

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, & September per air conditioning unit or heat pump on single family home.
- \$2/month bill credit for June, July, August, & September per electric water heater or swimming pool pump on single family home.
- If new customer registers by May 31, 2012, then a \$10 gift card per air-conditioning unit, heat pump, water-heater and/or swimming pool pump switch installed.
 - Customers in a tenant landlord relationship will receive the entire \$10 new customer incentive.

Multi-family Option:

- \$2/month bill credit per customer for June, July, August, & September.
- \$2/month incentive per air conditioning or heat pump switch to the premise owner for June, July, August, & September.
- If new customer registers by May 31, 2012, then a \$10 gift card per air-conditioning unit or heat pump installed.
 - Customers in a tenant landlord relationship where the entire complex participates will split the new customer incentive with the property owner.
 - Customers in a tenant landlord relationship where only a portion of the complex participates, the tenant will receive a \$5 new customer incentive.

Residential Refrigerator Removal Program

The program provides \$30 per working refrigerator or freezer.

Commercial Load Management / Demand Conservation

Switch Option

- \$5 per month bill credit for June, July, August, & 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 50KW demand reduction per control event. The Company will continue to enroll program participants until 10MW curtailable load is achieved.

- \$25 per KW for verified load reduction during June, July, August, & September.
- The customer will have access to at least hourly load data for the month of the year which they remain enrolled in the program.

CANCELLED

DEC 31 2012

KENTUCKY PUBLIC
SERVICE COMMISSION

Date of Issue: April 30, 2012

Date Effective: May 31, 2012

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Lonnie E. Bellar

TARIFF BRANCH

Brent Kirtley

5/31/2012

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Kentucky Utilities Company

P.S.C. No. 15, Original Sheet No. 86.10

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
Monthly Adjustment Factors	
<u>Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, and Low Emission Vehicle Service Rate LEV</u>	
DSM Cost Recovery Component (DCR)	Energy Charge \$ 0.00133 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00075 per kWh
DSM Incentive (DSMI)	\$ 0.00006 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00049 per kWh
DSM Balance Adjustment (DBA)	\$(0.00040) per kWh
Total DSMRC for Rates RS, VFD and LEV	\$ 0.00223 per kWh
<u>General Service Rate GS</u>	
DSM Cost Recovery Component (DCR)	Energy Charge \$ 0.00065 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00085 per kWh
DSM Incentive (DSMI)	\$ 0.00003 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00007 per kWh
DSM Balance Adjustment (DBA)	\$(0.00006) per kWh
Total DSMRC for Rates GS	\$ 0.00154 per kWh
<u>All Electric School Rate AES</u>	
DSM Cost Recovery Component (DCR)	Energy Charge \$ 0.00018 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00019 per kWh
DSM Incentive (DSMI)	\$ 0.00001 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00000 per kWh
DSM Balance Adjustment (DBA)	\$(0.00008) per kWh
Total DSMRC for Rate AES	\$ 0.00030 per kWh
<u>Commercial Customers Served Under Power Service Rate PS, Time of Day Secondary Service Rate TODS, and Time-of-Day Primary Service Rate TODP</u>	
DSM Cost Recovery Component (DCR)	Energy Charge \$ 0.00020 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00026 per kWh
DSM Incentive (DSMI)	\$ 0.00001 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00000 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00001 per kWh
Total DSMRC for Rates PS, TODS and TODP	\$ 0.00048 per kWh
<u>Industrial Customers Served Under Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, and Retail Transmission Rate RTS</u>	
DSM Cost Recovery Component (DCR)	Energy Charge \$ 0.00000 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00000 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00000 per kWh
Total DSMRC for Rates TODS, TODP, and RTS	\$ 0.00000 per kWh

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5/31/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)