

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY AND KENTUCKY UTILITIES)	
COMPANY FOR CERTIFICATES OF)	CASE NO. 2018-00005
PUBLIC CONVENIENCE AND NECESSITY)	
FOR FULL DEPLOYMENT OF ADVANCED)	
METERING SYSTEMS)	

VERIFIED INFORMATIONAL UPDATE FILING

This Verified Informational Update Filing of Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “the Companies”) provides updates to cost-benefit information included in various locations in the record. The 2017 Tax Cuts and Job Act (“Tax Act”) will affect revenues the Companies collect, at least in the short run, due to reduced corporate tax rates being reflected in utility rates.¹ As a result, two categories of benefits that the Companies calculated based on revenues (non-technical losses and ePortal) could decrease relative to the benefits presented in the Companies’ application, though it is also possible that other factors affecting rates could reduce or offset entirely the effects of the Tax Act on rates. Nonetheless, in the interest of providing the Commission full and complete information, the Companies present below an updated table in the same format the Companies provided in their January 30 filing. The table assumes revenues will relatively decrease due to the Tax Act across the entire cost-benefit study period, which results in reduced non-technical losses and ePortal benefits:²

¹ Tax Cuts and Jobs Act, H.R. 1, Public Law 115-97, 131 Stat. 2054 (Dec. 22, 2017).

² The explanations of the discount rates and other matters pertaining to the table filed in the January 30 filing also apply to the table below.

AMS Cost-Benefit Summary (2018-2040)

	Nominal Cash Outlays or Benefits¹	Revised Nominal RR	NPVRR As Filed¹	NPVRR Revised for Tax Act
\$M (Costs)				
Total Project Costs (Capital)	(320.0)	(515.0)	(357.1)	(342.5)
Total Project Costs (O&M)	(29.8)	(29.8)	(26.0)	(25.8)
Total Project Costs	\$ (349.8)	\$ (544.8)	\$ (383.1)	\$ (368.3)
Total Recurring Costs (Capital)	(43.8)	(63.0)	(22.3)	(20.9)
Total Recurring Costs (O&M)	(108.8)	(108.8)	(47.9)	(46.5)
Total Recurring Costs	\$ (152.6)	\$ (171.8)	\$ (70.2)	\$ (67.4)
Total Lifecycle Costs	\$ (502.4)	\$ (716.6)	\$ (453.3)	\$ (435.7)
Benefits				
Operational Savings	425.1	425.1	208.3	203.1
ePortal Benefit	158.0	155.3	76.7	73.5
Recovery of Non-Technical Losses	402.3	385.1	196.8	183.7
Total Lifecycle Benefits	\$ 985.4	\$ 965.5	\$ 481.8	\$ 460.3
Net Benefits vs (Costs)	\$ 483.0	\$ 248.9	\$ 28.5	\$ 24.6
Discount Rate			6.32%	6.58%

¹ As presented in the January 30, 2018 Verified Informational Update Filing.

The table below similarly updates the values presented on page 23 of the Rebuttal Testimony of John P. Malloy:

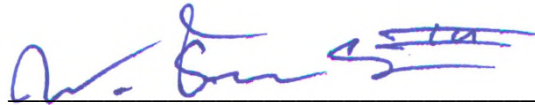
	Service Life		
\$M	15-year	18-year	20-year
Project NPVRR*	\$ 67.2	\$ 18.1	\$ (11.6)
Nominal Benefit	\$ 648.0	\$ 803.6	\$ 913.8
Benefit NPV	\$ 368.4	\$ 417.6	\$ 447.3

*Negative amount means benefits exceed costs

Again, it is possible that other factors will reduce or offset entirely the effects of the Tax Act on future revenues. That notwithstanding, the Companies are providing this informational update to ensure the Commission has ample information to evaluate this application.

Dated: July 3, 2018

Respectfully submitted,



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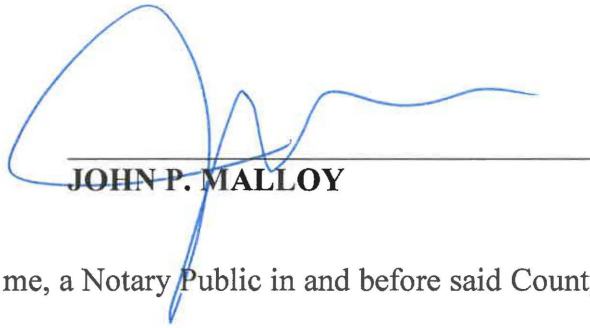
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*Counsel for Louisville Gas and Electric
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VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **John P. Malloy**, being duly sworn, deposes and says he is the Vice President, Gas Distribution for Louisville Gas and Electric Company, and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the Verified Informational Update Filing, and the content thereof is true and correct to the best of his information, knowledge, and belief.



JOHN P. MALLOY

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 31st day of July 2018.

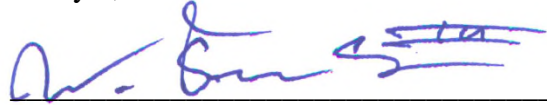


(SEAL)
Notary Public

My Commission Expires:
JUDY SCHOOLER
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 Louisville Gas and Electric Company and Kentucky Utilities Company's July 3, 2018 electronic filing of its *Verified Informational Update 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 July 3, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and six copies of the filing will be mailed by first class U.S. Mail, postage prepaid, to the Commission on July 3, 2018.



*Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company*