KPSC Approves Energy Efficiency Programs for Customers

LG&E and KU will expand customer programs, add voluntary advanced meter service

(LOUISVILLE, Ky.) – The Kentucky Public Service Commission approved today plans filed by Louisville Gas and Electric Company and Kentucky Utilities Company to expand several of the utilities' most popular energy efficiency programs and to introduce a new option for customers. The approved program expansions and a new voluntary advanced meter service offering will be introduced to customers in 2015.

The LG&E and KU energy efficiency portfolio offers programs and financial incentives to help residential and commercial customers better manage their energy usage and to help offset customers' costs for various energy-efficient products and services.

"We're pleased the Commission approved our plans to expand several of our programs most popular among our customers," said David Huff, director of Customer Energy Efficiency and Smart Grid Strategy for LG&E and KU. "We've continued to evolve our programs over the years based on customers' participation, their feedback and interest in the programs, as well as changes to industry standards and technology currently available to help consumers become more energy efficient."

"By participating in our programs, our customers have already been able to achieve a significant energy demand reduction of about 330 megawatts since our portfolio's inception nearly eight years ago," said Huff. "For example, our customers have celebrated significant milestones that include voluntarily recycling more than 20,000 refrigerators and freezers, receiving more than 45,000 home energy rebates and installing almost 200,000 demand conservation devices."

"We're now excited to see what we can achieve together with our customers in energy savings in the coming years during this next evolution of our programs," said Huff.

Customers who participate in these programs create energy savings that help offset annual energy growth on the LG&E and KU system and manage peak periods when customers' energy usage is at its highest. For context, one megawatt can power about 720 typical residential homes.

As part of an extensive analysis of energy efficiency programs, LG&E and KU also consulted with its Energy Efficiency Advisory Group and other customer representatives to determine this next phase for the utilities' energy efficiency portfolio. The advisory group includes representatives from the Attorney General, community action agencies, businesses and schools.

The utilities also take into consideration factors including: customers' changing energy-use habits; available technology; manufacturing trends to more energy-efficient options; and the increasingly more stringent energy-efficient standards.

The utilities will expand four of the most popular programs among customers, as well as extend existing energy

education and public education efforts. In addition, the utilities will introduce a new voluntary advanced meter offering. More specifically, the filing includes:

Programs Expanding:

- **Home Energy Rebates** expands funding to increase the number of rebates, ranging from \$50 to \$300, available each year to residential customers for certain Energy Star® certified appliances, as well as highericiency air conditioning systems and window products.
- **Home Energy Analysis** adds incentives ranging from \$300 to \$1,000 when residential customers install energy efficiency measures after completing an on-site home energy analysis, as well as new offerings and incentives available for multi-family properties.
- **Commercial Energy Analysis and Rebates** adds an online energy audit tool based on the commercial customer's actual usage; retires the utilities' former commercial energy analysis program to now offer financial rebates that offset customer costs for third-party on-site energy audits; and offers rebates for new construction.
- **Commercial Demand Conservation** enhances incentives and extends program offerings to commercial customers who sign up to participate in peak demand cycling events, either by installing an energy management system or individual energy demand load-control switches, from June through September.
- **Energy Education and Public Information** extends the existing children's energy education program available to grades K-8; continues training opportunities for building industry professionals; builds upon existing energy education and public information efforts to encourage customers to reduce their energy usage and participate in available programs.

New Program:

Voluntary Advanced Meter Offering — offers up to 5,000 LG&E and 5,000 KU residential customers the
installation of an advanced meter and access to an online energy usage portal that provides more frequent
energy usage information. Participation in this program will be voluntary, and the company will notify
customers when the program is available.

In today's order, the KPSC also approved revised surcharges to reflect the changed programs and resulting costs. An LG&E and KU residential electric customer using an average 1,000 kilowatt-hours per month will see the surcharge increase by about 29 cents per month, to \$4.68 per month for an LG&E customer and to \$3.78 per month for a KU customer. An LG&E customer using 7,000 cubic feet of gas per month will see a surcharge increase of about 22 cents, to \$1.72.

Visit www.lge-ku.com/savingenergy for a complete list of the utilities' current energy efficiency programs and services.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve a total of 1.2 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 321,000 natural gas and 397,000 electric customers in Louisville and 16 surrounding counties. KU serves 543,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at www.lge-ku.com and www.pplweb.com.

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