

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2011 INTEGRATED RESOURCE PLAN ) CASE NO.  
OF DUKE ENERGY KENTUCKY, INC. ) 2011-00235

COMMISSION STAFF'S SECOND INFORMATION REQUEST  
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than October 25, 2011. 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 Kentucky shall make timely amendment to any prior response 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 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 Appendix C, page 164, of the Integrated Resource Plan ("IRP"). In the evaluation of cost effectiveness of energy efficiency programs, only the costs of environmental compliance with known regulatory requirements were included in avoided costs. Given that the IRP was filed before the Cross State Air Pollution Rule was finalized, explain what impacts this rule has on existing energy efficiency programs and other energy efficiency programs that were considered, but not implemented because they were not deemed to be cost effective.

2. Refer to Appendix C, page 189, of the IRP.

a. Provide the percentage of the projected program costs relative to Duke Kentucky's projected annual electric sales revenues for each of the years ending 2011-2013.

b. Provide the percentage of projected annual energy-efficiency savings relative to projected annual sales for each of the years ending 2011-2013.

c. Provide a breakdown of the projected program costs for each of the years ending 2011-2013.

3. Refer to the response to Item 1 of Commission Staff's First Information Request ("Staff's First Request") which states that the retirement of Miami Fort Unit 6 would be considered "a normal retirement per our current philosophy."

a. Explain whether the retirement of the net book value of \$13 million would be expected to have a significant affect on the generation plant depreciation rate in Duke Kentucky's next depreciation study.

b. Using the most currently available information, provide the percent of change a \$13 million net book value retirement would have on the accumulated depreciation balance.

c. Describe the "current philosophy" mentioned in the response and explain what Duke Kentucky would consider an abnormal or unusual retirement.

d. Provide Duke Kentucky's best estimate of the demolition costs and salvage value of Miami Fort 6.

e. Describe Duke Kentucky's plans for the Miami Fort 6 site following the demolition of the unit.

4. Refer to the response to Item 4 of Staff's First Request. Identify any changes to allowance pricing that have occurred since the filing of the IRP and describe their impacts on the assumptions and conclusions contained therein.

5. Refer to the response to Item 35 of Staff's First Request. Duke Kentucky states that if a measure investment is more than one and one-half times the total dollars spent by the measure over its life ( $SIR > 1.5$ ), then the measure can be included in the investment. Explain why any measure with a  $SIR > 1.0$  would not be cost effective.

  
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Jeff Derouen  
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DATED: OCT 04 2011

cc: Parties of Record

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