

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ANNUAL COST RECOVERY FILING FOR)
DEMAND-SIDE MANAGEMENT BY) CASE NO. 2009-00444
DUKE ENERGY KENTUCKY, INC.)

ORDER

On November 16, 2009, 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 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. In the event the Commission cannot rule on its application prior to the proposed effective date of its revised DSM rates, Duke Kentucky requests that its existing DSM programs and DSM rates remain in effect until the Commission issues an Order on the current application.

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. We also find that an investigation cannot be completed prior to either the proposed effective date contained in Duke Kentucky's application or the December 31, 2009 expiration date of Duke Kentucky's current DSM tariff. We further find that the earliest date the proposed DSM rates could become effective is December 16, 2009,

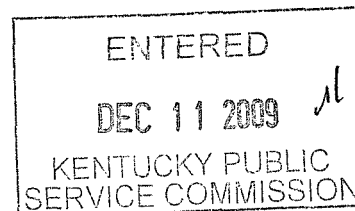
and that the proposed rates should be suspended for five months from that date pursuant to KRS 278.190(2).

Based on the time constraints imposed by the timing of Duke Kentucky's 2009 DSM application, and being otherwise sufficiently advised, we find Duke Kentucky's request to continue its existing DSM programs and DSM rates until such time as the Commission issues a decision on the instant application to be reasonable.

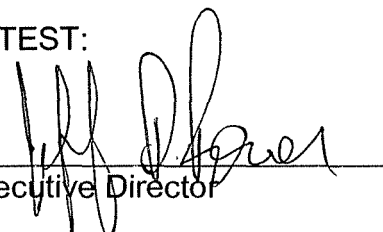
IT IS THEREFORE ORDERED that:

1. Duke Kentucky's proposed DSM rates are suspended for five months from December 16, 2009 up to and including May 15, 2010.
2. Duke Kentucky's request to continue its existing DSM programs and DSM rates while its application is pending before the Commission is granted.

By the Commission



ATTEST:


Executive Director

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