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June 18, 2012

Mr. Rocco D'Ascenzo  
Duke Energy Business Services, LLC  
139 East Fourth Street, 1313 Main  
Cincinnati, OH 45201-0960

Re: Case No. 2011-00428 - In the Matter of an Application of Duke Energy Kentucky, Inc. For Approval To Extend the Availability of Its Rate RTP Real Time Pricing Program

Dear Mr. D'Ascenzo:

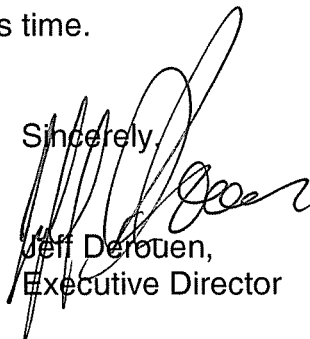
The Program Evaluation and Recommendations of Duke Energy Kentucky, Inc. ("Duke Kentucky") concerning the above referenced matter were received by the Commission on April 27, 2012. Commission Staff has reviewed the evaluation and agrees that Rate RTP should be continued. However, since the current Rate RTP tariffs do not include an expiration date or sunset provision, Staff does not believe that further approval to continue Rate RTP is required.

The Commission's Order in Case No. 2011-00428 states on page 3, Ordering paragraph No. 2, "Duke Kentucky's Rate RTP Program is authorized to continue until otherwise ordered by the Commission." Staff agrees that the appropriate time for Duke Kentucky to address the future of the Rate RTP program is at the time of the next rate filing, as suggested by Duke Kentucky in its Evaluation and Recommendations. With regard to this review, Duke Kentucky should provide a full and complete analysis of the Rate RTP Program including an explanation of the significant reduction in customers from 2005 to 2006.

The Commission's October 30, 2000 Order in Case No. 2000-00302 requires Duke Kentucky to file specific information concerning Rate RTP for the preceding calendar year by March 31 of each year. Duke Kentucky shall continue to comply with this reporting requirement as long as Rate RTP continues or until otherwise directed by the Commission.

Finally, Duke Kentucky states that it has filed revised Rate RTP tariff sheets that include language referencing PJM Interconnections LLC rather than the Midwest ISO as the source of the hourly commodity prices. The Commission Staff notes that the revised Rate RTP tariff sheets to reflect this change were approved and became effective on June 1, 2012. Therefore, no additional action needs to be taken by Duke Kentucky relative to the Rate RTP tariffs at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen", written over the typed name and title.

Jeff Derouen,  
Executive Director