



PPL companies

Ms. Gwen R. Pinson
Executive Director
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October 26, 2018

RE: *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Company and Louisville Gas and Electric Company*
Case No. 2018-00034

Dear Ms. Pinson:

Pursuant to ordering paragraph (5) of the Commission's Order on September 28, 2018, in the above-referenced proceeding, attached is the plan of Kentucky Utilities Company and Louisville Gas and Electric Company (collectively, "the Companies") to true up the difference between the interim Tax Cuts and Jobs Act ("TCJA") Surcredits, which became effective on April 1, 2018 and those approved in the September 28th Order.

The Companies propose to provide the TCJA Surcredit true-up adjustment on customers' bills effective with service rendered on December 1, 2018 through April 30, 2019. The following Exhibits are attached:

- Exhibit 1 – the Companies' TCJA Surcredit true-up calculations (in PDF format);
- Exhibit 2 – the Companies' TCJA Surcredit true-up calculations (in Excel format); and
- Exhibit 3 – the Companies' TCJA Tariffs to be effective with service rendered on and after December 1, 2018 in both red-line and clean copy, reflecting the true-up adjustment in the TCJA Surcredit from the Commission's Order dated September 28, 2018.

The true-up calculations were performed by multiplying the Actual Billing Units (i.e., kWh or Ccf) for service rendered on April 1, 2018 through September 27,

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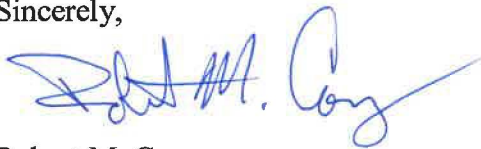
2018¹ by the applicable Rate TCJA Surcredit per kWh or Ccf approved in the Commission's September 28, 2018 Order ("Commission Approved TCJA Surcredit Rate") to determine what the TCJA Surcredit amount would have been (Line 3). The difference between the Actual Interim TCJA Surcredit amount refunded to customers (Line 4) and the TCJA Surcredit amount that would have been refunded to customers per the September 28, 2018 Order (Line 3) is the True-up TCJA Surcredit amount (Line 5).

The True-up TCJA Surcredit amount (Line 5) was then divided by the monthly billing units for the months of December of 2017, and January, February, March, and April of 2018 (Line 6) from the Companies's last rate case test year (i.e., the same billing units used in the determination of the Interim rates by the Companies and the final rates in Commission's Order dated September 28, 2018) to determine the Rate TCJA Surcredit True-up per kWh or Ccf (Line 7). The Rate TCJA Surcredit True-up per kWh or Ccf (Line 7) is then added to the Commission Approved TCJA Surcredit Rate (Line 2) to determine the Rate TCJA Surcredit per kWh or Ccf that will be effective with service rendered on and after December 1, 2018.

In accordance with 807 KAR 5:001, Section 8, I certify that the electronically filed documents are 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 26, 2018; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original of this filing in paper medium will be delivered to the Commission within two business days from the date of the electronic filing.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Sincerely,



Robert M. Conroy

¹ September 27, 2018 was the last date that the interim TCJA surcredit was in effect.