



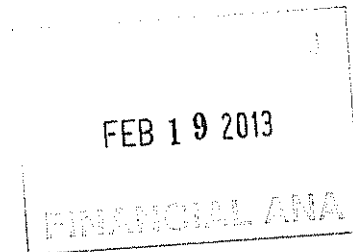
a PPL company

RECEIVED

FEB 18 2013

PUBLIC SERVICE  
COMMISSION

Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
Attention: Ms. Chris Whelan  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602



**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
P.O. 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Robert M. Conroy  
Director - Rates  
T 502-627-3324  
F 502-627-3213  
robert.conroy@lge-ku.com

February 18, 2013

Dear Ms. Whelan:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the March 2013 billing cycle which begins February 28, 2013. The filing incorporates the use of consolidated system losses as approved by the Commission with its acceptance of the Settlement Agreement in its Order dated December 20, 2012.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : January 2013

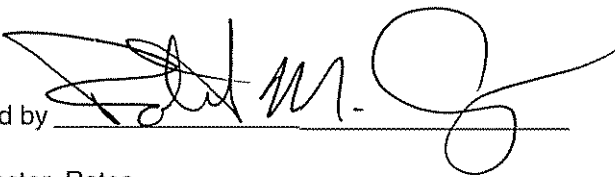
$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \text{Sales "Sm" (Sales Schedule)} \end{array} = \begin{array}{r} \$55,090,496 \\ 1,999,006,340 \text{ KWH} \end{array} = (+) \$ 0.02756 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 29, 2011. = (-) \$ 0.02668 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00088 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 28, 2013

Submitted by  \_\_\_\_\_  
Title: Director, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : January 2013

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$41,983,204	(1)
Oil Burned	(+)	752,708	(1)
Gas Burned	(+)	2,429,180	
Fuel (assigned cost during Forced Outage)	(+)	2,396,098	
Fuel (substitute cost for Forced Outage)	(-)	<u>1,711,988</u>	
SUB-TOTAL		\$ 45,849,202	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 1,865,387	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	858,371	
Less Purchases above Highest Cost Units	(-)	2,406	
Internal Economy	(+)	8,143,918	
Internal Replacement	(+)	<u>6,876</u>	
SUB-TOTAL		\$ 9,155,404	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 26,958	
Internal Economy	(+)	14,739	
Internal Replacement	(+)	429,215	
Dollars Assigned to Inter-System Sales Losses	(+)	<u>270</u>	
SUB-TOTAL		\$ 471,182	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (557,072)</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 55,090,496	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 1% transmission losses per Commission's Order in Case No. 96-524A, B, and C.

Coal burned = \$12,797  
Oil burned = \$891

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : January 2013

(A) Generation (Net)	(+)	1,716,825,000
Purchases including interchange-in	(+)	98,355,000
Internal Economy	(+)	339,841,000
Internal Replacement	(+)	304,000
SUB-TOTAL		<u>2,155,325,000</u>
(B) Inter-system Sales including interchange-out	(+)	1,125,000
Internal Economy	(+)	618,000
Internal Replacement	(+)	14,713,000
(*) System Losses	(+)	139,862,660
SUB-TOTAL		<u>156,318,660</u>
TOTAL SALES (A-B)		<u><u>1,999,006,340</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : January 2013

12 Months to Date KWH Sources: 22,791,871,374 KWH  
 12 MTD Overall System Losses: 1,479,002,738 KWH  
 January 2013 KWH Sources: 2,155,325,000 KWH

$$1,479,002,738 / 22,791,871,374 = 6.489168\%$$

$$6.489168\% \times 2,155,325,000 = 139,862,660 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

225,793,421 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 50,712,400 Wholesale sales at Primary Voltage (WS-P)  
 16,456,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	225,793,421	2.153%	4,968,300	230,761,721
WS-P:	50,712,400	2.153% and 0.985%	1,631,449	52,343,849
IS-T:	16,456,000	1.0%	166,222	16,622,222

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2013

1	Last FAC Rate Billed		<u>(\$0.00176)</u>
2	KWH Billed at Above Rate		<u>1,734,822,799</u>
3	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,053,288)</u>
4	KWH Used to Determine Last FAC Rate		<u>1,694,543,181</u>
5	Non-Jurisdictional KWH (Included in Line 4)		<u>232,065,983</u>
6	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,462,477,198</u>
7	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,573,960)</u>
9	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (479,328)</u>
10	Total Sales "Sm" (From Page 3 of 6)		<u>1,999,006,340</u>
11	Kentucky Jurisdictional Sales		<u>1,720,028,525</u>
12	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16219371</u>
13	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (557,072)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : January 2013

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 8,098,313 00	339,841,000	Fuel for LGE Sale to KU for Native Load
	<u>45,604.98</u>		Half of Split Savings to LGE from KU
	\$ 8,143,917 98	<u>339,841,000</u>	
Internal Replacement			
	\$ 6,875 52	304,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 6,875 52	304,000	
Total Purchases	<u>\$ 8,150,793.50</u>	<u>340,145,000</u>	
<b>Sales</b>			
Internal Economy			
	\$ 14,736 11	618,000	KU Fuel Cost - Sales to LGE Native Load
	<u>2.39</u>		Half of Split Savings
	\$ 14,738 50	<u>618,000</u>	
Internal Replacement			
	\$ 429,215 21	14,713,000	Freed-up KU Generation sold back to LGE
	<u>-</u>	<u>0</u>	KU Generation for LGE Pre-Merger
	<u>-</u>	<u>0</u>	KU Generation for LGE IB
	\$ 429,215 21	14,713,000	
Total Sales	<u>\$ 443,953.71</u>	<u>15,331,000</u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 14,736 11	618,000	KU Fuel Cost - Sales to LGE Native Load
	<u>2.39</u>		Half of Split Savings
	\$ 14,738 50	<u>618,000</u>	
Internal Replacement			
	\$ 429,215 21	14,713,000	Freed-up KU Generation sold back to LGE
	<u>-</u>	<u>0</u>	KU Generation for LGE Pre-Merger
	<u>-</u>	<u>0</u>	KU Generation for LGE IB
	\$ 429,215 21	14,713,000	
Total Purchases	<u>\$ 443,953.71</u>	<u>15,331,000</u>	
<b>Sales</b>			
Internal Economy			
	\$ 8,098,313 00	339,841,000	Fuel for LGE Sale to KU for Native Load
	<u>45,604.98</u>		Half of Split Savings to LGE from KU
	\$ 8,143,917 98	<u>339,841,000</u>	
Internal Replacement			
	\$ 6,875 52	304,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 6,875 52	304,000	
Total Sales	<u>\$ 8,150,793.50</u>	<u>340,145,000</u>	