

Duke Energy Kentucky, Inc.
4590 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Electric No. 2
Second Revised Sheet No. 113
Cancels and Supersedes
First Revised Sheet No. 113
Page 1 of 2

SMART \$AVER® PRESCRIPTIVE PROGRAM

APPLICABILITY

Available to non-residential customers in the Company's electric service area taking service under all non-residential rates who choose to participate by completing and submitting an application.

PROGRAM DESCRIPTION

The Smart \$aver Energy Prescriptive Program is part of Duke Energy Kentucky's portfolio of programs offered through Rider Demand Side Management Program (Rider DSM) and recovered through the Company's Rider DSMR (Demand Side Management Rate). The purpose of this program is to encourage the installation of high efficiency equipment in new and existing nonresidential establishments. The program will provide incentive payments to offset a portion of the higher cost of energy efficient equipment. The program also encourages maintenance of existing equipment in order to reduce or maintain energy usage.

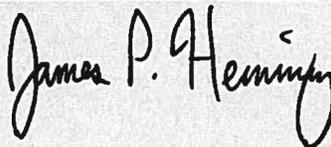
Customers may defer incentive payments to trade allies who agree to reduce the customer's cost by the amount of the incentive payments. Incentive payments are available for a percentage of the equipment or project cost difference between standard equipment and higher efficiency equipment. The Company may vary the percentage incentive by type of equipment and differences in efficiency in order to provide the minimum incentive needed to drive customers to purchase higher efficiency equipment. The Company reserves the right to adjust the incentive, for specific equipment, on a periodic basis, as equipment efficiency standards change, and as customers naturally move to purchase higher efficiency equipment. The following types of equipment are eligible for incentives.

- High efficiency lighting
- High efficiency HVAC (cooling) equipment
- High efficiency motors, pumps, and variable frequency drives
- High efficiency food service equipment
- High efficiency process equipment
- High efficiency information technology equipment
- Other high efficiency equipment as determined by the Company on a case by case basis
- Maintenance to increase the efficiency of existing equipment

(T)

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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In order to receive an incentive payment under this program, the owner must submit an application before or within ninety (90) days of installation, along with the required documentation and verification that the installed efficiency measures meet the requirements of this program. The Company reserves the right to inspect the premises of the customer both before and after implementation of the measure for which payment is requested. Incentive payments will be made only after the equipment has been installed, and is operable, as verified by the Company. Multiple incentive payments may be requested for each establishment; however, the Company reserves the right to limit the payments per establishment per year. The amount of the incentive payment for various standard types of equipment will be filed with the Commission annually, for information, and posted to the Company's website at www.duke-energy.com.

The incentive payment to the customer or owner will be an amount less than the installed cost difference between standard equipment and higher efficiency equipment or the cost of the maintenance service. With Company approval, the customer or owner may designate that payment be made to the vendor or other third party.

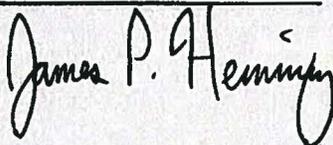
SERVICE REGULATIONS

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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~~First Revised~~ Original Sheet No.

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SMART \$AVER® PRESCRIPTIVE PROGRAM

APPLICABILITY

Available to non-residential customers in the Company's electric service area taking service under all non-residential rates who choose to participate by completing and submitting an application.

PROGRAM DESCRIPTION

The Smart \$aver Energy Prescriptive Program is part of Duke Energy Kentucky's portfolio of programs offered through Rider Demand Side Management Program (Rider DSM) and recovered through the Company's Rider DSMR (Demand Side Management Rate). The purpose of this program is to encourage the installation of high efficiency equipment in new and existing nonresidential establishments. The program will provide incentive payments to offset a portion of the higher cost of energy efficient equipment. The program also encourages maintenance of existing equipment in order to reduce or maintain energy usage.

Customers may defer incentive payments to trade allies who agree to reduce the customer's cost by the amount of the incentive payments. Incentive payments are available for a percentage of the equipment or project cost difference between standard equipment and higher efficiency equipment. The Company may vary the percentage incentive by type of equipment and differences in efficiency in order to provide the minimum incentive needed to drive customers to purchase higher efficiency equipment. The Company reserves the right to adjust the incentive, for specific equipment, on a periodic basis, as equipment efficiency standards change, and as customers naturally move to purchase higher efficiency equipment. The following types of equipment are eligible for incentives.

- High efficiency lighting
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- High efficiency motors, pumps, and variable frequency drives
- High efficiency food service equipment
- High efficiency process equipment
- ~~High efficiency information technology equipment~~
- Other high efficiency equipment as determined by the Company on a case by case basis
- Maintenance to increase the efficiency of existing equipment

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Issued by authority of an Order of the Kentucky Public Service Commission dated June 29, 2012 in Case No. 2012-00086.

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

Effective: ~~July 9, 2012~~ December 15, 2013

Issued by Julie Jensen, James P. Henning, President

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In order to receive an incentive payment under this program, the owner must submit an application before or within ninety (90) days of installation, along with the required documentation and verification that the installed efficiency measures meet the requirements of this program. The Company reserves the right to inspect the premises of the customer both before and after implementation of the measure for which payment is requested. Incentive payments will be made only after the equipment has been installed, and is operable, as verified by the Company. Multiple incentive payments may be requested for each establishment; however, the Company reserves the right to limit the payments per establishment per year. The amount of the incentive payment for various standard types of equipment will be filed with the Commission annually, for information, and posted to the Company's website at www.duke-energy.com.

The Incentive payment to the customer or owner will be an amount less than the installed cost difference between standard equipment and higher efficiency equipment or the cost of the maintenance service. With Company approval, the customer or owner may designate that payment be made to the vendor or other third party.

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.

Issued by authority of an Order of the Kentucky Public Service
Commission dated June 20, 2012 in Case No. 2012-00085.

Issued: July 9, 2012

Effective: July 9, 2012

Issued by Julie Jansen, James P. Henning, President