

**COMMONWEALTH OF KENTUCKY  
BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

The Application of Duke Energy     )  
Kentucky, Inc., to Amend Its Demand     ) Case No. 2016-00289  
Side Management Programs             )

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**APPLICATION OF DUKE ENERGY KENTUCKY, INC. TO AMEND ITS  
DEMAND SIDE MANAGEMENT PROGRAMS**

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Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), pursuant to KRS 278.285, and other applicable law, and does hereby request the Commission to approve an amendment of the Demand Side Management (DSM) programs as Ordered by this Commission.<sup>1</sup> In support of its Application, Duke Energy Kentucky respectfully states as follows:

**Introduction**

1. Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky is a Kentucky corporation that was originally incorporated on March 20, 1901, is in good standing and, as a public utility as that term is defined in KRS 278.010(3), is subject to the Commission's jurisdiction. Duke Energy Kentucky is engaged in the business of furnishing natural gas and electric services to various municipalities and unincorporated areas in Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in the Commonwealth of Kentucky. A copy of its articles of incorporation is on file with the Commission in Case No. 2013-00097.

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<sup>1</sup> *In the Matter of the Application of Duke Energy Kentucky, Inc. for the Annual Cost Recovery Filing for Demand Side Management, Case No. 2012-00495, (Order)(April 11, 2013).*

2. Duke Energy Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202. The Company's local office in Kentucky is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Duke Energy Kentucky's email address is KYfilings@duke-energy.com.

3. On November 15, 2012, Duke Energy Kentucky filed an application for the cost recovery of demand side management programs. The Company's application was docketed as Case No. 2012-00495. On April 11, 2013, this Commission approved that Application and Ordered Duke Energy Kentucky to file an application requesting program expansion(s) and to include: (1) an Appendix A, setting forth the Cost Effectiveness Test Results of all DSM programs, (2) an Appendix B, setting forth the recovery of program costs, lost revenues, and shared savings that are used in determining the true-up of proposed DSM factors; and (3) a signed and dated proposed Rider DSMR, Demand Side Management rate, for both electric and natural gas customers, by August 15, annually.<sup>2</sup>

#### **Current DSM Programs**

4. Duke Energy Kentucky has a long history of successful DSM implementation and has been a leader in the industry with respect to energy efficiency (EE) and peak demand reduction (DR) programs, having offered such programs since the mid-90's. Its existing portfolio of DSM programs was approved by the Commission in Case No. 2012-00085,<sup>3</sup> by Order dated June 29, 2012. These programs are as follows:

- Program 1: Low Income Services Program
- Program 2: Residential Energy Assessments Program
- Program 3: Energy Efficiency Education for Schools Program

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<sup>2</sup> See Order, para. 4.

<sup>3</sup> In the Matter of the Application of Duke Energy Kentucky, Inc. for an Energy Efficiency Cost Recovery Mechanism and for Approval of Additional Programs for Inclusion in its Existing Portfolio, Case No. 2012-00085.

- Program 4: Residential Smart Saver<sup>®</sup> Efficient Residences Program
- Program 5: Residential Smart Saver<sup>®</sup> Energy Efficient Products Program
- Program 6: Smart Saver<sup>®</sup> Prescriptive Program
- Program 7: Smart Saver<sup>®</sup> Custom Program
- Program 8: Smart Saver<sup>®</sup> Energy Assessments Program
- Program 9: Power Manager<sup>®</sup> Program
- Program 10: PowerShare<sup>®</sup>
- Program 11: Low Income Neighborhood
- Program 12: My Home Energy Report
- Program 13: Appliance Recycling Program
- Program 14: Non-Residential Small Business Energy Saver Program

5. Consistent with the Commission's Order in Case No. 2015-00277 approving Duke Energy Kentucky request to continue its existing portfolio of programs, the Company is proposing the following programmatic changes in this year's annual amendment filings, which will then be reflected in the financial true-ups and forecasts to be included in the annual cost recovery filing for demand side management.

**Expansion of Current DSM Programs and Program Removal**

6. This Application proposes to expand the scope of the Residential Smart Saver<sup>®</sup> Energy Efficient Products Program, Low Income Neighborhood, Energy Efficiency Education for Schools Program, My Home Energy Report, and Power Manager<sup>®</sup> by increasing or changing the available measures within each program to respond to market conditions and enhance the robustness of the Company's offerings. The Company is also providing an update on measures

within the Smart Saver<sup>®</sup> Prescriptive Program, Smart Saver<sup>®</sup> Custom Program, and an eligibility update to the Non-Residential Small Business Energy Saver Program. The Company is requesting a new demand response program for small and medium non-residential customers: Power Manager<sup>®</sup> for Business and a non-residential energy efficient program: Pay for Performance. The Company is also informing the Commission of a program that is no longer being offered, Appliance Recycling. The Residential Collaborative<sup>4</sup> and the Commercial and Industrial Collaborative<sup>5</sup> have reviewed the Company's proposed changes. With the exception of the Office of the Kentucky Attorney General, which will indicate its opinion at a later date, the voting members of both the Residential Collaborative and the Commercial & Industrial Collaborative have had the opportunity to review this Application and have either affirmatively agreed or not opposed.

7. New measures and programs:

**Residential Smart Saver<sup>®</sup> Energy Efficient Products:**

Residential Smart Saver<sup>®</sup> is proposing to expand the scope of the program by increasing the available measures related to lighting and an additional marketing referral channel. The primary goal for the program is to provide eligible customers with a broad selection of energy efficiency lighting measures for their homes.

On March 2, 2016 Duke Energy Kentucky filed an application to adjust the free CFL

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<sup>4</sup> The Residential Collaborative members receiving the information: Rebecca Goodman and Heather Napier (Office of the Kentucky Attorney General), Jock Pitts and Nina Creech (People Working Cooperatively), Florence Tandy (Northern Kentucky Community Action Commission), Laura Pleiman (Boone County), Peter Nienaber (Northern Kentucky Legal Aid), Karen Reagor (Kentucky NEED Project), Lee Colten and Rick Bender (Department of Energy Development and Independence), Chris Jones (Greater Cincinnati Energy Alliance), Chris Mueller (Brighton Center), Allyn Reinecke (Campbell County) and Tim Duff and Trisha Haemmerle (Duke Energy).

<sup>5</sup> The Commercial & Industrial Collaborative members receiving the information: Rebecca Goodman and Heather Napier (Office of the Kentucky Attorney General), Jock Pitts (People Working Cooperatively), Karen Reagor (Kentucky NEED Project), Lee Colten and Rick Bender (Department of Energy Development and Independence), Allyn Reinecke (Campbell County), Chris Baker (Kenton County Schools) and Tim Duff and Trisha Haemmerle (Duke Energy).

(compact fluorescent light) program to offering free LED (light emitting diodes) technology. The Commission approved this request on May 10, 2016.

The program is adding an additional marketing channel, retail stores. This upstream, buy-down retail-based lighting program works through lighting manufacturers and retailers to offer discounts to Duke Energy Kentucky customers selecting incentivized LEDs and energy-efficient fixtures at the shelf for purchase at the register. Retailers, such as, but not limited to, Home Depot, Lowe's, Sam's Club, Walmart and Costco will be evaluated at the store level for possible inclusion in this program.

This program encourages those customers not likely to shop at the on-line stores to adopt energy efficient lighting through incentives on a wide range of efficient lighting technologies including LED products, Reflectors, Globes, Candelabra, 3 Way, Dimmable and A-Line type bulbs, as well as fixtures. Customer education is imperative to ensure customers are purchasing the correct bulb for the application in order to obtain high satisfaction with energy efficient lighting products, ensuring subsequent energy efficient purchases.

The incentive amount varies by product type and the customer pays the difference as well as any applicable taxes. Pack limits will be in place and enforced to the best of the retailers' ability.

A vendor will be utilized to implement this program. This vendor will be an industry leader and will leverage their existing relationships and systems established with the participating retailers and manufacturers. Additionally, the vendor will have a field team in place to promote and monitor this program at the participating retail locations. A toll free call center and website will be hosted by the vendor to provide program information to Duke Energy Kentucky customers. The website will include a retailer locator where customers can enter their



zip code and search for retailers and specific bulb and fixture types in their area. A tool available to customers is an interactive savings calculator, which will explain the different types of lighting technologies help guide customers to the appropriate bulb(s) for their application and provide an estimate of energy and monetary savings.

Eligible program participants include Duke Energy Kentucky residential customers. The primary goals for this program are to help customers lower their energy bills and to remove inefficient equipment from the electric grid. This program educates customers about energy consumption attributed to lighting and how to reduce their consumption by using high efficiency alternatives.

This program will implement an integrated marketing plan which may include, but is not limited to:

- Point of Purchase materials at the participating retailer locations
- Duke Energy Kentucky and Program website
- General Awareness Campaigns
  - Bill Inserts
  - Email
  - Digital advertising
  - Paid advertising/mass media
  - Out of Home advertising
- Advertised events at key retailers including:
  - Direct mail
  - Email
  - Paid advertising/mass media (radio, newspaper, etc.)

- Social media
- In Store materials (fliers, bag stuffers, posters, banners, etc.)
- Community outreach events (home shows, sporting events, cultural events, etc.)

These marketing efforts are designed to create customer awareness of this program, to educate customers on energy saving opportunities and to emphasize the convenience of Program participation. Additionally, marketing efforts related to advertised in-store events are designed to motivate customer participation.

For consistency across the programs, the Multi-Family portion of Smart Saver<sup>®</sup> will also switch from CFLs to LEDs.

**Low Income Neighborhood:**

For consistency across the programs, the Low Income Neighborhood program will switch from CFLs to LEDs.

**Energy Efficiency Education for Schools:**

For consistency across the programs, the Energy Efficiency Education for Schools program switched from CFLs to LEDs. This change took place on April 1, 2016 following a letter submitted to the Commission in March 2016.

**My Home Energy Report:**

The My Home Energy Report (MyHER) is an energy efficiency program based on behavioral science to motivate and empower energy efficient behavior. This program uses a peer group of homes of similar size, age, type of heating fuel and geography to highlight the customer's variance in energy use when compared to the "Average Home" and an "Efficient Home" of the peer group to engage the customer. The energy usage data features easy to read

charts and visuals that illustrate how a customer's home performed in the last month and trended over the year as compared to the sample set via print and online channels. Further social motivation is introduced by establishing a value for an "Energy Efficient Home" within the peer group, as customers closest to the average are unlikely to be motivated to change their behavior.

Currently the MyHER report is only available to customers living in single family homes. In order to reach a broader audience with this valuable efficiency opportunity, the Company is developing a My Home Energy Report for multifamily homes as well. The report will be similar in the comparison data provided; however, multifamily dwellings will be compared to other multifamily dwellings and the tips on the report will be tailored to the behavior changes and efficiency changes a multifamily dwelling can make. The Company plans on offering the multifamily report in 2017.

#### **Power Manager®:**

Power Manager® is a residential load control program. It is used to reduce electricity demand by controlling residential air conditioners (A/C) and shifting usage away from peak periods. In order to expand the Power Manager's capability, Duke Energy Kentucky will be adding water heaters to the program. Similar to the load control device attached to the outdoor air conditioning unit of participating customers, a similar device will be installed on or near a customer's water heater. Unlike Duke Energy Kentucky's central air conditioning devices that allow load reductions during system peak levels in the summer, the water heater devices will enable Duke Energy Kentucky to cycle off electric water heaters during times of high electric demand—year round.

Power Manager® is offered to residential customers that have a functional central air-conditioning system with an outside compressor unit. Customers must agree to have the control



device installed on their A/C system and to allow Duke Energy Kentucky to control their A/C system during Power Manager® events. If the customer also has an electric water heater, the customer may choose to also have a control device installed on or near that appliance and allow Duke Energy Kentucky to control the appliance during Power Manager® events.

Customers participating in this Program receive a one-time enrollment incentive and a bill credit for each Power Manager® event. Customers who select Option A, which cycles their air conditioner to achieve a 1.0 kW load reduction, receive a \$25 credit at installation. Customers selecting Option B, which cycles their air conditioner to achieve a 1.5 kW load reduction, receive a \$35 credit at installation. The bill credit provided for each cycling event is based on: the kW reduction option selected by the customer, the number of hours of the control event and the value of electricity during the event. For each control season (May through Sept), customers will receive a minimum of \$12 for Option A and \$18 for Option B in credits. For water heaters, participating customers receive a one-time incentive of \$5 and a bill credit for each Power Manager® event. Annually, customers will receive a minimum of \$6 in event credits.

Power Manager® is marketed through targeted direct mail campaigns, targeted e-mail campaigns, outbound telemarketing and on Duke Energy Kentucky's Web site.

The water heater device option will be marketed to customers who have committed to receive a Power Manager® air conditioning device and have an electric water heater. A water heater device will only be made available to customers for who an installation, service or quality control visit is already planned to be conducted. It is not cost effective to send a technician to a customer's home for the sole purpose of installing a water heater device.

Customers can enroll in Power Manager® by: phone call, returning the enrollment form

included in the marketing material or through Duke Energy Kentucky's Web site. Duke Energy Kentucky will contract with a third party to install and perform field work associated with the load control devices.

**NEW PROGRAM - Power Manager® for Apartments:**

Power Manager® for Apartments is a residential load control program focused on Apartment Complexes/Communities. It is used to reduce electricity demand by controlling residential air conditioners and when available, electric water heaters during periods of peak demands. A load control device is attached to the outdoor air conditioning unit and water heater of participating customers. This enables Duke Energy Kentucky to cycle central air conditioning systems off and on when the load on Duke Energy Kentucky's system reaches peak levels during the cooling season. In addition, this program enables Duke Energy Kentucky to cycle the electric water heaters off when the load on the system reaches peak levels—any time of year.

Power Manager® for Apartments is offered to property managers/owners of individually metered apartment units that have a functional central air-conditioning system with an outside compressor unit. The landlord must agree to have the control device installed on the A/C system and to allow Duke Energy Kentucky to control their A/C system during Power Manager® events and enroll the tenants in this program. In addition, if the apartments have electric water heaters, the property managers/owners will be offered the opportunity to have load control devices installed on those appliances and enroll the tenants in this program.

The property managers/owners will receive an annual incentive for each air conditioning unit receiving a load control device. This incentive is \$5 per air conditioning device installed. The purpose of these incentives revolves around the fact that the landlord owns the equipment, controls access to the equipment and the maintenance of the equipment. Communication about

maintenance events and that a device has been disconnected is very valuable for persistence of these measures. The most efficient way to deliver this Program (and provide savings in kW to Duke Energy Kentucky and in dollars to Customers) is via these property managers/owners. In addition, the property manager/owners will receive a one-time enrollment incentive of \$5 for each water heater device installed.

In addition, the Customers (tenants) participating in this Program receive bill credits for each Power Manager<sup>®</sup> event. Customers will receive a minimum of \$10 annually for their participation in the air conditioning part of this program. Customers who also have a water heater device installed on their unit will receive a minimum of \$6 annually in bill credits. After installation of the device(es), tenants will be notified of their Program eligibility and given the opportunity to opt-out of participation.

The total bill credit provided for each cycling event is based on: the kW reduction option selected by the customer, the number of hours of the control event and the value of electricity during the event.

Power Manager<sup>®</sup> is marketed through personalized outreach to targeted property managers/owners with individually metered units. Program collateral will stress the benefits of this program to property managers that are motivated by higher occupancy rates and providing lower electric costs for their tenants. It is also planned to leverage opportunities, contacts and learnings from the Residential Multifamily Energy Efficiency Program.

Duke Energy Kentucky will contract with an installation vendor, planning to utilize existing capabilities from the established Power Manager<sup>®</sup> program.

**Smart Saver<sup>®</sup> Prescriptive:**

The purpose of the Duke Energy Smart Saver<sup>®</sup> Prescriptive program is to provide

incentives to influence customers to take action that they would not have absent of the program incentives. Program management routinely reviews current offerings and market standards to determine changes, additions, and deletions needed to the portfolio.

In Case No. 2014-00280, Duke Energy Kentucky requested and received approval for automatic approval of cost effective additions to existing programs of measures that do not exceed \$75,000 per program.

For 2017, measures are currently being evaluated and will be presented to the Commission ten days before going into effective in accordance with Case No. 2014-00280. The evaluation is still in progress and the measures were not available to be included in this filing. However, the change in measures will not exceed \$75,000.

The incentive for the screw-in LED lamp measure is being updated to reflect the significant pricing changes that have occurred recently in the market. The evaluation is still in progress to determine the new incentive amount, which is expected to be updated before the end of 2016. The incentive will be reduced from the current level, and therefore the change will not increase program expenditures.

#### **Smart Saver<sup>®</sup> Custom:**

In order to make the Smart Saver<sup>®</sup> Custom program more accessible to a wider range of projects as well as to enhance program efficiency, the Smart Saver<sup>®</sup> Custom program has implemented several functional enhancements. The first of these, referred to as “Custom to Go” involves relatively easy to use, but acceptably accurate calculation tools. The “Flat Rate” incentive improvement has also launched, which improves program transparency concerning custom incentives.

Duke Energy Kentucky is implementing a new channel to the Smart Saver<sup>®</sup> Custom

program: Calculation Assistance. The purpose of Calculation Assistance is to provide assistance with custom projects to commercial customers lacking the means to calculate savings for the Smart Saver® Custom application process. The services provided will further streamline Duke Energy Kentucky's internal processes and enhance the Smart Saver® Custom Program. Calculation Assistance will be incorporated into the classic Smart Saver® Custom process and would not require a different application than exists today. Customers interested in Calculation Assistance will work with a third party assigned by Duke Energy Kentucky. Any costs associated will affect the net incentive received by the customers.

Duke Energy Kentucky is also weighing the potential value of a "Fast Track" application path as well as customer assistance for energy savings calculations.

Development continues into improvements enabling participation of customer projects that are on fast track schedules or for which energy savings are difficult to quantify. A separate letter providing details about the program will be submitted at a later date once development on this improvement is complete.

**Non-Residential Smart Saver® Prescriptive and Custom Programs:**

Duke Energy Kentucky will be adding a new outreach channel to the Non-Residential Smart Saver® Prescriptive and Custom programs.

Small/Medium Business - New Construction (SMBNC) is a non-residential consultative outreach channel centered upon an automated energy efficiency incentive calculator. Architects and engineers involved in the construction of buildings smaller than an established size can access the online tool as well as a Duke Energy Kentucky consultant to select combinations of energy efficiency measures and to determine the potential Smart Saver® Custom and/or Prescriptive incentives they would receive for implementing those measures.



Customers whose buildings are small are often hard to identify for marketing and business development purposes. Furthermore, conducting comprehensive energy audits on these buildings can be cost prohibitive. SMBNC provides a means by which Duke Energy Kentucky can engage these customers via a specialized tool and focused outreach effort.

Incentive amounts are applied based on the Smart Saver<sup>®</sup> Custom and Prescriptive rates in effect, and Duke Energy Kentucky must approve the customer's chosen measures before incentive pay-outs can be claimed.

**Non-Residential Small Business Energy Saver Program:**

The Small Business Energy Saver (SBES) is increasing the program eligibility from an average annual electric demand of 100 kW to 180 kW to allow a greater number of customers to participate in the program as well as increase the program's kWh savings. After having the program in the market, it was determined that the segment of customers that were greater than 100 kW and less than 180 kW represented a gap between customers that participated in SBES and the Non-Residential Smart Saver<sup>®</sup> Prescriptive and Custom programs. This modification will help meet the needs of this currently underserved segment. Participants may be in owner-occupied or tenant leased facilities with owner permission.

**NEW PROGRAM - Non-Residential Pay for Performance:**

Duke Energy Kentucky is requesting approval of this new non-residential program: Pay for Performance. The purpose of this program is to encourage the installation of high efficiency equipment in new and existing non-residential establishments. The Program will provide incentive payments to offset a portion of the higher cost of energy efficient installations that are not offered under either the Smart Saver<sup>®</sup> Prescriptive or Custom programs. The types of measures that will be covered by the Program will include projects with some combination of

unknown building conditions or system constraints, coupled with uncertain operating, occupancy, or production schedules. The specific type of measures will be included in the contract with the Customer.

In order to receive payment under this program, the customer must submit an application before making a decision to implement the project. An estimated total project savings will be calculated and agreed to by the applicant and the Company. Program incentives will be based on the published Pay for Performance incentive rate schedule. In order to manage risk, incentives under the Program will be divided into two separate payments. The first payment will be made upon completion of the project, and following a review and approval by the company. This first payment will be based on a portion of the initial estimated total savings for the project. At this point a measurement period will begin to verify actual savings. A second incentive payment will be made as savings are confirmed and will be equal to the applicable Pay for Performance incentive rate multiplied by the verified savings amount. The percentage of payment made for the initial incentive versus the verified incentive payment amount will be made on a project-by-project basis according to the measure of uncertainty assigned to the project.

**NEW PROGRAM: Power Manager<sup>®</sup> for Business**

Power Manager<sup>®</sup> for Business is a non-residential program that provides business customers with the opportunity to participate in demand response, earn incentives and realize optional energy efficiency benefits. This program is designed as a flexible offer that provides small-to-medium size business customers with options on device types as well as level of demand response participation. Customers first select the type of device from two available options: thermostat or switch.

Customers who opt for the thermostat will have the ability to manage their thermostat

remotely via computer, tablet or smartphone. The thermostat comes with presets designed to help the business manager/owner set an efficient schedule that works for their business. This realizes additional benefits in the form of EE impacts/savings. Customers then select one of three levels of summer demand response (DR) participation, and earn an incentive based upon that selection.

Both thermostat and switch customers have the same DR participation options, and receive the same DR incentives.

Power Manager<sup>®</sup> for Business will be offered to business customers with qualifying air conditioning systems, summer weekday energy usage and broadband/Wi-Fi internet. Customers must agree to have the control device installed on their A/C system and to allow Duke Energy Kentucky to control their A/C system during Power Manager<sup>®</sup> events. Qualifying air conditioning systems include:

- Individual split air conditioning systems
- Rooftop Units
- Packaged terminal air conditioners (PTACs)

Customers participating in this Program receive an incentive based on upon the level of demand response cycling they select:

- 30% cycling: \$50 per DR summer season (per device)
- 50% cycling: \$85 per DR summer season (per device)
- 75% cycling: \$135 per DR summer season (per device)

The incentive will be paid out after installation of the device(s) and then annually. Devices are installed at the customer premise at no charge to the customer.

Power Manager<sup>®</sup> for Business will be marketed through targeted direct mail campaigns,

targeted e-mail campaigns, outbound telemarketing, on Duke Energy Kentucky's Web site and via cross selling with the Small Business Energy Saver Program.

Customers can enroll in Power Manager<sup>®</sup> for Business by: phone call, returning the enrollment form included in the marketing material or through Duke Energy Kentucky's web site. Duke Energy Kentucky will contract with a third-party entity to install and perform field work associated with the load control devices and thermostats.

8. Duke Energy Kentucky is discontinuing the following program:

**Appliance Recycling Program**

The Duke Energy Kentucky Appliance Recycling Program (ARP) launched in 2012 in cooperation with the selected program vendor, JACO Environmental, Inc. ARP encouraged customers to responsibly dispose of functional refrigerators and freezers. Customers enrolled in the program received free in home appliance pick up and received a \$30 incentive for participating in the program. Up to 95% of the appliance materials will be recycled in an environmentally responsible manner and the remaining materials are disposed of at landfills.

On November 19, 2015, JACO, the implementation vendor, abruptly discontinued operations. The impact included delayed and bounced incentive payments to customers who participated in the program and cancellations for customers with appointments scheduled through December. Duke Energy Kentucky will continue to analyze the program and determine if submitting an RFP to evaluate the future of the Program is appropriate.

9. Pursuant to KRS 278.285(1)(b) and the Commission's Order, Appendix A includes the Cost Effectiveness Test Results of all programs.

10. Pursuant to KRS 278.285(1)(c) and the Commission's Order, Appendix B includes the calculations to recover program costs, lost revenues, and shared shavings, that are



used in determining the true-up of proposed DSM factor(s).

11. A signed and dated proposed Rider DSMR, Demand Side Management Rider, for both electric and natural gas customers, is attached hereto as Appendix C.

12. Pursuant to KRS 278.285(1)(c) and the Commission's Order, Appendices D - G includes program evaluations. The Energy Efficiency Education for Schools Program evaluation for the NEED component of the program was not completed in time for this application and will be filed before the end of 2016<sup>6</sup>.

13. Finally, Duke Energy Kentucky respectfully requests that the Commission's Order in this proceeding approve any tariff modifications to be effective so to align with the Company's first billing cycle in the month following the Commission's Order. The Company is unable to implement tariff changes immediately upon approval and outside of a billing cycle under its current billing system. The Company needs at least five business days from the issuance of an Order to implement rate changes and appropriately test the calculations.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission grant the relief requested herein.

Respectfully submitted,



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<sup>6</sup> *In the Matter of the Application of Duke Energy Kentucky, Inc. for the Annual Cost Recovery Filing for Demand Side Management, Case No. 2012-00495, (Order)(April 11, 2013).* "Duke Kentucky shall evaluate its entire portfolio of DSM programs by December 31, 2016. The exception would be in applications that include a new program or an expansion of an existing program."



## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via ordinary mail, postage prepaid, this 15<sup>th</sup> day of August 2016:

Rebecca W. Goodman  
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