

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE) CASE NO. 2010-00493
GAS AND ELECTRIC COMPANY FROM)
NOVEMBER 1, 2008 THROUGH OCTOBER 31, 2010)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Louisville Gas and Electric Company ("LG&E") for the period from November 1, 2008 through October 31, 2010, and to determine the amount of fuel costs that should be transferred (rolled-in) to its base rates to re-establish its FAC factor.

In establishing this review, the Commission ordered LG&E to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. LG&E submitted this information on February 14, 2011, and filed certain updated information on March 2, 2011. A public hearing was held on March 22, 2011. On March 31, 2011, LG&E filed a post-hearing data response to a question asked at the hearing. There are no intervenors in this proceeding.

LG&E proposed that the month of March 2010 be used by the Commission as the base period (test month) for the purpose of arriving at the base fuel cost and the kWh sales components of its FAC. It further proposed that its base fuel cost be changed to 22.15 mills per kWh, the fuel cost for the proposed base period. LG&E's current base fuel cost is 20.58 mills per kWh.

In establishing the appropriate level of base fuel cost to be included in LG&E's rates, the Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by LG&E. The Commission's review of generation mix, generation unit outages, and generation unit availability discloses that the month of March 2010 is a reasonably representative generation month of LG&E. The analysis of LG&E's monthly fuel clause filings showed that the actual fuel cost incurred for the two-year review period ranged from a low of 18.53 mills per kWh in October 2009 to a high of 23.70 mills per kWh in January 2009, with an average cost for the period of 21.29 mills per kWh. Based upon this review, the Commission finds that LG&E has complied with 807 KAR 5:056 and that the proposed base period fuel cost of 22.15 mills per kWh should be approved.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. For the period under review, LG&E has complied with the provisions of 807 KAR 5:056.
2. The test month of March 2010 should be used as LG&E's base period for this review.
3. LG&E's proposed base period fuel cost of 22.15 mills per kWh should be approved.
4. The establishment of a base fuel cost of 22.15 mills per kWh requires a transfer (roll-in) of 1.57 mills per kWh of fuel costs to LG&E's base rates that were being charged to customers through its FAC.

5. The rates in the Appendix to this Order are designed to reflect the transfer (roll-in) of 1.57 mills per kWh to base rates, which is the differential between the old base fuel cost of 20.58 mills and the new base fuel cost of 22.15 mills per kWh.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved to be effective with LG&E's first billing cycle for July 2011.

7. Beginning with the expense month for July 2011, LG&E should use an FAC rate based on a base fuel cost of 22.15 mills per kWh.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by LG&E through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

2. LG&E's proposed base fuel cost of 22.15 mills per kWh is approved.

3. LG&E shall transfer (roll-in) 1.57 mills per kWh of fuel costs to its current base rates that were being charged to customers through its FAC.

4. The rates in the Appendix to this Order are approved to be effective with LG&E's first billing cycle for July 2011.

5. Beginning with the expense month for July 2011, LG&E shall use an FAC rate based on a base fuel cost of 22.15 mills per kWh.

6. Within 20 days of the date of this Order, LG&E shall file its revised tariff sheets with the Commission setting out the rates approved herein.

By the Commission

ENTERED (M)
MAY 31 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00493 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh \$.07225

SCHEDULE GS
GENERAL SERVICE

Energy Charge per kWh \$.08208

SCHEDULE PS
POWER SERVICE

Energy Charge per kWh:
Secondary \$.03421
Primary \$.03421

SCHEDULE ITODS
INDUSTRIAL TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$.02984

SCHEDULE CTODS
COMMERCIAL TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$.03383

SCHEDULE ITODP
INDUSTRIAL TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$.02984

SCHEDULE CTODP
COMMERCIAL TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$.03383

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$.02984

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Energy Charge per kWh:
Primary \$.03710
Transmission \$.03428

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh \$.07225

SCHEDULE LE
LIGHTING ENERGY SERVICE

Energy Charge per kWh \$.05622

SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh \$.06780

SCHEDULE RRP
RESIDENTIAL RESPONSIVE PRICING SERVICE

Energy Charge per kWh:
Low Cost Hours (P1) \$.05029
Medium Cost Hours (P2) \$.06325
High Cost Hours (P3) \$.12030
Critical Cost Hours (P4) \$.32521

SCHEDULE GRP
GENERAL RESPONSIVE PRICING SERVICE

Energy Charge per kWh:	
Low Cost Hours (P1)	\$.05806
Medium Cost Hours (P2)	\$.07389
High Cost Hours (P3)	\$.15291
Critical Cost Hours (P4)	\$.32940

SCHEDULE LEV
LOW EMISSION VEHICLE SERVICE

Energy Charge per kWh:	
Off Peak	\$.05029
Intermediate	\$.07053
Peak	\$.13431

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

High Pressure Sodium Served Underground:

 Four-sided Colonial:

5,800 Lumens	\$ 18.63
9,500 Lumens	\$ 19.22
16,000 Lumens	\$ 20.33

 Acorn:

5,800 Lumens	\$ 19.00
9,500 Lumens	\$ 21.22
16,000 Lumens	\$ 22.24

 Acorn with Bronze Pole:

9,500 Lumens	\$ 22.30
16,000 Lumens	\$ 23.25

 Contemporary:

16,000 Lumens	\$ 28.32
28,500 Lumens	\$ 31.54
50,000 Lumens	\$ 35.98

 Contemporary -- Fixture Only:

16,000 Lumens	\$ 15.35
28,500 Lumens	\$ 17.46

50,000 Lumens	\$ 20.46
Cobra Head:	
16,000 Lumens	\$ 24.90
28,500 Lumens	\$ 27.28
50,000 Lumens	\$ 31.77
London -- Smooth Pole:	
5,800 Lumens	\$ 31.60
9,500 Lumens	\$ 32.36
London -- Fluted Pole:	
5,800 Lumens	\$ 33.51
9,500 Lumens	\$ 34.27
Victorian -- Smooth Pole:	
5,800 Lumens	\$ 30.67
9,500 Lumens	\$ 32.59
Victorian -- Fluted Pole:	
5,800 Lumens	\$ 31.32
9,500 Lumens	\$ 33.23
<u>Mercury Vapor Served Underground:</u>	
Four-sided Colonial:	
4,000 Lumens	\$ 16.41
8,000 Lumens	\$ 18.03
Cobra Head:	
8,000 Lumens	\$ 22.00
13,000 Lumens	\$ 23.47
25,000 Lumens	\$ 26.93
<u>High Pressure Sodium Served Overhead:</u>	
Cobra Head:	
16,000 Lumens	\$ 11.59
28,500 Lumens	\$ 13.98
50,000 Lumens	\$ 18.47
Directional Flood:	
16,000 Lumens	\$ 13.20
50,000 Lumens	\$ 19.44
Open Bottom:	
9,500 Lumens	\$ 10.26

Mercury Vapor Served Overhead:

Cobra Head:

8,000 Lumens	\$	10.27
13,000 Lumens	\$	11.75
25,000 Lumens	\$	15.20

Directional Flood:

25,000 Lumens	\$	16.55
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Open Bottom:

8,000 Lumens	\$	10.01
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Metal Halide Commercial and Industrial Lighting:

Directional Fixture:

12,000 Lumens	\$	11.87
32,000 Lumens	\$	17.13
107,800 Lumens	\$	35.64

Directional Fixture with Wood Pole:

12,000 Lumens	\$	14.07
32,000 Lumens	\$	19.34
107,800 Lumens	\$	38.71

Directional Fixture with Metal Pole:

12,000 Lumens	\$	21.28
32,000 Lumens	\$	26.54
107,800 Lumens	\$	45.04

Contemporary Fixture:

12,000 Lumens	\$	13.10
32,000 Lumens	\$	18.85
107,800 Lumens	\$	38.50

Contemporary Fixture with Metal Pole:

12,000 Lumens	\$	22.53
32,000 Lumens	\$	28.27
107,800 Lumens	\$	47.91

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Rate per Light per Month:

Outdoor Lighting:

<u>Overhead Service:</u>	<u>Rate per Month per Unit</u>	
	<u>Installed Prior</u>	<u>Installed After</u>
	<u>To 1/1/1991</u>	<u>12/31/1990</u>
<u>Mercury Vapor:</u>		
100 Watt	\$ 7.95	\$ N/A
175 Watt	\$ 8.93	\$ 10.33
250 Watt	\$ 10.34	\$ 11.81
400 Watt	\$ 12.78	\$ 14.39
1,000 Watt	\$ 24.02	\$ 26.66
1,000 Watt Flood	\$ 24.02	\$ 26.79
 <u>High Pressure Sodium:</u>		
100 Watt	\$ 9.96	\$ 9.96
175 Watt	\$ 12.62	\$ 12.62
250 Watt	\$ 14.91	\$ 14.91
400 Watt	\$ 16.29	\$ 16.29
1,000 Watt	\$ N/A	\$ 37.98
 <u>Underground Service:</u>		
<u>Mercury Vapor:</u>		
100 Watt-Top Mounted	\$ 13.19	\$ 13.18
175 Watt-Top Mounted	\$ 14.02	\$ 14.99
400 Watt-Top Mounted	\$ 16.22	\$ 16.22
 <u>High Pressure Sodium Vapor:</u>		
70 Watt-Top Mounted	\$ 13.27	\$ 13.27
100 Watt-Top Mounted	\$ 17.45	\$ 17.64
150 Watt-Top Mounted	N/A	\$ 21.07
150 Watt	\$ 23.51	\$ 23.51
250 Watt	\$ 27.08	\$ 27.08
400 Watt	\$ 30.26	\$ 30.26
1,000 Watt	\$ N/A	\$ 67.76

Decorative Lighting Service: Rate per month

Fixtures:

Acorn with Decorative Basket:

70 Watt High Pressure Sodium	\$ 18.42
100 Watt High Pressure Sodium	\$ 19.44

8-Sided Coach:

70 Watt High Pressure Sodium	\$ 18.60
100 Watt High Pressure Sodium	\$ 19.64

Public Street Lighting:

Rate per Month per Unit:
Installed Prior To 1/1/1991 Installed After 12/31/1990

Overhead Service:

Mercury Vapor:

100 Watt	\$ 7.23	\$ N/A
175 Watt	\$ 8.36	\$ 10.15
250 Watt	\$ 9.73	\$ 11.62
400 Watt	\$ 11.88	\$ 14.19
400 Watt (underground pole)	\$ 16.39	\$ N/A
1,000 Watt	\$ 22.70	\$ 26.41

High Pressure Sodium Vapor:

100 Watt	\$ 9.66	\$ 9.66
150 Watt	\$ 11.51	\$ 11.51
150 Watt Flood	\$ 13.84	\$ 11.51
250 Watt	\$ 13.80	\$ 13.80
400 Watt	\$ 14.92	\$ 14.92
1,000 Watt	\$ N/A	\$ 33.55

Underground Service:

Mercury Vapor:

100 Watt-Top Mounted	\$ 11.23	\$ 13.92
175 Watt-Top Mounted	\$ 12.26	\$ 14.79
175 Watt- Metal Pole	\$ 16.29	\$ 23.23
250 Watt	\$ 17.70	\$ 24.21
400 Watt	\$ 21.09	\$ 27.33
400 Watt on State of Ky. Pole	\$ 21.19	\$ 21.19

High Pressure Sodium Vapor:

70 Watt-Top Mounted	\$ N/A	\$ 13.36
100 Watt-Top Mounted	\$ 13.95	\$ 13.95
150 Watt-Top Mounted	N/A	\$ 20.24
150 Watt	\$ 23.49	\$ 23.49
250 Watt	\$ 25.14	\$ 25.14

250 Watt- Metal Pole	\$	25.14	\$	25.14
250 Watt on State of Ky. Pole	\$	22.21	\$	22.21
400 Watt	\$	27.44	\$	27.44
400 Watt- Metal	\$	27.44	\$	27.44
1,000 Watt	\$	N/A	\$	63.33

Overhead Service:

Incandescent				
100 Watt	\$	8.40	\$	8.40
300 Watt	\$	12.05	\$	12.05

Decorative Lighting Service:

Rate per month

Fixtures:

Acorn with Decorative Basket:

70 Watt High Pressure Sodium	\$	17.97
100 Watt High Pressure Sodium	\$	18.87

8-Sided Coach:

70 Watt High Pressure Sodium	\$	18.18
100 Watt High Pressure Sodium	\$	19.47

SCHEDULE DSK
DARK SKY FRIENDLY

Underground Service:

Rate per month

High Pressure Sodium:

Dark Sky Lantern:

4,000 Lumens	\$	22.55
9,500 Lumens	\$	23.48

SPECIAL CONTRACTS

Energy Charge per kWh:

Fort Knox	\$.03040
Louisville Water Company	\$.03039

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