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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

**Louisville Gas and
Electric 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
T 502-627-4127
F 502-217-4002
derek.rahn@lge-ku.com

January 18, 2019

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2019 billing cycle which begins January 31, 2019.

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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

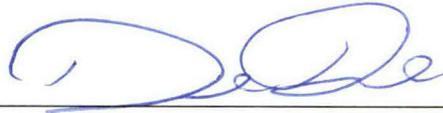
Expense Month: December 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$	0.00116 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00034 / KWH</u>
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>0.00082 / KWH</u></u>

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

Effective Date for Billing: January 31, 2019

Submitted by _____



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: December 2018

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$23,659,463 & \\ \hline \text{Sales "Sm" (Sales Schedule)} & 930,058,594 \text{ KWH} & \end{array} = (+) \$ 0.02544 / \text{KWH}$$

$$\begin{array}{rcl} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1} & & \\ \text{effective September 1, 2017} & & \end{array} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00116}} / \text{KWH}$$

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

Effective Date for Billing: January 31, 2019

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: December 2018

(A) Company Generation		
Coal Burned	(+) \$	22,870,895 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	5,826,376 (1)
Fuel (assigned cost during Forced Outage)	(+)	231,526
Fuel (substitute cost for Forced Outage)	(-)	254,899
SUB-TOTAL		<u>\$ 28,673,898</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,325,748
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	27,488
Internal Replacement	(+)	240,784
SUB-TOTAL		<u>\$ 1,594,020</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	1,091,551
Internal Economy	(+)	5,446,415
Internal Replacement	(+)	14,717
Dollars Assigned to Inter-System Sales Losses	(+)	5,458
SUB-TOTAL		<u>\$ 6,558,141</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ 4,216</u>
(E) CSR Customers Buy-Through Adjustment		
		<u>\$ 46,098</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 23,659,463</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$5,243
Oil burned = \$0
Gas burned = \$94

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: December 2018

(A) Generation (Net)	(+)	1,245,184,000
Purchases including interchange-in	(+)	29,296,000
Internal Economy	(+)	1,498,000
Internal Replacement	(+)	8,526,000
SUB-TOTAL		<u>1,284,504,000</u>
(B) Inter-system Sales including interchange-out	(+)	47,698,000
Internal Economy	(+)	264,415,000
Internal Replacement	(+)	746,000
System Losses (971,645,000 KWH times 4.28%)	(+)	<u>41,586,406</u>
SUB-TOTAL		<u>354,445,406</u>
TOTAL SALES (A-B)		<u><u>930,058,594</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: December 2018

1.	Last FAC Rate Billed		(0.00020)
2.	KWH Billed at Above Rate		<u>915,129,486</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (183,026)</u>
4.	KWH Used to Determine Last FAC Rate		936,207,543
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>936,207,543</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (187,242)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 4,216</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>930,058,594</u>
11.	Kentucky Jurisdictional Sales		<u>930,058,594</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 4,216</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: December 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 26,717.65	1,498,000	KU Fuel Cost - Sales to LGE Native Load
	770.54		Half of Split Savings
	<u>\$ 27,488.19</u>	<u>1,498,000</u>	
Internal Replacement	\$ 240,784.31	8,526,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 240,784.31</u>	<u>8,526,000</u>	
Total Purchases	<u>\$ 268,272.50</u>	<u>10,024,000</u>	
Sales			
Internal Economy	\$ 5,404,486.24	264,415,000	Fuel for LGE Sale to KU for Native Load
	41,928.32		Half of Split Savings to LGE from KU
	<u>\$ 5,446,414.56</u>	<u>264,415,000</u>	
Internal Replacement	\$ 14,717.33	746,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 14,717.33</u>	<u>746,000</u>	
Total Sales	<u>\$ 5,461,131.89</u>	<u>265,161,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 5,404,486.24	264,415,000	Fuel for LGE Sale to KU for Native Load
	41,928.32		Half of Split Savings to LGE from KU
	<u>\$ 5,446,414.56</u>	<u>264,415,000</u>	
Internal Replacement	\$ 14,717.33	746,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 14,717.33</u>	<u>746,000</u>	
Total Purchases	<u>\$ 5,461,131.89</u>	<u>265,161,000</u>	
Sales			
Internal Economy	\$ 26,717.65	1,498,000	KU Fuel Cost - Sales to LGE Native Load
	770.54		Half of Split Savings
	<u>\$ 27,488.19</u>	<u>1,498,000</u>	
Internal Replacement	\$ 240,784.31	8,526,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 240,784.31</u>	<u>8,526,000</u>	
Total Sales	<u>\$ 268,272.50</u>	<u>10,024,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: December 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	407,226
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	305,420
4.	Current Month True-up	OSS Page 3	\$	<u>7,167</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>312,587</u></u>
6.	Current Month S(m)	Form A Page 3		930,058,594
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00034

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: December 2018

Line No.

1.	Total OSS Revenues		\$ 1,735,436
2.	Total OSS Expenses		<u>\$ 1,328,210</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 407,226</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: December 2018

Line No.

1. Last OSS Adjustment Factor Billed		\$	<u>(0.00034)</u>
2. KWH Billed at Above Rate			<u>915,129,486</u>
3. OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(311,144)</u>
4. KWH Used to Determine Last OSS Adjustment Factor			<u>936,207,543</u>
5. Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>936,207,543</u>
7. Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8. OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(318,311)</u>
9. (Over) or Under Amount	(Line 3 - Line 8)	\$	<u>7,167</u>
10. Total Sales "Sm" (From Form A, Page 3 of 5)			<u>930,058,594</u>
11. Kentucky Jurisdictional Sales			<u>930,058,594</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13. Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>7,167</u>



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Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
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December 21, 2018

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Derek Rahn
Manager - Revenue
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Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2019 billing cycle which begins January 2, 2019.

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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: November 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$	0.00115 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00034 / KWH</u>
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>0.00081 / KWH</u>

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

Effective Date for Billing: January 2, 2019

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: November 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$22,352,235}{878,864,721 \text{ KWH}} = (+) \$ 0.02543 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00115}} / \text{KWH}$$

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

Effective Date for Billing: January 2, 2019

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: November 2018

(A) Company Generation		
Coal Burned	(+) \$	16,796,437 (1)
Oil Burned	(+)	13 (1)
Gas Burned	(+)	5,281,422 (1)
Fuel (assigned cost during Forced Outage)	(+)	711,599 *
Fuel (substitute cost for Forced Outage)	(-)	660,458 *
SUB-TOTAL		<u>\$ 22,077,872</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,333,491
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	3,544 *
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	1,011,420
Internal Replacement	(+)	72,203
SUB-TOTAL		<u>\$ 2,417,114</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	633,842
Internal Economy	(+)	1,241,466
Internal Replacement	(+)	266,448
Dollars Assigned to Inter-System Sales Losses	(+)	3,169
SUB-TOTAL		<u>\$ 2,144,925</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ (2,174)</u>
(E) CSR Customers Buy-Through Adjustment		
		<u>\$ -</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 22,352,235</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$4,215
Oil burned = \$0
Gas burned = \$63

* 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.

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: November 2018

1.	Last FAC Rate Billed		0.00001
2.	KWH Billed at Above Rate		<u>832,885,010</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 8,329</u>
4.	KWH Used to Determine Last FAC Rate		1,050,266,025
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,050,266,025</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 10,503</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (2,174)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>878,864,721</u>
11.	Kentucky Jurisdictional Sales		<u>878,864,721</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (2,174)</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: November 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 997,367.80	41,599,000	KU Fuel Cost - Sales to LGE Native Load
	14,052.42		Half of Split Savings
	<u>\$ 1,011,420.22</u>	<u>41,599,000</u>	
Internal Replacement	\$ 72,203.38	2,557,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,203.38</u>	<u>2,557,000</u>	
Total Purchases	<u>\$ 1,083,623.60</u>	<u>44,156,000</u>	
Sales			
Internal Economy	\$ 1,228,305.16	52,679,000	Fuel for LGE Sale to KU for Native Load
	13,160.38		Half of Split Savings to LGE from KU
	<u>\$ 1,241,465.54</u>	<u>52,679,000</u>	
Internal Replacement	\$ 266,447.98	11,764,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 266,447.98</u>	<u>11,764,000</u>	
Total Sales	<u>\$ 1,507,913.52</u>	<u>64,443,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,228,305.16	52,679,000	Fuel for LGE Sale to KU for Native Load
	13,160.38		Half of Split Savings to LGE from KU
	<u>\$ 1,241,465.54</u>	<u>52,679,000</u>	
Internal Replacement	\$ 266,447.98	11,764,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 266,447.98</u>	<u>11,764,000</u>	
Total Purchases	<u>\$ 1,507,913.52</u>	<u>64,443,000</u>	
Sales			
Internal Economy	\$ 997,367.80	41,599,000	KU Fuel Cost - Sales to LGE Native Load
	14,052.42		Half of Split Savings
	<u>\$ 1,011,420.22</u>	<u>41,599,000</u>	
Internal Replacement	\$ 72,203.38	2,557,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,203.38</u>	<u>2,557,000</u>	
Total Sales	<u>\$ 1,083,623.60</u>	<u>44,156,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: November 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	224,431
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	168,323
4.	Current Month True-up	OSS Page 3	\$	<u>128,255</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>296,578</u></u>
6.	Current Month S(m)	Form A Page 3		878,864,721
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00034

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: November 2018

Line No.

1.	Total OSS Revenues		\$ 1,271,799
2.	Total OSS Expenses		<u>\$ 1,047,368</u>
3.	Total OSS Margins	L. 1 - L. 2	<u><u>\$ 224,431</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: November 2018

Line No.

1. Last OSS Adjustment Factor Billed		\$	<u>(0.00059)</u>
2. KWH Billed at Above Rate			<u>832,885,010</u>
3. OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(491,402)</u>
4. KWH Used to Determine Last OSS Adjustment Factor			<u>1,050,266,025</u>
5. Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>1,050,266,025</u>
7. Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8. OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(619,657)</u>
9. (Over) or Under Amount	(Line 3 - Line 8)	\$	<u>128,255</u>
10. Total Sales "Sm" (From Form A, Page 3 of 5)			<u>878,864,721</u>
11. Kentucky Jurisdictional Sales			<u>878,864,721</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13. Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>128,255</u>



a PPL company

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

November 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins November 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

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LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: October 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00020) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00034</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00054)</u> / KWH

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

Effective Date for Billing: November 30, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: October 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$22,543,878}{936,207,543 \text{ KWH}} = (+) \$ 0.02408 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00020) / \text{KWH}}}$$

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

Effective Date for Billing: November 30, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: October 2018

(A) Company Generation		
Coal Burned	(+) \$	19,008,949 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	4,072,160 (1)
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL	\$	23,081,109
(B) Purchases		
Net energy cost - economy purchases	(+) \$	897,883
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	738,526
Internal Replacement	(+)	341,230
SUB-TOTAL	\$	1,977,639
(C) Inter-System Sales		
Including Interchange-out	(+) \$	619,380
Internal Economy	(+)	1,514,489
Internal Replacement	(+)	202,831
Dollars Assigned to Inter-System Sales Losses	(+)	3,097
SUB-TOTAL	\$	2,339,797
(D) Over or (Under) Recovery		
From Page 4, Line 13	\$	175,073
(E) CSR Customers Buy-Through Adjustment		
	\$	-
TOTAL FUEL RECOVERY (A+B-C-D-E) =	\$	22,543,878

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$5,497
Oil burned = \$0
Gas burned = \$57

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: October 2018

1.	Last FAC Rate Billed		(0.00086)
2.	KWH Billed at Above Rate		<u>1,025,502,932</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (881,933)</u>
4.	KWH Used to Determine Last FAC Rate		1,229,076,849
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,229,076,849</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (1,057,006)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 175,073</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>936,207,543</u>
11.	Kentucky Jurisdictional Sales		<u>936,207,543</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 175,073</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: October 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 704,427.30	30,321,000	KU Fuel Cost - Sales to LGE Native Load
	34,098.88		Half of Split Savings
	<u>\$ 738,526.18</u>	<u>30,321,000</u>	
Internal Replacement	\$ 341,230.18	15,692,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 341,230.18</u>	<u>15,692,000</u>	
Total Purchases	<u><u>\$ 1,079,756.36</u></u>	<u><u>46,013,000</u></u>	
Sales			
Internal Economy	\$ 1,502,364.55	71,264,000	Fuel for LGE Sale to KU for Native Load
	12,124.65		Half of Split Savings to LGE from KU
	<u>\$ 1,514,489.20</u>	<u>71,264,000</u>	
Internal Replacement	\$ 202,831.07	7,071,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 202,831.07</u>	<u>7,071,000</u>	
Total Sales	<u><u>\$ 1,717,320.27</u></u>	<u><u>78,335,000</u></u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,502,364.55	71,264,000	Fuel for LGE Sale to KU for Native Load
	12,124.65		Half of Split Savings to LGE from KU
	<u>\$ 1,514,489.20</u>	<u>71,264,000</u>	
Internal Replacement	\$ 202,831.07	7,071,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 202,831.07</u>	<u>7,071,000</u>	
Total Purchases	<u><u>\$ 1,717,320.27</u></u>	<u><u>78,335,000</u></u>	
Sales			
Internal Economy	\$ 704,427.30	30,321,000	KU Fuel Cost - Sales to LGE Native Load
	34,098.88		Half of Split Savings
	<u>\$ 738,526.18</u>	<u>30,321,000</u>	
Internal Replacement	\$ 341,230.18	15,692,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 341,230.18</u>	<u>15,692,000</u>	
Total Sales	<u><u>\$ 1,079,756.36</u></u>	<u><u>46,013,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: October 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	395,526
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	296,645
4.	Current Month True-up	OSS Page 3	\$	<u>20,358</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>317,003</u></u>
6.	Current Month S(m)	Form A Page 3		936,207,543
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00034

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: October 2018

Line No.

1.	Total OSS Revenues		\$ 1,376,362
2.	Total OSS Expenses		<u>\$ 980,836</u>
3.	Total OSS Margins	L. 1 - L. 2	<u><u>\$ 395,526</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: October 2018

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00010)</u>
2.	KWH Billed at Above Rate			<u>1,025,502,932</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(102,550)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>1,229,076,849</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>1,229,076,849</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(122,908)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>20,358</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>936,207,543</u>
11.	Kentucky Jurisdictional Sales			<u>936,207,543</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>20,358</u>



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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

**Louisville Gas and
Electric Company**
State Regulation and Rates
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Derek Rahn
Manager - Revenue
Requirement COS
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derek.rahn@lge-ku.com

October 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins October 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

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OCT 19 2018

PUBLIC SERVICE
COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: September 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$	0.00001 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00059</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00058)</u> / KWH

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

Effective Date for Billing: October 30, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: September 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$25,513,230}{1,050,266,025 \text{ KWH}} = (+) \$ 0.02429 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00001}} / \text{KWH}$$

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

Effective Date for Billing: October 30, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: September 2018

(A) Company Generation		
Coal Burned	(+) \$ 21,449,795	(1)
Oil Burned	(+) -	(1)
Gas Burned	(+) 4,693,389	(1)
Fuel (assigned cost during Forced Outage)	(+) 522,423	
Fuel (substitute cost for Forced Outage)	(-) 531,723	
SUB-TOTAL	<u>\$ 26,133,884</u>	
(B) Purchases		
Net energy cost - economy purchases	(+) \$ 1,029,809	
Identifiable fuel cost - other purchases	(+) -	
Identifiable fuel cost (substitute for Forced Outage)	(-) 810	
Less Purchases Above Highest Cost Units	(-) -	
Internal Economy	(+) 423,223	
Internal Replacement	(+) 264,206	
SUB-TOTAL	<u>\$ 1,716,428</u>	
(C) Inter-System Sales		
Including Interchange-out	(+) \$ 681,946	
Internal Economy	(+) 1,443,895	
Internal Replacement	(+) 145,456	
Dollars Assigned to Inter-System Sales Losses	(+) 3,410	
SUB-TOTAL	<u>\$ 2,274,707</u>	
(D) Over or (Under) Recovery		
From Page 4, Line 13	<u>\$ 62,375</u>	
(E) CSR Customers Buy-Through Adjustment		
	<u>\$ -</u>	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		
	<u><u>\$ 25,513,230</u></u>	

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$5,197
Oil burned = \$0
Gas burned = \$65

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: September 2018

(A) Generation (Net)	(+)	1,162,987,000
Purchases including interchange-in	(+)	12,791,000
Internal Economy	(+)	18,918,000
Internal Replacement	(+)	12,011,000
SUB-TOTAL		<u>1,206,707,000</u>
(B) Inter-system Sales including interchange-out	(+)	30,111,000
Internal Economy	(+)	71,286,000
Internal Replacement	(+)	5,555,000
System Losses (1,099,755,000 KWH times 4.50%)	(+)	<u>49,488,975</u>
SUB-TOTAL		<u>156,440,975</u>
TOTAL SALES (A-B)		<u><u>1,050,266,025</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month: September 2018

1.	Last FAC Rate Billed		(0.00062)
2.	KWH Billed at Above Rate		<u>1,129,423,196</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (700,242)</u>
4.	KWH Used to Determine Last FAC Rate		1,230,027,571
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,230,027,571</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (762,617)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 62,375</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,050,266,025</u>
11.	Kentucky Jurisdictional Sales		<u>1,050,266,025</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 62,375</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month: September 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 410,594.42	18,918,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>12,628.10</u>		
	\$ 423,222.52	<u>18,918,000</u>	
Internal Replacement			
	\$ 264,206.25	12,011,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>264,206.25</u>	<u>12,011,000</u>	
Total Purchases	<u>\$ 687,428.77</u>	<u>30,929,000</u>	
Sales			
Internal Economy			
	\$ 1,431,993.96	71,286,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>11,900.90</u>		
	\$ 1,443,894.86	<u>71,286,000</u>	
Internal Replacement			
	\$ 145,455.74	5,555,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>145,455.74</u>	<u>5,555,000</u>	
Total Sales	<u>\$ 1,589,350.60</u>	<u>76,841,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 1,431,993.96	71,286,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>11,900.90</u>		
	\$ 1,443,894.86	<u>71,286,000</u>	
Internal Replacement			
	\$ 145,455.74	5,555,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>145,455.74</u>	<u>5,555,000</u>	
Total Purchases	<u>\$ 1,589,350.60</u>	<u>76,841,000</u>	
Sales			
Internal Economy			
	\$ 410,594.42	18,918,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>12,628.10</u>		
	\$ 423,222.52	<u>18,918,000</u>	
Internal Replacement			
	\$ 264,206.25	12,011,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>264,206.25</u>	<u>12,011,000</u>	
Total Sales	<u>\$ 687,428.77</u>	<u>30,929,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: September 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	821,467
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	616,100
4.	Current Month True-up	OSS Page 3	\$	<u>8,048</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>624,148</u>
6.	Current Month S(m)	Form A Page 3		1,050,266,025
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00059

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: September 2018

Line No.

1.	Total OSS Revenues		\$ 1,827,183
2.	Total OSS Expenses		<u>\$ 1,005,716</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 821,467</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: September 2018

Line No.

1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00008)</u>
2.	KWH Billed at Above Rate		<u>1,129,423,196</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (90,354)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,230,027,571</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,230,027,571</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed		<u>.</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (98,402)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 8,048</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)		<u>1,050,266,025</u>
11.	Kentucky Jurisdictional Sales		<u>1,050,266,025</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 8,048</u>



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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

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
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Derek Rahn
Manager - Revenue
Requirement COS
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F 502-217-4002
derek.rahn@lge-ku.com

September 21, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins October 1, 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

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PUBLIC SERVICE
COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: August 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00086) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00010</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00096)</u> / KWH

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

Effective Date for Billing: October 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: August 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$28,781,511}{1,229,076,849 \text{ KWH}} = (+) \$ 0.02342 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00086)}} / \text{KWH}$$

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

Effective Date for Billing: October 1, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: August 2018

(A) Company Generation		
Coal Burned	(+) \$	23,568,102 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	5,077,850 (1)
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL	\$	<u>28,645,952</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,242,502
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	390,901
Internal Replacement	(+)	86,932
SUB-TOTAL	\$	<u>1,720,335</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	357,964
Internal Economy	(+)	1,192,290
Internal Replacement	(+)	61,792
Dollars Assigned to Inter-System Sales Losses	(+)	1,790
SUB-TOTAL	\$	<u>1,613,836</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13	\$	<u>(29,060)</u>
(E) CSR Customers Buy-Through Adjustment		
	\$	<u>-</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 28,781,511</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$4,976
Oil burned = \$0
Gas burned = \$64

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month: August 2018

1.	Last FAC Rate Billed		(0.00092)
2.	KWH Billed at Above Rate		<u>1,186,850,342</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (1,091,902)</u>
4.	KWH Used to Determine Last FAC Rate		1,155,263,376
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,155,263,376</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (1,062,842)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (29,060)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,229,076,849</u>
11.	Kentucky Jurisdictional Sales		<u>1,229,076,849</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (29,060)</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month: August 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 388,598.23	18,755,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>2,302.40</u>	<u>18,755,000</u>	
	\$ 390,900.63		
Internal Replacement	\$ 86,932.06	3,761,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-	0	
	<u>-</u>	<u>3,761,000</u>	
	\$ 86,932.06		
Total Purchases	<u><u>\$ 477,832.69</u></u>	<u><u>22,516,000</u></u>	
Sales			
Internal Economy	\$ 1,183,705.31	55,093,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>8,584.65</u>	<u>55,093,000</u>	
	\$ 1,192,289.96		
Internal Replacement	\$ 61,792.01	2,854,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-	0	
	<u>-</u>	<u>2,854,000</u>	
	\$ 61,792.01		
Total Sales	<u><u>\$ 1,254,081.97</u></u>	<u><u>57,947,000</u></u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,183,705.31	55,093,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>8,584.65</u>	<u>55,093,000</u>	
	\$ 1,192,289.96		
Internal Replacement	\$ 61,792.01	2,854,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-	0	
	<u>-</u>	<u>2,854,000</u>	
	\$ 61,792.01		
Total Purchases	<u><u>\$ 1,254,081.97</u></u>	<u><u>57,947,000</u></u>	
Sales			
Internal Economy	\$ 388,598.23	18,755,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>2,302.40</u>	<u>18,755,000</u>	
	\$ 390,900.63		
Internal Replacement	\$ 86,932.06	3,761,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-	0	
	<u>-</u>	<u>3,761,000</u>	
	\$ 86,932.06		
Total Sales	<u><u>\$ 477,832.69</u></u>	<u><u>22,516,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: August 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 157,443
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 118,082
4.	Current Month True-up	OSS Page 3	<u>\$ (316)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 117,766</u>
6.	Current Month S(m)	Form A Page 3	1,229,076,849
7.	Off-System Sales Adjustment Clause Factor	L. 5 ÷ L. 6	0.00010

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: August 2018

Line No.

1.	Total OSS Revenues		\$	665,606
2.	Total OSS Expenses		\$	<u>508,163</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>157,443</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: August 2018

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00001)</u>
2.	KWH Billed at Above Rate			<u>1,186,850,342</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(11,869)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>1,155,263,376</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>1,155,263,376</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(11,553)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>(316)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>1,229,076,849</u>
11.	Kentucky Jurisdictional Sales			<u>1,229,076,849</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>(316)</u>



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COMMISSION

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

**Louisville Gas and
Electric Company**
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Derek Rahn
Manager - Revenue
Requirement COS
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derek.rahn@lge-ku.com

August 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins August 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

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LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: July 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00062) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00008</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00070)</u> / KWH

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

Effective Date for Billing: August 30, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: July 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$29,100,000}{1,230,027,571 \text{ KWH}} = (+) \$ 0.02366 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00062) / \text{KWH}}}$$

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

Effective Date for Billing: August 30, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: July 2018

(A) Company Generation		
Coal Burned	(+) \$	23,935,439 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	4,763,146 (1)
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL		<u>\$ 28,698,585</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,295,577
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	557,604
Internal Replacement	(+)	72,298
SUB-TOTAL		<u>\$ 1,925,479</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	324,915
Internal Economy	(+)	1,170,848
Internal Replacement	(+)	125,183
Dollars Assigned to Inter-System Sales Losses	(+)	1,625
SUB-TOTAL		<u>\$ 1,622,571</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ (98,507)</u>
(E) CSR Customers Buy-Through Adjustment		
		<u>\$ -</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 29,100,000</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned =	\$5,259
Oil burned =	\$0
Gas burned =	\$61

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: July 2018

(A) Generation (Net)		(+)	1,306,231,000
Purchases including interchange-in		(+)	27,259,000
Internal Economy		(+)	24,333,000
Internal Replacement		(+)	3,405,000
SUB-TOTAL			<u>1,361,228,000</u>
(B) Inter-system Sales including interchange-out		(+)	13,736,000
Internal Economy		(+)	55,675,000
Internal Replacement		(+)	4,504,000
System Losses	(1,287,313,000 KWH times 4.45%)	(+)	<u>57,285,429</u>
SUB-TOTAL			<u>131,200,429</u>
TOTAL SALES (A-B)			<u><u>1,230,027,571</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month: July 2018

1.	Last FAC Rate Billed		(0.00060)
2.	KWH Billed at Above Rate		<u>1,242,219,776</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (745,332)</u>
4.	KWH Used to Determine Last FAC Rate		1,078,042,190
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,078,042,190</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (646,825)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (98,507)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,230,027,571</u>
11.	Kentucky Jurisdictional Sales		<u>1,230,027,571</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (98,507)</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month: July 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 546,353.43	24,333,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>11,250.84</u>		
	\$ 557,604.27	<u>24,333,000</u>	
Internal Replacement			
	\$ 72,297.69	3,405,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>-</u>		
	\$ 72,297.69	<u>3,405,000</u>	
Total Purchases	<u>\$ 629,901.96</u>	<u>27,738,000</u>	
Sales			
Internal Economy			
	\$ 1,169,102.13	55,675,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>1,745.41</u>		
	\$ 1,170,847.54	<u>55,675,000</u>	
Internal Replacement			
	\$ 125,183.45	4,504,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>-</u>		
	\$ 125,183.45	<u>4,504,000</u>	
Total Sales	<u>\$ 1,296,030.99</u>	<u>60,179,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 1,169,102.13	55,675,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>1,745.41</u>		
	\$ 1,170,847.54	<u>55,675,000</u>	
Internal Replacement			
	\$ 125,183.45	4,504,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>-</u>		
	\$ 125,183.45	<u>4,504,000</u>	
Total Purchases	<u>\$ 1,296,030.99</u>	<u>60,179,000</u>	
Sales			
Internal Economy			
	\$ 546,353.43	24,333,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>11,250.84</u>		
	\$ 557,604.27	<u>24,333,000</u>	
Internal Replacement			
	\$ 72,297.69	3,405,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>-</u>		
	\$ 72,297.69	<u>3,405,000</u>	
Total Sales	<u>\$ 629,901.96</u>	<u>27,738,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: July 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	137,011
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	102,758
4.	Current Month True-up	OSS Page 3	\$	<u>(3,283)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>99,475</u>
6.	Current Month S(m)	Form A Page 3		1,230,027,571
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00008

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: July 2018

Line No.

1.	Total OSS Revenues		\$	666,011
2.	Total OSS Expenses		\$	<u>529,000</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>137,011</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: July 2018

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00002)</u>
2.	KWH Billed at Above Rate			<u>1,242,219,776</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(24,844)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>1,078,042,190</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>1,078,042,190</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(21,561)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>(3,283)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>1,230,027,571</u>
11.	Kentucky Jurisdictional Sales			<u>1,230,027,571</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>(3,283)</u>



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FINANCIAL ANALYSIS

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

**Louisville Gas and
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Derek Rahn
Manager - Revenue
Requirement COS
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derek.rahn@lge-ku.com

July 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins August 1, 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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: June 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00092) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00001</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00093)</u> / KWH

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

Effective Date for Billing: August 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: June 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$26,988,441}{1,155,263,376 \text{ KWH}} = (+) \$ 0.02336 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00092)}} / \text{KWH}$$

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

Effective Date for Billing: August 1, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: June 2018

(A) Company Generation		
Coal Burned	(+) \$	22,544,788 (1)
Oil Burned	(+)	7,031 (1)
Gas Burned	(+)	4,159,731 (1)
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL		<u>\$ 26,711,550</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,196,071
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	942
Internal Economy	(+)	344,755
Internal Replacement	(+)	86,187
SUB-TOTAL		<u>\$ 1,626,071</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	272,458
Internal Economy	(+)	1,099,636
Internal Replacement	(+)	55,141
Dollars Assigned to Inter-System Sales Losses	(+)	1,362
SUB-TOTAL		<u>\$ 1,428,597</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ (79,417)</u>
(E) CSR Customers Buy-Through Adjustment		
		<u>\$ -</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 26,988,441</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned =	\$4,649
Oil burned =	\$0
Gas burned =	\$60

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: June 2018

1.	Last FAC Rate Billed		(0.00026)
2.	KWH Billed at Above Rate		<u>1,126,304,910</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (292,839)</u>
4.	KWH Used to Determine Last FAC Rate		820,855,227
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>820,855,227</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (213,422)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (79,417)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,155,263,376</u>
11.	Kentucky Jurisdictional Sales		<u>1,155,263,376</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (79,417)</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month: June 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 339,481.08	15,164,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	5,274.26		
	\$ 344,755.34	15,164,000	
Internal Replacement	\$ 86,186.74	3,680,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	\$ 86,186.74	3,680,000	
Total Purchases	\$ 430,942.08	18,844,000	
Sales			
Internal Economy	\$ 1,095,065.30	50,047,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	4,570.57		
	\$ 1,099,635.87	50,047,000	
Internal Replacement	\$ 55,140.78	2,122,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	\$ 55,140.78	2,122,000	
Total Sales	\$ 1,154,776.65	52,169,000	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,095,065.30	50,047,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	4,570.57		
	\$ 1,099,635.87	50,047,000	
Internal Replacement	\$ 55,140.78	2,122,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	\$ 55,140.78	2,122,000	
Total Purchases	\$ 1,154,776.65	52,169,000	
Sales			
Internal Economy	\$ 339,481.08	15,164,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	5,274.26		
	\$ 344,755.34	15,164,000	
Internal Replacement	\$ 86,186.74	3,680,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	\$ 86,186.74	3,680,000	
Total Sales	\$ 430,942.08	18,844,000	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: June 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	143,265
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	107,449
4.	Current Month True-up	OSS Page 3	\$	<u>(97,744)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>9,705</u>
6.	Current Month S(m)	Form A Page 3		1,155,263,376
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00001

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: June 2018

Line No.

1.	Total OSS Revenues		\$	529,943
2.	Total OSS Expenses		\$	<u>386,678</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>143,265</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: June 2018

Line No.

1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00032)</u>
2.	KWH Billed at Above Rate		<u>1,126,304,910</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (360,418)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>820,855,227</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>820,855,227</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (262,674)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (97,744)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)		<u>1,155,263,376</u>
11.	Kentucky Jurisdictional Sales		<u>1,155,263,376</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (97,744)</u>



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COMMISSION

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

**Louisville Gas and
Electric Company**
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JUN 20 2018

FINANCIAL ANALYSIS

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

June 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins June 29, 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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: May 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00060) / 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>(0.00062)</u> / KWH

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

Effective Date for Billing: June 29, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: May 2018

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$25,527,238 & \\ \hline & = & \\ \text{Sales "Sm" (Sales Schedule)} & 1,078,042,190 \text{ KWH} & = (+) \$ 0.02368 / \text{KWH} \end{array}$$

$$\begin{array}{rcl} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1} & & \\ \text{effective September 1, 2017} & & = (-) \$ \underline{0.02428} / \text{KWH} \end{array}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00060)}} / \text{KWH}$$

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

Effective Date for Billing: June 29, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: May 2018

(A) Company Generation		
Coal Burned	(+) \$	20,007,525 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	5,448,113 (1)
Fuel (assigned cost during Forced Outage)	(+)	395,416
Fuel (substitute cost for Forced Outage)	(-)	419,375
SUB-TOTAL		<u>\$ 25,431,679</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	879,976
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,437
Less Purchases Above Highest Cost Units	(-)	3,705
Internal Economy	(+)	610,061
Internal Replacement	(+)	187,269
SUB-TOTAL		<u>\$ 1,671,164</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	496,782
Internal Economy	(+)	1,025,754
Internal Replacement	(+)	74,472
Dollars Assigned to Inter-System Sales Losses	(+)	2,484
SUB-TOTAL		<u>\$ 1,599,492</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ (23,887)</u>
(E) CSR Customers Buy-Through Adjustment		
		<u>\$ -</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 25,527,238</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$3,008
Oil burned = \$0
Gas burned = \$101

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: May 2018

(A) Generation (Net)	(+)	1,141,308,000
Purchases including interchange-in	(+)	23,272,000
Internal Economy	(+)	28,071,000
Internal Replacement	(+)	8,285,000
SUB-TOTAL		<u>1,200,936,000</u>
(B) Inter-system Sales including interchange-out	(+)	21,512,000
Internal Economy	(+)	46,906,000
Internal Replacement	(+)	3,205,000
System Losses (1,129,313,000 KWH times 4.54%)	(+)	51,270,810
SUB-TOTAL		<u>122,893,810</u>
TOTAL SALES (A-B)		<u><u>1,078,042,190</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month: May 2018

1.	Last FAC Rate Billed		(0.00037)
2.	KWH Billed at Above Rate		<u>956,004,466</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (353,722)</u>
4.	KWH Used to Determine Last FAC Rate		891,445,176
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>891,445,176</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (329,835)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (23,887)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,078,042,190</u>
11.	Kentucky Jurisdictional Sales		<u>1,078,042,190</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (23,887)</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**

Expense Month: May 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 603,587.73	28,071,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>6,473.28</u>	<u>28,071,000</u>	
	\$ 610,061.01		
Internal Replacement	\$ 187,268.98	8,285,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>-</u>	<u>8,285,000</u>	
	\$ 187,268.98		
Total Purchases	<u>\$ 797,329.99</u>	<u>36,356,000</u>	
Sales			
Internal Economy	\$ 1,017,003.38	46,906,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>8,750.73</u>	<u>46,906,000</u>	
	\$ 1,025,754.11		
Internal Replacement	\$ 74,471.57	3,205,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>-</u>	<u>3,205,000</u>	
	\$ 74,471.57		
Total Sales	<u>\$ 1,100,225.68</u>	<u>50,111,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 1,017,003.38	46,906,000	Fuel for LGE Sale to KU for Native Load Half of Split Savings to LGE from KU
	<u>8,750.73</u>	<u>46,906,000</u>	
	\$ 1,025,754.11		
Internal Replacement	\$ 74,471.57	3,205,000	Freed-up LGE Generation sold back to KU 0 LGE Generation for KU Pre-Merger Sales
	-		
	<u>-</u>	<u>3,205,000</u>	
	\$ 74,471.57		
Total Purchases	<u>\$ 1,100,225.68</u>	<u>50,111,000</u>	
Sales			
Internal Economy	\$ 603,587.73	28,071,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u>6,473.28</u>	<u>28,071,000</u>	
	\$ 610,061.01		
Internal Replacement	\$ 187,268.98	8,285,000	Freed-up KU Generation sold back to LGE 0 KU Generation for LGE Pre-Merger 0 KU Generation for LGE IB
	-		
	<u>-</u>	<u>8,285,000</u>	
	\$ 187,268.98		
Total Sales	<u>\$ 797,329.99</u>	<u>36,356,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: May 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	199,169
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	149,377
4.	Current Month True-up	OSS Page 3	\$	<u>(126,536)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>22,841</u>
6.	Current Month S(m)	Form A Page 3		1,078,042,190
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00002

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: May 2018

Line No.

1.	Total OSS Revenues		\$	901,101
2.	Total OSS Expenses		\$	<u>701,932</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>199,169</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: May 2018

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00196)</u>
2.	KWH Billed at Above Rate			<u>956,004,466</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(1,873,769)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>891,445,176</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>891,445,176</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(1,747,233)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>(126,536)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>1,078,042,190</u>
11.	Kentucky Jurisdictional Sales			<u>1,078,042,190</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>(126,536)</u>



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MAY 21 2018

PUBLIC SERVICE
COMMISSION

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

**Louisville Gas and
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Derek Rahn
Manager - Revenue
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derek.rahn@lge-ku.com

May 21, 2018

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MAY 21 2018
FINANCIAL ANALYSIS

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins May 31, 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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: April 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00026) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00032</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00058)</u> / KWH

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

Effective Date for Billing: May 31, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: April 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$19,715,145}{820,855,227 \text{ KWH}} = (+) \$ 0.02402 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00026)}} / \text{KWH}$$

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

Effective Date for Billing: May 31, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: April 2018

(A) Company Generation		
Coal Burned	(+) \$	14,589,516 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	5,958,530 (1)
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL		<u>\$ 20,548,046</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,120,967
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	106,927
Internal Replacement	(+)	459,827
SUB-TOTAL		<u>\$ 1,687,721</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	846,982
Internal Economy	(+)	1,599,574
Internal Replacement	(+)	21,271
Dollars Assigned to Inter-System Sales Losses	(+)	4,235
SUB-TOTAL		<u>\$ 2,472,062</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13	\$	<u>48,560</u>
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 19,715,145</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$3,047
Oil burned = \$0
Gas burned = \$1

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: April 2018

(A) Generation (Net)	(+)	899,123,000
Purchases including interchange-in	(+)	46,898,000
Internal Economy	(+)	4,854,000
Internal Replacement	(+)	20,741,000
SUB-TOTAL		<u>971,616,000</u>
(B) Inter-system Sales including interchange-out	(+)	37,404,000
Internal Economy	(+)	74,523,000
Internal Replacement	(+)	964,000
System Losses (858,725,000 KWH times 4.41%)	(+)	<u>37,869,773</u>
SUB-TOTAL		<u>150,760,773</u>
TOTAL SALES (A-B)		<u><u>820,855,227</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: April 2018

1.	Last FAC Rate Billed		0.00138
2.	KWH Billed at Above Rate		<u>867,868,781</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,197,659</u>
4.	KWH Used to Determine Last FAC Rate		832,680,123
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>832,680,123</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,149,099</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 48,560</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>820,855,227</u>
11.	Kentucky Jurisdictional Sales		<u>820,855,227</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 48,560</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: April 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 106,264.93	4,854,000	KU Fuel Cost - Sales to LGE Native Load
	662.50		Half of Split Savings
	<u>\$ 106,927.43</u>	<u>4,854,000</u>	
Internal Replacement			
	\$ 459,826.77	20,741,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 459,826.77</u>	<u>20,741,000</u>	
Total Purchases	<u>\$ 566,754.20</u>	<u>25,595,000</u>	
Sales			
Internal Economy			
	\$ 1,583,062.67	74,523,000	Fuel for LGE Sale to KU for Native Load
	16,511.50		Half of Split Savings to LGE from KU
	<u>\$ 1,599,574.17</u>	<u>74,523,000</u>	
Internal Replacement			
	\$ 21,271.31	964,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 21,271.31</u>	<u>964,000</u>	
Total Sales	<u>\$ 1,620,845.48</u>	<u>75,487,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy			
	\$ 1,583,062.67	74,523,000	Fuel for LGE Sale to KU for Native Load
	16,511.50		Half of Split Savings to LGE from KU
	<u>\$ 1,599,574.17</u>	<u>74,523,000</u>	
Internal Replacement			
	\$ 21,271.31	964,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 21,271.31</u>	<u>964,000</u>	
Total Purchases	<u>\$ 1,620,845.48</u>	<u>75,487,000</u>	
Sales			
Internal Economy			
	\$ 106,264.93	4,854,000	KU Fuel Cost - Sales to LGE Native Load
	662.50		Half of Split Savings
	<u>\$ 106,927.43</u>	<u>4,854,000</u>	
Internal Replacement			
	\$ 459,826.77	20,741,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 459,826.77</u>	<u>20,741,000</u>	
Total Sales	<u>\$ 566,754.20</u>	<u>25,595,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: April 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	358,945
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	269,209
4.	Current Month True-up	OSS Page 3	\$	<u>(2,463)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>266,746</u>
6.	Current Month S(m)	Form A Page 3		820,855,227
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00032

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: April 2018

Line No.

1.	Total OSS Revenues		\$ 1,433,214
2.	Total OSS Expenses		<u>\$ 1,074,269</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 358,945</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: April 2018

Line No.

1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00007)</u>
2.	KWH Billed at Above Rate		<u>867,868,781</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (60,751)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>832,680,123</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>832,680,123</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (58,288)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (2,463)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)		<u>820,855,227</u>
11.	Kentucky Jurisdictional Sales		<u>820,855,227</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (2,463)</u>



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APR 20 2018

PUBLIC SERVICE
COMMISSION

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



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

April 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins May 1, 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

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: March 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ (0.00037) / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00196</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00233)</u> / KWH

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

Effective Date for Billing: May 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: March 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$21,311,876}{891,445,176 \text{ KWH}} = (+) \$ 0.02391 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1} \\ \text{effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00037)}} / \text{KWH}$$

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

Effective Date for Billing: May 1, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: March 2018

(A) Company Generation		
Coal Burned	(+) \$	18,543,363 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	5,135,829 (1)
Fuel (assigned cost during Forced Outage)	(+)	84,291
Fuel (substitute cost for Forced Outage)	(-)	90,281
SUB-TOTAL		<u>\$ 23,673,202</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,389,207
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases Above Highest Cost Units	(-)	-
Internal Economy	(+)	870
Internal Replacement	(+)	289,690
SUB-TOTAL		<u>\$ 1,679,767</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	341,688
Internal Economy	(+)	4,180,940
Internal Replacement	(+)	-
Dollars Assigned to Inter-System Sales Losses	(+)	1,708
SUB-TOTAL		<u>\$ 4,524,336</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13		<u>\$ (483,243)</u>
TOTAL FUEL RECOVERY (A+B-C-D) =		<u><u>\$ 21,311,876</u></u>

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned =	\$3,081
Oil burned =	\$0
Gas burned =	(\$10)

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: March 2018

(A) Generation (Net)		(+)	1,074,172,000
Purchases including interchange-in		(+)	57,178,000
Internal Economy		(+)	31,000
Internal Replacement		(+)	11,311,000
SUB-TOTAL			<u>1,142,692,000</u>
(B) Inter-system Sales including interchange-out		(+)	13,560,000
Internal Economy		(+)	195,877,000
Internal Replacement		(+)	-
System Losses	(933,255,000 KWH times 4.48%)	(+)	41,809,824
SUB-TOTAL			<u>251,246,824</u>
TOTAL SALES (A-B)			<u><u>891,445,176</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: March 2018

1.	Last FAC Rate Billed		0.00241
2.	KWH Billed at Above Rate		<u>836,325,955</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,015,546</u>
4.	KWH Used to Determine Last FAC Rate		1,036,841,802
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,036,841,802</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,498,789</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (483,243)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>891,445,176</u>
11.	Kentucky Jurisdictional Sales		<u>891,445,176</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (483,243)</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: March 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 870.40	31,000	KU Fuel Cost - Sales to LGE Native Load Half of Split Savings
	<u> -</u>		
	\$ 870.40	<u>31,000</u>	
Internal Replacement	\$ 289,689.83	11,311,000	Freed-up KU Generation sold back to LGE
	<u> -</u>		0 KU Generation for LGE Pre-Merger
	<u> -</u>		0 KU Generation for LGE IB
	\$ 289,689.83	<u>11,311,000</u>	
Total Purchases	<u><u>\$ 290,560.23</u></u>	<u><u>11,342,000</u></u>	
Sales			
Internal Economy	\$ 4,152,396.76	195,877,000	Fuel for LGE Sale to KU for Native Load
	<u> 28,543.21</u>		Half of Split Savings to LGE from KU
	\$ 4,180,939.97	<u>195,877,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	<u> -</u>		0 LGE Generation for KU Pre-Merger Sales
	\$ -	<u>0</u>	
Total Sales	<u><u>\$ 4,180,939.97</u></u>	<u><u>195,877,000</u></u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 4,152,396.76	195,877,000	Fuel for LGE Sale to KU for Native Load
	<u> 28,543.21</u>		Half of Split Savings to LGE from KU
	\$ 4,180,939.97	<u>195,877,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	<u> -</u>		0 LGE Generation for KU Pre-Merger Sales
	\$ -	<u>0</u>	
Total Purchases	<u><u>\$ 4,180,939.97</u></u>	<u><u>195,877,000</u></u>	
Sales			
Internal Economy	\$ 870.40	31,000	KU Fuel Cost - Sales to LGE Native Load
	<u> -</u>		Half of Split Savings
	\$ 870.40	<u>31,000</u>	
Internal Replacement	\$ 289,689.83	11,311,000	Freed-up KU Generation sold back to LGE
	<u> -</u>		0 KU Generation for LGE Pre-Merger
	<u> -</u>		0 KU Generation for LGE IB
	\$ 289,689.83	<u>11,311,000</u>	
Total Sales	<u><u>\$ 290,560.23</u></u>	<u><u>11,342,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: March 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	116,419
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	87,314
4.	Current Month True-up	OSS Page 3	\$	<u>1,660,271</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>1,747,585</u></u>
6.	Current Month S(m)	Form A Page 3		891,445,176
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00196

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: March 2018

Line No.

1.	Total OSS Revenues		\$	532,575
2.	Total OSS Expenses		\$	<u>416,156</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>116,419</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: March 2018

Line No.

1. Last OSS Adjustment Factor Billed		\$	<u>(0.00828)</u>
2. KWH Billed at Above Rate			<u>836,325,955</u>
3. OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(6,924,779)</u>
4. KWH Used to Determine Last OSS Adjustment Factor			<u>1,036,841,802</u>
5. Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>1,036,841,802</u>
7. Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8. OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(8,585,050)</u>
9. (Over) or Under Amount	(Line 3 - Line 8)	\$	<u>1,660,271</u>
10. Total Sales "Sm" (From Form A, Page 3 of 5)			<u>891,445,176</u>
11. Kentucky Jurisdictional Sales			<u>891,445,176</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13. Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>1,660,271</u>



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MAR 19 2018

PUBLIC SERVICE
COMMISSION

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

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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MAR 21 2018
FINANCIAL ANALYSIS

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

March 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins March 29, 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

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MAR 19 2018

PUBLIC SERVICE
COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: February 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$	0.00138 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00007 / KWH</u>
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>0.00131 / KWH</u></u>

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

Effective Date for Billing: March 29, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: February 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$21,362,914}{832,680,123 \text{ KWH}} = (+) \$ 0.02566 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{0.00138}} / \text{KWH}$$

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

Effective Date for Billing: March 29, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: February 2018

(A) Company Generation		
Coal Burned	(+) \$ 18,407,562	(1)
Oil Burned	(+) -	(1)
Gas Burned	(+) 4,186,934	(1)
Fuel (assigned cost during Forced Outage)	(+) 553,211	*
Fuel (substitute cost for Forced Outage)	(-) 531,019	*
SUB-TOTAL	<u>\$ 22,594,496</u>	
(B) Purchases		
Net energy cost - economy purchases	(+) \$ 937,417	
Identifiable fuel cost - other purchases	(+) -	
Identifiable fuel cost (substitute for Forced Outage)	(-) 209	*
Less Purchases Above Highest Cost Units	(-) -	
Internal Economy	(+) 403,248	
Internal Replacement	(+) 208,313	
SUB-TOTAL	<u>\$ 1,548,978</u>	
(C) Inter-System Sales		
Including Interchange-out	(+) \$ 309,878	
Internal Economy	(+) 2,403,370	
Internal Replacement	(+) 32,512	
Dollars Assigned to Inter-System Sales Losses	(+) 1,549	
SUB-TOTAL	<u>\$ 2,747,309</u>	
(D) Over or (Under) Recovery		
From Page 4, Line 13	<u>\$ 33,251</u>	
TOTAL FUEL RECOVERY (A+B-C-D) =	<u><u>\$ 21,362,914</u></u>	

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$4,159
Oil burned = \$0
Gas burned = \$165

* 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.

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: February 2018

(A) Generation (Net)		(+)	964,917,000
Purchases including interchange-in		(+)	8,556,000
Internal Economy		(+)	19,477,000
Internal Replacement		(+)	8,243,000
SUB-TOTAL			<u>1,001,193,000</u>
(B) Inter-system Sales including interchange-out		(+)	12,799,000
Internal Economy		(+)	116,471,000
Internal Replacement		(+)	1,465,000
System Losses	(870,458,000 KWH times 4.34%)	(+)	37,777,877
SUB-TOTAL			<u>168,512,877</u>
			<u><u>TOTAL SALES (A-B)</u></u>
			<u>832,680,123</u>

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month: February 2018

1.	Last FAC Rate Billed		(0.00053)
2.	KWH Billed at Above Rate		<u>899,557,908</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (476,766)</u>
4.	KWH Used to Determine Last FAC Rate		962,296,096
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>962,296,096</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (510,017)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 33,251</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>832,680,123</u>
11.	Kentucky Jurisdictional Sales		<u>832,680,123</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 33,251</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: February 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 401,565.20	19,477,000	KU Fuel Cost - Sales to LGE Native Load
	1,682.80		Half of Split Savings
	<u>\$ 403,248.00</u>	<u>19,477,000</u>	
Internal Replacement	\$ 208,312.68	8,243,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 208,312.68</u>	<u>8,243,000</u>	
Total Purchases	<u><u>\$ 611,560.68</u></u>	<u><u>27,720,000</u></u>	
Sales			
Internal Economy	\$ 2,381,565.75	116,471,000	Fuel for LGE Sale to KU for Native Load
	21,804.27		Half of Split Savings to LGE from KU
	<u>\$ 2,403,370.02</u>	<u>116,471,000</u>	
Internal Replacement	\$ 32,511.85	1,465,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,511.85</u>	<u>1,465,000</u>	
Total Sales	<u><u>\$ 2,435,881.87</u></u>	<u><u>117,936,000</u></u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 2,381,565.75	116,471,000	Fuel for LGE Sale to KU for Native Load
	21,804.27		Half of Split Savings to LGE from KU
	<u>\$ 2,403,370.02</u>	<u>116,471,000</u>	
Internal Replacement	\$ 32,511.85	1,465,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,511.85</u>	<u>1,465,000</u>	
Total Purchases	<u><u>\$ 2,435,881.87</u></u>	<u><u>117,936,000</u></u>	
Sales			
Internal Economy	\$ 401,565.20	19,477,000	KU Fuel Cost - Sales to LGE Native Load
	1,682.80		Half of Split Savings
	<u>\$ 403,248.00</u>	<u>19,477,000</u>	
Internal Replacement	\$ 208,312.68	8,243,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 208,312.68</u>	<u>8,243,000</u>	
Total Sales	<u><u>\$ 611,560.68</u></u>	<u><u>27,720,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: February 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	53,944
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	40,458
4.	Current Month True-up	OSS Page 3	\$	<u>14,430</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u>54,888</u>
6.	Current Month S(m)	Form A Page 3		832,680,123
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6		0.00007

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: February 2018

Line No.

1.	Total OSS Revenues		\$	460,739
2.	Total OSS Expenses		\$	<u>406,795</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>53,944</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: February 2018

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00023)</u>
2.	KWH Billed at Above Rate			<u>899,557,908</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(206,898)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>962,296,096</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>962,296,096</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	\$	<u>(221,328)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>14,430</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>832,680,123</u>
11.	Kentucky Jurisdictional Sales			<u>832,680,123</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	\$	<u>14,430</u>



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FINANCIAL ANALYSIS

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Ms. Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky
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P.O. Box 615
Frankfort, Kentucky 40602

Derek Rahn
Manager - Revenue
Requirement COS
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derek.rahn@lge-ku.com

February 16, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Louisville Gas and Electric 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 2018 billing cycle which begins February 28, 2018.

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

Also, it has come to my attention that in January after the general ledger was closed for December 2017, the Company was informed that a counterparty failed to report energy flows for a new meter installed in December 2017, resulting in sales to that counterparty being recorded as purchases for December. To properly invoice the counterparty, the After-the-Fact Billing ("AFB") process was re-run, and the sales and purchases were subsequently adjusted in the January 2018 general ledger.

This issue resulted in an understatement of the economy purchases and inter-system sales on Pages 2 and 3 of the December 2017 expense month Form A filing. The net impact was an overstatement of recoverable fuel costs of \$1,220 and total sales of 50,726 kWh. Also, Off-System Sales margins were understated \$685. Because there was no impact on the FAC or OSS billing factors calculated for the December 2017 expense month, we followed the general ledger reporting of the accounting error correcting entry (i.e., the

Ms. Pinson
February 16, 2018

accounting error correction was accounted for in the January 2018 expense month Form A filing).

Sincerely,

A handwritten signature in blue ink, appearing to read "Derek Rahn", with a stylized flourish at the end.

Derek Rahn

Enclosures

LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: January 2018

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$ 0.00241 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00828</u> / KWH
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00587)</u> / KWH

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

Effective Date for Billing: February 28, 2018

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: January 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$27,673,042}{1,036,841,802 \text{ KWH}} = (+) \$ 0.02669 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02428} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00241}} / \text{KWH}$$

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

Effective Date for Billing: February 28, 2018

**LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL COST SCHEDULE**

Expense Month: January 2018

(A) Company Generation		
Coal Burned	(+) \$ 24,276,733	(1)
Oil Burned	(+) -	(1)
Gas Burned	(+) 9,265,491	(1)
Fuel (assigned cost during Forced Outage)	(+) 26,368	
Fuel (substitute cost for Forced Outage)	(-) 32,888	
SUB-TOTAL	\$ 33,535,704	
(B) Purchases		
Net energy cost - economy purchases	(+) \$ 1,407,349	(2)
Identifiable fuel cost - other purchases	(+) -	
Identifiable fuel cost (substitute for Forced Outage)	(-) -	
Less Purchases Above Highest Cost Units	(-) -	
Internal Economy	(+) 329,600	
Internal Replacement	(+) 4,039,581	
SUB-TOTAL	\$ 5,776,530	
(C) Inter-System Sales		
Including Interchange-out	(+) \$ 5,795,319	
Internal Economy	(+) 5,769,577	
Internal Replacement	(+) 225	
Dollars Assigned to Inter-System Sales Losses	(+) 28,977	
SUB-TOTAL	\$ 11,594,098	
(D) Over or (Under) Recovery		
From Page 4, Line 13	\$ 45,094	
TOTAL FUEL RECOVERY (A+B-C-D) =	\$ 27,673,042	

Notes: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00553.

Coal burned = \$5,284
Oil burned = \$0
Gas burned = \$127

(2) Reflects reduction of \$34,059 for buy-through charges to CSR customers

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: January 2018

(A) Generation (Net)		(+)	1,342,128,000
Purchases including interchange-in		(+)	27,404,000
Internal Economy		(+)	15,907,000
Internal Replacement		(+)	139,259,000
SUB-TOTAL			<u>1,524,698,000</u>
(B) Inter-system Sales including interchange-out		(+)	198,106,000
Internal Economy		(+)	242,813,000
Internal Replacement		(+)	10,000
System Losses	(1,083,769,000 KWH times 4.33%)	(+)	46,927,198
SUB-TOTAL			<u>487,856,198</u>
	TOTAL SALES (A-B)		<u><u>1,036,841,802</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: January 2018

1.	Last FAC Rate Billed		0.00020
2.	KWH Billed at Above Rate		<u>1,076,024,040</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 215,205</u>
4.	KWH Used to Determine Last FAC Rate		850,555,875
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>850,555,875</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 170,111</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 45,094</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,036,841,802</u>
11.	Kentucky Jurisdictional Sales		<u>1,036,841,802</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 45,094</u> To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE
INTERCOMPANY TRANSACTIONS**
Expense Month: January 2018

LOUISVILLE GAS AND ELECTRIC COMPANY

		KWH	
Purchases			
Internal Economy	\$ 329,563.37	15,907,000	KU Fuel Cost - Sales to LGE Native Load
	36.87		Half of Split Savings
	<u>\$ 329,600.24</u>	<u>15,907,000</u>	
Internal Replacement	\$ 4,039,581.42	139,259,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,039,581.42</u>	<u>139,259,000</u>	
Total Purchases	<u>\$ 4,369,181.66</u>	<u>155,166,000</u>	
Sales			
Internal Economy	\$ 5,204,884.11	242,813,000	Fuel for LGE Sale to KU for Native Load
	564,692.49		Half of Split Savings to LGE from KU
	<u>\$ 5,769,576.60</u>	<u>242,813,000</u>	
Internal Replacement	\$ 224.73	10,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 224.73</u>	<u>10,000</u>	
Total Sales	<u>\$ 5,769,801.33</u>	<u>242,823,000</u>	

KENTUCKY UTILITIES COMPANY

		KWH	
Purchases			
Internal Economy	\$ 5,204,884.11	242,813,000	Fuel for LGE Sale to KU for Native Load
	564,692.49		Half of Split Savings to LGE from KU
	<u>\$ 5,769,576.60</u>	<u>242,813,000</u>	
Internal Replacement	\$ 224.73	10,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 224.73</u>	<u>10,000</u>	
Total Purchases	<u>\$ 5,769,801.33</u>	<u>242,823,000</u>	
Sales			
Internal Economy	\$ 329,563.37	15,907,000	KU Fuel Cost - Sales to LGE Native Load
	36.87		Half of Split Savings
	<u>\$ 329,600.24</u>	<u>15,907,000</u>	
Internal Replacement	\$ 4,039,581.42	139,259,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,039,581.42</u>	<u>139,259,000</u>	
Total Sales	<u>\$ 4,369,181.66</u>	<u>155,166,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: January 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 11,451,772
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 8,588,829
4.	Current Month True-up	OSS Page 3	<u>\$ (2,254)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 8,586,575</u>
6.	Current Month S(m)	Form A Page 3	1,036,841,802
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	0.00828

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: January 2018

Line No.

1.	Total OSS Revenues		\$ 18,801,374
2.	Total OSS Expenses		<u>\$ 7,349,602</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 11,451,772</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP
LOUISVILLE GAS AND ELECTRIC COMPANY**

Expense Month: January 2018

Line No.

1.	Last OSS Adjustment Factor Billed		<u>\$</u>	<u>(0.00001)</u>
2.	KWH Billed at Above Rate			<u>1,076,024,040</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$</u>	<u>(10,760)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>850,555,875</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>850,555,875</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed			<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$</u>	<u>(8,506)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$</u>	<u>(2,254)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>1,036,841,802</u>
11.	Kentucky Jurisdictional Sales			<u>1,036,841,802</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		<u>1.00000000</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$</u>	<u>(2,254)</u>