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JAN 23 2017
FINANCIAL ANA

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JAN 20 2017
PUBLIC SERVICE
COMMISSION

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

RECEIVED
JAN 20 2017
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 502-217-4002
derek.rahn@lge-ku.com

January 20, 2017

Dear Dr. Mathews:

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 February 2017 billing cycle which begins January 31, 2017.

The necessary supporting data to justify the billing factors 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 : December 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00353) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00003</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00356)</u></u> / KWH

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

Effective Date for Billing: January 31, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : December 2016

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \end{array} = \begin{array}{r} \$ \quad 47,558,109 \\ \hline \end{array} = (+) \$ \quad 0.02539 \text{ / KWH}$$
$$\begin{array}{r} \text{Sales "Sm" (Sales Schedule)} \\ \hline \end{array} = \begin{array}{r} 1,873,070,228 \text{ KWH} \\ \hline \end{array}$$

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

FAC Factor (1) = \$ (0.00353) / KWH

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

Effective Date for Billing: January 31, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : December 2016

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$30,438,892	(1)
Oil Burned	(+)	134,068	(1)
Gas Burned	(+)	11,998,643	(2)
Fuel (assigned cost during Forced Outage)	(+)	-	
Fuel (substitute cost for Forced Outage)	(-)	-	
SUB-TOTAL		<u>\$ 42,571,603</u>	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 680,432	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	-	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	3,564,130	
Internal Replacement	(+)	17,973	
SUB-TOTAL		<u>\$ 4,262,535</u>	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 283,573	
Internal Economy	(+)	23,721	
Internal Replacement	(+)	553,536	
Dollars Assigned to Inter-System Sales Losses	(+)	1,418	
SUB-TOTAL		<u>\$ 862,248</u>	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (1,586,219)</u>	
 TOTAL FUEL RECOVERY (A+B-C-D) =		 <u><u>\$ 47,558,109</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 = \$10,520
Oil burned = \$69

Note: (2) Includes a manual adjustment of \$76,432 that was made in the financial statements in December, but adjusted in FAC filing in November.

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : December 2016

(A) Generation (Net)	(+)	1,788,979,000
Purchases including interchange-in	(+)	72,163,000
Internal Economy	(+)	162,879,000
Internal Replacement	(+)	803,000
SUB-TOTAL		<u>2,024,824,000</u>
(B) Inter-system Sales including interchange-out	(+)	12,368,000
Internal Economy	(+)	1,099,000
Internal Replacement	(+)	23,139,000
(*) System Losses	(+)	115,147,772
SUB-TOTAL		<u>151,753,772</u>
TOTAL SALES (A-B)		<u><u>1,873,070,228</u></u>

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

KENTUCKY UTILITIES COMPANY

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

Expense Month : December 2016

12 Months to Date KWH Sources: 22,757,114,000 KWH
 12 MTD Overall System Losses: 1,294,152,558 KWH
 December 2016 KWH Sources: 2,024,824,000 KWH

$$1,294,152,558 / 22,757,114,000 = 5.686804\%$$

$$5.686804\% \times 2,024,824,000 = 115,147,772 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

199,900,594 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 45,728,000 Wholesale sales at Primary Voltage (WS-P)
 36,606,000 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:	199,900,594	2.153%	4,398,561	204,299,155
WS-P:	45,728,000	2.153% and 0.985%	1,471,098	47,199,098
IS-T:	36,606,000	0.500%	183,950	36,789,950

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

Expense Month : December 2016

1.	Last FAC Rate Billed	<u>(\$0.00610)</u>
2.	KWH Billed at Above Rate	<u>1,529,127,481</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (9,327,678)</u>
4.	KWH Used to Determine Last FAC Rate	<u>1,490,577,562</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>187,132,970</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,303,444,592</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed	<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	<u>\$ (7,951,012)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ (1,376,666)</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>1,873,070,228</u>
11.	Kentucky Jurisdictional Sales	<u>1,625,621,734</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.15221776</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ (1,586,219)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 3,535,750.74	162,879,000	Fuel for LGE Sale to KU for Native Load
	28,379.52		Half of Split Savings to LGE from KU
	<u>\$ 3,564,130.26</u>	<u>162,879,000</u>	
Internal Replacement	\$ 17,972.74	803,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 17,972.74</u>	<u>803,000</u>	
Total Purchases	<u>\$ 3,582,103.00</u>	<u>163,682,000</u>	
Sales			
Internal Economy	\$ 23,190.69	1,099,000	KU Fuel Cost - Sales to LGE Native Load
	529.98		Half of Split Savings
	<u>\$ 23,720.67</u>	<u>1,099,000</u>	
Internal Replacement	\$ 553,535.91	23,139,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 553,535.91</u>	<u>23,139,000</u>	
Total Sales	<u>\$ 577,256.58</u>	<u>24,238,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 23,190.69	1,099,000	KU Fuel Cost - Sales to LGE Native Load
	529.98		Half of Split Savings
	<u>\$ 23,720.67</u>	<u>1,099,000</u>	
Internal Replacement	\$ 553,535.91	23,139,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 553,535.91</u>	<u>23,139,000</u>	
Total Purchases	<u>\$ 577,256.58</u>	<u>24,238,000</u>	
Sales			
Internal Economy	\$ 3,535,750.74	162,879,000	Fuel for LGE Sale to KU for Native Load
	28,379.52		Half of Split Savings to LGE from KU
	<u>\$ 3,564,130.26</u>	<u>162,879,000</u>	
Internal Replacement	\$ 17,972.74	803,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 17,972.74</u>	<u>803,000</u>	
Total Sales	<u>\$ 3,582,103.00</u>	<u>163,682,000</u>	

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

Expense Month : December 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 147,781
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 110,836
4.	Current Month True-up	OSS Page 3	<u>\$ (49,407)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 61,429</u>
6.	Current Month S(m)	Form A Page 3	1,873,070,228
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00003

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

Expense Month : December 2016

Line No.

1.	Total OSS Revenues		\$	972,958
2.	Total OSS Expenses		\$	<u>825,177</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>147,781</u></u>

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

Expense Month : December 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00019)</u>
2.	KWH Billed at Above Rate		<u>1,529,127,481</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (290,534)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,490,577,562</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>187,132,970</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,303,444,592</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (247,654)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (42,880)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,873,070,228</u>
11.	Kentucky Jurisdictional Sales		<u>1,625,621,734</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15221776</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (49,407)</u>

FA

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DEC 20 2016

PUBLIC SERVICE
COMMISSION



a PPL company

DEC 21 2016

Dr. Talina Mathews
Executive Director
Public Service Commission of Kentucky
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December 20, 2016

Dear Dr. Mathews:

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 January 2017 billing cycle which begins December 30, 2016.

The necessary supporting data to justify the billing factors 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 : November 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00639) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00005</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00644)</u> / KWH

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

Effective Date for Billing: December 30, 2016

Submitted by _____



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : November 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$34,397,636}{1,526,796,293 \text{ KWH}} = (+) \$ 0.02253 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00639) / KWH

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

Effective Date for Billing: December 30, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : November 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$28,364,811	(1)
Oil Burned	(+)	260,379	(1)
Gas Burned	(+)	6,335,186	(2)
Fuel (assigned cost during Forced Outage)	(+)	1,814,137	*
Fuel (substitute cost for Forced Outage)	(-)	1,278,408	*
SUB-TOTAL		\$ 34,960,376	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 529,987	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	22,319	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	898,156	
Internal Replacement	(+)	103,576	
SUB-TOTAL		\$ 1,531,719	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 186,793	
Internal Economy	(+)	615,070	
Internal Replacement	(+)	40,364	
Dollars Assigned to Inter-System Sales Losses	(+)	934	
SUB-TOTAL		\$ 843,161	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 1,251,298	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 34,397,636	

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 =	\$9,712
Oil burned =	\$43

Note: (2) Includes a manual adjustment of \$76,432 that will be made in the financial statements in December.

* 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 : November 2016

(A) Generation (Net)	(+)	1,554,363,000
Purchases including interchange-in	(+)	60,344,000
Internal Economy	(+)	38,311,000
Internal Replacement	(+)	4,531,000
SUB-TOTAL		<u>1,657,549,000</u>
(B) Inter-system Sales including interchange-out	(+)	8,143,000
Internal Economy	(+)	27,498,000
Internal Replacement	(+)	1,649,000
(*) System Losses	(+)	93,462,707
SUB-TOTAL		<u>130,752,707</u>
TOTAL SALES (A-B)		<u><u>1,526,796,293</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 : November 2016

12 Months to Date KWH Sources: 22,550,403,000 KWH
 12 MTD Overall System Losses: 1,271,529,009 KWH
 November 2016 KWH Sources: 1,657,549,000 KWH

$$1,271,529,009 / 22,550,403,000 = 5.638609\%$$

$$5.638609\% \times 1,657,549,000 = 93,462,707 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

156,249,450 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 39,976,000 Wholesale sales at Primary Voltage (WS-P)
 37,290,000 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:	156,249,450	2.153%	3,438,072	159,687,522
WS-P:	39,976,000	2.153% and 0.985%	1,286,053	41,262,053
IS-T:	37,290,000	0.5%	187,387	37,477,387

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

Expense Month : November 2016

1.	Last FAC Rate Billed		<u>(\$0.00464)</u>
2.	KWH Billed at Above Rate		<u>1,266,734,805</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,877,649)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,716,718,996</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>215,223,159</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,501,495,837</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (6,966,941)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,089,292</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,526,796,293</u>
11.	Kentucky Jurisdictional Sales		<u>1,329,121,244</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14872612</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,251,298</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 897,252.78 902.82	38,311,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>\$ 898,155.60</u>	<u>38,311,000</u>	
Internal Replacement	\$ 103,576.19 -	4,531,000	Freed-up LGE Generation sold back to KU
	<u>\$ 103,576.19</u>	<u>4,531,000</u>	0 LGE Generation for KU Pre-Merger Sales
Total Purchases	<u>\$ 1,001,731.79</u>	<u>42,842,000</u>	
Sales			
Internal Economy	\$ 610,074.22 4,996.12	27,498,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>\$ 615,070.34</u>	<u>27,498,000</u>	
Internal Replacement	\$ 40,364.13 -	1,649,000	Freed-up KU Generation sold back to LGE
	<u>\$ 40,364.13</u>	<u>1,649,000</u>	0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
Total Sales	<u>\$ 655,434.47</u>	<u>29,147,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 610,074.22 4,996.12	27,498,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>\$ 615,070.34</u>	<u>27,498,000</u>	
Internal Replacement	\$ 40,364.13 -	1,649,000	Freed-up KU Generation sold back to LGE
	<u>\$ 40,364.13</u>	<u>1,649,000</u>	0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
Total Purchases	<u>\$ 655,434.47</u>	<u>29,147,000</u>	
Sales			
Internal Economy	\$ 897,252.78 902.82	38,311,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>\$ 898,155.60</u>	<u>38,311,000</u>	
Internal Replacement	\$ 103,576.19 -	4,531,000	Freed-up LGE Generation sold back to KU
	<u>\$ 103,576.19</u>	<u>4,531,000</u>	0 LGE Generation for KU Pre-Merger Sales
Total Sales	<u>\$ 1,001,731.79</u>	<u>42,842,000</u>	

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

Expense Month : November 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 54,732
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 41,049
4.	Current Month True-up	OSS Page 3	<u>\$ 29,665</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 70,714</u>
6.	Current Month S(m)	Form A Page 3	1,526,796,293
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00005

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

Expense Month : November 2016

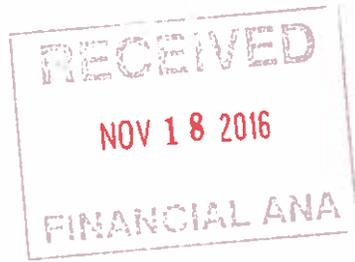
Line No.

1.	Total OSS Revenues		\$	329,279
2.	Total OSS Expenses		\$	<u>274,547</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>54,732</u>

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

Expense Month : November 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		\$ (0.00011)
2.	KWH Billed at Above Rate		1,266,734,805
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ (139,341)
4.	KWH Used to Determine Last OSS Adjustment Factor		1,716,718,996
5.	Non-Jurisdictional KWH (Included in Line 4)		215,223,159
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,501,495,837
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)	\$ (165,165)
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$ 25,824
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		1,526,796,293
11.	Kentucky Jurisdictional Sales		1,329,121,244
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	1.14872612
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ 29,665



Dr. Talina Mathews
Executive Director
Public Service Commission of Kentucky
Attention: Ms. Chris Whelan
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P.O. Box 615
Frankfort, Kentucky 40602

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November 18, 2016

Dear Dr. Mathews:

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 December 2016 billing cycle which begins November 30, 2016.

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

Sincerely,

A handwritten signature in blue ink that appears to read 'D. Rahn'.

Derek Rahn

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : October 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00610) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00019</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00629)</u> / KWH

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

Effective Date for Billing: November 30, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : October 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$34,010,470}{1,490,577,562 \text{ KWH}} = (+) \$ 0.02282 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00610) / KWH

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

Effective Date for Billing: November 30, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : October 2016

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$27,539,618	(1)
Oil Burned	(+)	405,367	(1)
Gas Burned	(+)	10,559,583	
Fuel (assigned cost during Forced Outage)	(+)	279,803	
Fuel (substitute cost for Forced Outage)	(-)	315,678	
SUB-TOTAL		<u>\$ 38,468,694</u>	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 375,446	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	615	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	392,935	
Internal Replacement	(+)	99,375	
SUB-TOTAL		<u>\$ 867,141</u>	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 623,425	
Internal Economy	(+)	2,737,328	
Internal Replacement	(+)	47,891	
Dollars Assigned to Inter-System Sales Losses	(+)	3,117	
SUB-TOTAL		<u>\$ 3,411,761</u>	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ 1,913,604</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u>\$ 34,010,470</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 = \$9,354
Oil burned = \$170

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : October 2016

(A) Generation (Net)	(+)	1,662,073,000
Purchases including interchange-in	(+)	55,053,000
Internal Economy	(+)	17,104,000
Internal Replacement	(+)	6,175,000
SUB-TOTAL		<u>1,740,405,000</u>
(B) Inter-system Sales including interchange-out	(+)	27,041,000
Internal Economy	(+)	120,911,000
Internal Replacement	(+)	2,024,000
(*) System Losses	(+)	99,851,438
SUB-TOTAL		<u>249,827,438</u>
TOTAL SALES (A-B)		<u><u>1,490,577,562</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 : October 2016

12 Months to Date KWH Sources: 22,545,008,000 KWH
 12 MTD Overall System Losses: 1,293,464,079 KWH
 October 2016 KWH Sources: 1,740,405,000 KWH

$$1,293,464,079 / 22,545,008,000 = 5.737253\%$$

$$5.737253\% \times 1,740,405,000 = 99,851,438 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

142,707,995 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 42,884,000 Wholesale sales at Primary Voltage (WS-P)
 149,976,000 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:	142,707,995	2.153%	3,140,110	145,848,105
WS-P:	42,884,000	2.153% and 0.985%	1,379,605	44,263,605
IS-T:	149,976,000	0.5%	753,648	150,729,648

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

Expense Month : October 2016

1.	Last FAC Rate Billed		<u>(\$0.00423)</u>
2.	KWH Billed at Above Rate		<u>1,356,195,147</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,736,705)</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,004,584,737</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>252,795,670</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,751,789,067</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (7,410,068)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,673,363</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,490,577,562</u>
11.	Kentucky Jurisdictional Sales		<u>1,303,444,592</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14356803</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,913,604</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 391,208.04	17,104,000	Fuel for LGE Sale to KU for Native Load
	1,727.30		Half of Split Savings to LGE from KU
	<u>\$ 392,935.34</u>	<u>17,104,000</u>	
Internal Replacement			
	\$ 99,374.86	6,175,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 99,374.86</u>	<u>6,175,000</u>	
Total Purchases	<u>\$ 492,310.20</u>	<u>23,279,000</u>	
Sales			
Internal Economy			
	\$ 2,737,097.66	120,911,000	KU Fuel Cost - Sales to LGE Native Load
	230.58		Half of Split Savings
	<u>\$ 2,737,328.24</u>	<u>120,911,000</u>	
Internal Replacement			
	\$ 47,890.58	2,024,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 47,890.58</u>	<u>2,024,000</u>	
Total Sales	<u>\$ 2,785,218.82</u>	<u>122,935,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 2,737,097.66	120,911,000	KU Fuel Cost - Sales to LGE Native Load
	230.58		Half of Split Savings
	<u>\$ 2,737,328.24</u>	<u>120,911,000</u>	
Internal Replacement			
	\$ 47,890.58	2,024,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 47,890.58</u>	<u>2,024,000</u>	
Total Purchases	<u>\$ 2,785,218.82</u>	<u>122,935,000</u>	
Sales			
Internal Economy			
	\$ 391,208.04	17,104,000	Fuel for LGE Sale to KU for Native Load
	1,727.30		Half of Split Savings to LGE from KU
	<u>\$ 392,935.34</u>	<u>17,104,000</u>	
Internal Replacement			
	\$ 99,374.86	6,175,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 99,374.86</u>	<u>6,175,000</u>	
Total Sales	<u>\$ 492,310.20</u>	<u>23,279,000</u>	

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

Expense Month : October 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 353,839
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 265,379
4.	Current Month True-up	OSS Page 3	<u>\$ 22,619</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 287,998</u>
6.	Current Month S(m)	Form A Page 3	1,490,577,562
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00019

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

Expense Month : October 2016

Line No.

1.	Total OSS Revenues		\$	1,192,651
2.	Total OSS Expenses		\$	<u>838,812</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>353,839</u></u>

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

Expense Month : October 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00005)</u>
2.	KWH Billed at Above Rate		<u>1,356,195,147</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (67,810)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>2,004,584,737</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>252,795,670</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,751,789,067</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (87,589)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 19,779</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,490,577,562</u>
11.	Kentucky Jurisdictional Sales		<u>1,303,444,592</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14356803</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 22,619</u>

FA

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OCT 18 2016
FINANCIAL ANA

Dr. Talina Mathews
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
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Louisville, Kentucky 40232
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Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
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derek.rahn@lge-ku.com

October 18, 2016

Dear Dr. Mathews:

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 November 2016 billing cycle which begins October 28, 2016.

The necessary supporting data to justify the billing factors 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 : September 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00464) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00011</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00475)</u> / KWH

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

Effective Date for Billing: October 28, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : September 2016

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$41,676,819 & \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & 1,716,718,996 \text{ KWH} & = (+) \$ 0.02428 / \text{KWH} \end{array}$$

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

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00464) / \text{KWH}}}$$

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

Effective Date for Billing: October 28, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : September 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$31,542,116	(1)
Oil Burned	(+)	309,698	(1)
Gas Burned	(+)	10,264,607	
Fuel (assigned cost during Forced Outage)	(+)	2,021,834	
Fuel (substitute cost for Forced Outage)	(-)	2,191,810	
SUB-TOTAL		\$ 41,946,445	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 735,867	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	41,924	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	841,680	
Internal Replacement	(+)	166,118	
SUB-TOTAL		\$ 1,701,741	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 529,102	
Internal Economy	(+)	1,363,163	
Internal Replacement	(+)	74,749	
Dollars Assigned to Inter-System Sales Losses	(+)	2,646	
SUB-TOTAL		\$ 1,969,660	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 1,707	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 41,676,819	

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 = \$9,143
Oil burned = \$146

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : September 2016

(A) Generation (Net)	(+)	1,793,761,000
Purchases including interchange-in	(+)	69,284,000
Internal Economy	(+)	35,768,000
Internal Replacement	(+)	6,155,000
SUB-TOTAL		<u>1,904,968,000</u>
(B) Inter-system Sales including interchange-out	(+)	19,153,000
Internal Economy	(+)	56,995,000
Internal Replacement	(+)	2,731,000
(*) System Losses	(+)	109,370,004
SUB-TOTAL		<u>188,249,004</u>
TOTAL SALES (A-B)		<u><u>1,716,718,996</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 : September 2016

12 Months to Date KWH Sources: 22,469,789,000 KWH
 12 MTD Overall System Losses: 1,290,059,000 KWH
 September 2016 KWH Sources: 1,904,968,000 KWH

$$1,290,059,000 / 22,469,789,000 = 5.741304\%$$

$$5.741304\% \times 1,904,968,000 = 109,370,004 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

163,102,209 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 50,483,600 Wholesale sales at Primary Voltage (WS-P)
 78,879,000 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:	163,102,209	2.153%	3,588,859	166,691,068
WS-P:	50,483,600	2.153% and 0.985%	1,624,089	52,107,689
IS-T:	78,879,000	0.5%	396,377	79,275,377

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

Expense Month : September 2016

1.	Last FAC Rate Billed		<u>(\$0.00252)</u>
2.	KWH Billed at Above Rate		<u>1,682,562,510</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (4,240,058)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,919,723,010</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>243,220,792</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,676,502,218</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$ (0.00253)</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ (4,241,551)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,493</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,716,718,996</u>
11.	Kentucky Jurisdictional Sales		<u>1,501,495,837</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14333916</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,707</u>

Note 1: The forced outage exclusion amount originally reported for July 2016 was understated. The corrected amount resulted in a revised July billing factor of (\$0.00253) vs (\$0.00252).

Original forced outage exclusion amount reported		\$ 620,444
Adjusted forced outage exclusion amount reported		<u>\$ 630,799</u>
Net adjustment to July fuel expense		<u>\$ (10,355)</u>
Original July Fm / Sm reported \$50,678,254 / 1,919,723,010		\$ 0.02640
Revised July Fm / Sm \$50,667,899 / 1,919,723,010		<u>\$ 0.02639</u>
Adjustment to July FAC factor		<u>\$ (0.00001)</u>
Reported July FAC factor		<u>\$ (0.00252)</u>
Revised July FAC factor		<u><u>\$ (0.00253)</u></u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 832,472.76	35,768,000	Fuel for LGE Sale to KU for Native Load
	9,207.30		Half of Split Savings to LGE from KU
	<u>\$ 841,680.06</u>	<u>35,768,000</u>	
Internal Replacement	\$ 166,118.46	6,155,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 166,118.46</u>	<u>6,155,000</u>	
Total Purchases	<u>\$ 1,007,798.52</u>	<u>41,923,000</u>	
Sales			
Internal Economy	\$ 1,352,119.96	56,995,000	KU Fuel Cost - Sales to LGE Native Load
	11,042.95		Half of Split Savings
	<u>\$ 1,363,162.91</u>	<u>56,995,000</u>	
Internal Replacement	\$ 74,748.52	2,731,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	<u>\$ 74,748.52</u>	<u>2,731,000</u>	0 KU Generation for LGE IB
Total Sales	<u>\$ 1,437,911.43</u>	<u>59,726,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 1,352,119.96	56,995,000	KU Fuel Cost - Sales to LGE Native Load
	11,042.95		Half of Split Savings
	<u>\$ 1,363,162.91</u>	<u>56,995,000</u>	
Internal Replacement	\$ 74,748.52	2,731,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	<u>\$ 74,748.52</u>	<u>2,731,000</u>	0 KU Generation for LGE IB
Total Purchases	<u>\$ 1,437,911.43</u>	<u>59,726,000</u>	
Sales			
Internal Economy	\$ 832,472.76	35,768,000	Fuel for LGE Sale to KU for Native Load
	9,207.30		Half of Split Savings to LGE from KU
	<u>\$ 841,680.06</u>	<u>35,768,000</u>	
Internal Replacement	\$ 166,118.46	6,155,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 166,118.46</u>	<u>6,155,000</u>	
Total Sales	<u>\$ 1,007,798.52</u>	<u>41,923,000</u>	

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

Expense Month : September 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 259,417
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 194,563
4.	Current Month True-up	OSS Page 3	<u>\$ (278)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 194,285</u>
6.	Current Month S(m)	Form A Page 3	1,716,718,996
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00011

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

Expense Month : September 2016

Line No.

1.	Total OSS Revenues		\$	955,369
2.	Total OSS Expenses		\$	<u>695,952</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>259,417</u></u>

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

Expense Month : September 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00004)</u>
2.	KWH Billed at Above Rate		<u>1,682,562,510</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (67,303)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,919,723,010</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>243,220,792</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,676,502,218</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (67,060)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (243)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,716,718,996</u>
11.	Kentucky Jurisdictional Sales		<u>1,501,495,837</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14333916</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (278)</u>



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SEP 19 2016

PUBLIC SERVICE
COMMISSION

SEP 20 2016

Dr. Talina Mathews
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

September 19, 2016

Dear Dr. Mathews:

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 October 2016 billing cycle which begins September 29, 2016.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', is written over a horizontal line.

Derek Rahn

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : August 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00423) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00005</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00428)</u> / KWH

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

Effective Date for Billing: September 29, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : August 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$49,490,941}{2,004,584,737 \text{ KWH}} = (+) \$ 0.02469 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00423) / KWH

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

Effective Date for Billing: September 29, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : August 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$38,380,143	(1)
Oil Burned	(+)	237,266	(1)
Gas Burned	(+)	11,251,005	
Fuel (assigned cost during Forced Outage)	(+)	778,873	*
Fuel (substitute cost for Forced Outage)	(-)	648,576	*
SUB-TOTAL		<u>\$ 49,868,414</u>	
 (B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 684,658	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	426	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	231,040	
Internal Replacement	(+)	110,154	
SUB-TOTAL		<u>\$ 1,025,852</u>	
 (C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 473,598	
Internal Economy	(+)	1,477,298	
Internal Replacement	(+)	59,498	
Dollars Assigned to Inter-System Sales Losses	(+)	2,368	
SUB-TOTAL		<u>\$ 2,012,762</u>	
 (D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (609,437)</u>	
 TOTAL FUEL RECOVERY (A+B-C-D) =		 <u><u>\$ 49,490,941</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 =	\$9,539
Oil burned =	\$62

* 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 : August 2016

(A) Generation (Net)	(+)	2,124,325,000
Purchases including interchange-in	(+)	69,487,000
Internal Economy	(+)	9,070,000
Internal Replacement	(+)	4,299,000
SUB-TOTAL		<u>2,207,181,000</u>
(B) Inter-system Sales including interchange-out	(+)	17,097,000
Internal Economy	(+)	60,610,000
Internal Replacement	(+)	2,108,000
(*) System Losses	(+)	122,781,263
SUB-TOTAL		<u>202,596,263</u>
TOTAL SALES (A-B)		<u><u>2,004,584,737</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 : August 2016

12 Months to Date KWH Sources: 22,465,323,000 KWH
 12 MTD Overall System Losses: 1,249,702,963 KWH
 August 2016 KWH Sources: 2,207,181,000 KWH

$$1,249,702,963 / 22,465,323,000 = 5.562809\%$$

$$5.562809\% \times 2,207,181,000 = 122,781,263 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

192,102,231 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 58,935,200 Wholesale sales at Primary Voltage (WS-P)
 79,815,000 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:	192,102,231	2.153%	4,226,968	196,329,199
WS-P:	58,935,200	2.153% and 0.985%	1,895,982	60,831,182
IS-T:	79,815,000	0.5%	401,080	80,216,080

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

Expense Month : August 2016

1.	Last FAC Rate Billed		<u>(\$0 00347)</u>
2.	KWH Billed at Above Rate		<u>1,720,233,181</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,969,209)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,794,455,212</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>227,703,796</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,566,751,416</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (5,436,627)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (532,582)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,004,584,737</u>
11.	Kentucky Jurisdictional Sales		<u>1,751,789,067</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14430714</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (609,437)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
\$	227,902.48	9,070,000	Fuel for LGE Sale to KU for Native Load
	<u>3,137.45</u>		Half of Split Savings to LGE from KU
\$	<u>231,039.93</u>	<u>9,070,000</u>	
Internal Replacement			
\$	110,153.75	4,299,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
\$	<u>110,153.75</u>	<u>4,299,000</u>	
Total Purchases	\$ <u>341,193.68</u>	<u>13,369,000</u>	
Sales			
Internal Economy			
\$	1,471,476.07	60,610,000	KU Fuel Cost - Sales to LGE Native Load
	<u>5,822.38</u>		Half of Split Savings
\$	<u>1,477,298.45</u>	<u>60,610,000</u>	
Internal Replacement			
\$	59,497.86	2,108,000	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
\$	<u>59,497.86</u>	<u>2,108,000</u>	
Total Sales	\$ <u>1,536,796.31</u>	<u>62,718,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
\$	1,471,476.07	60,610,000	KU Fuel Cost - Sales to LGE Native Load
	<u>5,822.38</u>		Half of Split Savings
\$	<u>1,477,298.45</u>	<u>60,610,000</u>	
Internal Replacement			
\$	59,497.86	2,108,000	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
\$	<u>59,497.86</u>	<u>2,108,000</u>	
Total Purchases	\$ <u>1,536,796.31</u>	<u>62,718,000</u>	
Sales			
Internal Economy			
\$	227,902.48	9,070,000	Fuel for LGE Sale to KU for Native Load
	<u>3,137.45</u>		Half of Split Savings to LGE from KU
\$	<u>231,039.93</u>	<u>9,070,000</u>	
Internal Replacement			
\$	110,153.75	4,299,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
\$	<u>110,153.75</u>	<u>4,299,000</u>	
Total Sales	\$ <u>341,193.68</u>	<u>13,369,000</u>	

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

Expense Month : August 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 123,332
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 92,499
4.	Current Month True-up	OSS Page 3	<u>\$ (1,755)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 90,744</u></u>
6.	Current Month S(m)	Form A Page 3	2,004,584,737
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00005

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

Expense Month : August 2016

Line No.

1.	Total OSS Revenues		\$	758,410
2.	Total OSS Expenses		\$	<u>635,078</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>123,332</u></u>

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

Expense Month : August 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00001)</u>
2.	KWH Billed at Above Rate		<u>1,720,233,181</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (17,202)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,794,455,212</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>227,703,796</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,566,751,416</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (15,668)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (1,534)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>2,004,584,737</u>
11.	Kentucky Jurisdictional Sales		<u>1,751,789,067</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14430714</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (1,755)</u>



AUG 22 2016
FRANKFORT, KY

FA
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AUG 19 2016
PUBLIC SERVICE
COMMISSION

Dr. Talina Mathews
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
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Louisville, Kentucky 40232
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Derek Rahn
Manager - Revenue
Requirement
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derek.rahn@lge-ku.com

August 19, 2016

Dear Dr. Mathews:

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 September 2016 billing cycle which begins August 31, 2016.

The necessary supporting data to justify the billing factors 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 : July 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00252) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00004</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00256)</u> / KWH

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

Effective Date for Billing: August 31, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : July 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$50,678,254}{1,919,723,010 \text{ KWH}} = (+) \$ 0.02640 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00252) / KWH

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

Effective Date for Billing: August 31, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : July 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$34,910,720	(1)
Oil Burned	(+)	430,161	(1)
Gas Burned	(+)	13,123,300	
Fuel (assigned cost during Forced Outage)	(+)	8,173,770	
Fuel (substitute cost for Forced Outage)	(-)	8,741,036	
SUB-TOTAL		\$ 47,896,915	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 843,624	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	53,178	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,263,564	
Internal Replacement	(+)	51,050	
SUB-TOTAL		\$ 2,105,060	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 424,546	
Internal Economy	(+)	910,836	
Internal Replacement	(+)	260,049	
Dollars Assigned to Inter-System Sales Losses	(+)	2,123	
SUB-TOTAL		\$ 1,597,554	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (2,273,833)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 50,678,254	

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 =	\$4,783
Oil burned =	\$398

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : July 2016

(A) Generation (Net)	(+)	1,983,542,000
Purchases including interchange-in	(+)	64,198,000
Internal Economy	(+)	51,049,000
Internal Replacement	(+)	1,899,000
SUB-TOTAL		<u>2,100,688,000</u>
(B) Inter-system Sales including interchange-out	(+)	14,256,000
Internal Economy	(+)	37,610,000
Internal Replacement	(+)	9,019,000
(*) System Losses	(+)	120,079,990
SUB-TOTAL		<u>180,964,990</u>
TOTAL SALES (A-B)		<u><u>1,919,723,010</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 : July 2016

12 Months to Date KWH Sources: 22,326,254,000 KWH
 12 MTD Overall System Losses: 1,276,218,222 KWH
 July 2016 KWH Sources: 2,100,688,000 KWH

$$1,276,218,222 / 22,326,254,000 = 5.716222\%$$

$$5.716222\% \times 2,100,688,000 = 120,079,990 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

183,783,089 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 57,712,800 Wholesale sales at Primary Voltage (WS-P)
 60,885,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	183,783,089	2.153%	4,043,915	187,827,004
WS-P:	57,712,800	2.153% and 0.985%	1,856,657	59,569,457
IS-T:	60,885,000	0.5%	305,955	61,190,955

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

Expense Month : July 2016

1.	Last FAC Rate Billed		<u>(\$0.00643)</u>
2.	KWH Billed at Above Rate		<u>1,640,311,959</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (10,547,206)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,522,080,761</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,594,362</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,331,486,399</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (8,561,458)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,985,748)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,919,723,010</u>
11.	Kentucky Jurisdictional Sales		<u>1,676,502,218</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14507633</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (2,273,833)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 1,246,678.26	51,049,000	Fuel for LGE Sale to KU for Native Load
	16,885.63		Half of Split Savings to LGE from KU
	<u>\$ 1,263,563.89</u>	<u>51,049,000</u>	
Internal Replacement			
	\$ 51,049.59	1,899,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 51,049.59</u>	<u>1,899,000</u>	
Total Purchases	<u>\$ 1,314,613.48</u>	<u>52,948,000</u>	
Sales			
Internal Economy			
	\$ 905,936.39	37,610,000	KU Fuel Cost - Sales to LGE Native Load
	4,900.06		Half of Split Savings
	<u>\$ 910,836.45</u>	<u>37,610,000</u>	
Internal Replacement			
	\$ 260,048.51	9,019,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 260,048.51</u>	<u>9,019,000</u>	
Total Sales	<u>\$ 1,170,884.96</u>	<u>46,629,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 905,936.39	37,610,000	KU Fuel Cost - Sales to LGE Native Load
	4,900.06		Half of Split Savings
	<u>\$ 910,836.45</u>	<u>37,610,000</u>	
Internal Replacement			
	\$ 260,048.51	9,019,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 260,048.51</u>	<u>9,019,000</u>	
Total Purchases	<u>\$ 1,170,884.96</u>	<u>46,629,000</u>	
Sales			
Internal Economy			
	\$ 1,246,678.26	51,049,000	Fuel for LGE Sale to KU for Native Load
	16,885.63		Half of Split Savings to LGE from KU
	<u>\$ 1,263,563.89</u>	<u>51,049,000</u>	
Internal Replacement			
	\$ 51,049.59	1,899,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 51,049.59</u>	<u>1,899,000</u>	
Total Sales	<u>\$ 1,314,613.48</u>	<u>52,948,000</u>	

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

Expense Month : July 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 107,896
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 80,922
4.	Current Month True-up	OSS Page 3	<u>\$ (7,072)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 73,850</u></u>
6.	Current Month S(m)	Form A Page 3	1,919,723,010
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00004

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

Expense Month : July 2016

Line No.

1.	Total OSS Revenues		\$	886,011
2.	Total OSS Expenses		\$	<u>778,115</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>107,896</u>

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

Expense Month : July 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00002)</u>
2.	KWH Billed at Above Rate		<u>1,640,311,959</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (32,806)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,522,080,761</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,594,362</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,331,486,399</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (26,630)</u>
9.	(Over) or Under Amount	(Line 8 - Line 3)	<u>\$ (6,176)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,919,723,010</u>
11.	Kentucky Jurisdictional Sales		<u>1,676,502,218</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14507633</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (7,072)</u>



RECEIVED
JUL 25 2016
FINANCIAL ANA

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

RECEIVED
JUL 22 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 502-217-4002
derek.rahn@lge-ku.com

July 22, 2016

Dear Dr. Mathews:

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 August 2016 billing cycle which begins August 1, 2016.

After the April 2016 expense month filing was made, it was discovered that the Trimble County reported generation was not correct and the April expense month billing factor should have been (\$0.00607) vs. the (\$0.00603) that was filed. On page 5, line 7 is the corrected billing factor of (\$0.00607). The over/under credit on page 4 was reduced by approximately \$60,000 as a result of this correction.

The necessary supporting data to justify the billing factors 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 : June 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00347) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00001</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00348)</u> / KWH

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

Effective Date for Billing: August 1, 2016

Submitted by

Angela Leitch [DOA]

Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : June 2016

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$45,668,900}{1,794,455,212 \text{ KWH}} = (+) \$ 0.02545 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00347) / KWH

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

Effective Date for Billing: August 1, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : June 2016

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$32,123,072	(1)
Oil Burned	(+)	314,756	(1)
Gas Burned	(+)	12,477,427	
Fuel (assigned cost during Forced Outage)	(+)	8,187,949	
Fuel (substitute cost for Forced Outage)	(-)	9,306,851	
SUB-TOTAL		\$ 43,796,354	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 745,667	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	5,432	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,391,343	
Internal Replacement	(+)	19,782	
SUB-TOTAL		\$ 2,151,360	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 247,700	
Internal Economy	(+)	1,180,416	
Internal Replacement	(+)	113,338	
Dollars Assigned to Inter-System Sales Losses	(+)	1,239	
SUB-TOTAL		\$ 1,542,693	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (1,263,879)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 45,668,900	

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 = \$0
Oil burned = \$0

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : June 2016

(A) Generation (Net)	(+)	1,857,880,000
Purchases including interchange-in	(+)	47,526,000
Internal Economy	(+)	56,802,000
Internal Replacement	(+)	760,000
SUB-TOTAL		<u>1,962,968,000</u>

(B) Inter-system Sales including interchange-out	(+)	8,291,000
Internal Economy	(+)	44,877,000
Internal Replacement	(+)	3,945,000
(*) System Losses	(+)	111,399,788
SUB-TOTAL		<u>168,512,788</u>

TOTAL SALES (A-B) 1,794,455,212

(*) 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 : June 2016

12 Months to Date KWH Sources: 22,427,114,000 KWH
 12 MTD Overall System Losses: 1,272,754,132 KWH
 June 2016 KWH Sources: 1,962,968,000 KWH

$$1,272,754,132 / 22,427,114,000 = 5.675069\%$$

$$5.675069\% \times 1,962,968,000 = 111,399,788 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

171,432,142 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 54,728,000 Wholesale sales at Primary Voltage (WS-P)
 57,113,000 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:	171,432,142	2.153%	3,772,148	175,204,290
WS-P:	54,728,000	2.153% and 0.985%	1,760,634	56,488,634
IS-T:	57,113,000	0.5%	287,000	57,400,000

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

Expense Month : June 2016

1.	Last FAC Rate Billed	<u>(\$0.00603)</u>
2.	KWH Billed at Above Rate	<u>1,489,688,384</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (8,982,821)</u>
4.	KWH Used to Determine Last FAC Rate	<u>1,487,446,050</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>189,370,397</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,298,075,653</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)	<u>(\$0.00607)</u>
8.	Recoverable FAC Revenue/(Refund) (Line 7 x Line 6)	<u>\$ (7,879,319)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ (1,103,502)</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>1,794,455,212</u>
11.	Kentucky Jurisdictional Sales	<u>1,566,751,416</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.14533499</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ (1,263,879)</u>

Note 1: After the April expense month filing, it was discovered that the Trimble County Unit 2 generation data was not correct and the April expense month billing factor should have been (\$0.00607) vs. the (\$0.00603) shown on line 1. The over/under credit was reduced by approx. \$60,000 as a result of this correction.

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 1,384,483.09	56,802,000	Fuel for LGE Sale to KU for Native Load
	6,859.93		Half of Split Savings to LGE from KU
	<u>\$ 1,391,343.02</u>	<u>56,802,000</u>	
Internal Replacement	\$ 19,781.81	760,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 19,781.81</u>	<u>760,000</u>	
Total Purchases	<u>\$ 1,411,124.83</u>	<u>57,562,000</u>	
Sales			
Internal Economy	\$ 1,172,058.15	44,877,000	KU Fuel Cost - Sales to LGE Native Load
	8,357.36		Half of Split Savings
	<u>\$ 1,180,415.51</u>	<u>44,877,000</u>	
Internal Replacement	\$ 113,338.28	3,945,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 113,338.28</u>	<u>3,945,000</u>	
Total Sales	<u>\$ 1,293,753.79</u>	<u>48,822,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 1,172,058.15	44,877,000	KU Fuel Cost - Sales to LGE Native Load
	8,357.36		Half of Split Savings
	<u>\$ 1,180,415.51</u>	<u>44,877,000</u>	
Internal Replacement	\$ 113,338.28	3,945,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 113,338.28</u>	<u>3,945,000</u>	
Total Purchases	<u>\$ 1,293,753.79</u>	<u>48,822,000</u>	
Sales			
Internal Economy	\$ 1,384,483.09	56,802,000	Fuel for LGE Sale to KU for Native Load
	6,859.93		Half of Split Savings to LGE from KU
	<u>\$ 1,391,343.02</u>	<u>56,802,000</u>	
Internal Replacement	\$ 19,781.81	760,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 19,781.81</u>	<u>760,000</u>	
Total Sales	<u>\$ 1,411,124.83</u>	<u>57,562,000</u>	

Louisville Gas and Electric Company
 Kentucky Utilities Company
 Calculation of Revised Non-jurisdictional Ratio for April 2016

	Total	Partners	Losses Adjustment	Total Non-Juris. Generation	Non-Juris. Ratio	Non-juris. Expense	LGE	Partners	Losses Adjustment	Total Non-Juris.	Non-Juris. Ratio	Non-juris. Expense
AS REPORTED												
TC1 Generation	311,524,000						311,524,000	84,615,000	423,075	85,038,075	0.27297	1,945,822.22
TC1 Coal Expense	7,128,337					(2,514.54)	7,128,337	1,942,543				1,040.09
TC1 Oil Expense	3,810					(9,437.48)	3,810	1,038				
TC2 Generation	(3,939,000)	182,000	910	182,910	-0.06011		(714,000)	43,000	215	43,215	-0.06053	(593.98)
TC2 Coal Expense	51,645	41,832					9,813	2,290				(2,229.20)
TC2 Oil Expense	193,832	157,004					36,828	8,596				
Total TC Generation	307,585,000	182,000	910	182,910	-0.06011	(2,514.54)	310,810,000	84,658,000	423,290	85,081,290	0.27374	1,945,228.24
Total TC Coal Expense	7,179,982	-41,832				(9,437.48)	7,138,150	1,944,834				(1,189.11)
Total TC Oil Expense	197,642	157,004				(11,952.02)	40,638	9,634				1,944,039.13
AS CORRECTED												
TC1 Generation	311,524,000						311,524,000	84,615,000	423,075	85,038,075	0.27297	1,945,822.22
TC1 Coal Expense	7,128,337				0		7,128,337	1,942,543				1,040.09
TC1 Oil Expense	3,810						3,810	1,038				
TC2 Generation	964,000	182,000	910	182,910	0.2342		183,000	43,000	215	43,215	0.23615	2,317.34
TC2 Coal Expense	51,645	41,832					9,813	2,290				8,696.93
TC2 Oil Expense	193,832	157,004					36,828	8,596				
Total TC Generation	312,488,000	182,000	910	182,910	0.2342		311,707,000	84,658,000	423,290	85,081,290	0.27295	1,948,139.55
Total TC Coal Expense	7,179,982	41,832					7,138,150	1,944,834				9,737.02
Total TC Oil Expense	197,642	157,004					40,638	9,634				1,957,876.57
												13,837.44

Change in Non-jurisdictional Expense
 Increase in non-juris fuel expense is decrease in FAC expense.

KU April expense month, as filed	
Fuel expense	\$ 34,050,300
kWh	1,487,446,050
Factor	
Base	\$ 0.02289
	<u>\$ 0.02892</u>
	<u><u>\$(0.00603)</u></u>
KU April expense month, revised factor	
Fuel expense	\$ 33,991,781
kWh	1,487,446,050
Factor	
Base	\$ 0.02285
	<u>\$ 0.02892</u>
	<u><u>\$(0.00607)</u></u>

LGE April expense month, as filed	
Fuel expense	\$ 20,354,604
kWh	838,490,501
Factor	
Base	\$ 0.02428
	<u>\$ 0.02725</u>
	<u><u>\$(0.00297)</u></u>
LGE April expense month, revised factor	
Fuel expense	\$ 20,340,767
kWh	838,490,501
Factor	
Base	\$ 0.02426
	<u>\$ 0.02725</u>
	<u><u>\$(0.00299)</u></u>

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

Expense Month : June 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 23,045
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 17,284
4.	Current Month True-up	OSS Page 3	<u>\$ (4,389)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 12,895</u>
6.	Current Month S(m)	Form A Page 3	1,794,455,212
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00001

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

Expense Month : June 2016

Line No.

1.	Total OSS Revenues		\$	447,582
2.	Total OSS Expenses		\$	<u>424,537</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>23,045</u></u>

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)

FA

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PUBLIC SERVICE
COMMISSION



a PPL company

JUN 20 2016

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

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>(0.00645)</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
	-	0	KU Generation for LGE IB
	<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			
	\$ 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 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.	Description	Formula	Amount
1.	Last OSS Adjustment Factor Billed		\$ -
2.	KWH Billed at Above Rate		1,258,057,710
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ -
4.	KWH Used to Determine Last OSS Adjustment Factor		1,574,190,768
5.	Non-Jurisdictional KWH (Included in Line 4)		207,558,376
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,366,632,392
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		\$0.00000
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)		1,522,080,761
11.	Kentucky Jurisdictional Sales		1,331,486,399
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	1.14314405
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ -

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MAY 20 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
F 502-217-4002
derek.rahn@lge-ku.com

May 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 June 2016 billing cycle which begins May 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 : 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		\$ 32,635,617	
 <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		\$ 3,638,943	
 <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		\$ 979,541	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 1,244,719	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 34,050,300	

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 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

Purchases		KWH	
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

Purchases		KWH	
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
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Derek Rahn
Manager - Revenue
Requirement
T 502-627-4127
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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>



a PPL company

RECEIVED
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

RECEIVED
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		\$ (0.00006)
2.	KWH Billed at Above Rate		<u>1,643,022,266</u>
3.	OSS Adjustment Credit	(Line 1 x Line 2)	\$ (98,581)
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)	\$ (83,773)
9.	(Over) or Under Credited Amount	(Line 8 - Line 3)	\$ (14,808)
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)	\$ (17,101)



RECEIVED
FEB 22 2016
FINANCIAL ANA

FA
RECEIVED
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
F 502-627-3213
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

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : January 2016

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00187) / 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>(0.00186) / KWH</u>

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

Effective Date for Billing: March 1, 2016

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : January 2016

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$55,931,484 & \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & 2,067,875,559 \text{ KWH} & = (+) \$ 0.02705 / \text{KWH} \end{array}$$

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

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00187) / \text{KWH}}}$$

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

Effective Date for Billing: March 1, 2016

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : January 2016

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$33,603,794	(1)
Oil Burned	(+)	415,898	(1)
Gas Burned	(+)	13,865,751	
Fuel (assigned cost during Forced Outage)	(+)	663,194	
Fuel (substitute cost for Forced Outage)	(-)	758,939	
SUB-TOTAL		<u>\$ 47,789,698</u>	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 699,070	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	734	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	4,439,332	
Internal Replacement	(+)	52	
SUB-TOTAL		<u>\$ 5,137,720</u>	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 17,066	
Internal Economy	(+)	8,740	
Internal Replacement	(+)	184,385	
Dollars Assigned to Inter-System Sales Losses	(+)	85	
SUB-TOTAL		<u>\$ 210,276</u>	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (3,214,342)</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 55,931,484</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 = \$11,680
Oil burned = \$37

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : January 2016

(A) Generation (Net)	(+)	1,943,889,000
Purchases including interchange-in	(+)	73,006,000
Internal Economy	(+)	187,202,000
Internal Replacement	(+)	2,000
SUB-TOTAL		<u>2,204,099,000</u>

(B) Inter-system Sales including interchange-out	(+)	827,000
Internal Economy	(+)	388,000
Internal Replacement	(+)	7,253,000
(*) System Losses	(+)	127,755,441
SUB-TOTAL		<u>136,223,441</u>

TOTAL SALES (A-B) 2,067,875,559

(*) 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 2016

12 Months to Date KWH Sources: 23,100,925,000 KWH
 12 MTD Overall System Losses: 1,338,991,165 KWH
 January 2016 KWH Sources: 2,204,099,000 KWH

$$1,338,991,165 / 23,100,925,000 = 5.796266\%$$

$$5.796266\% \times 2,204,099,000 = 127,755,441 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

229,320,054 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 49,003,600 Wholesale sales at Primary Voltage (WS-P)
 8,468,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	229,320,054	2.153%	5,045,899	234,365,953
WS-P:	49,003,600	2.153% and 0.985%	1,576,476	50,580,076
IS-T:	8,468,000	0.5%	42,553	8,510,553

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

Expense Month : January 2016

1.	Last FAC Rate Billed		<u>(\$0.00582)</u>
2.	KWH Billed at Above Rate		<u>1,796,707,153</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (10,456,836)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,516,414,383</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>197,128,425</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,319,285,958</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>\$ (7,678,244)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (2,778,592)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,067,875,559</u>
11.	Kentucky Jurisdictional Sales		<u>1,787,545,359</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.1568241</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (3,214,342)</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month : January 2016

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 4,429,321.60	187,202,000	Fuel for LGE Sale to KU for Native Load
	10,010.09		Half of Split Savings to LGE from KU
	<u>\$ 4,439,331.69</u>	<u>187,202,000</u>	
Internal Replacement	\$ 52.22	2,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 52.22</u>	<u>2,000</u>	
Total Purchases	<u>\$ 4,439,383.91</u>	<u>187,204,000</u>	
Sales			
Internal Economy	\$ 8,736.11	388,000	KU Fuel Cost - Sales to LGE Native Load
	4.21		Half of Split Savings
	<u>\$ 8,740.32</u>	<u>388,000</u>	
Internal Replacement	\$ 184,385.34	7,253,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 184,385.34</u>	<u>7,253,000</u>	
Total Sales	<u>\$ 193,125.66</u>	<u>7,641,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 8,736.11	388,000	KU Fuel Cost - Sales to LGE Native Load
	4.21		Half of Split Savings
	<u>\$ 8,740.32</u>	<u>388,000</u>	
Internal Replacement	\$ 184,385.34	7,253,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 184,385.34</u>	<u>7,253,000</u>	
Total Purchases	<u>\$ 193,125.66</u>	<u>7,641,000</u>	
Sales			
Internal Economy	\$ 4,429,321.60	187,202,000	Fuel for LGE Sale to KU for Native Load
	10,010.09		Half of Split Savings to LGE from KU
	<u>\$ 4,439,331.69</u>	<u>187,202,000</u>	
Internal Replacement	\$ 52.22	2,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 52.22</u>	<u>2,000</u>	
Total Sales	<u>\$ 4,439,383.91</u>	<u>187,204,000</u>	

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

Expense Month : January 2016

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	5,310
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	3,983
4.	Current Month True-up	OSS Page 3	\$	<u>(22,092)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>(18,109)</u></u>
6.	Current Month S(m)	Form A Page 3		2,067,875,559
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$	(0.00001)

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

Expense Month : January 2016

Line No.

1.	Total OSS Revenues		\$	223,333
2.	Total OSS Expenses		\$	<u>218,023</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>5,310</u></u>

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

Expense Month : January 2016

Line No.			
1.	Last OSS Adjustment Factor Billed		\$ <u>(0.00004)</u>
2.	KWH Billed at Above Rate		<u>1,796,707,153</u>
3.	OSS Adjustment Credit	(Line 1 x Line 2)	\$ <u>(71,868)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,516,414,383</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>197,128,425</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,319,285,958</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>(52,771)</u>
9.	(Over) or Under Credited Amount	(Line 8 - Line 3)	\$ <u>(19,097)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>2,067,875,559</u>
11.	Kentucky Jurisdictional Sales		<u>1,787,545,359</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.1568241</u>
13.	Total Company (Over) or Under Credited Amount	(Line 9 x Line 12)	\$ <u>(22,092)</u>