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PUBLIC SERVICE COMMISSION

The Honorable David L. Armstrong, Chairman The Honorable James W. Gardner, Vice-Chairman The Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

Case No. 2012-00085

Subject: Duke Energy Kentucky, Inc.'s Proposed Demand Side Management Program

Dear Sirs:

April 6, 2012

I am writing on behalf of Northern Kentucky University in support of Duke Energy Kentucky, Inc.'s (Duke Energy) proposed Demand Side Management Program, filed on March 6, 2012.

Duke Energy's current Demand Side Management Program offers incentives for a limited number of energy conservation measures, such as lighting retrofits and air conditioner/chiller replacements. While these incentives are important, they only address a very thin slice of the available energy efficiency measures that can help Northern Kentucky University and other Northern Kentucky businesses and institutions save energy and remain competitive.

Duke Energy's proposed Demand Side Management Program is a much more robust program that will enable Northern Kentucky businesses and institutions such as ours afford to implement a wide variety of energy saving measures. Of particular note is Duke Energy's Smart Saver Custom Incentive Program, which will allow Duke Energy to help its customers buy down the cost of virtually any energy saving project, so long as energy savings can be substantiated.

As you may know, Duke Energy's sister company, Duke Energy Ohio, offers this wide array of energy efficiency incentives to businesses and institution just across the Ohio River in Cincinnati, as well Hamilton, Warren, Butler, Clermont and Brown counties. Without parity in Duke Energy's programs on both sides of the Ohio River, businesses and institutions in Northern Kentucky are at a distinct competitive disadvantage.

We urge you to promptly approve Duke Energy's proposed Demand Side Management Program so that Northern Kentucky University and Northern Kentucky businesses can get started saving energy and improving bottom lines.

Sincerely,

Kenneth H. Ramey Vice President for Administration and Finance



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