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PUBLIC SERVICE
COMMISSION

Ms. Gwen R. Pinson
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
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Derek Rahn
Manager - Revenue
Requirement COS
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February 19, 2019

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 March 2019 billing cycle which begins March 1, 2019.

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 horizontal line.

Derek Rahn

Enclosures

KENTUCKY UTILITIES COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Expense Month : January 2019

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00093) / 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>(0.00095)</u></u> / KWH

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

Effective Date for Billing: March 1, 2019

Submitted by



Title: Manager, Revenue Requirement COS

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PUBLIC SERVICE
COMMISSION

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month : January 2019

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 50,452,034}{\text{Sales "Sm" (Sales Schedule)} \quad 2,005,058,847 \text{ KWH}} = (+) \$ \quad 0.02516 \text{ / KWH}$$

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

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00093) / KWH}}$$

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

Effective Date for Billing: March 1, 2019

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : January 2019

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$31,799,554	(1)
Oil Burned	(+)	166,132	(1)
Gas Burned	(+)	14,099,935	(1)
Fuel (assigned cost during Forced Outage)	(+)	232,130	
Fuel (substitute cost for Forced Outage)	(-)	262,968	
SUB-TOTAL		\$ 46,034,783	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+) \$	701,119	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,072	
Less Purchases above Highest Cost Units	(-)	38	
Internal Economy	(+)	4,364,967	
Internal Replacement	(+)	165	
SUB-TOTAL		\$ 5,065,141	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+) \$	127,654	
Internal Economy	(+)	25,881	
Internal Replacement	(+)	636,779	
Dollars Assigned to Inter-System Sales Losses	(+)	638	
SUB-TOTAL		\$ 790,952	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (143,062)	
(E) <u>CSR Customers Buy-Through Adjustment</u>			
		\$ -	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		\$ 50,452,034	

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 =	\$9,625
Oil burned =	\$0
Gas burned =	\$204

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : January 2019

(A) Generation (Net)	(+)	1,880,862,000
Purchases including interchange-in	(+)	73,187,000
Internal Economy	(+)	214,131,000
Internal Replacement	(+)	8,000
SUB-TOTAL		<u>2,168,188,000</u>

(B) Inter-system Sales including interchange-out	(+)	5,437,000
Internal Economy	(+)	1,287,000
Internal Replacement	(+)	28,670,000
(*) System Losses	(+)	127,735,153
SUB-TOTAL		<u>163,129,153</u>

TOTAL SALES (A-B) 2,005,058,847

(*) 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 2019

12 Months to Date KWH Sources: 22,606,377,000 KWH
 12 MTD Overall System Losses: 1,331,816,812 KWH
 January 2019 KWH Sources: 2,168,188,000 KWH

$$1,331,816,812 / 22,606,377,000 = 5.891332\%$$

$$5.891332\% \times 2,168,188,000 = 127,735,153 \text{ KWH}$$

WHOLESALE KWH SALES AND LOSSES

204,253,597 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)
 48,031,200 Wholesale sales at Primary Voltage (WS-P)
 35,394,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	204,253,597	2.153%	4,494,343	208,747,940
WS-P:	48,031,200	2.153% and 0.985%	1,545,194	49,576,394
IS-T:	35,394,000	0.500%	177,859	35,571,859

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

Expense Month : January 2019

1.	Last FAC Rate Billed		<u>(\$0.00076)</u>
2.	KWH Billed at Above Rate		<u>1,626,185,266</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (1,235,901)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,673,754,228</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>211,929,325</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,461,824,903</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>\$ (1,110,987)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (124,914)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,005,058,847</u>
11.	Kentucky Jurisdictional Sales		<u>1,750,712,212</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14528181</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (143,062)</u>

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month : January 2019

KENTUCKY UTILITIES COMPANY

Purchases		KWH	
Internal Economy			
	\$ 4,329,145.49	214,131,000	Fuel for LGE Sale to KU for Native Load
	35,821.68		Half of Split Savings to LGE from KU
	<u>\$ 4,364,967.17</u>	<u>214,131,000</u>	
Internal Replacement			
	\$ 165.41	8,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 165.41</u>	<u>8,000</u>	
Total Purchases	<u>\$ 4,365,132.58</u>	<u>214,139,000</u>	
Sales			
Internal Economy			
	\$ 25,862.81	1,287,000	KU Fuel Cost - Sales to LGE Native Load
	18.05		Half of Split Savings
	<u>\$ 25,880.86</u>	<u>1,287,000</u>	
Internal Replacement			
	\$ 636,779.26	28,670,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 636,779.26</u>	<u>28,670,000</u>	
Total Sales	<u>\$ 662,660.12</u>	<u>29,957,000</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

Purchases		KWH	
Internal Economy			
	\$ 25,862.81	1,287,000	KU Fuel Cost - Sales to LGE Native Load
	18.05		Half of Split Savings
	<u>\$ 25,880.86</u>	<u>1,287,000</u>	
Internal Replacement			
	\$ 636,779.26	28,670,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 636,779.26</u>	<u>28,670,000</u>	
Total Purchases	<u>\$ 662,660.12</u>	<u>29,957,000</u>	
Sales			
Internal Economy			
	\$ 4,329,145.49	214,131,000	Fuel for LGE Sale to KU for Native Load
	35,821.68		Half of Split Savings to LGE from KU
	<u>\$ 4,364,967.17</u>	<u>214,131,000</u>	
Internal Replacement			
	\$ 165.41	8,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 165.41</u>	<u>8,000</u>	
Total Sales	<u>\$ 4,365,132.58</u>	<u>214,139,000</u>	

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

Expense Month : January 2019

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 91,353
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 68,515
4.	Current Month True-up	OSS Page 3	<u>\$ (22,588)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 45,927</u>
6.	Current Month S(m)	Form A Page 3	2,005,058,847
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 2019

Line No.

1.	Total OSS Revenues		\$	900,714
2.	Total OSS Expenses		\$	<u>809,361</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>91,353</u></u>

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

Expense Month : January 2019

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00012)</u>
2.	KWH Billed at Above Rate		<u>1,626,185,266</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (195,142)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,673,754,228</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>211,929,325</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,461,824,903</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>\$ (175,419)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (19,723)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>2,005,058,847</u>
11.	Kentucky Jurisdictional Sales		<u>1,750,712,212</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14528181</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (22,588)</u>