COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND)

ELECTRIC COMPANY FOR CERTIFICATES)

OF PUBLIC CONVENIENCE AND NECESSITY)

AND APPROVAL OF ITS 2016 COMPLIANCE) CASE NO. 2016-00027

PLAN FOR RECOVERY BY ENVIRONMENTAL)

SURCHARGE)

CERTIFICATE OF COMPLETED NOTICE

To: The Public Service Commission, Frankfort, Kentucky

Pursuant to the Rules Governing Tariffs (effective August 4, 1984), I hereby certify that I am Robert M. Conroy, Vice President, State Regulation and Rates for Louisville Gas and Electric Company ("LG&E" or "Company"), a utility furnishing retail electric service within the Commonwealth of Kentucky which, on the 29th day of January, 2016, filed an application with the Kentucky Public Service Commission ("Commission") seeking an order granting LG&E Certificates of Public Convenience and Necessity to conduct surface-impoundment-related construction necessary to comply with the U.S. Environmental Protection Agency's Coal Combustion Residuals Final Rule and construct new process-water systems at the Mill Creek and Trimble County Generating Stations, and approving an amended compliance plan for purposes of recovering the costs associated with these and other new pollution control facilities through its Environmental Surcharge tariff.¹ Notice to the public of the filing of the application has been completed in compliance with Section 8 of 807 KAR 5:011 as follows:

That more than twenty (20) customers will be affected by said change by way of an increase in their bills, and that on the 12th day of January, 2016, there was delivered to the

¹ The Commission has determined LG&E's application meets the minimum filing requirements as of February 9, 2016.

Kentucky Press Service, Inc. ("Kentucky Press"), an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication in such newspapers once a week for three consecutive weeks beginning on January 22, 2016, pursuant to 807 KAR 5:011 Section 8(2)(b)(3), a notice of the filing of LG&E's Application in this case. Publication of this notice is now complete, though one minor deviation occurred for which LG&E is petitioning the Commission today for deviation under 807 KAR 5:001 Section 22 and 807 KAR 5:011 Section 15. Affidavits from Kentucky Press confirming this publication and copies of said notices are enclosed in the envelope marked Exhibit A. Kentucky Press has presented to LG&E proof of this publication of notice in the form of "tear sheets," which LG&E will maintain in its files.

On the 29th day of January, 2016, notice was exhibited for public inspection at 820 West Broadway Street, Louisville, KY 40202 and that the same will be kept open to public inspection at said office in conformity with the requirements of 807 KAR 5:011 Section 8.

I further certify that LG&E included a general statement explaining the Application in this case beginning with the bills issued after January 29, 2016 for all Kentucky retail customers during the course of their regular monthly billing cycle. An accurate copy of this general statement is marked as Exhibit B and attached hereto.

I further certify that, an additional means of giving notice, LG&E has posted on its Internet website a copy of the newspaper notice to the public, a complete copy of the application and supporting testimony, and a hyperlink to the location on the Commission's website where the case documents and tariff filings are available.

Given under my hand this 10th day of March, 2016.

Robert M. Conroy

Vice President, State Regulation and Rates Louisville Gas and Electric Company

220 West Main Street

Louisville, Kentucky 40202

Subscribed and sworn to before me, a Notary Public in and before said County and State,

this 10th day of March, 2016.

Susan M. Watters (SEA

Notary Public

My Commission Expires:

SUSAN M. WATKINS
Notary Public, State at Large, KY
My Commission Expires Mer. 19, 2017
Notary ID # 485723

Exhibit A

Affidavit Attesting to Publication of Notice

NOTARIZED PROOF OF PUBLICATION

COMMONWEALTH OF KENTUCKY

Before me, a Notary Public, in and for said county and state, this 18th day of the many, 2016, came whether McCanty, personally known to me, who, being duly sworn, states as follows: that she is the Advertising Assistant of the Kentucky Press Service, Inc.; that she has personal knowledge of the contents of this Affidavit; that the newspapers shown on Attachment No. 1 to this Affidavit published the Notice of Public Hearing, on the dates shown thereon at the request of Kentucky Press Service, Inc. for Louisville Gas and Electric Company; that the form and content of the Notice submitted for publication to each paper is shown in Attachment No. 2 to this Affidavit; and that the Kentucky Press Service, Inc. has presented to Louisville Gas and Electric Company proof of these publications in the form of "tear sheets" for retention in its files. Said Notice pertains to the Application for Recovery By Environmental Surcharge of Louisville Gas and Electric Company's 2016 Environmental Compliance Plan, in Case No. 2016-00027.

Signature M. CAGY

Notary Public
My Commission Expires: 9-18-16

Ql. # 492812

[Attachments: (1) List of publications and dates of publication; (2) sample published notice]

101 Consumer Lane (502) 223-8821

Frankfort, KY 40601 FAX (502) 875-2624

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to Louisville Gas and Electric Company. Attached tearsheets provide proof of publication:

Bardstown KY Standard 1-27, 2-3, 2-10

Bedford Trimble Banner 1-28, 2-4, 2-11

Brandenburg Meade Co. Messenger 1-28, 2-4, 2-11

Cave City Banner Co. Progress 1-28, 2-4, 2-11

Edmonton Herald News 1-27, 2-3, 2-10

Elizabethtown News Enterprise 1-27, 2-3, 2-10

Glasgow Daily Times 1-27, 2-3, 2-10

Greensburg Record Herald 1-27, 2-3, 2-10

Hodgenville Larue Co. Herald News 1-27, 2-3, 2-10

Lagrange Oldham Era 1-28, 2-4, 2-11

Lebanon Enterprise 1-27, 2-3, 2-10

Louisville Courier Journal 1-27, 2-3, 2-10

Munfordville Hart Co. News Herald 1-28, 2-4, 2-11

New Castle Henry Co. Local 1-27, 2-10, 2-17

Shelbyville Sentinel News 1-27, 2-3, 2-10

Shepherdsville Pioneer News 1-27, 2-3, 2-10

Springfield Sun 1-27, 2-3, 2-10

Taylorsville Spencer Magnet 1-27, 2-3, 2-10

NOTICE TO CUSTOMERS OF LOUISVILLE GAS AND ELECTRIC COMPANY

RECOVERY BY ENVIRONMENTAL SURCHARGE OF LOUISVILLE GAS AND ELECTRIC'S 2016 ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that Louisville Gas and Electric Company ("LG&E") is filing with the Kentucky Public Service Commission ("Commission") on January 29, 2016 in Case No. 2016-00027, an Application pursuant to Kentucky Revised Statute 278.183 for approval of an amended compliance plan ("LG&E's 2016 Environmental Compliance Plan") for the purpose of recovering the capital costs associated with new pollution control facilities through an increase in the environmental surcharge on customers' bills beginning August 31, 2016 under LG&E's Electric Rate Schedule ECR, also known as the environmental cost recovery surcharge. The total capital cost of the projects in LG&E's 2016 Environmental Compliance Plan is estimated to be \$316 million.

Federal, state, and local environmental regulations require LG&E to build and upgrade equipment and facilities that produce energy from coal to operate in an environmentally sound manner. Specifically, LG&E is seeking Commission approval of Certificates of Public Convenience and Necessity to close coal-combustion-residual ("CCR") ponds and construct new process-water facilities at the Mill Creek Generating Station ("Mill Creek") and the Trimble County Generating Station ("Trimble County"). Each construction project is a component of LG&E's 2016 Environmental Compliance Plan.

LG&E is also seeking an order approving an amended compliance plan for the purpose of recovering the costs of new pollution-control facilities through its Environmental Surcharge tariff. These projects are required for LG&E to comply with the federal Clean Air Act as amended, the U.S. Environmental Protection Agency's new rule on the Disposal of CCR from Electric Utilities, the Mercury Air Toxics Standards, and other environmental requirements that apply to LG&E facilities used in the production of energy from coal. In addition to the projects described above, additional projects in LG&E's 2016 Environmental Compliance Plan include installing improvements to the mercury-related control equipment of Mill Creek Units 1-4 and Trimble County Unit 1, thereby allowing additive injections to mitigate mercury emissions. The total capital cost of the new pollution control facilities for which LG&E is seeking recovery at this time is estimated to be \$309.1 million. Additional operation and maintenance expenses will be incurred for certain projects in LG&E's 2016 Environmental Compliance Plan and are costs that LG&E is requesting to recover through the environmental surcharge in its application.

The impact on LG&E's electric customers is estimated to be a 0.80% increase in 2016 with a maximum increase of 2.49% in 2020. For a LG&E residential electric customer using 976 kilowatt hours per month, the initial monthly increase is expected

to be \$0.73 during 2016, with the maximum monthly increase expected to be \$2.26 during 2020.

The Environmental Surcharge Application described in this Notice is proposed by LG&E. However, the Public Service Commission may issue an order modifying or denying LG&E's Environmental Surcharge Application. Such action may result in an environmental surcharge for consumers other than the environmental surcharge described in this Notice.

Comments regarding LG&E's 2016 Environmental Surcharge Plan and Application may be submitted to the Public Service Commission through its Web site or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication, request leave to intervene in Case No. 2016-00027. That motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown, however, if the Commission does not receive a written request for intervention within thirty (30) days of initial publication, the Commission may take final action on the application. Any person who has been granted intervention may obtain copies of the Application and testimony by contacting Louisville Gas and Electric Company at 220 West Main Street, Louisville, Kentucky, 40202, Attention: State Regulation and Rates.

A copy of the Application and testimony will be available for public inspection on LG&E's website (http://www.lge-ku.com), on the Commission's website (http://psc.ky.gov), and in paper medium, Monday through Friday, 8:00 a.m. to 4:30 p.m. at the office of Louisville Gas and Electric Company, 820 West Broadway, Louisville, Kentucky or the Commission's offices located at 211 Sower Boulevard, Frankfort,, Kentucky, after January 29, 2016.

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A copy of the Application and testimony is available for public inspection on LG&E's website (http://www.lge-ku.com), on the Commission's website (http://psc.ky.gov), and in paper medium, Monday through Friday, 8:00 a.m. to 4:30 p.m. at the office of Louisville Gas and Electric Company, 820 West Broadway, Louisville, Kentucky or the Commission's offices located at 211 Sower Boulevard, Frankfort,, Kentucky, after January 29, 2016.



101 CONSUMER LANE FRANKFORT,KY 40601-Voice (502) 223-8821 Fax (502) 875-2624

Tuesday, February 09, 2016 03:29 PM

Invoice

Judy Schooler

Invoice Date

2/9/2016

Agency

LG&E and KU Services Company

PO Number

220 W. MAIN ST. 5TH FLOOR

Order

16014LL0

P.O. BOX 32010

LOUISVILLE, KY 40202-

Client

Louisville Gas & Electric Co.

Reps Rachel McCarty

Newspaper

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
BARDSTOWN KENTUCKY STA	NDARD	, 48 JF			· · · · · · · · · · · · · · · · · · ·		
Notice to customersIs filing	g 01/27/2016	4 x 7.75	\$19.77	CLDIS	\$0.00	5.0000%	\$612.87
BEDFORD TRIMBLE BANNER-D	DEMOCRAT						
Notice to customersIs filing	g 01/28/2016	4 x 7.5	\$5.25	CLDIS	\$0.00	0.0000%	\$157.50
BRANDENBURG MEADE CO. N	IESSENGER						
Notice to customersIs filing	9 01/28/2016	4 x 7.5	\$10.00	CLDIS	\$0.00	5.0000%	\$300.00
CAVE CITY BARREN CO. PROC	GRESS						
Notice to customersIs filing	9 01/28/2016	4×7.5	\$7.25	CLDIS	\$0.00	5.0000%	\$217.50
EDMONTON HERALD-NEWS							
Notice to customersIs filing	g 01/27/2016	4×7.5	\$7.25	CLDIS	\$0.00	5.0000%	\$217.50
ELIZABETHTOWN NEWS-ENTE	ERPRISE				4		
Notice to customersIs filing	g 01/27/2016	4 x 7.5	\$24.47	CLDIS	\$0.00	5.0000%	\$734.10
GLASGOW DAILY TIMES							
Notice to customersIs filing	g 01/27/2016	4 x 7.5	\$11.00	CLDIS	\$0.00	5.0000%	\$330.00
GREENSBURG RECORD-HERA							
Notice to customersIs filing	•	4 x 7.5	\$13.40	CLDIS	\$0.00	5.0000%	\$402.00
HODGENVILLE LARUE CO. HE							
Notice to customersIs filing	g 01/27/2016	4 x 7.5	\$8.61	CLDIS	\$0.00	5.0000%	\$258.30
LAGRANGE OLDHAM ERA							
Notice to customersIs filing	g 01/28/2016	4 x 7.5	\$13.26	SAU	\$0.00	5.0000%	\$397.80
LEBANON ENTERPRISE							
Notice to customersIs filing	g 01/27/2016	4 x 7.5	\$10.13	CLDIS	\$0.00	5.0000%	\$303.90
LOUISVILLE COURIER-JOURNA							
Notice to customersIs filing	_	3×7.5	\$181.76	CLDIS	\$0.00	0.0000%	\$4,089.60
MUNFORDVILLE HART CO. NE	WS-HERALD						
Notice to customersIs filing	•	4 x 7.5	\$7.25	CLDIS	\$0.00	5.0000%	\$217.50
NEW CASTLE HENRY CO. LOC							
Notice to customersls filing	-	4 x 7.5	\$10.77	CLDIS	\$0.00	5.0000%	\$323.10
SHELBYVILLE SENTINEL-NEW	-						
Notice to customersIs filing	g 01/27/2016	4 x 7.5	\$13.05	CLDIS	\$0.00	5.0000%	\$391.50



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Order

16014LL0

P.O. BOX 32010 LOUISVILLE, KY 40202-

Client

Louisville Gas & Electric Co.

Reps

Rachel McCarty

Newspaper

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
SHEPHERDSVILLE PIONEER-NE	ws			·	· · ·		
Notice to customersls filing	01/27/2016	4 x 7.5	\$12.61	CLDIS	\$0.00	5.0000%	\$378.30
SPRINGFIELD SUN							
Notice to customersls filing	01/27/2016	4 x 7.75	\$9.41	CLDIS	\$0.00	5.0000%	\$291.71
TAYLORSVILLE SPENCER MAGN	VET						
Notice to customersIs filing	01/27/2016	4 x 7.5	\$8.00	CLDIS	\$0.00	0.0000%	\$240.00
				Total Advert	ising		\$9,863.18
				Discounts			\$268.84
				Tax: USA			\$0.00
				Total Invoice	e		\$9,594.34
				Payments			\$0.00
				Adjustments	3		\$0.00
				Balance Due	÷		\$9,594.34



101 CONSUMER LANE FRANKFORT, KY 40601-

Voice (502) 223-8821 Fax (502) 875-2624

Thursday, February 18, 2016 11:58 AM

Invoice

Judy Schooler

Invoice Date

2/18/2016

Agency

LG&E and KU Services Company

PO Number

Order

16022LL0

220 W. MAIN ST. 5TH FLOOR

P.O. BOX 32010 LOUISVILLE, KY 40202-

Client

Louisville Gas & Electric Co.

Reps

Rachel McCarty

Newspaper

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
BARDSTOWN KENTUCKY STAI	NDARD	, I •		•	-		
Notice to customersHave filed	02/03/2016	4 x 7.75	\$19.77	CLDIS	\$0.00	5.0000%	\$612.87
Notice to customersHave filed	02/10/2016	4 x 7.75	\$19.77	CLDIS	\$0.00	5.0000%	\$612.87
BEDFORD TRIMBLE BANNER-D	DEMOCRAT						
Notice to customersHave filed	02/04/2016	4 x 7.75	\$5.25	CLDIS	\$0.00	0.0000%	\$162.75
Notice to customersHave filed	02/11/2016	4 x 7.75	\$5.25	CLDIS	\$0.00	0.0000%	\$162.75
BRANDENBURG MEADE CO. M	ESSENGER						
Notice to customersHave filed	02/04/2016	4 x 7.75	\$10.00	CLDIS	\$0.00	5.0000%	\$310.00
Notice to customersHave filed	02/11/2016	4 x 7.75	\$10.00	CLDIS	\$0.00	5.0000%	\$310.00
CAVE CITY BARREN CO. PROG	BRESS						
Notice to customersHave filed	02/04/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75
Notice to customersHave filed	02/11/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75
EDMONTON HERALD-NEWS							
Notice to customersHave filed	02/03/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75
Notice to customersHave filed	02/10/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75
ELIZABETHTOWN NEWS-ENTE	RPRISE						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$24.47	CLDIS	\$0.00	5.0000%	\$758.57
Notice to customersHave filed	02/10/2016	4 x 7.75	\$24.47	CLDIS	\$0.00	5.0000%	\$758.57
GLASGOW DAILY TIMES							
Notice to customersHave filed	02/03/2016	4 x 7.75	\$11.00	CLDIS	\$0.00	5.0000%	\$341.00



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Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
Notice to customersHave filed	02/10/2016	4 x 7.75	\$11.00	CLDIS	\$0.00	5.0000%	\$341.00
GREENSBURG RECORD-HERA	LD						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$13.40	CLDIS	\$0.00	5.0000%	\$415.40
Notice to customersHave filed	02/10/2016	4 x 7.75	\$13.40	CLDIS	\$0.00	5.0000%	\$415.40
HODGENVILLE LARUE CO. HER	RALD NEWS						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$8.61	CLDIS	\$0.00	5.0000%	\$266.91
Notice to customersHave filed	02/10/2016	4 x 7.75	\$8,61	CLDIS	\$0.00	5.0000%	\$266.91
LAGRANGE OLDHAM ERA							
Notice to customersHave filed	02/04/2016	4 x 7.75	\$13.26	SAU	\$0.00	5.0000%	\$411.06
Notice to customersHave filed	02/11/2016	4 x 7.75	\$ 13. 2 6	SAU	\$0.00	5.0000%	\$411.06
LEBANON ENTERPRISE							
Notice to customersHave filed	02/03/2016	4 x 7.75	\$10.13	CLDIS	\$0.00	5.0000%	\$314.03
Notice to customersHave filed	02/10/2016	4 x 7.75	\$10.13	CLDIS	\$0.00	5.0000%	\$314.03
LOUISVILLE COURIER-JOURNA	٩L						
Notice to customersHave filed	02/03/2016	3 x 7.5	\$181.76	CLDIS	\$0.00	0.0000%	\$4,089.60
Notice to customersHave filed	02/10/2016	3 x 7.5	\$181.76	CLDIS	\$0.00	0.0000%	\$4,089.60
MUNFORDVILLE HART CO. NE	WS-HERALD						
Notice to customersHave filed	02/04/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75
Notice to customersHave filed	02/11/2016	4 x 7.75	\$7.25	CLDIS	\$0.00	5.0000%	\$224.75



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Rachel McCarty

Newspaper

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
NEW CASTLE HENRY CO. LOC	AL -						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$10.77	CLDIS	\$0.00	5.0000%	DNR
Notice to customersHave filed	02/10/2016	4 x 7.75	\$10.77	CLDIS	\$0.00	5.0000%	\$333.87
Notice to customersHave filed	02/17/2016	4 x 7.75	\$10.77	CLDIS	\$0.00	5.0000%	\$333.87
SHELBYVILLE SENTINEL-NEWS	3						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$13.05	CLDIS	\$0.00	5.0000%	\$404.55
Notice to customersHave filed	02/10/2016	4 x 7.75	\$13.05	CLDIS	\$0.00	5.0000%	\$404.55
SHEPHERDSVILLE PIONEER-N	EWS						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$12.61	CLDIS	\$0.00	5.0000%	\$390.91
Notice to customersHave filed	02/10/2016	4 x 7.75	\$12.61	CLDIS	\$0.00	5.0000%	\$390.91
SPRINGFIELD SUN							
Notice to customersHave filed	02/03/2016	4 x 7.75	\$9.41	CLDIS	\$0.00	5.0000%	\$291.71
Notice to customersHave filed	02/10/2016	4 x 7.75	\$9.41	CLDIS	\$0.00	5.0000%	\$291.71
TAYLORSVILLE SPENCER MAG	SNET						
Notice to customersHave filed	02/03/2016	4 x 7.75	\$8.00	CLDIS	\$0.00	0.0000%	\$248.00
Notice to customersHave filed	02/10/2016	4 x 7.75	\$8.00	CLDIS	\$0.00	0.0000%	\$248.00



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Order

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LOUISVILLE, KY 40202-

Client

Louisville Gas & Electric Co.

Reps

Rachel McCarty

Newspaper

Caption	Run Date	Ad Size	Rate Rate Name	Color	Disc.	Total
		··	Total Advertis	sing		\$20,050.96
			Discounts			\$552.54
			Tax: USA			\$0.00
			Total Invoice			\$19,498.42
			Payments			\$0.00
			Adjustments			\$0.00
			Balance Due			\$19,498.42



101 CONSUMER LANE FRANKFORT,KY 40601-Voice (502) 223-8821 Fax (502) 875-2624

Thursday, February 18, 2016 12:05 PM

Statement

Last Date	Order	Туре	Client Nam	ne	Total	Net	Payments	Due	
Agency	LG&E and KU Services Company 220 W. MAIN ST. 5TH FLOOR P.O. BOX 32010 LOUISVILLE, KY 40202-								
01/28/2016 02/17/2016	16014LL0 16022LL0	Classified Classified		& Electric Co. & Electric Co. Client Total	\$9,863.18 \$20,050.96 \$29,914.14	\$9,594.34 \$19,498.42 \$29,092.76	\$0.00 \$0.00 \$0.00	\$9,594.34 \$19,498.42 \$29,092.76	
				Agency Total	\$29,914.14	\$29,092.76	\$0.00	\$29,092.76	

Exhibit B

Notice to Customers through Bill Inserts

Dear LG&E Customer:

To comply with existing and new federal environmental laws and regulations, LG&E must continue to invest in additional pollution control facilities. Currently, LG&E is seeking Kentucky Public Service Commission ("KPSC") approval to build additional pollution control facilities. Following KPSC approval, the actual costs associated with the pollution control facilities would be passed on to retail electric customers through the existing Environmental Surcharge billing factor. LG&E estimates that the initial impact would be an increase in the environmental surcharge of \$0.73 per month for a residential electric customer using 976 kilowatt hours (kWh) per month during 2016. The announcement below is included to comply with KPSC regulations regarding notice of tariff changes to customers. If approved as filed, this change in rates will be included on customer bills no sooner than August 31, 2016.

NOTICE TO CUSTOMERS OF LOUISVILLE GAS AND ELECTRIC COMPANY

RECOVERY BY ENVIRONMENTAL SURCHARGE OF LOUISVILLE GAS AND ELECTRIC'S 2016 ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that Louisville Gas and Electric Company ("LG&E") filed with the Kentucky Public Service Commission ("Commission") on January 29, 2016 in Case No. 2016-00027, an Application pursuant to Kentucky Revised Statute 278.183 for approval of an amended compliance plan ("LG&E's 2016 Environmental Compliance Plan") for the purpose of recovering the capital costs associated with new pollution control facilities through an increase in the environmental surcharge on customers' bills beginning August 31, 2016 under LG&E's Electric Rate Schedule ECR, also known as the environmental cost recovery surcharge. The total capital cost of the projects in LG&E's 2016 Environmental Compliance Plan is estimated to be \$316 million.

Federal, state, and local environmental regulations require LG&E to build and upgrade equipment and facilities that produce energy from coal to operate in an environmentally sound manner. Specifically, LG&E is seeking Commission approval of Certificates of Public Convenience and Necessity to close coal-combustion-residual ("CCR") ponds and construct new process-water facilities at the Mill Creek Generating Station ("Mill Creek") and the Trimble County Generating Station ("Trimble County"). Each construction project is a component of LG&E's 2016 Environmental Compliance Plan.

LG&E is also seeking an order approving an amended compliance plan for the purpose of recovering the costs of new pollution-control facilities through its Environmental Surcharge tariff. These projects are required for LG&E to comply with the federal Clean Air Act as amended, the U.S. Environmental Protection Agency's new rule on the Disposal of CCR from Electric Utilities, the Mercury Air Toxics Standards, and other environmental requirements that apply to LG&E facilities used in the production of energy from coal. In addition to the projects described above, additional projects in LG&E's 2016 Environmental Compliance Plan include installing improvements to the mercury-related control equipment of Mill Creek Units 1-4 and Trimble County Unit 1, thereby allowing additive injections to mitigate mercury emissions. The total capital cost

of the new pollution control facilities for which LG&E is seeking recovery at this time is estimated to be \$309.1 million. Additional operation and maintenance expenses will be incurred for certain projects in LG&E's 2016 Environmental Compliance Plan and are costs that LG&E is requesting to recover through the environmental surcharge in its application.

The impact on LG&E's electric customers is estimated to be a 0.80% increase in 2016 with a maximum increase of 2.49% in 2020. For a LG&E residential electric customer using 976 kilowatt hours per month, the initial monthly increase is expected to be \$0.73 during 2016, with the maximum monthly increase expected to be \$2.26 during 2020.

The Environmental Surcharge Application described in this Notice is proposed by LG&E. However, the Public Service Commission may issue an order modifying or denying LG&E's Environmental Surcharge Application. Such action may result in an environmental surcharge for consumers other than the environmental surcharge described in this Notice.

Comments regarding LG&E's 2016 Environmental Surcharge Plan and Application may be submitted to the Public Service Commission through its Web site or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication, request leave to intervene in Case No. 2016-00027. That motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown, however, if the Commission does not receive a written request for intervention within thirty (30) days of initial publication, the Commission may take final action on the application. Any person who has been granted intervention may obtain copies of the Application and testimony by contacting Louisville Gas and Electric Company at 220 West Main Street, Louisville, Kentucky, 40202, Attention: State Regulation and Rates.

A copy of the Application and testimony is available for public inspection on LG&E's website (http://www.lge-ku.com), on the Commission's website (http://psc.ky.gov), and in paper medium, Monday through Friday, 8:00 a.m. to 4:30 p.m. at the office of Louisville Gas and Electric Company, 820 West Broadway, Louisville, Kentucky, 40202, or the Commission's offices located at 211 Sower Boulevard, Frankfort, 40601, Kentucky, after January 29, 2016.