



DUKE ENERGY CORPORATION

139 East Fourth Street
1313 Main
Cincinnati, OH 45201-0960
Telephone: (513) 287-4315
Facsimile: (513) 287-4385

Kristen Cocanougher
Sr. Paralegal
E-mail: Kristen.cocanougher@duke-energy.com

VIA OVERNIGHT DELIVERY

March 23, 2011

RECEIVED

MAR 24 2011

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: *In the Matter of an Application of Duke Energy Kentucky, Inc. to Continue the Home Energy Assistance Program*

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of *Duke Energy Kentucky Inc.'s Application to Continue the Home Energy Assistance Program* for filing in the above referenced matter.

Please date-stamp the two copies of the letter and the filing and return to me in the enclosed envelope.

Sincerely,

Kristen Cocanougher

cc: Larry Cook
Richard Raff
Florence W. Tandy
Carl Melcher

RECEIVED

MAR 24 2011

PUBLIC SERVICE
COMMISSION

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In The Matter Of:

| | | |
|---------------------------|---|---------------------|
| THE APPLICATION OF DUKE |) | |
| ENERGY KENTUCKY, INC. |) | CASE NO. 2011-_____ |
| TO CONTINUE AND AMEND THE |) | |
| HOME ENERGY ASSISTANCE |) | |
| PROGRAM |) | |

**APPLICATION OF DUKE ENERGY KENTUCKY, INC. TO CONTINUE THE HOME
ENERGY ASSISTANCE PROGRAM**

Pursuant to KRS 278.285, Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company) moves the Commission for an Order to continue its Home Energy Assistance (“HEA”) program for a three-year period (2011-2014). In support of this Application, Duke Energy Kentucky states as follows:

1. Duke Energy Kentucky is a Kentucky corporation and a public utility as defined in Section 278.010 of the Kentucky Revised Statutes (KRS) and is subject to the Commission’s jurisdiction. Duke Energy Kentucky is engaged in the business of furnishing gas and electric services to various municipalities and unincorporated areas in Boone, Campbell, Gallatin, Grant, Kenton and Pendleton Counties in the Commonwealth of Kentucky.
2. Duke Energy Kentucky’s business address is 139 East Fourth Street, Cincinnati, Ohio 45202. The Company’s local office in Kentucky is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky 41018.

3. Duke Energy Kentucky's articles of incorporation are on file with the Commission in Case No. 2009-00202 and are incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).
4. The Commission approved Duke Energy Kentucky's Home Energy Assistance (HEA) pilot program in 2006.¹ The present HEA proposal is structured in the same manner as the original HEA pilot program.
5. On September 25, 2008, in Case No. 2008-00100 this Commission granted Duke Energy Kentucky's application to reinstitute the HEA program through September 2011. The Order required Duke Energy Kentucky to file an application to continue or terminate the HEA program no later than six months prior to the expiration of the program. Consistent with that Order, Duke Energy Kentucky now submits its request for approval to continue the HEA program.
6. The existing HEA program is administered under Duke Energy Kentucky's Wintercare program which provides assistance to low-income customers to help pay their gas and/or electric bills. Eligibility for Wintercare assistance is based on need and does not necessarily follow government assistance guidelines. The Wintercare program is completely funded by Duke Kentucky employees, customers, and shareholders.
7. Consistent with the Commission's Order in Case No. 2008-00100, Duke Kentucky customers with an income level of up to 150 percent of the federal poverty guidelines are eligible for HEA assistance. To the extent qualifying customers at or below 150 percent of the federal poverty level have other

¹ *In the Matter of: the Annual Cost Recovery Filing for Demand Side Management by The Union Light, Heat and Power Company*, Case No. 2005-00402 (Opinion and Order) (April 4, 2006).

assistance available at the time of need, e.g., Low Income Home Energy Assistance Program (“LIHEAP”) or Wintercare, HEA program funds would not be expended for those customers. HEA funds are available for customers at or below 150 percent of the federal poverty level once other low-income program funds have been depleted. The assistance period for the proposed HEA program is July 1 to June 30. Eligible customers may receive up to \$300 per assistance period.

8. Duke Energy Kentucky currently charges residential electric customers and residential gas customers \$0.10 per account per month. Customers who receive electric and gas service have two accounts and pay a total of \$0.20 per month. As of the end of December 2010, there were 18,310 gas only customers, 52,148 electric only customers, and 72,801 combination gas and electric customers. This is expected to generate approximately \$21,972 annually in revenues from gas only customers; \$62,577.60 from electric only customers; and \$174,722.40 from combination gas and electric customers for a total of \$259,272. The total annual bill cost impacts to customers are expected to be approximately \$1.20 for gas customers and approximately \$1.20 for electric customers. The worksheet at Attachment A shows the estimated bill impacts and the estimated revenues. Attachment B is the proposed tariff showing continuation of the HEA program in tracked changed form and final form. The proposed new rate for Rider DSMR is the subject of Case No. 2010-445 currently before this Commission. The Company’s request to continue the HEA program does not impact the DSMR rates proposed in Case No. 2010-445 because they are separate charges.

9. Since the Commission approved the current HEA program, funds have assisted approximately 2,000 customers to help pay their utility bills in Duke Energy Kentucky's territory.
10. Consistent with the Commission's Order in Case No. 2008-100, Duke Energy Kentucky files an annual progress report for the HEA program along with its annual Demand Side Management filing. Duke Energy Kentucky reports on the following:
 - the number of clients serviced by the program;
 - the number of clients unserved because funds are exhausted;
 - the date the funds were depleted for the 12-month assistance period;
 - the total amounts collected under the program with a breakdown between gas accounts and electric accounts;
 - the total number of disbursements; and
 - the NKCAC's actual administrative costs associated with implementing the program.

Duke Energy Kentucky commits to continue this annual reporting for the duration of the program.


11. This Application is timely filed as the Commission's Order dated September 25, 2008 required Duke Energy Kentucky to file an application to continue or terminate the HEA program no later than six months prior to the expiration of the program. Thus, the Application is due on or about March 25, 2011.
12. Duke Energy Kentucky submits that the above circumstances constitute good cause and therefore requests the Commission to approve this application after 30

days notice, as provided in KRS 278.180(1).

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission grant the relief requested in this Motion.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

By:  _____

Rocco D'Ascenzo
Associate General Counsel
Amy B. Spiller
Deputy General Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street, 1313 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
Email: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

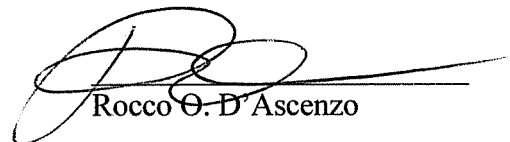
I hereby certify that a copy of the foregoing filing was served on the following via ordinary mail, postage prepaid, this 23rd day of March, 2011:

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

Richard Raff
Public Service Commission
730 Schenkel Lane
Frankfort, Kentucky 40602

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


Rocco O. D'Ascenzo

**Duke Energy Kentucky, Inc.
Proposed Gas and Electric Heat Fund Rate**

| | |
|--|---------------------|
| 1) Typical Residential Gas Customer Bill Before Gas Heat Fund (6.78 Mcf) (a) | \$83.46 |
| 2) Purposed Heat Fund Amount @ \$0.10 | \$0.10 |
| 3) Impact of Heat Fund on Typical Bill | 0.120% |
| 4) Annual Gas Heat Fund Total | \$1.20 |
| 5) Typical Residential Electric Customer Bill Before Electric Heat Fund (1,080 kWh) (a) | \$89.36 |
| 6) Purposed Heat Fund Amount @ \$0.10 | \$0.10 |
| 7) Impact of Heat Fund on Typical Bill | 0.112% |
| 8) Annual Electric Heat Fund Total | \$1.20 |
| 9) Typical Residential Combination Bill Before Gas and Electric Heat Funds (a) | \$172.82 |
| 10) Purposed Heat Fund Amount @ \$0.20 | \$0.20 |
| 11) Impact of Heat Fund on Typical Bill | 0.116% |
| 12) Annual Gas and Electric Heat Fund Total | \$2.40 |
| 13) Total Proposed Annual Heat Fund Amount to be Collected (b) | \$259,272.00 |

a) Based on 2010 average usage and rates

b) 18,310 residential gas only customers, 52,148 residential electric only customers, 72,801 residential combination customers

Duke Energy Kentucky
4580 Olympic Blvd.
Erlanger, KY 41018

RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.001830 per kilowatt-hour.

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September 2014.

The DSMR to be applied to non-residential distribution service customer bills is \$0.000917 per kilowatt-hour.

The DSMR to be applied for transmission service customer bills is \$0.000078 per kilowatt-hour.

Issued by authority of the Kentucky Public Service Commission in Case No. _____ dated
March 22, 2010.

Issued:

Effective:

Issued by Julie Janson, President

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Duke Energy Kentucky
4580 Olympic Blvd.
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Sixth-~~Seventh~~ Revised Sheet No. 78
Cancels and Supersedes
Fifth-~~Sixth~~ Revised Sheet No. 78
Page 1 of 1

RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.001830 per kilowatt-hour.

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September 2014~~2014~~.

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The DSMR to be applied to non-residential distribution service customer bills is \$0.000917 per kilowatt-hour.

The DSMR to be applied for transmission service customer bills is \$0.000078 per kilowatt-hour.

Issued by authority of the Kentucky Public Service Commission in Case No. 2009-00444 dated March 22, 2010.

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Issued: September 29, 2010

Effective: September 30, 2010

Issued by Julie Janson, President