

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	
INC. FOR APPROVAL TO MODIFY AND)	CASE NO.
EXTEND THE AVAILABILITY OF ITS RATE)	2011-00428
RTP, REAL TIME PRICING PROGRAM)	

O R D E R

On October 28, 2011, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed an application requesting approval to extend the availability of its Rate RTP, Real Time Pricing Program ("Rate RTP"). Pursuant to the Commission's Order in Case No. 2008-00464,¹ Duke Kentucky's Rate RTP tariff expired on December 31, 2010. Due to an inadvertent error, Duke Kentucky failed to file an application to extend Rate RTP prior to the expiration date. Duke Kentucky has continued to offer the program to those customers choosing to take service under Rate RTP. Duke Kentucky now moves to correct its error and requests approval to continue to offer Rate RTP to its customers through December 31, 2014.

Rate RTP is a voluntary tariff which provides non-residential customers the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods and add new load during lower cost pricing periods, or to learn about market pricing. Binding price quotes are sent to each participant on a day-

¹ Case No. 2008-00464, Application of Duke Energy Kentucky, Inc. for Approval to Modify and Extend the Availability of Its Rate RTP, Real Time Pricing Program (Ky. PSC Dec. 30, 2008)

ahead basis. The program is intended to be bill neutral to each customer with respect to the customer's historical electric usage through the use of a Customer Baseline Load and Duke Kentucky's Standard Offer Rates. First offered on an experimental basis in January 1999, the program is available to non-residential customers served under Rate DS – Service at Secondary Voltage, Rate DP – Service at Primary Distribution Voltage, Rate DT- Time of Day Rate for Service at Distribution Voltage, or Rate TT - Time of Day Rate for Service at Transmission Voltage. There are six customers currently being served under Rate RTP.

Rate RTP has continued as an experimental program, extended every two years pursuant to Duke Kentucky's request. Since the inception of Rate RTP, Duke Kentucky has continued to monitor its cost-effectiveness. Beginning April 2, 2001, in compliance with the Commission's Order in Case No. 2000-302,² Duke Kentucky has filed annual informational reports regarding its experience with Rate RTP. The Commission believes that, based upon data gathered since 1999, Duke Kentucky should have adequate information upon which a recommendation can be made concerning the future of the Rate RTP Program.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Duke Kentucky's request to continue to offer Rate RTP through December 31, 2014 should be denied. Rather, Duke Kentucky's Rate RTP will be authorized to continue until otherwise ordered by the Commission. Further, the Commission finds that Duke Kentucky, no later than April

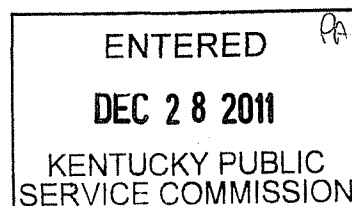
² Case No. 2000-302, In the Matter of an Application of the Union Light, Heat and Power Company for Approval to Revise Its Real Time Pricing Program (Ky. PSC Oct. 30, 2000).

30, 2012, should file a report fully evaluating the results of the program. At a minimum, the report should include Duke Kentucky's findings concerning the cost effectiveness of the program, the impact of the program on the participants to date, and Duke Kentucky's recommendation concerning the continuance or discontinuance of Rate RTP.

The Commission HEREBY ORDERS that:

1. Duke Kentucky's request to continue to offer its Rate RTP tariff for two additional years, through December 31, 2014, is denied.
2. Duke Kentucky's Rate RTP Program is authorized to continue until otherwise ordered by the Commission.
3. No later than April 30, 2012, Duke Kentucky shall file an evaluation of the Rate RTP Program as described in this Order, which shall include Duke Kentucky's recommendation whether Rate RTP should or should not be continued on a permanent basis.
4. Within 10 days of the date of this Order, Duke Kentucky shall file a revised tariff for its Rate RTP with an effective date as of the date this Order and stating that it was issued by authority of this Order.

By the Commission



ATTEST:


Executive Director

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