

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR A CERTIFICATE OF PUBLIC)	CASE NO: 2017-00483
CONVENIENCE AND NECESSITY AND)	
APPROVAL OF AMENDMENT TO ITS 2016)	
COMPLIANCE PLAN FOR RECOVERY BY)	
ENVIRONMENTAL SURCHARGE)	

CERTIFICATE OF NOTICE AND PUBLICATION

Pursuant to the Kentucky Public Service Commission’s Regulation 807 KAR 5:001, Section 16(1)(b)(5), I hereby certify that I am Robert M. Conroy, Vice President, State Regulation and Rates, for Kentucky Utilities Company (“KU” or “Company”), a utility furnishing retail electric service within the Commonwealth of Kentucky, which, on January 26, 2018, will file an application requesting an order authorizing KU to recover the environmental compliance costs of Amended Project 36 of its 2016 Environmental Compliance Plan (“2016 ECR Plan”) via its environmental surcharge through its Rate Schedule ECR as required by KRS 278.183, and as applicable KRS 278.020(1), and requesting an order granting KU a Certificate of Public Convenience and Necessity for the (1) construction of an amended Phase II of the landfill at the E.W. Brown Generating Station (“Brown”) and (2) capping and closing of any remaining surface area of the Brown Main Ash Pond. KU is proposing no changes to its Environmental Cost Recovery Surcharge tariff sheets, P.S.C. No. 18, Original Sheet No. 87 and Original Sheet No. 87.1 *Adjustment Clause ECR*, other than to change their issue date to January 26, 2018 and proposed effective date to July 31, 2018.

I further certify that notice to the public of the filing of the application is being given in all respects as required by 807 KAR 5:001, Section 17 and 807 KAR 5:011, Section 8(2)(c), as follows:

On January 26, 2018, notice to the public was delivered for exhibition and public inspection at the offices and places of business of the Company in the territory affected thereby, at the following places:

- | | |
|----------------|--------------|
| Barlow | Maysville |
| Campbellsville | Middlesboro |
| Carrollton | Morehead |
| Danville | Morganfield |
| Earlington | Mt. Sterling |
| Eddyville | Paris |
| Elizabethtown | Richmond |
| Georgetown | Shelbyville |
| Greenville | Somerset |
| Harlan | Versailles |
| Lexington | Winchester |
| London | |

The same will be kept open to public inspection at said offices and places of business in conformity with the requirements of 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a).

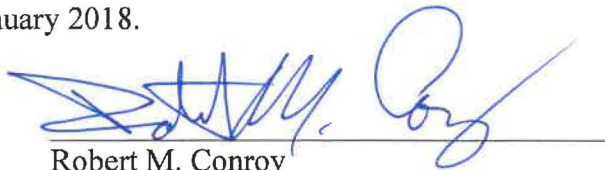
I further certify that more than twenty (20) customers will be affected by said change by way of an increase in their rates or charges, and that on January 26, 2018, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication therein once a week for three consecutive weeks beginning on January 26, 2018, a notice of the filing of KU's application, including its proposed rates, a copy of said notice being attached hereto as Exhibit A, and a list of newspapers of general circulation throughout the

Commonwealth of Kentucky in which customers affected reside, a copy of said list being attached hereto as Exhibit B. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion of same pursuant to 807 KAR 5:001, Section 17(3)(b).

In addition, beginning with bills issued after January 26, 2018, KU is including a general statement explaining the Application in this case with the bills for all Kentucky retail customers during the course of their regular monthly billing cycle. An accurate copy of this general statement is attached as Exhibit C.

Also beginning on January 26, 2018, KU posted on its Internet website a copy of the notice to the public and a hyperlink to the location on the Kentucky Public Service Commission's website where the case documents and tariff filings are available. Beginning on January 26, 2018, KU also posted on its Internet website a complete copy of KU's application in this case. Both the notice being published in newspapers and the bill inserts being sent to customers include the web address to the online posting.

Given under my hand this 26 day of January 2018.



Robert M. Conroy
Vice President, State Regulation and Rates
LG&E and KU Services 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 26th day of January 2018.



(SEAL)
Notary Public

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

CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Kentucky Utilities Company's January 26, 2018 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission on January 26, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and one copy of the filing is being hand-delivered to the Commission on January 26, 2018; and that on January 26, 2018, electronic mail notification of the electronic filing will be provided to the following:

Rebecca Goodman
Lawrence W. Cook
Office of the Attorney General
Office of Rate Intervention
700 Capitol Avenue, Suite 20
Frankfort, KY 40601
Rebecca.Goodman@ky.gov
Larry.Cook@ky.gov

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202
mkurtz@BKLawfirm.com



Counsel for Kentucky Utilities Company

Exhibit A
Newspaper Notices

NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY

RECOVERY BY ENVIRONMENTAL SURCHARGE OF KENTUCKY UTILITIES COMPANY'S
AMENDMENT TO ITS 2016 ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that Kentucky Utilities Company (“KU”) is filing with the Kentucky Public Service Commission (“Commission”) on January 26, 2018 in Case No. 2017-00483, an Application pursuant to Kentucky Revised Statute 278.183 for approval of an amendment to Project 36 of its 2016 Environmental Compliance Plan for the purpose of recovering the capital costs associated with new pollution control facilities (“Amended Project 36”) through an increase in the environmental surcharge on customers’ bills beginning August 30, 2018 under KU’s existing Electric Rate Schedule ECR, also known as the environmental cost recovery surcharge. The total capital cost of Amended Project 36 in KU’s 2016 Environmental Compliance Plan is estimated to be \$14.7 million.

On August 8, 2016, the Commission approved KU’s 2016 Environmental Compliance Plan, including the original Project 36, and granted an associated Certificate of Public Convenience and Necessity in Case No. 2016-00026. The total capital cost of the original Project 36 was then estimated to be \$11.9 million. Following the approval of this project, KU continued to evaluate the timing of and capacity needs for Phase II of the landfill at the E.W. Brown Generation Station (“Brown”), and construction did not begin prior to the one-year expiration of the Certificate of Public Convenience and Necessity authorization. The increase in the total capital cost between the original Project 36 and the cost of the now proposed amendment to Project 36 is estimated to be \$2.8 million.

Federal and state environmental regulations require KU to build and upgrade equipment and facilities that produce energy from coal to operate in an environmentally sound manner. Specifically, KU is seeking Commission approval of a Certificate of Public Convenience and Necessity for the construction of Phase II of the landfill at Brown and to cap and close any remaining surface area of the Brown Main Ash Pond. This construction project is an amendment to Project 36 of KU’s 2016 Environmental Compliance Plan that was approved by the Commission in 2016.

Additionally, KU is seeking an order approving Amended Project 36 for purposes of recovering the costs of the new pollution control facilities through its Environmental Surcharge tariff. Amended Project 36 is required for KU to comply with the U.S. Environmental Protection Agency’s federal *Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities* (“Federal CCR Rule”), and other environmental requirements that apply to KU facilities used in the production of energy from coal. The total capital cost of the new pollution control facilities for which KU is seeking recovery at this time is estimated to be \$14.7 million. O&M costs related to amended Phase II will be similar to O&M costs incurred in Phase I and are not distinguishable. If Amended Project 36 is approved, KU plans to continue to recover its Brown CCR Landfill O&M costs through its environmental surcharge as part of Project 29 in KU’s 2011 ECR Plan.

The impact on KU’s Group 1 customers is estimated to be a 0.05% increase in 2018 with a maximum increase of 0.13% in 2020. Group 1 includes Rate Schedules RS, AES, and all Lighting Rates. For a KU residential customer using 1,122 kilowatt hours per month (kWh/mo), the initial monthly increase is expected to be \$0.06 during 2018, with the maximum monthly increase expected to be \$0.15 during 2020. AES customers using 21,341 kWh/mo could expect a monthly increase of \$0.97 up to \$2.50. Lighting Energy customers using 9,307 kWh/mo could expect a monthly increase of \$0.34 up to \$0.87. Traffic Energy customers using 160 kWh/mo and Lighting Service and Restricted Lighting Service customers using 61 kWh/mo could expect a monthly increase of \$0.01 up to \$0.02.

The impact on KU's Group 2 customers is estimated to be a 0.08% increase in 2018 with a maximum increase of 0.19% in 2020. Group 2 includes Rate Schedules GS, PS-Secondary (PSS), PS-Primary (PSP), Time of Day Secondary (TODS), Time of Day Primary (TODP), Retail Transmission Service (RTS), Fluctuating Load Service (FLS), School Power Service (SPS), School Time of Day Service (STOD), and Outdoor Sports Lighting Service (ODL).

GS customers using 1,805 kWh/mo could expect a monthly increase of \$0.13 up to \$0.34.
PSS customers using 39,535 kWh/mo could expect a monthly increase of \$1.85 up to \$4.78. PSP customers using 82,036 kWh/mo could expect a monthly increase of \$3.92 up to \$10.14.
TODS customers using 245,344 kWh/mo could expect a monthly increase of \$8.76 up to \$22.67.
TODP customers using 1,241,109 kWh/mo could expect a monthly increase of \$35.48 up to \$91.81.
RTS customers using 4,160,317 kWh/mo could expect a monthly increase of \$106.75 up to \$276.26.
FLS customers using 46,076,466 kWh/mo could expect a monthly increase of \$1,033.18 up to \$2,673.67.
SPS and ODL customers could expect monthly increases consistent with PSS and PSP customers using the same kWh/mo.
STOD customers could expect monthly increases consistent with TODS customers using the same kWh/mo.

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

Comments regarding KU's Amendment to Project 36 of its 2016 Environmental Surcharge Plan and Application may be submitted to the Public Service Commission through its website or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any person may submit a timely written request for intervention in Case No. 2017-00483 to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. 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 Kentucky Utilities 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 KU's website (<http://www.lge-ku.com>), on the Commission's website (<http://www.psc.ky.gov>), and in paper medium Monday through Friday, 8:00 a.m. to 4:30 pm at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky or the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, after January 26, 2018.

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Exhibit B
List of
Newspapers

Kentucky Press Service
 Newspaper Publications (KU & LG&E)
 January 19, 2018 / 10 Pages

COUNTY	NEWSPAPER	PUB DAY	LG&E ELECTRIC	LG&E GAS	KU
Adair	Columbia Adair Progress	Thur			YES
Anderson	Lawrenceburg Anderson News	Wed			YES
Ballard	Wickliffe Advance Yeoman	Wed			YES
Barren	*Glasgow Daily Times	Tues-Sat		YES	YES
	Cave City Barren Co Progress	Thur		YES.	YES
Bath	Owingsville Bath Co Outlook	Thur			YES
Bell	*Middlesboro Daily News	Tues-Sat			YES
	Pineville Sun	Thur			YES
Bourbon	Paris Bourbon Citizen	Wed			YES
Boyle	The Advocate Messenger	Sun-Fri			YES

COUNTY	NEWSPAPER	PUB DAV	LG&E ELECTRIC	LG&E GAS	KJ
Bracken	Brooksville Bracken Co News	Thur			YES
Bullitt	Shepherdsville Pioneer News	Mon/Wed	YES	YES	YES
Caldwell	Princeton Times Leader	Wed/Sat			YES
Campbell	Florence Boone Co	Thur			YES
Carlisle	*Bardwell Carlisle Co News	Wed			YES
	Bardwell Carlisle Weekly				YES
Carroll	Carrollton News Democrat	Wed			YES
Casey	Liberty Casey Co News	Wed			YES
Christian	Hopkinsville KY New Era	Mon-Sat NO TUES			YES

COUNTY	NEWSPAPER	PUB DAY	LG&E ELECTRIC	LG&E GAS	KJ
Clark	Winchester Sun	Sun-Fri			YES
Clay	Manchester Enterprise	Thur			YES
Crittenden	Marion Crittenden Press	Wed			YES
Daviess	Owensboro Messenger Inquirer	Sun-Sat			YES
Edmonson	Brownsville Edmonson News	Thur			YES
Estill	*Irvine Citizen Voice & Times	Thur			YES
	Irvine Estill Tribune	Wed			YES
Fayette	Lexington Herald Leader	Sun-Sat			YES
Fleming	Flemingsburg Gazette	Wed			YES

COUNTY	NEWSPAPER	PUB DAY	LG&E ELECTRIC	LG&E GAS	KJ
Franklin	Frankfort State Journal	Sun-Fri			YES
Fulton	The Current-Fulton Leader	Wed			YES
Gallatin	Warsaw Gallatin Co News	Wed			YES
Garrard	Lancaster Central Record	Thur			YES
Grant	Williamstown Grant Co New	Thur			YES
Grayson	Leitchfield News Gazette	Wed/Sat			YES
	*Leitchfield The Record	Thur			YES
Green	Greensburg Record Herald	Wed		YES	YES
Hardin	Elizabethtown News Enterprise	Sun-Fri	YES	YES	YES

COUNTY	NEWSPAPER	PUB DAV	LG&E ELECTRIC	LG&E GAS	KU
Harlan	*Harlan Enterprise	Tues-Sat			YES
	Cumberland Tri City News	Wed			YES
Harrison	Cynthiana Democrat	Thur			YES
Hart	Munfordville Hart Co News	Thur		YES	YES
Henderson	Henderson Gleaner	Tues-Sun			YES
Henry	New Castle Henry Co Local	Wed	YES	YES	YES
Hickman	Clinton Hickman Co Gazette- COMBINED WITH FULTON				
	Hickman Co Times	Wed			YES
Hopkins	*Madisonville Messenger	Tues-Sun			YES
	Dawson Springs Progress	Thur			YES
Jefferson	Louisville Courier Journal	Sun-Sat	YES	YES	YES (No KU customers in Jeff Co, but still pub in CJ)

COUNTY	NEWSPAPER	PUB DAV	LG&E ELECTRIC	LG&E GAS	KU
Jessamine	Nicholasville Jessamine Journal	Thur			YES
Knox	Barbourville Mountain Advocate	Thur			YES
Larue	Hodgenville Larue Herald	Wed		YES	YES
Laurel	London Sentinel Echo	M/W/F			YES
Lee	Beattyville Enterprise	Wed			YES
	*Beattyville Three Forks Tradition	Thur			YES
Lincoln	Stanford Interior Journal	Thur			YES
Livingston	Smithland Livingston Ledger	Wed			YES
Lyon	Eddyville Herald Ledger	Wed			YES

COUNTY	NEWSPAPER	PUB DAV	LG&E ELECTRIC	LG&E GAS	KU
Madison	Berea Citizen	Thur			YES
	*Richmond Register	Tues-Sat			YES
Marion	Lebanon Enterprise	Wed		YES	YES
Mason	Maysville Ledger Independent	Mon-Sat NO TUES			YES
McCracken	Paducah Sun	Sun-Sat			YES
McCreary	Whitley City McCreary Voice	Thur			YES
Mclean	Calhoun McLean Co News	Thur			YES
Meade	Brandenburg Meade Messenger	Thur	YES	YES	
Mercer	Harrodsburg Herald	Thur			YES

COUNTY	NEWSPAPER	PUB DAY	LG&E ELECTRIC	LG&E GAS	KJ
Metcalfe	Edmonton Herald News	Wed		YES	
Montgomery	Mt. Sterling Advocate	Thur			YES
Muhlenberg	*Central City Leader News	Tues			YES
	Central City Times Argus	Wed			YES
Nelson	Bardstown KY Standard	Sun/W/F		YES	YES
Nicholas	Carlisle Mercury	Wed			YES
Ohio	Hartford Ohio Co Times	Wed			YES
Oldham	LaGrange Oldham Era	Thur	YES	YES	YES
Owen	Owenton News Herald	Wed			YES

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Pendleton	Falmouth Outlook	Tues			YES
Pulaski	Commonwealth Journal	Tus-Sun			YES
Robertson	Robertson Co News	Thur			YES
Rockcastle	Mt. Vernon Signal	Thur			YES
Rowan	Morehead News	Tues/Fri			YES
Russell	Russell Springs Times Journal	Thur			YES
Scott	Georgetown News Graphic	Tu/Th/Sat			YES
Shelby	Shelbyville Sentinel News	Wed/Fri	YES	YES	YES

COUNTY	NEWSPAPER	PUB DAY	LG&E ELECTRIC	LG&E GAS	KU
Spencer	Taylorsville Spencer Magnet	Wed	YES	YES	YES
Taylor	Campbellsville Central KY News	Tues/Thur			YES
Trimble	Bedford Trimble Banner	Thur	YES	YES	YES
Union	Morganfield Union Co Advocat	Wed			YES
	*Sturgis News	Wed			YES
Washington	Springfield Sun	Wed		YES	YES
Webster	Providence Journal Enterprise	Wed			YES
	*Sebree Banner	Wed			YES
Whitley	Corbin Times Tribune	Mon-Sat			YES
	*Williamsburg News Journal	Wed			YES
Woodford	Versailles Woodford Sun	Thur			YES

Exhibit C
Bill Insert

Dear KU Customer:

To comply with existing federal and state environmental laws and regulations, KU must continue to invest in additional pollution control facilities. Currently, KU is seeking the Kentucky Public Service Commission's ("Commission") approval to amend an existing project to build additional pollution control facilities. Following Commission approval, the actual costs associated with the pollution control facilities would be passed on to retail customers through the existing Environmental Surcharge billing factor. The announcement below is included to comply with Commission 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 30, 2017.

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FLS customers using 46,076,466 kWh/mo could expect a monthly increase of \$1,033.18 up to \$2,673.67.
SPS and ODL customers could expect monthly increases consistent with PSS and PSP customers using the same kWh/mo.
STOD customers could expect monthly increases consistent with TODS customers using the same kWh/mo.

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

Comments regarding KU's Amendment to Project 36 of its 2016 Environmental Surcharge Plan and Application may be submitted to the Public Service Commission through its website or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any person may submit a timely written request for intervention in Case No. 2017-00483 to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. 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 Kentucky Utilities 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 KU's website (<http://www.lge-ku.com>), on the Commission's website (<http://www.psc.ky.gov>), and in paper medium Monday through Friday, 8:00 a.m. to 4:30 p.m. at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky or the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, after January 26, 2018.