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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
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February 19, 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 March 2019 billing cycle which begins March 1, 2019.

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

Sincerely,

Derek Rahn

Enclosures

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PUBLIC SERVICE
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LOUISVILLE GAS AND ELECTRIC COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Expense Month: January 2019

1	Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$	0.00133 / KWH
2	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00044 / KWH</u>
3	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>0.00089 / KWH</u>

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

Effective Date for Billing: March 1, 2019

Submitted by



Title: Manager, Revenue Requirement COS

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: January 2019

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$25,381,792}{991,089,584 \text{ KWH}} = (+) \$ 0.02561 / \text{KWH}$$

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

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00133}} / \text{KWH}$$

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

Effective Date for Billing: March 1, 2019

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

Expense Month: January 2019

(A) Company Generation		
Coal Burned	(+) \$	22,668,865 (1)
Oil Burned	(+)	- (1)
Gas Burned	(+)	6,080,143 (1)
Fuel (assigned cost during Forced Outage)	(+)	839,537
Fuel (substitute cost for Forced Outage)	(-)	858,537
SUB-TOTAL	\$	<u>28,730,008</u>
(B) Purchases		
Net energy cost - economy purchases	(+) \$	1,479,376
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	324
Less Purchases Above Highest Cost Units	(-)	1,981
Internal Economy	(+)	25,881
Internal Replacement	(+)	636,779
SUB-TOTAL	\$	<u>2,139,731</u>
(C) Inter-System Sales		
Including Interchange-out	(+) \$	1,023,724
Internal Economy	(+)	4,364,967
Internal Replacement	(+)	165
Dollars Assigned to Inter-System Sales Losses	(+)	5,119
SUB-TOTAL	\$	<u>5,393,975</u>
(D) Over or (Under) Recovery		
From Page 4, Line 13	\$	<u>93,972</u>
(E) CSR Customers Buy-Through Adjustment		
	\$	<u>-</u>
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 25,381,792</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 = \$5,302
Oil burned = \$0
Gas burned = \$95

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: January 2019

(A) Generation (Net)	(+)	1,238,801,000
Purchases including interchange-in	(+)	26,329,000
Internal Economy	(+)	1,287,000
Internal Replacement	(+)	28,670,000
SUB-TOTAL		<u>1,295,087,000</u>
(B) Inter-system Sales including interchange-out	(+)	44,677,000
Internal Economy	(+)	214,131,000
Internal Replacement	(+)	8,000
System Losses (1,036,271,000 KWH times 4.36%)	(+)	<u>45,181,416</u>
SUB-TOTAL		<u>303,997,416</u>
TOTAL SALES (A-B)		<u><u>991,089,584</u></u>

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

Expense Month: January 2019

1.	Last FAC Rate Billed		0.00115
2.	KWH Billed at Above Rate		<u>960,578,902</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,104,666</u>
4.	KWH Used to Determine Last FAC Rate		878,864,721
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>878,864,721</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,010,694</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 93,972</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>991,089,584</u>
11.	Kentucky Jurisdictional Sales		<u>991,089,584</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>\$ 93,972</u> To Page 2, Line D

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

LOUISVILLE GAS AND ELECTRIC COMPANY

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

KENTUCKY UTILITIES COMPANY

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

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

Expense Month: January 2019

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 622,165
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 466,624
4.	Current Month True-up	OSS Page 3	<u>\$ (27,783)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 438,841</u>
6.	Current Month S(m)	Form A Page 3	991,089,584
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	0.00044

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

Expense Month: January 2019

Line No.

1.	Total OSS Revenues		\$ 1,897,848
2.	Total OSS Expenses		<u>\$ 1,275,683</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 622,165</u>

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

Expense Month: January 2019

Line No.

1.	Last OSS Adjustment Factor Billed		\$	<u>(0.00034)</u>
2.	KWH Billed at Above Rate			<u>960,578,902</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	\$	<u>(326,597)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor			<u>878,864,721</u>
5.	Non-Jurisdictional KWH (Included in Line 4)			<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		<u>878,864,721</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>(298,814)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	\$	<u>(27,783)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 5)			<u>991,089,584</u>
11.	Kentucky Jurisdictional Sales			<u>991,089,584</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>(27,783)</u>