



PPL companies

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

October 30, 2014

Re: *The Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities*
Case No. 2010-00204

Dear Mr. DeRouen:

Pursuant to the Commission's Order of September 30, 2010, in the above-referenced proceeding, Ordering Paragraph No. 3, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") hereby file a report describing and summarizing the effectiveness of all demand-side management programs which PPL Corporation entities have implemented in other jurisdictions that differ from the programs offered by LG&E and KU to their Kentucky customers.

Please place the file stamp of your Office on the enclosed additional copy of this notice and return it in the envelope provided.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Rick E. Lovekamp".

Rick E. Lovekamp

RECEIVED

OCT 31 2014

PUBLIC SERVICE
COMMISSION

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PPL Corporation and
Louisville Gas and Electric Company (LG&E) /
Kentucky Utilities Company (KU)
Demand-Side Management / Energy Efficiency
2014 Comparative Update

October 30, 2014

**PPL Corporation / LG&E / KU
Demand-Side Management / Energy Efficiency Program
2014 Comparative Update**

Pursuant to the Commission’s Order of September 30, 2010 in Case No. 2010-00204, Ordering Paragraph No. 3, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) filed on October 31, 2013 its third annual report with the Commission describing and summarizing the effectiveness of the demand-side management (“DSM”) programs which PPL entities have implemented in other jurisdictions that differ from the program offered by LG&E and KU to Kentucky customers. In response to the annual reporting requirement set forth in the Commission’s Order, PPL Corporation, LG&E, and KU submit the 2014 update.

The DSM and energy efficiency programs provided by PPL Electric are designed to meet established goals in Sections 2806.1 and 2806.2 of Act 129.¹ Act 129 Phase I was November 2009 through May 2013. Act 129 Phase II is June 2013 – May 2016. Act 129 Phase II required electric distribution companies to submit a three-year Plan, by November 1, 2012.² On March 14, 2013, the Pennsylvania Public Utility Commission (PA PUC) issued an Opinion and Order approving PPL Electric Utilities Act 129 Phase II Plan effective June 1, 2013. On November 13, 2013, PPL Electric Utilities filed an Act 129 Phase II Plan Revision requesting changes to the Company’s Phase II Plan.³ On March 6, 2014, the Pennsylvania Public Utility Commission issued an Opinion and Order granting approval of all changes to its Phase II Act 129 Energy Efficiency and Conservation Plan, except for three relatively minor changes related to training. .

The energy efficiency and conservation programs offered by PPL, LG&E, and KU have been reviewed and summarized below. The current DSM programs operated by PPL are similar in nature to those DSM programs currently being operated through KPSC approved Case No. 2007-00139, Case No. 2011-00134, Case No. 2013-00067 or those being proposed in KPSC Case No. 2014-00003. The following is a comparative of DSM programming offered by PPL Electric and LG&E, and KU.

Comparative of Offerings between PPL, LG&E and KU

PPL Act 129 Phase II Program Name	LG&E and KU Comparative Program
<ul style="list-style-type: none"> • Appliance Recycling Program 	<ul style="list-style-type: none"> • Residential Refrigerator Removal Program
<ul style="list-style-type: none"> • Residential Retail Program 	<ul style="list-style-type: none"> • Residential Incentives Program • Residential High Efficiency Lighting Program

¹ Implementation Order of the Pennsylvania Public Utility Commission at Docket M-2008-2069887 and the Commission’s Opinion and Order entered on October 26, 2009 at Docket M-2009-2093216.

² PPL Electric Utilities was granted an extension due to the impact of Super Storm Sandy and filed its Act 129 Phase II Plan on November 15, 2012.

³ Pennsylvania Public Utility Commission at Docket M-2012-2334388 and the Commission’s Opinion and Order entered on March 6, 2014 at Docket M-2012-2334388.

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<p style="text-align: center;">PPL Act 129 Phase II Program Name</p>	<p style="text-align: center;">LG&E and KU Comparative Program</p>
<ul style="list-style-type: none"> • Residential Home Comfort Program 	<ul style="list-style-type: none"> • Residential New Construction • Residential Conservation Program
<ul style="list-style-type: none"> • Residential Energy-Efficiency & Behavior Program • Low-Income Energy- Efficiency Behavior and Education Program 	<ul style="list-style-type: none"> • Smart Energy Profile Program
<ul style="list-style-type: none"> • Student and Parent Energy Efficiency Education Program 	<ul style="list-style-type: none"> • Customer Education and Public Information
<ul style="list-style-type: none"> • Prescriptive Equipment – Farm Operations in the Residential and Small C&I • Prescriptive Equipment (Small and Large C&I) • Prescriptive Equipment Program (GNI)⁴ • Custom Incentive Program (Small and Large C&I) 	<ul style="list-style-type: none"> • Commercial Conservation Program
<ul style="list-style-type: none"> • Low-Income WRAP (Winter Relief Assistance Program) and E-Power Wise 	<ul style="list-style-type: none"> • Residential Low-Income Weatherization Program (WeCare)
<ul style="list-style-type: none"> • Master Metered Low-Income Multifamily Housing Program 	<ul style="list-style-type: none"> • Residential Low-Income Weatherization Program (WeCare) • Residential Incentive Program • Residential Refrigerator Removal Program
<ul style="list-style-type: none"> • School Benchmarking Program • Continuous Energy Improvement Program for Schools 	<ul style="list-style-type: none"> • School Energy Managers Program

⁴Government, Non-profit and Institutional (GNI)

APPENDIX

**PPL Corporation / LG&E / KU
Demand-Side Management / Energy Efficiency Program
2014 Comparative Update**

**Appendix 1
Energy Efficiency Program Portfolio / PPL Corporation**

Program	Program Inception Date	Current Budget Period	Current Program Budget
Appliance Recycling Program	November, 2009	June 1, 2013 – May 31, 2016	\$5,189,271
Residential Retail Program (includes cross-sector sales to Small C&I)	March, 2013	June 1, 2013 – May 31, 2016	\$33,633,903
Residential Home Comfort	March, 2013	June 1, 2013 – May 31, 2016	\$9,850,799
Residential Energy-Efficiency & Behavior Program	April, 2010	June 1, 2013 – May 31, 2016	\$2,389,500
Student and Parent Energy Efficiency Education Program	March, 2013	June 1, 2013 – May 31, 2016	\$6,095,867
Prescriptive Equipment – Farm Operations in the Residential rate class	March, 2010	June 1, 2013 – May 31, 2016	\$286,225
Low-income WRAP (Winter Relief Assistance Program)	April, 2010	June 1, 2013 – May 31, 2016	\$15,635,001
Low –Income Energy-Efficiency Behavior and Education Program	March, 2013	June 1, 2013 – May 31, 2016	\$1,163,600
Low-income E-Power Wise	March, 2010	June 1, 2013 – May 31, 2016	\$1,035,660

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Program	Program Inception Date	Budget Period	Program Budget
Prescriptive Equipment (Small C&I)	March, 2010	June 1, 2013 – May 31, 2016	\$21,194,151
Prescriptive Equipment Program (Large C&I)	March, 2010	June 1, 2013 – May 31, 2016	\$11,407,529
Prescriptive Equipment Program (GNI)	March, 2010	June 1, 2013 – May 31, 2016	\$26,046,698
Custom Incentive Program (Small C&I)	March, 2010	June 1, 2013 – May 31, 2016	\$1,562,505
Custom Incentive Program (Large C&I)	March, 2010	June 1, 2013 – May 31, 2016	\$8,818,495
Custom Incentive (GNI)	March, 2010	June 1, 2013 – May 31, 2016	\$2,204,302
Master Metered Low-Income Multifamily Housing Program	March, 2013	June 1, 2013 – May 31, 2016	\$3,102,952
School Benchmarking Program	March, 2013	June 1, 2013 – May 31, 2016	\$300,000
Continuous Energy Improvement Program for Schools	March, 2013	June 1, 2013 – May 31, 2016	\$943,072

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Portfolio Level Costs Distributed Across all Customer Sectors	Inception Date	Budget Period	Budget
Plan Development	December, 2009	June 1, 2013 – May 31, 2016	\$1,050,000
EM&V ^{5,6}	December, 2009	June 1, 2013 – May 31, 2016	\$14,560,000
Advertising/Marketing and Public Relations ⁵	December, 2009	June 1, 2013 – May 31, 2016	\$9,487,000
Tracking System	December, 2009	June 1, 2013 – May 31, 2016	\$5,840,000
General Management/Plan Management	December, 2009	June 1, 2013 – May 31, 2016	\$2,475,000
Market Research ⁵	December, 2009	June 1, 2013 – May 31, 2016	\$950,000
Major Accounts ⁵	December, 2009	June 1, 2013 – May 31, 2016	\$900,000

⁵ Actual costs will be charged to specific customer sectors where possible. General costs (applicable to all sectors) will be allocated based on each sector's proportion of total direct costs.

⁶ Includes Statewide Evaluator costs.

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**Appendix 2
Energy Efficiency Program Portfolio / LG&E and KU**

Existing / Unchanged Program	Program Inception Date	Budget Period	Program Budget
Residential High-Efficiency Lighting Program	September, 2008	2007-2014	\$24,116,713
Residential New Construction Program	September, 2008	2007-2014	\$7,778,269
Residential and Commercial HVAC Diagnostics and Tune-up Programs	September, 2008	2007-2014	Residential: \$2,937,023 Commercial: \$2,632,216
Smart Energy Profile Program	November, 2011	2011-2018	\$19,443,000
Residential Load Management Program	2001	2011-2018	Residential: \$88,474,000
Residential Refrigerator Removal Program	November, 2011	2011-2018	\$12,823,000
Residential Low-income Weatherization Program (WeCare)	1994	2011-2018	\$34,865,000
Program Development and Administration ⁷	September, 2008	2011-2018	\$9,680,000

⁷ Program Development and Administration functions at a portfolio level to develop and administer the LG&E / KU energy efficiency program portfolio. Functions include: new program concept design; market research; research and technical evaluation; data tracking and management and memberships with associated trade organizations.

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**Appendix 2
Energy Efficiency Program Portfolio / LG&E and KU**

Revised Program	Program Inception Date	Budget Period	Program Budget
Commercial Load Management Program ⁸	2001	2015-2018	\$8,244,000
Residential Incentives Program ⁹	November, 2011	2015-2018	\$16,422,000
Customer Education and Public Information ¹⁰	March, 2009	2015-2018	\$16,643,000
Residential Conservation Program ¹¹	February, 1997	2015-2018	\$9,156,000
Commercial Conservation Program ¹²	1994	2015-2018	\$13,538,000
Proposed Program	Proposed Inception Date	Budget Period	Program Budget
Advanced Metering System ¹³	2015	2015-2018	\$5,709,000

⁸ Program enhancement included in Case No. 2014-00003. Proposed revision deploys a large commercial load management effort and ability to modify financial incentives to encourage customer participation. Budget reflects approved enhancements to programming.

⁹ Program enhancement included in Case No. 2014-00003. Proposed revision increases incentive dollars available to customers to fund the program through 2018. Budget reflects approved revision to programming.

¹⁰ Program enhancement included in Case No. 2014-00003. Proposed revision adds funds to further outreach and education efforts for residential, commercial and future customer segments; training opportunities for home construction professionals and continues programming through 2018. Budget reflects approved revision to programming.

¹¹ Program enhancement included in Case No. 2014-00003. Proposed revision includes a tier structure for multi-family properties; and a tier structure for insulation and weatherization efforts. Requested revisions will operate under the approved Case No. 2011-00134 budgets.

¹² Program enhancement included in Case No. 2014-00003. Proposed revision eliminates on-site audits; further development of an online audit tool; rebates for new construction efforts and reduces demand reduction and associated rebate dollars. Budget reflects approved revision to programming.

¹³ Proposed program included in Case No. 2014-00003. Proposed program will allow up to 5,000 LG&E and 5,000 KU residential and small commercial customers (i.e., Rates RS and GS) to choose to have an advanced meter installed on a purely optional first-come-first-serve basis.