

FA

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JUN 20 2016

PUBLIC SERVICE
COMMISSION

JUN 20 2016



a PPL company

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
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
F 502-217-4002
derek.rahn@lge-ku.com

June 20, 2016

Dear Executive Director:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the July 2016 billing cycle which begins June 30, 2016.

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,

Derek Rahn

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : May 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00643) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00002</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00645)</u></u> / KWH

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

Effective Date for Billing: June 30, 2016

Submitted by

 [DOA]

Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : May 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$34,237,742}{1,522,080,761 \text{ KWH}} = (+) \$ 0.02249 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00643) / KWH

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

Effective Date for Billing: June 30, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : May 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$27,779,779	(1)
Oil Burned	(+)	481,002	(1)
Gas Burned	(+)	7,402,745	
Fuel (assigned cost during Forced Outage)	(+)	3,867,809	
Fuel (substitute cost for Forced Outage)	(-)	3,975,602	
SUB-TOTAL		\$ 35,555,732	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 644,739	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	31,212	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	496,092	
Internal Replacement	(+)	73,745	
SUB-TOTAL		\$ 1,183,364	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 168,735	
Internal Economy	(+)	1,472,248	
Internal Replacement	(+)	15,535	
Dollars Assigned to Inter-System Sales Losses	(+)	844	
SUB-TOTAL		\$ 1,657,362	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 843,992	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 34,237,742	

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 = \$1,241
Oil burned = \$532

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : May 2016

(A) Generation (Net)	(+)	1,615,417,000
Purchases including interchange-in	(+)	48,936,000
Internal Economy	(+)	20,350,000
Internal Replacement	(+)	3,081,000
SUB-TOTAL		<u>1,687,784,000</u>
(B) Inter-system Sales including interchange-out	(+)	6,490,000
Internal Economy	(+)	62,923,000
Internal Replacement	(+)	554,000
(*) System Losses	(+)	95,736,239
SUB-TOTAL		<u>165,703,239</u>
TOTAL SALES (A-B)		<u><u>1,522,080,761</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 : May 2016

12 Months to Date KWH Sources: 22,492,514,000 KWH
 12 MTD Overall System Losses: 1,275,843,680 KWH
 May 2016 KWH Sources: 1,687,784,000 KWH

$$1,275,843,680 / 22,492,514,000 = 5.672304\%$$

$$5.672304\% \times 1,687,784,000 = 95,736,239 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

145,941,380 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 43,448,000 Wholesale sales at Primary Voltage (WS-P)
 69,967,000 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:	145,941,380	2.153%	3,211,256	149,152,636
WS-P:	43,448,000	2.153% and 0.985%	1,397,749	44,845,749
IS-T:	69,967,000	0.5%	351,593	70,318,593

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

Expense Month : May 2016

1.	Last FAC Rate Billed		<u>(\$0.00680)</u>
2.	KWH Billed at Above Rate		<u>1,258,057,710</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (8,554,792)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,574,190,768</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>207,558,376</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,366,632,392</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>\$ (9,293,100)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 738,308</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,522,080,761</u>
11.	Kentucky Jurisdictional Sales		<u>1,331,486,399</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.14314405</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 843,992</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : May 2016

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 494,965.18	20,350,000	Fuel for LGE Sale to KU for Native Load
	1,126.42		Half of Split Savings to LGE from KU
	<u>\$ 496,091.60</u>	<u>20,350,000</u>	
Internal Replacement			
	\$ 73,745.13	3,081,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 73,745.13</u>	<u>3,081,000</u>	
Total Purchases	<u>\$ 569,836.73</u>	<u>23,431,000</u>	
Sales			
Internal Economy			
	\$ 1,469,351.72	62,923,000	KU Fuel Cost - Sales to LGE Native Load
	2,896.39		Half of Split Savings
	<u>\$ 1,472,248.11</u>	<u>62,923,000</u>	
Internal Replacement			
	\$ 15,535.29	554,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 15,535.29</u>	<u>554,000</u>	
Total Sales	<u>\$ 1,487,783.40</u>	<u>63,477,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 1,469,351.72	62,923,000	KU Fuel Cost - Sales to LGE Native Load
	2,896.39		Half of Split Savings
	<u>\$ 1,472,248.11</u>	<u>62,923,000</u>	
Internal Replacement			
	\$ 15,535.29	554,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
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	<u>\$ 15,535.29</u>	<u>554,000</u>	
Total Purchases	<u>\$ 1,487,783.40</u>	<u>63,477,000</u>	
Sales			
Internal Economy			
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	<u>\$ 73,745.13</u>	<u>3,081,000</u>	
Total Sales	<u>\$ 569,836.73</u>	<u>23,431,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	33,980
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	25,485
4.	Current Month True-up	OSS Page 3	\$	<u>0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>25,485</u>
6.	Current Month S(m)	Form A Page 3		1,522,080,761
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$	0.00002

OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
KENTUCKY UTILITIES COMPANY

Expense Month : June 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		\$ (0.00002)
2.	KWH Billed at Above Rate		1,489,688,384
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ (29,794)
4.	KWH Used to Determine Last OSS Adjustment Factor		1,487,446,050
5.	Non-Jurisdictional KWH (Included in Line 4)		189,370,397
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,298,075,653
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		-
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$ (25,962)
9.	(Over) or Under Amount	(Line 8 - Line 3)	\$ (3,832)
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		1,794,455,212
11.	Kentucky Jurisdictional Sales		1,566,751,416
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	1.14533499
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ (4,389)

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Submitted by

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KENTUCKY UTILITIES COMPANY
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Expense Month : May 2016

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FUEL COST SCHEDULE**

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Oil burned = \$532

KENTUCKY UTILITIES COMPANY

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Internal Economy	(+)	20,350,000
Internal Replacement	(+)	3,081,000
SUB-TOTAL		<u>1,687,784,000</u>
(B) Inter-system Sales including interchange-out	(+)	6,490,000
Internal Economy	(+)	62,923,000
Internal Replacement	(+)	554,000
(*) System Losses	(+)	95,736,239
SUB-TOTAL		<u>165,703,239</u>
TOTAL SALES (A-B)		<u><u>1,522,080,761</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**

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 12 MTD Overall System Losses: 1,275,843,680 KWH
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$$5.672304\% \times 1,687,784,000 = 95,736,239 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

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 43,448,000 Wholesale sales at Primary Voltage (WS-P)
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	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	145,941,380	2.153%	3,211,256	149,152,636
WS-P:	43,448,000	2.153% and 0.985%	1,397,749	44,845,749
IS-T:	69,967,000	0.5%	351,593	70,318,593

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

Expense Month : May 2016

1.	Last FAC Rate Billed		<u>(\$0.00680)</u>
2.	KWH Billed at Above Rate		<u>1,258,057,710</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (8,554,792)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,574,190,768</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>207,558,376</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,366,632,392</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>\$ (9,293,100)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 738,308</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,522,080,761</u>
11.	Kentucky Jurisdictional Sales		<u>1,331,486,399</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.14314405</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 843,992</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : May 2016

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 494,965.18	20,350,000	Fuel for LGE Sale to KU for Native Load
	1,126.42		Half of Split Savings to LGE from KU
	<u>\$ 496,091.60</u>	<u>20,350,000</u>	
Internal Replacement			
	\$ 73,745.13	3,081,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 73,745.13</u>	<u>3,081,000</u>	
Total Purchases	<u>\$ 569,836.73</u>	<u>23,431,000</u>	
Sales			
Internal Economy			
	\$ 1,469,351.72	62,923,000	KU Fuel Cost - Sales to LGE Native Load
	2,896.39		Half of Split Savings
	<u>\$ 1,472,248.11</u>	<u>62,923,000</u>	
Internal Replacement			
	\$ 15,535.29	554,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 15,535.29</u>	<u>554,000</u>	
Total Sales	<u>\$ 1,487,783.40</u>	<u>63,477,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 1,469,351.72	62,923,000	KU Fuel Cost - Sales to LGE Native Load
	2,896.39		Half of Split Savings
	<u>\$ 1,472,248.11</u>	<u>62,923,000</u>	
Internal Replacement			
	\$ 15,535.29	554,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
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Total Purchases	<u>\$ 1,487,783.40</u>	<u>63,477,000</u>	
Sales			
Internal Economy			
	\$ 494,965.18	20,350,000	Fuel for LGE Sale to KU for Native Load
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Internal Replacement			
	\$ 73,745.13	3,081,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 73,745.13</u>	<u>3,081,000</u>	
Total Sales	<u>\$ 569,836.73</u>	<u>23,431,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	33,980
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	25,485
4.	Current Month True-up	OSS Page 3	\$	<u>0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>25,485</u>
6.	Current Month S(m)	Form A Page 3		1,522,080,761
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$	0.00002

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2016

Line No.

1.	Total OSS Revenues		\$	250,721
2.	Total OSS Expenses		\$	<u>216,741</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>33,980</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		\$ -
2.	KWH Billed at Above Rate		<u>1,258,057,710</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ -
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,574,190,768</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>207,558,376</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,366,632,392</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$ -
9.	(Over) or Under Amount	(Line 8 - Line 3)	\$ -
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,522,080,761</u>
11.	Kentucky Jurisdictional Sales		<u>1,331,486,399</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14314405</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ -

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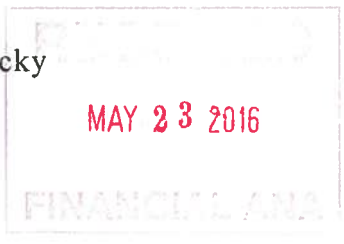


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Sincerely,

Derek Rahn

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SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : April 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00603) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00002</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00605)</u> / KWH

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

Effective Date for Billing: May 31, 2016

Submitted by _____



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : April 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$34,050,300}{1,487,446,050 \text{ KWH}} = (+) \$ 0.02289 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00603) / KWH

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

Effective Date for Billing: May 31, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : April 2016

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$24,505,917	(1)
Oil Burned	(+)	388,934	(1)
Gas Burned	(+)	7,740,766	
Fuel (assigned cost during Forced Outage)	(+)	516,714	*
Fuel (substitute cost for Forced Outage)	(-)	324,839	*
SUB-TOTAL		<u>\$ 32,635,617</u>	
<u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 424,942	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,335	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	3,157,618	
Internal Replacement	(+)	56,383	
SUB-TOTAL		<u>\$ 3,638,943</u>	
<u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 139,397	
Internal Economy	(+)	745,404	
Internal Replacement	(+)	94,043	
Dollars Assigned to Inter-System Sales Losses	(+)	697	
SUB-TOTAL		<u>\$ 979,541</u>	
<u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ 1,244,719</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 34,050,300</u></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 = (\$12,278)
Oil burned = (\$46,082)

* 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 : April 2016

(A) Generation (Net)	(+)	1,449,931,000
Purchases including interchange-in	(+)	30,402,000
Internal Economy	(+)	135,012,000
Internal Replacement	(+)	2,371,000
SUB-TOTAL		<u>1,617,716,000</u>
(B) Inter-system Sales including interchange-out	(+)	5,372,000
Internal Economy	(+)	30,309,000
Internal Replacement	(+)	3,352,000
(*) System Losses	(+)	91,236,950
SUB-TOTAL		<u>130,269,950</u>
TOTAL SALES (A-B)		<u><u>1,487,446,050</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 : April 2016

12 Months to Date KWH Sources: 22,610,842,000 KWH
 12 MTD Overall System Losses: 1,275,220,375 KWH
 April 2016 KWH Sources: 1,617,716,000 KWH

$$1,275,220,375 / 22,610,842,000 = 5.639862\%$$

$$5.639862\% \times 1,617,716,000 = 91,236,950 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

146,152,991 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 40,749,200 Wholesale sales at Primary Voltage (WS-P)
 39,033,000 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:	146,152,991	2.153%	3,215,912	149,368,903
WS-P:	40,749,200	2.153% and 0.985%	1,310,927	42,060,127
IS-T:	39,033,000	0.5%	196,146	39,229,146

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

Expense Month : April 2016

1.	Last FAC Rate Billed		<u>(\$0.00418)</u>
2.	KWH Billed at Above Rate		<u>1,300,364,371</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,435,523)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,801,793,473</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>241,560,538</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,560,232,935</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>\$ (6,521,774)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,086,251</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,487,446,050</u>
11.	Kentucky Jurisdictional Sales		<u>1,298,075,653</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.14588549</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,244,719</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month : April 2016

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 3,150,797.17	135,012,000	Fuel for LGE Sale to KU for Native Load
	6,820.98		Half of Split Savings to LGE from KU
	<u>\$ 3,157,618.15</u>	<u>135,012,000</u>	
Internal Replacement			
	\$ 56,383.33	2,371,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 56,383.33</u>	<u>2,371,000</u>	
Total Purchases	<u>\$ 3,214,001.48</u>	<u>137,383,000</u>	
Sales			
Internal Economy			
	\$ 742,963.98	30,309,000	KU Fuel Cost - Sales to LGE Native Load
	2,439.97		Half of Split Savings
	<u>\$ 745,403.95</u>	<u>30,309,000</u>	
Internal Replacement			
	\$ 94,043.20	3,352,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 94,043.20</u>	<u>3,352,000</u>	
Total Sales	<u>\$ 839,447.15</u>	<u>33,661,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 742,963.98	30,309,000	KU Fuel Cost - Sales to LGE Native Load
	2,439.97		Half of Split Savings
	<u>\$ 745,403.95</u>	<u>30,309,000</u>	
Internal Replacement			
	\$ 94,043.20	3,352,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 94,043.20</u>	<u>3,352,000</u>	
Total Purchases	<u>\$ 839,447.15</u>	<u>33,661,000</u>	
Sales			
Internal Economy			
	\$ 3,150,797.17	135,012,000	Fuel for LGE Sale to KU for Native Load
	6,820.98		Half of Split Savings to LGE from KU
	<u>\$ 3,157,618.15</u>	<u>135,012,000</u>	
Internal Replacement			
	\$ 56,383.33	2,371,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 56,383.33</u>	<u>2,371,000</u>	
Total Sales	<u>\$ 3,214,001.48</u>	<u>137,383,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 48,355
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 36,266
4.	Current Month True-up	OSS Page 3	<u>\$ (2,977)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 33,289</u></u>
6.	Current Month S(m)	Form A Page 3	1,487,446,050
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00002

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2016

Line No.

1.	Total OSS Revenues		\$	309,117
2.	Total OSS Expenses		\$	<u>260,762</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>48,355</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ 0.00001</u>
2.	KWH Billed at Above Rate		<u>1,300,364,371</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ 13,004</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,801,793,473</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>241,560,538</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,560,232,935</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ 15,602</u>
9.	(Over) or Under Amount	(Line 8 - Line 3)	<u>\$ (2,598)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,487,446,050</u>
11.	Kentucky Jurisdictional Sales		<u>1,298,075,653</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14588549</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (2,977)</u>

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

Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
F 502-217-4002
derek.rahn@lge-ku.com

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

April 19, 2016

Dear Executive Director:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the May 2016 billing cycle which begins April 29, 2016.

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,

Derek Rahn

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : March 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00680) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u> - </u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u> (0.00680) </u> / KWH

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

Effective Date for Billing: April 29, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : March 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$34,819,641}{1,574,190,768 \text{ KWH}} = (+) \$ 0.02212 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00680) / KWH

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

Effective Date for Billing: April 29, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : March 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$23,311,069	(1)
Oil Burned	(+)	398,460	(1)
Gas Burned	(+)	9,773,809	
Fuel (assigned cost during Forced Outage)	(+)	1,786,431	*
Fuel (substitute cost for Forced Outage)	(-)	1,711,069	*
SUB-TOTAL		\$ 33,483,338	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 497,446	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	7,125	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	2,944,511	
Internal Replacement	(+)	17,357	
SUB-TOTAL		\$ 3,459,314	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 27,524	
Internal Economy	(+)	1,333,514	
Internal Replacement	(+)	3,257	
Dollars Assigned to Inter-System Sales Losses	(+)	138	
SUB-TOTAL		\$ 1,364,433	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 758,578	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 34,819,641	

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 = \$6,329
Oil burned = \$136

* 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 2016

(A) Generation (Net)	(+)	1,556,333,000
Purchases including interchange-in	(+)	53,279,000
Internal Economy	(+)	125,384,000
Internal Replacement	(+)	701,000
SUB-TOTAL		<u>1,735,697,000</u>
(B) Inter-system Sales including interchange-out	(+)	1,250,000
Internal Economy	(+)	61,729,000
Internal Replacement	(+)	128,000
(*) System Losses	(+)	98,399,232
SUB-TOTAL		<u>161,506,232</u>
TOTAL SALES (A-B)		<u><u>1,574,190,768</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 : March 2016

12 Months to Date KWH Sources: 22,555,237,000 KWH
 12 MTD Overall System Losses: 1,278,689,754 KWH
 March 2016 KWH Sources: 1,735,697,000 KWH

$$1,278,689,754 / 22,555,237,000 = 5.669148\%$$

$$5.669148\% \times 1,735,697,000 = 98,399,232 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

162,506,714 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 42,540,000 Wholesale sales at Primary Voltage (WS-P)
 63,107,000 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:	162,506,714	2.153%	3,575,756	166,082,470
WS-P:	42,540,000	2.153% and 0.985%	1,368,538	43,908,538
IS-T:	63,107,000	0.5%	317,121	63,424,121

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

Expense Month : March 2016

1.	Last FAC Rate Billed		<u>(\$0.00187)</u>
2.	KWH Billed at Above Rate		<u>1,435,374,871</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,684,151)</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,067,875,559</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>280,330,200</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,787,545,359</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>\$ (3,342,710)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 658,559</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,574,190,768</u>
11.	Kentucky Jurisdictional Sales		<u>1,366,632,392</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15187579</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 758,578</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : March 2016

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 2,944,153.80	125,384,000	Fuel for LGE Sale to KU for Native Load
	356.84		Half of Split Savings to LGE from KU
	<u>\$ 2,944,510.64</u>	<u>125,384,000</u>	
Internal Replacement	\$ 17,357.46	701,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 17,357.46</u>	<u>701,000</u>	
Total Purchases	<u>\$ 2,961,868.10</u>	<u>126,085,000</u>	
Sales			
Internal Economy	\$ 1,332,375.31	61,729,000	KU Fuel Cost - Sales to LGE Native Load
	1,139.16		Half of Split Savings
	<u>\$ 1,333,514.47</u>	<u>61,729,000</u>	
Internal Replacement	\$ 3,256.85	128,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,256.85</u>	<u>128,000</u>	
Total Sales	<u>\$ 1,336,771.32</u>	<u>61,857,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,332,375.31	61,729,000	KU Fuel Cost - Sales to LGE Native Load
	1,139.16		Half of Split Savings
	<u>\$ 1,333,514.47</u>	<u>61,729,000</u>	
Internal Replacement	\$ 3,256.85	128,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,256.85</u>	<u>128,000</u>	
Total Purchases	<u>\$ 1,336,771.32</u>	<u>61,857,000</u>	
Sales			
Internal Economy	\$ 2,944,153.80	125,384,000	Fuel for LGE Sale to KU for Native Load
	356.84		Half of Split Savings to LGE from KU
	<u>\$ 2,944,510.64</u>	<u>125,384,000</u>	
Internal Replacement	\$ 17,357.46	701,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 17,357.46</u>	<u>701,000</u>	
Total Sales	<u>\$ 2,961,868.10</u>	<u>126,085,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 11,617
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 8,713
4.	Current Month True-up	OSS Page 3	<u>\$ (4,056)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 4,657</u>
6.	Current Month S(m)	Form A Page 3	1,574,190,768
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00000

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2016

Line No.

1.	Total OSS Revenues		\$	45,958
2.	Total OSS Expenses		\$	<u>34,340</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>11,617</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ 0.00001</u>
2.	KWH Billed at Above Rate		<u>1,435,374,871</u>
3.	OSS Adjustment Credit	(Line 1 x Line 2)	<u>\$ 14,354</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>2,067,875,559</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>280,330,200</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,787,545,359</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	OSS Adjustment Credit to be Distributed	(Line 1 x Line 6)	<u>\$ 17,875</u>
9.	(Over) or Under Credited Amount	(Line 8 - Line 3)	<u>\$ (3,521)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,574,190,768</u>
11.	Kentucky Jurisdictional Sales		<u>1,366,632,392</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15187579</u>
13.	Total Company (Over) or Under Credited Amount	(Line 9 x Line 12)	<u>\$ (4,056)</u>



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MAR 21 2016
FINANCIAL ANA

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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MAR 21 2016

PUBLIC SERVICE
COMMISSION

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

Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
F 502-627-4002
derek.rahn@lge-ku.com

March 21, 2016

Dear Executive Director:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the April 2016 billing cycle which begins March 31, 2016.

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,

Derek Rahn

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : February 2016

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00418) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>(0.00001) / KWH</u>
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00417) / KWH</u>

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

Effective Date for Billing: March 31, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : February 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$44,583,770}{1,801,793,473 \text{ KWH}} = (+) \$ 0.02474 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00418) / KWH

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

Effective Date for Billing: March 31, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : February 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$29,052,677	(1)
Oil Burned	(+)	784,191	(1)
Gas Burned	(+)	8,728,396	
Fuel (assigned cost during Forced Outage)	(+)	1,383,179	
Fuel (substitute cost for Forced Outage)	(-)	1,446,126	
SUB-TOTAL		\$ 38,502,317	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 649,101	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,948	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	3,730,599	
Internal Replacement	(+)	1,278	
SUB-TOTAL		\$ 4,379,030	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 2,550	
Internal Economy	(+)	12,256	
Internal Replacement	(+)	38,405	
Dollars Assigned to Inter-System Sales Losses	(+)	13	
SUB-TOTAL		\$ 53,224	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (1,755,647)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 44,583,770	

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 =	\$9,491
Oil burned =	\$105

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : February 2016

(A) Generation (Net)	(+)	1,691,269,000
Purchases including interchange-in	(+)	65,659,000
Internal Economy	(+)	156,252,000
Internal Replacement	(+)	55,000
SUB-TOTAL		<u>1,913,235,000</u>
(B) Inter-system Sales including interchange-out	(+)	409,000
Internal Economy	(+)	537,000
Internal Replacement	(+)	1,422,000
(*) System Losses	(+)	109,073,527
SUB-TOTAL		<u>111,441,527</u>
TOTAL SALES (A-B)		<u><u>1,801,793,473</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 : February 2016

12 Months to Date KWH Sources: 22,731,299,000 KWH
 12 MTD Overall System Losses: 1,295,911,469 KWH
 February 2016 KWH Sources: 1,913,235,000 KWH

$$1,295,911,469 / 22,731,299,000 = 5.701000\%$$

$$5.701000\% \times 1,913,235,000 = 109,073,527 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

195,401,280 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 43,905,200 Wholesale sales at Primary Voltage (WS-P)
 2,368,000 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:	195,401,280	2.153%	4,299,559	199,700,839
WS-P:	43,905,200	2.153% and 0.985%	1,412,458	45,317,658
IS-T:	2,368,000	0.5%	11,899	2,379,899

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

Expense Month : February 2016

1.	Last FAC Rate Billed		<u>(\$0.00616)</u>
2.	KWH Billed at Above Rate		<u>1,643,022,266</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (10,121,017)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,609,372,140</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>213,147,432</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,396,224,708</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>\$ (8,600,744)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,520,273)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,801,793,473</u>
11.	Kentucky Jurisdictional Sales		<u>1,560,232,935</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15482338</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,755,647)</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : February 2016

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 3,728,086.86	156,252,000	Fuel for LGE Sale to KU for Native Load
	2,512.01		Half of Split Savings to LGE from KU
	<u>\$ 3,730,598.87</u>	<u>156,252,000</u>	
Internal Replacement	\$ 1,278.19	55,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 1,278.19</u>	<u>55,000</u>	
Total Purchases	<u><u>\$ 3,731,877.06</u></u>	<u><u>156,307,000</u></u>	
Sales			
Internal Economy	\$ 12,227.45	537,000	KU Fuel Cost - Sales to LGE Native Load
	28.57		Half of Split Savings
	<u>\$ 12,256.02</u>	<u>537,000</u>	
Internal Replacement	\$ 38,405.02	1,422,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 38,405.02</u>	<u>1,422,000</u>	
Total Sales	<u><u>\$ 50,661.04</u></u>	<u><u>1,959,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 12,227.45	537,000	KU Fuel Cost - Sales to LGE Native Load
	28.57		Half of Split Savings
	<u>\$ 12,256.02</u>	<u>537,000</u>	
Internal Replacement	\$ 38,405.02	1,422,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 38,405.02</u>	<u>1,422,000</u>	
Total Purchases	<u><u>\$ 50,661.04</u></u>	<u><u>1,959,000</u></u>	
Sales			
Internal Economy	\$ 3,728,086.86	156,252,000	Fuel for LGE Sale to KU for Native Load
	2,512.01		Half of Split Savings to LGE from KU
	<u>\$ 3,730,598.87</u>	<u>156,252,000</u>	
Internal Replacement	\$ 1,278.19	55,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 1,278.19</u>	<u>55,000</u>	
Total Sales	<u><u>\$ 3,731,877.06</u></u>	<u><u>156,307,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 1,986
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 1,490
4.	Current Month True-up	OSS Page 3	<u>\$ (17,101)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ (15,611)</u></u>
6.	Current Month S(m)	Form A Page 3	1,801,793,473
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ (0.00001)

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2016

Line No.

1.	Total OSS Revenues		\$	45,043
2.	Total OSS Expenses		\$	<u>43,056</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>1,986</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00006)</u>
2.	KWH Billed at Above Rate		<u>1,643,022,266</u>
3.	OSS Adjustment Credit	(Line 1 x Line 2)	<u>\$ (98,581)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,609,372,140</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>213,147,432</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,396,224,708</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	OSS Adjustment Credit to be Distributed	(Line 1 x Line 6)	<u>\$ (83,773)</u>
9.	(Over) or Under Credited Amount	(Line 8 - Line 3)	<u>\$ (14,808)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,801,793,473</u>
11.	Kentucky Jurisdictional Sales		<u>1,560,232,935</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15482338</u>
13.	Total Company (Over) or Under Credited Amount	(Line 9 x Line 12)	<u>\$ (17,101)</u>



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FEB 22 2016
FINANCIAL ANA

FA
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FEB 19 2016
PUBLIC SERVICE
COMMISSION

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
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
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derek.rahn@lge-ku.com

February 19, 2016

Dear Executive Director:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the March 2016 billing cycle which begins March 1, 2016.

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,


Derek Rahn

Enclosure