

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE) CASE NO. 2012-00553
GAS AND ELECTRIC 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 Louisville Gas and Electric Company (“LG&E”) 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 LG&E to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. LG&E submitted this information on March 1, 2013, and filed responses to a second data request on March 28, 2013.¹ A public hearing was held on April 9, 2013. There are no intervenors in this proceeding.

LG&E proposed that the month of April 2012 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 27.25 mills per kWh, the fuel cost for the proposed base period. LG&E’s current base fuel cost is 22.15 mills per kWh.

¹ LG&E 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 LG&E'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 LG&E. The Commission's review of generation mix, generation unit outages, and generation unit availability discloses that the month of April 2012 is a reasonably representative generation month of LG&E. The analysis of LG&E's monthly fuel clause filings showed that the fuel cost billed for the two-year review period ranged from a low of 21.11 mills per kWh to a high of 29.37 mills per kWh, with an average cost billed for the period of 25.27 mills per kWh. Based upon this review, the Commission finds that LG&E has complied with 807 KAR 5:056 and that the proposed base period fuel cost of 27.25 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, LG&E has complied with the provisions of 807 KAR 5:056.
2. The month of April 2012 should be used as LG&E's base period for this review.
3. LG&E's proposed base period fuel cost of 27.25 mills per kWh should be approved.
4. The establishment of a base fuel cost of 27.25 mills per kWh requires a transfer (roll-in) of 5.10 mills per kWh of fuel costs to LG&E's 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 5.10 mills per kWh to base rates, which is the differential between the old base fuel cost of 22.15 mills and the new base fuel cost of 27.25 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 LG&E's first billing cycle for June 2013.

7. Beginning with the expense month for June 2013, LG&E should use an FAC rate based on a base fuel cost of 27.25 mills per kWh.

IT IS THEREFORE ORDERED that:

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

2. LG&E's proposed base fuel cost of 27.25 mills per kWh is approved.

3. LG&E shall transfer (roll-in) 5.10 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 LG&E's first billing cycle for June 2013.

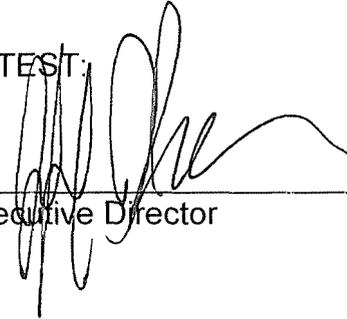
5. Beginning with the expense month for June 2013, LG&E shall use an FAC rate based on a base fuel cost of 27.25 mills per kWh.

6. Within 20 days of the date of this Order, LG&E 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.

By the Commission

ENTERED ^{dk}
MAY 17 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00553 DATED **MAY 17 2013**

The following rates and charges are prescribed for the customers in the area served by Louisville Gas and Electric 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 \$.07949

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh \$.07949

SCHEDULE GS
GENERAL SERVICE RATE

Energy Charge per kWh \$.08976

SCHEDULE PS
POWER SERVICE

Secondary Service:
Energy Charge per kWh \$.04060

Primary Service:
Energy Charge per kWh \$.03926

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$.03990

SCHEDULE CTODP
COMMERCIAL TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$.03810

SCHEDULE ITODP
INDUSTRIAL TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$.03538

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$.03610

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:

Energy Charge per kWh \$.03610

Transmission:

Energy Charge per kWh \$.03610

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

	<u>Fixture Only</u>
<u>High Pressure Sodium:</u>	
16,000 Lumens – Cobra Head	\$ 12.59
28,500 Lumens – Cobra Head	\$ 14.83
50,000 Lumens – Cobra Head	\$ 17.11
16,000 Lumens - Directional	\$ 13.54
50,000 Lumens - Directional	\$ 17.94
9,500 Lumens – Open Bottom	\$ 10.62

Metal Halide:

12,000 Lumens - Directional	\$ 12.53
32,000 Lumens - Directional	\$ 18.40
107,800 Lumens - Directional	\$ 39.03

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>High Pressure Sodium:</u>			
5,800 Lumens – Colonial, 4-Sided		\$ 19.56	
9,500 Lumens – Colonial, 4-Sided		\$ 20.25	
5,800 Lumens - Acorn		\$ 19.95	
9,500 Lumens - Acorn		\$ 22.32	
5,800 Lumens - London			\$ 34.97
9,500 Lumens - London			\$ 35.83
5,800 Lumens - Victorian			\$ 32.70
9,500 Lumens - Victorian			\$ 34.75
Victorian/London Bases – Westchester/Norfolk			\$ 3.56
16,000 Lumens – Cobra Head		\$ 26.12	
28,500 Lumens – Cobra Head		\$ 28.19	
50,000 Lumens – Cobra Head		\$ 33.76	
16,000 Lumens – Contemporary	\$ 16.23	\$ 29.66	
28,500 Lumens - Contemporary	\$ 18.02	\$ 32.60	
50,000 Lumens - Contemporary	\$ 22.05	\$ 38.12	
4,000 Lumens - Dark Sky Lantern		\$ 23.54	
9,500 Lumens - Dark Sky Lantern		\$ 24.66	
<u>Metal Halide:</u>			
12,000 Lumens - Contemporary	\$ 13.80	\$ 23.57	
32,000 Lumens - Contemporary	\$ 20.18	\$ 29.93	
107,800 Lumens - Contemporary	\$ 41.99	\$ 51.74	

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture and Wood Pole</u>	<u>Fixture and Ornamental Pole</u>
<u>Mercury Vapor:</u>			
8,000 Lumens – Cobra/O.B.	\$ 9.42		
8,000 Lumens – Cobra Head	\$ 10.98		
13,000 Lumens – Cobra Head	\$ 10.79		
25,000 Lumens – Cobra Head	\$ 13.30		
60,000 Lumens – Cobra Head	\$ 27.30		
25,000 Lumens - Directional	\$ 15.33		
60,000 Lumens - Directional	\$ 28.50		
4,000 Lumens – Open Bottom	\$ 7.99		

Metal Halide:

12,000 Lumens - Directional	\$ 14.81		
32,000 Lumens - Directional	\$ 20.69		\$ 28.14
107,800 Lumens - Directional	\$ 42.21		

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>
<u>High Pressure Sodium:</u>		
16,000 Lumens – Cobra/Contemporary		\$ 24.66
28,500 Lumens – Cobra/Contemporary		\$ 27.09
50,000 Lumens – Cobra/Contemporary		\$ 31.13
5,800 Lumens – Coach/Acorn		\$ 13.92
9,500 Lumens – Coach/Acorn		\$ 16.93
16,000 Lumens – Coach/Acorn		\$ 21.92
120,000 Lumens – Contemporary	\$ 40.58	\$ 71.70
9,500 Lumens – Acorn, Bronze		\$ 23.44
16,000 Lumens – Acorn, Bronze		\$ 24.41
5,800 Lumens - Victorian	\$ 19.13	
9,500 Lumens - Victorian	\$ 20.09	
5,800 Lumens - London	\$ 19.28	
9,500 Lumens - London	\$ 20.56	

5,800 Lumens - London	\$ 32.99
9,500 Lumens - London	\$ 33.85
5,800 Lumens - Victorian	\$ 32.03
9,500 Lumens - Victorian	\$ 34.09

Mercury Vapor:

8,000 Lumens – Cobra Head	\$ 17.27
13,000 Lumens – Cobra Head	\$ 19.03
25,000 Lumens – Cobra Head	\$ 22.74
25,000 Lumens – Cobra (State of KY Pole)	\$ 22.73
4,000 Lumens – Coach	\$ 12.30
8,000 Lumens – Coach	\$ 14.09

Incandescent:

1,500 Lumens – Continental Jr.	\$ 8.89
6,000 Lumens – Continental Jr.	\$ 12.94

SCHEDULE LE
LIGHTING ENERGY SERVICE

Energy Charge per kWh	\$.06357
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SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh	\$.07554
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SCHEDULE LEV
LOW EMISSION VEHICLE SERVICE

Energy Charge per kWh:	
Off Peak Hours	\$.05693
Intermediate Hours	\$.07772
Peak Hours	\$.14324

SPECIAL CONTRACTS

Ft. Knox: Energy Charge per kWh	\$.03740
Louisville Water Company: Energy Charge per kWh	\$.03702

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VP - State Regulation and Rates
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