

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**JOINT APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY AND KENTUCKY )  
UTILITIES COMPANY TO ENHANCE THE )  
BUDGET OF AN EXISTING DEMAND-SIDE )  
MANAGEMENT AND ENERGY EFFICIENCY )  
PROGRAM )**

**CASE NO. 2022-00123**

**VERIFIED JOINT APPLICATION**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “the Companies”) hereby petition the Kentucky Public Service Commission (“Commission”) pursuant to KRS 278.285 to issue an Order approving their proposal to update the budget of the Nonresidential Rebates Program, which the Commission previously approved as part of the Companies’ 2019-2025 Demand-Side Management and Energy Efficiency Program Plan (“2019-2025 DSM-EE Program Plan”).<sup>1</sup> The Companies further request approval for changes to their Demand-Side Management Cost Recovery Mechanism (“DSM Mechanism”) tariff sheets effective May 29, 2022, to reflect updating the budget of the program.<sup>2</sup>

In support of this Joint Application, the Companies respectfully state:

1. Addresses: Applicant LG&E’s full name and post office address are: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

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<sup>1</sup> *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Certain Existing Demand-Side Management and Energy Efficiency Programs*, Case No. 2017-00441, Order (Ky. PSC Oct. 5, 2018).

<sup>2</sup> Calculations supporting the Companies’ revised tariff sheets are shown in Application Exhibits 1 (KU) and 2 (LG&E). The Companies’ revised tariff sheets are Application Exhibits 3 (KU) and 4 (LG&E).

Applicant KU's full name and business address are: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU's mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

The Companies may be reached by electronic mail at the electronic mail addresses of their counsel set forth below.

2. LG&E is incorporated in the Commonwealth of Kentucky, and attests it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

3. KU is incorporated in the Commonwealth of Kentucky and the Commonwealth of Virginia, and attests it is in good corporate standing in both states. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991.

4. LG&E is a public utility, as defined in KRS 278.010(3)(a) and (b), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores, and transports natural gas, and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

5. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski

Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

6. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

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### **Current Demand-Side Management/Energy Efficiency Programs**

7. The Companies' initial Demand-Side Management and Energy Efficiency ("DSM-EE") programs were implemented in 1994. Since then, the Companies have developed and delivered on DSM-EE program plans in collaboration with their Energy Efficiency Advisory Group ("DSM Advisory Group"), a group of customer-stakeholders that includes representatives from the Kentucky Energy and Environment Cabinet's Office of Energy Policy, the Kentucky Attorney General, the Kentucky Industrial Utility Customers, Inc., the Kentucky School Boards Association, environmental advocacy groups, commercial customers, and low-income advocates. The Commission approved DSM-EE Program Plans for the Companies in 1996, 1998, 2001, 2008, 2011, 2014, and 2018.

8. The Commission approved the Companies' current DSM-EE Program Plan (the 2019-2025 DSM-EE Program Plan) in an Order dated October 5, 2018 in Case No. 2017-00441.<sup>3</sup> The Companies' current DSM-EE programs are:

- Nonresidential Rebates Program
- Residential Low Income Weatherization Program ("WeCare")

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<sup>3</sup> *Id.*

- Residential and Small Nonresidential Demand Conservation Program
- Nonresidential Demand Conservation Program
- Program Development and Administration
- Advanced Metering Systems (“AMS”) Customer Offering

9. As of the date of this Application, the Companies are about halfway through the seven-year term of their current DSM-EE Program Plan. All of the programs the Commission approved in the 2019-2025 DSM-EE Program Plan are performing well and within plan parameters with the notable exception of the Nonresidential Rebates Program, which is performing well beyond forecasted expectations.

10. Through the Nonresidential Rebates Program, the Companies provide nonresidential customers with financial incentives to help replace aging and inefficient equipment.

The Companies’ Nonresidential Rebates Program offerings include:

- Prescriptive incentives. Customer incentives are available for energy audits and for high-efficiency equipment such as lighting, motors, pumps, variable frequency drives, and air conditioning retrofits installed in existing buildings.
- Custom incentives. Customers are eligible for custom incentives when they implement energy-efficient technologies not currently covered in the prescriptive component of the program. Custom projects are offered for retrofit applications in existing buildings and are subject to preapproval by the Companies.
- New construction incentives. The Companies offer performance-based incentives for constructing new, efficient nonresidential facilities that exceed current state building energy code requirements and offer bonus incentives for LEED certification.

11. As previously noted, the Nonresidential Rebates Program is performing well beyond the Companies’ initial expectations. The table below demonstrates that customers’ demand for rebates in the first three years of the program has been more than triple what the Companies forecasted (\$8.34 million actual versus \$2.48 million budgeted) while the Companies

have been able to reduce program implementation and administration costs by almost \$1.6 million relative to forecasted budget (\$4.43 million actual versus \$5.98 million budgeted):

Nonresidential Rebates Program	<i>in \$000s</i>			3 Year Total: 2019 - 2021
	2019	2020	2021	
<b>Filed Spend</b>				
Rebates	\$ 824	\$ 834	\$ 824	\$ 2,482
All other program spend	\$ 2,011	\$ 2,022	\$ 1,950	\$ 5,982
<b>Total Program</b>	<b>\$ 2,835</b>	<b>\$ 2,856</b>	<b>\$ 2,774</b>	<b>\$ 8,465</b>
<b>Actual Spend</b>				
Rebates	\$ 3,224	\$ 2,491	\$ 2,629	\$ 8,343
All other program spend	\$ 1,620	\$ 1,303	\$ 1,503	\$ 4,426
<b>Total Program</b>	<b>\$ 4,844</b>	<b>\$ 3,794</b>	<b>\$ 4,131</b>	<b>\$ 12,769</b>

As a result of this superior program performance, the estimated annual energy savings resulting from the program are also more than triple what the Companies initially anticipated:

Nonresidential Rebates Program	<i>in MWhs</i>			3 Year Total: 2019 - 2021
	2019	2020	2021	
Filed Savings Estimate	25,492	25,492	25,492	76,476
Actual Savings	103,630	77,584	86,085	267,299

In short, the Nonresidential Rebate Program is a clear success.

12. As shown above, eligible customers have taken advantage of the cost-effective Nonresidential Rebates Program to a greater extent than the Companies anticipated. Although this is a positive outcome, it presents a budgetary challenge: the total seven-year budget proposed and approved for the program in Case No. 2017-00441 was \$18.66 million, and the total program expenditure just for the first three years of the program was \$12.77 million. The Companies currently anticipate a program expenditure of approximately \$4 million in calendar year 2022. Thus, at current rates of customer participation, notwithstanding the savings from the reduced program implementation and administration costs, the Companies' projected program budget for the entire seven-year program plan will likely be exhausted in the first half of 2023. The

Companies are therefore asking the Commission to approve an updated and increased budget for program years 2022-2025 as shown in the table below:

**Nonresidential Rebates Program Updated Budget**

Program Costs (\$000s)	2022	2023	2024	2025	Total
Administration	213	219	226	233	<b>891</b>
Implementation	1,496	1,496	1,496	1,496	<b>5,984</b>
Incentives	2,221	2,215	2,206	2,205	<b>8,847</b>
Miscellaneous	-	-	185	-	<b>185</b>
<b>Total</b>	<b>3,930</b>	<b>3,930</b>	<b>4,113</b>	<b>3,934</b>	<b>15,907</b>

13. Notably, the updated budget for the Nonresidential Rebate Program for 2022-2025 (about \$16 million total) is still significantly less than the unchanged Commission-approved budget for the Residential Low-Income Program (WeCare) over the same time period (about \$26 million). Therefore, the DSM-EE program for the Companies’ customers who often have the greatest challenge with their energy costs will continue to receive the most DSM-EE Program Plan support.

14. If the Commission approves the proposed updated budget and tariff sheet adjustments needed to fund the program,<sup>4</sup> the program’s projected energy, demand, and gas savings will increase as shown in the following tables:

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<sup>4</sup> The Companies’ revised tariff sheets are Application Exhibits 3 (KU) and 4 (LG&E).

**Nonresidential Rebates Program Annual and Cumulative Energy and Demand Impacts  
(As Filed)**

Usage Reductions	Units	2022	2023	2024	2025	Total
Annual Reductions						
Energy	MWh	25,492	25,616	25,616	25,616	<b>102,340</b>
Demand	MW	5.2	5.3	5.3	5.3	<b>21.1</b>
Gas	CCF	22,408	22,408	22,408	22,408	<b>89,632</b>
Cumulative Reductions						
Energy	MWh	25,492	51,108	76,724	102,340	<b>102,340</b>
Demand	MW	5.2	10.5	15.8	21.1	<b>21.1</b>
Gas	CCF	22,408	44,816	67,224	89,632	<b>89,632</b>

**Nonresidential Rebates Program Annual and Cumulative Energy and Demand Impacts  
(Updated Budget)**

Usage Reductions	Units	2022	2023	2024	2025	Total
Annual Reductions						
Energy	MWh	65,730	65,730	65,626	65,639	<b>262,725</b>
Demand	MW	15	15.1	15.2	15.1	<b>60.4</b>
Gas	CCF	41,926	41,926	40,535	40,933	<b>165,320</b>
Cumulative Reductions						
Energy	MWh	65,730	131,460	197,086	262,725	<b>262,725</b>
Demand	MW	15	30.1	45.3	60.4	<b>60.4</b>
Gas	CCF	41,926	83,852	124,387	165,320	<b>165,320</b>

15. In summary, the following tables show the annual budgets and projected energy savings the Commission approved in Case No. 2017-00441 compared to the actual and projected results of the Nonresidential Rebate Program if the Commission approves the updated budget for 2022-2025:



### Nonresidential Rebates Expenditure and Budget Summary

Program Costs (\$000)	2019	2020	2021	2022	2023	2024	2025	Total
Filed Budget (2017-00441)	2,835	2,856	2,774	2,543	2,543	2,550	2,557	18,658
Actual Expenditures and Updated Budgets <sup>5</sup>	4,844	3,794	4,131	3,930	3,930	4,113	3,934	28,676
Difference	2,009	938	1,357	1,387	1,387	1,563	1,377	10,018

### Nonresidential Rebates Program Annual Energy and Demand Impacts Comparison

Usage Reductions	2019	2020	2021	2022	2023	2024	2025	Total
Case No. 2017-00441 Projected Program Reductions								
Energy (MWh)	25,492	25,492	25,492	25,492	25,616	25,616	25,616	<b>178,814</b>
Demand (MW)	5.2	5.2	5.2	5.2	5.3	5.3	5.3	<b>36.9</b>
Gas (CCF)	22,408	22,408	22,408	22,408	22,408	22,408	22,408	<b>156,856</b>
Projected Program Reductions with Updated Budget								
Energy (MWh)	103,630	77,584	86,085	65,730	65,730	65,626	65,639	<b>530,024</b>
Demand (MW)	21	15	16	15	15.1	15.2	15.1	<b>112.4</b>
Gas (CCF)	71,322	27,464	20,013	41,926	41,926	40,535	40,933	<b>284,119</b>

16. The Commission has stated that “[a]ny new DSM program or change to an existing DSM program shall be supported by ... [t]he results of the four traditional DSM cost-benefit tests [Participant (PCT), Total Resource Cost (TRC), Ratepayer Impact (RIM), and Utility Cost or Program Administrator Cost (PAC) tests].”<sup>6</sup> As shown in the following table, the Nonresidential Rebates Program with an updated budget will continue to be cost-effective as measured by the four Commission-required California Standard Practice Manual tests; indeed, it will be even more

<sup>5</sup> Actual expenditures shown for 2019-2021; updated budgets shown for 2022-2025.

<sup>6</sup> *Joint Application of the Members of the Louisville Gas and Electric Company Demand-Side Management Collaborative for the Review, Modification, and Continuation of the Collaborative, DSM Programs, and Cost Recovery Mechanism*, Case No. 1997-00083, Order at 20 (Ky. PSC April 27, 1998).

cost-effective than anticipated when the Companies applied for their current DSM-EE Program Plan:

### Cost-Benefit Test Results

Nonresidential Rebates Program Benefit-Cost Results	TRC	PCT	RIM	PAC
As Filed	1.14	2.14	0.49	4.23
Updated Budget	1.60	3.73	0.46	9.10

17. The Companies recognize there are reasons to believe additional DSM-EE programs may soon be cost-effective. The Companies have met several times recently with the DSM-EE Advisory Group to discuss this filing and a future DSM-EE Program Plan filing.<sup>7</sup> Also, the Companies have engaged The Cadmus Group to assist the Companies in evaluating the Companies' current DSM-EE portfolio and other program opportunities. The Companies further acknowledge their 2020 rate case commitment "to consider and evaluate Peak-Time Rebates and an on-bill financing program."<sup>8</sup> The Companies are working toward a full DSM-EE Program Plan application to address all of these items with a filing the Companies anticipate making in 2024. This will provide continuity between their current 2019-2025 DSM-EE Program Plan and their next DSM-EE Program Plan, and it will allow adequate time to engage with the DSM-EE Advisory Group and Cadmus to ensure the next DSM-EE Program Plan is well developed when filed.

18. In the meantime, unlike a much more extensive DSM-EE Program Plan filing, the sole purpose of this filing is to seek approval to update the budget of the already established and well-performing Nonresidential Rebates Program and related tariff sheet updates necessary to fund

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<sup>7</sup> The Companies held DSM-EE Advisory Group meetings on Nov. 9, 2020, Sept. 17, 2021, and Dec. 3, 2021. Meeting minutes and related documents are available at <https://lge-ku.com/dsm>.

<sup>8</sup> See Case Nos. 2020-00349 and 2020-00350, Order Appx. A at 15, para. 5.6 (Ky. PSC Jun. 30, 2021) ("The Utilities commit to engage in a stakeholder process using the Utilities' existing DSM Advisory Committee for their next DSM filings to consider and evaluate Peak-Time Rebates and an on-bill financing program.").

the updated budget. As shown above, the program is cost-effective and will create significant additional energy savings if the Commission approves the updated budget and cost recovery.

**DSM Tariff Matters**

19. The DSM Mechanism is the means to recover all applicable costs related to DSM-EE programs approved by the Commission. The Companies do not propose any changes to the DSM Mechanism in this proceeding.

20. The revised tariff sheets for which the Companies are seeking approval in this proceeding reflect rate changes only for nonresidential rate classes and solely to account for the updated budget of the Nonresidential Rebates Program effective May 29, 2022.<sup>9</sup> The following tables show the current and proposed DSM rates for the affected rate classes for the remainder of calendar year 2022:<sup>10</sup>

<b>KU Rate Classes</b>	<b>Current Rates (\$/kWh)</b>	<b>Proposed Rates (\$/kWh)</b>
GS, GTOD-Energy, GTOD-Demand	0.00055	0.00062
AES	0.00323	0.00363
PS, TODS, TODP, RTS, FLS, OSL	0.00067	0.00079

<b>LG&amp;E Rate Classes</b>	<b>Current Rates (\$/kWh)</b>	<b>Proposed Rates (\$/kWh)</b>
GS, GTOD-Energy, GTOD-Demand	0.00101	0.00110
PS	0.00262	0.00297
TODS, TODP, RTS, FLS, OSL	0.00032	0.00035

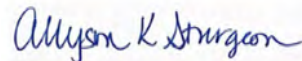
<sup>9</sup> As noted previously, calculations supporting the Companies’ revised tariff sheets are shown in Application Exhibits 1 (KU) and 2 (LG&E), and the Companies’ revised DSM tariff sheets are Application Exhibits 3 (KU) and 4 (LG&E). The proposed rate changes will not affect customers that have opted out of DSM-EE programs.

<sup>10</sup> The Companies’ proposed rates for the affected rate classes beginning May 29, 2022, do not reflect a change to any DSM Mechanism component other than the DSM Cost Recovery (DCR) component to reflect the increased Non-Residential Rebate program budget. In subsequent DSM tariff filings, the Companies will adjust all DSM rate components in accordance with the Companies’ Commission-approved DSM tariff sheets.

**WHEREFORE,** Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request the Commission to issue an order approving the proposed updated budget for the Nonresidential Rebates Program and the related tariff sheet revisions, with the Companies' revised tariff sheets to be effective on May 29, 2022.

Dated: April 29, 2022

Respectfully submitted,



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*Counsel for Louisville Gas and Electric Company  
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**CERTIFICATE OF COMPLIANCE**

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on April 29, 2022; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

*Alyson K. Sturgeon*

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*Counsel for Louisville Gas and Electric Company  
and Kentucky Utilities Company*



**Exhibit 1 is being  
provided in a separate  
file in Excel format.**

**Exhibit 2 is being  
provided in a separate  
file in Excel format.**



**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)	\$ 0.00050 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00004 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00043 per kWh	
DSM Balance Adjustment (DBA)	\$(0.00023) per kWh	
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00074 per kWh	
<u>Rate GS, GTOD-Energy, GTOD-Demand</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00042 per kWh	I
DSM Revenues from Lost Sales (DRLS)	\$ 0.00019 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00010 per kWh	
DSM Balance Adjustment (DBA)	\$(0.00009) per kWh	
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	\$ 0.00062 per kWh	I
<u>Rate AES</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00115 per kWh	I
DSM Revenues from Lost Sales (DRLS)	\$ 0.00079 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00131 per kWh	
DSM Balance Adjustment (DBA)	\$ 0.00038 per kWh	
Total DSMRC for Rate AES	\$ 0.00363 per kWh	I
<u>Rates PS, TODS, TODP, RTS, FLS, OSL</u>	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00041 per kWh	I
DSM Revenues from Lost Sales (DRLS)	\$ 0.00022 per kWh	
DSM Incentive (DSMI)	\$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00012 per kWh	
DSM Balance Adjustment (DBA)	\$ 0.00004 per kWh	
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	\$ 0.00079 per kWh	I

**DATE OF ISSUE:** April 29, 2022

**DATE EFFECTIVE:** With Service Rendered On  
 May 29, 2022

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

**Issued by Authority of an Order of the  
 Public Service Commission in Case No.  
 2022-00123 dated XXXX**

# Kentucky Utilities Company

P.S.C. No. 20, ~~Third~~ Revision of Original Sheet No. 86.7  
Canceling P.S.C. No. 20, ~~Second~~ Revision of Original Sheet No. 86.7

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

## DSM Cost Recovery Component (DSMRC) Monthly Adjustment Factors:

### Rates RS, RTOD-Energy, RTOD-Demand, VFD

	Energy Charge
DSM Cost Recovery Component (DCR)	\$ 0.00050 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00004 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00043 per kWh
DSM Balance Adjustment (DBA)	\$(0.00023) per kWh
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00074 per kWh

### Rate GS, GTOD-Energy, GTOD-Demand

	Energy Charge
DSM Cost Recovery Component (DCR)	\$ 0.00042 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00019 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00010 per kWh
DSM Balance Adjustment (DBA)	\$(0.00009) per kWh
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	\$ 0.00062 per kWh

### Rate AES

	Energy Charge
DSM Cost Recovery Component (DCR)	\$ 0.00115 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00079 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00131 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00038 per kWh
Total DSMRC for Rate AES	\$ 0.00363 per kWh

### Rates PS, TODS, TODP, RTS, FLS, OSL

	Energy Charge
DSM Cost Recovery Component (DCR)	\$ 0.00041 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00022 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00012 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00004 per kWh
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	\$ 0.00079 per kWh

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DATE OF ISSUE: April 29, 2022

DATE EFFECTIVE: With Service Rendered On  
May 29, 2022

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

**Issued by Authority of an Order of the  
Public Service Commission in Case No.  
2022-00123 dated XXXX**

# Louisville Gas and Electric Company

P.S.C. Electric No. 13, Third Revision of Original Sheet No. 86.7  
 Canceling P.S.C. Electric No. 13, Second 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)	\$ 0.00063 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00005 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00060 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00009</u> per kWh
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00137 per kWh
<u>Rate GS, GTOD-Energy, GTOD-Demand</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00044 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00025 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00023 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00018</u> per kWh
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	\$ 0.00110 per kWh
<u>Rate PS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00114 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00082 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00015 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00086</u> per kWh
Total DSMRC for Rate PS	\$ 0.00297 per kWh
<u>Rates TODS, TODP, RTS, FLS, OSL</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00016 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00005 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00008 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00006</u> per kWh
Total DSMRC for Rates TODS, TODP, RTS, FLS, and OSL	\$ 0.00035 per kWh

**DATE OF ISSUE:** April 29, 2022

**DATE EFFECTIVE:** With Service Rendered on  
 May 29, 2022

**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.  
 2022-00123 dated XXXX**

**Louisville Gas and Electric Company**

P.S.C. Electric No. 13, ~~Third~~ Revision of Original Sheet No. 86.7  
Canceling P.S.C. Electric No. 13, ~~Second~~ Revision of Original Sheet No. 86.7

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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)	\$ 0.00063 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00005 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00060 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00009</u> per kWh
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00137 per kWh

<u>Rate GS, GTOD-Energy, GTOD-Demand</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ <u>0.00044</u> per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00025 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00023 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00018</u> per kWh
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	\$ <u>0.00110</u> per kWh

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<u>Rate PS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ <u>0.00114</u> per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00082 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00015 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00086</u> per kWh
Total DSMRC for Rate PS	\$ <u>0.00297</u> per kWh

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<u>Rates TODS, TODP, RTS, FLS, OSL</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ <u>0.00016</u> per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00005 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00008 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00006</u> per kWh
Total DSMRC for Rates TODS, TODP, RTS, FLS, and OSL	\$ <u>0.00035</u> per kWh

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May 29, 2022

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Louisville, Kentucky

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