

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

In the Matter of:

THE APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. TO AMEND ITS)	Case No. 2019-00277
DEMAND SIDE MANAGEMENT)	
PROGRAMS)	

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

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.¹ 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

¹ *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).

the Commonwealth of Kentucky. A copy of its articles of incorporation is on file with the Commission in Case No. 2013-00097.

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, 1262 Cox Road, 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, Appendix C, by August 15, annually.²

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

² See Order, para. 4.

Case No. 2017-00427,³ by Order dated September 13, 2018. This current portfolio of programs are as follows:

- Program 1: Low Income Services Program
- Program 2: Residential Energy Assessments Program
- Program 3: Residential Smart Saver[®] Efficient Residences Program
- Program 4: Residential Smart Saver[®] Energy Efficient Products Program
- Program 5: Smart Saver[®] Prescriptive Program
- Program 6: Smart Saver[®] Custom Program
- Program 7: Power Manager[®] Program
- Program 8: PowerShare[®]
- Program 9: Low Income Neighborhood
- Program 10: My Home Energy Report
- Program 11: Non-Residential Small Business Energy Saver Program
- Program 12: Non-Residential Pay for Performance⁴

5. Consistent with the Commission's previous Orders, 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:

³ *In the Matter of the Electronic Application of Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.* Case No. 2017-00427.

⁴ Marketed as Smart Saver[®] Performance

- a. This Application proposes to expand the scope and program budgets to respond to market conditions and enhance the robustness of the following:
- i. Smart Saver[®] Residential Program;⁵
 - ii. My Home Energy Report; and
 - iii. The Company is also providing an update on measures within the Smart Saver[®] Prescriptive Program.
- b. As agreed upon in a stipulation with the Attorney General's Office resolving the Company' Application for a Certificate of Public Convenience and Necessity (CPCN) for installation of an Advanced Metering Infrastructure (AMI)⁶ the Company is seeking approval to offer a Peak Time Rebate Pilot program.

⁵ Includes changes to Residential Smart Saver[®] Energy Efficient Residences and Products Programs. The purpose of the Residential Smart Saver[®] Energy Efficient Residences portion of the Residential Smart Saver[®] Program is to offer customers prescriptive incentives for a variety of energy conservation measures designed to increase energy efficiency in their homes. The program utilizes a network of participating contractors to encourage the installation of high efficiency equipment and the implementation of energy efficient home improvements with eligible customers. Equipment and services to be incentivized include:

- Installation of high efficiency air conditioning (AC) and heat pump (HP) systems, including option for qualifying smart thermostat;
- Performance of AC and HP tune-up maintenance services;
- Implementation of attic insulation and air sealing services;
- Implementation of duct sealing and insulation services; and
- Installation of efficient heat pump water heaters.

⁶In the Matter of the Application of Duke Energy Kentucky, Inc for (1) a Certificate of Public Convenience and Necessity Authorizing the Construction of an Advanced Metering Infrastructure; (2) Request for Accounting Treatment; and (3) All Other Necessary Waivers, Approvals, and Relief, Case No. 2016-00152 (Ky. P.S.C Order) (May 25, 2017).

6. The Residential Collaborative⁷ and the Commercial and Industrial Collaborative⁸ have received the Company's proposed changes and had the opportunity to provide comments.

Amendments to Existing Programs

7. Duke Energy Kentucky is seeking approval to expand the scope of its Smart Saver[®] Residential program as follows:

The Online Saving Store provides eligible customers to purchase specialty bulbs and have them shipped directly to their homes. Currently the store only offers a variety of LED lighting--Reflectors (indoor and outdoor), Globes, Candelabra, 3 ways, Dimmable and certain A-line type bulbs of wattages not included in the Free LED offer. The request starting in 2020 is to expand the product offerings to additional energy efficiency measures that provide energy savings to customers. The incentive levels and purchase limits vary by product.

Those additional products are (with purchase limits):

- Energy Star smart Wi-Fi thermostats (purchase limit 2)
- Energy Star Advanced power strips (purchase limit 4)
- Water conservation products (purchase limit 3)
- Energy Star Air Purifiers (purchase limit 2)
- Energy Star Dehumidifiers (purchase limit 2)

⁷ The Residential Collaborative members receiving the information: Kent Chandler, Rebecca Goodman and Heather Napier (Office of the Kentucky Attorney General), Jock Pitts and Nina Creech (People Working Cooperatively), Kurt Krahn (Northern Kentucky Community Action Commission), Laura Pleiman (Boone County), Peter Nienaber (Northern Kentucky Legal Aid), Rick Bender and Kenya Stump (Kentucky Energy and Environment Cabinet), Chris Jones and Rob McCracken (Greater Cincinnati Energy Alliance), and Tim Duff and Trisha Haemmerle (Duke Energy).

⁸ The Commercial & Industrial Collaborative members receiving the information: Kent Chandler, Rebecca Goodman and Heather Napier (Office of the Kentucky Attorney General), Jock Pitts (People Working Cooperatively), Rick Bender and Kenya Stump (Kentucky Energy and Environment Cabinet), Chris Baker (Kenton County Schools), and Tim Duff and Trisha Haemmerle (Duke Energy).

- LED lighting fixtures – portable, direct wire & outdoor photocell lights (purchase limit, total of 8)

The Free Lighting component of the program was designed to increase the energy efficiency of residential customers by offering customers 9-Watt LEDs to install in high-use fixtures within their homes. The LED offer was available through an on-demand ordering platform, enabling customers to request LEDs and have them shipped directly to their homes. Customers may have the ability to order in quantities of 3, 6, 8, 12, and 15 packs. Quantities offered by the platform are dependent on past participation in free lighting programs that contribute to their free bulb limit.⁹

The Free LED Program is scheduled to discontinue in Duke Energy Kentucky in Q2 2020 because of the efficiency standards changes for general service bulbs (A-Line) that will become effective January 1, 2020 due to the implementation of the Energy Independence and Security Act (EISA). This standard change legislation will diminish the impact of the program as well as its cost effectiveness, therefore, no longer making it a viable program for the company to continue to offer. Duke Energy will work collaboratively with the implementation vendor to manage inventory and process pipeline orders efficiently during this time.

⁹ As approved in Case No. 2016-00112.

8. Duke Energy Kentucky is seeking approval to expand the scope of its My Home Energy Report program to reduce the budget in response to the program converting to an opt-in program in response to the Commission's Order in Case No. 2017-00427.¹⁰

9. Duke Energy Kentucky is seeking approval to amend its Smart Saver[®] Prescriptive program as follows:¹¹

Standards continue to change and new, more efficient technologies continue to emerge in the market. The Company expects to continue to add or alter measures to provide incentives for customers to take advantage of a broader suite of products. The Company undertakes an annual review of technologies and efficiency levels through internal sources and with the assistance of outside technical experts. The review includes the existing technology categories as well as other emerging areas for energy efficiency.

For 2019-20, a total of 38 measure additions or measure modifications were identified for the Food Service technology category. Sixty-seven measure additions

¹⁰ The My Home Energy Report (MyHER Report) compares household electric usage to similar, neighboring homes, and provides recommendations and actionable tips to lower energy consumption. The report also informs a customer of the Company's other energy efficiency programs when applicable. Beginning in 2019¹⁰, the My Home Energy Report changed from an opt-out program to an opt-in program at the direction of the Kentucky Public Service Commission. Customers will receive at most 2 paper reports and 12 emailed reports. Customers who enroll in the MyHER Interactive portal will also be eligible to receive weekly email challenges that seek to engage customers in active energy management, additional efficiency upgrades, and conservation behaviors

¹¹ The purpose of the Duke Energy Smart Saver[®] Prescriptive program is to provide incentives to influence non-residential customers to take action that they would not have absent of the program incentives. Duke Energy Kentucky continues to evaluate changes to existing measures, to take into consideration changes to market conditions and energy efficiency standards, and the addition of measures to offer customers additional options for energy savings.

This program promotes prescriptive incentives for the following technologies – lighting, HVAC, pumps & drives (variable frequency), food services, process equipment, and information technology equipment. Equipment and incentives are predefined based on current market assumptions and Duke Energy's engineering analysis. The eligible measures, and incentives for equipment as well as customer eligibility requirements are listed in the applications posted on Duke Energy's Business and Large Business websites for each technology type.

or modifications were identified for the HVAC technology category. Thirty-one measure additions or modifications were identified for the Information Technology category. Nineteen measure additions or modifications were identified for the Process Equipment category and one measure was identified for addition into the Pumps & Drives technology category. Lastly, there were 74 measure additions or modifications identified for the Lighting technology category. A list of all measures to be added to the program are included in Appendix D.

Requesting Approval for a Peak Time Rebate Pilot Program

10. This Application proposes to offer participating customers the opportunity to lower their electric bill by reducing their electric usage during Company-designated peak load periods known as Critical Peak Events (CPE) through the Peak Time Rebate Pilot program. Company may brand the program to customers under a different name which at this time is undetermined. Duke Energy Kentucky seeks approval for the Peak Time Rebate pilot program as committed in Case No. 2016-00152.

11. The Peak Time Rebate (PTR) pilot program is an incentive based demand response program for residential customers designed to reduce load during the Company's peak load periods. This new pilot will enroll up to approximately 1,000 eligible customers and provides participating customers the opportunity to lower their electric bill by reducing their electric usage during Company-designated CPEs. Duke Energy Kentucky will administer this new pilot program internally but evaluate it through an independent vendor as agreed in the above referenced case. The Company hereby requests approval of this approximate two-year pilot program. After initial launch, projected for May 2020 based on a projected Commission approval by December 31,

2019, the pilot will run for 2 years at which time the evaluation, measurement and verification (EM&V) vendor¹² will begin their analysis and write a pilot report. The pilot will continue, past 2 years, until such time that Company files a request to the Commission and receives approval to either terminate the program or continue it with or without changes.

12. The Company may call a CPE, at its discretion, during any calendar month. CPEs may only occur on a weekday, Monday through Friday, and will last 4 hours. During the months of May through October, a CPE will begin at 3 p.m. and end at 7 p.m. During months of November through April, a CPE will begin at 6 a.m. and end at 10 a.m. CPEs will not occur on weekends and New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

13. For each CPE, the Company, using the Customer's electric usage history, will estimate a baseline which is the electric usage (i.e., kWh) that would have been used by the Customer absent any Customer initiated action to reduce electric usage. The Customer's actual kWh usage captured through AMI meters during the CPE will be compared to the baseline. Net reduction in usage from the baseline over the CPE period will receive a \$0.33 cents/kWh credit. If no net reduction occurred, no credit will be provided. Customers will not be penalized for increasing usage compared to their baseline during a CPE. All consumption however is subject to Rate RS charges. If, for any reason, the actual kWh is not available from the smart meter, an estimate of the

¹² Duke Energy Kentucky has selected a vendor and has begun work for the pilot.

actual kWh consumed during the CPE will be used. Credits will be calculated and applied to the Customer's bill no later than the second billing month following the CPE(s).

14. Participating customers must provide and maintain a contact method (*i.e.*, an email address or text number) at the Customer's expense for the Company to provide notification of CPEs. It will be Customer's responsibility to monitor and control their energy usage before, during, and after a CPE. Customers are not obligated to reduce load during any CPE. However, to earn credits available, participants must reduce their consumption during CPE hours. Other provisions of the customer's applicable rate schedule will apply to service supplied under this pilot program.

15. The Company will notify customers of a CPE using the contact information provided by the Customer. The Company will use its best efforts to notify Customers of a CPE by 8:00 p.m. on the day prior to a CPE. However, notification can occur at any time but no later than one hour prior to the event. In addition, Company may send participating customers a reminder of the event just prior to the event start for some events. Failure of the Customer to receive the Company notice of a CPE shall not entitle the Customer to receive credits under this program.

16. Participating customers will agree to participate in the pilot until the end of the 2-year pilot program and may continue to participate at their option and under their initial enrolled account until the pilot program is terminated. Company reserves the option to terminate Customer's participation for operational issues or upon Customer request.

17. Eligible customers will be solicited through email and as needed direct mail. Interested customers will be able to enroll online or through Company's Customer

Prototype Lab. The enrollment process will collect customer information necessary for the pilot including the customer's name, account number, address, preferred contact information, and whether the customer owns a Wi-fi enabled programmable thermostat. The thermostat information will be used to compare how customers with a remote-control HVAC system respond to CPEs as compared to participants who do not have this capability. Company plans to accept enrollment of solicited eligible customers even if the 1,000-enrollment target is slightly exceeded provided that the customer responds in a reasonable amount of time after the solicitation is sent; up to 2 months. Eligible pilot participants will be active customers on Rate RS who are not participating in Power Manager or net metering, do not have a deferred payment plan or medical alert designation, and have not opted out of Company's smart meter functionality. In addition, the Company reserves the option to limit the number of renters and low usage customers who enroll in the pilot program to ensure diverse pilot participation.

18. With the PTR pilot program, Duke Energy Kentucky will broaden the available demand response options for residential customers and effectively deliver another appealing peak load management option.

19. Duke Energy Kentucky requests funding for the program to begin upon Commission approval. Billing system revisions and other preparations for program implementation will begin upon Commission approval.

20. The Company requests approval by December 31, 2019 to implement the changes immediately. The Company includes a program tariff (Appendix E) to reflect the program offerings. The Company will true-up the costs and include the cost effectiveness scores within the Annual Cost Recovery Filing for Demand Side Management to be filed

November 15, 2020 recovering the July 1, 2019 – June 30, 2020 timeframe costs. Per the agreement referenced above, this pilot program will not be included in the shared savings mechanism but will receive cost recovery of program costs.

21. Pursuant to KRS 278.285(1)(b) and the Commission's Order, Appendix A includes the Cost Effectiveness Test Results for the Smart Saver[®] Residential, My Home Energy Report, Smart Saver[®] Prescriptive and Peak Time Rebate Pilot programs. For the Peak Time Rebate Pilot, we ask the Commission to note that the effectiveness scores are based on a limited pilot duration of approximately 3 years, using a conservative load reduction value of 0.3 kW per hour per participant, and are supporting billing system revisions as well as EM&V costs. These factors result in effectiveness scores less than 1.0. Nonetheless, the Company requests approval to allow the opportunity to research customer responsiveness and determine if the program can become cost effective in the future.

22. 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).

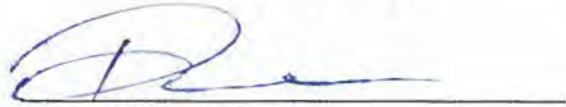
23. A signed and dated proposed Rider DSMR, Sheet No. 78 Demand Side Management Rider, for both electric and natural gas customers, is attached hereto as Appendix C.

24. Pursuant to KRS 278.285(1)(c) and the Commission's Order, the Company would file program evaluations within this application. However, due to the suspension of program activity in February 2018, there are no evaluation reports to file at this time.

25. 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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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via ordinary mail, postage prepaid, this 15th day of August 2019:

Kent Chandler
The Office of the Attorney General
Utility Intervention and Rate Division
700 Capital Avenue, Ste 20
Frankfort, Kentucky 40601-8204

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Rocco O. D'Ascenzo

Cost Effectiveness Test Results (A)

Program Name	2019-20 Program Modifications			
	UCT	TRC	RIM	PCT
Residential Programs				
My Home Energy Report	1.86	1.86	0.79	NA
Residential Smart Saver®	2.40	1.34	0.74	3.35
Peak Time Rebate Pilot	0.19	0.20	0.19	NA
Non-Residential Programs				
Smart Saver® Prescriptive	4.23	1.93	1.05	3.28

(A) Cost effectiveness scores of the modified programs listed, as filed in 2019 amendment filing.

Most recent scores for existing programs can be found In the Company's annual true up filing, Case No. 2018-00370, Appendix A.

Kentucky DSM Rider

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)		(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2017 to 6/2018 (A)	Projected Lost Revenues 7/2017 to 6/2018 (A)	Projected Shared Savings 7/2017 to 6/2018 (A)	Program Expenditures 7/2017 to 6/2018 (B)	Program Expenditures (C) Gas	Electric	Lost Revenues 7/2017 to 6/2018 (B)	Shared Savings 7/2017 to 6/2018 (B)	2017 Gas (D)	Reconciliation Electric (E)	Rider Collection (F) Gas	Electric	(Over)/Under Gas (G)	Collection Electric (H)
Appliance Recycling Program	\$ -	\$ 15,885	\$ -	\$ -	\$ -	\$ -	\$ 12,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Efficiency Education Program for Schools	\$ 275,930	\$ 87,148	\$ (495)	\$ 155,368	\$ 33,228	\$ 122,140.11	\$ 47,617	\$ 1,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Income Neighborhood	\$ 308,206	\$ 37,486	\$ (15,051)	\$ 221,100	\$ -	\$ 221,100.45	\$ 28,800	\$ (9,556)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Income Services	\$ 825,461	\$ 51,905	\$ (48,167)	\$ 431,011	\$ 187,756	\$ 243,254.65	\$ 26,438	\$ (18,091)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
My Home Energy Report	\$ 798,061	\$ 706,256	\$ 25,078	\$ 372,001	\$ -	\$ 372,000.83	\$ 395,323	\$ 25,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Energy Assessments	\$ 276,410	\$ 79,984	\$ 8,280	\$ 136,433	\$ -	\$ 136,433.40	\$ 46,714	\$ 7,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Smart Saver®	\$ 2,503,271	\$ 1,026,020	\$ 85,595	\$ 1,446,170	\$ -	\$ 1,446,189.64	\$ 780,887	\$ 126,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Manager®	\$ 706,922	\$ -	\$ 840,876	\$ 527,636	\$ -	\$ 527,635.84	\$ -	\$ 111,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Manager® for Apartments	\$ 58,552	\$ -	\$ 5,785	\$ (8,399)	\$ -	\$ (8,399.05)	\$ -	\$ 840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Home Energy Assistance Pilot Program (I) Revenues collected except for HEA	\$ 258,401	\$ -	\$ -	\$ 214,095	\$ -	\$ 214,095	\$ 89,862	\$ 124,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,109,214	\$ 1,984,494	\$ 803,882	\$ 3,485,415	\$ 310,640	\$ 3,184,766	\$ 1,340,630	\$ 247,742	\$ (2,724,719)	\$ 46,144	\$ (1,363,233)	\$ 10,055,527	\$ (1,050,839)	\$ (5,230,244)

- (A) Amounts identified in report filed in Case No. 2015-00368 and Case No. 2016-00289.
- (B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2017 through June 30, 2018.
- (C) Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.
- (D) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (E) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- (F) Revenues collected through the DSM Rider between July 1, 2017 and June 30, 2018.
- (G) Column (5) + Column (9) - Column(11).
- (H) Column (6) + Column (7) + Column (8) + Column (10) - Column(12).
- (I) Revenues and expenses for the Home Energy Assistance Pilot Program.

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2017 to 6/2018 (A)	Projected Lost Revenues 7/2017 to 6/2018 (A)	Projected Shared Savings 7/2017 to 6/2018 (A)	Program Expenditures 7/2017 to 6/2018 (B)	Lost Revenues 7/2017 to 6/2018 (B)	Shared Savings 7/2017 to 6/2018 (B)	2017 Reconciliation (C)	Rider Collection (D)	(Over)/Under Collection (E)
Small Business Energy Saver	\$ 1,077,726	\$ 232,139	\$ 127,508	\$ 683,115	\$ 166,751	\$ 111,408	\$ -	\$ -	\$ -
Smart Saver® Custom	\$ 435,565	\$ 109,814	\$ 64,889	\$ 641,404	\$ 133,476	\$ 291,228	\$ -	\$ -	\$ -
Smart Saver® Non-Residential Performance Incentive Program	\$ 44,593	\$ 14,278	\$ 5,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - Energy Star Food Service Products	\$ 40,177	\$ 14,711	\$ 7,236	\$ 44,817	\$ 8,995	\$ 5,716	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - HVAC	\$ 224,262	\$ 27,306	\$ 20,926	\$ 107,753	\$ 10,908	\$ 2,712	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - IT	\$ 15,537	\$ 5,272	\$ (1,553)	\$ 5,647	\$ 3	\$ (585)	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - Lighting	\$ 1,223,836	\$ 283,247	\$ 125,807	\$ 2,309,504	\$ 359,879	\$ 552,075	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - Motors/Pumps/VFD	\$ 30,337	\$ 10,489	\$ 3,034	\$ 38,759	\$ 6,529	\$ 8,629	\$ -	\$ -	\$ -
Smart Saver® Prescriptive - Process Equipment	\$ 9,832	\$ 2,331	\$ (983)	\$ 5,138	\$ 2,043	\$ (514)	\$ -	\$ -	\$ -
Power Manager® for Business	\$ 143,872	\$ 6,808	\$ (2,021)	\$ 46,632	\$ 131	\$ (3,224)	\$ -	\$ -	\$ -
Total	\$ 3,245,539	\$ 706,291	\$ 351,552	\$ 4,282,770	\$ 686,815	\$ 967,465	\$ 5,576,651	\$ 5,490,906	\$ 8,022,795
PowerShare®	\$ 624,919	\$ -	\$ 80,183	\$ 709,527	\$ -	\$ 141,238	\$ 178,273	\$ 483,782	\$ 565,255

- A) Amounts identified in report filed in Case No. 2015-00368 and Case No. 2016-00289.
- B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2017 through June 30, 2018.
- C) Recovery allowed in accordance with the Commission's Order in Case No. 2012-00085.
- D) Revenues collected through the DSM Rider between July 1, 2017 and June 30, 2018.
- E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)

Residential Program Summary (A)

	Residential Program Summary (A)				Allocation of Costs (B)			Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Electric	Gas Costs	
Low Income Neighborhood	\$ 371,468	\$ 7,935	\$ (15,844)	\$ 363,559	100.0%	0.0%	\$ 371,468	\$ 363,559	\$ -	
Low Income Services	\$ 810,628	\$ 11,128	\$ (30,069)	\$ 791,688	100.0%	0.0%	\$ 810,628	\$ 791,688	\$ -	
My Home Energy Report (D)	\$ 165,696	\$ 161,739	\$ 13,511	\$ 340,946	100.0%	0.0%	\$ 165,696	\$ 340,946	\$ -	
Residential Energy Assessments	\$ 326,678	\$ 15,180	\$ 7,262	\$ 349,120	100.0%	0.0%	\$ 326,678	\$ 349,120	\$ -	
Residential Smart Saver® (D)	\$ 1,949,221	\$ 260,300	\$ 252,080	\$ 2,461,601	100.0%	0.0%	\$ 1,949,221	\$ 2,461,601	\$ -	
Power Manager®	\$ 564,560	\$ -	\$ 131,418	\$ 695,978	100.0%	0.0%	\$ 564,560	\$ 695,978	\$ -	
Peak Time Rebate Pilot	\$ 207,736	\$ -	\$ -	\$ 207,736	100.0%	0.0%	\$ 207,736	\$ 207,736	\$ -	
Total Costs, Net Lost Revenues, Shared Savings	\$ 4,395,988	\$ 456,282	\$ 358,359	\$ 5,210,629			\$ 4,395,988	\$ 5,210,629	\$ -	
Home Energy Assistance Pilot Program (E)	\$ 261,425							\$ 151,925	\$ 109,500	

NonResidential Program Summary (A)

	NonResidential Program Summary (A)				Allocation of Costs (B)			Budget (Costs, Lost Revenues, & Shared Savings)		
	Costs	Lost Revenues	Shared Savings	Total	Electric	Gas	Electric Costs	Electric	Gas	
Small Business Energy Saver	\$ 874,529	\$ 36,499	\$ 116,303	\$ 1,027,331	100.0%	0.0%	\$ 874,529	\$ 1,027,331	NA	
Smart Saver® Custom	\$ 675,415	\$ 36,816	\$ 155,383	\$ 867,615	100.0%	0.0%	\$ 675,415	\$ 867,615	NA	
Smart Saver® Non-Residential Performance Incentive Program	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	\$ -	\$ -	NA	
Smart Saver® Prescriptive (C), (D)	\$ 1,676,125	\$ 60,956	\$ 520,952	\$ 2,258,032	100.0%	0.0%	\$ 1,676,125	\$ 2,258,032	NA	
PowerShare®	\$ 908,290	\$ -	\$ 153,191	\$ 1,061,481	100.0%	0.0%	\$ 908,290	\$ 1,061,481	NA	
Total Costs, Net Lost Revenues, Shared Savings	\$ 4,134,358	\$ 134,271	\$ 945,829	\$ 5,214,458			\$ 4,134,358	\$ 5,214,458	NA	
Total Program	\$ 8,530,346	\$ 590,553	\$ 1,304,188	\$ 10,425,087						

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for Year 8 of portfolio.

(B) Allocation of program expenditures to 100% electric, see Allocation of program expenditures to 100% electric, see Annual Cost Recovery for Demand Side Management Application

(C) Smart Saver® Prescriptive consists of the following technologies: Energy Efficient Food Service Projects, HVAC, Lighting, IT, Pumps and Motors, and Process Equipment.

(D) Yellow highlighted rows include modifications to programs as described in application.

(E) Upon approval from the Commission, the HEA program will no longer be calculated as part of the DSMR rider

Duke Energy Kentucky
 Demand Side Management Cost Recovery Rider (DSMR)
 Summary of Calculations for Programs

July 2019 to June 2020

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 5,210,629
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 4,152,977
Transmission Level Rates & Distribution Level Rates Part B	\$ 1,061,481
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ -

(A) See Appendix B, page 2 of 5.

Duke Energy Kentucky
Demand Side Management Cost Recovery Rider (DSMR)
Summary of Billing Determinants

Year	2019
Projected Annual Electric Sales kWh	
Rate RS	1,436,685,800
Rates DS, DP, DT, GS-FL, EH, & SP	2,333,287,003
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,570,138,003
Projected Annual Gas Sales CCF	
Rate RS	57,859,338

Duke Energy Kentucky
 Demand Side Management Cost Recovery Rider (DSMR)
 Summary of Calculations

July 2017 to June 2018

Rate Schedule Riders	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
Electric Rider DSM					
Residential Rate RS	\$ (5,331,020)	\$ 5,210,629	\$ (120,391)	1,436,685,800 kWh	\$ (0.000084) \$/kWh
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	\$ 6,131,808	\$ 4,152,977	\$ 10,284,785	2,333,287,003 kWh	\$ 0.004408 \$/kWh
Transmission Level Rates & Distribution Level Rates Part B TT	\$ 575,486	\$ 1,061,481	\$ 1,636,967	2,570,138,003 kWh	\$ 0.000637 \$/kWh
Distribution Level Rates Total DS, DP, DT, GS-FL, EH & SP					\$ 0.005045 \$/kWh
Gas Rider DSM					
Residential Rate RS	\$ (1,069,860)	\$ -	\$ (1,069,860)	57,859,338 CCF	\$ (0.018491) \$/CCF
Total Rider Recovery			\$ 10,731,501		
Customer Charge for HEA Program (D)					
Electric No. 4			Annual Revenues	Number of Customers	Monthly Customer Charge
Residential Rate RS			\$ 151,925	126,604	\$ 0.10
Gas No. 5			\$ 109,500	91,250	\$ 0.10
Total Customer Charge Revenues			\$ 261,425		
Total Recovery			\$ 10,992,926		

(A) (Over)/Under of Appendix B page 1 multiplied by the average three-month commercial paper rate for 2017 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is:

1.018100

(B) Appendix B, page 2.

(C) Appendix B, page 4.

(D) Forecasted changes do not reflect the request to increase the HEA monthly charge to \$0.20 per meter/per month. The HEA forecast does not factor into the DSMR rate adjustment.

Allocation Factors
based on July 2017-
June 2018

Summary of Load Impacts July 2017 Through June 2018*

	<u>kWh</u>	<u>% of Total Res Sales</u>	<u>ccf</u>	<u>% of Total Res Sales</u>	<u>Elec % of Total Sales</u>	<u>% of Gas Sales</u>
Residential Programs						
Energy Efficiency Education Program for Schools	361,289	0.0240%	4,214	0.0065%	79%	21%
Low Income Neighborhood	226,273	0.0150%	-	0.0000%	100%	0%
Low Income Services	197,878	0.0132%	6,549	0.0102%	56%	44%
My Home Energy Report	9,221,319	0.6129%	-	0.0000%	100%	0%
Residential Energy Assessments	294,049	0.0195%	-	0.0000%	100%	0%
Residential Smart Saver®	4,933,960	0.3280%	-	0.0000%	100%	0%
Power Manager®	-	0.0000%	-	0.0000%	100%	0%
Power Manager® for Apartments	-	0.0000%	-	0.0000%	100%	0%
Total Residential	15,234,768	1.0126%	10,763	0.0167%		
Total Residential (Rate RS) Sales For July 2017 Through June 2018	1,504,451,330	100%	64,504,698	100%		

*Load Impacts Net of Free Riders at Meter

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Duke Energy Kentucky
4580 Olympic Blvd.
78
Erlanger, KY 41018

KY.P.S.C. Electric No. 2
Twenty-~~Fifth~~~~Fourth~~ Revised Sheet No.

Cancels and Supersedes
Twenty-~~Fourth~~~~Third~~ Revised Sheet No.

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RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills is (\$0.0000~~8464~~) per kilowatt-hour. (R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential distribution service customer bills is \$0.0050~~4524~~ per kilowatt-hour. (~~IR~~)

The DSMR to be applied for transmission service customer bills is \$0.000637 per kilowatt-hour. (~~I~~)

Issued by authority of an Order by the Kentucky Public Service
Commission dated ~~December 13, 2018~~ in Case No. 201~~98~~-00277~~370~~.

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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky
4580 Olympic Blvd.
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KY.P.S.C. Electric No. 2
Twenty-Fifth Revised Sheet No. 78
Cancels and Supersedes
Twenty-Fourth Revised Sheet No. 78
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RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills is (\$0.000084) per kilowatt-hour. (R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential distribution service customer bills is \$0.005045 per kilowatt-hour. (I)

The DSMR to be applied for transmission service customer bills is \$0.000637 per kilowatt-hour.

Issued by authority of an Order by the Kentucky Public Service
Commission dated ___ in Case No. 2019-00277.

Issued: August 15, 2019
Effective: September 15, 2019
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Refrigerators - C&I - ENERGY STAR TOS	Food Service Products
Snack Machine Controller	Food Service Products
Strip Curtains - Freezers	Food Service Products
Strip Curtains - Refrigerated Warehouse	Food Service Products
Vending Equipment Controller	Food Service Products
Walk-In Cooler Automatic Door-Closer Retrofit	Food Service Products
ARC 10 to 15 Ton Gas Heat	HVAC
ARC greater than 15 Ton Gas Heat	HVAC
ARC HP 10 to 15 Ton	HVAC
ARC HP greater than 15 Ton	HVAC
ARC HP less than 10 Ton	HVAC
ARC less than 10 Ton Gas Heat	HVAC
CEE Tier 1 Room AC greater than 14,000 Btu per hr	HVAC
CEE Tier 1 Room AC less than 14,000 Btu per hr	HVAC
CEE Tier 2 Room AC greater than 14,000 Btu per hr	HVAC
CEE Tier 2 Room AC less than 14,000 Btu per hr	HVAC
Chilled Water Reset- Air Cooled Chillers, Grocery	HVAC
Chilled Water Reset- Air Cooled Chillers, Other	HVAC
Chilled Water Reset- Air Cooled Chillers, Retail	HVAC
Chilled Water Reset- Water Cooled Chillers, Other	HVAC
Chilled Wtr Reset- Air Cooled Chillers, College or Sm Ofc	HVAC
Chilled Wtr Reset- Air Cooled Chillers, SCH (K-12)	HVAC
Chilled Wtr Reset- Wtr Cooled Chillers, College or Sm Ofc	HVAC
Chilled Wtr Reset- Wtr Cooled Chillers, Retail	HVAC
Chilled Wtr Reset- Wtr Cooled Chillers, SCH (K-12)	HVAC
Chilled Wtr Reset-Wtr Cooled Chillers, Grocery	HVAC
CoolRoof New Replace on Burnout College-sq ft	HVAC
CoolRoof New Replace on Burnout Health-sq ft	HVAC
CoolRoof New Replace on Burnout Hotel-sq ft	HVAC
CoolRoof New Replace on Burnout Large Office-sq ft	HVAC
CoolRoof New Replace on Burnout Medium Offic-sq ft	HVAC
CoolRoof New Replace on Burnout Motel-sq ft	HVAC
CoolRoof New Replace on Burnout Other-sq ft	HVAC

CoolRoof New Replace on Burnout Retail-sq ft	HVAC
CoolRoof New Replace on Burnout School-sq ft	HVAC
CoolRoof New Replace on Burnout Strip Mall-sq ft	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +10% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +15% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +20% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +25% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +30% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ +5% chg adj	HVAC
DX RTU Tune-up_ AC_ Fixed Orifice_ -20% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +10% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +15% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +20% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +25% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +30% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ +5% chg adj	HVAC
DX RTU Tune-up_ AC_ TXV_ -20% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +10% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +15% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +20% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +25% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +30% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ +5% chg adj	HVAC
DX RTU Tune-up_ HP_ Fixed Orifice_ -20% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +10% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +15% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +20% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +25% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +30% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ +5% chg adj	HVAC
DX RTU Tune-up_ HP_ TXV_ -20% chg adj	HVAC
Guest Room Energy Management, Electric Heating	HVAC
Guest Room Energy Management, Gas Heating	HVAC

Heat Pump Water Heater MF Tnt	HVAC
HVAC Water Source HP greater than 17 kBtuh and less than 65 kBtuh	HVAC
HVAC Water Source HP greater than 65 kBtuh and less than 135 kBtuh	HVAC
HVAC Water Source HP less than 17 kBtuh	HVAC
Notched V-Belts for HVAC Systems	HVAC
Variable speed drive on HVAC chiller	HVAC
Window Film	HVAC
Controlled Plug Strip	Information Technology
EC Plug Fan_ 20 HP	Information Technology
EC Plug Fan_ 3 HP	Information Technology
EC Plug Fan_ 5 HP	Information Technology
EC Plug Fan_10 HP	Information Technology
EC Plug Fan_15 HP	Information Technology
EC Plug Fan_ 2 HP	Information Technology
EC Plug Fan_7.5 HP	Information Technology
PC Power Management from Network	Information Technology
Plug Load Occupancy Sensor	Information Technology
VFDs on chilled water pumps 10HP	Information Technology
VFDs on chilled water pumps 10HP w Economizer	Information Technology
VFDs on chilled water pumps 15HP	Information Technology
VFDs on chilled water pumps 15HP w Economizer	Information Technology
VFDs on chilled water pumps 20HP	Information Technology
VFDs on chilled water pumps 20HP w Economizer	Information Technology
VFDs on chilled water pumps 25HP w Economizer	Information Technology
VFDs on chilled water pumps 30HP w Economizer	Information Technology
VFDs on chilled water pumps 40HP w Economizer	Information Technology
VFDs on chilled water pumps 50HP w Economizer	Information Technology
VFDs on chilled water pumps 5HP	Information Technology
VFDs on chilled water pumps 5HP w Economizer	Information Technology
VFDs on chilled water pumps 7.5HP	Information Technology
VFDs on chilled water pumps 7.5HP w Economizer	Information Technology
VFDs on CRAC CRAH AHU fans 10HP	Information Technology
VFDs on CRAC CRAH AHU fans 15HP	Information Technology

VFDs on CRAC CRAH AHU fans 20HP	Information Technology
VFDs on CRAC CRAH AHU fans 2HP	Information Technology
VFDs on CRAC CRAH AHU fans 3HP	Information Technology
VFDs on CRAC CRAH AHU fans 5HP	Information Technology
VFDs on CRAC CRAH AHU fans 7.5HP	Information Technology
2ft TLED Delamp with Reflector	Lighting
2ft TLED Delamping	Lighting
4ft TLED Delamp	Lighting
4ft TLED Delamp with Reflector	Lighting
Bi-level Stairwell Fixture with Integrated Sensor	Lighting
Daylighting Control with Occupancy Sensors	Lighting
Exterior Bi-level Controls Retrofit	Lighting
Exterior HID replacement above 175W to 250W HID retrofit	Lighting
Exterior HID replacement above 175W to 250W HID retrofit Lamp	Lighting
Exterior HID replacement above 250W to 400W HID retrofit	Lighting
Exterior HID replacement above 250W to 400W HID retrofit Lamp	Lighting
Exterior HID replacement above 400W HID retrofit	Lighting
Exterior HID replacement above 400W HID retrofit Lamp	Lighting
Exterior HID replacement to 175W HID retrofit	Lighting
Exterior HID replacement to 175W HID retrofit Lamp	Lighting
Fluorescent Delamping 2ft T8	Lighting
Fluorescent Delamping 2ft T8 with Reflector	Lighting
Fluorescent Delamping 3ft T8	Lighting
Fluorescent Delamping 3ft T8 with Reflector	Lighting
Fluorescent Delamping 4ft T8	Lighting
Fluorescent Delamping 4ft T8 with Reflector	Lighting
Fluorescent Delamping 8ft T8	Lighting
Fluorescent Delamping 8ft T8 with Reflector	Lighting
Garage HID replacement above 175W to 250W HID retrofit	Lighting
Garage HID replacement above 175W to 250W HID retrofit Lamp	Lighting
Garage HID replacement above 250W to 400W HID retrofit	Lighting
Garage HID replacement above 250W to 400W HID retrofit Lamp	Lighting
Garage HID replacement above 400W HID retrofit	Lighting

Garage HID replacement above 400W HID retrofit Lamp	Lighting
Garage HID replacement to 175W HID retrofit	Lighting
Garage HID replacement to 175W HID retrofit Lamp	Lighting
High Bay 2L T-5 High Output	Lighting
High Bay 3L T-5 High Output	Lighting
High Bay 4L T-5 High Output	Lighting
High Bay 6L T-5 High Output	Lighting
High Bay 6L T5 HO (2 fixtures) retrofit replc 1000W HID	Lighting
High Bay 8L T-5 High Output	Lighting
Int Induction Lighting replacing HPS greater than 100W, up to 200W	Lighting
Int Induction Lighting replacing HPS greater than 200W, up to 400W	Lighting
Int Induction Lighting replacing MH between 70W and 200W	Lighting
Int Induction Lighting replacing MH greater than 200W, up to 250W	Lighting
LED 4ft Case Lights, T8 to LED	Lighting
LED 4ft Case Lights, T8 to LED - With Controls	Lighting
LED 5ft Case Lights, T8 to LED	Lighting
LED 5ft Case Lights, T8 to LED - With Controls	Lighting
LED 6ft Case Lights, T8 to LED	Lighting
LED 6ft Case Lights, T8 to LED - With Controls	Lighting
LED Bollard Fixtures for Exterior Lighting	Lighting
LED Canopy replacing 176-250W HID	Lighting
LED Canopy replacing 176-250W HID Lamp	Lighting
LED Canopy replacing 251-400W HID	Lighting
LED Canopy replacing 251-400W HID Lamp	Lighting
LED Canopy replacing up to 175W HID	Lighting
LED Canopy replacing up to 175W HID Lamp	Lighting
LED Downlight	Lighting
LED Indoor Channel Sign, greater than 2 feet	Lighting
LED Indoor Channel Sign, less than or equal to 2 feet	Lighting
LED Indoor Sport Lighting	Lighting
LED Outdoor Channel Sign, greater than 2 feet	Lighting
LED Outdoor Channel Sign, less than or equal to 2 feet	Lighting
Light Tube	Lighting

Lighting Power Density for New Construction	Lighting
Occupancy Sensors over 500 Watts	Lighting
Occupancy Sensors per Watt	Lighting
Occupancy Sensors under 500 Watts	Lighting
Photocells	Lighting
Photocells with Time Clocks	Lighting
Remote Mounted Daylight Sensor per Watt	Lighting
Remote-Mounted Daylight Sensor	Lighting
Switch or Fixture Mounted Daylight Sensor per Watt	Lighting
Switch or Fixture-Mounted Daylight Sensor	Lighting
Switching Controls for Multi-Level Lighting	Lighting
Time Clocks External Lighting	Lighting
Time Clocks Internal Lighting	Lighting
Creep Heat Pad	Process Equipment
Dairy Plate Cooler	Process Equipment
Low Energy Livestock Waterer	Process Equipment
Low Pressure Sprinkler Nozzles Portable	Process Equipment
Low Pressure Sprinkler Nozzles Solid Set	Process Equipment
Clothes Dryer C&I - Electric	Process Equipment
Clothes Dryer MF Common Area	Process Equipment
Clothes Dryer MF Tnt	Process Equipment
Clothes Washer C&I	Process Equipment
Clothes Washer MF Common Area	Process Equipment
Clothes Washer MF Tnt	Process Equipment
Cycling Compressed Air Dryer	Process Equipment
Low Pressure Drop Filter for Compressed Air Systems	Process Equipment
No-loss Condensate Drain	Process Equipment
Pellet Dryer Tanks & Ducts 3in dia per ft	Process Equipment
Pellet Dryer Tanks & Ducts 4in dia per ft	Process Equipment
Pellet Dryer Tanks & Ducts 5in dia per ft	Process Equipment
Pellet Dryer Tanks & Ducts 6in dia per ft	Process Equipment
Pellet Dryer Tanks & Ducts 8in dia per ft	Process Equipment
VFD HVAC Fan	Pumps and Drives

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, Kentucky 41018

KY.P.S.C. Electric No. 2
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Page 1 of 2

**RESIDENTIAL PEAK TIME REBATE (PTR) PILOT PROGRAM
PTR PILOT PROGRAM**

(N)

APPLICABILITY

This rider is a pilot and is available on a limited and voluntary basis, at the Company's option, to residential customers in the Company's electric service area who choose to participate by enrolling in the pilot program. This rider is not available to customers served under Rider TS, Rider AMO, Rider NM, and the Residential Direct Load Control – Power Manager Program. In addition, customers with arrears and/or deferred payment arrangements are not eligible to participate. Residential customers may participate only if Company has installed an advanced meter with interval recording registers that may be used for billing the Customer. Participation is limited to approximately the first one thousand (1,000) customers to enroll within the first 2 years of the pilot period. The Company may select pilot participants such that a diverse customer group is ensured. This rider is available upon Kentucky Public Service Commission (Commission) approval and may change or conclude upon the Commission's order.

PROGRAM DESCRIPTION

Under this pilot program, participating customers have the opportunity to lower their electric bill by reducing their electric usage during Company-designated peak load periods known as Critical Peak Events ("CPE").

The Company may call a CPE, at its discretion, during any calendar month. CPEs may only occur on a weekday, Monday through Friday, and will last 4 hours. During the months of May through October, a CPE will begin at 3 p.m. and end at 7 p.m. During months of November through April, a CPE will begin at 6 a.m. and end at 10 a.m. CPEs will not occur on weekends and New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

For each CPE, the Company, using the Customer's electric usage history, will estimate a baseline which is the electric usage (i.e., kWh) that would have been used by the Customer absent any Customer initiated action to reduce electric usage. The Customer's actual kWh usage during the CPE will be compared to the baseline. Net reduction in usage from the baseline over the CPE period will receive a cents/kWh credit. If no net reduction occurred, no credit will be provided. If, for any reason, the actual kWh is not available, an estimate of the actual kWh consumed during the CPE will be used.

Credits will be calculated and applied to the Customer's bill no later than the second billing month following the CPE(s).

Issued by authority of an Order by the Kentucky Public Service
Commission dated _____ in Case No. 2019-00277.

Issued: August 15, 2019

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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, Kentucky 41018

KY.P.S.C. Electric No. 2
Original Sheet No. 120
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PROGRAM DESCRIPTION (Cont'd.)

Participating customers must provide and maintain a contact method (i.e, an email address and/or a text number) at the Customer's expense in order for the Company to provide notification of CPEs.

In the event electric service to the Customer is interrupted during a CPE, the Customer shall not receive credit for reductions due to the service interruption.

It will be Customer's responsibility to monitor and control their energy usage before, during, and after a CPE.

Other provisions of the customer's applicable rate schedule will apply to service supplied under this pilot program.

CREDITS

Credit per net kWh Reduced during CPE	\$0.33 / kWh
---------------------------------------	--------------

NOTIFICATION OF CRITICAL PEAK EVENTS

The Company will notify customers of a CPE using the contact information provided by the Customer. The Company will use its best efforts to notify Customers of a CPE by 8:00 p.m. on the day prior to such event. However, notification can occur at any time but no later than one hour prior to the event. Failure of the Customer to receive the Company notice of a CPE shall not entitle the Customer to receive credits under this program.

PARTICIPATION PERIOD

Customer agrees to participate in the pilot until the end of the 2-year pilot program and may continue to participate at their option and under their enrolled account until the pilot program is terminated. Company reserves the option to terminate Customer's participation for operational issues or upon Customer request.

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 participating in this pilot program.

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.

(N)

Issued by authority of an Order by the Kentucky Public Service
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