

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT TO THE RIDER PSM)
– PROFIT SHARING MECHANISM RIDER OF) CASE NO. 2007-00209
DUKE ENERGY KENTUCKY, INC.)

ORDER

On May 21, 2007, Duke Energy Kentucky, Inc. (“Duke Kentucky”) filed proposed tariff sheets revising its Rider PSM – Profit Sharing Mechanism Rider.¹ Duke Kentucky requests that the Commission shorten the required notice period to permit the revisions to become effective on May 31, 2007. Although KRS 278.180(1) generally requires that a utility may not change any rate except upon 30 days’ notice to the Commission, Duke Kentucky argues that a reduced notice period is appropriate because the proposed adjustment represents a rate decrease to its customers and will permit these customers to receive the benefits of this decrease earlier.

Having reviewed this request and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.180(2), good cause exists to reduce the notice required for the proposed adjustment from 30 days to 10 days.

¹ The Commission originally approved Rider PSM in Case No. 2005-00228. See Case No. 2005-00228, Joint Application of Duke Energy Corporation, Duke Energy Holding Corp., Deer Acquisition Corp., Cougar Acquisition Corp., Cinergy Corp., The Cincinnati Gas & Electric Company and the Transfer and Acquisition of Control Energy Holding Corp., and The Union Light, Heat And Power Company for Approval of a Transfer and Acquisition of Control (Ky. PSC Nov. 29, 2005). The Commission has subsequently approved the continued use of Rider PSM. See Case No. 2006-00172, Application of The Union Light, Heat and Power d/b/a Duke Energy Kentucky for an Adjustment of Electric Rates (Ky. PSC Dec. 21, 2006).

IT IS THEREFORE ORDERED that:

1. The time in which Duke Kentucky must provide notice to the Commission of the proposed revisions to its Rider PSM is reduced to 10 days.

2. Duke Kentucky's proposed "Rider PSM" tariff sheets are accepted and effective as of May 31, 2007.

Done at Frankfort, Kentucky, this 30th day of May, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above a horizontal line.

Executive Director