

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF KENTUCKY UTILITIES COMPANY)	2019-00004
FROM NOVEMBER 1, 2016 THROUGH OCTOBER)	
31, 2018)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on February 11, 2019, established this case to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Kentucky Utilities Company (KU) for the period from November 1, 2016, through October 31, 2018, and to determine the amount of fuel costs that should be included in its base rates.

In establishing this review, the Commission ordered KU to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. KU submitted this information on February 25, 2019, and filed responses to Commission Staff's second request for information on March 25, 2019. A public hearing was held on April 16, 2019. On December 3, 2019, KU filed supplemental responses to Commission Staff's first request for information. There are no intervenors in this proceeding.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that during the period under review, KU has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices for

the last six months of the period under review, known as the period from May 1, 2018, to October 31, 2018.

Base Fuel Cost

KU is proposing to decrease the amount of fuel costs included in base rates and proposes that the month of December 2017 and a base fuel cost of \$0.02452 be used as the base period for the purpose of arriving at the base fuel cost and the kilowatt-hour (kWh) sales components of its FAC.¹ Given that KU's current base fuel cost is \$0.02609 per kWh, the proposal would result in a decrease of \$0.00157 per kWh. KU states that December 2017 was selected as the proposed base period because, during the review period, the fuel cost for December 2017 is the closest actual cost incurred as compared to KU's projected fuel costs for the upcoming two-year period.

The Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by KU when establishing the appropriate level of base fuel costs to be included in KU's rates. An analysis of KU's monthly fuel clause filings showed that the fuel cost billed for the two-year review period ranged from a low of \$0.02212 per kWh in October 2018 to a high of \$0.02823 per kWh in January 2018, with an average cost billed for the period of \$0.02442 per kWh. Based upon its review, the Commission finds that the proposed base period fuel cost of \$0.02452 per kWh should be approved.

¹ KU last made a change to the fuel cost included in base rates in Case no. 2017-00003, *Electronic Examination of The Application of The Fuel Adjustment Clause of Kentucky Utilities Company From November 1, 2014 Through October 31, 2016* (KY. PSC July 31, 2017).

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by KU through the FAC for the period from November 1, 2016, through October 31, 2018, are approved.

2. KU's proposed base fuel cost of \$0.02452 per kWh is approved

3. KU shall reduce its base energy rates by \$0.00157 per kWh to reflect the reestablishment of base fuel costs.

4. The rates in the Appendix to this Order are approved effective with service rendered on and after February 1, 2020. The rates in the Appendix to this Order are designed to reflect the reduction of \$0.00157 per kWh to base energy rates, which is the differential between the old base fuel cost of \$0.02609 per kWh and the new base fuel cost of \$.02452 per kWh.

5. Beginning with the expense month for February 2020, KU shall use an FAC rate based upon a base fuel cost of \$0.02452 per kWh.

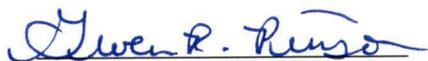
6. Within 20 days of the date of this Order, KU shall file, using the Commission's electronic Tariff Filing System, its revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

7. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
DEC 26 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00004

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00004 DATED **DEC 26 2019**

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 the authority of this Commission prior to the effective date of this Order.

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh	
Infrastructure	\$ 0.05886
Variable	<u>\$ 0.03077</u>
Total	\$ 0.08963

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

Energy Charge per kWh	
Off-Peak Hours - Infrastructure	\$ 0.02683
Off-Peak Hours - Variable	<u>\$ 0.03077</u>
Total	\$ 0.05760
On-Peak Hours -Infrastructure	\$ 0.24465
On-Peak Hours - Variable	<u>\$ 0.03077</u>
Total	\$ 0.27542

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

Energy Charge per kWh	
Infrastructure	\$ 0.01276
Variable	<u>\$ 0.03077</u>
Total	\$ 0.04353

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh	
Infrastructure	\$ 0.05886
Variable	<u>\$ 0.03077</u>
Total	\$ 0.08963

SCHEDULE GS
GENERAL SERVICE RATE

Energy charge per kWh	
Infrastructure	\$ 0.08111
Variable	<u>\$ 0.03114</u>
Total	\$ 0.11225

SCHEDULE AES
ALL ELECTRIC SCHOOL

Energy charge per kWh	
Infrastructure	\$ 0.05638
Variable	<u>\$ 0.03094</u>
Total	\$ 0.08732

SCHEDULE PS
POWER SERVICE

<u>Secondary Service:</u>	
Energy Charge per kWh	\$ 0.03249
<u>Primary Service:</u>	
Energy Charge per kWh	\$ 0.03190

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh	\$ 0.02658
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SCHEDULE TODP
TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh	\$ 0.02573
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SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$ 0.02513

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:

Energy Charge per kWh \$ 0.02573

Transmission:

Energy Charge per kWh \$ 0.02513

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

Light Emitting Diode

	<u>Fixture Only</u>
6,000 – 8,200 Lumens – Cobra Head	\$ 9.92
13,000 – 16,500 Lumens – Cobra Head	\$ 11.98
22,000 – 29,000 Lumens – Cobra Head	\$ 15.22
4,500 – 6,000 Lumens – Open Bottom	\$ 8.57
2,500 – 4,000 Lumens – Cobra Head	\$ 8.67
4,500 – 6,000 Lumens – Directional (Flood)	\$ 11.28
14,000 – 17,500 Lumens – Directional (Flood)	\$ 13.10
22,000 – 28,000 Lumens – Directional (Flood)	\$ 15.49
35,000 – 50,000 Lumens – Directional (Flood)	\$ 22.20

Underground:

Light Emitting Diode

	<u>Fixture Only</u>
2,500 – 4,000 Lumens – Cobra Head	\$ 4.00
6,000 – 8,200 Lumens – Cobra Head	\$ 5.24
13,000 – 16,500 Lumens – Cobra Head	\$ 7.30
22,000 – 29,000 Lumens – Cobra Head	\$ 10.54
4,000 – 7,000 Lumens Colonial, 4-Sided	\$ 7.41
4,000 – 7,000 Lumens – Acorn	\$ 8.83
4,000 – 7,000 Lumens – Contemporary	\$ 6.87
8,000 – 11,000 Lumens – Contemporary	\$ 8.00
13,500 – 16,500 Lumens – Contemporary	\$ 9.74

21,000 – 28,000 Lumens – Contemporary	\$ 14.13
45,000 – 50,000 Lumens – Contemporary	\$ 21.32
4,500 – 6,000 Lumens – Directional (Flood)	\$ 8.17
14,000 – 17,500 Lumens – Directional (Flood)	\$ 10.00
22,000 – 28,000 Lumens – Directional (Flood)	\$ 12.38
35,000 – 50,000 Lumens – Directional (Flood)	\$ 19.09

High-Pressure Sodium charge per month	
5,800 Lumens – Victorian	\$ 35.69
9,500 Lumens – Victorian	\$ 35.85

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture and Pole</u>
High-Pressure Sodium:		
4,000 Lumens - Cobra Head	\$ 9.42	\$ 12.87
5,800 Lumens - Cobra Head	\$ 10.53	\$ 14.34
9,500 Lumens - Cobra Head	\$ 10.87	\$ 14.90
22,000 Lumens - Cobra Head	\$ 16.86	\$ 21.18
50,000 Lumens - Cobra Head ¹	\$ 26.57	\$ 29.45
50,000 Lumens - Cobra Head ²	\$ 14.58	
5,800 Lumens - Open Bottom	\$ 9.16	
9,500 Lumens - Open Bottom	\$ 9.34	
9,500 Lumens – Directional (Flood)	\$ 10.71	
22,000 Lumens – Directional (Flood)	\$ 16.19	
50,000 Lumens – Directional (Flood)	\$ 22.76	
Metal Halide:		
12,000 Lumens - Directional	\$ 17.10	\$ 22.05
32,000 Lumens - Directional	\$ 23.86	\$ 28.81
107,800 Lumens - Directional	\$ 49.26	\$ 54.20
Mercury Vapor:		
7,000 Lumens - Cobra Head	\$ 11.61	\$ 13.87
10,000 Lumens - Cobra Head	\$ 13.69	\$ 15.60
20,000 Lumens - Cobra Head	\$ 14.88	\$ 17.45
7,000 Lumens - Open Bottom	\$ 12.34	

¹ 465/475 Rate Code.

² 409 Rate Code.

Incandescent:

1,000 Lumens - Tear Drop	\$ 3.96
2,500 Lumens - Tear Drop	\$ 5.13
4,000 Lumens - Tear Drop	\$ 7.82
6,000 Lumens - Tear Drop	\$ 10.18

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>	<u>Contemporary</u>
<u>Metal Halide:</u>				
12,000 Lumens – Directional (Flood)		\$ 32.79		
32,000 Lumens – Directional (Flood)		\$ 38.61		
107,800 Lumens – Directional (Flood)		\$ 63.76		
12,000 Lumens – Contemporary	\$ 18.48	\$ 32.99		
32,000 Lumens – Contemporary	\$ 25.81			\$ 40.55
107,800 Lumens – Contemporary	\$ 53.03	\$ 67.53		
<u>High-Pressure Sodium:</u>				
4,000 Lumens – Acorn		\$ 17.03	\$ 24.27	
5,800 Lumens - Acorn		\$ 18.14	\$ 25.76	
9,500 Lumens - Acorn		\$ 18.46	\$ 26.21	
4,000 Lumens – Colonial		\$ 11.85		
5,800 Lumens – Colonial		\$ 13.38		
9,500 Lumens – Colonial		\$ 13.56		
5,800 Lumens – Coach		\$ 35.68		
9,500 Lumens – Coach		\$ 35.86		
5,800 Lumens – Contemporary	\$ 18.07			\$ 20.40
9,500 Lumens – Contemporary	\$ 17.78			\$ 25.00
22,500 Lumens – Contemporary	\$ 20.78			\$ 32.21
50,000 Lumens – Contemporary	\$ 25.05			\$ 39.56
4,000 Lumens – Dark Sky		\$ 26.10		
9,500 Lumens – Dark Sky		\$ 27.16		

SCHEDULE LE
LIGHTING ENERGY SERVICE

Energy Charge per kWh \$ 0.06998

SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh \$ 0.08689

OSL
OUTDOOR SPORTS LIGHTING SERVICE

Secondary Service:	
Energy Charge per kWh	\$ 0.03249
Primary Service:	
Energy Charge per kWh	\$ 0.03032

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