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VIA ELECTRONIC FILING and 2ND DAY DELIVERY

August 3, 2017

Mr. John Lyons
Interim Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 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 Mr. Lyons:

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 reduce incentives on certain existing lighting measures within the Smart Saver[®] Residential program. The Smart Saver[®] Residential Program provides incentives to residential consumers for installation of high efficiency equipment. The reduction on incentives will be for lighting measures available on Duke Energy Kentucky's online store. The Company is not adding measures, but simply reducing incentives to adjust for changing market conditions and not over-incentivize the measures. The Company plans to adjust the incentives by August 18th.

List of planned incentive reductions:

Measure	Current Incentive	Reduced Incentive
Specialty Bulbs 3 Way LED	\$7	\$5
Specialty Bulbs A Line LED	\$3	\$2
Specialty Bulbs Candelabra LED	\$7	\$3
Specialty Bulbs Globe LED	\$5	\$3
Specialty Bulbs Recessed LED	\$7	\$4
Specialty Bulbs Recessed Outdoor LED	\$7	\$5

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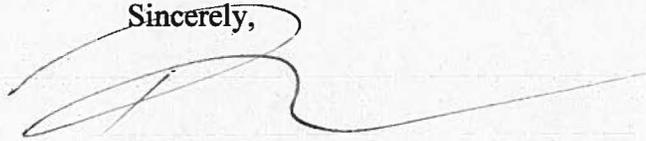
The Order provides, in relevant part, that "Duke Kentucky's request that the Commission approve adding additional cost effective measures to existing programs is approved with the following parameters: 1) the additional measures cost is not to be greater than \$75,000; 2) Duke Kentucky must notify the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

In compliance with the terms of the Commission's approval of the automatic approval process, the Company hereby states as follows:

- 1) As Duke Energy Kentucky intends to implement the changes to the program effective August 18th, 2017, the Company is providing the Commission at least 10 days-notice.

The Company will report progress on the Residential Smart Saver[®] program annually in its cost recovery filing. No action is requested by the Commission at this time. Please contact me if you have any questions.

Sincerely,



Rocco D'Ascenzo
Associate General Counsel

cc: Kent Chandler