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VIA ELECTRONIC FILING

July 15, 2025

Ms. Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Case No. 2023-00354

In the Matter of the Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.

Dear Ms. Bridwell:

In its final order in this case, the Kentucky Public Service Commission (Commission) found that Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) “adequately kept the Commission informed of the progress and status of its DSM programs.”¹ The Commission also ordered the Company to file notices for “any DSM program once it reaches 95 percent of its budget during a fiscal year” and “any DSM program that Duke Kentucky projects will exceed its budget by 25 percent.”²

Duke Energy Kentucky, Inc. hereby submits notice for the DSM programs that have reached 95 percent of its forecasted budget³ during the current fiscal year and/or which are projected to exceed their budget by 25 percent or more. Beginning with the fiscal year starting July 1, 2024, a quarterly review of costs will be conducted to provide more timely updates to the Commission. This letter is about the fourth quarter early review for the July 1, 2024 to May 30, 2025, timeframe. One non-residential program is over the 95 percent threshold of costs and is projected to exceed its budget by 25 percent or more, as of June 1, 2025.

Non-Residential Program Over 95%

Business Energy Saver > 95% of budget

¹ *In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Case No. 2023-00354, Order, p. 7 (Ky. P.S.C. December 21, 2023).

² *Id.*, p. 8.

³ *See In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Case No. 2023-00354, Application, Appendix C, p. 2 (Ky. P.S.C. November 15, 2023).

- After the most recent monthly recognition of actual costs (through May 31, 2025), the program is projecting to be about 190% of year-to-date budget at the close of the fiscal year.
- Year to date customer participation is currently at 256% of budgeted levels, through May 31, 2025.
- Costs are higher than forecasted due to a very large project that finalized in April 2025.
- SmartPath is a component of Business Energy Saver and is available to all non-residential customers. SmartPath is built upon the traditional Small Business Energy Saver option by minimizing financial barriers to customer participation by allowing customers to finance and implement energy efficiency upgrades at little to no upfront costs. The program is implemented by a qualified Trade Ally network who complete energy assessments, develops proposals, and implements the turnkey projects on the SmartPath option's behalf. SmartPath offers customers financing through a partnership with the National Energy Improvement Fund (NEIF). All financing is between the customer and NEIF and is offered by the Trade Allies.
- The spend is higher due to a shift in participation from Non-Residential Smart Saver® to Business Energy Saver. The overall approved budget for both Non-Residential Smart Saver® and Business Energy Saver is \$3.36 million and the current to date spend, as of May 31, 2025, for both programs is \$3.16 million or 94% of the current approved budget.

I certify that this electronically filed document is a true and accurate copy of the original document and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021, Order in Case No. 2020-00085, no paper copies of this filing will be made.

Respectfully submitted,

/s/Larisa M. Vaysman

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