANITA M. SCHAFER
Notary Public, State of Ohio
My Commission Expires
November 4, 2014

TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-001	Gary J. Hebbeler	1
STAFF-DR-01-002	Gary J. Hebbeler	2
STAFF-DR-01-003	Gary J. Hebbeler	3

Duke Energy Kentucky
Case No. 2010-151
First Set Staff Data Requests
Date Received: June 1, 2010

STAFF- DR-01-001

REQUEST:

Refer to paragraphs 9 and 10 of Duke Kentucky's application, wherein it requests a deviation, to the extent that actual construction costs exceed the projected cost of \$8,358,924, in an amount up to 20 percent of the projected cost. It makes reference to six previous cases in which it was granted similar deviations for construction work under its Accelerated Main Replacement Program ("AMRP").

- a. Provide, on an annual basis for the period from the beginning of its AMRP through the end of 2009, Duke Kentucky's estimated costs for AMRP projects and the actual costs of its AMRP projects. Include a breakdown of the actual costs by USoA account number.
- b. Provide the total feet of (1) cast iron mains and (2) bare steel mains that have been replaced under the AMRP through 2009.

RESPONSE:

- a. Below are the estimated and actual costs of the AMRP for Duke Energy Kentucky:

	Estimate	Actual
2001	\$7,979,901	\$6,368,172
2002	\$13,611,886	\$15,915,757
2003	\$14,155,861	\$13,694,754
2004	\$11,594,485	\$11,222,963
2005	\$11,200,000	\$13,371,257
2006	\$11,700,000	\$12,693,447
2007	\$13,000,000	\$12,507,699
2008	\$19,670,000	\$21,893,019
2009	\$21,207,002	\$23,374,984

A breakdown of the actual costs by USoA account number is not available.

- b. Duke Energy Kentucky replaced 818,400 feet of cast iron mains and 205,920 feet of bare steel mains from 2001 through 2009 under the AMRP. Note: The program was developed in 2000. Therefore, the footages estimated for the total program include 2000 numbers. Duke Energy Kentucky replaced 5,280 feet of cast iron and 10,560 feet of bare steel in 2000.

PERSON RESPONSIBLE: Gary J. Hebbeler

**Duke Energy Kentucky
Case No. 2010-151
First Set Staff Data Requests
Date Received: June 1, 2010**

STAFF- DR-01-002

REQUEST:

The annual reports Duke Kentucky has filed on its AMRP expenditures have reflected that some AMRP projects have continued beyond the calendar year in which they were scheduled. By what date does Duke Kentucky expect to have completed the final phase of AMRP construction for which it now seeks a Certificate of Public Convenience and Necessity?

RESPONSE: The final phase of AMRP construction is estimated to be completed by November 30, 2010.

PERSON RESPONSIBLE: Gary J. Hebbeler

**Duke Energy Kentucky
Case No. 2010-151
First Set Staff Data Requests
Date Received: June 1, 2010**

STAFF- DR-01-003

REQUEST:

In its original AMRP proposal, Duke Kentucky indicated that replacing its old cast iron and bare steel mains would lead to reduced operation and maintenance expenses, line losses, and safety and reliability risks. Provide the results of the most recent in-house studies or analyses performed by Duke Kentucky which indicate the extent of the benefits realized due to its AMRP.

RESPONSE: Duke Energy Kentucky has achieved benefits of improved customer safety and system reliability with a reduction of leaks by 41% while achieving a reduction in operation and maintenance expenses that has saved the customers \$4,782,297.59.

PERSON RESPONSIBLE: Gary J. Hebbeler