

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : April 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00488) / 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><u>(0.00492)</u></u> / KWH

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

Effective Date for Billing: June 1, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : April 2017

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 35,041,538 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,457,734,261 \text{ KWH} \end{array} = (+) \$ \quad 0.02404 \text{ / KWH}$$

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

FAC Factor (1) = \$ (0.00488) / KWH

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

Effective Date for Billing: June 1, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : April 2017

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$24,720,108	(1)
Oil Burned	(+)	252,356	(1)
Gas Burned	(+)	10,405,516	
Fuel (assigned cost during Forced Outage)	(+)	1,872,741	
Fuel (substitute cost for Forced Outage)	(-)	2,141,186	
SUB-TOTAL		<u>\$ 35,109,535</u>	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+) \$	493,131	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	8,508	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	899,010	
Internal Replacement	(+)	40,372	
SUB-TOTAL		<u>\$ 1,424,005</u>	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+) \$	312,562	
Internal Economy	(+)	977,365	
Internal Replacement	(+)	88,158	
Dollars Assigned to Inter-System Sales Losses	(+)	1,563	
SUB-TOTAL		<u>\$ 1,379,648</u>	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ 112,354</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 35,041,538</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 = \$4,622
Oil burned = \$0

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : April 2017

(A) Generation (Net)	(+)	1,515,709,000
Purchases including interchange-in	(+)	53,354,000
Internal Economy	(+)	38,237,000
Internal Replacement	(+)	1,624,000
SUB-TOTAL		<u>1,608,924,000</u>
(B) Inter-system Sales including interchange-out	(+)	12,982,000
Internal Economy	(+)	42,572,000
Internal Replacement	(+)	3,871,000
(*) System Losses	(+)	91,764,739
SUB-TOTAL		<u>151,189,739</u>
TOTAL SALES (A-B)		<u><u>1,457,734,261</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 : April 2017

12 Months to Date KWH Sources: 22,342,102,000 KWH
 12 MTD Overall System Losses: 1,274,278,379 KWH
 April 2017 KWH Sources: 1,608,924,000 KWH

$$1,274,278,379 / 22,342,102,000 = 5.703485\%$$

$$5.703485\% \times 1,608,924,000 = 91,764,739 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

139,541,087 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 40,337,600 Wholesale sales at Primary Voltage (WS-P)
 59,425,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	139,541,087	2.153%	3,070,426	142,611,513
WS-P:	40,337,600	2.153% and 0.985%	1,297,686	41,635,286
IS-T:	59,425,000	0.500%	298,618	59,723,618

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

Expense Month : April 2017

1.	Last FAC Rate Billed		<u>(\$0.00426)</u>
2.	KWH Billed at Above Rate		<u>1,315,700,783</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,604,885)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,540,565,205</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>201,768,431</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,338,796,774</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>\$ (5,703,274)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 98,389</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,457,734,261</u>
11.	Kentucky Jurisdictional Sales		<u>1,276,550,437</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14193237</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 112,354</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month : April 2017

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
\$	896,165.82	38,237,000	Fuel for LGE Sale to KU for Native Load
	<u>2,844.14</u>		Half of Split Savings to LGE from KU
\$	<u>899,009.96</u>	<u>38,237,000</u>	
Internal Replacement			
\$	40,372.24	1,624,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
\$	<u>40,372.24</u>	<u>1,624,000</u>	
Total Purchases	<u><u>\$ 939,382.20</u></u>	<u><u>39,861,000</u></u>	
Sales			
Internal Economy			
\$	974,605.11	42,572,000	KU Fuel Cost - Sales to LGE Native Load
	<u>2,760.05</u>		Half of Split Savings
\$	<u>977,365.16</u>	<u>42,572,000</u>	
Internal Replacement			
\$	88,158.07	3,871,000	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>88,158.07</u>	<u>3,871,000</u>	
Total Sales	<u><u>\$ 1,065,523.23</u></u>	<u><u>46,443,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
\$	974,605.11	42,572,000	KU Fuel Cost - Sales to LGE Native Load
	<u>2,760.05</u>		Half of Split Savings
\$	<u>977,365.16</u>	<u>42,572,000</u>	
Internal Replacement			
\$	88,158.07	3,871,000	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>88,158.07</u>	<u>3,871,000</u>	
Total Purchases	<u><u>\$ 1,065,523.23</u></u>	<u><u>46,443,000</u></u>	
Sales			
Internal Economy			
\$	896,165.82	38,237,000	Fuel for LGE Sale to KU for Native Load
	<u>2,844.14</u>		Half of Split Savings to LGE from KU
\$	<u>899,009.96</u>	<u>38,237,000</u>	
Internal Replacement			
\$	40,372.24	1,624,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
\$	<u>40,372.24</u>	<u>1,624,000</u>	
Total Sales	<u><u>\$ 939,382.20</u></u>	<u><u>39,861,000</u></u>	

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : March 2017

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 5,308,683.57	239,774,000	Fuel for LGE Sale to KU for Native Load
	49,912.83		Half of Split Savings to LGE from KU
	<u>\$ 5,358,596.40</u>	<u>239,774,000</u>	
Internal Replacement	\$ 1,502.13	65,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 1,502.13</u>	<u>65,000</u>	
Total Purchases	<u>\$ 5,360,098.53</u>	<u>239,839,000</u>	
Sales			
Internal Economy	\$ 1,405.38	65,000	KU Fuel Cost - Sales to LGE Native Load
	48.38		Half of Split Savings
	<u>\$ 1,453.76</u>	<u>65,000</u>	
Internal Replacement	\$ 718,106.10	29,344,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 718,106.10</u>	<u>29,344,000</u>	
Total Sales	<u>\$ 719,559.86</u>	<u>29,409,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 1,405.38	65,000	KU Fuel Cost - Sales to LGE Native Load
	48.38		Half of Split Savings
	<u>\$ 1,453.76</u>	<u>65,000</u>	
Internal Replacement	\$ 718,106.10	29,344,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 718,106.10</u>	<u>29,344,000</u>	
Total Purchases	<u>\$ 719,559.86</u>	<u>29,409,000</u>	
Sales			
Internal Economy	\$ 5,308,683.57	239,774,000	Fuel for LGE Sale to KU for Native Load
	49,912.83		Half of Split Savings to LGE from KU
	<u>\$ 5,358,596.40</u>	<u>239,774,000</u>	
Internal Replacement	\$ 1,502.13	65,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 1,502.13</u>	<u>65,000</u>	
Total Sales	<u>\$ 5,360,098.53</u>	<u>239,839,000</u>	

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

Expense Month : March 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 36,299
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 27,224
4.	Current Month True-up	OSS Page 3	<u>\$ 4,875</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 32,099</u></u>
6.	Current Month S(m)	Form A Page 3	1,666,297,455
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00002

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

Expense Month : March 2017

Line No.

1.	Total OSS Revenues		\$	804,854
2.	Total OSS Expenses		\$	<u>768,555</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>36,299</u></u>

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

Expense Month : March 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00002)</u>
2.	KWH Billed at Above Rate		<u>1,404,369,874</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (28,087)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,856,586,183</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>240,199,485</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,616,386,698</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>\$ (32,328)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 4,241</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,666,297,455</u>
11.	Kentucky Jurisdictional Sales		<u>1,449,674,716</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14942851</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 4,875</u>

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MAR 20 2017

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
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Louisville, Kentucky 40232
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Derek Rahn
Manager - Revenue
Requirement
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Dr. Talina Mathews
Executive Director
Public Service Commission of Kentucky
Attention: Ms. Chris Whelan
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

March 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 April 2017 billing cycle which begins March 30, 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

MAR 20 2017

Enclosure

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : February 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00426) / 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> (0.00426)</u> / KWH

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

Effective Date for Billing: March 30, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : February 2017

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$ & 37,997,253 \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & & 1,540,565,205 \text{ KWH} \end{array} = (+) \$ 0.02466 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00426) / KWH

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

Effective Date for Billing: March 30, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : February 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$25,071,554	(1)
Oil Burned	(+)	279,177	(1)
Gas Burned	(+)	7,316,041	
Fuel (assigned cost during Forced Outage)	(+)	2,474,241	
Fuel (substitute cost for Forced Outage)	(-)	2,760,244	
SUB-TOTAL		\$ 32,380,769	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+) \$	573,856	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	50,161	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,844,415	
Internal Replacement	(+)	-	
SUB-TOTAL		\$ 6,368,110	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+) \$	-	
Internal Economy	(+)	-	
Internal Replacement	(+)	59,383	
Dollars Assigned to Inter-System Sales Losses	(+)	-	
SUB-TOTAL		\$ 59,383	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 692,243	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 37,997,253	

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 = \$5,938
Oil burned = \$112

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : February 2017

(A) Generation (Net)	(+)	1,317,602,000
Purchases including interchange-in	(+)	55,115,000
Internal Economy	(+)	264,421,000
Internal Replacement	(+)	-
SUB-TOTAL		<u>1,637,138,000</u>

(B) Inter-system Sales including interchange-out	(+)	153,000
Internal Economy	(+)	-
Internal Replacement	(+)	2,539,000
(*) System Losses	(+)	93,880,795
SUB-TOTAL		<u>96,572,795</u>

TOTAL SALES (A-B) 1,540,565,205

(*) 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 : February 2017

12 Months to Date KWH Sources: 22,288,188,000 KWH
 12 MTD Overall System Losses: 1,278,104,112 KWH
 February 2017 KWH Sources: 1,637,138,000 KWH

$$1,278,104,112 / 22,288,188,000 = 5.734446\%$$

$$5.734446\% \times 1,637,138,000 = 93,880,795 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

161,022,557 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 38,930,000 Wholesale sales at Primary Voltage (WS-P)
 2,692,000 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:	161,022,557	2.153%	3,543,099	164,565,656
WS-P:	38,930,000	2.153% and 0.985%	1,252,402	40,182,402
IS-T:	2,692,000	0.500%	13,528	2,705,528

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

Expense Month : February 2017

1.	Last FAC Rate Billed		<u>(\$0.00353)</u>
2.	KWH Billed at Above Rate		<u>1,455,202,441</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,136,865)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,873,070,228</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>247,448,494</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,625,621,734</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>\$ (5,738,445)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 601,580</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,540,565,205</u>
11.	Kentucky Jurisdictional Sales		<u>1,338,796,774</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15070878</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 692,243</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : February 2017

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 5,834,483.83	264,421,000	Fuel for LGE Sale to KU for Native Load
	9,931.00		Half of Split Savings to LGE from KU
	<u>\$ 5,844,414.83</u>	<u>264,421,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Purchases	<u>\$ 5,844,414.83</u>	<u>264,421,000</u>	
Sales			
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 59,383.23	2,539,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 59,383.23</u>	<u>2,539,000</u>	
Total Sales	<u>\$ 59,383.23</u>	<u>2,539,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 59,383.23	2,539,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 59,383.23</u>	<u>2,539,000</u>	
Total Purchases	<u>\$ 59,383.23</u>	<u>2,539,000</u>	
Sales			
Internal Economy	\$ 5,834,483.83	264,421,000	Fuel for LGE Sale to KU for Native Load
	9,931.00		Half of Split Savings to LGE from KU
	<u>\$ 5,844,414.83</u>	<u>264,421,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ -</u>	<u>0</u>	
Total Sales	<u>\$ 5,844,414.83</u>	<u>264,421,000</u>	

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

Expense Month : February 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ (305)
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ (229)
4.	Current Month True-up	OSS Page 3	<u>\$ 5,884</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 5,655</u></u>
6.	Current Month S(m)	Form A Page 3	1,540,565,205
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00000

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

Expense Month : February 2017

Line No.

1.	Total OSS Revenues		\$	60,815
2.	Total OSS Expenses		\$	<u>61,120</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>(305)</u>

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

Expense Month : February 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00003)</u>
2.	KWH Billed at Above Rate		<u>1,455,202,441</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (43,656)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,873,070,228</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>247,448,494</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,625,621,734</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>\$ (48,769)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 5,113</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,540,565,205</u>
11.	Kentucky Jurisdictional Sales		<u>1,338,796,774</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15070878</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 5,884</u>



a PPL company

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FEB 17 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

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

February 17, 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 March 2017 billing cycle which begins March 1, 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 : January 2017

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>0.00002</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00189)</u></u> / KWH

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

Effective Date for Billing: March 1, 2017

Submitted by

Douglas A. Leitchy [DCA]

Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : January 2017

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$ & 50,229,763 \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & & 1,856,586,183 \text{ KWH} \end{array} = (+) \$ 0.02705 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00187) / KWH

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

Effective Date for Billing: March 1, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : January 2017

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$31,308,355	(1)
Oil Burned	(+)	356,822	(1)
Gas Burned	(+)	10,191,431	
Fuel (assigned cost during Forced Outage)	(+)	740,843	
Fuel (substitute cost for Forced Outage)	(-)	774,503	
SUB-TOTAL		<u>\$ 41,822,948</u>	
 <u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 779,057	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	571	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	6,049,122	
Internal Replacement	(+)	6,593	
SUB-TOTAL		<u>\$ 6,834,201</u>	
 <u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 186,294	
Internal Economy	(+)	7,964	
Internal Replacement	(+)	856,000	
Dollars Assigned to Inter-System Sales Losses	(+)	931	
SUB-TOTAL		<u>\$ 1,051,189</u>	
 <u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (2,623,803)</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u>\$ 50,229,763</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 =	\$9,343
Oil burned =	\$116

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : January 2017

(A) Generation (Net)	(+)	1,672,158,000
Purchases including interchange-in	(+)	68,811,000
Internal Economy	(+)	270,022,000
Internal Replacement	(+)	279,000
SUB-TOTAL		<u>2,011,270,000</u>
(B) Inter-system Sales including interchange-out	(+)	7,006,000
Internal Economy	(+)	339,000
Internal Replacement	(+)	34,362,000
(*) System Losses	(+)	112,976,817
SUB-TOTAL		<u>154,683,817</u>
TOTAL SALES (A-B)		<u><u>1,856,586,183</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 : January 2017

12 Months to Date KWH Sources: 22,564,285,000 KWH
 12 MTD Overall System Losses: 1,267,478,201 KWH
 January 2017 KWH Sources: 2,011,270,000 KWH

$$1,267,478,201 / 22,564,285,000 = 5.617188\%$$

$$5.617188\% \times 2,011,270,000 = 112,976,817 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

192,098,241 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 45,974,400 Wholesale sales at Primary Voltage (WS-P)
 41,707,000 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:	192,098,241	2.153%	4,226,880	196,325,121
WS-P:	45,974,400	2.153% and 0.985%	1,479,025	47,453,425
IS-T:	41,707,000	0.500%	209,583	41,916,583

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

Expense Month : January 2017

1.	Last FAC Rate Billed		<u>(\$0.00639)</u>
2.	KWH Billed at Above Rate		<u>1,686,608,500</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (10,777,428)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,526,796,293</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>197,675,049</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,329,121,244</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>\$ (8,493,085)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (2,284,343)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,856,586,183</u>
11.	Kentucky Jurisdictional Sales		<u>1,616,386,698</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14860274</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (2,623,803)</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : January 2017

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 5,998,728.13	270,022,000	Fuel for LGE Sale to KU for Native Load
	50,394.20		Half of Split Savings to LGE from KU
	<u>\$ 6,049,122.33</u>	<u>270,022,000</u>	
Internal Replacement	\$ 6,592.91	279,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 6,592.91</u>	<u>279,000</u>	
Total Purchases	<u>\$ 6,055,715.24</u>	<u>270,301,000</u>	
Sales		KWH	
Internal Economy	\$ 7,770.97	339,000	KU Fuel Cost - Sales to LGE Native Load
	192.98		Half of Split Savings
	<u>\$ 7,963.95</u>	<u>339,000</u>	
Internal Replacement	\$ 855,999.55	34,362,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 855,999.55</u>	<u>34,362,000</u>	
Total Sales	<u>\$ 863,963.50</u>	<u>34,701,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 7,770.97	339,000	KU Fuel Cost - Sales to LGE Native Load
	192.98		Half of Split Savings
	<u>\$ 7,963.95</u>	<u>339,000</u>	
Internal Replacement	\$ 855,999.55	34,362,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 855,999.55</u>	<u>34,362,000</u>	
Total Purchases	<u>\$ 863,963.50</u>	<u>34,701,000</u>	
Sales		KWH	
Internal Economy	\$ 5,998,728.13	270,022,000	Fuel for LGE Sale to KU for Native Load
	50,394.20		Half of Split Savings to LGE from KU
	<u>\$ 6,049,122.33</u>	<u>270,022,000</u>	
Internal Replacement	\$ 6,592.91	279,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 6,592.91</u>	<u>279,000</u>	
Total Sales	<u>\$ 6,055,715.24</u>	<u>270,301,000</u>	

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

Expense Month : January 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 82,599
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 61,949
4.	Current Month True-up	OSS Page 3	<u>\$ (20,530)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 41,419</u>
6.	Current Month S(m)	Form A Page 3	1,856,586,183
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00002

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

Expense Month : January 2017

Line No.

1.	Total OSS Revenues		\$	1,176,862
2.	Total OSS Expenses		\$	<u>1,094,263</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>82,599</u></u>