

SMALL BUSINESS ENERGY SAVER PROGRAM

APPLICABILITY

Available to existing Duke Energy Kentucky non-residential customer accounts who qualify with an actual average annual electric demand of 100 kilowatts or less. An individual business entity's participation is limited to no more than five premises on the Company's system during a calendar year. Where the customer is not the owner of the property, the owner must give satisfactory written consent for the customer to participate in this program.

PROGRAM DESCRIPTION

The Small Business Energy Saver Program (SBES) facilitates the installation of high efficiency equipment in existing small non-residential facilities. SBES is designed to target the small non-residential customer segment using the direct install program model which makes the energy efficiency upgrade process as streamlined and convenient as possible.

SBES will provide free, no-obligation energy assessments of qualifying non-residential customer facilities which result in recommendations of energy efficiency measures to be installed at the facility along with the projected energy savings, costs of all materials and installation, and the upfront incentive amount from Duke Energy Kentucky. Upon receiving the results of the assessment, if the customer chooses to move forward, the customer makes the final determination of project scope prior to installation. Duke Energy Kentucky then provides upfront incentives to discount the installation costs of select energy efficiency improvements in lighting; refrigeration; and heating ventilation and air conditioning.

The SBES program incentives are calculated per project, based upon the deemed estimated energy savings of the energy-efficiency improvements and the conditions found within the customer's facility. Duke Energy Kentucky may provide an upfront customer incentive for up to 80 percent of the total cost of installed measures. Incentives are provided based on the Duke Energy Kentucky's cost-effectiveness modeling to ensure cost-effectiveness over the life of the measure.

All aspects of the program will be managed by a Duke Energy Kentucky authorized program administrator. Duke Energy Kentucky will provide a list of customers who meet the program eligibility requirements to the Company-authorized program administrator in order for the program administrator to perform the work described above. Duke Energy Kentucky's incentive payment for any installed measures shall be paid directly to the Company-authorized program administrator upon verification that the energy efficiency measure(s) have been installed. All project costs above the incentive amount shall be the responsibility of the Customer and shall be paid based upon payment terms arranged between Customer and program administrator.

Participating customers agree to allow both Duke Energy Kentucky and the Company- authorized vendor(s) the right of ingress and egress to the Customer's premises at all reasonable hours for the purpose of pre-installation and/or post-installation inspection of the project to verify installation.

Issued by authority of an Order of the Kentucky Public Service
Commission dated January 28, 2015 in Case No. 2014-00280.

Issued: February 5, 2015

Effective: February 9, 2015

Issued by James P. Henning, President /s/ James P. Henning

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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