

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 20

Standard Rate **TODS**
Time-of-Day Secondary Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is available for secondary service. Service under this schedule will be limited to customers whose 12-month-average monthly minimum loads exceed 250 kW and whose 12-month-average monthly maximum loads do not exceed 5,000 kW.

RATE

Basic Service Charge per month:	\$200.00	T
Plus an Energy Charge per kWh:	\$ <u>0.04037</u>	T
Plus a Maximum Load Charge per kW:		T
Peak Demand Period:	\$ <u>6.70</u>	T/R
Intermediate Demand Period:	\$ <u>4.91</u>	T/R
Base Demand Period:	\$ <u>4.61</u>	T/R

- Deleted: 0.04049
- Deleted: 7.56
- Deleted: 5.54
- Deleted: 4.84

Where:

- the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
 - a) the maximum measured load in the current billing period, or
 - b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and
- the monthly billing demand for the Base Demand Period is the greater of:
 - a) the maximum measured load in the current billing period but not less than 250 kW, or
 - b) the highest measured load in the preceding eleven (11) monthly billing periods, or
 - c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

Deleted: January 1, 2017

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

Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated xxxx

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, School Power Service Rate SPS, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

Deleted: and

RATE

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

$$\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA} + \text{DCCR}$$

Where:

DCR = DSM COST RECOVERY

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

DRLS = DSM REVENUE FROM LOST SALES

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

Deleted: July 1, 2015

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

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-000370 dated xxxx**

Deleted: 2014-00372 dated June 30, 2015

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.1

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

- 1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Residential Time-of-Day Energy Service, Volunteer Fire Department, and General Service customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, PS, TODS, TODP, ~~RTS, SPS, STOD, AND OSL~~) is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.
- 2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved

DATE OF ISSUE: ~~XXXX, 2017~~

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, ~~2017~~

Deleted: 2015

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

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-000371 dated xxxx**

Deleted: 2014-00372 dated June 30, 2015

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.2

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, School Power Service Rate SPS, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OS shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

Deleted: and

DBA = DSM BALANCE ADJUSTMENT

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

- 1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
- 2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
- 3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- 4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

Deleted: 2015

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

Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-000371 dated xxxx

Deleted: 2014-00372 dated June 30, 2015

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.6

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

Residential Advanced Metering Systems Incentives:

The following Demand Side Management offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

Advanced Metering Systems

The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

Commercial Customer Program Participation Incentives:

The following Demand Side Management programs are available to commercial customers receiving service from the Company on the GS, PS, TODS, TODP, ~~RTS, SPS, STOD, and OSL~~ Standard Electric Rate Schedules.

Deleted: and

Deleted:

Commercial Load Management / Demand Conservation

The Commercial Load Management / Demand Conservation Program employs switches or interfaces to customer equipment in small and large commercial businesses to help reduce the demand for electricity during peak times. The Program communicates with the switches or interface to cycle equipment. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No. 86.9.

Commercial Conservation / Commercial Incentives

The Commercial Conservation / Commercial Incentive Program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all commercial customers are based upon a \$100 per kW removed for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable kW removed. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is \$50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of \$100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom, and New Construction Rebates

DATE OF ISSUE: ~~XXXX, 2017~~

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, ~~2017~~

Deleted: 2015

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

Issued by Authority of an Order of the
Public Service Commission in Case No.
~~2016-000371 dated xxxx~~

Deleted: 2014-00372 dated June 30, 2015

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.10

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

Monthly Adjustment Factors

Residential Service Rate RS, Residential Time-of-Day
 Energy Service Rate RTOD-Energy, Residential
 Time-of-Day Demand Service Rate RTOD-Demand
and Volunteer Fire Department Service Rate VFD

DSM Cost Recovery Component (DCR)	\$ 0.00175 per kWh	Deleted: 00167
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	Deleted: 00026
DSM Incentive (DSMI)	\$ 0.00003 per kWh	Deleted: 00008
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00169 per kWh	Deleted: 00156
DSM Balance Adjustment (DBA)	\$ (0.00001) per kWh	Deleted: 00011
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00346 per kWh	

General Service Rate GS*

DSM Cost Recovery Component (DCR)	\$ 0.00089 per kWh	Deleted: 00094
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	Deleted: 00034
DSM Incentive (DSMI)	\$ 0.00004 per kWh	Deleted: 00005
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00022 per kWh	Deleted: 00021
DSM Balance Adjustment (DBA)	\$ 0.00016 per kWh	Deleted: {
Total DSMRC for Rate GS	\$ 0.00131 per kWh	Deleted: 00027

Power Service Rate PS* and School Power Service Rate SPS*

DSM Cost Recovery Component (DCR)	\$ 0.00038 per kWh	Deleted: }
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	Deleted: 00127
DSM Incentive (DSMI)	\$ 0.00002 per kWh	Formatted: Justified, Tab stops: 5.06", Left + 5.75", Left
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00050 per kWh	Deleted: 00040
DSM Balance Adjustment (DBA)	\$ (0.00004) per kWh	Deleted: 00013
Total DSMRC for Rate PS	\$ 0.00086 per kWh	Deleted: 00044

Time-of-Day Secondary Service Rate TODS*,
 Time-of-Day Primary Service Rate TODP*,
 Retail Transmission Service Rate RTS*, School Time-of-Day
Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL

DSM Cost Recovery Component (DCR)	\$ 0.00018 per kWh	Deleted: 00018
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	Deleted: and
DSM Incentive (DSMI)	\$ 0.00001 per kWh	Formatted: Tab stops: Not at 3.13"
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00005 per kWh	Deleted: 00022
DSM Balance Adjustment (DBA)	\$ (0.00001) per kWh	Deleted: 00007
Total DSMRC for Rates TODS, and TODP	\$ 0.00023 per kWh	Deleted: 00025

* These charges do not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

Deleted: June 30, 2016

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

Issued by Authority of an Order of the
 Public Service Commission in Case No.
2016-00371 dated xxxx

Deleted: 2015-00398 dated March 31, 2016

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 87

Adjustment Clause **ECR**
Environmental Cost Recovery Surcharge

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to all Standard Electric Rate Schedules listed in Section 1 of the General Index except PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC (including the Off-System Sales Tracker) and DSM Adjustment Clauses. Standard Electric Rate Schedules subject to this schedule are divided into Group 1 or Group 2 as follows:

- Group 1: Rate Schedules RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE.
- Group 2: Rate Schedules GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; SPS; STOD; and OSL.

RATE

The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

$$\text{Group Environmental Surcharge Billing Factor} = \text{Group E(m)} / \text{Group R(m)}$$

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the 12-month average revenue for the current expense month and for Group 2 it is the 12-month average non-fuel revenue for the current expense month.

DEFINITIONS

- 1) For all Plans, $E(m) = [(RB/12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE - EAS + BR$
 - a) RB is the Total Environmental Compliance Rate Base.
 - b) ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
 - c) DR is the Debt Rate [cost of short-term debt and long-term debt].
 - d) TR is the Composite Federal and State Income Tax Rate.
 - e) OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
 - f) EAS is the total proceeds from emission allowance sales.
 - g) BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
 - h) Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

Deleted: January 1, 2017

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

Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated xxxx

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 92

Adjustment Clause

HEA
Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

\$0.25 per month.

T

BILLING

The HEA charge shall be shown as a separate item on customer bills.

PURPOSE

Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

DATE OF ISSUE: XXXX, 2017

Deleted: November 23, 2016

DATE EFFECTIVE: July 1, 2017

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

Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated xxxx