



a PPL company

**Kentucky Utilities Company**  
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**VIA ELECTRONIC TARIFF FILING SYSTEM**

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

February 28, 2019

**RE: *Adjustments to Demand-Side Management Balance Adjustment Component (DBA) of the Demand-Side Management Cost Recovery Mechanism for Kentucky Utilities Company***

Dear Ms. Pinson:

Kentucky Utilities Company ("KU") files herewith KU Tariff P.S.C. No. 18, Second Revision of Original Sheet No. 86.7, effective with service rendered on and after April 1, 2019.

KU is making revisions to the DSM Balance Adjustment Component ("DBA") of KU's Demand Side Management Cost Recovery Component ("DSMRC") to reflect over- and under-recoveries experienced in the 12-month period of January 1, 2018, through December 31, 2018.

The KPSC order in Case No. 2018-00005 increased the number of participants allowed in the Companies' Advanced Metering Systems ("AMS") Customer Service Offering from 10,000 to 20,000. In order to support the additional participants in the AMS program, the Companies are proposing new rates to mitigate the impact to the 2020 DBA. The AMS funds will only affect Residential Service and General Service rate customers through the DSM Capital Cost Recovery ("DCCR") component of the DSMRC.

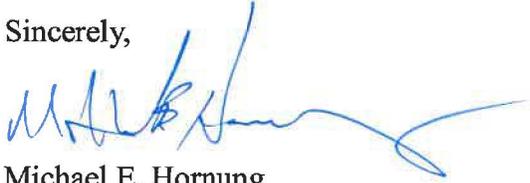
Ms. Gwen R. Pinson  
February 28, 2019

The attached supporting documentation contains:

- KU DSM Rate Comparison
- KU DSM DBA Support
- Summary of 2019 DSM Budget
- KU DSM AMS Opt-In 2019 Budget Support

Please contact me if you have any questions concerning this filing.

Sincerely,



Michael E. Hornung

Enclosures

**Kentucky Utilities Company**  
**Supporting Documentation:**

**KU DSM Rate Comparison**  
**KU DSM DBA Support**  
**Summary of 2019 DSM Budget AMS Opt-in**  
**KU DSM AMS Opt-In 2019 Budget Support**

**Attachment 1**

**Kentucky Utilities Company**  
**KU DSM Rate Comparison**

**Comparison**

LGE EL		New Feb 2019 Rates to be filed by 2/28/2019 (AMS post DBA)	¢/kWh	¢/kWh					DSMRC Variances
				DCR	DRLS	DSMI	DCCR	DBA	
	Residential Service	RS, RTOD, VFD	0.060	0.008	-	0.089	(0.007)	0.1500	(0.002)
	General Service	GS	0.035	0.039	-	0.026	0.017	0.1170	0.013
	Power Service	PS	0.063	0.055	-	0.012	0.016	0.1460	0.028
	Time-of-Day et al	TODS, TODP	0.018	0.006	-	0.012	-	0.0360	0.006
<b>2019 Rates (Current)</b>			¢/kWh	DCR	DRLS	DSMI	DCCR	DBA	DSMRC
	Residential Service	RS, RTOD, VFD	0.060	0.008	-	0.077	0.007	0.1520	
	General Service	GS	0.035	0.039	-	0.021	0.009	0.1040	
	Power Service	PS	0.063	0.055	-	0.012	(0.012)	0.1180	
	Time-of-Day et al	TODS, TODP	0.018	0.006	-	0.012	(0.006)	0.0300	

KU		New Feb 2019 Rates to be filed by 2/28/2019 (AMS post DBA)	¢/kWh	¢/kWh					DSMRC Variances
				DCR	DRLS	DSMI	DCCR	DBA	
	Residential Service	RS, RTOD, VFD	0.048	0.006	-	0.055	(0.041)	0.0680	(0.043)
	General Service	GS	0.035	0.026	-	0.012	(0.028)	0.0450	(0.043)
	All Electric Schools	AES	0.074	0.107	-	0.103	(0.017)	0.2670	(0.017)
	Power Service, TOD, RTS	PS, TODS, TODP, RTS	0.029	0.023	-	0.010	(0.002)	0.0600	0.001
<b>2019 Rates (Current)</b>			¢/kWh	DCR	DRLS	DSMI	DCCR	DBA	DSMRC
	Residential Service	RS, RTOD, VFD	0.048	0.006	-	0.046	0.011	0.1110	
	General Service	GS	0.035	0.026	-	0.007	0.020	0.0880	
	All Electric Schools	AES	0.074	0.107	-	0.103	-	0.2840	
	Power Service, TOD, RTS	PS, TODS, TODP, RTS	0.029	0.023	-	0.010	(0.003)	0.0590	

LGE GAS		New Feb 2019 Rates to be filed by 2/28/2019 (AMS post DBA)	¢/Ccf	¢/Ccf					DSMRC Variances
				DCR	DRLS	DSMI	DCCR	DBA	
	Residential Gas Service	RGS, VFD	0.202	0.042	-	-	(0.449)	(0.2050)	(0.650)
	Commercial Gas Service	CGS, AAGS, SGSS, IGS, FT	0.062	0.010	-	-	(0.051)	0.0210	(0.064)
<b>2019 Rates (Current)</b>			¢/Ccf	DCR	DRLS	DSMI	DCCR	DBA	DSMRC
	Residential Gas Service	RGS, VFD	0.202	0.042	-	-	0.201	0.4450	
	Commercial Gas Service	CGS, AAGS, SGSS, IGS, FT	0.062	0.010	-	-	0.013	0.0850	

**Kentucky Utilities Company**

**KU DSM DBA Support**

**KENTUCKY UTILITIES COMPANY**

**Supporting Calculations for the  
DSM Cost Recovery Mechanism  
DSM Balance Adjustment Component (DBA)  
ELECTRIC SERVICE**

**Twelve-Month Period Beginning April 1, 2019  
and Ending March 31, 2020**

Kentucky Utilities  
 Summary

**Summary of DSM Balance Adjustment Component (DBA)**  
**12-Month Period Beginning April 1, 2019**

Rate Schedule	Exhibit Reference	Balance Adjustment (DBA)	
Residential Service, Residential Time-of-Day Energy, Residential Time-of-Day Demand & Volunteer Fire Dept.,	RS, RTOD-Energy RTOD-Demand & VFD	(0.041)	¢/kWh
General Service	GS	(0.028)	¢/kWh
All Electric Schools	AES	(0.017)	¢/kWh
Power Service, Time-of-Day Service - Primary & Secondary, Retail Transmission Service, Fluctuating Load Service, & Outdoor Sports Lighting	PS, TODP, TODS, RTS, FLS, & OSL	(0.002)	¢/kWh

**Summary of Total DSM Cost Recovery Component (DSMRC)**  
**9-Month Period Beginning April 1, 2019**

Rate Schedule	Cost Recovery Component (DCR)	Lost Sales Component (DRLS)	Incentive Component (DSMI)	Capital Cost Recovery Component (DCCR)	Balance Adj Component (DBA)	DSM Recovery Component (DSMRC)	
Residential Service, Residential Time-of-Day Energy, Residential Time-of-Day Demand & Volunteer Fire Dept.,	0.048	0.006	0.000	0.046	(0.041)	0.059	¢/kWh
General Service	0.035	0.026	0.000	0.007	(0.028)	0.040	¢/kWh
All Electric Schools	0.074	0.107	0.000	0.103	(0.017)	0.267	¢/kWh
Power Service, Time-of-Day Service - Primary & Secondary, Retail Transmission Service, Fluctuating Load Service, & Outdoor Sports Lighting	0.029	0.023	0.000	0.010	(0.002)	0.060	¢/kWh

Kentucky Utilities  
 Method

**Methodology of DSM Balance Adjustment Component (DBA)**  
**12-Month Period Beginning April 1, 2019**

The Demand-Side Management Cost Recovery Mechanism (DSMRM) includes a provision for the recovery of demand-side management (DSM) program and administrative costs. The DSMRM further provides a balancing mechanism for reconciling differences in the costs recovered through the DSMRM and the expected DSM recovery.

The expected DSM recovery includes the actual expenditure incurred during the year and a proportion of lost sales and incentive which is adjusted according to actual expenditure versus budget expenditure. Over- or under-recovery is calculated as the actual revenues received versus the expected revenues.

Interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period is applied to any over- or under-recovery of revenues as part of the adjustment. The interest is applied monthly to the average balance of the cumulative net (over-) under-recovery revenues.

**Summary of DSM Balance Adjustment Component (DBA)**  
**Over / Under Collection through 2018**

Rate Schedule		Actual Collection	Expected Collection	(over) Variance	Interest	Net Variance	
Residential Service, Residential Time-of-Day Energy, Residential Time-of-Day Demand & Volunteer Fire Dept.,	RS, RTOD- Energy RTOD- Demand & VFD	15,543,901	13,148,139	(2,395,762)	(26,612)	(2,422,374)	\$
General Service	GS	2,837,240	2,359,756	(477,483)	(4,946)	(482,429)	\$
All Electric Schools	AES	136,116	114,615	(21,502)	(360)	(21,862)	\$
Power Service, Time-of-Day Service - Primary & Secondary, Retail Transmission Service, Fluctuating Load Service, & Outdoor Sports Lighting	PS, TODP, TODS, RTS, FLS, & OSL	1,877,235	1,790,767	(86,468)	(1,497)	(87,965)	\$

Kentucky Utilities - Electric Service  
 Incentive

**Summary of DSM Balance Adjustment Component (DBA)**  
**Incentive Adjustment**

Rate Class	Program	Budgeted Expenditures	Actual Expenditures	Percent	Budgeted Incentive	Adjusted Incentive	
	Residential Audit	1,077,581	1,421,652		0	0	\$
	Residential WeCare	3,921,490	3,210,086		0	0	\$
	Residential Lighting	0	0		0	0	\$
	Residential HVAC	0	0		0	0	\$
	Residential Construction	0	0		0	0	\$
	Residential Demand	0	0		0	0	\$
	Responsive Smart Meters	0	0		0	0	\$
	Dealer Referral Network	0	0		0	0	\$
	Education & Information	1,773,875	1,427,179		88,694	77,865	\$
	Development & Admin	628,648	332,750		0	0	\$
	Residential Incentives	516,596	992,025		0	0	\$
	Smart Energy Profile	276,954	285,395		10,055	8,827	\$
	Fridge & Freezer Recycling	1,105,462	495,979		0	0	\$
<b>RS, RTOD-Energy RTOD-Demand &amp; VFD</b>		<b>9,300,607</b>	<b>8,165,067</b>	<b>87.8%</b>	<b>98,749</b>	<b>86,692</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	851,952	1,087,984		5,356	4,813	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	343,608	276,451		17,180	15,439	\$
	Development & Admin	121,772	64,455		0	0	\$
	KSBA	267,000	(5,144)		0	0	\$
<b>GS</b>		<b>1,584,331</b>	<b>1,423,746</b>	<b>89.9%</b>	<b>22,536</b>	<b>20,252</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	28,717	36,674		181	169	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	4,295	3,456		215	201	\$
	Development & Admin	1,522	806		0	0	\$
	KSBA	9,000	(173)		0	0	\$
<b>AES</b>		<b>43,535</b>	<b>40,762</b>	<b>93.6%</b>	<b>395</b>	<b>370</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	714,746	912,765		4,493	4,310	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	25,771	20,734		1,289	1,236	\$
	Development & Admin	9,133	4,834		0	0	\$
	KSBA	224,000	(4,315)		0	0	\$
<b>PS, TODP, TODS, RTS, FLS, &amp; OSL</b>		<b>973,649</b>	<b>934,018</b>	<b>95.9%</b>	<b>5,782</b>	<b>5,546</b>	<b>\$</b>
<b>Total</b>							
<b>Kentucky Utilities</b>		<b>11,902,123</b>	<b>10,563,593</b>		<b>127,462</b>	<b>112,860</b>	<b>\$</b>

Kentucky Utilities  
 Lost Sales

**Summary of DSM Balance Adjustment Component (DBA)**  
**Lost Sales Adjustment**

Rate Class	Program	Budgeted Expenditures	Actual Expenditures	Percent	Budgeted Lost Sales	Adjusted Lost Sales	
	Residential Audit	1,077,581	1,421,652	87.8%	59,151	51,929	\$
	Residential WeCare	3,921,490	3,210,086	87.8%	99,744	87,566	\$
	Residential Lighting	0	0		0	0	\$
	Residential HVAC	0	0		0	0	\$
	Residential Construction	0	0		0	0	\$
	Residential Demand	0	0		0	0	\$
	Responsive Smart Meters	0	0		0	0	\$
	Dealer Referral Network	0	0		0	0	\$
	Education & Information	1,773,875	1,427,179		0	0	\$
	Development & Admin	628,648	332,750		0	0	\$
	Residential Incentives	516,596	992,025	87.8%	24,575	21,574	\$
	Smart Energy Profile	276,954	285,395	87.8%	433,665	380,717	\$
	Fridge & Freezer Recycling	1,105,462	495,979	87.8%	103,313	90,699	\$
<b>RS, RTOD-Energy RTOD-Demand &amp; VFD</b>		<b>9,300,607</b>	<b>8,165,067</b>	<b>87.8%</b>	<b>720,447</b>	<b>632,485</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	851,952	1,087,984	89.9%	378,259	339,920	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	343,608	276,451		0	0	\$
	Development & Admin	121,772	64,455		0	0	\$
	KSBA	267,000	(5,144)	90%	66,008	59,318	\$
<b>GS</b>		<b>1,584,331</b>	<b>1,423,746</b>	<b>89.9%</b>	<b>444,267</b>	<b>399,237</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	28,717	36,674	93.6%	9,561	8,952	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	4,295	3,456		0	0	\$
	Development & Admin	1,522	806		0	0	\$
	KSBA	9,000	(173)	93.6%	1,668	1,562	\$
<b>AES</b>		<b>43,535</b>	<b>40,762</b>	<b>93.6%</b>	<b>11,230</b>	<b>10,514</b>	<b>\$</b>
	Dealer Referral Network	0	0		0	0	\$
	Commercial Conservation	714,746	912,765	95.9%	277,015	265,739	\$
	Commercial HVAC	0	0		0	0	\$
	Commercial Demand	0	0		0	0	\$
	Education & Information	25,771	20,734		0	0	\$
	Development & Admin	9,133	4,834		0	0	\$
	KSBA	224,000	(4,315)	95.9%	48,340	46,373	\$
<b>PS, TODP, TODS, RTS, FLS, &amp; OSL</b>		<b>973,649</b>	<b>934,018</b>	<b>95.9%</b>	<b>325,355</b>	<b>312,112</b>	<b>\$</b>
<b>Total</b>							
Kentucky Utilities		<b>11,902,123</b>	<b>10,563,593</b>		<b>1,501,299</b>	<b>1,354,349</b>	<b>\$</b>

Kentucky Utilities  
DCCR

**Summary of DSM Balance Adjustment Component (DBA)**  
**DCCR Adjustment**

Weighted Average Cost of Capital (WACC)

Kentucky Utilities Company	<b>9.27%</b>	See DCCR2 attachment for WACC calculation detail.
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The Adjusted DCCR expenses are derived as follows by company and by rate class: The actual capital expenditures, weighted average adjusted by month, is multiplied by the WACC to compute the return. The return is then combined with the actual depreciation values by month, and actual O&M expenses to compute the expected E(M) for the DCCR mechanism for the year's balancing adjustment.

**Adjusted DCCR Expenses by Rate Class**

Rate Class	Program	Weighted Average Monthly Capital	Return on Capital	Depreciation and O&M Expenses	Adjusted DCCR	
	Residential Demand / Residential AMS	3,770,509	349,526	3,469,433	3,818,959	\$
RS, RTOD-Energy RTOD-Demand & VFD		3,770,509	349,526	3,469,433	3,818,959	\$
	Residential Demand / Residential AMS	206,777	19,168	143,743	162,911	\$
GS		206,777	19,168	143,743	162,911	\$
	Commerical Demand	76,507	7,092	53,185	60,277	\$
AES		76,507	7,092	53,185	60,277	\$
	Commerical Demand	750,600	69,581	521,785	591,366	\$
PS, TODP, TODS, RTS, FLS, & OSL		750,600	69,581	521,785	591,366	\$
<b>Total</b>						
Kentucky Utilities		4,804,393	445,367	4,188,145	4,633,512	\$

KENTUCKY UTILITIES

**Adjusted Electric Rate of Return on Common Equity - DSM DCCR Component**  
**For the Annual Filing of DSM Mechanism**  
**As of December 31, 2018**

	Balance at 12-31-18 (1)	Capital Structure (2)	EEI (3)	Investments in OVEC and Other (Col 2 x Col 4 Line 4) (4)	Adjustments to Total Co. Capitalization (Sum of Col 3 - Col 4) (5)	Adjusted Total Company Capitalization (Col 1 + Col 5) (6)	Jurisdictional Rate Base Percentage (7)	Kentucky Jurisdictional Capitalization (Col 6 x Col 7) (8)
1. Short Term Debt	\$ 235,079,778 (a)	4.35%	\$ -	\$ (37,533)	\$ (37,533)	\$ 235,042,245	89.11%	\$ 209,446,145
2. Long Term Debt	2,333,824,308 (a)	43.19%	-	(372,659)	(372,659)	2,333,451,649	89.11%	2,079,338,764
3. Common Equity	2,835,126,676	52.46%	-	(452,644)	(452,644)	2,834,674,032	89.11%	2,525,978,030
4. Total Capitalization	<u>\$ 5,404,030,762</u>	<u>100.000%</u>	<u>\$ -</u>	<u>\$ (862,836)</u>	<u>\$ (862,836)</u>	<u>\$ 5,403,167,926</u>		<u>\$ 4,814,762,939</u>

	Kentucky Jurisdictional Capitalization (8)	Capital Structure (9)	Environmental Surcharge (Col 9 x Col 10 Line 4) (10)	DSM Rate Base (Col 9 x Col 11 Line 4) (11)	Adjusted Kentucky Jurisdictional Capitalization (Col 8 + Col 10 + Col 11) (12)	Adjusted Capital Structure (13)	Annual Cost Rate (14)	Cost of Capital (Col 13 x Col 14) (15)
1. Short Term Debt	\$ 209,446,145	4.35%	\$ (49,713,132)	\$ (199,391)	\$ 159,533,622	4.35%	2.94%	0.13%
2. Long Term Debt	2,079,338,764	43.19%	(493,588,549)	(1,979,698)	1,583,770,517	43.19%	4.17%	1.80%
3. Common Equity	2,525,978,030	52.46%	(599,528,948)	(2,404,607)	1,924,044,475	52.46%	10.50%	5.51%
4. Total Capitalization	<u>\$ 4,814,762,939</u>	<u>100.000%</u>	<u>\$ (1,142,830,629)</u>	<u>\$ (4,583,696)</u>	<u>\$ 3,667,348,614</u>	<u>100.000%</u>		<u>7.44%</u>

Composite Debt Rate (DR)

1.93%

Grossed up Tax Rate (w/ Production Tax Credit and Lower State Tax Rate) (TR)

24.9500%

5. Weighted Cost of Capital Grossed up for Income Tax Effect  $\{ROR + (ROR - DR) \times [TR / (1 - TR)]\}$

9.27%

(a) Debt per the balance sheet at December 31, 2018.

Kentucky Utilities  
 Exhibit E1

**Calculation of Over/Under Collection and Interest for RS, RTOD-Energy RTOD-Demand & VFD**

\$	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL
DCR	948,392	494,728	977,086	592,545	827,949	585,063	480,898	569,299	699,927	784,247	683,665	521,268	8,165,067
DRLS	52,707	52,707	52,707	52,707	52,707	52,707	52,707	52,707	52,707	52,707	52,707	52,707	632,485
DSMI	7,224	7,224	7,224	7,224	7,224	7,224	7,224	7,224	7,224	7,224	7,224	7,224	86,692
DCCR	255,389	273,317	251,562	241,180	220,475	442,421	447,250	556,837	439,856	182,785	263,332	244,555	3,818,959
DBA	(13,828)	(13,828)	(13,828)	54,047	54,047	54,047	54,047	54,047	54,047	54,047	54,047	54,047	444,936
Expected Revenue	1,249,885	814,149	1,274,752	947,703	1,162,402	1,141,462	1,042,127	1,240,114	1,253,760	1,081,010	1,060,975	879,800	13,148,139
Actual Revenue	2,252,312	1,456,897	1,095,305	1,142,800	972,987	1,183,915	1,400,005	1,264,438	1,242,703	1,019,087	1,042,463	1,470,988	15,543,901
<b>Variance</b>	<b>(1,002,427)</b>	<b>(642,749)</b>	<b>179,447</b>	<b>(195,097)</b>	<b>189,415</b>	<b>(42,452)</b>	<b>(357,879)</b>	<b>(24,324)</b>	<b>11,057</b>	<b>61,923</b>	<b>18,512</b>	<b>(591,188)</b>	<b>(2,395,762)</b>
Cumulative Variance	(1,002,427)	(1,645,176)	(1,465,729)	(1,660,826)	(1,471,411)	(1,513,863)	(1,871,742)	(1,896,066)	(1,885,009)	(1,823,086)	(1,804,573)	(2,395,762)	
Average Monthly Balance	(501,214)	(1,323,802)	(1,555,453)	(1,563,278)	(1,566,119)	(1,492,637)	(1,692,803)	(1,883,904)	(1,890,538)	(1,854,047)	(1,813,829)	(2,100,168)	
Interest Rate	1.14%	1.21%	1.30%	1.39%	1.48%	1.56%	1.64%	1.72%	1.80%	1.90%	1.99%	2.08%	
Interest Payable	(476)	(1,335)	(1,685)	(1,811)	(1,932)	(1,940)	(2,313)	(2,700)	(2,836)	(2,936)	(3,008)	(3,640)	(26,612)
												<b>TOTAL</b>	<b>(2,422,374)</b>

**Calculation of DBA Component for RS, RTOD-Energy RTOD-Demand & VFD**

	Forecast kWh	Collection and Interest Adjustment (DBA)	DBA Factor ¢ / kWh
Apr-19	426,106,638		
May-19	340,602,379		
Jun-19	416,736,637		
Jul-19	514,289,231		
Aug-19	530,806,397		
Sep-19	479,187,820		
Oct-19	357,791,447		
Nov-19	380,242,798		
Dec-19	546,783,830		
Jan-20	710,821,654		
Feb-20	666,747,956		
Mar-20	596,987,511		
<b>TOTAL</b>	<b>5,967,104,298</b>	<b>(\$2,422,374)</b>	<b>(0.041)</b>

Kentucky Utilities  
 Exhibit E2

**Calculation of Over/Under Collection and Interest for GS**

\$	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL
DCR	66,238	22,750	101,181	158,062	179,019	220,336	136,959	194,340	102,089	56,388	63,063	123,321	1,423,746
DRLS	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270	399,237
DSMI	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	20,252
DCCR	9,222	12,416	8,721	11,431	10,314	11,750	12,478	13,895	12,321	9,925	9,018	41,420	162,911
DBA	35,776	35,776	35,776	27,365	27,365	27,365	27,365	27,365	27,365	27,365	27,365	27,365	353,610
Expected Revenue	146,193	105,899	180,635	231,815	251,654	294,408	211,759	270,558	176,733	128,635	134,404	227,063	2,359,756
Actual Revenue	290,051	252,196	215,544	217,475	206,520	241,404	267,216	255,837	249,610	220,896	190,095	230,395	2,837,240
<b>Variance</b>	(143,859)	(146,297)	(34,909)	14,340	45,135	53,004	(55,457)	14,720	(72,878)	(92,260)	(55,691)	(3,332)	<b>(477,483)</b>
Cumulative Variance	(143,859)	(290,155)	(325,064)	(310,724)	(265,589)	(212,585)	(268,042)	(253,322)	(326,199)	(418,460)	(474,151)	(477,483)	
Average Monthly Balance	(71,929)	(217,007)	(307,610)	(317,894)	(288,156)	(239,087)	(240,313)	(260,682)	(289,760)	(372,329)	(446,305)	(475,817)	
Interest Rate	1.14%	1.21%	1.30%	1.39%	1.48%	1.56%	1.64%	1.72%	1.80%	1.90%	1.99%	2.08%	
<b>Interest Payable</b>	(68)	(219)	(333)	(368)	(355)	(311)	(328)	(374)	(435)	(590)	(740)	(825)	<b>(4,946)</b>
<b>TOTAL</b>													<b>(482,429)</b>

**Calculation of DBA Component for GS**

	Forecast kWh		DBA Factor ¢ / kWh
Apr-19	130,175,551		
May-19	123,526,798		
Jun-19	142,477,328		
Jul-19	159,826,519		
Aug-19	163,532,226		
Sep-19	157,395,644		
Oct-19	133,930,741		
Nov-19	122,418,589		
Dec-19	141,273,748		
Jan-20	161,821,505		
Feb-20	154,973,729		
Mar-20	149,838,191		
<b>TOTAL</b>	<b>1,741,190,569</b>	<b>Collection and Interest Adjusment (DBA)</b>	<b>(0.028)</b>
		<b>(\$482,429)</b>	

Kentucky Utilities  
 Exhibit E3

**Calculation of Over/Under Collection and Interest for AES**

\$	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL	
DCR	1,866	430	2,772	4,889	5,209	6,846	4,213	5,991	2,661	1,053	1,058	3,772	40,762	
DRLS	876	876	876	876	876	876	876	876	876	876	876	876	10,514	
DSMI	31	31	31	31	31	31	31	31	31	31	31	31	370	
DCCR	3,412	4,594	3,227	4,229	3,816	4,347	4,617	5,141	4,559	3,672	3,337	15,325	60,277	
DBA	787	787	787	37	37	37	37	37	37	37	37	37	2,692	
Expected Revenue	6,972	6,717	7,692	10,062	9,969	12,138	9,774	12,076	8,164	5,669	5,339	20,041	114,615	
Actual Revenue	17,917	13,650	12,050	11,162	10,607	10,404	9,565	10,763	11,106	11,319	7,709	9,864	136,116	
<b>Variance</b>	(10,945)	(6,933)	(4,358)	(1,099)	(637)	1,734	209	1,313	(2,942)	(5,650)	(2,370)	10,177	<b>(21,502)</b>	
Cumulative Variance	(10,945)	(17,878)	(22,237)	(23,336)	(23,973)	(22,240)	(22,030)	(20,717)	(23,659)	(29,309)	(31,679)	(21,502)		
Average Monthly Balance	(5,473)	(14,412)	(20,058)	(22,786)	(23,655)	(23,106)	(22,135)	(21,374)	(22,188)	(26,484)	(30,494)	(26,590)		
Interest Rate	1.14%	1.21%	1.30%	1.39%	1.48%	1.56%	1.64%	1.72%	1.80%	1.90%	1.99%	2.08%		
<b>Interest Payable</b>	(5)	(15)	(22)	(26)	(29)	(30)	(30)	(31)	(33)	(42)	(51)	(46)	<b>(360)</b>	
													<b>TOTAL</b>	<b>(21,862)</b>

**Calculation of DBA Component for AES**

	Forecast kWh		
Apr-19	10,751,809		
May-19	9,882,429		
Jun-19	9,440,758		
Jul-19	8,282,146		
Aug-19	9,373,302		
Sep-19	12,450,116		
Oct-19	10,550,359		
Nov-19	9,703,664		
Dec-19	13,159,470		
Jan-20	13,750,528		
Feb-20	12,989,390		
Mar-20	12,021,762		
<b>TOTAL</b>	<b>132,355,733</b>	<b>Collection and Interest Adjusment (DBA)</b>	<b>DBA Factor ¢ / kWh</b>
		<b>(\$21,862)</b>	<b>(0.017)</b>

Kentucky Utilities  
 Exhibit E4

**Calculation of Over/Under Collection and Interest for PS, TODP, TODS, RTS, FLS, & OSL**

\$	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL	
DCR	42,373	6,940	61,872	116,793	120,469	163,935	100,379	142,869	57,560	16,783	14,457	89,588	934,018	
DRLS	26,009	26,009	26,009	26,009	26,009	26,009	26,009	26,009	26,009	26,009	26,009	26,009	312,112	
DSMI	462	462	462	462	462	462	462	462	462	462	462	462	5,547	
DCCR	33,475	45,072	31,657	41,495	37,439	42,652	45,296	50,441	44,726	36,026	32,735	150,354	591,366	
DBA	7,749	7,749	7,749	(8,391)	(8,391)	(8,391)	(8,391)	(8,391)	(8,391)	(8,391)	(8,391)	(8,391)	(52,276)	
Expected Revenue	110,069	86,232	127,748	176,368	175,988	224,667	163,754	211,390	120,367	70,889	65,273	258,022	1,790,767	
Actual Revenue	184,078	153,892	148,677	142,230	144,321	161,559	168,295	173,332	165,325	164,516	132,744	138,265	1,877,235	
<b>Variance</b>	(74,010)	(67,660)	(20,929)	34,138	31,667	63,108	(4,541)	38,058	(44,959)	(93,627)	(67,471)	119,757	<b>(86,468)</b>	
Cumulative Variance	(74,010)	(141,670)	(162,599)	(128,461)	(96,793)	(33,686)	(38,226)	(168)	(45,127)	(138,754)	(206,225)	(86,468)		
Average Monthly Balance	(37,005)	(107,840)	(152,134)	(145,530)	(112,627)	(65,240)	(35,956)	(19,197)	(22,648)	(91,940)	(172,489)	(146,347)		
Interest Rate	1.14%	1.21%	1.30%	1.39%	1.48%	1.56%	1.64%	1.72%	1.80%	1.90%	1.99%	2.08%		
<b>Interest Payable</b>	(35)	(109)	(165)	(169)	(139)	(85)	(49)	(28)	(34)	(146)	(286)	(254)	<b>(1,497)</b>	
													<b>TOTAL</b>	<b>(87,965)</b>

**Calculation of DBA Component for PS, TODP, TODS, RTS, FLS, & OSL**

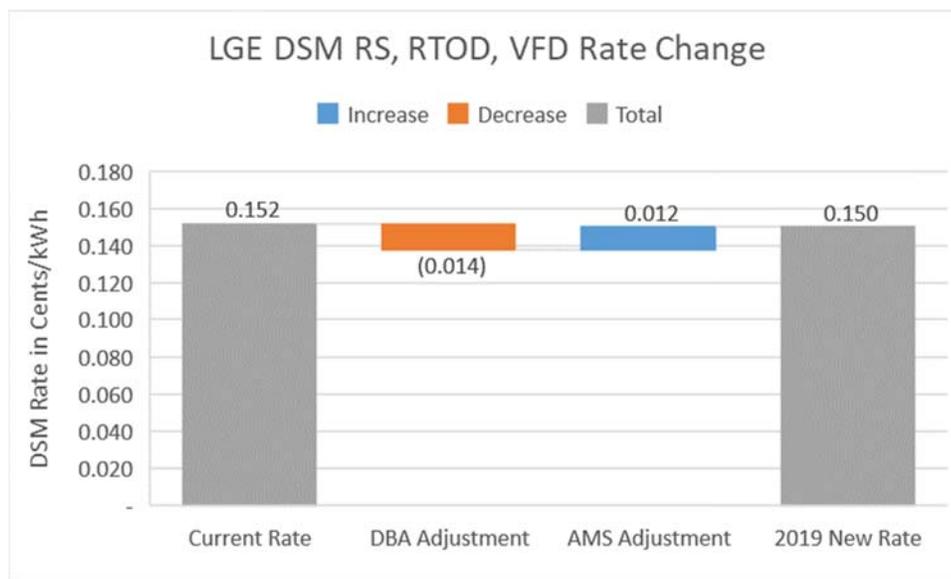
	Forecast kWh		DBA Factor ¢ / kWh
Apr-19	369,308,860		
May-19	382,160,686		
Jun-19	417,557,585		
Jul-19	423,271,258		
Aug-19	432,534,087		
Sep-19	437,300,975		
Oct-19	391,576,518		
Nov-19	363,204,560		
Dec-19	380,097,758		
Jan-20	391,707,171		
Feb-20	375,925,287		
Mar-20	372,239,915		
<b>TOTAL</b>	<b>4,736,884,660</b>	<b>Collection and Interest Adjusment (DBA)</b>	<b>(0.002)</b>
		<b>(\$87,965)</b>	

**Kentucky Utilities Company**

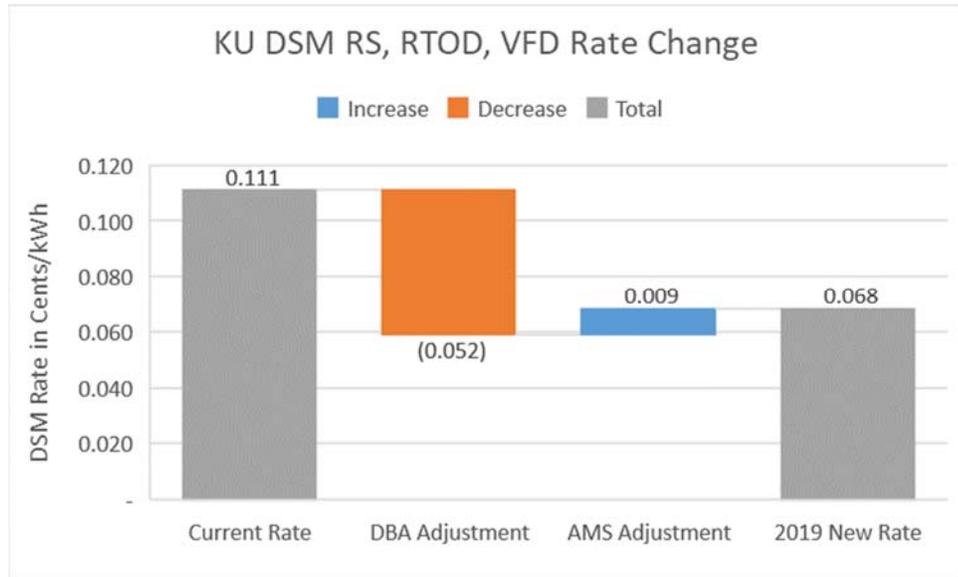
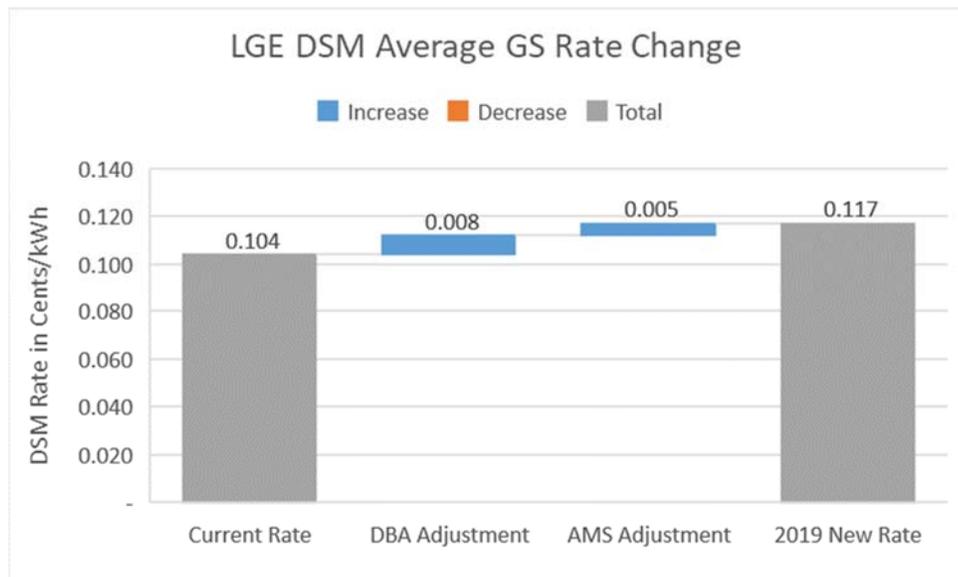
**Summary of 2019 DSM Budget**  
**AMS Opt-In**

## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase

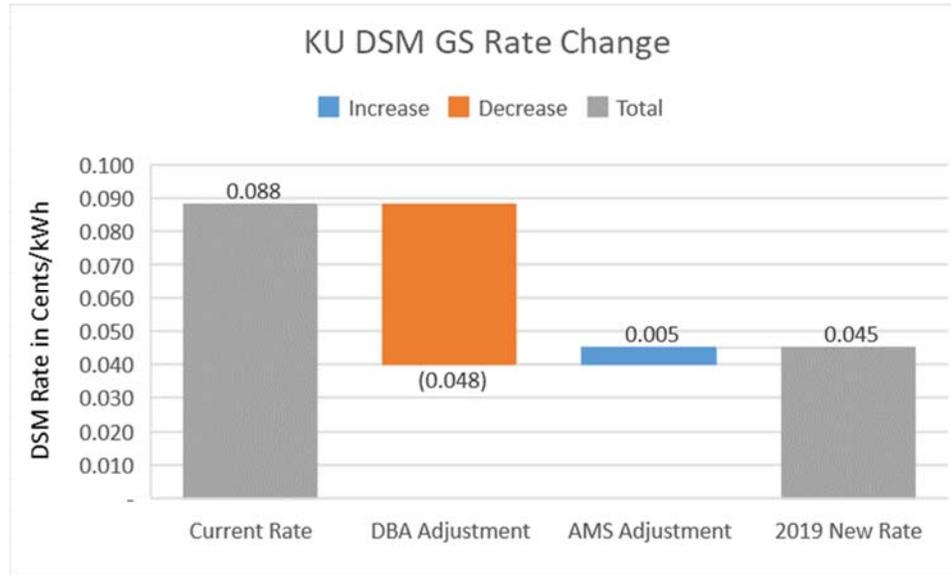
In October 2018, Louisville Gas and Electric Company (“LG&E) and Kentucky Utilities Company (“KU”) (collectively the “Companies”) received approval for their 2019-2025 Demand-Side Management and Energy Efficiency (“DSM-EE”) Program Plan filed in Kentucky Public Service Commission (“KPS”) Case No. 2017-00441. The DSM-EE tariffs were approved as amended on October 31, 2018. Given the case approval for tariffs effective in January, 2019, the Companies did not make the traditional DSM tariff filing in November 2018 as it was unnecessary. This DSM balancing adjustment (“DBA”) filing adjusts actual spend in 2018 against the amounts collected through the tariffs approved in 2017, effective January 1, 2018. The KPS order increased the number of participants allowed in the Companies’ Advanced Metering Systems (“AMS”) Customer Service Offering from 10,000 to 20,000. In order to support the additional participants in the AMS program, the Companies are proposing new rates to mitigate the impact to the 2020 DBA. The revised tariffs are being included with the annual DBA filing with proposed effective date of April 1, 2019. AMS only affects rates RS and GS for the Companies based upon the AMS Opt-In approval. The changes for LG&E and KU are shown in the graphs below. KU GS customers and LG&E and KU RS customers will see an overall decrease in their DSM rate. LG&E GS customers will see an increase in their DSM rate of \$0.0013/kWh. Details are included in the paragraphs, spreadsheets, and tariffs which are attached. On average the Companies spent \$458 per meter on the original 10,000 meter opt-in program over four years and are projecting \$423 per meter on the additional 10,000 meters across four years.



## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase



## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase



### Advanced Metering Systems (AMS) Customer Service Offering

#### Program Overview

In Case No. 2014-00003, the Commission approved the AMS Customer Service Offering which allows the Companies to offer up to 10,000 advanced meters to those Rate RS or GS customers who elected to participate. In Case No. 2017-00441, the Commission approved an additional 10,000 advanced meters over the previously approved 10,000 meters for those Rate RS or GS customers who elected to participate. As of January 31, 2019, more than 9,600 customers have AMS meters deployed to their residences or places of business. Participants' consumption is captured, communicated, and stored, allowing participants to monitor their hourly usage through an online portal (MyMeter). To allow customers to participate subject to the 20,000 meter limit, the Companies plan to support and expand as necessary the existing AMS infrastructure, and to continue to permit participants to have the ability to view their hourly usage via the MyMeter online portal. The costs included in this filing are for meters, network infrastructure, the meter data management system, customer education, and expenses of the systems to display consumption data to customers.

#### Program Audience

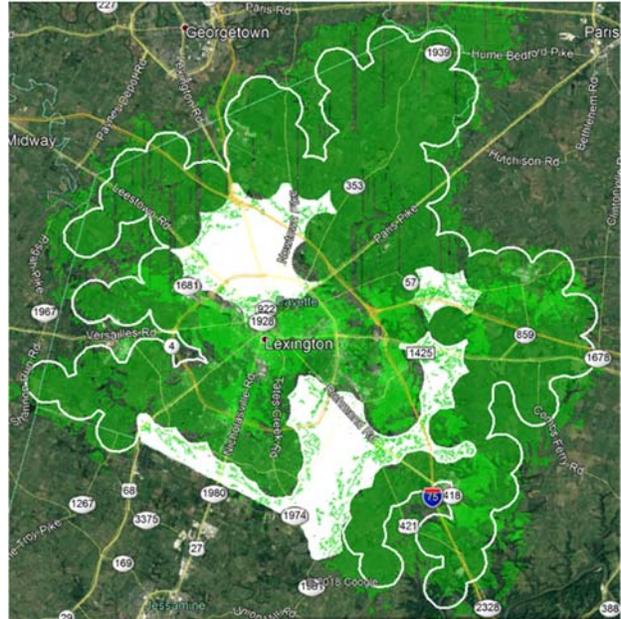
Up to 10,000 LG&E and 10,000 KU RS and GS customers will receive an advanced meter on a voluntary basis.

#### Implementation Plan

The Commission's provided guidance in its conclusion in Case No. 2018-00005 stating that "The increased investment in AMS will not result in wasteful duplication because the pilot program meters can be used going forward if the Companies refile an application for AMS that satisfies the evidentiary requirements for a CPCN." For the meters to remain useful going forward it is

## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase

imperative that the Company deploy meters operating on the mesh network. As such, there are gaps in the existing communication coverage, particularly in Lexington, that limit the number of customers able to receive such a meter. See Figure 1 illustrating the over 41,000 customers in Fayette County without mesh communications today, represented by the white polygons within the figure. To address these gaps the Companies plan to deploy additional routers.



### Pilot Subscription and Engagement Levels

**Figure 1 - Lexington Fayette County Mesh Coverage**

The Companies plan to provide customer

education and marketing of the AMS Opt In program in areas where RF mesh communications is established. Educational materials will be provided multiple times per year through various media channels. Customer education informs customer about the benefits of AMS and has historically proven to produce AMS enrollments. Examples of these customer communications have been provided previously to this commission.

Additionally, the Companies plan to provide customers with "tips" on how to better utilize their smart meter data and the capabilities of MyMeter such as text alerts based upon usage. The goal of this initiative is to create effective customer engagement with MyMeter capabilities to help customers save energy.

### Innovative Programs.

The Company has initiated a rate comparison tool for AMS customers through the MyMeter portal. This tool allows customers to use their actual data to compare how choosing an alternative residential time of day rate to their standard residential electric rate would affect them. Specifically, the rate comparison tool provides two benefits. First, it provides customers with data from their AMS meter that recommends the least cost rate based upon their actual consumption pattern. Second, the tool provides value and education for customers who may not otherwise be interested in or aware of existing alternative rates.

In addition to the rate comparison tool, the Company has implemented a household comparison option for customers through the MyMeter portal. This program is similar to the Smart Energy Profile Program (SEP) the Companies offered through DSM previously, allowing customers to compare their efforts to conserve energy with their "neighbors". The SEP program showed that customers saved energy when engaged in a comparison program with their "neighbors."

## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase

The Company has implemented a new option for customer within the MyMeter portal to allow customers to authorize third-parties to access their consumption information. This allows a customer to provide access to their consumption without providing access to their full account information within MyAccount. The benefit is that this 3rd party could be for anything from elder care to energy services that provide energy efficiency measures based upon analysis of the customers consumption data.

The Companies are exploring and evaluating additional functionality that includes Green Button Connect, an enhanced mobile app, and a bill prediction tool.

### Timeliness of Data Availability

To improve customer's access to more timely data consumption the Companies are planning to implement a new data process for the customers with mesh AMS meters. This process improves the data availability from its current 24-48 hour latency to every 4 hours. The Companies are evaluating options for AMS customers with cellular connected meters but the current plans are that they will remain at the 24-48 timeframe based on system limitations.

Additionally the Company is evaluating in-home device ("IHD") types that would provide customers with more real-time types of data access consistent with the KPSC order in Case No. 2018-00005. These devices would be of two types. One that utilizes the customers Wi-Fi network to transmit meter data to the MyMeter portal in real-time. The other type would not be connected to MyMeter portal (it would connect directly to the meter through Zigbee) but would enable those without Wi-Fi, such as low-income customers, to view their usage in real-time from a display which shows consumption information from their meter. The plan is to deploy a limited number of IHDs with a total cost less than \$10,000.

The Companies are providing the following budget to accomplish the mentioned activities.

### **Annual Program Budget**

The original budget, actual expenses and a revised annual budget for the Advanced Metering Systems Customer Service Offering is presented in tables below.

## Louisville Gas and Electric Company and Kentucky Utilities Company Summary of 2019 DSM-EE Budget Increase

### Advanced Metering Systems Approved Budget 2014-00003 and Actual Costs

	(\$1,000)	2015	2016	2017	2018	Total	2015-2018	
							Actuals	Variance
O&M Expenses	\$	442	\$ 549	\$ 556	\$ 333	\$ 1,880	\$ 1,103	\$ 777
Capital Expenses	\$	383	\$ 1,149	\$ 1,149	\$ 1,149	\$ 3,830	\$ 3,475	\$ 355
<b>Total</b>	\$	<b>825</b>	<b>\$ 1,698</b>	<b>\$ 1,705</b>	<b>\$ 1,482</b>	<b>\$ 5,710</b>	<b>\$ 4,578</b>	<b>\$ 1,132</b>

### Advanced Metering Systems Approved Budget 2017-00441

	(\$1,000)	2019	2020	2021	2022	2023	2024	2025	Total
Administration	\$	291	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 348	\$ 2,232
Implementation CAPX	\$	500	\$ 61	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 896
Implementation OPEX	\$	103	\$ 104	\$ 102	\$ 103	\$ 105	\$ 105	\$ 105	\$ 727
Miscellaneous	\$		\$ 23	\$ 24					\$ 47
<b>Total</b>	\$	<b>894</b>	<b>\$ 488</b>	<b>\$ 474</b>	<b>\$ 510</b>	<b>\$ 500</b>	<b>\$ 512</b>	<b>\$ 524</b>	<b>\$ 3,902</b>

### Estimated Total Expenses for 20,000 meter deployment

	(\$1,000)	2019	2020	2021	2022	Total
Administration	\$	291	\$ 300	\$ 309	\$ 318	\$ 1,218
Implementation CAPX	\$	3,100	\$ 122	\$ 126	\$ 130	\$ 3,478
Implementation OPEX	\$	1,183	\$ 208	\$ 204	\$ 206	\$ 1,801
Miscellaneous	\$	-	\$ 46	\$ -	\$ 48	\$ 94
<b>Total</b>	\$	<b>4,574</b>	<b>\$ 676</b>	<b>\$ 639</b>	<b>\$ 702</b>	<b>\$ 6,591</b>

### Variance from 2017-00441 DSM Case - 10,000 meters

		2019	2020	2021	2022	Total
Administration	\$	-	\$ -	\$ -	\$ -	\$ -
Implementation CAPX	\$	(2,600)	\$ (61)	\$ (63)	\$ (65)	\$ (2,789)
Implementation OPEX	\$	(1,080)	\$ (104)	\$ (102)	\$ (103)	\$ (1,389)
Miscellaneous	\$	-	\$ (23)	\$ -	\$ (24)	\$ (47)
<b>Total</b>	\$	<b>(3,680)</b>	<b>\$ (188)</b>	<b>\$ (165)</b>	<b>\$ (192)</b>	<b>\$ (4,225)</b>

## **Kentucky Utilities Company**

### **KU DSM AMS Opt-In 2019 Budget Support**

**KENTUCKY UTILITIES COMPANY**

**Supporting Calculations for the  
DSM Cost Recovery Mechanism**

**ELECTRIC SERVICE**

**Nine-Month Period Beginning April 1, 2019  
and Ending December 31, 2019**

Kentucky Utilities - Electric Service  
 DSMRC Summary

**Summary of Total DSM Recovery Component (DSMRC)**  
**9-Month Period Beginning April 1, 2019**

Rate Schedule	Cost Recovery Component (DCR)	Lost Sales Component (DRLS)	Incentive Component (DSMI)	Existing Capital Cost Recovery Component (DCCR)	Balance Adj Component (DBA)	DSM Recovery Component (DSMRC)	
RS, RTOD- Energy RTOD- Demand & VFD	0.048	0.006	0.000	0.046	(0.041)	0.059	¢/kWh
GS	0.035	0.026	0.000	0.007	(0.028)	0.040	¢/kWh
AES	0.074	0.107	0.000	0.103	(0.017)	0.267	¢/kWh
PS, RTS, FLS, TODP, TODS, & OSL	0.029	0.023	0.000	0.010	(0.002)	0.060	¢/kWh
				<b>Additional - AMS (DCCR)</b>			
RS, RTOD- Energy RTOD- Demand & VFD				0.009			¢/kWh
GS				0.005			¢/kWh
AES				0.000			¢/kWh
PS, RTS, FLS, TODP, TODS, & OSL				0.000			¢/kWh

**Rates with revised DCCR Rates:**

	(DCR)	(DRLS)	(DSMI)	(DCCR)	(DBA)	(DSMRC)	
Energy RTOD-	0.048	0.006	0.000	0.055	(0.041)	0.068	¢/kWh
GS	0.035	0.026	0.000	0.012	(0.028)	0.045	¢/kWh
AES	0.074	0.107	0.000	0.103	(0.017)	0.267	¢/kWh
TODP, TODS, &	0.029	0.023	0.000	0.010	(0.002)	0.060	¢/kWh

Kentucky Utilities - Electric Service  
DCCR Summary

**Summary of DSM Revenues from DSM Capital Cost Recovery (DCCR)**  
**9-Month Period Beginning April 1, 2019**

Rate Schedule	DSM Capital Cost Recovery Total Amount	Estimated Billing Determinants	DSM Capital Cost Recovery Component (DCCR)
RS, RTOD- Energy RTOD- Demand & VFD	\$ 354,703	3,992,547,177 kWh	0.009 ¢/kWh
GS	\$ 67,563	1,274,557,144 kWh	0.005 ¢/kWh
AES	\$ -	93,594,053 kWh	0.000 ¢/kWh
PS, RTS, FLS, TODP, TODS, & OSL	\$ -	3,597,012,287 kWh	0.000 ¢/kWh
<b>Total DCCR Amount</b>	<b>\$ 422,266</b>		

The DSM Capital Cost Recovery (DCCR), allows the Companies' to earn an approved rate of return on equity exclusively for the capital expenditures. The Companies' return on equity is equal to 10.20%.

Kentucky Utilities - Electric Service  
DCCR Summary

**Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor**  
**9-Month Period Beginning April 1, 2019**

**Calculation of Total E(m)**

$E(m) = [(RB) (ROR+(ROR -DR)(TR/(1-TR)))] + OE$ , where

RB	=	DSM Rate Base	=	\$	1,258,235
ROR	=	Rate of Return on the DSM Rate Base	=		7.28%
DR	=	Debt Rate (both short-term and long-term debt)	=		1.93%
TR	=	Composite Federal & State Income Tax Rate	=		24.95%
OE	=	Operating Expenses	=		

**DSM Plans**

RB			=	\$	1,258,235
$(ROR + (ROR - DR) (TR / (1 - TR)))$			=		9.06%
Return on Rate Base			=	\$	113,996
OE			=	\$	308,270
E(m)			=	\$	422,266

**E(m) by Rate Class**

Electric	Residential Service	RS et al	\$	354,703
	General Service	GS	\$	67,563
	All Electric Schools	AES	\$	-
	PS / TOD	PS/TOD et al	\$	-
	Total		\$	422,266

Kentucky Utilities - Electric Service  
DCCR Summary

**Calculation of Base Rate and Operating Expense**  
**9-Month Period Beginning April 1, 2019**

**Determination of DSM Rate Base**

Eligible Plant / Capital Expenditures In Service	\$	1,300,000
Eligible Accumulated Depreciation	\$	(29,770)
CWIP Amount Excluding AFUDC	\$	0
Eligible Net Plant / Capital Expenditures In Service	\$	1,270,230
Deferred Tax Balance as of April 1, 2019	\$	(11,995)
Yearly Depreciation Expense	\$	0
Yearly Property Tax Expense	\$	0
		0
Total	\$	1,258,235

**Determination of DSM Operating Expenses**

		O&M	Depreciation Expense	Property Tax Expense
Demand Load Conservation	Residential	\$ -	\$ -	\$ -
	Commercial	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -
AMI / Smart Grid	Residential	\$ 233,940	\$ 25,007	\$ -
	Commercial	\$ 44,560	\$ 4,763	\$ -
	Total	\$ 278,500	\$ 29,770	\$ -
				<b>Total Operating Expenses</b>
	Residential			\$ 258,947
	Commercial			\$ 49,323
Total Operating Expenses	Total			\$ 308,270

Kentucky Utilities - Electric Service  
DCCR Summary

**Calculation of DCCR Component from Forecast Sales**  
**9-Month Period Beginning April 1, 2019**

Forecast Sales kWh	Residential Service RS et al	General Service GS	All Electric Schools AES	Power Service and TOD PS/TOD et al
April 2019	426,106,638	130,175,551	10,751,809	369,308,860
May 2019	340,602,379	123,526,798	9,882,429	382,160,686
June 2019	416,736,637	142,477,328	9,440,758	417,557,585
July 2019	514,289,231	159,826,519	8,282,146	423,271,258
August 2019	530,806,397	163,532,226	9,373,302	432,534,087
September 2019	479,187,820	157,395,644	12,450,116	437,300,975
October 2019	357,791,447	133,930,741	10,550,359	391,576,518
November 2019	380,242,798	122,418,589	9,703,664	363,204,560
December 2019	546,783,830	141,273,748	13,159,470	380,097,758
January 2020	0	0	0	0
February 2020	0	0	0	0
March 2020	0	0	0	0
<b>Total</b>	<b>3,992,547,177</b>	<b>1,274,557,144</b>	<b>93,594,053</b>	<b>3,597,012,287</b>
Total DCCR Program Component	\$ 354,703	\$ 67,563	\$ -	\$ -
DCCR Factor in ¢ per kWh	0.009	0.005	0.000	0.000

Kentucky Utilities - Electric Service  
DCCR Summary

**Rate Base by Program**  
**9-Month Period Beginning April 1, 2019**

**Rate Base by Program**

Demand Load Conservation	Residential	\$ 0
	Commercial	\$ 0
	Total	\$ 0

AMS / Smart Grid	Residential	\$ 1,056,917
	Commercial	\$ 201,318
	Total	\$ 1,258,235

Allocation between Residential and Commercial	Residential	\$ 1,056,917
	Commercial	\$ 201,318
	Total	\$ 1,258,235

# Kentucky Utilities Company

P.S.C. No. 18, Second Revision of Original Sheet No. 86.7  
Canceling P.S.C. No. 18, First Revision of Original Sheet No. 86.7

## Adjustment Clause

## DSM

### Demand-Side Management Cost Recovery Mechanism

#### DSM Cost Recovery Component (DSMRC)

##### Monthly Adjustment Factors:

<u>Rates RS, RTOD-Energy, RTOD-Demand, VFD</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00048 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00006 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00055 per kWh	I
DSM Balance Adjustment (DBA)	\$(0.00041) per kWh	R
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00068 per kWh	R
<u>Rate GS</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00035 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00026 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00012 per kWh	I
DSM Balance Adjustment (DBA)	\$(0.00028) per kWh	R
Total DSMRC for Rate GS	\$ 0.00045 per kWh	R
<u>Rate AES</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00074 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00107 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00103 per kWh	
DSM Balance Adjustment (DBA)	\$(0.00017) per kWh	R
Total DSMRC for Rate AES	\$ 0.00267 per kWh	R
<u>Rates PS, TODS, TODP, RTS, FLS, OSL</u>	<u>Energy Charge</u>	T
DSM Cost Recovery Component (DCR)	\$ 0.00029 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00023 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00010 per kWh	
DSM Balance Adjustment (DBA)	\$(0.00002) per kWh	I
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	\$ 0.00060 per kWh	I

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**DATE OF ISSUE:** February 28, 2019

**DATE EFFECTIVE:** April 1, 2019

**ISSUED BY:** /s/ Robert M. Conroy, Vice President  
State Regulation and Rates  
Lexington, Kentucky