



139 East Fourth Street
1303-Main
Cincinnati, Ohio 45201-0960
o: 513-287-4320
f: 513-287-4385

Rocco.D'Ascenzo@duke-energy.com
Rocco O. D'Ascenzo
Associate General Counsel

VIA ELECTRONIC AND 2nd DAY DELIVERY

January 5, 2017

Ms. Talina Rose Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

**Re: Case No. 2014-00280
In the Matter of the Application of Duke Energy Kentucky, Inc. to Amend its
Demand Side Management Programs**

Dear Ms. Mathews:

In accordance with the Automatic Approval Process for Demand Side Management/ Energy Efficiency Program (Collectively DSM Measures) Measures approved by the Kentucky Public Service Commission's (Commission) January 28, 2014, Order in Case NO. 2014-00280 (Order), Duke Energy Kentucky, Inc., (Duke Energy Kentucky or the Company) hereby provides notice of its intent to add a measure to the Residential Low Income Neighborhood program. The Residential Low Income Neighborhood Program takes a non-traditional approach to serving income-qualified areas of the Duke Energy Kentucky service territory by directly installing measures and educating customers on ways to manage and lower their energy bills. The Company plans to add a refrigerator thermometer to help with the functionality of the refrigerator. The Company plans to start offering this measure on January 23, 2017.

The Order provides, in relevant part, that "Duke Kentucky's request that the Commission approve adding additional cost effective measures to existing programs is approved with the following parameters: 1) the additional measures cost is not to be greater than \$75,000; 2) Duke Kentucky must notify the Commission at least 10 days prior to the launch of the new measures; 3) the measures inclusion is cost effective and the cost/benefit analysis and rate change is provided, on an annual basis within the annual amendment filing".

The Company offers this measure in the other Duke Energy jurisdictions and believes it is an enhancement to the program. In compliance with the terms of the Commission's approval of the automatic approval process, the Company hereby states as follows:

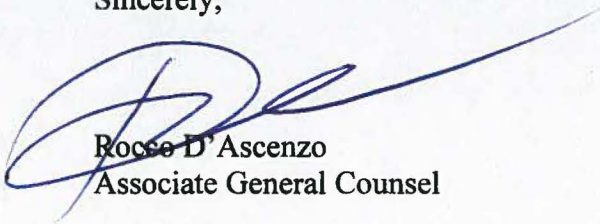
- 1) The total incremental cost for the new measures is projected to be about \$9,000 from 2017-2019, which is less than the \$75,000 threshold. Additionally, this increased cost is expected to be more than offset by the planned incentive reductions.

Ms. Talina Rose Matthews
January 5, 2017
Page 2 of 2

- 2) As Duke Energy Kentucky intends to implement the program effective January 23, 2017, the Company is providing the Commission at least 10 days-notice; and,
- 3) The Company will report progress on the Residential Low Income Neighborhood Program annually in its cost recovery filing. No action is requested by the Commission at this time.

Please date-stamp the two extra copies of this letter and return to me in the enclosed returned-addressed envelope.

Sincerely,



Rocco D'Ascenzo
Associate General Counsel

cc: Kent Chandler