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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
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robert.conroy@lge-ku.com

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

February 20, 2015

Dear Mr. DeRouen:

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 2015 billing cycle which begins March 3, 2015.

Due to a scale calibration error at Green River Generating Station, coal burned at Green River Unit 4 was over-reported during the months of October, November and December 2014. Please see the attachments to this filing for supporting documentation and an explanation of the scale calibration error. 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

Enclosure

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : January 2015

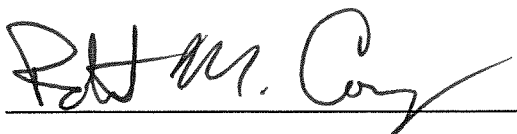
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$60,818,404}{\text{Sales "Sm" (Sales Schedule)} \quad 2,117,924,215 \quad \text{KWH}} = (+) \$ 0.02872 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00020)}} / \text{KWH}$$

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

Effective Date for Billing: March 3, 2015

Submitted by 

Title: Director, Rates

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : January 2015

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$45,853,780	(1)
Oil Burned	(+)	402,889	(1)
Gas Burned	(+)	7,298,806	
Fuel (assigned cost during Forced Outage)	(+)	987,196	
Fuel (substitute cost for Forced Outage)	(-)	1,064,485	
SUB-TOTAL		\$ 53,478,186	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 716,749	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,291	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	7,522,472	
Internal Replacement	(+)	-	
SUB-TOTAL		\$ 8,237,930	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 3,028	
Internal Economy	(+)	31,251	
Internal Replacement	(+)	509,116	
Dollars Assigned to Inter-System Sales Losses	(+)	15	
SUB-TOTAL		\$ 543,410	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 354,302	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 60,818,404	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$4,009
Oil burned =	\$15

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : January 2015

(A) Generation (Net)	(+)	1,897,986,000
Purchases including interchange-in	(+)	66,738,000
Internal Economy	(+)	308,008,000
Internal Replacement	(+)	-
SUB-TOTAL		<u>2,272,732,000</u>

(B) Inter-system Sales including interchange-out	(+)	136,000
Internal Economy	(+)	1,204,000
Internal Replacement	(+)	16,525,000
(*) System Losses	(+)	136,942,785
SUB-TOTAL		<u>154,807,785</u>

TOTAL SALES (A-B) 2,117,924,215

(*) 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 2015

12 Months to Date KWH Sources: 23,102,930,000 KWH
 12 MTD Overall System Losses: 1,392,060,208 KWH
 January 2015 KWH Sources: 2,272,732,000 KWH

$$1,392,060,208 / 23,102,930,000 = 6.025470\%$$

$$6.025470\% \times 2,272,732,000 = 136,942,785 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

230,952,960 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 49,716,400 Wholesale sales at Primary Voltage (WS-P)
 17,865,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	230,952,960	2.153%	5,081,829	236,034,789
WS-P:	49,716,400	2.153% and 0.985%	1,599,407	51,315,807
IS-T:	17,865,000	0.5%	89,774	17,954,774

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

Expense Month : January 2015

1.	Last FAC Rate Billed		<u>\$0.00024</u>
2.	KWH Billed at Above Rate		<u>1,796,265,028</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 431,104</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,788,430,327</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>236,198,721</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,552,231,606</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00008</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ 124,179</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 306,925</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,117,924,215</u>
11.	Kentucky Jurisdictional Sales		<u>1,834,716,633</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15436039</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 354,302</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : January 2015

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
\$	7,459,954.24	308,008,000	Fuel for LGE Sale to KU for Native Load
	62,517.38		Half of Split Savings to LGE from KU
\$	<u>7,522,471.62</u>	<u>308,008,000</u>	
Internal Replacement			
\$	-	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>-</u>	<u>0</u>	
Total Purchases		<u>308,008,000</u>	
Sales			
Internal Economy			
\$	31,133.98	1,204,000	KU Fuel Cost - Sales to LGE Native Load
	117.32		Half of Split Savings
\$	<u>31,251.30</u>	<u>1,204,000</u>	
Internal Replacement			
\$	509,116.43	16,525,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>509,116.43</u>	<u>16,525,000</u>	
Total Sales		<u>17,729,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
\$	31,133.98	1,204,000	KU Fuel Cost - Sales to LGE Native Load
	117.32		Half of Split Savings
\$	<u>31,251.30</u>	<u>1,204,000</u>	
Internal Replacement			
\$	509,116.43	16,525,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>509,116.43</u>	<u>16,525,000</u>	
Total Purchases		<u>17,729,000</u>	
Sales			
Internal Economy			
\$	7,459,954.24	308,008,000	Fuel for LGE Sale to KU for Native Load
	62,517.38		Half of Split Savings to LGE from KU
\$	<u>7,522,471.62</u>	<u>308,008,000</u>	
Internal Replacement			
\$	-	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>-</u>	<u>0</u>	
Total Sales		<u>308,008,000</u>	

Kentucky Utilities Fuel Adjustment Clause Recalculation

Kentucky Utilities Company learned, in January 2015, of a scale calibration error at its Green River Generating Station that caused fuel expense for the months of October, November, and December 2014 to be overstated. The error was detected as a result of an investigation of abnormally high heat rate calculations. Because excess fuel was being recorded as used, the MMBTU input into the heat rate calculation was overstated, indicating excess MMBTU combustion for the energy output.

KU's investigation into the cause of the high heat rate results ultimately led to a comparison of the two scale readings at the plant, and the calibration error was discovered. When coal combustion figures were adjusted to reflect the correct scale readings, the heat rate results returned to within the normal range for the station. Therefore, KU is restating its coal consumption for the three months, and also restating coal expense for the three months.

Consistent with past practice, when a fuel expense correction for a prior period is made, KU reflects the FAC impact of the correction through the determination of the over- or under-recovery calculation on Page 5 of 6 of the monthly Form A. Attached are copies of the recalculated November fuel expense and FAC billing factor; the recalculated November FAC billing factor is included on the January 2015 Form A Page 5, Line 7.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : November 2014

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \text{Sales "Sm" (Sales Schedule)} \end{array} = \frac{\$51,856,064}{1,788,430,327 \text{ KWH}} = (+) \$ 0.02900 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00008}} / \text{KWH}$$

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

Effective Date for Billing: March 3, 2015

Submitted by _____

Title: Director, Rates

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : November 2014

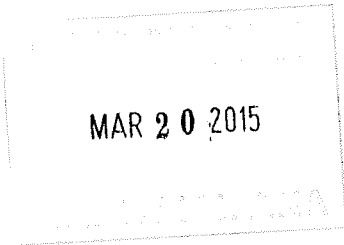
(A) <u>Company Generation</u>			
Coal Burned	(+)	\$37,482,033	(1)
Oil Burned	(+)	408,827	(1)
Gas Burned	(+)	7,296,231	
Fuel (assigned cost during Forced Outage)	(+)	1,054,074	*
Fuel (substitute cost for Forced Outage)	(-)	864,047	*
SUB-TOTAL		\$ 45,187,091	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 851,847	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,397	*
Less Purchases above Highest Cost Units	(-)	3	
Internal Economy	(+)	6,596,541	
Internal Replacement	(+)	9,542	
SUB-TOTAL		\$ 7,457,927	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 40,853	
Internal Economy	(+)	161,776	
Internal Replacement	(+)	423,048	
Dollars Assigned to Inter-System Sales Losses	(+)	204	
SUB-TOTAL		\$ 625,881	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 163,073	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 51,856,064	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned = \$3,846
Oil burned = \$32

* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

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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

March 20, 2015

Dear Mr. DeRouen:

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 April 2015 billing cycle which begins April 1, 2015.

As reported last month, due to a scale calibration error at Green River Generating Station, coal burned at Green River Unit 4 was over-reported during the months of October, November and December 2014. Please see the attachments to this filing for supporting documentation and an explanation of the scale calibration error. The November 2014 correction was included in last month's filing. The October 2014 and December 2014 corrections are included in this month's filing. The necessary supporting data to justify the amount of the adjustments is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : February 2015

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$60,477,026 & \\ \hline \text{Sales "Sm" (Sales Schedule)} & 2,086,014,136 \text{ KWH} & \\ \hline & & = (+) \$ 0.02899 / \text{KWH} \end{array}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00007 / \text{KWH}}}$$

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

Effective Date for Billing: April 1, 2015

Submitted by Robert McConroy
by DAL
Title: Director, Rates

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : February 2015

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$41,165,946	(1)
Oil Burned	(+)	301,787	(1)
Gas Burned	(+)	12,440,962	
Fuel (assigned cost during Forced Outage)	(+)	749,621	
Fuel (substitute cost for Forced Outage)	(-)	786,699	
SUB-TOTAL		<u>\$ 53,871,617</u>	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 481,502	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	345	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	8,454,270	
Internal Replacement	(+)	-	
SUB-TOTAL		<u>\$ 8,935,427</u>	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 70,204	
Internal Economy	(+)	-	
Internal Replacement	(+)	1,718,069	
Dollars Assigned to Inter-System Sales Losses	(+)	351	
SUB-TOTAL		<u>\$ 1,788,624</u>	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ 541,394</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u>\$ 60,477,026</u>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$3,660
Oil burned =	\$18

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : February 2015

(A) Generation (Net)	(+)	1,878,129,000
Purchases including interchange-in	(+)	55,405,000
Internal Economy	(+)	349,327,000
Internal Replacement	(+)	-
SUB-TOTAL		<u>2,282,861,000</u>
(B) Inter-system Sales including interchange-out	(+)	2,572,000
Internal Economy	(+)	-
Internal Replacement	(+)	59,638,000
(*) System Losses	(+)	134,636,864
SUB-TOTAL		<u>196,846,864</u>
TOTAL SALES (A-B)		<u>2,086,014,136</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 : February 2015

12 Months to Date KWH Sources: 23,277,900,000 KWH
 12 MTD Overall System Losses: 1,372,866,416 KWH
 February 2015 KWH Sources: 2,282,861,000 KWH

$$1,372,866,416 / 23,277,900,000 = 5.897725\%$$

$$5.897725\% \times 2,282,861,000 = 134,636,864 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

231,987,565 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 47,646,400 Wholesale sales at Primary Voltage (WS-P)
 62,210,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	231,987,565	0.000%	-	231,987,565
WS-P:	47,646,400	0.000% and 0.000%	-	47,646,400
IS-T:	62,210,000	0.5%	312,613	62,522,613

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

Expense Month : February 2015

1.	Last FAC Rate Billed	<u>\$0.00119</u>
2.	KWH Billed at Above Rate	<u>1,746,436,500</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ 2,078,259</u>
4.	KWH Used to Determine Last FAC Rate	<u>1,873,849,132</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>247,539,387</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,626,309,745</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)	<u>\$0.00099</u>
8.	Recoverable FAC Revenue/(Refund) (Line 7 x Line 6)	<u>\$ 1,610,047</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ 468,212</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>2,086,014,136</u>
11.	Kentucky Jurisdictional Sales	<u>1,804,041,888</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.15630028</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ 541,394</u>

Note 1: Revised December 2014 FAC billing factor due to a scale calibration error that overstated fuel burned during the month. See Attachment 2, Page 1 of 3.

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : February 2015

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 8,281,611.16	349,327,000	Fuel for LGE Sale to KU for Native Load
	172,658.67		Half of Split Savings to LGE from KU
	<u>\$ 8,454,269.83</u>	<u>349,327,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Purchases	<u>\$ 8,454,269.83</u>	<u>349,327,000</u>	
Sales			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 1,718,068.73	59,638,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,718,068.73</u>	<u>59,638,000</u>	
Total Sales	<u>\$ 1,718,068.73</u>	<u>59,638,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 1,718,068.73	59,638,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,718,068.73</u>	<u>59,638,000</u>	
Total Purchases	<u>\$ 1,718,068.73</u>	<u>59,638,000</u>	
Sales			
Internal Economy			
	\$ 8,281,611.16	349,327,000	Fuel for LGE Sale to KU for Native Load
	172,658.67		Half of Split Savings to LGE from KU
	<u>\$ 8,454,269.83</u>	<u>349,327,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Sales	<u>\$ 8,454,269.83</u>	<u>349,327,000</u>	

Kentucky Utilities Fuel Adjustment Clause Recalculation

Kentucky Utilities Company learned, in January 2015, of a scale calibration error at its Green River Generating Station that caused fuel expense for the months of October, November, and December 2014 to be overstated. The error was detected as a result of an investigation of abnormally high heat rate calculations. Because excess fuel was being recorded as used, the MMBTU input into the heat rate calculation was overstated, indicating excess MMBTU combustion for the energy output.

KU's investigation into the cause of the high heat rate results ultimately led to a comparison of the two scale readings at the plant, and the calibration error was discovered. When coal combustion figures were adjusted to reflect the correct scale readings, the heat rate results returned to within the normal range for the station. Therefore, KU restated its coal consumption for the three months, and also restated coal expense for the three months.

Consistent with past practice, when a fuel expense correction for a prior period is made, KU reflects the FAC impact of the correction through the determination of the over- or under-recovery calculation on Page 5 of 6 of the monthly Form A. KU made the correction for the November 2014 expense month FAC in the January 2015 Form A, reflecting the revised November billing factor on Form A, Page 5, Line 7.

To properly reflect the corrections for October and December 2014, KU's practice must be expanded. KU corrected the FAC calculations for both October 2014 (Attachment 1) and December 2014 (Attachment 2). The corrected October fuel expense is reflected in the revised October Form A, Page 2, Line 1 (see Attachment 1, Page 2 of 2). The revised FAC billing factor resulting from this correction (see Attachment 1, page 1 of 2) is reflected on the revised December 2014 Form A, Page 5, Line 7 (see Attachment 2, Page 3 of 3). This has the effect of calculating December's Over/Under collection of fuel expense using the corrected billing factor that should have been in effect for the October expense month. Additionally, the corrected December fuel expense is reflected in the revised December Form A, Page 2, Line 1 (see Attachment 2, page 2 of 3). With both the corrected December fuel expense and the corrected October billing factor included in the revised December billing factor, the December billing factor should have been \$0.00099/kWh (see Attachment 2, Page 1 of 3) instead of the \$0.00119/kWh actually billed.

KU is adjusting the February 2015 Form A, Page 5, Line 7 to reflect the revised, correct December 2014 FAC billing factor of \$0.00099/kWh.

KENTUCKY UTILITIES COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : October 2014 -- Revised February 2015

Fuel "Fm" (Fuel Cost Schedule)	=	\$39,474,244	= (+)	\$ 0.02548 / KWH
-----		-----		
Sales "Sm" (Sales Schedule)		1,549,450,398 KWH		

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

FAC Factor (1) = \$ (0.00344) / KWH

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

Effective Date for Billing: March 3, 2015

↓

To December 2014
Expense Month
Form A, Page 5,
Line 7

Submitted by _____

Title: Director, Rates

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : October 2014 -- Revised February 2015

<u>(A) Company Generation</u>		
Coal Burned	(+)	\$35,048,148 (1)
Oil Burned	(+)	407,473 (1)
Gas Burned	(+)	2,046,117
Fuel (assigned cost during Forced Outage)	(+)	139,352 *
Fuel (substitute cost for Forced Outage)	(-)	112,843 *
SUB-TOTAL		\$ 37,501,738
 <u>(B) Purchases</u>		
Net energy cost - economy purchases	(+) \$	514,039
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	375 *
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	3,050,364
Internal Replacement	(+)	70,840
SUB-TOTAL		\$ 3,635,243
 <u>(C) Inter-System Sales</u>		
Including Interchange-out	(+) \$	336,169
Internal Economy	(+)	862,153
Internal Replacement	(+)	440,585
Dollars Assigned to Inter-System Sales Losses	(+)	1,681
SUB-TOTAL		\$ 1,640,588
 <u>(D) Over or (Under) Recovery</u>		
From Page 5, Line 13		\$ 22,149
 TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 39,474,244

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned = \$3,457
Oil burned = \$122

* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : December 2014 -- Revised February 2015

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \text{Sales "Sm" (Sales Schedule)} \end{array} = \frac{\$56,046,169}{1,873,849,132 \text{ KWH}} = (+) \$ 0.02991 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

$$\text{FAC Factor (1)} = \$ 0.00099 / \text{KWH}$$

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

Effective Date for Billing: March 3, 2015

↓
To February 2015
Form A, Page 5,
Line 7

Submitted by _____

Title: Director, Rates

Form A

Page 2 of 6

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : December 2014 -- Revised February 2015

<u>(A) Company Generation</u>		
Coal Burned	(+)	\$41,846,604 (1)
Oil Burned	(+)	944,543 (1)
Gas Burned	(+)	6,250,461
Fuel (assigned cost during Forced Outage)	(+)	2,071,638
Fuel (substitute cost for Forced Outage)	(-)	2,195,072
SUB-TOTAL		\$ 48,918,174
 <u>(B) Purchases</u>		
Net energy cost - economy purchases	(+)	\$ 1,415,136
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	397,167
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	4,924,418
Internal Replacement	(+)	8,247
SUB-TOTAL		\$ 5,950,634
 <u>(C) Inter-System Sales</u>		
Including Interchange-out	(+)	\$ 45,909
Internal Economy	(+)	21,286
Internal Replacement	(+)	135,845
Dollars Assigned to Inter-System Sales Losses	(+)	230
SUB-TOTAL		\$ 203,270
 <u>(D) Over or (Under) Recovery</u>		
From Page 5, Line 13		\$ (1,380,631)
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 56,046,169

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$3,389
Oil burned =	\$140

KENTUCKY UTILITIES COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : December 2014 -- Revised February 2015

1.	Last FAC Rate Billed		<u>(\$0.00338)</u>
2.	KWH Billed at Above Rate		<u>1,733,152,161</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,858,054)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,549,450,398</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>194,855,405</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,354,594,993</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>(\$0.00344)</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ (4,659,807)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,198,247)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,873,849,132</u>
11.	Kentucky Jurisdictional Sales		<u>1,626,309,745</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15220925</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,380,631)</u>

Note 1: Revised October 2014 FAC billing factor due to a scale calibration error that overstated fuel burned during the month. See Attachment 1, Page 1 of 2.



Not FA

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APR 20 2015

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

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APR 20 2015
FINANCIAL ANA

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

April 20, 2015

Dear Mr. DeRouen:

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 May 2015 billing cycle which begins April 30, 2015.

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

Sincerely,

Robert M. Conroy 4 PM
Robert M. Conroy

Enclosure

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : March 2015

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$49,984,809}{1,777,157,271 \text{ KWH}} = (+) \$ 0.02813 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 85.1 effective June 26, 2013. = (-) \$ 0.02892 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00079) / \text{KWH}}}$$

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

Effective Date for Billing: April 30, 2015

Submitted by *Robert McConroy*

Title: Director, Rates

KENTUCKY UTILITIES COMPANY FUEL COST SCHEDULE

Expense Month : March 2015

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$36,790,434	(1)
Oil Burned	(+)	334,780	(1)
Gas Burned	(+)	6,857,743	
Fuel (assigned cost during Forced Outage)	(+)	577,239	*
Fuel (substitute cost for Forced Outage)	(-)	556,184	*
SUB-TOTAL		\$ 43,982,957	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 790,849	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,573	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,835,857	
Internal Replacement	(+)	-	
SUB-TOTAL		\$ 6,626,706	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 13,158	
Internal Economy	(+)	111,292	
Internal Replacement	(+)	498,484	
Dollars Assigned to Inter-System Sales Losses	(+)	66	
SUB-TOTAL		\$ 623,000	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 1,854	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 49,984,809	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$10,396
Oil burned =	\$79

* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : March 2015

(A) Generation (Net)	(+)	1,611,168,000
Purchases including interchange-in	(+)	67,856,000
Internal Economy	(+)	232,735,000
Internal Replacement	(+)	-
SUB-TOTAL		<u>1,911,759,000</u>
(B) Inter-system Sales including interchange-out	(+)	250,000
Internal Economy	(+)	4,219,000
Internal Replacement	(+)	15,758,000
(*) System Losses	(+)	114,374,729
SUB-TOTAL		<u>134,601,729</u>
TOTAL SALES (A-B)		<u>1,777,157,271</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 : March 2015

12 Months to Date KWH Sources:	23,188,089,000	KWH
12 MTD Overall System Losses:	1,387,272,829	KWH
March 2015 KWH Sources:	1,911,759,000	KWH

$$1,387,272,829 / 23,188,089,000 = 5.982696\%$$

$$5.982696\% \times 1,911,759,000 = 114,374,729 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

187,405,015	Wholesale Sales & Deliveries to ODP at Transmission Voltage	(WS-T)
45,113,200	Wholesale sales at Primary Voltage	(WS-P)
20,227,000	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:	187,405,015	2.153%	4,123,611	191,528,626
WS-P:	45,113,200	2.153% and 0.985%	1,451,320	46,564,520
IS-T:	20,227,000	0.5%	101,643	20,328,643

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

Expense Month : March 2015

1.	Last FAC Rate Billed	<u>(\$0.00020)</u>
2.	KWH Billed at Above Rate	<u>1,826,674,113</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (365,335)</u>
4.	KWH Used to Determine Last FAC Rate	<u>2,117,924,215</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>283,207,582</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,834,716,633</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>\$ (366,943)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ 1,608</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>1,777,157,271</u>
11.	Kentucky Jurisdictional Sales	<u>1,541,412,928</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.15294042</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ 1,854</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : March 2015

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 5,769,963.30	232,735,000	Fuel for LGE Sale to KU for Native Load
	65,893.39		Half of Split Savings to LGE from KU
	<u>\$ 5,835,856.69</u>	<u>232,735,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Purchases	<u><u>\$ 5,835,856.69</u></u>	<u><u>232,735,000</u></u>	
Sales			
Internal Economy	\$ 111,291.91	4,219,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 111,291.91</u>	<u>4,219,000</u>	
Internal Replacement	\$ 498,484.39	15,758,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 498,484.39</u>	<u>15,758,000</u>	
Total Sales	<u><u>\$ 609,776.30</u></u>	<u><u>19,977,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 111,291.91	4,219,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 111,291.91</u>	<u>4,219,000</u>	
Internal Replacement	\$ 498,484.39	15,758,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 498,484.39</u>	<u>15,758,000</u>	
Total Purchases	<u><u>\$ 609,776.30</u></u>	<u><u>19,977,000</u></u>	
Sales			
Internal Economy	\$ 5,769,963.30	232,735,000	Fuel for LGE Sale to KU for Native Load
	65,893.39		Half of Split Savings to LGE from KU
	<u>\$ 5,835,856.69</u>	<u>232,735,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Sales	<u><u>\$ 5,835,856.69</u></u>	<u><u>232,735,000</u></u>	