

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF) CASE NO.
KENTUCKY UTILITIES COMPANY FROM) 2017-00003
NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016)

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
COMMISSION STAFF'S POST HEARING REQUEST FOR INFORMATION
IN COMMISSION'S ORDER DATED APRIL 21, 2017

FILED: May 1, 2017

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Charles R. Schram**, being duly sworn, deposes and says that he is Director — Power Supply, for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Charles R. Schram

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 1st day of May 2017.

 (SEAL)

Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Derek Rahn**, being duly sworn, deposes and says that he is Manager - Revenue Requirement for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Derek Rahn

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 1st day of May 2017.

 (SEAL)

Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post Hearing Request for Information
in Commission's Order Dated April 21, 2017**

Case No. 2017-00003

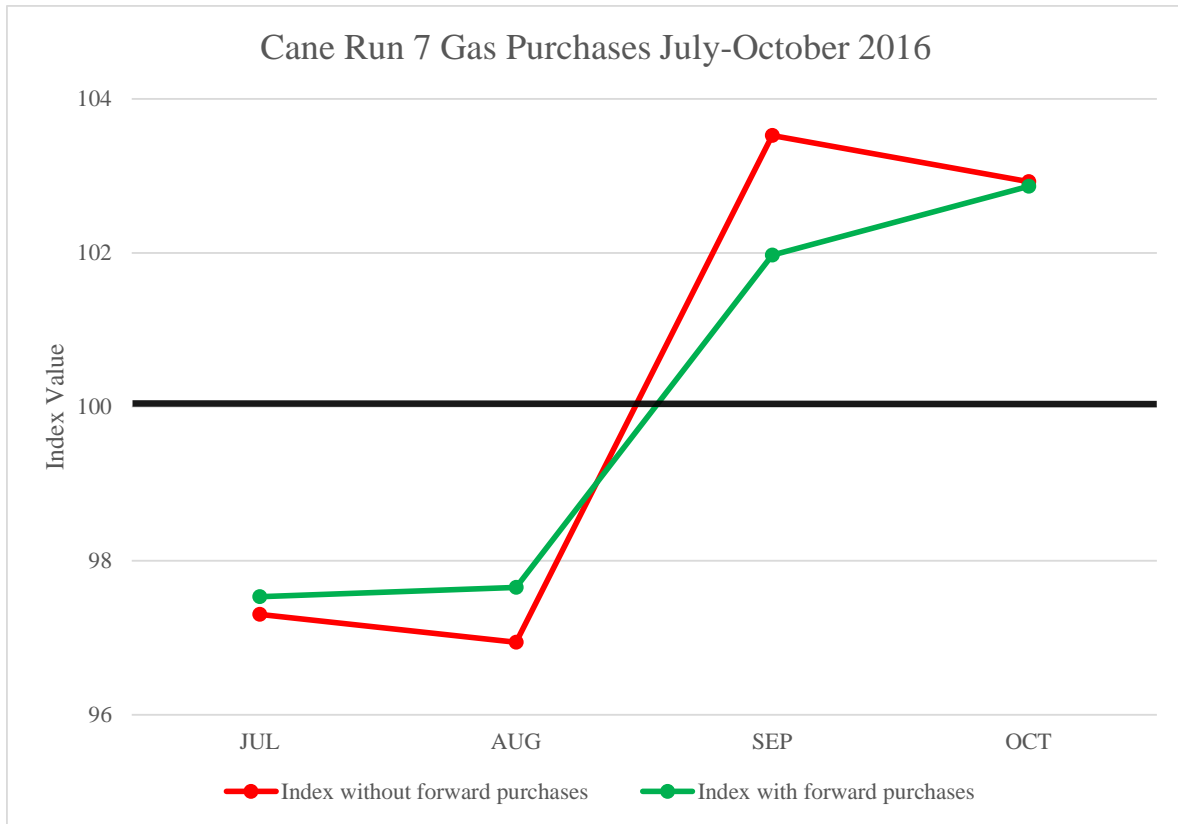
Question No. 1

Witness: Charles R. Schram

- Q-1. Refer to KU's response to the Commission's February 6, 2017 Request for Information, Item 29. The response states that, beginning July 2016, a portion of the gas used to operate Cane Run unit 7 was purchased on a forward basis. Provide the amount paid under the forward basis versus what would have been paid if a forward basis had not been used.
- A-1. The information requested is contained in the table below. The monthly price of the Cane Run 7 forward purchases is the same for each day of the respective month. The expected price without forward purchases reflects the average spot price for the remainder of Cane Run 7's natural gas supply during the month. The blended price is the weighted average of Cane Run 7's forward and spot gas prices.

Forward gas purchases for CR7 (\$/MMBtu)			
2016 Month	Forward Purchase Price	Expected Price without Forward Purchases	Blended Price with Forward Purchases
JUL	\$2.5150	\$2.6902	\$2.6548
AUG	\$2.5850	\$2.6801	\$2.6580
SEP	\$2.5012	\$2.8622	\$2.7756
OCT	\$2.6825	\$2.8456	\$2.7999

KU discussed the fuel strategy for Cane Run 7 with Commission staff during two informal conferences, on January 28, 2016 and August 11, 2016. The fuel strategy's goals are to maintain a reliable fuel supply and reduce customer bill volatility related to fuel costs. An illustration of the reduction in gas price volatility for the July 2016 forward gas purchases was provided in the August 11, 2016 presentation. The graph below illustrates the monthly reduction in price volatility across the four month period of July through October 2016 as a result of the forward gas purchases for Cane Run 7's fuel supply. Each month's results are indexed to the 4 month weighted averages. Values closer to 100 reflect less volatility.



KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post Hearing Request for Information
in Commission's Order Dated April 21, 2017**

Case No. 2017-00003

Question No. 2

Witness: Derek Rahn

- Q-2. If a final Order is issued in KU's current base rate proceeding before a final Order is issued in this proceeding, provide an updated response to the Commission's February 6, 2017 Request for Information, Item 16, to show the effect of KU's proposed decrease in base fuel costs on base rates.
- A-2. See attached. In developing the attachment, the Company utilized the rates developed and presented in the Stipulation and Recommendation filed in Case No. 2016-00370 on April 19, 2017.

Kentucky Utilities Company Revised Tariffs

STIPULATION filed

4/19/2017

Tariff Sheet No.	Rate Schedule	Base Rates --		Existing Fuel Component of Base Rates	Existing Base Rate -- Excluding Fuel Base	Revised Fuel Component of Base Rates	Revised Base Rates including Fuel and ECR				
		Energy, Fuel and ECR									
5	RS	\$	0.09163	\$	0.02892	\$	0.06271	\$	0.02609	\$	0.08880
6	RTOD-Energy										
	Off Peak	\$	0.06015	\$	0.02892	\$	0.03123	\$	0.02609	\$	0.05732
	On Peak	\$	0.27646	\$	0.02892	\$	0.24754	\$	0.02609	\$	0.27363
6.1	RTOD - Demand	\$	0.04579	\$	0.02892	\$	0.01687	\$	0.02609	\$	0.04296
7	VFD	\$	0.09163	\$	0.02892	\$	0.06271	\$	0.02609	\$	0.08880
10	GS	\$	0.10465	\$	0.02892	\$	0.07573	\$	0.02609	\$	0.10182
12	AES	\$	0.08333	\$	0.02892	\$	0.05441	\$	0.02609	\$	0.08050
15	PS										
	Secondary	\$	0.03571	\$	0.02892	\$	0.00679	\$	0.02609	\$	0.03288
	Primary	\$	0.03472	\$	0.02892	\$	0.00580	\$	0.02609	\$	0.03189
20	TODS	\$	0.03528	\$	0.02892	\$	0.00636	\$	0.02609	\$	0.03245
22	TODP	\$	0.03432	\$	0.02892	\$	0.00540	\$	0.02609	\$	0.03149
25	RTS	\$	0.03355	\$	0.02892	\$	0.00463	\$	0.02609	\$	0.03072
30	FLS										
	Primary	\$	0.03432	\$	0.02892	\$	0.00540	\$	0.02609	\$	0.03149
	Transmission	\$	0.03331	\$	0.02892	\$	0.00439	\$	0.02609	\$	0.03048
37	LE	\$	0.07328	\$	0.02892	\$	0.04436	\$	0.02609	\$	0.07045
38	TE	\$	0.09037	\$	0.02892	\$	0.06145	\$	0.02609	\$	0.08754
79	SPS	\$	0.03572	\$	0.02892	\$	0.00680	\$	0.02609	\$	0.03289
80	STOD	\$	0.03572	\$	0.02892	\$	0.00680	\$	0.02609	\$	0.03289
81	OSL										
	Secondary	\$	0.03571	\$	0.02892	\$	0.00679	\$	0.02609	\$	0.03288
	Primary	\$	0.03472	\$	0.02892	\$	0.00580	\$	0.02609	\$	0.03189

KENTUCKY UTILITIES COMPANY
LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase \$/kWh	Annual Increase per year	Monthly Increase	Tariff		
						STIPULATION filed 4/19/2017	Revised	
35	LS Lighting Service		(0.00283)					
	Overhead Service							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	High Pressure Sodium							
	462 Cobra Head	5,800	0.083	332 kWh/year	(0.94)	(0.08)	9.86	9.78
	472 Cobra Head	5,800	0.083	332 kWh/year	(0.94)	(0.08)	13.56	13.48
	463 Cobra Head	9,500	0.117	468 kWh/year	(1.32)	(0.11)	10.35	10.24
	473 Cobra Head	9,500	0.117	468 kWh/year	(1.32)	(0.11)	14.25	14.14
	464 Cobra Head	22,000	0.242	968 kWh/year	(2.74)	(0.23)	16.08	15.85
	474 Cobra Head	22,000	0.242	968 kWh/year	(2.74)	(0.23)	20.28	20.05
	465 Cobra Head	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	25.61	25.17
	475 Cobra Head	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	28.46	28.02
	487 Directional	9,500	0.117	468 kWh/year	(1.32)	(0.11)	10.19	10.08
	488 Directional	22,000	0.242	968 kWh/year	(2.74)	(0.23)	15.42	15.19
	489 Directional	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	21.95	21.51
	428 Open Bottom	9,500	0.117	468 kWh/year	(1.32)	(0.11)	8.87	8.76
	Metal Halide							
	451 Directional	32,000	0.350	1,400 kWh/year	(3.96)	(0.33)	22.80	22.47
	Light Emitting Diode (LED)							
	390 Cobra Head	8,179	0.080	320 kWh/year	(0.91)	(0.08)	14.92	14.84
	391 Cobra Head	14,166	0.134	536 kWh/year	(1.52)	(0.13)	18.09	17.96
	392 Cobra Head	23,214	0.228	912 kWh/year	(2.58)	(0.22)	27.63	27.41
35.1	LS Lighting Service							
	LED (continued)							
	393 Open Bottom	5,007	0.050	200 kWh/year	(0.57)	(0.05)	9.94	9.89
	Underground Service							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	High Pressure Sodium							
	467 Colonial	5,800	0.083	332 kWh/year	(0.94)	(0.08)	12.63	12.55
	468 Colonial	9,500	0.117	468 kWh/year	(1.32)	(0.11)	12.96	12.85
	401 Acorn	5,800	0.083	332 kWh/year	(0.94)	(0.08)	17.23	17.15
	411 Acorn	5,800	0.083	332 kWh/year	(0.94)	(0.08)	24.58	24.50
	420 Acorn	9,500	0.117	468 kWh/year	(1.32)	(0.11)	17.69	17.58
	430 Acorn	9,500	0.117	468 kWh/year	(1.32)	(0.11)	25.17	25.06
	414 Victorian	5,800	0.083	332 kWh/year	(0.94)	(0.08)	34.09	34.01
	415 Victorian	9,500	0.117	468 kWh/year	(1.32)	(0.11)	34.41	34.30
	492 Contemporary	5,800	0.083	332 kWh/year	(0.94)	(0.08)	17.12	17.04
	476 Contemporary	5,800	0.083	332 kWh/year	(0.94)	(0.08)	19.41	19.33
	497 Contemporary	9,500	0.117	468 kWh/year	(1.32)	(0.11)	17.00	16.89
	477 Contemporary	9,500	0.117	468 kWh/year	(1.32)	(0.11)	24.01	23.90
	498 Contemporary	22,000	0.242	968 kWh/year	(2.74)	(0.23)	19.84	19.61
	478 Contemporary	22,000	0.242	968 kWh/year	(2.74)	(0.23)	30.92	30.69
	499 Contemporary	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	24.15	23.71
	479 Contemporary	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	38.21	37.77
	300 Dark Sky	4,000	0.060	240 kWh/year	(0.68)	(0.06)	24.88	24.82
	301 Dark Sky	9,500	0.117	468 kWh/year	(1.32)	(0.11)	26.00	25.89
35.2	LS Lighting Service							
	Underground Service							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	Metal Halide							
	491 Contemporary	32,000	0.350	1,400 kWh/year	(3.96)	(0.33)	24.68	24.35
	495 Contemporary	32,000	0.350	1,400 kWh/year	(3.96)	(0.33)	38.89	38.56
	Light Emitting Diode (LED)							
	396 Cobra Head	8,179	0.080	320 kWh/year	(0.91)	(0.08)	35.44	35.36
	397 Cobra Head	14,166	0.134	536 kWh/year	(1.52)	(0.13)	38.61	38.48
	398 Cobra Head	23,214	0.228	912 kWh/year	(2.58)	(0.22)	48.14	47.92
	399 Colonial, 4-Sided	5,665	0.068	272 kWh/year	(0.77)	(0.06)	37.51	37.45

KENTUCKY UTILITIES COMPANY
LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase \$/kWh (0.00283)	Annual Increase per year	Monthly Increase	Tariff		
						STIPULATION filed 4/19/2017	Revised	
36	RLS Restricted Lighting Service							
	Overhead Service							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	High Pressure Sodium							
	461 Cobra Head	4,000	0.060	240 kWh/year	(0.68)	(0.06)	8.87	8.81
	471 Cobra Head	4,000	0.060	240 kWh/year	(0.68)	(0.06)	12.20	12.14
	409 Cobra Head	50,000	0.471	1,884 kWh/year	(5.33)	(0.44)	14.10	13.66
	426 Open Bottom	5,800	0.083	332 kWh/year	(0.94)	(0.08)	8.54	8.46
	Metal Halide							
	450 Directional	12,000	0.150	600 kWh/year	(1.70)	(0.14)	16.13	15.99
	454 Directional	12,000	0.150	600 kWh/year	(1.70)	(0.14)	20.89	20.75
	455 Directional	32,000	0.350	1,400 kWh/year	(3.96)	(0.33)	27.56	27.23
	452 Directional	107,800	1.080	4,320 kWh/year	(12.23)	(1.02)	47.70	46.68
	459 Directional	107,800	1.080	4,320 kWh/year	(12.23)	(1.02)	52.45	51.43
	Mercury Vapor							
	446 Cobra Head	7,000	0.207	828 kWh/year	(2.34)	(0.20)	10.84	10.64
	456 Cobra Head	7,000	0.207	828 kWh/year	(2.34)	(0.20)	13.35	13.15
	447 Cobra Head	10,000	0.294	1,176 kWh/year	(3.33)	(0.28)	12.85	12.57
	457 Cobra Head	10,000	0.294	1,176 kWh/year	(3.33)	(0.28)	15.08	14.80
	448 Cobra Head	20,000	0.453	1,812 kWh/year	(5.13)	(0.43)	14.54	14.11
	458 Cobra Head	20,000	0.453	1,812 kWh/year	(5.13)	(0.43)	17.02	16.59
	404 Open Bottom	7,000	0.207	828 kWh/year	(2.34)	(0.20)	11.87	11.67
36.1	RLS Restricted Lighting Service							
	Overhead Service (continued)							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	Incandescent							
	421 Tear Drop	1,000	0.102	408 kWh/year	(1.15)	(0.10)	3.81	3.71
	422 Tear Drop	2,500	0.201	804 kWh/year	(2.28)	(0.19)	5.11	4.92
	424 Tear Drop	4,000	0.327	1,308 kWh/year	(3.70)	(0.31)	7.63	7.32
	425 Tear Drop	6,000	0.447	1,788 kWh/year	(5.06)	(0.42)	10.19	9.77
	Underground Service							
	Rate Code Type of Fixture	Approximate Lumens	kW Per Light					
	Metal Halide							
	460 Directional	12,000	0.150	600 kWh/year	(1.70)	(0.14)	31.30	31.16
	469 Directional	32,000	0.350	1,400 kWh/year	(3.96)	(0.33)	37.01	36.68
	470 Directional	107,800	1.080	4,320 kWh/year	(12.23)	(1.02)	61.66	60.64
	490 Contemporary	12,000	0.150	600 kWh/year	(1.70)	(0.14)	17.45	17.31
	494 Contemporary	12,000	0.150	600 kWh/year	(1.70)	(0.14)	31.42	31.28
	493 Contemporary	107,800	1.080	4,320 kWh/year	(12.23)	(1.02)	51.32	50.30
	496 Contemporary	107,800	1.080	4,320 kWh/year	(12.23)	(1.02)	65.28	64.26
	High Pressure Sodium							
	440 Acorn	4,000	0.060	240 kWh/year	(0.68)	(0.06)	15.71	15.65
	410 Acorn	4,000	0.060	240 kWh/year	(0.68)	(0.06)	23.20	23.14

KENTUCKY UTILITIES COMPANY
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	466 Colonial		4,000	0.060	240 kWh/year	(0.68)	(0.06)	11.22	11.16
	412 Coach		5,800	0.083	332 kWh/year	(0.94)	(0.08)	34.09	34.01
	413 Coach		9,500	0.117	468 kWh/year	(1.32)	(0.11)	34.41	34.30
36.2	RLS Restricted Lighting Service	Approximate Lumens							
	Underground Service								
	360 Granville		16,000	0.181	724 kWh/year	(2.05)	(0.17)	11.22	11.05