

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE )  
FUEL ADJUSTMENT CLAUSE OF KENTUCKY ) CASE NO. 2012-00552  
UTILITIES COMPANY FROM NOVEMBER 1, )  
2010 THROUGH OCTOBER 31, 2012 )

ORDER

Pursuant to 807 KAR 5:056, the Commission, on February 13, 2013, 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, 2010 through October 31, 2012, and to determine the amount of fuel costs that should be transferred (rolled-in) to its base rates to re-establish its FAC factor. 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 March 1, 2013, and filed responses to a second data request on March 28, 2013.<sup>1</sup> A public hearing was held on April 9, 2013. On April 12, 2013, KU filed a post-hearing data response to a question asked at the hearing. There are no intervenors in this proceeding.

KU proposed that the month of May 2011 be used by the Commission as the base period for the purpose of arriving at the base fuel cost and the kWh sales components of its FAC. It further proposed that its base fuel cost be changed to 28.92 mills per kWh, the fuel cost for the proposed base period. KU's current base fuel cost is 26.68 mills per kWh.

---

<sup>1</sup> KU filed a supplemental response to the initial request for information on May 1, 2013.

In establishing the appropriate level of base fuel cost to be included in KU's rates, 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. The Commission's review of generation mix, generation unit outages, and generation unit availability discloses that the month of May 2011 is a reasonably representative generation month of KU. The 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 24.58 mills per kWh to a high of 30.1 mills per kWh, with an average cost billed for the period of 27.54 mills per kWh. Based upon this review, the Commission finds that KU has complied with 807 KAR 5:056 and that the proposed base period fuel cost of 28.92 mills per kWh should be approved.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. For the period under review, KU has complied with the provisions of 807 KAR 5:056.
2. The month of May 2011 should be used as KU's base period for this review.
3. KU's proposed base period fuel cost of 28.92 mills per kWh should be approved.
4. The establishment of a base fuel cost of 28.92 mills per kWh requires a transfer (roll-in) of 2.24 mills per kWh of fuel costs to KU's current base rates that were being charged to customers through its FAC.
5. The rates in the Appendix to this Order are designed to reflect the transfer (roll-in) of 2.24 mills per kWh to base rates, which is the differential between the old base fuel cost of 26.68 mills and the new base fuel cost of 28.92 mills per kWh.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved to be effective with KU's first billing cycle for June 2013.

7. Beginning with the expense month for June 2013, KU should use an FAC rate based on a base fuel cost of 28.92 mills per kWh.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by KU through the FAC for the period from November 1, 2010 through October 31, 2012 are approved.

2. KU's proposed base fuel cost of 28.92 mills per kWh is approved.

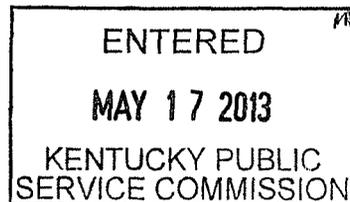
3. KU shall transfer (roll-in) a 2.24 mills per kWh of fuel costs to its current base rates that were being charged to customers through its FAC.

4. The rates in the Appendix to this Order are approved to be effective with KU's first billing cycle for June 2013.

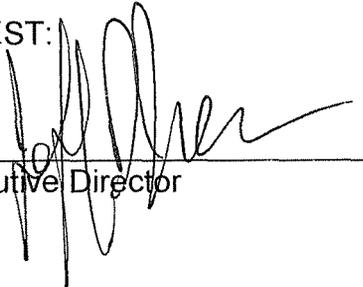
5. Beginning with the expense month for June 2013, KU shall use an FAC rate based on a base fuel cost of 28.92 mills per kWh.

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

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00552 DATED **MAY 1-7 2013**

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

Energy Charge per kWh \$ .07459

SCHEDULE VFD  
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh \$ .07459

SCHEDULE GS  
GENERAL SERVICE RATE

Energy Charge per kWh \$ .08799

SCHEDULE AES  
ALL ELECTRIC SCHOOL

Energy Charge per kWh \$ .07152

SCHEDULE PS  
POWER SERVICE

Secondary Service:  
Energy Charge per kWh \$ .03564

Primary Service:  
 Energy Charge per kWh \$ .03562

SCHEDULE TODS  
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$ .03773

SCHEDULE TODP  
TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$ .03765

SCHEDULE RTS  
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$ .03634

SCHEDULE FLS  
FLUCTUATING LOAD SERVICE

Primary:  
 Energy Charge per kWh \$ .03643

Transmission:  
 Energy Charge per kWh \$ .03261

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	\$ 8.27	\$ 11.21
9,500 Lumens – Cobra Head	\$ 8.83	\$ 11.99

22,000 Lumens – Cobra Head	\$ 13.73	\$ 16.89
50,000 Lumens – Cobra Head	\$ 22.13	\$ 23.75

9,500 Lumens - Directional	\$ 8.69
22,000 Lumens - Directional	\$13.12
50,000 Lumens – Directional	\$18.75
9,500 Lumens – Open Bottom	\$ 7.53

Metal Halide

12,000 Lumens - Directional	\$ 13.66
32,000 Lumens - Directional	\$ 19.44
107,800 Lumens - Directional	\$ 40.81

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>High Pressure Sodium:</u>			
5,800 Lumens – Colonial		\$ 10.38	
9,500 Lumens – Colonial		\$ 10.85	
5,800 Lumens - Acorn		\$ 14.47	\$ 20.99
9,500 Lumens - Acorn		\$ 15.05	\$ 21.69
5,800 Lumens - Victorian			\$ 30.45
9,500 Lumens - Victorian			\$ 30.91
5,800 Lumens - Contemporary	\$ 14.98	\$ 16.40	
9,500 Lumens - Contemporary	\$ 15.04	\$ 20.66	
22,000 Lumens - Contemporary	\$ 17.20	\$ 26.34	
50,000 Lumens - Contemporary	\$ 20.78	\$ 32.41	
4,000 Lumens - Dark Sky Lantern		\$ 22.19	
9,500 Lumens - Dark Sky Lantern		\$ 23.19	
16,000 Lumens – Granville		\$ 53.15	
<u>Metal Halide</u>			
12,000 Lumens - Contemporary	\$ 14.88	\$ 27.78	
32,000 Lumens - Contemporary	\$ 21.17	\$ 34.07	
107,800 Lumens - Contemporary	\$ 44.16	\$ 57.05	

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	\$ 7.24	\$ 10.19
50,000 Lumens – Cobra Head	\$11.00	
5,800 Lumens – Open Bottom	\$ 7.05	

Metal Halide

12,000 Lumens - Directional		\$ 18.06
32,000 Lumens - Directional		\$ 23.83
107,800 Lumens - Directional		\$ 45.20

Mercury Vapor:

7,000 Lumens – Cobra Head	\$ 9.21	\$ 11.52
10,000 Lumens – Cobra Head	\$10.92	\$ 12.96
20,000 Lumens – Cobra Head	\$12.35	\$ 14.62
7,000 Lumens – Open Bottom	\$10.22	

Incandescent:

1,000 Lumens – Tear Drop	\$ 3.28	
2,500 Lumens – Tear Drop	\$ 4.40	
4,000 Lumens – Tear Drop	\$ 6.56	\$ 7.52
6,000 Lumens – Tear Drop	\$ 8.76	

Underground:

	<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>Metal Halide</u>		
12,000 Lumens - Directional	\$ 26.56	
32,000 Lumens - Directional	\$ 32.34	
107,800 Lumens - Directional	\$ 53.71	
<u>High Pressure Sodium:</u>		
4,000 Lumens - Acorn	\$ 13.31	\$ 19.96
4,000 Lumens – Colonial	\$ 9.32	
5,800 Lumens - Coach	\$ 30.45	
9,500 Lumens - Coach	\$ 30.91	

SCHEDULE LE  
LIGHTING ENERGY SERVICE

Energy Charge per kWh	\$ .06095
-----------------------	-----------

SCHEDULE TE  
TRAFFIC ENERGY SERVICE

Energy Charge per kWh	\$ .07693
-----------------------	-----------

SCHEDULE LEV  
LOW EMISSION VEHICLE SERVICE

Energy Charge per kWh:	
Off Peak Hours	\$ .05302
Intermediate Hours	\$ .07478
Peak Hours	\$ .14012

Ed Staton  
VP - State Regulation and Rates  
Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010