

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY )  
KENTUCKY, INC. TO AMEND ITS DEMAND ) CASE NO.  
SIDE MANAGEMENT PROGRAMS ) 2016-00112

ORDER

On March 2, 2016, Duke Energy Kentucky, Inc. (“Duke Kentucky”) submitted an application seeking approval to amend its Residential Smart Saver Energy Efficient Products (“Smart Saver EE Products”) program by changing the available measures within the program to include light-emitting diode (“LED”) technology. The application was filed in compliance with the Commission’s Order in Case No. 2014-00280,<sup>1</sup> which required Duke Kentucky to request approval for modification of cost-effective measures within an existing demand-side management (“DSM”) program if the incremental cost of the measure is greater than \$75,000. Duke Kentucky responded to one data request from Commission Staff. There are no intervenors in this proceeding, and the matter now stands submitted to the Commission for a decision based upon the evidentiary record.

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<sup>1</sup> Case No. 2014-00280, *Application of Duke Energy Kentucky, Inc. to Amend Its Demand-Side Management Programs* (Ky. PSC Jan. 28, 2015).

## DISCUSSION

As approved in Case No. 2015-00277,<sup>2</sup> the Smart Saver EE Products program allows Duke Kentucky customers to receive up to 15 free compact fluorescent bulbs (“CFLs”). Duke Kentucky requests permission to amend this program to provide LEDs rather than CFLs. Duke Kentucky contends that it is responding to market conditions, enhancing the robustness of its offerings, and allowing its customers to adopt a superior efficient lighting technology. Duke Kentucky states that due to the declining cost of LEDs, it can cost-effectively incentivize customers to take advantage of this more energy-efficient and longer-lasting product.<sup>3</sup> Duke Kentucky provided results of cost-effective tests for the proposed program modification which indicated that the change is cost-effective.<sup>4</sup>

Providing LEDs as part of the Smart Saver EE Products program results in an amended budget of \$520,202 for 2016.<sup>5</sup> Duke Kentucky is not requesting an adjustment to the Residential DSM tariff for the increase in costs at this time. It states that it will include a true-up of costs related to the modification within the Annual Cost Recovery Filing for DSM to be filed on November 15, 2017. This true-up will recover costs for the July 1, 2016, to June 30, 2017 timeframe.<sup>6</sup> Duke Kentucky states that it intends to launch the LED program modification on July 1, 2016.

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<sup>2</sup> Case No. 2015-00277, *Application of Duke Energy Kentucky, Inc. to Amend Its Demand-Side Management Programs* (Ky. PSC Feb. 12, 2016).

<sup>3</sup> Application, paragraph 7.

<sup>4</sup> *Id.*, Exhibit A.

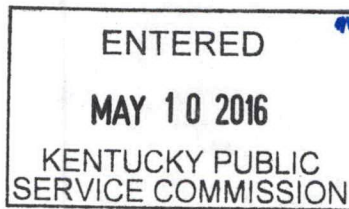
<sup>5</sup> Duke Kentucky's Response to Commission Staff's First Request for Information, Item 2.

<sup>6</sup> Application, paragraph 7.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Duke Kentucky's request to amend the Smart Saver EE Products program to include LED technology is reasonable and cost-effective, and should, therefore, be approved.

IT IS THEREFORE ORDERED that Duke Kentucky's request to amend the Smart Saver EE Products program as set out in its application is approved.

By the Commission



ATTEST:

  
Acting Executive Director

Case No. 2016-00112

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