COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL COST RECOVERY FILING	)	CASE NO.
FOR DEMAND SIDE MANAGEMENT BY	)	2026-00321
DUKE ENERGY KENTUCKY, INC.	)	

FILING OF THE ANNUAL STATUS REPORT, ADJUSTMENT OF THE DSM COST RECOVERY MECHANISM, AND AMENDED TARIFF SHEETS FOR GAS RIDER DSMR (SHEET NO. 62) AND ELECTRIC RIDER DSMR (SHEET NO. 78)

Now comes Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) with the consensus of the Residential Collaborative and the Commercial and Industrial Collaborative, and pursuant to prior Orders of the Kentucky Public Service Commission (Commission) relevant to Duke Energy Kentucky's Demand Side Management (DSM) strategy,[1] and hereby files its Annual Status Report, Adjustment of the DSM Cost Recovery Mechanisms for both gas and electric service (DSM Riders), and Amended Tariff Sheets for Gas Rider DSMR and Electric Rider DSMR (Application).

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

[1] *See,* November 4, 2004 Order in Case No. 2003-00367; February 14, 2005 Order in Case No. 2004-00389; April 4, 2006 Order in Case No. 2005-00402; May 15, 2007 Order in Case No. 2006-00426; May 14, 2008 Order in Case No. 2007-00369; May 12, 2009 Order in Case No. 2008-00473; March 22, 2010 Order in Case No. 2009-00444; June 7, 2011 Order in Case No. 2010-00445; April 13, 2012 Order in Case No. 2011-00448; June 29, 2012 Order in Case No. 2012-00085; April 11, 2013 Order in Case No. 2012-00495; March 28, 2014 Order in Case No. 2013-00395; May 7, 2015 Order in Case No. 2014-00388; April 4, 2016 Order in Case No. 2015-00368; March 28, 2017 Order in Case No. 2016-00382; September 13, 2018 Order in Case No. 2017-00427; October 2, 2019 Order in Case No. 2018-00370; April 29, 2020 Order in Case No. 2019-00406; April 9, 2021 Order in Case No. 2020-00371; December 22, 2021 Order in Case No. 2021-00313; December 27, 2021 Order in Case No. 2021-00424; June 13, 2023 Order in Case No. 2022-00251; March 7, 2023 Order in Case No. 2022-00398; November 23, 2023 Order in Case No. 2023-00269; January 11, 2024 Order in Case No. 2023-00354; December 30, 2024 Order in Case No. 2024-00264; February 7, 2025 Order in Case No. 2024-00352, January 14, 2026 Order in Case No. 2025-0027; and March 23, 2026 Order in Case No. 2025-00359.

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. In addition, the Company has attached, as Appendix A, a certified Certificate of Existence dated October 30, 2026.

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 Erlanger Ops Center, 1262 Cox Road, Erlanger, Kentucky 41018. Duke Energy Kentucky's email address is KYfilings@duke-energy.com.

3. On October 9, 2026, the Residential Collaborative[2] and the Commercial & Industrial Collaborative[3] met to review the Application. Unless otherwise stated, the Residential Collaborative and the Commercial & Industrial Collaborative are jointly referred to herein as "Collaborative." The Collaborative has received the Company's proposal and had the opportunity to provide comments.

4. In addition to filing the annual status report in this Application, Duke Energy Kentucky respectfully requests a modification of Duke Energy Kentucky's DSM Riders to reflect the reconciliation of planned and actual expenditures, lost revenues[4], and shared savings.

[2] The Residential Collaborative members in attendance were Thomas T. Lacy (Office of the Kentucky Attorney General), and Trisha Haemmerle (Duke Energy).

[3] The Commercial & Industrial Collaborative members in attendance were Thomas T. Lacy (Office of the Kentucky Attorney General) and Trisha Haemmerle (Duke Energy).

[4] Lost revenues for the July 2025 – June 2026 period are zero due to rate case treatment.

5. Pursuant to the Commission's Order dated September 13, 2018, in Case No. 2017-00427, the Company's portfolio of programs was approved. The Company requested and received approval to continue the approved portfolio with the commitment to file the annual cost recovery DSM filing and the annual amendment filing.[5] Since then, the Commission has continued to review and approve annual amendment and cost recovery filings each year on or about August 15 and November 15 respectively.[6] Pursuant to the Commission's Order dated February 21, 2024 in Case No. 2022-00251, the due date of the annual DSM cost recovery filing was modified from November 15th, to November 1st.[7] As a result, this Application, filed November 2, 2026,[8] serves as the annual true-up of the fiscal year ending June 30, 2026, of programs.

I. BACKGROUND

6. The Company's offering of DSM programs dates back nearly three decades.[9] Throughout the years, the Company has offered many enhancements to its portfolio with the purpose of increasing participation and providing customers with new and innovative opportunities to control their consumption and impact their utility bill. The portfolio of programs in place during the fiscal year ending June 30, 2026, and that is the subject of this

[5] *See generally, In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Case No. 2017-00427, Order (Ky. P.S.C. Sept. 13, 2018).

[6] *See infra,* n. 7.

[7] *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs*, Case No. 2022-00251, Order, p. 6 (Ky. P.S.C. Feb. 21, 2024).

[8] Since November 1, 2026 is a Sunday, this Application is being filed on the next day that is not a Saturday, Sunday, or legal holiday. *See* 807 KAR 5:001, Section 4(7)(b).

[9] *In the Matter of the Joint Application Pursuant to 1994 House Bill No. 501 For the Approval of Principles of Agreement, Demand Side Management, the Union Light Heat and Power Company, and for Authority for the Union Light Heat and Power Company to Implement Various Tariffs and Receive Incentives Associated the Demand Side Management Programs,* Case No. 1995-00312, Order (Ky. P.S.C. Dec. 1, 1995).

Application, was initially approved by the Commission's September 13, 2018, Order in Case No. 2017-00427, and modified in subsequent orders.

7. Like the Company's prior annual DSM filings, this Application specifically addresses the requirements in prior Commission Orders[10] and is being made consistent with the Commission's Order dated February 21, 2024, in Case No. 2022-251 directing Duke Energy Kentucky to file annual DSM applications no later than November 1st.[11] In the status and reconciliation portion of this report, expenses are reported for the fiscal year period July 1, 2025, through June 30, 2026.

8. In this Application, Duke Energy Kentucky also requests an Order approving the proposed adjustments to the DSM riders and the revised rate tariffs (Appendices D and E).

II. DEFINITIONS

For the purposes of this Application, the following terms will have the following meanings:

9. **"DSM Revenue Requirements"** shall mean the revenue requirements associated with all Program Costs, Administrative Costs, Lost Revenues (less fuel savings), and the Shareholder Incentive.

[10] *See,* November 20, 2003 Order in Case No. 2003-00367; February 14, 2005 Order in Case 2004-00389; April 4, 2006 Order in Case No. 2005-00402; May 15, 2007 Order in Case No. 2006-00426; May 14, 2008 Order in Case No. 2007-00369; March 22, 2010 Order in Case No. 2009-00444; June 7, 2011 Order in Case No. 2010-00445; April 13, 2012 Order in Case No. 2011-00448; April 11, 2013 Order in Case No. 2012-495; March 28, 2014 Order in Case No. 2013-00395; May 7, 2015 Order in Case No. 2014-00388; April 4, 2016 Order in Case No 2015-00368; March 28, 2017 Order in Case No. 2016-00382; September 13, 2018 Order in Case No. 2017-00427; October 2, 2019 Order in Case No. 2018-00370; April 29, 2020 Order in Case No. 2019-00406; April 9, 2021 Order in Case No. 2020-00371; December 22, 2021 Order in Case No. 2021-00313; December 27, 2021 Order in Case No. 2021-00424; June 13, 2023 Order in Case No. 2022-00251; March 7, 2023 Order in Case No. 2022-00398; November 23, 2023 Order in Case No. 2023-00269; January 11, 2024 Order in Case No. 2023-00354; December 30, 2024 Order in Case No. 2024-00264; February 7, 2025 Order in Case No. 2024-00352, January 14, 2026 Order in Case No. 2025-0027; and March 23, 2026 Order in Case No. 2025-00359.

[11] *In the Matter of Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs*, Case No. 2022-00251, Order, p. 6 (Ky. P.S.C. Feb. 21, 2024).

10. **"Program Costs"** shall mean the costs incurred for planning, developing, implementing, monitoring, and evaluating the DSM programs that have been reviewed with the Collaborative.

11. **"Administrative Costs"** shall mean the costs incurred by or on behalf of the collaborative process and that are approved by the Collaborative, including, but not limited to, costs for consultants, employees, and administrative expenses.

12. **"Lost Revenues"** shall have the same meaning as "LR" as described in Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 75 (Electric), and Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 61 (Gas).

13. **"Shareholder Incentive"** shall have the same meaning as "PI" as described in Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 75 (Electric), and Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 61 (Gas).

14. **"DSM Cost Recovery Mechanism"** shall refer to Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 75 (Electric), and Rider DSM - Demand Side Management Cost Recovery Rider, Sheet No. 61 (Gas).

III. STATUS OF PRIOR PORTFOLIO OF DSM PROGRAMS

15. Through June 30, 2026, Duke Energy Kentucky offered the following programs, the costs of which are recoverable through the DSM Cost Recovery Rider mechanism approved by the Commission in prior proceedings:

- Program 1: Residential Smart $aver® Energy Efficient Residences Program;

- Program 2: Residential Smart $aver® Energy Efficient Products Program;[12]
- Program 3: Residential Energy Assessments Program (Residential Home Energy House Call);
- Program 4: Income Qualified Services Program;
- Program 5: Power Manager® Program;
- Program 6: Non-Residential Smart $aver® Program;
- Program 7: PowerShare® Program;
- Program 8: Income Qualified Neighborhood Program;
- Program 9: Home Energy Report Program;
- Program 10: Business Energy Saver Program;
- Program 11: Non-Residential Pay for Performance;[13]
- Program 12: Peak Time Rebate Pilot Program; and,
- Program 13: Energy Efficiency in Education Program.

16. This section of the Application provides a brief description of each current program, a review of the status of each program, and information on any changes that may have been made to the programs. The following table provides a summary of the load impacts achieved and level of participation obtained during this filing period.

[12] The Smart $aver® Residential Energy Efficient Products Program and the Energy Efficient Residences Program are individual measures that are part of a single and larger program referred to and marketed as Residential Smart $aver®. For ease of administration and communication with customers the two measures have been divided into separate tariffs even though they are a single program.

[13] Marketed as Smart $aver® Performance.

	1	Summary of Load Impacts July 2025 Through June 2026		
Residential Programs		**Incremental Participation**	**kWh**	**kW**
Energy Efficiency in Education Program		203	93,973	16
Income Qualified Neighborhood		686	499,186	55
Income Qualified Services		113	186,995	44
Home Energy Report		59,148	11,454,308	3,307
Residential Energy Assessments		2,760	1,159,857	135
Residential Smart $aver®		12,728	996,843	218
Power Manager®	**2**	13,019	-	16,532
Peak Time Rebate Pilot Program		1,013	-	304
Total Residential		**89,670**	**14,391,162**	**20,611**
Non-Residential Programs		**Incremental Participation**	**kWh**	**kW**
Business Energy Saver		3,031,031	2,936,418	430
Smart $aver® Non-Residential		20,877	3,754,237	532
Power Manager® for Business		-	-	-
PowerShare®	**3**	6	-	7,196
Total Non-Residential		**3,051,914**	**6,690,656**	**8,158**
Total		**3,141,584**	**21,081,818**	**28,769**

1 - Impacts are net of free riders, without losses and reflected at the customer meter point.
2 - Cumulative number of controlled devices installed. Impacts reflect average capability over the contract period.
3 - Impacts reflect average capability over the contract period.

17. Results of the current cost-effectiveness test results for each of the programs are provided in Appendix B.

IV. PROGRAMS 1 AND 2: RESIDENTIAL SMART $AVER® ENERGY EFFICIENT RESIDENCES AND PRODUCTS PROGRAMS

18. The purpose of the Residential Smart $aver® Energy Efficient Residences portion of the Residential Smart $aver® Program is to offer customers prescriptive incentives for a variety of energy conservation measures designed to target the largest energy consumption equipment and 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;

- Implementation of attic insulation and air sealing services;
- Implementation of duct sealing services;
- Installation of efficient heat pump water heaters; and,
- Installation of variable speed pool pumps.

19. The Program includes a tier approach to the level of incentives available for HVAC system replacements based on the efficiency rating of the system, along with an optional additional incentive if a qualifying smart thermostat is included and installed with the replacement. A referral marketing component for eligible trade allies has also been added as a delivery channel to enhance customer experience as the customer is making an energy-efficient purchase decision. The Program continues to experience a steady demand from customers participating in the incentives. During the period July 2025 through June 2026, the Program approved 265 individual rebate applications.

20. Duke Energy Kentucky currently engages a vendor to administer this program. The program vendor provides services including application processing and fulfillment, data reporting, call center services, and IT support for program tools such as the trade ally portal which allows trade allies to register, check customer eligibility, and submit applications online. These Residential Smart $aver® services are jointly implemented with the Duke Energy Indiana, Duke Energy Carolinas, and Duke Energy Progress territories to reduce administrative costs and leverage promotion. The vendor has experience in delivering similar utility energy efficiency programs.

21. The Program pays incentives based on the operating status of the equipment being replaced and the efficiency level of the new equipment as follows:

Replacement on Failure Incentive:

Replacement of measures which are not functioning and cannot be repaired are considered a Replacement On Failure (ROF). Incentives for ROF are determined by the Company in an amount not to exceed 50% of the installed cost difference between standard equipment or service and higher efficiency equipment or service. The Company may vary the incentive by type of equipment and differences in efficiency to induce customers to purchase greater levels of efficiency at the minimum necessary incentive amount. The Company may offer multiple levels of incentives corresponding to varied efficiency levels of equipment or service.

Early Replacement Incentive:

Replacement of measures which are functioning or can be repaired will be considered an Early Replacement (ER). Incentives for ER are determined by the Company based on an amount commensurate with the projected energy savings. The Company may vary the incentive by type of equipment and differences in efficiency to induce customers to purchase greater levels of efficiency.

22. The purpose of the Residential Smart $aver® Energy Efficient Products portion of the Residential Smart $aver® Program is to provide high efficiency options through various channels, along with other high efficiency products in new or existing residences, pool pumps, water measures for single family, and water measures for multifamily.

23. Throughout the July 2025 through June 2026 period, the Online Savings Store enabled customers to purchase high-efficiency products that are shipped directly to their homes, via a shopping site hosted and managed by a third party, or through partnerships with major retailers. The program offered a variety of energy efficiency measures to include smart thermostats, water savings measures, and small to medium appliances. The incentive levels varied by product type, with the customer paying the difference, including shipping. The program continued to explore other beneficial products and services for customers as well as price modeling to make it easy to save energy through engagement with the store.

Customer purchase limits were as follows:

- Smart thermostats, 2 total;
- Water measures, 3 total; and,
- Small appliances, dehumidifiers & air purifiers, limit 2 each total.

24. The Savings Store shopping site managed by a third-party vendor included maintaining the Savings Store website, partnering with manufacturers on pricing, fulfilling all customer purchases, and supporting the program's call center. The Saving Store landing page provided information about the store, energy efficient products, and special pricing and discounts. Support features included a toll-free number, email, Live Chat, and Frequently Asked Questions. Customers could choose to browse the site before checking eligibility for incentives. Shipping and order confirmations were included in the email confirmation sent directly to the customer. Through 2026, the implementer has partnered with the Duke Energy team to enable enrollment in demand response at point of sale

allowing eligible customers to benefit from the $75 Bring Your Own Thermostat rebate available.

25. Educational and product detail information was available on the Savings Store to help assist customers with their purchasing decisions. The information discussed application types and benefits of energy efficient products.

26. The Online Savings Store program carefully tracked towards budget by monitoring the Company's marketing activities to customers. During Fiscal Year July 2025 through June 2026, the program delivered 140 smart thermostats, 10 air purifiers, and 1 low flow water measure.

27. Looking ahead and recognizing that the quantity of customers shopping on the online savings store has continued to decrease, the program team is evaluating alternative Point of Sale options. This may potentially include a revamp of the online savings store but may expand to other Point of Sale channels. The expectation is that customers would find it more convenient if the program offered rebated products through established retail partnerships, both online and in-store, thus meeting customers where they are already shopping. The program team will continue to invest time into developing future partnerships. Analysis of the Online Store's performance indicates declining impacts across jurisdictions, while vendor costs remain significant. Due to lack of cost-effectiveness and impact on kwh savings, the Online Savings Store was retired on September 22, 2026. However, Duke Energy is realigning resources toward development of a modernized Retail Instant Savings program designed to reach more customers and deliver meaningful energy savings. The plan is to market in all jurisdictions sometime in 2027.

28. Regardless of the implementation channel, the program will continue to seek ways to cross promote and integrate relevant offers and enable customers to enroll in service options such as thermostat installation to help increase education on how to use for efficiency and to increase In Service Rates (ISR).

29. The Multifamily Energy Efficiency Program is an extension of the Residential Smart $aver® and allows Duke Energy Kentucky to use an alternative delivery channel which targets multifamily apartment properties. The measures were directly installed in permanent fixtures by the program vendor. The target audience for the program were property managers and owners who had properties served on an individually metered residential rate schedule. To receive new measures, apartments must have electric water heating.

30. The program helps property managers upgrade fixtures and save energy by offering water measures such as bath and kitchen faucet aerators, water saving showerheads, smart thermostats, and pipe wrap. These measures assist with reducing maintenance costs while improving tenant satisfaction by lowering energy bills. The property can purchase discounted smart thermostats for their apartments and have them installed by the program implementor for $100 - $105/thermostat.

31. The program implementer is responsible for all marketing and outreach for the program. This is primarily done through outbound calls and on-site visits to solicit initial interest in the program from property managers in the Company's service territory. Additionally, program information and supporting documents are available on the Duke Energy Kentucky web site for property managers to learn more about the program and request applications to participate in the program.

32. Beginning in 2025, the program added new measures that included T8 Tube Lighting, Weatherstripping for both doors and windows, Caulking for both doors and windows, Domestic Hot Water (DHW) turndown and Filter Changes with Furnace Filter Whistles.[14]

33. A total of 8,157 measures were installed from July 1, 2025 - June 30, 2026. The program installed 542 kitchen and bath aerators, 581 standard showerheads, 925 feet of insulating pipe wrap, 3 T8 Tube Lights, 733 Furnace Filter Whistles, 159 Domestic Hot Water turndowns, Weatherstripping 2,402 doors and windows and caulked 2,812 doors and windows.

34. The Save Energy and Water Kit (SEWK) program is designed to increase the energy efficiency of residential customers by offering customers low flow water devices and water heater pipe insulation wrap to install within their homes. The SEWK offer is available through a business reply card (BRC) or through direct email solicitation, enabling customers to request a kit and have it shipped directly to their homes. A website has been established to provide customers with additional information about the program and instructional videos to assist in the installation of items from the do it yourself (DIY) kit. Additionally, the online platform allows customers to upgrade the standard showerhead to either hand-held model or a different finish for a discounted price.

35. SEWK is available to eligible residential customers in the Company's electric service area who choose to participate by enrolling through the marketing channels utilized by the program. Eligible customers who respond to the BRC or email offer will

[14] This was approved on December 30, 2024, with implementation efforts beginning in Q1 2025. *See In the Matter of Electronic Application of Duke Energy Kentucky, Inc. to Amend Its Demand Side Management Programs*, Case No. 2024-00264, Application, pp. 5-6 (Aug. 15, 2024) (requesting these changes); *id.*, Order, pp. 3-4, 11 (Ky. P.S.C. Dec. 30, 2024).

receive a kit free of charge. There are two kit sizes to accommodate homes with one or more full bathrooms. The kit size available to the customer is predetermined based on the square footage of the home. Customers in homes less than or equal to 1,500 square feet receive a one (1) bath kit. Customers in homes greater than 1,500 square feet receive a two (2) bath kit. During registration, customers can now choose whether they want 1 or 2 energy-efficient showerheads and specify their water heating type. The kits contain varying quantities of showerheads, two-bathroom faucet aerators, one kitchen faucet aerator and water heater pipe insulation.

36. Customers are prequalified and then directly solicited for participation. This allows the program to carefully track performance against budget and adjust marketing efforts as needed. From July 1, 2025, to June 30, 2026, the program shipped 446 kits containing 1,338 kitchen and bath faucet aerators, 600 standard showerheads, 60 upgraded showerheads, and 2,676 feet of water heater pipe insulation, for a total of 4,674 measures.

37. In 2026, the program offered new finishes of the existing measures and additional showerheads with different spray patterns to help increase customer satisfaction and in service rates. Additionally, the program will continue to assess further DIY measure options and further analysis will be conducted to identify additional measures that are suitable for direct shipping to customers, possibly expanding beyond water measures, thus expanding offers to more customers.

V. PROGRAM 3: RESIDENTIAL ENERGY ASSESSMENTS PROGRAM

38. The primary goal for Home Energy House Call (HEHC) is to empower customers to better manage their energy usage and cost. Duke Energy Kentucky partners with several key vendors to administer the program in which an energy specialist completes

a 60 to 90-minute walk through assessment of the home and analyzes energy usage to identify energy savings opportunities. The Building Performance Institute (BPI) building certified energy specialist discusses behavioral and equipment modifications that can save energy and money with the customer. The program targets Duke Energy Kentucky residential customers that own a single-family residence that has electric water heater and/or electric heat, or central air. The energy specialist analyzes energy usage, checks air infiltration, examines insulation levels, checks appliances, and inspects the heating/cooling system(s). The report focuses on building envelope improvements as well as low-cost and no-cost improvements to save energy. At the time of the home audit, the customer receives free a la carte energy efficiency measures including, but not limited to a low flow shower head, low flow faucet aerators, water heater pipe wrap and weather stripping. The auditors will install these measures, if approved by the customer, so the customer can begin saving immediately, and to help ensure proper installation and use. In addition, customers are provided with recommendations to help them take actions to help them save energy. Examples of these recommendations might include the following:

- Turning off vampire load equipment when not in use;
- Turning off lights when not in the room;
- Using energy efficient lighting in light fixtures;
- Using a smart thermostat to better manage heating and cooling usage;
- Replacing older equipment with more energy efficient equipment; and,
- Adding insulation and sealing the home.

39. The program primarily targets through online channels, electronic mail, and direct mail to acquire the participation for this program.

40. The program offers additional measures that include a blower door test, handheld low-flow showerheads, and smart thermostats. The program ended the fiscal year of July 1, 2025, to June 30, 2026, completing 684 assessments and installed 55 smart thermostats, 63 specialty showerheads, and 1,330 feet of pipe wrap insulation.

41. Expanded virtual offerings are focused on serving single-family renters and condo/townhomes/manufactured homeowners and renters. These customers must have electric service provided by Duke Energy Kentucky to participate in the program.

The additional types of energy assessment include:

1. Web-based – Customers complete an online questionnaire to evaluate their homes efficiency.
2. Phone Assisted – Customers collaborate with the vendor customer support specialist and complete an energy evaluation during a schedule phone appointment.
3. Virtual – Customers collaborate with the vendor energy advisor, who performs computer assisted, onsite home evaluation.

42. The virtual, phone and web-based audits allow customers to learn more about energy savings options and recommendations for their home and receive a free energy-efficiency kit based on the path (channel) they choose. The kits will ship to the home after the audits are complete.

43. Virtual and phone audits kits consist of water saving measures including a low-flow showerhead, kitchen and bath aerators, weather stripping, pipe wrap, and a

furnace filter whistle. The web-based audit kit consists of faucet bathroom aerators, weather stripping, pipe wrap, refrigerator thermometer, and furnace filter whistle.

44. Customers receive a detailed assessment report, based on visual and questionnaire responses, providing extra saving recommendations for how they can opt to take advantage of other products and services to improve their homes efficiency. Eligible customers may choose the path or channel that best fits their schedule and desire to learn more about their home's efficiency.

45. From July 1, 2025, through June 30, 2026, the program performed 44 phone audits, 55 virtual audits and 247 web audits.

46. This past year, the Program began offering additional measures to the program. These include expanded finishes (colors) for current water measures to meet customer needs, furnace filter whistles, smart power strips, and air sealing measures. The Program provides these measures as needed to customers to increase in service rates and realize additional savings.

VI. PROGRAM 4: INCOME QUALIFIED SERVICES PROGRAM

Weatherization

47. The Weatherization program portion of Income Qualified Services is designed to help income-qualified customers that are below 200 percent of the federal poverty level to reduce their energy consumption and lower their energy cost. The program works with local weatherization agencies using Federal DOE/LIHEAP funds as well as other community outreach initiatives for participation. The program provides the agencies with incentives for installing energy efficient measures in qualified customers' homes. Agencies also educate customers on their energy usage and other opportunities that can

help reduce energy consumption and lower energy costs. The program has provided weatherization services to the following number of customers:

Fiscal Year	Customers Served
1999 - 2000	251
2000 - 2001	283
2001 - 2002	203
2002 - 2003	252
2003 - 2004	252
2004 - 2005	130
2005 - 2006	232
2006 - 2007	252
2007 - 2008	265
2008 - 2009	222
2009 - 2010	199
2010 - 2011	234
2011 - 2012	220
2012 - 2013	228
2013 - 2014	143
2014 - 2015	203
2015 - 2016	162
2016 - 2017	166
2017 - 2018	127
2018 – 2019	120
2019 – 2020	99
2020 - 2021	81
2021 - 2022	127
2022 - 2023	145
2023 -2024	93
2024-2025	104
2025-2026	103

48. The program is structured so that homes needing the most work, and having the highest energy use per square foot, receive the most funding. The program accomplishes this by placing each home into one of two "Tiers." For each home, the field auditor uses the National Energy Audit Tool (NEAT) to determine which specific measures are cost effective for that home.

The tier structure is defined as follows:

	Therm / square foot	**kWh use/ square foot**	**Investment Allowed**
Tier 1	0 < 1 therm / ft2	0 < 7 kWh / ft2	Up to $600
Tier 2	1 + therms / ft2	7 + kWh / ft2	All SIR* ≥ 1.5 up to $4K

*SIR = Savings - Investment Ratio

Tier One Services

49. Tier 1 services are provided to customers through weatherization agencies. Customers are considered Tier 1 if: Use less than 1 therm per square foot per year or at less than 7-kilowatt hour (kWh) per square foot per year, based on a year's usage of Company supplied fuels. Square footage of the dwelling is based on conditioned space only, whether occupied or unoccupied. It does not include unconditioned or semi-conditioned space (non-heated basements). The total program dollars allowed per home for Tier One services is $900.00 per home. Tier One services are as follows:

- Furnace / Heating system Tune-up & Cleaning;
- Furnace repairs up to $600; greater than can be replaced;
- Venting check & repair;
- Water Heater Wrap and Pipe Wrap;
- Cleaning of refrigerator & freezer coils, adjust temp settings;
- Cleaning of dryer vents & filters;
- Energy Efficient Light Bulbs;
- Low-flow shower heads and aerators;
- Weather-stripping doors & windows;
- CO Monitors & Smoke Detectors, check and replace batteries, change location of monitor. May add up to two monitors on each floor of living

space;

- Limited structural corrections that affect health, safety, and energy up to $150; and,
- Energy Education.

Tier Two Services

50. Duke Energy Kentucky will provide Tier Two services to a customer if they use at least 1 therm or at least 7 kWh per square foot per year based on the annual usage of Duke Energy Kentucky supplied fuels.

Tier Two services are as follows:

- All Tier One services; and
- Additional cost-effective measures (with SIR $\geq$ 1.5) based upon the results of the NEAT audit. Through the NEAT audit, the agency can determine if energy saving measures pay for themselves over the life of the measure as determined by a standard heat loss/economic calculation (NEAT audit) utilizing the cost of gas and electric as provided by Duke Energy Kentucky. Such items can include but are not limited to attic insulation, wall insulation, crawl space insulation, floor insulation, and sill box insulation. Safety measures applying to the installed technologies can be included within the scope of work considered in the NEAT audit if the SIR is greater than 1.5 including the safety changes; and,
- Replacement of the heating system if cannot be repaired.

Regardless of placement in a specific tier, Duke Energy Kentucky provides energy

education to all customers in the program.

51. Refrigerator replacement is also a component of this program. To determine replacement, the program weatherization provider performs a two-hour meter test of the existing refrigerator unit. If it is a high-energy consuming refrigerator, as determined by this test, the unit is replaced. Replacing with a new Energy Star® qualified refrigerator, with an estimated annual usage of 400 kWh, results in overall savings for the average customer typically more than 1,000 kWh per year.

Refrigerators tested and replaced:

Year	Refrigerators Tested	Refrigerators Replaced
2002 – 2003	116	47
2003 – 2004	163	73
2004 – 2005	115	39
2005 – 2006	116	52
2006 – 2007	136	72
2007 – 2008	173	85
2008 – 2009	153	66
2009 – 2010	167	92
2010 – 2011	112	76
2011 – 2012	107	64
2012 – 2013	206	69
2013 – 2014	112	37
2014 – 2015	42	24
2015 – 2016	60	22
2016 – 2017	92	54
2017 - 2018	48	18
2018 – 2019	43	12
2019 – 2020	66	15
2020 - 2021	19	15
2021 - 2022	32	17
2022 - 2023	35	18
2023 - 2024	23	16
2024-2025	37	21
2025-2026	14	14

The existing refrigerator being replaced is removed from the home and recycled in an environmentally appropriate manner to ensure that the units are not used as a second

refrigerator in the home or do not end up in the secondary appliance market.

52. Proper safety protocols are being adhered to with PPE being worn to ensure everyone's safety, if the customer requests.

Payment Plus

53. The Payment Plus portion of Low-Income Services program is designed to impact participants' behavior (*e.g.*, encourages utility bill payment and reducing arrearages) and to generate energy conservation impacts.

The program is made up of three components:

- Energy Education & Budget Counseling – to help customers understand how to control their energy usage and how to manage their household bills, a combined education/counseling approach is used;
- Weatherization – to increase the energy efficiency in customers' homes, participants are required to have their homes weatherized as part of the normal Residential Conservation and Energy Education (low-income weatherization) program unless weatherized in past program years; and,
- Bill Assistance – to provide an incentive for these customers to participate in the education and weatherization, and to help them get control of their bills. Payment assistance credits are provided to each customer once they complete each aspect of the program. The credits are: $200 for participating in the EE counseling, $150 for participating in the budgeting counseling, and $150 for participating in the Residential Conservation and Energy Education program (weatherization services). If all the requirements are completed, a

household could receive up to a total of $500 towards their arrearage. Some customers do not complete all three steps or may have already had weatherization services completed prior to the program.

54. This program is normally offered throughout the year to accommodate various class size, and various locations to serve all customers.

55. Duke Energy Kentucky utilizes a community action agency to recruit customers to participate in the Payment Plus program. The Payment Plus program is designed to help income-qualified customers that are below 200 percent of the federal poverty level to reduce their energy consumption and lower their energy cost. Using a list of customers provided by Duke Energy Kentucky, the agency sends a letter describing the program to eligible customers. Included in this letter are various dates, times, and locations of scheduled classes. The courses are designed to accommodate customers with varied schedules and widespread locations. The customer contacts the agency to register for a course. Make-up courses are also offered to those customers who may have missed their initial scheduled time.

56. For the period of July 1, 2025 to June 30, 2026, 178 participants attended energy education counseling. Of those 178, 178 participants also received budget counseling, and 32 participants' homes were weatherized.

VII. PROGRAM 5: POWER MANAGER® PROGRAM

57. The purpose of the Power Manager® program is to reduce demand by controlling residential air conditioning usage during periods of peak demand, high wholesale price conditions, and/or generation emergency conditions during the summer months. It is available to residential customers with central air conditioning. Duke Energy

Kentucky attaches a load control device to the outdoor unit of a customer's air conditioner. This enables Duke Energy Kentucky to cycle the customer's air conditioner off and on under appropriate conditions.

58. Customers selecting the option that moderately cycles their air conditioner, receive a $25 credit at installation. Customers selecting the longer cycling option receive a $35 credit at installation.

59. Customers also receive annual credits during the months of May - September depending on the program they signed-up for. Customers that signed up for the moderate control option receive an annual event credit of $2.40 per month for each year they are on the program and customers that signed up for the longer control option receive an annual event credit of $3.60 per month each year they remain on the program.

60. Duke Energy Kentucky continues to use load control devices manufactured for new installations and replacement of existing load control devices. The load control devices have built-in safeguards to prevent the "short cycling" of the air-conditioning system. The air-conditioning system will always run the minimum amount of time required by the manufacturer. Cycling simply causes the air-conditioning system to run less, which is no different than what it does on milder days. Additionally, the indoor fan will continue to run and circulate air during the cycling event.

61. The Company continued its primary Power Manager® marketing during the past fiscal year through outbound telephone calling. Providing customers with an opportunity to ask questions before deciding to participate has proven to be a significant attribute in making this the most effective sales channel.

62. Ongoing Evaluation, Measurement, and Verification (EM&V) is conducted

through a sample of Power Manager® customers, using AMI data to determine the kW impact during an event. Operability studies are also used to measure the performance of Power Manager® load control devices in Kentucky. In addition, Duke Energy Kentucky has reviewed the statistical sampling requirements of PJM Interconnection, LLC (PJM) for demand response resources of this type. The Duke Energy Kentucky studies comply with all PJM requirements.

63. There was one Economic Power Manager® event that took place from July 2025 through June 2026 event season.

64. The Company is also offering Bring Your Own Thermostat (BYOT). BYOT is a residential Demand Response (DR) customer option leveraging customers "Smart" two-way communicating thermostats instead of traditional load control switches that are installed by the utility. It is intended for customers who have already purchased, installed, and registered a smart thermostat in their home, allowing the utility to avoid the hardware and installation costs associated with traditional direct load control programs. The utility can verify how many thermostats are operable and online at any given time, and determine which thermostats are participating in DR events as opposed to opting out. Duke Energy has partnered with a third-party vendor who has contracts with multiple thermostat manufacturers to offer demand response through aggregation of the different thermostat models. After successfully enrolling, participants receive a one-time $75 incentive. In addition, participants receive a $25 incentive each year following the anniversary of their enrollment in the program. Rewards are limited to one per service address. Since the commencement of the program in September1, 2024, 3,240 customers have joined the BYOT program.

65. BYOT is marketed to customers through participating device manufacturers who offer utility branded marketing and enrollment services. One of the significant advantages of Smart Thermostats is two-way communication. Agreements with the aggregation vendor and their thermostat partners allow them to send marketing messages to device owners inviting them to participate in their utility's DR program. Marketing communication may include, but are not limited to, messages within the manufacturers smart phone application, co-branded email, and text messages. Interested customers are then directed to enroll electronically through the various marketing channels. In addition to the thermostat manufacturer communication, the company may use many other channels, such as the utility's website and social media.

VIII. PROGRAMS 6: NON-RESIDENTIAL SMART $AVER® PROGRAM

66. The Smart $aver® Non-residential Incentive Program provides incentives to commercial and industrial consumers for installation of high efficiency equipment in applications involving new construction, retrofit, and replacement of failed equipment. Incentives are provided based on Duke Energy Kentucky's cost effectiveness modeling to assure cost effectiveness over the life of the measure.

67. Commercial and industrial consumers can have significant energy consumption but may lack knowledge and understanding of the benefits of high efficiency alternatives. The program provides financial incentives to help reduce the cost differential between standard and high efficiency equipment, offer a quicker return on investment, save money on customers' utility bills that can be reinvested in their business, and foster a cleaner environment. In addition, the program encourages dealers, manufacturers and distributors (or market providers) to stock and provide these high efficiency alternatives to

meet increased demand for the products. The Program provides incentives through prescriptive measures, custom measures, assessment/technical assistance, and energy-saving certifications.

68. Prescriptive Measures: The program promotes prescriptive incentives for the following technologies – lighting, HVAC, pumps, variable frequency drives, food services, and process equipment. The eligible measures, incentives, and requirements for both equipment and customer eligibility are listed in the applications posted on Duke Energy's website.

69. Custom Measures: The Smart $aver® Custom Program is designed for customers with electrical energy-saving projects involving more complicated, emerging, or alternative technologies or measures not covered by the Non-Residential Smart $aver® Prescriptive Program. The intent of the Program is to encourage the implementation of energy efficiency projects that would not otherwise be completed without the Company's technical or financial assistance. Unlike the Non-Residential Smart $aver® Prescriptive Program, the Program requires a project-specific calculation of energy and demand savings and/or project-specific measurement of savings. A preliminary review of project calculations is offered for all projects and is encouraged for projects that are expected to have a significant incentive payment, involves technology that is challenging to estimate savings, and/or involves a facility with unique or unpredictable operations. Custom Calculation Tools are provided to assist applicants with the application, and technical expertise is available to smooth the process for customers. A vendor performs technical reviews of custom applications. All other Program implementation and analysis is performed by Duke Energy employees or direct contractors.

70. The program has developed multiple approaches to reaching a very broad and diverse audience of business customers. In 2025-2026, this consisted of incentive payment applications, with paper and online options, instant incentives offered through the Online Business Savings Store as well as incentives through a midstream channel of distributors and an upstream channel of manufacturers. This was intended to help to promote the purchase of energy-saving products at the point of sale for qualifying customers and measures. Analysis of the Online Store's performance indicates declining impacts across jurisdictions, while vendor costs remain significant. Due to lack of cost-effectiveness and impact on kwh savings, the Online Business Savings Store was retired on September 22, 2026. However, Duke Energy is realigning resources toward development of a modernized Retail Instant Savings program designed to reach more customers and deliver meaningful energy savings. The plan is to market in all jurisdictions sometime in 2027.

71. The program works closely with Trade Allies (TA) to promote the program to our business customers at the critical point in time when customers are considering standard or high efficiency equipment options. The Smart $aver® trade ally outreach team provides training and technical support to the TA network. The outreach team also recruits new TAs to participate in the program. TA company names and contact information appears on the TA search tool located on the Smart $aver® website. This tool was designed to help customers who do not already work with a TA, to find someone in their location who can serve their needs. The Company continues to look for ways to engage the TAs in promotion of the program as well as more effective targeting of TAs based on market opportunities.

72. 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. Any future measure changes will be presented to the Commission in accordance with the applicable review and approval processes and procedures.

73. For the 2025-2026 fiscal year, Smart $aver® incentive funds were readily available for most of the period due to lower participation during the fiscal year. Projects can utilize a program prequalification feature to reserve incentive funds. During the reporting period of July 2025 through June 2026, the Kentucky Smart $aver® Non-Residential program provided either Prescriptive or Custom incentives to 123 total customers.

74. The internal marketing channel is comprised of assigned Large Business Account Managers, Local Government and Community Relations Managers, Business Energy Advisors and Trade Ally Outreach Managers, who all identify potential opportunities as well as distribute program collateral and informational material to customers and TAs. In addition, the Economic and Business Development groups also provide a channel to customers who are new to the service territory. Additionally, the program has a robust Account Based Marketing (ABM) strategy and also a Segment Marketing to provide levels of personalized engagement to clusters of similar type accounts. This is a highly customized approach that focuses on specific companies and their decision-makers. The Company is pursuing a data-driven approach to gathering actionable insights on harder-to-reach markets. The initial focus is targeting education, manufacturing, and retail segments. Upon refinement, the Company will develop a comprehensive campaign for greater awareness that will integrate additional programs and customer solutions.

IX. PROGRAM 7: POWERSHARE® PROGRAM

75. PowerShare® is the brand name given to Duke Energy Kentucky's Peak Load Management Program (Rider PLM, Peak Load Management Program KY.P.S.C. Electric No. 2, Sheet No. 77). Rider PLM was approved pursuant as part of the settlement agreement in Case No. 2006-00172. In the Commission's Order in Case No. 2006-00426, approval was given to include the PowerShare® program within the DSM programs. The PLM program is voluntary and offers customers the opportunity to reduce their electric costs by managing their electric usage during the Company's peak load periods. Customers and the Company will enter into a service agreement under Rider PLM, specifying the terms and conditions under which the customer agrees to reduce usage. There are two product options offered for PowerShare® - CallOption® and QuoteOption®:

- CallOption®:
    - A customer served under a CallOption® product agrees, upon notification by the Company, to reduce its demand;
    - Each time the Company exercises its option under the agreement, the Company will provide the customer a credit for the energy reduced;
    - For the 2025/2026 program year, there was one type of event;
        - Emergency events are implemented due to reliability concerns. Participants are required to curtail during emergency events.
    - In addition to the energy credit, customers on the CallOption® will receive an option premium credit;
    - For the 2025/2026 PowerShare® programs associated with the fiscal

year of this filing, there were two enrollment choices for customers relative to CallOption. The first choice, "Summer Period," required participants to be able to curtail during the months of June through October 2025 and May 2026, with a maximum event length of 12 hours and no maximum number of curtailment events. The second choice, "Annual," requires participants to be able to curtail during the full contract term of June 2025 through May 2026, with a maximum event length of 12 hours during the months of June through October 2025 and May 2026, and with a maximum event length of 15 hours during the months of November 2025 through April 2026 and no maximum number of curtailment events. Resources with a limited number of curtailment events are no longer eligible for registration and therefore hold no value with PJM; and,

  - Only customers able to provide a minimum of 100 kW load response qualify for CallOption®.

- QuoteOption®:
  - Under the QuoteOption® products, the customer and the Company agree that when the average wholesale market price for energy during the notification period is greater than a pre-determined strike price, the Company may notify the customer of a QuoteOption® event and provide a price quote to the customer for each event hour;
  - The customer will decide whether to reduce demand during the event period. If they decide to do so, the customer will notify the

Company and provide an estimate of the customer's projected load reduction;

- Each time the Company exercises the option, the Company will provide the participating customer who reduces load an energy credit;
- There is no option premium for the QuoteOption® product since customer load reductions are voluntary; and
- Only customers able to provide a minimum of 100 kW load response qualify for QuoteOption®.

PowerShare® 2025-2026 Summary

76. Duke Energy Kentucky's customer participation goal for 2025 was to retain all customers that currently participate in the program. The table below displays monthly account participation levels for July 2025 through June 2026, as well as MWs enrolled in the program.

Kentucky PowerShare® Participation Update				
	CallOption®		QuoteOption®	
Month	Enrolled Customers*	Summer Capability**	Enrolled Customers*	Summer Capability**
Jul-25	9	8.695	0	0
Aug-25	9	8.695	0	0
Sep-25	9	8.695	0	0
Oct-25	9	8.695	0	0
Nov-25	9	8.695	0	0
Dec-25	9	8.695	0	0
Jan-26	9	8.695	0	0
Feb-26	9	8.695	0	0
Mar-26	9	8.695	0	0
Apr-26	9	8.695	0	0
May-26	9	8.695	0	0

Jun-26	6	3.438***	0	0

*Enrolled Customers represents the number of parent accounts participating.

**Summer Capability is consistent with the associated program year. Numbers reported are adjusted for losses.

***Estimated Summer capability

(Note that Duke Energy Kentucky has signed six contracts for the 2026/2027 PowerShare® CallOption® Program. Measured and verified MW values for the summer of 2026 will be available and presented in the update filing.)

77. During the July 2025 through June 2026 period, there were three PowerShare® CallOption® or QuoteOption® events. There were two emergency events called on 6/24/2025 and 7/29/2025. There was a curtailment test performed on 10/14/2025 to meet PJM requirements. The table below summarizes event participation:

Duke Energy Kentucky - PowerShare CallOption and QuoteOption
Economic, Emergency, and Test Events
July 2025 - June 2026 Activity - Reduction Values in MWs

Date	Event Hours (EDT)	Event Type	Event Participants	Participants Reducing Load Partially or Fully	Average Hourly Load Reduction Expected - At the Meter	Average Hourly Load Reduction - At the Meter	Average Hourly Load Reduction - At the Plant
06/24/2025	4:30 PM to 10 PM	PJM Emergency	3	3	5.898	5.691	5.833
07/29/2025	6 PM to 9:45 PM	PJM Emergency	3	3	6.991	6.841	7.012
10/14/2025	4 PM to 6 PM	PJM Test	6	6	1.056	2.207	2.262

(Note that for the 6/24/25 and 7/29/25 events, PJM dispatched only the Long_120 minutes lead time. The annual, required, PJM two-hour curtailment test event was conducted on October 14, 2025, at 4 pm.)

X. PROGRAM 8: INCOME QUALIFIED NEIGHBORHOOD PROGRAM

78. The Duke Energy Kentucky Neighborhood Energy Saver (NES) Program

takes a non-traditional approach to serve income-qualified areas of the Duke Energy Kentucky service territory through the direct installation of energy efficiency measures in customer homes. This customer-facing program allows for direct engagement in a familiar setting to reduce energy consumption with the installation of energy efficient measures. In addition, Duke Energy Kentucky uses this opportunity to educate and work with customers to efficiently manage and lower their energy bills. Examples of direct installed measures include energy efficient light bulbs, water heater and pipe wrap, low flow shower heads/faucet aerators, window and door air sealing and a year supply of HVAC filter replacements.

79. Income qualified neighborhoods are identified for the program if at least 50 percent of the households are at or below 200 percent of the federal poverty guidelines. Duke Energy Kentucky analyzes census and internal data to select and prioritize neighborhoods that have the greatest need and propensity to participate. While the goal is to serve neighborhoods where most residents are income qualified, the program is available to all Duke Energy Kentucky customers within the selected neighborhood boundary. This program is available to both homeowners and renters occupying single family and multi-family dwellings in the target neighborhoods that have electric service provided by Duke Energy Kentucky.

80. Community-based kick-off events are held in targeted neighborhoods. Kick-off events have featured local community leaders, community-based organization representatives, local weatherization program managers, the installation vendor, and the technical crew. The Duke Energy Kentucky program manager and vendor provide attendees detailed information about NES along with a tentative neighborhood schedule.

81. The purpose of the kick-off event has been to rally the neighborhood around energy efficiency and educate customers on actions they can take to help lower their energy

bills and save energy. Additionally, attendees have had the opportunity to meet technical staff and view measures. Within days, or a few weeks, following the kick-off event, customers are contacted by the technical crew to receive the free in-home energy assessments (walk-through) and the appropriate energy saving measures are installed if the customer elects to have the work completed. Direct mail marketing and call center support supplement community-based outreach efforts to raise awareness for the program and schedule in-home energy assessments.

82. For fiscal year 2025-2026, Duke Energy Kentucky completed 372 homes within the service territory. Duke Energy Kentucky continues to collaborate with organizations such as the Northern Kentucky Community Action Commission, People Working Cooperatively and other local agencies, businesses, and government-backed programs to rally around efforts of the NES program. Duke Energy Kentucky's NES program provides residents with information about the service and helps leverage additional services available in their communities. The program has been well-received, and neighbors regularly share the benefits of their experience with others.

83. Duke Energy Kentucky's NES program includes NES 2.0.[15] In addition to the previous 16 measures offered to customers, Duke Energy also qualifies customers in the neighborhood for NES 2.0 measures, which include attic insulation, air sealing, duct sealing, and smart thermostats to address customers high energy use. The NES 2.0 measures are available to customers that the Company deems a high-energy user. For fiscal year 2025-2026, the Company has completed 89 attic insulation, 51 air sealing, and 95 duct sealing

[15] *In the Matter of Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs*, Case No. 2021-00313, Application, pp. 6-7 (Aug. 16, 2021); *id.*, Order, p. 8 (Ky. P.S.C. Dec. 22, 2021).

installations and 79 Smart Thermostats for customers with high energy use.

84. Duke Energy Kentucky continues to work with communities and determines which areas can benefit from participating in the program. Currently there is a minimum number of household structures necessary to define a neighborhood. A neighborhood size is approximately 500 – 1,500 households. However, Duke Energy Kentucky can and will adjust street boundaries to create a neighborhood that fits the income qualifications if necessary.

XI. PROGRAM 9: HOME ENERGY REPORT PROGRAM

85. The Home Energy Report (HER) 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. These normative comparisons are intended to induce customers to adopt more efficient energy consumption behavior. HER is delivered in printed and email form. The reports are distributed up to 12 times per year (up to 8 printed reports and up to 12 electronic reports annually if the customer provides their email address). Currently, to qualify to receive the report, customers must be living in a single metered, single-family home with 13 months usage history.

86. The HER program, originally an opt out program, was changed to an opt-in program beginning in 2019-2020, the next fiscal term following the Commission's September 13, 2018, Order, in Case No. 2017-00427.[16] The Company provides information on every report as to how a customer may update their information or request to stop receiving the reports. From July 1, 2025, to June 30, 2026, the HER program had nine participants who decided to opt-out of the program after receiving reports. As of June

[16] *In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Case No. 2017-00427, Order, p. 17 (Ky. P.S.C. Sept. 13, 2018).

30, 2026, there were 59,227 Kentucky HER participants receiving reports.

87. The HER program was approved to return to an opt-out program design beginning in 2024[17] with an aim to add multifamily customers to the program for the first time and deliver usage insights and personalized tips to a larger audience and increase program cost effectiveness. The updated program design request includes an increase of up to 8 and 6 paper reports sent to each single-family and multifamily customer per year, respectively, if a customer has not opted out of paper reports. As of June 30, 2026, there are 51,430 single-family and 7,797 multifamily participants in the HER program.

88. The Company has designed an interactive portal and enabled email technology to further engage with customers with the intention of increasing the level of engagement with customers and hence their efficiency. This portal is available online and through mobile channels. Historically, single-family participants have a higher propensity to engage with the interactive website and increase their energy-efficiency, as evident by prior HER EM&V evaluations. EM&V evaluations also show that Multifamily participants using the HER website do not increase their energy efficiency, statistically speaking, versus those Multifamily participants in the regular program receiving only email and/or paper reports. As of June 30, 2026, there were 3,579 Duke Energy Kentucky single-family and 556 multifamily HER customers enrolled in the interactive portal.

89. The Company also offers the HER program in the Duke Energy mobile app. Customers who have opted into the mobile program are now able to see their Home Energy Report monthly comparisons and usage disaggregation on the Duke Energy mobile app.

90. The Company has designed notifications to inform customers of

[17] *See In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs*, Case No. 2023-00269, Order, pp. 4, 9 (Ky. P.S.C. Nov. 20, 2023).

opportunities to save energy including but not limited to encouraging efficient customer behaviors during system peak days and/or times of excessive individual consumption. Out of Norm Alerts launched on April 9, 2026. These alerts are sent to customers whose energy usage increases to at least three times their expected level. The alert notifies customers of the usage spike and encourages them to indicate whether an increase was expected or to schedule a Home Energy House Call to help identify the cause. As of June 30, 2026, 76 Out of Norm Alerts had been sent to customers.

XII. PROGRAM 10: BUSINESS ENERGY SAVER PROGRAM[18]

91. The purpose of Duke Energy Kentucky's Business Energy Saver program (BES) is to reduce energy usage through the direct installation of energy efficiency measures within qualifying non-residential Duke Energy Kentucky customer facilities. BES consists of two Program options, Small Business Energy Saver (SBES), and SmartPath. The BES Program energy efficiency measures address major end-uses in lighting, refrigeration, process, and HVAC applications.

92. All aspects of the SBES option are administered by a single Company-authorized vendor. The SBES participants receive a free, no-obligation energy assessment of their facility followed by a recommendation of energy efficiency measures to be installed in their facility along with the projected energy savings, costs of all materials and installation, and up-front incentive amount from Duke Energy Kentucky. Upon receiving the results of the energy assessment, if the customer decides to move forward with the proposed energy efficiency project, the customer makes the final determination of which

[18] Small Business Energy Saver and SmartPath are individual sets of measures that are part of a single and larger program referred to as Business Energy Saver beginning July 1, 2023.

measures will be installed. The energy efficiency measure installation is then scheduled at a convenient time for the customer, and the measures are installed by electrical subcontractors of the Duke Energy Kentucky-authorized vendor.

93. The SBES option is designed as a pay-for-performance offering, meaning that the Duke Energy Kentucky-authorized vendor administering the SBES option is compensated for kWh energy savings produced through the installation of energy efficiency measures.

94. The SBES option is available to existing Duke Energy Kentucky non-residential customer accounts with an actual average annual electric demand of 180 kW or less.

95. The SmartPath option is available to all eligible non-residential customer accounts. SmartPath is built upon the traditional SBES turnkey model, minimizing barriers to customer participation by allowing customers to implement energy efficiency upgrades at little to no upfront costs. The program is implemented by a qualified Trade Ally network who completes energy assessments, develops proposals, implements the turnkey projects, and handles all paperwork on the customer's behalf. SmartPath informs customers of financing options that the customer may pursue independent of the program.

96. For the July 2025 to June 2026 period, 110 BES projects were completed in Duke Energy Kentucky, resulting in savings of 2,936,418 kWh or 50% of the filed plan. The generated saving were split almost evenly between the SBES option and the SmartPath option.

97. While LED lighting measures, not impacted by the federal standard changes, are expected to remain the primary driver of kWh savings in BES for the

foreseeable future, the Company has been actively working with the vendor and Trade Allies to implement initiatives focused on increasing refrigeration, process, and HVAC measure adoption.

98. Duke Energy Kentucky will continue to evaluate the opportunity to add incentivized measures suitable for the business market to the approved program which fit the direct install program model. The Company would ultimately like to ensure that all business customers are given the opportunity to maximize their energy savings by being offered a comprehensive energy efficiency project through the BES Program wherever possible.

XIII. PROGRAM 11. SMART $AVER® PERFORMANCE

99. 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 based on measured savings, to offset a portion of the higher cost of energy efficient installations that are not offered under either the Smart $aver® Non-Residential programs. The types of measures covered by the program include retro-commissioning and projects with some combination of unknown building conditions or system constraints, coupled with uncertain operating, occupancy, or production schedules. The specific type of measures and the schedule of measurement and payments will be established in advance and may be unique to the Customer.

100. There was zero participation in the program during the fiscal year. The Company will continue to market the program in the 2026-2027 period and it will be available to qualifying customers as needed.

XIV. PROGRAM 12. PEAK TIME REBATE (PTR) PILOT PROGRAM

101. The PTR pilot program offers 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). The Company has branded the program to customers under the name Peak Time Credits and describes CPEs to participants as Peak Day events.

102. The PTR pilot program launched on July 27, 2020, initially as 2-year pilot which was subsequently extended. The Company designates July 27, 2020, through July 31, 2021, as the first year of the pilot. The second year of the pilot was August 1, 2021, through July 31, 2022. The third year of the pilot was August 1, 2022, through July 31, 2023.The fourth year of the pilot was August 1, 2023, through July 31, 2024. The fifth year of the pilot was August 1, 2024, through July 31, 2025. The sixth year of the pilot was August 1, 2025, through July 31, 2026. An EM&V report for the original 2-year pilot was submitted to the Commission in Case No. 2022-00251.

103. The Commission required continuation of the pilot program and suggested eleven modifications and authorized the Company to adjust the initial budget for any specific programmatic or research elements.[19]

104. A landing page which helps explain the details of the program design and provides frequently asked questions (FAQs) about the program was updated. Customer inquiries and enrollments are being handled by a specialized department servicing the program. As of July 31, 2026, 1,123 participants were active in the program. Almost all program attrition results from customers moving out of the enrolled premises. The

[19] *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs*, Case No. 2022-00251, Order, pp. 4-6, 7. (Ky. P.S.C. Feb. 21, 2024).

Company continues to evaluate additional means to increase participation and peak load reductions achieved through the PTR offering in the future.

105. The table below displays the dates CPEs were implemented during year 6 of the pilot.

CPE Dates Since August 1, 2025:

CPE Date
12/15/2025
1/28/2026
6/30/2026
7/1/2026
7/2/2026
7/15/2026
7/16/2026

106. Beginning in November 2026, the Home Energy Report will target eligible customers with messaging that describes the program and encourages participation. The timing is intended to align with upcoming winter events. A second campaign will run in spring 2027.

XV. PROGRAM 13. ENERGY EFFICIENCY IN EDUCATION PROGRAM

107. The Energy Efficiency in Education Program (Program), offers participating customers the opportunity to lower their electric bill by reducing their electric usage by providing Company-designed energy saving measures.

108. This Program primarily targets children in grades K-12 enrolled in public and private schools within the Duke Energy Kentucky service territory but may be offered via other community educational/awareness programs where the curriculum would be relevant.

109. The Program provides an educational component (for example: a theatrical performance or informational seminar) centered around EE with a variety of versions and themes tailored to different grade levels and ages, between K-12. Individuals are provided with materials that supplement the educational elements of the program that focus on topics such as types of energy, resources, the relationship between energy and resources, ways energy is wasted and how children and their families can be more energy efficient.

110. The Program also offers attendees the opportunity to request free energy efficient measures that may be bundled as a part of a kit. These measures/kits are free to eligible Duke Energy Kentucky customers who attend or have children that attend a school or communal facility that hosted a theatrical performance or educational seminar. The kit offer includes specific energy efficiency measures to reduce home energy consumption.

111. The Energy Efficiency in Schools Program offers two unique energy-efficiency kits**:** Kit 1 and Kit 2. Eligible households that have not previously participated and request a kit, receive Kit 1. To ensure cost-effective delivery of program benefits and avoid distributing duplicate measures, households may not receive the same kit more than once within a 36-month period.

112. Households that receive Kit 1 may become eligible for Kit 2 after 12 months, provided they continue to meet program eligibility requirements and have a student participating in a future program performance. Kit 1 and Kit 2 contain a different mix of energy-saving measures, allowing eligible households to continue participating while receiving additional savings opportunities.

113. Once an eligible customer submits a complete kit request, it is shipped for delivery within two to four weeks.

114. In addition to developing and producing theatrical performances and/or educational seminars, the implementation vendor is responsible for marketing the Program to develop a pipeline of participating schools and facilities and promotion of the free EE measure offer. Marketing channels include, but are not limited to the following:

- Direct Mail;
- Email;
- In-person visits;
- Program website; and,
- Printed materials for students and teachers.

115. These marketing efforts engage participants in energy conservation behavior and provide energy saving opportunities through the Program's measures. To help encourage participation, the program vendor provides various rewards for participants to champion the Program and encourage additional measure requests.

116. The program received approval in January 2026[20] and was introduced to the Kentucky portfolio in late March 2026. The program provides live, standards-aligned educational performances that teach students about energy conservation and practical ways to save energy at home. Participating families are also eligible to receive a free Energy Efficiency Kit that helps reinforce these lessons through real-world energy-saving actions.

117. The first Kentucky performance was held on April 10, 2026. Because the program relaunched with only a few weeks remaining in the school year, participation in

[20] *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. to Amend its Demand Side Management Programs,* Case No. 2025-00272, Order (Ky. P.S.C. Jan. 14, 2026).

2025–2026 was limited; however, the relaunch established a strong foundation for future growth.

2025-2026 Program Results:

Schools hosting performances: 6

Performances conducted: 13

Estimated student attendance: 1,855

Energy Efficiency Kits requested: 203

Energy Savings: 93,973 kWh

118. Duke Energy is building on this early success by expanding school recruitment, increasing outreach to educators and school districts, and strengthening partnerships with educational organizations across Kentucky.

2026-2027 School Year (Currently Scheduled):

Schools hosting performances: 12

Performances scheduled: 25

Estimated student attendance: 4,050

119. With a full school year available for implementation, Duke Energy expects continued growth in school participation, student reach, and family engagement through the Energy Efficiency Kit component of the program.

XVI. EVALUATION, MEASUREMENT, AND VERIFICATION

120. The EM&V schedule for each program for program years 2026 – 2028 is available in Appendix F.

XVII. CALCULATION OF THE 2025 DSM COST RECOVERY MECHANISM, RIDER DSMR

121. The reconciliation of the cost recovery mechanism (Rider DSMR) involves a comparison of projected versus actual program expenses, lost revenues, and shared savings, as well as inclusion of the prior year's reconciliation. The actual cost of residential and non-residential program expenditures, lost revenues, and shared savings for this reporting period, July 1, 2025, to June 30, 2026, was $11.06 million. The projected level of program expenditures was $16.30 million.[21]

122. Lost revenues are computed using the applicable marginal block rate net of fuel costs and other variable costs times the estimated kWh savings for a three-year period from installation of the DSM measure. The estimate of kWh savings is based upon the results from any recently completed impact evaluation studies and actual customer participation. Lost revenues accumulate over a three-year period from the installation of each measure unless a general rate case has occurred.

123. With respect to shared savings, Duke Energy Kentucky utilized the shared incentive of 10 percent of the total net benefits as calculated under the Utility Cost Test. The net benefits are calculated by taking the total of the net present value of avoided energy, capacity, T&D and gas production costs and subtracting all non-EM&V program costs. Net benefits for the true up period are calculated using DSMore, and net benefits for the forecasted period are calculated using an internally developed DSM/EE Management system (DREEM), which the Company intends to use going forward. The shared savings is then calculated by multiplying this difference by 10 percent thereby allowing customers to maintain 90 percent of the net benefits realized through the Company's portfolio of

[21] *See* Appendix C, tab "Page 1", B42-D42 and E42-G42.

programs.

XVIII. 2025 DSM RIDERS

124. Duke Energy Kentucky submits the proposed adjustments to its Rider DSMR for both gas and electric programs (Appendices D and E, respectively). The two Rider DSMRs are intended to recover projected July 1, 2027 – June 30, 2028[22] (fiscal year 2027) program costs, lost revenues, and shared savings and to reconcile the actual DSM revenue requirement, as previously defined, to the revenue recovered under the riders for the period July 1, 2025, through June 30, 2026. The spreadsheet model contained in Appendix C has been used by the Company for several years in its Rider DSMR update filings.

125. Appendix C, page 1 of 7, tabulates the reconciliation of the DSM revenue requirement associated with the prior reconciliation, Duke Energy Kentucky's program costs, lost revenues, and shared savings between July 1, 2025, and June 30, 2026, and the revenues collected through the DSMR Riders over the same period. The true-up adjustment is based upon the difference between the actual DSM revenue requirement and the revenues collected during the period July 1, 2025, through June 30, 2026.

126. The DSM revenue requirement for the period July 1, 2025, through June 30, 2026, consists of: (1) program expenditures, lost revenues, and shared savings; and (2) amounts approved for recovery in the previous reconciliation filing.

127. Appendix C, page 2 of 7, contains the forecasted DSM revenue requirement for the period July 1, 2027, through June 30, 2028, consists of: (1) program expenditures, lost revenues, and shared saving.

[22] The projected July 1, 2027 – June 30, 2028, program expenditures used in this filing will be trued-up as part of the 2027 annual status report and will be described as 2027 throughout the document.

128. Appendix C, page 6 of 7, contains the calculation of the 2025 – 2026 residential cost allocation factors for gas and electric, as approved in Case No. 2014-00388. These factors are the Electric Percent of Total Percent of Sales, and the Gas Percent of Total Percent of Sales, and are calculated by program. The calculation includes the residential kWh and ccf sales for July 2025 – June 2026, along with the kWh and ccf savings achieved for July 2025 – June 2026. The factors are used in Appendix C, page 1 of 7, to calculate columns 5 and 6.

129. Appendix C, page 7 of 7, contains the calculation of the 2027–2028 residential cost allocation factors for gas and electric, as approved in Case No. 2014-00388. These factors are the Electric Percent of Total Percent of Sales, and the Gas Percent of Total Percent of Sales, and are calculated by program. The calculation includes the projected Rate RS kWh and ccf sales found in Appendix C, page 4 of 7, along with the projected kWh and ccf savings for July 2027 – June 2028. The factors are used in Appendix C, page 2 of 7, Residential Program Summary, columns G and H (Allocations of Costs).

130. Appendix C, page 5 of 7 contains the calculation of the 2026 Residential DSMR Riders. The calculation includes the reconciliation adjustments calculated in Appendix C, page 1 of 7 and the Residential DSM revenue requirement for 2026. The Projected Residential DSM revenue requirement for 2025 includes the costs associated with the Residential DSM programs: Home Energy Report, Income Qualified Neighborhood, Income Qualified Services, Residential Energy Assessments, Residential Smart $aver®, Power Manager®, Energy Efficiency in Education Program, and any applicable net lost revenues and shared savings (Appendix C, pages 2 and 3 of 7). Total revenue requirements are incorporated along with the projected electric and gas volumes (Appendix C, page 4 of

7) in the calculation of the Residential DSM Rider.

131. Appendix C, page 5 of 7 also contains the calculation of the 2026 Commercial and Industrial DSM Rider. The calculation includes the reconciliation adjustments calculated in Appendix C, page 1 of 7 and the DSM revenue requirement for 2025. The Commercial & Industrial DSM revenue requirement for 2027 includes the costs associated with the Commercial and Industrial DSM programs: Smart $aver® Non-Residential, Business Energy Saver, Power Manager® for Business, and PowerShare® the associated net lost revenues and shared savings (Appendix C, pages 2 and 3 of 7). The 2026 Commercial and Industrial DSMR Rider is calculated in two parts. One part (Part A) is based upon the revenue requirements for Smart $aver® Non-Residential, Business Energy Saver, Power Manager® for Business and PowerShare®. This part is only recovered from all non-residential rate classes except rate TT. The other part (Part B) is based upon the revenue requirements for the PowerShare® program and is recovered from all non-residential rate classes including rate TT.

132. Total revenue requirements are incorporated along with the projected electric volumes (Appendix C, page 4 of 7) in the calculation of the Commercial and Industrial DSM Rider.

133. The Company's proposed DSMR Riders, shown as Appendices D and E, replace the current DSMR Riders. The electric DSMR rider, proposed to be effective with the first billing cycle in the month following Commission approval, is applicable to service provided under Duke Energy Kentucky's electric service tariffs as follows:

- Residential Electric Service provided under:
  - Rate RS, Residential Service, Sheet No. 30.

- Non-Residential Electric Service provided under:
  - Rate DS, Service at Secondary Distribution Voltage, Sheet No. 40;
  - Rate DT, Time-of-Day Rate for Service at Distribution Voltage, Sheet No. 41;
  - Rate EH, Optional Rate for Electric Space Heating, Sheet No. 42;
  - Rate SP, Seasonal Sports, Sheet No. 43;
  - Rate GS-FL, Optional Unmetered General Service Rate for Small Fixed Loads, Sheet No. 44;
  - Rate DP, Service at Primary Distribution Voltage, Sheet No. 45;
  - Rate RTP, Real Time Pricing Program, Sheet No. 99; and,
  - Rate TT, Time-of-Day Rate for Service at Transmission Voltage, Sheet No. 51.

The gas DSM rider is applicable to service provided under the following residential gas service tariff:

- Rate RS, Residential Service, Sheet No. 30.

XIX. CALCULATION OF THE RESIDENTIAL CHARGE

134. The proposed residential charge per kWh for 2026 was calculated by dividing the sum of: (1) the reconciliation amount calculated in Appendix C, page 1 of 7; and (2) the DSM revenue requirement associated with the DSM programs projected for 2027, by the projected sales for calendar year 2027. DSM program costs for 2027 include the total

implementation costs plus program rebates, lost revenues, and shared savings. The calculations in support of the residential recovery mechanism are provided in Appendix C, page 5 of 7. Based on the updated rider amounts, the estimated annual cost for the average residential customer is a charge of approximately $91.49 for electric, and $10.20 for gas.[23]

XX. CALCULATION OF THE NON-RESIDENTIAL CHARGE

135. The proposed non-residential charge per kWh for 2026 was calculated in two parts. The first part (Part A), applicable to all non-residential rate classes except Rate TT, is calculated by dividing the sum of: (1) the reconciliation amount calculated in Appendix C, page 1 of 7; and (2) the DSM revenue requirement associated with the Smart $aver® Non-Residential, Power Manager® for Business, and Business Energy Saver, programs projected for 2027, by the respective projected sales for calendar year 2027. The second part (Part B), applicable to all non-residential rate classes including Rate TT, is calculated by dividing the DSM revenue requirement associated with the PowerShare® program projected for 2027, by total non-residential projected sales for calendar year 2027. DSM program cost for 2027 includes the total implementation costs plus program rebates, lost revenues, and shared savings.

136. The rider applicable to all non-residential rate classes except Rate TT is the sum of Part A and Part B. The rider applicable to all non-residential rate classes including Rate TT is only Part B.

XXI. ALLOCATION OF THE DSM REVENUE REQUIREMENT

137. As required by KRS 278.285(3), the DSM Cost Recovery Mechanism

[23] The cost for average customer was calculated by using the 2027 forecasted sales of Appendix C page 4 divided by the number of residential electric or gas customers multiplied by the cost per kWh or cost per CCF respectively of Appendix C page 5. The costs are estimates and will vary by customer based on usage.

attributes the costs to be recovered to the respective class that benefits from the programs. The costs for the Power Manager program are fully allocated to the residential electric class, since this is the class benefiting from the implementation of the program. As required, qualifying industrial customers are permitted to "opt-out" of participation in, and payment for, Smart $aver® Non-Residential, Power Manager® for Business, and Business Energy Saver. All of Duke Energy Kentucky's Rate TT customers met the "opt-out" requirements prior to the implementation of the DSM riders in May 1996 and are not subject to this portion of the DSM Cost Recovery Mechanism (*i.e.,* Rider DSMR). However, all non-residential customers, including Rate TT customers, will be charged for the PowerShare® program.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission review and approve this Application and Duke Energy Kentucky gives notice that the new rates will take effect 30 days from the date of this Application.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Larisa M. Vaysman

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on November 2, 2026; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.[24]

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[24] *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19,* Case No. 2020-00085, Order (Ky. P.S.C. July 22, 2021).

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

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Certificate of Existence

Authentication number: 383175
Visit https://web.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

DUKE ENERGY KENTUCKY, INC.

DUKE ENERGY KENTUCKY, INC. is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is March 20, 1901 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State; and is therefore in good standing.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 30th day of October, 2026, in the 235th year of the Commonwealth.

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
383175/0052929

Appendix B 2025-2026
Cost Effectiveness Test Results

Program Name	UCT	TRC	RIM	PCT
Residential Programs				
Energy Efficiency in Education Program	7.84	7.83	1.91	10.95
Income Qualified Neighborhood	1.21	1.21	0.79	1.99
Income Qualified Services	0.93	0.93	0.71	1.58
Home Energy Report	8.51	8.51	2.71	NA
Residential Energy Assessments	5.19	5.08	1.28	31.05
Residential Smart $aver®	3.49	3.29	1.62	5.00
Power Manager®	9.17	11.16	9.17	NA
Peak Time Rebate Pilot Program	1.00	1.05	1.00	NA
Total	**5.74**	**6.15**	**3.46**	**5.13**
Non-Residential Programs				
Business Energy Saver	6.02	4.10	1.64	4.07
Smart $aver® Non-Residential	7.51	5.47	1.72	6.15
PowerShare®	12.88	32.12	12.88	NA
Total	**8.15**	**6.85**	**2.43**	**5.24**
Overall Portfolio Total	**6.48**	**6.41**	**2.97**	**5.19**

Kentucky DSM Rider
Comparison of Revenue Requirement to Rider Recovery
2025-2026 Status Update

Residential Programs	(1) Projected Program Costs 7/2025 to 6/2026 (A)	(2) Projected Lost Revenues 7/2025 to 6/2026 (A)	(3) Projected Shared Savings 7/2025 to 6/2026 (A)	(4) Program Expenditures 7/2025 to 6/2026 (B)	(5) Program Expenditures (C) Gas	(6) Program Expenditures (C) Electric	(7) Lost Revenues 7/2025 to 6/2026 (B)	(8) Shared Savings 7/2025 to 6/2026 (B)	(9) 2025 Reconciliation Gas (D)	(10) 2025 Reconciliation Electric (D)	(11) Rider Collection (E) Gas	(12) Rider Collection (E) Electric	(13) (Over)/Under Collection Gas (F)	(14) (Over)/Under Collection Electric (G)
Energy Efficiency in Education Program	$ 62,622	$ 7,041	$ 51,340	$ 17,967	$ -	$ 17,967	$ -	$ 12,297						
Income Qualified Neighborhood	$ 543,458	$ 77,938	$ 30,662	$ 620,552	$ -	$ 620,552	$ -	$ 12,872						
Income Qualified Services	$ 790,934	$ 20,793	$ (8,216)	$ 762,050	$ 361,283	$ 400,766	$ -	$ (3,348)						
Home Energy Report	$ 427,951	$ 890,811	$ 395,075	$ 434,026	$ -	$ 434,026	$ -	$ 326,050						
Residential Energy Assessments	$ 565,123	$ 123,313	$ 123,819	$ 489,686	$ -	$ 489,686	$ -	$ 128,223						
Residential Smart $aver®	$ 740,748	$ 190,147	$ 203,498	$ 626,875	$ -	$ 626,875	$ -	$ 146,893						
Power Manager®	$ 1,915,273	$ -	$ 965,978	$ 1,968,124	$ -	$ 1,968,124	$ -	$ 1,607,156						
Peak Time Rebate Pilot Program	$ 454,045	$ -	$ -	$ 268,619	$ -	$ 268,619	$ -							
Revenues collected											$135,062	$4,383,472		
Total	$ 5,500,153	$ 1,310,044	$ 1,762,155	$ 5,187,899	$ 361,283	$ 4,826,616	$ -	$ 2,230,143	$ 493,272	$ (1,397,605)	$ 135,062	$ 4,383,472	$ 719,493	$ 1,275,682

(A) Amounts identified in report filed in Case No. 2025-00272
(B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2025 through June 30, 2026
Lost revenues for the period are zero due to rate case treatment.
(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. 2025-00359
(E) Revenues collected through the DSM Rider between July 1, 2025 and June 30, 2026
(F) Column (5) + Column (9) - Column(11)
(G) Column (6) + Column (7) + Column (8) + Column (10) - Column(12)

Commercial Programs	(1) Projected Program Costs 7/2025 to 6/2026 (A)	(2) Projected Lost Revenues 7/2025 to 6/2026 (A)	(3) Projected Shared Savings 7/2025 to 6/2026 (A)	(4) Program Expenditures 7/2025 to 6/2026 (B)	(5) Lost Revenues 7/2025 to 6/2026 (B)	(6) Shared Savings 7/2025 to 6/2026 (B)	(7) 2025 Reconciliation (C)	(8) Rider Collection (D)	(9) (Over)/Under Collection (E)
Business Energy Saver	$ 1,147,569	$ 336,859	$ 965,555	$ 786,782	$ -	$ 395,001			
Smart $aver® Non-Residential	$ 2,202,969	$ 576,842	$ 980,198	$ 859,636	$ -	$ 556,151			
Power Manager® for Business	$ -	$ -	$ -	$ -	$ -	$ -			
Total	$ 3,350,537	$ 913,701	$ 1,945,752	$ 1,646,418	$ -	$ 951,152	$ (2,613,613)	$ 5,585,999	$ (5,602,042)
PowerShare®	$ 775,232	$ -	$ 743,459	$ 481,436	$ -	$ 561,254	$ (683,687)	$ 1,384,892	$ (1,025,889)
Total All Programs	$ 9,625,922	$ 2,223,745	$ 4,451,367	$ 7,315,754	$ -	$ 3,742,549			

(A) Amounts identified in report filed in Case No. 2025-00272
(B) Actual program expenditures, lost revenues (for this period and from prior period DSM measure installations), and shared savings for the period July 1, 2025 through June 30, 2026
Lost revenues for the period are zero due to rate case treatment.
(D) Recovery allowed in accordance with the Commission's Order in Case No. 2025-00359
(E) Revenues collected through the DSM Rider between July 1, 2025 and June 30, 2026
(E) Column (4) + Column (5) + Column (6) + Column (7) - Column(8)

2027-2028 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs (B) Electric	Allocation of Costs (B) Gas	Budget (Costs, Lost Revenues, & Shared Savings) Electric Costs	Budget (Costs, Lost Revenues, & Shared Savings) Electric	Budget (Costs, Lost Revenues, & Shared Savings) Gas Costs
Energy Efficiency in Education Program	$ 153,612	$ 75,038	$ 105,154	$ 333,804	100.0%	0.0%	$ 153,612	$ 333,804	$ -
Income Qualified Neighborhood	$ 1,137,075	$ 103,015	$ (10,732)	$ 1,229,359	100.0%	0.0%	$ 1,137,075	$ 1,229,359	$ -
Income Qualified Services	$ 629,968	$ 29,505	$ (4,465)	$ 655,009	58.7%	41.3%	$ 369,537	$ 394,577	$ 260,431
Home Energy Report	$ 623,510	$ 1,285,834	$ 369,637	$ 2,278,980	100.0%	0.0%	$ 623,510	$ 2,278,980	$ -
Residential Energy Assessments	$ 383,810	$ 182,867	$ 170,388	$ 737,065	100.0%	0.0%	$ 383,810	$ 737,065	$ -
Residential Smart $aver®	$ 1,031,481	$ 266,530	$ 247,882	$ 1,545,893	100.0%	0.0%	$ 1,031,481	$ 1,545,893	$ -
Power Manager®	$ 2,887,345	$ -	$ 1,977,110	$ 4,864,454	100.0%	0.0%	$ 2,887,345	$ 4,864,454	$ -
Peak Time Rebate Pilot Program	$ 242,321	$ -	$ -	$ 242,321	100.0%	0.0%	$ 242,321	$ 242,321	$ -
Total Costs, Net Lost Revenues, Shared Savings	$ 7,089,121	$ 1,942,788	$ 2,854,974	$ 11,886,883			$ 6,828,689	$ 11,626,452	$ 260,431

NonResidential Program Summary (A)

	Costs	Lost Revenues	Shared Savings	Total	Allocation of Costs (B) Electric	Allocation of Costs (B) Gas	Budget (Costs, Lost Revenues, & Shared Savings) Electric Costs	Budget (Costs, Lost Revenues, & Shared Savings) Electric	Budget (Costs, Lost Revenues, & Shared Savings) Gas
Business Energy Saver	$ 1,116,302	$ 311,722	$ 393,928	$ 1,821,951	100.0%	0.0%	$ 1,116,302	$ 1,821,951	NA
Smart $aver® Non-Residential	$ 1,114,990	$ 367,667	$ 716,639	$ 2,199,296	100.0%	0.0%	$ 1,114,990	$ 2,199,296	NA
Power Manager® for Business	$ 247,115	$ -	$ 24,272	$ 271,386	100.0%	0.0%	$ 247,115	$ 271,386	NA
PowerShare®	$ 315,008	$ -	$ 274,051	$ 589,059	100.0%	0.0%	$ 315,008	$ 589,059	NA
Total Costs, Net Lost Revenues, Shared Savings	$ 2,793,414	$ 679,389	$ 1,408,890	$ 4,881,693			$ 2,793,414	$ 4,881,693	NA
Total Program	$ 9,882,535	$ 2,622,177	$ 4,263,864	$ 16,768,576					

(A) Costs, Lost Revenues (for this period and from prior period DSM measure installations), and Shared Savings for the portfolio.
(B) Allocation of program expenditures to gas and electric in accordance with the Commission's Order in Case No. 2014-00388.

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

July 2027 to June 2028

	Program Costs (A)
Electric Rider DSM	
Residential Rate RS	$ 11,626,452
Distribution Level Rates Part A DS, DP, DT, GS-FL, EH & SP	$ 4,292,634
Transmission Level Rates & Distribution Level Rates Part B	$ 589,059
Gas Rider DSM	
Residential Rate RS	$ 260,431

(A) See Appendix C, page 2 of 7

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

Year	**July 2027 - June 2028**
Projected Annual Electric Sales kWH	
Rate RS	1,553,514,672
Rates DS, DP, DT, GS-FL, EH, & SP	2,594,847,545
Rates DS, DP, DT, GS-FL, EH, SP, & TT	2,852,095,545
Projected Annual Gas Sales CCF	
Rate RS	61,837,456

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

July 2025 to June 2026

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	$ 1,325,051	$ 11,626,452	$ 12,951,503	1,553,514,672	kWh	$ 0.008337	$/kWh
Distribution Level Rates Part A							
DS, DP, DT, GS-FL, EH & SP	$ (5,818,841)	$ 4,292,634	$ (1,526,207)	2,594,847,545	kWh	$ (0.000588)	$/kWh
Transmission Level Rates & Distribution Level Rates Part B							
TT	$ (1,065,590)	$ 589,059	$ (476,531)	2,852,095,545	kWh	$ (0.000167)	$/kWh
Distribution Level Rates Total							
DS, DP, DT, GS-FL, EH & SP						$ (0.000755)	$/kWh
Gas Rider DSM							
Residential Rate RS	$ 747,337	$ 260,431	$ 1,007,769	61,837,456	CCF	$ 0.016297	$/CCF
Total Rider Recovery			$ 11,956,533				

(A) (Over)/Under of Appendix C page 1 multiplied by the average three-month commercial paper rate for 2026 to include interest on over or under-recovery in accordance with the Commission's order in Case No. 95-312. Value is: **1.038700**
(B) Appendix C, page 2
(C) Appendix C, page 4

Summary of Load Impacts July 2025 Through June 2026 (1)

Residential Programs	kWh	% of Total Res Sales	ccf	% of Total Res Sales	Allocation Factors based on July 2025-June 2026 Elec % of Total % of Sales	Gas % of Total % of Sales
Energy Efficiency in Education Program	85,562	0.0055%	-	0.0000%	100%	0%
Income Qualified Neighborhood	454,509	0.0291%	-	0.0000%	100%	0%
Income Qualified Services	170,259	0.0109%	5,828	0.0098%	52.59%	47.41%
Home Energy Report	10,429,156	0.6667%	-	0.0000%	100%	0%
Residential Energy Assessments	1,056,051	0.0675%	-	0.0000%	100%	0%
Residential Smart $aver®	907,626	0.0580%	-	0.0000%	100%	0%
Power Manager®	-	0.0000%	-	0.0000%	100%	0%
Peak Time Rebate Pilot Program	-	0.0000%	-	0.0000%	100%	0%
Total Residential	13,103,164	0.8376%	5,828	0.0098%		
Total Residential (Rate RS) Sales For July 2025 Through June 2026	1,564,342,706	100%	59,398,459	100%		

(1) Load Impacts Net of Free Riders at Meter

Summary of Load Impacts July 2027 Through June 2028 (1)

Residential Programs	kWh	% of Total Res Sales	ccf	% of Total Res Sales	Allocation Factors Projected Elec % of Total % of Sales	Gas % of Total % of Sales
Energy Efficiency in Education Program	746,892	0.0481%	-	0.0000%	100%	0%
Income Qualified Neighborhood	655,428	0.0422%	-	0.0000%	100%	0%
Income Qualified Services	139,616	0.0090%	3,917	0.0063%	58.7%	41.3%
Home Energy Report	13,699,305	0.8818%	-	0.0000%	100%	0%
Residential Energy Assessments	844,452	0.0544%	-	0.0000%	100%	0%
Residential Smart $aver®	1,723,686	0.1110%	-	0.0000%	100%	0%
Power Manager®	-	0.0000%	-	0.0000%	0%	0%
Total Residential	17,809,379	1.0983%	3,917	0.0063%		
Total Residential (Rate RS) Sales Projected	1,553,514,672	100%	61,837,456	100%		

(1)Load Impacts Net of Free Riders at Meter

Duke Energy Kentucky
1262 Cox Road
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
~~Thirty-Ninth~~Fortieth Revised Sheet No. 62
Cancels and Supersedes
Thirty-~~Eighth~~ Ninth Revised Sheet No. 62
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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. 61 of this Tariff.

The DSMR to be applied to residential customer bills is $~~0.0144400~~0.016297 per hundred cubic feet. (I)

A Home Energy Assistance Program (HEA) charge of $0.30 will be applied monthly to residential customer bills.

The DSMR to be applied to non-residential service customer bills is $0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated ~~March 23, 2026~~ in Case No. ~~2025-00359~~2026-00321.
Issued: ~~March 24, 2026~~November 2, 2026
Effective: ~~April 1, 2026~~December 2, 2026
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky
1262 Cox Road
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
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KY.P.S.C. Electric No. 2
Forty-~~Second~~ Third Revised Sheet No. 78
Cancels and Supersedes
Forty-~~First~~ Second 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 $~~0.005514~~0.008337 per kilowatt-hour. (I)

A Home Energy Assistance Program (HEA) charge of $0.30 will be applied monthly to residential customer bills.

The DSMR to be applied to non-residential distribution service customer bills is $~~0.001154~~(0.000755) per (R)

kilowatt-hour. The DSMR to be applied for transmission service customer bills is $~~0.000053~~(000167) per (R)

kilowatt-hour.

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KY.P.S.C. Electric No. 2
Forty-Third Revised Sheet No. 78
Cancels and Supersedes
Forty-Second 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 $0.008337 per kilowatt-hour. (I)

A Home Energy Assistance Program (HEA) charge of $0.30 will be applied monthly to residential customer bills.

The DSMR to be applied to non-residential distribution service customer bills is $(0.000755) per kilowatt- (R)

hour. The DSMR to be applied for transmission service customer bills is $0(000167) per kilowatt-hour. (R)

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Status Update for Duke Energy Kentucky Energy Efficiency and Demand Response Programs; 2026-2028

Planned[1] Evaluation, Measurement and Verification Activities and Evaluation Reports

Residential Customer Programs	Program/Measure	Last Evaluation completion	Next Evaluation ==>	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	Q1 2028	Q2 2028	Q3 2028	Q4 2028
Low Income Neighborhood	Neighborhood	12/20/2022				M&V	M&V	M&V	M&V	M&V	Report				
Low Income Services	Refrigerator Replace	7/31/2013	TBD												
	Weatherization/Payment Plus	7/31/2013													
	Pay For Performance	N/A													
My Home Energy Report	MyHER	12/12/2024								M&V	M&V	M&V	Report		
Residential Energy Assessments	HEHC	6/5/2026													
Residential Smart Saver®	HVAC	9/26/2023					M&V	M&V	M&V	M&V	M&V	M&V	Report		
	Water Measures	7/19/2024		M&V	M&V	M&V	M&V	M&V	M&V	Report					
	Multi-Family	1/30/2024							M&V	M&V	M&V	Report			
Power Manager		2/1/2025							M&V	M&V	M&V	M&V	Report		
Peak Time Rebate Pilot	Peak Time Rebate	5/18/2023						M&V	M&V	M&V	M&V	Report			
EE Education	K-12 EE Education	7/30/2015					M&V	M&V	M&V	M&V	M&V	M&V	Report		

Non-Residential Customer Programs	Program/Measure	Last Evaluation completion	Next Evaluation ==>	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	Q1 2028	Q2 2028	Q3 2028	Q4 2028
Business Energy Saver	Small Business Energy Saver	11/10/2022						M&V	M&V	M&V	Report				
	SmartPath	N/A						M&V	M&V	M&V	Report				
Smart $aver® Non-Res, Custom		1/18/2022		M&V	M&V	M&V	Report								
Smart $aver® Non-Res, Prescriptive		6/13/2025													
PowerShare		10/13/2025													

[1] Future Evaluation Report dates are projections only. Actual report dates will vary depending on program participation, time to achieve a significant sample and the time needed to collect adequate data.

LEGEND	
M&V	Data collection (surveys, interviews, onsite visits, billing data) and analysis
Report	Evaluation Report