

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

RATE (continued)

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 DBA and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE

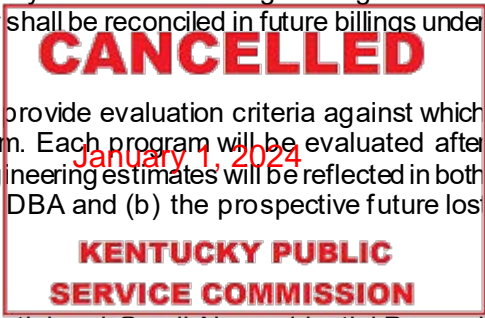
For all Energy Impact Programs except Residential and Small Nonresidential Demand Conservation and the Large Nonresidential Demand Conservation Programs, the DSMI shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming 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..

The DSMI amount related to programs for Rates RS, RTOD-Energy, RTOD-Demand, Rate VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSMI amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

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.



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

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2020-00349 dated June 30, 2021



Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

RATE (continued)

CHANGES TO DSMRC

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective date. Each filing shall include the following information as applicable:

- 1) A detailed description of each DSM-EE program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
- 2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with service rendered on and after the effective date of such change.

RESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:

The following DSM-EE 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 and Small Nonresidential Demand Conservation Program

This 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. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program.

Low Income Weatherization Program (WeCare)

This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from \$0 to \$2,100 based upon the results of an energy audit.



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Adjustment Clause

CANCELLED

DSM

Demand-Side Management Cost Recovery Mechanism

January 1, 2024

RESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVES:

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

KENTUCKY PUBLIC SERVICE COMMISSION

Advanced Metering Systems Customer Service Offering

This 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.

NONRESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:

The following DSM-EE programs are available to nonresidential customers receiving service from the Company on the GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL Standard Electric Rate Schedules.

Residential and Small Nonresidential Demand Conservation Program

This program employs switches 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. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program.

Large Nonresidential Demand Conservation Program

This program employs interfaces to customer equipment to help reduce the demand for electricity during peak times. The program communicates with the interfaces to cycle equipment. This program has an approved flexible incentive structure.

Nonresidential Rebates Program

This 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 nonresidential customers are based upon the avoided cost of energy 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 energy savings. 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

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State Regulation and Rates
Lexington, Kentucky

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2020-00349 dated June 30, 2021**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

7/1/2021

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

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

Low Income Weatherization Program (WeCare)

This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from \$0 to \$2,100 based upon the results of an energy audit.

NONRESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVE:

The following offering is available to customers receiving service from the Company on the GS Rate Schedule.

Advanced Metering Systems Customer Service Offering

This 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.

PROGRAM INCENTIVE STRUCTURES

Residential and Small Nonresidential Demand Conservation Program

For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season and (2) the participant was enrolled in the program during at least one Load Control Event that season. If these conditions are met, then an end-of-season bill credit of \$5 will be paid for each central air conditioning unit or heat pump enabled with a switch. Load Control Events do not include short-duration switch activations (i.e., ten minutes or less) called SCRAM events.

Large Nonresidential Demand Conservation

This program is tailored to a large nonresidential customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- \$15 per kW for verified load reduction. For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season; and (2) the participant was enrolled in the program during at least one Load Control Event that season.
- 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.



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

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Kentucky Utilities Company

P.S.C. No. 20, Fifth Revision of Original Sheet No. 86.7
Canceling P.S.C. No. 20, Fourth Revision of Original Sheet No. 86.7

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

DSM Cost Recovery Component (DSMRC)

Monthly Adjustment Factors:

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

	<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)	\$ 0.00033 per kWh	
DSM Balance Adjustment (DBA)	<u>\$(0.00011)</u> per kWh	I
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	\$ 0.00076 per kWh	I

Rate GS, GTOD-Energy, GTOD-Demand

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00041 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00050 per kWh	
DSM Incentive (DSMI)	\$ 0.00001 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00006 per kWh	
DSM Balance Adjustment (DBA)	<u>\$(0.00013)</u> per kWh	R
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	\$ 0.00085 per kWh	R

Rate AES

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00116 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00217 per kWh	
DSM Incentive (DSMI)	\$ 0.00006 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00095 per kWh	
DSM Balance Adjustment (DBA)	<u>\$(0.00066)</u> per kWh	R
Total DSMRC for Rate AES	\$ 0.00368 per kWh	R

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

	<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00042 per kWh	
DSM Revenues from Lost Sales (DRLS)	\$ 0.00063 per kWh	
DSM Incentive (DSMI)	\$ 0.00002 per kWh	
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00009 per kWh	
DSM Balance Adjustment (DBA)	<u>\$(0.00014)</u> per kWh	R
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	\$ 0.00102 per kWh	R

CANCELLED

January 1, 2024

**KENTUCKY PUBLIC
SERVICE COMMISSION**


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

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

4/1/2023

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