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a PPL company

Ms. Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED

JAN 19 2018

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 19, 2018

Dear Ms. Pinson:

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 2018 billing cycle which begins January 30, 2018.

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

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : December 2017

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$ (0.00157) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ _____ - / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00157)</u> / KWH

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

Effective Date for Billing: January 30, 2018

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : December 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 46,627,544}{\text{Sales "Sm" (Sales Schedule)} \quad 1,901,836,603 \text{ KWH}} = (+) \$ \quad 0.02452 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00157) / KWH}}$$

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

Effective Date for Billing: January 30, 2018

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : December 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$28,747,630	(1)
Oil Burned	(+)	236,379	(1)
Gas Burned	(+)	11,968,834	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,916,434	
Fuel (substitute cost for Forced Outage)	(-)	1,979,312	
SUB-TOTAL		\$ 40,889,965	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 609,071	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	3,243	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,094,328	
Internal Replacement	(+)	20	
SUB-TOTAL		\$ 5,700,176	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 8,045	
Internal Economy	(+)	26,997	
Internal Replacement	(+)	291,466	
Dollars Assigned to Inter-System Sales Losses	(+)	40	
SUB-TOTAL		\$ 326,548	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (363,951)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 46,627,544	

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 =	\$7,102
Oil burned =	\$0
Gas burned =	\$235

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : December 2017

(A) Generation (Net)	(+)	1,731,188,000
Purchases including interchange-in	(+)	65,151,000
Internal Economy	(+)	235,488,000
Internal Replacement	(+)	1,000
SUB-TOTAL		<u>2,031,828,000</u>
(B) Inter-system Sales including interchange-out	(+)	390,000
Internal Economy	(+)	1,353,000
Internal Replacement	(+)	11,031,000
(*) System Losses	(+)	<u>117,217,397</u>
SUB-TOTAL		<u>129,991,397</u>
TOTAL SALES (A-B)		<u><u>1,901,836,603</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 2017

12 Months to Date KWH Sources: 21,770,685,000 KWH
 12 MTD Overall System Losses: 1,255,964,180 KWH
 December 2017 KWH Sources: 2,031,828,000 KWH

$$1,255,964,180 / 21,770,685,000 = 5.769061\%$$

$$5.769061\% \times 2,031,828,000 = 117,217,397 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

199,050,673 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 45,472,800 Wholesale sales at Primary Voltage (WS-P)
 12,774,000 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:	199,050,673	2.153%	4,379,859	203,430,532
WS-P:	45,472,800	2.153% and 0.985%	1,462,888	46,935,688
IS-T:	12,774,000	0.500%	64,191	12,838,191

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

Expense Month : December 2017

1.	Last FAC Rate Billed		<u>(\$0.00238)</u>
2.	KWH Billed at Above Rate		<u>1,476,151,101</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,513,240)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,533,048,728</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,028,746</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,343,019,982</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>\$ (3,196,388)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (316,852)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,901,836,603</u>
11.	Kentucky Jurisdictional Sales		<u>1,655,720,422</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14864598</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (363,951)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
\$	5,060,352.35	235,488,000	Fuel for LGE Sale to KU for Native Load
	33,975.67		Half of Split Savings to LGE from KU
\$	<u>5,094,328.02</u>	<u>235,488,000</u>	
Internal Replacement			
\$	20.40	1,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>20.40</u>	<u>1,000</u>	
Total Purchases	\$ <u><u>5,094,348.42</u></u>	<u><u>235,489,000</u></u>	
Sales			
Internal Economy			
\$	26,982.68	1,353,000	KU Fuel Cost - Sales to LGE Native Load
	14.77		Half of Split Savings
\$	<u>26,997.45</u>	<u>1,353,000</u>	
Internal Replacement			
\$	291,466.44	11,031,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>291,466.44</u>	<u>11,031,000</u>	
Total Sales	\$ <u><u>318,463.89</u></u>	<u><u>12,384,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
\$	26,982.68	1,353,000	KU Fuel Cost - Sales to LGE Native Load
	14.77		Half of Split Savings
\$	<u>26,997.45</u>	<u>1,353,000</u>	
Internal Replacement			
\$	291,466.44	11,031,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>291,466.44</u>	<u>11,031,000</u>	
Total Purchases	\$ <u><u>318,463.89</u></u>	<u><u>12,384,000</u></u>	
Sales			
Internal Economy			
\$	5,060,352.35	235,488,000	Fuel for LGE Sale to KU for Native Load
	33,975.67		Half of Split Savings to LGE from KU
\$	<u>5,094,328.02</u>	<u>235,488,000</u>	
Internal Replacement			
\$	20.40	1,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>20.40</u>	<u>1,000</u>	
Total Sales	\$ <u><u>5,094,348.42</u></u>	<u><u>235,489,000</u></u>	

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

Expense Month : December 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 6,930
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 5,198
4.	Current Month True-up	OSS Page 3	<u>\$ (6,117)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ (919)</u></u>
6.	Current Month S(m)	Form A Page 3	1,901,836,603
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00000

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

Expense Month : December 2017

Line No.

1.	Total OSS Revenues		\$	315,562
2.	Total OSS Expenses		\$	<u>308,632</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>6,930</u>

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

Expense Month : December 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00004)</u>
2.	KWH Billed at Above Rate		<u>1,476,151,101</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (59,046)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,533,048,728</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,028,746</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,343,019,982</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>\$ (53,721)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (5,325)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,901,836,603</u>
11.	Kentucky Jurisdictional Sales		<u>1,655,720,422</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14864598</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (6,117)</u>



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December 19, 2017

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PUBLIC SERVICE
 COMMISSION

Dear Ms. Pinson:

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 2018 billing cycle which begins December 29, 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

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : November 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00114) / 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><u>(0.00115)</u></u> / KWH

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

Effective Date for Billing: December 29, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : November 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 39,377,582}{\text{Sales "Sm" (Sales Schedule)} \quad 1,578,386,440 \text{ KWH}} = (+) \$ \quad 0.02495 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00114) / KWH}}$$

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

Effective Date for Billing: December 29, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : November 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$30,916,061	(1)
Oil Burned	(+)	270,114	(1)
Gas Burned	(+)	9,512,763	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,777,155	
Fuel (substitute cost for Forced Outage)	(-)	1,837,094	
SUB-TOTAL		\$ 40,638,999	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 741,579	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	17,788	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	311,900	
Internal Replacement	(+)	41,054	
SUB-TOTAL		\$ 1,076,745	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 175,619	
Internal Economy	(+)	1,920,704	
Internal Replacement	(+)	9,514	
Dollars Assigned to Inter-System Sales Losses	(+)	878	
SUB-TOTAL		\$ 2,106,715	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 231,447	
 TOTAL FUEL RECOVERY (A+B-C-D) =		 \$ 39,377,582	

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 =	\$9,683
Oil burned =	\$0
Gas burned =	\$72

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : November 2017

(A) Generation (Net)	(+)	1,694,095,000
Purchases including interchange-in	(+)	70,363,000
Internal Economy	(+)	12,631,000
Internal Replacement	(+)	1,894,000
SUB-TOTAL		<u>1,778,983,000</u>
(B) Inter-system Sales including interchange-out	(+)	6,966,000
Internal Economy	(+)	91,433,000
Internal Replacement	(+)	350,000
(*) System Losses	(+)	101,847,560
SUB-TOTAL		<u>200,596,560</u>
TOTAL SALES (A-B)		<u><u>1,578,386,440</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 : November 2017

12 Months to Date KWH Sources: 21,763,681,000 KWH
 12 MTD Overall System Losses: 1,245,980,324 KWH
 November 2017 KWH Sources: 1,778,983,000 KWH

$$1,245,980,324 / 21,763,681,000 = 5.725044\%$$

$$5.725044\% \times 1,778,983,000 = 101,847,560 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

158,887,773 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 40,890,400 Wholesale sales at Primary Voltage (WS-P)
 98,749,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	158,887,773	2.153%	3,496,125	162,383,898
WS-P:	40,890,400	2.153% and 0.985%	1,315,470	42,205,870
IS-T:	98,749,000	0.500%	496,226	99,245,226

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

Expense Month : November 2017

1.	Last FAC Rate Billed		<u>(\$0.00298)</u>
2.	KWH Billed at Above Rate		<u>1,286,851,390</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,834,817)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,544,368,584</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>189,742,921</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,354,625,663</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>\$ (4,036,784)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 201,967</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,578,386,440</u>
11.	Kentucky Jurisdictional Sales		<u>1,377,345,859</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14596231</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 231,447</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 310,541.32	12,631,000	Fuel for LGE Sale to KU for Native Load
	1,358.65		Half of Split Savings to LGE from KU
	<u>\$ 311,899.97</u>	<u>12,631,000</u>	
Internal Replacement			
	\$ 41,053.75	1,894,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 41,053.75</u>	<u>1,894,000</u>	
Total Purchases	<u><u>\$ 352,953.72</u></u>	<u><u>14,525,000</u></u>	
Sales			
Internal Economy			
	\$ 1,916,339.88	91,433,000	KU Fuel Cost - Sales to LGE Native Load
	4,364.58		Half of Split Savings
	<u>\$ 1,920,704.46</u>	<u>91,433,000</u>	
Internal Replacement			
	\$ 9,514.40	350,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 9,514.40</u>	<u>350,000</u>	
Total Sales	<u><u>\$ 1,930,218.86</u></u>	<u><u>91,783,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 1,916,339.88	91,433,000	KU Fuel Cost - Sales to LGE Native Load
	4,364.58		Half of Split Savings
	<u>\$ 1,920,704.46</u>	<u>91,433,000</u>	
Internal Replacement			
	\$ 9,514.40	350,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 9,514.40</u>	<u>350,000</u>	
Total Purchases	<u><u>\$ 1,930,218.86</u></u>	<u><u>91,783,000</u></u>	
Sales			
Internal Economy			
	\$ 310,541.32	12,631,000	Fuel for LGE Sale to KU for Native Load
	1,358.65		Half of Split Savings to LGE from KU
	<u>\$ 311,899.97</u>	<u>12,631,000</u>	
Internal Replacement			
	\$ 41,053.75	1,894,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 41,053.75</u>	<u>1,894,000</u>	
Total Sales	<u><u>\$ 352,953.72</u></u>	<u><u>14,525,000</u></u>	

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

Expense Month : November 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 16,143
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 12,107
4.	Current Month True-up	OSS Page 3	<u>\$ 8,543</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 20,650</u></u>
6.	Current Month S(m)	Form A Page 3	1,578,386,440
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00001

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

Expense Month : November 2017

Line No.

1.	Total OSS Revenues		\$	232,372
2.	Total OSS Expenses		\$	<u>216,229</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>16,143</u>

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

Expense Month : November 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00011)</u>
2.	KWH Billed at Above Rate		<u>1,286,851,390</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (141,554)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,544,368,584</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>189,742,921</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,354,625,663</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>\$ (149,009)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 7,455</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,578,386,440</u>
11.	Kentucky Jurisdictional Sales		<u>1,377,345,859</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14596231</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 8,543</u>



APP

RECEIVED
NOV 17 2017
PUBLIC SERVICE
COMMISSION

RECEIVED
NOV 20 2017
FINANCIAL ANA

Ms. Gwen R. Pinson
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November 17, 2017

Dear Ms. Pinson:

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 2017 billing cycle which begins November 29, 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

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : October 2017

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$ (0.00238) / 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>(0.00242)</u> / KWH

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

Effective Date for Billing: November 29, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : October 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 36,353,130}{\text{Sales "Sm" (Sales Schedule)} \quad 1,533,048,728 \text{ KWH}} = (+) \$ \quad 0.02371 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00238) / KWH}}$$

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

Effective Date for Billing: November 29, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : October 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$30,805,311	(1)
Oil Burned	(+)	98,214	(1)
Gas Burned	(+)	4,649,459	(1)
Fuel (assigned cost during Forced Outage)	(+)	211,804	
Fuel (substitute cost for Forced Outage)	(-)	228,798	
SUB-TOTAL		\$ 35,535,990	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 483,953	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	860	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	2,147,108	
Internal Replacement	(+)	68,723	
SUB-TOTAL		\$ 2,698,924	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 385,558	
Internal Economy	(+)	202,571	
Internal Replacement	(+)	207,006	
Dollars Assigned to Inter-System Sales Losses	(+)	1,928	
SUB-TOTAL		\$ 797,063	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 1,084,721	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 36,353,130	

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 =	\$10,218
Oil burned =	\$0
Gas burned =	\$176

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : October 2017

(A) Generation (Net)	(+)	1,503,050,000
Purchases including interchange-in	(+)	56,400,000
Internal Economy	(+)	98,683,000
Internal Replacement	(+)	3,093,000
SUB-TOTAL		<u>1,661,226,000</u>
(B) Inter-system Sales including interchange-out	(+)	15,813,000
Internal Economy	(+)	9,078,000
Internal Replacement	(+)	7,937,000
(*) System Losses	(+)	95,349,272
SUB-TOTAL		<u>128,177,272</u>
TOTAL SALES (A-B)		<u><u>1,533,048,728</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 : October 2017

12 Months to Date KWH Sources: 21,642,247,000 KWH
 12 MTD Overall System Losses: 1,242,198,581 KWH
 October 2017 KWH Sources: 1,661,226,000 KWH

$$1,242,198,581 / 21,642,247,000 = 5.739693\%$$

$$5.739693\% \times 1,661,226,000 = 95,349,272 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

145,522,153 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 43,385,200 Wholesale sales at Primary Voltage (WS-P)
 32,828,000 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:	145,522,153	2.153%	3,202,032	148,724,185
WS-P:	43,385,200	2.153% and 0.985%	1,395,729	44,780,929
IS-T:	32,828,000	0.500%	164,965	32,992,965

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

Expense Month : October 2017

1.	Last FAC Rate Billed		<u>(\$0.00474)</u>
2.	KWH Billed at Above Rate		<u>1,373,032,306</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (6,508,173)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,793,845,441</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>220,335,303</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,573,510,138</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>\$ (7,458,438)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 950,265</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,533,048,728</u>
11.	Kentucky Jurisdictional Sales		<u>1,343,019,982</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14149361</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,084,721</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 2,128,429.59	98,683,000	Fuel for LGE Sale to KU for Native Load
	18,678.28		Half of Split Savings to LGE from KU
	<u>\$ 2,147,107.87</u>	<u>98,683,000</u>	
Internal Replacement			
	\$ 68,723.09	3,093,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 68,723.09</u>	<u>3,093,000</u>	
Total Purchases	<u>\$ 2,215,830.96</u>	<u>101,776,000</u>	
Sales			
Internal Economy			
	\$ 200,718.17	9,078,000	KU Fuel Cost - Sales to LGE Native Load
	1,852.93		Half of Split Savings
	<u>\$ 202,571.10</u>	<u>9,078,000</u>	
Internal Replacement			
	\$ 207,005.66	7,937,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 207,005.66</u>	<u>7,937,000</u>	
Total Sales	<u>\$ 409,576.76</u>	<u>17,015,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 200,718.17	9,078,000	KU Fuel Cost - Sales to LGE Native Load
	1,852.93		Half of Split Savings
	<u>\$ 202,571.10</u>	<u>9,078,000</u>	
Internal Replacement			
	\$ 207,005.66	7,937,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 207,005.66</u>	<u>7,937,000</u>	
Total Purchases	<u>\$ 409,576.76</u>	<u>17,015,000</u>	
Sales			
Internal Economy			
	\$ 2,128,429.59	98,683,000	Fuel for LGE Sale to KU for Native Load
	18,678.28		Half of Split Savings to LGE from KU
	<u>\$ 2,147,107.87</u>	<u>98,683,000</u>	
Internal Replacement			
	\$ 68,723.09	3,093,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 68,723.09</u>	<u>3,093,000</u>	
Total Sales	<u>\$ 2,215,830.96</u>	<u>101,776,000</u>	

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

Expense Month : October 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 85,139
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 63,854
4.	Current Month True-up	OSS Page 3	<u>\$ 0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 63,854</u></u>
6.	Current Month S(m)	Form A Page 3	1,533,048,728
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00004

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

Expense Month : October 2017

Line No.

1.	Total OSS Revenues		\$	775,935
2.	Total OSS Expenses		\$	<u>690,796</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>85,139</u></u>

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

Expense Month : October 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ -</u>
2.	KWH Billed at Above Rate		<u>1,373,032,306</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ -</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,793,845,441</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>220,335,303</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,573,510,138</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>\$ -</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ -</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,533,048,728</u>
11.	Kentucky Jurisdictional Sales		<u>1,343,019,982</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14149361</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ -</u>

FA



a PPL company

Ms. Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

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OCT 20 2017
PUBLIC SERVICE
COMMISSION

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

October 20, 2017

Dear Ms. Pinson:

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 2017 billing cycle which begins October 30, 2017.

OCT 23 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

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : September 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00298) / 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><u>(0.00309)</u></u> / KWH

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

Effective Date for Billing: October 30, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : September 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 35,692,457}{\text{Sales "Sm" (Sales Schedule)} \quad 1,544,368,584 \text{ KWH}} = (+) \$ \quad 0.02311 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \underline{\$ \quad 0.02609 \text{ / KWH}}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ \quad (0.00298) \text{ / KWH}}}$$

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

Effective Date for Billing: October 30, 2017

KENTUCKY UTILITIES COMPANY FUEL COST SCHEDULE

Expense Month : September 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$27,820,803	(1)
Oil Burned	(+)	172,508	(1)
Gas Burned	(+)	9,247,895	(1)
Fuel (assigned cost during Forced Outage)	(+)	767,153	*
Fuel (substitute cost for Forced Outage)	(-)	691,513	*
SUB-TOTAL		\$ 37,241,206	
 (B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 320,097	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	325	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	443,171	
Internal Replacement	(+)	111,974	
SUB-TOTAL		\$ 875,242	
 (C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 397,630	
Internal Economy	(+)	1,214,370	
Internal Replacement	(+)	35,244	
Dollars Assigned to Inter-System Sales Losses	(+)	1,988	
SUB-TOTAL		\$ 1,649,232	
 (D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 774,759	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 35,692,457	

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 =	\$9,542
Oil burned =	\$0
Gas burned =	\$177

* 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 : September 2017

(A) Generation (Net)	(+)	1,635,153,000
Purchases including interchange-in	(+)	54,529,000
Internal Economy	(+)	20,229,000
Internal Replacement	(+)	4,727,000
SUB-TOTAL		<u>1,714,638,000</u>
(B) Inter-system Sales including interchange-out	(+)	16,757,000
Internal Economy	(+)	54,215,000
Internal Replacement	(+)	1,628,000
(*) System Losses	(+)	97,669,416
SUB-TOTAL		<u>170,269,416</u>
TOTAL SALES (A-B)		<u>1,544,368,584</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 : September 2017

12 Months to Date KWH Sources: 21,721,426,000 KWH
 12 MTD Overall System Losses: 1,237,298,431 KWH
 September 2017 KWH Sources: 1,714,638,000 KWH

$$1,237,298,431 / 21,721,426,000 = 5.696212\%$$

$$5.696212\% \times 1,714,638,000 = 97,669,416 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

142,025,702 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 46,665,200 Wholesale sales at Primary Voltage (WS-P)
 72,600,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	142,025,702	2.153%	3,125,097	145,150,799
WS-P:	46,665,200	2.153% and 0.985%	1,501,248	48,166,448
IS-T:	72,600,000	0.500%	364,824	72,964,824

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

Expense Month : September 2017

1.	Last FAC Rate Billed		<u>(\$0.00359)</u>
2.	KWH Billed at Above Rate		<u>1,460,898,367</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,244,625)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,882,125,531</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>231,931,576</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,650,193,955</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>\$ (5,924,196)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 679,571</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,544,368,584</u>
11.	Kentucky Jurisdictional Sales		<u>1,354,625,663</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14007037</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 774,759</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 442,442.92	20,229,000	Fuel for LGE Sale to KU for Native Load
	728.51		Half of Split Savings to LGE from KU
	<u>\$ 443,171.43</u>	<u>20,229,000</u>	
Internal Replacement	\$ 111,974.13	4,727,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 111,974.13</u>	<u>4,727,000</u>	
Total Purchases	<u><u>\$ 555,145.56</u></u>	<u><u>24,956,000</u></u>	
Sales			
Internal Economy	\$ 1,210,320.15	54,215,000	KU Fuel Cost - Sales to LGE Native Load
	4,049.70		Half of Split Savings
	<u>\$ 1,214,369.85</u>	<u>54,215,000</u>	
Internal Replacement	\$ 35,243.50	1,628,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 35,243.50</u>	<u>1,628,000</u>	
Total Sales	<u><u>\$ 1,249,613.35</u></u>	<u><u>55,843,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 1,210,320.15	54,215,000	KU Fuel Cost - Sales to LGE Native Load
	4,049.70		Half of Split Savings
	<u>\$ 1,214,369.85</u>	<u>54,215,000</u>	
Internal Replacement	\$ 35,243.50	1,628,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 35,243.50</u>	<u>1,628,000</u>	
Total Purchases	<u><u>\$ 1,249,613.35</u></u>	<u><u>55,843,000</u></u>	
Sales			
Internal Economy	\$ 442,442.92	20,229,000	Fuel for LGE Sale to KU for Native Load
	728.51		Half of Split Savings to LGE from KU
	<u>\$ 443,171.43</u>	<u>20,229,000</u>	
Internal Replacement	\$ 111,974.13	4,727,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 111,974.13</u>	<u>4,727,000</u>	
Total Sales	<u><u>\$ 555,145.56</u></u>	<u><u>24,956,000</u></u>	

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

Expense Month : September 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 235,345
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 176,509
4.	Current Month True-up	OSS Page 3	<u>\$ 0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 176,509</u>
6.	Current Month S(m)	Form A Page 3	1,544,368,584
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 2017

Line No.

1.	Total OSS Revenues		\$	760,562
2.	Total OSS Expenses		\$	<u>525,217</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>235,345</u></u>

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

Expense Month : September 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ -</u>
2.	KWH Billed at Above Rate		<u>1,460,898,367</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ -</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,882,125,531</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>231,931,576</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,650,193,955</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>\$ -</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ -</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,544,368,584</u>
11.	Kentucky Jurisdictional Sales		<u>1,354,625,663</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14007037</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ -</u>

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SEP 19 2017

PUBLIC SERVICE
COMMISSION



a PPL company

SEP 21 2017

Mr. John S. Lyons
Acting Executive Director
Public Service Commission of Kentucky
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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www.lge-ku.com

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

September 19, 2017

Dear Mr. Lyons:

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 2017 billing cycle which begins September 29, 2017.

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', written over a blue horizontal line.

Derek Rahn

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : August 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00474) / 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> (0.00474) </u> / KWH

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

Effective Date for Billing: September 29, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : August 2017

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 43,372,602 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,793,845,441 \text{ KWH} \end{array} = (+) \$ \quad 0.02418 \text{ / KWH}$$

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

FAC Factor (1) = \$ (0.00474) / KWH

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

Effective Date for Billing: September 29, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : August 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$32,112,003	(1)
Oil Burned	(+)	158,400	(1)
Gas Burned	(+)	10,357,737	(1)
Fuel (assigned cost during Forced Outage)	(+)	669,677	
Fuel (substitute cost for Forced Outage)	(-)	759,093	
SUB-TOTAL		\$ 42,538,724	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 517,128	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	15,072	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	573,501	
Internal Replacement	(+)	12,321	
SUB-TOTAL		\$ 1,087,878	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 78,219	
Internal Economy	(+)	571,663	
Internal Replacement	(+)	14,739	
Dollars Assigned to Inter-System Sales Losses	(+)	391	
SUB-TOTAL		\$ 665,012	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (411,012)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 43,372,602	

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 =	\$8,638
Oil burned =	\$0
Gas burned =	\$200

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : August 2017

(A) Generation (Net)	(+)	1,843,853,000
Purchases including interchange-in	(+)	62,532,000
Internal Economy	(+)	25,312,000
Internal Replacement	(+)	534,000
SUB-TOTAL		<u>1,932,231,000</u>
(B) Inter-system Sales including interchange-out	(+)	2,804,000
Internal Economy	(+)	24,045,000
Internal Replacement	(+)	525,000
(*) System Losses	(+)	111,011,559
SUB-TOTAL		<u>138,385,559</u>
TOTAL SALES (A-B)		<u><u>1,793,845,441</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 : August 2017

12 Months to Date KWH Sources: 21,911,756,000 KWH
 12 MTD Overall System Losses: 1,258,885,827 KWH
 August 2017 KWH Sources: 1,932,231,000 KWH

$$1,258,885,827 / 21,911,756,000 = 5.745253\%$$

$$5.745253\% \times 1,932,231,000 = 111,011,559 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

165,115,954 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 54,064,000 Wholesale sales at Primary Voltage (WS-P)
 27,374,000 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:	165,115,954	2.153%	3,633,169	168,749,123
WS-P:	54,064,000	2.153% and 0.985%	1,739,272	55,803,272
IS-T:	27,374,000	0.500%	137,558	27,511,558

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

Expense Month : August 2017

1.	Last FAC Rate Billed		<u>(\$0.00348)</u>
2.	KWH Billed at Above Rate		<u>1,582,790,392</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,508,111)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,686,418,489</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>207,227,921</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,479,190,568</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>\$ (5,147,583)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (360,528)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,793,845,441</u>
11.	Kentucky Jurisdictional Sales		<u>1,573,510,138</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14002789</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (411,012)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 571,347.59	25,312,000	Fuel for LGE Sale to KU for Native Load
	2,153.54		Half of Split Savings to LGE from KU
	<u>\$ 573,501.13</u>	<u>25,312,000</u>	
Internal Replacement	\$ 12,320.81	534,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 12,320.81</u>	<u>534,000</u>	
Total Purchases	<u><u>\$ 585,821.94</u></u>	<u><u>25,846,000</u></u>	
Sales			
Internal Economy	\$ 570,057.25	24,045,000	KU Fuel Cost - Sales to LGE Native Load
	1,605.54		Half of Split Savings
	<u>\$ 571,662.79</u>	<u>24,045,000</u>	
Internal Replacement	\$ 14,739.46	525,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 14,739.46</u>	<u>525,000</u>	
Total Sales	<u><u>\$ 586,402.25</u></u>	<u><u>24,570,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 570,057.25	24,045,000	KU Fuel Cost - Sales to LGE Native Load
	1,605.54		Half of Split Savings
	<u>\$ 571,662.79</u>	<u>24,045,000</u>	
Internal Replacement	\$ 14,739.46	525,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 14,739.46</u>	<u>525,000</u>	
Total Purchases	<u><u>\$ 586,402.25</u></u>	<u><u>24,570,000</u></u>	
Sales			
Internal Economy	\$ 571,347.59	25,312,000	Fuel for LGE Sale to KU for Native Load
	2,153.54		Half of Split Savings to LGE from KU
	<u>\$ 573,501.13</u>	<u>25,312,000</u>	
Internal Replacement	\$ 12,320.81	534,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 12,320.81</u>	<u>534,000</u>	
Total Sales	<u><u>\$ 585,821.94</u></u>	<u><u>25,846,000</u></u>	

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

Expense Month : August 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 8,328
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 6,246
4.	Current Month True-up	OSS Page 3	<u>\$ 1,181</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 7,427</u>
6.	Current Month S(m)	Form A Page 3	1,793,845,441
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00000

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

Expense Month : August 2017

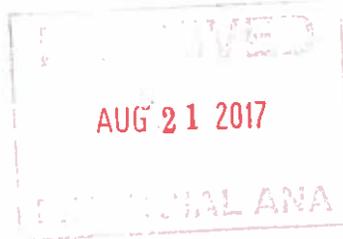
Line No.

1.	Total OSS Revenues		\$	112,561
2.	Total OSS Expenses		\$	<u>104,233</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>8,328</u></u>

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

Expense Month : August 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		\$ 0.00001
2.	KWH Billed at Above Rate		<u>1,582,790,392</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ 15,828
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,686,418,489</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>207,227,921</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,479,190,568</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)	\$ 14,792
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$ 1,036
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,793,845,441</u>
11.	Kentucky Jurisdictional Sales		<u>1,573,510,138</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14002789</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ 1,181



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AUG 18 2017
PUBLIC SERVICE
COMMISSION

Mr. John S. Lyons
Acting Executive Director
Public Service Commission of Kentucky
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Frankfort, Kentucky 40602

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Derek Rahn
Manager - Revenue
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August 18, 2017

Dear Mr. Lyons:

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 2017 billing cycle which begins August 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

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : July 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00359) / 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> (0.00359)</u> / KWH

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

Effective Date for Billing: August 30, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : July 2017

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 47,664,991 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,882,125,531 \text{ KWH} \end{array} = (+) \$ \quad 0.02533 \text{ / KWH}$$

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

FAC Factor (1) = \$ (0.00359) / KWH

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

Effective Date for Billing: August 30, 2017

KENTUCKY UTILITIES COMPANY FUEL COST SCHEDULE

Expense Month : July 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$35,097,253	(1)
Oil Burned	(+)	182,662	(1)
Gas Burned	(+)	11,570,064	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,391,974	
Fuel (substitute cost for Forced Outage)	(-)	1,549,583	
SUB-TOTAL		<u>\$ 46,692,370</u>	
 (B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 555,763	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	3,932	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	472,399	
Internal Replacement	(+)	32,200	
SUB-TOTAL		<u>\$ 1,056,430</u>	
 (C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 115,281	
Internal Economy	(+)	977,070	
Internal Replacement	(+)	31,507	
Dollars Assigned to Inter-System Sales Losses	(+)	576	
SUB-TOTAL		<u>\$ 1,124,434</u>	
 (D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (1,040,625)</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u>\$ 47,664,991</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 =	\$8,993
Oil burned =	\$0
Gas burned =	\$168

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : July 2017

(A) Generation (Net)	(+)	1,956,186,000
Purchases including interchange-in	(+)	66,675,000
Internal Economy	(+)	20,131,000
Internal Replacement	(+)	1,227,000
SUB-TOTAL		<u>2,044,219,000</u>
(B) Inter-system Sales including interchange-out	(+)	3,991,000
Internal Economy	(+)	40,149,000
Internal Replacement	(+)	1,147,000
(*) System Losses	(+)	116,806,469
SUB-TOTAL		<u>162,093,469</u>
TOTAL SALES (A-B)		<u><u>1,882,125,531</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 : July 2017

12 Months to Date KWH Sources: 22,186,706,000 KWH
 12 MTD Overall System Losses: 1,267,746,178 KWH
 July 2017 KWH Sources: 2,044,219,000 KWH

$$1,267,746,178 / 22,186,706,000 = 5.713990\%$$

$$5.713990\% \times 2,044,219,000 = 116,806,469 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

173,424,796 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 57,248,400 Wholesale sales at Primary Voltage (WS-P)
 45,287,000 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:	173,424,796	2.153%	3,815,994	177,240,790
WS-P:	57,248,400	2.153% and 0.985%	1,841,717	59,090,117
IS-T:	45,287,000	0.500%	227,573	45,514,573

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

Expense Month : July 2017

1.	Last FAC Rate Billed		<u>(\$0.00498)</u>
2.	KWH Billed at Above Rate		<u>1,565,491,916</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (7,796,150)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,572,701,693</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,420,653</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,382,281,040</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>\$ (6,883,760)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (912,390)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,882,125,531</u>
11.	Kentucky Jurisdictional Sales		<u>1,650,193,955</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14054807</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,040,625)</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 469,177.21	20,131,000	Fuel for LGE Sale to KU for Native Load
	<u>3,221.73</u>		Half of Split Savings to LGE from KU
	\$ 472,398.94	<u>20,131,000</u>	
Internal Replacement			
	\$ 32,200.21	1,227,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 32,200.21	1,227,000	
Total Purchases	<u>\$ 504,599.15</u>	<u>21,358,000</u>	
Sales			
Internal Economy			
	\$ 972,676.95	40,149,000	KU Fuel Cost - Sales to LGE Native Load
	<u>4,393.11</u>		Half of Split Savings
	\$ 977,070.06	<u>40,149,000</u>	
Internal Replacement			
	\$ 31,507.08	1,147,000	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
	\$ 31,507.08	1,147,000	
Total Sales	<u>\$ 1,008,577.14</u>	<u>41,296,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 972,676.95	40,149,000	KU Fuel Cost - Sales to LGE Native Load
	<u>4,393.11</u>		Half of Split Savings
	\$ 977,070.06	<u>40,149,000</u>	
Internal Replacement			
	\$ 31,507.08	1,147,000	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
	\$ 31,507.08	1,147,000	
Total Purchases	<u>\$ 1,008,577.14</u>	<u>41,296,000</u>	
Sales			
Internal Economy			
	\$ 469,177.21	20,131,000	Fuel for LGE Sale to KU for Native Load
	<u>3,221.73</u>		Half of Split Savings to LGE from KU
	\$ 472,398.94	<u>20,131,000</u>	
Internal Replacement			
	\$ 32,200.21	1,227,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 32,200.21	1,227,000	
Total Sales	<u>\$ 504,599.15</u>	<u>21,358,000</u>	

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

Expense Month : July 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 31,047
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 23,285
4.	Current Month True-up	OSS Page 3	<u>\$ (22,985)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 300</u>
6.	Current Month S(m)	Form A Page 3	1,882,125,531
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00000

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

Expense Month : July 2017

Line No.

1.	Total OSS Revenues		\$	194,971
2.	Total OSS Expenses		\$	<u>163,924</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>31,047</u></u>

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

Expense Month : July 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00011)</u>
2.	KWH Billed at Above Rate		<u>1,565,491,916</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (172,204)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,572,701,693</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>190,420,653</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,382,281,040</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>\$ (152,051)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (20,153)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,882,125,531</u>
11.	Kentucky Jurisdictional Sales		<u>1,650,193,955</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14054807</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (22,985)</u>

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PUBLIC SERVICE
COMMISSION



a PPL company

Mr. John S. Lyons
Acting Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

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Derek Rahn
Manager - Revenue
Requirement
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July 21, 2017



Dear Mr. Lyons:

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 2017 billing cycle which begins August 1, 2017.

Due to an error in the reporting of coal burned at Trimble County Unit 2 during the expense month of April, the FAC factor billed to customers in June (\$0.00488) was not correct. The Coal Mill Feeders that weigh the delivery of coal in total pounds per hour improperly reported the weight of the coal they were delivering to the unit. The corrected April FAC factor (\$0.00447) appears on Page 5, Line 7 and flows through the over or (under) recovery schedule calculation. Revised pages for the April expense month FAC filing that changed are attached with revised numbers highlighted.

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
Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : June 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00348) / 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>(0.00347) / KWH</u>

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

Effective Date for Billing: August 1, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : June 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 42,899,493}{\text{Sales "Sm" (Sales Schedule)} \quad 1,686,418,489 \text{ KWH}} = (+) \$ \quad 0.02544 \text{ / KWH}$$

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

FAC Factor (1) = \$ (0.00348) / KWH

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

Effective Date for Billing: August 1, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : June 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$31,308,670	(1)
Oil Burned	(+)	187,388	(1)
Gas Burned	(+)	8,878,738	(1)
Fuel (assigned cost during Forced Outage)	(+)	2,641,687	
Fuel (substitute cost for Forced Outage)	(-)	2,777,587	
SUB-TOTAL		\$ 40,238,896	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 501,632	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	16,674	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,182,602	
Internal Replacement	(+)	12,084	
SUB-TOTAL		\$ 1,679,644	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 71,396	
Internal Economy	(+)	895,126	
Internal Replacement	(+)	45,657	
Dollars Assigned to Inter-System Sales Losses	(+)	357	
SUB-TOTAL		\$ 1,012,536	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (1,993,489)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 42,899,493	

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 =	\$6,837
Oil burned =	\$0
Gas burned =	\$198

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : June 2017

(A) Generation (Net)	(+)	1,725,412,000
Purchases including interchange-in	(+)	58,683,000
Internal Economy	(+)	51,843,000
Internal Replacement	(+)	495,000
SUB-TOTAL		<u>1,836,433,000</u>
(B) Inter-system Sales including interchange-out	(+)	2,612,000
Internal Economy	(+)	40,480,000
Internal Replacement	(+)	1,672,000
(*) System Losses	(+)	105,250,511
SUB-TOTAL		<u>150,014,511</u>
TOTAL SALES (A-B)		<u><u>1,686,418,489</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 : June 2017

12 Months to Date KWH Sources: 22,243,175,000 KWH
 12 MTD Overall System Losses: 1,274,811,290 KWH
 June 2017 KWH Sources: 1,836,433,000 KWH

$$1,274,811,290 / 22,243,175,000 = 5.731247\%$$

$$5.731247\% \times 1,836,433,000 = 105,250,511 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

154,591,684 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 51,453,600 Wholesale sales at Primary Voltage (WS-P)
 44,764,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	154,591,684	2.153%	3,401,595	157,993,279
WS-P:	51,453,600	2.153% and 0.985%	1,655,294	53,108,894
IS-T:	44,764,000	0.500%	224,945	44,988,945

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

Expense Month : June 2017

1.	Last FAC Rate Billed	<u>(\$0.00488)</u>
2.	KWH Billed at Above Rate	<u>1,527,603,998</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (7,454,708)</u>
4.	KWH Used to Determine Last FAC Rate	<u>1,457,734,261</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>181,183,824</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,276,550,437</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed see Note 1	<u>\$ (0.00447)</u>
8.	Recoverable FAC Revenue/(Refund) (Line 7 x Line 6)	<u>\$ (5,706,180)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ (1,748,528)</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>1,686,418,489</u>
11.	Kentucky Jurisdictional Sales	<u>1,479,190,568</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.14009549</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ (1,993,489)</u>

Note 1: Due to an error in the reporting of coal burned at Trimble County Unit 2 during the expense month of April, the FAC factor billed to customers in June (\$0.00488) was not correct. The coal mill feeders that weigh the delivery of coal in total pounds per hour improperly reported the weight of the coal they were delivering to the unit. The correct FAC factor should have been (\$0.00447) billed in June.

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 1,177,047.91	51,843,000	Fuel for LGE Sale to KU for Native Load
	5,554.32		Half of Split Savings to LGE from KU
	<u>\$ 1,182,602.23</u>	<u>51,843,000</u>	
Internal Replacement	\$ 12,084.35	495,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 12,084.35</u>	<u>495,000</u>	
Total Purchases	<u><u>\$ 1,194,686.58</u></u>	<u><u>52,338,000</u></u>	
Sales			
Internal Economy	\$ 893,735.14	40,480,000	KU Fuel Cost - Sales to LGE Native Load
	1,390.51		Half of Split Savings
	<u>\$ 895,125.65</u>	<u>40,480,000</u>	
Internal Replacement	\$ 45,656.53	1,672,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 45,656.53</u>	<u>1,672,000</u>	
Total Sales	<u><u>\$ 940,782.18</u></u>	<u><u>42,152,000</u></u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 893,735.14	40,480,000	KU Fuel Cost - Sales to LGE Native Load
	1,390.51		Half of Split Savings
	<u>\$ 895,125.65</u>	<u>40,480,000</u>	
Internal Replacement	\$ 45,656.53	1,672,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 45,656.53</u>	<u>1,672,000</u>	
Total Purchases	<u><u>\$ 940,782.18</u></u>	<u><u>42,152,000</u></u>	
Sales			
Internal Economy	\$ 1,177,047.91	51,843,000	Fuel for LGE Sale to KU for Native Load
	5,554.32		Half of Split Savings to LGE from KU
	<u>\$ 1,182,602.23</u>	<u>51,843,000</u>	
Internal Replacement	\$ 12,084.35	495,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 12,084.35</u>	<u>495,000</u>	
Total Sales	<u><u>\$ 1,194,686.58</u></u>	<u><u>52,338,000</u></u>	

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

Expense Month : June 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	700
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	525
4.	Current Month True-up	OSS Page 3	\$	<u>(11,449)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>(10,924)</u>
6.	Current Month S(m)	Form A Page 3		1,686,418,489
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 2017

Line No.

1.	Total OSS Revenues		\$	136,545
2.	Total OSS Expenses		\$	<u>135,845</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>700</u></u>

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

Expense Month : June 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00004)</u>
2.	KWH Billed at Above Rate		<u>1,527,603,998</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (61,104)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,457,734,261</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>181,183,824</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,276,550,437</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>\$ (51,062)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (10,042)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,686,418,489</u>
11.	Kentucky Jurisdictional Sales		<u>1,479,190,568</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14009549</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (11,449)</u>

REVISED 7/21/17

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : April 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$ (0.00447) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ 0.00004 / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ (0.00451) / 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

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \text{Sales "Sm" (Sales Schedule)} \end{array} = \frac{\$ 35,635,278}{1,457,734,261 \text{ KWH}} = (+) \$ 0.02445 / \text{KWH}$$

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

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00447) / \text{KWH}}}$$

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

Effective Date for Billing: June 1, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

REVISED 7/21/17

Expense Month : April 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$25,313,848	(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		\$ 35,703,275	
(B) <u>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		\$ 1,424,005	
(C) <u>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		\$ 1,379,648	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 112,354	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 35,635,278	

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 = \$5,593
Oil burned = \$0



a PPL company

RECEIVED

JUN 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

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

JUN 21 2017

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

June 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 July 2017 billing cycle which begins June 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,

A handwritten signature in blue ink that reads "Derek Rahn".

Derek Rahn

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : May 2017

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00498) / 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><u>(0.00509)</u></u> / KWH

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

Effective Date for Billing: June 30, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : May 2017

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 37,645,425}{\text{Sales "Sm" (Sales Schedule)} \quad 1,572,701,693 \text{ KWH}} = (+) \$ \quad 0.02394 \text{ / KWH}$$

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

FAC Factor (1) = \$ (0.00498) / KWH

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

Effective Date for Billing: June 30, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : May 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$30,141,965	(1)
Oil Burned	(+)	261,162	(1)
Gas Burned	(+)	7,042,745	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,159,658	
Fuel (substitute cost for Forced Outage)	(-)	1,242,419	
SUB-TOTAL		\$ 37,363,111	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 334,970	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	18,808	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,674,022	
Internal Replacement	(+)	62,503	
SUB-TOTAL		\$ 2,052,687	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 566,648	
Internal Economy	(+)	289,247	
Internal Replacement	(+)	238,369	
Dollars Assigned to Inter-System Sales Losses	(+)	2,833	
SUB-TOTAL		\$ 1,097,097	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ 673,276	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 37,645,425	

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 =	\$9,636
Oil burned =	\$0
Gas burned =	\$219

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : May 2017

(A) Generation (Net)	(+)	1,585,943,000
Purchases including interchange-in	(+)	50,071,000
Internal Economy	(+)	76,587,000
Internal Replacement	(+)	2,791,000
SUB-TOTAL		<u>1,715,392,000</u>

(B) Inter-system Sales including interchange-out	(+)	22,461,000
Internal Economy	(+)	12,472,000
Internal Replacement	(+)	10,649,000
(*) System Losses	(+)	97,108,307
SUB-TOTAL		<u>142,690,307</u>

TOTAL SALES (A-B) 1,572,701,693

(*) 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 : May 2017

12 Months to Date KWH Sources: 22,369,710,000 KWH
 12 MTD Overall System Losses: 1,266,348,916 KWH
 May 2017 KWH Sources: 1,715,392,000 KWH

$$1,266,348,916 / 22,369,710,000 = 5.660998\%$$

$$5.660998\% \times 1,715,392,000 = 97,108,307 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

143,343,304 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 45,958,000 Wholesale sales at Primary Voltage (WS-P)
 45,582,000 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:	143,343,304	2.153%	3,154,089	146,497,393
WS-P:	45,958,000	2.153% and 0.985%	1,478,497	47,436,497
IS-T:	45,582,000	0.500%	229,055	45,811,055

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

Expense Month : May 2017

1.	Last FAC Rate Billed		<u>(\$0.00433)</u>
2.	KWH Billed at Above Rate		<u>1,313,010,400</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (5,685,335)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,666,297,455</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>216,622,739</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,449,674,716</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>\$ (6,277,092)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 591,757</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,572,701,693</u>
11.	Kentucky Jurisdictional Sales		<u>1,382,281,040</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13775828</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 673,276</u>

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

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy	\$ 1,660,697.40	76,587,000	Fuel for LGE Sale to KU for Native Load
	13,324.30		Half of Split Savings to LGE from KU
	<u>\$ 1,674,021.70</u>	<u>76,587,000</u>	
Internal Replacement	\$ 62,503.12	2,791,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 62,503.12</u>	<u>2,791,000</u>	
Total Purchases	<u>\$ 1,736,524.82</u>	<u>79,378,000</u>	
Sales			
Internal Economy	\$ 284,665.21	12,472,000	KU Fuel Cost - Sales to LGE Native Load
	4,582.28		Half of Split Savings
	<u>\$ 289,247.49</u>	<u>12,472,000</u>	
Internal Replacement	\$ 238,369.26	10,649,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 238,369.26</u>	<u>10,649,000</u>	
Total Sales	<u>\$ 527,616.75</u>	<u>23,121,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy	\$ 284,665.21	12,472,000	KU Fuel Cost - Sales to LGE Native Load
	4,582.28		Half of Split Savings
	<u>\$ 289,247.49</u>	<u>12,472,000</u>	
Internal Replacement	\$ 238,369.26	10,649,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 238,369.26</u>	<u>10,649,000</u>	
Total Purchases	<u>\$ 527,616.75</u>	<u>23,121,000</u>	
Sales			
Internal Economy	\$ 1,660,697.40	76,587,000	Fuel for LGE Sale to KU for Native Load
	13,324.30		Half of Split Savings to LGE from KU
	<u>\$ 1,674,021.70</u>	<u>76,587,000</u>	
Internal Replacement	\$ 62,503.12	2,791,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 62,503.12</u>	<u>2,791,000</u>	
Total Sales	<u>\$ 1,736,524.82</u>	<u>79,378,000</u>	

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

Expense Month : May 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 229,073
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 171,805
4.	Current Month True-up	OSS Page 3	<u>\$ 3,109</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 174,914</u>
6.	Current Month S(m)	Form A Page 3	1,572,701,693
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00011

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

Expense Month : May 2017

Line No.

1.	Total OSS Revenues		\$	1,171,106
2.	Total OSS Expenses		\$	<u>942,033</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>229,073</u></u>

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

Expense Month : May 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00002)</u>
2.	KWH Billed at Above Rate		<u>1,313,010,400</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (26,260)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,666,297,455</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>216,622,739</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,449,674,716</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>\$ (28,993)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 2,733</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,572,701,693</u>
11.	Kentucky Jurisdictional Sales		<u>1,382,281,040</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13775828</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 3,109</u>



a PPL company

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

May 22, 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 June 2017 billing cycle which begins June 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,

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

Derek Rahn

Enclosure

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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

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)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
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
	2,844.14		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
	-	0	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
	2,760.05		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
	-	0	KU Generation for LGE Pre-Merger
	-	0	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
	2,760.05		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
	-	0	KU Generation for LGE Pre-Merger
	-	0	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
	2,844.14		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
	-	0	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>	

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

Expense Month : April 2017

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	86,618
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	64,964
4.	Current Month True-up	OSS Page 3	\$	<u>0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>64,964</u></u>
6.	Current Month S(m)	Form A Page 3		1,457,734,261
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$	0.00004

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

Expense Month : April 2017

Line No.

1.	Total OSS Revenues		\$	567,031
2.	Total OSS Expenses		\$	<u>480,413</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>86,618</u></u>

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

Expense Month : April 2017

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ -</u>
2.	KWH Billed at Above Rate		<u>1,315,700,783</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ -</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<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 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>\$ -</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ -</u>
10.	Total Sales "Sm" (From Form A, 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 Amount	(Line 9 x Line 12)	<u>\$ -</u>



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

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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

April 21, 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 May 2017 billing cycle which begins May 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 : March 2017

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00433) / 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>(0.00435)</u> / KWH

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

Effective Date for Billing: May 1, 2017

Submitted by



Title: Manager, Revenue Requirement

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : March 2017

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$ & 40,975,689 \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & & 1,666,297,455 \text{ KWH} \end{array} = (+) \$ 0.02459 / \text{KWH}$$

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

FAC Factor (1) = \$ (0.00433) / KWH

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

Effective Date for Billing: May 1, 2017

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : March 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$27,154,032	(1)
Oil Burned	(+)	106,958	(1)
Gas Burned	(+)	8,948,677	
Fuel (assigned cost during Forced Outage)	(+)	125,149	*
Fuel (substitute cost for Forced Outage)	(-)	91,201	*
SUB-TOTAL		<u>\$ 36,209,667</u>	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 601,827	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,319	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,358,596	
Internal Replacement	(+)	1,502	
SUB-TOTAL		<u>\$ 5,961,925</u>	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 20,525	
Internal Economy	(+)	1,454	
Internal Replacement	(+)	718,106	
Dollars Assigned to Inter-System Sales Losses	(+)	103	
SUB-TOTAL		<u>\$ 740,188</u>	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ 455,715</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 40,975,689</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 = \$0
Oil burned = \$0

* 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 2017

(A) Generation (Net)	(+)	1,522,533,000
Purchases including interchange-in	(+)	36,031,000
Internal Economy	(+)	239,774,000
Internal Replacement	(+)	65,000
SUB-TOTAL		<u>1,798,403,000</u>

(B) Inter-system Sales including interchange-out	(+)	868,000
Internal Economy	(+)	65,000
Internal Replacement	(+)	29,344,000
(*) System Losses	(+)	101,828,545
SUB-TOTAL		<u>132,105,545</u>

TOTAL SALES (A-B) 1,666,297,455

(*) 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 : March 2017

12 Months to Date KWH Sources: 22,350,894,000 KWH
 12 MTD Overall System Losses: 1,265,544,546 KWH
 March 2017 KWH Sources: 1,798,403,000 KWH

$$1,265,544,546 / 22,350,894,000 = 5.662165\%$$

$$5.662165\% \times 1,798,403,000 = 101,828,545 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

171,961,970 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 43,118,800 Wholesale sales at Primary Voltage (WS-P)
 30,277,000 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:	171,961,970	2.153%	3,783,807	175,745,777
WS-P:	43,118,800	2.153% and 0.985%	1,387,159	44,505,959
IS-T:	30,277,000	0.500%	152,146	30,429,146

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

Expense Month : March 2017

1.	Last FAC Rate Billed		<u>(\$0.00187)</u>
2.	KWH Billed at Above Rate		<u>1,404,369,874</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,626,172)</u>
4.	KWH Used to Determine Last FAC Rate		<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 FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (3,022,643)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 396,471</u>
10.	Total Sales "Sm" (From 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) Recovery	(Line 9 x Line 12)	<u>\$ 455,715</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		\$ (0.00002)
2.	KWH Billed at Above Rate		1,404,369,874
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ (28,087)
4.	KWH Used to Determine Last OSS Adjustment Factor		1,856,586,183
5.	Non-Jurisdictional KWH (Included in Line 4)		240,199,485
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,616,386,698
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)	\$ (32,328)
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$ 4,241
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		1,666,297,455
11.	Kentucky Jurisdictional Sales		1,449,674,716
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	1.14942851
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ 4,875

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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

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)		<u><u>1,540,565,205</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 : 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
	-	0	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
	-	0	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	0	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		\$ (0.00003)
2.	KWH Billed at Above Rate		1,455,202,441
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ (43,656)
4.	KWH Used to Determine Last OSS Adjustment Factor		1,873,070,228
5.	Non-Jurisdictional KWH (Included in Line 4)		247,448,494
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,625,621,734
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)	\$ (48,769)
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$ 5,113
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		1,540,565,205
11.	Kentucky Jurisdictional Sales		1,338,796,774
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	1.15070878
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$ 5,884



a PPL company

RECEIVED
FEB 20 2017
FINANCIAL AID

RECEIVED
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>

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

Expense Month : January 2017

Line No.	Description	Formula	Amount
1.	Last OSS Adjustment Factor Billed		\$ (0.00005)
2.	KWH Billed at Above Rate		<u>1,686,608,500</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$ (84,330)
4.	KWH Used to Determine Last OSS Adjustment Factor		<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 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)	\$ (66,456)
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$ (17,874)
10.	Total Sales "Sm" (From Form A, 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 Amount	(Line 9 x Line 12)	\$ (20,530)