

CUSTOMER NOTICE OF RATE ADJUSTMENT

PLEASE TAKE NOTICE that, in a September 28, 2018, Application, Kentucky Utilities Company (“KU”) is seeking approval by the Kentucky Public Service Commission of an adjustment of its electric rates and charges to become effective on and after November 1, 2018.

KU CURRENT AND PROPOSED RESIDENTIAL ELECTRIC RATES

Residential Service – Rate RS

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge per Month:	\$12.25	
Basic Service Charge per Day:		\$ 0.53
Plus an Energy Charge per kWh:	\$ 0.09047	
Infrastructure:		\$ 0.06318
Variable:		\$ 0.03234
Total:		\$ 0.09552

Residential Time-of-Day Energy Service - Rate RTOD-Energy

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge per Month:	\$12.25	
Basic Service Charge per Day:		\$ 0.53
Plus an Energy Charge per kWh:		
Off-Peak Hours	\$ 0.05892	
Off-Peak Hours (Infrastructure):		\$ 0.02658
Off-Peak Hours (Variable):		\$ 0.03234
Off-Peak Hours (Total):		\$ 0.05892
On-Peak Hours	\$ 0.27615	
On-Peak Hours (Infrastructure):		\$ 0.28583
On-Peak Hours (Variable):		\$ 0.03234
On-Peak Hours (Total):		\$ 0.31817

Residential Time-of-Day Demand Service - Rate RTOD-Demand

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge per Month:	\$12.25	
Basic Service Charge per Day:		\$0.53
Plus an Energy Charge per kWh:	\$ 0.04478	
Plus an Energy Charge per kWh (Infrastructure):		\$ 0.01244
Plus an Energy Charge per kWh (Variable):		\$ 0.03234
Plus an Energy Charge per kWh (Total):		\$ 0.04478
Plus a Demand Charge per kW:		
Base Hours	\$ 3.44	\$ 3.44
Peak Hours	\$ 7.87	\$ 8.90

KU is also proposing changes to the rates for other customer classes. These customer classes and the changes in their associated annual revenue changes are listed in the tables shown below. KU is also proposing changes in the text of some of its rate schedules and other tariff provisions, including substantive changes in its terms and conditions for electric service and miscellaneous charges. KU’s proposed rates reflect a proposed annual increase in electric revenues of approximately 7.11%.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	Average Usage (kWh)	Annual \$ Increase	Annual % Increase	Monthly Bill \$ Increase	Monthly Bill % Increase
Residential	1,139	50,433,651	8.10	9.63	8.10
Residential Time-of-Day Energy	1,142	6,406	8.11	8.68	8.11
General Service	1,717	15,621,049	6.61	15.41	6.61
All Electric School	19,744	852,252	6.60	127.28	6.61
Power Service	34,810	12,186,004	6.61	217.19	6.61
Time-of-Day Secondary	208,133	8,381,858	6.11	949.03	6.11
Time-of-Day Primary	1,294,965	15,925,393	6.11	5,117.42	6.11
Retail Transmission	4,908,868	5,347,588	6.12	17,825.29	6.12
Fluctuating Load Service	51,873,999	2,077,780	6.12	173,148.31	6.12
Outdoor Lights	59	2,090,440	6.61	1.00	6.59
Lighting Energy	3,573	0.00	0.00	0.00	0.00
Traffic Energy	171	(396.00)	(0.21)	(0.04)	(0.20)
PSA	N/A	0.00	0.00	0.00	0.00
Rider – CSR	N/A	0.00	0.00	0.00	0.00
Outdoor Sports Lighting – Pilot Program	5,204	3,921	6.62	54.45	6.62

The monthly residential electric bill increase due to the proposed electric base rates will be 8.1 percent, or approximately \$9.63, for a customer using 1,139 kWh of electricity (the average monthly consumption of a KU residential customer). KU is proposing to withdraw Adjustment Clause TCJA from service and cancelling the associated billing credits effective when new base rates change. When the TCJA Surcredit is cancelled when new base rates take effect, the total monthly residential electric bill increase will be 11.7%, or approximately \$13.47, for a customer using 1,139 kWh of electricity.

KU is proposing numerous revisions to the rates, terms and conditions for service under Pole and Structure Attachment Charges – Rate PSA, including expanding the availability of the schedule to internal communication network facilities of governmental units and educational institutions. If approved, the rates terms and conditions for attaching communication network facilities of such governmental units and educational institutions will be subject to Rate Schedule PSA.

Other Charges

KU is proposing the following revisions to other charges in the tariff:

Other Charges	Current Charge	Proposed Charge
Returned Payment Charge	\$10.00	\$3.00
Meter Pulse Charge	\$15.00	\$25.00
Redundant Capacity - Secondary	\$1.04	\$1.16
Redundant Capacity - Primary	\$0.86	\$0.99
EVSE – Single Charger	\$182.31	\$134.34
EVSE – Dual Charger	\$306.10	\$196.64
EVSE-R – Single Charger	\$131.41	\$123.99
EVSE-R – Dual Charger	\$204.31	\$175.95
EVC – Charge per Hour for First Two Hours	\$2.84	\$0.75
EVC – Charge per Hour for Every Hour After First Two Hours	\$2.84	\$1.00
Solar Share Program Rider	\$6.27	\$5.68
Excess Facilities – w/ no CIAC	1.24%	1.20%
Excess Facilities – w/ CIAC	0.48%	0.47%
TS – Temporary-to-Permanent	100%	15%
TS – Seasonal	100%	100%

A detailed notice of all proposed revisions and a complete copy of the proposed tariffs containing the proposed text changes, terms and conditions and rates may be obtained by submitting a written request by e-mail to myaccount@lge-ku.com or by mail to Kentucky Utilities Company, ATTN: Rates Department, 220 West Main Street, Louisville, Kentucky, 40202, or by visiting KU's website at www.lge-ku.com. A copy of the full customer notice required by 807 KAR 5:001 Section 17 is posted and may be viewed in each public library located within KU's service territory or at the KU offices where bills are paid.

A person may examine KU's application at the offices of KU located at 100 Quality Street, Lexington, Kentucky or at the other KU business offices, and at KU's website at www.lge-ku.com. A person may also examine this application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or may view and download the through the Commission's Web site at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, or by sending an email to the Commission's Public Information Officer at psc.info@ky.gov. All comments should reference Case No. 2018-00294.

The rates contained in this notice are the rates proposed by KU, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention 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 or mailing of the notice, the commission may take final action on the application.

Kentucky Utilities Company
c/o LG&E and KU Energy LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
1-800-981-0600

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602
502-564-3940