

CANCELLED

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 2nd REVISED SHEET NO. 28-1

CANCELLING P.S.C. KY. NO. 13 1st REVISED SHEET NO. 28-1

March 1, 2026

Tariff D.S.M.C.
(Demand-Side Management Adjustment Clause)

**KENTUCKY PUBLIC
SERVICE COMMISSION**

Applicable

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-I.R.P., and M.W.

Rate

- The Demand-Side Management (DSM) clause shall provide for periodic adjustment per KWH of sales equal to the DSM costs per KWH by customer sector according to the following formula:

$$(c) \text{ Adjustment Factor} = \frac{\text{DSM}}{S(c)}$$

Where DSM is the cost by customer sector of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances; (c) is customer sector; and S is the adjusted KWH sales by customer sector.


- Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
 - Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
 - Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
 - Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
 - Over/ Under recovery balances are the total of the differences between the following:
 - the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
 - the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
 - the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
- Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
- The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2025.
- The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

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DATE OF ISSUE: March 20, 2025
 DATE EFFECTIVE: Services Rendered On And After February 28, 2025
 ISSUED BY: /s/ Tanner S. Wolfram
 TITLE: Director, Regulatory Services
 By Authority of an Order of the Public Service Commission
 In Case No.: 2024-00115 Dated February 28, 2025

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



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2/28/2025**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**Tariff D.S.M.C. Continued
 (Demand-Side Management Adjustment Clause)**

Rate Continued

- 6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
- 7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

	Customer Sector		
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial*</u>
<u>DSM(c)</u>	\$1,107,281	\$817,419	0
S(c)	1,887,324,885	1,425,512,271	0
Adjustment Factor	\$0.000587	\$0.000573	0

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* The Industrial Sector has been discontinued pursuant to the Commission’s Order dated September 28, 1999.

Program Descriptions

The D.S.M.C. program availability, program, rate, and equipment descriptions follow:



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**Tariff D.S.M.C. Continued
 (Demand-Side Management Adjustment Clause)**

Program: TEE – Targeted Energy Efficiency

Availability of Service

Available on a voluntary basis until funds are depleted to individual residential customers receiving retail electric service from the Company, who have primary electric heat and use an average of 700 kWh per month. Residential customers without primary electric heating may also be eligible for limited efficiency measures if they have electric water heating and use an average of 700 kWh per month from November through March. To qualify, the household’s income cannot exceed the designated poverty guidelines as administered by the local community action agency.

Program Description

The Targeted Energy Efficiency (TEE) Program provides weatherization and energy efficiency services to qualifying residential customers who need help reducing their energy bills. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies.

Two different supplemental assistance funds are available under the Company’s TEE Program:

- **The Weatherization Assistance Program:** Kentucky Power’s Weatherization Assistance Program is designed to provide supplemental funding to the Department of Energy’s Weatherization Assistance Program operated by the Kentucky Community Action network of not-for-profit community action agencies. Funds from this program provide energy saving improvements to an existing home. Program services include residential energy audits, the installation of home weatherization/energy conservation items and customer education on home energy efficiency. The home weatherization/energy conservation measures available under this program may include, but are not limited to:

- High efficiency lighting
- Domestic hot water pipe insulation
- Water heater insulation wrap (electric domestic hot water only)
- Low flow showerhead
- Low flow faucet aerator
- Air and duct sealing (electric heat only)
- Insulation (electric heat only)
- Efficient windows and doors
- Air source heat pump
- Heat pump water heaters
- Ductless heat pumps
- ENERGY STAR room air conditioners



- **The Weatherization Readiness Fund:** Kentucky Power’s Weatherization Readiness Fund is designed to provide supplemental funding to the Department of Energy’s Weatherization Readiness Fund operated by the Kentucky Community Action network of not-for-profit community action agencies. The Weatherization Readiness Fund is intended to provide funding to make homes ready and eligible to then receive funds under the Weatherization Assistance Program. This program provides funds for community action agencies to address a homes’ health, safety and structural issues that otherwise would prohibit participation in the Weatherization Assistance Program. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies. Participants under this program are eligible to receive from Kentucky Power up to \$1,000 per home in supplemental funding.

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**Tariff D.S.M.C. Continued
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Program: TEE – Targeted Energy Efficiency Continued

Rate

No rate applies for this program.

Equipment

The Kentucky Community Action network of not-for-profit community action agencies will furnish and install, in the customer’s presence, the equipment or improvements as provided by this program.



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**Tariff D.S.M.C. Continued
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Program: HEIP – Home Energy Improvement Pilot Program

Availability of Service

Available on a voluntary basis until funds are depleted to individual residential customers living in single family, multi-family, or mobile homes, receiving retail electric service from the Company, and who have an electric heating, ventilation, and air conditioning (HVAC) system. “Multi-family” includes any residential unit that is not considered single family (for example, apartment, condominium, townhouse, etc.).

The Home Energy Improvement Program will be a three-year pilot ending February 27, 2028.

Program Description

- **Home Energy Audits.** The customer receives, at no additional cost to that customer, an in-home energy audit and installation of certain energy conservation measures. An energy auditor performs an in-home energy audit, identifying key areas of the home that are wasting energy and provides recommendations to make the home more energy efficient. Participants are then eligible to receive installation of select energy conservation measures recommended by the energy auditor. Eligible measures may include but are not limited to:
 - Domestic hot water pipe insulation (only customers with electric domestic hot water)
 - Water heater insulation wrap (only customers with electric domestic hot water)
 - Low-flow showerhead (only customers with electric domestic hot water)
 - Low-flow faucet aerator (only customers with electric domestic hot water)
 - Weatherstripping / caulking of doors and windows / door sweep
- **HVAC Equipment.** Customers are eligible to receive incentives, or rebates, for qualifying HVAC equipment installed by a participating dealer. Qualifying measures include ductless heat pumps and air conditioners, air-source heat pumps, central air conditioners, heat pump water heaters, ENERGY STAR room air conditioners, and smart thermostats.
- **Weatherization Measures.** Customers are eligible to receive incentives, or rebates, for qualifying weatherization measures installed by a participating dealer. Qualifying measures include attic insulation, floor insulation above crawlspace, air sealing, and duct sealing and insulation.

Incentives/Rebates

Rebates will vary depending on the efficiency rate of the measures installed. Measures may be modified by Kentucky Power’s implementation contractor and Kentucky Power to reflect market conditions.

Rebates are issued to qualifying customers upon completion of the project and submission of the program application to Kentucky Power.

A complete list of the eligible equipment and incentive/rebate amounts can be found in the Program Application accessible online at KentuckyPower.com/savings/home/energy, or by contacting Kentucky Power Customer Service at 800-572-1113.

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**Tariff D.S.M.C. Continued
(Demand-Side Management Adjustment Clause)**

Program: HEIP – Home Energy Improvement Pilot Program Continued

Equipment

Home Energy Audits: The Company, or its authorized agents, will furnish and install, in the customer’s presence, the energy conservation measures as recommended by the energy auditor after the in-home energy audit.

HVAC Equipment and Weatherization Measures: The customer must meet the program requirements, and it is the customer’s responsibility to purchase and install the HVAC equipment and weatherization measures. Those measures must be installed by a qualified participating dealer. A complete list of qualifying participating dealers can be accessed online at KentuckyPower.com/savings/home/energy or by contacting Kentucky Power Customer Service at 800-572-1113.

Agreement

A customer program application agreement is required to participate in this program.

Rate

No rate applies for this program.

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Program: CESP – Commercial Energy Solutions Pilot Program

Availability of Service

Available on a voluntary basis until funds are depleted to commercial (non-industrial and non-residential) customers in Kentucky Power’s service territory.

The Commercial Energy Solutions Program will be a three-year pilot ending February 27, 2028.

Program Description

The Commercial Energy Solutions Program offers commercial customers a convenient way to receive funding for common energy efficiency measures purchased and installed at the cost of the customer. The Company will provide an energy audit at no additional cost to the customer. An inspector will perform a walk-through, identifying key areas that are wasting energy and will provide recommendations to make the building more energy efficient. Financial incentives, or rebates, will be made available to those commercial customers who implement qualified energy-efficient improvements and technologies.

Incentives, or rebates, are available for a variety of energy-saving measures in existing buildings. Qualifying customers may elect to receive incentives/rebates for eligible energy efficiency measures from a pre-qualified list provided by Kentucky Power. Incentives for custom measures will not be offered at this time. Eligible energy efficiency measures include the following:

- **Energy Efficient Lighting.** Proven qualifying technologies for which incentives, or rebates, will be provided under this program include LED lighting, daylighting controls, and occupancy sensors.

A complete list of the eligible equipment and incentive, or rebate, amounts can be found in the Program Application accessible online at KentuckyPower.com/savings/business, or by contacting Kentucky Power Customer Service at 888-710-4237.

Incentives/Rebates

The total maximum rebate amount available to qualifying commercial customers is \$25,000 annually per customer account. Kentucky Power may revise incentive amounts and or the maximum incentive per customer account based upon program implementation contractor recommendations and/or overall customer response to the program.

Rebates are issued to qualifying customers upon completion of the project and submission of the program application to Kentucky Power.

Equipment

The Company, or its authorized agents, may provide support for the installation of qualifying energy-saving measures by approved program contractors. The Company, or its authorized agents, will evaluate the customer’s installed energy measures for eligibility under this program. The Company, at its discretion, will determine whether the customer’s installed energy-saving measures qualify for incentives/rebates under this program.

Agreement

A customer program application agreement is required to participate in this program.

Rate

No rate applies for this program.

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