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Anita M. Schafer  
Sr. Paralegal

**VIA OVERNIGHT DELIVERY**

May 15, 2008

Ms. Stephanie Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**RECEIVED**

**MAY 16 2008**

**PUBLIC SERVICE  
COMMISSION**

Re: Case No. 2007-00369

Dear Ms. Stumbo:

Enclosed please find an original and twelve copies of the Motion of Duke Energy Kentucky, Inc. for Clarification of the Commission's May 14, 2008 Order NUNC PRO TUNC in the above captioned case.

Please date-stamp the extra two copies and return to me in the enclosed envelope.

Sincerely,

Anita M. Schafer  
Senior Paralegal

AMS/bsc

cc: Certificate of Service

BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

MAY 16 2008

PUBLIC SERVICE  
COMMISSION

In The Matter Of:

THE ANNUAL COST RECOVERY )  
FILING FOR DEMAND SIDE ) CASE NO. 2007-00369  
MANAGEMENT BY DUKE ENERGY )  
KENTUCKY, INC. )

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MOTION OF  
DUKE ENERGY KENTUCKY, INC. TO CORRECT THE COMMISSION'S  
MAY 14, 2008 ORDER

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Pursuant to KRS 278.285, Duke Energy Kentucky, Inc. ("DE-Kentucky") respectfully moves the Commission for correction of its May 14, 2008 Order in the above styled case to reflect the correct demand side management ("DSM") rate for non-residential electric distribution customers. The Order states on page 2, paragraph 2 that the proposed adjustment for non-residential customers is \$.01405 per kWh. DE-Kentucky respectfully submits that the correct DSM Rate for non-residential customers is significantly lower, and should be \$.001405 per kWh. In support of this Motion, DE-Kentucky states as follows:

1. On or about November 15, 2007, DE-Kentucky filed its Application for Annual Cost Recovery Filing for Demand Side Management ("Application"), in the above styled proceeding.<sup>1</sup> The Application was filed with the consensus of the Residential Collaborative and the Commercial and Industrial Collaborative.<sup>2</sup>
2. As part of its Application, DE-Kentucky provided support for its proposed adjustments to the DSM rates for its residential and non-residential customer classes. The support for the proposed rate changes as shown at Appendix J, page 5 of 6 of the

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<sup>1</sup> *In re The Annual Cost recovery Filing for Demand Side management by Duke Energy Kentucky, Inc ,* Case No., 2007-00369, (Application at 1)(November 15, 2007).

<sup>2</sup> *Id.*

Application, lists the correct tariff charge for non-residential electric distribution customers served under rates DS, DP, DT, GS-FL, EH and SP as \$0.001405 / kWh.<sup>3</sup> For convenience, a true and accurate copy of Application Appendix J is attached hereto.

3. DE-Kentucky submits that the above circumstances constitute good cause to clarify the Commission's Order to reflect the correct non-residential charge of \$.001405 / kWh.

4. DE-Kentucky agrees to file a revised DSM tariff showing the corrected non-residential kWh charge immediately following the Commission's clarification of its May 14, 2008 Order.

WHEREFORE, DE-Kentucky respectfully requests that the Commission grant the relief requested in this Motion.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

By: 

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<sup>3</sup> *Id* at Appendix J.

CERTIFICATE OF SERVICE

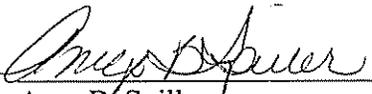
I hereby certify that a copy of the foregoing filing was served on the following via ordinary United States mail, postage prepaid, this 5<sup>th</sup> day of May, 2008:

Paul Adams  
Assistant Attorney General  
The Kentucky Office of the Attorney General  
1024 Capital Center Drive  
Frankfort, Kentucky 40602-2000

Anita L. Mitchell  
Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

Florence W. Tandy  
Northern Kentucky Community Action Commission  
P.O. Box 193  
Covington, Kentucky 41012

Carl Melcher  
Northern Kentucky Legal Aid, Inc.  
302 Greenup  
Covington, Kentucky 41011

  
Amy B. Spiller

Appendix J  
Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1) Projected Program Costs		(2) Projected Lost Revenues		(3) Projected Shared Savings		(4) Program Expenditures		(5) Program Expenditures		(6) Program Expenditures		(7) Lost Revenues		(8) Shared Savings		(9) 2006 Reconciliation		(10) Rider Collection		(11) Rider Collection		(12) (Over)/Under		(13) (Over)/Under		(14) Electric			
	7/2005 to 6/2007 (A)	7/2005 to 6/2007 (A)	7/2005 to 6/2007 (A)	7/2005 to 6/2007 (A)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)	7/2005 to 6/2007 (B)		
Res. Conservation & Energy Education	\$ 499,800	\$ 12,233	\$ 188,899	\$ 10,658	\$ 382,905.00	\$ 241,031	\$ 181,167	\$ 44,126	\$ 7,109	\$ 2,376	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	
Refrigerator Replacement	\$ 100,000	\$ 5,411	\$ 4,700	\$ 4,700	\$ 61,727.83	\$ 97,786	\$ 57,653	\$ 30,862	\$ 25,160	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	
Residential Home Energy Hicse Call	\$ 150,000	\$ 30,729	\$ 26,869	\$ 26,869	\$ 155,479.00	\$ 52,530	\$ 59,765	\$ 73,952	\$ 416,013	\$ 1,448	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	
Res. Comprehensive Energy Education	\$ 150,000	\$ 30,729	\$ 26,869	\$ 26,869	\$ 155,479.00	\$ 52,530	\$ 59,765	\$ 73,952	\$ 416,013	\$ 1,448	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	
Payment Plus	\$ 150,000	\$ 30,729	\$ 26,869	\$ 26,869	\$ 155,479.00	\$ 52,530	\$ 59,765	\$ 73,952	\$ 416,013	\$ 1,448	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	\$ 1,056	
Power Manager	\$ 875,000	\$ 175,000	\$ 70,453	\$ 70,453	\$ 723,951.77	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922	\$ 60,922
Program Development Funds	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	
Energy Star Products	\$ 240,430	\$ 13,489	\$ 5,913	\$ 5,913	\$ 234,517.00	\$ 36,338	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	
Energy Efficiency Website	\$ 25,160	\$ 13,489	\$ 5,913	\$ 5,913	\$ 234,517.00	\$ 36,338	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	\$ 21,434	
Personalized Energy Repair Pilot Program	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	
Home Energy Assistance Pilot Program	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	
Home Energy Assistance Pilot Program	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	\$ 109,248	
Revenue Collected except for HEA	\$ 2,371,136	\$ 255,287	\$ 149,955	\$ 149,955	\$ 1,782,157	\$ 555,955	\$ 1,922,591	\$ 1,922,591	\$ 452,125	\$ 521,038	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	
<b>Total</b>	\$ 2,371,136	\$ 255,287	\$ 149,955	\$ 149,955	\$ 1,782,157	\$ 555,955	\$ 1,922,591	\$ 1,922,591	\$ 452,125	\$ 521,038	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	\$ 1,393,353	

(A) Amounts identified in report filed on September 30, 2006 and updated February 20, 2007.

(B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2005 through June 30, 2007 and lost revenues for this period and from prior period DSM measure installations.

(C) Allocation of program expenditures to gas and electric. Uses 62.9% gas based upon situation of gas space heating.

(D) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.

(E) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.

(F) Revenues collected through the DSM Rider between July 1, 2005 and June 30, 2007.

(G) Column (5) + Column (7) + Column (8) + Column (9) + Column (10) + Column (11) + Column (12).

(H) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(I) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(J) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(K) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

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(M) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

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(O) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(P) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(Q) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(R) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(S) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

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(AA) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

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(BA) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.

(BB) Revenues and expenses for the Home Energy Assistance Pilot Program. This was discontinued December 31, 2006. These values close out the programs.



*Duke Energy Kentucky*  
Demand Side Management Cost Recovery Rider (DSMR)  
Summary of Calculations for 2006 Programs

January, 2008 through December, 2008

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 2,922,280
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 2,061,069
Transmission Level Rates & Distribution Level Rates Part B	\$ 372,641
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 758,203

(A) See Appendix D, page 2 of 5

Appendix J

Page 4 of 6

Duke Energy Kentucky  
Demand Side Management Cost Recovery Rider (DSMR)  
Summary of Billing Determinants

Year	2008
Projected Annual Electric Sales MWH	
Rates RS	1,450,570
Rates DS, DP, DT, GS-FL, EH, & SP	2,334,985
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,507,773
Projected Annual Gas Sales MCF	
Rate RS	6,387,044

Duke Energy Kentucky  
 Demand Side Management Cost Recovery Rider (DSMR)  
 Summary of Calculations  
 January, 2008 through December, 2008

Appendix J

Rate Schedule	True-Up	Program	Expected	Total DSM	Estimated	DSM Cost	Riders	Amount (A)	Costs (B)	Requirements	Determinants (C)	Recovery Rider (DSMR)
Electric Rider DSM	\$ (867,891)	\$ 2,922,280	\$ 2,054,389	1,450,570	mWh	\$ 0.001416						
Residential Rate RS	\$ 860,878	\$ 2,061,069	\$ 2,921,947	2,334,985	mWh	\$ 0.001251						
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 13,287	\$ 372,641	\$ 385,928	2,507,773	mWh	\$ 0.000154						
Transmission Level Rates & Distribution Level Rates Part B												
TT												
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP						\$ 0.001405						
Gas Rider DSM	\$ (1,456,267)	\$ 758,203	\$ (698,065)	6,387,044	MCF	\$ (0.109294)						
Residential Rate RS												
Total Rider Recovery	\$	\$	\$ 4,664,200									
Customer Charge	New Numbers	Annual Revenues	Number of Customers	Monthly Customer Charge								
Electric No.4	\$	\$	-	\$								
Residential Rate RS	\$	\$	-	\$								
Gas No. 5	\$	\$	-	\$								
Residential Rate RS	\$	\$	-	\$								
Total Customer Charge Revenues	\$	\$	-	\$								
Total Recovery	\$	\$	4,664,200									

(A) (Over)/Under of Appendix J page 1 multiplied by 1.0525 for 2007 for the average three-month commercial paper rate to include interest on over or under-recovery.  
 (B) Appendix D, page 2.  
 (C) Appendix D, page 4.

