

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY AND KENTUCKY)	
UTILITIES COMPANY REGARDING)	
ENTRANCE INTO REFINED COAL)	
AGREEMENTS, FOR PROPOSED)	CASE NO. 2015-00264
ACCOUNTING AND FUEL ADJUSTMENT)	
CLAUSE TREATMENT, AND FOR)	
DECLARATORY RULING)	

**MOTION TO AMEND APPLICATION FOR PROPOSED
ACCOUNTING AND FUEL ADJUSTMENT CLAUSE TREATMENT**

In their application, Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, "the Companies") requested, among other things, that payments for coal yard services and for site licensing, as well as potential coal severance taxes, received or incurred in connection with proposed refined coal production arrangements be credited or charged directly to fuel inventory (account number 151). The Companies now respectfully move for leave to amend their application and to withdraw that request.

In support of this motion, the Companies state as follows:

1. As discussed in the Companies' September 25, 2015 response to request for information 2(c) of the Commission's Order dated September 15, 2015, the Companies' application for specific accounting treatment related to the need for a uniform accounting for the transaction proceeds as part of a single fuel inventory and, in part, to the complexities that would result from having different accounting treatment between different jurisdictions for the payments and potential severance taxes associated with the refined coal arrangement. If the Companies were required to adopt different

accounting treatments they would have to maintain separate fuel inventory and fuel expense accounts for each respective jurisdiction. Such action would create significant and unduly burdensome administrative and system costs.

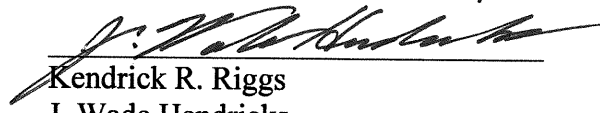
2. On October 13, 2015, in Docket No. EL15- 92-000, the Federal Energy Regulatory Commission (“FERC”) issued its order denying the Companies authority for the same accounting treatment that was requested in this proceeding. A copy of FERC’s October 13, 2015 Order is attached as Exhibit 1. Thus, the Companies application for the accounting and fuel adjustment clause treatment to this Commission, if granted, would create the inconsistent accounting and regulatory treatment the Companies initially sought to avoid.

3. Therefore, to avoid this dilemma and the prospect of having to maintain separate books and accounting entries for FERC and for this Commission, the Companies respectfully move the Commission to issue an order permitting the Companies to amend their application and withdraw their request for the accounting and fuel adjustment clause treatment discussed above. Instead, the Companies are seeking approval to establish a regulatory liability for the proceeds from its proposed refined coal arrangement, as discussed in the amended application.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request the Commission issue an order granting leave to amend their application. In order to ensure that the opportunity to enter into the refined coal arrangement is preserved, the Companies further request that the Commission issue its final Order in this proceeding by December 15, 2015.

DATED: October 30, 2015

Respectfully submitted,



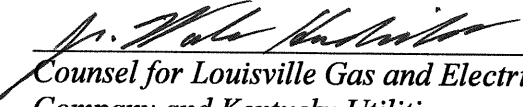
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*Counsel for Louisville Gas And Electric
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CERTIFICATE OF COMPLIANCE

This is to certify that Louisville Gas and Electric Company and Kentucky Utility Companies' October 30, 2015 electronic filing of this Motion is a true and accurate copy of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on October 30, 2015; that there are currently no parties the Commission has excused from participation by electronic means in this proceeding and that an original paper medium of the Motion is being mailed, by first class United States mail, postage prepaid, to the Commission on October 30, 2015.


Counsel for Louisville Gas and Electric
Company and Kentucky Utilities
Companies