

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.4

Adjustment Clause

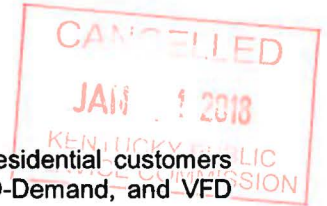
DSM

Demand-Side Management Cost Recovery Mechanism

PROGRAMMATIC CUSTOMER CHARGES

Residential Customer Program Participation Incentives:

The following Demand Side Management programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.



Residential Load Management / Demand Conservation

The Residential Load Management / Demand Conservation Program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

Residential Conservation / Home Energy Performance Program

The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of \$25. Customers are eligible for incentives of \$150 or \$1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test.

Residential Low Income Weatherization Program (WeCare)

The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from \$0 to \$2,100 based upon the customer's most recent twelve-month energy usage and results of an energy audit.

Smart Energy Profile

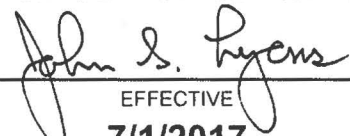
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year.

DATE OF ISSUE: July 7, 2017

DATE EFFECTIVE: 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.
2014-00372 dated June 30, 2015**

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE 7/1/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.5

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

Residential Incentives Program

The Residential Incentives Program encourages customers to purchase and install various ENERGY STAR® appliances, HVAC equipment, or window films that meet certain requirements, qualifying them for an incentive as noted in the table below.

Category	Item	Incentive
Appliances	Heat Pump Water Heaters (HPWH)	\$300 per qualifying item purchased
	Washing Machine	\$75 per qualifying item purchased
	Refrigerator	\$100 per qualifying item purchased
	Freezer	\$50 per qualifying item purchased
	Dishwasher	\$50 per qualifying item purchased
Window Film	Window Film	Up to 50% of materials cost only; max of \$200 per customer account; product must meet applicable criteria.
HVAC	Central Air Conditioner	\$100 per Energy Star item purchased plus an additional \$100 per SEER improvement above minimum
	Electric Air-Source Heat Pump	\$100 per Energy Star item purchased plus additional \$100 per SEER improvement above minimum

CANCELLED
 JAN 1 2018
 KENTUCKY PUBLIC
 SERVICE COMMISSION

Residential Refrigerator Removal Program

The Residential Refrigerator Removal Program is designed to provide removal and recycling of working, inefficient secondary refrigerators and freezers from LG&E customer households. Customers participating in this program will be provided a one-time incentive. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

Customer Education and Public Information


This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

DATE OF ISSUE: July 7, 2017

DATE EFFECTIVE: With Service Rendered On
and After January 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.
2014-00003 dated November 14, 2014**

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR 
EFFECTIVE 7/1/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

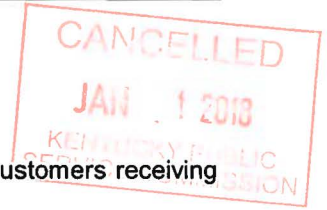
Louisville Gas and Electric Company

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.

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: July 7, 2017

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 June 22, 2017 and modified June 29, 2017

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE 7/1/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.8

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

Current Program Incentive Structures

Residential Load Management / Demand Conservation

Switch Option:

- \$5/month bill credit for June, July, August, and September per air conditioning unit or heat pump on single family home.
- \$2/month bill credit for June, July, August, and September per electric water heater (40 gallon minimum) or swimming pool pump on single family home.
- If new customer registers by December 31, 2017, then a \$25 gift card per air-conditioning unit, heat pump, water heater (40 gallon minimum) and/or swimming pool pump switch installed.
 - Customers in a tenant-landlord relationship will receive the entire \$25 new customer incentive.

Multi-family Option:

- Tenant - \$2/month bill credit per customer for June, July, August, and September per air conditioning unit, heat pump, or water heater (40 gallon minimum).
- Entire Complex Enrollment – Property owner receives \$2/month incentive per air conditioning or heat pump switch to the premise owner for June, July, August, and September.
- If new customer registers by December 31, 2017, then a \$25 gift card per air-conditioning unit or heat pump installed, where:
 - Customers in a tenant/property owner relationship where the entire complex participates, the property owner will receive a \$25 bonus incentive per air conditioning unit, heat pump, or water heater (40 gallon minimum).
 - Customers in a tenant-landlord relationship where only a portion of the complex participates, the tenant will receive a \$25 gift card new customer incentive.

Residential Refrigerator Removal Program

The program provides \$50 per working refrigerator or freezer.

DATE OF ISSUE: July 7, 2017

DATE EFFECTIVE: December 30, 2016

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

**KENTUCKY
PUBLIC SERVICE COMMISSION**

John Lyons
ACTING EXECUTIVE DIRECTOR

John S. Lyons
EFFECTIVE
7/1/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 86.9

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

Commercial Load Management / Demand Conservation

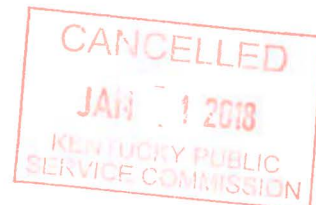
Switch Option

- \$5 per month bill credit for June, July, August, and September for air conditioning units up to 5 tons. An additional \$1 per month bill credit for each additional ton of air conditioning above 5 tons based upon unit rated capacity.

Customer Equipment Interface Option

The Company will offer a Load Management / Demand Response program tailored to a commercial customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- \$25 per kW for verified load reduction during June, July, August, and September.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

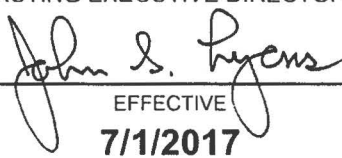


DATE OF ISSUE: July 7, 2017

DATE EFFECTIVE: With Service Rendered On
and After January 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.
2014-00003 dated November 14, 2014**

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE 7/1/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

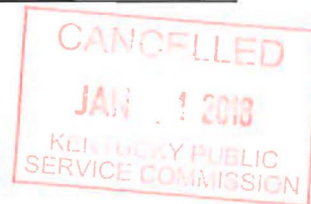
Louisville Gas and Electric Company

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

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00175 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	R
DSM Incentive (DSMI)	\$ 0.00003 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00169 per kWh	
DSM Balance Adjustment (DBA)	\$ (0.00001) per kWh	
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00346 per kWh	R

General Service Rate GS*

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00089 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	R
DSM Incentive (DSMI)	\$ 0.00004 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00022 per kWh	
DSM Balance Adjustment (DBA)	\$ 0.00016 per kWh	
Total DSMRC for Rate GS	\$ 0.00131 per kWh	R

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

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00038 per kWh	T
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	R
DSM Incentive (DSMI)	\$ 0.00002 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00050 per kWh	
DSM Balance Adjustment (DBA)	\$ (0.00004) per kWh	
Total DSMRC for Rate PS	\$ 0.00086 per kWh	R

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

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00018 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh	R
DSM Incentive (DSMI)	\$ 0.00001 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00005 per kWh	
DSM Balance Adjustment (DBA)	\$ (0.00001) per kWh	
Total DSMRC for Rates TODS, and TODP	\$ 0.00023 per kWh	R

* 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: July 7, 2017

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 June 22, 2017 and modified June 29, 2017

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR
EFFECTIVE 7/1/2017 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)