

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Electric No. 2
Second Revised Sheet No. 104
Cancels and Supersedes
First Revised Sheet No. 104
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RESIDENTIAL SMART \$AVER® ENERGY EFFICIENT RESIDENCES PROGRAM

APPLICABILITY

Applicable to residential customers in the Company's electric service area who choose to participate by submitting, or having their contractor submit, a completed incentive application.

PROGRAM DESCRIPTION

Payments are available for heat pumps and central air conditioning systems in new or existing individually-metered residences, condominiums and mobile homes served by Duke Energy Kentucky's residential rate schedules from Duke Energy Kentucky's retail distribution system. Payments are also available for central air conditioner tune-ups and heat pump tune-ups within an existing home.

The new central air conditioning system or heat pump must have a Seasonal Energy Efficiency Ratio (SEER) of 14 or more and also include an electronically commutative fan motor (ECM fan) on the indoor unit. Geothermal heat pumps must have an Energy Efficiency Ratio (EER) of 10.5 or more and include an ECM fan on the indoor unit.

The new Heating Ventilation and Air Conditioning (HVAC) system must include a properly matched outdoor unit and inside coil, which must be listed as such by the Air Conditioning, Heating, and Refrigeration Institute (AHRI). This listing is available at www.ahridirectory.org.

Heat pumps may use natural gas or any fuel for supplemental or backup heating.

Other energy efficiency measures that qualify for payment are:

- Air sealing and attic insulation
- Duct sealing
- Duct insulation
- Heat pump tune-up
- Air conditioner tune-up
- Heat pump water heaters

(T)

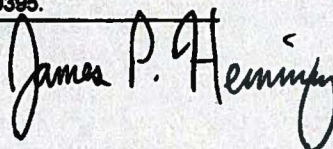
All Smart \$aver measures must be installed or performed by a Duke Energy Kentucky participating trade ally to be eligible.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2013-00395.

Issued: November 15, 2013

Effective: December 15, 2013

Issued by James P. Henning, President



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All improvements eligible for payment under this program must be installed based on manufacturer's recommendations and the Company's specifications. Detailed requirements are available on the Company's website at www.duke-energy.com.

To qualify for payment under this program, qualifying measures must be implemented on or after August 1, 2012 and the application for payment must be made within 90 days of completion.

Payments will be made for qualifying HVAC equipment or measures as follows:

New Residences

A payment of up to \$650 per unit will be made to the builder or the builder's designee.

Existing Residences

- A payment of up to \$550 per unit will be made to the owner of the residence (or designee), and a payment of up to \$100 per unit will be made to the HVAC dealer (or sales representative) who sells and installs the HVAC system.
- A payment of up to \$500 will be made to the owner of the residence (or designee) for air sealing and attic insulation.
- A payment of up to \$300 will be made to the owner of the residence (or designee) for duct sealing
- A payment of up to \$350 will be made to the owner of the residence (or designee) for duct insulation
- A payment of up to \$125 will be made to the owner of the residence (or designee) for heat pump tune-up
- A payment of up to \$80 will be made to the owner of the residence (or designee) for central air conditioner tune-up
- A payment of up to \$350 per unit will be made to the owner of the residence (or designee), and a payment of up to \$50 per unit will be made to the dealer (or sales representative) who sells and installs the heat pump water heater. The total incentive provided to either or both the customer and dealer is not to exceed \$350 per installation. (T)

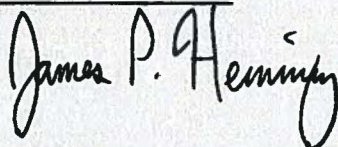
SERVICE REGULATIONS

The provisions contained in this tariff sheet do not supersede or replace any of the charges and terms contained in the standard base rate and rider tariff sheets. The standard base rate and rider charges apply to all customers.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as approved by law.

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~~First~~ Second Revised Sheet No.

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RESIDENTIAL SMART \$AVER® ENERGY EFFICIENT RESIDENCES PROGRAM

APPLICABILITY

Applicable to residential customers in the Company's electric service area who choose to participate by submitting, or having their contractor submit, a completed incentive application.

PROGRAM DESCRIPTION

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Other energy efficiency measures that qualify for payment are:

- Air sealing and attic insulation
- Duct sealing
- Duct insulation
- Heat pump tune-up
- Air conditioner tune-up
- Heat pump water heaters

Issued by authority of an Order of the Kentucky Public Service
Commission dated ~~June 29, 2012~~ in Case No. ~~2012-00085~~.

Issued: ~~July 9, 2012~~ November 15, 2013

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Issued by ~~Julie Janson~~ James P. Henning, President

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All Smart Saver measures must be installed or performed by a Duke Energy Kentucky participating trade ally to be eligible.

All improvements eligible for payment under this program must be installed based on manufacturer's recommendations and the Company's specifications. Detailed requirements are available on the Company's website at www.duke-energy.com.

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Existing Residences

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- A payment of up to \$500 will be made to the owner of the residence (or designee) for air sealing and attic insulation
- A payment of up to \$300 will be made to the owner of the residence (or designee) for duct sealing
- A payment of up to \$350 will be made to the owner of the residence (or designee) for duct insulation
- A payment of up to \$125 will be made to the owner of the residence (or designee) for heat pump tune-up
- A payment of up to \$80 will be made to the owner of the residence (or designee) for central air conditioner tune-up
- A payment of up to \$350 per unit will be made to the owner of the residence (or designee), and a payment of up to \$50 per unit will be made to the dealer (or sales representative) who sells and installs the heat pump water heater. The total incentive provided to either or both the customer and dealer is not to exceed \$350 per installation.

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