

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 86.4
Canceling P.S.C. No. 16, Original Sheet No. 86.4

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

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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, VFD and LEV Standard Electric Rate Schedules.

Residential Load Management / Demand Conservation

The Residential Load Management / Demand Conservation Program employ 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 \$500 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, 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 KU'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 properties in locality. 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.

JAN 01 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

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ISSUED BY: /s/ Lonnie E. Bellar, Vice President
State Regulation and Rates
Lexington, Kentucky

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 1/4/2013
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 86.5
 Canceling P.S.C. No. 16, Original Sheet No. 86.5

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

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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

Residential Refrigerator Removal Program

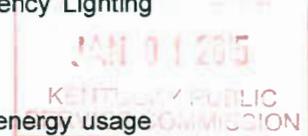
The Residential Refrigerator Removal Program is designed to provide removal and recycling of working, inefficient secondary refrigerators and freezers from KU customer households. Customers participating in this program will be provided a one-time incentive. This program has an approved flexible incentive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

Residential High Efficiency Lighting Program

The Residential High Efficiency Lighting program promotes an increased use of ENERGY STAR® rated CFLs within the residential sector. The Residential High Efficiency Lighting Program distributes compact fluorescent bulbs through direct-mail.

Residential New Construction Program

The Residential New Construction program is designed to reduce residential energy usage and facilitate market transformation by creating a shift in builders' new home construction to include energy-efficient construction practices. Builders who are part of the program can take advantage of technical training classes, gain additional exposure to potential customers and receive incentives to help offset costs when including more energy-efficient features during home construction. KU will reimburse the cost of plan reviews and inspection costs related to an Energy Star or HERS home certification.

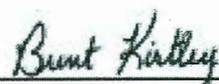


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KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 1/4/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 86.6
Canceling P.S.C. No. 16, Original Sheet No. 86.6

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

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Residential HVAC Diagnostics and Tune Up Program

The Residential HVAC Diagnostic and Tune-up program targets customers with HVAC system performance issues. There are no incentives paid directly to customers. Customers are charged a discounted, fixed-fee for the diagnosis and if needed, a similar fee for implementation of corrective actions. Thus, the program pays the portion of diagnostic and tune-up cost in excess of the customer charge below. The customer cost is as follows:

- Customer cost is \$35 per unit for diagnostics test
- Customer cost is \$50 per unit for tune-up

Customer Education and Public Information

These programs help 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 two processes: a mass-media campaign and an elementary- and middle-school program. 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.

Dealer Referral Network

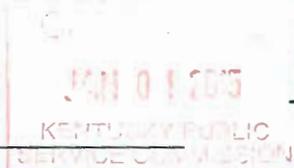
The Dealer Referral Network assists customers in identifying qualified service providers to install energy efficiency improvements recommended and/ or subsidized by the various energy efficiency programs.

Commercial Customer Program Participation Incentives:

The following Demand Side Management programs are available to commercial customers receiving service from the Company on the GS, AES, PS, TODS, and TODP Standard Electric Rate Schedules.

Commercial Load Management / Demand Conservation

The Commercial Load Management / Demand Conservation Program employ 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 86.8.



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State Regulation and Rates
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KENTUCKY PUBLIC SERVICE COMMISSION
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EFFECTIVE 1/4/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 86.7
Canceling P.S.C. No. 16, Original Sheet No. 86.7

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

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Commercial Conservation (Energy Audits) / Commercial Incentives

The Commercial Conservation / Commercial Incentive Program is designed to provide energy efficiency opportunities for the Companies' commercial class customers through energy audits and to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment. 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 improvements projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable KW removed.

- 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 and Custom Rebates

Commercial HVAC Diagnostics and Tune Up Program

The Commercial HVAC Diagnostic and Tune-up program targets customers with HVAC system performance issues. There are no incentives paid directly to customers. Customers are charged a discounted, fixed-fee for the diagnosis and if needed, a similar fee for implementation of corrective actions. Thus, the program pays the portion of diagnostic and tune-up cost in excess of the customer charge below. The customer cost is as follows:

- Customer cost is \$50 per unit for diagnostics test
- Customer cost is \$100 per unit for tune-up

Customer Education and Public Information

These programs help 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 two processes: a mass-media campaign and an elementary- and middle-school program. 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.

Dealer Referral Network

The Dealer Referral Network assists customers in identifying qualified service providers to install energy efficiency improvements recommended and/ or subsidized by the various energy efficiency programs.

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KENTUCKY PUBLIC SERVICE COMMISSION

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State Regulation and Rates
Lexington, Kentucky

KENTUCKY PUBLIC SERVICE COMMISSION
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TARIFF BRANCH <i>Brent Kelley</i>
EFFECTIVE 1/4/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P. S. C. No. 16, Third Revision of Original Sheet No. 86.8
Canceling P.S.C. No. 16, Second Revision of Original Sheet No. 86.8

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

School Energy Management Program

The School Energy Management program will facilitate the hiring and retention of qualified, trained energy specialists by public school districts to support facilitation of energy efficiency measures for public and independent schools under KRS 160.325.

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 (40 gallon minimum) or swimming pool pump on single family home.
- If new customer registers by May 31, 2014, 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:

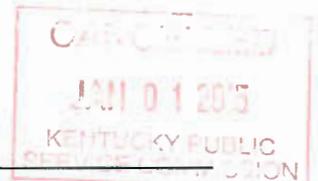
- Tenant - \$2/month bill credit per customer for June, July, August, & September per air conditioning unit, heat pump, or electric water heater (40 gallon minimum).
- Entire Complex Enrollment – Property owner receives \$2/month incentive per air conditioning or heat pump switch to the premise owner for June, July, August, & September.
- If new customer registers by May 31, 2014, 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.

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Residential Refrigerator Removal Program

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



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State Regulation and Rates
Lexington, Kentucky

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
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EFFECTIVE 12/31/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 86.9
Canceling P.S.C. No. 16, Original Sheet No. 86.9

Adjustment Clause

DSM

Demand-Side Management Cost Recovery Mechanism

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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 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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State Regulation and Rates
Lexington, Kentucky

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 1/4/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

P.S.C. No. 16, Fifth Revision of Original Sheet No. 86.10
 Canceling P.S.C. No. 16, Fourth Revision of Original Sheet No. 86.10

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

Monthly Adjustment Factors

Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, and Low Emission Vehicle Service Rate LEV

	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00178 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00098 per kWh
DSM Incentive (DSMI)	\$ 0.00008 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00069 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00041</u> per kWh
Total DSMRC for Rates RS, VFD and LEV	\$ 0.00394 per kWh

General Service Rate GS

	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00086 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00151 per kWh
DSM Incentive (DSMI)	\$ 0.00004 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00003 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00056</u> per kWh
Total DSMRC for Rates GS	\$ 0.00300 per kWh

All Electric School Rate AES

	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00029 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00048 per kWh
DSM Incentive (DSMI)	\$ 0.00001 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00014 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00031</u> per kWh
Total DSMRC for Rate AES	\$ 0.00123 per kWh

Commercial Customers Served Under Power Service Rate PS, Time of Day Secondary Service Rate TODS, and Time-of-Day Primary Service Rate TODP

	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00030 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00049 per kWh
DSM Incentive (DSMI)	\$ 0.00001 per kWh
DSM Capital Cost Recovery Component (DCCR)	\$ 0.00006 per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00051</u> per kWh
Total DSMRC for Rates PS, TODS, and TODP	\$ 0.00137 per kWh

CANCELLED
 JAN 01 2015
 KENTUCKY PUBLIC SERVICE COMMISSION

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ISSUED BY: /s/ Edwin R. Staton, Vice President
 State Regulation and Rates
 Lexington, Kentucky

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 4/1/2014 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)