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Anita M. Schafer Sr. Paralegal

RECEIVED

MAY 16 2008

PUBLIC SERVICE COMMISSION

VIA OVERNIGHT DELIVERY

May 15, 2008

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

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.)	

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

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:

- 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. The Application was filed with the consensus of the Residential Collaborative and the Commercial and Industrial Collaborative.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

 2 Id

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¹ 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).

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.³ 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.

Amy B. Spiller (85309)

Associate General Counsel

139 East Fourth Street, Room 25

ATII

Cincinnati, OH 45202

Phone: (513) 419-1810

Fax: (513) 419-1846

e-mail: amy.spiller@duke-energy.com

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³ 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 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

Mey Douler
Amy B. Spiller

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Appendix J Kentucky DSM Rider

Compadison of Revenue Requirement to Rider Recovery

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(B) Actual program expenditures (ast revenues, and stated savings for the period July 1, 2006 through June 30, 2007 and loss revenues for this period and from prior period DSM measure installations.

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(B) Actual program expenditures, tost revenues, and stated savings for the period July 1, 2006 incough June 30, 2007 and fors revenues for this period and from prior period DSM measure mistallishns. (C) Recursor way allowed in accordance with the Commission's Order in Caze No. 2004-00189.

(C) Recursor allowed a brough the DSM filler between July 1, 2005 and June 30, 2007.

(E) Column (4) * Column (5) * Column (6) * Column (7) * Column (8)

Appendix J

2008 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary

Budget (Costs, Lost Revenues, & Shared Savings) <u>Electric Gas Electric Costs</u> <u>Electric Gas Costs</u>	62.9% \$ 185,426 \$ 198,452	0.0% \$ 100,000 \$ 106,445 \$	S 55,650 S 141,160 S	s 30,237 S	62.9% \$ 55,650 \$ 55,650	0.0%	62.9% S 51,940 S 51,940	100.0% 0.0% S 243,000 S 996,675 S		895 91 2 872 17 3 789 69 727 10	S 56,763 S 251,444 S	\$ 1,665,207 \$ 2			Budget (Costs, Lost Revenues,	Allocations & Shared Savings)	Flecture Gas Flecture Costs Flecture Gas		0.0% 5 104,750 5 363,497	\$ 71,380 \$ 94,598	100.0% 0.0% S 50.339 S 73,808 NA	0.0% \$ 225,407 \$ 4	u)	Allocations Budget (Costs, Lost Revenues, & Shared Savings)	Gas Electric Costs	% 0.0% S 104.760	0.0% S 71.380 S 91.996	0.0% S 50.339 S 73.619	0.0% \$ 225,407 \$ 599,240	\$ 451,885 \$	Budget (Costs. Gas Electric Costs Electric	100.0% 0.0% S 285,000 S 372,641 NA	S 2,433,710
Total	512,826	106,445	235,510	81.500	150.000	1 049 000	140,000	996 675			347 681	3,680,483					1	00	383,497	94,598	73,808	599 240	1,151,143		-	145 073	144,04	72,520	509 240	909,927	Total	372,641	2,433,710
Shared Savings	(3,499)	\$ 300 \$	S 35,700 S			174 000		c 63.450 S	į	;	2,355 5	346,040				Shared			5,349 \$	7,294	27.000	224 435		T S L	Southern Total	0.46			220,21		Shared	S 107,641 S	v1
Lost Revenues	\$ 16,525	6,145	49.810	•	•			s 690 325		:	26.781			т Ѕиптагу		100	ien i	Hevenues	273,388		1000	20,010	\$ 449,341		משונים	Ş		13,363	10,428	\$ 208,125	Lost Revenues		
Casts	\$ 499,800	100	150		5 6	- 4	s 140,000	243 000			31,110	\$ 2,423,410	ι,	C&I DSM Program Summary				Costs		74 3BD			s 451,885		į	SIS	5 1	3 (1,380		5 222,407 S 451,885	Costs	\$ 265,000	
	Residential - Current Programs/Measures			Home Energy Tourse Cell	Residential Comprehensive Engly Education	Home Energy Assistance Mus (continuing)	Power Manager Brossem Development Finds		Energy Star Products CPI 's (Compact Fluorescent Lights)	Torchieres (Floor lamps)	Energy Efficiency Web Site	Personalized Energy Report Pilot Program Total Costs, Net Lost Revenues, Shared Savings	Home Energy Assistance Pilot Program					High Efficiency Program		Cigning	HVAC	Mators	Other Total for the High Efficiency Program		•	High Efficiency School Incentive Program	Lighting	HVAC	Motors	Other Total for the High Efficiency School Incentive Program		PowerShare® Program	Total C&i DSM Program

Appendix J

Page 3 of 6

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

January, 2008 through December, 2008

Electric Rider DSM	Prog Cost	
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
Gas Rider DSM 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

Page 5 of 6 t xibn∍qqΑ

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

January, 2008 through December, 2008

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⁽B) Appendix D, page 2. (C) Appendix D, page 4. (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.

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