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Associate General Counsel

**VIA OVERNIGHT DELIVERY**

November 13, 2017

Gwen R. Pinson  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**RECEIVED**

NOV 14 2017

PUBLIC SERVICE  
COMMISSION

**Re: Case No. 2015-00368  
In the Matter of the Annual Cost Recovery Filing for Demand Side  
Management by Duke Energy Kentucky, Inc.**

Dear Ms. Pinson:

Pursuant to the April 4, 2016 Order, Paragraph 7 in the above captioned case; Duke Energy Kentucky, Inc. hereby submits notice for the DSM programs that have reached 95 percent of its budget during the current fiscal year. Beginning with the fiscal year starting July 1, 2016, a quarterly review of costs has been conducted to provide more timely updates to the Commission. This letter is in reference to the first quarter review for the July 1, 2017 – September 30, 2017 timeframe. Some of the programs listed are not yet to the 95% threshold of costs but will be by the second quarter review and Duke Energy Kentucky wanted to share this information.

**Non-Residential Programs Over 95%**

Non-Residential Smart Saver Prescriptive (Motors/Pumps/VFDs) – 99%

- Participation is over 50% higher than forecasted resulting in an 85% increase of forecasted kwh achieved.
- Duke Energy Kentucky received rebate applications for several school projects in Kentucky which were paid in September and October. There was not advance notice that these projects would occur, when the budget for this category was developed.
- The applications received were the only applications for these types of measures for all of 2017 to date.

Non-Residential Smart Saver Prescriptive (Lighting) – 80%

- Although the program has not reached 95% of budget, given current participation levels this program will have reached the

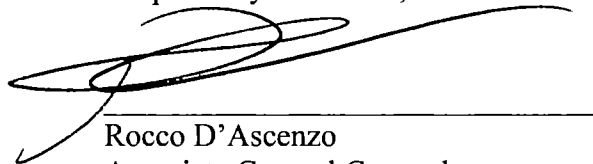
threshold by the end of second quarter (October – December 2017).

- Duke Energy Kentucky forecasts this high-level of customer interest and increased participation to continue in the near future.

As the Duke Energy Company has modified its programs to feature technological advancements in efficient measures within the Non-Residential Smart \$aver programs, customer interest and get customer participation in segments of the market not previously participating has increased.

Please date-stamp the extra two copies of this letter and return them to me in the enclosed self-addressed envelope.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rocco D'Ascenzo', is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rocco D'Ascenzo  
Associate General Counsel

cc: Kent Chandler