COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ANNUAL COST RECOVERY FILING FOR)
DEMAND-SIDE MANAGEMENT BY) CASE NO. 2010-00445
DUKE ENERGY KENTUCKY, INC.)

ORDER

On November 15, 2010, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed its annual Demand-Side Management "("DSM") application. In addition to filing its annual status report, Duke Kentucky requests a modification of its annual DSM recovery mechanisms to reflect reconciliation of planned and actual expenditures, lost revenues, and shared savings. Duke Kentucky's application provides that the new rates will take effect 30 days from the date of filing of the application. Duke is also requesting approval to implement a new energy efficiency program called Residential Smart Saver.

Based on a review of Duke Kentucky's application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed DSM rates and the added DSM program. We find that an investigation cannot be completed before the proposed effective date contained in Duke Kentucky's application. We further find that the earliest date the proposed DSM rates could become effective is December 15, 2010, and that the proposed rates should be suspended for five months from that date pursuant to KRS 278.190(2).

IT IS THEREFORE ORDERED that:

Duke Kentucky's proposed DSM rates are suspended for five months from
 December 15, 2010 up to and including May 13, 2011.

By the Commission

DEC 1 0 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Evolution Director

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