

### SMART \$AVER® CUSTOM PROGRAM

#### APPLICABILITY

Available to non-residential customers in the Company's electric service area taking service under all non-residential rates who choose to participate by completing and submitting an application before initiating an energy efficiency project.

#### PROGRAM DESCRIPTION

The Smart \$aver Custom Program is part of Duke Energy Kentucky's portfolio of programs offered through Rider Demand Side Management Program (Rider DSM) and recovered through the Company's Rider DSMR (Demand Side Management Rate). The purpose of this program is to encourage the installation of high efficiency equipment in new and existing nonresidential establishments. The program will provide incentive payments to offset a portion of the higher cost of energy efficient installations that are not included in the Smart \$aver® Prescriptive program. As part of the Smart \$aver Custom program, customers may be eligible for an audit assessing their energy usage and to provide recommendations for more efficient use of energy. The program will also help identify those customers who could benefit from the Smart Saver® Custom program.

Payments are available for a percentage of the incremental cost difference between a standard efficiency installation and a high efficiency installation. For most retrofit projects, incremental costs are equal to project costs. For new construction or major renovation, incremental costs are the difference between the cost of a standard efficiency installation and the cost of a high efficiency installation. The Company may vary the percentage incentive based on project conditions, including differences in efficiency, in order to provide the minimum incentive needed to drive customers to purchase higher efficiency equipment. The Company reserves the right to adjust the incentives and efficiency baselines, for specific equipment on a periodic basis, as equipment efficiency standards change and as customers naturally move to purchase higher efficiency equipment.

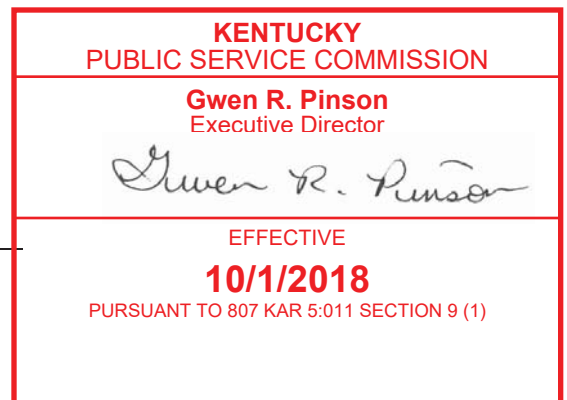
The following types of equipment are eligible for incentives:

- High efficiency lighting
- High efficiency HVAC installations
- High efficiency motors, pumps, and variable frequency drives
- High efficiency food service installations
- High efficiency process equipment installations, including compressed air systems
- Other high efficiency installations as determined by the Company on a case by case basis.



Issued by authority of an Order by the Kentucky Public Service Commission dated September 13, 2018 in Case No. 2017-00427.

Issued: December 19, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President /s/ Amy B. Spiller



**PROGRAM DESCRIPTION (Contd.)**

The Smart \$aver Custom Program utilizes a reservation system for incentive payments beginning in the fiscal year of July 1, 2018 – June 30, 2019. Incentive funding for the program is limited and will only be available to pre-approved qualifying projects in the order offer letters are delivered.

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In order to receive payment under this program, the customer must submit an application before making a decision to implement the project. After completing the project, the customer submits documentation and verification that the installed efficiency measures meet the originally approved application. The Company reserves the right to inspect the premises of the customer both before and after implementation of the measure for which payment is requested. Payments will be made only after the equipment has been installed and is operable.

Multiple incentive payments may be requested for each establishment; however, the Company reserves the right to limit the payments per establishment per year.

The payment to the customer or owner will be an amount up to 75% of the project incremental cost. With Company approval, the customer or owner may designate that payment be made to the vendor or other third party.

**SERVICE REGULATIONS**

The provisions contained in this tariff sheet do not supersede or replace any of the charges and terms contained in the standard base rate and rider tariff sheets. The standard base rate and rider charges apply to all customers.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as approved by law.



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