

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AN ADJUSTMENT OF)	CASE NO.
ITS ELECTRIC RATES AND FOR CERTIFICATES)	2016-00370
OF PUBLIC CONVENIENCE AND NECESSITY)	

ORDER

This matter is before the Commission upon the motion of Kentucky Utilities Company ("KU") requesting the Commission to make certain technical corrections to the Order issued on June 22, 2017, ("Final Order") in this matter. In support of its motion, KU states that the Final Order incorrectly applied a gross-up factor to the pre-tax 401(k) plan disallowance of \$1,720,383. KU asserts that the purpose of the gross-up factor is to account for the effect of federal and state income taxes on net operating income. KU further asserts that its application reflects that its operating expenses were tax affected before they were adjusted by the gross revenue conversion factor to arrive at the proposed revenue deficiency. KU contends that applying a gross-up factor to the 401(k) plan-related disallowance overstates the disallowance because employers' matching contributions to 401(k) plans are a tax-deductible expense. KU maintains that the calculation in the Final Order should have taken into account the tax impact of the 401(k) adjustment before applying the gross revenue conversion factor, and that the correct revenue requirement calculation should reflect an increase of \$51,583,240 instead of \$50,484,652, as determined in the Final Order.

KU also requests the following clerical corrections to Appendix B of the Final Order.

- On page 1 under the heading Schedule RTOD-Demand, Residential Time-of-Day Demand Service, the lines stating “Off Peak Hours” and “On Peak Hours” should state “Base Hours” and “Peak Hours,” respectively.
- On page 5 under the heading Light Emitting Diode (LED), the fourth line should be changed from “5,665 Lumens – Open Bottom” to “5,665 Lumens – Colonial.”

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that KU has established good cause to have certain corrections made to the Final Order. The Commission finds that the last sentence in the section titled “Revenue Requirement” on page 18 of the Final Order should be amended to reflect that the disallowance of the 401(k) plan contributions to certain employee categories and the reduction of the return on equity decrease the stipulated revenue requirement from \$54,900,000 to \$51,583,240, a reduction of \$3,316,760. The Commission further finds that the table on page 19 of the Final Order, which sets forth how the decrease to the stipulated revenue requirement is calculated, should be revised and superseded by the table below.

	<u>KU</u>
Reduction to 401(k) Plan - Pre Income Tax	\$ (1,720,383)
Multiplied by the Combined Income Tax Rate	<u>38.9000%</u>
Increase in Income Taxes	<u>\$ 669,229</u>
Reduction to 401(k) Plan - Pre Income Tax	\$ (1,720,383)
Less: Increase in Income Taxes	<u>669,229</u>
Net Operating Income Impact	(1,051,154)
Add: NOI decrease due to reducing ROE from 9.75% to 9.7%	<u>(969,324)</u>
Impact to Net Operating Income	(2,020,478)
Multiplied by: Gross-up Factor	<u>1.641572</u>
Revenue Requirement Impact	(3,316,760)
Revenue Increase per Stipulation	<u>54,900,000</u>
Net Increase Granted by the Commission	<u>\$ 51,583,240</u>

The Commission further finds that the corrected revenue requirement will require a recalculation of the rates in the same manner as set forth in the Final Order at page 24 in the section titled "OTHER ISSUES – Rate Adjustment." Those revised rates are attached as an appendix to this Order.

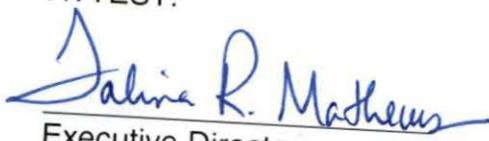
IT IS THEREFORE ORDERED that:

1. KU's motion to correct the Final Order is granted.
2. The Final Order is amended as described herein.
3. The rates and charges attached as Appendix B to the Final Order is stricken and superseded by Appendix B to this Order.
4. All other provisions of the Final Order shall remain in full force and effect.

By the Commission

ENTERED
JUN 29 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00370 DATED **JUN 29 2017**

The following rates and charges are prescribed for the customers in the area served by Kentucky Utilities Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE RS
RESIDENTIAL SERVICE

Basic Service Charge per Month	\$12.25
Energy Charge per kWh	\$.09078

SCHEDULE RTOD-ENERGY
RESIDENTIAL TIME-OF-DAY ENERGY SERVICE

Basic Service Charge per Month	\$12.25
Energy Charge per kWh	
Off Peak Hours	\$.05923
On Peak Hours	\$.27646

SCHEDULE RTOD-DEMAND
RESIDENTIAL TIME-OF-DAY DEMAND SERVICE

Basic Service Charge per Month	\$12.25
Energy charge per kWh	\$ 0.04509
Demand Charge per kW	
Base Hours	\$ 3.44
Peak Hours	\$ 7.87

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Basic Service Charge per Month	\$12.25
Energy Charge per kWh	\$.09078

SCHEDULE GS
GENERAL SERVICE RATE

Basic Service Charge per Month – Single Phase	\$31.50
Basic Service Charge per Month – Three Phase	\$50.40
Energy Charge per kWh	\$.10437

SCHEDULE AES
ALL ELECTRIC SCHOOL

Basic Service Charge per Month – Single Phase	\$ 85.00
Basic Service Charge per Month – Three Phase	\$140.00
Energy Charge per kWh	\$.08313

SCHEDULE PS
POWER SERVICE

Secondary Service:

Basic Service Charge per Month	\$ 90.00
Demand Charge per kW:	
Summer Rate	\$ 20.17
Winter Rate	\$ 17.95
Energy Charge per kWh	\$.03553

Primary Service:

Basic Service Charge per Month	\$240.00
Demand Charge per kW:	
Summer Rate	\$ 20.35
Winter Rate	\$ 18.16
Energy Charge per kWh	\$.03454

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Basic Service Charge per Month	\$200.00
Maximum Load Charge per kW:	
Base Demand Period	\$ 2.73
Intermediate Demand Period	\$ 6.11
Peak Demand Period	\$ 7.79
Energy Charge per kWh	\$.03512

SCHEDULE TODP
TIME-OF-DAY PRIMARY SERVICE

Basic Service Charge per Month	\$ 330.00
Maximum Load Charge per kVA:	
Base Demand Period	\$ 2.75
Intermediate Demand Period	\$ 5.03
Peak Demand Period	\$ 6.43
Energy Charge per kWh	\$.03419

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Basic Service Charge per Month	\$1,500.00
Maximum Load Charge per kVA:	
Base Demand Period	\$ 1.99
Intermediate Demand Period	\$ 4.94
Peak Demand Period	\$ 6.31
Energy Charge per kWh	\$.03341

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:

Basic Service Charge per Month	\$ 330.00
Maximum Load Charge per kVA:	
Base Demand Period	\$ 2.45
Intermediate Demand Period	\$ 4.48
Peak Demand Period	\$ 5.91
Energy Charge per kWh	\$.03419

Transmission:

Basic Service Charge per Month	\$1,500.00
Maximum Load Charge per kVA:	
Base Demand Period	\$ 1.53
Intermediate Demand Period	\$ 2.29
Peak Demand Period	\$ 3.25
Energy Charge per kWh	\$.03319

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

	<u>Fixture Only</u>	<u>Ornamental</u>
<u>High Pressure Sodium:</u>		
5,800 Lumens - Cobra Head	\$ 9.86	\$ 13.53
9,500 Lumens - Cobra Head	\$ 10.35	\$ 14.22
22,000 Lumens - Cobra Head	\$ 16.08	\$ 20.23
50,000 Lumens - Cobra Head	\$ 25.61	\$ 28.39
9,500 Lumens - Directional	\$ 10.19	
22,000 Lumens - Directional	\$ 15.42	
50,000 Lumens - Directional	\$ 21.95	
9,500 Lumens - Open Bottom	\$ 8.87	
<u>Metal Halide</u>		
32,000 Lumens - Directional	\$ 22.80	
<u>Light Emitting Diode (LED)</u>		
8,179 Lumens - Cobra Head	\$ 14.92	
14,166 Lumens - Cobra Head	\$ 18.09	
23,214 Lumens - Cobra Head	\$ 27.63	
5,007 Lumens - Open Bottom	\$ 9.94	

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>High Pressure Sodium:</u>			
5,800 Lumens - Colonial		\$ 12.60	
9,500 Lumens - Colonial		\$ 12.93	
5,800 Lumens - Acorn		\$ 17.19	\$ 24.52
9,500 Lumens - Acorn		\$ 17.65	\$ 25.11
5,800 Lumens - Victorian			\$ 34.08
9,500 Lumens - Victorian			\$ 34.39
5,800 Lumens - Contemporary	\$ 17.12	\$ 19.36	

9,500 Lumens - Contemporary	\$ 17.00	\$ 23.95
22,000 Lumens - Contemporary	\$ 19.84	\$ 30.85
50,000 Lumens - Contemporary	\$ 24.15	\$ 38.12
4,000 Lumens - Dark Sky Lantern		\$ 24.87
9,500 Lumens - Dark Sky Lantern		\$ 25.99

Metal Halide

32,000 Lumens - Contemporary	\$ 24.68	\$ 38.87
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Light Emitting Diode (LED)

8,179 Lumens - Cobra Head		\$ 35.44
14,166 Lumens - Cobra Head		\$ 38.61
23,214 Lumens - Cobra Head		\$ 48.14
5,665 Lumens - Colonial		\$ 37.51

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture and Pole</u>
<u>High Pressure Sodium:</u>		
4,000 Lumens - Cobra Head	\$ 8.85	\$ 12.17
50,000 Lumens - Cobra Head	\$ 14.07	
5,800 Lumens - Open Bottom	\$ 8.54	
<u>Metal Halide</u>		
12,000 Lumens - Directional	\$ 16.13	\$ 20.89
32,000 Lumens - Directional		\$ 27.56
107,800 Lumens - Directional	\$ 47.70	\$ 52.45
<u>Mercury Vapor:</u>		
7,000 Lumens - Cobra Head	\$ 10.84	\$ 13.34
10,000 Lumens - Cobra Head	\$ 12.85	\$ 15.07
20,000 Lumens - Cobra Head	\$ 14.53	\$ 17.01
7,000 Lumens - Open Bottom	\$ 11.87	
<u>Incandescent:</u>		
1,000 Lumens - Tear Drop	\$ 3.81	
2,500 Lumens - Tear Drop	\$ 5.11	

4,000 Lumens - Tear Drop	\$ 7.63
6,000 Lumens - Tear Drop	\$ 10.19

Underground:

		<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>Metal Halide</u>			
12,000 Lumens - Directional		\$ 31.23	
32,000 Lumens - Directional		\$ 37.00	
107,800 Lumens - Directional		\$ 61.66	
12,000 Lumens - Contemporary	\$ 17.45	\$ 31.42	
107,800 Lumens - Contemporary	\$ 51.32	\$ 65.28	
<u>High Pressure Sodium:</u>			
4,000 Lumens - Acorn		\$ 15.70	\$ 23.15
4,000 Lumens - Colonial		\$ 11.19	
5,800 Lumens - Coach		\$ 34.07	
9,500 Lumens - Coach		\$ 34.40	
16,000 Lumens - Granville		\$ 62.30	

SCHEDULE TE
TRAFFIC ENERGY SERVICE

Basic Service Charge per Month	\$ 4.00
Energy Charge per kWh	\$.09019

SCHEDULE PSA
POLE AND STRUCTURE ATTACHMENT CHARGES

Per Year for Each Attachment to Pole	\$ 7.25
Per Year for Each Linear Foot of Duct	\$.81
Per Year for Each Wireless Facility	\$36.25

RATE CSR-1
CURTAILABLE SERVICE RIDER

	<u>Transmission</u>	<u>Primary</u>
Demand Credit per kVA	\$ 3.20	\$ 3.31
Non-compliance Charge		

Per kVA	\$16.00	\$16.00
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RATE CSR-2
CURTAILABLE SERVICE RIDER

	<u>Transmission</u>	<u>Primary</u>
Demand Credit per kVA	\$ 5.90	\$ 6.00
Non-compliance Charge Per kVA	\$ 16.00	\$ 16.00

RC
REDUNDANT CAPACITY

Charge per kW/kVA per month		
Secondary Distribution		\$ 1.04
Primary Distribution		\$.86

EVSE
ELECTRIC VEHICLE SUPPLY EQUIPMENT

Monthly Charging Unit Fee:		
Single Charger		\$182.31
Dual Charger		\$306.10

EVC
ELECTRIC VEHICLE CHARGING SERVICE

Fee per Hour	.	\$ 2.84
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EVSE-R
ELECTRIC VEHICLE SUPPLY EQUIPMENT

Monthly Charging Unit Fee:		
Single Charger		\$131.41
Dual Charger		\$204.31

SSP
SOLAR SHARE PROGRAM RIDER

Monthly Charge:		
Solar Capacity Charge		\$ 6.24

Solar Energy Credit per kWh of Pro Rata Energy Produced:

RS	\$.03520
RTOD-Energy	\$.03520
RTOD-Demand	\$.03520
VFD	\$.03520
GS	\$.03524
AES	\$.03526
PS Secondary	\$.03547
PS Primary	\$.03448
TODS	\$.03508
TODP	\$.03415

SPS
SCHOOL POWER SERVICE

Secondary Service:

Basic Service Charge per Month	\$ 90.00
Demand Charge per kW:	
Summer Rate	\$ 17.89
Winter Rate	\$ 15.92
Energy Charge per kWh	\$.03572

STOD
SCHOOL TIME-OF-DAY SERVICE

Basic Service Charge per Month	\$200.00
Maximum Load Charge per kW:	
Base Demand Period	\$ 4.83
Intermediate Demand Period	\$ 4.25
Peak Demand Period	\$ 5.76
Energy Charge per kWh	\$.03527

OSL
OUTDOOR SPORTS LIGHTING SERVICE

Secondary Service:

Basic Service Charge per Month	\$ 90.00
Demand Charge per kW:	
Peak Demand Period	\$ 16.15
Base Demand Period	\$ 2.73
Energy Charge per kWh	\$.03571

Primary Service:

Basic Service Charge per Month	\$240.00
Demand Charge per kW:	

Peak Demand Period	\$ 16.32
Base Demand Period	\$ 2.75
Energy Charge per kWh	\$.03472

UNAUTHORIZED RECONNECT CHARGE

Tampering or Unauthorized Connection or Reconnection Fee:	
Meter Replacement Not Required	\$ 70.00
Single Phase Standard Meter Replacement Required	\$ 90.00
Single Phase AMR Meter Replacement Required	\$ 110.00
Single Phase AMS Meter Replacement Required	\$ 174.00
Three Phase Meter Replacement Required	\$ 177.00

HEA
HOME ENERGY ASSISTANCE PROGRAM

Per Month	\$.30
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